



# **LEASE OF STATE – OWNED AGRICULTURAL LAND**



**Ministry of Agriculture,  
Forestry  
and Water Economy**

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## INTRODUCTION

*The Republic of Macedonia is located at the South-West part of the Balkan Peninsula and it represents a crossroad of two main Pan-European transportation corridors (No. 8 and 10) that connect Central Europe with the Adriatic, Aegean and Black Sea. The country borders with Serbia (232 km, including the territory of Kosovo under the administration of the UN) on the North, Bulgaria on the East (165 km), Greece on the South (262 km) and Albania on the West (191 km). Macedonia is the main transitive road for the transport of goods from Central Europe on the East, and from Eastern Europe and Greece to Western Europe.*

*As a result of the geographical location and topography, Macedonia is a crossroad of continental and Mediterranean climate. Most of the country has moderate continental climate with hot and dry summers and relatively cold and wet winters. The dry and hot periods dominate (summer – autumn), and the cold periods are short (winter). The continental climate is distinguished with its cold winters and temperatures that drop to -15°C, and summers are hot with temperatures that can rise up to 40°C. The average quantity of precipitation varies from 500mm in the eastern region to 1700mm in the western highland regions (average quantity of precipitations per year is 733mm). During the period from October to November there is a larger quantity of precipitation, and decreased rainfall is characteristic for the period from March to May.*

*Arable land that is used for agricultural production falls in the sub-Mediterranean, continental – sub-Mediterranean and warm continental zone with an altitude of 50 – 900 m above sea level, where the pastures are dominant in the highland region.*

*The soil in Macedonia is very heterogeneous (over thirty soil types are determined), resulting from the great diversity of natural conditions for forming of soils (relief, climate, geological formations).*

*The total land of 25.713 km<sup>2</sup> is dominantly highland, interrupted by grand valleys. Hills and mountains occupy 80% of the territory; plane land occupies 18%, and natural lakes 2% of the total land surface. There is a well-developed hydro network for irrigation of agricultural areas that are surrounded with irrigation systems. The total agricultural land in the Republic of Macedonia is around 560.000 hectares (44% is arable land, and 56% are pastures). There is a possibility to irrigate 123.864 ha of the arable land with the constructed detailed network of irrigation systems.*

## **LEASE OF AGRICULTURAL LAND IN STATE OWNERSHIP**

The Ministry of Agriculture, Forestry and Water Economy as an authorized body, has intensively been distributing agricultural land of good quality which is in state ownership, that is granted under lease (for use, during the period of several years) to interested investors, including foreign entities with established branch offices in the Republic of Macedonia.

Presently, numerous agricultural households in these regions have been using state owned agricultural land under lease and they successfully deal with growing and production of quality agricultural crops. This experience represents an additional motivation for the Ministry of Agriculture, Forestry and Water Economy, to continue with renting of available state owned agricultural land, and, in that manner, to increase the overall agricultural production in the Republic of Macedonia, having in mind that this is of significant importance for the state economy.

## **REVIEW OF AVAILABLE AGRICULTURAL LAND PARCELS PER CADASTRE MUNICIPALITY**

In accordance with the prepared action plan, and for this period of time, the Ministry has foreseen distribution of state-owned agricultural land by means of lease for the region of Sveti Nikole (Figure.1). In particular, the land that is offered is agricultural land that has recently been granted under lease to the Agriculture Combine Dzumajlija.

Agriculture Combine Dzumajlija is part of the former Agriculture Industrial Combine Ovche Pole, with a seat at the municipality of Lozovo; the land was mainly used for growing vine and agricultural crops.

According to the cadaster evidence, the plots of AK Dzumajlija encompassed 4.435 ha , distributed in 14 cadaster municipalities (hereinafter: CM) (Figure.2), as follows: CM Pesirevo, CM Amzabegovo, CM Saramzalino, CM Gjuzumelci, CM Milino, CM Lozovo, CM Karatmanovo, CM Dorfulija, CM Kjoseleri, CM Adzibegovo and CM Delisenci.

Of the total area, about 1,500 ha are under the irrigation system, which is part of the irrigation system "Bregalnica" and other areas that are not covered by the irrigation system (tab. 1).

## GEOGRAPHIC AND CLIMATE CONDITIONS

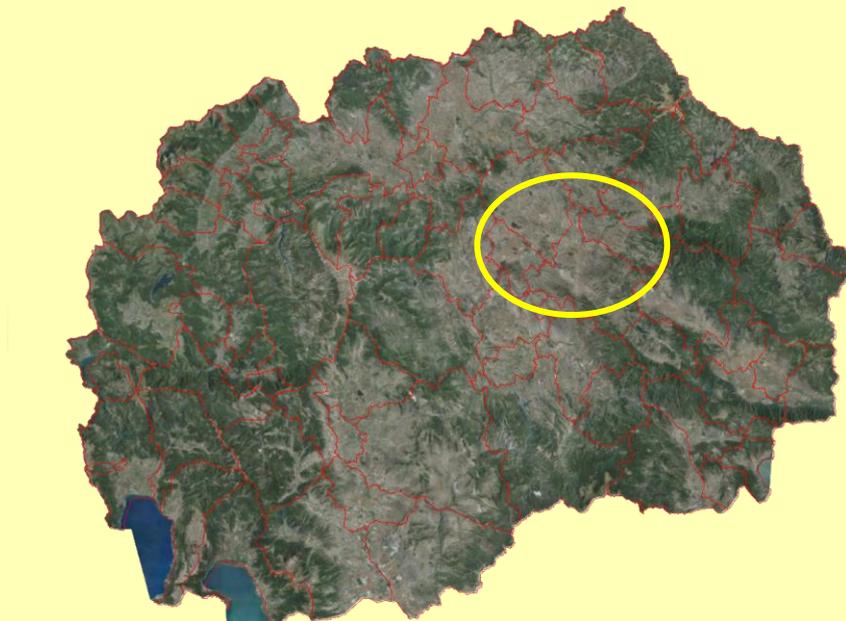
The area of AC Dzumajlija in Lozovo encompasses a significant part of Ovche Pole valley that represents the second largest granary in the Republic of Macedonia. The valley of Ovche Pole lies within the water shed of Svetinikole River (right tributary of Bregalnica River), at altitude from 200 – 400 m above the sea level, and it is under the influence of the continental and Mediterranean climate. The town of Sveti Nikole is located in the middle part of the valley.

The climatic conditions in this region are sufficiently favorable for growing vegetable and fruit crops, in the part of production of peppers, tomatoes, plums and sour cherries. The most represented varieties of peppers are Kapija, Zupska Rana, Amfora, Bela Dolga and Gamba; in the part of tomatoes, the varieties are represented by Bele, Magnus, Newton and Gironda. Plum varieties are represented by largest production of Cacanska and Stenley, whereas the sour cherry varieties are represented by Oblacinska and Cigancica. This region is famous for significant production of grapes, primarily in the rural municipalities.

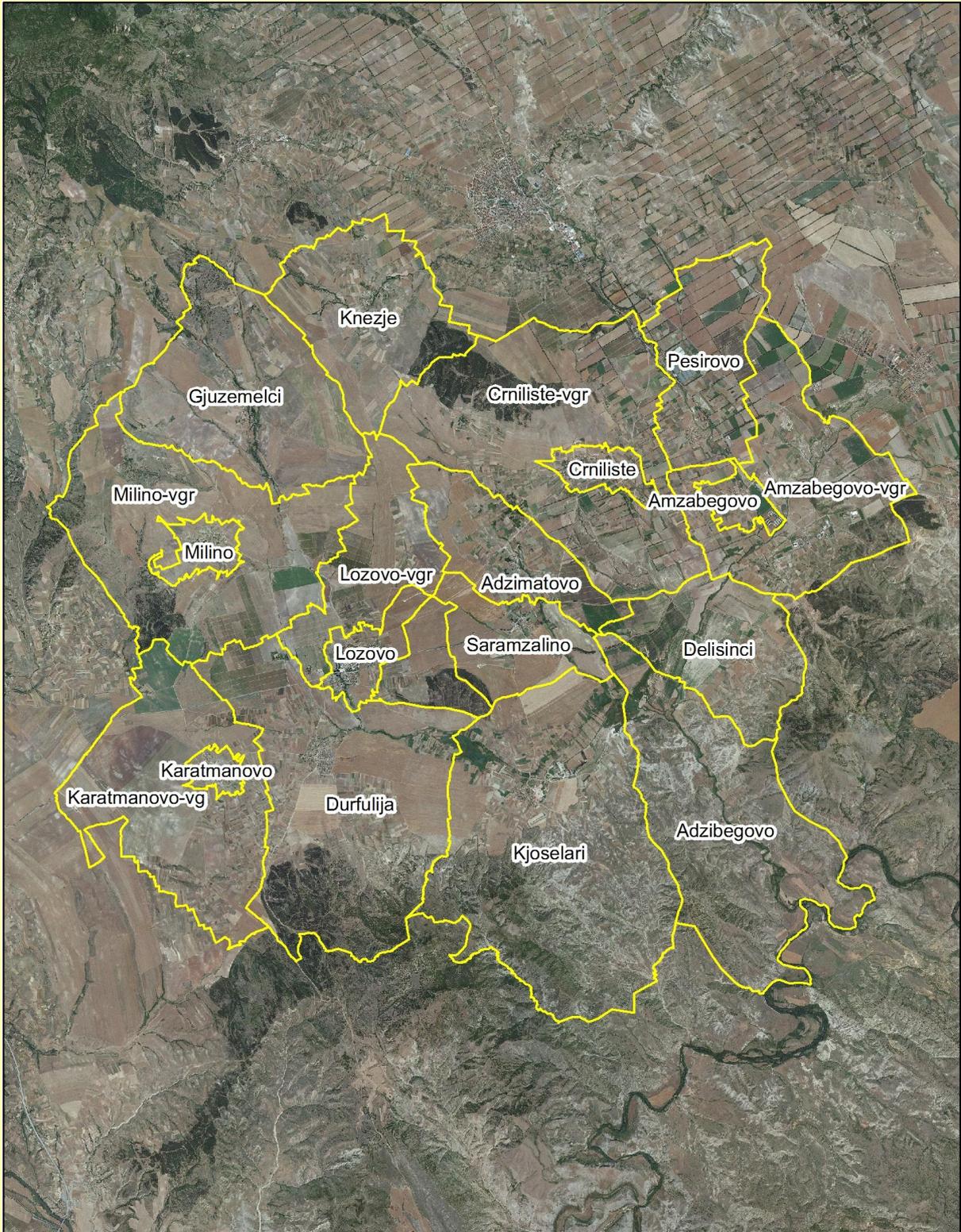
Besides granary crops, the most present crops in this region are the following: peppers (approximately 9.000 tons), tomatoes (approximately 5.000 tons) and cherries (approximately 2.000 tons).

The Eastern region is characterized by average temperatures, if compared with the North and South part of the state. Average minimum temperatures during the year range from -13oC in the winter period to 13oC in the summer period; average maximum temperatures range from 13oC in the winter period to 40oC in the summer period. The climate conditions in this part of the state are favorable for orchards.

**Figure 1 – The region of Sveti Nikole**



**Figure 2 – Cadaster Municipalities**



**Table 1 – Review of plots per cadaster municipality**

	CM	Total		
		ha	are	m <sup>2</sup>
1	PISIREVO	7	52	37
2	AMZABEGOVO	22	15	68
3	KNEZJE	122	61	18
4	CRNILICTE	396	88	87
5	ADZIMATOVO	236	93	61
6	SARAMZALINO	310	68	94
7	GJUZEMELCI	272	94	83
8	MILINO	730	57	45
9	LOZOVO	511	41	64
10	KARATMANOVO	693	71	56
11	DORFULIJA	519	88	57
12	KJOSELERI	247	84	99
13	ADZIBEGOVO	71	89	38
14	DELISINCI	290	89	37
		<b>4435</b>	<b>98</b>	<b>44</b>

### 1. CM Pesirovo

CM Pesirovo is a municipality with the smallest land plot of only 7,6ha. This land has an irrigation system and it is planted with corn.

### 2. CM Amzabegovo

CM Amzabegovo disposes of 22ha of irrigated land. Due to the presence of water, this land was used for growing of bur clover, corn for grains and silage corn.

### 3. CM Knezje

This CM disposes of 120 ha. The land plot neither has conditions for irrigation, nor possibility for construction of an irrigation system.

### 4. CM Crniliste

CM Crniliste is spread at the East border of the land plots of AC Dzumajlija. The total land plot of this CM is 392ha, of which 170ha are covered with the irrigation system, Investment in an irrigation network can also be performed for irrigation of this land plot.

### 5. CM Adzimatovo

This CM encompasses 238ha, of which 175ha are irrigated and 63ha are not covered with the irrigation system. Expanding of the irrigation network is also possible within this CM.

## 6. CM Saramzalino

CM Saramzalino encompasses the total space of 329ha. Two – thirds, i.e. 221ha of the land is covered with the irrigation system and one-third, i.e. 108ha are not. An investment for constructing a network towards the main channel can provide irrigation for this space. The land plots in this CM are not cultivated.

## 7. CM Gjuzumelci

This cadaster municipality is located on the North from CM Milino, disposes of 273ha, however, the plots are not covered with the irrigation system and there isn't a possibility to connect them to the main channel.

## 8. CM Milino

CM Milino occupies the space located around the village of Milino. It borders with the village of Lozovo on South, the village of Gjuzumelci on North and it spreads towards the villages of Crniliste and Knezje on East.

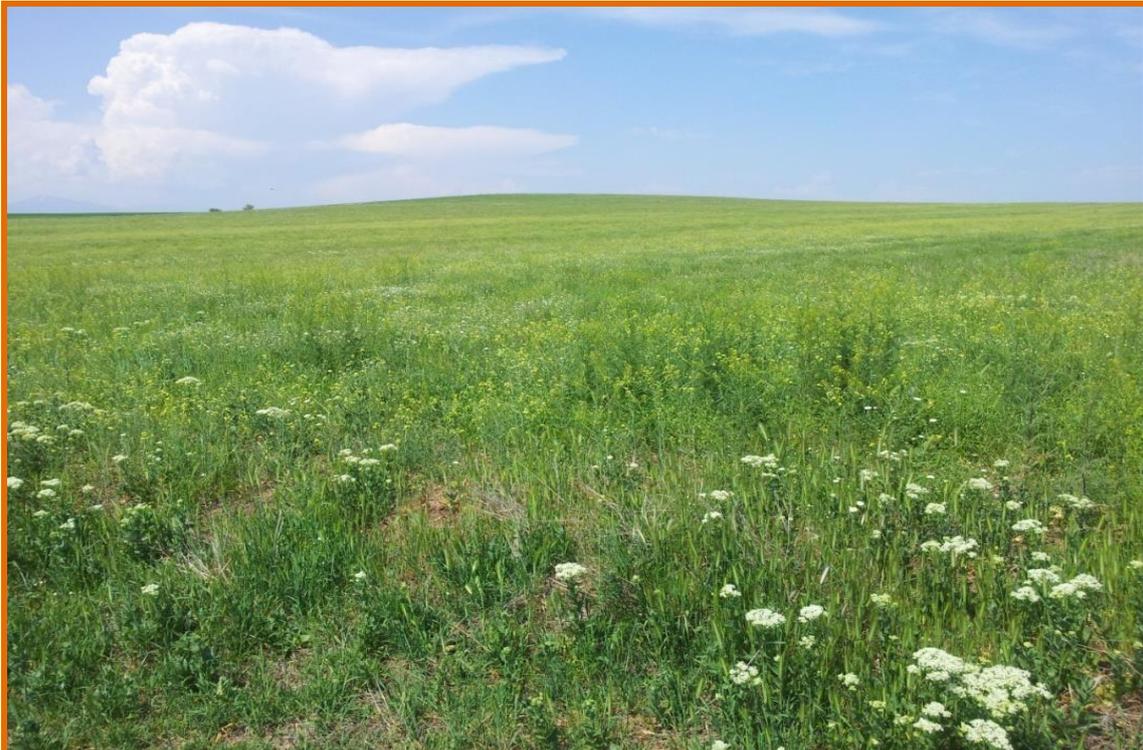
This CM has 860 ha on the southern part of the area of CM Milino, bordering CA Lozovo, and the main irrigation channel passes next to it (figure 3). On the main channel, between CM Milino and CM Lozovo, a water pump station was built, with three pump stations, but it is ruined and it is out of use. Because the highest points of the areas in CM Milino don't have amplitude difference of the main channel, with additional investing in the reconstruction of the pump station, between 300 and 500 ha could also be irrigated.

*Figure 3*



*Figure 4***9. CM Lozovo**

The area of the CM Lozovo is situated on 506ha, out of which 150ha are under the system, and other areas are not under the irrigation system. It is important to note that with certain investment, areas that are not currently under irrigation system can be irrigated. (fig.5).

*Figure 5*

### **10. CM Karatmanovo**

CM Karatmanovo is on the west part of the area, towards Veles, from the southern side of the main road Veles – Stip. The area is 711ha, out of which 50 ha are under system, and 661 ha are without irrigation system. Part of the areas, with some interventions, could be irrigated.

### **11. CM Dorfulija**

This CM is in continuation of CM Karatmanovo, towards the eastern side of the areas of Dzumalija. CM Dorfulija covers 269 ha under system, and 341 ha are not under irrigation system, and the total space is 619 ha. In this CM, the intervention is possible and expansion of the area that can be irrigated can be done.

### **12. CM Kjoseleri**

CM Kjoseleri extends on 248 ha. In this area, 124 ha can be irrigated with irrigation system, while 124 ha are not under system. In these area also, there is a possibility for some irrigation expansions, with additional investment in water pumps and irrigation net.

### **13. CM Adzibegovo**

CM Adjibegovo fluctuates around the Adzibegovo village, and covers the area of 74 ha, out of which 66ha are under the system, and 7 ha are without irrigation.

### **14. CM Delisinci**

CM Delisenci is the final eastern CM on the area of Dzumajlija. This CM covers 291 ha and all areas are under the irrigation system.

In the biggest part of the areas from the remaining CMs on the southern side of the main road Veles – Stip, starting from CM Karatmanovo to CM Delisenci, sunflower was planted during the previous year.

## **GEORGAPHICAL CONNECTION OF CADASTRE MUNICIPALITIES**

All 14 cadaster municipalities that are located on the land plots of AC Djumajlija, depending on their geographical position and infrastructure connection, will be grouped in four groups. After the public tender, interested parties may apply for each individual group. However, the groups will be entirely announced.

### **Geographical unit 1**

CM Pesirovo, CM Amzabegovo, CM Knezje, CM Crniliste, CM Adzimatovo and CM Saramzalino

### **Geographical unit 2**

CM Milino and Gjuzemelci

### **Geographical unit 3**

CM Lozovo and Karatmanovo

### **Geographical unit 4**

CM Dorfulija, Kjoseleri, Adzi Begovo and Delisinci

### Geographical unit 1

The first group is located on the North-East side of the road Veles - Stip and is comprised of six cadastre municipalities: CM Pesirovo, CM Amzabegovo, CM Knezje, CM Crniliste, CM Adzimatovo and CM Saramzalino (Table 2).

The total area of the cadastre municipalities is 1096 ha. On this area, various crops can be grown. On the areas that are not covered with the irrigation system, wheat, barley, triticale, oilseed rape, forage peas and other annual autumn crops could be grown.

In the area under irrigation system, bur clover, corn grain, corn silage, soybean etc. can be grown, as well as grain that can be used as seed material. These areas could be enhanced with additional investing in expanding of the irrigation network, which would increase the possibility of a wider range of agricultural crops, fruit, or vineyards.

**Table 2 – Review of the land plots of the group 1**

No.	CADASTRE MUNICIPALITY	Total		
		ha	are	m <sup>2</sup>
1	PESIROVO	7	52	37
2	AMZABEGOVO	22	15	68
3	KNEZJE	122	61	18
4	CRNILISTE	396	88	87
5	ADJIMATOVO	236	93	61
6	SARAMZALINO	310	68	94
		<b>1096</b>	<b>80</b>	<b>65</b>

**Figure 6 – CM Pesirovo, CM Amzabegovo, CM Knezje, CM Crniliste, CM Adzimatovo, CM Saramzalino**



## Geographical unit 2

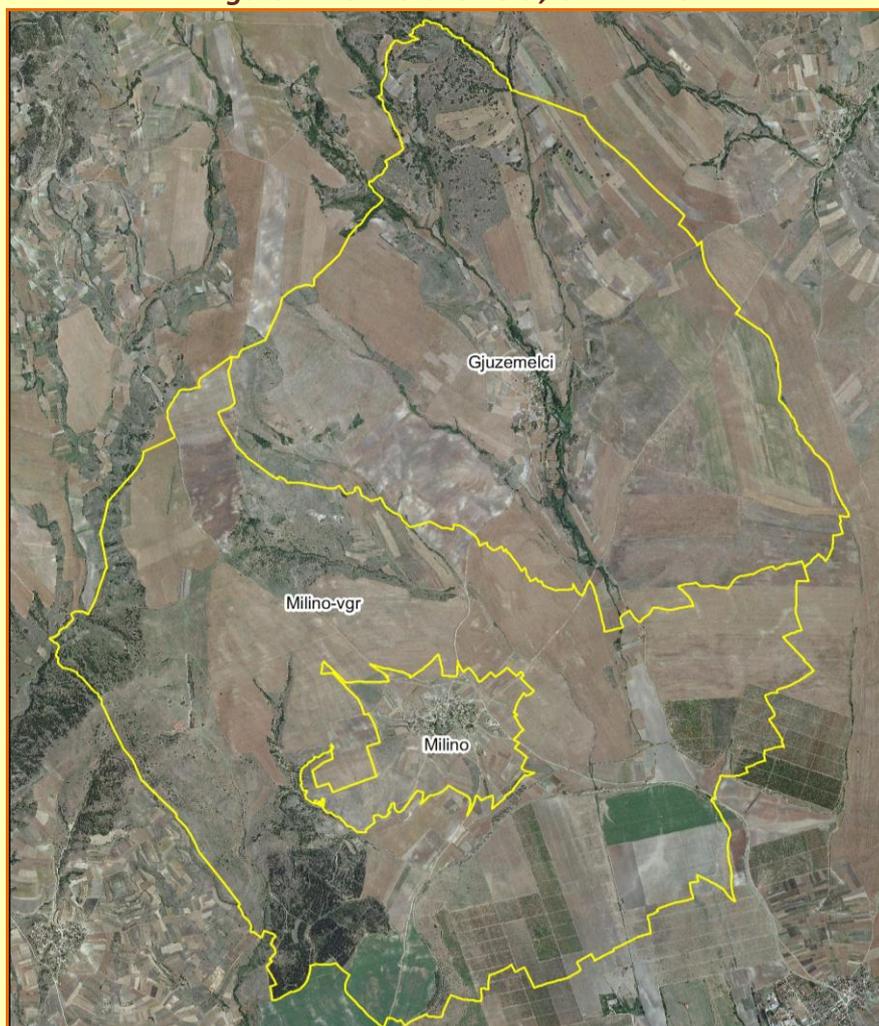
This geographical unit is comprised of the municipalities CM Milino and CM Gjuzemelci. Of the total area 1003 ha, 220 ha are under irrigation system. In these areas, spring crops that need more water (corn, bur clover etc.) can be cultivated, while the rest of the area can mainly be used for production of grain and pea.

In this part, concretely in the part of CM Milino, if there is an investment, the area of irrigation can be expanded for additional 300 to 500 ha, that enables growing of wider group of crops.

**Table 3 – Review of land plots of the group 2**

No.	CADASTRE MUNICIPALITY	Total		
		ha	are	m <sup>2</sup>
1	GJUZEMELCI	272	94	83
2	MILINO	730	57	45
		<b>1003</b>	<b>52</b>	<b>28</b>

**Figure 7 – CM Gjuzemelci, CM Milino**



### Geographical unit 3

The third geographical unit is comprised of the areas of CM Lozovo and CM Karatmanovo. The areas in this group are spread mostly in the West, on the two sides of the main road Veles – Stip and they cover 1205 ha. Of this total area, 200 ha are under the irrigation system. In this area also, there are possibilities - on the wider part of CM Lozovo, as well as on the part of CM Karatmanovo - for expanding of the irrigation system. In this area, agricultural crops that require more intense irrigation can be grown (corn, bur clover, soybean, pea, rape, sunflower etc.) and wheat, barley, triticale, mixture of pea and grain could mainly be grown in the areas without irrigation,. In areas that are under irrigation, vineyards or fruit plants can also be grown with an integrated dripping system.

**Table 4 – Review of land plots of the group 3 (m<sup>2</sup>)**

No.	CADASTRE MUNICIPALITY	Total		
		ha	are	m <sup>2</sup>
1	LOZOVO	511	41	64
2	KARATMANOVO	693	71	56
		<b>1205</b>	<b>13</b>	<b>20</b>

**Figure 8 – CM Lozovo, CM Karatmanovo**



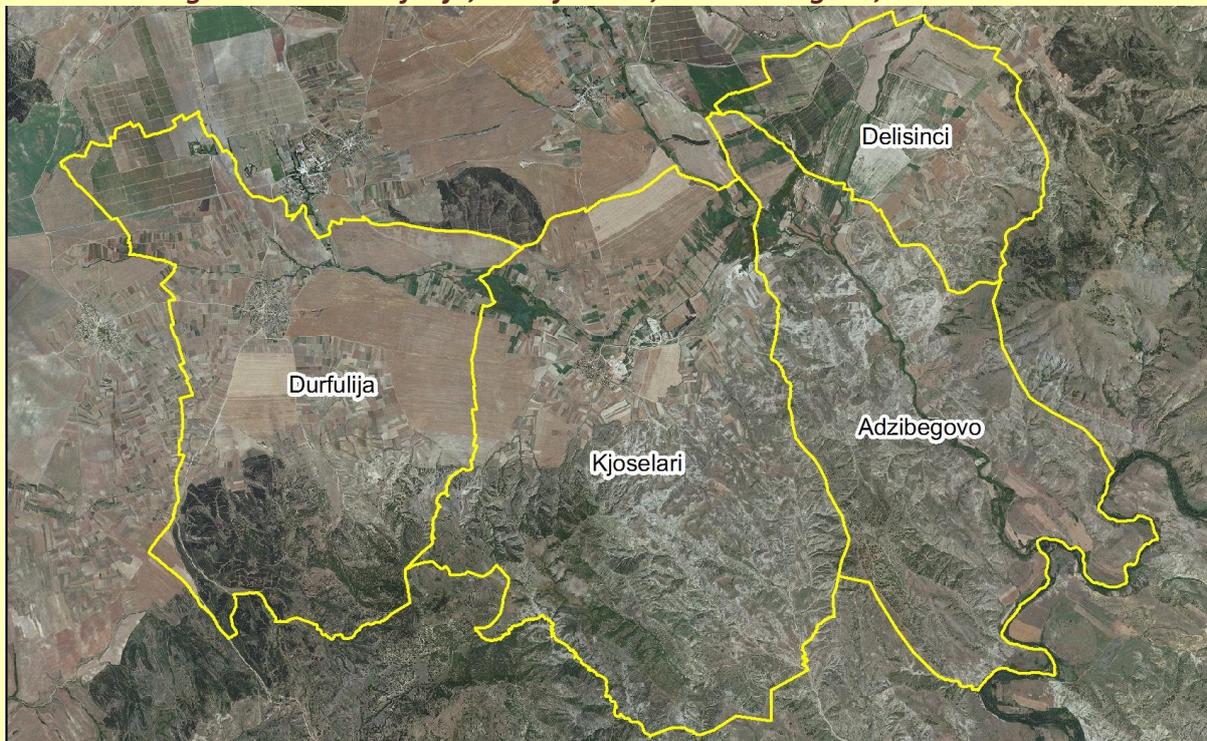
### Geographical unit 4

Geographical unit 4, stretches on the south side from the main road Veles – Stip, from the area of the village Dorfulija to the village Delisinci. The total area of this unit is 1130 ha, out of which the wider part, in particular 761 ha are under the irrigation system, while 472 ha are not under the irrigation system. These areas are grouped in bigger blocks, and intensive agricultural crops, such as corn for silage, silage mixtures (pea and grain), bur clover sunflower, and seed parcels of wheat cultures can be grown. Grain and forage can be grown in the part without irrigation.

**Table 5 – Review of the land plots of group 4**

No.	CADASTRE MUNICIPALITY	Total		
		ha	are	m <sup>2</sup>
1	DORFULIJA	519	88	57
2	KJOSELERI	247	84	99
3	ADJIBEGOVO	71	89	38
4	DELISINCI	290	89	37
		<b>1130</b>	<b>52</b>	<b>31</b>

**Figure 9 – CM Dorfulija, CM Kjoselari, CM Adzibegovo, CM Delisinci**



### **CONDITIONS AND CRITERIA**

The Minister of Agriculture, Forestry and Water economy wishes to publicly announce the lease of state owned agricultural land without limiting the extent/reach of the area, based on Article 21 of the Law on Agricultural Land. Subject to the public announcement is giving the state owned agricultural land on lease. According to the Law on Agricultural Land, eligible to participate in a public announcement for lease of state owned agricultural land are the following:

- Domestic individuals and entities and foreign entities
- Individuals should be registered providers of agricultural activity and/or to be registered in the Register for collective farming and / or individual merchants whose agricultural production or processing of primary agricultural products is their main activity.
- Foreign entities should have a registered subsidiary in the country.
- Agricultural production or processing of primary agricultural products should be the main activity or the agricultural land should be necessary for scientific research activities of domestic and foreign legal entities or their subsidiaries.
- Those who failed to settle the obligations based on previous leases of state owned agricultural land, have no right to participate in the public announcement.

The only criteria for selecting the best offer, according to public announcement, is to offer the highest rent.

The minimum requirements in terms of material and technical equipment (planned investments and facility for processing the land) and the projected number of employees, and the rest necessary conditions and documents according the Law on Agricultural Land will be defined in the public announcement.

The duration of the lease of the land shall be the following:

- Growing perennials (grapes, orchards, hop) construction of glass-houses, up to the period of 30 years; up to 70 years for growing of hazelnut only;
- Growing olives, for a period of up to 50 years;
- Growing of other agricultural crops, for a period of up to 15 years;
- Meadows, for a period of up to 15 years;
- Fish ponds, for a period of up to 20 years;

#### **Average initial price per geographical unit:**

##### **Geographical unit 1**

Initial lease price per hectare/year for 1096 ha is 89.146 €

##### **Geographical unit 2**

Initial lease price per hectare/year for 1003 ha is 79.400 €

##### **Geographical unit 3**

Initial lease price per hectare/year for 1205 ha is 85.107 €

##### **Geographical unit 4**

Initial lease price per hectare/year for 1130 ha is 102.535 €

##### **Geographical unit 4**

Initial lease price per hectare/year for 1130 ha is 102.535 €