



# LAND MARKET IN SERBIA

**Zoran Knežević**

Ministry of Agriculture, Forestry and Water Management - Directorate for Agricultural Land

**Stevan Marošćan**

University of Belgrade, Faculty of Civil Engineering

Multi-beneficiary workshop on Land Market development and Land Consolidation in EU Countries on 22-24 April, 2013, Skopje

## CONTENT

- Agricultural Land
- Structure of Land
- Land Market (sale/purchase/lease)
- Price of Agricultural Land
- Conclusion



Republic of Serbia Ministry of Agriculture, Forestry and Water Management - Directorate for Agricultural Land

## AGRICULTURAL LAND

### Share of arable land in the agricultural land



- 5,1 million ha
- 3.355.859 ha of land that is being cultivated
- 2.816.424 ha of land that is being cultivated by farmers
- 539.435 ha of land that is being cultivated by companies
- More than 15 millions parcels
- About 13 millions parcels are smaller than 1 ha



Republic of Serbia Ministry of Agriculture, Forestry and Water Management - Directorate for Agricultural Land

## STRUCTURE OF LAND HOLDINGS

Structure of the land holdings that are in private/state ownership

< 5 ha	5-20 ha	20-100 ha	> 100 ha
72%	26%	1.5 %	0.5%



Republic of Serbia Ministry of Agriculture, Forestry and Water Management - Directorate for Agricultural Land

## STRUCTURE OF LAND HOLDINGS

Structure of the land holdings with right of use over them

< 5 ha	5-20 ha	20-100 ha	> 100 ha
73%	23%	3.5 %	0.5%



Republic of Serbia Ministry of Agriculture, Forestry and Water Management - Directorate for Agricultural Land

## STRUCTURE OF LAND HOLDINGS

- Most of the farms hold up to 5 ha of agricultural land, out of which 1/3 are farms with less than 1 ha of land (noncommercial farms)
- The average size of the farms is 5,32 hectares
  - Average property used by farmers is 4,48 ha
  - Average property used by companies is 210,14 ha
  - In Vojvodina average property used by farmers is 8,03 ha
  - In Vojvodina average property used by companies is 326,60 ha
  - In South Srbija average property used by farmers is 3,19 ha
  - In South Srbija average property used by company is 138,66 ha



Republic of Serbia Ministry of Agriculture, Forestry and Water Management - Directorate for Agricultural Land

## STRUCTURE OF LAND HOLDINGS

- Total holdings (631.122)
  - 628.555 are family holdings
  - 2.567 are holdings of legal entities
- 455.849 agricultural holdings are registered in the registry kept by Ministry of Agriculture



Republic of Serbia Ministry of Agriculture, Forestry and Water Management - Directorate for Agricultural Land

## LAND MARKET

### SELLING / BUYING

- FREE MARKET

There are no restrictions on the sale and purchase

- except the right of pre-emption (in favor of the owners of neighboring parcels)
- Foreigners cannot own agricultural land

Land market, each year more and more active

- There are no official records on how many completed transactions has been in the 2012



Republic of Serbia Ministry of Agriculture, Forestry and Water Management - Directorate for Agricultural Land

## LAND MARKET

### **The most important reasons why the land market is not sufficiently developed:**

- Economic power of farmers
- Access to loans is limited
- Lack of jobs in other economic sectors
- Attachment to the land (land is not regarded as a marketable product)
- Economic crisis,
- Low property tax
- ...



Republic of Serbia Ministry of Agriculture, Forestry and Water Management - Directorate for Agricultural Land

## LAND MARKET

- 23% of the total land that is being cultivated is leased
- Leased Land (779.000 ha of agricultural land is being leased)
  - 275.000 ha of state owned land
  - 504.000 ha of privately owned land



Republic of Serbia Ministry of Agriculture, Forestry and Water Management - Directorate for Agricultural Land

## LAND MARKET

- PRICE OF AGRICULTURAL LAND

THE PRICE OF LAND is influenced by several factors:

- SOIL QUALITY
- CLIMATE FACTORS
- ECONOMIC FACTORS

– DIFFERS FROM REGION TO REGION

– AVERAGE PRICE OF LAND 8-15.000 € per ha



Republic of Serbia Ministry of Agriculture, Forestry and Water Management - Directorate for Agricultural Land

## CONCLUSION

- Land in Serbia is not only a market category, but sometimes much more (fatherland ...)
- Small farms and a number of parcels, including tax policies delay the development of the land market
- Serbian strategy of land market development is not focused only on economic factors but also on Rural Development



Republic of Serbia Ministry of Agriculture, Forestry and Water Management - Directorate for Agricultural Land

## CONCLUSION

- The land market exists, but for various reasons the market is not fully developed
- There is a well developed market for agricultural land tenure (more than 20% of the cultivated land)



Republic of Serbia Ministry of Agriculture, Forestry and Water Management - Directorate for Agricultural Land

Thank you for your attention



Republic of Serbia Ministry of Agriculture, Forestry and Water Management - Directorate for Agricultural Land