

Three years compensation

payments for organic farming under CAP

Bulgaria : What Follows the Initial Boom in Production



Main Stages of Organic Farming in Bulgaria

- First stage – up to 2000
- Second stage – up to 2007
- Third stage – since the Ascension of Bulgaria to the EU

1993 – 2000 Hard Beginnings

- 1987- An Agro-Ecological Centre was established at Agrarian University - Plovdiv
- 1996 - the first organic vegetable stall at Chetvartak Market in Plovdiv
- 1996 - Establishment of Bioselena Foundation
- 1998 - HIPP baby foods – the first organic product widely available on the Bulgarian market
- No interest by the state

2000 – 2008 – The First Sparks

- 2000 – Introduction of organic food legislation and a national organic-product sign in Bulgaria
- 2001 – First National Festival of Organic Farming
- 2001 – First actual certification of organic farms in Bulgaria
- 2002 – Development of a support measure for organic farming under SAPARD
- 2003 – First Bulgarian participation at BioFach

2000 – 2008 Organics in Shops

- 2004 - Bioproduct BG – the first specialized organic food stall at Central Sofia Market Hall
- 2005 - organic foods in supermarkets for the first time (sold by five supermarket chains)
- 2007 - organic foods in shops in Burgas, Varna and Plovdiv for the first time
- 2008 - organic boom – over 1500 shops selling organic products, 3 specialized organic shops organic cosmetics and detergents.

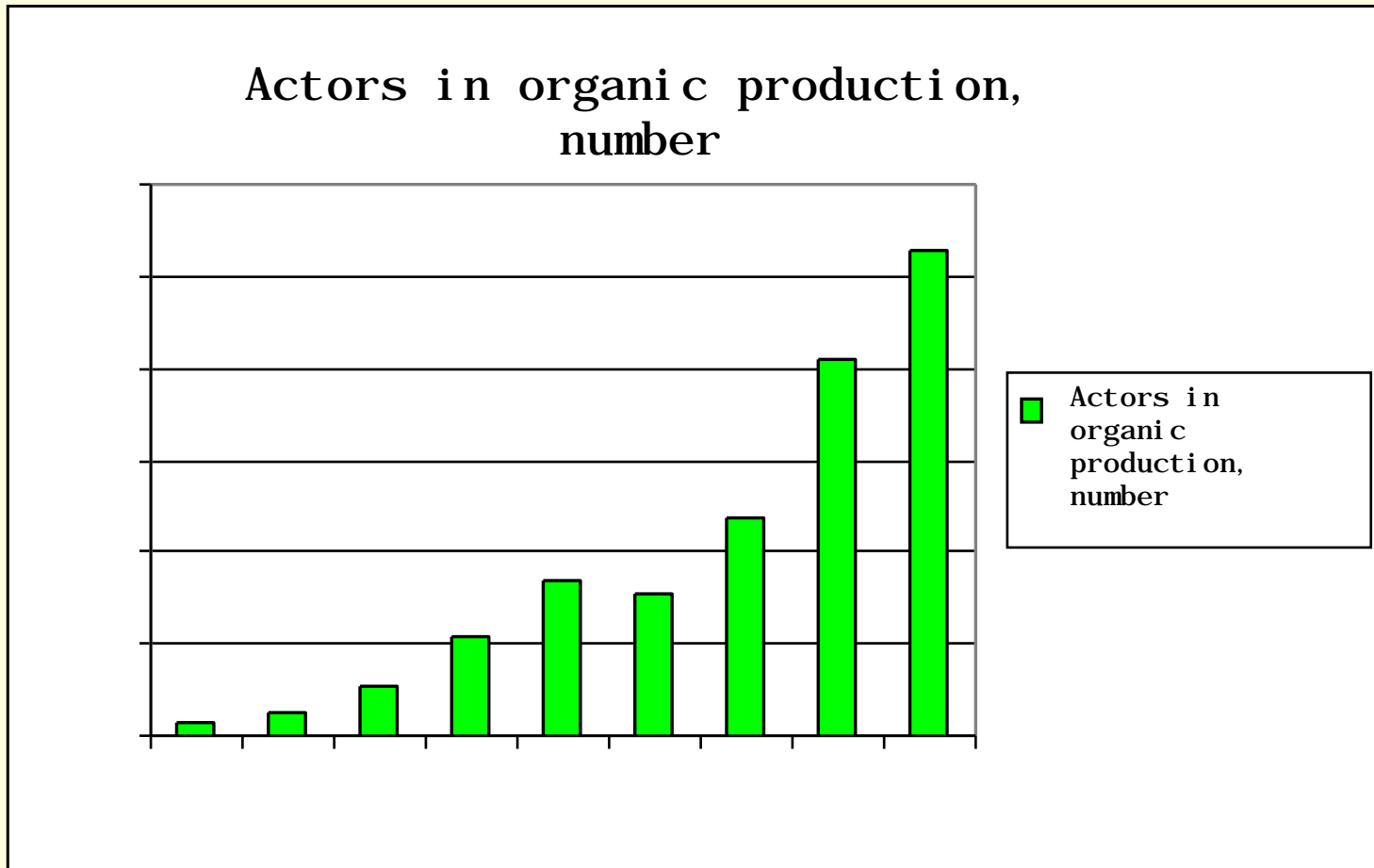
2008 – 2011

- Continuous growth of the organic-food market share in Bulgaria
- Compensatory payments assigned to organic farmers under Measure 214
- Establishment of the Organic Farmers Association
- Establishment of the Organic Food Traders Association
- Organic farming in Bulgaria already resembling a real economic sector.

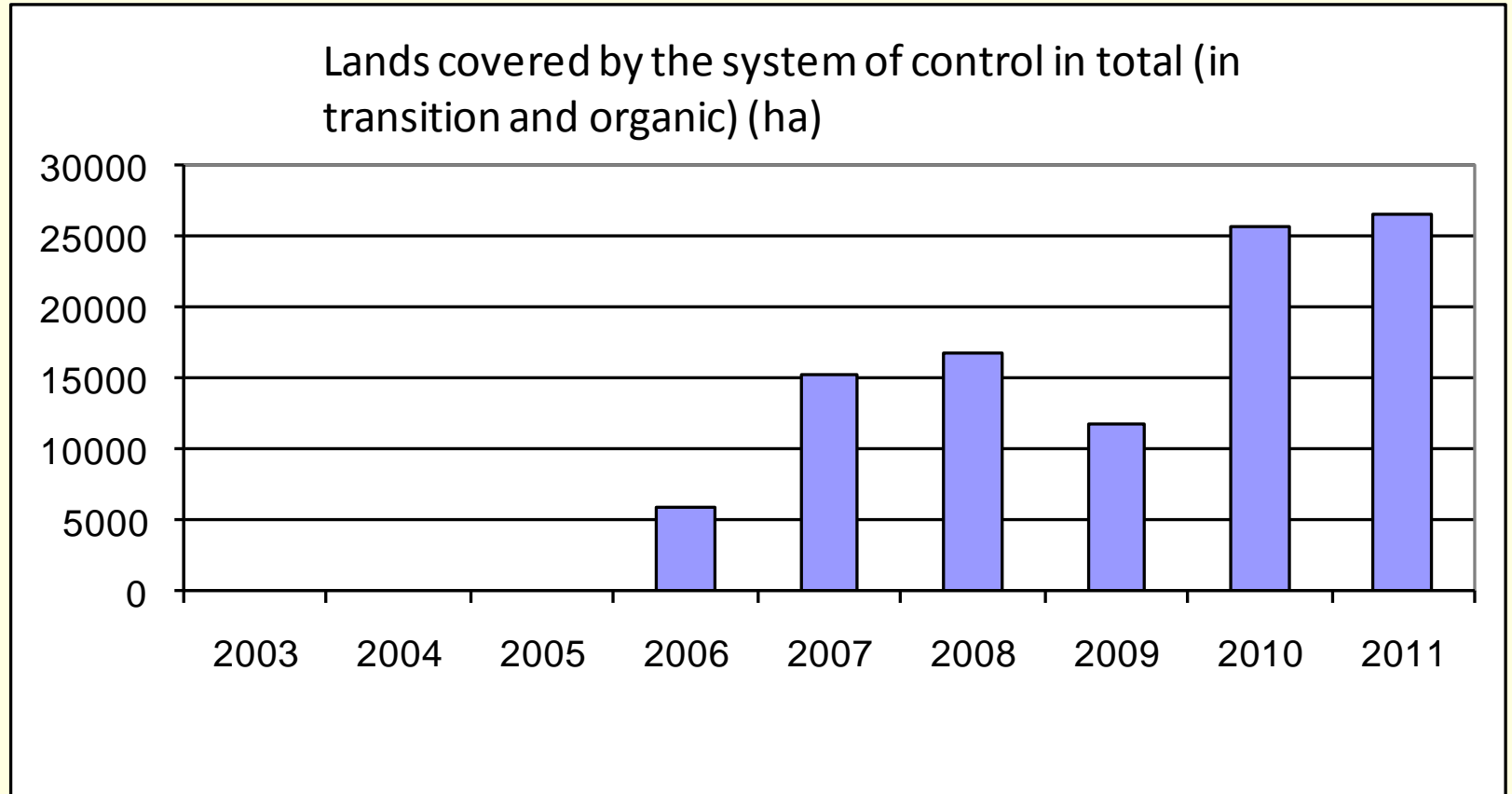
Statistics – Plant growing

	2003	2004	2005	2006	2007	2008	2009	2010	2011
Approved supervisory authorities, number	2	2	2	2	6	10	10	10	10
Organic production actors , number	29	51	111	214	339	311	476	820	1 054
Total of cultivated areas (ha)	650	1113	2432	4 691	13 646	12 738	8 163	20 320	20 618
Permanent meadows and pastures (ha)	-	-	-	-	-	2 486	1 843	3 611	4 491
Uncultivated/set aside land (ha)	-	-	-	1 261	1 578	1 438	1 783	1 716	1 513
Wild crops (ha)	-	-	-	118 243	397 354	489 083	401 425	546 195	543 655

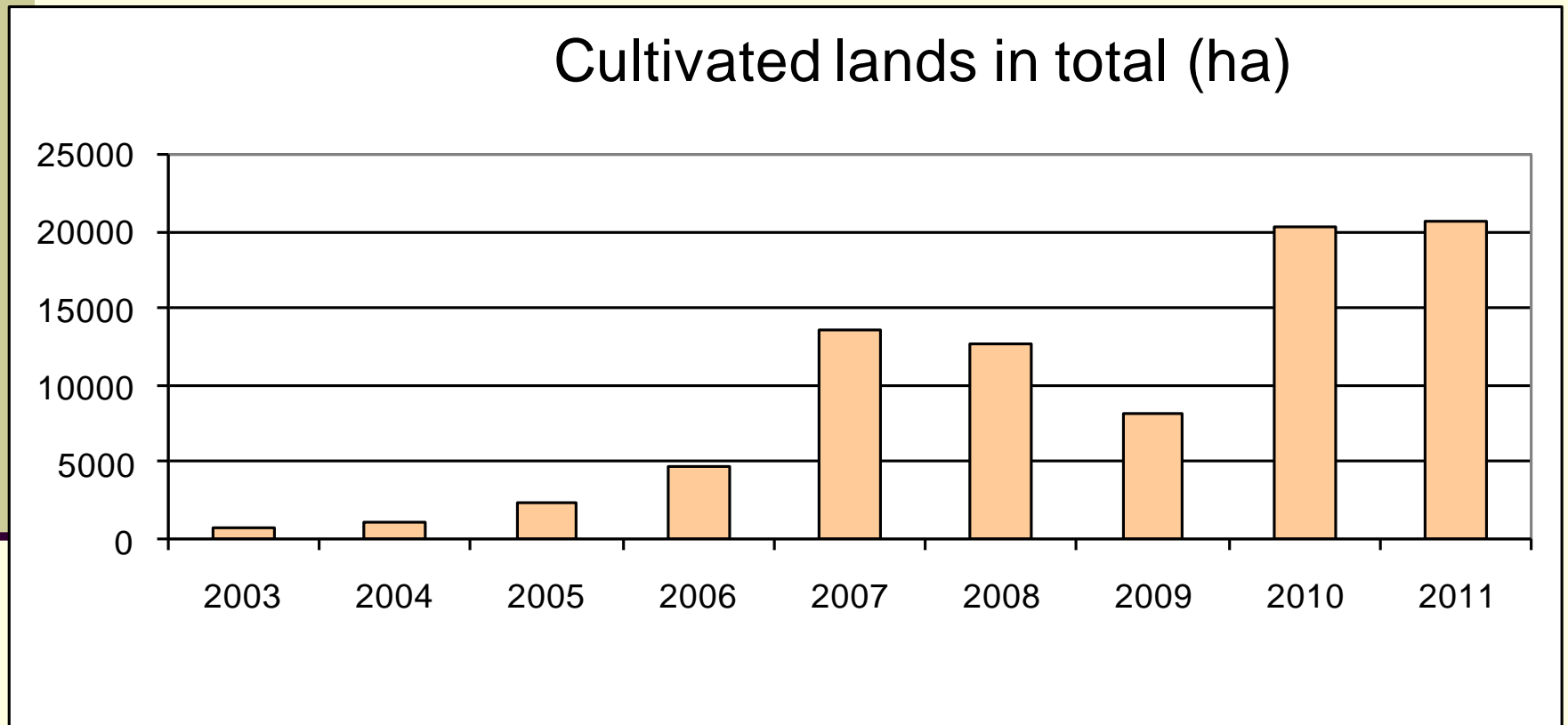
Number of actors



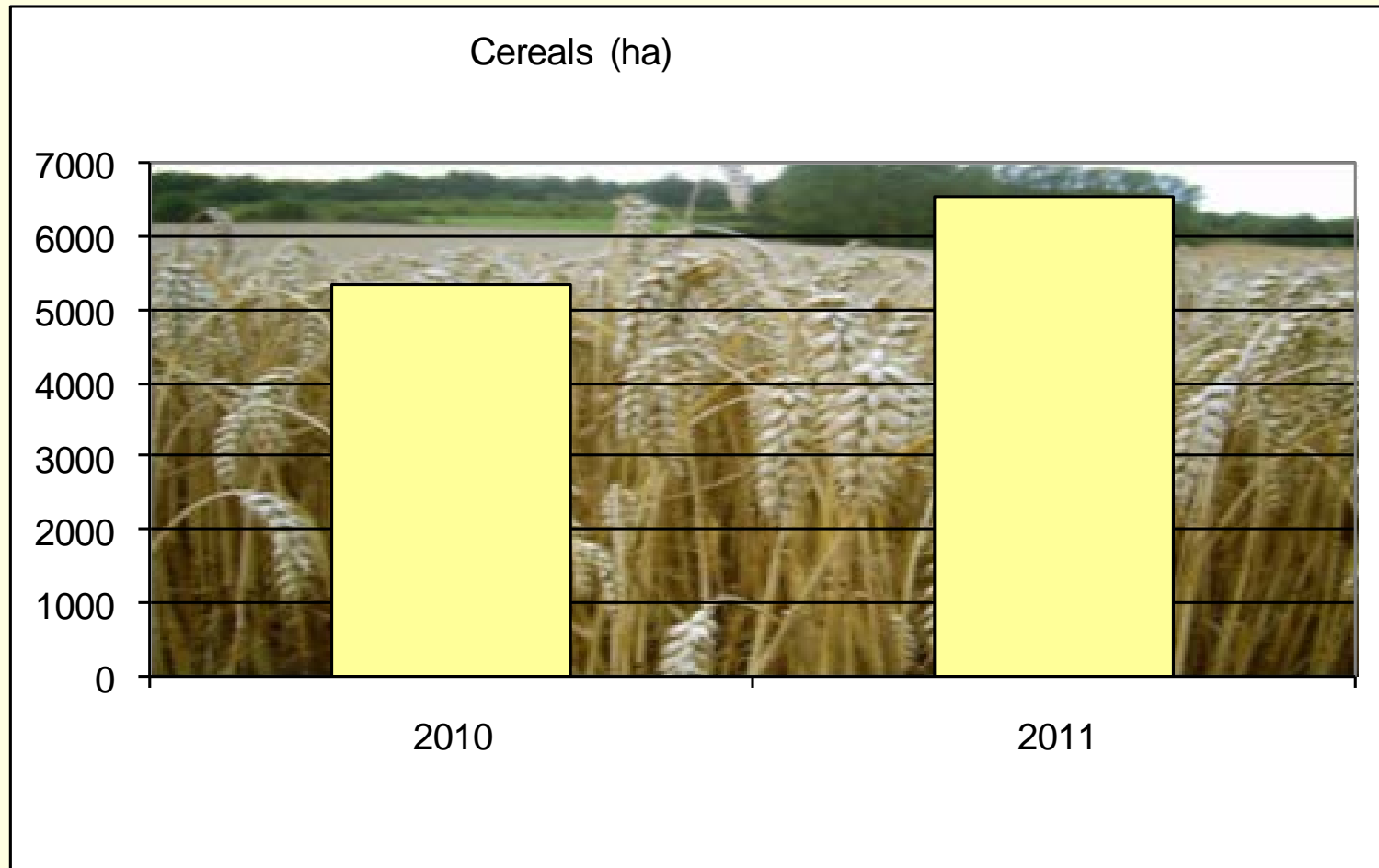
Lands covered by the system of control



Cultivated lands



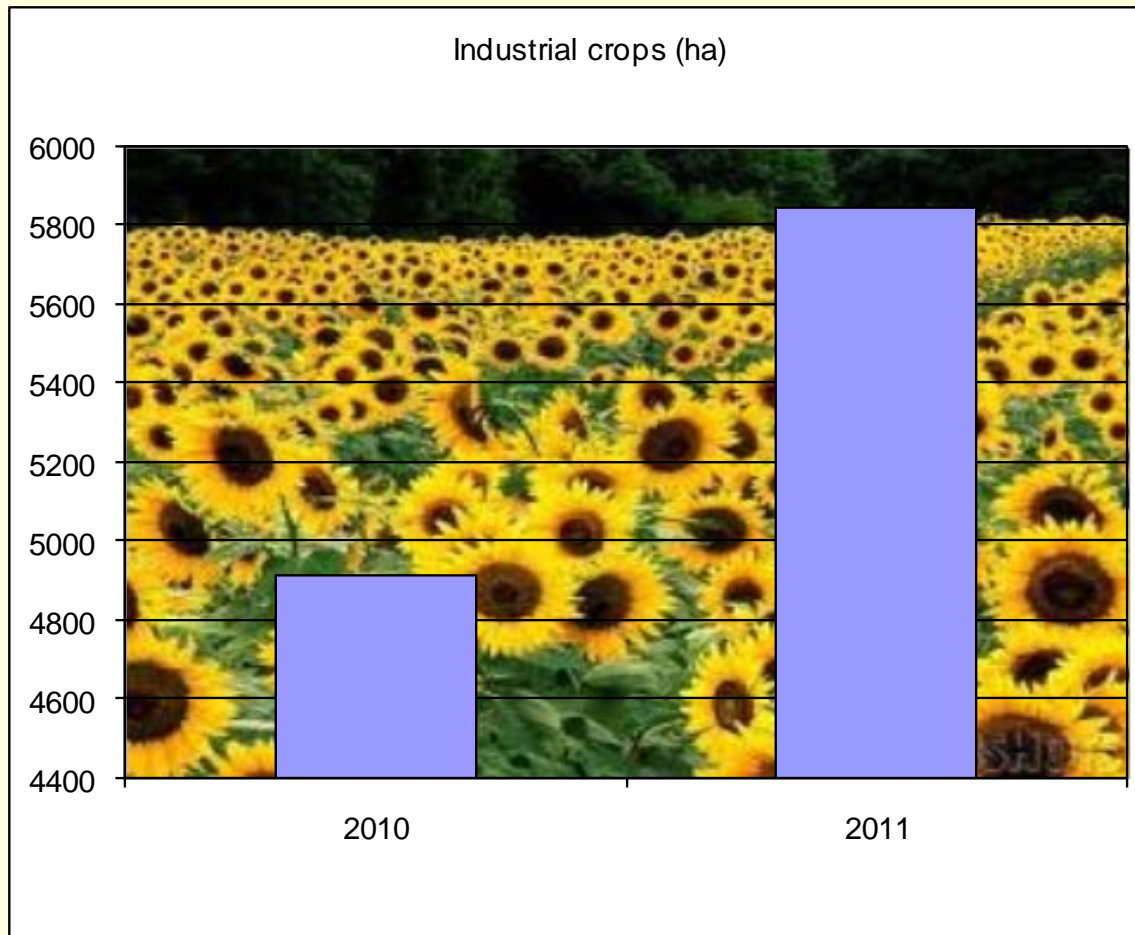
Cereals



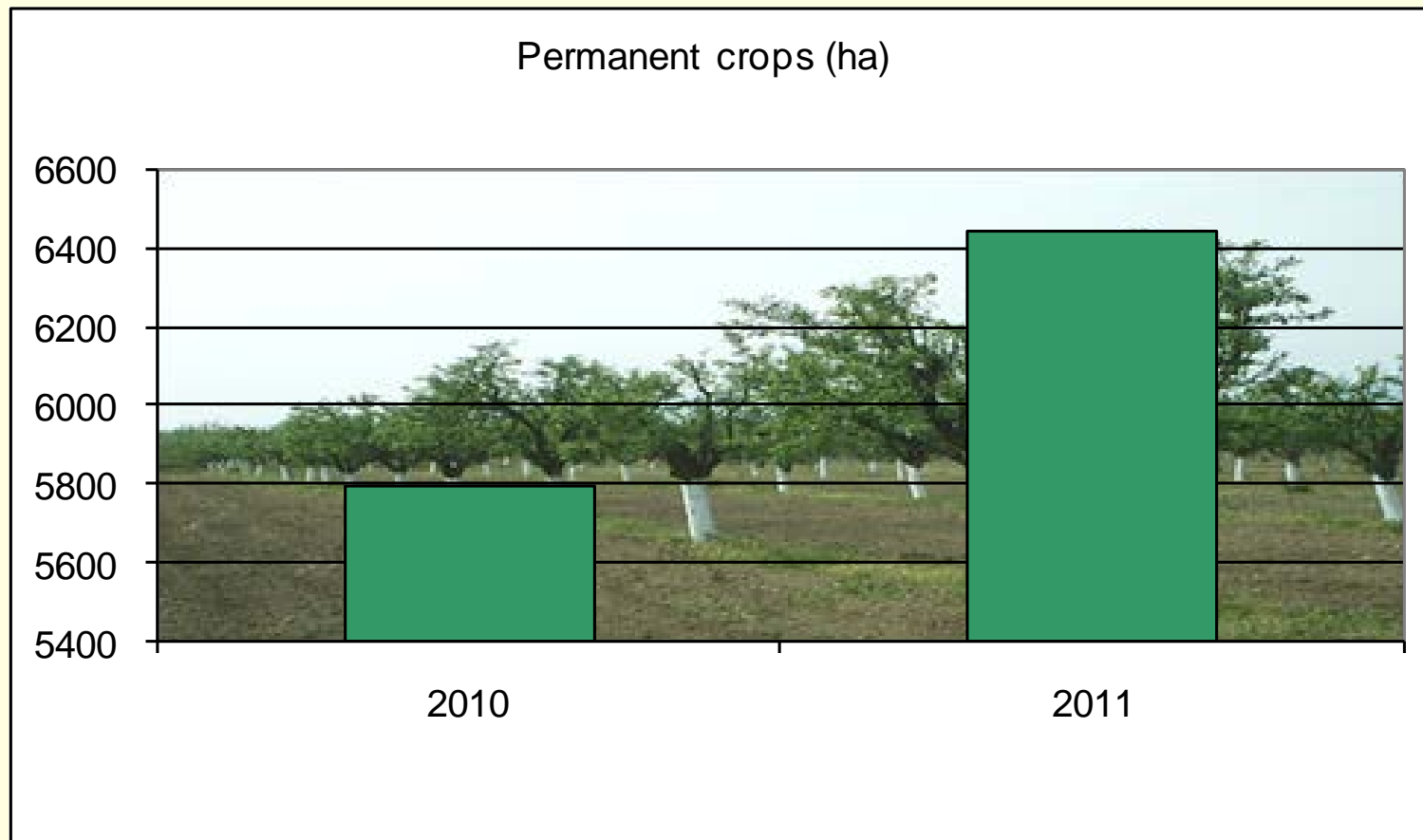
Vegetables, strawberries, melons (ha)



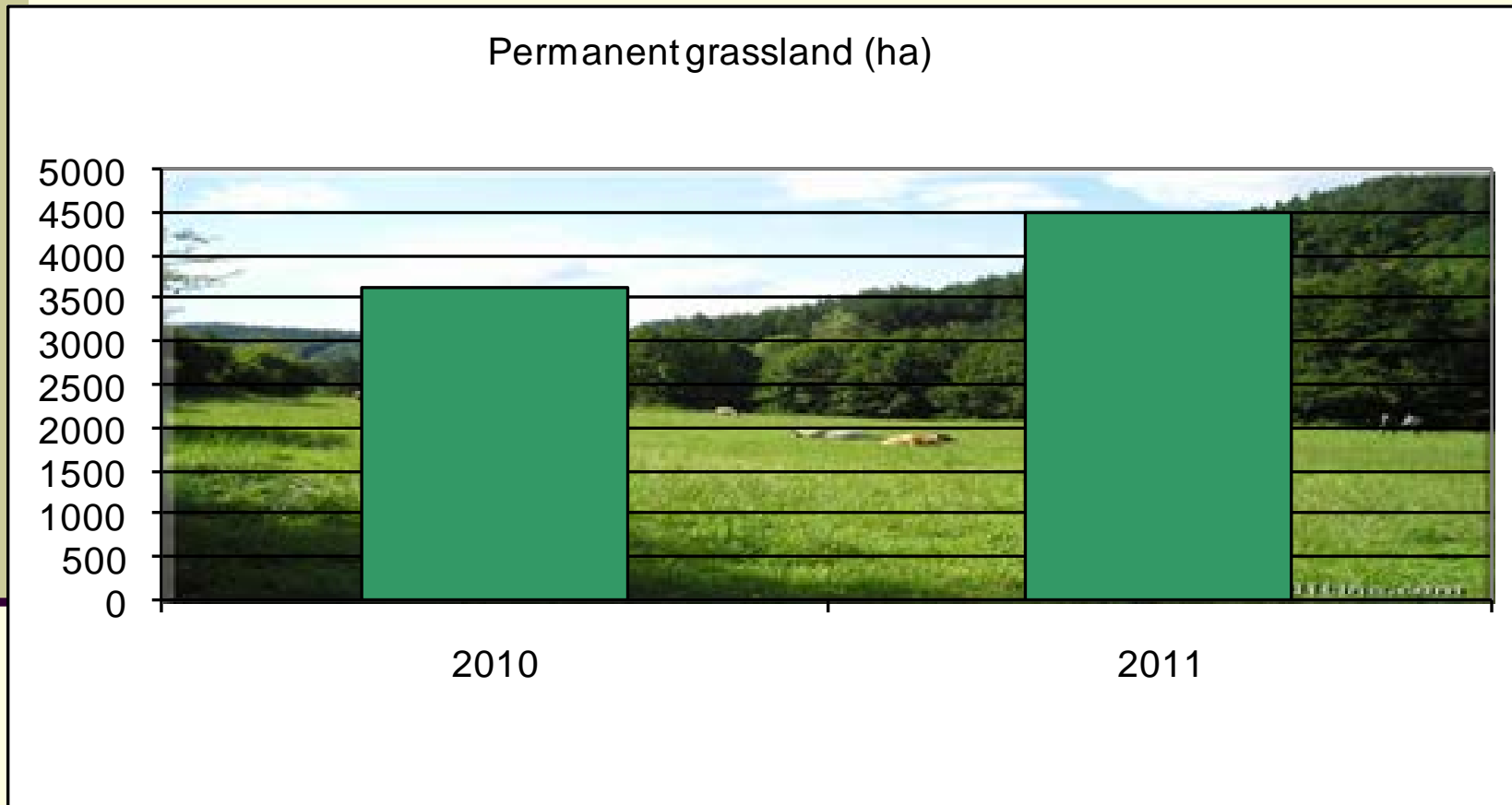
Industrial crops



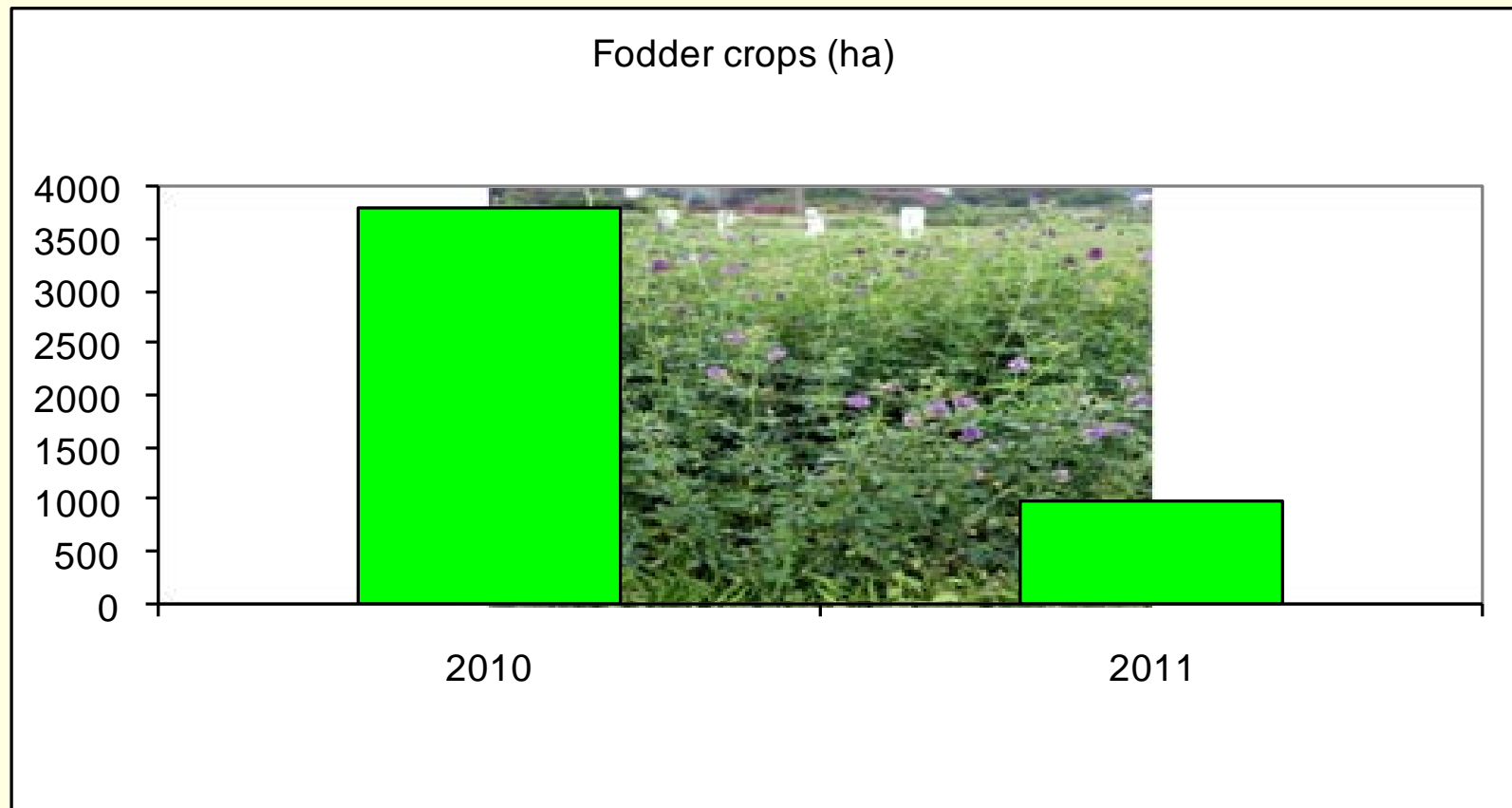
Permanent crops



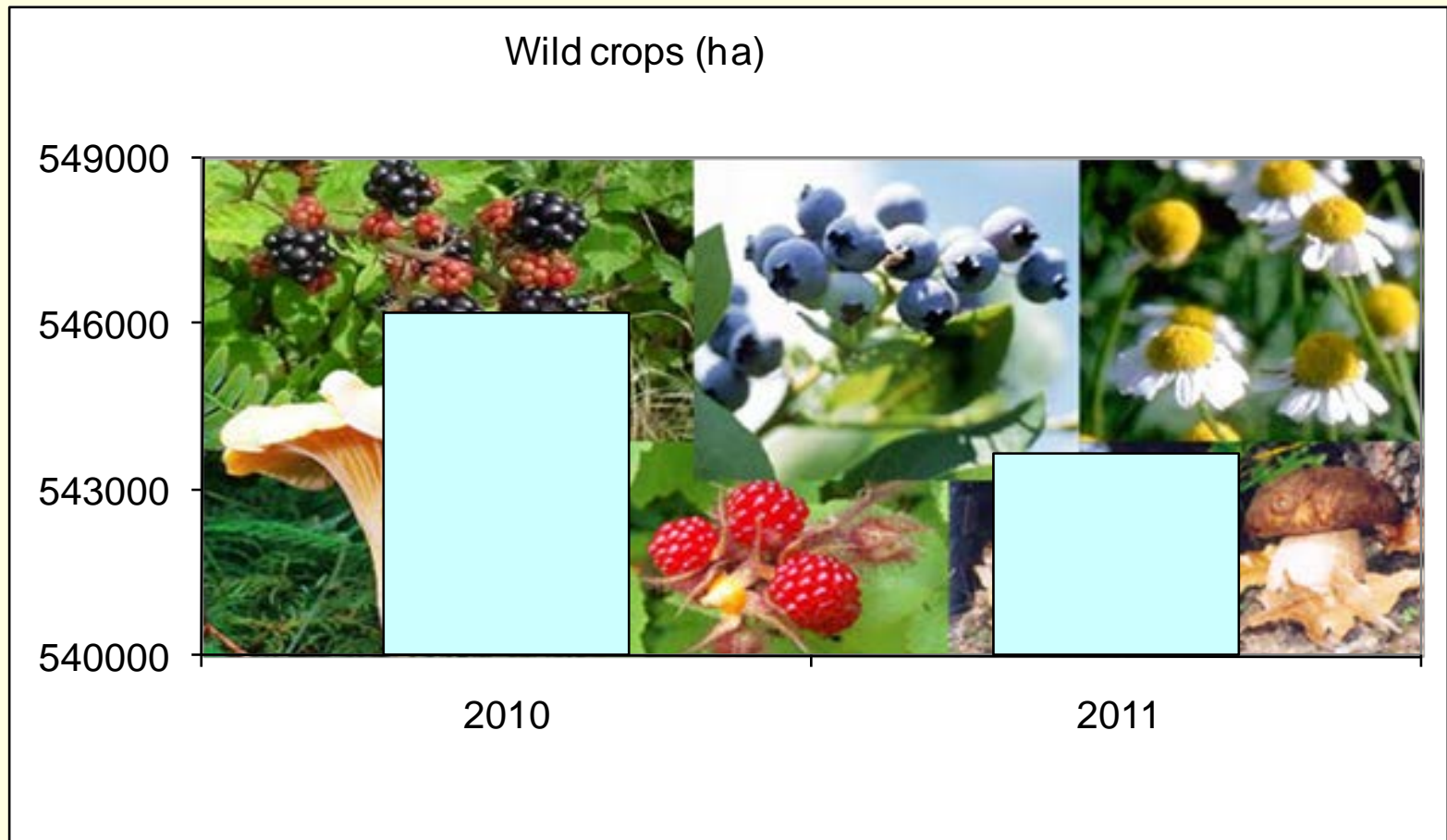
Permanent grassland



Fodder crops



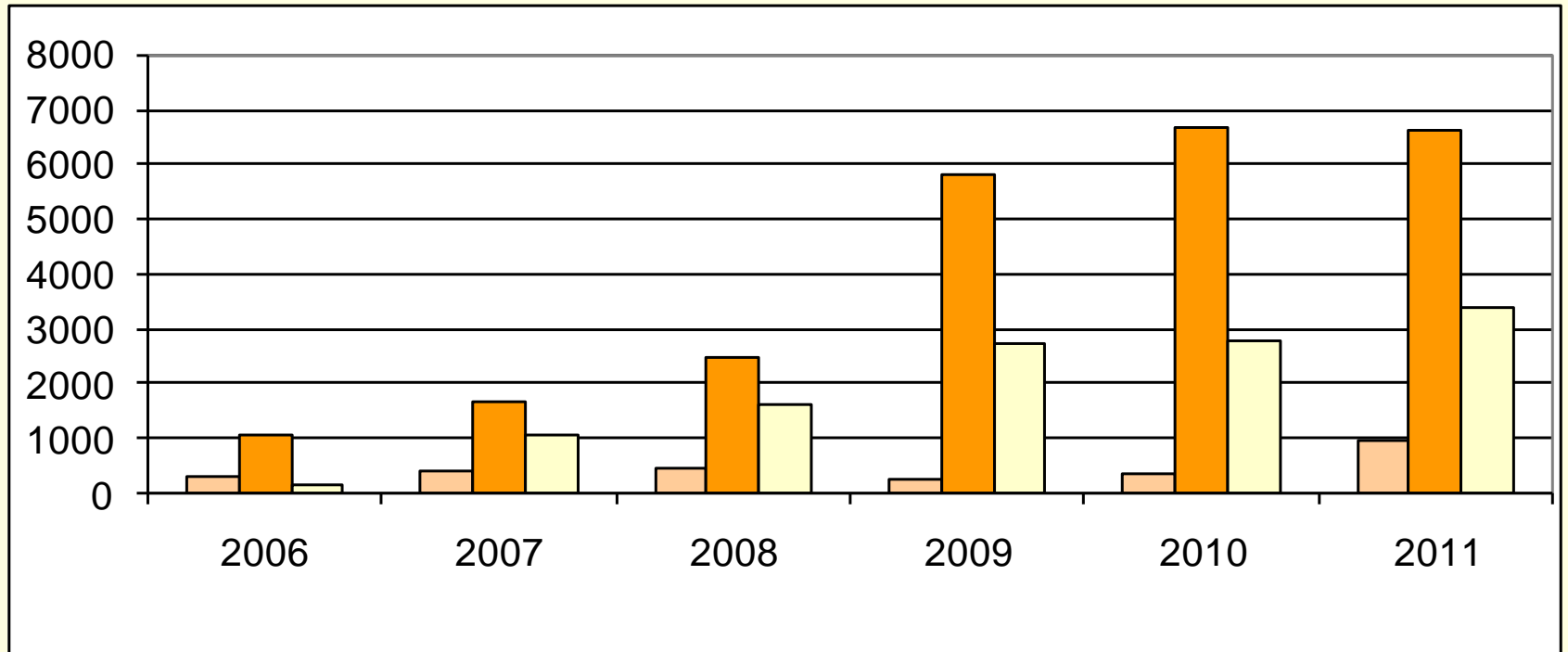
Wild crops



Animal-growing statistics

	2006	2007	2008	2009	2010	2011
Cattle	329	395	470	272	364	976
Sheep	1 054	1 690	2 471	5 831	6 698	6 648
Goats	131	1 058	1 624	2 732	2 773	3 397
Bee families	33 981	35 747	44 861	41 089	46 429	58 855

Organic livestock breeding



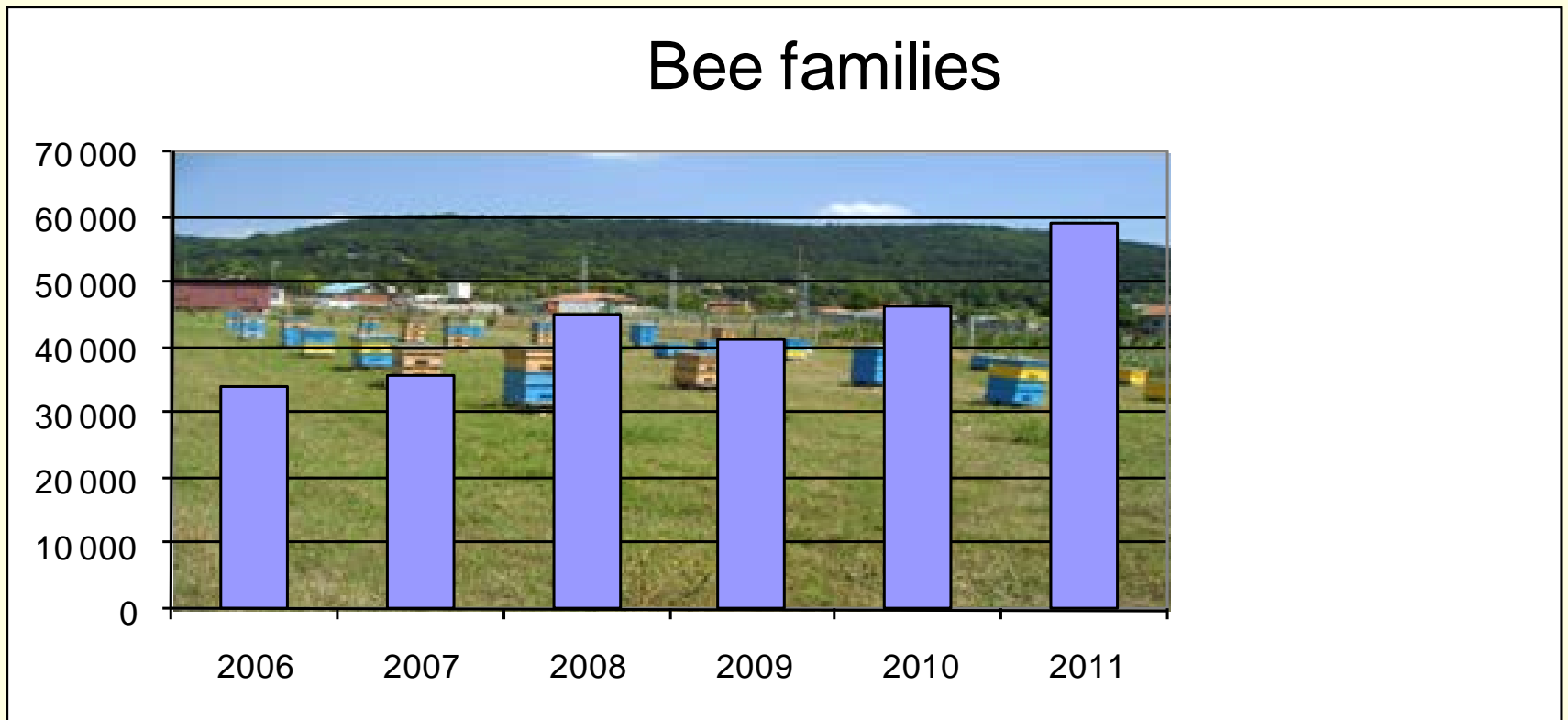
Cattle; sheep; goats

Production trends

- The share of certified animal farms is still rather small
- This results in a disbalance in production and compromises the organic principles, according to which animals constitute a major element in the food circle on farm level

Organic apiculture

Bee families



Sales

- The demand of organic products in Bulgaria is much larger than the supply
- Nearly all supermarket chains in Bulgaria sell organic products
- The number of organic food shops is growing
- No national statistics on the topic (the Bioselena survey conducted at the beginning of 2009 has been the only survey in Bulgaria)

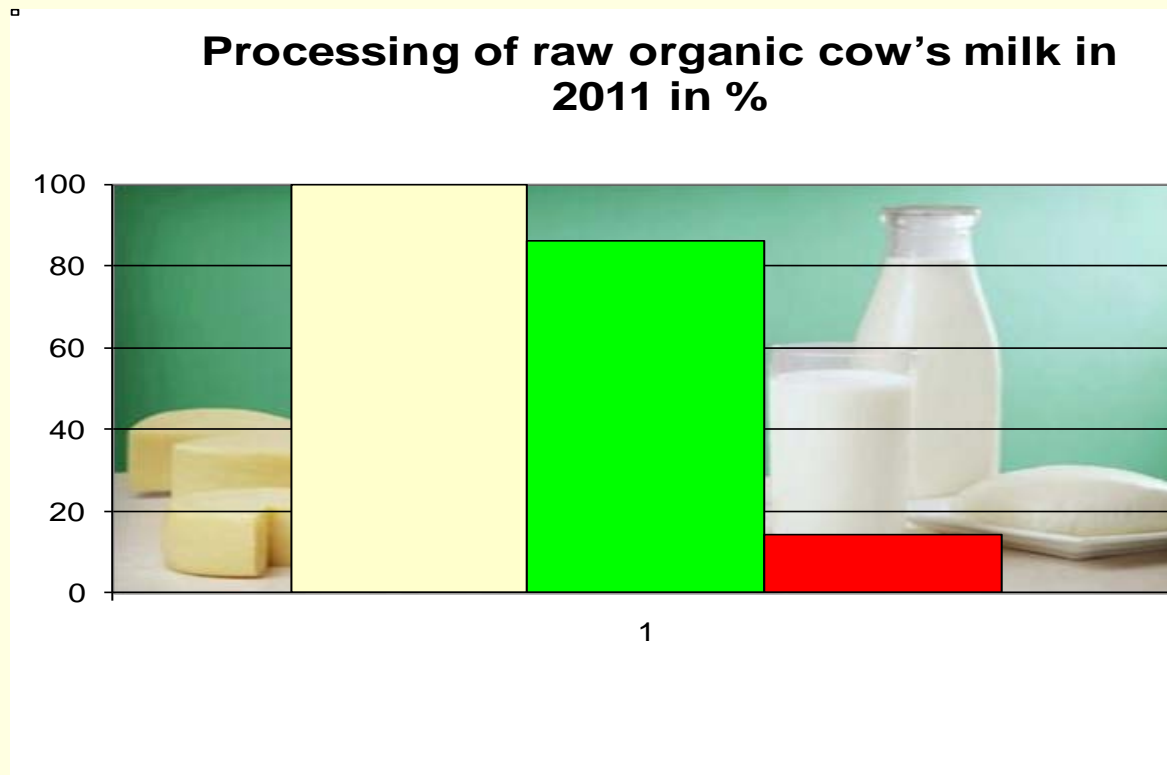
Sales

	2008	2009	2010
Distributors and salesmen:	14	75	106
Total of organic goods, incl.:	733	1200	2100
- foodstuffs	657	-	-
- non-foods	76	-	-
- made in Bulgaria	54	-	-
Total number of business premises:	1801	-	-
Total turnover (in leva):	7 566 000	-	-

Sales

- Just 54 (7,6%) of all 733 kinds of organic goods are made in Bulgaria
- Just 13 of them are fresh foodstuffs (milk, yoghurt, cheese, bread, sausages, cucumbers and tomatoes).
- The remaining 43 kinds of goods include canned foods (vegetables, compotes, juices, preserves), honey, dried herbs and spices.
- This was the trend for 2009, 2010 and 2011, with a continuously falling share of Bulgarian organic products (no exact data available).

Bulgarian organic dairies



Yoghurt
Dairy drinks
Conventional processing

Milk
Dairy desserts

Cream
Cheeses

Problems faced by Bulgarian organic farming

- There's a National Development Plan for Organic Farming 2006-2013 that has been implemented only partially;
- The only resources in support of organic farming are the compensatory payments under Measure 214;
- There are few training and information campaigns regarding the advantages of organic foodstuffs just 2-3 times a year;
- Farmers have no access to high-quality advice and scientific services.

Prospects for Bulgarian organic farming

- Availability of the minimum necessary number of organic producers (over 800) and proper production subsidies;
- Free movement of goods in the EU;
- Proper legal conditions (direct application of EU regulations in Bulgaria);
- A trend for increasing financial support for agrieconomic activities under the new CAP – stable and predictable aid, regardless of local political changes;
- The new on-the-farm processing and direct sales ordinance gives small animal farms the chance to supply certified products on the market;
- An increasing number of people buy healthy and clean food;
- Food prices are getting higher globally.

Conclusions

- Compensatory payments under Measure 214 are a major factor in the development of organic farming in Bulgaria.
- The disbalance in organic farming in terms of the relation plant / animal growing must be corrected by the introduction of financial support for investment in animal farming. One possible option is the development of a new Measure.

Conclusions

- Organic farming is largely dependent on support
- The market for organic product is not developed enough.

Conclusions

- Need for consumption to be encouraged by:
- Organic-food promotion programmes
- Development and introduction of educational programmes for children
- More consistent policy of promoting the advantages of organic food consumption

Conclusions

- The late start of the consultancy services measure should be compensated by making the procedure easier. For instance, a voucher system might be introduced.
- The RDP in Bulgaria doesn't provide for a close connection between agricultural science and local farming.

Conclusions

- Compensatory payments are a major factor, but not the only one. A more complex approach is called for.
- The largest possible part of the National Development Plan for Organic Farming must be financed by the RDP.