



ANALYSIS OF THE DYNAMICS OF THE AVERAGE PRICES OF THE CONTRACTS FOR LEASE OF AGRICULTURAL LANDS IN SOUTH-EASTERN REGION OF BULGARIA FOR THE PERIOD 2010-2019

H. Momchilov*, P. Petkova

Faculty of Economics, Trakia University, Stara Zagora, Bulgaria

ABSTRACT

Leases and rent play a key role in agricultural production. Rental payments represent a significant part of production costs. Practice shows that in order not to lose the already occupied areas, producers increase the amount of payments to owners. The aim of the study is to track the dynamics of average prices for lease agreements for the South-Eastern region of Bulgaria. Basic and chain indices of price dynamics were used. There was a continuous growth of increase in rent payments.

Key words: land, basic year, trend, increase

INTRODUCTION

The lease is conditioned by the presence of owners of means of production and capital and the concept of their separate use by the owners. (1) In the years after the changes in Bulgaria and the return of the land in real terms, a situation has been reached in which there are a large number of owners with a small amount of agricultural land. This process made leases key to large-scale and efficient agricultural production. Tenants are dependent on landowners and therefore the amount of rent payments has increased in recent years. The level of rent payments not only affects net income, but also proves to be a structural factor for agricultural holdings. The rent is highest in the smallest farms with intensive production, and among the other groups, the farms with a larger amount of leased land pay a higher rent (2).

The relevance of the research is indisputable, especially after the unfavorable climate in 2020

Correspondence to: *Hristo Momchilov, Trakia University, Faculty of Economics, Stara Zagora, Bulgaria, Student campus, email: hmmomchilov1971@abv.bg ; +359898226620*

and low yields in some places in the country. Nevertheless, the owners received the agreed rent payments.

The purpose of this research is to track the dynamics of average prices of leases for the South-Eastern region of Bulgaria.

METHODS

Basic and chain indices of price dynamics for the period 2010 - 2019 were used. The analyzed data are taken from the regularly published reports of the National Statistical Institute.

RESULTS

Table 1 presents the dynamics of the average prices of contracts for lease / rent of agricultural land for the period 2010-2019 in total for the Southeast region.

The data show that there is a steady increase in the size of the prices of leases of agricultural land, as it reaches 240% growth in the last year of the analyzed period. Exceptions are 2014 and 2015, where the percentage is maintained.

There are specific features in the amount of prices of lease agreements in different areas in the study area.

Table 2 presents the data on the dynamics of these prices in Burgas district.

It is noteworthy that after the increase from 2010 to 2014 in 2015 there is a decline in prices, after which they increase again, with a maximum in 2018 and 2019, but it is smaller than that for the entire Southeast region.

Table 3 presents the data on the dynamics of the prices of lease agreements in Sliven district.

The data in the table show that the first years of the study period are characterized by an increase in prices, followed by maintaining the values in 2013 and 2014 and again increasing until 2018, when the

maximum is reached. In 2019 there is a decrease of 6%.

Table 4 presents the data on the dynamics of prices of lease agreements in Stara Zagora district.

For Stara Zagora district there is a decrease in the prices of lease agreements in 2016. Again, the highest values are available in the last analyzed year - 233%, as in Burgas district.

Table 5 presents the data on the dynamics of the prices of lease agreements in Yambol district.

For Yambol district it is impressive that there is the highest growth in the prices of lease agreements, as for 2017 and 2018 it is 247%. For 2019 there is a growth of 260%, the highest for the entire analyzed period, for the entire Southeast region.

Table 1. Dynamics of the average prices of the contracts for lease / rent of agricultural land for the period 2010-2019 (total for SER)

SER	2011 year	2012 year	2013 year	2014 year	2015 year	2016 year	2017 year	2018 year	2019 year
Basic index	147%	187%	193%	207%	207%	213%	227%	233%	240%
Chain		127%	104%	107%	100%	103%	106%	103%	103%

Table 2. Dynamics of the average prices of the contracts for rent / lease of agricultural land for the period 2010-2019 for Burgas district

Burgas	2011 year	2012 year	2013 year	2014 year	2015 year	2016 year	2017 year	2018 year	2019 year
Basic index	140%	160%	180%	213%	200%	213%	220%	233%	233%
Chain index		114%	113%	119%	94%	107%	103%	106%	100%

Table 3. Dynamics of the average prices of the contracts for lease / rent of agricultural land for the period 2010-2019 for Sliven district

Sliven	2011 year	2012 year	2013 year	2014 year	2015 year	2016 year	2017 year	2018 year	2019 year
Basic index	163%	188%	206%	206%	213%	219%	231%	244%	238%
Chain index		115%	110%	100%	103%	103%	106%	105%	97%

Table 4. Dynamics of the average prices of the contracts for lease / rent of agricultural land for the period 2010-2019 for Stara Zagora district

Stara Zagora	2011 year	2012 year	2013 year	2014 year	2015 year	2016 year	2017 year	2018 year	2019 year
Basic index	140%	180%	180%	187%	193%	187%	207%	213%	233%
Chain index		129%	100%	104%	104%	97%	111%	103%	109%

Table 5. Dynamics of the average prices of the contracts for lease / rent of agricultural land for the period 2010-2019 for Yambol district

Yambol	2011 year	2012 year	2013 year	2014 year	2015 year	2016 year	2017 year	2018 year	2019 year
Basic index	140%	200%	200%	207%	220%	227%	247%	247%	260%
Chain index		143%	100%	103%	106%	103%	109%	100%	105%

CONCLUSION

The following conclusions can be drawn from the analysis thus made:

For the entire analyzed period there is a serious increase in the amount of prices of contracts for lease of agricultural land in the South-Eastern region of Bulgaria. This growth varies from 140 to 260%.

This increase inevitably affects the amount of production costs and hence the efficiency of production on farms. It also affects their competitiveness.

In some of the years there is a preservation of the values of the prices of the contracts for lease of agricultural land, but this is for short periods of time - two years.

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