



DEVELOPMENT OF ORGANIC FARMING IN BULGARIA

N. Kayryakov*

Economics department, Agricultural University - Plovdiv, Plovdiv, Bulgaria

ABSTRACT

Based on survey and analysis of key characteristics of environmental performance, economic and social contribution of organic production in Bulgaria, the purpose of the report is to present some of the advantages of this type of farming. This report contains information about the organic farming in Bulgaria. Analyzed the barriers and the production and institutional opportunities and prospects for its development. It has been compared with other EU countries. Studied are the production, distribution and consumption of organic products in Bulgaria and the availability of suitable land for cultivation.

Based on the results of the study made recommendations towards strengthening the interest of producers to this type of agricultural systems. Advocates the possibility of organizing awareness seminars to familiarize with the features and benefits of organic products, both for producers and for consumers.

Key words: Organic agriculture, Marketing of organic food

MATERIALS AND METHODS

Analysis of the state

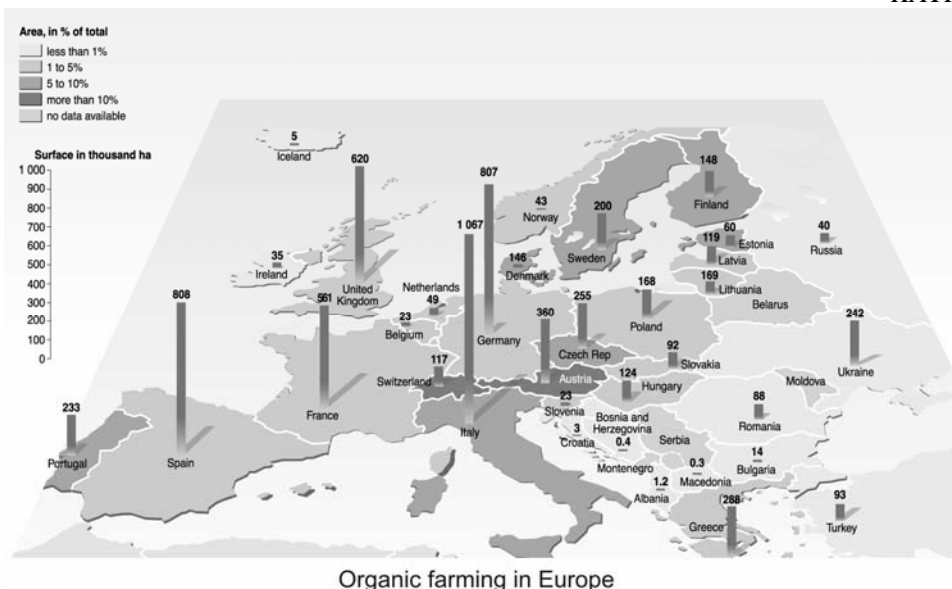
Definition of organic farming can be found on the website of International Federation of Organic Agriculture Movements (IFOAM) - Organic agriculture is a production system that sustains the health of soils, ecosystems and people. It relies on ecological processes, biodiversity and cycles adapted to local conditions, rather than the use of inputs with adverse effects. Organic agriculture combines tradition, innovation and science to benefit the shared environment and promote fair relationships and a good quality of life for all involved (1). Toward this can be added and the definition of Lozana Vassileva "Organic farming is one of the forms of sustainable development in agriculture, which developed from 30 years of the last century and is becoming increasingly popular worldwide. As a sustainable agricultural system, organic farming provides economic, social and environmental benefits that are the subject of

numerous scientific studies worldwide (2). Summing this, here we can say that organic farming is a system that generates interest in all spheres of society, combining production with environmental care. We can add that organic farming does not allow GMOs.

Organic area and market in European Union

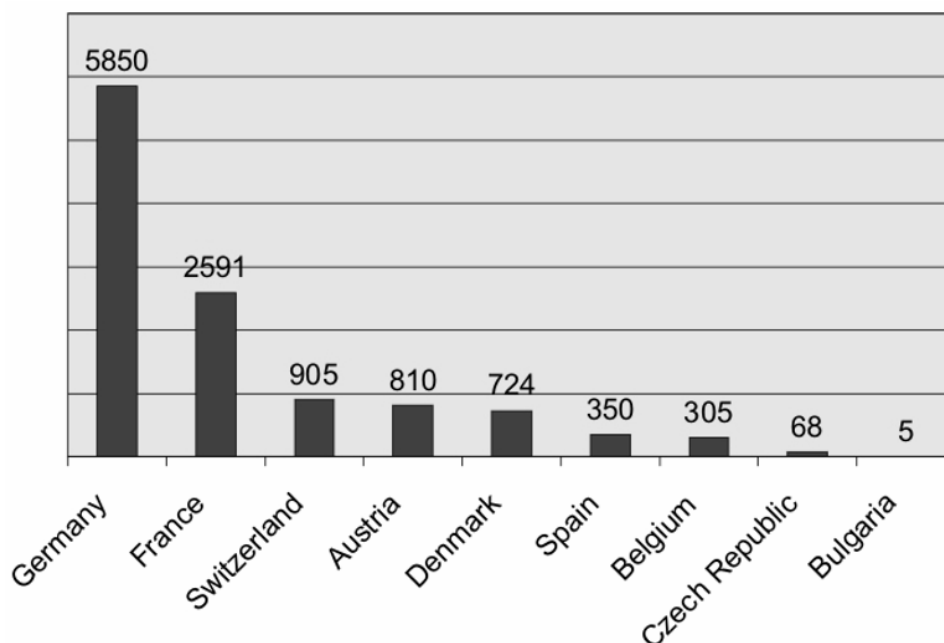
According to Eurostat at the end of 2007 the total area of land in the EU countries, processed organic method amounted to approximately 6.7 million hectares. Top largest organic areas are in Italy, Spain, Germany and Britain. The number of organic farms in the EU exceeds 160,000. The largest numbers are in Italy, Greece, Austria, Germany and Spain (3). On European level, cereals and fodder crops play the most important role in arable farming. Among the permanent crops, olives, fruits, nuts, and grapes are the most important categories. The support of organic farming throughout national rural development programs is, however, not obligatory – a fact which is criticized by the IFOAM EU Group, as organic farming can provide more employment, the average age of organic farmers is lower in many countries. Organic farmers are more engaged in on-farm-processing and direct sales and are highly innovative (5).

*Correspondence to: Nikola Kayryakov,
Economics department, Agricultural University -
Plovdiv, 12 "Mendeleev" str., 4000 Plovdiv,
Bulgaria, tel. 0887/526105, e-mail:
nanera@abv.bg



Organic farming in Europe

Source: The World of organic agriculture: statistics & emerging trends in 2007; International Federation of Organic Agriculture Movements.



The European market for organic food and drink SALES 2008 (Mio. €)

Source: FiBL Survey 2010

The sum of the products sold in Bulgaria is five million euro. This figure is much lower compared to other member states of the EU. For example, the market in Czech Republic 68 million, Belgium with 305 million and the largest size of markets in Germany with 5.85 billion euros for 2008 (5).

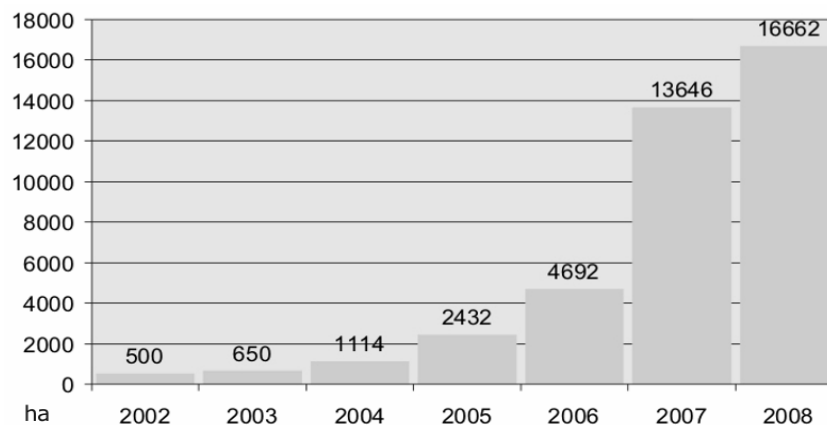
Arable organic land in Bulgaria

In an attempt to review the development of organic agriculture in Bulgaria a major problem is the lack of official statistics. In statistical yearbooks of National Statistical

Institute in Bulgaria does not exist the term "organic agriculture". According to Biolesna, a foundation for organic agriculture, established in 1997 with essential aims to develop and support organic agriculture in Bulgaria, data from 2002 to 2007 shows almost double increase on year bases of certified organic farming areas. From 2006 to 2007 they increased almost three times to the size of 13,646 ha, of which 5260 ha are in transition, and 8387 are undergone a transition period. This is due to several factors among

which is the membership of the country to the EU. This concerns mainly the legal framework. Also (according to data provided by the Ministry of Agriculture and Food, Department of Agroecology and disadvantaged areas) from 2006 to 2007 certified companies

of organic production increased from two to six. The trend for growth is confirmed in 2008. Some data for 2009 indicate that for organic production is used only 3% of total agricultural area in Bulgaria.



Dynamics in arable land used for organic production in Bulgaria

Source: Bioselena 2009

Certified farmers, processors and traders

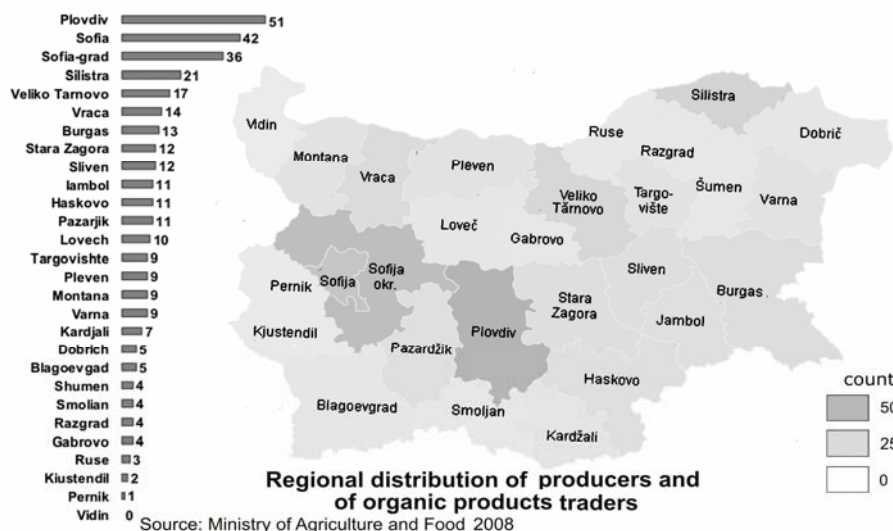
Table 1. Organic producers in Bulgaria 2003-2009

Year	2003	2004	2005	2006	2007	2008
Farmers, processors and traders	29	77	111	181	240	254

Source: Bioselena - Bulgarian Organic sector survey 2009

As you can see trends of producers are increasing. The increase is significant and determines the interest to this sector. The number of Certified operators (farmers, processors, traders) in 2008 engaged in organic

production are approximately 316, which 62 were in transition period. Plovdiv has the greatest concentration of producers, processors and traders, following by Sofia, Sofia city, Silistra.



Bulgaria has prepared a plan for development of organic agriculture for 2007-2013. This plan intends, by 2013, 8% of all arable land in the country to be fully used for the production of organic foods and 3% of food sold on the market to be of organic origin. Currently around 3% of the land is used for organic production in Bulgarian. Less than 1% of the total market for food products in the country is represented by organic products (3).

Legislation in Bulgaria

The legal basis in Bulgaria includes two ordinances: Regulation № 22 of 4 July 2001 organic production of plants, plant products and foodstuffs of plant origin and thereto on them and Regulation № 35 of August 30, 2001 for organic farming and organic production of animal products and foodstuffs of animal origin and thereto on them. Recent changes have been made on them in 2006.

The European Union issued the following regulations concerning organic production: Regulation (EC) № 834/2007, Commission Regulation (EC) № 889/2008, Regulation (EC) № 1235/2008, Regulation (EC) № 271/2010. They are laying down detailed rules for the implementation of organic production and labeling of organic products with regard to organic production, labeling and control as regards to the organic production logo of the European Union and regards to the arrangements for imports of organic products from third countries.

History of certification organizations

The first Bulgarian certified organic products came into the market in 2001. Since then all Bulgarian ministers of agriculture declared in their media appearances that organic agriculture is a Government's priority and that a big part of Bulgarian agricultural land is highly suitable for organic agriculture (5). In 2003 the Minister of Agriculture and Forestry issued the first permit for control of organic production to "SGS Bulgaria LTD". In 2005 was approved "Balkan Biocert Ltd" and in 2006 – "QC & I International Services SA" (3). Currently, certification organizations, registered by Ministry of Agriculture and Food are 10 in total, seven of them are based in foreign EU countries. They have central offices in Plovdiv, Lyaskovets (Veliko Turnovo), Varna and Sofia. This explains why

the producers in these areas are highly concentrated.

Stages to becoming organic producer

Every candidate organic producer must submit documents by a certifying organization. Followed by an inspection of the certifying authority to verify whether the applicant meets the requirements. If everything is right the land becomes certified and goes to the next stage. Depending on the activity a transition period is defined. For annual crops at least two years before planting and for perennial (excluding lawns) - at least three years before the first harvest. For wild areas there is no transition period. Livestock - 12 months for equine and cattle for meat, six months for small ruminants and pigs, 12 months for honey and bee products, etc.. It is important to note that the farm can be certified, but while in transition, its production can not be sold as organic.

The inability of many producers to afford synthetic inputs during the last years has resulted in low levels of prohibited residues in many areas. As a result, conversion periods in Bulgaria are significantly shorter than in most developed nations. While a conversion in the EU can take up to five or six years, conversions of one or two years are not uncommon in Bulgaria (6).

Farmers funding

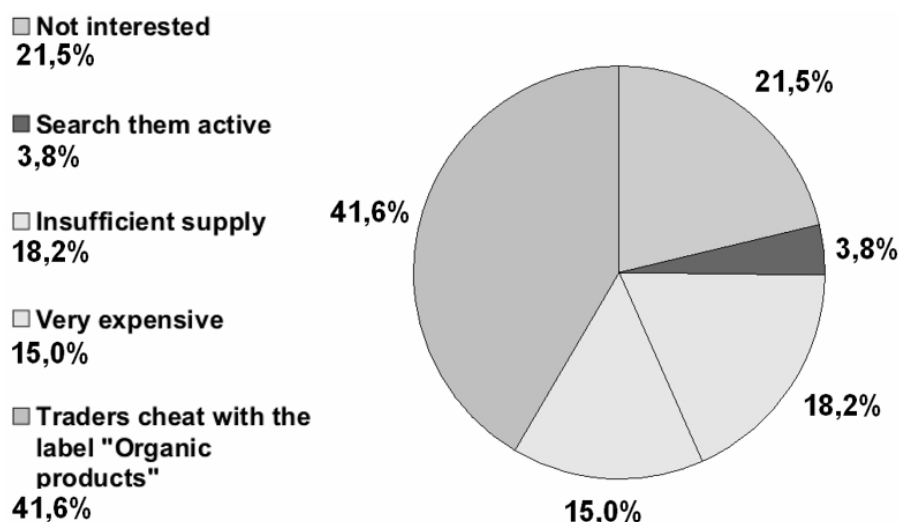
Funding of farmers engaged in environmentally agriculture, including organic production takes place under Measure 214 "Agro-ecological payments" from the Rural Development Program 2007-2013. The finance for agro-environmental activities is for a period of five years. Financial aid form is annual payments, 82% of funds are provided by EU and 18% - from the Bulgarian budget. To benefit from the subsidy, they must be formally certified or are in the process of convergence. Actually small-scale producers could not receive such subsidy, because the requirements impose minimum size of areas. Near three quarters of the farms in Bulgaria have no access to direct payments from the EU (3).

Organic products in Bulgaria

In 2005 the market share of organic products in Bulgaria is estimated at € 800,000, representing 0.023% of the total market for food. Bio-products can be bought in supermarkets and shops for healthy, diabetic

and dietetic foods. Although some products can be found exclusively online shopping over the Internet bio is still slightly developed in our country. The total number of organic products for 2008 in Bulgaria is 733, and 657 of them are food, non eatable – 76, 54 produced in Bulgaria (7,6%). 13 of them are fresh products (milk, yogurt, cheese, bread, salami, sausages, cucumbers and tomatoes). The other 43 organic products are canned goods (vegetables, compotes, juices and jams), bee-honey, dried herbs and seasonings. There are also small sales of seasonal vegetables (5). According to the analysis of DIKON Group of the Bulgarian market for organic products in 2005/2006, about 95% of certified organic production is exported. Exports are mainly to Western countries, the United States and Canada and consists mainly of herbs, dried form of teas, fresh, frozen or canned fruits, vegetables, honey, nuts. Bulgaria is one of the largest exporters of dried wild herbs. Marketing researches shows that one of the major

problems associated with the consumption of organic products is the low level of information to potential buyers. Although the topic is related to green lifestyle and environment, it rather could be defined as unpopular. The high consumer prices of organic products is one of the main barriers to market expansion. The prices are quite different. They vary among distributional channels, and also between different product groups. Most often consumers pay 50-60% higher price for organic products compared with conventional peers. About 62% of respondents are willing to pay 30% higher price than similar conventional products. But with the price increase after the threshold of sensitivity, the proportion of consumers willing to buy the products, sharply decrease. At a price of 30 to 50% higher than that of conventional, ready to pay are 11.7% and in price from 50 to 100% higher - only 6.5 percent (3).



What do you think about organic food?

Source: Vitosha Research 2009

SWOT analysis

Strengths in Bulgaria. There are clear rules, Bulgarian control authorities, NGOs for consultations, four majors at universities, special counters for organic products and great potential for export. The Bulgarian legislation clearly defined conditions under which it can be practiced organic production. The country has sufficient objective conditions to become a serious player in the organic market. As a

serious potential it can be reported the existence of suitable climate and agricultural soils, which could be adapted for organic

agriculture. According to the Ministry of Environment and Waters over 80% of the area of the country is suitable for organic production.

Weaknesses of organic production in Bulgaria are related to the small number of producers,

lack of interest of organic production, limited range of products and a small volume of the total market. Consumption of organic products is still poorly developed. The main problem is low awareness of consumers about the benefits of these products and opportunities to differentiate organic products from any imitations. Barrier to consumption could also be the limited distribution of organic products, the lack of specialized stores, and accessible information sources with reliable information about the commercial distribution of products (3).

CONCLUSIONS

On this basis it can be concluded that the objectives of all institutions involved in organic production, should be pointed towards greater possibilities for organic farming. Stimulating organic production by payments and subsidies can be considered as unquestionable. Stimulate demand, diversifying supply, stimulation and production. One way to attract more producers to organic production niche is precisely the organization of informational seminars, which should include not only explanation of the characteristics of organic products, but also how they could be produced in the country. On

KAYRYAKOV N.

the other hand, some more than 25 % of the population does not know about the existence of organic products (3). Therefore, some measures should be associated with the increase of public awareness in organic products. Another stimulus for demand and also to attracting more consumers can be the organization of fairs for organic products, where retailers, wholesale distributors and importers could share experience and contacts.

REFERENCES

1. International Federation of Organic Agriculture Movements <http://www.ifoam.org/>, 2010
2. Evaluation of the effect of organic farming - Lozana Vassileva, University of National and World Economy - Sofia, Department of "Agribusiness", 2007
3. Production, distribution and consumption organic products in Bulgaria, Vitosha Research, 2009
4. The World of Organic Agriculture Statistics and Emerging Trends 2007
5. FiBL Survey 2010 - <http://www.organic-world.net/statistics-europe-market.html>
6. Bulgaria Organic Products and Market 2006, USDA Foreign Agricultural Service, GAIN Report