

“Land Market Development and Small Farms’ Access to Land in the Pre-Accession Countries” (LMSF-AC)

Bosnia and Herzegovina

Federation of Bosnia and Herzegovina

Prof. Dr Dragana Ognjenović

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Agricultural Land in FBH

Agricultural land (000 Ha)							
Cultivable land				Pastures	Fishponds	Swamps	Total
Arable land and gardens	Orchards	Vineyards	Meadows				
425	46	5	267	435	0	2	1,179
Agricultural land (%)							
36.05	3.90	0.42	22.65	36.90	0.00	0.17	100.00

Unutilized arable land 48%



Agricultural Land in FBH – Ownership structure

Ownership	%	000 Ha
State	32.65	385
Family farms	67.35	794
Farms up to 2 Ha	85.00	675
Total agricultural land	100.00	1,179



Agricultural households in FBH

Indicator	Number	% in total households	% in agricultural households
Households	715,739		
Agricultural households	217,061	30.33	
Commercial agricultural households	30,089	4.20	13.86
Registered farms	74,050	10.30	34.10



Structure of farms in FBH by size

Farm size (Ha)							Total FBH
Farms number	0 – 1	1 – 3	3 – 5	5 – 10	10 – 50	>50	
	49,750	16,777	4,170	2,395	863	95	74,050
%	67.18	22.66	5.63	3.23	1.17	0.13	100,00
Ha	0 – 1	1 – 3	3 – 5	5 – 10	10 – 50	>50	Total FBH
	16,482	29,015	15,860	16,089	14,772	16,980	109,200
%	15.09	26.57	14.52	14.73	13.53	15.55	100,00
Average size (Ha)	0.33	1.73	3.80	6.72	17.12	178.74	1.47



Key Institutions responsible for land market issues in FBH

- Federal ministry of agriculture, water management and forestry of FBH
- Cantonal ministries of agriculture
- Municipalities
- Federal Administration for Geodetic and Property Legal Affairs
- Federal Institute of Agropedology
- Public notary
- Municipality courts



Key regulations

- The Law on Agricultural land (2009) of FBH
 - Cantonal programmes for agricultural land management,
 - Regulations on unique methodology to agricultural land classification;
 - Regulations on methodology for permanent monitoring of agricultural land condition;
 - Regulations on procedures and conditions for the change of agricultural land purpose;
 - Regulations on form, content and procedure of agricultural land recording
 - Regulations on conditions and way of use of funds acquired by change, renting and concessions of state-owned agricultural land.
- Law on budgetary support to agriculture and rural development;
- Law on special planning and land use;
- Law on real estate cadastre;
- Law on concessions;



Agricultural land sale and rental market - characteristics

- Different procedures for private and state owned land;
- Highly decentralized procedures;
- Different tax policies in 10 Cantons of FBH;
- No centralized database or record;
- Data incomplete and unreliable;
- High „pressure“ to agricultural land by industry, tourism, construction, mining
- Demand for agricultural land for agricultural production has been decreasing



Agricultural land rental prices in FBH

- Rental prices of state-owned agricultural land is slightly lower than the privately owned one. In 2017:
 - from 20 EUR/ha to 45 EUR/ha for pastures),
 - 25 EUR/Ha – 60 EUR/Ha for meadows,
 - 35 EUR/Ha – 100 EUR/Ha for arable land
 - 15 EUR/Ha for neglected and overgrown land
- Demand for privately owned agricultural land rental in FBH is low
 - 15 EUR/Ha to 100 EUR/Ha in hilly and mountainous regions
 - up to 150 EUR/Ha for arable land in northern flat part of FB&H.



Agricultural land sale prices

- Significant variations in agricultural land sales prices
- In the remote, mountainous and hilly regions -5,000 EUR/Ha.
- In the northern, flat part of FBH 15,000 EUR/ Ha,
- Plots prone to floods rarely exceeds 7,500 EUR/Ha.
- In the southern, Mediterranean region from 50,000 EUR/Ha to as much as 170,000 EUR/ha.
- In most of the continental parts price ranges from 50,000 EUR/ha to 100,000 EUR/Ha.
- Permit to build on the land significantly increases its market value and sales price. Such a land can be sold for 100,000 EUR/Ha to as much as 250,000 EUR/Ha.



Policy measures regarding land market

- No department for agricultural land in the ministry
- Measures aimed to improve land ownership and size structure in FBH have not been implemented on regular basis;
- Funds collected from the charges for change of purposes of agricultural land and from state-owned land renting are transferred to land remediation and improvement
- The measure “Enlargement of farm size” was implemented only in 2007.
- Program called “Improvement and protection of agricultural land” within the rural development measure (2008-2010).
- Measure „Capital investment“ aimed to support farms in acquiring capital assets by subsidizing interest on agricultural loans only occasionally.



Agricultural credit terms in FBH

Term	Development bank of FBH	Commercial banks	Turkish Ziraat Bank	MCO
Amount (EUR)		to 20,000	to 50,000	5,000
Duration (y)	1.5-12	6	10	1
Grace period (m)	6-36	-	12	-
Interest rate % (eff.)	3.4	12.63	6,09	10.6-20.1
Collateral	1.5-2:1	1,5:1	1,5:1	
Note	For registered farms	For registered farms	For egal entities	Small farmers, individuals



Conclusions

- Agricultural land in FBH is very fragmented and insufficiently protected
- No institutional and regulatory preconditions for establishment of functional land market
- The Law on agricultural land is violated in many ways and at numerous levels without any legal consequences.
- No regulation or mechanisms on agricultural land protection .
- Cadastre and land register are inaccurate, not updated and unadjusted.



Conclusions

- No central institution in charge of agricultural land market
- Decreasing demand for agricultural production
- No agri-policy measures related to land market whatsoever
- Lack of credits suitable for specific and risky activity such as agriculture together with lack of agri-policy measures to facilitate farmers access to finance discourages farmers, particularly small ones to buy land and increase their land property





Thank you for yor attention!!!

