



LEASE OF STATE AGRICULTURAL LAND



**Ministry
Of Agriculture,
Forestry And
Water Economy**

2012

INTRODUCTION

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 the 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 main transitive road for transport of goods from Central Europe on the East and from East Europe and Greece through 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 the summers are hot with temperatures that can rise up to 40°C. The average quantity of precipitations varies from 500 mm in the eastern region to 1700 mm in the western highland regions (average quantity of precipitations per year is 733 mm). During the period from October to November there is larger quantity of precipitations, and decreased rainfalls are characteristic of 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 altitude of 50 – 900 m above the sea level, where the pastures are dominant in the highland region.

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

The total land of 25.713 km² 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 560000 hectares (44% is arable land, and 56% are pastures). There is a possibility to irrigate 123864 ha of the arable land with the built detailed network of irrigation systems.

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 the 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, increasing 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, without limiting the size of land parcels, for the following regions: Gevgelija, Kumanovo, Resen, Kriva Palanka, Kavadarci, Sveti Nikole, Radovish, Bitola, Veles and Prilep, for the total space of approximately 3.280 ha.

Ord. nr.	REGION	SIZE
1	Gevgelija	417ha
2	Kavadarci	384 ha
3	Radovish	151 ha
4	Veles	904 ha
5	Kriva Palanka	80 ha
6	Bitola	35 ha
7	Resen	27 ha
8	Sveti Nikole	10 ha
9	Prilep	144 ha
10	Kumanovo	1.127 ha
Total:		3280 ha

1. Review of available agricultural land owned by the Republic of Macedonia, for publishing in an announcement without limitations for the land size, for the region of Gevgelija.

GEVGELIJA is situated at 64 meters above the sea level and it is under the influence of the Mediterranean climate; primarily the Mediterranean climatic influence is coming from the Aegean Sea. The Kozuf mountain with its highest peak “Green Bay”, located at 2.167 meters above the sea level, representing a natural border between the Mediterranean and Continental climate, with 240

sunny hours per year, and annual sum of sunny periods of 2.392 hours of sun. The average annual temperature is 14,3 °C, average annual minimum temperature is 8,6 °C, whereas the average maximum temperature is 20,6 °C. The highest maximum temperature was measured in the month of July 2004 and it was 44,6 °C, whereas the lowest minimum temperature was measured in the month of December 1999 and it was -16 °C. The average annual sum of rainfalls is 649 mm/m². The most rainfalls have been noted in the month of October and November, the most rainless months are the months of July and August. However, 213 l/m² of rain were measured on July 4, 2004 only. The average number of days under snow cover is 4, and 7 days with fog.

Such Mediterranean climatic conveniences provide growing of **early vegetables** and Mediterranean fruits, such as: **figs, pomegranates, olives, tangerines and lemons**.

Ord. Nr.	CADASTRE MUNICIPALITY	SIZE
1	Crnicani	76 ha
2	Gjopceli	59 ha
3	Bogorodica	60 ha
4	Furka	82 ha
5	Nov Dojran	33 ha
6	Stojakovo	23 ha
7	Prdejci	84 ha
Total:		417 ha



Gevgelija - Gjopceli 59 ha



Gevgelija - Bogdanci 60 ha



Gevgelija - Crnicani 76 ha



Gevgelija - Furka 82 ha



Gevgelija – Nov Dojran 33 ha



Gevgelija - Stojakovo 23 ha



Gevgelija - Prdejci 84 ha

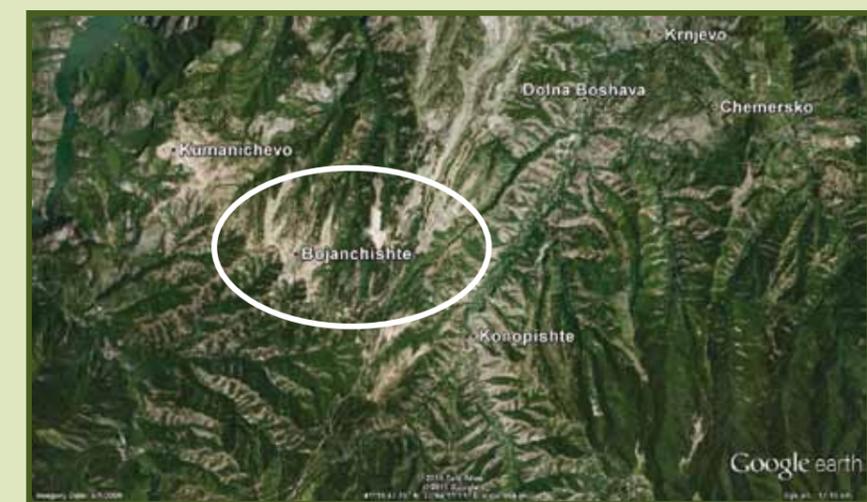
2. Review of available agricultural land owned by the Republic of Macedonia for publishing of an advertisement without limitation of the size, in the region of Kavadarci

KAVADARCI is a town in south-west part of Povardarie Region and in the same time it is the center of the Tikvesh Region. The town is situated between 230 and 270 meters above the sea level. It is influenced by the Continental and Mediterranean climate, so that the average annual temperature is 13,5 °C, (summer temperature over 40 °C, and winter temperature up to - 25 °C). The most prevalent crop in Kavadarci Region is **vine-growing**.

Ord. Nr.	CADASTRE MUNICIPALITY	SPACE
1	Gornikovo	109 ha
2	Bojanchiste	24 ha
3	Koshani	7 ha
4	Boshava	38 ha
5	Stragovo	206 ha
Total:		384 ha



Kavadarci - Garnikovo 109 ha



Kavadarci - Bojanishte 24 ha



Kavadarci - Koshani 7 ha



Kavadarci - Boshava 38 ha

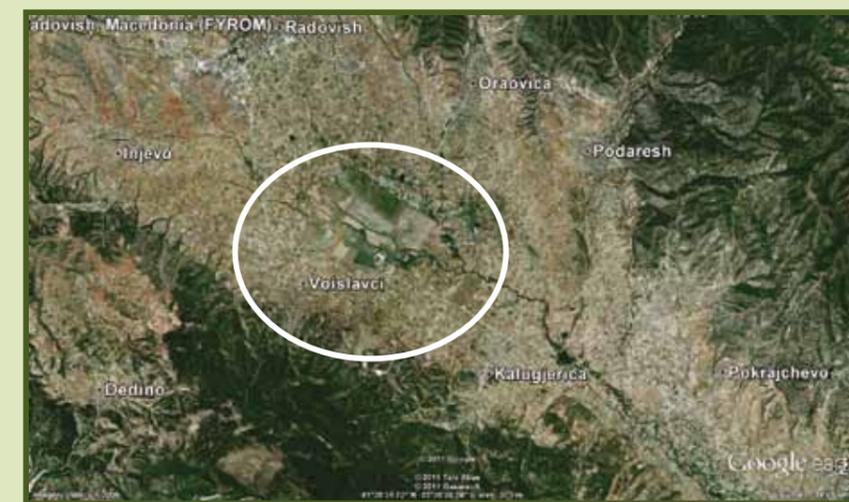


Kavadarci - Stragovo 206 ha

3 Review of available agricultural land owned by the Republic of Macedonia for publishing of an advertisement without limitation of size, in the region of Radovich

RADOVISH is under the influence of the Mediterranean-Continental climate. Due to the emphasized height difference (400-707 above the sea level) some climatic elements vary between changed Mediterranean climate in the field and mountain climate in the mountains. The average annual temperatures in the plains range from 12,5 to 13 °C. The hottest months are the months of July and August, with an average temperature of 23 °C, and the coldest month is the month of January with 1,2 °C. Average annual precipitations are 563 mm, with great variations from year to year; however, there are great differences between mountainous and plain regions. In regard with the sunny hours, the region has 2.326 solar hours per annum, i.e. 6,4 hours as daily average. The most grown and produced agricultural crops are the following: **tobacco, early vegetables and cereal crops.**

Ord. nr.	CADASTRE MUNICIPALITY	SIZE
1	Voislavci	83 ha
2	Suldurci	20 ha
3	Radovich	21 ha
4	Raklish	28 ha
Total:		151 ha



Radovich - Voislavci 83 ha



Radovich - Surdulci 20 ha



Radovich – Radovich (Cairi and Reka) 21 ha



Radovich - Raklish 28 ha

4. Review of available agricultural land owned by the Republic of Macedonia for publishing of an advertisement without limitation of size in the region of Veles

VELES is located in the center of Macedonia. It represents an important transportation knot, as it has been a crossroad of motorways and railway lines of the international corridor through which Europe is connected with the Middle East and North Africa. Veles Region is spread along river Vardar that forms the Veles Canyon, located at 206 meters above the sea level. The climate is moderately – continental with medium annual temperature of 13°C. The average annual sum of precipitations is 427 mm.

Ord. Nr.	CADASTRE MUNICIPALITY	SIZE
1	Kochilari	13ha
2	Nogaevci	592 ha
3	Ulanci	179 ha
4	Ubogo	120 ha
Total:		904 ha



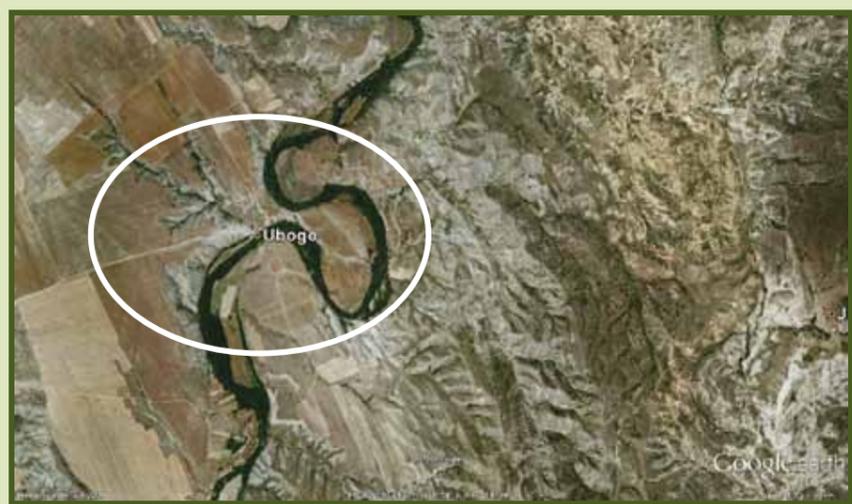
Veles - Kochilary 13 ha



Veles - Nogaevci 592 ha



Veles - Ulanci 179 ha



Veles - Ubogo 120 ha

Ord. Nr.	CADASTRE MUNICIPALITY	SIZE
1	Otoshnica	75 ha
2	Rankovce	5 ha
Total:		80 ha



Kriva Palanka - Otoshnica 75 ha



Kriva Palanka - Rankovce 5 ha

5. Review of available agricultural land owned by the Republic of Macedonia for publishing of an advertisement without limitation of size in the region of Kriva Palanka

KRIVA PALANKA is characterized with moderate-continental climate with moderately cold winters, moderately hot summers, cool springs and relatively warm falls, due to its geographical disposition and some influences that penetrate from the Aegean Sea through the river Kriva Reka. Osogovo highlands are under the influence of steppe climate. The average annual temperature is 10,2 °C. The average annual temperature deviation is 20,3 °C. Compared to the areas that encircle Kriva Palanka Region, it receives significant amount of precipitations. This is a result of the absolutely high lands that represent a natural condenser of water vapor brought by the western and south winds. The average date of the first snow cover in this area is November 30. Such climatic conveniences provide growing and production of **cereal crops, orchard fruits, forage, etc.**

6. Review of available agricultural land owned by the Republic of Macedonia for publishing of an advertisement without limitation of size in the region of Bitola

The region of BITOLA, as a part of Pelagonia Valley, is basically characterized with moderate-continental climate with an emphasized continental component, and a dynamic unstable climate of a dry and very hot summers and winter periods that are separated in short, dry and cold parts. In other words, the climate has the specifics of a continental climate, and the precipitations bear the characteristics of a dry changed-Mediterranean or steppe climate with occasional penetrations of hot air mass from North Africa – Sahara desert. The average annual quantity of precipitations is 601 mm. With the values that range from 338 mm to 879 mm, the difference represents the quantity which is close to the average measurements. Besides the wheat, this region is famous for growing and production of barley, corn, oats and rye. Industrial crops are also represented in Pelagonia valley. The whole valley (especially Prilep field) is famous for the largest growing and production of tobacco in Macedonia and on the Balkans. Other industrial crops that are grown in this region are the following: sunflower, bur clover, and potatoes (eastern part, villages Musinci and Dobrushevo) forage maize. More humid parts of land with more water (along the river Crna Reka) and especially in the western parts of Prilep and Bitola field (the villages of Buchin, Obrshani, Bela Crkva, Kukurechani, Mogila) there is huge production of onions and paprika (red-ajvar peppers and green peppers). Orchards and vineyards are present, but in a lesser scope.

Ord. Nr.	CADASTRE MUNICIPALITY	SIZE
1	Crni Buki	35 ha
Total:		35 ha



Bitola – Crni Buki 35 ha

7. Review of available agricultural land owned by the Republic of Macedonia for publishing of an advertisement without limitation of size in the region of Resen

The climatic conditions in Ohrid – Prespa region, and therefore, on the mountain Galichica that separates these two valleys, is conditioned by several factors that contribute to having different climate than the one in the surrounding regions. The separate influence of these factors is not significantly large; however its mutual influence over the region results in occurrence of a specific kind of moderate-continental climate. Such climatic conveniences provide **growing of fruits in orchards and vegetables**.

Ord. Nr.	CADASTRE MUNICIPALITY	SIZE
1	Gorno Dupeni	27ha
Total:		27 ha

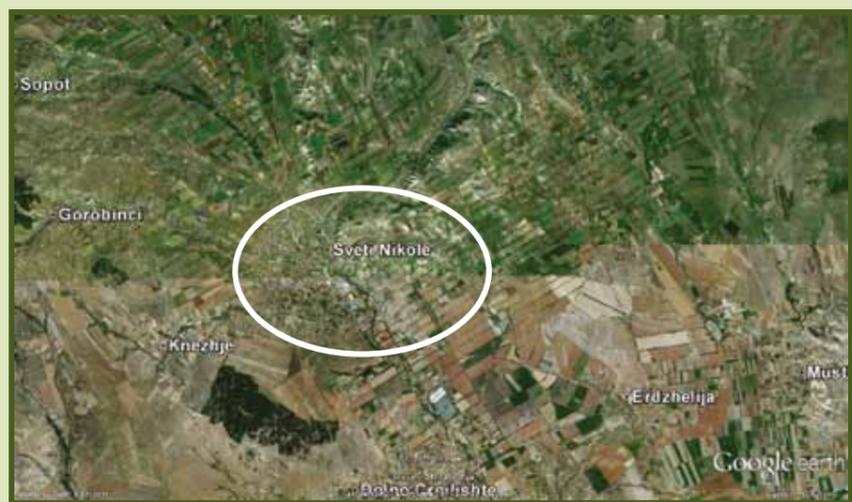


Resen – Gorno Dupeni 83 ha

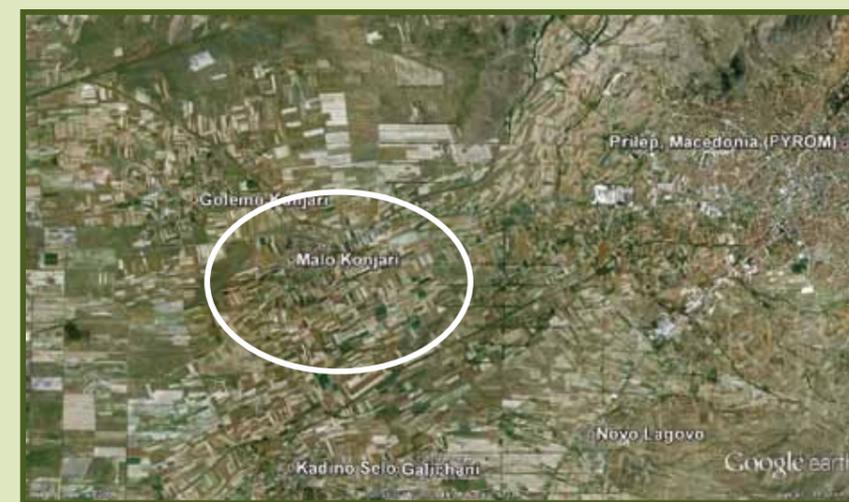
8. Review of available agricultural land owned by the Republic of Macedonia for publishing of an advertisement without limitation of size in the region of Sveti Nikole

SVETI NIKOLE is predominantly agricultural region with the total space of 28.000 hectares, of which 80% represent arable agricultural land. Fertile and arable agricultural plains are predominant natural resource in Ovche Pole. This is the basic pre-condition because of which most part of the population is dealing with agriculture and farming. The climatic conditions are favorable for growing vineyards that produce high annual yields and production of high quality wine according to European standards. The villages in Ovche Pole have ideal conditions **for organic agricultural production** and production of **traditional products from Ovche Pole**.

Ord. Nr.	CADASTRE MUNICIPALITY	SIZE
1	Sveti Nikole	10 ha
Total:		10 ha



Sveti Nikole 10 ha



Prilep – Malo Konjari 80 ha



Prilep - Veselchani 48 ha



Prilep - Chepigovo 17 ha

9. Review of available agricultural land owned by the Republic of Macedonia for publishing of an advertisement without limitation of size in the region of Prilep

The town of PRILEP and its surrounding are situated at 550 – 700 m above the sea level, and the Prilep plain is surrounded by high mountains ((1500m) which provide conditions for moderate-continental climate. The medium annual minimum temperature, according to measuring point in Prilep, is 6,1° C, whereas the absolute maximum temperature is up to 39,4°. These temperatures are higher than the absolute maximum temperatures measured in Struga, Resen, Ohrid and Bitola. The low level of precipitations during the year (500-600mm) produce conditions for occurrence of poor water springs.[7] Prilep and its surrounding are characterized with occurrence of winds from north-east during the whole year. The maximum speed of north-east winds is 22,5 m/s. The average speed of south-east winds is 3,8 m/s.[8] The town has more than 250 sunny days per annum.

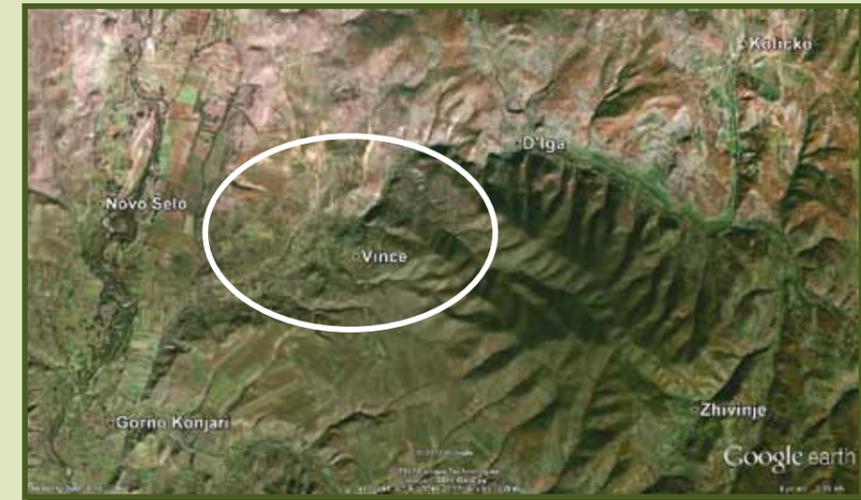
One of the most developed industrial branches in the municipality of Prilep is the agriculture. The most present industrial crops for growing and production in this region are the following: **tobacco, cereal crops, and vegetables**. In any case, the municipality of Prilep is the best known in the Republic of Macedonia and beyond, by growing and production of tobacco; the most part of the agriculture in this region is growing of tobacco. This is why the town of Prilep is also called the Town of tobacco.

Ord. Nr.	CADASTRE MUNICIPALITY	SIZE
1	Malo Konjari	80 ha
2	Veselichani	48 ha
3	Chepigovo	17 ha
Total:		144 ha

10. Review of available agricultural land owned by the Republic of Macedonia for publishing of an advertisement without limitation of size in the region of Kumanovo
(the photos show only spaces of land that are wider than 10 ha per cadaster municipality)

Due to its open location towards the north and the south, Kumanovo Valley is influenced by the continental and changed continental climate. The average annual temperature is around 11,5⁰C, and the average quantity of precipitations is about 550 mm. These conditions provide growing of **vegetables, maize, fodder**, etc.

Ord. Nr.	CADASTRE MUNICIPALITY	SIZE
1	Vince	18 ha
2	Orashac	17 ha
3	Studena bara	20 ha
4	Studena bara	73 ha
5	Studena bara	12 ha
6	Studena bara	67 ha
7	Umin dol	15 ha
8	Umin dol	54 ha
9	Tromegja	52 ha
10	Chelopek	52 ha
11	Zivinje	20 ha
12	Runica	24 ha
13	Tabanovce	21 ha
14	Zubovce	34 ha
15	Ml. Nagorichane	76 ha
16	Ml. Nagorichane	23 ha
17	Ml. Nagorichane	36 ha
18	Ml. Nagorichane	60 ha
19	Ml. Nagorichane	28 ha
20	Ml. Nagorichane	24 ha
21	Ml. Nagorichane	22 ha
22	Ml. Nagorichane	21 ha
Total:		1127 ha



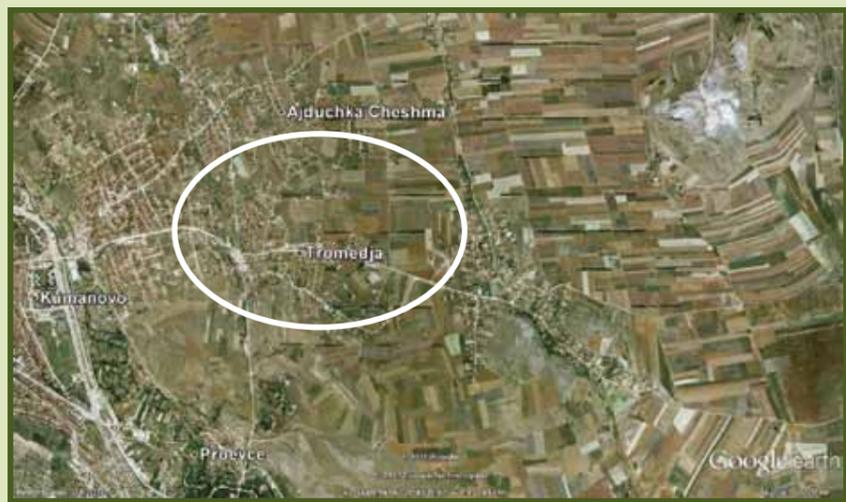
Kumanovo - Vince 18 ha



Kumanovo – Studena bara 154 ha



Kumanovo – Umin Dol 91 ha



Kumanovo - Tromejja 49 ha



Kumanovo - Nagorichane 23 ha



Kumanovo - Celopek 26 ha



Kumanovo - Tabanovce 20 ha

CONDITIONS AND CRITERIA

The Minister for Agriculture, Forestry and Water Economy shall open a public announcement for granting agricultural land in state ownership for lease, without limiting the size of the area, pursuant to Article 21 of the Law on Agricultural Land ("Official Gazette of the Republic of Macedonia" no. 135/07, 18/11 and 148/11).

Subject to public advertisement is granting state owned agricultural land for lease in all regions of Macedonia. Domestic natural and legal persons and foreign legal entities have the right to participate on this public announcement.

Natural persons should be registered providers of agricultural activity and/or sole proprietors to which agricultural production or processing of primary agricultural products is their main activity. Foreign legal persons are eligible to participate on a public announcement if they have established subsidiaries in Macedonia.

Agricultural production or processing of primary agricultural products should be the main activity of domestic and foreign legal entities or their subsidiaries, or they should need the agricultural land in order to perform scientific-research activities.

Persons who have failed to settle their obligations in respect with the rent for previously concluded lease contracts on state owned agricultural land, do not have the right to participate on the public announcement.

Legal persons in a process of bankruptcy proceedings and nonprofit organizations do not have the right to participate in the public announcement.

The duration of the lease for which the land is issued shall be:

- Raising long-term crops (vineyards, orchards, hops), raising greenhouses, period of up to 30 years

- Raising olive orchards, period of up to 50 years
- Growing of other agricultural crops, period of for up to 15 years
- Meadows, period of up to 15 years,
- Fish-ponds for up to 20 years,
- Sport and recreation activities and rural tourism, period of up to 30 years.

The Commission shall select the most favorable bidder based on the criteria established in Articles 25, 26 and 27, paragraph 1 of the Law on Agricultural Land ("Official Gazette of the Republic of Macedonia" no. 135/07, 18/11 and 148/11):

-the highest offered annual lease

The size of the area of the agricultural land which shall be received by a bidder shall be determined on the base of the criteria established in Article 27 paragraph 2 of the Law on Agricultural Land ("Official Gazette of the Republic of Macedonia" no. 135/07, 18 /11 and 148/11) and Article 4 of the Regulation on criteria for selecting the most favorable bidder for the agricultural land in state ownership ("Official Gazette of the Republic of Macedonia" no. 12/08 and 26/12) as follows:

- Minimum material - technical equipment of the bidder
- The number of planned employments or employees according to business plan should be as follows:
 - For areas of up to **50 acres** - at least one tractor lightweight category (up to 80 kw) and at least one planned employee that is permanently employed;
 - For area of up to **100 acres** - at least 2 tractors lightweight category or at least a moderate one (80 kw - 120 kw) and at least 2 planned employees that are permanently employed;
 - For area of up to **150 hectares** - at least 4 tractors lightweight category or at least 2 medium and at least 1 heavy duty (over 120 kw) and at least 4 planned employees that are permanently employed;
 - For area over **150 hectares**, the number / capacity of the machinery shall grow proportionally with the size of the area which will be cultivated and to each 50 hectars 1 planned employee that is permanently employed;

In order to prove the substantive technical equipment, each bidder is obliged to submit adequate evidence (a driving license, invoice, sale and purchase contract certified by a notary, a final court decision or act of another competent authority) only the material and technical equipment of the bidder for which it has provided evidence shall be considered during the procedure. The initial price per hectare in the procedure of this public announcement is determined depending on the cadastral class and location of land.

The initial price is 25 EUR in denar equivalent for agricultural land from 1 to 4 cadastral class and 15 EUR in denar equivalent for agricultural land from 5 to 8 cadastral class, calculated on the base of the mean rate of the National Bank of Macedonia on the day of payment. The initial price for agricultural land located in mountainous areas, the initial price for the land from 1 to 4 cadastral class is 15, and land from 5 to 8 class 5 EUR, calculated on the base of the mean rate of the National Bank of the Republic of Macedonia on the date of payment.

According to the Law on Agricultural Land ("Official Gazette of the Republic of Macedonia" no. 135/07, 18/11 and 148/11) there is no legal basis for electronic bidding because the bid and other documents are to be submitted in a sealed envelope.

