



For Growth on the Earth

NEWSLETTER

JANUARY / 2024



investments & development

accounting & finance

law & tax

agri estate



Investment experts
in agriculture of Latvia



Greetings

As January draws to a close, the tranquil winter landscape sets the stage for a promising active agricultural season ahead.

In this final stretch of winter, farmers are busy refining their plans and preparing equipment for the approaching planting and sowing season.

This year marks a significant shift with the application of 12% value-added tax (VAT) on fresh fruits, berries, and vegetables, as per amendments to the Value Added Tax Law. Departing from the previous 5% VAT rate that held sway until December 31, 2023, this adjustment was initially proposed to spike to 21% from January 1, 2024, according to the government's bill. However, the Latvian Parliament wisely opted to apply a more favorable 12% rate for this year.

This decision to increase VAT rate not only increases the financial pressure on our farmers, but also emphasizes the importance of the viability and sustainability of Latvia's agricultural sector, as well as the availability of local fresh vegetables and fruits to the people of Latvia.

In this newsletter of January we would like to inform you on the topicalities in Latvian agricultural sector and at the second part of the newsletter you will find selected agricultural real estate offers.

May the beginning of this year be a starting point to new achievements!

ActusQ team

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AGRI ESTATE OFFERS

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EU exceptional market measures enhance the agricultural sector's resilience amidst crises

On January 23, the European Commission published a report on the use of crisis measures taken to support the EU agri-food sector from 1 January 2014 to the end of 2023. The report shows that the legal toolbox for exceptional measures of the Common Organisation of the Markets, further developed by the last reform of the Common Agricultural Policy, provides the flexibility for tackling various types of crises.

Agricultural production is inherently risky since it depends on natural resources and climate conditions, and is influenced by market developments. Adverse weather conditions, severe market imbalances, or the spread of animal diseases and plant pests can lead to harvest failures and other serious market disturbances.

Over the past decade, the EU agricultural sector has faced a multitude of crises, including the effects of COVID-19 pandemic, the war in Ukraine, animal diseases, significant market disturbances and extreme weather events. Such events are often of a multidimensional and unpredictable nature and therefore require ad hoc and targeted responses.

The Commission has always stood ready to assist EU farmers in need within the possibilities of its legal toolbox set by the co-legislators. From 1 January 2014 to the end of 2023, **63 exceptional measures have been adopted by the European Commission to support farmers and producers impacted by loss of production, reduction of prices, higher production costs or supply chain disruption. These measures have channelled more than €2.5 billion of EU funds to EU agricultural sector and demonstrated the constant EU solidarity towards its farmers.**

Information source: European Commission

The 10th season of seasonal agricultural workers has ended

From April 1 to November 30, 2023, the tenth season took place when farmers in Latvia registered seasonal agricultural workers in the Electronic Application System of the Rural Support Service (RSS). Farms in Latvia, which operate in the fruit growing and vegetable growing sector, as well as employ agricultural workers in seasonal work and stone picking work in sowing, planting or grass areas, use this system for simple employee accounting.



Last year, 3140 employees actively participated in seasonal works. During the season, a total of 406 farms employed agricultural workers in all regions of Latvia. The consistently highest number of farms was registered in the regions of Zemgale (98 farms) and Ziemeļvidzeme (80 farms).

The registration of agricultural workers this season could also be done easily and quickly using the RSS mobile app.

This year, seasonal agricultural workers will be able to be registered again in the system from April 1.

Information source: Rural Support Service

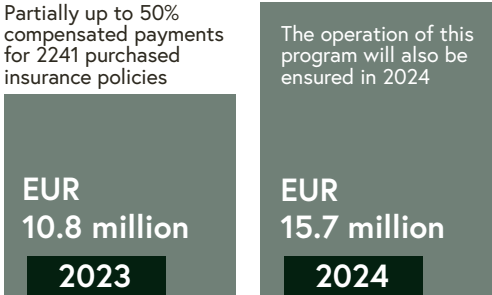
The Ministry of Agriculture actively continues support measures for farmers

The Ministry of Agriculture informs that since the beginning of 2024, various support measures for farmers are actively continuing.

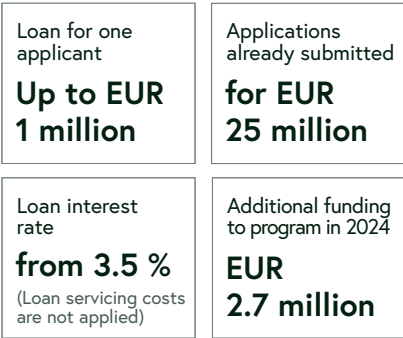
Minister for Agriculture Armands Krauze: "Observing the specifics of the industry, we must provide support programs for farmers. It is an international practice that justifies itself in the long term. However, support must be targeted, precise and justified. In addition, clear criteria and ease of administration are important. I am pleased that, in cooperation with the industry, the Ministry of Agriculture has managed to find solutions appropriate to the current situation and challenges".

Partial coverage of crop and livestock insurance policy costs

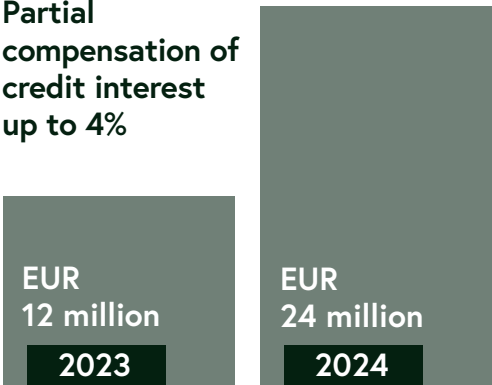
Partially up to 50% compensated payments for 2241 purchased insurance policies



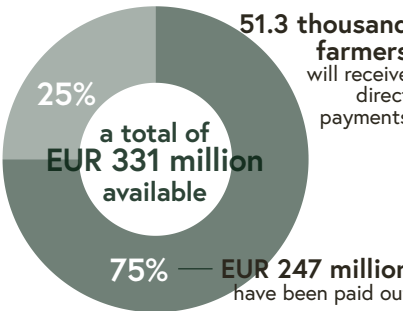
Working capital for farmers



Partial compensation of credit interest up to 4%



The pay-out of direct payments for 2023 continues



European Union emergency support in 2023



Support for participation in food quality schemes

From February 26 to March 26, 2024, the Rural Support Service (RSS) organizes the acceptance of project submissions in the support event "Food Quality Schemes".

Those producers of agricultural products or processing companies involved in the food industry who are participants in at least one of the defined food quality schemes can apply for support:

- organic farming scheme;
- national food quality scheme;
- scheme of hereditary traditions.

The purpose of the support is to promote the participation of agricultural product producers and food processing companies in food quality schemes, thereby promoting the production and

processing of quality food products, and their delivery to retail.

The total funding of the first round is EUR 2.15 million.

RSS draws attention to the fact that the support of this year's support measure (intervention) "Food Quality Scheme" will be granted only for products in the agricultural sector.

Project applications must be submitted using the Electronic Application System of the RSS. Projects can be implemented with the support of the European Agricultural Fund for Rural Development.

Information source: Rural Support Service

Bark beetle control measures will continue in 2024

In connection with the spread of the spruce eight-toothed bark beetle, the Director General of the State Forest Service announces the situation of mass multiplication of the bark beetle in the forests on the territory of Latvia until the end of 2024.

The decision was made on the basis of the evaluation of the expert working group, the monitoring data of Latvian State Forest Research Institute "Silava", as well as the survey of valuable spruce stands in 2023, when 1-3% damage by spruce eight-toothed bark beetles was found in 33% of the valuable spruce stands on an area of 13 500 ha.

This means that during the period from April 1 to August 31, 2024, economic activity restrictions will be in effect - ban on felling trees in protection zones A, B, C of valuable spruce stands.

On the other hand, protective measures provide that it's allowed to cut a forest stand damaged by bark beetles or part of it in the sanitary continuous felling, if the number of damaged trees is at least 10 trees per hectare. Felled trees should be processed and removed from the forest as soon as possible to reduce the spread of the pest. Pheromone traps must be placed in clearing areas exceeding 0.8 ha.

Information source: State Forest Service

Invest in agriculture in Latvia

Selected Agri Estate offers Land • forests • farms

For investors:

- 4400 ha land portfolio in Latvia 5
- 1500 ha forest and land portfolio in Natura 2000 area 6

Farms:

- Grain farm (1000 ha) 7
- Medium size farm (200 ha) 8

Agriland and forests:

- in Vidzeme region 9
- in Kurzeme region 13
- in Zemgale region 14

For
sale



3870 ha
FARMLAND



330 ha
FOREST



200 ha
NATURE AND
INDIVISIBLE
PARTS

FOR MORE
INFORMATION
CLICK **HERE**

OR SCAN CODE:



4400 ha in Latvia

We offer for sale a private farmland and forest holding of 4400 hectares of land in Latvia.

Acquisition of this portfolio provides an opportunity to enter the farmland market of a Baltic State – Latvia – in a one step, short go, and continue the long-term development of the portfolio using well-structured existing system.

Opportunities:



Experienced team

Portfolio is managed by a highly experienced and trustful team and the new owner will benefit from this experience with little efforts.



Active farming

Currently, farmland is leased out to local farmers on a long-term basis. The new owner has opportunity to engage and develop active farming initiatives.



Intensive forest management

Forests are managed on customary basis and more active, commercial strategies can be introduced post sales.



Alternative energy projects

Several compositions of the portfolio lie in areas with opportunities to develop middle- and large-scale alternative (green) energy projects, i.e., farming fiber, solar, wind or hybrid and have been requested by energy developers.

For
sale

Forest and land portfolio

< 1500 ha *in the Natura 2000 area*



56,5%
FOREST*



9,5%
AGRILAND
*mostly biologically
valuable grasslands*



34%
OTHER LAND
incl. 19,5% swamp

EU area
payment support:
~ 180 000 EUR
per year

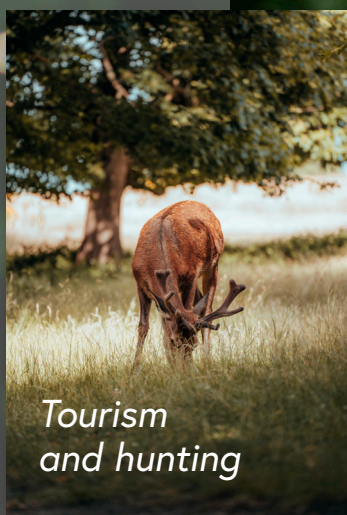
Annual return on capital:
3,6% of sales price
*(annual value appreciation
of property not included)*

210 km
RĪGA
LUBĀNA

Sales of
Real estate ownership
or
100% shares of Ltd,
which owns real
estate properties

Possible use of property:

** Forestry activities are limited*



*Tourism
and hunting*



*Beef cattle
farming*



Beekeeping

ORGANIC FARMING

Crop farm > 1000 ha

 **87%**
AGRILAND

 **4%**
FOREST

Description:

- Experienced local management and team
- Established supply and sales channels
- Traditional crop rotation - summer and winter wheat, barley, canola (rape)
- Farmsite with necessary infrastructure
- Grain treatment and storage facilities on site
- Annual subsidies ~ EUR 160 000



Soil fertility
above average:
40-55 points



Well-consolidated
land portfolio:
3 large blocks
of fields

Sales versions:

Sold on cash and debt free basis on closing

Total
sales

Operating part
+
long term land
lease with
gradual buyout

Operating part,
~ 200 ha land
+
long term land lease
with gradual
buyout

For
sale

RĪGA ••••• 240 km •••••
RĒZEKNE

Key features:



Complete
machinery fleet



Grain treatment
and storage
facilities, including
weighbridge



Local team



Sold as ongoing
business

Production:

Average harvest results of 2022

Winter wheat	6.0 t/ha
Summer wheat	4.0 t/ha
Summer barley	5.0 t/ha
Rape (canola)	3.3 t/ha

For
sale

Medium size farm

Total area: 200 ha

Owned: 135 ha

Leased: 65 ha

Key features:



Fertile farmland,
soil quality index:
50-55 points



Well-developed region,
close access
to main roads



Set of basic
machinery fleet



2 storage buildings,
each 1000 m²



2 employees

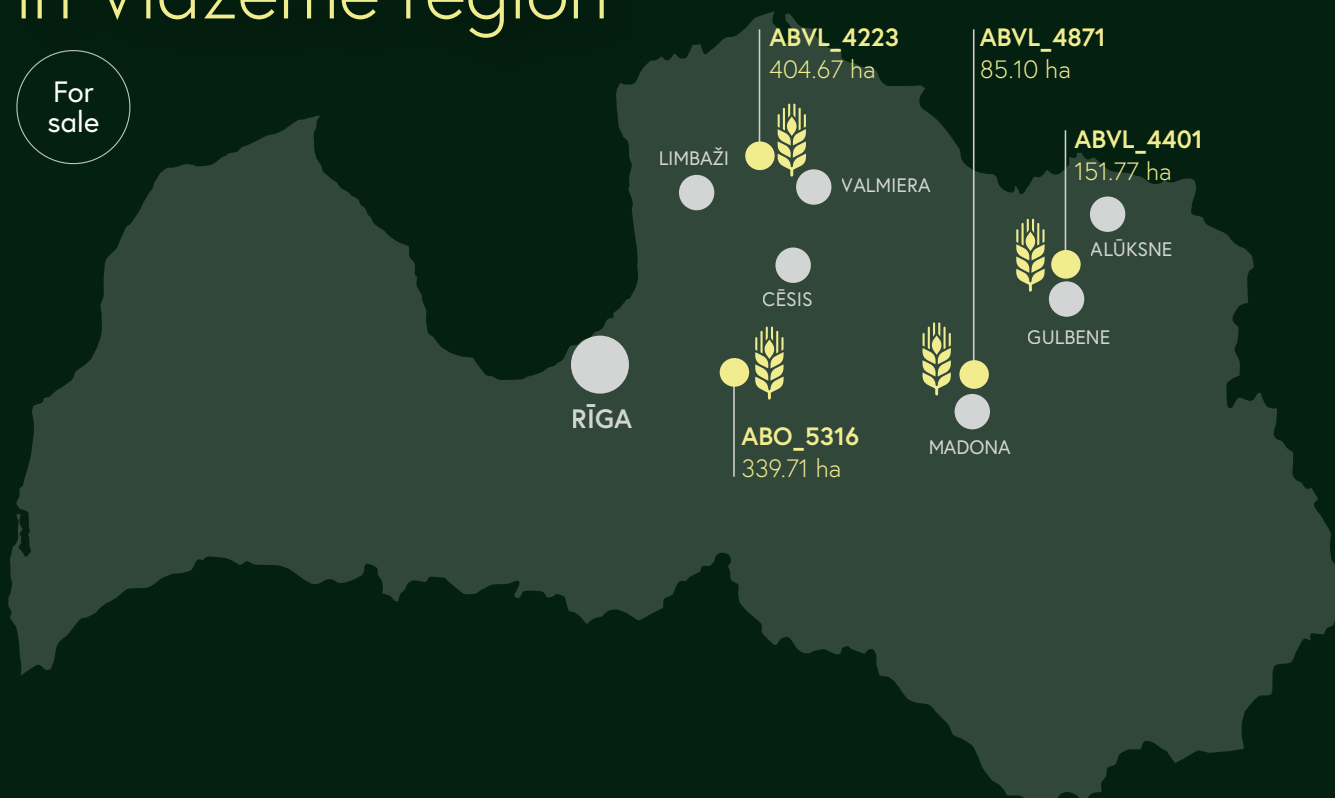


Description:

- Farm is relatively young and requires professional management for further development. It has relatively new basic set of machinery necessary to operate the current size of the farm.
- Farm base with two basic storage buildings is in geographically very good location with close access to main regional roads and close proximity to well-developed supply and delivery infrastructure.
- Region is one of the best developed regions in Latvia with several larger towns in 15–30-minute distance, which offers good quality both for business development and quality life.

Agriland and forests in Vidzeme region

For sale



85.10 ha

ID: ABVL_4871

Locality: Cesvaine parish

Farmland:	Forests:	Other land:
56.19 ha	11.20 ha	17.71 ha

The offer consists of one property with several land units located next to each other.

 AVERAGE LAND PRODUCTIVITY INDEX: 35-40 points

151.77 ha

ID: ABVL_4401

Locality: Beļava parish

Farmland:	Forests:	Other land:
120.18 ha	2.67 ha	28.92 ha

The offer consists of one property with several land units located next to each other.

 AVERAGE LAND PRODUCTIVITY INDEX: 35-43 points

404.67 ha

ID: ABVL_4223

Locality: Dikļi parish

Farmland:	Forests:	Other land:
317.74 ha	65.24 ha	21.69 ha

The offer consists of several properties located near to each other.

 AVERAGE LAND PRODUCTIVITY INDEX: 37-50 points

339.71 ha

ID: ABO_5316

Locality: Mālpils parish

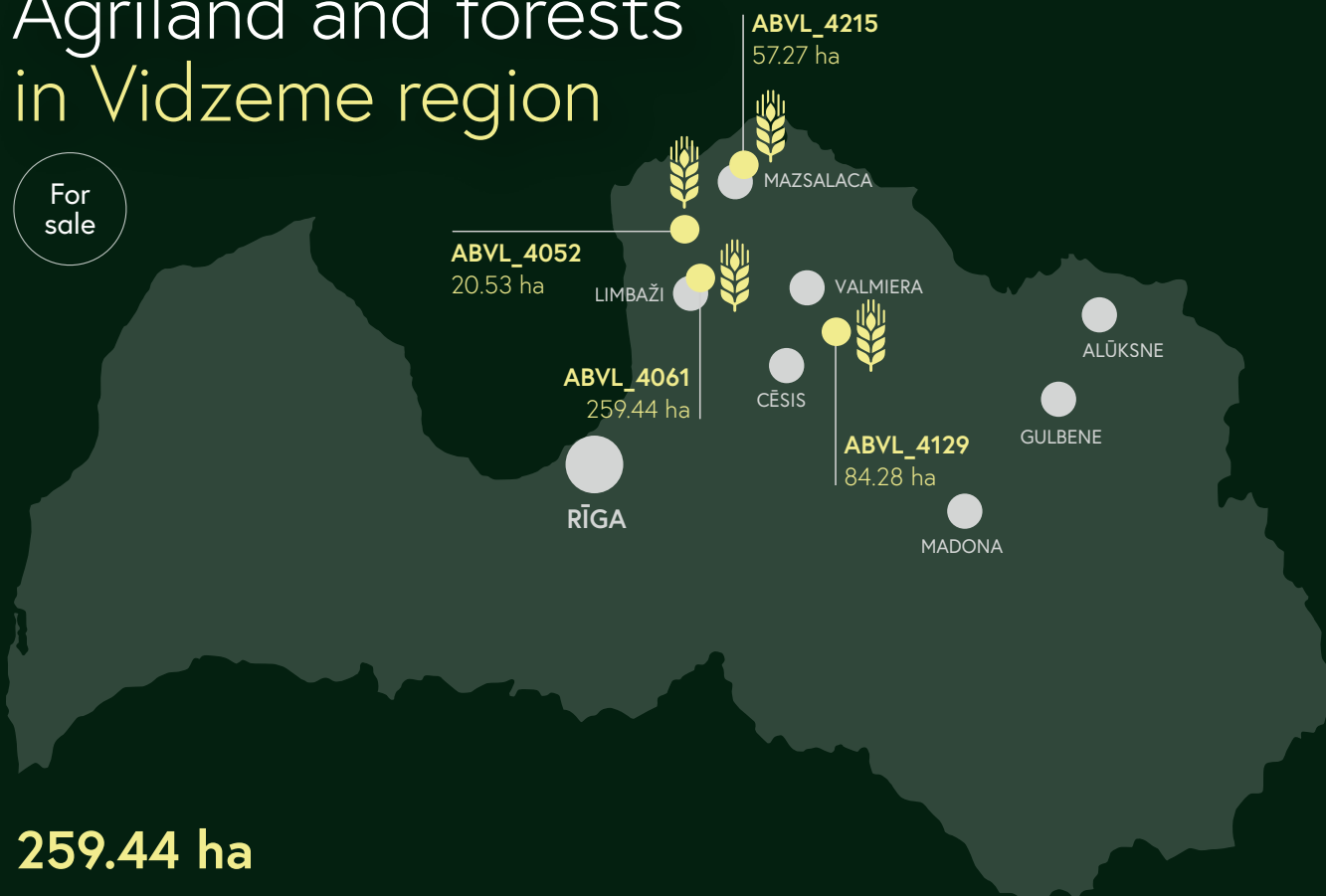
Farmland:	Forests:	Other land:
289.62 ha	34.59 ha	15.50 ha

The offer consists of several properties located within radius of 8 km.

 AVERAGE LAND PRODUCTIVITY INDEX: 40-55 points

Agriland and forests in Vidzeme region

For sale



259.44 ha

ID: ABVL_4061

Locality: Katvari, Limbaži, Umurga parishes

Farmland:	Forests:	Other land:
220.67 ha	27.67 ha	11.10 ha

The land portfolio consists of multiple land blocks located near each other.

 AVERAGE LAND PRODUCTIVITY INDEX: 40-50 points

84.28 ha

ID: ABVL_4129

Locality: Mārsnēni, Rauna parishes

Farmland:	Forests:	Other land:
81.56 ha	-	2.72 ha

The offer consists of several properties located within radius of ~ 6 km.

 AVERAGE LAND PRODUCTIVITY INDEX: 40-50 points

57.27 ha

ID: ABVL_4215

Locality: Mazsalaca, Vecate parishes

Farmland:	Forests:	Other land:
56.17 ha	0.70 ha	0.40 ha

The offer consists of two properties located ~5 km apart.

 AVERAGE LAND PRODUCTIVITY INDEX: 37-50 points

20.53 ha

ID: ABVL_4052

Locality: Pāle parish

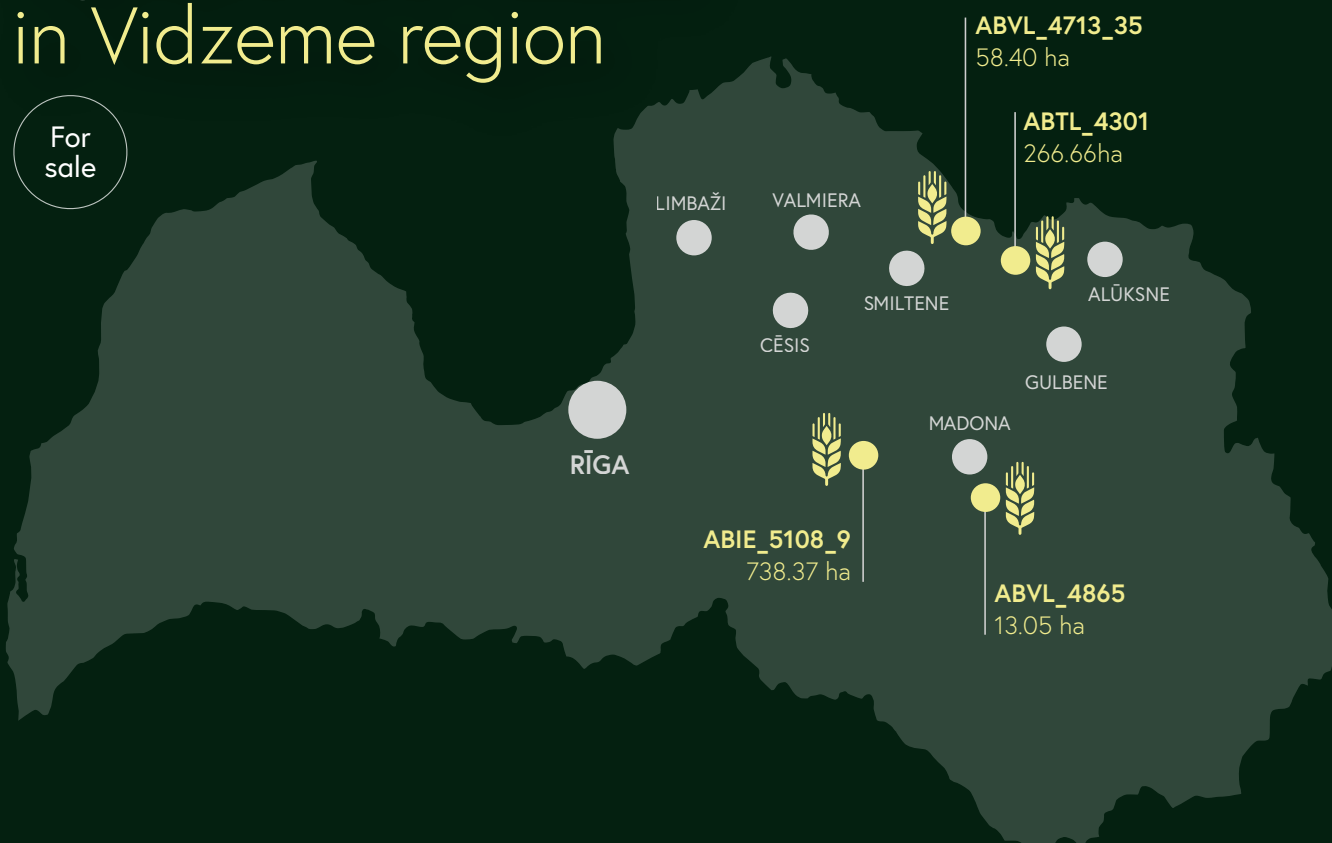
Farmland:	Forests:	Other land:
20.07 ha	-	0.46 ha

The offer consists of one land block.

 LAND PRODUCTIVITY INDEX: 40 points

Agriland and forests in Vidzeme region

For
sale



738.37 ha

ID: ABIE_5108_9
Locality: Irši, Vitalva parishes

Farmland: 698.87 ha Forests: 10.44 ha Other land: 29.06 ha

Well-consolidated land portfolio - two large blocks of fields.

 AVERAGE LAND PRODUCTIVITY INDEX: 35-45 points

58.40 ha

ID: ABVL_4713_35
Locality: Grundzāle, Zvārtava parishes

Farmland: 47.98 ha Forests: 8.19 ha Other land: 2.23 ha

The offer consists of several land units located next to each other.

 AVERAGE LAND PRODUCTIVITY INDEX: 34-40 points

266.66 ha

ID: ABTL_4301
Locality: Trapene, Gaujiena, Vireši

Farmland: 245.95 ha Forests: 12.90 ha Other land: 7.81 ha

The offer consists of several properties located near to each other.

 AVERAGE LAND PRODUCTIVITY INDEX: 35-55 points

13.05 ha

ID: ABVL_4865
Locality: Mētriena parish

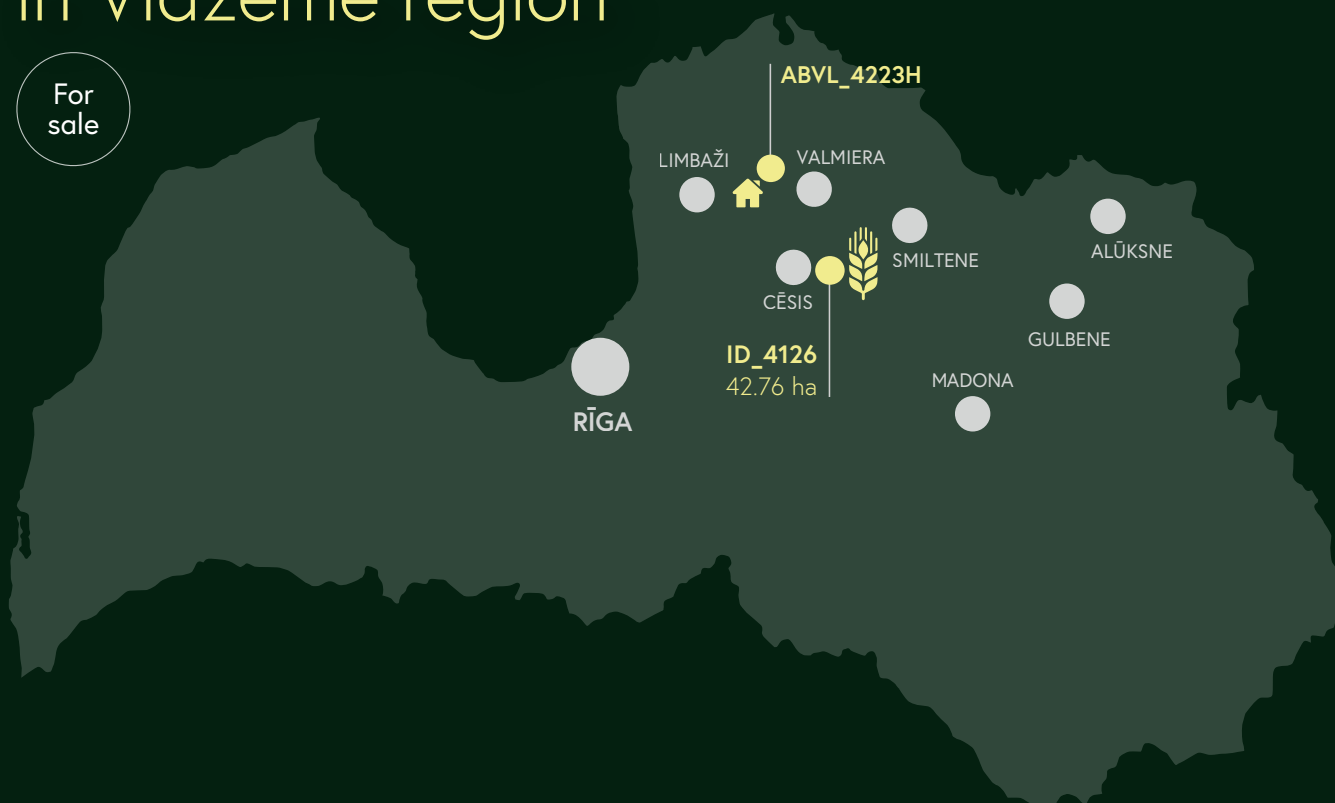
Farmland: 12.85 ha Forests: - Other land: 0.20 ha

The offer consists of one land block.

 LAND PRODUCTIVITY INDEX: 45 points

Properties in Vidzeme region

For
sale



Building, 1.65 ha land

ID: **ABVL_4223H**

Locality: Dikļi parish



Description:

The property "Krodziņi" includes 1.65 ha of land and a large boulder stone building built in 1924. The supporting structures of the building are in good condition. This offer also includes two other buildings - barn and shed.

It's an excellent opportunity to give new life to this building by renovating it and developing the tourism and hospitality business, or implementing other ideas and activities in the building.

42.76 ha

ID: **4126**

Locality: Veselava parish

Farmland:	Forests:	Other land:
38.95 ha	1.30 ha	2.51 ha

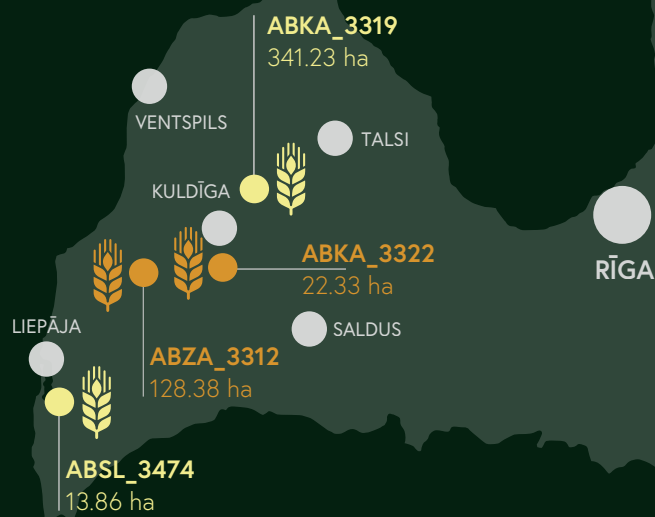
Well-consolidated property - 4 land plots bordering each other. Plots are located ~ 600 m from regional highway at the good local road. Buildings placed on property belong to third party.

Average rainfall in area: 691 mm/year
Vegetation period: 130 days



AVERAGE LAND
PRODUCTIVITY INDEX: **38-50 points**

Agriland and forests in Kurzeme region



13.86 ha

ID: **ABSL_3474**
Locality: Otaņķi parish

Farmland: 13.12 ha
 Forests: -
 Other land: 0.74 ha

The property consists of one land block.

LAND PRODUCTIVITY INDEX: 40 points

For sale

341.23 ha

ID: **ABKA_3319**
Locality: Renda, Rumba parishes

Farmland: 287.76 ha
 Forests: 31.96 ha
 Other land: 21.51 ha

The offer consists of one property with several land units located next to each other.

LAND PRODUCTIVITY INDEX: 45 points

For sale

157.45 ha

ID: **ABZA_3312**
Locality: Gudenieki parish
For lease: **128.38 ha**
Lease pricing: 170 €/ha + VAT + land tax

Farmland: 119.45 ha
 Forests: 17.10 ha
 Other land: 20.90 ha

The offer consists of several properties located within a radius of 12 km.

AVERAGE LAND PRODUCTIVITY INDEX: 42-50 points

For sale and lease

22.33 ha

ID: **ABKA_3322**
Locality: Pelči parish

Farmland: 22.33 ha
 Forests: -
 Other land: -

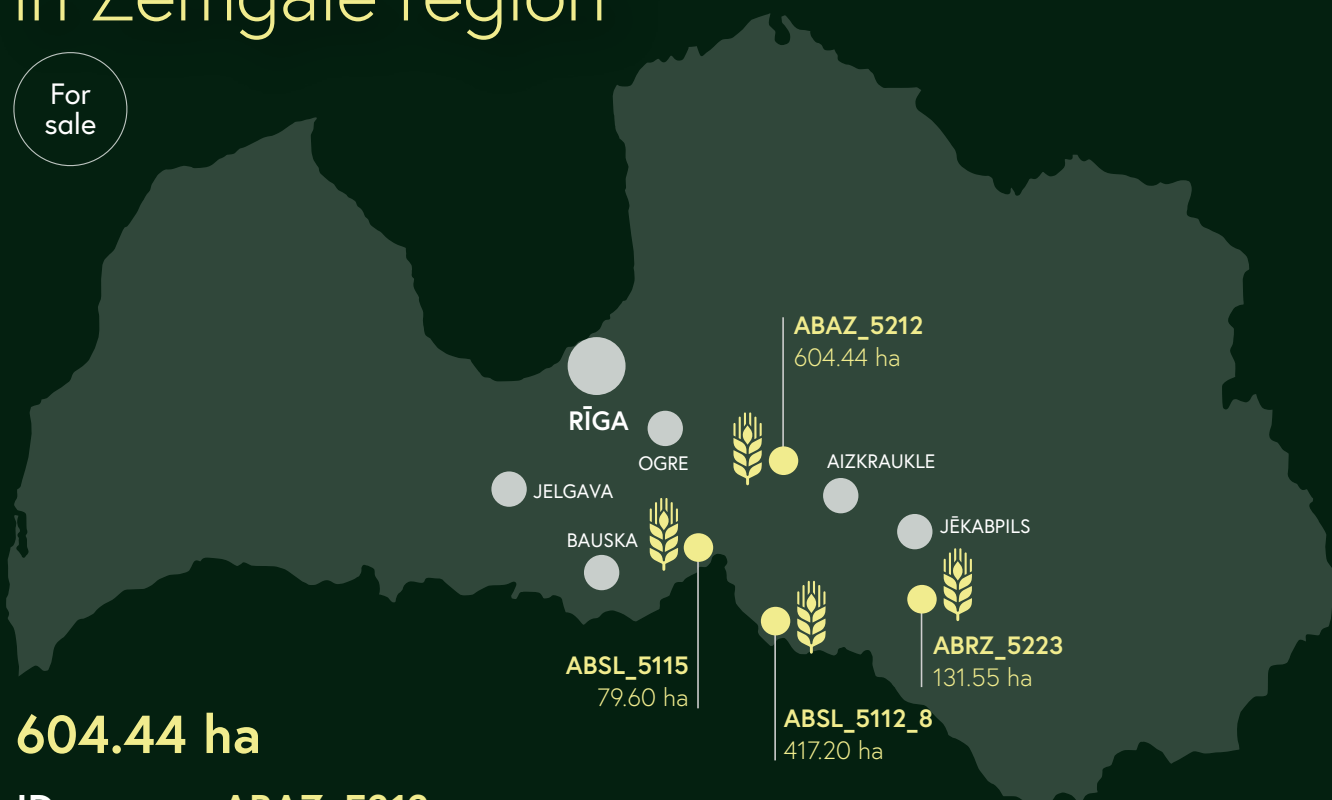
The offer consists of several properties located within radius of 12 km.

AVERAGE LAND PRODUCTIVITY INDEX: 40-45 points

For lease

Agriland and forests in Zemgale region

For sale



604.44 ha

ID: ABAZ_5212

Locality: Lēdmane, Jumprava, Madliena, Skrīveri parishes

Farmland:	Forests:	Other land:
539 ha	43.25 ha	22.19 ha

Well-consolidated land portfolio, possible development of alternative energy projects.

 AVERAGE LAND PRODUCTIVITY INDEX: 45-60 points

131.55 ha

ID: ABRZ_5223

Locality: Leimaņi parish

Farmland:	Forests:	Other land:
47.98 ha	8.19 ha	2.23 ha

The offer consists of several properties located near to each other.

 AVERAGE LAND PRODUCTIVITY INDEX: 38-41 points

417.20 ha

ID: ABSL_5112_8

Locality: Pilskalne, Zalve, Nereta, Sauka parishes

Farmland:	Forests:	Other land:
339.29 ha	51.78 ha	26.13 ha

Well-consolidated land portfolio, possible development of alternative energy projects.

 AVERAGE LAND PRODUCTIVITY INDEX: 35-55 points

79.60 ha

ID: ABSL_5115

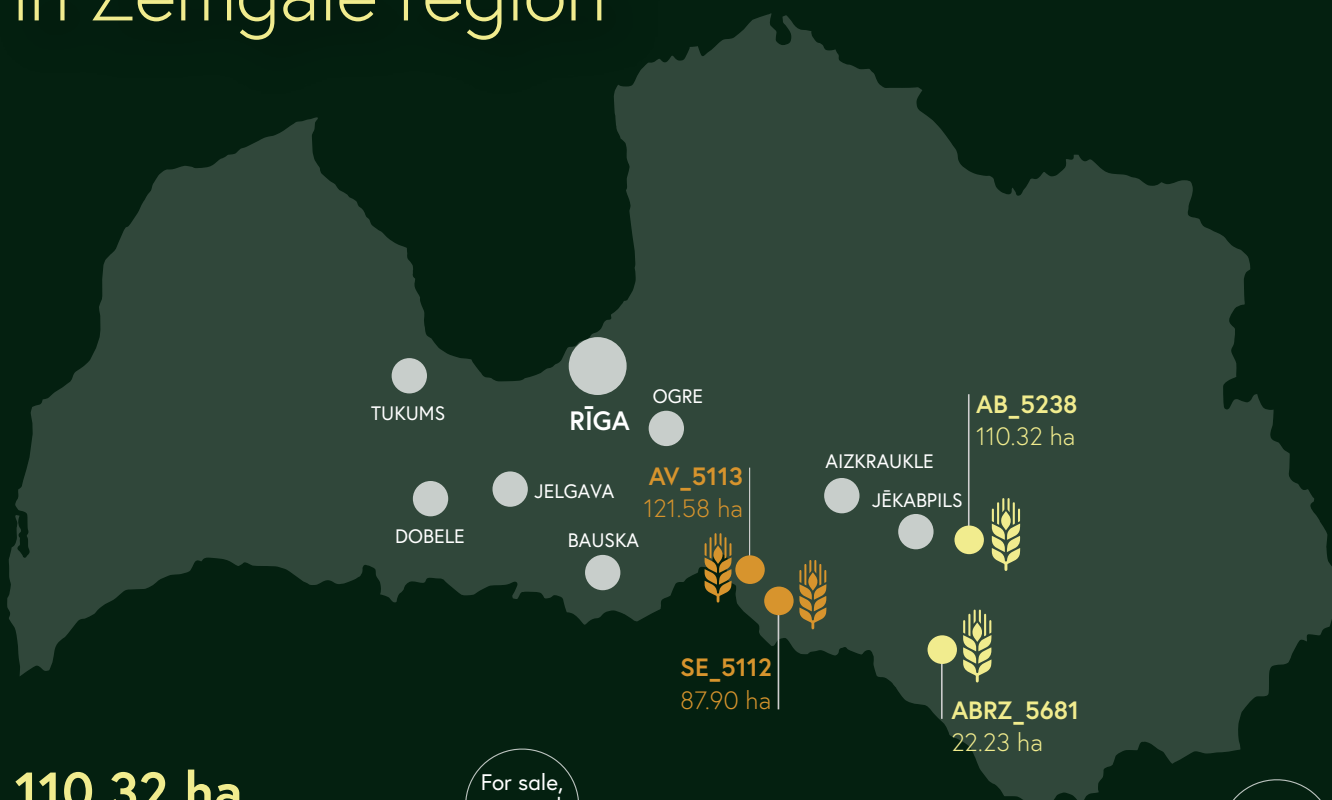
Locality: Kurmene parish

Farmland:	Forests:	Other land:
76.67 ha	0.02 ha	2.91

The offer consists of several land units located near each other.

 AVERAGE LAND PRODUCTIVITY INDEX: 45-50 points

Agriland and forests in Zemgale region



110.32 ha

ID: ABR_5238

Locality: Vīpe parish

Farmland: 108.71 ha
Forests: -
Other land: 1.61 ha

The offer consists of one land block.

 LAND PRODUCTIVITY INDEX: 40 points

LEASE PRICING: 160 €/ha + VAT + land tax

For sale,
reserved
for lease

87.90 ha

ID: SE_5112

Locality: Zalve parish

Lease pricing: 200 €/ha + VAT + land tax

Several properties located near each other.

 AVERAGE LAND PRODUCTIVITY INDEX: 38-41 points

For
lease

22.23 ha

ID: ABRZ_5681

Locality: Rubene parish

Farmland: 18.94 ha
Forests: 1.50 ha
Other land: 1.79 ha

The offer consists of several properties located within a radius of 2.5 km.

 AVERAGE LAND PRODUCTIVITY INDEX: 40-45 points

For
sale

121.58 ha

ID: AV_5113

Locality: Mazzalve parish

Lease pricing: 200 €/ha + VAT + land tax

Several land units located near each other.

 AVERAGE LAND PRODUCTIVITY INDEX: 45-50 points

For
lease

It is possible to lease SE_5112 and AV_5113 properties together.



- Investment and development of agricultural enterprises
- Accounting and Finance
- ES structural funding and area payment subsidies

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- Commercial agreements
- Due Diligence on mergers and acquisitions
- Legal assistance on real estate acquisitions and sales
- Reorganization cases
- Assistance in relations with public bodies
- Legal proceedings in courts of Latvia

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