

## AGRICULTURAL LAND PRICES AND RENTS IN AGRICULTURE IN THE REPUBLIC OF BULGARIA IN 2019

### Price of the agricultural land transactions in the Republic of Bulgaria in 2019

The average price per one decar arable land reached BGN 1053 in 2019, which was 7.4% higher than in 2018. Average price of arable land transactions between physical and juridical persons amounted of BGN 1027, while the price between juridical persons was BGN 1122. Average price per one decar permanent grass land (meadows and pastures) in 2019 reached BGN 300 and was higher in comparison to the previous year by 37.6% (Table 1).

#### 1. Average prices of agricultural land transactions by land use categories during the period 2014 – 2019

Land use categories	BGN/dca					
	2014	2015	2016	2017	2018	2019
Arable land	708	761	770	870	980	1053
Orchards	440	480	534	#	#	#
Vineyards	451	339	370	#	#	#
Permanent grassland	246	227	271	262	218	300

‘#’ - break in data series.

The highest price of arable land in 2019 was in Severoiztochen region - BGN 1 462 per one decar, which was by 7.7% higher in comparison to the previous year. In the Severen Tsentralen region the price of arable land transactions reached BGN 1138 per one decar and in the Severozapaden region - BGN 967. In comparison to the previous year the increase in the price in both regions was by 3.6% and 9.4%. Increase in the prices of arable land transactions in 2019 was registered in all six regions (Table 2).

#### 2. Average prices of arable land transactions by statistical regions during the period 2014 - 2019

Statistical regions	BGN/dca					
	2014	2015	2016	2017	2018	2019
<b>Total</b>	<b>708</b>	<b>761</b>	<b>770</b>	<b>870</b>	<b>980</b>	<b>1053</b>
Severozapaden	701	718	753	920	884	967
Severen tsentralen	822	832	908	789	1098	1138
Severoiztochen	971	1057	1157	1401	1357	1462
Yugoiztochen	501	653	721	804	809	861
Yugozapaden	331	357	228	303	199	818
Yuzhen tsentralen	477	445	426	539	681	706

## Prices of rent for arable land in the Republic of Bulgaria in 2019

The average rent price per one decar hired/leased arable land in 2019 reached BGN 49, which was by 2.0% lower than in 2018. Average price per one decar hired/leased permanent grassland was BGN 23 and was by 43.8% higher in comparison to the previous year (Table 3).

### 3. Average rent prices of agricultural land by land use categories during the period 2014 - 2019

Land use categories	BGN/dca					
	2014	2015	2016	2017	2018	2019
Arable land	43	44	44	47	50	49
Orchards	35	32	41	#	#	#
Vineyards	24	36	31	#	#	#
Permanent grassland	17	18	15	16	16	23

‘#’ - break in data series.

In 2019 the highest price per one decar hired/leased arable land was in Severoiztochen region - BGN 69, where non-significant decrease by 1.4% in comparison to 2018 was registered. The price paid for one decar hired/leased arable land in 2019 reached in Severen Tsentralen region BGN 60 and in Severozapaden region - BGN 50. In both regions increase in the price of rental payment by 1.7% and 4.2% was reported in comparison to the previous year. No change was observed in the price of hired/leased arable land in Yugoiztochen and in Yuzhen Tsentralen region (Table 4).

### 4. Average rent prices of arable land by statistical regions during the period 2014 - 2019

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

## Methodological notes

The survey about 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 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 met 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 did not be disseminated.

**Referent period.** According to the Common Methodology of Eurostat the referent period was calendar year. As usual, the contracts for rent/lease of agricultural land were signed for crop year. In compliance with the Methodology into the scope of the survey were included all contracts in force during calendar year, without to which crop year 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 and 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 decar agricultural land.

**Price of agricultural land transactions.** According to Common Methodology of Eurostat collected information referred to land transaction and rent/lease of agricultural land, which was used only for agricultural production, i.e. its further use was not 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 decar. The price did not included, amounts paid for the rights to use, the monetary compensations, received by the land owner for the sale or acquisition of land, the value of buildings on the land, paid inheritance and received subsidies (if there were).

**Price of rents for hired/leased agricultural land.** The value of rent/lease of agricultural land was the value paid to land owner per one decar as return for supplying its assets to the land user. The value included also all payments in kind evaluated at the prices of current year and as well as the taxes and leaves

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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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paid. The value did not include amounts paid for the rights to use, 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/contracts for land lease for the respective land use category was calculated as average arithmetical mean from the reported by the respondents prices. At NUTS3 level (district) and NUTS2 level (statistical region) the average price for the respective land use category was calculated as average weighted value where for the land transactions the area of arable land and of permanent grass land as they were defined during the last Agricultural Census<sup>1</sup> in Bulgaria (exhaustive survey conducted in every ten years), as weight was used, and for the rent prices rents - the hired/leased land. At NUTS1 level (statistical zone) and NUTS0 (national level) the average price of land transactions was calculated as average weighted value, where the area of arable land and of permanent grass land, as they were defined during the last Farm Structure Survey<sup>1</sup> (sample survey conducted every three years between the Censuses) as weight was used, and for the rent - the size of hired/leased land.

**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 land market and rents in agriculture 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> The Agricultural Census and the Farm Structure Surveys in Bulgaria were under responsibility of the Agrostatics Department at Ministry of Agriculture, Food and Forestry.