

## AGRICULTURAL LAND PRICES AND RENTS IN AGRICULTURE IN THE REPUBLIC OF BULGARIA IN 2021

### Price of the agricultural land transactions in the Republic of Bulgaria in 2021

The average price of transactions with arable land in Bulgaria reached in 2021 BGN 1 192, which was 14.4% higher than in 2020. The average price of arable land transactions between physical and juridical persons amounted to BGN 1 184, while the price between juridical persons - to BGN 1 133. The average price of transactions with permanent grassland (meadows and pastures) in 2021 reached BGN 278 and increased compared to the previous year by 3.9% (Table 1).

#### 1. Average prices of agricultural land transactions by land use categories in the period 2014 - 2021

(BGN/dca)

| Land use categories | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---------------------|------|------|------|------|------|------|------|------|
| Arable land         | 708  | 761  | 770  | 870  | 980  | 1053 | 1042 | 1192 |
| Orchards            | 440  | 480  | 534  | #    | #    | #    | #    | #    |
| Vineyards           | 451  | 339  | 370  | #    | #    | #    | #    | #    |
| Permanent grassland | 246  | 227  | 271  | 262  | 218  | 300  | 268  | 278  |

# - break in time series.

In 2021 compared to the previous year there was an increase in the price of arable land transactions in all six statistical regions. In Severozapaden region the increase was by 32.8%, in Severen tsentralen region - by 11.9%, in Severoiztochen region - by 6.8%, in Yugoiztochen region - by 5.0%, in Yugozapaden region - by 69.2% and in Yuzhen tsentralen region - by 5.8%. The highest was the price of transactions with arable land in Severoiztochen region - BGN 1 569 per one decare, and the lowest in Yugozapaden region - BGN 678 per one decare (Table 2).

## 2. Average prices of arable land transactions by statistical regions in the period 2014 - 2021

(BGN/dca)

| Statistical regions | 2014       | 2015       | 2016       | 2017       | 2018       | 2019        | 2020        | 2021        |
|---------------------|------------|------------|------------|------------|------------|-------------|-------------|-------------|
| <b>Total</b>        | <b>708</b> | <b>761</b> | <b>770</b> | <b>870</b> | <b>980</b> | <b>1053</b> | <b>1042</b> | <b>1192</b> |
| Severozapaden       | 701        | 718        | 753        | 920        | 884        | 967         | 986         | 1309        |
| Severen tsentralen  | 822        | 832        | 908        | 789        | 1098       | 1138        | 1155        | 1293        |
| Severoiztochen      | 971        | 1057       | 1175       | 1401       | 1357       | 1462        | 1470        | 1569        |
| Yugoiztochen        | 501        | 653        | 721        | 804        | 809        | 861         | 899         | 944         |
| Yugozapaden         | 331        | 357        | 228        | 303        | 199        | 818         | 401         | 678         |
| Yuzhen tsentralen   | 477        | 445        | 426        | 539        | 681        | 706         | 643         | 680         |

### Prices of rent for arable land in the Republic of Bulgaria in 2021

The average price for rent/lease of one decare of arable land reached in 2021 BGN 55, which was 20.5% higher than in 2020. The average price for rent/lease of one decare of permanent grassland was BGN 25 and was by 19.4% higher than the previous year (Table 3).

## 3. Average rent prices of agricultural land by land use categories in the period 2014 - 2021

(BGN/dca)

| Land use categories | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---------------------|------|------|------|------|------|------|------|------|
| Arable land         | 43   | 44   | 44   | 47   | 50   | 49   | 46   | 55   |
| Orchards            | 35   | 32   | 41   | #    | #    | #    | #    | #    |
| Vineyards           | 24   | 36   | 31   | #    | #    | #    | #    | #    |
| Permanent grassland | 17   | 18   | 15   | 16   | 16   | 23   | 21   | 25   |

# - break in time series.

The price paid for rent/lease of one decare of arable land increased compared to the previous year in all six statistical regions. In Severozapaden region and in Severen tsentralen region the increase was by 10.1%, in Severoiztochen region - by 51.3%, in Yugoiztochen region - by 16.4%, in Yugozapaden region - by 6.1%, and in Yuzhen tsentralen region - by 8.4%. The highest average price for rent/lease of one decare of arable land was in Severoiztochen region - BGN 82, and the lowest was in Yugozapaden region - BGN 32 (Table 4).



**4. Average rent prices of arable land by statistical regions  
in the period 2014 - 2021**

(BGN/dca)

| Statistical regions | 2014      | 2015      | 2016      | 2017      | 2018      | 2019      | 2020      | 2020      |
|---------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>Total</b>        | <b>43</b> | <b>44</b> | <b>44</b> | <b>47</b> | <b>50</b> | <b>49</b> | <b>46</b> | <b>55</b> |
| Severozapaden       | 39        | 41        | 42        | 45        | 48        | 50        | 51        | 56        |
| Severen tsentralen  | 50        | 53        | 54        | 57        | 59        | 60        | 59        | 65        |
| Severoiztochen      | 62        | 64        | 65        | 68        | 70        | 69        | 54        | 82        |
| Yugoiztochen        | 31        | 31        | 32        | 34        | 35        | 37        | 35        | 41        |
| Yugozapaden         | 19        | 21        | 23        | 28        | 30        | 30        | 30        | 32        |
| Yuzhen tsentralen   | 27        | 28        | 27        | 31        | 32        | 32        | 32        | 35        |



## Methodological notes

The Survey on the agricultural land prices and rents was carried out in compliance with the Common Methodology<sup>1</sup> of Eurostat taking into account the national features in the agricultural land market development and rents relations in Bulgaria.

**Respondents.** The respondents were selected amongst three group of entities: agricultural holdings, societies dealing with agricultural land operations and real estate agencies. Three data sources for this selection of respondents were used: Annual Report of non-financial enterprises (with stable economic activity 'agriculture'), Annual Report of specialized investment societies (investments in land) - expenditures for acquisition of tangible fixed assets and Annual Report of Agricultural Holdings. As criteria for the selection of respondents the value of costs incurred for acquisition of agricultural land and for paid rents was used. It was applied threshold above which all units were observed exhaustively.

**Geographical coverage.** The survey covered all national territory. By reason of using threshold, it was possible any administrative units (districts) in which the respondents did not meet the requirements of the defined threshold, to be excluded from the scope of the survey. Normally these were districts in which the number of land transactions and hiring of agricultural land were limited. Because of this, data for them often were classified as confidential and according to the requirements of the Law on statistics they should not be disseminated.

**Referent period.** According to the Common Methodology of Eurostat, the referent period was a calendar year. As usual, the contracts for rent/lease of agricultural land were signed for a crop year. In compliance with the Methodology into the scope of the survey were included all contracts in force during the calendar year, regardless of the crop year to which they referred and when the payments will be made up. Contracts for rent of agricultural land continued for one year and for the lease of land - at least four years.

**Land use categories.** Three land use categories were observed: arable land, meadows and pastures. To ensure compliance with the Common Methodology of Eurostat the meadows and pastures were summarised in a common category - permanent grassland and average price for this category was calculated.

**Unit for measurement.** According to the practice for agricultural land transactions and land rent/lease in Bulgaria data were collected in BGN per one decare agricultural land.

**Price of agricultural land transactions.** According to the Common Methodology of Eurostat collected information referred to the land transaction and rent/lease of agricultural land, which was used only for agricultural production, i.e. its further use will not be changed.

The price of agricultural land transactions was the price paid by the owner on the free market, including taxes and leaves (without VAT) paid per one decare. The price did not include amounts paid for the rights to use, the monetary compensations, received by the landowner for the sale or acquisition of land, the value of buildings on the land, paid inheritance and received subsidies (if there were).

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<sup>1</sup> Common Methodology on Land Prices and Rents, adopted by the Agricultural Accounts and Prices Working Group, 15 February 2017, Eurostat, Luxemburg.



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**Price of rents for hired/leased agricultural land.** The value of rent/lease of agricultural land was the value paid to the landowner per one decare as a return for supplying its assets to the land user. The value included also all payments in kind evaluated at the prices of the current year and as well as the taxes and leaves paid. The value did not include amounts paid for the rights to use, the value of buildings or dwellings, situated on the rented/leased land, as well as the costs related to other assets (current costs of building maintenance, insurance and depreciation of buildings and others).

**Calculation of average prices.** At municipality level (LAU2) the average price of land transactions/rented areas for the respective land use category was calculated as average arithmetical mean from the prices, reported by the respondents. At NUTS3 level (district), NUTS2 level (statistical region), NUTS1 level (statistical zone) and NUTS0 (national level) the average price for the respective land use category was calculated as average weighted value. For the land transactions the area of arable land and permanent grassland were used, while for the rent prices the hired/leased land was used. The size of areas (weights) is regularly updated once the data from the last Farm Structure Survey<sup>1</sup> were released.

**Data confidentiality.** The data confidentiality was ensured in compliance with paragraphs 25 to 27 of the Law on Statistics.

Information about the methodology and data collected within the Survey on the agricultural land prices and rents in Bulgaria was published on the NSI website: [www.nsi.bg/en/content/11615/agricultural-land-market-and-rent](http://www.nsi.bg/en/content/11615/agricultural-land-market-and-rent).

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<sup>1</sup> Farm structure surveys in Bulgaria are conducted by the Ministry of Agriculture, Food and Forestry. In the years ending in 0, exhaustive surveys (Censuses) are conducted, and sample surveys in the years ending in 3 and 6 (between the two censuses).