



# Application of CAP and development of farms

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# Why farmers need subsidies

- Farmers are bound by obligatory practices requiring the respective financial, technical and human resources;
- Subsidies compensate to a degree farmers' investment in their activities;
- There's a need of change in public perception of the sector;
- The CAP budget and national top ups do not constitute social benefits but a means of covering all responsibilities and burdens;
- Subsidies were introduced due to the fact that agriculture is the riskiest of all productions.



# Effects from the application of CAP 2007-2011:

- Processes of restructuring, consolidation and modernization of farms;
- Provision of minimum income support for farmers;
- Improved agri-environmental conditions of production - use of more effective agricultural systems
- Better rural living conditions.



## Effects from the application of direct payments:

- Higher and more secure incomes for farmers, including in times of economic crisis, climate change and natural disasters;
- A constantly growing interest by applicants – an annual increase of 5 thousand new producers;
- An increase of tillable land kept in good farming condition and a reduction in the share of agricultural “wastelands”;

The share of used tillable land has increased by nearly 25% in 2003 г. – 2010



# Farms and used arable land in Bulgaria

Legal status of farms	Total number of farms		Changes compared to 2003 (%)	Used tillable land (in ha)		Changes compared to 2003 (%)
	2003	2010		2003	2010	
<b>Farms in total</b>	<b>665 548</b>	<b>371 070</b>	<b>- 44%</b>	<b>2 904 479,6</b>	<b>3 628 640</b>	<b>25%</b>
Natural persons	658 594	363 620	- 45%	879 677,8	1 226 150	39%
Sole traders	3 072	2 270	- 26%	340 861,4	539 510	58%
Cooperatives	1 992	940	- 53%	1 169 309,4	641 210	- 45%
Commercial companies	1 518	3 900	157%	469 179,1	1 145 820	144%
Associations, etc.	372	340	- 3%	45 433,9	75 950	67%



## Farms and used arable land in Bulgaria

- Reduction in the number of farms by 44% compared to the previous census in 2003;
- Increase in the average area used per farm by over 100%, signifying processes of farm consolidation;
- Reduction in the number of farms, compared to natural persons (- 45%), as well as to cooperatives (- 53%);
- The number of commercial companies has considerably increased (+157%).



## Change in structure – the sector is getting more professional

- The relative share of cooperatives has been decreasing, unlike the shares of commercial companies (an increase from 0,2 to 1%) and sole traders;
- The number of farms of over 100 ha used tillable land have doubled from 3879 to 5232. The same is valid for the groups of 10 to 50 ha and from 50t o 100 ha;
- A positive trend of agricultural farm consolidation;
- A pronounced irregularity in the share of used tillable land per farm type;
- Small farms of up to 2 ha use just 4% of all used tillable land.
- Farms of over 50 ha use 83,8% of all used tillable land



# Negative trends

- The amount of tillable land used for perennial crops has decreased from 3.5% to 2.7%;
- The number of animal farms has significantly dropped by 53%;
- Reduction in the number of animals grown. It's significant for goats and equine species (-50+%), pigs (-47%), cattle, sheep and fowl (-13 – 19%).





## Positive trends

- There's an increase in the average number of animals grown per farm, which is indicative of specialization processes in animal farming;
- Significant expansion of agriculture in Bulgaria due to:
  - much interest by other sectors
  - new foreign investors.



# Registered agricultural farmers

	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Total of registered agricultural farmers</b>	77 899	80 308	95 770	99 087	69 306	65 504



# Grain growing

Crop	Area (harvested ha)		Average yield (t/ha)		Production (t)	
	2009	2010	2009	2010	2009	2010
Wheat	1 247 718	1 131 565	3,19	3,62	3 976 852	4 094 597
Rye	9 953	10 795	1,90	1,62	18 858	17 511
Triticale	5 958	11 010	2,89	2,67	17 227	29 443
Barley	258 499	245 328	3,32	3,40	858 679	833 271
Oats	19 996	24 353	1,54	1,73	30 723	42 045
Maize in grain	274 229	327 525	4,71	6,25	1 290 833	2 047 414
Rice	8 312	11 977	5,23	4,80	43 441	57 432



# Grain growing

- Maize production has almost doubled;
- Grain production in total has increased by 14,3% compared to last year;
- Grain trade has taken first place in the country;
- There's been a reduction in labour expenses in the sector for years and an increase in investment and mechanization.



# Vegetable growing

	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Harvested areas (ha)</b>	53 201,2	46 650	42 580,2
<b>Production (t)</b>	874 354	734 951	761 006



# Vegetable growing

- There has been a 9,4% reduction in harvested areas compared to 2009.
- There was a 3,5% increase in vegetable growing in 2010 compared to the previous year.
- High production costs due to high production expenses
- Subsidies by hectare have had a negative impact, making farmers grow crops whose cost per hectare is lower.



# Problems in vegetable growing

- No good production organization;
- No trade agreements between producers and wholesalers regarding market placement;
- Low selling prices of final produce;
- Sometimes low quality of produced vegetables;
- Few production workers and use of unskilled labour.



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*Thank you for showing interest!*