

**MINISTRY OF AGRICULTURE AND FOOD**

**ANNUAL REPORT ON THE SITUATION AND  
DEVELOPMENT OF AGRICULTURE**

***(AGRARIAN REPORT 2013)***

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<b>List of used abbreviations</b>	
BFSA	Bulgarian Food Safety Agency
BSMAEC	Bulgarian Survey for Monitoring the Agricultural and Economic Conjuncture
GDP	Gross Domestic Product
GVA	Gross value added
BSS	Bulgarian State Standard
BNB	Bulgarian National Bank
BEP	Biological and economic properties
BRC	Bulgarian Red Cross
VMP	Veterinary Medicinal products
BCP	Border Check Points
BCRP	Border Crossing Points
GMO	Genetically modified organism
FRM	Forest reproductive materials
FEPP	Forest Economic Plans and Programs
SFE	State forestry enterprises
SFH	State Forest Holdings
VAT	Value Added Tax
Directorate "AHFSD"	Directorate "Animal Healthcare and Food Safety Directorate"
SHA	State Hunting Areas
SLF	State Land Fund
SFA/SF „Agriculture"	State Fund "Agriculture"
SFA-PA	State Fund "Agriculture" – Payment agency
EFTA	European Free Trade Association
EAFRD	European Agricultural Fund for Rural Development
EC	European Commission
SMNCP	Single Multiannual National Control Plan for Foods, Animal Feed, Animal Health and Welfare and Plant Health
EERP	European Economic Recovery Plan
EU	European Union
EAGF	European Agricultural Guarantee Fund
EFF	European Fisheries Fund
AFM	Agricultural and Forestry Machinery



PGI	Protected Geographical Indication
PDO	Protected Designation of Origin
SPMA	Seed and Propagating Material Act
OUALA	Ownership and Use of Agricultural Land Act
EFA	Executive Forest Agency
EAFA	Executive Agency for Fisheries and Aquaculture
EAPVTFISC	Executive Agency for Plant Variety Testing, Field Inspection and Seed Control
EASPAH	Executive Agency for Selection and Reproduction in Livestock breeding
ИЗП	Utilized Agricultural Area
IACS	Integrated Administration and Control System
TCD	Traffic Control Department
TCI	Technical Control Inspectorate
MI	Ministry of Interior
M3X	Ministry of Agriculture and Food
LAG	Local Action Groups
LAGF	Local Action Fishery Groups
LDS	Local Development Strategies
NRA	National Revenue Agency
HACCP	Hazards Analysis and Critical Control Points
NAPDP	National additional payments to direct payments
NDRVMI	National Diagnostic and Research Veterinary Medical Institute
NMP	National monitoring program for control of pesticide residues in food of plant origin
NMPCR	National monitoring program for control of residues of veterinary medicinal products and environmental contaminants
NAP	National Apiculture Program (2011-2013)
NRL	National Reference Laboratory
NGS	National Grain Service
HCI	National Statistical Institute
NAAS	National Agricultural Advisory Service
DD „Agriculture”	District directorates 'Agriculture'
DFSD	District Food Safety Directorate
OECD	Organization for Economic Co-operation and Development
CIS	Commonwealth of Independent States

CMO	Common Market Organization
OPFSD	Operational Program Fisheries Sector Development
CAP	Common Agricultural Policy
IROUALA	Implementing Rules for the Ownership and Use of Agricultural Land Act
PPP	Plant Protection products
RDP	Rural Development Program 2007-2013
FDI	Foreign direct investment
RDF	Regional Directorate of Forestry
DCM	Decision of the Council of Ministers
SAPS	Single Area Payment Scheme
SIAL	System for Identification of Agricultural Lots
IA	Irrigation Associations
AA	Agricultural Academy
CLVSEE	Central Laboratory for Veterinary Sanitary Expertise and Ecology
CLPQ	Central Laboratory of Plant Quarantine
CLCTC	Central Laboratory for Chemical Testing and Controls
DOM	Digital Orthophoto map
PTC	Occupational training Center
CPVO	Community Plant Variety Office
RASFF	Rapid Alert System for Food and Feed

## AGRARIAN REPORT 2013

### SECTION A

#### I. CONDITION AND DEVELOPMENT OF THE NATIONAL ECONOMY. MACROECONOMIC FRAMEWORK. PLACE OF THE AGRARIAN SECTOR IN THE NATIONAL ECONOMY.

According to preliminary data in 2012 the gross domestic product, produced in the country, has increased by 0,8% compared to the previous year.

The nominal scope of value of GDP for the year has reached 77 582 million BGN (39 667 million EUR).

As of the end of 2012, inflation has marked an annual increase by 4,2%, and the annual average inflation for the year is 3%.

According to data provided by BNB in 2012 the export amounts to 40 623 million BGN (20 770 million EUR), which is 52,4% of GDP. The import for the year amounts to 47 391 million BGN (24 230 million EUR) or 61,1% of GDP of the country. As a result of the increased growth rate of import compared to the growth rate of the export, the negative trade balance (FOB-FOB) shall increase by -6 768 million BGN (-3 460 million EUR).

In 2012, the direct foreign investments in Bulgaria have amounted to 2 896 million BGN (1 481 million EUR), which is 3,7% of GDP.

According to data of the Employment Agency, the monthly average unemployment level in 2012 is 11,1%, compared to 10,1% in 2011

**Table I.1. General macroeconomic indicators of the Republic of Bulgaria**

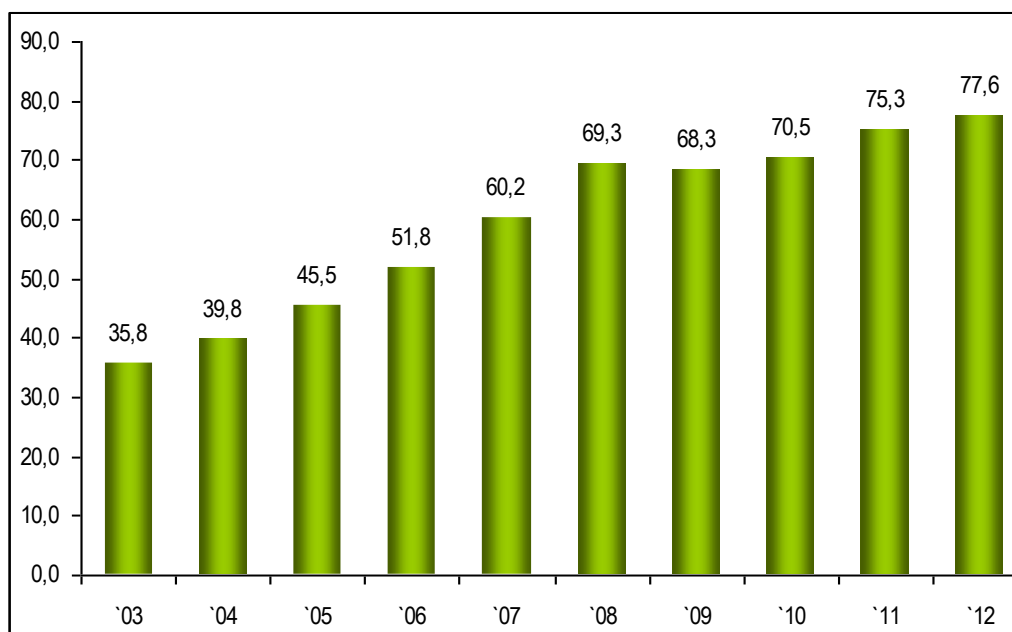
Indicator	`03	`04	`05	`06	`07	`08	`09	`10	`11	`12
GDP, billion BGN	35,812	39,824	45,484	51,783	60,185	69,295	68,322	70,511	75,308	77,582
GDP, billion EUR	18,310	20,361	23,255	26,476	30,772	35,430	34,932	36,052	38,504	39,667
Annual real rate of change in GDP, %	5,5	6,7	6,4	6,5	6,4	6,2	-5,5	0,4	1,8	0,8
Annual average inflation, %	2,3	6,1	5,0	7,3	8,4	12,3	2,8	2,4	4,2	3,0
Inflation at the end of the year, %	5,6	4,0	6,5	6,5	12,5	7,8	0,6	4,5	2,8	4,2
Trade balance, billion BGN	-4,744	-5,777	-8,625	-10,879	-14,171	-16,816	-8,163	-5,405	-4,217	-6,768
Trade balance, billion EUR	-2,426	-2,953	-4,410	-5,562	-7,245	-8,598	-4,174	-2,764	-2,156	-3,460
FDI, billion BGN	3,619	5,351	6,165	12,168	17,704	13,158	4,766	2,252	2,602	2,896
FDI, billion EUR	1,851	2,736	3,152	6,222	9,052	6,728	2,437	1,151	1,330	1,481

*Source: NSI – GDP, rate of change in GDP and inflation; BNB – trade balance and FDI. Preliminary data for 2012*

#### Gross Domestic Product

In 2012, GDP has increased by 0,8% in real numbers compared to the previous year. In nominal terms, it reaches 77 582 million BGN (39 667 million EUR), 10 632 BGN (5 436 Euro) per capita.

**Figure I.1. Amount of GDP for the period 2003 – 2012, billion BGN**



Source: NSI; preliminary data for 2012

### **Gross Value Added**

The gross value added established by the sectors of the national economy in 2012 amounts to 66 642 million BGN (34 073 million EUR) according to current prices. In actual figures, it has increased by 0,3% compared to the previous year. The added value of the participants in the agrarian sector in 2012 amounts to 4 264 million BGN according to current prices, by marking an increase of 3,5% in real expression, compared to 2011

According to economy sectors, GVA for 2012 shall be distributed as follows:

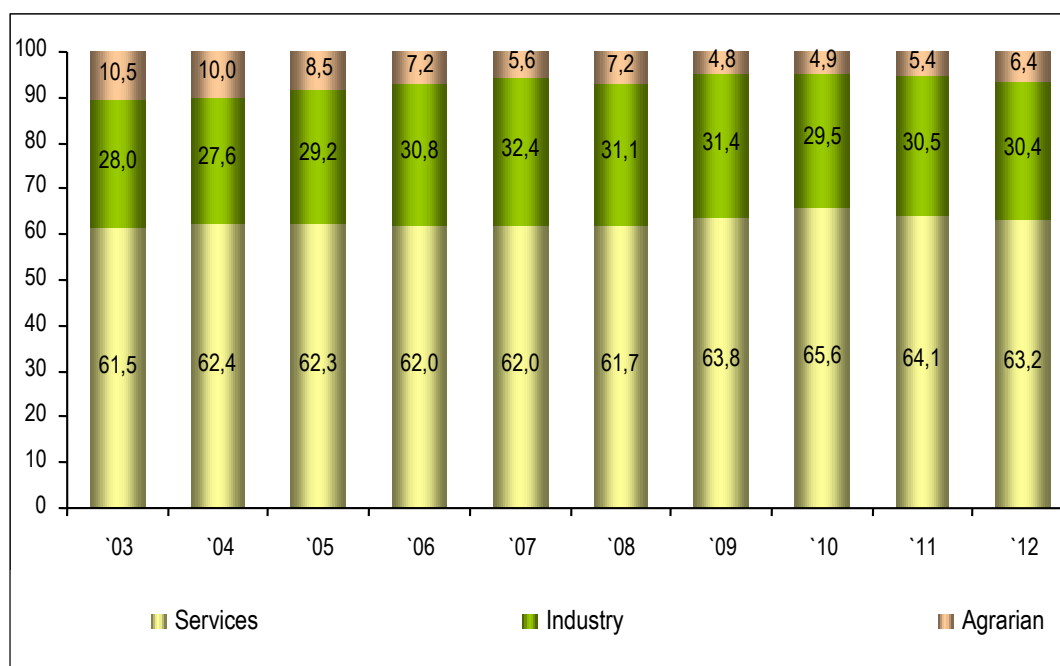
- Industry (including civil engineering) – 30,4%;
- Services – 63,2% ;
- Agrarian (agriculture, forestry and fisheries) – 6,4%.

The share of the agrarian sector in the total GVA has increased by 1 point compared to the previous year.

According to preliminary data of NSI, the total GVA of the country economy in the first six months of 2013 amounts to 30 795 million BGN (15 745 million EUR) according to current prices. The relative share of economic sectors in GVA for the first half of the year is: industry – 31,9%; agrarian sector – 5,6%, and services – 62,5%.

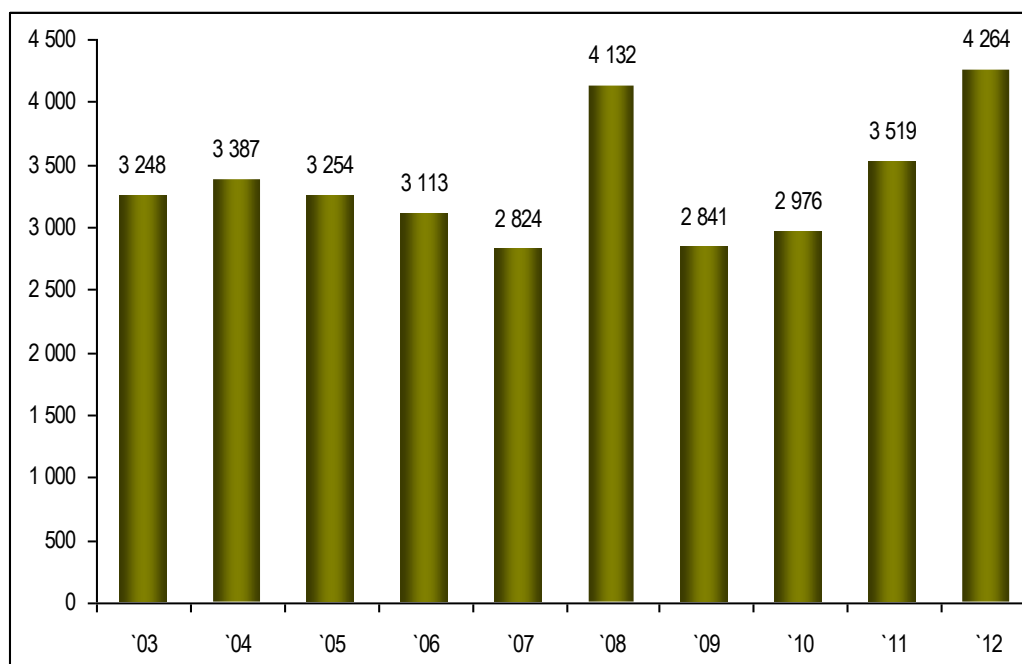
According to specific evaluations of NSI as of November 2013 and on the basis of seasonally graduated data, in the first three quarters of 2013, GVA formed by the agrarian sector has increased by 3,6%, 6,2% and 3,4%, in comparison to the respective quarter of the previous year (according to annual average prices in 2005).

**Figure I.2. GVA of sectors of the economy for the period 2003 – 2012, %**



Source: Data of NSI, processed by MAF; preliminary data for 2012

**Figure I.3. GVA of sector "Agriculture, forestry and fisheries" 2003 – 2012, million BGN**

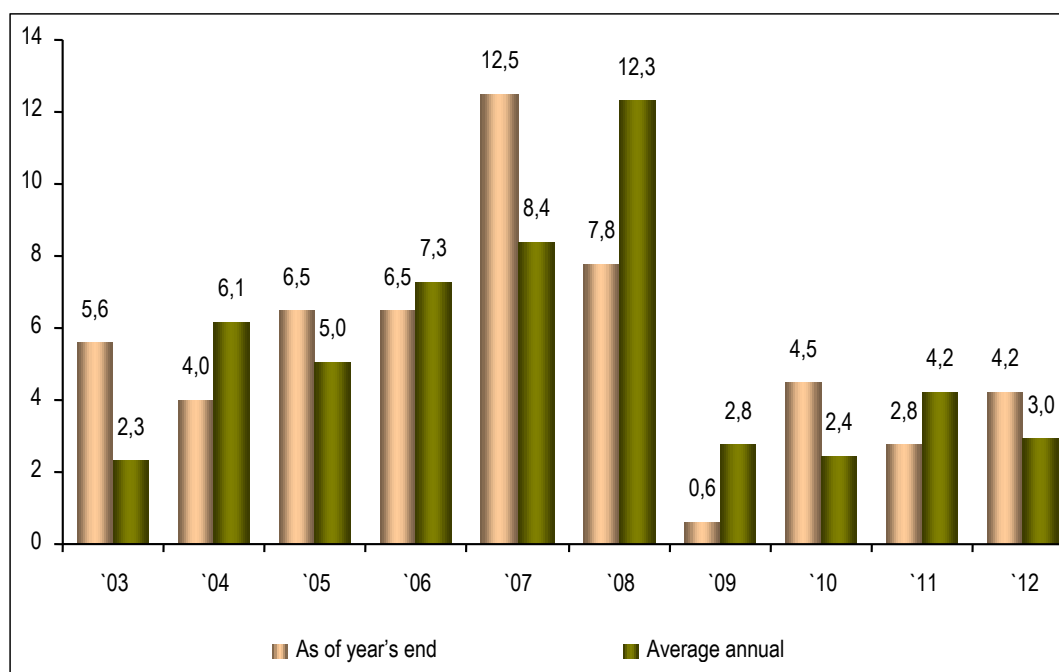


Source: NSI, preliminary data for 2012

## Inflation

Annual average inflation for 2012 is 3,0%, and inflation accumulated as of the end of the year – 4,2%. As of December 2012, the prices of foods has increased by 5,2% on annual basis, the prices of nonfoods– by 1,5%, the prices of public catering – by 3,5%, and the prices of the services – by 6%.

**Figure I.4. Inflation, %**



Source: NSI

### **Employment and unemployment**

In 2012, a markedly lower rate of decrease in the number of employed persons is observed, compared to the previous two years, as a result of the mild improvement in the economic conjuncture and the reported minimum economic growth. According to NSI data, the annual average number of employees of 15 or more years of age in 2012 is 2 934,0 thousand, decrease by 31,2 thousand compared to 2011, with almost three times higher decrease for the period 2011/2010.

According to Employment Agency data, in 2012, for the fourth consecutive year, increase by unemployment in the country is reported, caused by the global financial and economic crisis. The annual average number of registered unemployed persons in the employment offices has increased up to 364 537 people, by 31 936 people or 9,6% increase compared to 2011. The monthly dynamics of unemployment in 2012 is relatively low, indicating minimum monthly average rate of increase by 0,2%. The annual average unemployment level is 11,1%, 1 percentage point higher compared to the level in 2011

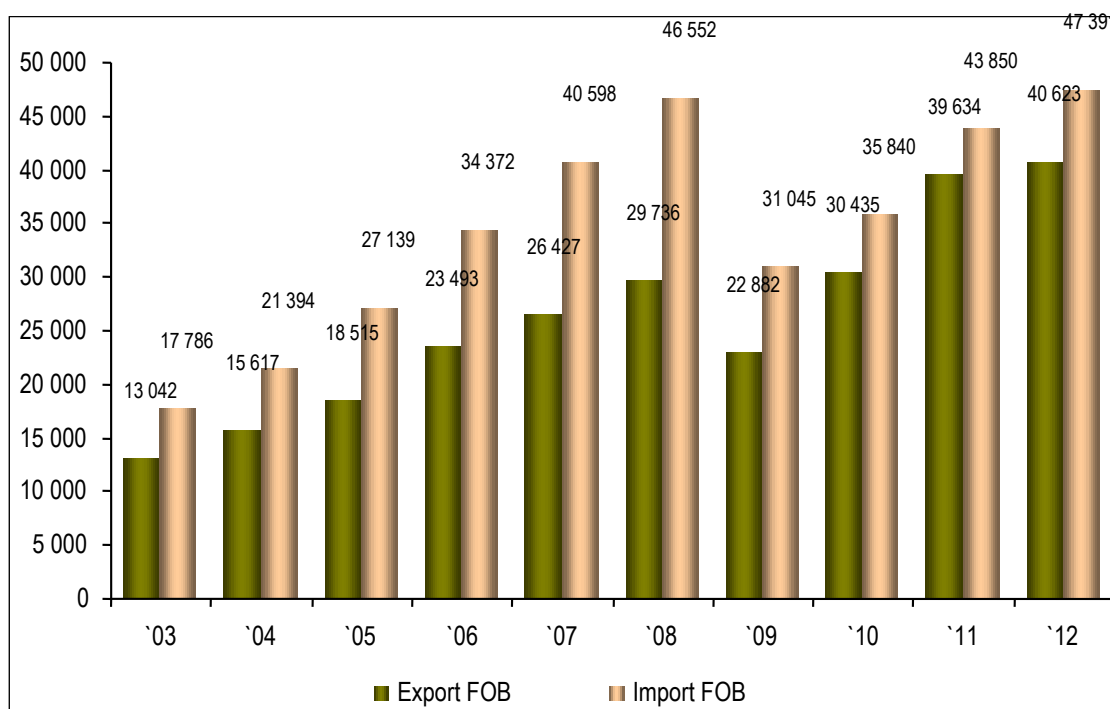
According to NSI preliminary data in 2012 the average annual employment salary of the full-time employees or public employees, including annual bonuses, is 9 324 BGN, which is 1 094 BGN or 13,3% more compared to 2011. In sector agriculture, forestry and fisheries, the increase is 11,9%, up to 7 108 BGN average for 2012

### **Export and import**

According to BNB data, in 2012 the export of Bulgaria amounts to 40 623 million BGN (20 770 million EUR) - 2,5% increase compared to the previous year, which is 52,4% of GDP. The import during the year has grown by 8,1% compared to 2011 up to 47 391 million BGN (24 230 million EUR) or 61,1% of GDP of the country.

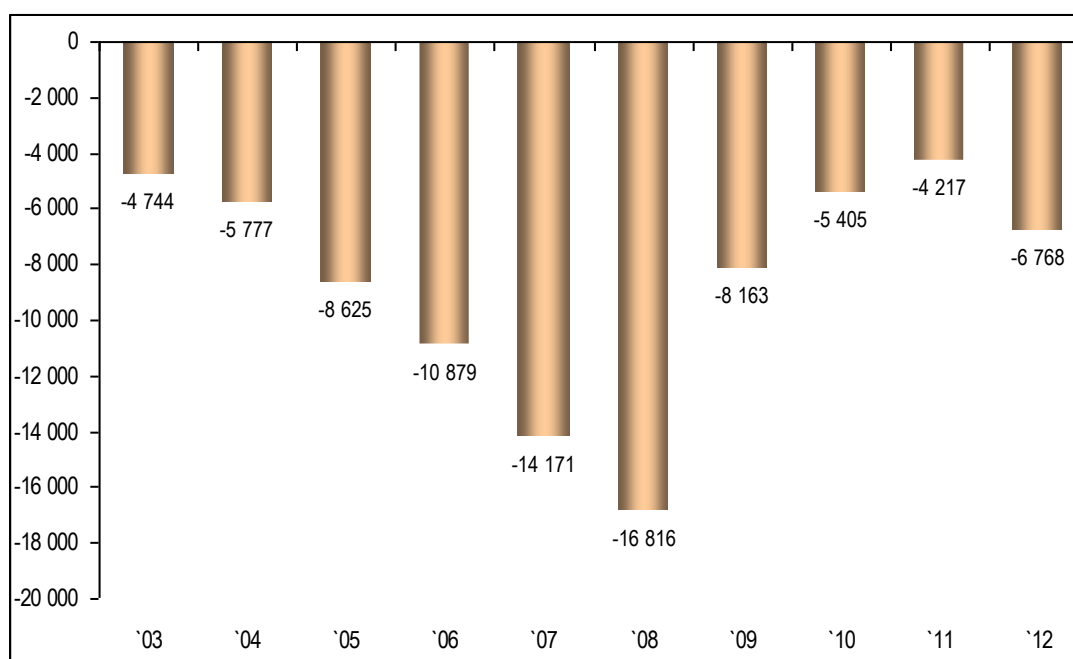
As a result of the increasing rate of the import, compared to the rate of export in 2012 the negative trade balance has increased by -6 768 million BGN (-3 460 million EUR), by -4 217 million BGN (-2 156 million EUR) for 2011

**Figure I.5. Export and import for the period 2003 – 2012, million BGN**



Source: BNB

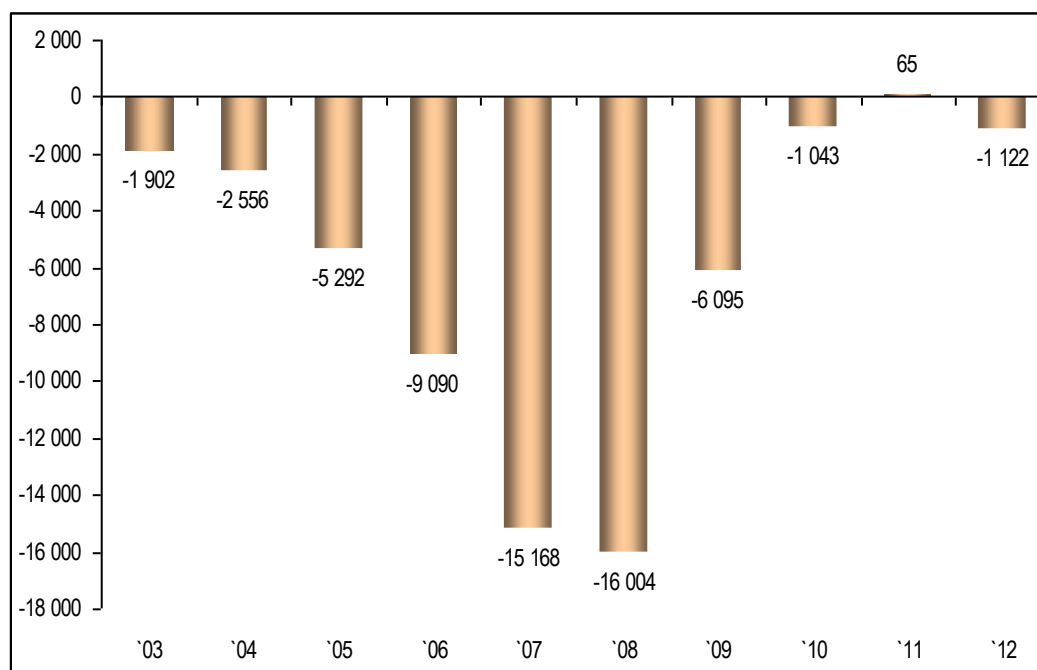
**Figure I.6. Trade balance for the period 2003 – 2012, million BGN**



Source: BNB. Preliminary data for 2012

In 2012, deficit on the current account existed, to the amount of 1 122 million BGN (574 million EUR).

**Figure I.7. Current account for the period 2003 – 2012, million BGN**

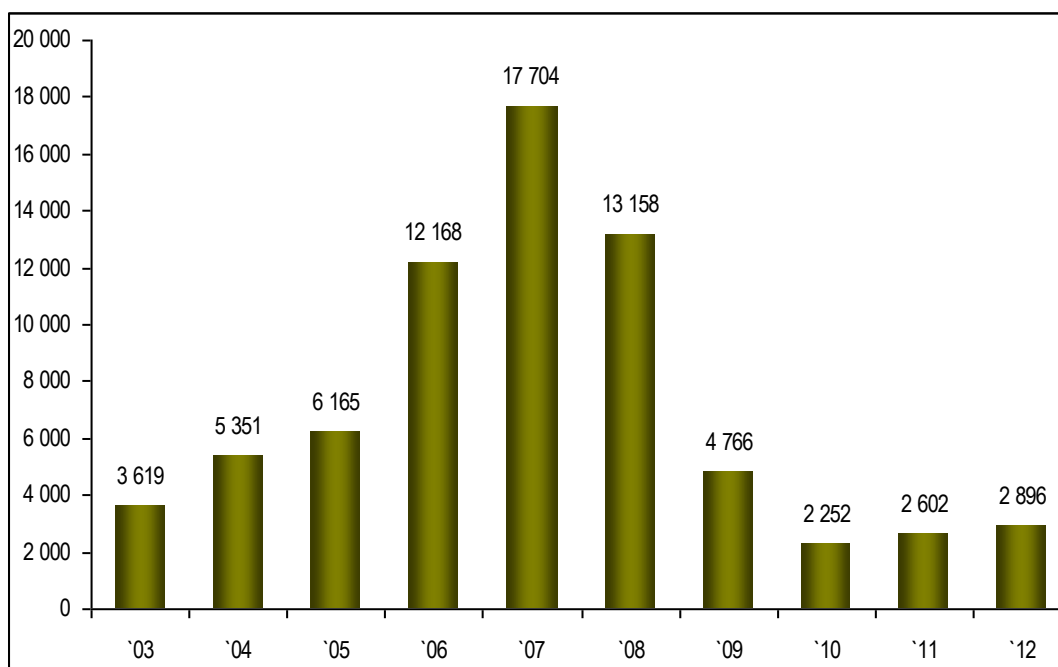


Source: BNB

### Foreign direct investments

According to data from BNB, FDI in the country for 2012 has amounted to 2 896 million BGN (1 481 million EUR), an increase of 11,3% compared to the previous year. The direct investments during the year represent 3,7% of GDP in comparison to the increase by 3,5% in 2011

**Figure I.8. Foreign direct investment 2003 – 2012, million BGN**

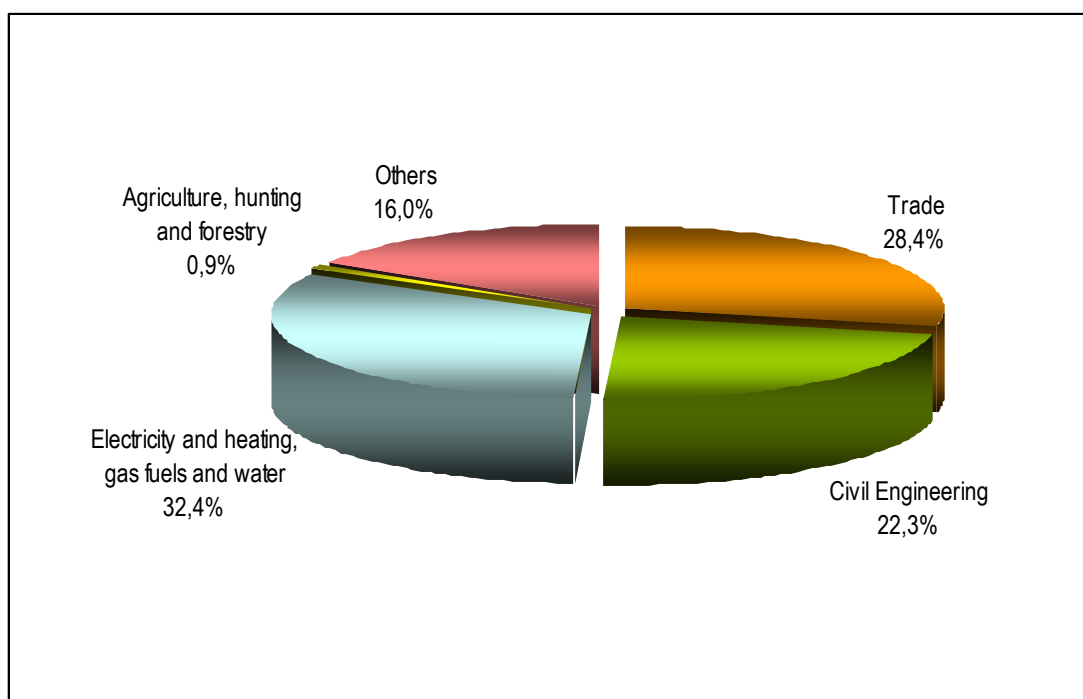


Source: BNB

During the year, the most investments have been attracted in the sectors “Electricity and heating power, gas fuels and water” 32,4% of the full volume FDI), “Trade” (28,4%) and “Civil engineering” (22,3%). FDI in agriculture, hunting and forestry in 2012 represent just 0,9% of the total amount of direct investments in the country.



**Figure I.9. Foreign direct investment on economic activities in 2012,%**



Source: BNB

## **II. DEVELOPMENT OF THE AGRARIAN SECTOR IN 2012 AND PROJECTIONS FOR 2013**

### **1. Use of agricultural land and structures in agriculture**

#### **1.1. Use of lands with agricultural purpose**

**The area with agricultural purpose** in 2012 is 5 481 222 ha, which is approximately 50% of the territory of the country.

**Utilized agricultural area** is composed by arable land, perennial crops, permanent grasslands, family gardens, and greenhouse areas. In 2012, it amounts to 5 122 983 ha, which is a 0,7% increase compared to the previous year and represents 46,2% of the territory of the country.

**Arable lands** are lands included in crop rotation, temporary meadows, occupied by cereals and legumes and fallow lands. In 2012, arable lands occupy 3 294 685 ha or 64,3% of the utilized agricultural area. Compared to the previous year, they have increased by 2,1%, mainly due to the expanded areas growing maize, sunflower and wheat.

**Artificial meadows with legumes and cereals** in 2012 decrease by 1,6% compared to 2011 to 83 489 ha, which is 2,5% of arable land and 1,6% of UAA of the country.

**Fallow lands** are arable lands, which have not been cultivated during the year of observation. Cultivated or not, these areas remain in this category for not more than two years. In 2012, fallow lands decrease by 26,4%, compared to 2011 and occupied 128 097 ha, which represents 3,8% of arable land and 2,5% of UAA of the country.

**Orchards** in 2012 represent 1,4% of UAA of the country, and the lands, occupied by them, remain without any significant change compared to the previous year. **The mixed perennial crops decrease** by 1,2%.

**Vineyards** – purely vine crops in 2012 over 77 341 ha, which is 1,4% less compared to 2011. Vineyards occupy 1,5% of UAA of the country in this year.

**Permanently productive meadows, highland pastures, grasslands with low productive potential and meadows/orchards** in 2012 occupy 1 646 993 ha or 32,1% of UAA of the country.

**Family gardens** in 2012 occupy area of 22 226 ha or 0,4% of UAA of the country. A decrease of 1,3% is observed for them, compared to the previous year.

**Uncultivated lands** are the lands which have not been included in crop rotation and have not been used for agricultural production for more than two years. Their operational recovery is possible, using minimum funding. In 2012, uncultivated lands occupy approximately 3,2% of the country's total area, and has decreased by 10,1% compared to the previous year.

**Table II.1. Arable land, Utilized Agricultural Area and area with agricultural purpose for the period 2009 – 2012, ha**

Employment	2009	2010	2011	2012
Wheat	1 254 151	1 095 703	1 152 999	1 194 141
Barley	264 689	250 640	174 010	176 556
Rye and triticale	17 034	16 116	17 841	24 303
Oats	28 894	24 627	17 163	16 814
Maize	303 881	360 046	430 914	525 412
Other cereals	9 809	9 259	12 006	16 046
Sunflower	687 209	734 314	795 319	854 738
Tobacco	27 865	31 652	21 710	24 857
Other oil seed crops	115 013	209 347	233 934	144 457
Other industrial crops	60 731	74 738	54 458	40 989
Potatoes	14 068	13 824	16 852	17 465
Peas, kidney beans, broad beans, lentils, chic-peas and other legumes	9 557	5 839	8 076	9 395
Fresh vegetables	28 715	29 420	27 227	24 778
Seed-beds	2 806	3 014	-	-
Fodder crops	6 349	88 909	84 806	83 489
Meadows planted with legumes and cereals	95 409	87 718	83 503	82 590
Fallow lands	196 336	207 616	174 110	128 097
Greenhouses	-	-	2 010	2 113
<b>ARABLE LAND</b>	<b>3 122 516</b>	<b>3 162 526</b>	<b>3 227 237</b>	<b>3 294 685</b>
Family gardens	21 411	21 629	22 517	22 226
Orchards	71 995	72 913	69 478	69 494
Vineyards – pure crop	84 438	82 675	78 468	77 341
Combined perennial crops and berries	8 103	8 020	8 629	8 529
Seed-beds	-	-	3 311	3 715
<b>Total perennial crops</b>	<b>164 536</b>	<b>163 608</b>	<b>159 886</b>	<b>159 079</b>
Greenhouses	2 094	2 113	-	-
<b>Permanent grasslands and meadows-orchards</b>	<b>1 719 028</b>	<b>1 701 990</b>	<b>1 678 308</b>	<b>1 646 993</b>
<b>UTILIZED AGRICULTURAL AREA</b>	<b>5 029 585</b>	<b>5 051 866</b>	<b>5 087 948</b>	<b>5 122 983</b>
<b>Uncultivated area</b>	<b>460 528</b>	<b>441 025</b>	<b>398 624</b>	<b>358 239</b>
<b>AREA WITH AGRICULTURAL PURPOSE</b>	<b>5 490 113</b>	<b>5 492 891</b>	<b>5 486 572</b>	<b>5 481 222</b>

Source: MAF, department "Agrostatistics"

## 2. Use of agricultural lots

### 2.1. System for Identification of Agricultural Lots

The system for identification of agricultural lots is a main subsystem of the integrated system for identification and control, on the basis of which support applications are filed under the Single Area Payment Scheme and control for payment eligibility is implemented, which requires the supported data to be updated and authentic to the maximum extent possible.

In 2012, the maintenance of the data in CUAA encompasses the following Activities:

- Update of 18,6% (20 627,85 sq. km.) of DOM of the country through aerial photographing, carried out in 2012 (overall renovation of DOM through aerial photographing shall be carried out in the period 2012 - 2015);
- Update of the physical blocks according to the updated DOM – borders, method of long-term use, layer named “Lands eligible for support under SAPS”, according to the changes which have occurred in the use of agricultural lands and their condition;
- Carrying out of terrain inspections with the use of GPS – devices for measuring and photographing of the inspected blocks in relation to:
  - Physical blocks, whose borders and other characteristics could not be determined unambiguously according to the updated DOM;
  - Random excerpt from the updated DOM of physical blocks and a layer “Lands appropriate for support under SAPS” for control of deciphering DOM;
  - Physical blocks, declared for support outside of its borders and/or outside the borders of the layer “Lands appropriate for support under SAPS”;
- Recording of the findings and the measurements of the terrain inspections in the database of SIAL;
- Recording of the findings and onsite inspections, carried out by the Technical Inspectorate of State Fund “Agriculture” – Payment agency in the SIAL database;
- Performance of quality control of the data in CUAA and preparation of the annual report for the condition of CUAA to the European Commission;
- On the updated physical blocks and layer “Lands appropriate for support under SAPS” has carried out a designation of the payments under SAPS in 2012

## **2.2. Filing of support applications – campaign 2012**

In 2012, a campaign for filing of support applications has been organized and carried out, and it included:

- Training of new employees of District directorates ‘Agriculture’ and municipal offices of agriculture for operation with the program product of State Fund “Agriculture” – PA for introduction of registration applications data;
- Providing forms for support applications and graphic material for the location of the areas used by the support applicants;
- Providing assistance to the support applicants for completing their applications and identification of the agricultural lands used by them;
- Introduction of the declarations provided to the system for registration of applicants and support applications (module of IACS);
- Providing the filled in and carried out General Application in the respective territorial structure of SF “Agriculture” – PA;
- Declaring the areas for support in 2012 has been carried out according to the state DOM, updated in 2010 - 2011 and updated physical blocks and layer “Land, appropriate for the support under SAPS” in 2011

## **2.3. Registration of agricultural producers**

In 2012, the activity for maintenance of a register of agricultural producers continues, according to Order No. 3 dated 1999, which encompasses both the registration of new agricultural producers and the re-registration and updating the data for the ones which have already been registered. In 2012, the register shall support data for 67 614 agricultural producers, by 2 110, or an increase of 3,2% compared to the previous year.

### **3. Management of the lands by the State Land Fund and consolidation of agricultural lands**

#### **3.1. Providing real estate from SLF for rent or lease**

In 2012, in bids for leasing or renting agricultural lands from SLF, 62 729 ha have been included, out of which 20 450 ha have been awarded, including 15 298 ha, provided for raising annual plants.

The total areas of the lands from SLF, leased or rented during the year amount to 93 626 ha (including lands with long-term agreements from previous years).

#### **3.2. Bids with lands from SLF for owners of nominal compensation bonds**

With an order of the Minister of Agriculture and Foods No. RD 46 - 667 dated 17.08.2012, a procedure has started for sales of lands by SLF for owners of nominal compensation bonds for the territory of the whole country, with the exception of the district of the city of Sofia and Gabrovo district, which shall conclude in 2013

#### **3.3. Establishment of limited property rights over the lands of SLF**

In 2012, a total of 120 requests have been filed to MAF by natural persons and legal entities for realization of investment intentions, which affect real estates of SLF. Following decisions of the Agricultural Lands Commission, a total of 48 letters for preliminary agreement by the Minister have been prepared for preparation of site development plans for realization of investment intentions.

A single agreement of the Minister for preparation of site development plan has been for a real estate of SLF for determining built-up and adjacent area to buildings and facilities and private ownership.

A total of 17 agreements have been concluded for establishment of limited property rights over lands of SLF without tender and a competition under the provisions of the Energy Act.

#### **3.4. Compensations in relation to paying off of a state debt**

In 2012, a total of 5 orders have been issued to the Minister of Agriculture and Food to determine the right for compensation of Bulgarian citizens of their successors, whose lands have been used for paying off of state debt, according to the Agreement for Settlement of Outstanding Financial Issues and Development of Economic Cooperation by and between the Republic of Bulgaria and the Kingdom of Greece – article 10c of OUALA

#### **3.5. Consolidation (merger) of agricultural lands**

In 2012, the procedure, which has started in 2011 for preparation of plans for merger of agricultural lands according to applications of owners for 5 territories – the town of Smyadovo and the village of Drumevo, Shumen District, the village of Studena, Haskovo district, village Razdel, Yambol district, and village Momina Tsarkva, Burgas district, has continued. The lands encompassed with the merger plans have a total surface area of 3 000 ha.

### **4. Activities for protection of agricultural lands**

In 2012, the Agricultural Lands Commission has reviewed a total of 742 proposals for approval of excerpts and/or design routes, and 496 proposals for change of the designation of agricultural lands, by establishing decisions to change the designation of the lands for 1 147 ha.

The commissions with the District directorates "Agriculture" have reviewed a total of 1 108 proposals for changing the designation of agricultural lands, by establishing decisions for 498 ha.

In this year, commissions for acceptance of recultivated terrains have been organized, and recultivated area has been accepted to the amount of 35,9 ha. The lands dedicated for recultivation are 220,3 ha.

## **5. Land relations**

In 2012, a draft has been prepared for an Ordinance of the Council of Ministers for amendment and supplement of the Rules for implementation of OUALA (published in SG, issue 50/2012) for ensuring the compliance of the legal provisions under chapter VII "Use of agricultural lands" in compliance with the changes, which have occurred in OUALA. Methodical instructions have been prepared, which have been related to the application of legal norms, which regulate the use of agricultural lands.

Training seminars for experts from DDA have been organized, as well as numerous meetings with explanatory purpose for districts with agricultural owners and sector organizations.

Orders have been prepared for processing of the Map of Restituted Ownership, for an established clear factual error and orders for rejecting perennial crops.

Electronic samples of declarations and applications have been introduced, regulated in chapter V of OUALA "Use of agricultural lands", for facilitation of agricultural owners, and the municipal offices of agriculture for the carrying out and introduction of the data, required for the preparation of use agreements.

## **6. Activities on support of the Map of restituted ownership, registers and agreements**

In 2012, a total of 10 agreements have been concluded for maintenance of the Map of Restituted Ownership. As a result of the maintenance, fees have been transferred to the state budget for services carried out to the amount of 2,1 million BGN.

## **7. Structure of agricultural holdings**

As a result of the census of agricultural holdings carried out in 2010, in 2012 data for 370 486 agricultural holdings by 44 755 281 hectares Utilized Agricultural Area have been validated and sent to Eurostat. This includes 264 statistical units by 8 585 634 hectares grassed lands for collective utilization of holdings for animal pasture. The summarized data from the census has been published in 28 district and 6 regional publications in Bulgarian and in English language. A single national bilingual publication has been printed containing data at the level of 264 municipalities. All publications and tables with deliverables are available for the visitors of the website of MAF.

In compliance with Regulation (EO) No. 1166/2008 of the European Parliament and the Council, in 2013 MAF shall conduct excerpt study of the structure of agricultural holdings. For this purpose, an excerpt of 30 000 holdings has been prepared, randomly selected from the participants in the census in 2010. They shall be visited by employed and trained interviewers at the end of 2013, and for each holding a statistical questionnaire shall be carried out, which shall include approximately 570 characteristics. Following processing and control of the collected data, the deliverables shall be published by the end of 2014

## **8. Economy and production deliverables in 2012 and projection data for 2013**

### **8.1. Economy accounts for agriculture for 2012**

**Table II.2. Basic economy indicators for agriculture for the period 2009 - 2012, million BGN**

	Products	2010.	2011	Change 2011/2010	2012 ***	Change 2012/2011

1	Value of the production of crop husbandry and livestock breeding (according to manufacturer prices*), including:	6 390,9	7 538,7	+18%	7 775,3	3,1%
1.1	Production of crop husbandry	4 243,9	5 100,7	+20,2%	5 352,1	4,9%
1.2	Production of livestock breeding	2 147,0	2 438,0	+13,6%	2 423,2	-0,6%
2	Agricultural services	491,8	508,9	3,5%	520,0	2,2%
3	Non-agricultural inseparable secondary activities	657,3	619,9	-5,7%	579,8	-6,5%
4	Value of the gross production of sector "Agriculture" (for manufacturer prices *) (p4=p1.1+p1.2+p2+p3)	7 540,0	8 667,5	+15,0%	8 875,1	2,4%
5	Value of the final production of sector "Agriculture" (under basis prices **)	7 474,8	8 517,5	+13,9%	8 656,6	1,6%
6	Interim consumption (without internal turnovers)	4 823,5	5 369,9	+11,3%	5 359,4	-0,2%
7	Gross value added (under basis prices **)	2 651,3	3 147,6	+18,7%	3 297,2	4,8%
8	Operative surplus / Mixed income	2 722,0	3 027,5	+11,2%	3 545,1	17,1%
9	Entrepreneurial income	2 242,7	2 467,8	+10,0%	2 929,2	18,7%

\* Manufacturer prices - prices, not including subsidies to products

\*\* Basic prices – prices, including subsidies to products

\*\*\* Data for 2012 is projection data

Source: NSI

### Value of the gross production of sector "Agriculture"

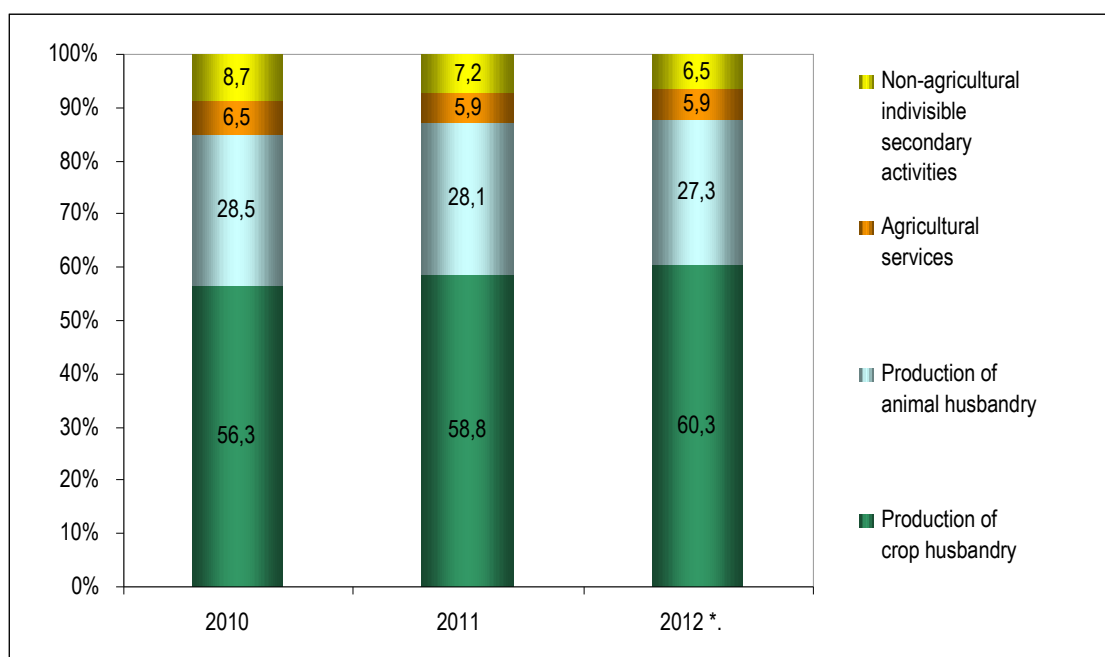
The value of the gross production of sector "Agriculture" for 2012 amounts to 8 875,1 million BGN according to current manufacturer prices, by 2,4% above the level of the previous year. It is formed from the value of:

- The production of crop husbandry – 5 352,1 million BGN or 60,3% of the total value of the gross production of the sector;
- The production of livestock breeding – 2 423,2 million BGN or 27,3%;
- The production of inseparable secondary activities – 579,8 million BGN or 6,5%;
- Agricultural services – 520,0 million BGN or 5,9%.

In 2012, the value of the production of crop husbandry has increased by 4,9% compared to 2011, mainly under the influence of the increase in the prices for almost all products from plant production. A diminishing increase is observed for the value of agricultural services – by 2,2%. Coincidentally, the value of the production of livestock breeding has decreased by 0,6%, and the production of non-agricultural inseparable secondary activities – by 6,5%.

The imbalance in the development of the two main trends of the sector – crop husbandry and livestock breeding, continues to deepen in 2012. The share of crop husbandry in the value of the production of the agricultural sector has increased by 1,5 percentage points, compared to 2011, while the share of livestock breeding has decreased by 0,8 percentage points. The share of the production of non-agricultural inseparable activities has also decreased (by 0,6 percentage points), mainly due to decrease of the processing in milk holdings and holdings for other raw materials from the livestock breeding.

**Figure II.1. Structure of the value of the gross production of sector "Agriculture" for the period 2010 – 2012, %**



Source: NSI; \*Prognosis data for 2012

The total value of the agricultural goods, realized through sales in 2012 amounts to 6 071,4 million BGN or 68,4% of the gross production of agriculture. This includes 4 518,3 million BGN (74,4%) crop husbandry production and 1 553,1 million BGN (25,6%) - livestock breeding production. (Annex № 1).

Outside the sector, crop husbandry and livestock breeding production has been realized, for the amount of 5 621,1 million BGN, and within the limits of sales between agricultural enterprises – for 418,9 million BGN.

Agricultural units have used for production purposes agricultural products (seeds, planting material, feed, etc.), produced during the year, up to a value of 1 258,7 million BGN (14,2% of the gross production).

For own consumption in holdings, agricultural production to a value of 1 307,4 million BGN (14,7% of the gross production) has been utilized.

The production of goods – main capital (production of productive animals) at own expenses is to the amount of 132,6 million BGN.

### **Value of the final production**

The value of the final production of agriculture (value of the production following deduction of the internal turnovers) at basis prices (prices including subsidies by products) for 2012 amounts to 8 656,6 million BGN. Following the trend of change in the value of the gross production, it has increased by 1,6% compared to the previous year (Annex № 4).

The structure of the final production in agriculture for 2012 retains the ratios between the trends of the sector, as outlines in the value of the gross production. And in the final production, the highest share is the relative share of the production of crop husbandry – 59,7%. In 2012, the relative share of the production of livestock breeding is 27,6%, of the production of inseparable non-agricultural secondary activities – 6,7%, and of agricultural services – 6,0 %.

In 2012, decrease of the rate of increase in the value of crop husbandry production of up to 3,9% is observed (or by a total of 193,3 million BGN) compared to the previous year, by an increase of 18,1% on annual basis, reported for 2011. The irregular development of the sub-sectors of crop

husbandry, which has been outlined in the previous years, and which has a negative effect over the conditions of agricultural in general continues. In 2012, multi-directional development for structure defining crop husbandry productions is reported again. Compared to 2011, increase in the value of the production for soft wheat and sunflower, and decrease of the fresh vegetables and fresh fruits are at hand.

The grain and oil seed crops total form 45,9% of the value of the final production of the sector for 2012, and fruits and vegetables (including potatoes) - 6,9%. For comparison, in 2006 (the last year before the accession of the state to EU), the share of the grain and oil seed crops in the value of the final production has been 20,6%, and the share of fruits and vegetables – 23,92%.

The following products from plant production had the biggest contribution in forming the value of the final production of sector “Agriculture” in 2012:

- Soft wheat – share of 18,8%, to a total of 1 627,4 million BGN (increase of 24,5% compared to the previous year);
- Sunflower – share of 13,4%, to a total of 1 158,0 million BGN (increase by 16,2%);
- Maize for grain – share of 7,6%, to a total of 654,1 million BGN (decrease by 9,9%);
- Barley – share of 2,7%, to a total of 230,0 million BGN (increase by 12,0%);
- Rapeseed and colza – share of 2,5%, to a total of 220,1 million BGN (decrease by 47,3%);

For the value of the livestock breeding production, a decrease by 1,0% has occurred (or a decrease by 25,2 million BGN) compared to the previous 2011, preconditioned from a decrease of the value of production of the milk strand, which takes up the most significant part in the structure of livestock breeding subsector.

The strands of the livestock breeding subsector, which have the highest share in the total value of the final production of sector “Agriculture” in 2012, are:

- Production of milk – share of 9,6%, to a total of 834,9 million BGN (decrease by 8,6% compared to 2011);
- Poultry breeding strand for meat – share of 4,4%, to a total of 381,5 million BGN (decrease by 0,3%);
- Sheep breeding and goat breeding – share of 3,8%, to a total of 329,8 million BGN (increase of 9,9%);
- Pig breeding – share of 3,3%, to a total of 284,7 million BGN (increase of 5,4%);
- Production of eggs – share of 2,8%, to a total of 238,6 million BGN (increase of 7,2%).

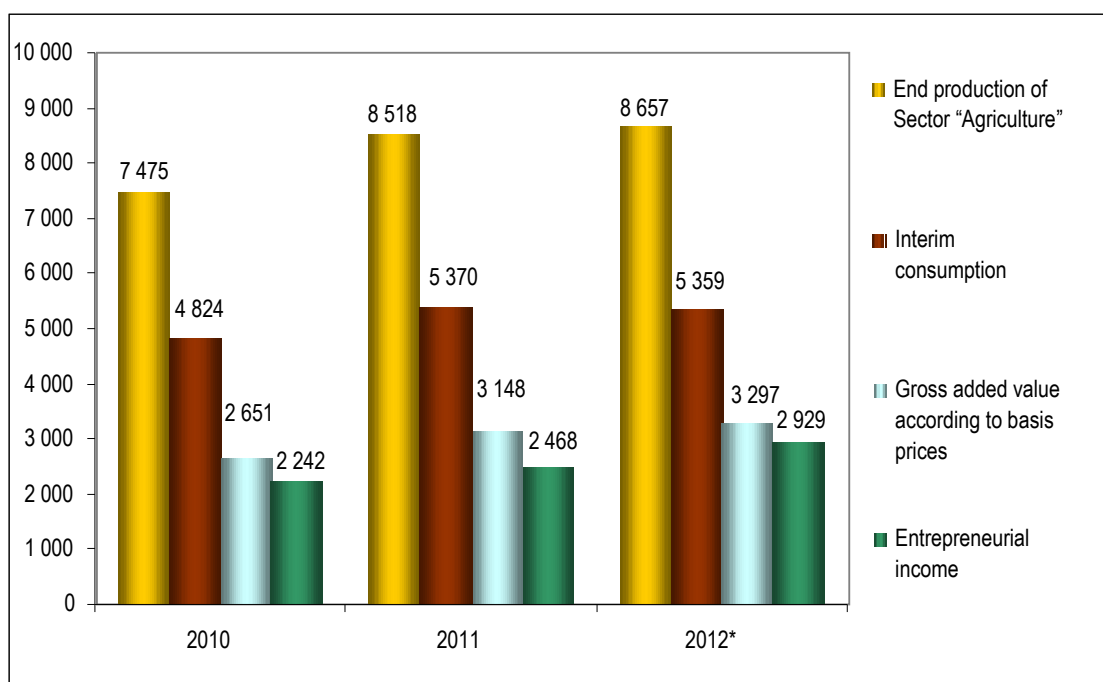
### **Interim consumption**

The interim consumption, required for the creation of the final production in the sector in 2012 shall have value of 5 359,4 million BGN (Annexes No. 2 and 4), by retaining the level from the previous year (5 369,9 million BGN for 2011). In 2012 the interim consumption represents 61,9% of the value of the production, respectively 64,5 and 63,0% for 2010 and 2011. The largest share in the structure of interim consumption for 2012 is held by expenses for feed – 29,7% (1 589,3 million BGN), followed by expenses for fuels and oils – 22,6% (1 208,7 million BGN), agricultural services – 9,7% (520,0 million BGN) and expenses for fertilizers and soil improvement agents – 7,7% (411,2 million BGN).

Compared to the previous year, a decrease of the interim consumption is observed for most of its elements – with the consumption of feed – by 1,2%, with the seeds and planting material – by 24,1%, with the expenses for maintenance of buildings, machines and inventory, as well as veterinary expenses – by 0,7% each.



**Figure II.2. General economic indicators for sector "Agriculture" for the period 2010 – 2012, million BGN**



Source: NSI; \*Projection data for 2012

### Gross value added

The gross value added (under basis prices), created in agriculture in 2012, amounts to 3 297,2 million BGN. It marks an increase of 4,8% compared to the previous year, affected by the increase in the value of the final production (by 1,6%) and the retention of the value of the interim consumption at the level from the previous year.

### Consumption of basic capital

In 2012, the consumption of basic capital in the sector decreased by 33,7% on an annual basis to 347,1 million BGN.

### Forming income from agricultural activity – net operative surplus/mixed income

In 2012 the combined income/operative surplus amounts to 3 545,1 million BGN, 517,6 million BGN or 17,1% more compared to 2011

### Compensation of the leased, rental payments, received and paid interests

In 2012, the expenses for salaries and social security of the employees in agriculture amount to 483,8 million BGN – slightly under the level for the previous year (by 5,4 million BGN).

The trend from previous years for increase of the expenses for lease and rental payments is retained. During the year, 590,0 million BGN have been paid – 8,1% more, in comparison to 2011

In 2012, interests have been paid for loans to the amount of 38,9 million BGN, almost twice the interests in comparison to 2011. Interests received during the year reach 13,0 million BGN, almost twice compared to the previous year, due to the increase of funds on deposits in the sector.

### Entrepreneurial approach

Entrepreneurial approach in sector "Agriculture" for 2012 amounts to 2 929,2 million BGN. This is an increase of 18,7% compared to 2011, following the increase of the gross value added and mostly as a result of increasing the amount of subsidies received during the year by 20,8%. According to

projection data, the subsidies paid for 2012, not bound to the production, shall amount to 1 081,7 million BGN and form 36,9% of the entrepreneurial income in the sector.

## 8.2. Production deliverables in crop husbandry

Agro-meteorological conditions in the country in the autumn of 2011 and the winter of 2012 have been relatively inappropriate both for organizing agro-technical events, and for the successful preservation in the winter season of agricultural crops.

The drought which has started in the summer and autumn period of 2011 and extremely low winter temperatures in 2012 in many locations in the country ranging from minus 20°C to minus 29°C have had negative influence over the condition of the cultures. Partial damages have been registered, caused by the low temperatures with some orchard crops and vineyards, and the lands which have been damaged the most have been reported for the winter oilseed rape. A large part of the affected lands have been reinoculated with spring crops.

The climate conditions in the vegetation of the crops have been too variegated and changing. In the spring period, at many locations, storm activity has occurred, accompanied by torrential showers (which have resulted in flooding and excess precipitation of the lands), accompanied by hailstorms, which have caused additional damage to agricultural crops. In the months of July, August and September, the excess summer temperatures and the scarce precipitation have negatively affected the development of spring crops, which has caused an effect over production.

According to data from department „Agrostatistics” of MAF, in 2012 a decrease in the production of all groups of agricultural crops is reported, compared to the previous year. The decrease is less pronounced in the general production of grain crops (mostly as a result of a decrease by the production of maize) and significantly in the total production of oilseed, technical and aromatic crops, fruits and vegetables.

### 8.2.1. Grain production

In 2012, crops has been harvested from 99,2% of the lands planted with grain crops. For most of the basic grain crops, an increase of the harvesting of lands is reported, compared to the previous year, within the limits of 4,2% for wheat and up to 25,8% for triticale. Lands planted with rice, which have been harvested, are an exception, which decrease by 16,3%.

As a result of the unfavorable agro-climate conditions, lower average yield of grain crops have been reported in 2012, with the exception of rice. As a result, the general production of grain crops during the year has decreased by 7,1% compared to 2011, down to 6 988 023 tons. An increase in the production is observed for rye and oats only, respectively by 10,8% and 5,4%.

The largest share in the general production of grain in 2012 is held by wheat - 63,8%. The maize follows, by 24,6% and barley – 9,5%, while the remaining crops form a number just under 0,8%.

**Table II.3. Production of grain crops from crops `2011 and `2012**

Crop	Harvested lands (ha)		Average output (tons/ha)		Production (tons)		
	2011	2012	2011	2012	2011	2012	Change 2012/2011
Wheat	1 137 462	1 185 007	3,92	3,76	4 458 492	4 455 104	-0,1%
Rye	10 298	12 617	1,92	1,74	19 840	21 979	10,8%
Triticale	8 590	10 808	3,08	2,45	26 522	26 514	0,0%
Barley	178 993	191 432	3,95	3,46	707 022	661 932	-6,4%
Oats	14 793	16 640	1,97	1,85	29 230	30 822	5,4%
Maize for grain	399 421	466 789	5,53	3,68	2 209 204	1 717 785	-22,2%
Rice	11 791	9 873	5,05	5,56	59 619	54 896	-7,9%

Source: MAF, department “Agrostatistics”

## **Wheat**

The production of wheat in 2012 amounts to 4 455 104 tons – insignificantly under the level of the previous year, and the increase in the harvested lands compensates the decrease of the average yield by 4,1% (to 3,76 t/hectare).

The lands planted with wheat for harvest 2012 have increased by 3,2% compared to the previous year up to 1 189 672 ha. A total of 1 185 007 ha have been harvested out of it –4,2% more compared to 2011

According to data from Questionnaire BSMAEC of department "Agrostatistics" of MAF, in 2012 the highest share of lands with wheat are situated in the Northeast region – 23,5%. The next area the Northwest region by 21,5% and the Northern central region by 21,1%. In all three regions, slight increase of lands with wheat compared to the previous year by and between 2,2 and 6,5% has been observed.

In the crop rotation of wheat in 2012, the highest share is the share of the preceding surrounding crops (maize and sunflower) - 59,1%, by 55,1% in the previous year. Lands following wheat are 16,8%, following barley - 2,2%, following fallow lands - 3,1%, and following other crops - 18,8%.

According to department "Agrostatistics" data obtained from a carried out survey, the expected square surface of lands for harvest `2013 for wheat is 1 200 thousand ha.

## **Rye and triticale**

In 2012, the production of grain from rye marks an increase of 10,8% compared to the previous year, up to 21 979 tons. This is as a result of increase in the harvested lands by 22,5% in comparison to 2011, while the average yield decreases by 9,4%.

The production of triticale in 2012 amounts to 26 514 tons, almost without change compared to the previous year. An increase in lands by 25,8% has been reported compared to harvest `2011, but the average yield decreases by 20,5%.

## **Barley**

In 2012, the production of Barley is to the amount of 661 932 tons, 6,4% less in comparison to the previous year, as a result of decrease of the average yield by 12,4%.

The harvested lands with barley during the year have increased by 6,9% compared to 2011, by a total of 191 432 ha.

According to projection data by department "Agrostatistics" of MAF, the lands planted with barley for harvest `2013 amount to 210 thousand ha.

The most significant share of lands with barley in 2012 is in the Southeast region – 39%, where these lands have increased by 16%, compared to the previous year. The Northern Central Region follows, with share of 18,6%, as well as the Northeast region – by 16,7%.

From the predecessors in crop rotation of barley in 2012, the largest share is occupied by the surrounding crops by 39,7% (mainly sunflower), followed by wheat and barley – 30,9%. The share of fallow lands is 4,0%, and the other crops - 25,4%.

## **Oats**

The production of Oats in 2012 has increased by 5,4% compared to the previous year up to 30 822 tons, by 12,5% more harvested lands and 6,1% lower average yield.

## **Maize for grain**

The harvested lands with maize in 2012 amount to 466 789 ha, by 16,9% more compared to 2011. Despite all of this, the production of maize from harvest `2012 decreases by 22,2%, due to the reported significant decrease of the average yield (by 33,5%), as a result of drought in various regions

of the country. In 2012, the grain collected from maize amounts to 1 717 785 tons, by 2 209 204 tons in 2011

Lands with maize in the Northwest region in 2012 shall be increased by 17,5% compared to 2011 and their share amounts to 36,4% of the total lands in the country. The Northeast region with share 29,9% and the Northern central region by 23,7% follow.

Main predecessors of the maize for grain in 2012 are wheat and barley by 49,1% of the lands. The share of maize, planted following a sunflower predecessor, decreases by 2,8 percentage points to 10,6% of the common lands. The share of the maize planted after maize is increases up to 25,2% of the lands. The share of other predecessors is 15,1%.

According to projection data of department „Agrostatistics” of MAF, the lands planted with maize for grain for harvest `2013 amount to 420 thousand ha.

### **Rice**

In 2012, the production of paddy rice amounts to 54 896 tons. In comparison to the previous year, it marks a decrease by 7,9%, and the reported increase of the average yield by 16,3% (to 5,56 t/ha) is not sufficient to compensate for the decrease of the harvested lands by 16,3% (to 9 873 ha).

### **8.2.2. Oil seed crops**

The most common oil seed crops, which are grown in Bulgaria, are sunflower and winter oilseed rape.

In 2012, sunflower is 85,5% of lands with oil seed crops in the country.

**Table II.4. Production of oil seed crops in 2011 and 2012**

Crop	Harvested lands (ha)		Average yield (tons/ha)		Production (tons)		
	2011	2012	2011	2012	2011	2012	Change 2012/2011
Sunflower	747 131	780 755	1,93	1,78	1 439 702	1 387 780	-3,6%
Rape seed	231 309	134 516	2,25	2,02	519 910	271 041	-47,9%

**Source:** MAF, department „Agrostatistics”

### **Sunflower**

In 2012, a total of 1 387 780 tons of sunflower have been produced in the country by 3,6% less compared to the previous year. The harvested lands has increased by 4,5% in comparison to 2011 up to 780 755 ha, whereas the average yield decreases by 7,8% to 1,78 t/ha.

The lands planted with sunflower in 2012 are 786 010 ha, 1,2% less in comparison to the previous year.

The largest share of lands with sunflower during the year is the share of the Northeast region - 25,3%, where they are increased by 13,3% compared to 2011. The Northwest region by 21,9%, and North Central region by 20,5%.

The largest share from the predecessors of sunflower in 2012 is the share of wheat and Barley – over 68,2% of lands (by 66,4% in 2011). 13,7% of lands have been planted with maize being a predecessor. Sunflower has been raised as a monoculture on 8,3% of the lands with this crop. The share of the other crops is 9,8%.

According to projection data of department „Agrostatistics” of MAF, lands with sunflower for harvest `2013 amount to 751 thousand ha.

### **Rape seed**

In 2012, the production of rape seed amounts to 271 041 tons. This marks a significant decrease of 47,9% compared to 2011, as a result of the combination of reducing the surface area of the harvested lands and decrease of the average yield. The average yield of rape seed for harvest `2012 is 2,02 t/ha, 10,4% lower compared to the previous year.

Lands, planted with rape seed in 2012 amount to 143 550 ha. Out of them, 134 516 ha have been harvested, which is a decrease of 41,8% compared to 2011. The decrease of the harvested lands has been caused by insufficient soil humidity (in certain regions of the country) in phenological stage "wilting" in the autumn and freezing in the winter months, as a result of an inappropriate phase for preservation of plants during the winter.

According to projection data by department „Agrostatistics" of MAF, 420 thousand ha have been planted with rape seed for harvest `2013.

### **8.2.3. Industrial crops**

#### **Fiber plants**

In 2012, decrease of lands planted with cotton by 54,5% has been reported, up to 433 ha. For the lands with cotton harvested during the year, the decrease is lower – by 10,1%, down to 373 ha. The average yield of cotton in 2012 decreases to 0,68 tons/ha, 1 ton/ha in 2011. As a result, the production of cotton in 2012 has decreased by 39% in comparison to the previous year to 252 tons.

Production of flax in 2012 amounts to 66 tons, with harvested 90 ha and average yield 0,73 tons seeds/ha.

#### **Tobacco**

The production of tobacco in 2012 amounts to 28 060 tons, 30,9% less, compared to the produced 40 607 tons in 2011

In 2012 lands, occupied with tobacco, amount to 18 179 ha, with reported 21 717 ha for the previous year. The harvested lands decrease by 16% in comparison to 2011, to 18 151 ha.

#### **Hops**

The production of hops in 2012 amounts to 127 tons, which is an increase of 188,6% in comparison to the previous year (44 tons for 2011).

In 2012, the harvested lands with hops in the country are 50,9 ha or 0,4% less compared to the ones in 2011. Coincidentally, the average yield has increased almost twice – from 0,87 tons/ha in 2011 to 2,5 tons/ha in 2012

The hops fields in the country are situated in the south central region, in Pazardzhik district, municipalities of Velingrad, Rakitovo, and Kostandovo. The crops are mainly with the American varieties Nugget and CFJ-8/Cascade/, as well as with the German variety Perle.

### **8.2.4. Medicinal and aromatic crops**

Lands, planted with the main medicinal and aromatic crops (Rosa Damasceria, lemon balm, lavender, mint, silybum, fennel, valerian, coriander, fennel, anise, silybum and sage) in 2012 occupy 390 134 ha, which is 29,2% less in comparison to 2011 The harvested lands in 2012 amount to 347 713 ha, also 29% less compared to 2011

### **8.2.5. Vegetables**

In the agricultural year 2012, lands used for production of vegetables in professional and small holdings amount to 35,4 thousand ha by 24,3% less in comparison to the previous year. Out of them, 34,4 thousand ha are outdoor lands, and 948 ha – greenhouse lands.

The total vegetable production of harvest `2012 decreases by 22,2% compared to 2011 to 538,3 thousand tons. The largest share is the production of potatoes - 151,3 thousand tons, followed by

the production of tomatoes - 94 thousand tons, watermelons - 55,7 thousand tons, common head cabbage – 47,3 thousand tons, pepper – 47,1 thousand tons, and others.

**Table II.5. Main lands, used for production of vegetables – crops 2011 and 2012, ha**

Main lands	Harvest 2011	Harvest 2012	Change 2012/2011
<b>Outdoor lands</b>	<b>45 680</b>	<b>34 422</b>	<b>-24,6%</b>
Glazed greenhouses	369	946	156,4%
Polyethylene greenhouses	691	2	-99,7%
<b>Total greenhouse area:</b>	<b>1 060</b>	<b>948</b>	<b>-10,6%</b>
<b>Total area:</b>	<b>46 740</b>	<b>35 370</b>	<b>-24,3%</b>

Source: MAF, department „Agrostatistics”

The harvested lands with vegetables in 2012 decrease by 15,6% compared to 2011 to 39,3 thousand ha. The largest relative share is of the harvested lands with potatoes (37,9%), followed by lands with tomatoes (8,7%), watermelons (7,9%), and pepper (7,7%).

In 2012, the harvested lands with grain and legumes decrease by 22,4% in comparison to the previous year, down to 4,9 thousand ha. Out of them, the largest relative share is the share of the ripe kidney beans (31,5%), lentils (28,9%), and chic-peas (21,6%). Plots with planted ripe kidney beans have increased by 61,5%, compared to 2011, whereas plots planted with chic-peas have decreased by 68,2%.

Production of vegetables from main plots in 2012 has decreased by 28,4% compared to the previous year.

An increase of almost five times compared to 2011 has been reported for the field production of secondary and intermediate crops. For greenhouse production, a decrease of 37,4% has been reported.

**Table II.6. Lands, production and average yields of vegetables, harvest 2012**

Vegetables	Harvested lands (ha)	Production (tons)				Average yield (kg/ha)
		Total	From main lands	From intermediate and secondary crops	Greenhouse production	
<b>I. Fruit-bearing vegetables</b>	<b>13101</b>	<b>275 760</b>	<b>225 250</b>	<b>370</b>	<b>50 140</b>	<b>-</b>
Tomatoes	3 401,1	94 016	73 688	0	20 328	21 666
Sweet peppers	3 012,8	47 087	45 910	11	1 166	15 242
Eggplant	223,7	7 830	7 695	83	52	34 773
Cucumbers	566,1	33 710	5 662	0	28 048	10 002
Gherkins	136,7	4 251	3 797	11	443	27 859
Zucchini	130,1	3 539	3 316	209	14	27 090
Pumpkins	398,5	5 125	5 125	0	0	12 860
Watermelons	3 091,1	55 703	55 702	1	0	18 020
Melons	1 267,2	17 685	17 654	3	28	13 934
Sweet maize	175,9	646	606	40	0	3 672
<b>Other fruit-bearing vegetables (hot pepper, okra)</b>	<b>697,8</b>	<b>6 168</b>	<b>6 095</b>	<b>12</b>	<b>61</b>	<b>-</b>
<b>II. Legumes</b>	<b>4 887,7</b>	<b>8 780</b>	<b>8 632</b>	<b>132</b>	<b>16</b>	<b>-</b>

Kidney beans - green	344,2	2 004	1 968	23	13	5 784
Peas - green	535,1	1 619	1 508	109	2	3 021
Broad beans	0,6	2	2	0	0	3 923
Kidney beans – grain	1 541,4	1 623	1 622	0	1	1 052
Lentils	1 411,2	1 730	1 730	0	0	1 226
Chic-peas	1 055,2	1 802	1 802	0	0	1 708
<b>III. Leafy vegetables</b>	<b>3 201,2</b>	<b>67 888</b>	<b>48 168</b>	<b>18 141</b>	<b>1 579</b>	<b>-</b>
Common head cabbage	2 083,7	47 301	40 688	6 557	56	22 674
Leek	120,0	2 002	1 952	50	0	16 686
Lettuce	299,2	8 789	0	7 758	1 031	25 929
Spinach	69,7	387	0	362	25	5 190
Broccoli	191,9	1 918	1 797	121	0	9 993
Shallot	117,1	1 652	1 651	1	0	14 110
Cauliflower	145,5	2 838	2 080	756	2	19 497
<b>Other leafy vegetables</b> (lettuce, marula, spinach, parsley, celery, savory, parsnips, fennel, cauliflower, kale and Brussels sprouts, kohlrabi, broccoli, onions - green, garlic - green)	174,1	3 761	0	2 536	465	-
<b>IV. Root and bulb vegetables</b>	<b>17 282,4</b>	<b>177 007</b>	<b>137 817</b>	<b>39 060</b>	<b>130</b>	<b>-</b>
Potatoes	14 906,2	151 319	112 573	38 725	21	10 150
Carrots	428,6	9 590	9 568	22	0	22 375
Ripe onions	1 278,5	10 344	10 219	125	0	8 091
Garlic – ripe	470,5	1 651	1 651	0	0	3 509
Radishes	3,0	151	0	42	109	14 114
Celery	6,9	22	0	22	0	3 256
<b>Other root vegetables</b> (turnip, beetroot, parsnips)	188,7	3 930	3 806	124	0	-
<b>V. Strawberries</b>	748,2	4 770	4 715	0	55	6 302
<b>VI. Cultivated mushrooms</b>	6,6	2 093	0	0	2 093	-
<b>VII. Other vegetables</b>	83,1	1 980	0	1 959	21	23 572
<b>Total:</b>	<b>39 310,2</b>	<b>538 278</b>	<b>424 582</b>	<b>59 662</b>	<b>54 034</b>	<b>-</b>

Source: MAF, department „Agrostatistics“

In 2012, approximately a total of 324 thousand tons of fresh vegetables (without potatoes and grain-legumes) have been produced from outdoor lands. The largest share of the total production of fresh vegetables is held by tomatoes, watermelons, common head cabbage, pepper and ripe onions.

From outdoor plots, a total of 74 thousand tons of tomatoes have been yielded during the year, which is an increase of 8,6% compared to 2011. An increase has been registered of the production of common head cabbage from outdoor plots by 5,9% compared to 2011, up to 47,2 thousand tons. The production of eggplants and melons has also increased, respectively by 15,6% and 16,5%. A significant increase is observed in the production of pumpkins – from 817 tons in 2011 to more than 5 thousand tons in 2012. The production of cucumbers from outdoor plots in 2012 has dropped by 50,4% in comparison to the previous year, to 5,7 thousand tons. 55,7 thousand tons of watermelons have been

produced during the year, a decrease by 18,1% compared to 2011. The production of pepper in 2012 is 46 thousand tons, which is a decrease of 27,5% in comparison to 2011

In 2012, a total of 8,8 thousand tons of legumes have been produced, which is a decrease of 48,2% compared to 2011. The highest decrease is the production of chick peas – by 84,3%, whereas the production of green kidney beans has increased by 28,4%.

In the production of potatoes, significant decrease is registered in comparison to 2011 - by 34,9%, to 151 thousand tons.

**Table II.7. Total production of main vegetables in harvest years 2011 and 2012**

Types of vegetables	Harvest 2011 (tons)	Harvest 2012 (tons)	Change `2012/2011
Tomatoes	103 145	94 016	-8,9%
Pepper	66 298	47 087	-29,0%
Eggplant	6 826	7 830	14,7%
Cucumbers and gherkins	58 852	37 961	-35,5%
Watermelons	68 002	55 703	-18,1%
Melons	15 160	17 685	16,7%
Potatoes	232 314	151 319	-34,9%
Common head cabbage	44 643	47 301	6,0%
Ripe onions	16 750	10 344	-38,2%
Strawberries	7 027	4 770	-32,1%

*Source: MAF, department „Agrostatistics“*

As a result of the unfavorable climate conditions, the drought and the late spring frosts during the months of outdoor growing of vegetables in 2012 in certain areas of the country, a decrease is observed of the average yield and the production of some of the vegetable crops are observed (potatoes, cucumbers, etc.)

The average yield of cucumbers has decreased by 51, 8% compared to the previous year 2011. The average yields from onion and potatoes has also decreased significantly, respectively by 27,6% and 29,1%. Coincidentally, for some of the main vegetable crops, higher average yields per hectare have been observed in comparison to 2011. For tomatoes, the average yield has increased by 23,3%, for pepper – by 11,1%, for common head cabbage – by 29,8%. The average yield of eggplant has significantly increased - by 79,2%, and of melons – by 38,3%.

The higher average yield per hectare in 2012 for some of the main crops has been caused by compliance of the agricultural producers with the technologies for their growing and the utilization of good quality certified vegetable seeds.

The greenhouse production of vegetables in 2012 amounts to 54 thousand tons, which is 37,4% less in comparison to 2011. Greenhouse production in the country is determined by several main vegetable crops, such as tomatoes, cucumbers, sweet pepper, gherkins, lettuce and marula. In 2012, a total of 28 thousand tons greenhouse cucumbers have been produced, 31,2% less compared to 2011. The production of gherkins and sweet pepper decreases significantly compared to the previous year – respectively by 70,3% to 443 tons, and by 60,1% to 1,2 thousand tons. Significant decrease is registered in the production of tomatoes – by 42,4% to 20,3 thousand tons. The production of greenhouse lettuce and marula decreases from 1,4 thousand tons in 2011 to one thousand tons in 2012. The only greenhouse crops, the production of which has increased in 2012, are the common head cabbage and radishes, respectively by 55,6% and 22,5%.



The registered sensitive decrease in the production of main greenhouse crops in 2012 is related to the impeded realization of the production. The main market of the Bulgarian greenhouse vegetables are EU countries. The continued economic crisis in 2012 limits the demand of European and Bulgarian consumers for expensive fresh (early) vegetables. Coincidentally, an increase of prime cost of the production is observed, due to increase of prices of electricity, irrigation water, fuels, mineral fertilizers, preparations for plant protection and hybrid seeds, as well as price of labor.

**Table II.8. Greenhouse production of main vegetables from harvest years 2011 and 2012**

Types of vegetables	Harvest 2011 (tons)	Harvest 2012 (tons)	Change `2012/2011
Tomatoes	35 296	20 328	-42,4%
Cucumbers	40752	28 048	-31,2%
Sweet peppers	2 919	1 166	-60,1%
Gherkins	1 494	443	-70,3%
Lettuce	2 031	1 031	-49,2%
Other vegetables	1 682	21	-98,8%
<i>Total:</i>	84 174	51 037	-39,4%

*Source: MAF, department „Agrostatistics”*

The greenhouse production in 2012 of tomatoes, pepper, lettuce, etc. has been realized entirely, and a large share of it (predominantly tomatoes and cucumbers) is designated for export, mainly to EU countries.

In 2012, the agricultural producers of vegetables have realized their production mainly on the domestic market. The vegetables delivered to the processing enterprises constitute more than 12% of the production. The largest share is the share of carrots, pepper and tomatoes. More than 16% of the production has been dedicated for own consumption, the largest share being the share of pepper, tomatoes, eggplant and ripe onion. The vegetables designated for export are predominantly greenhouse production, the largest share being the share of tomatoes and cucumbers.

Except for the worse climate conditions in year 2012 – drought, floods and hailstorms, an adverse effect over the production of vegetables during the year is exercised by the continued global economic crisis, which has resulted in decreasing the market demand. Intensification of problems with irrigation water, obsolete irrigation infrastructure, diminished number of employees in the regions with intensive production of vegetables, the increase in the prices of the basic raw and processed materials in the production has also continued.

In recent years, vegetable producers in the country have faced serious problems, leading to a significant decrease of the production of vegetables. The Bulgarian producers have lost the market share, where the large European catering chain stores take part, due to high expenses and prime cost, technological omissions and absence of marketing channels.

The association of producers is a decisive factor for the success of Bulgarian production, because the market has demanded large lots of homogenous, good quality vegetables, which has proven to be a task beyond the capacity of small producers.

In 2012, with orders of the Minister of Agriculture and Food, 1 group of producers of fruits and 1 group of producers of fruits and vegetables have been recognized (temporarily recognized organizations of producers). The absence of efficient organizations of producers does not allow Bulgarian producers to utilize the main capacity for European financing in the sector (through co-financing of operative programs or organizations of producers) and limits possibilities for good realization of the complete production, by placing producers as the weaker side in the relationship with traders and processing parties.

The direct payments for area support income, including income of vegetable producers. At the same time, however, they are a demotivating factor in the development of vegetable production, due to lower attractiveness compared to other sectors of crop husbandry, which have lower expenses per area (such as grain crops).

### **Expected data for the current year 2013**

In 2013, greenhouse areas for production of vegetables are expected to retain the level as of 2012, and mainly long cucumbers, tomatoes, sweet pepper, lettuce are being raised. The process of modernization of greenhouses and the use of new, state-of-the-art technologies for production of high quality early vegetables, compliant with the EU standards, has continued.

Due to the higher expected average yield per ha for tomatoes, cucumbers and pepper, and in case of favorable climate conditions in the remaining months of 2013, the production of vegetables during the year is expected to be significantly above the level of 2012, mainly for greenhouse vegetables and partially in field production.

Providing financial support to producers of fruits and vegetables through state aid schemes, granted by SF "Agriculture" justifies the projection that lands planted with potatoes, tomatoes, pepper, cucumbers, watermelons, melons and other main vegetable crops shall increase to more than 40 thousand ha in 2013. According to expert evaluation, lands planted with pepper and tomatoes in 2013 shall increase by 10-15% compared to 2012

As a result of providing in 2013 of 15 million BGN financing by EU through a specific scheme for support of producers of fresh fruits and vegetables per ton of good quality production, produced in Bulgaria, it is expected that the quality of the produced vegetables, dedicated for support under the Scheme, shall be high, which is a prerequisite for the improved realization on the European market, and for higher income for agricultural owners.

In 2013, additional 10 groups of producers of fruits and vegetables from the districts Plovdiv, Burgas, Ruse, Veliko Tarnovo and Blagoevgrad shall be recognized.

#### **8.2.6. Fruits**

The production of fruits in 2012 amounts to 123 646 tons, which is 24,2% less compared to the previous year. The leading place in the production of fruits is the Southeast region by 31,5% of the total production, followed by the South Central – 21,9%, the Southwest region – 17,1% and the North Central region - 13,7%.

In 2012, the largest relative share of the total production of fruits is the share of apples - 25%, followed by peaches - 20,4%, plums - 18,6%, and cherries – 15,8%.

**Table II.9. Production of fruits, harvest years 2011 and 2012**

Fruits	Harvested lands (ha)		Average yield (kg/ha)		Production (tons)		
	2011	2012	2011	2012	2011	2012	Change 2012/2011
Apples	4 890	4 621	8 264	6 696	40 413	30 942	-23,4%
Pears	469	442	4 208	3 090	1 974	1 364	-30,9%
Apricots and Mirabelle plums	2 606	2 569	4 577	3 969	11 931	10 196	-14,5%
Peaches	4 225	4 103	6 728	6 146	28 422	25 214	-11,3%
Plums and wild plums	6 938	5 826	4 666	3 939	32 371	22 949	-29,1%
Cherries	7 747	6 989	3 880	2 792	30 063	19 512	-35,1%
Morelos	1 624	1 470	2 664	2 638	4 328	3 879	-10,4%
Walnuts	5 192	2 629	463	1 113	2 406	2 925	21,6%

Raspberries	1 634	1 369	4 683	3 543	7 650	4 850	-36,6%
Other	3 226	1 630			3 550	1 815	-48,9%
<b>Total:</b>	<b>38 551</b>	<b>31 648</b>			<b>163 108</b>	<b>123 646</b>	<b>-24,2%</b>

Source: MAF, department „Agrostatistics”

The total surface of plots, planted with orchards and berries in 2012, is 41 000 ha. Out of them, 31 646 ha have been harvested, a decrease by 17,9% compared to 2011

Lands with young orchards, not yet having reached full production in 2012 occupy 6 118 ha. The largest relative share of the total lands with young crops during the year is occupied by walnuts – 29,6%, followed by plums – 20%, cherries – 18,3%, apples – 10,7%, peaches – 6,8% and apricots – 7,3%.

The yields from the main fruit plants from harvest `2012 are lower in comparison to harvest `2011. The main reasons for this is the failure to comply with the technologies for raising fruit crops and the unfavorable climate conditions during bud breaking, blooming and harvesting.

### 8.3. Production deliverables from livestock breeding

In 2012, the processes of restructuring and modernization of livestock breeding in the country continue, as well as intensification of the specialization and the concentration of the production. This is the year, at the end of which the period for implementation of the requirements for humane treatment in raising breeding sows expires.

As European Union member state, Bulgaria has to apply the criteria for unprocessed milk, set forth in Regulation 853/2004/EU, dated 01.01.2007. In 2011, the period of derogation granted to the country regarding achieving hygiene requirements toward unprocessed milk has been extended until the end of 2013

In 2012, the application of the Scales of EU for classification of the carcasses of cattle, sows and sheep continues. The right to prepare classification shall only be vested in slaughterhouses with trained classifiers with legal capacity. MAF maintains a database for slaughterhouses, which are obligated to apply this classification. Such database exists for the classifiers, who have undergone a training course and have received a certificate for classification of slaughterhouse carcasses of cattle, sows and sheep, as well as for their revoked certificates.

The uniform system for classification of slaughterhouse carcasses is in the foundation of determining the average EU price for each class of meat. The classification scales (S)EUROP in the sectors of beef, pork and sheep meat are of significant importance for the purposes of registering the prices both on the basis of information provided by slaughterhouses, MAF reports on a monthly basis to the European Commission the average weighted market national price per 100 kg. Furthermore, they have the purpose of improving the transparency on the market, and increasing competitiveness of the meat products on the European market.

In 2012, the number of livestock breeding holdings in the country has decreased by approximately 24% compared to the previous year, down to 153,5 thousand, mainly due to the decrease of holdings, in which a small number of animals are being raised. For holdings by 1 or 2 cattle, the decrease is 22,7%, for holdings by 1 to 9 sheep – by 15,4%, and for holdings from 1 to 10 goats – by 28,3%. The most significant decrease and holdings by 1 or 2 pigs – by approximately 52% (from 53,1 thousand to 25,6 thousand).

As of the end of the year, the number of bred animals has also decreased, but at slower rates compared to the rates of holdings. Cattle decrease by 5,7% on an annual basis, sheep – by 6,4%, sows – by 12,7%, and the goats – by 14%.

In 2012, a positive trend in raising livestock for yield of meat is observed. The number of cows bred for meat has increased by 23,4% compared to the previous year, and the number of sheep bred for meat – by 12,3%. For the total number of poultry, an increase of 4,1% is reported, due to the increase of

chickens bred for meat – by 15%, whereas the number of hens and growing egg-laying hens decreases by 4,1%.

During the year, the process of concentration and specialization of farms continues, with the purpose of compliance with the European requirements toward hygiene of raw materials and food products of animal origin. Compared to 2011, the largest increase is the increase of the average number of animals per holding – for sows in total – by 72,7%, and for breeding sows – by 53,2%. The consolidation of holdings is prerequisite for reaching higher efficiency and economic stability.

**Table II.10. Number of animals in 2011 and 2012 and projection for 2013**

Number of animals	01.11.2011	01.11.2012	Change 2012/2011	01.11.2013 projection
Cattle – total, including:	557 641	526 112	-5,7%	537 000
cows – total	329 977	317 295	-3,8%	317 000
- cows bred for meat	23 134	28 546	23,4	29 000
Buffalo – total, including:	9 887	9 212	-6,8%	9 500
Female buffalo	6 339	5 740	-9,4%	6 000
Sheep – total, including:	1 454 617	1 361 545	-6,4%	1 400 000
breeding ewes – total	1 173 200	1 085 175	-7,5%	1 117 000
- bred for meat sheep	76 238	85 648	12,3	85 000
Goats - total, including:	341 362	293 639	-14,0%	304 000
breeding female goats	272 859	236 056	-13,5%	242 000
Sows - total, including:	608 266	530 945	-12,7%	550 000
Breeding sows	63 969	58 406	-8,7%	60 000
Poultry total, including:	14 655 517	15 260 376	4,1%	15 345 000
hens and pullets	6 627 943	6 338 185	-4,4%	6 400 000
Chickens bred for meat	6 521 769	7 499 235	15,0%	7 500 000
waterfowl	1 392 476	1 322 626	-5,0%	1 340 000
other birds	113 329	100 330	-11,5%	105 000
Equines (horses, donkeys, mules, jennets)	135 846	131 463	-3,2%	132 000
Bee families*	547 676	529 117	-3,4%	540 000

\* Data as of May 1<sup>st</sup>.

**Source:** MAF, department "Agrostatistics", BFSa – for equines; projection for 2013 - Directorate "Livestock breeding" of MAF

In 2012, 1 205 305 thousand liters of milk have been produced in the country, which is 3,4% less compared to 2011. For all types of milk, decrease has been reported in comparison to the previous year, and the largest decrease is in the yield of goat's milk – by 13,3%, followed by the decrease of buffalo's milk – by 8,9%. The decrease of cow and sheep's milk is lower, respectively by 2,9% and 2,1%.

The share of cow's milk out of the total yield of milk during the year is 88%, followed by the share of sheep's milk – 7%, goat's milk – 4,3%, and buffalo's milk – 0,6%.

**Table II.11. Production of milk for the period 01.11.2011 - 31.10.2012 per planning regions, thousand liters**

Regions	Total milk	Cow milk	Buffalo milk	Sheep's milk	Goat milk

Northwest	161 091	133 318	2 633	11 109	14 031
North Central	165 885	140 836	682	18 029	6 338
Northeast	164 237	146 682	824	11 439	5 292
Southeast	224 834	200 892	1351	14 720	7 871
Southwest	137 367	111 967	661	13 924	10 815
South Central	351 891	327 503	1 679	15 226	7 483
<b>Total for the country</b>	<b>1 205 305</b>	<b>1 061 198</b>	<b>7 830</b>	<b>84 447</b>	<b>51 830</b>
<b>Change 2012/2011</b>	<b>-3,4%</b>	<b>-2,9%</b>	<b>-8,9%</b>	<b>-2,1%</b>	<b>-13,3%</b>

Source: MAF, department "Agrostatistics"

According to planning regions, the largest share in the total yield of milk is South Central (29,2%) and Southeast (18,7%) regions, followed by North Central (13,8%) and Northeast regions (13,6%). The smallest share is the share of the produced milk in Southwest region (11,4%).

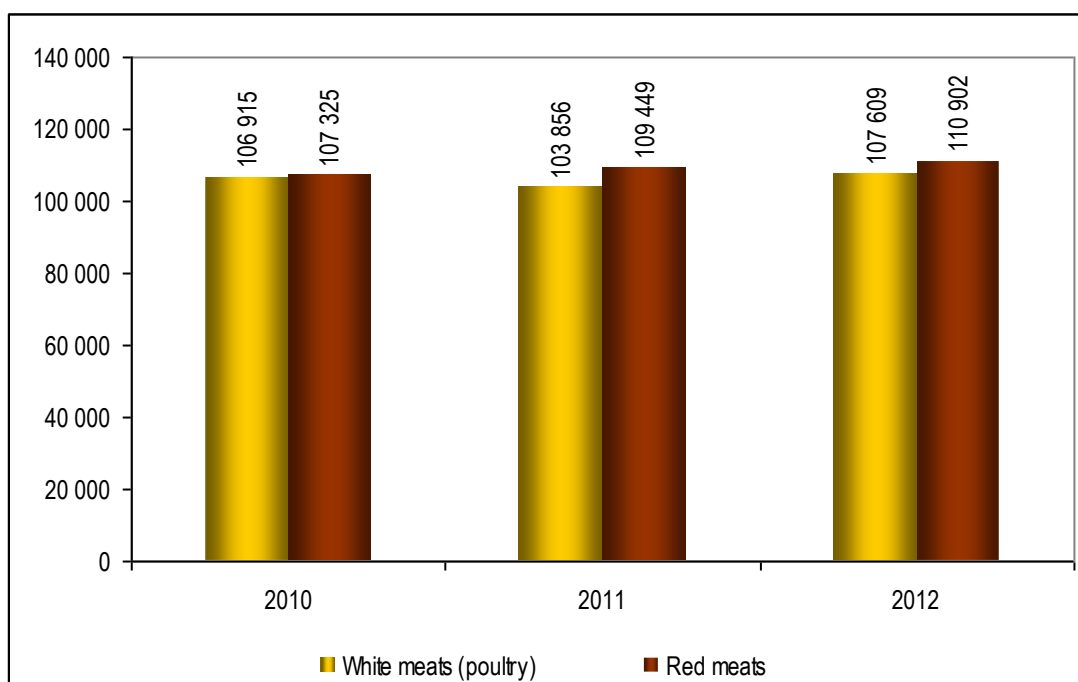
The total production of meat in the country in 2012 amounts to 218 511 tons, by 2,5% more compared to 2011, including: 110 902 tons – red, and 107 609 tons – white meat. The yield of poultry meat has increased by 3,6% in comparison to the previous year, and the yield of red meat - by 1,3%.

**Table II.12. Production of animal products in 2011 – 2012**

Product	2011	2012	Change 2012/2011
1. Milk – total (tons), including:	1 285 531	1 241 850	-3,4%
Cow's milk	1 125 824	1 093 034	-2,9%
Buffalo's milk	8 868	8 081	-8,9%
Sheep's milk	89 296	87 403	-2,1%
Goat's milk	61 543	53 333	-13,3%
2. Meat – total in carcass weight (tons), including:	213 283	218 511	2,5%
Red meats	109 449	110 902	1,3%
White meats (only poultry)	103 834	107 609	3,6%
3. Eggs (thousand eggs)	1 185 034	1 174 438	-0,9%
4. Honey bee (tons)	9 592	9 186	-4,2%

Source: MAF, department „Agrostatistics“

**Figure II.3. Production of meat in the period 2010 - 2012, tons**



Source: MAF, department "Agrostatistics"

During the year, a total of 1 174 438 thousand eggs have been produced in the country, significantly under the level of 2011 (by 0,9%). In the production of bee honey, a decrease has been reported of 4,2%, compared to the previous year, to 9 186 tons.

### 8.3.1. Cattle breeding and buffalo breeding

In 2012, the total number of cows decreases by 3,8% compared to the previous year, to 317 295. This is a result of decrease of milk cows by 5,9% to 288 749 thousand cows (91% of the total number of cows in the country), partially compensated by the increase in the number of cows bred for meat.

The production of cow's milk during the year amounts to 1 061 198 thousand liters, 2,9% less compared to 2011

According to planning regions, the largest share in the total yield of cow's milk is the South Central (30,9%) and Southeast regions (18,9%), followed by Northeast (13,8%) and North Central (13,3%) regions. The smallest share is the share of produced cow's milk in the Southwest region (10,6%).

In 2012, the modernization of farms for production of raw cow's milk continues, with the purpose of reaching the requirements, set forth in the General Agricultural Policy. Due to the fact that the term of derogation for coverage of the standards for cow's milk expires on 31.12.2013, the efforts are dedicated to increasing the number of farms, categorized in the first group and producing milk, corresponding to the requirements, set forth in Regulation 853/2004/EU.

MAF supports and on a monthly basis updates the Registers of Farms for production of unprocessed cow's milk, categorized in groups I, II and III according to the criteria set forth in Regulation No. 4, dated 19.02.2008 for the specific requirements regarding the production, storage and transportation of unprocessed cow's milk and the requirements for trade and issuance of a market permit for milk and dairy products.

As of 01.12.2012, the farms categorized in group I are 3 078, with a total of 137 694 cows, and the farms categorized in group II – 484, with a total of 9 337 cows. Compared to the same period in 2011, the farms categorized in group I have increased by 326, and the number of milking cows in those farms has increased by 6 374.

At the same time, the farms categorized in group II have decreased by a total of 35, and the number of milk cows in them has decreased by 831. The decrease of the group II farms has been caused by the fact that part of these farms have been re-categorized as group I farms, and another part of them has terminated operation due to impossibility for compliance with the hygiene requirements, or as a result of the increased expenses for breeding animals.

In 2013, an increase in the number of farms which are compliant with the requirements for quality of processed cow's milk is expected, as per Regulation 853/2004/EU.

**Table II.13. Number of categorized farms for production of unprocessed cow's milk and animals bred in them as of December 1, 2008 - 2012**

Year	Number of farms		Number of cows	
	Group I	Group II	Group I	Group II
2008	2 022	992	88 664	17 213
2009	2 486	903	100 004	14 971
2010	2 603	825	103 939	14 115
2011	2 752	519	131 320	10 168
2012	3 078	484	137 694	9 337

*Note: The number of milk cows as of the date of farm categorization.*

*Source: MAF, Directorate "Livestock breeding"*

In 2012, the number of holdings with milk cows decreases by 21,5% compared to the previous year, and the number of animals bred in them – by 5,9%.

Decrease has been reported mostly in the number of farms having 1 to 9 milking cows, which is a decrease by 24% compared to 2011, and the number of animals in them have decreased respectively by 20,9%. This has been caused by the dependency of small holdings on the purchase of feed, and the difficulties farmers face in making their farms compliant with the European requirements. At the same time, farms with 10 or more animals, an increase in the number of holdings is observed – by 5,2%, as well as the number of animals bred in those farms – an increase by 3,4%, and there is only a slight decrease in the category of farms having 50 to 99 animals. The increase in holdings with 100 or more milk cows continues, and the cows in them have reached 43,5 thousand – an increase of 1,4% compared to the previous year, or 15% of the total number of milk cows in the country.

**Table II.14. Distribution of milk cows according to the number of animals bred in holding as of 01.11.2012**

Number of animals in holding	Holdings		Milk cows	
	Thousand animals	Change 2012/2011	Thousand animals	Change 2012/2011
1 - 2	43,7	-25,5	55,7	-23,0
3 - 9	8,5	-15,0	37,7	-17,5
10 -19	3,7	7,8	47,8	7,4
20 and more	2,6	- 5,7	104	2,3
100 and more	0,2	1,4	43,5	1,3
<b>Total</b>	<b>58,7</b>	<b>-21,5</b>	<b>288,7</b>	<b>-5,9</b>

*Source: MAF, department "Agrostatistics"*

For a consecutive year, in 2012 the number of cows bred for meat in the country has increased significantly (by 23,4%, compared to 2011). At the same time, the number of holdings in which cows are bred for meat has increased by 39,7%. Holdings with more than 100 cows bred for meat has increased by 25,9%, and as of the end of 2012, a total of 5 438 cows are bred in them, or in total 19% of all cows bred for meat.

In 2012, the total number of cows in the country is 317,2 thousand, and more than a third of them are bred in South Central Region. All regions report a decrease in the number of cows compared

to the previous year, most significantly in the Northwest Region (by 6,8%), and the smallest decrease is in the Southeast region (by 0,5%).

**Table II.15. Number of cattle by regions**

Regions	01.11.2011				01.11.2012			
	Cattle		Cows		Cattle		Cows	
	Thousand cattle	Share	Thousand cattle	Share	Thousand cattle	Share	Thousand cattle	Share
Northwest	65,0	11,7%	41,3	12,5%	62,7	11,9%	38,5	12,1%
North Central	67,8	12,2%	38,3	11,6%	63,2	12,0%	36,0	11,3%
Northeast	70,9	12,7%	41,4	12,5%	72,2	13,7%	40,9	12,9%
Southeast	100,6	18,0%	57,6	17,5%	94,7	18,0%	57,3	18,1%
Southwest	61,9	11,1%	37,2	11,3%	55,8	10,6%	35,0	11,0%
South Central	191,4	34,3%	114,2	34,6%	177,5	33,7%	109,5	34,5%
<b>Total for the country</b>	<b>557,6</b>	<b>100,0%</b>	<b>330,0</b>	<b>100,0%</b>	<b>526,1</b>	<b>100,0%</b>	<b>317,2</b>	<b>100,0%</b>

Source: MAF, department "Agrostatistics"

As of the end of 2012, the number of buffalo breeding farms has decreased by 25% compared to the previous year, and the total number of buffalo in them has decreased by 7,1%. For female buffalo, the decrease is respectively 14,3% and 9,5% on an annual basis. Approximately 70% of all buffalo are raised in farms with more than 20 animals.

**Table II.16. Number of buffalo by region**

Regions	01.11.2011				01.11.2012			
	Buffalo total		Female buffalo		Buffalo total		Female buffalo	
	Thousand buffalo	Share	Thousand buffalo	Share	Thousand buffalo	Share	Thousand buffalo	Share
Northwest	2,5	25,3%	1,5	23,8%	2,6	28,2%	1,7	29,8%
North Central	1,3	13,1%	0,7	11,1%	1,2	13,0%	0,6	10,5%
Northeast	1,1	11,1%	0,8	12,7%	0,9	9,8%	0,6	10,5%
Southeast	1,9	19,2%	1,2	19,1%	1,9	20,7%	1,2	21,1%
Southwest	1,1	11,1%	0,9	14,2%	0,7	7,6%	0,4	7%
South Central	2,0	20,2%	1,2	19,1%	1,9	20,7%	1,2	21,1%
<b>Total for the country</b>	<b>9,9</b>	<b>100%</b>	<b>6,3</b>	<b>100%</b>	<b>9,2</b>	<b>100%</b>	<b>5,7</b>	<b>100%</b>

Source: MAF, department "Agrostatistics"

The Northwest region remains the leader in buffalo breeding, and in 2012, it accommodates a total of 1,7 thousand or 29,8% of the total number of female buffalo in the country. Only in this region, an increase of the bred female buffalo compared to the previous year is registered – by 13,3%. In the Southeast and the South central regions, their number has retained the level of 2011, and in the other regions, it has decreased ranging from 14,3 to 55,6% decrease, the most significant one being in the Southwest region.

In 2012, a total of 7 830 thousand liters of buffalo's milk have been produced in the country, which is a decrease of 8,9% compared to the previous year, as a result of the reduced number of female buffalo.

The total production of cattle meat in 2012 amounts to 20 377 tons. It is 18,4% of the total yield of red meat in the country, and is a decrease of 2,4% compared to 2011. The industrial yield of meat from livestock increases by 9,6% in comparison to the previous year, due to the combination of increasing the number of slaughtered animals and higher live weight at the time of slaughtering. Coincidentally, the production of meat from livestock in animal holdings has decreased by 6,1%.

**Table II.17. Production of meat in 2011 and 2012 in carcass weight**



Category of animal	Industrial production, tons			Meat in holdings, tons		
	2011	2012	Change 2012/11	2011	2012	Change 2012/11
Calf and young cattle	755	687	-9,0%	10 376	8 905	- 14,2%
Other cattle	4 142	4 678	12,9%	5 614	6 117	9,0%
<b>Total for the country</b>	<b>4 897</b>	<b>5 365</b>	<b>9,6%</b>	<b>15 990</b>	<b>15 022</b>	<b>-6,1%</b>

Source: MAF, department „Agrostatistics”

In 2012, according to the scale of EU EUROP, a total of 12 331 adult cattle has been classified in twelve slaughterhouses, which perform classification. The number of classified cattle has increased by 69,5% compared to 2011, which is explained with the inclusion of two new slaughterhouses, which perform mandatory classification, and a single slaughterhouse, which performs voluntary classification.

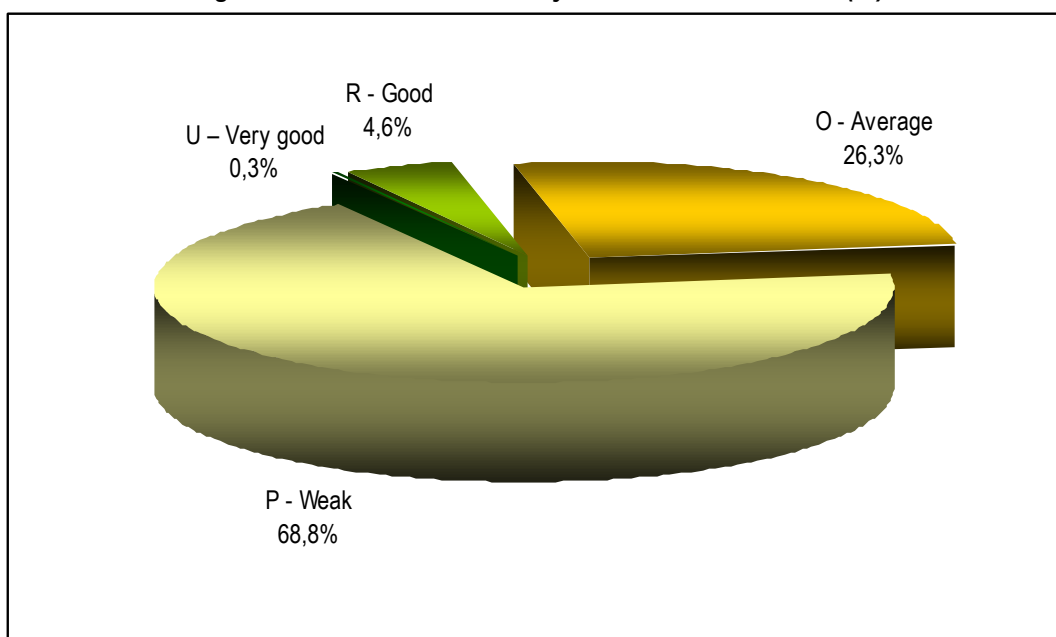
**Figure II.4. Total number of classified adult cattle by categories, 2011 – 2012**

Source: MAF, Directorate “Livestock breeding”

For almost all categories adult cattle, an increase in the number of classified carcasses is registered, compared to the previous year, with the exception of carcasses category A.

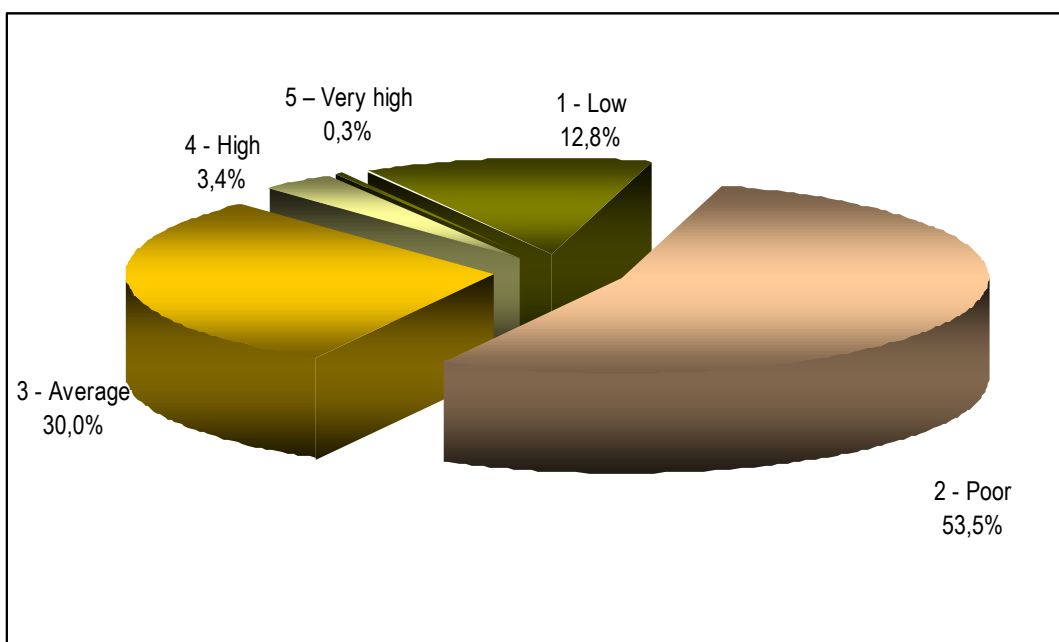
The largest share is the share of classified adult cattle, category D – 62%, followed by cattle category A – 26%. The share of classified cattle, categories B and E, is respectively 4% and 8%.

**Figure II.5. Classified cattle by conformation in 2012 (%)**



Source: MAF, Directorate “Livestock breeding”

**Figure II.6. Classified cattle per degree of fatness in 2012 (%)**



Source: MAF, Directorate "Livestock breeding"

The largest share is the share of classified cattle with conformation class P (weak) - 68,8% and class per degree of fatness 2 (weak) – 53,5%. The main share of the yielded beef is from animals of the milk strand, with weakly developed conformation of slaughterhouse carcasses and low yield.

Slaughterhouses, performing classification, have classified 59% of the total industrial production for the country in 2012.

During the reporting period, the inspections for implementation of the classification in the slaughterhouses continue. They are carried out according to districts, and encompass all approved slaughterhouses, included in the database of MAF, according to the Law for implementation of the General organizations on the markets of agricultural products in the European Union.

### 8.3.2. Sheep breeding and goat breeding

Sheep breeding and goat breeding are the main strands, which are traditionally developed in rural areas of the country, and the products produced by sheep and goat's milk, are sought after on the domestic and the foreign markets.

Following the reported increase in the previous year, in 2012 the total number of sheep has decreased by 6,4%, and the number of holdings with sheep has decreased by 12,2%. Decrease has also been registered for almost all categories of animals, with the exception of breeding ewes, reared for meat and lambs, of aged up to 6 months, where increase of the herd is observed respectively by 12,3 and 21,9% in comparison to 2011

As of the end of 2012, the number of holdings, rearing breeding ewes, has decreased by 11,6% compared to the previous year, and the number of animals in them – by 7,5%.

In general, the trend observed during the most recent years for consolidation of sheep holdings in the country continues. Comparing with the previous year, in 2012, an increase of the average number of sheep, raised in a single holding, is by 6,6%, up to 20,9 sheep has been registered. The average number of the herds with breeding ewes has reached 17,5 ewes, compared to 16,8 ewes for the previous year.

In 2012, the largest number of sheep have been reared in the South central region – 315,0 thousand or 23,1% of the total number of sheep, followed by Northeast – 262,6 thousand, and Southeast – 249,4 thousand. All planning regions have included in their report a decrease of the number of raised sheep – common and breeding ewes, compared to the previous year. The most

significant drop is available for North Central Region, where the total number of sheep has decreased by 16,8%, and the number of breeding ewes has decreased by 27,%. In other regions, the decrease is not as pronounced, and varies from 1 do 7,4% for both categories.

**Table II.18. Number of sheep by region in 2011 and 2012**

Regions	Sheep total, thousands			Including breeding ewes, thousands		
	01.11.2011	01.11.2012	Change 2012/ 2011	01.11.2011	01.11.2012	Change 2012/ 2011
Northwest	142,7	137,7	-3,5%	122,1	117,6	-3,6%
North Central	217,9	181,2	-16,8%	181,3	132,3	-27,0%
Northeast	274,7	262,6	-4,4%	201,5	186,4	-7,4%
Southeast	272,1	249,4	-8,3%	224,7	213,6	-4,9%
Southwest	221,5	215,3	-2,7%	177,7	171,9	-3,3%
South Central	325,7	315,0	-3,2%	265,9	263,2	-1,0%
<b>Total for the country</b>	<b>1 454,6</b>	<b>1 361,4</b>	<b>-6,4%</b>	<b>1 173,2</b>	<b>1 085,2</b>	<b>-7,5%</b>

*Source: MAF, department "Agrostatistics"*

In 2012, the total number of goats has decreased by 14% compared to the previous year, down to 293,6 thousand, and the number of breeding female goats – by 13,5%, down to 236,1 thousand.

In comparison to the previous year, the number of holdings, raising goats, has decreased by 26,9%. For holdings raising breeding female goats, the decrease is by 26,7%. Approximately 70% of the breeding female goats are in farms accommodating 1 to 49 animals. The breeding female goats reared in these holdings have decreased by 22,1% compared to 2011. At the same time, the number of holdings by 50 to 99 breeding female goats has increased significantly – by 18,5%, as well as the animals in them – by 16%. Although at a lower rate, increase has been reported with holdings having 100 and more animals, and the number of breeding female goats in said holdings has increased by 4,7% and 8,1% respectively.

In 2012,, for all regions of the country the total number of goats has decreased compared to the previous year, and the decrease rate is the highest in the North Central region – by 21,5%, followed by the Southwest region – by 20,9%, and the Southeast region – by 19,2%. The decrease rate in the number of goats is the lowest in the South Central region – by 2,4%.

In the reporting period, the trend for decreasing of the number of breeding female goats has continued. The highest decrease compared to 2011 has been registered for North Central Region – decrease by 27,4%, and the lowest decrease – in South Central Region – decrease by 5,1%. In the remaining regions, the number of breeding female goats has decreased by 8,5% and by 17,2% respectively. The region rearing the highest number of breeding female goats is the Northwest Region – 59,5 thousand goats, and the region rearing the lowest number of breeding female goats – North Central Region – 23,0 thousand goats, as well as the Northeast region – 28,5 thousand goats.

**Table II.19. Number of goats per region in 2011 and 2012**

Regions	Goats, total, thousands			Including breeding female goats, thousands		
	01.11.2011	01.11.2012	Change 2012/ 2011	01.11.2011	01.11.2012	Change 2012/ 2011
Northwest	72,7	69,9	-3,9%	65,0	59,5	-8,5%
North Central	41,5	32,6	-21,5%	31,7	23,0	-27,4%

Northeast	42,7	34,9	-18,3%	34,4	28,5	-17,2%
Southeast	55,6	44,9	-19,2%	44,0	37,5	-14,8%
Southwest	78,6	62,2	-20,9%	56,5	48,4	-14,3%
South Central	50,3	49,1	-2,4%	41,3	39,2	-5,1%
<b>Total</b>	<b>341,4</b>	<b>293,6</b>	<b>-14,0%</b>	<b>272,9</b>	<b>236,1</b>	<b>-13,5%</b>

Source: MAF, department "Agrostatistics"

In 2012, a total of 136 277 thousand liters of sheep's and goat's milk have been produced in the country, which represents 12,8% of the total yield of milk during the year. The yield of sheep's milk is 84 447 thousand liters, and of goat's milk – 51 830 thousand liters, respectively a decrease by 13,3 and 2,1% in comparison to 2011

In almost all regions of the country, a decrease of the yielded sheep's milk has been registered, compared to the previous year. An exception to this is the North Central Region, where the production of milk has increased by 74,5%, to 18 029 thousand liters – the highest yield for the country. South Central region with yield of 15 226 thousand liters and the Southeast region by 14 720 thousand liters follow. The least sheep's milk has been yielded in the Northwest Region – 11 109 thousand liters.

The yield of goat's milk is the highest in the Northwest Region – 14 031 thousand liters, followed by the Southwest region by 10 815 thousand liters. The lowest yield is in the Northeast Region – 5 292 thousand liters. Only in the South central region, an increase of the production of goat's milk in comparison to the previous year 2011 has been registered - by 14,4%.

The total production of sheep meat in 2012 amounts to 13 796 tons – an increase of 16,8% in comparison to 2011, and the number of slaughtered animals in slaughterhouses and holdings has increased by 10,9% to 1 218 993.

In 2012, the total yield of goat meat has decreased by 21,6% compared to the previous year, down to 3 229 tons. There is a decrease in the number of slaughtered animals in slaughterhouses, as well as the number of animals, slaughtered in holdings.

Classification under the Community scales for classification of light and heavy carcasses in 2012 is applied in two slaughterhouses, which have classified a total of 3 681, and 70% of them are lightweight lambs (maximum weight of 13 kg ).

The largest share is the share of the lightweight lambs, category C, first quality – 56%. It is followed by lambs with weight between 7,1 kg. and 10 kg. - category B, and the lowest percentage is the percentage of lambs in category A – 2%.

For almost all categories, a decrease in the number of classified carcasses is registered, compared to the previous year.

**Table II.20. Classified slaughterhouse carcasses up to 13 kg. "Lightweight lambs"**

Category	A		B		C	
Weight	≤ up to 7 kg		7,1 - 10 kg		10,1 - 13 kg	
Quality	First	Second	First	Second	First	Second
Meat color	Light pink	Another color	Light pink or pink	Another color	Light pink or pink	Another color
2011 - number	114	36	1 138	198	3 244	737
2012 - number	52	0	1 083	0	1457	0

Source: MAF, Directorate "Livestock breeding"

Slaughterhouse carcasses of sheep of age exceeding 12 months and a weight exceeding 13 kg., classified in 2012, are 1 089 - 46% less than the previous year, distributed in the following classes according to the conformation and the degree of fatness:

**Table II.21. Classified slaughterhouse carcasses exceeding 13 kg. "Heavyweight lambs" in 2012, according to conformation**

Conformation class	S high	E Excellent	U Very good	R Good	O Satisfactory	P Poor
Number - 2012	0	0	93	140	796	60
Share, %	0	0	8,54	12,86	73,09	5,51

Source: MAF, Directorate "Livestock breeding"

**Table II.22. Classified slaughterhouse carcasses exceeding 13 kg "Heavyweight lambs" in 2012, according to fatness degree**

Class per degree of fatness	1 low	2 thin	3 satisfactory	4 high	5 very high
Number – 2012	0	589	367	112	21
Share, %	0	54,09	33,70	10,28	1,93

Source: MAF, Directorate „Livestock breeding“

The highest share is the share of classified heavy lambs with conformation class O (Average) and fatness degree class 2 (Thin). In comparison to 2011, 43% less of heavy lambs have been classified.

### 8.3.3. Pig breeding

Traditionally, pig breeding takes up main share in the production of red meat in the country. In 2012, 66% of the yielded red meat has been provided by this sector. During this year, the process of rendering family farms compliant with the requirements for humane treatment in raising sows has continued.

**Table II.23. Number of sows according to regions in 2010 and 2011**

Region	Sows-total, thousands			Breeding sows, thousands		
	1.11.2011	1.11.2012	Change 2012/2011	1.11.2011	1.11.2012	Change 2012/2011
Northwest	49,0	38,7	-21,0%	4,6	3,3	-28,3%
North Central	179,2	164,4	-8,3%	14,0	11,0	-21,4%
Northeast	144,9	127,9	-11,7%	12,1	11,3	-6,6%
Southeast	159,8	146,0	-8,6%	14,3	14,7	2,8%
Southwest	31,3	20,6	-34,2%	3,2	2,3	-28,1%
South Central	44,1	33,3	-24,5%	5,2	6,2	19,2%
Bulgaria	<b>608,3</b>	<b>530,9</b>	<b>-12,7%</b>	<b>53,4</b>	<b>48,8</b>	<b>-8,6%</b>

Source: MAF, department „Agrostatistics“

As of 01.11.2012, the total number of sows is 530 945, and the breeding sows in the main herd –48 776, respectively 12,7 and 8,6% less in comparison to the previous year. With the total number sows, the largest decrease is the decrease in the Southwest region – of 34,2%, and for breeding sows – in the Northwest and Southwest regions – decrease by 28%. Only in the South Central region and the Southeast region, there is an increase in the number of breeding sows, respectively by 19,2 and 2,8%.

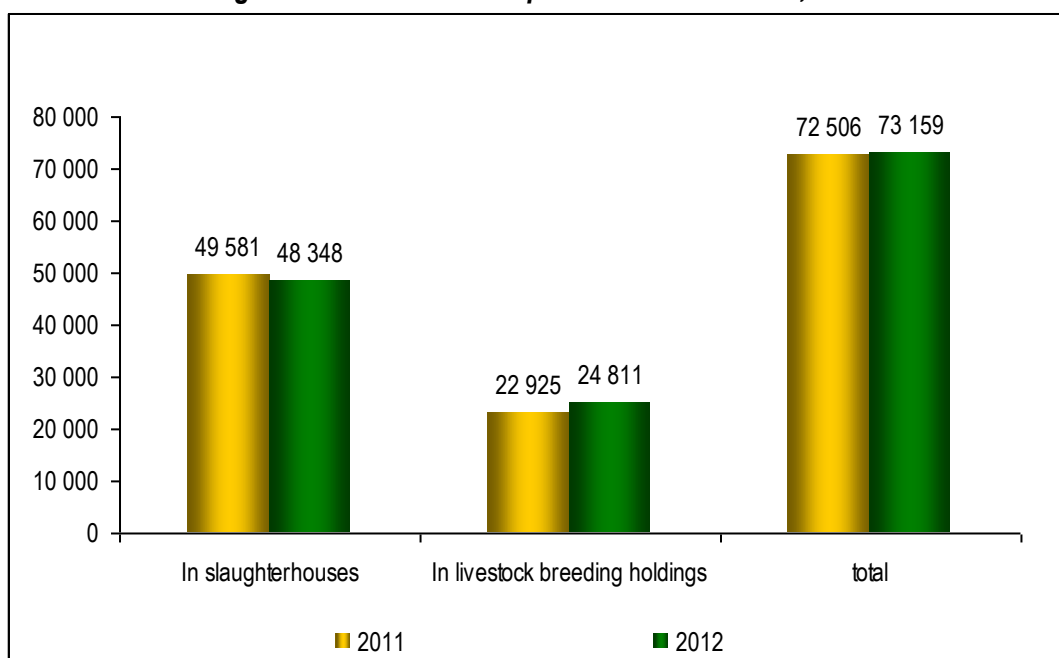
As of 01.11.2012, the number of holdings, raising female sows for breeding has decreased by 41,9% in comparison to the same period in 2011, and the number of sows for breeding reared in them has decreased by 8,7%. The most significant decrease has been reported for holdings by 1-2 animals, which has decreased by 46,2%, and the number of animals bred in them – by 47,7%.

**Table II.24. Distribution of female sows for breeding exceeding 50 kg according to the number of bred animals in the holding as of 01.11.2012**

Number of animals in holding	Holdings		Sows for breeding exceeding 50 kg.	
	Number	Change 2012/2011	Thousand	Change 2012/2011
1-2	3 219	-46,2%	3,9	-47,7%
3-9	733	-23,2%	3,3	-16,0%
10-49	131	-9,7%	2,3	-6,4%
50-199	42	0,0%	4,1	2,2%
200 and more	39	-15,2%	44,8	-2,9%
<b>Total:</b>	<b>4 164</b>	<b>-41,9%</b>	<b>58,4</b>	<b>-8,7%</b>

Source: MAF, department "Agrostatistics"

**Figure II.7. Production of pork in 2011 and 2012, tons**



Source: MAF, department "Agrostatistics"

In 2012, for a second consecutive year a small increase of the production of pork is registered the country. According to data of department "Agrostatistics" of MAF, pork yielded during the year pork amounts to 73 159 tons, 0,9% more in comparison to 2011. Meat, produced in slaughterhouses, represent 66,1% of the total acquired pork in 2012, by 2,5 percentage points fewer compared to 2011

In slaughterhouses, 732,8 thousands sows have been slaughtered, 4,1% less in comparison to 2011, with a slight increase of the average live weight (104 kg). In livestock breeding holdings, increase by 7,5% of slaughtered sows is observed, up to 300,2 thousand with relative preservation of the average live weight (130 kg).

In 2012, the scale for classification of slaughterhouse carcasses of sows (S) EUROP has been applied in two slaughterhouses, one fewer than the previous year. The total number of the classified sows has increased by 21,3% in comparison to the previous year, to 75 871.

**Table II. 25. Classified slaughterhouse carcasses of sows according to the contents of lean meat**

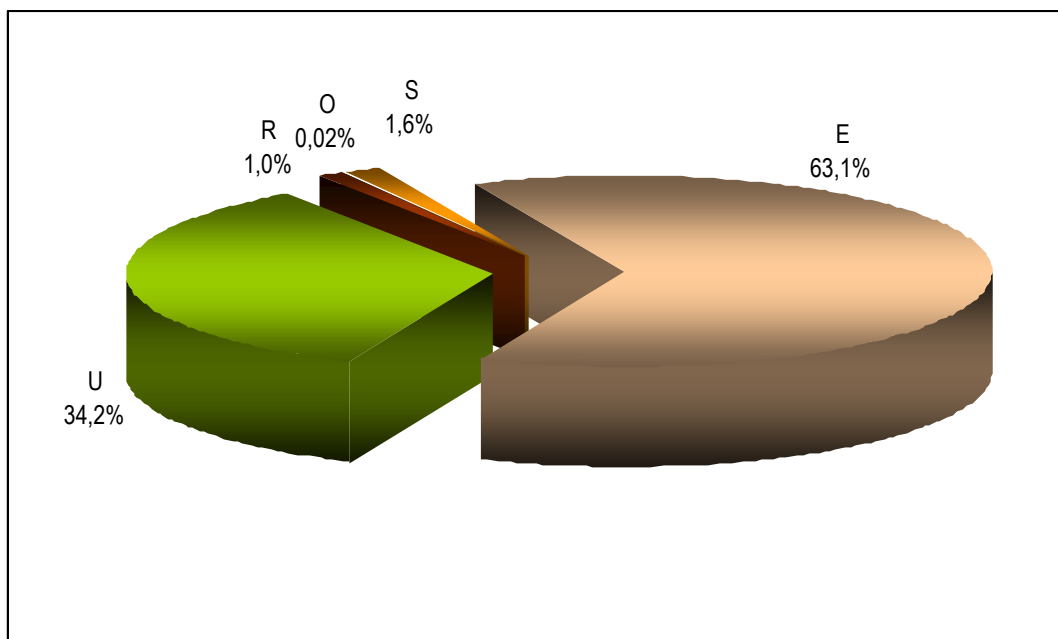
Year	S 60% and more	E from 55 to 60%	U from 50 to 55%	R from 45 to 50 %	O from 40 to 45%	P 40% or less	Total (Number)
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2011	1 490	42 963	17 543	540	12	0	62 548
2012	1 224	47 900	25 980	754	13	0	75 871

Source: MAF, Directorate "Livestock breeding"

The distribution of classified sows in classes depending on the established content of lean meat is as follows:

**Figure II.8. Classified sows according to the contents of lean meat in 2012**



Source: MAF, Directorate "Livestock breeding"

The largest share is the share of sows of class E with contents of lean meat from 55 to 60% of the weight of the carcass. In comparison to the previous year, a decrease of 22% of the classified sows with content of lean meat exceeding 60% and more has been registered – class S and increase in the remaining classes within the limits from 8 to 39%.

Slaughterhouses, performing classification, have classified 11% of the total slaughtered fattened sows.

The application of the European scale for classification of slaughterhouse carcasses of sows stimulates the producers of the pork to improve the selection process in pig breeding and increase the lean meat in the carcass.

The main reason for the small number of slaughterhouses, performing classification is that according to the permitted method in Bulgaria, only steamed slaughterhouse carcasses are classified. A large part of the slaughterhouses lack the required equipment, furthermore there is a larger demand for skinned pork by the traders. In this regard, a preparation of a new regressive equation shall be prepared for skinned sows according to the European legislation.

#### 8.3.4. Horse breeding

According to data of BFSA, as of the end of 2012, the number of equines in the country is 131 463, 3,2% less compared to the previous year.

**Table II.26. Number of equines in the period 2010-2012**

	2010.	2011	2012	Change 2012/2011

<b>Number of equines</b>	181 000	135 846	131 463	-3,2%
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Source: BFSA

In 2012, the operation related to preservation and development of the genetic resources in horse breeding continues. In this regard, three new breeding programs have been approved, directed toward preservation of the Bulgarian purebred horse, Trackener BG and Purebred Arabian horse.

### 8.3.5. Bird breeding

According to article 5 of Directive 1999/74/EC of the Council for establishing the minimum requirements for protection of egg-laying hens as of 01.01.2012, the poultry establishments accommodating 350 or more egg-laying hens cannot rear the birds in non-expanded cells in order to support poultry breeders, and as of the start of 2012, MAF has undertaken the following actions:

- Two calls for proposals for projects under measure 121 "Modernization of agricultural holdings" have been established under the Rural Development Program 2007 - 2013 for reconstruction and modernization of poultry breeding facilities;
- The intensity of the aid under the measure has been increased by funds of the state budget;
- The willing beneficiaries, with the purpose of financial support, have provided a loan with payment term of 60 months and at preferential interest rate;
- A state aid scheme has been developed for the realization of the voluntarily undertaken commitments for humane treatment of birds, with application deadline by the end of 2017.

In 2012, the number of holdings, rearing up to 99 hens and pullets has decreased by 12,4% compared to the previous year, and the number of farms rearing from 10 thousand to 99 thousand birds – by 9,3%. The number of birds reared in such farms has decreased respectively by 8,9 and 8,5%. Coincidentally, the number of farms with more than 100 thousand hens and pullets has increased by 18,2%, and the number of birds in these farms has increased by 0,5%. Holdings in which chickens are raised for meat as of the end of 2012, are 31,6% less compared to 2011, whereas the number of chickens in those farms has increased by 15%, mainly due to the increase of the broilers, raised in the largest holdings with a capacity of 100 thousand birds or higher.

As of December 31, 2012 the total number of birds in the country is 15 260 thousand, an increase by 4,1% is observed compared to the previous year, mainly as a result of the increase of chickens bred for meat. For almost all other types of birds, a decrease in their number has been registered, whereas the largest decrease has been registered for geese – by 48%, and for turkeys - 44%, and slighter decrease has been registered for egg-laying hens - 4,4%, as well as ducks – 3,4%. Significant increase is observed in the category of other species of birds (quail, ostriches and guinea) – by 82,8%, but they represent just 0,4% of the total number of birds in the country and have no business relevance.

The share of chickens for fattening (for meat) has increased from 44% in 2011 to 49% in 2012

**Table II.27. Number of birds at the end of the year, thousand**

<b>Species of birds</b>	<b>2010.</b>	<b>2011</b>	<b>2012</b>	<b>Change 2012/2011</b>
Hens and growing egg-laying hens	7 800	6 627	6 338	-4,4%
Chickens for meat	6 263	6 522	7 499	15,0%
Turkeys	158	84	47	-44,0%
Ducks	1 628	1 343	1 297	-3,4,0%
Geese	56	50	26	-48,0%
Other birds	29	29	53	82,8%
<b>Total</b>	<b>15 934</b>	<b>14 656</b>	<b>15 260</b>	<b>4,1%</b>

Source: MAF, department "Agrostatistics"



In 2012, the most birds are being raised in North Central Region – 37,5%, followed by Northeast by 15,8%, South Central by 15,2%, and Southeast by 14,1%. In the Northeast Region, the most broilers and egg-laying hens are bred – 35,8% of the total number for the country. More than 50% of the chickens for meat are concentrated in North Central Region. Ducks are concentrated in the South central region, turkeys – in the Northwest region, and geese – in the Northeast Region. The highest number of ostriches, quail and guinea are raised in the Southwest region.

**Table II.28. Number of birds and regions in 2012, thousand**

	Egg-laying hens and growing	Chickens for meat	Hens and chickens total	Turkeys	Ducks	Geese	Other birds
Northwest		808	1 723	13	13	8	2
North Central	1 361	4 094	5 455	91510	244	4	4
Northeast	1 389	845	2 234	11	157	12	0
Southeast	742	1 159	1 901	5	247	1	0
Southwest	c	c	862	2	2	0	24
South Central	c	c	1 662	6	634	1	23
<b>Total for the country</b>	<b>6 338</b>	<b>7 499</b>	<b>13 837</b>	<b>47</b>	<b>1 297</b>	<b>26</b>	<b>53</b>

Source: MAF, department "Agrostatistics"

In 2012, the production of eggs has decreased insignificantly (by 0,9%) compared to 2011, down to 1 174 438 thousand eggs, out of which 99,5% are laid by hens. Out of them, the eggs for consumption are 985 148 thousand, 3,3% less compared to 2011

According to planning regions, the highest number of eggs have been yielded in North Central Region – 23,3% of the total production, followed by South Central (21,2%), and Northeast Region (20,7%). The lowest yield of eggs is in the Southwest region.

In 2012, the production of breeding eggs from hens marks an increase of 15% in comparison to the previous year. The share the breeding eggs in the total number of eggs from hens has increased to 15,7%.

**Table II.29. Production of eggs in 2012 according to planning regions, thousand**

Region	Eggs by hens	Other eggs	Total eggs	Change 2012/2011
Northwest	145 184	527	145 711	-2,7%
North Central	272 001	1 460	273 461	-7,7%
Northeast	243 254	225	243 479	-8,3%
Southeast	175 133	1 165	176 298	24,7%
Southwest	85 791	1 501	87 292	-11,7%
South Central	247 634	563	248 197	6,4%
<b>Total for the country</b>	<b>1 168 997</b>	<b>5 441</b>	<b>1 174 438</b>	<b>-0,9%</b>

Source: MAF, "Agrostatistics"

The total production of poultry meat in 2012 amounts to 107 609 tons, 3,7% above the level in 2011. Broiler meat forms 83,1% of the total poultry meat, produced in the country poultry. The meat yielded in slaughterhouses amounts to 98 992 tons and represents 91,9% of the total yield of poultry meat in the country.



**Table II.30. Production of poultry meat in the period 2010 - 2012**

Production	Slaughtered birds (thousand birds)			Total meat and sub-products (tons)		
	2010.	2011	2012	2010.	2011	2012
In slaughterhouses	54 418	52 266	52 935	99 065	98 587	98 992
In holdings	4 044	2 384	4 170	7 850	5 247	8 617
Total	58 462	54 650	57 105	106 915	103 834	107 609

Source: MAF, department "Agrostatistics"

### 8.3.6. Apiculture

Bulgaria has traditions in apiculture and production of honey and bee products, the prerequisite for which is the variety in plants and the relief in the country. The development of this subsector of livestock breeding is supported by the appropriate natural and climate conditions. Apiculture represents alternative employment for the population of underdeveloped rural regions, which provides additional income.

In 2012, the number of holdings, keeping bee families, is 19 283, which is a decrease of 11,9% in comparison to 2011

**Table II.31. Bee holdings, according to the number of kept bee families as of 01.05.2012**

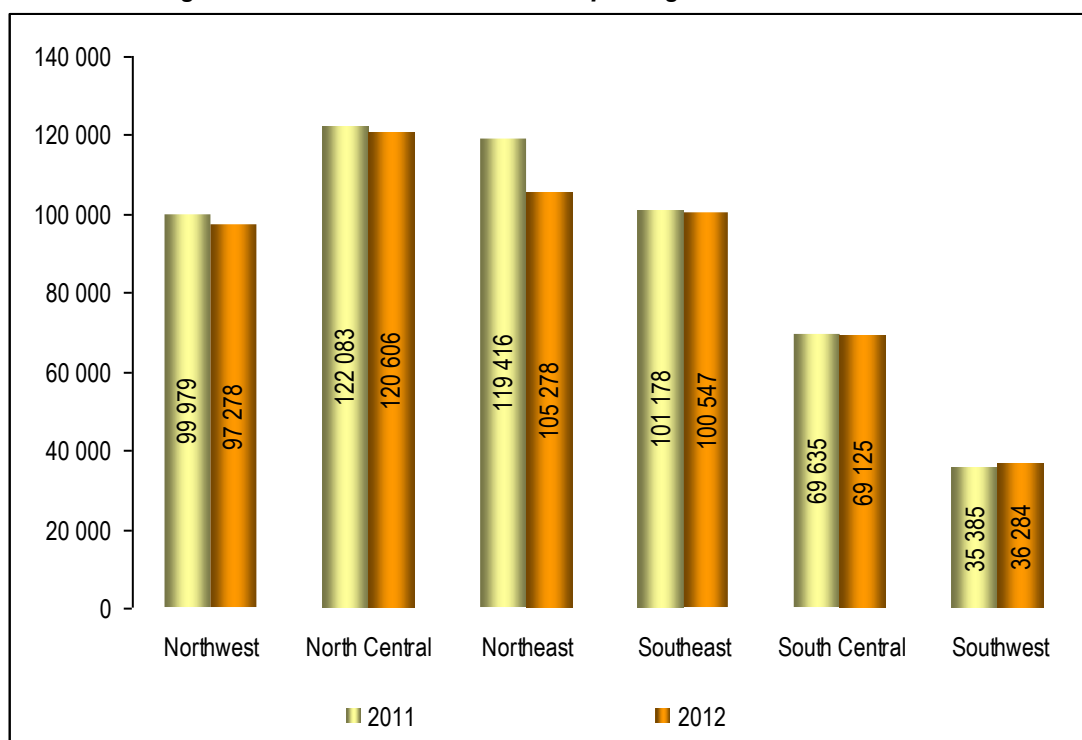
Number of bee families per class	Number of holdings		Change 2012/2011.
	2011	2012	
From 1 to 9	8 913	7 612	-14,6%
From 10 to 49	9 677	8332	-13,9%
From 50 to 149	2 892	2915	0,8%
150 and more	400	424	6,0%
<b>Total</b>	<b>21 882</b>	<b>19 283</b>	<b>-11,9%</b>

Source: MAF, department "Agrostatistics"

The trend from previous years for decrease in the number of holdings, in which up to 9 bee families are kept, has preserved. In 2012, they amount to 7 612 bee families (14,6% less compared to 2011), which represents 39,5% of the total number of bee holdings. In 43% of the holdings, 10 to 49 bee families are being kept. The share of holdings, keeping between 50 and 149 families, is 15%, and the share of apiaries by 150 and more bee families - 2,2%, whereas an increase of these holdings respectively by 0,8% and 6% compared to the previous year is observed, related to the process of merger of the farms.

According to data of department "Agrostatistics" of MAF, in 2012 the available bee families in the country are 529 117, 3,4% less in comparison to 2011

**Figure II.9. Number of bee families per regions in 2011 and 2012**



**Source:** MAF, department "Agrostatistics"

In 2012, the largest number is the number of kept bee families in the North Central Region - 120 605, followed by the number in the Northeast and the Southeast regions, respectively 105 278 and 100 547 bee families. Traditionally the highest number of bee families is in district Burgas, Dobrich and Ruse.

The average number of bee families in a single holding is decreased from 25 in 2011 to 27 in 2012

The bee families, which have produced bee honey in 2012, are a total of 461 303, and the produced quantity of bee honey amounts to 9 186 tons, respectively a decrease by 5,7 and 4,2% in comparison to the previous year. The average yield from a bee family decreases by 20% to 20,0 kg.

The realization of bee honey for the period 01.05.2011 - 01.05.2012 is as follows:

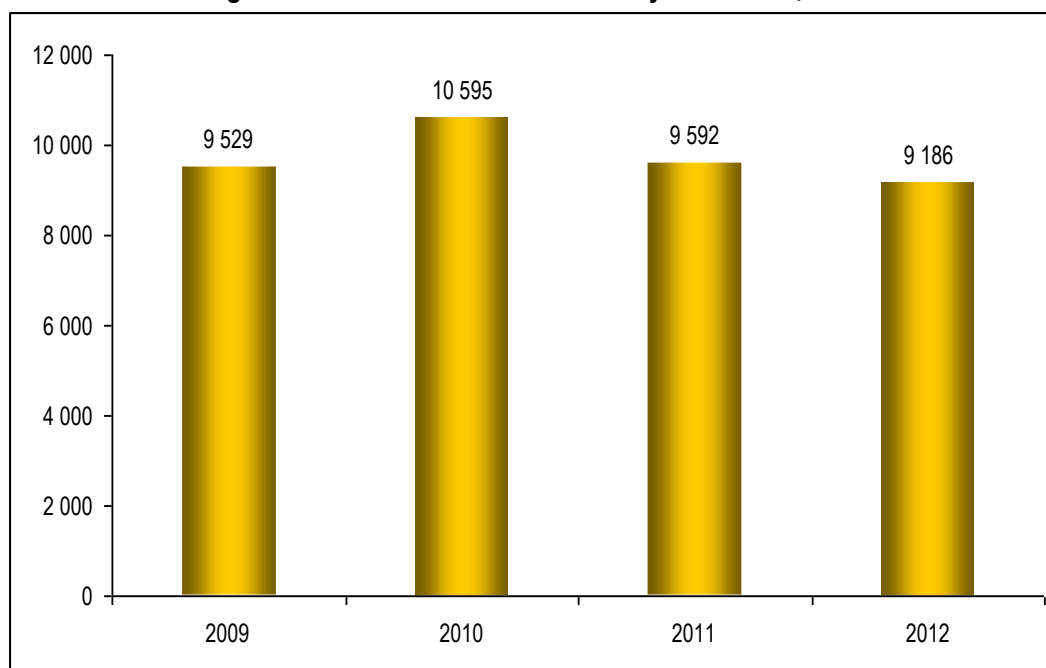
- Direct sales to end users – 2 388 tons;
- Sales to retail traders – 483 tons;
- Sales to processing enterprises – 3 704 tons;
- Sales for the industry – 204 tons;
- Own consumption and feeding the bees – 2 015 tons.

According to data of department "Agrostatistics" of MAF, in 2012 the total number of destroyed bee families amounts to 65 943, which is a decrease of 39,8% compared to 2011. The registered losses are as follows: destroyed due to poisoning - 6 775, due to diseases – 9 382, due to hunger – 6 903, and due to other reasons – 42 883.

Both for countries in Western Europe and for Bulgaria, Varroa destructor is a spread disease and its infestation affects yields significantly, and the treatment measures against it – the quality of the bee honey. In 2012, approximately 98% of the beekeepers in the country have taken measures against Varroa destructor, and have treated 517 401 bee families.

The share of beekeepers, exercising movable apiculture, remains low - 3,5% of their total number. The main reason for this is fragmentation of agricultural holdings and the resulting absence of a market of bee pollination.

**Figure II.10. Production of bee honey 2009-2012, tons**



**Source:** MAF, department "Agrostatistics"

In 2012 for the application of the second three-annual National Apiculture Program continues, applicable for the period 2011 - 2013 for the year, budget has been secured to the amount of 6 532 501 BGN, out of which bee-keepers have been paid 5 367 783 BGN (82% utilization rate of the funds).

In general, the sector needs implementation of state-of-the-art technologies, improved control of the health status of bee families and measures for stimulation of the realization of bee products.

### **8.3.7. Rabbit breeding**

Recently an increase in the interest toward rabbit breeding has been observed in the country, which has been caused due to good natural climate conditions, availability of traditions and experience in rearing rabbits, and the increased demand for alternative sources of meat on a global scale. A large share of the farmers raise rabbits for their own consumption.

As of the end of 2012, the total number of rabbits in the country is 95 148.

Despite the good prerequisites for development of rabbit breeding, this type of production is not widespread, due to a series of difficulties, such as:

- Insufficient professional preparation of rabbit breeders;
- obsolete equipment;
- high production expenses, which often exceed purchase prices;
- absence of stable strategic export markets and partners;
- strong dependency on the export of rabbit meat on the conjuncture of foreign markets;
- absence of direct subsidies for rabbit farmers;
- insufficiently developed scientific potential for securing of the sector;
- insufficient marketing and management on the Bulgarian market.

### **8.3.8. Sericulture**

Currently the gene fund of sericulture in Bulgaria is concentrated in the scientific institutes and universities.

The testing station on sericulture and agriculture in the town of Vratsa keeps the largest silkworm gene pool in EU, including 140 varieties of mulberry and 270 species of silkworm.

In the Agrarian University – Plovdiv, 10 species of mulberry, a selection for worms feeding and 26 species of silkworm are kept and maintained. Some of the species represent analogs of species kept in the silkworm gene pool at the Sericulture and Agriculture Trial Station – Vratsa.

In Thracian University, town of Stara Zagora, 5 varieties of mulberry and 6 silkworm hybrids are kept and maintained.

Currently, no industrial purchasing practice of raw Aurelia exists.

In 2012, a total of 125 boxes of silkworm eggs have been raised, and 3 090 kg. of raw Aurelia has been yielded.

The development of the sector is limited by problems accumulated over the years – bad material and technical equipment and obsolete mulberry base; absence of processing enterprise for purchasing raw Aurelia; high prime cost of the production and lack of competitiveness of the obtained raw silk; absence of subsidies for producers of raw Aurelia, therefore interest in the production of raw Aurelia, due to the low purchase price; strong dependency on the purchase price of raw Aurelia in the country on the price of raw silk on the international market, which is unstable and varies strongly in different years.

## **8.4. Status of organic farming in Bulgaria in 2012**

Organic farming is an important priority in the policy for development of agriculture in Bulgaria and one of the accents of the General Agricultural Policy for the period 2014 - 2020. The encouragement of agricultural producers for transition to or maintenance of organic farming contributes simultaneously to: environmental protection – strengthening agro-eco systems, preservation of biodiversity and providing an option for future generations to use the preserved nature; production of wholesome food – this form of agriculture corresponds to the needs of the increased number of users, because it uses safe and transparent production methods; social effect – creates employment in rural areas and more workplaces in comparison to conventional agriculture.

Information regarding the condition of organic farming in Bulgaria for 2012 is based on the data of the annual reports of the following entities, officially approved by the Minister of Agriculture and Food, which control organic farming: “Balkan Biocert” OOD, “QCertification” AD, “CEREC – Certification of Environmental Standards” OOD, “Lacon” OOD, “BCS Oko-Garantie” OOD, company „Control Union Certifications” AD, “A CEPT European Organization for Certification” AD, “Inspection Institute for Organic Products” AD (Institute “Bio Hellas”), “SGS Bulgaria” EOOD, “Ecogroupo Italy” OOD, with sector “Ecogroupo Italy – sector Bulgaria” and “Bioagricert Italy Bulgaria” EOOD.

### **8.4.1. Number of operators in the control system**

Despite the global economic crisis, in recent years organic farming has been growing at a fast rate in the country and it has constantly increased the processed land area and the number of operators included in the control system.

As of the end of 2012, the total number of organic farmers registered in MAF, processing parties and traders is 2 016 (not including the subcontractors), which is almost double the number in the previous year 2011. The number of subcontractors in the control system has increased by approximately 40% in comparison to 2011, up to 867.

In 2012, the largest number is the number of registered Organic farmers in agriculture – 1 918 operators and 836 subcontractors, followed by the processing parties in organic farming production, traders, importers and exporters. In comparison to 2009, since the new European legislation in the area of organic farming has been applied, in 2012 the number of operators in the control system has increased more than four times. Compared to the year 2006, the last year prior to the accession of Bulgaria to EU, the number of operators in the control system has increased about ten times.

**Table II.32. Number of operators (producers, processing parties, traders) in organic farming**

	2009	2010	2011	2012
Number of operators in organic farming	476	820	1 054	2 016

**Source:** MAF, on the basis of data from the annual reports of the organic farming controlling entities

#### 8.4.2. Lands in the control system

In 2012, lands which are part of the organic farming control system amount to 40 378 ha (not including the certified ecologically clean regions, from which wild crops are collected – mushrooms, herbs and forest fruits), which exceeds by more than 50% the numbers in the previous year.

**Table II.33. Number operators (producers, processing parties, traders) and lands in organic farming**

	2011	2012
Number of operators in organic farming	1 054	2 016
Total cultivated lands (ha)	20 618	30 106
Permanent meadows and pastures (ha)	4 491	7 957
Free land/fallow land (ha)	1 513	2 315
Total lands in the control system (in transition and already having passed transition) (ha)	26 622	40 378
Wild crops* (ha)	543 655	472 700

\*Wild crops – mushrooms, herbs and forest fruits are collected by certified environmentally clean regions, but the lands have not been cultivated and are not included in column "Lands total in the control system"

**Source:** MAF, on the basis of data of the annual reports of the controlling parties of organic farming

Total cultivated lands, raised according to the organic farming methods during the year, have increased by 9 488 ha in comparison to 2011. The permanent meadows and pastures in 2012 are 3 466 ha more in comparison to 2011

Similar to the previous year, in 2012 the share of lands in transition period is almost double compared to the total size of lands in the control system, which is explained with the increase in the number of operators in the control system, the lands of which shall undergo transitional period.

For organic farming, the ones most preferred by agricultural producers are perennial crops, industrial crops and grain cereal crops.

**Table II.34. Lands for agricultural crops, raised organically, ha**

Types of crops	Lands in transition period		Lands, which has undergone transition period		Total lands	
	2011	2012	2011	2012	2011	2012
Grain and cereal crops, including rice	4 980	4 771	1 541	2 761	6 521	7 532
Industrial crops – total	3 350	5 231	2 495	2 678	5 845	7 909
<i>including Rosa Damasceria (Rosa damascene)</i>	516	769	329	375	845	1 144
Fresh vegetables, melons, strawberries, cultivated mushrooms (total)	467	654	203	767	670	1 421
Perennial crops	5 087	8 733	1 356	2 226	6 443	10 959
Permanent meadows and pastures	1 519	4 903	2 972	3 054	4 491	7 957
Forage crops from arable lands (green crops)	771	1 593	225	451	996	2 044
Fallow land	1 057	1 958	456	357	1 513	2 315

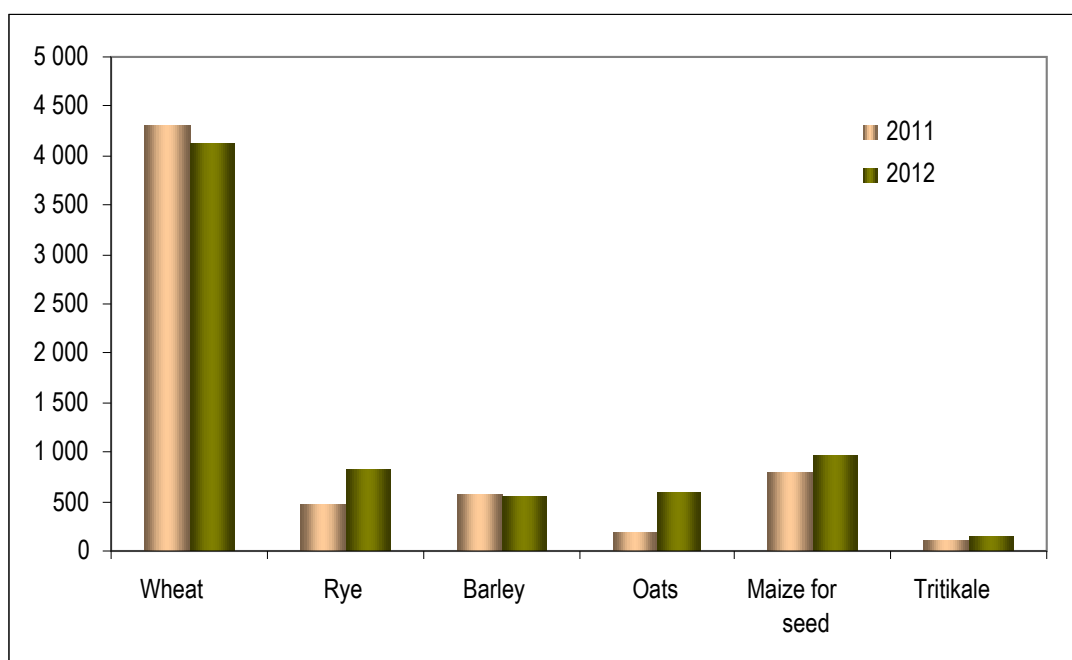
**Source:** MAF, on the basis of data of the annual reports of organic farming controlling entities

In 2012, lands in control system, occupied with grain and cereal crops, mark an increase of approximately 1 000 ha compared to the previous year, reaching 7 532 ha. Mostly wheat, maize, Barley, rye, oats and triticale are being raised.

Lands with wheat, grown organically, decrease by approximately 200 ha in comparison to the previous year. A major increase is observed for lands with rye, maize for grain and especially with lands with oats, which have increased more than three times compared to 2011.

**Figure II.11. Lands with main grain and cereal crops, raised organically, ha**

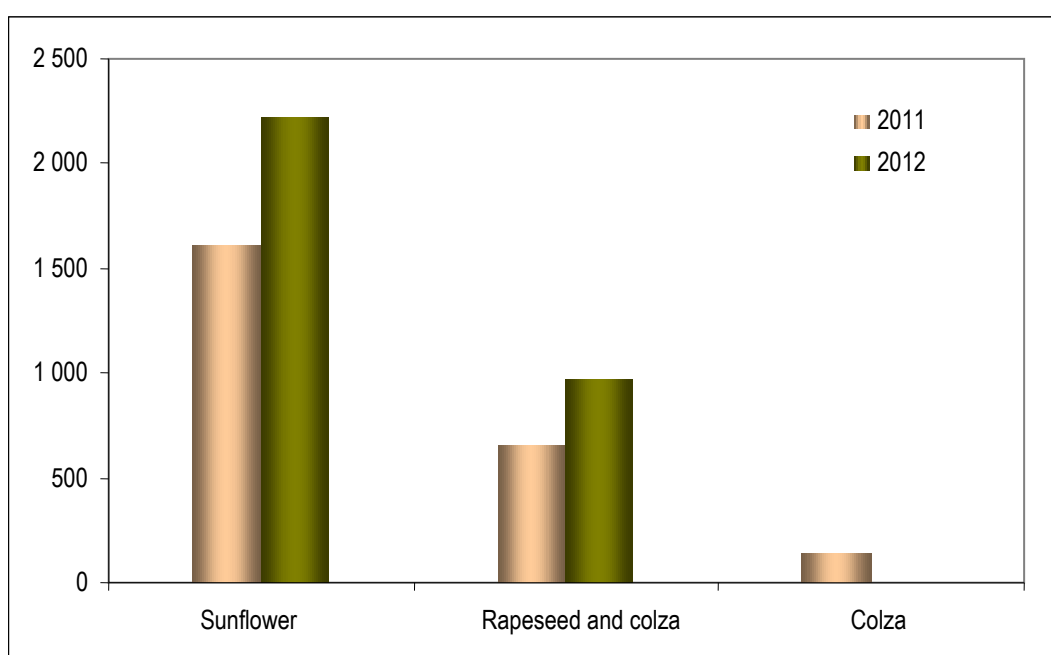




Source: MAF

Lands, occupied with industrial crops in the control system in 2012 are 7 909 ha (including lands with Rosa Damasceria, aromatic crops, medicinal plants and spices). This is approximately 2 000 ha more, compared to 2011, as a result of significant increase of lands, occupied by sunflower – by approximately 37%, rape and colza – by approximately 43%.

**Figure II.12. Lands with main industrial crops, raised organically**



Source: MAF

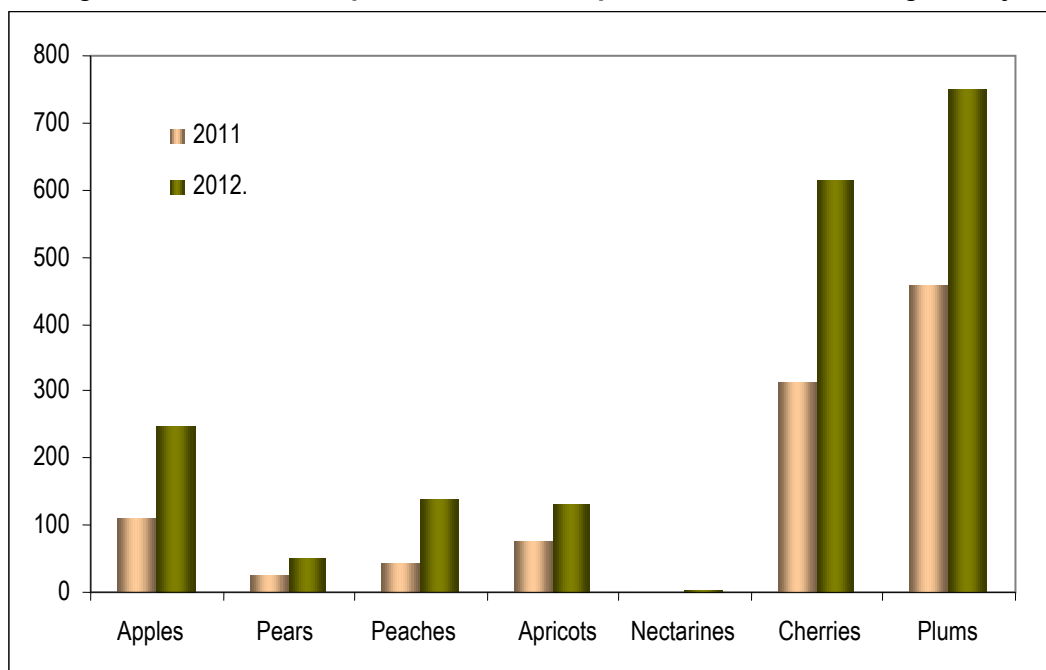
In 2012 lands with Rosa Damasceria (*Rosa damascene*) shall be increased by approximately 300 ha compared to the previous year, up to 1 144 ha. Lands with aromatic crops, medicinal plants and spices reach 3 378 ha, an increase from 2 348 ha in 2011.

In 2012 lands in control system occupied by the group of fresh vegetables, melons, strawberries and cultivated mushrooms have reached 1 421 ha, more than twice exceeding this number of the previous year. This is mostly due to the increase of lands with tomatoes and cucumbers, raised organically, which has increased respectively more than nine times up to 195 ha for tomatoes and more

than six times for cucumbers up to 434 ha. Increase of lands compared to the previous 2011 is observed also for artichoke, onion, carrots, lettuce, cauliflower and broccoli, watermelons, melons, strawberries and cultivated mushrooms.

Lands, planted with perennial crops raised organically in 2012 amount to 10 959 ha, which is approximately 4 500 ha or around twice more in comparison to the previous year. The increase is caused mainly to the increase of lands with drupaceous fruits, pomiferous fruits, nuts and vineyards.

**Figure II.13. Lands with pomiferous and drupaceous fruits, raised organically**



Source: MAF

For all types of the groups of pomiferous and drupaceous trees, an increase of lands in the control system in 2012 is registered, compared to 2011. The largest share of the lands is for cherries – up to 615 ha for 2012, following the registered drop to 314 ha for 2011.

The interest toward the group of nucicultures - walnuts, hazelnuts, almonds and chestnuts continues to increase. In 2012, lands of this group of crops has increased to 5 981 ha, by 3 034 ha for 2011 or almost twice. The highest increase is observed for lands with walnut – from 1 544 ha in 2011 to 3 896 ha in 2012. In comparison to 2011, plots of lands with hazelnuts and almonds have increased by around 300 ha each, respectively to 1 466 and 616 ha.

In 2012, crops with organically raised vineyards reach 2 058 ha, 603 ha more compared to 2011. The share of organic producers has been increasing constantly toward this type of production, traditional for our country, by also marking an increase in plots of lands with dessert vineyards in the control system.

A main factor for the development of biologic viticulture and more specifically organically raising vineyards is the validation in 2012 of Regulation for Compliance (EU) No. 203/2012 of the Commission dated March 8, 2012 for change in Regulation (EC) No. 889/2008 for determining detailed rules for the application of Regulation (EC) No. 834/2007 of the Council in relation to detailed rules regarding organically produced wine. The new regulation shall be applied for harvest 2012, and the producers of organic wine are allowed to use the term “organic wine” on their labels. The advantage of the new rules for production of organic wine are related to the clear differentiation of the practices employed in the production of organic wine produced from organic grapes and provide guarantees to the consumer.

The certified environmentally clean lands, from which wild fruits, herbs and mushrooms have been collected in 2012, are a total of 472 700 ha, which is 13% less in comparison to the previous year.

Organically raised crops, which are not traditional for our country, such as artichoke, olives and kiwi, despite occupying small plots of land, indicate the efforts of organic producers to meet the market demands and to diversify the types of crops raised.

#### **8.4.3. Organic livestock breeding**

In 2012, organic livestock breeding continues to display a positive trend. Cattle bred organically during the year have increased by 197 compared to 2011, to 1 173. Following the registration of 200 bisons in the control system during the previous year, as of the end of 2012, the number of this species of animals, bred organically, has reached 260.

**Table II.35. Number of animals, bred organically\***

	<b>2011</b>	<b>2012</b>
Cattle	976	1 173
Sheep	6 648	9 175
Goats	3 397	2 831
Bee families	58 855	85 346

*\* Includes animals in the period of transition and animals having passed the period of transition*

**Source:** MAF, on the basis of data of the annual reports of the organic farming controlling parties

The number of sheep in the control system in 2012 has increased by approximately 2 500, up to 9 175.

The number of bee families in the control system in 2012 has increased to 85 346, which is approximately 45% more in comparison to 2011. Prerequisite for this increase is the good acceptance of organically produced bee honey on the international markets.

#### **8.4.4. Financial support of organic farming**

During the last three years, the number of operators and lands in the control system in Bulgaria has increased more than four times. An increasing number of agricultural producers choose organic farming, and an increasing number of consumers demand healthy production, which has not been polluted with artificial fertilizers and other chemical compositions. The motivation of both the producers and consumers is a result of environmental care and public health concerns.

The organic products market in EU and worldwide is developing dynamically, and regardless of the crisis, it has increased constantly.

Reforms in CAP during the program period 2014 – 2020 project that 30% of the direct payments will be separated for the so-called 'green direct payments'. Organic producers shall unconditionally receive "green direct payments" for lands within the control system limits.

The future development of agriculture in EU after 2014 and its financing is increasingly directly related to the topic of environmental protection and sustainable use of natural resources. In the proposal for a new Regulation of the European Parliament and the Council regarding the support of the development of rural areas by the European Agricultural Fund for Rural Development for the period 2014 – 2020, the establishment of a new measure is stipulated: "Organic farming", within the limits of the new program period of the Development Program for rural areas following 2013. This is a major acknowledgement of the increasing of the importance of organic agriculture in EU. It is a fact that the demand for organic products is increased on an annual basis. Europe is the second largest producer in the world.

For the most part, Bulgarian organic food and products are designated for foreign markets. The "organic" sector in the country is developing in an upward trend and undoubtedly has good future ahead of itself.

In 2013, preservation of the trends for increasing the number of organic operators and the size of lands in the control system are expected, as well as the increase of the species variety of organically raised crops and agricultural animals.

The Ministry of Agriculture and Food continue to operate in the direction of guaranteeing the carrying out of state policy in the field of control and control of organic farming and compliance with the requirements of the European and National laws in the field, improvement possibilities for support of Biological producers in the period 2014 - 2020, as well as popularization of the uses of organically raised food and human health products, and organic method for production, protecting the environment and preserving natural resources.

## 8.5. Viticulture and wine production

### 8.5.1. Production of grapes

#### Lands

In 2012, lands with vineyard plantations in holdings have increased by 19%, compared to 2011, with a total of 62 701 ha, out of which a total of 60 440 ha have been harvested. Due to various social and economical reasons, approximately 3 thousand ha of lands have not been taken care of. In 2012, approximately 2% of lands in holdings are young, not fully productive vineyards, and vineyards created during the same year are a total of 428,6 ha, twice the number compared to the previous year. The non-maintained vineyards outside of the holdings decrease to 14 640 ha, 43,5% less in comparison to 2011. The total plots of land with vineyards amount to 77 341 ha, insignificantly under the level of the previous year.

**Table II.36. Vineyards in Bulgaria for the period 2003 - 2012**

Year	Lands with vineyard plantations, ha	Not maintained vineyards outside of holdings, ha	Total lands with vineyards, ha
2003	103 019	28 050	131 069
2004	95 551	34 029	129 580
2005	94 724	32 118	126 842
2006	85 320	43 537	128 857
2007	97 387	22 954	120 341
2008	88 570	22 246	110 816
2009	74 018	27 416	101 434
2010	56 968	25 707	82 675
2011	52 567	25 901	78 468
2012	62 701	14 640	77 341

*Source: MAF, department "Agrostatistics"*

The largest share of the vineyards in holdings have been concentrated in the Southeast region – 34% and South central region - 31%.

**Table II.37. Distribution of lands c vineyards in 2012 per location of holdings**

Regions	Total area (ha)	Out of the total area harvested (ha)	Harvested, %
Northwest	6 500	6 152	95
North Central	5 059	4 691	93
Northeast	7 668	7 413	97
Southeast	21 466	20 919	97
Southwest	2 417	2 297	95
South Central	19 591	18 968	97
<b>Total</b>	<b>62 701</b>	<b>60 440</b>	<b>96</b>

Source: MAF, department "Agrostatistics"

In 2012, in surface area total of the plots of land with vineyards harvested have increased by approximately 31% compared to the previous year. Significantly, an increase has been registered with the plots of lands with the white wine varieties – 63% and for red wine varieties - an increase by 17%. With white wine varieties, the most significant increase of the harvested lands is reported in the three northern regions of the country, within the limits between 100% and 221%, and for red wine varieties – mostly the Southeast region (by 48%), and the Northwest region (by 40%). For the dessert varieties, decrease of the harvested lands is observed, by approximately 5% in comparison to 2011

**Table II.38. Distribution of the harvested vineyards in 2012 to statistical regions**

Regions	Red wine varieties (ha)		White wine varieties (ha)		Dessert varieties (ha)		Total vineyards (ha)	
	2011	2012	2011	2012	2011	2012	2011	2012
Northwest	3 142	4 411	732	1 466	276	275	4 150	6 152
North Central	1 259	1 734	894	2 867	90	90	2 243	4 691
Northeast	1 264	1 346	2767	5 887	180	180	4 211	7 413
Southeast	7 083	10 467	8 056	9 907	548	545	15 687	20 919
Southwest	2 849	1 991	394	206	100	100	3 343	2 297
South Central	13 044	13 648	2 288	4 262	1179	1 058	16 511	18 968
<b>Total</b>	<b>28 641</b>	<b>33 597</b>	<b>15 131</b>	<b>24 595</b>	<b>2 373</b>	<b>2 248</b>	<b>46 145</b>	<b>60 440</b>

Source: MAF, department „Agrostatistics“

The highest relative share in the structure of the vine crops in 2012 is occupied by the red wine varieties – approximately 56% (62% in the previous year). The share of white wine varieties is increased from 33% in 2011 to approximately 41% in 2012

### Average yields

In 2012, significant decrease of the average yields from vineyards is registered. The average yield for the country of wine varieties is 4 305 kg/ha, and the yield from dessert varieties – 3 853 kg/ha, respectively by 17,5 and 24,3% lower, compared to the previous year. The highest average yields from wine vineyards have been registered in the Southwest region - 8 016 kg/ha. In the Northern Central region, the highest average yield for dessert varieties has been registered - 6 379 kg/ha.

**Table II.39. Average yields of grapes from vineyards – harvest `2012**

Regions	Average yields from vineyards (kg/ha)	
	Wine varieties	Dessert varieties
Northwest	4 130	3 239
North Central	4 870	6 379
Northeast	2 637	4 482
Southeast	5 249	3 125
Southwest	8 016	5 279
South Central	3 362	3 932
<b>Total</b>	<b>4 305</b>	<b>3 853</b>

Source: MAF, department "Agrostatistics"

## Production

The beginning of the vine harvest campaign in 2012 has started upon reaching the technological ripeness for each variety and micro region. Due to the high temperatures and the drought during the summer months, the vine harvest campaign has started during the first half of the month of August with the picking of grapes of the varieties Muscat Otonel and Chardonnay, and has concluded at the end of November. Keeping constantly high temperatures has allowed waiting in order to reach technological ripeness for late ripe varieties as well.

The total production of grapes (from vineyards and vine arbors) in 2012 amounts to 260 672 tons, which is an increase of almost 7% in comparison to 2011. The production of grapes from vineyards has increased by approximately 8% on an annual basis of up to 259 192 tons, in ratio: wine – 96,7%, and dessert – 3,3%. The grapes from vine arbors is 1 480 tons, approximately 55% less compared to 2011

Similar to previous years, in 2012 the largest production of grapes from vineyards is from the Southeast region and South Central regions, respectively representing approximately 42% and 25% of the total volume of grapes, produced in the country. A significant increase on an annual basis is observed in the production of wine grapes from vineyards in the North Central and the Southeast regions, respectively by 113% to 22 406 tons, and by 38% to 106 949 tons.

Out of the total grapes produced in 2012, 243 585 tons have been processed into wine and other products on grapes basis, and 17 087 tons have been dedicated to fresh consumption.

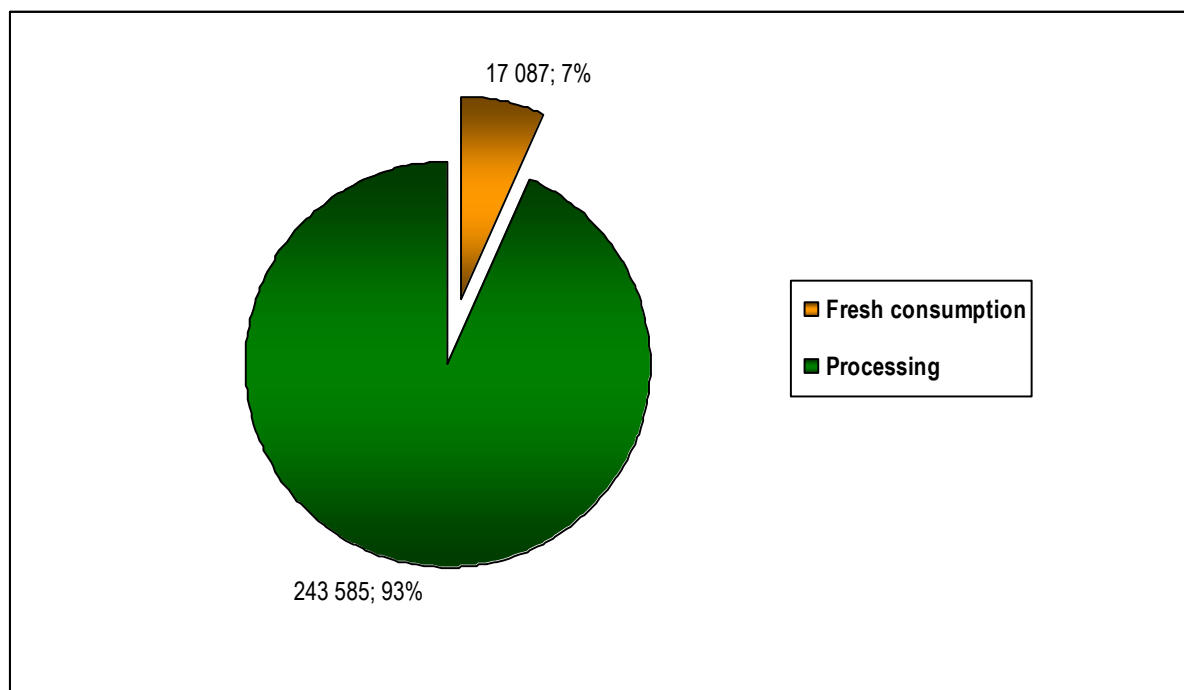
**Table II.40. Production of grapes – harvest `2012**

Regions	Grapes of vineyards			Grapes from vine arbors (tons)	Total produced grapes (tons)
	Wine grapes (tons)	Dessert grapes (tons)	Total grapes produced by vineyards (tons)		
Northwest	24 270	891	25 161	-	-
North Central	22 406	574	22 980	-	-
Northeast	19 073	807	19 880	-	-
Southeast	106 949	1 702	108 651	-	-
Southwest	17 615	527	18 142	-	-
South Central	60 220	4 158	64 378	-	-
<b>Total</b>	<b>250 533</b>	<b>8 659</b>	<b>259 192</b>	<b>1 480</b>	<b>260 672</b>

**Source:** MAF, department „Agrostatistics“

According to information provided by the Executive Agency of Vines and Wines, in 2012 the wine grapes purchased and processed by the winery companies for production of wine and grape must amounts to 191 923 tons, almost 22% more in comparison to 2011.

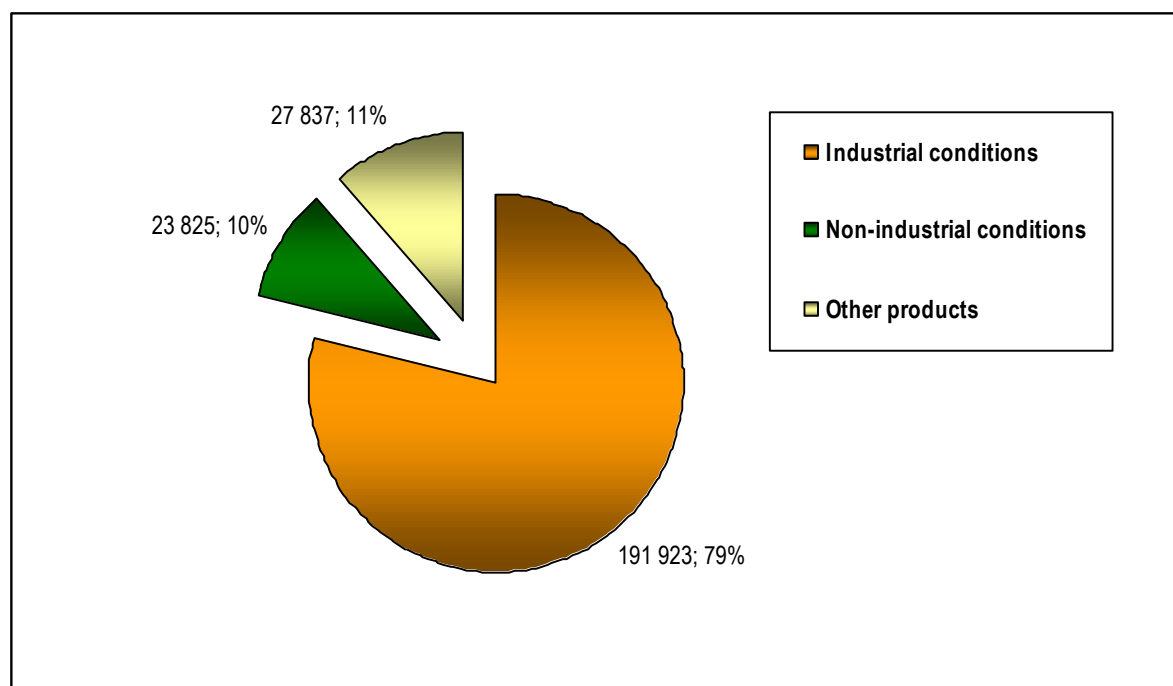
**Figure II.14. Distribution of the produced grapes – harvest `2012, tons and percentage share**



Source: MAF, department "Agrostatistics"

In 2012, the grapes dedicated for processing in non-industrial conditions is 23,8 thousand tons, out of which 97% are for production of wine and approximately 3% - for other products and spirit drinks based on grapes. Processed grapes for other products, other than wine and grape must, amount to 27,8 thousand tons.

**Figure II.15. Distribution of the grapes – harvest `2012, dedicated for processing, tons and percentage share**



Source: MAF, department „Agrostatistics“

## 8.5.2. Wine production

The total quantity wine produced from harvest `2012, declared by registered wine producers, amounts to 1 271 711 hectoliters, out of which 629 894 hectoliters are for red wines and rose, and 641 817 hectoliters – white wines. The production of grape must amounts to 65 561 hectoliters. Compared to the previous year, an increase of the production of both wine and grape must is observed. respectively by 21% and 35%.

**Table II.41. Quantity of wine and grape must, produced by wine production companies, harvest `2012**

Region	Quantity of produced wine and grape must, hectoliters								
	Wines with PDO* (quality)		Wines with PGI** (regional)		Other wines (including table wine)		Must	Total wine	
	White	Red and rose	White	Red and rose	White	Red and rose		White	Red and rose
Northwest Region	41	3 410	820	1 457	35 161	49 531	0	36 022	54 398
North Central Region	0	4 449	14 542	11 231	59 493	37 189	7 501	74 035	52 868
Northeast Region	2 272	84	28 001	12 140	17 884	8 862	39 383	48 157	21 086
Southeast region	814	6 837	110 285	127 472	236 627	134 129	12 889	347 726	268 437
Southwest region	0	0	2 686	4 095	24 277	38 140	0	26 963	42 234
South central region	0	4 544	16 956	51 886	91 959	134 439	5 787	108 915	190 869
<b>Total</b>	<b>3 127</b>	<b>19 324</b>	<b>173 289</b>	<b>208 280</b>	<b>465 402</b>	<b>402 289</b>	<b>65 561</b>	<b>641 817</b>	<b>629 894</b>

**Source:** Executive Agency for Vineyards and Wine

\*PDO - Protected Designation of Origin; \*\*PGI – Protected Geographical Indication

Traditionally, the largest share of the industrial production of wines – harvest `2012 is occupied by table wines (wines without Protected Designation of Origin or protected geographical indication), followed by regional wines (wines with protected geographical designation). As a result of the sensitive increase of the production of white wines in the country (by approximately 47%, compared to the previous year), in 2012 the supply of white wines shall exceed, despite by a little, the supply of red wines and rose. The production of red wines and rose has also increased, but much more moderately – by approximately 3%.

The leading region in the production of wine in 2012 is the Southeast region with industrial production to a total of 616 163 hectoliters, which represents 49% of the total quantity for the country. The next is the South Central region with production of 299 784 hectoliters or 24% of the total quantity for the country. The smallest share is the share of the Southwest region – 5,4% (69 179 hectoliters).

The production of wine under non-industrial conditions amounts to 104 788 hectoliters, which is approximately 24% less compared to the previous year.

The total production of wine from harvest `2012 amounts to 1 376 499 hectoliters, which is approximately 16% more in comparison to the 1 188 471 hectoliters, produced in 2011

### 8.5.3. Export and import of wine

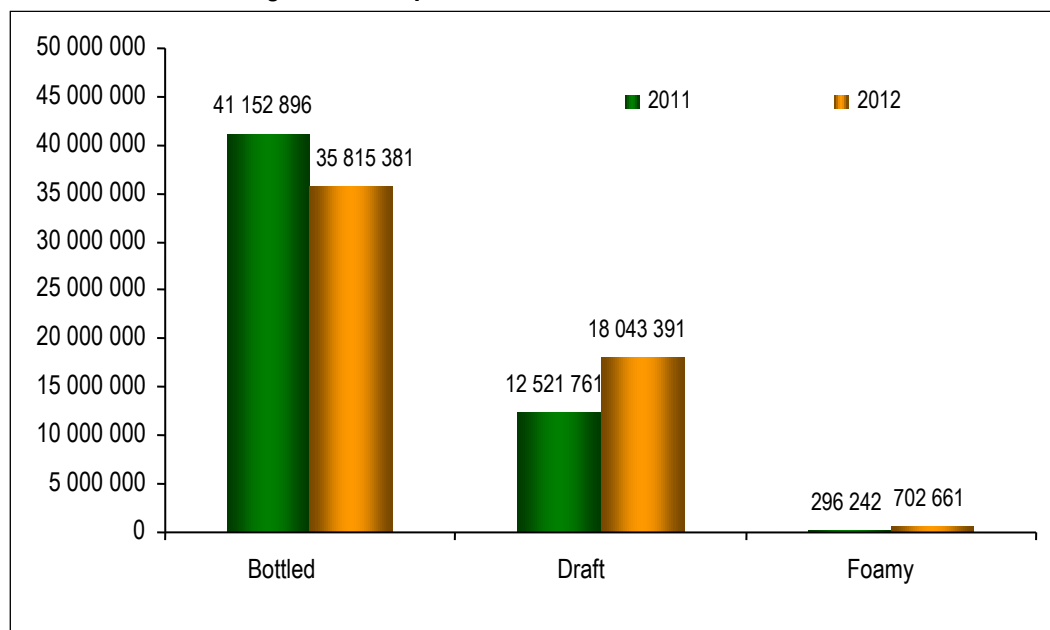
#### Export

According to data of NSI, in 2012 the export of wine amounts to 54 561,4 thousand liters, and an increase by 1,1% compared to 2011 is observed. As a result of the almost 9 percent decrease of the average export price, the full value of the export of wine, realized during the year, decreases by 7,7% on an annual basis up to 61 364,5 thousand USD

The main part of the quantities are directed to traditional markets of Bulgarian wines, such as Russia (16 620 thousand liters) and Poland (13 195 thousand liters). Significant export has been realized also to Romania (7 643 thousand liters) and the Czech Republic (5 082 thousand liters).



**Figure II.16. Export of wine in 2011 and 2012, liters**



Source: NSI, preliminary data for 2012

In 2012, bottled wines are 65,6% of the total export of wines. It is followed by draft wines by 33,1% and sparkling wines by 1,3%.

#### **Export of bottled wines**

According to data of NSI, the export of bottled wines in 2012 amounts to 35 815 thousand liters, 13% less in comparison to 2011. In terms of value, the export decreases by 15,7%, to a total of 46 597 thousand USD, for a slightly lower average export price of 1,30 USD/liter.

In 2012, the largest quantities of bottled wines have been exported to Russia – 14 506 thousand liters or more than 40% of the total export. Significant quantities of deliveries have been realized for certain EU member states, such as Poland (7 752 thousand liters), Romania (5 114 thousand liters), the Czech Republic (2 449 thousand liters), etc.

**Table II.42. Export of bottled wines in 2011 and 2012, liters**

Countries	2011	2012
<b>EU, including:</b>	<b>22 902 225</b>	<b>19 560 667</b>
Poland	10 903 436	7 752 002
Romania	3 980 471	5 114 199
Czech Republic	2 433 302	2 448 669
United Kingdom	2 280 982	1 454 169
Germany	973 058	844 294
Lithuania	563 813	650 381
Belgium	612 160	599 989
Netherlands	125 005	134 129
Sweden	305 885	102 302
<b>Third countries, including:</b>	<b>18 250 671</b>	<b>16 254 714</b>
Russia	16 636 636	14 506 160
People's Republic of China	183 572	297 041
Mongolia	320 488	217 779
USA	106 982	178 412
Iraq	161 016	152 036
Japan	128 216	146 174

Algeria	17 280	122 646
<b>Total</b>	<b>41 152 896</b>	<b>35 815 381</b>

Source: NSI, preliminary data for 2012

### Export of draft wines

In 2012, the export of draft wines marks a significant increase for a second consecutive year, reaching 18 043 thousand liters –44% more compared to 2011. Due to decrease of the average export price with approximately 8%, a slightly lower increase of the export in terms of value expression is registered – by 32%, to 13 946 thousand USD. The largest export of draft wines during the year has been realized for Poland (5 381 thousand liters), the Czech Republic (2 634 thousand liters), Romania (2 528 thousand liters) and Russia (2 113 thousand liters). The quantities dedicated to Italy have increased almost four times compared to the previous year, reaching 1 229 thousand liters, and the ones for Poland – almost 2 times.

**Table II.43. Export of draft wines in 2011 and 2012, liters**

Countries	2011	2012*
<b>EU, including:</b>	<b>10 048 478</b>	<b>15 477 326</b>
Poland	2 844 982	5 381 081
Czech Republic	1 718 770	2 633 561
Romania	2 464 138	2 527 651
Sweden	1 327 658	1 527 456
Italy	329 452	1 228 891
Greece	268 453	920 180
Cyprus	187 326	468 700
Belgium	287 363	231 243
<b>Third countries, including:</b>	<b>2 473 283</b>	<b>2 566 065</b>
Russia	2 125 827	2 113 078
People's Republic of China	149 009	266 522
Japan	172 020	97 831
Iraq	-	27 360
Uganda	5 040	20 616
Belarus	-	11 992
<b>Total</b>	<b>12 521 761</b>	<b>18 043 391</b>

Source: NSI, \* - preliminary data

### Export of sparkling wines

The export of sparkling wines in 2012 has increased more than twice in comparison to the previous year, reaching 703 thousand liters. The average export price of sparkling wines for 2012 is 1,17 USD/liter, and the total value of the export – 821 thousand USD.

The largest quantities of sparkling wines are realized in Italy – 516 thousand liters or 85% of the deliveries for EU and 73% of the whole export of sparkling wines for the year. A sensitive decrease compared to 2011 is observed in the export for Poland – by 58%, up to 62 thousand liters.

**Table II.44. Export of sparkling wines in 2011 and 2012, liters**

Countries	2011	2012
<b>EU, including:</b>	<b>194 813</b>	<b>605 656</b>
Italy	1 791	515 649
Poland	148 446	62 038
Lithuania	9 216	11 939
Greece	7 207	7 636
Belgium	3 780	2 430

Latvia	-	2 016
Czech Republic	21 735	-
<b>Third countries, including:</b>	<b>101 429</b>	<b>97 005</b>
Vietnam	16 200	46 800
Nigeria	900	20 250
Benin	2 700	5 232
Iraq	66 622	4 500
Japan	-	3 750
People's Republic of China	1 890	3 645
Kosovo	2 160	3 240
USA	3 240	-
<b>Total</b>	<b>296 242</b>	<b>702 661</b>

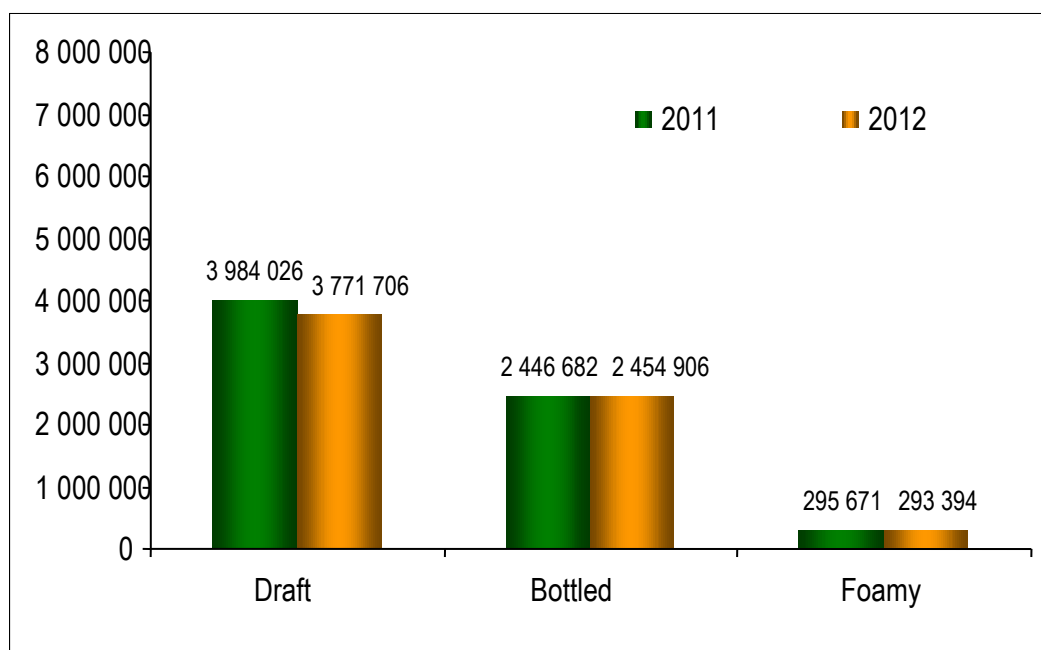
Source NSI, \* - preliminary data

### Import

The total import of wine in 2012 amounts to 6 520 thousand liters of wine to a value of 15 100 thousand USD. In comparison to the previous year, the import marks a slight decrease in terms of quantity by 3,1%, and in value terms – slight increase by 2,7%, due to increase of the average import price with approximately 6%. The import of bottled and sparkling wines remains around the levels of the previous year, and for draft, a slight decrease is reported – by 5,3%.

The largest share of the total import of wines in 2012 is occupied by draft wines – 57,8%, followed by bottled wines by 37,7%, and sparkling wines by 4,5%

**Figure II.17. Import of wine for the period 2011 – 2012, liters**



Source: NSI, preliminary data for 2012

### Import of bottled wines

In 2012, 2 455 thousand liters of bottled wines have been imported in the country, which is a little above the level from the previous year (by 8 thousand liters). The total value of the import during the year is 9 084 thousand USD, with average import price of 3,70 USD/liter.

The largest share of the total import (77%) is occupied by the supplies from EU with a total of 1 899 thousand liters, and the most significant quantities are imported from Italy (712 thousand liters) and France (415 thousand liters). The import from third countries amounts to 556 thousand liters, out of which 235 thousand liters are from Chile, and 103 thousand liters – from New Zealand.

**Table II.45. Import of bottled wines in 2011 and 2012, liters**

Countries	2011	2012
<b>EU, including:</b>	<b>1 968 059</b>	<b>1 898 584</b>
Italy	848 384	711 554
France	398 881	415 104
Spain	210 809	188 433
Germany	195 347	167 233
Czech Republic	44 157	112 224
Slovakia	45 068	92 295
United Kingdom	42 346	74 689
Netherlands	74 612	58 699
Belgium	9 738	22 227
<b>Third countries, including:</b>	<b>478 623</b>	<b>556 322</b>
Chile	289 277	235 335
New Zealand	31 177	103 048
Macedonia	23 810	53 445
South Africa	19 657	49 748
Argentina	63 475	40 725
Serbia	-	34 560
Georgia	25 765	16 477
<b>Total</b>	<b>2 446 682</b>	<b>2 454 906</b>

Source NSI, \* - preliminary data

### **Import of draft wines**

The import of draft wines in 2012 amounts to 3 771 thousand liters, which is 5,3% less compared to 2011, reporting a significant increase of the import from third countries at the expense of decrease of deliveries from EU. The total value of the import has increased by 3,1% on an annual basis, up to 3 455 thousand USD, due to increase of the average import price by 8,9%, to 0,92 USD/liter.

Although they have decreased by approximately 12% compared to the previous year, the supplies from Italy continue to form the largest share in the total import of draft wines (exceeding 69%) by 2 615 thousand liters. Moldova follows, by 428 thousand liters (almost 18 times more on an annual basis) and Macedonia, by 415 thousand liters (more than 3 times more on an annual basis). A sharp drop is observed in the deliveries from Spain – from 536 thousand liters in 2011 to 18 thousand liters in 2012.

**Table II.46. Import of draft wines in 2011 and 2012, liters**

Countries	2011	2012
<b>EU, including:</b>	<b>3 690 539</b>	<b>2 834 677</b>
Italy	2 965 425	2 614 674
Germany	85 230	106 261
France	49 670	88 668
Spain	536 086	17 820
United Kingdom	-	7 188
Romania	21 504	-
Austria	16 784	-
Hungary	15 840	-
<b>Third countries, including:</b>	<b>293 487</b>	<b>937 029</b>
Moldova	24 000	428 428
Macedonia	125 030	414 603
New Zealand	48 000	48 000
Russian Federation	-	21 500

Serbia	-	20 234
South Africa	71 717	-
Chile	23 240	-
<b>Total</b>	<b>3 984 026</b>	<b>3 771 706</b>

Source: NSI, preliminary data for 2012

### **Import of sparkling wines**

In 2012, 293 thousand liters of sparkling wines have been imported in the country, approximately 1% less compared to 2011. The average import price is 8,73 USD/liter, and the total value of the import - 2 561 thousand USD. The highest quantity of sparkling wines during the year have been imported from Italy (105 thousand liters), France (92 thousand liters) and Germany (58 thousand liters).

**Table II.47. Import of sparkling wines in 2011 and 2012, liters**

Countries	2011	2012
<b>EU, including:</b>	<b>291 631</b>	<b>272 398</b>
Italy	98 632	104 643
France	77 640	92 538
Germany	24 520	57 538
Spain	83 011	10 882
Greece	753	4 394
Netherlands	2 377	1 312
Austria	1 210	614
<b>Third countries, including:</b>	<b>4 040</b>	<b>20 996</b>
South Africa	2 795	14 201
Chile	-	3 150
Moldova	1 125	2 700
Australia	-	945
<b>Total</b>	<b>295 671</b>	<b>293 394</b>

Source: NSI, preliminary data for 2012

## **III. TRADE IN AGRICULTURAL COMMODITIES**

The trade with agrarian goods is a significant part of the foreign trade of Bulgaria, and traditionally positive trade balance is formed.

In 2012, the relative share of the agrarian sector in the total export, import and commodity turnover for the country is preserved around the levels from the previous year – respectively 16,1%, 9,3% and 12,3%.

**Table III.1. Relative share of agrarian goods in the foreign trade of Bulgaria in 2011 – 2012, thousand USD**

Year	2011		Share of the agrarian sector in %	2012		Share of the agrarian sector in %
	Total for the country	Agrarian sector		Total for the country	Agrarian sector	
Export, FOB	27 636 924	4 593 475	16,6	26 305 284	4 241 709	16,1
Import, CIF	32 384 446	3 142 857	9,7	32 613 226	3 023 387	9,3
Commodity turnover	60 021 370	7 736 332	12,9	58 918 510	7 265 096	12,3

Source: data of NSI, processed by MAF; preliminary data for 2012

## 1. Level and dynamics of foreign trade with agrarian goods in 2012

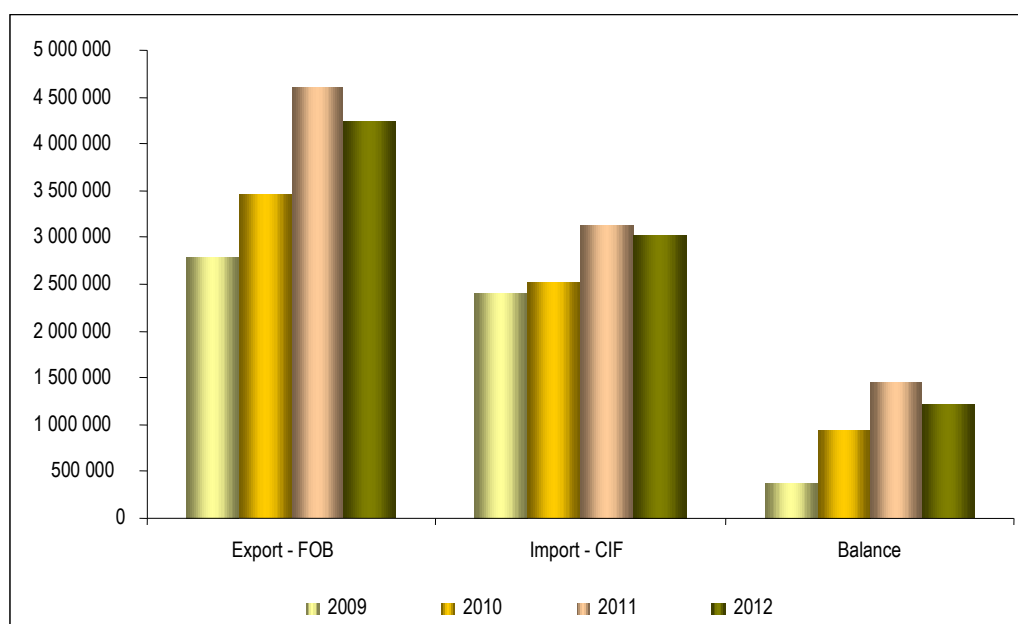
According to preliminary data of NSI, processed by MAF, in 2012 the export of agricultural commodities decreases by 7,7% compared to the previous year, to 4 241,7 million USD. In the import of agricultural commodities, a slightly lower decrease is registered – by approximately 3,8%, to 3 023,4 million USD. Thus the positive trade balance in the agrarian trade of the country decreases to 1 218,3 million USD, 16% less compared to 2011.

**Table III.2. Foreign trade with agrarian goods for the period 2009 - 2012, thousand USD**

Year	2009	2010.	2011	2012	Change 2012/2011	
					In value	In %
<b>Export - FOB</b>	2 791 486	3 461 868	4 593 475	4 241 709	-351 766	-7,7
<b>Import - CIF</b>	2 405 965	2 524 460	3 142 857	3 023 387	-119 470	-3,8
<b>Balance</b>	385 521	937 408	1 450 618	1 218 322	-232 296	-16,0
<b>Commodity turnover</b>	5 197 451	5 986 328	7 736 332	7 265 096	-471 236	-6,1

*Source: data of NSI, processed by MAF; preliminary data for 2012*

**Figure III.1. Import and export of agrarian goods for the period 2009 – 2012, thousand USD**



*Source: data of NSI, processed by MAF; preliminary data for 2012*

## 2. Geographical distribution of foreign trade in agricultural commodities

In recent years, the European Union countries are being confirmed as a main partner of Bulgaria in the agrarian trade, which is determined by the more advantageous economic conditions for trade on the uniform European market.

In 2012, the trade with EU forms 83,4% of the total agrarian export of the country, and 71,8% of the total agrarian import. In the trade with agricultural commodities with third countries, a significant increase of the export for Arabian countries is observed, compared to the previous year and coincidentally shrinking of export for the Organization for Economic Co-operation and Development (without EU member states and the European Free Trade Association).

**Table III.3. Import and export of agricultural commodities per economic communities and regions in 2011 and 2012, million USD**

Trade areas	2011					2012				
	Export		Import		Balance	Export		Import		Balance
	million USD	%	million USD	%	million USD	million USD	%	million USD	%	million USD
<b>All countries, out of the total:</b>	4 593,5	100	3 142,9	100	1 450,6	4 241,7	100	3 023,4	100	1 218,3
European Union	3 391,2	73,8	2 530,8	80,5	860,4	3 046,8	71,8	2 522,1	83,4	524,7
EFTA*	10,0	0,2	3,9	0,1	6,1	11,6	0,3	4,9	0,2	6,7
OECD**, without the EU and EFTA countries	536,4	11,7	138,2	4,4	398,2	334,3	7,9	130,5	4,3	203,8
including USA	69,2	1,5	27,0	0,9	42,2	61,4	1,4	27,5	0,9	33,9
Balkan region, without EU countries ***	191,3	4,2	86,4	2,7	104,9	187,4	4,4	83,0	2,7	104,4
CIS	118,6	2,6	32,2	1,0	86,4	122,8	2,9	41,4	1,4	81,4
including Russia	65,0	1,4	9,5	0,3	55,5	75,9	1,8	9,2	0,3	66,7
Arab countries (Arab League)	265,5	5,8	42,8	1,4	222,7	464,2	10,9	16,0	0,5	448,2
Other	80,5	1,8	308,6	9,8	-228,1	74,6	1,8	225,5	7,5	-150,9

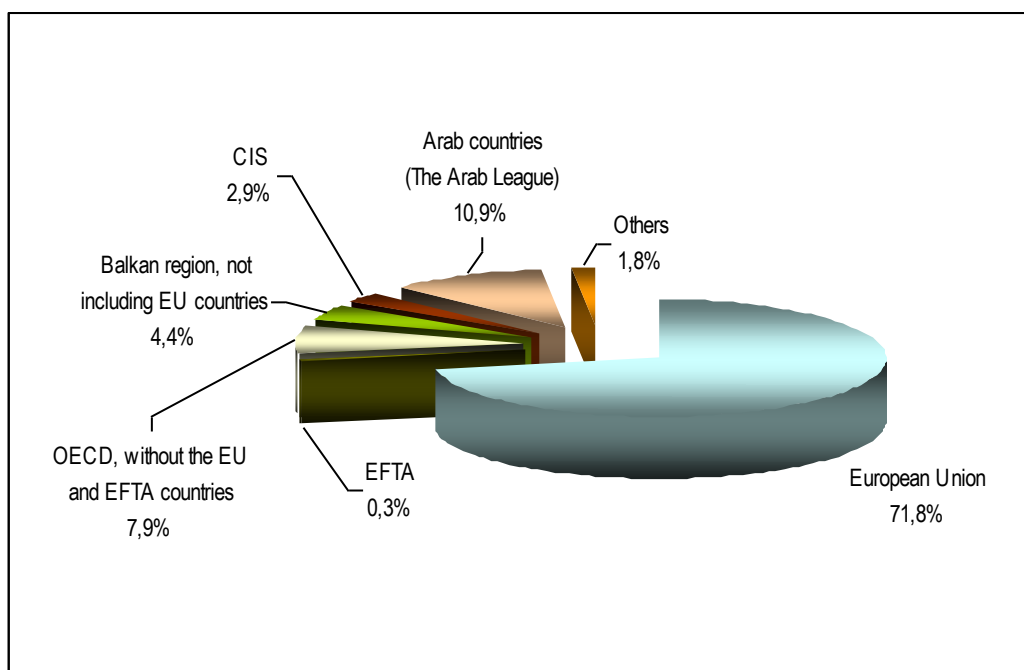
\* Includes Iceland, Principality of Liechtenstein, Kingdom of Norway and Switzerland

\*\* Includes Australia, Canada, New Zealand, USA, Turkey, Japan, Korean Republic and Mexico

\*\*\* Includes Albania, Bosnia and Herzegovina, Macedonia, Croatia, Serbia, Montenegro and Kosovo

Source: data of NSI, processed by MAF; preliminary data for 2012

**Figure III.2. Structure of the agrarian export of Bulgaria by economic communities and regions in 2012**

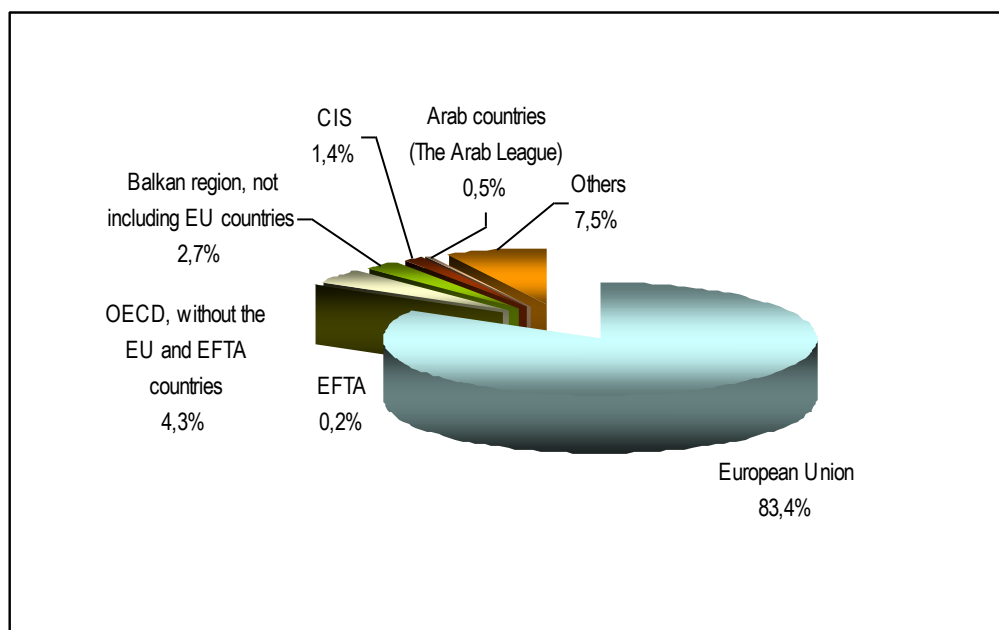


Source: preliminary data of NSI, processed by MAF





**Figure III.3. Structure of the agrarian import of Bulgaria by economic communities and regions in 2012**



Source: preliminary data of NSI, processed by MAF

### Trade with EU

According to preliminary data of NSI, in 2012 the agrarian commodity turnover with EU countries amounts to 5 568,9 million USD. This is 6,1% less compared to 2011, and the export for EU decreases by 10,2%, and the import from EU – by 0,3%. As a result, the positive balance in the agrarian trade with EU decreases by 39% compared to 2011, to 524,7 million USD.

Among EU countries, the main partners of Bulgaria in the trade with agricultural commodities in 2012 are Greece, Romania, Germany, Spain, Italy, Poland, Netherlands and France. The neighboring countries Greece and Romania form a total 40% of the export deliveries of agrarian goods for EU during the year and 32,7% of the deliveries from EU.

**Table III.4. Trade of Bulgaria with agrarian goods with EU member states in 2011 and 2012**

Country	2011					2012				
	Export		Import		Balance	Export		Import		Balance
	thousand USD	%	thousand USD	%	thousand USD	thousand USD	%	thousand USD	%	thousand USD
<b>Total</b>	<b>3 391 162</b>	<b>100</b>	<b>2 530 812</b>	<b>100</b>	<b>860 350</b>	<b>3 046 779</b>	<b>100</b>	<b>2 522 051</b>	<b>100</b>	<b>524 728</b>
Austria	61 063	1,8	72 913	2,9	-11 850	59 577	2,0	64 723	2,6	-5 146
Belgium	131 385	3,9	60 655	2,4	70 730	97 197	3,2	65 405	2,6	31 792
Great Britain	44 308	1,3	37 498	1,5	6 810	44 287	1,5	55 263	2,2	-10 976
Germany	260 126	7,7	280 063	11,1	-19 937	209 963	6,9	301 169	11,9	-91 206
Greece	597 063	17,6	429 517	17,0	167 546	612 324	20,1	435 017	17,2	177 307
Denmark	39 712	1,2	23 625	0,9	16 087	8 802	0,3	18 826	0,7	-10 024
Estonia	1 028	0,03	2 230	0,1	-1 202	800	0,0	1 870	0,1	-1 070
Ireland	308	0,0	15 411	0,6	-15 103	3 771	0,1	13 786	0,5	-10 015
Spain	338 688	10,0	113 779	4,5	224 909	359 167	11,8	116 165	4,6	243 002
Italy	242 640	7,2	126 612	5,0	116 028	270 266	8,9	120 395	4,8	149 871
Cyprus	44 587	1,3	78 075	3,1	-33 488	70 094	2,3	75 472	3,0	-5 378
Latvia	3 514	0,1	867	0,0	2 647	2 824	0,1	969	0,0	1 855
Lithuania	9 863	0,3	8 824	0,3	1 039	8 745	0,3	12 774	0,5	-4 029
Luxembourg	826	0,02	141	0,0	685	1 467	0,0	175	0,0	1 292
Malta	2 306	0,1	194	0,0	2 112	5 355	0,2	0	0,0	5 355
Netherlands	220 281	6,5	202 433	8,0	17 848	143 716	4,7	167 375	6,6	-23 659
Poland	81 844	2,4	187 100	7,4	-105 256	87 392	2,9	241 927	9,6	-154 535
Portugal	87 082	2,6	2 954	0,1	84 128	211 450	6,9	2 734	0,1	208 716

Romania	847 005	25,0	475 129	18,8	371 876	605 854	19,9	389 779	15,5	216 075
Slovakia	20 045	0,6	37 938	1,5	-17 893	15 992	0,5	32 909	1,3	-16 917
Slovenia	4 870	0,1	13 011	0,5	-8 141	4 444	0,1	7 357	0,3	-2 913
Hungary	42 669	1,3	161 972	6,4	-119 303	31 520	1,0	147 633	5,9	-116 113
Finland	13 163	0,4	1 318	0,1	11 845	9 541	0,3	816	0,0	8 725
France	245 735	7,2	140 403	5,5	105 332	140 394	4,6	171 200	6,8	-30 806
Czech Republic	32 273	1,0	49 049	1,9	-16 776	27 862	0,9	68 691	2,7	-40 829
Sweden	18 778	0,6	9 105	0,4	9 673	13 975	0,5	9 621	0,4	4 354

*Source: data of NSI, processed by MAF; preliminary data for 2012*

### **Trade in the countries members of the Organization for Economic Co-operation and Development (OECD)**

In 2012 the export of agricultural commodities of Bulgaria for the countries from OECD, without EU countries and EFTA, represents 7,9% of the total agrarian export, and the import from them – 4,3% of the total.

Despite the significant decrease of the export of agricultural commodities for these countries compared to the previous year 2011, for a consecutive year, significant positive trade balance exists for Bulgaria, to the amount of 203,8 thousand USD

### **Trade with Balkan countries**

The Balkan region countries retain their importance in agrarian trade of Bulgaria, dictated due to their territorial proximity.

According to preliminary data of NSI, in 2012 the agrarian commodity turnover between Bulgaria and the Balkan region countries (including the ones which are members of EU) amounts to 2 623,7 million USD. This is 16,1% less in comparison to 2011, mainly as a result of almost 20 percent decrease of the Bulgarian agricultural export for the countries in the region. Despite 33% less compared to the previous year 2011, the formed positive trade balance for Bulgaria remains significant - 621,7 million USD

In 2012, main partners in the agrarian trade of Bulgaria among the Balkan countries remain the neighboring countries Romania, Greece, Turkey and Macedonia, and for all of them export from Bulgaria significantly exceeds the import from the respective country.

**Table III.5. Trade with agrarian goods with the Balkan region countries in 2011 and 2012, thousand USD**

Country	2011			2012		
	Export	Import	Balance	Export	Import	Balance
Turkey	387 614	95 240	292 374	212 710	85 858	126 852
Greece	597 063	429 517	167 546	612 324	435 017	177 307
Republic of Macedonia	73 647	30 016	43 631	70 806	27 524	43 282
Romania	847 005	475 129	371 876	605 854	389 779	216 075
Serbia	25 365	49 723	-24 358	33 555	48 348	-14 793
Montenegro	7 730	6	7 724	8 759	1	8 758
Slovenia	4 870	13 011	-8 141	4 444	7 357	-2 913
Albania	27 195	2 425	24 770	27 546	2 654	24 892
Bosnia and Herzegovina	13 727	988	12 739	10 877	1 332	9 545
Kosovo	25 177	29	25 148	16 540	17	16 523
Croatia	18 451	3 232	15 219	19 309	3 132	16 177
<b>Total</b>	<b>2 027 844</b>	<b>1 099 316</b>	<b>928 528</b>	<b>1 622 724</b>	<b>1 001 019</b>	<b>621 705</b>

*Source: data of NSI, processed by MAF; preliminary data for 2012*

### **Trade with the countries from the European Free Trade Association (EFTA)**

In 2012, the agrarian commodity turnover between Bulgaria and the EFTA countries has increased by 18,8% compared to the previous year, and increase both of the import from these countries (by 26,3%), and also of the export to them (by 15,8%) is observed. The formed positive trade balance for Bulgaria amounts to almost 6,7 million USD, by 6,1 million USD in 2011. Switzerland and Norway remain the main partners for trade with agricultural commodities among the countries of EFTA.

**Table III.6. Trade with agrarian goods with the countries of EFTA in 2011 and 2012, thousand USD**

Country	2011			2012		
	Export	Import	Balance	Export	Import	Balance
Norway	4 238	230	4 008	6 564	2 055	4 509
Switzerland	5 733	2 728	3 005	4 909	2 751	2 158
Iceland	6	897	-891	81	61	20
Lichtenstein	0	0	0	0	0	0
<b>Total</b>	<b>9 977</b>	<b>3 855</b>	<b>6 122</b>	<b>11 554</b>	<b>4 867</b>	<b>6 687</b>

*Source: data of NSI, processed by MAF; preliminary data for 2012*

### **Trade in the countries of the Community of Independent States (CIS)**

In 2012, the exchange of agricultural commodities with the countries of CIS has increased by 8,9% in comparison to 2011, reaching 164,2 million USD. Due to the overcoming rate of increase of the import of agrarian goods from CIS in comparison to the rate of export for these countries, the positive balance for Bulgaria has decreased by 5,8% compared to the previous year, down to 81,4 million USD

### **Trade with Arab countries (Arab League countries)**

In recent years, a trend for increasing the export of agricultural commodities for Arab countries is observed. In 2012, it reaches 464,2 million USD, almost 75% more compared to the previous year, while the relatively small import of agrarian goods from these countries has decreased to 16 million USD. Thus the positive trade balance for Bulgaria has increased more than twice in comparison to 2011 to 448,2 million USD

## **3. Structure of the export by commodity groups**

### **Export**

In 2012, the main commodity groups, which form the structure of the agrarian export per sections of the General Customs Tariff, are:

#### **Section I – livestock and products of animal origin**

The export of livestock and products of animal origin in 2012 takes up a relative share of 11,1% of the total agrarian export. The largest share of the total export are meats and offal, suitable for consumption - 5,1%, and Milk and dairy products - 4,4%.

The commercial balance with the trade with livestock and products of animal origin in 2012 is negative, to the amount of 371 082 thousand USD

#### **Section II - plants and products of plant origin**

In 2012, the export of plants and products of plant origin represents 50,2% of the total export of agricultural production. The largest share is the share of the cereals (wheat, barley, maize) - 24,9%, followed by oilseeds plants and fruits – 17,2%. The export under Section II for 2012 decreases by 10% compared to 2011

Under Section II, positive trade balance for 2012 has been formed, to the amount of 1 487 871 thousand USD, a decrease by 15,1% compared to 2011

### **Section III – Fats and oils of animal and plant origin**

The export of fats and oils of animal and plant origin takes up a share of 4,8% of the total export of agricultural commodities in 2012, and has decreased by 5,6% compared to 2011

The formed positive trade balance during the year has decreased to 26 670 thousand USD, from 45 180 thousand USD in 2011

### **Section IV - Products of the food industry, soft and alcoholic drinks and types of vinegar, tobacco and processed tobacco substitutes**

In 2012, the export of processed agricultural products decreases by 2,6% compared to the previous 2011 and takes up a share of 34% in the structure of agricultural export. The largest relative share of the total agricultural export is the export of tobacco and processes tobacco substitutes – 10,6%, followed by the share of food products, produced on the basis of cereals, flours, starch, farina or milk – 4,6%, food industry residues and wastes and prepared food for animals – 4,6%, soft drinks and alcoholic drinks and types of vinegar – 3,9% and sugar and sugar products – 3,5%.

For trade with products from section IV, in 2012 positive trade balance has been formed, to the amount of 74 863 thousand USD, an increase of 53,5% compared to 2011

## **Import**

### **Section I – livestock and products of animal origin**

In 2012, the import of livestock and products of animal origin represent 27,8% of the total agricultural import. The highest relative share of the total agrarian import is the share of meats and offal, suitable for consumption – 17,2%. The value of goods imported in 2012 from this section has decreased by 9,8% in comparison to 2011.

### **Section II – plants and products of plant origin**

The import of plants and products of plant origin in 2012 has increased by 4,8% compared to 2011 and takes up 21,2% of the whole import of agricultural commodities. The largest relative share of the total import is taken up by fruits - 4,6%, coffee, tea, mate and spices – 4,3% and vegetables - 3,6%.

### **Section III – Fats and oils of animal and plant origin**

In 2012, the import of fats and oils of animal and plant origin represents 5,9% of the whole agricultural import. The value of the realized import of goods under Section III has been increased by 3,8% in comparison to the previous year 2011

### **Section IV – Products of food industry, soft drinks and alcoholic drinks and types of vinegar, tobacco and processed tobacco substitutes**

The processed products from Section IV take up a share of 45,2% in the structure of the agrarian import of the country in 2012. The largest relative share of the import of goods in this section is held by tobacco and processed tobacco substitutes – 7,6%, sugar and sugar products – 7,6%, and soft drinks and alcoholic drinks – 6,2%.

In value terms, the import of processed goods has decreased by 4,5%, compared to the previous year 2011. A significant decrease of the import has been registered early for sugar and sugar articles – by 26,1% and cocoa and cocoa products – by 12,8%, and worse – for food products from vegetables, fruits or other parts of plants – by 6,1%. For the remaining products groups in this section, an increase of the import is registered in comparison to 2011, which is the highest for food products, obtained on the basis of cereals, flours, starch, farina or milk – by 10,4%, tobacco and processed tobacco substitutes – by 7,84%, and fish or crustaceans, mollusks or other aquatic invertebrates – by 5%.

Table III.7. Structure of foreign trade of Bulgaria with agrarian goods in 2011 and 2012

Code	Sections and countries	EXPORT-FOB					IMPORT-CIF					BALANCE	BALANCE
		2011		2012		2012/2011	2011		2012		2012/2011	2011	2012
		thousand USD	share of the total export of agrarian goods in %	thousand USD	share of the total export of agrarian goods in %	%	thousand USD	share of the total import of agrarian goods in %	thousand USD	share of the total import of agrarian goods in %	%	thousand USD	thousand USD
	A	1	2	3	4	5	6	7	8	9	10	11	12
	Total products according to CN	27 636 924		26 305 284		95,2	32 384 446		32 613 226		100,7	-4 747 522	-6 307 942
	including agrarian goods :	4 593 475	100	4 241 709	100	92,3	3 142 857	100	3 023 387	100	96,2	1 450 618	1 218 322
	SECTION I	535 976	11,7	469 328	11,1	87,6	931 438	29,6	840 410	27,8	90,2	-395 462	-371 082
1	Livestock	93 827	2,0	33 305	0,8	35,5	94 784	3,0	28 557	0,9	30,1	-957	4 748
2	Meats and offal, suitable for consumption	234 202	5,1	216 997	5,1	92,7	543 126	17,3	520 043	17,2	95,7	-308 924	-303 046
3	Fish and crustaceans, mollusks and other aquatic invertebrates	30 354	0,7	28 371	0,7	93,5	59 437	1,9	58 296	1,9	98,1	-29 083	-29 925
4	Milk and dairy products; poultry eggs; natural honey; products of animal origin, suitable for consumption, not mentioned or included elsewhere	171 859	3,7	186 784	4,4	108,7	215 862	6,9	219 780	7,3	101,8	-44 003	-32 996
5	Other products of animal origin, not mentioned, or included elsewhere	5 734	0,1	3 871	0,1	67,5	18 229	0,6	13 734	0,5	75,3	-12 495	-9 863
	SECTION II	2 362 293	51,4	2 127 462	50,2	90,1	610 162	19,4	639 591	21,2	104,8	1 752 131	1 487 871
6	Live plants and flower products	8 378	0,2	8 383	0,2	100,1	21 863	0,7	20 143	0,7	92,1	-13 485	-11 760
7	Vegetables, plants, roots and tubers, suitable for consumption	84 605	1,8	73 366	1,7	86,7	115 433	3,7	109 294	3,6	94,7	-30 828	-35 928
8	Fruits, suitable for consumption; citrus or melon peels	91 262	2,0	95 017	2,2	104,1	150 247	4,8	139 633	4,6	92,9	-58 985	-44 616
9	Coffee, tea, mate and spices	66 832	1,5	83 198	2,0	124,5	112 021	3,6	129 214	4,3	115,3	-45 189	-46 016
10	Cereals	970 614	21,1	1 055 072	24,9	108,7	87 583	2,8	81 077	2,7	92,6	883 031	973 995
11	Mill products; malt; starch and farina; inulin; wheat gluten	66 954	1,5	82 356	1,9	123,0	23 985	0,8	45 067	1,5	187,9	42 969	37 289
12	Oilseed plants and fruits; various types of seeds, seeds for planting and fruits; industrial or medicinal plants; straw and feed	1 071 044	23,3	727 833	17,2	68,0	88 457	2,8	103 529	3,4	117,0	982 587	624 304
13	Natural varnishes, gums, resins and other plant juices and extracts	1 303	0,0	1 360	0,0	104,4	10 005	0,3	11 158	0,4	111,5	-8 702	-9 798
14	Materials for plaiting and other products of plant origin, not mentioned, or included elsewhere	1 301	0,0	877	0,0	67,4	568	0,0	476	0,0	83,8	733	401
	SECTION III	216 253	4,7	204 221	4,8	94,4	171 073	5,4	177 551	5,9	103,8	45 180	26 670
15	Fats and oils of animal or plant origin; products of their decomposition; processed fats for food purposes; waxes of animal or plant origin	216 253	4,7	204 221	4,8	94,4	171 073	5,4	177 551	5,9	103,8	45 180	26 670
	SECTION IV	1 478 953	32,2	1 440 697	34,0	97,4	1 430 186	45,5	1 365 834	45,2	95,5	48 767	74 863
16	Products of meat, fish or crustaceans, mollusks or other aquatic invertebrates	28 169	0,6	31 235	0,7	110,9	51 563	1,6	54 119	1,8	105,0	-23 394	-22 884
17	Sugar and sugar products	212 776	4,6	147 332	3,5	69,2	310 531	9,9	229 501	7,6	73,9	-97 755	-82 169
18	Cocoa and cocoa products	73 398	1,6	74 690	1,8	101,8	148 789	4,7	129 761	4,3	87,2	-75 391	-55 071

19	Food products, prepared on the basis of cereals, flours, starch, farina or milk; flour pastry products	199 461	4,3	195 136	4,6	97,8	110 325	3,5	121 782	4,0	110,4	89 136	73 354
20	Food products of vegetables, fruits or other parts of plants	141 114	3,1	123 347	2,9	87,4	132 034	4,2	124 014	4,1	93,9	9 080	-667
21	Various types of food products	54 528	1,2	61 290	1,4	112,4	149 234	4,7	155 524	5,1	104,2	-94 706	-94 234
22	Soft drinks and alcoholic drinks and types of vinegar	168 002	3,7	166 029	3,9	98,8	182 832	5,8	186 906	6,2	102,2	-14 830	-20 877
23	Food industry residues and wastes; prepared food for animals	161 610	3,5	193 974	4,6	120,0	131 117	4,2	133 711	4,4	102,0	30 493	60 263
24	Tobacco and processed tobacco substitutes	439 895	9,6	447 664	10,6	101,8	213 761	6,8	230 516	7,6	107,8	226 134	217 148

**Source:** data of NSI, processed by MAF; preliminary data for 2012

In 2012, the leading place in the agrarian export of the country is held by the following products:

**Table III.8. Leading agricultural commodities in the export of Bulgaria in 2012**

Product name	Quantity (tons)	Value (USD)	Relative share of the total agrarian export in %
Wheat and mixture of wheat and rye	2 452 479,8	710 622 843	16,8
Sunflower seeds, even crushed	753 820,4	509 016 336	12,0
Cigarettes, containing tobacco	19 908,9	276 349 500	6,5
Maize	825 391,4	220 060 362	5,2
Meats and offal, suitable for consumption, from domestic poultry from No. 0105, fresh, cooled or frozen	45 212,2	177 853 512	4,2
Bred, dough pastry or biscuit products, even with cocoa additives	63 846,4	173 366 970	4,1
Raw or unprocessed tobacco, tobacco wastes, tobacco, "sun-dried ", type Oriental	36 657,7	168 211 714	4,0
Sunflower, saffron or cotton oil, and their fractions, even refined, but not chemically altered	132 175,4	156 486 924	3,7
Seeds of dock or rape seed, even crushed	212 987,8	139 082 996	3,3
Preparations of the types used for animal food	65 245,8	98 624 490	2,3
Cheeses and curd	23 493,3	93 025 093	2,2
Barley	325 128,4	89 992 654	2,1
Other types of sugar, including lactose, maltose, glucose and fructose (laevulose), chemically pure, solid state; sugar syrups without aromatizers or coloring additives; substitutes of honey, even combined with natural honey; caramelized sugar and caramel	122 171,2	79 306 038	1,9
Chocolate and other food products, containing cocoa	16 581,4	67 708 404	1,6
Wines made of fresh grapes, including enriched with alcohol, grapes must	56 157,4	62 731 797	1,5

**Source:** preliminary data of NSI, processed by MAF

Leading agricultural commodities for import in Bulgaria in 2012 are:

**Table III.9. Leading agricultural commodities for import in Bulgaria in 2012**

Product name	Quantity (tons)	Value (USD)	Relative share of the total agrarian import in %
Meat of animals, such as sows, fresh, chilled or frozen	94 503,5	240 514 605	8,0
Sugar from sugar cane or beet and chemically pure sucrose,	194 730,6	191 877 024	6,3

in solid state			
Meats and offal, suitable for consumption, from domestic poultry from No. 0105, fresh, chilled or frozen	107 827,1	189 593 830	6,3
Raw or unprocessed tobacco, tobacco wastes	30 850,7	152 015 319	5,0
Coffee, even baked or decaffeinated; shells and flakes of coffee; coffee substitutes, containing coffee, regardless of the ration of the admixture	28 866,7	113 260 425	3,7
Chocolate and other food products, containing cocoa	18 863,8	87 160 706	2,9
Milk and cream, concentrated or with sugar additive or other sweeteners	38 207,2	86 910 453	2,9
Bred, dough pastry or biscuit products, even with cocoa additives; wafer, empty dough capsules for medicaments, dough for sealing, dry dough leaves made of flour, starch or farina, and similar products	30 627,5	81 817 104	2,7
Food products, not mentioned or included elsewhere	20 105,0	81 428 770	2,7
Ethyl alcohol, non-denatured, with alcohol content for volume under 80 % vol.; rakia, liquors and other spirit drinks	12 978,5	78 000 007	2,6
Cigars (including cigars with cut ends), cigarillos and cigarettes with tobacco or tobacco substitutes	6 744,6	71 048 371	2,3
Preparations for the varieties used for animal food	47 472,5	61 229 940	2,0
Cheeses and curd	13 965,9	57 740 264	1,9
Maize	92 024,3	57 450 127	1,9
Water, including mineral water and sparkling water sweetened with sugar or other sweeteners, or aromatized, other soft drinks, with the exception of fruit and vegetable juices from No. 2009	71 625,9	55 690 469	1,8

*Source: preliminary data of NSI, processed by MAF*

#### **4. Development of foreign trade in agricultural commodities in 2013**

According to preliminary data of NSI, processed by MAF, during the first six months of 2013, the export of agricultural commodities has increased by 17% in comparison to the same period in 2012, reaching 2 149,8 million USD. This is mainly due to significant increase of the export of cereals (by 35%), oilseed crops (by 46%) and tobacco and tobacco products (by 24%), which remain the three leading groups of products in the structure of the agrarian export of the country.

For the import of agricultural commodities, during the six months of 2013, a less pronounced increase on an annual basis is registered – with approximately 6%, to 1 565,4 million USD. Thus for the first six months of 2013, positive trade balance for Bulgaria is formed, to the amount of 584,4 million USD, by 354,2 million USD for the respective period of the previous year (increase of 65%).

EU countries remain the main partner in agrarian trade of the country, and they take up a relative share of approximately 62% in the total export of agricultural commodities for the six months of 2013, and approximately 80% in the total agrarian import for the period.

### **IV. SUPPORT OF THE AGRARIAN SECTOR**

#### **1. Implementation of EU Common Agricultural Policy**

##### **1.1. Support on the first pillar of CAP**

##### **1.1.1. Direct payments per area, national additional payments for direct payments and specific support**

The direct payments are an instrument of CAP, which guarantees minimum level of the income from agricultural activity. They are applied relatively easily and have direct social effect, because they motivate the producers to continue to work in the field of agriculture.

As the other member-states, which have been acceded to the EU after 2004, following the first years of its membership, Bulgaria has only received part of the support through direct payments, which is provided to the original member states. In 2013, Bulgarian producers will receive 70% of the amount of support in the initial member-states, in 2014 – 80%, in 2015– 90% and in 2016 - 100%. For the purpose of compensating the lower initial amount of the direct payments compared to EC-15, the new member-states (including Bulgaria) could provide to their agricultural producers national additional payments to the direct payments, which are financed by the national budgets.

During calendar year 2012, according to the schemes and the measures for direct payments, financed with funds by EAGF, EAFRD and NC, authorization of declarations has been carried out, which have been filed during campaigns `2011 and 2012.

**Table IV.1. Authorized funds during the calendar year 2012 for campaign `2011**

Scheme/measure	Number of total applications filed by campaign	Percentage distribution of the budget (%)			Authorized sum (BGN)
		EAGF	EAFRD	NB	
SAPS	87 795	100	-	-	725 240 643,47
NAAP	68 449	-	-	100	89 909 284,36
HP1	29 210	-	82	18	4 497 503,11
HP2	11 490	-	82	18	1 401 411,51
AEP	1 973	-	82	18	6 763 712,14
Natura 2000	2 427	-	82	18	4 629 039,46
NAPA 1	8 101	-	-	100	27 020 614,64
NAPA 3	5 820	-	-	100	35 902,00
NAPC	2 428	-	-	100	1 292 248,50
NAPCSCM1	3 466	100	-	-	111 822,64
NAPCSCM2	1 483	100	-	-	163 759,67
NAPCSCM3	443	100	-	-	137 559,66
NAPA4	807	100	-	-	596 368,48
NAPA5	1 325	100	-	-	748 270,81
NAPT	37 432	-	-	100	72 126 924,53
SRS	231	100	-	-	339 726,35
<b>Total</b>					<b>935 014 791,33</b>

Source: SFA - PA

In October 2012, the payment of subsidies for campaign `2012 has started, with authorization under the schemes for support of sector livestock breeding, financed by NB. Payments under the schemes for animals, financed by EAGF, have been authorized in December 2012.

**Table IV.2. Authorized funds during the calendar year 2012 for campaign `2012**

Scheme/measure	Number of total applications filed per campaign	Total number of applications with authorized payments	Percentage distribution of the budget (%)			Authorized sum (BGN)
			EAGF	EAFRD	NB	
HP1	27 081	26 852	-	82	18	48 696 958,05
HP2	11 227	11 103	-	82	18	15 751 184,68
AEP	2 630	2 303	-	82	18	50 200 648,17
Natura	3 683	3 309	-	82	18	6 620 632,64
NAPA1	8 015	7 421	-	-	100	41 590 478,30
NAPA3	6 046	6 037	-	-	100	21 797 179,50



NAPA4	922	915	100	-	-	749 941,39
NAPA5	1 601	1 589	100	-	-	1 003 280,80
NAPC	3 550	3 548	-	-	100	4 462 977,40
NAPCSCM1	3 425	3 396	100	-	-	14 473 796,69
NAPCSCM2	1 425	1 409	100	-	-	9 154 441,78
NAPCSCM3	649	634	100	-	-	12 469 089,31
<b>Total</b>						<b>226 970 608,71</b>

Source: SFA-PA

For campaign `2012, for the line of direct payments, the following schemes and measures for support shall be applied:

- Single Area Payment Scheme;
- National additional payments scheme per hectare agricultural land;
- National additional payments scheme for tobacco, not related to production;
- National additional payments scheme for cattle, not related to production;
- National additional payments scheme for cows with sucking calves related to production;
- National additional payments scheme for breeding ewes and breeding female goats, related to production ;
- Scheme for maintenance of the production of cow's milk in economically vulnerable farms;
- Scheme for maintenance of the production of cow's milk in non-benefiting regions;
- Scheme for maintenance of the production of cow's milk in nitrate vulnerable zones;
- Scheme for raising breeding ewes and breeding female goats in economically vulnerable municipalities in Southern Bulgaria;
- Scheme for raising breeding ewes and breeding female goats in non-benefiting regions;
- Scheme for raising fresh strawberries and raspberries for processing, not related to production;
- Scheme for specific support of producers of fruits and vegetables;
- Payments to agricultural farmers with natural handicaps in mountain regions - measure 211 of RDP 2007-2013;
- Payments to agricultural farmers in regions with natural handicaps, other than mountain regions - measure 212 of RDP 2007-2013;
- Payments under Natura 2000 and payments, related to Directive 2000/60/EC - for agricultural lands - measure 213 of RDP 2007-2013.
- Agrarian Environmental Payments - measure 214 of RDP 2007-2013.

**Table IV.3. Authorized funds for Campaign 2012**

Scheme	Percentage distribution of the budget (%)			Number of filed applications	Number of applications with authorized payments	Authorized payments (BGN)*
	EAGF	EAFRD	NB			
SAPS	100	-	-	84 078	84 023	905 974 528,1
CNAAP	-	-	100	67 124	0	0,00

NAPA1	-	-	100	8 015	7 998	61 657 793,50
NAPA3	-	-	100	6 046	6 043	30 312 361,48
NAPC	-	-	100	3 550	3 548	4 462 977,40
NAPT	-	-	100	41 870	40 849	72 718 359,25
SRS	100	-	-	115	95	263 028,55
NAPCSCM1	100	-	-	3 425	3 424	15 010 996,69
NAPCSCM2	100	-	-	1 425	1 424	9 252 557,03
NAPCSCM3	100	-	-	649	649	12 624 706,92
NAPA4	100	-	-	922	921	756 031,18
NAPA5	100	-	-	1 601	1 600	1 009 958,73
SIFV	100	-	-	1 430	435	14 148 653,52
Measure 211 – HP1	-	82	18	27 081	26 852	48 696 958,05
Measure 212 – HP2	-	82	18	11 227	11 103	15 751 184,68
Measure 213 – Natura	-	82	18	3 683	3 474	7 547 268,84
Measure 214 – AEP	-	82	18	2 630	2 464	53 612 715,13
<b>Total</b>						<b>1 252 034 089,14</b>

**Source:** SFA-PA

*\*The payments are carried out during the period 1 October 2012 –12 July 2013*

#### **Schemes for support per hectare**

For campaign `2012 84 078 support applications under SAPS have been processed. Out of the total budget, which amounts to 923 560 thousand BGN, 905 975 thousand BGN have been authorized. The declared surface area under the scheme exceeds 3,6 million ha, and the amount of support per unit of area – 264,44 BGN/ha.

Under the scheme for raising fresh strawberries and raspberries for processing, a total of 115 applications have been filed. The authorized sum is 263 thousand BGN.

#### **Schemes, not related to production**

Under the scheme for national additional payments for tobacco, not bound with production, budget has been specified to the amount 73 000 thousand BGN. The authorized sum for campaign `2012 e to the amount of 72 718 thousand BGN, for 40 849 applications.

Under the scheme for national additional payments for cattle, not bound with production, 7 998 applications have been authorized, with a total amount of support 61 658 thousand BGN. Under this scheme, cattle and buffalo are supported, which have been available in the holding to the reference date 28.02.2009.

#### **Scheme for support of producers of fruits and vegetables, bound with the production**

In campaign `2012, one more specific support scheme has started – for improvement of the quality of fresh fruits and vegetables, with application period 2012, 2013 and following years, financed entirely by EAGF. The purpose of the measure is support of the production of high quality tomatoes, cucumbers, pepper, apples, cherries, peaches (including nectarines) and apricots (including Mirabelle plums). Support is provided per ton produced on the territory of the country and certified production. The annual budget of the scheme for the whole period of its application amounts to 15 000 thousand BGN. A total of 1 430 applications have been filed, out of which data has been provided for 435 for certified quality production. As of July 12, 2013, the sum authorized under the scheme amounts to 14 149 thousand BGN.

#### **Schemes for support in the livestock breeding sector**

In the middle of July 2011, changes to the existing schemes for specific support in relation to cow's milk, breeding ewes and breeding female goats have been notified to EU, directed toward alleviation of the requirements to support applicants. As a result, for campaign `2012, an increase in the interest of livestock farmers is observed toward the two schemes, compared to the previous year.

### **Campaign `2013**

**Table IV.4. Number of applications filed and amount of lands declared for campaign `2013 under the schemes and the measures for support per unit area**

<b>Scheme</b>	<b>Number of applicants</b>	<b>Area (ha)</b>
AEP	4 229	816 856
NAAP	69 562	3 294 584
HP 1	29 391	359 340
HP 2	11 981	251 270
Natura 2000	6 001	214 623
SAPS	87 920	3 756 715
SIFV	2 604	11 673

*Source: SFA-PA*

**Table IV.5. Number of applications filed and declared number of animals for campaign `2013 under schemes and measures for support per number of animals**

<b>Scheme</b>	<b>Number of applicants</b>	<b>Declared number of animals</b>
NAPA1 buffalo	121	5 650
NAPA1 cattle	7 815	300 034
NAPC	4 114	81 853
NAPA3	6 675	876 143
NAPCSCM1	3 439	76 242
NAPCSCM2	1 440	45 568
NAPCSCM3	678	75 372
NAPA4	1 228	29 097
NAPA5	1 967	42 093
AEP/animals	843	61 787
AEP/bee families	371	52 245

*Source: SFA-PA*

Under the scheme for national additional payments for tobacco, not bound with the production, for campaign `2013, a total of 41 758 have applied.

### **1.1.2. Mechanisms for market support under sectors**

#### **1.1.2.1. Sector „Field crops”**

##### **Grain market intervention**

Intervention is one of the main market support instruments, having the purpose of providing market stability. The intervention procedure is in compliance with the rules for financial support of CAP of EU, and is applied in relation to the regular and solid wheat, barley, maize and sorghum.

For scheme “Purchasing of grain crops” for the intervention period 01.11.2011 – 31.05.2012, an announcement has been published for purchasing common wheat at a fixed price, until reaching

3 000 000 tons for the whole EU. Due to the significantly higher price of wheat on international markets in comparison to its intervention price, within this period, no purchasing offers have been filed.

Under scheme "Storage of grain crops" for the market year 2011/2012, agreements have been concluded by 8 warehouses, to a total warehouse capacity of 49 200 tons, which shall secure the necessity of warehouse premises for the intervention period. Due to absence of offers for purchasing wheat during this period, no payments have been made under these agreements.

According to the requirements of Regulation (EC) 1234/2007, on 31.05.2013, the intervention purchasing of the grain crops, which has started on 01.11.2012, has concluded. Due to the high prices of the grain crops on the international markets, no interest toward the measure has been declared by producers.

For the market year 2013/2014, under the same scheme, organizing a tender for selection of storage warehouses is not scheduled, because the market prices of grain significantly exceed the intervention levels. In case of need of storage, 250 thousand BGN without VAT have been stipulated, for warehouse expenses.

In the calendar year 2013, if EU adopts the Regulation for opening a tender procedure, SF "Agriculture" shall publish by 01.11.2013 an invitation for participation in a tender for intervention purchasing of regular wheat, with an acceptance deadline until 31.05.2014. Funds have been dedicated to the amount of 2 000 thousand BGN without VAT, in case of occurrence of purchasing conditions.

#### **Program for distribution of food to the most deprived persons in the Union (Charity)**

The European Program for distribution of food for the most deprived persons in the Union has a real and significant social effect. In recent years, with the purpose of improvement of food balance of the products granted under this measure, the selection of the distributed food is not limited only to the entities, to which intervention applies, but an option also exists to purchase food from the food market.

The program is implemented successfully in Bulgaria for a fifth consecutive year by SFA-PA, with the assistance of the Social Support Agency and BFSA.

In 2012, work has been concluded on plan `2011, plan `2012 has been started, and participation of the country in plan `2013 has been declared.

#### **Plan 2011**

The budget for carrying out of plan `2011 under the program amounts to 21 598 thousand BGN. More than 265 000 indigent people and more than 800 institutional beneficiaries.

Partner of SFA-PA in carrying out of the annual plan is BRC.

The main part of the budget is distributed for the purchasing of:

- 57 631 tons of barley from Slovakia;
- 3 586,5 tons of soft wheat from the interventional reserve in Bulgaria,
- 42 100,5 tons of barley from the interventional reserve in Bulgaria.

During the calendar year 2012, according to plan `2011, to the bank account of SF „Agriculture“, liquidated damages have been paid under the concluded agreements to a total value of 205 thousand BGN. On its own, SFA-PA has paid to BRC administrative and transportation expenses to the amount of 365 thousand BGN and VAT to the amount of 187 thousand BGN, and transportation expenses for operators to the amount of 205 thousand BGN and VAT to the amount of 105 thousand BGN. With the payment of these sums under the last third tranche, the carrying out of plan `2011 has been successfully resolved, with utilization rate of the budget granted of 98,8%.

#### **Plan 2012**

For plan 2012, with Regulation (EU) 562/2011 of Bulgaria, budget has been dedicated, to the amount of 8 183 thousand BGN, which has been granted in the form of 39 150,874 t. intervention barley

from Great Britain and Finland. Consequently, with Regulation (EU) No. 208/2012, the total budget of Bulgaria has been increased by 41 931 thousand BGN, and to the value of the intervention grain, 27 390 thousand BGN have been added, which are used to obtain food products from the market. Thus the annual budget for 2012 has been increased almost 3 times compared to the annual budget for 2011

For the carrying out of the plan, an agreement has been concluded for cooperation between SFA-PA and BRC.

The total number of beneficiaries entitled to receive food support in 2012 amounts to more than 309 thousand indigent persons according to the lists provided by the Social Support Agency. Following the organization of several interdepartmental work groups with the participation of representatives of all stakeholder institutions, the scope of the supported parties is extended with three new target groups:

- families, which during the previous calendar year have received aid for training expenses for first grade students;
- persons, which have taken part in the activity "Personal assistant" under the National program "Personal assistant" under the National Program "Assistants to people with disabilities";
- persons and families using single aid for health, education, public utility and other needs.

On the basis of the changes accepted in this manner, the scope of the persons subject to support has been extended by more than 68 000 people.

For implementation of the program, 3 public procurements have been carried out for selection of operators for delivery of 15 types of food products, for two tranches, to the warehouses of BRC. Two tranches have been paid for distribution of products to authorized indigent persons.

The total agreed quantity of food products for delivery amounts to 21 178 tons. A total of 20 770 tons have been distributed, delivered to 32 warehouses in 28 district in the country. Following the conclusion of the program, the non-distributed products have been granted to social and health establishments in the whole country. The funds utilized under the program for the calendar year 2012 have a total value of 42 500 thousand BGN without VAT, and out of them, transport, administrative and warehouses expenses have been paid to BRC to the amount of 2 831 thousand BGN and to operators for purchase and transportation of products - 31 912 thousand BGN without VAT, and it has been provided for withdrawing grain to an intervention value of 7 756 thousand BGN without VAT.

Each legally qualified beneficiary has received a total 64,890 kg. food products or an increase of 13,800 kg. compared to the plan for 2011.

### **Plan 2013**

For implementation of plan 2013, an agreement for cooperation with BRC has been signed. With Regulation (EC) 1020/2012 of Bulgaria, budget has been granted for carrying out of plan 2013 to the amount of 37 342 thousand BGN.

Until the middle of 2013, a public procurement is carried out with eleven lots for delivery of spaghetti, waffles, lentils, jam, potato mash, bee herbal honey, rice, flour, sugar, oil and ripe kidney beans, to a total value of 35 589 thousand BGN without VAT.

In relation to carrying out of the plan and distribution of products of the three public procurements, it is projected that BRC is only paid for administrative and warehouse expenses to the amount of 351 thousand BGN without VAT and transportation expenses to the amount of 1 052 thousand BGN without VAT.

According to the legislation of EU, the program for distribution of food to the most indigent people in EU shall be applied by the end of 2013

#### **1.1.2.2. Sector "Meat and apiculture"**

##### **Intervention and private storage of meat**

In 2012, prerequisites for implementation of schemes for public intervention for beef, veal and pork and private storage of beef, veal, sheep and goat meat are not available.

#### National Apiculture Program for the three-year period 2011 - 2013

In 2012, the second year of the application of the measures has started, included in the second three-annual National Apiculture Program (2011-2013). For its carrying out, a budget three times as higher has been stipulated (almost 20 million BGN) compared to the budget for the previous three-annual period. New measures for support of bee-keepers in Bulgaria, directed mainly to increasing qualification of the employees in the sector have been included, as well as development of good practices in apiculture and popularization of Bulgarian bee products.

**Table IV.6. Financial aid paid and funds utilized under NAP for the period 2008 – 2012**

Indicators	1 <sup>st</sup> three-year period				2 <sup>nd</sup> three-year period		
	2008	2009	2010.	Total	2011	2012	Total
<b>Budget (BGN)</b>	2 370 000	2 770 000	2 290 000	<b>7 430 000</b>	6 553 589	6 532 501	<b>13 086 090</b>
<b>Paid financial aid (BGN)</b>	816 567	2 433 306	1 771 423	<b>5 021 296</b>	4 615 703	5 367 783	<b>9 983 487</b>
<b>Utilized budget ( %)</b>	34%	88%	77%	<b>68%</b>	70%	82%	<b>76%</b>

Source: MAF and IACS, module National Apiculture Program

Traditionally, the high level of interest of bee-keepers to NAP has been retained during the financial year 2012. During this year, more than 1 200 support applications have been filed, under which a total of 1 188 agreements for financing have been approved. The main part of the applicants with concluded agreements (91%) have carried out the stipulated investments, and have filed applications for payment. The number of bee-keepers, which have not entirely carried out their investments under the concluded agreements, has decreased almost 3 times in comparison to the previous year. This is caused to a large degree by the opportunity provided by SFA-PA to applicants under the program for obtaining low-interest rate loans for financing of the activities under measure D of the program – purchasing bee-hives, bee families and queen bees.

In 2012, 5 368 thousand BGN have been paid under NAP, 50% of which by EAGF and 50% - by NB. This is the highest utilized financial resource under NAP for both periods of its applications, thus reaching a very high degree of utilization rate of the budget dedicated for the year – 82%. The better efficiency in processing of the applications for support and payment under NAP, which has been achieved by increasing automation of the used module in the Integrated Administration and Control System, decentralization of filing works and processing of applications for support and payment, etc. have been determined as factors, conditioning the positive deliverables,

**Table IV.7. Paid financial aid under NAP for 2012, under measures, BGN**

Measure, sector	Budget for 2012	Paid financial aid			Utilized funds (%)
		Total	including:		
			EAGF	NB	
1. Total under Measure A – Technical aid for bee-keepers and bee-keeper associations	399 876,90	151 518,56	75 759,27	75 759,29	37,9
Activity I – Development of unified program and training of trainers – qualification and requalification of employees. Sector 2 - Training of trainers.	222 132,00	0,00	0,00	0,00	-

Activity III – Popularization of Bulgarian bee products, including produced organically, sector 1: Popularization of Biological bee products	53 516,00	38 907,30	19 453,64	19 453,66	72,7
Activity III - Popularization of Bulgarian bee products, including produced organically, sector 2: Popularization of bee products	124 228,90	112 611,26	56 305,63	56 305,63	90,6
<b>2. Total under Measure B – Combating against Varroa destructor</b>	753 597,32	591 677,74	295 838,87	295 838,87	78,5
Sector 1 - Expenses for exercising veterinary control and providing assistance by inspecting bee-keepers.	67 447,00	43 990,00	21 995,00	21 995,00	65,2
Sector 2 - Expenses for purchasing preparations in the fight against Varroa destructor, approved by the Veterinary Medicinal Activity Act.	686 150,32	547 687,74	273 843,87	273 843,87	79,8
<b>3. Total under Measure C – Measures for support of the carrying out of physical and chemical analysis of bee honey</b>	37 805,40	11 771,60	5 885,80	5 885,80	31,1
Sector 1 – Support of bee-keepers for carrying out of laboratory analysis of bee honey	37 805,40	11 771,60	5 885,80	5 885,80	31,1
<b>4. Total under Measure E - Measures for support of renewing bee-hives in the Community</b>	5 149 499,62	4 443 282,77	2 221 641,38	2 221 641,39	86,3
Sector 1 – Purchasing new bee-hives	3 141 884,29	2 949 449,41	1 474 724,70	1 474 724,71	93,9
Sector 2 - Expenses for maintenance or increasing the number of bee families	1 745 491,27	1 319 248,00	659 624,00	659 624,00	75,6
Sector 3 - Expenses for purchase and replacement of queen bees	262 124,06	174 585,36	87 292,68	87 292,68	66,6
<b>5. Total under Measure F – Cooperation with specialized bodies for the practical implementation of the applied research programs, in the area of apiculture and bee products</b>	191 721,84	169 532,60	84 766,29	84 766,31	88,4
Topic 1 – Creation of a line of bees with increased resistance to certain factors (conditionally pathogenic) diseases	0,00	0,00	0,00	0,00	-
Topic 2 - Testing of modern technologies for storage of queen bees during the winter period	20 810,00	7 281,69	3 640,84	3 640,85	35,0
Topic 3 – Establishment of genetic and morpho-ethological markets for resistance of bee families to illnesses, with the purpose of forming a system of activities on the selection, conservation of national genetic resources and protection of bees from diseases and extinction.	170 911,84	162 250,91	81 125,45	81 125,46	94,9

<b>Total</b>	<b>6 532 501,08</b>	<b>5 367 783,27</b>	<b>2 683 891,61</b>	<b>2 683 891,66</b>	<b>82,2</b>
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*Source: IACS, module National Apiculture Program – applications for 2012*

In 2012, under measure A - Technical aid for beekeepers and beekeeper associations, 38% of the projected budget have been utilized. 3 promotional projects have been realized, including events for popularization of Bulgarians bee honey and bee products.

Under measure B – combating against Varroa destructor, 79% of the budget have been utilized. In relation to sector 1 - Expenses for performance of veterinary control and providing aid by beekeepers-inspectors, spring prophylactic inspections of 43 990 bee families have been carried out. The amount of the expenses approved for the carried out reviews is 44 thousand BGN, and financial aid has been paid to them, in the same amount (financing of 100% of the approved expenses). Under sector 2 - Expenses for purchasing preparations in combating against Varroa destructor, 105 562 treatments of bee families have been carried out. Expenses have been approved for purchasing preparations to the amount of 609 thousand BGN, for which financial aid has been paid, to the amount of 548 thousand BGN. (90% of the approved expenses).

Under measure C - Measures for support of the carrying out of physical and chemical analysis of bee honey, 31% of the budget has been utilized. Under sector 1 – Support of beekeepers for performance of laboratory analysis of bee honey, a total of 545 analyses of bee honey have been carried out in accredited laboratory, according to the indicators dedicated in the National Program - Hydroxymethylfurfural (HMF), diastase activity, reducing sugars and sucrose, water content, impurities insoluble in water, electrical conductivity, free acidity, mechanical impurities, mineral substances, and pollen. The approved expenses for the carried out analyses amount to 13 thousand BGN and for them, financial aid has been paid to the amount of 12 thousand BGN.

Under measure D - Measures for support of renovation of bee hives in the Community, a total of 86% of the projected budget has been utilized. Under *sector 1* – Purchasing new hives, a total of 30 365 hives have been purchased, with the amount of the approved expenses: 3 680 thousand BGN and paid financial aid to the amount of 2 949 thousand BGN (80% of the approved expenses). The amount of the paid financial aid under this sector is preserves at the level of the paid subsidies for the previous year. Under *sector 2* - Expenses for maintenance or increase in the number of the bee families, a total of 12 963 bee families have been purchased. The approved expenses are to a value of 1 649 thousand BGN, and for them, financial aid has been paid to the amount of 1 319 thousand BGN (80% financing of the approved expenses for layers and 50% for hiveless clusters). Under *sector 3* - Expenses for purchase and replacement of queen bees, a total of 11 540 pedigree queen bees have been purchased. The amount of the approved investment expenses is 218 thousand BGN, and out of them, financial aid to a total amount of 175 thousand BGN has been paid (80% financing of the approved expenses for queen bees). The amount of the paid financial aid under sector 2 and sector 3 of the measure is higher, respectively by 30% and 119% in comparison to the previous year.

Under measure E – Cooperation with specialized bodies for exercising of a practice for the application research programs in the area of apiculture and bee products, two scientific projects have been realized. High percentage of utilization rate of the budget for the year has been achieved under it - 88%.

### **1.1.2.3. Sector “Milk”**

The general milk and dairy products market organization in EU represents a group of instruments (quota system for cow's milk, intervention measures, aid for private warehouse storage, foreign trade mechanisms), which are utilized for stabilization of markets and encouragement the consumption of these products.

#### **Scheme “Milk quotas”**

The purpose of the quota system is to achieve a balance between the demand and the supply of milk and dairy products on the EU market. The member states have national milk quotas (national



reference quantity), which represent a guaranteed total quality of cow's milk for quota period, for which the country has no obligation to pay a levy (installment). The national quota of Bulgaria amounts to 979 million kg. Each separate producer, depending on the needs of its holding, can hold individual quota for deliveries, and individual quota for direct sales.

As of the quota year 2009/2010, an annual increase of the national quota by 1% is applied, which decreases the possibility of charging excess production fee.

The calendar year 2012 encompasses two quota years – 2011/2012 and 2012/2013.

**Table IV.8. Carrying out of national quotas for deliveries and direct sales for the quota years 2007/2008-2011/2012**

Quota period	National quota for deliveries (tons)	Realized quantities for deliveries (tons)	Carrying out of quota for deliveries (%)	National quota for direct sales (tons)	Realized quantities for direct sales (tons)	Carrying out of quota for direct sales (%)
2007/2008	893 688	760 564	85,10	85 312	52 425	61,45
2008/2009	912 238	797 258	87,40	86 342	61 543	71,28
2009/2010	928 425	809 655	87,21	80 141	56 869	70,96
2010/2011	942 195	472 471	50,15	76 456	19 184	25,09
2011/2012	951 617	463 169	48,67	77 221	16 775	21,7

Source: SFA-PA

The analysis of the trends for the past five quota years indicates an annual decrease in the carrying out of the national quota. On the basis of the annual declarations filed as of the middle of the month of July 2013, for the year 2012/2013, a consecutive decrease of the degree of carrying out of the quota is expected. In compliance with the requirements of the Law for implementation of the general organizations on agricultural products markets in EU, for the period from July 2009 to December 2012, SFA-PA has collected fines on charged administrative penalties to the amount of 56 thousand BGN and property sanctions to the amount of 81 thousand BGN.

On 01.08.2012, the fourth quota exchange in the country has started. With an Order of the Minister of Agriculture and Food, for the quota year 2012/2013, fixed price of 0,01 BGN per kilogram of cow's milk for deliveries and per kilogram of cow's milk for direct sales has been approved.

The low price has resulted in a faster increase by demand in comparison to the supply of milk quotas, reversing the trends from the three previous quota exchanges. The quantities declared for purchase to the amount of 7 006 tons for delivery and 96 tons for direct sales have not been reached prior to the deadline. Due to this reason, the filed applications for purchasing have been ranked, whereas advantage is given to producers by 1<sup>st</sup> category farms. The remaining quantity has been distributed proportionally among other applicants.

Having regard to the constantly decreasing price for purchase and sale of milk quotas in the last three years, it is likely that for the year 2013/2014, quota exchange shall not be declared.

#### **Scheme "School milk"**

The European program "School milk" promotes consumption of dairy products by children and establish balanced nutrition habits. With this program, EU provides subsidies to schools and to other education establishments, so that they can provide to children and to school students milk and yoghurt, and other dairy products. The program has been applied in Bulgaria since the academic year 2008/2009 year. Beneficiaries of this support are children and school students, which regularly visit kindergartens/preschool establishments, and primary schools.

For the academic year 2012/2013, a total of 22 declarations have been filed for payment by 9 educational establishments, payments have been carried out, to the amount of 2 485,34 BGN. As a comparison, for academic year 2011/2012, 3 742,59 BGN have been paid.

The interest to the scheme "School milk" by educational facilities in Bulgaria is not at the desired level, due to the insufficient amount of European financing. Its application is highly encumbered, due to the requirement for co-financing, which school authorities are not capable of providing, in view of the economic crisis. For the purpose of overcoming these difficulties, SFA-PA has initiated the establishment of a work group, which in compliance with the possibilities, which are provided by the European legislation, shall regulate granting national aid in support of the program "School milk".

#### **1.1.2.4. Sector „Wine”**

The support of the vine and winery sector shall be implemented through the financing of three measures, included in the national program for support of the vine and winery sector 2008/2009 - 2013/2014. The funds for carrying out of the program has been provided by EAGF.

##### **Financial year 2011/2012**

During the financial year, 33 991 thousand BGN have been paid under the program, which represents 64,19% of the annual budget to the amount of 52 957 thousand BGN.

##### **Measure "Restructuring and conversion of wine vineyards"**

Under the measure, with a budget for the financial year to the amount of 42 885 thousand BGN, 12 activities have been dedicated for support with a single year and multiannual investments, with an option to unite the activities. Support consists of change of the structure of the vine crops in terms of variety, formation, change of their location, which could be combined with the activities for increase of the number of vines, development of hydro-ameliorative facilities, replacement of support structure, building fences, etc. Following an analysis carried out on the utilization rate under the three measures, out of the budget of measures "Insurance of harvest" and "Promotions in third countries" to the budget of measure "Restructuring and conversion of wine vineyards", 8 214 thousand BGN have been transferred.

63 investments have been negotiated. The paid financial aid amounts to 32 715 thousand BGN or 64,02% of the budget under the measure for 2011/2012, following the transfer of the funds.

##### **Measure "Harvest insurance "**

The budget for the financial year 2012, determined for Bulgaria, is 4 792 thousand BGN, which, following the transfer of funds to measure "Restructuring and conversion of wine vineyards" decreases to 1 886 thousand BGN.

Under the measure, producers of wine grapes are supported, which have insured their harvest for one or several insurance risks, such as hail, storm, flood, inundation, etc. The financial aid under this measure is up to 80% for insurance risks, such as natural disasters, and up to 50% for other insurance risks, such as fire, root fire, etc.

Financial aid has been paid to the amount of 1 276 thousand BGN or 68,65% by the annual budget under the measure.

##### **Measure "Promotion of wines in third countries"**

In 2012, promotional project has been approved "Measures for promotion of European winery regions, and specific regional wines in Bulgaria, for the target markets of Singapore, Thailand, and Vietnam, proposed by the Regional Vine and Winery Chamber "Thrace", with a budget of 5 222 thousand BGN.

##### **Financial year 2012/2013**

##### **Measure "Restructuring and conversion of wine vineyards"**

The initially designated budget under the measure for the financial year amounts to 42 445 thousand BGN. With the purpose of fuller utilization of the funds under the Program, for a consecutive year part of the budget under measure "Harvest insurance" has been transferred to the budget of measure "Restructuring and conversion of wine vineyards", which reaches 45 183 thousand BGN.

Measure "Restructuring and conversion of wine vineyards" has remained the most attractive measure for beneficiaries in financial year 2012/2013. A total of 118 projects have been filed, out of which in the first six months of 2013, a total of 66 have been negotiated, with a total value of the financial aid: 20 039 thousand BGN. Until the middle of 2013, 14 735 thousand BGN have been paid under the measure.

#### **Measure "Harvest insurance"**

The budget under the measure for the financial year amounts to 1 897 thousand BGN. A total of 45 applications have been filed and until the middle of 2013, payments have been carried out for 23 applications to the amount of 479 thousand BGN.

#### **1.1.2.5. Sector „Fruits and vegetables“**

##### **Scheme "Groups of producers of fruits and vegetables"**

The purpose of this scheme is for groups of producers, following their carrying out, to transform into organizations of producers. Organizing the producers could provide a series of advantages to them – better positions in negotiating the carried out production, planning of production and decreasing expenses, implementation of coordinated agricultural practices.

Groups of producers utilize two forms of support – 1) EU aid for their administrative and organizational support, which is determined as percentage of the value of the production realized by them on the market; and 2) co-financing of investments made by them for reaching the criteria for recognition as organizations of producers. A prerequisite for obtaining recognition is the group of producers providing 5 annual plans for recognition, in which investments activities could be included.

In 2012, two agreements have been concluded for financial aid with two recognized groups of producers of fruits and vegetables to a full value of 31 000 thousand BGN, with a duration of investment plans for 5 years. Payments under the two agreements, to the amount of 4 580 thousand BGN, have been projected for the month of July 2013. As of the end of the month of June 2013, 10 new groups of producers have been approved. The required financial resource for securing their activities for the five-year period amounts to 86 764 thousand BGN.

A total of 48 agricultural producers are members of the 12 approved groups, representatives of different strands – vegetable production, horticulture and greenhouse production from the regions Plovdiv, Haskovo, Ruse, Veliko Tarnovo, Blagoevgrad, Burgas, Vidin and Montana. The purpose is that by the end of the five year period, the number of members of the approved groups could reach 84.

##### **Scheme "School fruit"**

The general purpose of scheme of EU for providing fruits and vegetables to schools is permanent increase of their share in children catering, especially in the age, when their nutrition habits are being formed.

The scheme has started in 2010 and is dedicated for children and school students, who visit school establishments on a regular basis - kindergartens and schools. The target group includes children from state, municipal and private kindergartens from first to preparatory group, as well as students in school, municipal and private schools from preparatory to IV grade.

In the academic year 2011/2012, scheme "School fruit" encompasses 944 academic establishments in the territory of the whole country (20,9% of the academic establishments), as well as the number of children from the targeted group has reached 121 604 (37,9% of children). A total of 1 406,5 tons of fruits and vegetables have been given out, and the funds spend are to the amount of

2 752 thousand BGN (73,79% utilization rate). The expenses for refunding of VAT have been paid to the amount of 411 thousand BGN.

In school year 2012/2013, 1 300 academic establishments take part in the scheme, with a total of 180 000 children attending, which represent almost 50% increase in the number of participating children, compared to the previous year. The children included in the scheme are 57% of the target group in the country.

The budget under the scheme for purchasing fruits and vegetables for academic year 2012/2013 is 4 836 thousand BGN, out of which 2 836 thousand BGN provided by EU. Additional funds are provided also from the account balance of SFA-PA for coverage of expenses for VAT (800 thousand BGN).

#### **1.1.2.6. Sector "Sugar"**

##### **Scheme "Quota mode"**

Bulgaria has national quota for production of isoglucosis, which for commercial year 2011/2012 amounts to 89 198 tons, expressed as a dry substance for use under the quota, fee of 1 047 thousand BGN has been collected. Part of the fee, to the amount of 75%, shall be transferred to the budget of EU as traditional own resource of the Union, and the remaining 25% - in the national budget.

For the business year 2012/2013, the quota has the same amount - 89 198 tons, expressed as a dry substance, for which as of February 2013, the charge due has been collected. In relation to the control of the production in quota, for the first six month of 2013, 6 applications for production of isoglucosis have been approved and processed, and a total of 8 on-site inspections have been carried out.

##### **Scheme "Approval of enterprises - producers of iso-glucose and refiners"**

In compliance with the provisions of the EU legislation, except for the producers of sugar and iso-glucose, processing parties of raw cane sugar – "permanent refiners" are also subject to approval and control. On the territory of Bulgaria, six approved "permanent refiners" are functioning, plus a single enterprise, producer of isoglucosis..

##### **Schemes „Aid for restructuring" and "Aid for diversification"**

In relation to the restructuring of the sugar industry under scheme "Aid for diversification" and a payment carried out 2010, in 2012 control has been exercised over the activity of the beneficiaries for carrying out of their obligations, undertaken according to the agreements concluded with SFA-PA. On-site verification has been carried out in relation to the occurring insurance event for a subsidized investment under Measure 2 of the program for restructuring of the sugar industry "Adding value to agricultural products".

#### **1.1.2.7. Sector "Promotional programs"**

The promotional programs shall include Activities for presenting information for promotion of agricultural and food products and methods for their production in the territory of EU. Meat and meat products, milk and dairy products, wines with PDO and PGI, fresh and processed fruits and vegetables, products of organic farming, honey and bee products, processed products on the basis of grain crops and rice could be subject to promotion. Financing of the promotional programs shall be implemented using funds of EAGF (50%), of the national budget (30%) and of the supplying organization (20%).

In 2012, the following promotional programs are in the process of implementation:

- "European cheese, please" is the first multinational promotional program with Bulgarian participation, offered jointly with the General Cyprus Organization of cattle breeders and the Association of Milk Processing Parties in Bulgaria. The program is for promotion of Cyprus cheeses – halloumi, kefalotyri and anari, and Bulgarian cheeses – white brine cheese and yellow cheese on the Russian and Ukrainian markets. The total budget of the program, whose performance has concluded in 2012, is to the amount of 9 756 thousand BGN. According to the

Bulgarian part of the program, 3 080 thousand BGN have been paid, out of which 1 925 thousand BGN – by EAGF and 1 155 thousand BGN by the national budget.

- “Information project for promoting dairy products (white brine cheese and yellow cheese) on the domestic market (Germany, Spain)” is the first independent Bulgarian promotional program, which has received approval by EC. It has been proposed by the national association of milk processing parties, with a budget of 6 200 thousand BGN. As of 30.06.2013, under the program, 3 215 thousand BGN have been paid, including 2 009 thousand BGN by EAGF and 1 205 6 thousand BGN of the national budget.
- “Release the taste” (approved by EU in 2011) is a promotional program for processed fruits and vegetables - chutney, baked peeled pepper, rose jam, hips marmalade, and peaches compote, dedicated for markets in Germany, Poland and Romania. It has been proposed by the Union of processing parties of fruits and vegetables, with a total budget 5 834 thousand BGN. As of 30.06.2013, payments have been carried out, to the amount of 2 051 thousand BGN, out of which EAGF – 1 282 thousand BGN, and out of the state budget - 769 thousand BGN.
- Bulgarian and Romanian program “Inter-state program for promotion of wine in third countries” (approved by EU in 2011) – directed toward promotion of Bulgarian and Romanian wines with PDO/PGI in Russia and China. The support agreement has been concluded in April 2012. The program, with a three-annual period of carrying out, has been proposed by the Regional Vine and Winery Chamber “Thrace” and the Romanian “Association of Wine and Wine Products Dobrudzha”, with a total budget of 3 188 thousand Euro (6 237 thousand BGN). As of 30.06.2013, payments have been made to the amount of 20 thousand BGN, out of which EAGF – 12 thousand BGN, and from the state budget – 7 thousand BGN.
- “European dairy products every day” – approved by EU in February 2012, proposed by the Association of milk processing parties in Bulgaria. The program is for promotion of white brine cheese, yellow cheese and yoghurt on the markets in Australia and UAE, with a budget of 6 461 thousand BGN, and three-year period of application. The financial support agreement has been signed in April 2012. As of 30.06.2013, payments have been carried out to the amount of 1 112 thousand BGN, out of which EAGF – 695 thousand BGN, and of the national budget – 417 thousand BGN.
- “Promotion for dairy products in third countries” – approved by EU in February 2012. The program has a three-year period of application and is carried out by the national association of milk processing parties for popularization of white brine cheese, yellow cheese and yoghurt on the markets in Russia and Brazil, to a total value of 5 617 thousand BGN. As of 30.06.2013, payments have been made, to the amount of 111 thousand BGN, out of which under EAGF – 69 thousand BGN, and under the national budget – 42 thousand BGN.
- “Inter-state program for promotion of wines with PDO/in third countries (Switzerland, USA and China)” – approved with a decision of the European Commission in June 2012. The program is a joint Bulgarian and Greek program, filed jointly by the National Vine and Wine Chamber and the Greek Association ENOABE, with the purpose of popularizing of Bulgarian and Greek quality wines on the markets of Switzerland, USA and China, for a term of 3 years. The budget of the program is of a total value 4 634 thousand Euro (9 063 thousand BGN).
- “Wines from South Europe/Mediterranean wines” – approved with a decision of the European Commission in November 2012. The program is multinational and has been submitted by the Regional Vine and Winery Chamber “Thrace”, Convarietyium of the Greek Wine Producers and Regional Wine Repository “Emilia Romagna”, Italy. The subject of promotion are Bulgarian, Greek and Italian wines with PDO/PGI on the markets in Great Britain, Italy and Germany, to a value of 5 200 thousand Euro, and the Bulgarian part of the program has a value of 1 184 thousand Euro. The total sum of the national co-financing amounts to 237 thousand Euro.

- “Promotion of fresh cherries in third countries (Russia and Norway)” has been approved by EU in November 2012. The association applicant is the National Union of Gardeners in Bulgaria, and for the three-year period, fresh cherries shall be promoted in Russia and Norway. The budget of the program amounts to 1 893 thousand Euro, and the total sum of the national co-financing, is 568 thousand Euro.
- “Look at the Egg” is an EU approved program as of April 25, 2013 The program is dedicated for providing information regarding the marking of eggs on the markets of Greece and Romania. The program has been filed by the Association of Agricultural Producers in Bulgaria, and has a value of 1 893 thousand Euro, and the national co-financing is 568 thousand Euro. Conclusion of an agreement for carrying out of the promotional program between the applying organization and SFA-PA is pending.

In 2012, on the applied promotional programs, financial aid has been paid to the amount of 3 932 thousand BGN. For the first six months of 2013, the financial support amounts to 1 781 thousand BGN. It is expected that by the end of 2013, the aid paid will reach 4 500 thousand BGN.

#### **1.1.2.8. Quality Policy - protected designations**

Bulgarian producers may use the opportunity for a facilitated access to the European market of certified products, bearing the EU logo for protected name. With the registration of the names of these products, each nation, included in the European Family, has the objective of displaying its identity and cultural heritage, offering on the European market its own traditional and regional products, with approved commercial reputation, and with a guarantee for the consumer for paying a fair price for a controlled authentic product.

Until the middle of 2012, national procedures have been organized for on-site inspections for all producers and for publication and presentation of a right for response and approval of the applications for four of the products, applying for registration as specific traditional food – “Fillet Elena ”, Kayserovan vrat “Trakiya”, “Role Trapezitsa” and “Pastarma Govezhda i bivolska obiknovena i kayser”. The applications and the information accompanying them for all four products have been provided to EU for review.

A controlling entity has been approved, accredited under standard EH 45011, which has applied exercising of control for compliance with the specifications of all products – food with traditional and specific nature.

In the course of organizing of the European procedure, in June 2013, the application for registration of “Pastarma Govezhda i bivolska obiknovena i kayser” has been withdrawn by the applicant in relation to a necessity of more detailed processing of the documents..

As of the end of 2012, the on-site inspections of “Lukanka Panagyurska”, which has applied for registration as food of traditional specific nature have been concluded. The registration application has been sent to EC for review.

At the end of the month of January 2012, a declaration has been filed, with the respective accompanying documents for registration of “Bulgarian Rose Oil” as Protected Geographical Designation. The on-site inspections have been carried out within the rose harvest campaign – the months starting with May up to and including June 2012. Supervising party has been approved, which has been accredited under standard EN 45011, which has applied for exercising control in compliance with the specification of “Bulgarian Rose Oil”. The national procedure for approval has been concluded and the declaration has been sent to EU in the month of October 2012. In compliance with the European procedure, at the beginning of 2013, the comments of EU regarding “Bulgarian Rose Oil” have been received and taken into consideration.

The application received in September 2012 for amendment of the specification of PGI “Gormooryahovski Sudzhuk”, registered with Regulation 1370/21.11.2011, has successfully passed

through all the stages of the national procedure for approval, and has been sent for review to EU by the end of March, 2013

The procedure at European level includes verification by the European authorities, comments on the documents provided, sending additional information by the applicant, and consequently publishing the application for each designation in the Official Gazette of EU. All stakeholder member states of EU and third countries shall have the right within 3 months to present their objections to the applicant country. In case of conclusion of the procedure with a success, the registration of the name is published in a separate Regulation.

### **1.1.3. Trade mechanisms**

#### **1.1.3.1. Licensing of the export**

##### **Scheme “Refunds for export of agricultural products”**

The refunds for export to third countries shall be paid for agricultural and processed agricultural products and shall be used for compensating the difference between the higher prices of products in EU and in third countries. The amount of the refunds and conditions for their payment is determined by EU depending on the market situation on the European and global market, and for certain products, the amounts of refunds could be differentiated, in view of the export destination.

The products, for which in 2012 it is eligible to pay refunds for export, are part of the sectors poultry meat and eggs, beef and veal, pork and processed products outside of the scope of Annex I (for eggs, used in the processed products). During the year, 83 licenses for preliminary fixing have been issued, to a total value of 1 108 thousand BGN for export of frozen chicken meat and of egg powder. A total of 64 applications for payment of refund for export to the value of 725 thousand BGN for products from the chicken meat and eggs sectors have been accepted.

For the first six months of 2013, 20 licenses for refunds in the sector of poultry meat have been issued, to a total value of 99 thousand BGN. Payments have been carried out, to the amount of 513 thousand BGN, for 45 orders.

Having regard to the market situation in the sector of poultry meat, a trend exists for decrease of the amount of fixing of refunds for export, as a result of which decrease of the number of licensed issued is expected. Destinations such as Iraq, Georgia and Armenia are of interest to the exporters.

##### **Scheme “Mandatory licenses in the export of agricultural products”**

Products, which are subject to mandatory licensing in export to third countries, regardless of whether recovery is required, are of the sectors of the grain crops, rice and sugar. The mandatory licenses are used for statistical purposes, and through them, the market of these sensitive products in EU is monitored.

During the calendar year 2012, a total of 329 mandatory licenses for export have been issued, by approximately 30% more in comparison to the previous year. The highest number of licenses is for export of wheat and mixture of wheat and rye – 108 licenses for 153 833 tons, rice – 134 licenses for 4 986 tons, and maize – 44 licenses for 141 290 tons.

For the first six months of 2013, a total of 217 licenses for export have been issued, and a total of 113 guarantees for mandatory licenses have been provided, to a value of 4 649 thousand BGN. The highest number of licenses is licenses for export of maize and rice – respectively 91 and 66 licenses. If the trend in the export of grain crops, rice and sugar continues in the second half of 2013, an increase by approximately 30% of exported quantities is expected for the year, compared to 2012.

##### **Scheme “Licenses for export of dairy products for Canada”**

According to the Agreement between the European Community and Canada, signed in 1995, the import of dairy products with tariff code 0406 of the Combined Nomenclature, with a decreased rate of the customs duty within the limits of tariff quota, requesting mandatory presentation of export license,

issued by the country of origin of the product. For Bulgaria, the Agreement becomes effective immediately after the accession of our country in EU on 01.01.2007 and interest to this scheme has been displayed immediately following its start. In 2012, 47 licenses for export of milk and dairy products for Canada have been issued, including 31 licenses for 221 tons of cheese and 16 licenses for 69 tons of yellow cheese. for comparison, in 2011 the total number of licenses issued is 11.

During the first six months of 2013, 16 licenses for export of dairy products in Canada have been issued, including 12 licenses for 65 tons of cheese and 4 licenses for 20 tons of yellow cheese.

#### **1.1.3.2. Licensing of import**

In compliance with the provisions of the European laws, the following products are subject to mandatory licensing for import from third countries in EU: grain crops, rice, sugar, olive oil and table olives, fresh and processed fruits and vegetables, beef and veal, pork, milk and dairy products, eggs and egg albumin, poultry meat and ethyl alcohol of agricultural origin. Licenses are issued for one part of them just in case of import within the limits of tariff quotas and preferential modes (beef meat, milk and dairy products, sugar), and for other – in relation to the whole import.

In 2012, 225 applications for licensing have been filed, and 203 licenses have been issued. The largest number of import licenses have been issued, for rice - 79, maize – 58, sugar – 20, and garlic - 12.

According to Regulation (EU) No. 1239/2011 of the Commission, in 2012, a permanent testing procedure has been established for import of sugar, with a code under the Combined Nomenclature 1701, with a decreased customs duty. During the market year 2011/2012, a total of 4 partial procedures have been carried out. For the carried out bids, no licenses have been issued for import, because the proposed amount of the customs duty by Bulgarian operators is lower than the amount determined by the European Commission.

In 2012, guarantees for carrying out of licenses have been found to the benefit of MAF to the amount of 132 705 thousand BGN. Warranties have been refunded to the amount of 146 819 thousand BGN, after distribution of tariff quotas and for participation in bids for import of sugar.

The warranties confiscated to the benefit of MAF, due to failure to complete an obligation for import under licenses issued, amount to 52 thousand BGN.

#### **1.2. Support under the second pillar of CAP – implementation of the Development Program of rural areas 2007-2013**

The Development Program of rural areas provides support for restructuring, development and innovations in agriculture and forestry and the processing industry, as well as for improvement of the environment and living conditions in rural areas. The program reflects the national strategy for development of rural areas and is applied through a package of measures, grouped in compliance with the axes, determined in the European Community Regulations. Carrying out of the objectives of the Strategy shall be implemented with financial aid by the European Agricultural Fund for Rural Development.

The total initially approved budget of the Program for the period 2007-2013 amounts to 6 413 million BGN, out of which 5 167 million BGN have been issued by EU (EAFRD), and 1 246 million BGN national co-financing.

Until 31.12.2012, 9 official requests for changes in RDP have been sent to EU, out of which a total of 8 changes have been approved, and one is in the process of review.

In 2012, main problems from previous periods have been settled. A large delay in the processing of applications has been overcome. Administrative capacity has been strengthened, measures have been undertaken for facilitating the access to financing of municipalities and private beneficiaries.



### **1.2.1. Analysis of the progress reached under the implementation of RDP and for achieving the objectives, by axes**

In 2012, 23 measures shall be applied under RDP. In addition to the measures, applied during the previous years, measure 421 "Inter territorial and cross-border cooperation" shall be applied. Excluding the measures for direct payments to RDP (measures 211, 212, 213 and 214), a total of 8 971 support applications have been filed during the year, and the amount of the declared subsidies is 1 620 290 thousand BGN, whereas the total declared expenses are to the amount of 2 060 861 thousand BGN.

#### **• Measures under axis 1**

##### **Measure 111 "Occupational training, information activities and distribution of scientific knowledge"**

In 2012, a total of 67 applications have been filed, with a value of the public expenses 19 067 thousand BGN. A slight decrease has been registered, compared to the acceptance mode of 2008 and 2010, when 91 and 78 projects have been filed, respectively. Under the measure, 4 261 thousand BGN have been paid, which represents almost triple increase compared to 2011.

As of the start of implementation of RDP to 31.12.2012 under measure 111, a total of 5 732 thousand BGN have been paid. The projects, under which a final payment has been made, are 42, with a value of public expenses of 4 381 thousand BGN.

The analysis of the progress for completing the objectives indicates that the number of persons, which have participated in training with the support under measure 111, represents 45% of the goals set on the basis of projects with payment. The persons who have successfully undergone training, are 9 076 (the carrying out rate is 50%). Carrying out rate of the indicated number of days of training is 2%.

##### **Measure 112 "Establishment of holdings of young farmers"**

Measure 112 is one of the measures, the interest of application to which interest has been very high as of the start of its application. Due to this reason, with the seventh amendment of RDP to the budget, additional funds have been transferred to it to the amount of 78 232 thousand BGN.

In 2012, a total of 1 479 applications have been filed under the measure with a total amount of public expenses 72 316 thousand BGN. A total of 1 245 agreements have been signed, with a total value of the public expenses 60 723 thousand BGN. Payments have been made under 2 960 agreements to a total value of 69 424 thousand BGN.

For the period 2008-2012, under measure 112, a total of 5 369 applications have been filed, with a total value of public expenses 337 962 thousand BGN. 5 369 agreements with an amount of public expenses of 260 791 thousand BGN have been concluded. The funds paid amount to 168 954 thousand BGN.

The analysis of the progress for completing the objectives (on the basis of concluded agreements for support) indicates that the number of young farmers, supported under measure 112 by 2012, represents 95% of the set goal. In relation to the goals on the basis of the requests paid, the carrying out rate is also 95%.

The quality analysis of the projects under the measure, to which payments have been made, indicates that the predominant part of the young farmers mainly deal with gardening – 31%, orchards – 28%, and field crops – 16%. Crop husbandry with Bulgarian traditional crops has been preferred by 78% of the young farmers, and 9% are in the field of livestock breeding. The mixed holdings are 8%. In the "others" category, which takes up a share of 5%, the main strands are apiculture and alternative livestock breeding – red Californian worms and snails.

##### **Measure 114 "Use of consultancy services by farmers and owners of forests"**

In 2012, a procedure has been declared for selection of organizations to provide consultancy services under the Measure 114, which has started in 2011. A total of 12 consultancy organizations in

the field of agriculture have been approved, out of them 4 are leading scientific organizations, 1 is a non-governmental organization, and 7 are consultancy companies. For the purpose of consultations in the field of forests, 1 company has been approved.

In 2012, a total of 30 applications have been filed, with a full value of public expenses 65 thousand BGN. A total of 86 agreements have been concluded, with the amount of public funds: 171 thousand BGN.

As of the start of implementation under the measure to the end of 2012, a total of 88 applications have been filed, with a total value of public expenses 174 thousand BGN. Out of the approved applications, 83 are of agricultural farmers, and 3 – of forest owners. As of 31.12.2012, no payments have been carried out under this measure.

The interest toward applying under measure 114 is low. Analysis of the progress for carrying out of the objectives (on the basis of approved support applications) indicates carrying out rate of 0,5%, which shall be achieved in case that all approved projects are realized and paid.

For the first six months of 2013, a total of 24 support applications have been filed under the measure.

### **Measure 121 “Modernization of agricultural holdings”**

With the approved seventh amendment of RDP, in 2012 to the budget of measure 121, public funds have been transferred, to the amount of 277 077 thousand BGN, out of which under EAFRD - 221 703 thousand BGN.

During the year, a total of 909 applications have been filed under the measure, with a full value of the public expenses 219 050 thousand BGN. Compared to 2011, an increase of 64% in the number and 84% in the value of the submitted projects is observed, as well as a slight increase of their average value. A total of 288 maintenance agreements have been concluded, for a total value of 46 089 thousand BGN. Payments have been made under 351 agreements with a value of public expenses of 68 712 thousand BGN.

For the period since the start of implementation of measure 121 until 31.12.2012, a total of 4 410 projects have been filed, with a total value of public expenses of 1 201 911 thousand BGN. The concluded agreements are a total of 2 726 (62% of the filed applications), with a value of public expenses 664 214 thousand BGN. Payments have been carried out to beneficiaries under 2 158 agreements, with a total value of 521 381 thousand BGN. 78% of all projects have been carried out with concluded and 79% of the agreed public expenses have been paid.

Analysis of the progress for completing the objectives on the grounds of concluded agreements indicates that in the carrying out of agreements, carrying out rate of up to 38% of the objective set under the measure for supported holdings and 49% for realized investments could be achieved. The disproportion in percentages is due to merger of the holdings in comparison to the period of planning of RDP.

Progress under the measure has been observed in relation to paid projects - for projects with final payment, a total of 33% of the objectives for supported agricultural producers and 30% of the targets for investments have been carried out. The carrying out of the objectives on the basis of all projects, under which a payment has been made (including only advance and/or interim payment) shows carrying out rate of 30% in relation to goals for supported agricultural producers and 43% carrying out rate with the goals for investments.

The trend for increasing the share of the projects in deprived regions is confirmed for all projects (9,4% in 2010, 11,2% in 2011 and 12,7% in 2012), and also the trend for increase in the share of public expenses for these regions out of all public expenses – from 9,8% in 2010, 11,8% in 2011 to 13% in 2012. The relative share of the supported projects, however, remains low, which is caused by the obstacles, which agricultural farmers in these regions face in the carrying out of investment projects.

Measure 121 is applied very successfully in relation to investments in crop husbandry – 71% of the approved public expenses and 80% of the paid funds under projects, and their share decreases respectively by 1 and 8 points compared to the period to 2011. As a result of the undertaken measures (guaranteed budgets, additional state aid, information campaigns, facilitation of procedures), the share of livestock breeding sector in the approved and in the paid public funds has increased respectively by 2 and 6 percentage points compared to 2011, and has reached 28% of the approved and 18% of the paid funds under projects.

Subsector "Field crops" has the highest share – 60% of the approved public expenses and 71% of the paid funds under projects, but for a second consecutive year, this share decreases compared to the previous year. Funds are mainly directed toward equipment and mechanization for field crops – 59% of the approved public expenses and 72% of the funds paid under the projects. Sector „Milk“ follows, which retains its share in the approved funds and has increased its share in the paid funds (18% of the approved public expenses and 13% of the paid funds under projects), sector "Perennial crops", where progress is marked by 1 percentage point (5% of the approved public expenses and 4% of the paid funds under projects), and sector "Poultry birds", which retains its share in 2012 (4% of the approved public expenses and 3% of the funds paid under projects).

Investments under measure 121 have been mainly dedicated for equipment and mechanization – 89% of the agreed and 91% of the paid investments, and their share drops slightly compared to 2011. Investments in buildings follow - 9% of the agreed and 6% of the paid funds, and their share increases slightly.

In 2012, a total of 211 projects have been agreed, in which investments have been projected under the so-called "guaranteed budgets". The value of the agreed public expenses has increased by 100% compared to 2011. Increase is observed for all budgets, with the exception of the funds agreed under priority sector 1 (investments, related to application of the Nitrate Directive). The value of the agreed public expenses is 36% of the amount of the guaranteed budgets during the year, and amounts to 118 913 thousand BGN. The analysis on the basis of agreements concluded indicates that in the carrying out of agreements, the most progress could be achieved in the guaranteed budget under the nitrate directive – 95% of the projected funds. For sector "Milk", 18% have been agreed, whereas for other animal sectors - 16%, and for transition to organic farming - 65%.

The number of projects with investments, directed toward the new challenged (with additional financing by EERP), has increased in 2012, and a total of 114 agreements have been concluded. The highest number of projects is the projects related to Water Management (64 projects), followed by the projects for restructuring of the milk sector. For the challenge, related to renewable energy sources, 1 project has been filed for creating crops from rapidly growing species.

The interest for application with projects for investments in sector "Fruits and vegetables", within the limits of acceptance of the objective, remains high. In 2012, a total of 121 projects have been approved, with value of the public expenses of 38 727 thousand BGN.

For the first six months of 2013, under a total of 907 projects have been filed under measure 121.

### **Measure 122 "Improvement of the economical value of forests"**

In 2012, the interest toward application under the measure 122 remains low. For the period 2008 – 2012, under the measure, a total of 11 projects have been filed, with a value of public expenses 3 227 thousand BGN. Out of them, almost half – 6 projects, to a value of 2 093 thousand BGN, have been filed in 2012

Under measure 122, a total of 7 supports agreements have been signed, with the amount of public funds: 1 455 thousand BGN, entirely in 2012. All approved projects are for municipalities. For the period 2008-2011, no payments have been made under the measure. In 2012, a total of 728 thousand BGN have been paid to beneficiaries under 7 agreements.

Due to the low rate of carrying out of the measure and the risk of failure to complete the objectives set, in 2012, with the seventh amendment of RDP, its total budget has been decreased by 24 448 thousand BGN from public funds, as well as the values of the objective indicators.

For the first six months of 2013, one project has been filed under measure 122.

### **Measure 123 “Adding value to agricultural and forestry products”**

In 2012, under measure 123, progress has been achieved, compared to 2011 in relation to the filed applications, value of the projects and the number of agreements concluded. A total of 246 applications have been filed, with a total amount of public expenses 385 293 thousand BGN (increase compared to the previous year respectively by 24% and 108%). A total of 160 agreements have been concluded, with total amount of public expenses 146 469 thousand BGN.

During the year, the rate of carrying out of payments under projects is increased, compared to the previous year. A total of 173 applications have been paid for (increase of 86% compared to 2011) with a value of public expenses 78 408 thousand BGN (increase of 39%).

The highest interest is for investments in the catering industry – 86% of all investments under the measure with a value of the public expenses of 374 905 thousand BGN (96% of the agreed). Projects for processing forest products are a total of 56 (14% of all projects), with a value of the public expenses of 14 864 thousand BGN.

For the period since the beginning of the implementation of RDP until 31.12.2012, payments have been carried out to beneficiaries under 234 agreements, with a total value of 144 399 thousand BGN. 129 projects have been finalized and paid, with a value of public expenses of 78 261 thousand BGN.

As of 31.12.2012, 10 agreements have been concluded under measure 123 for investments with additional financing under EERP. The total agreed public funds are 4 309 thousand BGN. In 2012, payments have been made under all projects. The funds paid amount to 2 460 thousand BGN, out of which 1 627 thousand BGN are related to water management and 833 thousand BGN – with renewable energy sources.

The progress analysis on the carrying out of the objectives on the grounds of agreements concluded indicates that in the carrying out of agreements, carrying out rate of 65% could be achieved of the objective set under the measure for supported enterprises, 74% for realized investments and 46% for enterprises, which have introduced new products, processes and technologies.

The carrying out for the purposes on the basis of all projects, under which a payment has been made (including only advance payment and/or interim payment), is 38% for supported enterprises (compared to 17% for 2011), for enterprises, which have introduced new products, processes and technologies - 26% (14% for 2011). The investment targets have been carried out at a rate of 83%, including sums for Warranty Fund, and at 70% not including them (with only 35% by the end of 2011).

### **Measure 141 “Support of semi-market holdings in the process of restructuring”**

Due to little interest toward measure 141, with the seventh amendment of RDP in 2012, from its budget, 172 110 thousand BGN of public funds have been transferred for other measures, and the values of the objective for its indicators have been decreased.

In 2012, a total of 5 503 applications have been filed, with value of public expenses 80 722 thousand BGN, which represents an increase compared to 2011 2,4 times, and compared to 2010. - 6 times. A total of 4 402 agreements have been concluded, with an amount of public expenses 64 571 thousand BGN (increase 2,3 times compared to 2011). Payments have been made for 6 287 agreements, to a total value of 18 472 thousand BGN.

For the period 2008-2012, the total number of approved applications is 7 296, with value of public expenses of 105 789 thousand BGN. Payments have been carried out for 6 482 projects to the amount of 28 291 thousand BGN. For 3 940 projects, payments for the first year have been carried out,

for 1 917 projects, payments for 2 years have been carried out, and the third payment is carried out for 625 projects.

The analysis of the progress on carrying out of the objectives on the basis of approved applications and processed applications indicates a carrying out of 96% of the objective set under the measure for supported semi-market farmers. In relation to the targets on the basis of paid applications, carrying out rate of 71% has been reached.

#### **Measure 142 “Establishment of organizations of producers”**

Under Measure 142, 2 applications for recognition and support of an organization of producers have been filed in 2012. During the year, no agreements have been concluded and no payments have been made. As of 31.12.2012, 4 applications are in the process of review. For the period since the beginning of implementation of the measure, a payment under one agreement has been made, to the amount of 29 thousand BGN.

In 2012, no progress has been reached in completing the objectives under the measure, in comparison to 2011. In relation to the goals on the grounds of applications paid, 0,7% carrying out rate has been reported for the indication “supported organizations of producers” and 2% under indication “turnover of supported organizations”.

Some of the reasons for the low interest level in this measure are due to unwillingness of small agricultural producers to cooperate with one another, their insufficient knowledge in relation to the Management of a marketing organization (accountancy, retail company/joint venture management, etc.), as well as the absence of sufficient funds for coverage of the operative expenses of the organization.

#### **Measure 143 “Providing advice and consultation in agriculture in Bulgaria and Romania”**

The national office for advice in agriculture is the only beneficiary under measure 143 for the whole period of its application. The office provides for free to the agricultural producers advisory services under measures 112, 141, 214, 121 and 311 of RDP. According to the proposals for changes in RDP approved in December 2011 by EU, until the end of 2013, the consultancy services, provided by NAAS under measure 143, shall be carried out with consultancy services for agricultural producers, which have received financial aid under measure 141 (regardless of whether NAAS has prepared the project under measure 141).

In 2012, NAAS continues to provide a full set of consultancy services only for the entities, eligible for application under measure 141 “Support of semi-market holdings in the process of restructuring”. The Office prepares for them business plans for free under measures 121, 122, 123 and 311 of RDP, and provides additional services, adopted with the sixth amendment of RDP.

During the year. NAAS has provided 103 consultancy services to semi-market holdings, approved under measure 141, including: regarding an evaluation of the holding and establishment of improvements in relation to the statutory requirements for management – 62 evaluations, and regarding Management of agricultural holding and specific advice in the area of crop husbandry and/or livestock breeding - 41 evaluations.

Under the measure, significant progress has been achieved – in 2012, the number of complex consultancy services has increased more than two times compared to the previous year. NAAS has prepared 5 415 projects, which represents an increase of 73% compared to 2011, and 2,4 times in comparison to 2010. The applications prepared in 2012 for semi-market farmers are 38% more compared to the ones prepared during the whole previous period for implementation of the measure (2008 - 2011).

In 2012, payments have been carried out, to a total value of 1 277 thousand BGN. For the whole period of implementation of the measure, until 31.12.2012, the funds paid amount to a total of 7 276 thousand BGN.

The analysis of the progress on the carrying out of the objectives (on the basis of projects paid to NAAS) indicates that the total number of the supported agricultural producers under measure 143 amounts to 56% of the target number, set forth in the program. The measure reaches its goals better in relation to young farmers – 86% and agro-ecology - 64%. Significant progress has been reached in relation to semi-market holdings –45% of the set goals have been reached (compared to 19% until the end of 2011).

- **Measures under Axis 2**

**Measure 211 “Payments of agricultural owners for natural limitations in mountain regions”**

The application of the measure is related to sustainable management of agricultural lands and is directed toward storage of agricultural activity in the mountain regions, support the landscape maintenance and the existing biodiversity and counteracting depopulation and desolation of land in these regions.

In 2012, a decrease of the terms for processing the applications compared to the previous years has been achieved. As a result, a large share of the payments for campaign `2012 have been carried out prior to the end of calendar year 2012

The applications filed in 2012 are a total of 27 081 (decrease by approximately 7% compared to 2011). The approved applications are 26 852 (decrease by 6% in comparison to 2011). Area has been declared of 308 247 ha, which represents an increase of 4%, compared to the previous year.

During the calendar year 2012, partial payments have been made for campaigns `2011 and `2012. The paid public funds under measure 211 reach 50 630 thousand BGN.

For the period since the beginning of the implementation of the measure until 31.12.2012, a total of 193 258 thousand BGN have been paid. The lands declared for campaign `2012 have increased by 13% compared to campaign `2007, and the lands eligible for support for campaign `2011 have increased by 11%, compared to campaign `2007.

As of July 12, 2013, an interim authorization has been carried out under the measure, to the amount of 48 697 thousand BGN.

**Measure 212 „Payments to agricultural owners in regions with restrictions other than mountain regions“**

For campaign `2012, a total of 11 227 applications have been filed, which represents a decrease by 2% compared to the previous campaign. The approved applications are a total of 11 103 (decrease by 2% in comparison to 2011).

Lands declared for support are 224 190 ha, which is an increase of 7% compared to 2011. The surface area of the declared lands marks a steady increase throughout the whole period of implementation of the measure, and the total increase for campaign `2012 compared to campaign `2007 is 24%.

In calendar year 2012, under measure 212, partial payments for campaigns `2011 and `2012 are carried out. The paid public funds reach 16 897 thousand BGN.

As of the start of implementation of the measure until 31.12.2012, the paid funds amount to 60 401 thousand BGN.

As of July 12, 2013 under measure 212, interim authorization is carried out to the amount of 15 751 thousand BGN.

**Measure 213 “Payments for Natura 2000 for agricultural lands”**

The measure starts for the first time in campaign `2011. Under it, agricultural producers are supported, who manage agricultural lands, which are encompassed by the scope of the European

environmental network Natura 2000, which have been declared as protected areas with an Order of the Minister of Environment and Water.

In 2012, the number of filed applications has increased by 52% compared to the previous year, up to 3 683, with declared area of 116 945 ha. As a result of shortening of the terms for processing of the applications, as of 31.12.2012, all payments for campaign `2011 and the most part of the payments for campaign `2012 have been carried out. The authorized public funds amount to a total of 11 097 thousand BGN.

As of July 12, 2013 under the measure, partial authorization for campaign `2012 has been carried out, to the amount of 7 547 thousand BGN.

#### **Measure 214 “Agro-ecological payments“**

In 2012, the main part of the applications for support under measure 214 have been processed, and a large share of the payments for campaign `2012 has been carried out. Acceleration of the procedures is evaluated highly by the beneficiaries, because it grants them the option of preparing for the next business year. During previous years, beneficiaries under measure 214 have received their payments later, in comparison to the agricultural farmers, supported under other measures (SAPS, measures 211 and 212), which has placed them in a more unfavorable financial situation.

The trend for constant increase by the number of filed and approved applications under measure 214 continues. In 2012, a total of 2 630 applications have been filed, which represents an increase by 33% compared to 2011 and by 80% compared to the first campaign of 2008.

In calendar year 2012, payments under measure 214 amount to 58 648 thousand BGN.

From the authorized public funds, the largest share is the share of the payments for organic farming and apiculture – 39%, by 36 616 thousand BGN, which however decrease by 7 points compared to 2011. Second ranked is the strand “Introduction of crop rotation” (23%), with paid 21 256 thousand BGN. A total of 97 new applications have been approved under it, and the area is increased by 2,9 thousand ha to more than 113 thousand ha. It is followed by “Recovery and maintenance of grassy lands with high natural value”, “Protection of endangered local breeds” and “Pastoralism”, respectively with share 17%, 14% and 7% of the funds under the measure.

The quality analysis of the approved applications indicates that the number of the approved applicants for under the measure represents only 10% of the objective, set in RDP, but the lands approved for support are 270% of the objective. The main reasons for this disproportion are increasing UAA of holdings, lower than planned participation rate of subsectors livestock farmers and small farmers. In relation to genetic resources, the number of approved projects represents 60% of the objective set in RDP (by 26% for 2011).

For the period 2008 – 2012, the public funds paid under the measure amount to 97 257 thousand BGN.

#### **Measure 223 “Initial forestation of non-agricultural lands”**

In 2012, a total of 53 applications have been filed under the measure with value of public expenses of 17 919 thousand BGN, observing an increase in comparison with previous years. In relation to the number of projects filed, the increase in comparison to 2011 and to 2010 is respectively 12 times and 77%, and in the value of the requested subsidy, the increase is 26 times, compared to 2011, and 2 times compared to 2010. Payments have been made for 12 agreements, to the amount of public funds of 646 thousand BGN.

As of the start of implementation of RDP and until 31.12.2012, a total of 38 agreements for support have been concluded, with an amount of public expenses 5 525 thousand BGN. The paid public funds amount to 1 397 thousand BGN. A total of 14 projects have been finalized and paid for with value of public expenses 855 thousand BGN.

Municipalities apply predominantly for support under the measure – to 58% of the approved projects, and for projects with payment structures of the State Forestry Agency – state forestry and hunting holdings – 34% of the approved projects and 38% of the paid and private owners of forests – 3% of the approved projects and 5% of the paid projects.

Lands afforested with deciduous trees are predominant – 67% of the approved, and 73% of the projected payments, followed by mixed lands - 25% of the approved and 11% of the projected payments, fast-growing plants - 3% of the approved, and 3% of the paid and private owners of forests projected payments, and coniferous, by 5% of the approved, and 2% of the projected payments.

The analysis of the progress of completing the objectives has indicated that the task assigned for supported beneficiaries for forestation has been reached to an insignificant degree – 2% on the basis of approved applications and 1% on paid basis. In relation to the indicator for afforested lands, the assigned task of 10 000 ha has been reached to a significantly larger degree - 12% on the basis of approved, and 7% on the basis of paid projects.

With the carried out forestation, the objectives assigned are carried out to the highest degree possible for mitigation of climate changes - 10% on the basis of approved, and 6% on the basis of paid, for water quality – 7% on the basis of approved, and 5% on the basis of paid, for prevention of marginalization and desolation of land – a total of 8% has been achieved on the basis of approved, and 5% on the basis of paid projects. The implementation in relation to biodiversity and forestry with high natural value has been reached to an insignificant degree - 4% on the basis of approved, and 2% on the basis of paid and on the basis of soil quality preservation – 4% on the basis of approved, and 1% on the basis of paid projects.

#### **Measure 226 “Recovery of forestry potential and implementation of preventive activities”**

In 2012, a total of 54 applications have been filed, with a value of public expenses of 19 587 thousand BGN. Payments have been carried out for 12 agreements, to a value of public expenses: 671 thousand BGN.

For the period 2008 – 2012, payments have been carried out under measure 226 for 25 agreements to a total value of 1 298 thousand BGN. 20 projects have been finalized, with value of the public expenses: 882 thousand BGN.

The analysis of the progress for carrying out of the objectives has indicated that the task assigned for the number of supported restoration activities, implementation rate of 11% could be achieved, on the basis of approved applications and 7% on the basis of projects with payment. In relation to the afforested lands indicator, the objective assigned of 170 000 ha is reached to a much higher degree - 78% on the basis of approved, and 50% on the basis of projects with payment. Carrying out of the goals for indicators for result for area with successful land management on the basis of projects is 26%.

The positive trend is preserved that the purposes for supported lands and preventive activities are carried out to a high degree, regardless of the small number of projects. In this manner, with small amount of public funds, very good deliverables have been achieved.

#### **• Measures under Axis 3**

##### **Measure 311 “Diversification for non-agricultural activities”**

In 2012, no acceptance of support applications under measure 311 has been declared. A total of 134 agreements have been concluded (decrease by 20% compared to 2011) with a value of public expenses of 41 658 thousand BGN. Payments under 123 agreements are carried out, to a total value of 28 464 thousand BGN.

For the period since the beginning of the implementation of RDP until 31.12.2012, payments have been carried out under the measure for 150 agreements, to a total value of 37 566 thousand BGN.



A total of 80 projects have been finalized and paid for, with a total value of the public expenses of 26 615 thousand BGN.

Out of the approved projects, the ones for development of tourism with a total value of the investments of 71 741 thousand BGN (45% of all investments) are predominant. The share of the investments for the production of energy from renewable energy sources decreases significantly – from 65% as of 31.12.2010. to 43% as of 31.12.2012. One of the reasons for this decrease is the decrease in 2011 and 2012 of the preferential prices for purchasing energy produced by RES by the State Water and Energy Regulation Commission.

In relation to the projects with investments under EERP, in 2012 funds have been paid under 6 projects with a value of public expenses of 1 836 thousand BGN, which represents 51% of the budget. For the period 2009-2012, a total of 13 agreements have been concluded, to a value of 4 624 thousand BGN for renewable energy sources. In case that these agreements are carried out, the utilization of the budget shall amount to 128%.

During the first six months of 2013, a single application opportunity has been declared under Measure 311, within which 723 project proposals have been filed.

### **Measure 312 “Support for establishment and development of micro-enterprises”**

Due to absence of available budget, in 2012, no acceptance of support projects has been carried out under the measure. A total of 200 agreements for realization of projects filed during the previous years have been concluded, with a value of public expenses of 57 170 thousand BGN. Payments have been carried out under 370 agreements with a total value of the public expenses 77 534 thousand BGN.

For the period 2008 – 2012, the paid public funds under measure 312 amount to 109 157 thousand BGN. 289 projects have been finalized and paid, with a total amount of public expenses 83 515 thousand BGN.

Out of the approved projects, the ones for development of tourism are predominant - 481 projects (56% of all projects), with a total value of investments of 48 226 thousand BGN. In value terms, the first ranked are the investments for production of energy from renewable energy sources - 54% of the approved public funds (89 967 thousand BGN).

By the end of 2012, 40 agreements have been concluded under projects, in which investments under EERP have been included, to the amount of 14 408 thousand BGN. Payments have been carried out under 31 projects, with a total value of the public expenses of 10 634 thousand BGN.

Following an evaluation of the risk for non-carrying out of already agreed projects, with a Decision of the Council of Ministers dated 08.03.2013, an opportunity has been provided to have acceptance in 2013 exceeding the planned budget, with the purpose of avoiding loss of funds.

During the first six months of 2013, a single acceptance of support applications under measure 312 has been declared, with a total of 493 filed.

### **Measure 313 “Encouragement of tourism activities”**

In 2012, a total of 121 applications have been filed, with value of public expenses 40 681 thousand BGN. Compared to the previous acceptance period, in 2011 the number of projects filed has increased by 89%, and the value of the declared public expenses – by 80%.

Progress has been realized in relation to the approval of projects. During the year, 126 projects have been approved, with value of public expenses 37 301 thousand BGN, which represents an increase compared to 2011 respectively by 323% and 388%. The funds paid under the measure funds have increased five times in comparison with the previous year, and have reached 18 713 thousand BGN.

For the period 2008 - 2012 under measure 313, payments have been carried out under 149 projects, to a total value of 22 414 thousand BGN. Three projects have been finalized and paid to a total value of 598 thousand BGN.

The analysis of progress under projects, to which a payment has been made, indicates that the target assigned for supported new tourist activities is reached at 59%, and for investments realized under the measure – at 60%. The carrying out for a number of created workplaces on the basis of projects with completed final payments is 2%.

#### **Measure 321 “General services for the population and the economics in rural areas”**

With the seventh amendment of RDP, in 2012 funds have been transferred to the budget of measure 321 to the amount of 239 951 thousand BGN, distributed between the declared five acceptances of projects under the objective. For all premiums, a total of 269 applications have been filed, with a value of public expenses of 748 000 thousand BGN. A total of 171 agreements have been concluded, with value of the public expenses of 564 275 thousand BGN. Payments have been made to a full value of 334 574 thousand BGN under 260 agreements.

For the period since the start of the implementation of RDP, and until 31.12.2012 under measure 321, 1 021 applications have been filed, with the value of public expenses being 3 429 214 thousand BGN. A total of 400 agreements have been concluded, with the value of public expenses 1 263 220 thousand BGN. The funds paid amount to 678 652 thousand BGN.

In relation to the projects with included investments under EERP, in 2012 payments have been carried out under the 15 agreements for support, concluded in 2011. The total funds paid amount to 17 612 thousand BGN (49% of the budget). The projects directed toward the improvement of ecological infrastructure occupy the largest share from the approved projects (45%), and the value of public expenses (49%), as well as the projects with payment – 46% of the number and 49% of the paid amounts. Second ranked are projects with culture and social focus - 33% of the approved projects and 27% of the approved subsidy. Projects related to improvement of mobility also have significant share – 18% of the approved projects and 23% of the approved public expenses.

Measure 321 is applied successfully. The analysis of the progress for completing the objectives (on the grounds of data of approved applications) indicates that the objective set for number of supported activities could be achieved up to 27%, but in relation to the indicator for investments realized under the measure, the carrying out reaches 127%. The evaluation of the carrying out on projects, under which a payment has been made, indicates that 25% of the assigned goal is achieved, for a number of supported activities and 125% for investments, realized under the measure.

#### **Measure 322 “Renovation and development of settlements”**

Measure 322 is one of the measures, to which significant interest is displayed for application.

In 2012, two acceptances have been published, one of which is with a budget of 15 646 thousand BGN, for support applications by municipalities, which have accrued damages caused by the flood in Haskovo district in the month of February 2012

During the year, a total of 232 applications have been filed, with a value of the public expenses: 179 934 thousand BGN. A total of 145 agreements have been concluded, with a total value of the public expenses 92 779 thousand BGN. Payments have been made, to a value of 65 324 thousand BGN.

For the period 2008 – 2012, a total of 754 projects have been filed, with a total value of public expenses 766 085 thousand BGN. A total of 385 agreements have been concluded (52% of the filed applications) with a value of the public expenses of 340 313 thousand BGN. The total under the measure are 192 353 thousand BGN public funds paid under 302 agreements. 90 projects have been finalized and paid for, with public expenses value of 71 807 thousand BGN.

The analysis of the progress for carrying out of the objectives (on the basis of data from approved applications) has indicated that the objective set for the number of settlements, where these activities have been carried out, could reach up to 72%, in relation to the indicator for investments, realized under the measure, the implementation could be higher – up to 96%. The analysis in relation to the progress under the projects, under which a payment has been carried out, indicates that 60% of the objective assigned for settlements and 87% of the objective for investments realized under the measure has been achieved.

- **Measures under Axis 4 LEADER**

- Measure 41 “Implementation of strategies for local development”**

Within the limits of the two carried out acceptances of applications in 2010 and 2011, a total of 35 Strategies of LAG have been approved for financing, with a value of public expenses 103 974 thousand BGN, with which the dedicated budget has been agreed.

In 2012, a total of 19 agreements have been concluded, with LAG, to a value of 53 919 thousand BGN.

The analysis of the progress for completing the objectives (on the grounds of data from approved strategies for local development under measure 41 as of 31.12.2012) indicates that the goal assigned for the number of supported LAG could be carried out up to 70%, in relation to the total area indicator, the carrying out could be up to 72%, and for population, encompassed by LAG – 54%. Until 31.12.2012, no projects have been approved for financing by LAG.

For the first six months of 2013, 447 projects of Local Action Groups have been filed for review under measure 41.

- Measure 431 “Management of Local Action Groups, acquiring of skills and reaching public activity at the respective territory for the Local Action Groups, applying strategies for local development”**

In 2012, payments under 48 agreements under measure 431 have been made, with a total amount of the public funds of 4 510 thousand BGN. Over the whole period of implementation of the measure, 302 orders for payment have been approved, with a total value of the public expenses of 14 907 thousand BGN.

- Sub-measure 431-1 “Management of Local Action Groups, acquiring of skills and reaching public activity in the territories of selected and approved Local Action Groups”**

The analysis of the progress for completing objectives indicates that the objective set for number of activities for acquiring of skills and reaching public activity is achieved at 68%, and the objective for number of participants in the training activities – at 44%.

- Sub-measure 431-2 “Acquiring of skills and reaching public activity in the respective territories for potential Local Action Groups in rural areas”**

The analysis in relation to the types of supported activities under projects, to which a payment has been made, indicates that the total number of supported activities is 672, and the largest number is the number of activities related to providing information for the region and the strategy for local development – 223 (33% of the total number) and with training of the personnel, included in the preparation and application of the Local Development Strategy – 222 (33%).

The analysis in relation to the progress under projects, to which a payment has been made, indicates over-performance – by 224% for the objective set for number of activities for acquiring skills, and reaching public activity at the respective territory. Over-performance also has been accomplished for the indicator of number of applicants in these Activities – 174%, as well as for the people who have successfully carried out the training – 208%.

### **Measure 421 “Internal domestic and cross-border cooperation”**

For the acceptance of applications declared in 2012, budget has been determined to the amount of 10 038 thousand BGN, including: for preparatory technical aid - 2 008 thousand BGN, and for carrying out of joint actions - 8 031 thousand BGN. A total of 21 applications have been filed, with a total value of public expenses of 1 439 thousand BGN.

### **Measure 511 “Technical aid”**

Carrying out of the activities under the Technical aid is successful and to a large degree supports the increase in the awareness of beneficiaries of RDP. A positive trend is observed for carrying out of analyses, related to progress of the agreements, which are in the process of realization. A significant number of projects have been carried out, directed toward increasing the administrative capacity of representatives of MB and PA, as well as the LAG, created under Axis 4.

In 2012, under the measure, payments for 135 agreements have been carried out, to a full value of 17 186 thousand BGN.

As of the start of the implementation of RDP until 31.12.2012, a total of 34 955 thousand BGN have been paid for 243 agreements under measure 511.

### **Measure 611 “Additional payments to the direct payments”**

In 2012 under measure 611 payments have been carried out to a value of 322 thousand BGN. For the period 2008 – 2012, the funds paid amount to a total of 301 496 thousand BGN.

#### **1.2.2. Financial implementation of RDP under measures**

In 2012, the paid public funds under all axes increase, with the exception of axis 4 Leader. The largest amount of funds have been paid under axis 3 – 524 639 thousand BGN, and for it, the highest increase compared to 2011 - 154% is observed. For all axis 3 measures (311, 312, 313, 321 and 322) payments are increased by more than 100%, and the largest increase is the increase for measure 313 – more than 400%.

Second ranked for paid funds is axis 1 - 241 281 thousand BGN, 46% increase of the funds paid to beneficiaries. Progress is observed for most of the measures – 111, 112, 121, 123, 141 and 143. For measures 114 and 142, interest remains low, and in 2012, no payments have been made for them.

On the second axis, there is an increase of 22%, compared to the previous 2011, and the funds paid reach 138 590 thousand BGN.

A delay in application of axis 4 of RDP is at hand. In 2012, just 4 510 thousand BGN have been paid under it – a decrease by 50% compared to 2011.

With the eighth amendment of RDP in May 2012, a possibility is provided for establishment of a Warranty Fund, which has the purpose of accelerating carrying out of projects under the program. The fund is incorporated as a separate financial block within the limits of “National guarantee fund” EAD (part of the Bulgarian Bank for Development), with capital to the amount of 237 million BGN, and serves to secure loans for projects under measures 121 „Modernization of agricultural holdings”, 122 “Improvement of the economical value of forests” and 123 “Adding value to agricultural and forestry products”. The guarantee scheme is directed toward small and medium enterprises in agriculture, which encounter the highest difficulties in providing loans securities.

In 2012, an open call for proposals has been carried out for selection of banks to work with the Warranty Fund. Initially, agreements by 8 banks have been concluded, with a total value of warranties of 606 million BGN.

Providing loans begins at the end of January 2013 According to data of the National Warranty Fund, as of 05.04.2013, 30 loans have been approved. The loans approved as of this date for the first part of the warranties have a total value of 12 million BGN, and the amount of the warranties under these loans is 9,5 million BGN. The average amount of a single loan is approximately 400 thousand

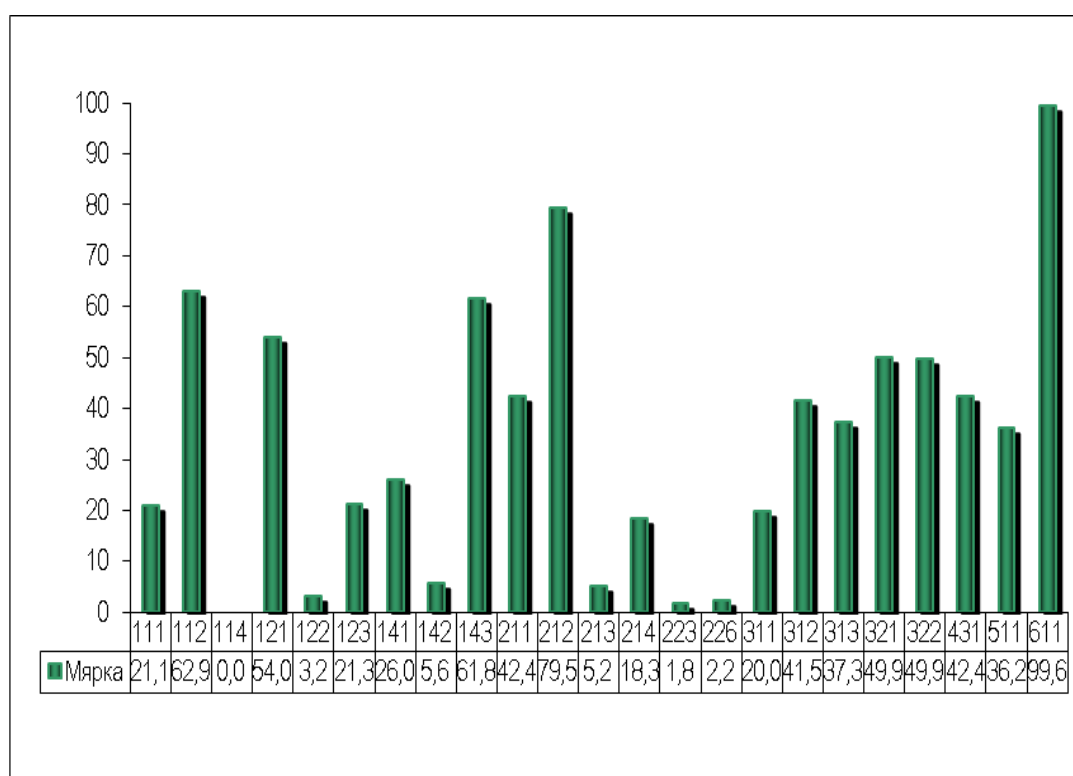
BGN, with maximum amount of the loans 3 million BGN. The average interest rate of the approved loans is 6,85%.

In the month of April 2013, the National Warranty Fund starts a second procedure for selection of banks, which shall distribute the remaining lots under the warranty scheme for RDP. The total value of the second part of the guarantees is 543,5 million BGN.

The time, in which warranties could be granted under the Warranty Fund is still too short to enable preparation of an evaluation of the effect of implementation of the scheme.

For the period since the start of implementation of RDP until the end of 2012, the total funds paid to beneficiaries amount to 2 629 998 thousand BGN (42% of the budget of RDP). Adding 236 847 thousand BGN for the financial engineering scheme (Warranty fund), the sum of the granted funds amounts to 2 866 844 thousand BGN (45% of the budget of RDP). In 2012, the most funds have been paid to RDP since its starting. The total funds provided exceed the funds for 2011 by 25%, and the funds paid to beneficiaries – by 84%.

**Figure IV.1. Utilization rate of funds under RDP as of 31.12.2012 with accumulation, by measures, %**



Source: MAF, MB of RDP

**Table IV.9. Sums paid under RDP for the period 2008 - 2012 under measures, thousand BGN**

Measure	2008	2009	2010.	2011	2012	Total 2008-2012
111 "Occupational training, awareness activities and distribution of scientific knowledge"	0	0	0	1 471	4 261	5 732

112 "Establishment of holdings of young farmers"	1 001	35 154	62 965	409	69 424	168 954
114 "Use of consultancy services by farmers and forest owners"	0	0	0	0	0	0
121 "Modernization of agricultural holdings", including:	0	139 697	215 320	176 079*	68 712	599 809*
- Paid to beneficiaries	0	139 697	215 320	97 651	68 712	521 381
- Warranty fund	-	-	-	78 428	-	78 428
122 "Improvement of the economic value of forests", including:	0	0	0	11 734*	728	12 462*
- Paid to beneficiaries	0	0	0	0	728	728
- Warranty fund	-	-	-	11 734	-	11 734
123 "Adding value to agricultural and forestry products", including:	0	0	9 443	203 233*	78 408	291 084*
- Paid to beneficiaries	0	0	9 443	56 548	78 408	144 399
- Warranty fund	-	-	-	146 685	-	146 685
141 "Support of semi-market holdings in the process of restructuring"	0	0	2 085	7 735	18 472	28 291
142 "Establishment of organizations of producers"	0	0	0	29	0	29
143 "Providing advice and consultation for the agriculture sector in Bulgaria and Romania"	6	1 524	3 149	1 324	1 277	7 276
<b>Total for axis 1</b>	<b>1 007</b>	<b>176 374</b>	<b>292 959</b>	<b>402 015</b>	<b>241 281</b>	<b>1 113 636</b>
211 "Payments for natural restrictions for farmers in mountain regions"	29 128	14 117	34 600	64 784	50 630	193 258
212 "Payments for natural restrictions of farmers in regions other than mountain regions"	9 290	4 774	8 721	20 720	16 897	60 401
213 "Payments for Natura 2000 for agricultural lands"	0	0	0	0	11 097	11 097
214 "Agro-ecological payments"	0	4 232	4 311	27 066	58 648	94 257
223 "Initial forestation of non-agricultural lands"	0	0	374	377	645	1 397
226 "Recovery of the forest potential and introduction of preventive activities"	0	0	182	446	671	1 298

<b>Total for axis 2</b>	<b>38 418</b>	<b>23 123</b>	<b>48 185</b>	<b>113 391</b>	<b>138 590</b>	<b>361 710</b>
311 "Diversification for non-agricultural activities"	0	0	0	9 100	28 464	37 566
312 "Support for establishment and development of micro enterprises"	0	0	3 397	28 195	77 534	109 157
313 "Encouragement of tourist activities"	0	0	0	3 700	18 713	22 414
321 "Main services for the population and the economy in rural areas"	0	0	211 160	132 918	334 574	678 652
322 "Renovation and development of settlements"	0	0	94 346	32 683	65 324	192 353
<b>Total for axis 3</b>	<b>0</b>	<b>0</b>	<b>308 901</b>	<b>206 599</b>	<b>524 639</b>	<b>1 040 142</b>
431 "Acquiring skills and achieving public activeness in the respective territories for potential LAG in rural areas"	0	0	1 367	9 028	4 510	14 907
<b>Total for axis 4</b>	<b>0</b>	<b>0</b>	<b>1 367</b>	<b>9 028</b>	<b>4 510</b>	<b>14 907</b>
511 "Technical aid"	0	2 183	5 355	10 231	17 186	34 955
<b>Total for the axis</b>	<b>0</b>	<b>2 183</b>	<b>5 355</b>	<b>10 231</b>	<b>17 186</b>	<b>34 955</b>
611 "Additional payments to the direct payments"	161 003	75 699	65 218	-747	321	301 496
<b>Total for the axis</b>	<b>161 003</b>	<b>75 699</b>	<b>65 218</b>	<b>-747</b>	<b>321</b>	<b>301 496</b>
<b>Total RDP</b>	<b>200 430</b>	<b>277 381</b>	<b>721 987</b>	<b>740 517</b>	<b>926 531</b>	<b>2 866 844</b>

\*Also includes Guarantee Fund

Source: MAF, MB of RDP and SFA - PA

### 1.3. Additional state support

In an addition to the support under the two pillars of CAP, the agricultural sector in Bulgaria receives financial support with national funds under state aid schemes, short-term and long-term loans, granted by SF "Agriculture".

Following its mission, state support is directed toward structure defining, sensitive and priority areas in agriculture. The national subsidizing for agricultural producers shall be carried out in compliance with the laws of EU and in compliance with the possibilities of the stage budget.

#### 1.3.1. State aid

Taking into consideration the condition of the separate sectors of agriculture and the interests of the agricultural producers, the Ministry of agriculture and food develops schemes for state aid, which shall be applied following obtaining a positive evaluation by EU regarding their eligibility.

Providing state aid has the purpose of increasing the competitiveness of the Bulgarian agricultural sector through measures, directed toward investments for increasing the efficiency of holdings and production of better quality production, insurance and compensation for damages caused by natural disasters and unfavorable climate events, assistance for prevention of diseases on plants and animals, protection of genetic resources in crop husbandry and livestock breeding, encouragement of

humane treatment of animals, stimulation of the participation in exhibitions for popularization of agricultural production and for exchange of experience.

In 2012, 9 new state aid schemes have been developed, and 1 scheme has been supplemented. During the year, state aid has been applied for the following strands:

- Aid for investments in agricultural holdings, related to primary production of agricultural products;
- Aid, directed toward storage of genetic resources, local animal breeds and plant varieties, adapted toward the specific natural conditions;
- Aid, related to Crisis Risk Management, directed toward counteracting and compensation of damages by natural disasters or unfavorable meteorological conditions, as well as diseases on animals and plants;
- Aid, directed toward improvement of the quality of food and raw materials of animal origin through dedication of special attention to humane treatment of animals;
- Aid, directed toward encouragement of the participation of agricultural producers in national and international agricultural exhibitions and exchange of experience;
- Aid of the type de minimis (which are not subject to approval by EC) for coverage of operative expenses in a relative low amount.

Seeking equilibrium between the different sectors, state support in any of the trends encompasses most of the subsectors in agriculture – cattle breeding, sheep breeding, pig breeding, bird breeding, pisciculture, apiculture, grain production, horticulture, vegetable production, etc.

In 2012, through SF “Agriculture”, a total of 44,9 million BGN state aid have been paid (28,2 million BGN in 2011), which 15 781 agricultural producers have utilized. The funds are distributed as follows:

- In sector “Livestock breeding” – total of 25,4 million BGN, including: 17,2 million BGN according to state aid schemes and 8,2 million BGN – under aid of the type de minimis;
- In sector “Crop husbandry” – total of 18,8 million BGN, including: 6,2 million BGN according to state aid schemes and 12,6 million BGN under aid of the type de minimis;
- In sector “Fishery” - 735 thousand BGN aid de minimis.

During the year, 8 aid de minimis have been applied in the sector sheep breeding, goat breeding, apiculture, horticulture, vegetable production, cotton production and fishery, as well as for compensation of damages caused by flood in Haskovo district.

In 2012, state aid continues to be applied for investments in agricultural holdings through corporate tax allowance, administered through the National Revenue Agency. For this aid in 2012, tax allowance has been provided to the amount of 65,6 million BGN for 2 632 tax subjects - agricultural producers, with respectively 30,6 million BGN and 1 682 agricultural producers during the previous year 2011

Due to the high level of interest in this scheme, MAF has proposed changes regarding extension of the term for application by the end of 2014 and increase of the total budget for the period of implementation of the aid, up to 250 million BGN, which have been approved by EU at the beginning of June 2013

Following the undertaking of the respective legislative changes in the Corporate Income Tax Act, with the amendment of the application term, an option is granted to the agricultural producers to also utilize tax allowance for their income in 2013

**Table IV.10. State aid in agriculture in 2011 and 2012, provided through SFA and by corporate tax allowance**

Description of state aid	2011	2012
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	Utilized funds, million BGN	Number of supported farmers	Utilized funds, million BGN	Number of supported farmers
State aid for compensation for losses, accrued by agricultural producers for completely destroyed lands, and also as a result of natural disasters or unfavorable climate conditions	1,244	245	3,966	440
Targeted subsidy for support of agricultural producers for purchasing seeding materials for potatoes for seed production and consumption	1,511	405	-	-
Aid for encouragement of the production and use of high-quality seeds	0,800	566	1,000	516
Aid for keeping hereditary records and determining the productivity and the genetic qualities of animals	2,770	1 903	2,943	2 208
Aid for keeping hereditary records and determining the productivity and the genetic qualities of the Bulgarian shepherd's dog and the Karakachan dog.	0,006	16	0,034	17
Aid for co-financing of insurance premiums in insurance of agricultural production	0,520	238	0,358	128
State aid for investments in commercial premises and equipment for performing direct supplies of food of animal origin	-	-	0,068	10
State aid for co-financing of insurance premiums in the insurance of bee hives with bee families	-	-	0,007	2
State aid for compensation of the expenses of agricultural producers, related to carrying out of measures under "National program of measures for control of Tuta absoluta Meyrick (Lepidoptera)"	-	-	0,823	76
State aid for realization of voluntary commitments for humane treatment of sows	-	-	6,136	208
State aid for realization of voluntary commitments for humane treatment of birds	-	-	7,549	78
Aid for participation in exhibitions and fairs – National livestock breeding exhibition, town of Sliven; Regional buffalo breeding exhibition, town of Razgrad; National assembly for determining the local Bulgarian breeds, town of Kalofer	0,144	133	0,104	136
Aid for participation in sheep breeding exhibitions – Regional sheep breeding exhibition, town of Kostinbrod; Municipal sheep breeding exhibition, town of Elin Pelin; Municipal sheep breeding exhibition, town of Godech; Municipal sheep breeding exhibition, town of Breznik	0,027	20	0,017	35
Aid for participation in sheep breeding exhibition – Specialized regional autumn exhibition of Beli and Vakli Marishki sheep in village Izbegli, municipality Asenovgrad, Plovdiv district	-	-	0,008	19
State aid for participation in sheep breeding exhibition – National assembly of sheep farmers in Bulgaria, in the town of Veliko Tarnovo	-	-	0,050	16
Aid for participation in sheep breeding exposition - Ruse and Stara Zagora for the breed Il de France	-	-	0,022	9
Aid for participation in exhibitions for horses in Bulgaria	-	-	0,037	24
State aid for participation in international dog exhibitions – World Cup 2012 Odessa, Ukraine, World Cup 2012 Lorka, Spain, European Cup, Berlin, Germany	-	-	0,013	1
State aid for participation in international livestock breeding exhibition EUROTIER'2012 in Hanover, Germany	-	-	0,185	10

Minimum aid (de minimis)	21,156	13 652	21,532	11 848
<b>TOTAL state aid, provided through SFA, including de minimis</b>	<b>28,2</b>	<b>17 178</b>	<b>44,9</b>	<b>15 781</b>
Aid for investments in agricultural holdings through corporate tax allowances	30,554	1 682	65,593	2 632
<b>TOTAL state aid, including tax allowance</b>	<b>58,7</b>	<b>18 860</b>	<b>110,4</b>	<b>18 413</b>

Source: SF "Agriculture", National Revenue Agency

### **Data for 2013**

In the first six months of 2013, the following new schemes of state aid in agriculture have been developed and notified to the European Commission:

1. State aid for compensation of the expenses of agricultural producers, related to carrying out of the measures under the State Prophylactic Program and Programs for control and liquidation of diseases in animals;
2. State aid for compensation of the expenses of agricultural producers, related to carrying out of the measures „National program of measures for control of soil pests on potatoes from the family Elateridae“;
3. Change of state aid for encouragement of the production and utilization of high quality seeds with the purpose of inclusion the crop cotton in the scope of the scheme;
4. Change of State aid for investments in agricultural holdings through corporate tax allowance, with the purpose of increasing the budget, for application of tax allowance from agricultural producers and for their income in 2013, and extension of the validity term of the scheme;
5. State aid for participation in dog exhibitions (for the breed Bulgarian shepherd's dog);
6. State aid for participation in international exhibitions – Sitevi, in the town of Montpellier, France and the Eight International Congress in Doha, Qatar (ether oil and medicinal crops);
7. State aid for participation in Specialization exhibition on milk cattle breeding – town of Sliven;
8. State aid for participation in National cattle breeding exhibition - town of Sliven;

During the period, schemes de minimis for agricultural producers for producers of rice, cotton etc, have been developed, and support has been provided thereto.

Two of the schemes, approved by the European Commission, shall start being applied following the acceptance of Instructions by the Managing Body of the State Fund "Agriculture":

- State aid for compensation of the expenses of agricultural farmers, related to carrying out of the measures under the State Prophylactic Program and Programs for control and liquidation of diseases in animals;
- State aid for compensation of the expenses of agricultural producers, related to carrying out of measures under "National program for measures for control of soil pests on potatoes from the family Elateridae".

According to a decision of the Managing Body of State Fund „Agriculture“, the resource allocated for state aid in agriculture in 2013 amounts to 79,262 million BGN for a total of 22 schemes and aid de minimis, applied by SFA. As of 30.06.2013, 62,383 million BGN or almost 80% of the resource has been utilized.

In relation to state aid, applied by SFA, utilization under main strands for support during the first six months of 2013 is as follows:

- For the state aid, directed toward compensation for damages caused by natural disasters and

unfavorable climate events, as well as for prevention of diseases on plants and animals, a total of 15,442 million BGN or 57% of the resource dedicated to the amount of 27 million BGN, have been utilized;

- Under the aid directed toward increasing the quality of food and raw materials of animal origin through dedicating special attention to humane treatment of animals, a total of 44,374 million BGN have been utilized, or 97% of the dedicated resource of 45,800 million BGN;
- Under the aid directed toward guaranteeing the use of high quality seed material in crop husbandry and maintenance of high level of breeding activity in livestock breeding, 2,082 million BGN have been utilized, or 60% of the dedicated resource of 3,520 million BGN;
- Under the aid directed toward encouragement of the participation of agricultural producers in national and international agricultural exhibitions and exchange of experience, 283 thousand BGN have been utilized, or 71% of the dedicated resource of 398 thousand BGN;
- Under the aid directed toward renovation and diversification of holdings through investments for direct deliveries, 45 thousand BGN have been utilized, or a total of 13% of the allocated resource of 350 thousand BGN;
- Under the aid directed toward encouragement the agricultural producers for insurance, funds have been negotiated from the dedicated resource of 584 thousand BGN, and a payment is pending;
- In line of the aid de minimis, a total of 158 thousand BGN have been utilized, or 22% of the approved resource of 709 thousand BGN for the current minimum aid, and additional resource is available to the amount of 865 thousand BGN for any contingent new minimum aid until the end of 2013

### **1.3.2. Short-term loans**

In 2012, SF "Agriculture" has provided a total of 14,3 million BGN in the form of target short-term loans with reference interest rate for agricultural producers, which is 30% more compared to the previous year.

Out of them, approximately 10 million BGN are under loan facility for breeding agricultural animals (cows, female buffalo, breeding ewes and breeding female goats), and 4,3 million BGN – under loan facility for purchasing mineral fertilizer and/or seeds and utilization of non-finally certified own seeds for production of wheat - harvest `2013.

During the year, loans have been rescheduled for animal breeders, poultry breeders, and sow breeders, received in 2008, 2009 and 2010., as well as loans for raising potatoes – harvest `2011.

### **1.3.3. Investment schemes for support of SFA**

In 2012, the national support for encouragement of investments in agriculture and rural areas shall be implemented with the application of schemes for loaning and state aid, as follows:

- Loan scheme of SF "Agriculture" for investments in agriculture;
- Scheme for refinancing with funds of SF "Agriculture" for providing loans to persons with approved projects and concluded agreements for granting financial aid under measures of the Rural Development Program 2007 – 2013, supported by the European Agricultural Fund for Rural Development;
- Scheme for loan of funds of SF "Agriculture" of persons with approved projects under "National Apiculture Program for the three-year period 2011 – 2013";
- Scheme for loaning and state aid "Investments for building commercial premises and

purchasing commercial equipment for agricultural producers, which perform direct supplies to small quantities of raw materials and food of animal origin”.

### **Loan scheme of SF “Agriculture” for investments in agriculture**

The loan scheme of SF “Agriculture” for investments in agriculture has three main strands – “Crop husbandry”, “Livestock breeding” and “Technical security”. The scheme has the purpose of stimulating the investment process, increasing the competitiveness and the quality of the produced agricultural production, through facilitation of the access to loan resource.

The activities and facilities, projected for financial support, are:

- establishment, recovery and raising perennial crops and investments in greenhouse production;
- establishment and equipment of livestock farms and purchasing purebred, hybrid and commodity animals;
- purchasing machinery, equipment and inventory, used in agriculture.

The loans under the scheme have a payment deadline from 12 to 114 months, depending on the type of investment, and within these terms, grace periods are included in relation to payment of the principal.

The investment projects are financed under annual interest rate, equal to the reference interest rate<sup>1</sup>, applicable as of the date of conclusion of the loan agreement, but not lower than the one determined by the Managing Body of SF “Agriculture” for 2012 – 6% with direct loaning and 7% with refinancing through commercial banks. For the loans directly financed by SF “Agriculture”, the processing and management fee is 0,5%.

In 2012, 7 projects have been approved, at a value of 3 086 940 BGN. Out of them, declarations for financing and respectively refinancing have been filed, to the amount of 347 890 BGN, including 22 450 BGN of tranche payments under financed projects from previous years. Under projects approved from previous years in 2012, capital subsidies have been granted, to the amount of 4 780 BGN and subsidies for covering the expenses for interest to the amount of 1 394 744 BGN.

**Table IV.11. Distribution of the funds under the loan scheme for investments in agriculture**

Strand of the Loan Scheme	Financed/refinanced			
	Number	Loan (BGN)	Capital subsidies (BGN)	Subsidies for interest (BGN)
1. Strand "Livestock breeding" – through CB	-	-	-	365 227
2. Strand "Livestock breeding" – direct loaning	2	61 960	-	26 139
3. Strand "Crop husbandry" – through CB	-	19 120	4 780	373 104
4. Strand "Crop husbandry" - direct loaning	-	3 330	-	34 474
5. Strand “Technical security” - through CB	-	-	-	595 800
6. Strand “Technical security” - direct loaning	4	263 480	-	-
<b>Total for the loan scheme :</b>	<b>6</b>	<b>347 890</b>	<b>4 780</b>	<b>1 394 744</b>

Source: SFA, information system “Loan register”

### **Strand “Livestock breeding”**

For the period 01.01 - 31.12.2012 under strand “Livestock breeding”, 2 projects have been financed, with investment value of 72 931 BGN. The granted loan resource is to the amount of 61 960 BGN. In the reporting period under the program, subsidies have been paid for coverage of the expenses

<sup>1</sup> The reference interest rate has been determined in compliance with a Message of the Commission regarding review of the method for determining the reference and discount interest rates (OB C 14, 19.1.2008, page 6<sup>1</sup>)

for interests to the amount of 391 366 BGN, representing commitments undertaken under approved projects from past years.

### **Strand “Crop husbandry”**

Under strand “Crop husbandry” in 2012, tranche payments have been provided under loans from past years to the amount of 22 450 BGN. Capital subsidies have been provided to a total value of 4 780 BGN **and** subsidies for interest to the amount of 407 578BGN, representing commitments undertaken under approved projects from past years.

### **Strand “Technical security”**

In 2012, under the program, 4 projects have been refinanced, with an investment value of 315 075 BGN. The granted loan resource is to the amount of 263 480 BGN. In 2012, subsidies for interest to the amount of 595 800 BGN have been paid.

### **Capital subsidies and subsidies for interest under existing state aid**

The capital and the interest subsidies are state aid, which our country had right to negotiate within a three-year period, following the accession of the country to the European Union, and existing state aid, applied prior to the accession. In 2012, capital and interest subsidies have been paid under commitments undertaken during previous years, as follows:

- Capital subsidies and subsidies for coverage of the expenses for interests in the whole period of loan under the regional programs of SFA - Program for alternative agriculture in Rodopi mountain (20% of the loan amount), the Regional Program for Northwest Bulgaria (14% and 20% - for mountain regions) and the Development Program for agriculture and rural areas in Strandzha-Sakar (20%).
- Subsidy for coverage of the expenses for interest during the whole period under investment loans for young agricultural producers;
- Subsidy for coverage of the expenses for interest for purchasing new agricultural machinery.

**Table IV.12. Capital and interest subsidies, paid in 2012**

<b>Subsidy type</b>	<b>Amount of subsidy (BGN)</b>
<b>1. Capital subsidies, including:</b>	<b>4 780</b>
- under the Strandzha Sakar program (20% of the loan amount)	4 780
<b>2. Subsidies for interests, including:</b>	<b>1 394 744</b>
- young agricultural producers	3 318
- for purchasing new agricultural machinery	595 800
- under a program for alternative agriculture in Rodopi mountain	34 628
- under program Northwest Bulgaria	406 995
- under program Strandzha - Sakar	354 003
<b>Subsidies total (1+2):</b>	<b>1 399 524</b>

*Source: SFA, information system “Loan register ”*

### **Scheme for refinancing with funds of SF “Agriculture” for granting loans to persons with approved projects and concluded agreements for granting financial aid under measures of RDP 2007 – 2013, supported by EAFRD**

With the purpose of securing financial resource for the realization of projects under the measures of RDP, during the fourth quarter of 2011, a Scheme for refinancing with funds of SF “Agriculture” of commercial banks for loans under projects for measures 121, 122, 123, 223, 226, 311, 312 and 322 of RDP has been started. In the conditions of impeded access to bank loaning, the scheme provides an option to a large circle of candidates to utilize and to realize their approved projects, which contributes to increasing the utilization rate of the funds under RDP. For realization of the scheme,

agreements have been concluded by 21 commercial banks. In 2012, strong interest is reported toward the refinancing scheme.

The loans under the scheme shall be implemented at unsuitable and accessible conditions. The amount of the annual interest rate is up to 7,0% and is fixed for the whole term of the loan. The term for paying off the loans is up to 60 months, including the term for utilization of the grace period. Refinancing is to the amount of 100% of the investment expenses, approved for financing, decreased with the advance payments made and/or the interim payments, but not exceeding 500 000 BGN.

In 2012, financial resource has been committed for refinancing of 237 loans to a total value of 52 887 276 BGN. Through these loans, investments to a total value of almost 100 million BGN shall be realized. For the reporting period, funds have been provided, to the amount of 54 681 167 BGN, under which fully or partially a total of 248 bank loans have been refinanced fully, including bank loans approved in 2011

**Loan scheme for funds of SF “Agriculture” of persons with approved projects under “National Apiculture Program for the three-year period 2011 – 2013 ” (NAP)**

The scheme, which starts in 2012, grants an opportunity for a larger number of agricultural producers to provide their required financial resource for realization of their approved projects under Measure E of NAP. The scheme has provided support for the carrying out of high deliverables, with utilization of the budget of NAP for the financial year 2012 and the highest absolute amount of the paid financial resource for the whole period of its application.

In 2012, under the scheme, 141 loan agreements at a value 932 889 BGN have been concluded and financed, which represents 16% of the number of the agreements signed for financial aid and 18% of the sum of the expenses eligible for loan under measure E. 137 loans for a value of 912 497 BGN, i.e. 98% of the resource provided have been entirely paid off.

**Loan and state aid scheme “Investments for development of commercial premises and purchasing of commercial equipment for agricultural producers, exercising direct deliveries of small quantities of raw materials and food of animal origin”**

The scheme shall be applied as of the beginning of 2012. It provides an opportunity for recovery of 50% of the expenses paid for development of commercial premises and purchasing commercial equipment for performing direct deliveries of small quantities of raw materials and food of animal origin. Within the scope of the scheme, purchasing of milk vending machines, development or adaptation of an existing building/premise for the needs of a retail trade store, purchasing refrigerators, refrigerating display cases and other specific commercial equipment. For the purpose of providing financing of these projects, applicants have the opportunity to also use loans of funds of SF “Agriculture”.

During the year, an increase of the popularity of this scheme is observed, by taking into consideration an increased interest toward purchasing milk vending machines. For the end users, prerequisites for access to quality products are established, directly from the producers of food products of animal origin.

In 2012, a total of 15 projects have been approved, with a total investment value of 225 678 BGN and the amount of state aid 102 350 BGN. Under 10 projects, investments have been realized during the year, and state aid have been paid to the amount of 68 408 BGN. One of the applicants has also utilized loan to the amount of 15 800 BGN for realization of its investment project.

**Table IV.13. Distribution of funds under the state aid scheme for investments in relation to carrying out of direct supplies in 2012**

Investment	State aid	Loan
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	Number	Agreed amount (BGN)	Number	Amount paid (BGN)	Number	Amount paid (BGN)
Purchasing milk vending machines	13	96 987	9	66 858	1	15 800
Repair of commercial premises and equipment	2	5 363	1	1 550	-	-
<b>Total:</b>	<b>15</b>	<b>102 350</b>	<b>10</b>	<b>68 408</b>	<b>1</b>	<b>15 800</b>

Source: SFA

## V. Activities, related to agricultural production

### 1. Control of agricultural and forestry machinery

#### 1.1. Condition of agriculture mechanization and structure of machinery stock and tractor fleet

The technical and technological renovation is one of the main factors for increasing efficiency and competitiveness of agricultural production.

**Table V.1. Number of registered machines by group and distribution according to their age structure in years for the period 2008 - 2012**

TYPE	Year	Total number	AGE											
			Up to 2 years		3 - 4 years		5 - 6 years		7 - 8 years		9 - 10 years		More than 10 years	
			number	%	number	%	number	%	number	%	number	%	number	%
Roller tractors	2008	48 761	3 026	6,2%	1 661	3,4%	1 258	2,6%	938	1,9%	1 544	3,2%	40 334	82,7%
	2009	52 605	3 394	6,5%	1 974	3,8%	1 649	3,1%	999	1,9%	1 442	2,7%	43 147	82,0%
	2010	55 925	3 239	5,8%	2 514	4,5%	1 929	3,4%	1 438	2,6%	1 152	2,1%	45 653	81,6%
	2011	59 452	3 251	5,5%	3 168	5,3%	2 118	3,6%	1 582	2,7%	1 113	1,9%	48 220	81,1%
	2012	63 123	2 214	3,5%	2 090	3,3%	3 807	6,0%	2 374	3,8%	2 097	3,3%	50 541	80,1%
Caterpillar tractors	2008	2 510	17	0,7%	12	0,5%	8	0,3%	9	0,4%	35	1,4%	2 429	96,8%
	2009	2 474	26	1,1%	14	0,6%	11	0,4%	4	0,2%	28	1,1%	2 391	96,6%
	2010	2 470	32	1,3%	35	1,4%	21	0,9%	11	0,4%	11	0,4%	2 360	95,5%
	2011	2 443	37	1,5%	46	1,9%	22	0,9%	11	0,5%	10	0,4%	2 317	94,8%
	2012	2 511	21	0,8%	29	1,2%	59	2,3%	29	1,2%	15	0,6%	2 358	93,9%
Tractor trailers	2008	22 923	425	1,9%	425	1,9%	105	0,5%	108	0,5%	312	1,4%	21 548	94,0%
	2009	24 103	672	2,8%	180	0,7%	117	0,5%	94	0,4%	226	0,9%	22 814	94,7%
	2010	25 127	787	3,1%	263	1,0%	153	0,6%	110	0,4%	135	0,5%	23 679	94,2%
	2011	26 252	893	3,4%	531	2,0%	194	0,7%	89	0,3%	96	0,4%	24 449	93,1%
	2012	27 650	881	3,2%	550	2,0%	582	2,1%	204	0,7%	133	0,5%	25 300	91,5%
Coupling, mounted and stationary machines	2008	95 024	6 253	6,6%	4 606	4,8%	3 204	3,4%	2 506	2,6%	3 717	3,9%	74 738	78,7%
	2009	103 008	8 893	8,6%	5 454	5,3%	4 546	4,4%	2 378	2,3%	3 449	3,3%	78 288	76,0%
	2010	106 749	10 155	9,5%	5 153	4,8%	5 039	4,7%	3 348	3,1%	2 752	2,6%	80 302	75,2%
	2011	108 434	8 675	8,0%	7 653	7,1%	5 207	4,8%	3 479	3,2%	2 553	2,4%	80 867	74,6%
	2012	118 770	6 415	5,4%	8 194	6,9%	9 689	8,2%	6 510	5,5%	5 056	4,3%	82 906	69,8%
Grain harvesters	2008	9 258	435	4,7%	338	3,7%	278	3,0%	278	3,0%	432	4,7%	7 497	81,0%
	2009	9 659	666	6,9%	277	2,9%	339	3,5%	251	2,6%	393	4,1%	7 733	80,1%
	2010	9 821	798	8,1%	239	2,4%	375	3,8%	285	2,9%	333	3,4%	7 791	79,3%
	2011	10 158	728	7,2%	500	4,9%	336	3,3%	233	2,3%	319	3,1%	8 042	79,2%
	2012	10 399	460	4,4%	554	5,3%	545	5,2%	349	3,4%	401	3,9%	8 090	77,8%

Forage harvesters and other self-propelled machinery	2008	1 821	17	0,9%	10	0,5%	10	0,5%	15	0,8%	25	1,4%	1 744	95,8%
	2009	1 840	16	0,9%	14	0,8%	9	0,5%	8	0,4%	28	1,5%	1 765	95,9%
	2010	1 827	20	1,1%	13	0,7%	9	0,5%	13	0,7%	17	0,9%	1 755	96,1%
	2011	1 836	22	1,2%	16	0,9%	13	0,7%	5	0,3%	11	0,6%	1 769	96,4%
	2012	1 856	20	1,1%	14	0,8%	22	1,2%	15	0,8%	11	0,6%	1 774	95,6%

Source: TCI

The data for the number of registered machines for the period 2008 – 2012 indicate sustainable trend of renovation of machinery stock and tractor fleet.

In 2012, the share of tractor trailers aged up to 2 years is already 3,2%, by 1,9% in 2008. The number of caterpillar tractors aged from 3 to 4 years has increased from 0,5% in 2008 to 1,2% in 2012. The number of coupling, mounted and stationary machines aged 3 to 4 years, has increased from 4,8% in 2008 to 6,9% in 2012, and the share of grain harvesters at the age from 3 to 4 years – from 3,7% in 2008 to 5,3% in 2012

In the restructuring of wheel tractor fleet, the new wheel tractors, which are used for agricultural purposes, have higher power, which leads to the increase of average power of a single tractor. The new grain harvesters have higher output and operate with better quality. This is one of the prerequisites for good deliverables in grain production in the recent years. The processes of introduction in agriculture of tractors and grain harvesters continue – second-hand, with origin from EU and third countries. For machines, which directly determine the quality of technological operations, such as seeding machines, machines for plant protection and fertilizing machines, the rate of upgrade is much faster than the average rate of upgrade of operational machines for the fleet. This indicates that agricultural holdings in Bulgaria have a relatively well-balanced parks, which allow them to complete the main complex of technological operations.

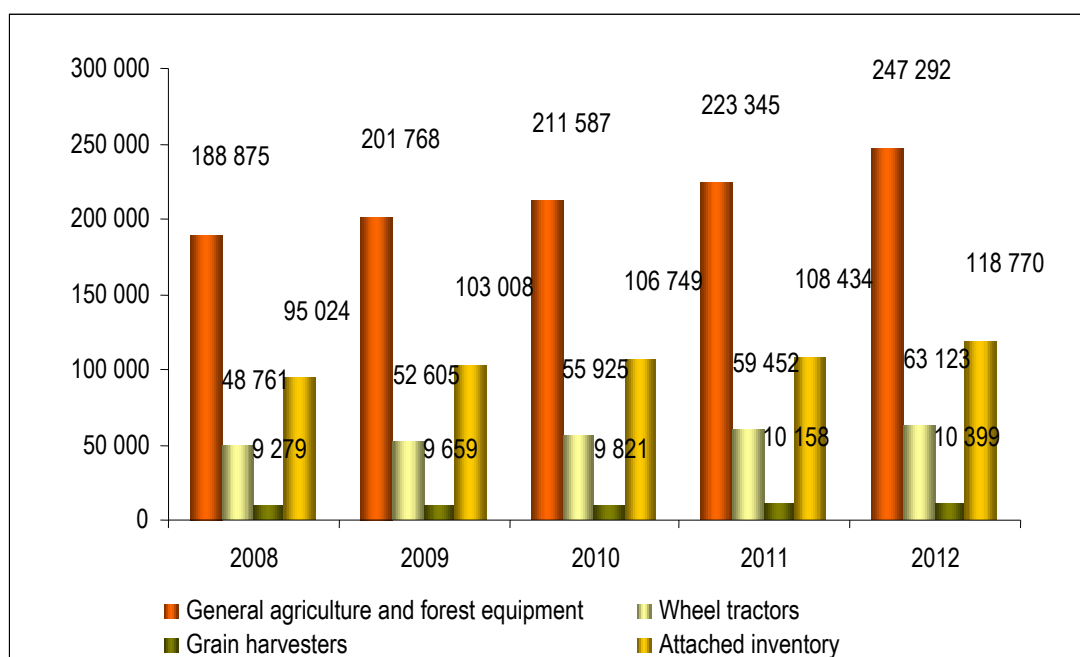
In general, the Bulgarian market no longer offers machinery, which is compliant with the European requirements for environmental agriculture, preservation of soil in relation to the improvement of its structure and composition, removal of erosion and preservation of humidity, machinery, compliant with the requirements for protection of the environment from harmful emissions and solid air particles. With the implementation of the new machinery in the production, good practices in agriculture may be adopted.

## 1.2. Registration of agricultural and forestry machinery

The Technical Control Inspectorate is a national body of registration of agricultural and forestry machinery and earthworks machinery. This grants an opportunity to follow the technical condition of each specific machine, to control its safety during operation and transport, maintain a database with all machines in the territory of Bulgaria, to observe the dynamics of renovation of machinery stock and tractor fleet, and energy security in agriculture.

**Figure V.1. Number of registered agricultural and forestry machinery for the period 2008 – 2012**





Source: TCI

Registration of the machinery and the issued registration certificates shall also be used in guaranteeing bank loans, providing loan facilities for new machinery, through SF "Agriculture" and purchasing machines on lease. For prevention of illegal disposal with machinery, TCI works jointly and provides information support and assistance through data exchange with NRA, the judiciary bodies and the prosecutorial office, the bodies of the Ministry of Interior, SF "Agriculture" - Payment agency, etc.

In 2012, the total number of registered agricultural and forestry machinery reaches 247 292 - 10,7% more compared to the end of 2011. The number of registered wheel tractors has increased by 6,2% to 63 123, and the grain combines –2,4%, up to 10 399. The similar trend exists for the coupling, mounted and stationary machines. In general, the trend observed during the last several years of increase of the registered machines continues.

### 1.3. Control on the technical condition and the safety of the machinery

The technical condition of the machinery is important not only for the working capacity and the correct operation of the machinery, and also for its safety. Control over the technical condition of the machines and the safety plays an important role for limitation of traffic incidents and accidents with agricultural and forestry machinery, and also for environmental protection from pollution and prevention of losses and destruction of agricultural production.

In 2012, a total of 21 322 machines and their drivers have been inspected. The total number of orders issued for placement of enforcement administrative measure "Suspension of operation" of technically non-operable machinery and machinery which have not been rendered safe and have not passed ATI, is 71. A total of 580 acts for establishment of administrative breaches under RCAFEA have been issued.

A total of 382 joint inspections with the Labor Inspectorate, 607 – with the regional teams of "Fire and Emergency Safety", 67 – with the bodies of TCD, and 43 – with other organizations.

CTI has the purpose of securing the safety of agricultural and forestry machinery prior to its introduction to the market through testing, type approval and certification. The activity of TCI in this field is directed toward introduction and implementation of European requirements for agricultural machinery providing safe and protective environment. This contributes for the decrease of the labor accidents and mortality cases in the agricultural sector.

With the certificates issued and the testing protocols, an option is provided to companies producers of agricultural machinery to prepare correct technical records on the basis of which they issue declarations of compliance, and in this manner export their products uninterruptedly in EU, complying with the regulations of the European legislation.

For the purposes of testing and certification, the required accreditations are supported by the Executive Agency Bulgarian Office for Accreditation, according to the requirements of international standards and the European legislation.

**Table V.2. TESTING and certification of agricultural machinery, number**

Performance Indicator	2011		2012	
	Plan	Carrying out	Plan	Carrying out
Testing and verification protocols	380	1 324	420	860
Technical identification protocols	340	1 284	420	860
Compliance certificates	340	1 316	420	860
Conformity certificates	8	14	12	16

*Source: TCI*

The services carried out contribute to the limitation of the agricultural and forestry machinery introduced on the market and in operation, hazardous for the health and the users and polluting the environment, facilitating its import and export, as well as the decrease of the expenses of producers by introducing requirements, effective for EU, for production of high quality and competitive products and conditions for building competitive economy.

In 2012, regular control inspections have been carried out for availability of type approval certificate under Directive 97/68/EU and applied marking, certified the stage of the emissions of pollutants for engines installed on tractors and off-road machinery.

The set scheduled values for testing and certification of agricultural machinery in 2012 have been exceeded.

Through the application of efficient control of the emissions from pollutants of the engines and technical inspections of the plant protection machines, both environmental protection and protection of life and the health of the population in general from harmful emissions and solid particles in the air have been achieved.

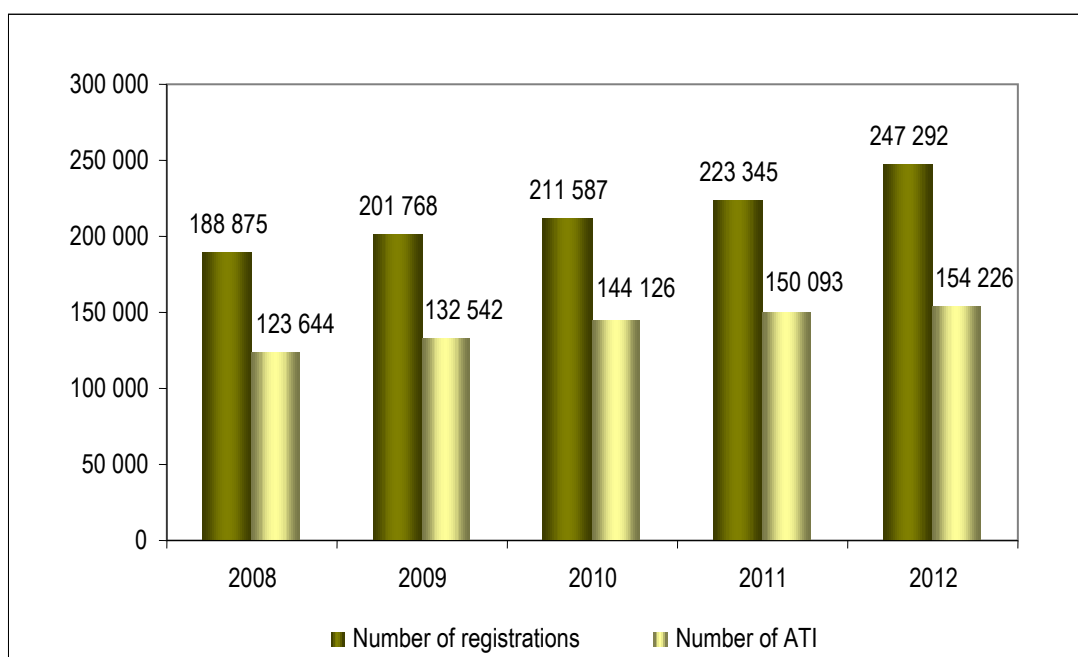
#### **1.4. Technical examinations of the machinery**

Conducting technical examinations of the machinery is an important prerequisite for providing the safety of agricultural and forestry machinery in operation and transport.

In 2012, Regulation No. 20 dated May 27, 2003 has been amended and supplemented for carrying out of technical examinations for verification of technical correct operations of agriculture and forestry machinery and earthworks machinery. With the change carried out, the mode for conducting technical examinations has been facilitated, by removing the mandatory technical review of the mounted and stationary machinery.

During the year, a total of 154 226 of technical examinations of agricultural, forestry machinery and earthworks machinery have been carried out for earth works from the regional offices of TCI.

**Figure V.2. Number of registered agricultural and forestry machinery and the carried out ATI**



Source: TCI

### 1.5. Award and withdrawal of competence for operation of machinery and issuance of certificates

The main factor for the safe use of agricultural and forestry machinery is the legal capacity for operation. The knowledge, skills and professional qualities of the mechanization workers guarantee not only the good quality carrying out of agricultural operations, but also significant decrease of the risk of traffic accidents and incidents with agricultural and forestry machinery.

In 2012, a total of 474 exams have been carried out for acquiring legal competence for operation of agricultural and forestry machinery, and a total of 8 458 certificates for legal competence for operation of agricultural and forestry machinery have been issued.

## 2. Hydromelioration

The state policy in the Hydromelioration sector is directed toward the support of irrigation of agriculture, protection of hydromeliorative facilities – public state ownership, protection from flooding of territories outside of the settlements, investments in the area of hydromelioration and support processes for establishment and functioning of irrigation associations.

### 2.1. Control of the activities related to the operation of the hydromelioration fund and with the service “water supply for irrigation”

As of this time, a hydromeliorative fund, extensively large for the national scale has been developed in Bulgaria, consisting of 235 irrigation systems and a series of separate irrigation fields. According to DCM 512/19.07.2000, the irrigation lands in the territory of the country, secured by state water sources with water supply, encompass 818 062 ha, out of which a total of 541 779 ha are suitable for irrigation. In the last decade, however, the usability percentage of the existing irrigation systems is very low.

For the most part, the hydromelioration fund has been established in the 60's and the 70's of last century, and as a result of the continuous operation it has been depreciated to a significant degree. For the decrease of losses of water, investing funds for carrying out of general repairs, reconstructions, and rehabilitations of hydromeliorative facilities is required, which have been insufficient during recent years.

During the irrigation season in 2012, "Irrigation Systems" EAD have filed a total of 247 122 thousand cubic meters of water masses for irrigation of 27 344 ha – first watering, and 17 348 ha – second watering. In comparison to the previous year, the total amount of the watering acres has increased by approximately 5%, while the supplied volume of water has decreased by approximately 21%, which is due to the precipitation during the irrigation season.

Comparing the irrigated lands and the supplied water quantities as of 30.06.2013 with the size of these indicators as of 30.06.2012, an increase is observed, which, depending on the meteorological conditions, could be preserved until the end of the irrigation season.

## **2.2. Activities related to the operation and the maintenance of dam lakes and facilities for protection of the harmful effects of water**

MAF on an annual basis prepares a list of hydromeliorative facilities, which need repairs, reconstruction or preparation of projects for this activity, which is reflected in the nominal lists for capital expenses of the Ministry.

The list for 2012 includes facilities to a total value of 400 000 BGN, out of which 9 facilities for civil engineering at the value of 260 706 BGN and two facilities for investments for 139 294 BGN. As of the end of 2012, a total of 162 750 BGN have been paid for the carried out civil engineering of three facilities, and 8 495 BGN for the project works on two other facilities.

For both 2011 and 2012, there is an option to update the nominal lists by adding facilities, financed with decisions of the Interdepartmental Commission for recovery and support of the Council of Ministers.

Carrying out of four such facilities from the nominal lists of MAF for 2011 is carried out in 2012, for which a total of 1 216 045 BGN have been paid.

On the grounds of Decisions of the Interdepartmental Commission, in the nominal lists for 2012 38 hydromeliorative facilities have been included for civil engineering and design, for which, following their carrying out in 2012, a total of 10 103 190 BGN has been paid, as follows:

- For 5 facilities, rescue and urgent emergency and restoration works have been carried out, for which a total of 1 919 567 BGN has been paid;
- For 2 facilities design developments have been prepared, and a total of 18 979 BGN have been paid;
- For 28 facilities, building and installation works have been carried out, which have been finished in 2012, and a total of 7 459 907 BGN have been paid;
- The carrying out of 3 facilities continues in 2013 with letter of loaned funds, and for them an advance payment has been made to the amount of 704 736 BGN in 2012.

With a decision No. 746 dated September 11, 2012 of the Council of Ministers, a project has been approved of the National strategy for Management and development of the water sector in the Republic of Bulgaria. The Strategy has been adopted by the Parliament on 21.11.2012. In this regard, MAF has initiated the development of a Strategy for Management in sector "Hydromelioration". On the grounds of the change in the Memorandum of Understanding by and between the government of the Republic of Bulgaria and the World Bank in 2012, which stipulates extension of the technical support with interventions in the Development Program of rural areas, a draft has been prepared of the Technical Assignment for providing consultancy services "Project for consolidation of competitiveness of agriculture and preparation of a strategy for sustainable Management of the hydromelioration sector and protection from the harmful effect of water".

## **2.3. Control on the activities, related to formation and the development of irrigation associations**

In 2012, procedures have been opened for establishment of four Irrigation Associations with a total area of 4 957 acres. Over the state hydromeliorative infrastructure with a surface area of 505 acres, managed by "Irrigation Systems" EAD, Black Sea sector, city of Varna, a single association has been incorporated. The plots of the remaining three associations with total surface area of 4 452 acres are situated on lands, adjacent to dam lakes – public municipal property.

Two irrigation associations have been registered in court in 2012. One of them has a surface area of 12 675 acres and is situated entirely on hydromeliorative infrastructure, property of "Irrigation systems" EAD, Lower Danube sector.

In the first six months of 2013, procedures have been opened on establishment of three Irrigation Associations. The total size of their territory is 42 497 acres, out of which 42 497 acres have been situated entirely over the hydromeliorative infrastructure, property of "Irrigation Systems" EAD, Lower Danube sector, town of Ruse.

By the end of 2013, the court registration of four Irrigation Associations has to be concluded. Their total surface area is 9 491 acres, out of which 5 195 acres are situated in the hydromeliorative infrastructure, property of "Irrigation Systems" EAD, Black Sea sector, city of Varna, and the remaining 4 296 acres are on lands, adjacent to dam lakes – public municipal property.

### **3. Plant protection**

In 2012, the plant protection inspectors of BFSA conduct systematic observation over the number and the dissemination of 41 types of pests, 38 diseases and 38 weeds in various agro-ecological regions in the territory of the whole country. On the basis of these observations, the issuance and the distribution of "Bulletin for appearance, distribution, density, development, degree of attack, terms, methods and funds for combating pests on agricultural crops" continues. With the Bulletins, the agricultural producers are also informed of the new statutory documents in the area of plant protection, plant protection products and fertilizers.

#### **▪ Plant protection for wheat and barley**

##### **Control of weeds**

In 2012, a total of 1 070,18 thousand ha of winter crops have been treated, including 913,23 thousand ha of wheat, and 145,695 thousand ha of barley. On 745,946 thousand ha, or 69,7% of the total treated lands, herbicides are applied against deciduous weeds.

**Table V.3. Lands with winter crops treated against types of weeds, thousand ha**

Year	Total treated	Including against herbicides resistant to hormones	Including against weeds on cereals
2010	1 115,77	905,79	77,14
2011	1 038,36	952,67	99,67
2012	1 070,18	973,36	96,74

Source: BFSA

The shallow processes prior to the winter cereals crops and the continued one-sided use of anti-deciduous herbicides during the years intensify the problems with cereals weeds in regions, where they do not represents a problem. In order to overcome these processes, vegetation herbicides are used increasingly for contemporary control with deciduous and cereals weeds. In 2012, they have been applied on 227,41 thousand ha (21,2% of total treated lands). Preservation of the lands is reported, to which only anti-cereal herbicides have been applied.

### **Control of pests and diseases**

#### ***Common vole (Microtus arvalis)***

Out of the total infested 374,5 thousand acres with winter crops in the country (2,9% of the seeding area) in 2012, chemical control has been exerted over 5,0 thousand acres.

During the autumn and winter period of 2012, chemical control has been provided for 7,6 thousand acres in Razgrad district.

In 2013, a trend for depression in the development of the pest is observed.

#### **Sunn pest**

In 2012 and 2013, depression in the development of sunn pest continues, and the distribution area is not extended.

#### ***Ceral Leaf Beetle***

In 2012, a total of 596,23 thousand acres have been attacked, or a total of 5,5% of the seeding area. A total of 446,56 thousand acres have been attacked (75,4% of the attacked and 4,3% of the seeded lands).

#### ***Powdery mildew (Oidium mangiferae)***

In recent years, unprofessional approach is observed in relation to powdery mildew on cereal crops. Early treatments with fungicides are undertaken, prior to the occurrence of the symptoms of the illness on the plants, accompanied with the introduction of herbicides. For Bulgarian conditions it has been proven that the most important thing is the protection of the flagellated leaf and the wheatear.

In 2012, a total of 1 490,7 thousand acres of wheat have been attacked – 14% of the seeding area. A total of 1 786 thousand acres have been treated (16,4% of the seeded lands).

#### ***Septorioses***

In 2012, a total of 1 267,2 thousand acres of winter crops have been attacked (9,9% of the seeding area), and a total of 1 155,5 thousand acres have been treated (91,2% of the attacked lands and 9,5% of the seeded lands). The diminished number of the grown agricultural crops impedes the correct crop rotation. Together with the minimum number of soil processing, these are the main reasons for development of the illness in recent years.

#### **▪ Plant protection for maize**

#### **Control of weeds**

The main species which are weeds of maize plants are from the group of late spring weeds: common barnyard grass, species of setaria, *Chenopodium album*, *Xanthium strumarium*, types of *Amaranthus*, *Hibiscus trionum*, *Solanum nigrum*, stramonium, etc. Serious competitors to the corn plants are also the earliest spring weeds: sinapis, wild buckweed, etc. The mass performance of soil processing with disk cannons, has resulted in a great increase of lands weeds with rhizome and root and sprout weeds – Johnson grass, couch-grass, creeping thistle, bindweed, etc.

In 2012, soil herbicides have been imported for 2 313 thousand acres for the lands seeded with maize (49,1% of the seed area). With vegetation herbicides against species of cereals and deciduous weeds, a total of 2 180,6 thousand acres (46,3% of seeding area) have been treated.

### **Control of pests and diseases**

#### ***Click beetles***

During the last 5 - 6 years, the practice for mass utilization of decontaminated seeds against soil pests is enforced. During vegetation, decrease of the density of click beetles is observed under the threshold of economic harmfulness (TEH) for maize and sunflower. Vegetation treatments have not been carried out. Except for decontamination of seeds from agricultural producers, the share of the seeds which are offered by commercial companies in a decontaminated state is further increasing.

#### ***Maize leaf weevil***

In 2012, an earlier emersion is reported of the weevils by one to three weeks in comparison to 2011 has been reported. The observed density of the grey maize leaf weevil is under and around the economic harmfulness of 0,3 to 2 adults/sq. m.. In the regions of Oryahovo Ruse, density has been reported, exceeding TEH up to 5 adults/sq. m.

The chemical control against the pest is held mainly against decontamination of seeds. In recent years, decrease of the attacked lands is observed, and the density is below and around TEH.

#### ***Cotton bollworm***

The dry, warm and continuous autumn of 2011 facilitates the breeding of cotton bollworm, and increasing the density of the population spending the winter. In 2012, increased harmful activity of the pest is observed for maize, tobacco, tomatoes and pepper. For the maize, second generation is the most harmful. The established damages for the cobs of the maize vary from 5 - 15% to 70 - 80% in the most aggressively attacked lands of the districts Vratsa, Montana and Pazardzhik.

The high population density of the pest and the appropriate agro-climate conditions, and in the autumn of 2012 propose the outline trend in the development of underground bollworms in order to preserve vegetation in 2013.

### **▪ Plant protection for sunflower**

#### **Control of weeds**

The predominant groups of weeds with the highest economical importance and the highest distribution rate for sunflower are the annual types of weeds – field mustard, types of *Amaranth*, white goosefoot, shepherd's-purse, common cocklebur, types of *bristlegrass*, types of *millet*, etc. A problematic group of weeds, which is difficult to control, are multiannual – Johnson grass, thistles, wild buckwheat, etc.

In 2012, vegetation herbicides have been applied over 3 221,58 thousand acres (44,3% of the seeded plots of land). Soil herbicides have been used for 4 359,72 thousand acres, which is 60% of the seeded plots of land.

### **Control of pests and diseases**

#### ***Maize leaf weevil***

The maize leaf weevil is widely present in the regions of Danube plains, parts of Ludogoriето and Dobrudzha. The beginning of harmful activity has been established during the second decade of

the month of April in the regions of Varna, Veliko Tarnovo, Vratsa, Montana, Pleven, Plovdiv and Ruse. Except for decontamination of seeds for seeding of agricultural producers, a trend has started to be enforced also for supply of decontaminated seeds from commercial companies.

In the reviewed seedlings of sunflower, density below TEH has been established (Varna, Vidin, Veliko Tarnovo, Dobrich, Lovech, Montana, Pleven, Plovdiv) and monthly damages without economic significance.

- **Plant protection for rape seed**

- Control of pests and diseases**

- Pollen beetle***

In 2012, the earliest appearance of the pollen beetle has been established in the districts Stara Zagora and Razgrad – by the end of the month of March, and in the remaining regions – during the first half of April. Harmful activity of pollen beetle has been established in all districts of the country, where rape seed is grown. High density 8 - 15 adults per plant has been registered in the districts of Varna, Vratsa, Dobrich, Pleven, Silistra, Stara Zagora, Yambol, etc.

The plots attacked with a density exceeding TEH are 967,33 thousand acres (69,4% of the raised area). A total of 856,45 thousand acres have been treated - 88,5% of the attacked and 61,1% of the reviewed lands, and in some areas double treatment has been carried out (Dobrich, Montana, Razgrad, Silistra and Stara Zagora).

The trend in the development of the pest in 2013 is gradation. The density is increased, and the area of distribution is preserved.

- **Plant protection for tobacco**

- Control of weeds**

The most widespread weeds for tobacco are: black nightshade, datura, black bindweed, common amaranth, thistles, black bindweed, velvetleaf, white goosefoot, common barnyardgrass, hairy crabgrass, green bristlegrass, Johnson grass. Some of the weeds are hosts to diseases and pests of tobacco. The indirect damage caused by the weeds associations in tobacco is expressed in hindering and rendering crop rotation and harvesting of weeds more difficult.

For weed control, mostly mechanical treatments have been relied upon. In 2012, 55,5 thousand acres (33,1% of the planted area) have been treated with soil herbicides, and 8,4 thousand acres have been treated with vegetation herbicides, or a total of 5% of the surface area.

- Control of pests and diseases**

- Onion thrips***

In 2012, delay of the seeding is observed for the seedling beds in the main tobacco production regions of the country (with the exception of Plovdiv), as a result of the harsh and precipitation-heavy winter, which has resulted in the later appearance of onion thrips in the seedling. For field tobacco, the density of the pest is also below and around TEH. The heavy precipitation in May has delayed the transplanting of the crop. Later vegetation has been reported, as well as later appearances and displacement of the pest. The dry and hot weather in the months of July and August has provoked the multiplication of onion thrips in the agrarian environment, but also the acceleration of maturation of tobacco leaves. Their faster gathering has strongly limited onion thrips.

The low density of the pest also determines the weakest degree of attack of the disease ring necrosis (spotted virus) for tobacco. In the regions of Gotse Delchev, Vratsa, Kardzhali and Kyustendil, a total of ill individual plants from 3 - 5% of attacked plants in isolated, limited plots.

A total of 75,7 thousand acres have been treated (45,1% of the area with tobacco). 1 to 5 spraying campaigns have been carried out.



The trend in the development of pests in 2013 is toward preservation of the area of distribution and density.

### ***Aphids***

The earliest onset of appearance of pests in seedbeds in 2012 has been established at the end of March for the Plovdiv region. An attack in the end of April of 3 - 5% of the plants in seedbeds has necessitated double treatments of seedlings in the district Stara Zagora. Sharp heating and drought in the summer months has provoked the multiplication of populations. The degree of attack varies from 0 - 12% attacked plants for the districts Vratsa, Dobrich, Kyustendil, Plovdiv, Silistra, Smolyan and Yambol up to 15 - 20% attacked plants in the fields of Stara Zagora and Kardzhali. By the end of July in the region of Gotse Delchev of 3,4 thousand acres, the attacked plants are 30 - 40%. During the second half of August, a total of 50-60% attacked plants have been reported in the Vratsa region.

Total treated area: 77,3 thousand acres (46,1% of lands with tobacco). 1 to 5 spraying campaigns have been carried out.

The trend in the development of pests in 2013 is gradation – the area of dispersal extends, and the density increases.

### ***Wildfire***

In 2012, displays of the bacteria have been reported earliest in the seedbeds in the regions of Gotse Delchev and Kardzhali. The daily precipitation in May and the beginning of June, combined with the optimal temperatures and the local hailstorms (Blagoevgrad, Vratsa, Kardzhali, Plovdiv), have facilitated the development of the disease in the agrarian environment. Single attacked plants have been reported in Vratsa district, 5 - 8% attacked plants in the regions of Gotse Delchev and Plovdiv, and 10 - 12% attacked plants in the regions of Krumovgrad and Kirkovo. The carried out chemical treatments, the unusually high temperatures and the low atmospheric humidity in the months of July and August have stopped the development and the spread of the disease. Economic damages have not been suffered. 40,7 thousand acres (24,3% of lands with tobacco) have been treated. 1 to 4 spraying campaigns have been carried out.

The trend in the development of the disease in 2013 is without change – in direct dependency on the meteorological conditions.

#### **▪ Plant protection of potatoes**

##### **Control of weeds**

The highest and mass distribution in potato seeding of the one-year dicotyledonous: field mustard, wild radish, lamium, white goosefoot, types of amaranth, shepherd's-purse, pigweed, black nightshade, etc.. In agrarian regions, together with the ones listed above, one-year cereal weeds are included: barnyard grass, hairy crabgrass, slender meadow foxtail and types of bristle. The lands with multiannual weeds increase, from rhizome weeds – Johnson grass, *Elymus repens*, twitch-grass, and from root and coppice – bindweed, thistle and field milk thistle.

In 2012, 76,2 thousand acres (48,8% of the planted area) have been treated with herbicides, and vegetation herbicides have been applied for 44,25 thousand acres (28,5% of the area).

##### **Control of pests and diseases**

##### ***Colorado beetle***

In 2012, earlier leaving of adult Colorado beetles from the places for spending the winter has been registered in comparison to 2011, provoked by the sharp increase in the temperatures in the second half of the month of March. The weather cooling, accompanied with daily precipitation in May, have delayed the development of the pest.

The Colorado beetle is traditionally above the TEH for the potato production regions in the country. In 2012, a total of 119,1 thousand acres have been treated, which is 76,4% of the seeding area. 1 to 5 spraying campaigns have been carried out.

The trend in the development in 2013 is toward preservation of the area of spread and the density of the pest around and above TEH.

#### **Potato tuber moth**

The beginning of fly periods of the potato tuber moth in 2012 has been established as of April 17 in Kyustendil district, 20 days later in comparison to 2011

The registered flight for the first three generations of the pest is much lower. In comparison to the previous year, 1 to 6 butterflies per trap/week in district Blagoevgrad, Kyustendil, Sofia. Following the release of the first plots from potatoes, in the period August – September, the density of the potato tuber moth has greatly increased, and has reached up to 94 catches per week (Kyustendil). At the time of cultivating the potatoes, single damages have been reported on the tubers up to 1% in the regions of Kyustendil, Pazardzhik, Plovdiv (territories of Karlovo, Kalofer, Klisura, Rozino) and Smolyan. In the last two years, the population density of the potato tuber moth in the districts Blagoevgrad, Kyustendil, Pernik and Sofia – district have decreased significantly.

In 2013, a trend of depression is observed in the development of the pest – decrease of the density and narrowing down the area of distribution.

#### **Mildew**

The changing and unstable weather in May and the beginning of June 2012 has created optimal conditions for development of mildew, and then 2 to 3 incubations for the period have been registered. At the end of June, in non-treated lands in proximity to the rivers Mesta and Struma, a strong degree of attack has been established (up to 50% of leaves have been attacked). In the remaining regions of the country, no observation of the pathogen has been observed, a weak to middle level of attack has been reported. Further heating and permanent drought has stopped mass outbreaks of the disease in most districts.

Lands treated against mildew in 2012 are 109,4 thousand acres (70,1% of the seeding area), and 1 to 6 treatment campaigns have been carried out.

#### **Alternariosis**

By the end of the month of June, 2012 I - II degree of attack has been registered for 2 to 10% of attacked plants in the areas of Blagoevgrad, Burgas, Vidin, Kardzhali, Pazardzhik, Sliven, Yambol, and in the areas of Kyustendil, Pernik, Pleven and Smolyan, the more plants have been attacked - 15 - 20%. In the Pernik region, until the end of vegetation, damages from the disease for an area of 1,34 thousand acres have been found, with I to II degree of attack (from single spots on a separate leaf to ¼ of the leaves).

In 2012, 92,5 thousand acres have been treated, which is 59,3% of the seeding area. A total of 1 to 4 treatments campaigns have been carried out.

#### ▪ **Plant protection for tomatoes and pepper**

##### **Control of pests and diseases**

##### **Tomato leaf miner**

In 2012, 3 to 26 spraying campaigns have been carried out with insecticides under greenhouse conditions. For decrease of the population density of the tomato leaf miner, pheromone traps and water traps have been successfully used. In some of the greenhouses, the Biological agent *Macrolophus caliginosus* (Blagoevgrad, Plovdiv, Silistra, Haskovo, etc.) has been introduced.

The reported attack on the leaves of tomato plants are of slight to medium degree, regardless of the reported average and high risk of the pest from pheromone traps. Only for separate crops at the end of vegetation, damages on tomato fruits from 10 to 15% have been found.

4 to 15 treatment campaigns have been carried out for agrarian conditions.

The trend in the development of the pest in 2013 has not been changed. The density has not been increased, but the area of distribution is extended.

### ***Cotton bollworm***

In 2012, peak in the distribution and harmful activity of the pest is observed. The generative organs of tomatoes and pepper have been strongly attacked. The increase in the degree of attack has been reported in the second month of July and in August, when damages on fruits are available, and as a result of the harmful activity of the caterpillars. The established attack on fruits varies from 2 - 5% (in the areas Vratsa, Pleven, Silistra, Shumen and Yambol) to 10% in the regions of Burgas and Vidin. In the most strongly attacked lands, damages have reached very high value – from 30 - 50% (in Kyustendil, Montana and Sliven) to 70 - 80% (in the Pazardzhik region).

The high population density of the pest in the autumn of 2012 and the favorable agrarian and climate conditions for feeding the population spending the winter indicate that the trend in the development of the cotton bollworm is a gradation. The population density is increased, and the area of distribution is extended.

### ***Mildew on tomatoes***

The daily precipitation in May and the beginning of June 2012 have created optimal conditions for development of mildew. During this period, 2 to 4 critical periods for tomatoes have been registered. The stronger attack is the attack on the leaves of the early and mid-early tomatoes – up to 10 - 15% in the regions of Montana, Plovdiv, Petrich and Yambol. In Pernik district, per 0,12 thousand acres of tomatoes, approximately 50% of the leaf lamina has been destroyed. The high temperatures, the low atmospheric humidity and the organized spraying campaigns have limited the further distribution of the pathogen for the full vegetation, 3 to 5 incubation periods have been reported.

In 2012, 29,03 thousand acres have been treated (87,8% of the seeding area). 1 to 6 spraying campaigns have been carried out.

#### **▪ Plant protection of fruits**

#### **Control of pests and diseases**

#### ***Fruit worms (apple, plum and Eastern worms)***

The variable temperatures and daily precipitation in May 2012 had a negative impact over the dynamics of flight and the development of the I generation of the apple fruit worm. The high temperatures and the low atmospheric humidity during July and August have partially held the flight to the II generation, and have decreased the egg production of female butterflies. By the end of August and in September, activation has been established in the flight of II generation of the pest, and new late chewing through.

In 2012, 2 to 8 treatments against the apple fruit worm have been carried out for 44,4 thousand acres (89,9% of the farming lands with apples).

The plum fruit worm preserves the high population density in the main plum production regions in the country, with the exception of Gabrovo district, where a decreased flight in comparison to the previous 2 years has been observed.

In 2012, 58 thousand acres of plums have been treated against the plum fruit worm (91% of the managed lands). 1 to 6 treatments campaigns have been carried out.

In the carried out observations of the Eastern fruit worm, the development of two generations has been followed - in Varna and Yambol district, three generations – in the Burgas, Pazardzhik,

Plovdiv, Ruse, Silistra and Stara Zagora regions, four full generations - in the regions of Blagoevgrad and Sliven. In Stara Zagora district, for the first time in 10 years, the pest has been observed attacking apricots and the reported worm eating rate is 5 - 10%. The Eastern fruit worm is a permanent occupant of peach crops, but no damages of economic significance have been allowed.

### ***Apple leaf blister moth***

Accumulation of errors and omissions in the plant protection has resulted in multiplication of the leaf blister moth, and the overlapping of the separate generations has additionally impeded pest control. In 2012, density above TEH has been reported in apple massifs in the region of Vidin, Pazardzhik, Plovdiv, Stara Zagora, Sliven and within limited area of 35 acres in the Burgas district. The registered attack in kindergartens with carried out plant protection events is from 2 - 8 to 50 - 60 blisters per leaf. In the most strongly attacked kindergartens, early fall of leaves has been concluded. The favorable climate conditions in summer months have contributed to the fact that in massifs with high population density, the pest has developed partial fourth generation in the Plovdiv region and full fourth generation in the Pazardzhik region. The dry and hot weather has secured optimal conditions for feeding the population spending the winter.

### ***Cherry fruit fly***

The carried out soil excavations at the beginning of the spring of 2012 have indicated successful spending of the winter of pupae. The higher temperatures during the day in April have quickly increased the temperature of soil and have provoked the earlier emergence of flies in comparison to 2011, from 6 to 20 days. The earliest appearance of the fruit fly has been reported at the end of the month of April (in the regions Pazardzhik, Plovdiv, Sliven and Haskovo). In the Pazardzhik region, attack has been established on the early varieties of cherries, but without economic significance.

The late spring frosts have reduced the fruiting in some of the cherry plantations in Pazardzhik and Plovdiv district. Fruiting is weak also in Kyustendil area, due to mass shedding of fruitlets in the month of June.

### ***Apple and pear scab***

First spots on the leaves in 2012 have been found in the second half of April. The rainy and cool weather in May has sharply increased the infection fund and has established prerequisites for rapid development and secondary distribution of the pathogen. In the period of phenophases sensitive to the illness of the crop from "fruit the size of a hazelnut" to "fruit the size of walnut", 10 - 14 critical treatments for the period have been carried out, compared to the 7 - 10 registered for the previous year.

Depending on the phytosanitary situation, in different regions of the country 3 to 10 spraying campaigns have been carried out for a total of 46,2 thousand acres (93,5% of the area of the managed apple crops).

### ***Apple mildew***

The manifestation of the system (diffusion) form of the disease has been established at the earliest by the end of the month of March in 2012, in Plovdiv district and Petrich. In the spring of 2012 the degree of attack of mildew is within the limits of the usual variety significance and mass for the country converges from low to average.

### ***Peach mildew***

In 2012, disease symptoms have been found to a various degree for the leaves, and on fruits of sensitive varieties of peaches and for nectarines. The damage on mildew for the fruits of the sensitive varieties and for nectarines are more significant in comparison to 2011

Attack of 3 - 5% to 7 - 15% has been established in the regions of Blagoevgrad, Sliven and Stara Zagora. During the year, 1 to 5 treatment campaigns have been carried out for 34,8 thousand acres (79,5% of the managed area).

- **Plant protection for vines**

- Control of weeds**

- Lands with newly planted vineyards shall be kept clean of weeds. Mostly mechanical treatments are carried out, and the main problem is the protection of the internal strips cleaned of weeds. In the vine plantations, created in the last ten years, an option exists for the use of technological solutions through deviating sections. In the old vine plantations, weeding is much stronger.

- In 2012, vegetation herbicides have been applied, mainly on the basis of glyphosate on 18,4% of the husbandry lands with vineyard plantations.

- Control of pests and diseases**

- European grapevine moth***

- In 2012, density around TEH has been established for border plots in the areas of Burgas, Kyustendil and Yambol from the I generation of the pest.

- In recent years, no increase in the population density of the pest has been established, and it has retained sustainably low density in the main vine regions. In 2012, a trend has been observed for extension of the area of distribution only in the Pomorie region.

- 221,1 thousand acres have been treated against the pest in 2012, or 32,4% of the total area of fruiting vineyards. 1 to 4 treatment campaigns have been carried out.

- Vine mildew***

- Conditions for germination of winter pathogen factors have been found mainly with the precipitation which have fallen in May 2012. In the main vineyard regions, 3 to 8 incubation periods of vine mildew have been registered. The following high temperatures during July and August and the low atmospheric humidity have limited the development of the disease, with the exception of the places with local occasional showers.

- In 2012, 2 to 7 treatments campaigns have been carried out for 675,9 thousand acres.

- Mildew (Oedium)***

- For mildew, the first spring spraying campaign is omitted for shoot with leaves from 2 to 6 cm. In the beginning of May 2012, the first spots on the leaves have been found in vine trellis like formations in the Petrich region, and at the end of this month, and the beginning of June – in the areas of Veliko Tarnovo, Lovech, Pazardzhik, Pleven, Plovdiv, Stara Zagora and Yambol. Until the end of June 2012, mildew has been discovered on the inflorescence and the grains in different regions of the country. During the months of July and August 2012, the meteorological conditions have limited the development and distribution of oedium.

- Lands treated against oedium in 2012 are 675,6 thousand acres, with carried out 2 to 7 treatments campaigns.

- **Universal eating pests**

- Morrocan locust***

- As of the end of April 2012, in non-arable lands of Petrich municipality, a beginning of hatching of the population of Moroccan locust has been carried out. The continuous rain and the low average daily temperatures have extended mass hatching of the grassed lands, and it has continued for approximately a month. Relative to the lower density in 2012 and the availability of enough green plants for feeding the population, no option has been given for resettlement of the pest in the adjacent agricultural crops.

- For the larger part of Kardzhali district, the pest has been found in meadows and pastures, remote from settlements, not affecting agricultural crops. From the moment of appearance of the locusts, extremely high density has been reported. A gradual increase of lands attacked with multiple

“centers” is observed, and in said centers the pest is visible, and it allows non-coverage of difficult spots and resettlement of the undiscovered “centers”. In the cases of spraying with backpack sprayers, decrease of the density of population is achieved, but its destruction for a longer period of time has not been achieved. Chemical control has been exercised over an area of 1,2 thousand acres in the municipalities Ardino and Krumovgrad.

In 2012, in the territories of the municipalities Madzharovo and Ivaylovgrad, Haskovo district, high density of Moroccan locust has been established. A total of 2 thousand acres have been attacked. Treatment has been carried out of 0,45 thousand acres with backpack motorized sprayers. In chemical control, no area treatment has been carried out, but instead only pest “centers” have been sprayed.

### **3.1. Phytosanitary control**

The main objectives in the area of phytosanitary control in 2012 are:

- Reaching reliable quarantine phytosanitary control in the production and movement of regulated plants and plants and other products;
- Securing of export of plants and plant products, according to phytosanitary requirements of the countries importers.

#### **3.1.1. Border phytosanitary (quarantine) control for import of plants and plant products**

Border phytosanitary control (quarantine) for import of plants and plant products for Bulgaria and member states of EU shall be carried out at the border inspection phytosanitary posts, in compliance with the European standards and Directives 2000/29, 98/22, etc.

In 2012 of BCP, a total of 27 761 shipments of food from non-animal origin have been processed, imported from third countries. A total of 2 999 samples have been taken, and a total of 58 parcels have been rejected.

In inspections carried out by phytosanitary inspectors, more than 1 200 tons of Potatoes from Poland have not been allowed in the commercial network, due to absence of origin documents.

No notified goods subject to phytosanitary control in their movement of the territory of EU in 2012 have existed.

#### **3.1.2. Control in the export and re-export of plants and plant products**

In 2012, a total of 32 000 phytosanitary certificates for export and 5 604 have been issued for re-export purposes. A total of 39 000 phytosanitary inspections of lots designated for export have been carried out.

A contaminated lot of potatoes from Turkey to Germany for consumption has been captured with a discovered pest – brown rot of potatoes. In 2012, of the system Eurofit, a total of 84 notifications have been sent for established absence of compliance on import from third countries and movement of plants and plant products of the territory of EU and 24 notifications for established documentary absence of compliance in the movement of agrarian potatoes for Bulgaria.

#### **3.1.3. Control of the production of plants and plant products**

In 2012 control of 3 600 registered producers of plants and plant products has been exercised. A total of 6 200 inspections have been carried out. 3 000 phytosanitary plant passports for movement in the territory of EU have been issued.

In 2012, 150 centers of contamination of quarantine pests have been discovered and liquidated. A total of 2 156 percepts and deeds of findings have been issued,

#### **3.1.4. Testing, registration and control of plant protection products**

Biologic testing of plant protection products is part of the overall process on permitting plant protection products. The purpose of biologic testing is collection and summarizing of data for efficiency of products, which are used for preparation of biological dossier for each product.

In 2012, a total of 59 products have been included for biological testing, including 33 fungicides, 5 growth regulators, 8 herbicides, and 13 insecticides. A total of 156 trials have been recorded, and a total of 22 trials have not been recorded.

During the year, the following has been permitted: PPP - 9; products on the mutual recognition - 10; plant protection products for additional use - 9; for limited and controlled use - 10; parallel trade products - 1; products for minimum uses - 2; change in the permission of PPP - 8. A total of 13 PPP have terminated term for permission, and a total of 3 are with a rejection of parallel trade.

78 certificates for permitting of PPP for market supply and use in the territory of the country have been issued.

The control of plant protection products has the purpose of guaranteeing market supply, storage, repackaging and use in agriculture only to the permitted, suitable for use, efficient, maximum safety level for human and animals' health, preserving the environment PPP, which are compliant with the statutory requirements for packaging and labeling. Furthermore, in order to provide the good practices for trade of plant protection products and the interests of users, and shall guarantee their correct use of plant protection products for primary production of plants and plant products, designated for food or forage, in compliance with the requirements of Good Plant Protection Practice (GPPP) and implementation of the principles of the integrated management of pests.

In 2012, it is carried out according to the annual National Market Control Plan and the annual National Plan for Control of the Use of Plant Protection Products, and the National Program for Inspections.

During the year, a total of 247 permits have been issued, including 62 for wholesale trade with PPP, 177 - for retail trade in agricultural pharmacy stores, 6 - for carrying out of fumigation and 2 - for repackaging these products. Change has been made in the permits of 134 companies, having a permit for the respective activity on the basis of an application filed by them.

In the territory of the country, a total of 1 296 facilities have been registered, including 864 for retail trade with PPP (agricultural pharmacies), 328 warehouses for storage and wholesale trade with PPP (own warehouses and rent cells) and 12 workshops for repackaging of PPP. 2 companies are producers of PPP in Bulgaria.

In 2012, a total of 1 992 inspections have been carried out, out of which 1 312 in agricultural pharmacies, 529 - in bulk warehouses, 23 - in workshops for repackaging, and 128 - for non-regulated facilities (municipal markets, shops, etc.) A total of 1 982 deeds of findings have been prepared, a total of 319 prescriptions with corrective measures for removal of absence of compliance have been prepared, 200 samples of PPP have been obtained for verification of compliance of 64 types of PPP. 38 acts have been prepared for administrative violations, according to the provisions of the Plants Protection Act.

In relation to control over the composition of PPP (establishment of compliance with the indicators, approved with the product permitting) in 2012, inspections have been carried out for agricultural pharmacies, warehouses and workshops, and a total of 200 samples have been obtained for compliance of 64 types of PPP, on the National program for market control for 2012

In 2012, a total of 1 608 kg of mildew and granulated and 1 266 l. of liquid PPP have been stopped from the sale or seized/confiscated. For all established breaches, feeds of findings have been prepared for their removal or acts have been prepared for acts for administrative breach.

### **Deliverables of controlled activity over the use of PPP**

Control over the use of PPP from agricultural producers is directed toward certification of the correct use of PPP in the production of plants and plant products, in compliance with the requirements of

the Good Plant Protection Practice, by combining the methods of the prognosis with the principles for sustainable use of PPP.

In 2012, a total of 5 471 inspections of the use of PPP have been carried out, including 5 366 of agricultural producers, 30 – for aviation treatment, 24 – in the review of fumigation and 51 – in decontamination of seeds.

In the carried out control during the year, 5% of the registered agricultural producers have been included.

For the absence of compliance established, a total of 1 441 prescriptions have been issued, with a deadline for its removal, described in Leeds of findings. 9 statements of findings of administrative breach have been prepared, according to the provisions of the Plants Protection Act, and the Apiculture Act.

In 2012, a total of 1 831 notification letters under Ordinance No. 15 for the measures for protection of bees and bee families have been received, and 22 appeals for podmore, as a result of which the inspectors have taken 3 plant samples, and have prepared 4 acts for breach of the Apiculture Act.

### **Plant samples**

In the course of inspections of the agricultural producers in 2012, the inspectors have obtained a total of 122 plant samples, including 64 of plants, intended for food, and 16 – from plants intended for feed according to the National program for control of residues of pesticides in and over food of plant origin, as well as 42 leaf and plant samples, in relation to letters and an ordinance of BFSA, as well as in participation in commissions for signals and appeals by citizens, for establishment of damages caused by herbicide effect or podmore.

In 26, out of all analyzed samples, availability of residues of pesticides has been proven, but in quantities, not exceeding the maximum permissible quantities (MPQ), and in 3 samples, availability of unauthorized PPP for crop sample has been proven. For the non-proven absence of compliance of agricultural producers, prescriptions for correct use of the eligible PPP and strict compliance with registered dosages and the quarantine terms of the products, and these producers have been included in the scope of the control activity over the use of PPP in 2013 have been prepared. 2 acts for establishing administrative breach have been prepared for unauthorized use of PPP.

In 2012, the records have been inspected “Record for the carried out chemical processing and used fertilizers, soil improving agents, and biologically active substances” of 6 229 agricultural producers, out of total of 46 917 registered agricultural producers of crop husbandry production.

## **4. Fertilizers**

### **4.1. Registration of fertilizers**

In 2012, a total of 17 new products have been registered - organic, non-organic, organic and mineral, and microbial fertilizers and soil improvement agents have been registered, including 15 as separate products and 2 in the form of a group of products of several varieties, having the similar origin and technology of production, but different in relation to the food elements.

### **4.2. Control of fertilizers in supply of fertilizers to the market**

In the carrying out of control activity over fertilizers, a total of 462 inspections of warehouses of producers or importers; retail and wholesale distributors; warehouses of agricultural producers and Border Crossing Points have been carried out in 2012.. During the year, 31 absences of compliance have been found, for which a total of 27 prescriptions have been issued. 4 acts for established breaches have been prepared. In the control of fertilizers for compliance with the indicators, 193 samples have been taken for verifying compliance. Absence of compliance in 2



samples of fertilizers have been found, with marking EC fertilizer and for 3 samples of other fertilizers.

**Table V.4. Control over the fertilizers in the period 2010 - 2012**

Activities	2010	2011	2012
Number registered fertilizers	22	13	17
Number of inspections of facilities	381	409	462
Samples obtained from fertilizers for analysis	200	179	193
Samples, which have shown deviations, %	17	22	5
Absence of compliance/ prescriptions	38	56	27
Breach deeds	1	1	4

Source: BFSA

### 4.3. Use of fertilizers

#### Mineral fertilizers

According to data of DFSD, in 2012, the following have been used in the country: 235 386 tons of nitrogen fertilizers (expressed as nitrogen); 47 633 tons of phosphorus fertilizers (expressed as phosphorus) and 23 848 tons of potassium fertilizers (expressed as potassium)., and in the three types of mineral fertilizers, significant increase is observed of the total used quantity compared to 2011.

**Table V.5. Quantities used for mineral fertilizers – tons of active substance**

Year	Total NPK	Nitrogen	Phosphorus	Potassium
2010	258 916	199 083	39 034	20 799
2011	236 258	192 357	29 550	14 351
2012	306 867	235 386	47 633	23 848

Source: BFSA

In 2012, fertilizers enriched with nitrogen are 22 728 thousand acres, and the average per enriched acre is 10,7 kg of nitrogen. Lands enriched with phosphorus fertilizers during the year are 6 538 thousand acres, average of 7,3 kg P<sub>2</sub>O<sub>5</sub> per acre, and with potassium fertilizers – 4 750 thousand acres, with an average of 5 kg K<sub>2</sub>O per acre. Significant increase is observed for the enriched plots, compared to 2011, and the average quantity of fertilizer per acre has been increased slightly in the nitrogen fertilizers, and is preserved in the other ones. In almost all areas of the country, different types of combined fertilizers are used.

**Table V.6. Plots enriched with nitrogen, phosphorus and potassium fertilizers – in thousand acres**

Year	Enriched lands with N thousand acres	Enriched lands with P <sub>2</sub> O <sub>5</sub> thousand acres	Enriched lands with K <sub>2</sub> O thousand acres
2010	19 578	3 275	2 359
2011	20 376	4 237	2 529
2012	22 728	6 538	4 750

Source: BFSA

#### Manure

In 2012, a total of 312 698 tons of manure have been used –56% more compared to the previous year. The enriched areas have increased by 57,6% in comparison to 2011, up to 23 731 ha.

**Table V. 7. Used quantities and enriched lands with manure**

Year	Manure used in tons	Enriched lands Ha
2010	71 260	6 964
2011	200 118	15 060
2012	312 698	23 731

Source: BFSA

### **Use of sludge in agriculture**

In 2012, 44 permits for use of sludge on fields have been issued, for a total area of 2 705,2 acres in the territory of Kumaritsa village, Novi Iskar municipality. The total quantity of treated sludge, permitted for use, is 4 068 tons (expressed dry substance) for the raising of barley, sunflower and maize crops.

#### **4.4. Control for compliance with the rules for good agricultural practice, program of measures for limitation of contamination with nitrates for the purposes of control over agrarian ecological measures and cross compliance**

In 2012, inspectors of DFSD, jointly with the State Fund „Agriculture” – Payment agency have carried out a total of 727 inspections regarding the compliance with the Rules for Good Agricultural Practice and the minimum requirements in relation to mineral fertilizers and plant protection products according to Ordinance No. 11 dated April 6, 2009 for condition and the regulations for implementation of measure “Agro-ecological payments” of the Rural Development Program for the period 2007 - 2013. A total of 727 statements of finding have been prepared. A total of 87 absences of compliance have been discovered in the carrying out of the Rules, and respectively 75 prescriptions for removal of the breaches have been made.

Within the year, the DFSD inspectors have carried out 78 inspections according to the National Plan for Control of Agricultural Holdings, which are within the nitrate vulnerable areas for compliance with the Program of Measures for Limitation of Nitrate Contamination and 1 007 joint inspections with the Technical Inspectorates of SF “Agriculture” - Payment agency. A total of 1 082 statements of findings have been prepared. A total of 116 absences of compliance have been found in the carrying out of the National Plan and the Inspections for crossover compliance, for which instructions have been issued for removal of the breaches.

### **5. Plant variety testing, field inspection and seed control**

The state policy in the area of plant variety testing, the maintenance of varieties, the production, the trade, the import and the export of seeding and planting material shall be carried out through the Executive Agency on plant variety testing, field inspection and seed control with MAF.

The main Activities, carried out by the Agency in 2012, are as follows:

- Testing, recognition of varieties of plant cultures, and varieties of tusser in the Republic of Bulgaria with the purpose of protection of the rights of the selection party;
- Testing, recognition and regional distribution of the varieties of plant cultures with the purpose of registration in the List of Official Varieties, and the full catalogue of EU;
- Agrarian inspection, sampling, and laboratory analyses for certification of seeding and planting material;

- Control of the production, preparation, dissemination and trade of seeding and planting material, its certification and approval of commercial seeds;
- Control of legal entities and natural persons, who have received a permit from the Minister of Agriculture for plant variety testing for Biological and economic properties;
- Maintenance of the register of producers, preparing parties and traders of seeding and planting material.

In 2012, the activity of EAPVTFISC is directed toward optimization of the system and the criteria of state plant variety testing and its organization, with the purpose of successful inclusion to the European structures in legislative administrative and management, as well as organization and methodical plan.

Sub-legislative acts have been updated for seeds and planting material, transposing Directives for changes and supplementing main Directives of EU. Orders for change and supplementing effective orders have been prepared and published, specialized internal statutory documents, such as methods for testing for distinctness, homogeneity and stability in compliance with the Technical Statements of CPVO (EU Office for Protection of Varieties), methods for testing for Biological and economic properties.

In 2012, EAPVTFISC has been accredited as an examination body of CPVO, with which the testing of the new varieties, carried out by the Agency, are recognized, for protection of the rights of the selection party in the territory of EU.

Within the year, 588 varieties, lines and/or hybrids have been declared for registering in the List of Official Varieties of the Republic of Bulgaria

**Table V.8. Number of varieties declared for registration in the List of Official Varieties, by year**

Crops	2010.	2011	2012
Field crops	558	471	378
Vegetable crops	174	136	58
Fruits and vines	286	117	117
Tobacco	53	33	35

*Source: EAPVTFISC*

In relation to agrarian crops, in 2012 decrease in the number of registered varieties is observed, because in the territory of the country, varieties of the European Catalogue of EU could be traded. Out of total of 378 varieties of field crops, 152 varieties are protected with legal protection certificate in the Patent Office.

With the vegetable crops, the trend for decrease in the number of varieties declared for registration continues. All varieties, published in the Complete Catalogue of EU for the varieties of vegetable types, could be produced and traded in the territory of the country. Out of a total of 58 registered varieties in 2012, 23 varieties have legal protection certificates.

For fruit crops and grapes, the number of varieties is preserved at the level of the previous year. Decrease in the number of registered varieties in the official variety list in comparison to 2010 is caused by the right of producers and traders of fruit planting material to use the so-called "list of the manufacturer or the trader of seeds and planting material" according to the Seeding and Planting Material Act. This list is presented upon request by EAPVTFISC for verification.

The number of the varieties of tobacco, declared for registration in the official varieties list in the country is preserved around the level in 2011. During the year, a total of 35 varieties of tobacco (31 varieties of Bulgarian selection), 34 of which have legal protection certificates.

In 2012, under agreements for official plant variety testing for BEP and preliminary plant variety testing according to the approved methods for BEP, without the participation of varieties of standards, in competitive variety tests, a total of 1 775 varieties of field crops, 8 varieties of fruit types, and 5 varieties of vine trellis have been included.

The total number of varieties assigned for testing for Biological and economic properties according to the concluded agreements for all types of plant variety testing is 1 788 (by 2 044 varieties for 2011).

Out of them, in preliminary testing, a total of 1 555 hybrid maize, sunflower, rape seed and varieties of wheat and Barley (by 1 780 for 2011) have been assigned. For registration in List "A" of the Official Variety List, a total of 233 varieties have been tested for BEP, 11,74% less in comparison to 2011.

Out of the total number of the plant variety testing for Biological and economic properties declared as official varieties according to concluded agreements, 1 642 or 91,8% are foreign selection, and 146 varieties – Bulgarian selection. Compared to 2011, an increase of plant variety testing for BEP of species of Bulgarian selection (by 5%) and decrease of the total number of declared species for preliminary plant variety testing (by 12,6%), and for plant variety testing for BEP (by 11,7%) have been reported.

The observed drop in the total number of varieties declared for official plant variety testing is the result of free movement of seeds in EU and the removal of the necessity for mandatory registration of the varieties in the List of Official Varieties of the country.

In comparison to previous years, a trend is outlined for decrease in the number of the varieties declared for plant variety testing for BEP with the purpose of registration in List "A" of the List of Official Varieties of the country, at the expense of increasing the number of the varieties in preliminary testing.

In 2012, in testing for distinctness, homogeneity and stability, a total of 1 334 varieties, hybrids and lines have been set, 272 of them are under agreements for plant variety testing, 1 062 – similar varieties and comparative collection for proving the distinctness of the new declared varieties and for preparation of foreign varieties.

The activity of the Agency is directed toward improvement and extension of the scope of control in the movement of seeds by and between the producers, traders and users, certification and control of seeding and planting material, laboratory testing of lots of seeds for certification with the purpose of providing good quality seeds for certification of agricultural producers. The public expectations for increased surveillance of the seeds offered on the market has been responded to.

In 2012, state aid for encouragement the production and utilization of high quality seeds continues to be applied, through monetary funds of EAPVTFISC, provided by SF "Agriculture", for the services to agricultural producers, carried out by EAPVTFISC. In this regard, EAPVTFISC has carried out services for agricultural producers, related to agrarian inspection of seed producing seedlings, issuance of labels; taking samples of seed lots, designated for certification; laboratory analysis of seed samples by groups of crops; carrying out of subsequent surveillance of seed lots.

In 2012, the scope of the aid has been extended, and tomatoes, cucumbers, pepper, watermelons and melons have been added to the initially specified crops (soft and hard wheat, barley, maize, sunflower, alfalfa, soy, peas, vetch, rice, potatoes, tobacco).

The state aid for encouragement of the production and the use of high quality seeds has been used by almost one hundred percent of the clients of EAPVTFISC in 2012. The exceptions are related to entities, which have been registered for production of seeds under article 28 of SPMA, but are not registered as agricultural producers and perform seed production through awarding agreements with registered agricultural producers or have failed to comply with the requirements for small and medium enterprise.

In 2012, the Agency has provided services on certification and approval of standard seeds of 516 beneficiaries, and this is more than 90% of the total number of clients of EAPVTFISC.

The biggest share of the aid has been utilized for the production of wheat seeds, followed by barley, maize, sunflower and potato seeds.

Providing state aid for wheat and barley contributes for the increase of plots of land for seed production and has a positive impact over the quality of the produced grain. The commodity production of wheat and barley, produced from certified seeds, has better indicators in phytosanitary terms – the presence of pathogens and difficult to separate weed seeds (common wild oats, etc.) are controlled. The use of seeds is a prerequisite for approaching the genetic potential of the varieties and practically results in higher yields with higher quality. In the central and the eastern part of the country, more seeds are produced and used and agrarian equipment in these regions is already nearing the level of the developed agricultural European countries. Bread and the other grain products, produced from good quality grain, do not contain mycotoxins and allergens. Such grain has good domestic and foreign market, and respectively better prices, and in this way it contributes for the consolidation and sustainable development of the sector, as well as for prevention for population health.

The increase of the seed production for maize and sunflower is a direct result of the application of the aid. The seed market of these two crops is under strong pressure from the import from other countries – EU member-states, and during the years prior to the implementation of the aid, a distinct trend is observed of decrease of seed production.

The total value of the services provided by EAPVTFISC for 2012 is to the amount of 999 904 BGN.

### **Expected data for 2013**

In 2013, the activity related to accreditation of EAPVTFISC for official testing office of the Community Plant Variety Office, with the purpose of recognizing the tests on plant varieties for legal protection of the territory of the community. Declarations have been received for plant variety testing for legal protection by USA have been received, which is a recognition for the effort made and brings additional income to the budget. The agency has technical readiness to accredit its overall activity to the Bulgarian Accreditation Office, but at this stage this could not be carried out, due to the absence of funds.

In 2013, the realization of the scheme of the state aid, opened by the State Fund "Agriculture" continues, for encouragement of the production and the use of high quality seeds for grain, feed, oil seed crops, potatoes, tobacco and vegetable crops, by presenting subsidized services by EAPVTFISC to agricultural producers.

The expected maximum annual budget of the aid for 2013, specified in the chart of SFA, is to the amount of 1 000 thousand BGN.

In 2013, a total of 556 541 acres have been declared for agrarian inspection. In comparison to 2012, the applications filed for certification have increased by 45. The seedlings in 2013 declared for field inspection are 71 793 acres more in comparison to 484 748 acres inspected in 2012.

As of the middle of July 2013, agrarian inspections have been carried out for 452 186 acres of seed production seedlings.

From the declared seed production seeding from field crops, the largest share is occupied by the group of grain crops – 523 640 acres (94,1%), followed by forage crops – 7 233 acres (1,3%), oilseed and fiber – 22 611 acres (4,1%), potatoes – 1 876 acres (0,3%) and medicinal and aromatic crops – 800 acres (0,1%). Seed production seedlings of tobacco have also been declared - 165 acres (0,1%). The vegetable crops declared for agrarian inspections have a territory of 216 acres.

In 2013, the seed production seedlings of regular winter wheat has increased by 17,8% compared to 2012, and the ones of Barley – by 23%.

Stimulating factors for seed producers and traders of seeds are the scheme for state aid for encouragement of the production and the use of high quality seeds, the target loan, granted by SFA for purchasing of seeds and the use of non-final certified seeds for production of wheat, harvest 2012

In 2013, lands for seed production for hybrid maize has increased by 19,7% compared to the previous year, up to 6 775 acres. The lands declared for inspecting, seeded with plants of the group of oilseed and fiber plants have increased by 3,1% in comparison to 2012. Increase is observed also in the seed production crops of hybrid sunflower – by 5,4% and up to 21 482 acres.

In 2013, it is expected that the European Commission will make a proposal for new legislation in the sector, and the twelve effective commercial directives are united in a single legislative act, which shall provide a simplified and easier to apply framework for the business and the administrations.

## **6. Control of grain and grain products**

### **6.1. Licensing and control of public warehouses, granaries and other storage facilities**

According to data of the National Grain Office, as of 31.12.2012, the number and the capacity of the licensed and registered storage facilities of grain in the country are, as follows:

- Public grain warehouses - 33 warehouses, with a total capacity of 368 410 tons;
- Granaries - 209 granaries with a total capacity 2 146 875 tons;
- Other storage facilities - 2 889, with a total declared capacity of 8 445 077 tons.

In 2012, the number of public warehouses decreases by 11 in comparison to the previous year, and their licensed capacity – by 90 thousand tons.

Almost 85% of the licensed public grain warehouses, representing 92% of the total licensed capacity, have been situated in North Bulgaria, and only 15% are situated in the South part of the country.

The total quality of grain, which has passed in warehouse record for the period of July 1 to December 31, 2012 amounts to 118 202 tons, by 120 125 tons for the same period of the previous year.

In 2012, the trend of the last several years of increase of registered granaries has continued. In comparison to the previous year, their number has increased by 23, and their registered capacity has increased by approximately 260 thousand tons. Approximately 79% of the granaries are situated in North Bulgaria, and 21% of them – in South Bulgaria.

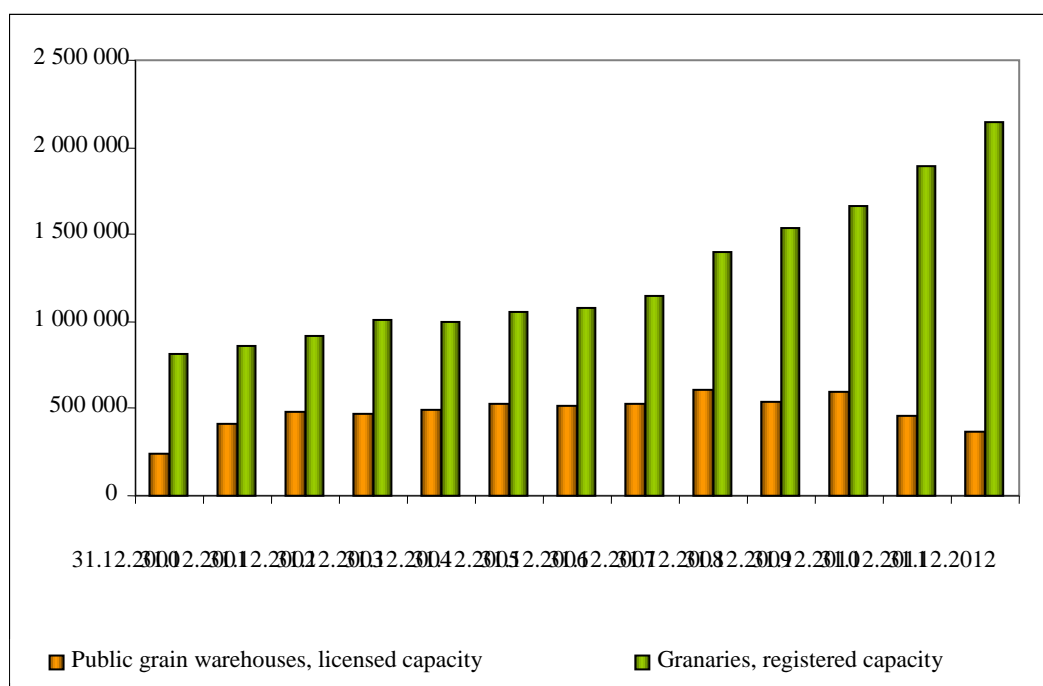
Approximately 72% of the declared other grain storage facilities are also situated in North Bulgaria, as well as more than 75% of the total capacity.

In 2012, a total of 3 552 inspections of grain storage facilities have been carried out, by 3 082 inspections for 2011. Out of the total number inspections carried out during the year, 737 inspections have been carried out jointly with NRA and Economic Police.

During the carried out inspections, 4 381 673 tons of grain have been inspected and grain has increased by 51% compared to the 2 908 440 tons inspected in 2011

As of 31.12.2012, the number of the effective traders of grain in the country amounts to 2 159, and the newly registered traders during the year are 496, whereas traders deleted from the register of grain traders amount to a total of 686 traders, including: 10 traders for a request filed by the company, 35 traders for a breach found under GSTA and 641 traders – due to failure to renew their registration within the statutory term.

**Figure V.4. Capacity of licensed and registered facilities per year, tons**



Source: NGS

In 2012, a total of 3 157 554 tons of grain and grain products have been checked for compliance, for which a total of 3 484 certificates have been issued, and certificates for compliance of the import, export and the intercommunity deliveries.

A total of 460 inspections have been carried out of grain processing enterprises, whereas surveillance of 206 549 tons of grain products has been carried out.

In relation to the declared quantities of produced, sold and available grain, a total of 654 registered agricultural producers have been inspected during the year.

During the first six months of 2013, 1 new public grain warehouse has been registered. The term of 10 licenses of public warehouses has been extended, and by the end of the year the term of another 10 warehouses shall be extended. 3 licenses of public warehouses have been terminated. The number of the licensed public warehouses for 2013 is expected to be 30, with a total capacity of approximately 350 000 tons, compared to 33 warehouses with a total capacity of 368 410 tons at the end of 2012

As of 30.06.2013, the number of registered granaries is 212, with a total grain stored of 2 225 185 tons. As of the beginning of the year, 6 new granaries have been registered, 3 granaries have been deleted from the register, and changes have been made for 17 granaries. In 2013, the number of granaries is expected to increase, reaching 220 at the end of the year, with a total capacity of 2 150 000 tons.

The other declared and registered grain storage facilities as of the middle of 2013 are 3 152 facilities, with a declared capacity of 8 930 171 tons. As of the start of the year, declarations have been filed for publication of 263 other grain storage facilities. By the end of 2013, their number is expected to reach 3 200, with declared capacity of approximately 9 200 000 tons.

As of 30.06.2013, the number of the effective grain traders in the country is 2 180. As of the beginning of the year, 167 new grain traders have been registered, a total of 146 traders have been deleted from the grain register, the registration of 75 traders has been renewed, and changes in the

circumstances of 37 registered traders of grain have been registered. By the end of 2013, the number of effective grain traders is expected to reach 2 300.

In the annual inspection plan for 2013, 3 624 inspections of the licensed public grain warehouses, registered granaries, other grain storage facilities, mills, grain-processing enterprises, traders of grain and grain producers have been scheduled for carrying out. Exercising control of 3 300 000 tons of grain and grain products has been planned.

#### **Joint surveillance actions with the National Revenue Agency and Ministry of Interior**

In 2012, joint inspections from NGS, NRA and sector „Economic Police” of the Ministry of Interior have been carried out on a regular basis for risk establishments, determined by the respective office. They have the purpose of both prevention over the grain market participants, and disciplinary effect on them.

During the year, a total of 737 such inspections have been carried out, 164 more compared to 2011. Cross inspections of grain suppliers along the chain of the export company to the grain producers are considered particularly effective.

These joint surveillance actions continue in 2013 as well, and as of 30.06.2013, 218 inspections have been realized, for which control of a total of 53 319 tons of grain and grain products has been carried out. Overall, the joint inspections with the bodies of NRA and Ministry of Interior result in increasing the efficiency of the carried out surveillance in the grain sector – the discovery rate of the non-regulated transactions with grain has increased, and the attempts to perform commercial transactions without financial and accountancy documents has decreased.

### **6.2. Grading harvest `2012**

#### **Grading wheat from harvest `2012**

During the period of the harvest campaign, a total of 1 623 samples have been obtained from 2 044 300 tons of wheat from the grain production regions of the country (27 districts), which is an excerpt of 47,2% in relation to preliminary data for harvest yearly quantity.

The end deliverables from grading the wheat harvest for 2012, carried out by NGS, indicate the following distribution of wheat by groups:

- First group – 5,5%;
- Second group – 40,3%;
- Second B group – 43,2%;
- Third group – 11,0%.

#### **Grading barley from harvest `2012**

In 2012, the experts of NGS have obtained 483 average samples from 22 grain production areas in the country, representing 265 070 tons of lots of barley or 41,4% of the barley produced from harvest `2012.

Referred to the harvested production, the end deliverables indicate that 41,2% of the barley from harvest `2012 is malting barley, and 58,8% – feed barley. Compared to harvest year `2011, decrease of the share of malting barley by 20,6 percentage points is reported.

#### **Grading maize from harvest `2012**

During grading, a total of 634 average samples have been taken for analysis of 24 grain production districts in the country, which amount to 644 480 tons of maize lots. The average samples obtained for analysis of NGS represent 39,1% compared to the maize produced from harvest `2012.



The data of the analyzed average samples indicate that the maize acquired from harvest `2012 has relatively good values on the three main indicators – humidity, farina and impurities.

The average values of the main quality indicators of maize from harvest `2012 are:

- humidity:  $11,4\% \pm 1,2\%$ , by  $13,1\% \pm 1,4\%$  for harvest `2011;
- crop impurities:  $3,7\% \pm 3,3\%$ , by  $3,5\% \pm 1,9\%$  for harvest `2011;
- foreign impurities:  $1,3\% \pm 1,3\%$ , by  $1,0\% \pm 0,7\%$  for harvest `2011;
- content of farina:  $72,2\% \pm 0,8\%$ , by  $72,5\% \pm 0,8\%$  for harvest `2011.

### **Grading sunflower from harvest `2012**

In 2012, 713 average samples have been obtained for analysis from 23 grain production areas in the country, which amount to 576 900 tons of sunflower lots.

The data of the analysis indicate that sunflower yielded from harvest ` 2012 has relatively good values on three main quality indicators – humidity, fat and impurities, and 40,5% of the analyzed samples comply with the terms and conditions of the standard for quality of sunflower seed. Having regard to the fact that in case of deviation from the basic norms for impurities it is mandatory to complete refraction, whereas for humidity respectively also bonification, the deliverables obtained indicate that 64,6% of the analyzed lots comply with the requirements of the standard. Referred to the harvested production, these quantities represent 879 thousand tons and fully satisfy technological requirements of oil yielding and processing industry in the country, which need per annual average of 540 – 560 thousand tons of raw materials.

## **7. Food safety**

The main goal of the food safety policy of EU is providing a high degree of protection of human health and the interest of users in relation to foods, including traditional products, as well as efficient functioning on the domestic market.

The Ministry of Agriculture and Food leads, coordinates and controls the application of the state policy in the field of health protection of animals and food safety, through its specialized administration.

In 2012, the optimization of the statutory base continues in the fields of food and feed safety, health protection and humane treatment of animals.

The Bulgarian Food Safety Agency exercises the official control of foods on the principle “from the farm to the table”, following the best European practices in the application of high standards of control in the area of safety and quality of foods, food supplements and drinks, veterinary medicine and humane treatment of animals, plant protection and fertilizers, phytosanitary control, feed, border control, etc.

### **7.1. Health protection and humane treatment of animals**

#### **Health protection of animals**

Priority task of BFSA is health protection of animals and exercising control over compliance with the rules for protection and humane treatment of animals.

In 2012, one of the most important tasks in the area of health protection of animals is continuing the carrying out of the program for control of FMD in “the sanitary cordon”, and protection of the country from its outbreak. After the heavy year 2011, when 11 centers of FMD on cloven-footed animals in settlements situated in proximity to the border with the Republic of Turkey, in 2012 the disease has not been found.

On 31.08.2012, the World Organization for Animal Health has restored the status of Bulgaria as “country free of FMD, without implementation of vaccination”.

In 2012, the territory of the country has been preserved from the occurrence of a blue tongue on the ruminants, classic and African plague of swine, influenza, Newcastle disease for birds, pox and plague of small ruminants, and other dangerous virus infections, the spread of which has resulted in significant economic losses.

In relation to zoonoses, diseases transferable from animals to people, BFSA has prepared and has carried out programs for prophylactics and control.

In the carrying out of programs for control of cattle tuberculosis and brucellosis on large and small ruminants, no centers of these diseases have been found, whereas our country has preserved its status of a country free of cattle tuberculosis and brucellosis on large and small ruminants.

In the carrying out of the programs for control of bird salmonellosis, no salmonellosis have been found of the types harmful for humans – Salmonellosis enteritidis and Salmonellosis typhimurium.

As a result of carrying out of multiannual program for oral vaccination of foxes against rabies, a significant decrease of the cases of rabies has been reported, and in 2012 only a single case of rabies has been found, of a fox in Kyustendil district.

During the year, three centers of anthrax have been found - two in Shumen district, in settlements where no prophylactic vaccination is carried out, due to the fact that in the last 30 years, no cases of anthrax have occurred, and one in Pleven district, where one person has been hospitalized.

As a result of the advantageous epizootic environment in relation to the exotic diseases and hazardous virus infections, and in relation to zoonoses, the Republic of Bulgaria shall have the right to complete free trade with domestic animals with EU member states and with third countries.

#### **Humane treatment of animals and animal protection**

In 2012, the issuance of licenses for transfer of livestock continues, with the purpose of compliance with the requirements of the national and European laws in the field of humane treatment of animals during transportation. 161 licenses have been issued for short trips and 29 - for extended trips.

In relation to the requirements for humane treatment of animals during transportation, during the year, various drafts of statutory acts, indications, procedures, instructions, and samples of documents, as well as carried out more frequent inspections by BFSA experts.

In 2012, with the purpose of carrying out of the requirements of Directive 2008/120/EC of the Council regarding determining the minimum standards for protection of sows, detailed action plan has been prepared for the readiness of the country to comply with the requirements for group keeping of breeding sows. As a result of the actions undertaken, as of 01.01.2013, all sow breeding facilities with a capacity of more than 10 breeding sows are compliant with the minimum requirements for their group breeding.

As of June 1, 2012 Bulgaria effectively applies the prohibition on the production of eggs in poultry breeding facilities for egg-laying hens, in which non-enlarged cages are used, and is compliant with article 5 of Directive 1999/74/EC for establishing the minimum requirements for protection of the egg-laying hens.

In relation to humane treatment of test animals, Ordinance for minimum requirements for protection and humane treatment of test animals and the requirements to facilities for the use, raising, and/or their delivery, which introduces the requirements of Directive 2010/63/EU of the European Parliament and the Council since September 22, 2010 regarding protection of animals, used for scientific purposes.

In 2012, the work of the Animal Ethics Commission continues. A register of the issued permits for use of animals in tests has been prepared and is maintained.

A register of registered shelters for homeless animals has been prepared, which is published on the webpage of BFSA. In 2012, 15 inspections of registered shelters for stray animals have been carried

out, and a response has been given to 124 signals and 91 appeals, related to the compliance with the requirements for humane treatment of ownerless animals.

For the period 4-13.06.2012, in Bulgaria, audit of the Office of Food and Veterinary Issues by the European Commission /DG(SANCO)/2012-6454/ has been carried out in relation to evaluation of the application of the official control for humane treatment in farms and during transportation. The general conclusion from the audit carried out is "Significant progress has been realized since the last audit, carried out by FVO in 2010."

## **7.2. Information system for identification and tracking of animal movement**

In 2012, the active work on identification of small ruminants continues, as well as the work on equine animals in the country.

On the basis of the Guideline for crossover compliance for 2012 (Guideline for implementation of statutory requirements for management, specified in articles 4 and 5, and selected in Annex II, item A of Regulation (EC) No. 73/2009 of the Council as of January 19, 2009), for the first time in Bulgaria inspections have been carried out on the crossover compliance by employees of the District directorates for food safety and SF „Agriculture”.

In 2012, the identification of dogs in the country continues, and the data for it is reflected in the VetIS, and the system to a significant degree has been adapted for these animals.

## **7.3. CONTROL ACTIVITIES**

### **7.3.1. Food safety**

Along with the main activities of BFSA, such as health protection of the users for consumption of food and compliance with the requirements of regulations of "the hygiene package" in relation to the exercised official control, in 2012, emphasis has been placed on:

- Development of control system, based on specific principles – degree of risk, flexibility, proportionality, etc.;
- Increasing the trust of consumers toward food offered on the market, and the bodies exercising their control;
- Carrying out of inspections in retail facilities with food of animal origin;
- Carrying out of adequate evaluation of the control activities and as a result of this optimization of the work of control bodies, and reducing the influence of the subjective factor to a minimum;
- control of facilities for production and trade with food and materials in contact with the foods with the purpose of verification of compliance with the requirements of the Regulations from the hygiene package for providing food safety along the whole food chain.

Inspections are carried out with a frequency determined in the Instruction for implementation of uniform multiannual national control plan, through risk analysis and evaluation.

In 2012, the assigned operational goals have been carried out to a full degree for conducting official control over foods, as follows:

- conducting efficient control over the food and facilities for production and trade with food and materials in contact with food, with the purpose of health protection of the users and exercising control in facilities for production of food and in food trade facilities, including public catering establishments, for carrying out of the statutory requirements for food hygiene, specified in Regulation (EC) No. 852/2004 regarding the hygiene of foods, through implementation of the Activities, specified in Regulation (EC) No. 882/2004 regarding the official control and the Foods Act;

- implementation of the approach for risk evaluation in exercising official control over foods and facilities for production and trade with food;
- compliance with the provisions and the requirements of the laws of EU, and of the national legislation;
- exercising control for carrying out with the statutory requirements in relation to the criteria for chemical and microbiological food safety, and the criteria for their composition and labeling;
- carrying out of thematic inspections in facilities for production and trade with food and inspections on the grounds of orders of the CEO of BFSA;
- performance of evaluation of efficiency in the application of systems for self control in facilities for production of food and trade food facilities, as well as the systems for traceability – conducting audits of the HACCP systems;
- maintenance of the operating system for rapid notification of availability of the Food and Feed Safety Alerts (RASFF) on the market and undertaking immediate measures for limitation of the damage for human health;
- not allowing the distribution of food explosions, including study and elimination of the reasons for the illnesses which have occurred;
- undertaking administrative penal measures, adequate to the established absences of compliance;
- increasing the knowledge and competency of the employees of Directorate “Control of foods” and the departments “Control of foods” with DFSD;
- providing independent and transparent control activity, improvement of the forms and the methods for providing information to the public for deliverables of conducting control through conducting systematic media policy;
- preregistration of facilities and update of the National Register of facilities for production and trade with food of non-animal origin, soft drinks and ale;
- exercising control with the purpose of providing healthy feeding to children in nurseries, child milk kitchens, kindergartens, schools, children and student camps, green schools, etc.

The official control in facilities for production and trade of food has been carried out in compliance with the updated European and the national laws.

**Table V.9. Exercised current official control in 2012**

Indicator	Value
Inspections in facilities for production and wholesale trade, establishments for public catering and facilities for retail trade with food, numbers	286 951
Issued prescriptions, numbers	19 451
Prepared acts for establishing administrative breaches, , numbers	5 811
Scrapped food, kg	178 689
Closed facilities, numbers	378

Source: BFSA

Inspections are carried out by the inspectors and the official veterinary doctors in the departments “Control of foods”, with a frequency specified in the Instructions for implementation of Uniform multiannual national control plan, through analysis and risk evaluation.

In 2012, four audit missions of experts of the Head Directorate “Health protection and protection of the user” (DG SANCO) of EU have been organized for the activity of the official control, regarding food safety.

**Table V.10. Audits of the activity for official control in 2012**

Reference No. and audit topic	Date of carrying out
2012 - 6279 – Evaluation of control over pesticides.	13.03.2012
2012 - 6438 - Evaluation of control over bird salmonellas	18.05.2012
2012-6602 - Evaluation of control over CSF/classic swine fever/	19.11.2012
2012-6524 - Evaluation of the monitoring over the residues and the contaminants in livestock and food of animal origin, including the control over the veterinary medicinal preparations.	26.11.2012
2012-6413 – General audit.	

*Source: BFSA*

During the missions, good level of competency has been displayed, as well as good organization of the official control and documents related to the carried out official control.

During the general audit, the most part of the recommendations from previous missions have been carried out, and serious progress has been achieved in relation to the official control in the country.

In the months October and November 2012, two audits have been carried out from the Program of Internal Audits in BFSA 2012-2016, according to article 4, paragraph 6 of Regulation (EC) No. 882/2004 of an audit team, including experts from Directorate “Animal Healthcare and Food Safety Directorate” of MAF and BFSA.

### **7.3.2. Rapid Alert System for Food and Feed**

The Rapid Alert Systems for Food and Feed (RASFF) is common for EU member states. The system supports member states in their actions, by allowing them quick exchange of information regarding risks resulted due to food or feed, and for the measures, which have been take or will be taken for mastering these risks and has purpose to provide control bodies a well-functioning instrument, for notification regarding human health risks, resulting from food or feed.

Directorate “AHFSD” with MAF performs functions of a team for contact of the Republic of Bulgaria of the Rapid Alert System for Food and Feed.

The total number of received, processed and sent initial notifications in the system RASFF for 2012 is 3 516. Out of them, 547 are notifications for warning, 521 - notifications for information, which requires tracing, 705 - notifications for information for directing attention, and 1 743 - notifications for parcels rejected at the border. These initial notifications are the reason for preparation of 5 281 additional notifications for further actions. In 2012, the initial informing notifications are 19, and notifications for further actions on them – 83.

The notifications under which the Republic of Bulgaria is an affected country in 2012, are a total of 94 notifications. All notifications have been processed and filed within due time, and the required feedback information has been sent to EC.

### **7.3.3. Control over the quality of foods**

Control over the quality of food includes Activities related to the carrying out of an evaluation of the compliance of quality characteristics of foods with the requirements of national standards, developed by sector organizations and approved by the competent body. In the carrying out of these activities, the

experts of BFSA take part in inspections for compliance to the good quality characteristics of food produced in enterprises, with the requirements of the above-listed standards.

In 2012, the number of registered enterprises, producing products according to the approved standard “Bulgaria”, has increased by 76, by 63 in 2011

The number of registered enterprises, which produce sector standard “Chutney”, has increased to 5, 1 more compared to 2011. The sector standard “Chutney” has been developed at the end of 2011, but is imposed on the Bulgarian market in 2012, which contributes to the increase in the quantity of produced chutney. This in its aspect is indicative for the increased demand for products, produced according to BSS, national standards and standards developed by sector organizations and approved by the competent bodies, and increased trust in the consumer.

The number of registered enterprises, producing meat products according to approved standard “Balkans” and dairy products according to BSS, the level of 2011 is preserved, respectively 95 and 20 enterprises. Despite the unchanged number of enterprises, producing products under BSS, in the second half of 2012, increase in the quantities produced by them in comparison to the first six months of the same year is observed.

In 2012, MAF has issued a total of 11 certificates for compliance with the qualitative characteristics of dairy products under BSS, according to article 63, paragraph 3 of the Brands and Geographical Indications Act. Out of them, 4 belong to enterprises producing BSS “Bulgarian yoghurt”, 3 – of enterprises, producing according to BSS “Bulgarian white brine cheese” and 4 – to companies, producing according to BSS “Bulgarian yellow cheese”.

MAF maintains a Register of the Certificates for compliance with quality characteristics of milk products under BSS. The register has been published on the website of the Ministry.

In 2013, BFSA continues to conduct intensified control in relation to the quality characteristics of the food produced according to standards, including by taking samples for laboratory testing. This control activity has the purpose of increasing the trust of users to the food produced according to standards, which in its own has the purpose of respectively stimulating demand and the production of products according to standard.

In relation to validation of Ordinance No. 1 dated 07.02.2013 for implementation of the rules of organic farming of plants, animals and aquatic crops, plants, animal products, aquatic products and food, their labeling and control over the production and labeling, program developed by BFSA for carrying out of control of bio-products in the commercial network. This has the purpose of increasing the trust of users to this special class of products.

#### **7.3.4. Border control**

The main tasks of the border control are reaching a high degree of human health and animals protection; prevention of the introduction and distribution of pests on plants and plant products, and prevention of allowing on the EU market food of non-animal origin and materials/subjects, designated for contact with foods, by third countries, representing serious and immediate risk for the life and the health of people.

BFSA, through Directorate “Border control” controls the strict compliance with the European and the National legislation. For this purpose, daily control of the border inspection points shall be adopted. The border control of the country is part of the border control of EU, and through the connection systems, such as TRACES, the whole external border is observed and controlled.

In 2012, at BCP 3 824 parcels with products of animal origin for human consumption have been processed; 462 – with livestock, and 428 – with products of animal and non-animal origin and feed for non-human consumption. 5 758 parcels have been processed for export.

Obtaining samples for analysis during the physical inspection is carried out according to the National Monitoring Program for Control of Residues from Veterinary Medicinal Products and Environmental Pollutants for Livestock and Animal Origin Products in 2012, or in case of absence of

compliance. During the year, 145 samples of animal origin and 104 samples of feed have been obtained.

In relation to the carried out official control and the introduction of products of animal origin and livestock and established absences of compliance in the carried out inspections at the border, a total of 103 parcels have been rejected.

In the carrying out of random and targeted inspections of passengers, arriving from third countries, 6 780,7 kg of products have been seized and destroyed.

At the border inspection phytosanitary points, phytosanitary control (quarantine) is carried out as well in case of import of plants and plant products in compliance with the European standards and Directives 2000/29, 98/22, etc.

In 2012, 27 761 parcels of food from non-animal origin, imported from third countries have been processed at BCP, a total of 2 999 samples have been obtained, and a total of 58 parcels have been rejected.

### **7.3.5. Control of veterinary medicinal activity , veterinary medicinal products and feed**

#### **7.3.5.1. Control of veterinary medicinal activity**

Control over the activity of 28 District Food Safety Directorates, specialized structures and the directorates in the Headquarters of BFSA shall be implemented in case of any absences of compliance and according to an approved Plan and Schedule for carrying out of complex inspections, orders of the Minister of Agriculture and Food, and order of the CEO of BFSA.

The experts of BFSA are in constant interaction with the bodies of the Ministry of Interior, the Consumer Protection Commission, non-governmental organizations for protection of animals and with all structural and territorial departments of BFSA, with the purpose of reaching optimal deliverables in the carrying out of the control activity and enforcement of fast and adequate measures in case of finding illegal actions, which are bearing risk for animals and consumers health.

In 2012, a total of 9 complex inspections have been carried out of the activity of DFSD - Sofia-city, Kyustendil, Blagoevgrad, Plovdiv, Pazardzhik, "Testing Laboratory for Exotic and Extremely Hazardous Infections" with NDRVMI, Silistra, Vidin and Ruse. Thematic inspections of NDRVMI and DFSD - Sofia-district have been carried out.

During the year, a total of 314 files on appeals and signals of citizens, companies, non-governmental organizations, structural and territorial departments of BFSA have been filed and concluded in due time.

#### **Carrying out of the national monitoring program for control of residues from Veterinary Medicinal products and environmental pollutants in livestock and products of animal origin for 2012**

In the annual plan for 2012, a total of 2 021 samples for testing for residues of VMP and environmental pollutants have been specified under NMPCR. In the carrying out of the plan by DFSD, a total of 1 989 samples have been obtained. The plan for obtaining samples from equines by 8 samples, small ruminant animals by 22 samples, shot game by 8 samples, eggs by 15 samples, birds by 26 samples has not been carried out.

#### **Carrying out of the national monitoring program for control of residues from pesticides In and over food of plant origin for 2012**

National program for control of residues of pesticides has been prepared for and over food of plant and animal origin for 2012

BFSA hosts the official contact point for pesticides in Bulgaria. The deliverables from the analyses, carried out under NPCRP, shall be sent on an annual basis to the European Food Safety Association (EFSA).

In 2012, 252 samples with a total of 27 819 analyses for residues of pesticides have been studied in CLCTC, and content of residues from pesticides above the norms has been established for 6 samples (approximately 6,9%). In approximately 39% of the samples, residue quantities of pesticides under the eligible norms have been found. 28 samples have been studied in CLVSEE for residues of pesticides in products of animal origin, and no residues of pesticides above the maximum eligible concentrations have been found.

In 2012, 2 533 samples, imported from Turkey, have been filed to CLCTC, within the carrying out of the control under Regulation (EC) No. 669/2009 in relation to the increased official control over the import of certain feeds and food of non-animal origin, analyzed for the content of 5 066 separate indicators, and the samples, which contain residues of pesticides in quantities exceeding the maximum eligible quantities, are a total of 37 (approximately 1,5 % of their total number).

During the year a total of 142 samples have been filed in CLCTC for 525 analyses from BCP under Regulation (EC) No. 1152/2009 for the import of specific foods from specific countries in relation to the risks of contamination of these foods with mycotoxins. In 5 of them, content of aflatoxins has been proven for quantities exceeding the established maximum eligible quantities.

#### **Carrying out of the national monitoring program for control of National program for control of anti-microbe resistance of the causes for zoonosis**

In 2012, National program for control of anti-microbe resistance of the causes for zoonosis has been prepared and approved. The monitoring of anti-microbe resistance of causes of zoonosis in animals, food and feed, is carried out with the purpose of finding the resistance to salmonellosis, commensal *Escherichia coli*, campylobacteria isolated from broilers, enterococcus and staphylococcus, according to the requirements of Annex No. 3 of ordinance No. 9/2006. The monitoring program has started 01.04.2012

Deliverables from the analyses carried out under the program in 2012 have been sent to EFSA.

#### **Studied samples for the purposes of official control in 2012:**

- In the Central Laboratory for Veterinary and Sanitary Expertise and Ecology, a total of 5 195 samples have been accepted, approximately 5% less compared to 2011, distributed to programs as follows: NMPCR – 2998, NPCRP – 28, NPFC – 151, import – 246, export – 375, domestic market – 422, IIRC and IHI – 897. The main priority in the activity of CLVSEE is the carrying out of National Monitoring and Control Programs;
- In the Central Laboratory for chemical tests and control, a total of 4 241 samples have been filed, for which a total of 38 651 analyses have been carried out, out of which 3 637 official control samples for 36 124 analyses;
- for the purposes of official control in district testing laboratories to BFSA, a total of 1 331 775 samples have been tested.

#### **7.3.5.2. Control of veterinary medicinal products**

The official control of veterinary medicinal products shall be implemented at central and regional level from experts of Directorate "Control of Veterinary Medicinal products" and inspectors of district directorates on food safety.

Laboratories for official control of medical and immunologic VMP are within the structure of NDRVMI.

In 2012, absences of compliance with the requirements of the Law for Veterinary Medicinal Activity and sub-legislative statutory acts have most frequently been established in relation to the trade



and use of VMP, and inspections of livestock breeding facilities (with approximately 11% of the inspections) and Veterinary Medicinal Dispensaries (for approximately 7,9% of the inspections).

A trend has been found toward increasing the quantities of used anti-microbe products in agricultural facilities. In relation to this, joint actions have been undertaken with the Risk Assessment Center for evaluation for the risks in relation to the control of the residual quantities of anti-microbe VMP in raw materials and food of animal origin, the risks of increase of anti-microbe resistance, as a result of unsubstantiated use of such VMP. Increasing the control by BFSA is required over the prescriptions and applications of VMP with anti-microbe effect by the practicing veterinary doctors.

### **7.3.5.3. Control of feed**

The Bulgarian Food Safety Agency methodically leads, coordinates, and controls the carrying out of control from district food safety directorates in the field of feed.

In 2012, in order to achieve high degree of human and animal health protection, environmental protection and protection from deceptions, regular, risk-oriented control has been carried out for each of the stages of production, processing, storage, transportation, distribution, including feeding using feed and Recommendations and Decisions of the European Commission in the "Feed" sector have been carried out.

With the purpose of improvement and unification of the work of inspectors and the experts, performing official control of feed in DFSD, updated samples of documents, standard operative procedures for work of the inspectors and instructions for the application of the Framework Plans for Feed Control have been developed.

### **Registration and approval of facilities in the feed sector**

In B compliance with the requirements of the Feed Act, and in compliance with Regulation (EC) No. 183/2005 regarding hygiene of feed, the Activities carried out in sector "Feed" shall be implemented only for facilities, which have been approved or registered by BFSA.

BFSA supports national registers of the approved and registered facilities in the feed sector for the activities, specified in articles 9 and 10 of Regulation (EC) No. 183/2005. The national registers are public and accessible for the users of the website of BFSA.

Operators in the "Feed:" sector shall be registered and/or approved for all facilities under their control, for each activity they complete.

As of 31.12.2012, the total number of registered and approved facilities in the territory of the country is 10 028, 39,3% more compared to 2011

**Table V.11. Number of registered and approved facilities in sector "Feed"**

<b>Declared activity by the operator</b>	<b>Number of facilities as of 31.12.2011</b>	<b>Number of facilities as of 31.12.2012</b>	<b>Change 2012/2011</b>
Registered producers of raw materials for feed, other than primary production of feed	296	372	25,7%
Registered traders of feed	1 860	1 944	4,5%
Registered producers of additives, pre-mixes and combined feed	224	273	21,9%
Approved producers	74	52	-29,7%
Approved traders	85	83	-2,4%
Registered operators at feed primary production level (agricultural producers)	4 406	6 963	58,0%

Other types of operators, including enterprises, transporting feed and operators, letting warehouses	256	332	29,7%
<b>Total registered and approved facilities</b>	<b>7 201</b>	<b>10 028</b>	<b>39,3%</b>

Source: BFSa

In 2012, operative purposes are carried out, assigned in the Uniform Multiannual National Control Plan of the Republic of Bulgaria for food, feed, health protection of animals, humane treatment of animals, and plant protection for the period 2012 - 2014 in order to reach the strategic goal "Efficient functioning of the feed control system".

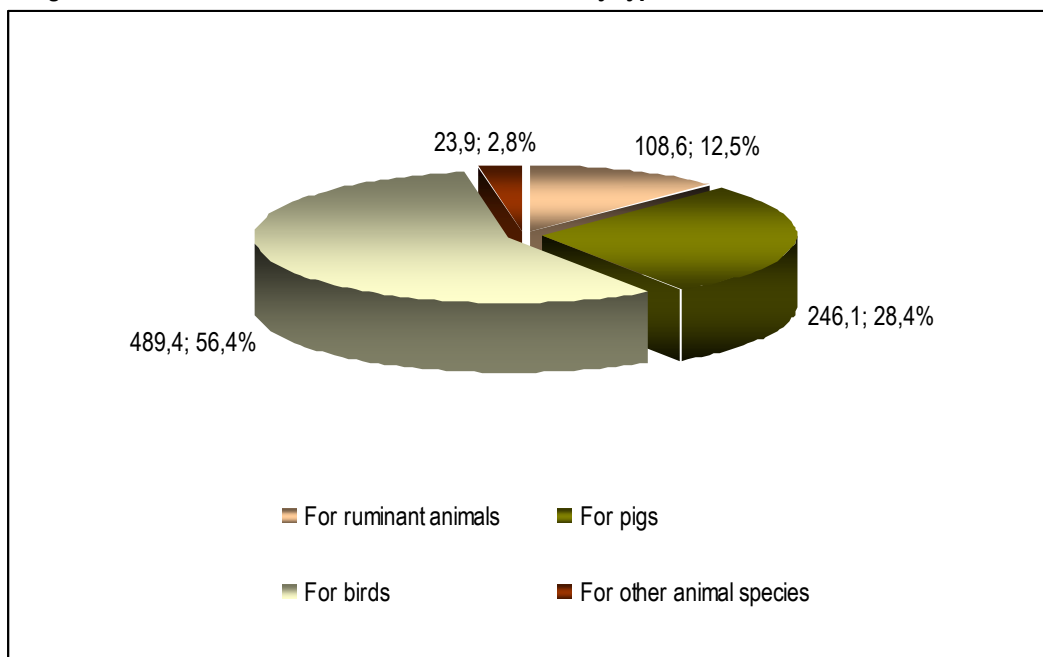
### Production of combined feed

According to data provided by the producers of voluntarily combined feed, in 2012 a total of 867 994,6 tons combined feed have been produced – a decrease by 2,7% compared to the previous year, including: 175 230,2 tons, containing coccidiostats.

The share of the production of combined feed for the purposes of own livestock breeding holdings during the year is 38,9% of the total produced quantity, and the production for the market – 61,1%. In comparison to 2011, increase in the production of combined feed is observed for the market by 8,0%, and a decrease in the production of combined feed for own farms, by 19,5%.

The produced quantity of combined feed for birds amounts to 489 369,1 **tons**, which represents 56,4% of the total production of combined feed for the year.

**Figure V.5. Production of combined feed in 2012 by type of animal, in thousand tons**



### Structuring of the producers of combined feed

More than 40% of the total number of enterprises for production of combined feed in 2012 are enterprises with production volume of up to 500 tons.

**Table V.12. Production of combined feed in 2012 according to the volume of the production of enterprises**

Categories of enterprises according to the volume of the production in tons	Number of enterprises	Share in the total number of enterprises, %	Produced quantities, Tons	Share in the total production of combined feed in 2012, %
Enterprises with production up	167	80,6	166 631,3	19,2

<b>to 5 000 tons - total, including:</b>				
I. up to 500	84	40,5	12 100,1	1,4
II. from 500 to 1 000	25	12,1	18 409,3	2,1
III. from 1 000 to 2 000	29	14,0	42 378,3	4,9
IV. from 2 000 to 3 000	12	5,8	28 666,8	3,3
V. from 3 000 to 4 000	11	5,3	38 763,9	4,5
VI. from 4 000 to 5 000	6	2,9	26 312,9	3,0
<b>Enterprises with production exceeding 5 000 tons - total, including:</b>	<b>40</b>	<b>19,4</b>	<b>701 363,3</b>	<b>80,8</b>
I. from 5 000 to 10 000	20	9,7	145 515,9	16,9
II. from 10 000 to 20 000	11	5,3	154 614,4	17,8
III. from 20 000 to 40 000	6	2,9	176 039,3	20,3
IV. more than 40 000	3	1,5	225 193,7	25,8

Source: BFSA

In compliance with article 17 of Regulation (EC) No. 178/2002, operators of the feed sector are responsible for guaranteeing the safety of the products produced by them, for protection of the health of animals and for preventing environmental risks.

The official control of feed can be scheduled and current. The current control includes future inspections, in case of doubt and investigation (signals, notices to the RASFF system, etc.)

The scheduled control is based on a risk evaluation criteria basis. In 2012, "Framework plan" has been carried out for control of feed for 2012" and "Operational instructions" for its implementation, which have been prepared on the grounds of the projected controls in SMNCP 2012 – 2014.

The overall progress in the carrying out of the strategic and the specific goals in the control system "Feed and feeding of animals" is evaluated as positive. In comparison to the previous year, in 2012, significant increase in the number of carried out inspections is observed. The number of inspections set in the Framework control Plan for 2012 has been carried out at 100%.

**Table V.13. Number of scheduled and carried out inspections for 2012 at all stages of production (including primary production of feed), processing, distribution and feeding of feed**

Number of scheduled inspections	Number of carried out inspections				
	Scheduled	Subsequent	Investigation	After a signal	Total
2 759	2 759	654	86	47	3 546

Source: BFSA

The official control has the purpose of verifying the degree of compliance with the general and the specific legislation in sector "Feed".

The inspections include operators, which exercise activities in each of the stages of production (including the primary), processing, distribution, storage, transportation and feeding of feed.

In 2012, a total of 3 546 inspections have been carried out, out of which 2 759 are planned inspections, including: 659 the number of registered and approved producers of additives, pre-mixes and combined feed, 180 the number of registered and approved traders of additives and pre-mixes, prepared on the basis of additives, 325 producers of feed raw materials, 1 441 traders of combined feed and feed raw materials and 154 operators, letting warehouses, transportation and forwarding companies. For each single verification, deed of findings has been prepared, prescriptions have been made in case of established absences of compliance, whereas terms have been placed for its removal.

All confirmed 37 audits for 2012 of HACCP systems of operators of the feed sector, have been carried out by the end of 2012, as well as 13 further inspections under audit recommendations made.

Out of the audits carried out during the year, a conclusion could be drawn that the operators have developed, introduced and are applying procedures based on the principles of HACCP, with which the requirements of articles 6 and 7 of Regulation (EC) No. 1831/2003 have been carried out. For some operators it has been established that they are not up-to-date as of the time, for which the respective recommendations have been given.

For all established absences of compliance, recommendations have been made, under which the operators have undertaken corrective actions, which have been inspected for their carrying out, and they have been suspended.

In relation to the analyzed feed, no serious absences of compliance are observed, which would result in hazard for animal health.

For operators in the feed sector, absences of compliance are observed in relation to the method of projecting the available sites and equipment. They have been caused by insufficient financial resources for investments, which influences the compliance with the hygiene requirements.

Cases in which the self-control systems introduced by the operators of the feed sector are not matching the activity exercised by the operator and the volume of the production are not infrequent, and they are often borrowed from other operators.

The type and location of establishment of the absences of compliance, do not represent potential risk for animals.

The found absences of compliance and their distribution have been obtained, having regard to the risk evaluation in the planning of the framework control plan for 2013

#### **Analyses of samples obtained from official control of feed**

In 2012, the total number analyses of samples obtained for official control, is 2 414. A total of 477 analyses for food composition, 361 for feed additives, with fixed maximum contents, including permitted coccidiostats, 1 276 for containing unwanted substances, 112 for containing forbidden for use medication substances as feed additives, and contamination of non-target feed, 160 microbiological examinations (for availability of salmonellosis) and 28 for availability of GMO have been carried out.

The number of the carried out analyses of obtained samples of feed for official control purposes has increased by 40,3% in comparison to the previous 2011. Received deliverables from the analyses for their most part do not show absence of compliance of the operators with the requirements of the feed laws. For each and every result with absence of compliance, studying the reason which has resulted to such absence has been carried out. The required corrective measures have been undertaken by the operators.

The samples obtained have been analyzed as per indicators, declared by the producer for compliance, as well as for compliance with the eligible values, specified in the legislation.

Absences of compliance have been found in 2,3% of the analyses of feed for food structure, carried out in 2012, 8,6% of the analyses of feed for content of feed additives with fixed maximum content (including permitted for use, such as feed additives, coccidiostats), 39,4% of the analyzed 33 samples for the composition of coccidiostats, 1,02% of analyses for content of unwanted substances (with the exclusion of unavoidable contamination of non-target feed with permitted coccidiostats, such as feed additives), 7,1% of analyses for content of forbidden for use medicament substances, such as feed additives and unavoidable transfer in non-target feed of permitted coccidiostats and 1,25% of analyses for presence of salmonellosis.

With the exception of deliverables for coccidiostats, insignificant absences of compliance are observed in relation to the analyzed samples. For coccidiostats, most absences of compliance refer to the values declared by the producers and finding of content less than the minimum, according to the individual permit of the additive.

For the analyses of additives of the functional groups “compositions of microelements”, most absences of compliance refer to the value declared by the producers and deception of the client. The found absences of compliance of individual permits for the additives of this group are close to the effect of the eligible maximum value of the additives.

The found absences of compliance of samples for analysis of the content of forbidden for use medicinal substances, such as feed additives, are the result of insufficient cleaning after production of medicinal feed or contamination of the production line with supplementing feed, contaminated after the production of medicinal feed.

#### **Control of the production and trade of medicinal feed**

In the carrying out of the control of the production and trade of medicinal feed, observance shall be carried out for compliance with the requirements of Ordinance No. 20 dated 2006 for the conditions for production, storage, permitting, transportation, decontamination, detoxication and destruction of medicinal feed.

As of 31.12.2012, a total of 8 enterprises for production of medicinal feed have been approved in the country.

Deliverables from the carried out inspections and the obtained official samples for laboratory analysis have not established any serious breach of the feed legislation, regarding residues of pharmacologically active substances.

#### **Control of transmissible spongiform encephalopathes and animal by-products**

BFSA controls the compliance by the operators of the feed sector of the total feed prohibition (article 7 and Annex IV to Regulation (EC) No. 999/2001) and the age restriction (article 11 of Regulation (EC) No. 1069/2009) regarding the processed animal proteins.

The control in relation to the compliance with the feed prohibitions is along the whole chain of production and distribution of feed, with the purpose of verification of the compliance with the directly applicable laws of EU and the national legislation.

In the carried out documental and physical inspections in 2012 by the inspectors, responsible for the official control of feed, no breaches have been found regarding the feed prohibitions. For separate operators of the feed sector, absences of compliance in relation to the requirements have been found, specified in Annex IV to Regulation (EC) No. 999/2001 for labeling of combined feed, in which proteins of animal origin have been used as feed raw materials – fishmeal, blood products (hemoglobin).

In 2012, the samples of feed obtained for inspection of the availability of compositions of animal origin are a total of 551. In the laboratory control carried out during the year, no positive deliverables with absence of compliance have been found.

Proteins of animal origin (fishmeal, blood meal, blood products, whey, combined feed, including milk substitutes) bear risk in relation to contamination with micro-organisms, due to which samples of feed are obtained for inspection of presence of micro-biological contamination with salmonellosis and enterobacteria.

In 2012, the samples of feed obtained for presence of salmonellosis are a total of 80, which is a decrease by 38,2% compared to 2011. In the carried out laboratory control, two positive cases of salmonellosis have been found, and in both cases timely measures and actions have been taken to clarify the reason for the absence of compliance of the deliverables.

#### **7.3.5.4. Verification of efficiency of the official control of feed**

Regulation (EC) No. 882/2004 requires from the EU member states to guarantee that the control they are exercising is efficient.

In 2012, in all 28 District Food Safety Directorates, a total of 28 inspections of efficiency of the carried out official feed control have been planned and carried out, under the provisions of article 8, paragraph 3 of Regulation (EC) No. 882/2004, according to control system "Feed and feeding of animals", control system "Transmissible spongiform encephalopathies and animal by-products" and control system "Veterinary Medicinal products and residues of VMP".

In the carried out inspections, progress has been established in the carried out official control of feed in relation to tracing and the measures, undertaken in the case of absences of compliance, but omissions have also been found in the compliance of some of the applicable requirements.

In the carried out 28 inspections, a total of 227 recommendations have been given, and for all of them, the respective District Food Safety Directorate is required to provide written information for the actions undertaken. 165 of the recommendations have been carried out, 53 are incomplete, but work is still being done on their carrying out, and no measures have been undertaken for 9 recommendations.

#### **7.3.6. Risk Assessment Center**

The Risk Assessment Center has been established in 2011 and performance independent scientific evaluation of the risk in relation to food safety according to article 10, paragraph 1 of the Bulgarian Food Safety Agency Act.

In 2012, the Center has prepared scientific analyses on up-to-date questions, as follows:

- Plants health - analysis of the phytosanitary risk of pests on potatoes of the sort Epitrix (*Epitrix tuberis*, *E. cucumeris*, *E. similaris* and *E. subcrinita*) for Bulgaria and information regarding the increased content of lead in carrots (as per request of DFSD St. Zagora);
- Health protection of animals: the option for display and dissemination of infection of the Western Nile Fever in Bulgaria“;
- Feed: risk evaluation in the import of feed and feed raw materials of third countries; evaluation of the risk analyses made of the deliverables for the exercised laboratory control in the carrying out of official control;
- Mycotoxins, color additives and food additives: Analysis of the situation regarding the found high levels of mycotoxins in milk, dairy products and feed of raw materials (maize) in Lovech district; information regarding the use of color additives Amaranth E 123, Azorubine E 122, Erythrosine E 127 in sparkling soft drinks; Information regarding the use of palm oil in food (as per request of BFSA).

The Risk Assessment Center has prepared 124 scientific information, referring up-to-date problems and newly occurring risks, related to food safety and human health.

In 2012, the Risk Assessment Center has become a beneficiary under a project of the European Food Safety Association (EFSA) "Electronic handover of data for chemical pollutants" (GP/EFSA/DCM/2012/01), with which it affirms its successful cooperation with EFSA.

During the year, participation has been taken in work groups to the European Commission and in meetings with EFSA (meetings of the Consultation Council of EFSA, the focal points to EFSA, panel Animal Health and Welfare, and panel BIOMO (regarding the reporting of zoonoses). The zoonoses found for 2012 in Bulgaria have reported to EFSA of Center employees.

In 2012, the national Focal Center of EFSA continues to develop its activity for popularizing of EFSA on a national level, through different activities according to the signed Agreement for cooperation by and between EFSA and the Risk Assessment Center.

#### **7.3.7. Legislative changes in the field of food safety**

In 2012, optimization of the normative basis continues in the areas of food safety and feed, health protection and humane treatment of animals.

Ordinance for the specific requirements toward the milk products (published in SG, issue 48 as of 2012, changed and supplemented in SG, issue 1 dated 2013) has been prepared and published. The ordinance is effective as of 27.08.2012

A draft has been prepared of the Ordinance for amending and supplementing Ordinance No. 26 dated 2010. For the specific requirements for direct deliveries of small quantities of raw materials and food of animal origin (published in SG, issue 84 dated 2010., changed in SG, issue 46 dated 2012). The European Commission has been notified of this draft.

A draft has been developed of the Ordinance for Specific Requirements toward Slaughterhouse Facilities, for which the European Commission has been notified.

A Uniform Multiannual National Control Plan of the Republic of Bulgaria has been prepared for food, feed, health protection of animals, humane treatment of animals and plant protection (January 2012 - December 2014). SMNCP has been published on the website of MAF.

Annual report for carrying out of SMNCP shall be sent to EU for the year 2012. The annual report has been prepared in compliance with the requirement of article 44 of Regulation (EU) No. 882/2004 of the European Parliament and the Council for the official inspections, which are carried out with the purpose of verification of the requirements of the law foods and feed, the requirements for health protection of animals and humane treatment of animals, and article 29g, paragraph 2 of the Foods Act.

In 2012, a change and supplement has been adopted to the Feed Act, (published in SG, issue 55 dated 2006., amended and supplemented in SG, issue 97, dated 2012).

In March 2012, Ordinance for amendment and supplement of Ordinance No. 109 for official control over feed has been promulgated. The amendment reflects the structural changes made under the Bulgarian Food Safety Agency Act. Requirements regarding the provisions and the procedures for transit transportation of feed from third countries in the territory of the Republic of Bulgaria have been introduced, as well as uniform "Document indicating the inspections of feed, transported in transit through the Republic of Bulgaria", which provides an opportunity for uniform control.

In 2012, the following statutory acts have been prepared and published in the area of health protection and humane treatment of animals:

- Ordinance for amendment and supplementing Ordinance No. 19 as of December 14, 2005 for prophylaxis, limitation and liquidation of the bluetongue disease on ruminant animals (SG, issue 62 dated 2012 ). EC has been notified of this Ordinance.
- Ordinance for the minimum requirements for protection and humane treatment of test animals and the requirements toward facilities for the utilization, raising and/or delivery. The Ordinance has been published in SG, issue 87 dated 2012, and has been notified to EC.

In the area of legislative actions, the Republic of Bulgaria supports the draft of Regulation of EC, having the purpose of granting a possibility of the member states for limitation or prohibition of growing GMO on parts of or on all of its territory, and coincidentally keeps unchanged the permitting regime, effective in EU, based on the scientific substantiation.

The change of the effective legislation in the competences of BFSA continues, with the purpose of harmonizing it with the requirements of the European law, having regard to the establishment of a uniform cooperation control for compliance with the requirements of the European and the Bulgarian laws, and preparation of application rules in different fields.

## **8. Selection and reproduction of livestock breeding**

### **8.1. Management of national genetic resources in livestock breeding**

Management of genetic resources in livestock breeding has the purpose of protection of endangered or vulnerable local autochthonous breeds – country's national wealth, as well as support and development of commercial breeds, forming national genetic resources.

The Executive Agency for selection and reproduction in livestock breeding performs the coordination of activities related to the Management of national genetic resources in livestock breeding.

EASPAH takes part in the Management of national genetic resources in livestock breeding through organizing, management and participation in the activity of the National Council of Management and Preservation of Genetic Resources. In 2012, a total of 27 meetings of the National Council of Genetic Resources in Livestock Breeding on sections for the separate strands in livestock breeding, where the problems of the respective strands have been discussed, and a series of proposals have been made for the improvement of breeding activity.

Management of the genetic resources is supported through securing the access to national genetic resources, through implementation of the Domestic Animal Diversity Information System (DAD-IS) as a global communication tool for exchange of information on storage of genetic resources in livestock breeding, and in 2012, EASPAH has carried out full update of the information for national genetic resources in the systems EFABIS and DAD-IS.

The Agency support also the National Genetic Reserve of the country, which guarantees the national sovereignty in relation to genetic resources, preservation of the specie and breed diversity of agricultural animals, maintenance of scarce populations, storage of local animal breeds with unique genetic properties and high adaptability of review to the natural conditions of the environment.

As of 31.12.2012, in the National Genetic Reserve, a total of 357 313 doses of deeply frozen semen is preserved, from 433 hatcheries of 41 breeds of the species cattle, buffalo and sheep. The annual carrying out of the national genetic reserve decreases the risk of irremediable loss of the inheritance properties and genes of the species and breeds of animals, raised in the country.

EASPAH has two cryo-storages of the National Gene Bank – in Sofia and in Sliven, whereas of 31.12.2012, a total of 3 146 280 doses of deeply frozen semen of 22 breeds of cattle and 3 breeds of buffalo are stored.

EASPAH manages and maintains the two National Stations for artificial insemination in Sofia and in Sliven, which secure breeding activity, the management and storage of genetic resources in the country. In both stations, a total of 44 710 doses of deeply frozen sperm have been produced have been produced in 2012, which is 2 315 doses less in comparison to the previous year, but the produced average doses from a breeding facility have increased by 332.

In 2012, the activity for providing an opportunity for raising male animals and production and storage of frozen semen material under a mutual activity agreement with breeding organizations has continued. During the reporting period, a total of 8 365 doses of sperm have been produced from three male hatcheries of the breed Montbeliard in the two artificial insemination stations.

The Agency supports the activity of breeding organizations by providing an option for studying the quality indicators of the controlled signs in laboratories of EASPAH; creating possibilities for raising male animals and production and storage of semen material; creating an opportunity for proving the origin of breeding animals in the EASPAH laboratory.

For this purpose, EASPAH has managed and maintained three state laboratories for analysis of quality indicators of animal products, covering the needs of the selection. In 2012, in the two laboratories for determining the physical and chemical composition of milk (town of Shumen and the town of Sliven), a total of 288 601 samples have been studied for five breeding organizations in cattle breeding, which is 6 295 more in comparison to 2011.

With the use of laboratories for physical and chemical analysis of the milk samples, equality, comparability of deliverables, transparency, self control between the breeding organizations and objective control by EASPAH of their activity have been achieved.

The laboratory for testing of rams, in its own productivity (town of Shumen), servicing the selection of the fine fleece sheep breeding provides the opportunity to determine the magnitude of certain selection samples and the quality of wool in relation to the physical and mechanical properties,



the yield and the quantity of pure fiber. In 2012, a total of 909 samples of wool have been tested in it, 161 samples less compared to the previous year.

In 2012, in the national immunology laboratory for establishing the origin and determining the blood type of animals (city of Sofia), a total of 350 blood samples have been examined (330 samples of sheep and rams, including 128 for determining the origin and 20 - for determining the blood type of cattle). The blood samples examined in cattle breeding have been presented only through the artificial insemination stations, and sheep breeding – from scientific institutes and breeding organizations.

The activities on reproduction shall be implemented from licensed Centers for storage of sperm. The realization of insemination material of breeding facilities of the national gene pool shall be implemented by 18 licensed centers for storage of sperm, and 11 of them keep conveyor lines. This is highly valued by farmers and the insemination technicians, who have received sperm stored in good quality in direct proximity to the farms services by them. In 2012, 78 987 doses of sperm have been realized, which is 7 241 doses less in comparison to the previous year.

Given the available genetic diversity of 284 cattle and buffalo hatcheries of 25 breeds in the National Gene Bank, the doses realized in 2012 of deeply frozen sperm are a total of 20 breeds, and 212 cattle and buffalo bulls.

Another type of service, provided to the farmers, is the raising in the town of Kyustendil of three male breeding facilities of the White Bulgarian Milk breed, which are used for natural coverage of goats, and in 2012 a total of 115 connections have been carried out.

In the base of EASPAH in the town of Sliven, breed rabbit farm is maintained, for production of breeding animals, and in 2012, full renovation of animals of the main herd has been carried out.

In 2012, the Agency has provided, with an Agreement for mutual activity for breeding, a total of eight stallions of the horse breeding depot of EASPAH, with the purpose of breeding improvement activity, and improvement of genetic properties of horses in Bulgaria.

In 2012, EASPAH has worked with 532 insemination technicians, an increase by 41 compared to the previous year.

In 2012, the school for preparation of insemination technicians of EASPAH in the town of Sliven, 8 courses have been held for cow insemination technicians, and a total of 20 insemination technicians have been trained.

EASPAH participates actively in the maintenance and the development of breeds, forming the national genetic resources, through evaluation and controlling the carrying out of breeding programs for operation with the breeds of agricultural animals. In 2012, breeding organizations complete breeding activity with 10 breeds of cattle, 1 breed of buffalo, 25 breeds of sheep, 2 breeds of goats, 7 breeds of horses (including 4 new established breeds), 8 breeds of sows, two breeds of hens and ten egg laying hens and hens bred for meat lines, turkeys and ducks; 1 breed of bees – Bulgarian honey bee, and 2 breeds of dogs – Bulgarian shepherd dog, and Karakachan dog.

In relation to the need for protection of the rare local breeds, in 2012, the Agency has taken part as a contractor in the Bulgarian and Swiss project “Connecting the natural preservation with rural sustainable development”, for a part “Preservation of local breeds”. The activities under the project include establishing national web-based information system for local breeds as well as development of a National Gene Laboratory

In order to popularize the national genetic resources and the effect of the breeding activity, in 2012 EASPAH has organized the carrying out of four exhibitions, financed under the state aid schemes, provided through SF “Agriculture” – seventh national meeting for protection of the local Bulgarian breeds in the area “Panitsite”, town of Kalofer, Specialized exhibition on buffalo breeding, the tenth National exhibition on livestock breeding in Sliven, as well as International Exhibition for Livestock Breeding Euro Tier, town of Hanover, Germany - 2012.

At these forums, the condition and the trends for development of livestock rearing of breeds in the country, and national genetic resources are demonstrated.

During the year, numerous meetings have been held, and consultancy services and professional advice to farmers, breeding organizations, non-governmental organizations, etc. have been provided on the issues of breeding activity, the technology for breeding, feeding and reproduction of breeding animals.

EASPAH represents Bulgaria in international bodies and organizations related to the Management and storage of European and global genetic resources in livestock breeding. In 2012, at the 39<sup>th</sup> International conference of ICAR in Cork, Ireland, EASPAH has become fully fledged member of the International Commission for Animal Recording (ICAR). Thus, dialogue with the international organization has been restored, which is of importance for breeding activity in the national and international aspect.

In 2012, in the town of Hisar, work meeting has been held for the project from the European Regional focus point "Development of Risk Evaluation Models for Breeds with the Use of Population and Geo-Referential Data", parallel to the second scientific conference with international participation on the topic of "Conditions and perspectives for development of genetic resources in livestock breeding".

## **8.2. Activity of breeding organizations**

In 2012, a total of 39 breeding organizations have carried out livestock breeding activity, and they have worked with the following number of animals in the separate livestock breeding sectors:

- Cattle breeding - a total of 52 598 controlled cattle (including local breeds – 3 698);
- buffalo breeding - a total of 4 849 controlled buffalo (including local breeds – 4 849);
- sheep breeding - a total of 154 486 controlled sheep (including local breeds – 45 601);
- goat breeding - a total of 8 694 controlled goats (including including local breeds – 1 707);
- horse breeding - a total of 4 015 controlled horses (including local breeds – 1 525);
- pig breeding – a total of 35 550 controlled sows (including local breeds – 1 176);
- bird breeding - a total of 649 676 controlled birds;
- apiculture - a total of 11 299 bee families (including local breeds – 11 299).

In comparison to the previous year, in 2012 an increase in the number of animals, which are used for breeding activity, has been observed for the following sectors: goat breeding – by 73,1%; Cattle breeding – by 12,3%; horse breeding – by 10,4%; apiculture – by 7%; pig breeding – by 4,8%; buffalo breeding – by 3,8%, and dogs, having relevance to agricultural animals – by 6,2%.

At the same time, decrease of the number of controlled sheep is reported –by 2,8%, bees – by 2,8%, and birds – by 0,3%.

In 2012, for the first time, 3 new breeding organizations have started their activities: Breeding Association for species of cattle bred for meat in Bulgaria, to work with the cattle breed Angus Cattle; Breeding organization Mouton Charole Bulgaria, to work with the sheep breed Mouton Charole; the Association of Horse Breeders in Bulgaria, to work with the horse breeds: Bulgarian pedigree horse, Trackener BG and Arabian Purebred.

## **8.3. Control and coordination of breeding activity**

In 2012, EASPAH has carried out scheduled inspections of the activity of all 39 breeding organizations. Mandatory prescriptions have been issued for the established violations and omissions and deadlines have been provided for their removal. During the year, inspections for carrying out of the prescriptions by 24 breeding organizations have been carried out. In general, as a result of the inspections it has been stated that the breeding organizations are gradually improving their activity.

The quality of breeding material, produced, introduced to and disseminated over the territory of the country, is controlled by EASPAH by maintaining a national register of the male breeding animals and a Register for breeding herds from the national gene pool. Activity on the establishment of the two registers has concluded in 2012

Following an update made in the Register of male breeding animals, 10 623 male breeding facilities have been included, distributed by type as follows: 5 042 bovine bulls, 119 buffalo bulls, 3 817 rams, 383 male goats, 491 boars, 671 stallions, and 100 cocks. In the Register of breeding herds, 2 198 herds have been included, distributed as follows: Cattle breeding – 873, buffalo breeding – 138, sheep breeding – 793, goat breeding – 75, pig breeding – 83, horse breeding – 229, birds – 7. 55 apiaries have been included in the registers.

In 2012, a register for the importers of seed material has been established, whereas 5 importers have been registered, with filed 19 notices for import of 85 173 doses of 145 hatcheries.

During the year, EASPAH has exercised control of activities of breeding organizations through conducting inspections under state aid schemes, "Support for keeping a genealogic record and determining the productivity and genetic properties of animals" and "Support for keeping genealogic record and determining the productivity and the genetic properties of the Bulgarian shepherd dog and the Karakachan dog". Surveillance has also been exercised over the Activities of breeding organizations on organizing and completing exhibitions under state aid schemes of SF "Agriculture".

## **9. Agricultural science, training and advisory activity**

### **9.1. Scientific research activity and scientific servicing in agriculture, carried out by the Agricultural academy**

In 2012, the activity of the Agricultural academy is oriented toward upgrade of structures and increasing the administrative capacity in management of the system, for establishment of optimal conditions for experimenting and efficient solution of the problems of scientific research in the area of the agrarian sector.

The effort is directed toward increasing of the collective start and recovery of the academic principles in the management of AA; introduction of the principles of the competitive and the program onset in the formation and expending of finances of the Academy, and other measures for optimization of the expenses for support of scientific activity under the budget.

The scientific activity shall be implemented in the following strands: "Crop husbandry", "Livestock breeding", "Soil sciences, total agriculture and meliorations" and "Feeding technologies and agrarian economy". Within the framework of 2012, a total of 31 carried out projects have been confirmed. In 2013, work is projected to continue working on 123 current and start 28 new scientific research projects.

#### **9.1.1. Scientific products created and introduced in the production**

In 2012, the total number of published and submitted declarations, filed in the Patent Office, is 23. The scientific products, having received legal protection, protection according to the statutory base during the year, are a total of 34, prepared for an active cooperation and conclusion of licensing agreements.

Loss of interest toward older varieties, introduction of new high-output varieties (Bulgarian and foreign), and the impossibility for part of the institutes to pay annual charges, has resulted in suspension of the maintenance of certificates of the varieties of plants and breeds of animals, and also the other intellectual property subjects in the Patent Office. As a result of this, the total number of the products preserved in 2012 remains relatively constant – 399 maintained certificates. Out of them the highest share is the share of the grain cereals – 133; followed by vegetables – 60; grain legumes – 47; oilseed

and industrial crops – 32; tobacco – 29; fruits – 29; vines – 22; feed – 18; flowers (blossoming, and leaf and decorative) – 15, and breeds of animal – 14.

AA owns 85% of all issued and maintained certificates for plants varieties and animal breeds in the Patent Office. The option for providing licenses to companies and farmers is a serious economic advantage for the institutes, holders of certificates. In 2012, only 32 licensing agreements have been concluded.

#### **9.1.2. Transfer of knowledge and scientific products**

In 2012, 77 demonstration fields have been created, where open days and meetings of the scientific teams with Bulgarian and foreign farmers have been organized. Organizing open days for all strands of scientific application activity in AA is the most accessible form for faster realization of the achievements of agricultural science by the direct users - agricultural cooperative societies, associations, farmers, and companies. During the year, a total of 45 open days have been organized. 63 short-term courses for increasing qualification of agricultural specialists and farmers of agricultural cooperative societies and 89 scientific and practical conferences, seminars, symposiums, and round tables have also been carried out.

For the 21<sup>st</sup> time in a row, AA, acting through the scientific and research institutes and trial stations, takes part in the International Agricultural Exhibition “Agra 2012”, and a large number of scientific products, perspective varieties, hybrids, high-quality seeds and planting material, breeds of breeding animals, state-of-the-art machinery for the agriculture and food industry, environmentally friendly and economy efficient technologies for crop husbandry, livestock breeding, information services, agrarian business projects, management systems have been presented.

In 2012, AA takes part in the fourth national exhibition of “Inventions, technologies, and innovations” (ITI), organized in November 2012 in the Russian Cultural Center, city of Sofia. The Academy takes part in the scientific achievements –certificates issued for new varieties of plants, animal breeds, and technologies of eleven institutes (PGRI, Sadovo, HSI, Ruse, AI, Carnobat, VCI “Maritsa”, Plovdiv, AI, Shumen, FI, Plovdiv, FCI, Chirpan, IMLA, Troyan, TTPI, Markovo, DPI, Sofia, ISAOO “Pushkarov”, city of Sofia). Ten prizes have been awarded to AA.

Important aid to agricultural owners and experts are provided continuously by laboratories in the AA system. In 2012, more than 46 424 analyses of plant samples, soil analyses and analyses of animal products and others have been carried out in them. On the basis of received deliverables, specific recommendations have been given in the raising of agricultural crops, diagnostics and prophylactics of animals, storage and processing of agricultural production.

One of the most important strands, under which work is done in the AA system, is occupational training. In 2012, 14 courses have been carried out, with a duration of the training –f 150 hours. The total number of trained students is 367 agricultural producers and employees in the field of agriculture, to whom occupational training certificates have been provided. Out of them, 233 have been issued for major “Agriculturalist”, and 134 – “Agro-ecology”.

#### **9.1.3. Qualification structure of researchers, training of PhD students and publications**

As of the end of 2012, the total number of researchers in AA amounts to 640, distributed as follows, as per academic positions and scientific degrees: professors – 53, associate professors – 286, assistants general – 203, and assistants – 98, with education and scientific degree “Doctor” – 437 scientists, and with scientific degree “Doctor of sciences” – 24.

The trend observed since the year 2000 for decrease in the total number of researchers in the structural units of AA is preserved. In 2012, the decrease is with 6% compared to the previous year, and during the year 50 scientists have left (due to reaching retirement age or other reasons), and 19 have been newly appointed.

The ratio between habilitated or non-habilitated scientists in AA is 1,13 to the benefit of habilitated scientists.

In 2012, 50 scientists have been habilitated, out of which 21 have acquired academic position "Professor" and 29 – "Associate Professor". Education and scientific degree "Doctor" during the year have acquired 13 assistants, and four Associate Professors – scientific degree "Doctor of Science".

The average age of researchers in the system of AA in 2012 is 48,2 years.

In AA, in 2012 in the education and scientific degree "Doctor", together with accredited doctor programs, a total of 85 PhD students have been trained, out of which – full-time education – 31, part-time form – 25, and independent – 29. During the year, 8 PhD students have been suspended from education with the right of continuance, and 13 have successfully defended their doctor's dissertations.

For school year 2011/2012, 26 PhD students and 8 have been accounted as full-time and part-time education – in PhD and independent preparation.

For the academic year 2012/2013, AA has declared a competition for admission of PhD students – a total of 71 positions on 24 PhD programs, out of which a total of 61 – full-time study, and 10 – part-time form altogether in 18 institutes. Documents for participation in the competition have been filed by 30 applicants on 14 PhD programs in 12 institutes in total. 24 applicants have been successfully ranked.

In 2012, the Agrarian Economics Institute with AA continued to issue 7 scientific magazines: "Bulgarian Journal of Agricultural Science", "Agricultural science", "Crop husbandry sciences", "Animal sciences", "Soil Science, Agrarian Chemistry and Ecology", "Economics and Management of agriculture" and "Agricultural machinery", which take part in the development of the global scientific process for already more than 45 years, by granting a possibility for spreading and exchange of academic knowledge, and contribute to the increase in efficiency of scientific studies. They reflect, document and popularize the deliverables of the scientific studies in the area of agriculture and food industry, respectively achievements of the Bulgarian agricultural science in Bulgaria, and globally. The published scientific developments are developments of scientific institutes in the system of AA, BAS, universities and abroad.

#### **9.1.4. International cooperation in the area of agricultural science**

In 2012, the scientific and research institutes and the trial stations of AA, complete international cooperation with scientists for more than 30 countries within the limits of the mutual research projects, participation in international seminars, conferences, consultative meetings, specializations abroad, reception of foreign scientists on topics of mutual interest, etc. A total of 172 projects have been carried out, out of which 117 on a bi-partite basis.

Institutes with AA, 55 projects continue, financed and supported by different international institutions – EU, Feeding and Agricultural Organization (FAO), the International Center of Genetic Engineering and Biotechnologies (ICGEB), Bioversity International, Italy, the International Atomic Energy Agency (IAEA), the International Center for Improvement of Maize and Wheat (ICIMW), International Center for Agricultural Studies of Arid Regions (JCSAR), etc. The trend of the increase in the number of projects on a multilateral basis financed under programs of international organizations and institutions has been affirmed.

On various European programs, a total of 39 projects have been completed. Currently, the AA institutes take part in 13 projects under the Seventh Framework Program of EU. The participation is mainly in two of the four specific strands of the program – СП "Cooperation" under priority 2 "Food, agriculture, fishery and bio technologies" in priority 6 "Environment, including changes in climate" and priority 8 "Public economy and humanitarian sciences".

AA has taken successful part in other European programs Program eContent plus of EU for converting digital data in Europe in more accessible, useful and useable; in the EU Program for trans-national cooperation for the countries of South-East Europe and the Program of EU for cross-border cooperation by and between Bulgaria and Romania; to General Directorate "Health protection and

users” of EU through the Executive Agency for Health and Consumers, Luxembourg (EAHC); to the European Food Safety Association (EFSA).

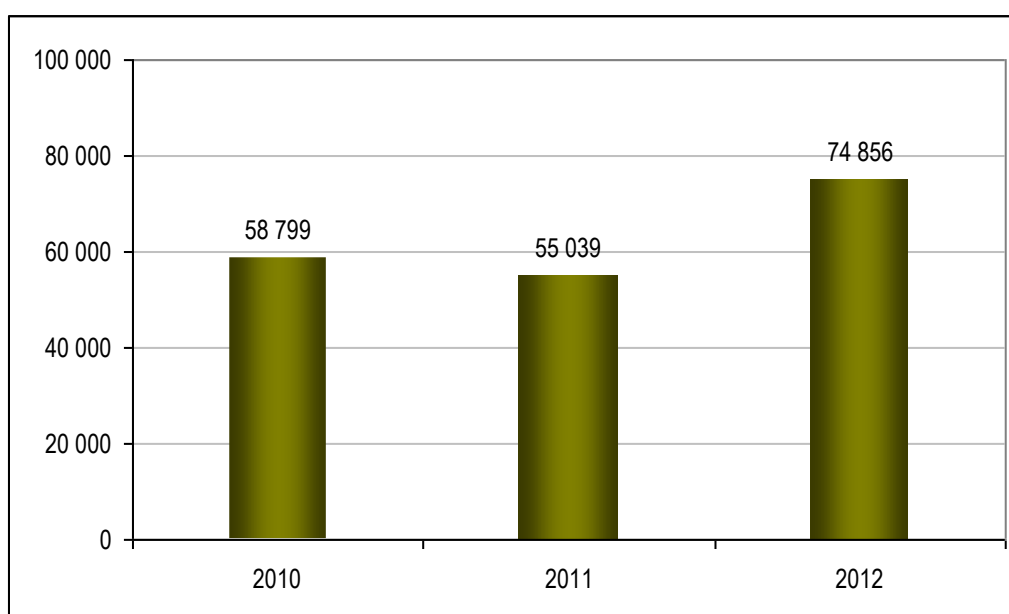
In different projects (actions) of the European Cooperation in Science and Technology (Program COST), scientists from AA are national coordinators or participants in 10 COST – actions in the following areas: “Food and Agriculture”, “Biomedicine and molecular biosciences”, “Individuals, municipalities, crops and health”, “Earth and Environmental Science”, etc.

## 9.2. Advisory activity

Essential part of the state policy for providing advisory services for providing appropriate level of technical and economy knowledge and skills in agricultural and forestry sector with the purpose of implementation of CAP and increasing the competitiveness of Bulgarian producers is realized through the National Agricultural Advice Service (NAAS).

NAAS offers a complex "package of consultancy services“, which includes consultations from the establishment of the farm to its full servicing in agronomic, animal husbandry, and agrarian economy aspect.

**Figure V.6. Total number of consultations, provided by NAAS for the period 2010- 2012**



**Source:** NAAS

All consultations, provided by NAAS, are free for agricultural producers. The office carries out consultancy and advisory activity mainly through the experts of its territorial district offices.

In 2012, the employees of NAAS have consulted a total of 19 998 persons, to which they have provided a total of 74 856 consultations (in offices of NAAS or at a place in agricultural holdings). The average number of consultations, obtained by one person during the year is 3,7.

The total number of consultations provided in 2012 has increased by 36%, compared to 2011 and by 27% compared to 2010. The larger part of the recipients of consultancy have been using the complex package of consultancy services , proposed by NAAS, and seek consultations in different strands.

As during the previous two years, 89% of the consultations have been given in the office, and 11% - on-site.

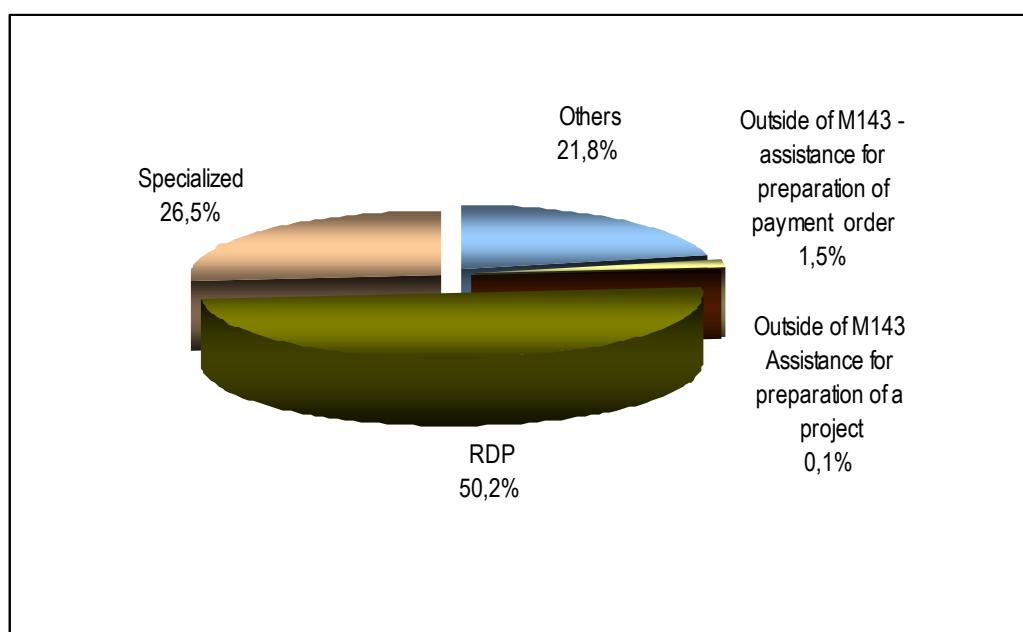
The persons, which have been consulted by NAAS, consist mainly of three types:

- agricultural producers, which have already started its agricultural activity, and in this group, small agricultural holdings prevail;

- persons, which would like to initiate agricultural activity, but still have not;
- other persons, who live in rural areas, including forest owners.

In 2012, the agricultural producers, which have received on-site consultations during visits in agricultural holdings, are a total of 5 780 persons, and their share in the total number of consulted entities has increased by 28,9%, with 19,4% during the previous year. This is the result of the policy of NAAS to diversify the services offered and the funds for their presentation, as well as adapt to the needs of the users of consultancy services. The deliverables reached indicate that NAAS is respected and sought partner for agricultural producers. Change in the type of consultations is also observed – with an increasing frequency, agricultural producers need to receive consultations for settlement of specific problems in the holdings, as well as complex decisions.

**Figure V.7. Consultations provided by NAAS in 2012, per type**



Source: NAAS

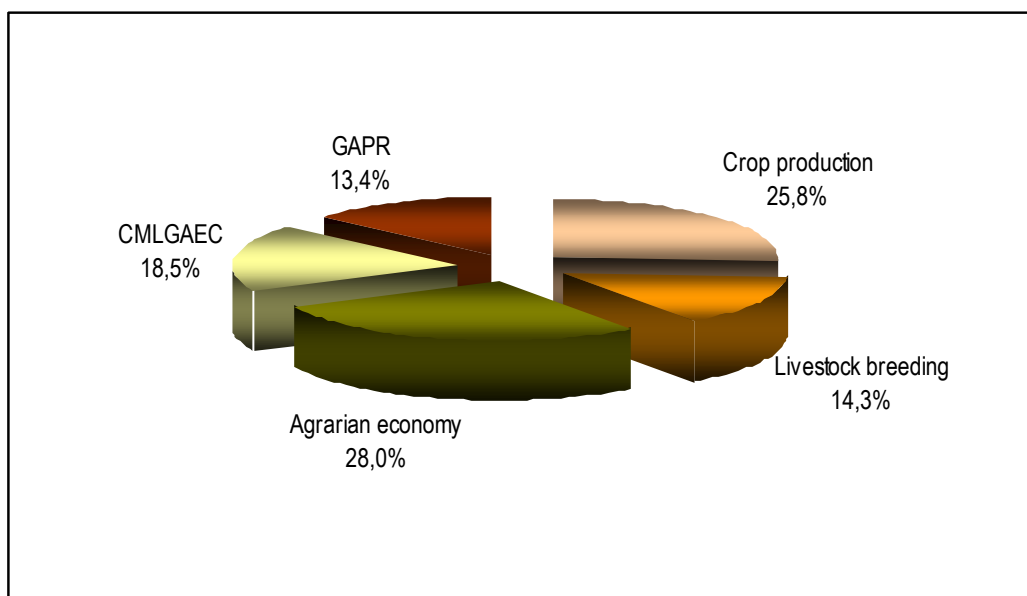
In 2012, consultations, related to the application of RDP, retain leading position, forming 50% of total number of consultations provided. The number of consultations under RDP has increased by more than 40%, compared to 2011, up to 37 563, which is explained by the fact that almost each farmer is interested in the possibilities for financing and support of the activities completed by it.

The second ranked is specialized consultations by 27%, and their number is increased by 3% in comparison to the previous year. The group “Others” represents 22% of the total provided consultations.

Following the various different measures of RDP, in 2012 the biggest interest and the highest number of consultations have been provided again under measure 141 “Support of semi-market holdings in the process of restructuring” – more than 27 601 (73% of consultations under RDP), which is 69% more compared to 2011. Consultations are provided to agricultural producers, which are willing to apply under the measure, as well as for carrying out plans of already approved under the measure semi-market holdings. Second-ranked are consultations under measure 112 “Establishment of holdings of young farmers” – 4 776 (13%), and an increase by 10% is observed, compared to 2011. Almost half of them have been granted to the approved young farmers, for the successful carrying out of their projects. Third ranked are the consultations, given under measure 121 “Modernization of agricultural holdings” – 2 575 (7%), which is 25% more compared to 2011. Consultations under measure 214 “Agrarian ecological payments” follow – 1 432 (4%), which have decreased by 42% compared to the previous year. This is also due to the fact that as of 01.10.2010, NAAS under measure 143 no longer prepares free support applications of applicants under measure 214 (with the exception of semi-market holdings, approved under measure 141). NAAS continued to consult the already approved farmers

under measure 214, and in 2012, 243 consultations have been provided, related to filing of claims for the payment and carrying out of projects during the second, third and fourth year. The interest towards measure 142 “Establishment of producer organizations” remains low.

**Figure V.8. Specialized consultations, provided by NAAS in 2012, by direction**



**Source:** NAAS

The specialized consultations in 2012 are a total of 19 844, which is 19% more compared to 2011, as a result of the larger number of consultations on crop husbandry, Good Agricultural Practice Rules (GAPR) and Conditions for maintenance of the ground in good agricultural and environmental condition (CMLGAEC). In relation to the consultations in the area of livestock breeding, almost no change has been registered in comparison to the previous year, whereas the ones in the area of agrarian economy have a decrease by 700, which has been caused due to termination of the activity of NAAS on collection of agricultural accountancy information. In the conditions of permanently changing and highly-competitive environment, the largest share is the share of specialized consultations in the area of agrarian economy – 28% (5 553). The main topics which represent interest for agricultural owners are taxation, social security and locating markets for said production. Second, with approximately 26%, are the consultations in the area of crop husbandry, including biological crop husbandry. The share of the consultations under the good agricultural practice rules is relatively high (13%) and the conditions for maintenance of the land in good agricultural and environmental condition (19%). Their number is increased due to the increasing significance for increasing the competitiveness of agriculture, compliance with the legally established requirements and access to financing under the first pillar of CAP. Consultations on livestock breeding occupy 14%. Although their share is lower in comparison to the remaining specialized consultations, animal holdings need higher number and more thorough consultations, in order to correspond to the increasing requirements in this sector.

The topics of the specialized consultations, provided in 2012, could be summarized in the following strands:

- Crop husbandry
  - Agrarian technical and plant protection events for different types of crops;
  - technology for raising different types of crops;
  - establishment and recovery of perennial crops and vineyards;
  - organic farming - options, conditions, requirements, certification;
  - measures for recovery and maintenance of pastures;



- management and use of water resources;
- new agricultural machinery for raising agricultural crops.
- Livestock breeding
  - Veterinary and sanitary hygiene requirements toward animal breeding sites;
  - Feeding of different species of animals and birds, according to age and physiological condition;
  - biological livestock breeding.
- Agro-economics and Management of the holding
  - Business planning;
  - Providing funds and taxation of agricultural producers;
  - Market analyses;
  - Realization of agricultural production;
  - Calculation of prime cost;
  - Options for financing of agricultural producers – subsidization, loaning , leasing, etc.
- Rules for good agricultural practice (RGAP);
- Conditions for maintenance of the land in good agricultural and environmental condition (CMLGAEC)
- Other
  - Agrochemical analysis of soils;
  - Conditions of Occupational Safety;
  - Quota System for cow's milk;
  - Registrations and/or categorizations of livestock breeding sites, including apiaries;
  - Registration in VWEA and issuance of documents;
  - Registration in EAPVTFISC and issuance of documents;
  - Registration in BFSA (plant protection), keeping records and issuance of documents;
  - Registration of the agricultural producers under Ordinance No. 3/1999r.;
  - Conclusion of agreements for use of agricultural lands;
  - Schemes for financing and loaning to agricultural producers (outside of RDP).

### **Trainings**

In the Occupational training Centers for occupational training toward NAAS, training of persons aged 16 years or more has been completed, for acquiring, extension and improvement of professional qualification with the purpose of improvement of natural employment, support of professional career, and individual development. Trainings provide an option for agricultural owners to determine clearly their priorities, and learning how to distribute financial resources for their carrying out.

In 2012, in the Center, a total of 565 students out of which 492 under measure 111 "Occupational training, information activities and distribution of scientific knowledge" by RDP.

**Improvement of the connection “scientific research – advice in agriculture – agricultural business”**

In 2012, active is reported for improvement of the connection “Scientific research – advice in agriculture – agricultural business”. A total of 88 joint awareness meetings and seminars have been carried out of NAAS with scientific institutes, scientific and application organizations and other institutions, organizations and experts, with the purpose of support of the transfer for scientific knowledge and technologies in practice. Lecturers of these events, aside from the experts of the territorial offices of NAAS, are leading Bulgarian scientists in the area of agriculture of the scientific institutes of AA, district directorates of BFSA and universities (Thracian University – town of Stara Zagora, and the Agrarian University – city of Plovdiv, etc.) Approximately 75% of these events have been completed jointly with the scientific institutes and the trial facilities of the system of AA.

### **Securing Information**

An important part of the advisory activity is related to securing information, including preparation of information materials, participations in media events, and organizing and participation in information events, and giving presentations on special topics in the area of agriculture.

In 2012, the experts of NAAS have been organized and/or have taken part in 511 information events, which is 131 more compared to 2011. Out of them: 235 awareness meetings, 22 seminars, 24 advisory days, 7 demonstrations, and 23 other.

During the year, a total of 319 awareness materials have been prepared (agricultural calendars, brochures, awareness leaflets, flyers, etc.) – 10% less compared to 2011, and the biggest share is occupied by the educational leaflets and the monthly calendar of the agricultural producer (of the plant breeder and livestock breeder).

The most frequently affected topics in the awareness materials are the following:

- Conditions for application and options for support under measure 141 “Support of semi-market holdings in the process of restructuring” of RDP.
- Monthly “Calendar of plant breeder and livestock breeder”, containing updated specialized information;
  - Social and health insurance of the agricultural producers in 2012;
  - Taxation of agricultural producers in 2012;
  - Registering as agricultural producer under Ordinance 3/1999;
  - Rules for good agricultural practice;
  - Raising shell perennial crops;
  - Preparation of sheep for lamb breeding campaign;
  - State-of-the-art techniques and new technologies in apiculture and organic apiculture.

Electronic communication channels have been used successfully in order for information to reach target groups. Except in the office and on-site in agricultural holding, consultations have been provided on the phone and over the Internet. For a third year in the Central Management of NAAS, a call centre operates with national coverage telephones at the price of a regular call. This grants an opportunity to agricultural producers and to the most remote regions to obtain competent information and advice, by saving them both time and funds.

### **Activity of NAAS under measure 143 of RDP 2007 – 2013**

NAAS is the only beneficiary under measure “Providing advice and consultation in agriculture in Bulgaria and Romania” from the Development Program of rural areas 2007 – 2013. As of the starting of the measure in 2008 by the end of 2012, the experts of NAAS have provided for free to the agricultural producers 16 529 sets of advisory services, as follows:

- Under measure 112 “Establishment of holdings of young farmers” – 4 406;

- Under measure 214 “Agrarian and ecological payments” – 2 667;
- Under measure 141 “Support of semi-market holdings in the process of restructuring” - 9 341;
- Under measure 121 “Modernization of agricultural holdings” – 113;
- Under measure 311 “Diversification toward non-agricultural activities” – 2.

NAAS also prepares business plans under measures 121 “Modernization of agricultural holdings”, 122 “Improvement of economic value of forests”, 123 “Adding value to agricultural and forestry products” and 311 “Diversification to non-agricultural activities” of RDP of persons who have received a full set of consultancy services for applying under measure 141 and measure 112, which have been approved for financial support under these measures, and have marked in the business plan an intention to apply for support under the respective investment measure.

In relation to the proposals approved by EU in December 2011, proposals for changes in measure 143 of RDP, in the end of July 2012, changes have been published in Ordinance No. 10 of 03.04.2008 for the conditions and regulations for providing gratuitous financial aid under measure 143, with which until the end of 2013, the consultancy services under measure 143, provided by NAAS, shall also be completed with consultancy services for the agricultural producers, which have received financial aid under measure 141 “Support of semi-market holdings in the process of restructuring”.

In 2012, the activities under measure 143 “Providing advice and consultation in agriculture in Bulgaria and Romania” under RDP 2007- 2013 continue mainly with providing sets of consultancy services under measure 141 “Support of semi-market holdings in the process of restructuring”, measure 121 “Modernization of agricultural holdings” and measure 214 “Agro-ecological payments”. In relation to measure 141, NAAS has prepared 5 416 projects in 2012, which is an increase by 3 124, compared to 2011

For 2012, 4 declarations for payment have been filed, containing a total of 4 900 handover statements, and documents submitted to them. The declarations filed have a value of 3 025 559,11 BGN, including for non-reviewed projects from previous orders.

Out of all reviewed set of advisory services, provided by NAAS in the period 2008 – 2012 by SFA – Payment agency in 2012, 3 347 projects have been approved, to a value of 1 312 713.40 BGN, out of which:

- Under measure 214 – 101;
- Under measure 141 – 3 184;
- Under measure 1412 - 62.

**Table V.14. Planned deliverables of activity of NAAS in 2013**

Indicator	Measurement unit	Value of the objective for 2013	Completed as of 31.05.2013
Consulted entities	number	17 466	12 063
Visits to farms	number	3 435	1 075
Consultations in the visits of farms	number	6 870	2 568
Consultations in the office	number	57 184	36 828
Provided specialized consultations in the area of agriculture including crop husbandry, livestock breeding and agrarian economics;	number	12 808	10 924
Consultations provided under RDP of agricultural producers and other potential applicants under the Program	number	32 032	17 326
Provided other consultations outside of the two points above	number	19 214	11 146

Total provided consultations	number	64 054	39 396
Joint actions and events with scientific institutes, other scientific and application organizations, and other institutions, organizations and experts, with the purpose of supporting the transfer of scientific knowledge and technologies in practice	number	95	45
Full components of advisory services have been provided under measure 143 of RDP of agricultural producers for application under measure 141 of RDP	number	1 646	0
Prepared business plans under measures 121, 122, 123 and 311 of RDP of semi-market holdings, who have received PQAT under measure 143	number	77	3
Provided to agricultural producers approved under measure 141 of RDP of sets of consultancy services under measure 143 of RDP for applicants and/or approved users of aid under measure "Agrarian and ecologic payments" by RDP.	number	154	172
Provided to approved agricultural producers under measure 141 of RDP sets of consultancy services under measure 143 of RDP regarding evaluation of the holding and establishing the statutory requirements improved in relation to the management, projected in article 5 of Regulation (D) No. 73/2009 and Annex II toward it, and advice on the standards of the Community regarding occupational safety	number	1 800	753
Providing sets approved agricultural producers under measure 141 of RDP of consultancy services under measure 143 of RDP regarding management of agricultural holding and specific consultations in the area of crop husbandry and/or livestock breeding	number	1 800	759
Supported approved semi-market holdings	number	1 800	2 710
Supported and approved young farmers	number	746	622
Organizing and participation of information events	number	289	199
Developed information materials	number	127	114
Participation in media events	number	127	107
Courses for training including 150 hours and 30 hours under measure 111 of RDP and information activities, including 18 and 8 o'clock under measure 111 of RDP	number groups/ seminars	30	14
Developed samples of the Analytical Laboratory of NAAS	number	500	244
Prepared fertilization recommendations	number	120	40

Source: NAAS

## VI. FORESTRY

### 1. Characteristics of forest areas

The total surface of forest areas in the Republic of Bulgaria as of 31.12.2012 is 4 163 415 ha, out of which: forested area – 3 795 338 ha (including squat – 23 953 ha); woodless area, subject to forestation – 68 060 ha (including burnt areas – 2 270 ha, felling – 7 813 ha and barrens – 57 977 ha) and non-wood production forestry area – 300 017 ha (arable lands - 4 716 ha, meadows – 2 641 ha, glades – 109 253 ha, seed-beds – 1 669 ha, roads and clearings – 42 486 ha, and rocks, rivers, screes, etc. – 139 252 ha).

In comparison to 2011, the total area is increased by 15 301 ha (0,4%), which is due to the developed as of this time forest territories.

The wooded area (with the squat) has increased by 3 774 778 ha in 2011 of 3 795 338 ha in 2012. The increase of 20 560 ha (0,5%) is caused by established as a result of itemization of territories 19 State Forest Holdings and State Hunting Areas in 2011/2012 lands from forests which have not been itemized until this time, self-afforested non-afforested woodlands and desolate lands outside forest areas, forestation of non-afforested wood production woodlands (burnt areas, felling and barrens).

Non-afforested forestry area decreases by 5 259 ha compared to 2011, down to 368 077 ha, respectively 248 ha less woodless area, subjected to forestation and 5 011 ha less non-wood production forest area.

Out of the general forestation area (without squat), 1 113 789 ha or 29,5% are coniferous forests and 2 657 596 ha or 70,5% – deciduous forests. Natural crops occupy 2 945 384 ha, out of which coniferous – 430 829 ha (14,6%) and deciduous – 2 514 555 ha (85,4%). Forest crops encompass 826 001 ha, out of which coniferous – 682 960 ha (82,7%) and deciduous – 143 041 (17,3%). In comparison to 2011, the area of natural forests has increased by 28 964 ha. The share of the natural forests in the total forestation area has increased from 77,8 % in 2011 to 78,1% in 2012

Forestation area of coniferous forests decreases by 3 485 ha in comparison to 2011, which has been caused by the continued interception of coniferous tree species in part of the mixed coniferous and deciduous crops, obtained following the establishment of coniferous crops. The increase of the area of deciduous high stem forests in the reviewed period, is 5 906 ha, as a result of the itemization of non-developed forests, conversion of coppice forests into seed forests, and revaluation of combined coniferous-deciduous crops and deciduous crops with low productivity rate. The area of the coppice forests for conversion into seeds, has increased by 7 686 ha, in comparison with 2011, due to itemization of coppice forests not developed as of this time. In the low stem forests, the increase is by 10 453 ha, which is caused by forestation with acacia of forest lands, and after carried out reconstructions, revaluation of part of the crops for low-stem management and separation of “low-stem economic class” of oak crops of coppice origin.

The area of state forest territories is 3 089 307 ha – 74,2% of the total forestry area of the country, out of which 2 908 575 ha (69,86%) are managed by the state forestry enterprises, respectively by the state forest holdings and the state hunting holdings, 169 475 ha (4,07%) – of the Ministry of Environment and Water, whereas 11 257 ha (0,27%) have been provided for Management of scientific and training forest holdings. Municipal forest territories occupy area of 506 892 ha (12,18%); forest areas, property of private natural persons – by 423 334 ha (10,17%); forest areas, property of private legal entities – 36 922 ha (0,88%); forest areas, property of religious communities – by 22 215 ha (0,53%), and forest areas, representing forests over former agricultural lands – 84 745 ha (2,04%).

In comparison to 2011, the total area of state forest territories has increased by 843 ha, of the municipal forest territories – by 11 158 ha, and the area of the non-state forest territories, property of physical and legal entities – with 4 164 ha. The total area of forests over former agricultural lands decreases – by 306 ha and of forest areas, property of religious communities – by 558 ha.

In 2012, itemization of forest areas has been completed over 468 716 ha. Forest economic plans for 16 SFH and 3 SHA, as well as forest economic plans of forests – property to nine municipalities, developed and accepted at councils of experts of the Forests Executive Agency.

## **2. Changes in forest areas**

Within the limits of 2012 in the forest areas of the country, the following changes have occurred:

- As a result of concluded 30 files, physical and legal entities, have acquired title of ownership over 1,5894 ha of forest territories – private state ownership, representing developed statutory adjacent area of buildings, structures, networks, and facilities, under the regulation of § 123, paragraph 3 of the TFP with ASA of the Forest Act (revoked). State ownership in forest areas has decreased with the same area. In the budget of EFA, a total of 82 988 BGN have been filed, out of which 1 627 BGN – overhead expenses.

- As a result of 67 completed files under the regulations of article 14 of the Forests Act (revoked), has changed the designation of 189,8913 ha forest territories, to a value of 3 420 916 BGN. The funds for completion of compensation forestation, which have been filed in the budgets of state forest enterprises and EFA amount to 554 385 BGN.
- On the grounds of article 73 of the Forests Act (published in SG, issue 19 dated 2011), the designation of 29,4192 ha forest territories has been changed, and the changed price is 581 995 BGN, and the funds allocated to the budget of SFE for compensational forestation, amount to 144 112 BGN.
- On the grounds of article 73, paragraph 5 of the Forests Act (published in SG, issue 19 dated 2011), for development of national sites and municipal facilities of primary importance, landed estates in forest territories with surface area of 10,5784 ha shall be considered with a changed designation of the date of validation of the detailed development plan.
- In 2012, a total of 40 acts for establishment of property rights over landed estates in forest territories (also the right to use easements under the provisions of article 16 of the Forests Act (revoked), as well as the compensations for approximate aerial easements and underground power lines) have been issued over a total area of 17,5478 ha, out of which 2 decisions of the Council of Ministers, and 38 orders of the Minister of Agriculture and Food. The price for incorporated property rights amounts to 393 167 BGN, and the value of overhead expenses – 7 863 BGN. The funds paid to the budgets of SFE for completion of the compensation forestation, as a result of incorporated property rights, amount to 105 786 BGN.
- In 2012, real rights have been incorporated over landed estates in forest territories, with a total area of 30,4642 ha. The price for incorporated property rights amounts to 262 233 BGN, and of overhead expenses – 5 244 BGN. The value of root timber in the current age for the evaluated crops amounts to 92 481 BGN. The funds specified by the compensation forestation, which have been paid to the budgets of SFE, are 204 153 BGN.

During the year, no replacement of forest territories has been complete, property of physical and legal entities, and municipalities with forest territories – state ownership.

### 3. Management of forest areas

#### 3.1. Forestation and protection against erosion

The total area of the new forests created in 2012, is 1 204,1 ha, out of which 1 118,8 ha in territories, provided for Management of the state enterprises under article 163 of the Forests Act, 25% less compared to 2011, and 85,3 ha – in municipal forest territories. During the year, no forestations have been reported in private forest territories.

**Table VI.1. Carrying out the projected silvicultural activities in state forest territories in 2012**

Silvicultural Activities	Plan	Statement	Funds spent in thousand BGN
1. Collection, yield and purchasing seeds - in tons	11	27,1	247,3
2. Production of saplings for forestation – million saplings	21,3	15,4	2 784,9
3. Preparation of the soil for forestation – ha	1 200,1	1 163,9	2 474,5
4. Available soil preparation – ha		424,7	
5. Forestation in state forest territories – ha	1 157,0	1 118,8	1 317,0
6. Replenishment of crops – ha	533,2	558,1	537,8
7. Review of crops – ha	8 380,0	7 303,7	2 118,2
8. Fencing of crops – thousand linear meters	21,1	11,0	29,4
9. Clearing lands for forestation – ha	271,6	210,2	100,3
10. Average percentage of deduction of the crops: - 1 year		71,5%	

- 2 years		73,4%	
- 3 years		80,3%	

Source: MAF

The total amount of the funds, spent for forestation activities in state-owned forest areas in 2012 is 9 609,7 thousand BGN, out of which 9 372,9 thousand BGN of the economic activity of state forest holdings, and state hunting holdings. The reported funds for carrying out of forestation amount to 1 317 thousand BGN, out of which 1 259,3 thousand BGN – from economic activity of the state forest and state hunting holdings. With financing under European and international programs is forestation of a total area of 77,9 ha, and for this purpose, 57,7 thousand BGN have been expended. In carrying out of projects under measures 223 and 226 of the Development Program of rural areas, 29,4 ha have been afforested, with a total value of the expenses made for 32,6 thousand BGN and 48,5 ha – under project LIFE09 NAT/BG/000229 “Preservation and recovery of oak habitats alongside the Black Sea coast” to a value of 25,1 thousand BGN. In carrying out of project LIFE08 NAT/BG/281 “Protection and recovery of 11 types of natural habitats near rivers, and humid zones in 10 places of “Natura 2000” in Bulgarian forests”, 21,3 ha have been afforested. Out of the planned thirteen types of rare plants for recovery, nine had their first introduction to nature in three out of the total four design zones.

Forestation in municipal forest territories have been completed at the expense of the respective municipalities.

The average percentage of deducting one year, two-year and three-year crops, created over the municipal forest territories in 2012 is respectively 47,9%, 51,1% and 59,6%.

In forest seed-beds – state property during the year, 15,4 million of saplings have been produced, out of which 14,7 million designated for forestation and 700 thousand saplings – for decorative purposes. The production of saplings is compliant with the common area for forestation of state forest territories, as well as with the demand of planting material of external users for securing forestation, in 2013 soil preparation has been carried out, for an area of 424,7 ha.

For improvement of deliverables from forestations, 121,2 thousand containers saplings for forestation of terrains with unfavorable soil and climate conditions for development of forestry tree vegetation have been produced in 2012. Due to insufficient financing during the year, no other activities have been completed on the protection of forest areas against erosion, except for anti-erosion forestations over 356,0 ha.

In 2012, EFA has completed the following activities related to the forestation and the protection of forest areas from erosion:

- Registration of 54 basis sources for production of seeds and other forest reproductive materials;
- Preparation of the national list for registration of basis sources in relation to carrying out of Directive 1999/105/EO;
- Issuance of 177 certificates for identification of the origin of FRM;
- grading 305 lots of seeds;
- registering two suppliers of FRM;
- completion of 703 control inspections on the condition of registered basis sources of FRM;
- support in good condition of 16,9 ha poplar and willow root stocks;
- production of 36,1 thousand poplar saplings for forestation.

In 2013, 1 262,1 ha of state forest territories are projected to be afforested - 143,3 ha more in comparison to the reported forestation during the previous year. Planning of forestation for 2013 is in compliance with the requirements for sustainable management of forest areas, presuming priority natural restoration of forests prior to the forestation. In relation to thus, decrease of the production of

saplings in state forest seed-beds of 17 million saplings is a projection for 2013 – a decrease by 4,3 million in comparison to the stipulations for 2012

**Table VI.2. Expected data for the current year 2013**

Indicators for carrying out/measurement unit	Expected carrying out
<b>A. State forestry enterprises:</b>	
1. Collection, yield and purchasing of seeds - tons	17,4
2. Production of saplings for forestation – million saplings	17
3. Soil preparation for forestation - ha	1 391,6
4. Forestation in territories of state fires – ha	1 262,1
5. Replenishment of crops – ha	535,7
6. Fencing of crops – ha	7 949,5
7. Fencing of crops – thousand linear meters	29,86
8. Clearing of lands for forestation – ha	391,4
<b>B. Executive Forest Agency to MAF:</b>	
1. Approval and registration of basic source for production of seeds and other FRM - number	30
2. Issued certificates for identification of the origin of FRM - number	100
3. Grading seeds lots – number	200
4. Registration of suppliers of FRM – number	1
5. Control on the condition of registered basic sources of FRM – number	120
6. Maintenance of poplar root stocks for production of procreation materials, and for storage of the genetic fund – ha	15,5
7. Produced poplar cuttings – thousand cuttings	650
8. Produced poplar saplings for forestation – thousand saplings	65
9. Preparation of the national list of registered basis sources in relation to carrying out of Directive 1999/105/EC – number	1

Source: MAF/ EFA

### 3.2. Felling in forests

The cultivation of forests, the maintenance and recovery of biologic diversity in forests and protection of children genetic resources, and are on the basis of the forestry activities carried out in 2012, related to the management of forests.

According to data of EFA, in 2012 replenishment felling over an area of 70 599 ha has been carried out – 98,3% of the projections of forestry and economic plans and programs, and 14,2% more compared to 2011. Replenishment felling in state-owned forest areas have been carried out over 43 350 ha – 84% of the projections of FEPP. Annually, the amount of the carried out replenishment felling, with secured seed replenishment, which in 2012 has reached 97,5% of the total area of replenishment felling. The required conditions in this manner have been created, for utilization to the highest degree of the natural restoration potential of the crops.

With the purpose of improvement of the healthy condition, the sustainability and the productivity of forests, thinning over the area of 92 656 ha - 90,3% of the projections in FEPP and increase of 23,1% in comparison to the previous 2011 have been carried out in 2012. The area of the thinning, carried out with the state forest territories, is 53 029 ha - 6,7% less than the report in 2011. The area of the thinning



without material yield, carried out in 2012, which are of importance for formation of the composition and the quality of young forest crops, they have increased by 69% in comparison to 2011

Sanitary felling and sanitary clearances with total area of 39 184 ha have been carried out in forests, affected by tip bark beetle, other stem and leaf pests, snowthrows and other abiotic factors. The full area of the carried out sanitary felling and sanitary clearances in state forest territories, is 34 960 ha – an increase by 25 730 ha compared to 2011., mainly as a deliverable of significant in terms of area damages caused by snowthrows, and windfalls in 2011 and in 2012.

Selection felling has been carried out over 1 435,4 ha forests – state property, or 109,8% of the projections.

With the purpose of improvement of the quality of the produced wood, pruning has been completed of standing trees has been carried out in 2012 over 1 136,4 ha, mainly for poplar crops.

In 2012 in the forestry territories – state property, support of the natural seed restoration has been completed, through forestation or seeding below the canopy and felling of the undergrowth over a surface area of 2 509 ha of state forest territories, which is 55% more than the completions of the completion in 2011.

For the carrying out of the activities on managing of state forest territories in 2012, a total of 4 298,2 thousand BGN have been spent. The carried out four projects under measure 223 and three projects under Measure 226 of RDP, have a total amount of 799,5 thousand BGN, and the amount of the approved subsidy – 745 thousand BGN. In 2012, CE “SFE Balchik”, jointly with Association “Professionalism for health and ecology” start the carrying out of project “Improvement of the efficiency and the stability of the green system for field sheltering forest belts in the area of Balchik municipality”, financed under the Program for small projects of the Global Exotic Fund, the financial resource of the project is 9 779 thousand BGN, and the amount of the national co-financing – 3 137 thousand BGN.

In 2013, support of the natural replenishment is projected for 2 687 ha of territories of fires – state ownership. The total amount of the projected funds for exercising of the management activities in 2013 is 5 657,3 thousand BGN.

#### **4. Use of timber and of non-wood forest products**

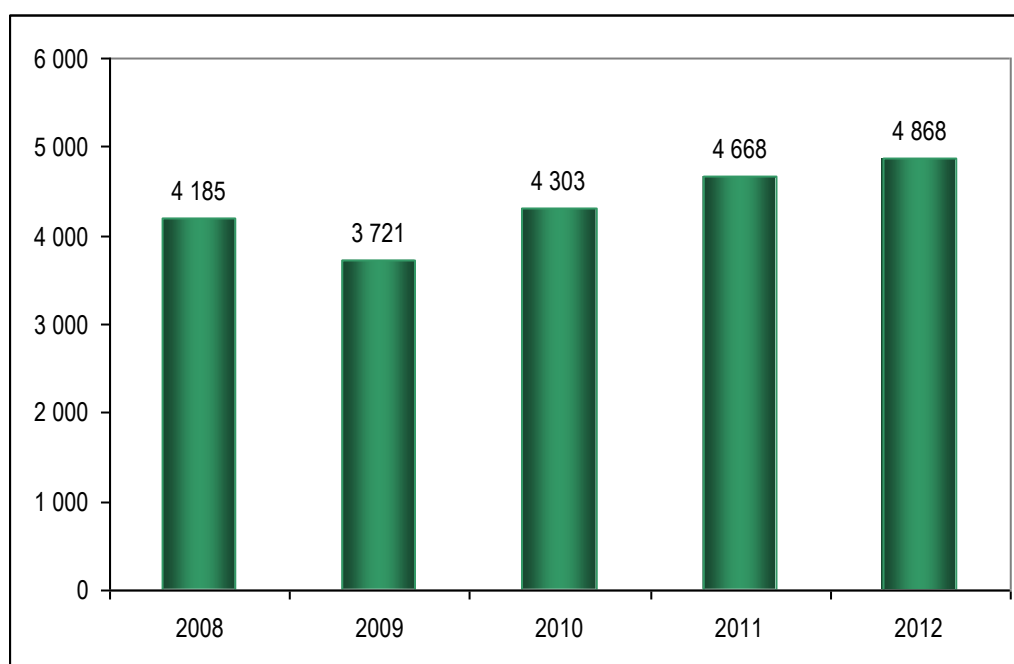
##### **4.1. Use of timber**

In 2012, the completed use of timber from all forest territories amounts to 7 936 851 cubic meters of standing wood – 97,1% of the projection from the forest economic plans and forest development projects, and 7,1% more compared to the yielded timber in 2011, 4 045 960 cubic meters have been acquired from the replenishment felling – 51,0% of the total annual use from thinning – 2 756 223 cubic meters (34,7%) and of sanitary felling and sanitary clearances – 1 134 668 cubic meters (14,3%). The reported carrying out of replenishment and thinning during the year, respectively 93,6% and 75,9,% compared to the projections of the forest economic plans and forest development projects.

In state-owned forest areas in 2012, use to the quantity of 5 826 805 cubic meters standing wood mass has been completed, which represents 93,9% of the projection on forest economic plans and forest development projects. Out of them, 48,1% have been acquired from replenishment felling, 37,1% - from thinning and 14,8% - from sanitary felling and sanitary clearance. The carrying out in the replenishment and the reviewed felling is respectively 91,6% and 96,5%, compared to the projections of the forest economic plans, and forest development projects.

The scope of the timber realized in 2012 timber, yielded of state-owned forest areas is to the amount of 4 868 370 cubic meters decumbent mass, or 102% compared to the projection for the year. The realized quantity of timber is increased by 200 thousand cubic meters or by 4,3% in comparison to 2011, and is the highest realized volume of timber for the period 2008 – 2012

**Figure VI.1. Realized volume of timber for the period 2008–2012, thousand cubic meters**



Source: MAF, EFA

In 2012, through the sales of timber yielded from warehouse, a total of 69% have been realized out of the total quantity of timber, yielded in forest areas, provided for Management if state enterprises. The remaining 31% have been sold standing – to natural persons for private needs, as well as to legal entities following the carrying out of the bids. After carrying out tender procedures, 74% of the quantities of timber have been realized for satisfying the needs of natural persons, a total of 615 thousand cubic meters of timber have been sold, mostly for firewood, which is an increase of 10% compared to 2011.

**Table VI.3. Use of timber from state forest territories and income from sales in 2012**

Method of use and sales	Plan 2012		Report 2012			
	Quantity per cubic meter	Value in BGN thousand	Quantity		value	
			Cubic meter	% compared to the plan	thousand BGN	% compared to the plan
1. Sales of standing timber	1 478 688	53 562	1 171 109	79	45 366	85
2. Sales of standing timber of natural persons	151 357	2 686	261 554	173	4 688	175
3. Yield of timber	3 068 796	68 316	3 489 159	114	73 767	108
<b>I. Total yielded timber (1+2+3)</b>	<b>4 698 841</b>	<b>x</b>	<b>4 921 822</b>	<b>105</b>	<b>x</b>	<b>x</b>
4. Sales of yielded timber	3 141 836	193 085	3 435 707	109	220 605	114
- including with bids	2 643 602	166 136	2 429 258	92	162 022	98
- including per price list (direct negotiation)	559 619	28 548	1 006 449	180	59 844	210
<b>II. General realization (1+2+4)</b>	<b>4 771 881</b>	<b>249 332</b>	<b>4 868 370</b>	<b>102</b>	<b>271 919</b>	<b>109</b>
<b>III. Realization with deducted expenses for yield: quantity (1+2+4); value (1+2+4-3)</b>	<b>4 771 881</b>	<b>181 016</b>	<b>4 868 370</b>	<b>102</b>	<b>198 152</b>	<b>109</b>

Source: MAF

The reported general income from the sales of timber in 2012, are to the amount of 271,9 million BGN, and the net income from realization of timber with deducted expenses for yield of timber are 198,2 million BGN - an increase of 9% compared to the planned quantities, which is due to the market conjuncture and the tender procedures carried out.

The highest demand and consumption during the year is reported for the assortments of timber for technological processing and firewood, out of which a total of 3,207 million cubic meters have been

realized - 346 thousand cubic meters more compared to 2011. The average reported sale price of timber from state-owned forest areas is in direct dependency on the assortment structure of the yielded timber. In 2012, the reported average sale price of yielded timber, sold to forest warehouses, is 65,05 BGN/cubic meter, 9% higher compared to 2011. The average sale price of standing timber is 34,94 BGN/cubic meters, preserving the level from the previous year. The average expenditure for yield of timber for 2012 is to the amount of 20,81 BGN/cubic meters –2% higher compared to 2011.

According to the approved financial plans of the state enterprises, in 2013 the total annual use of timber from state-owned forest areas is projected to amount to 4 959 thousand cubic meters

In forest areas, provided to training and experimental forestry holdings, annual utilization has been reported in 2012 to the amount of 46 366 cubic meters standing timber pulp – 91,7% of the projections according to the forest economic plans.

In municipal forestry territories, the annual utilization in 2012 is to the amount of 778 626 cubic meters standing timber pulp – 74,3% of the projections according to the forestry economic plans. Carried out annual utilization of forest timber, ownership of private legal entities, and private natural persons, is respectively 93 471 cubic meters - 98,7% of the projections under the Forest Economic Plans and Programs (forest development projects), and 1 137 031 cubic meters - 53,2% above the projections of the respective FEPP for 2012

Per timber categories, carrying out of yield of timber in 2012 compared to the projections in the forestry economic plans, is: large-sized construction timber – 1 354 775 cubic meters. (99,0%), medium-sized construction timber - 1 141 360 cubic meters (75,0%), small-sized construction timber - 194 526 cubic meters (31,7%) and firewood – 4 124 510 cubic meters (115,5%). The total yield of construction timber is 2 690 661 cubic meters – 76,8% of the projections.

## **4.2. Use of non-wood forest products**

Income from the use of non-wood forest products in the state forestry territories in 2012 amount to 1 914 thousand BGN, which is 246 thousand BGN or 14,7% more in comparison to 2011. The total amount of the income from rent and from services, yielded during the year from state-owned forest areas, provided for Management of state forestry enterprises, is 1 875 thousand BGN, including 1 739 thousand BGN – from services, and 136 thousand BGN – from rent.

## **5. Protection of forest areas**

### **5.1. Protection of forest areas from diseases, pests and other damages**

In 2012, the overall health condition of forests in the country is evaluated as good and stable. No mass attacks of pests and diseases over large territories of land have been observed. During the whole year, forest pathological observation have been carried out in the stationary objects of the forest protection stations, and the forest pathological studies in forests and all forest seed-beds. During the spring season, the projected briefings with experts from RDF, SFH, SHA, municipal forestry holdings and other stakeholders have been carried out. The most significant part of the measures for reducing and prevention of massive defoliation of forest plantations from economically significant insect pests, aerial treatment has been carried out against leaf-eating pests for coniferous and deciduous trees and crops. Aerial treatment has been carried out against gypsy moth and European pine sawfly in coniferous forests, and pines processionary in deciduous forests. The effect of treatments is evaluated from 82 to 96%.

**Table VI.4. Carried out forest protection events in 2012, expended financial funds and projected for 2013**

	Prognosis for 2012 (ha)	Report 2012 (ha)	Expended funds (BGN)	Projection 2013 (ha)
Aerial treatment	28 287,8	3 571,0,	141 981	25 278,6
Ground chemical and biological treatment	711,6	525,6	31 818	407,2

Mechanical	685,8	1 045,0	29 053	760,4
Integrated	5,0	-	-	-
<b>Total</b>	<b>29 690,2</b>	<b>5 141,6</b>	<b>202 852</b>	<b>26 446,2</b>

Source: MAF/EFA

In 2012, sanitary felling and clearance of forests affected by bark beetles and other stem pests, for utilization of timber in the affected snowbreaks, windbreaks and drying of other abiotic factors tree stratum over area to the amount of 39 184 ha. for sustainable condition of forests during the year contributes to their good management and minimum spending for forest protection, the precise implementation of the provisions of the respective statutory documents on forest protection, of the implemented information system with database from the forest pathological monitoring and the efficient interaction between institutions.

## 5.2. Protection of forests against fires

In 2012, 876 forest fires have been registered, in which a total of 12 729,8 ha forest territories have been affected, compared to the respective 635 fires per area unit of 6 882, 6 ha in 2011. This ranks the year 2012 third in terms of number of registered forest fires and size of the affected area for the last ten years. The direct damages to forest areas and for facilities in them amount to 2 276 thousand BGN.

According to data of EFA, 10 886,1 ha (85,5%) of the total burnt down forest lands during the year have been afforested. The largest number of fires in 2012 have occurred within the territorial scope of the activity of RDF Varna – 102 fires, RDF Berkovitsa – 78 fires, RDF Burgas – 60 fires and RDF Sliven – 60 fires. The most significantly affected by forest fires are forest areas within the territorial scope of the activity of RDF Berkovitsa – 2 731,5 ha and RDF Burgas – 2 304,9 ha.

The largest share of the territories burnt down during the year is state ownership – 7 637,9 ha (60%); followed by these – ownership of private legal entities, and private natural persons – 2 673,3 ha (21%) and municipal ownership – 2 164,1 ha (17%). The direct damages for forest areas and the equipment in them amount to 2 375 756 BGN, and the damages of SFE amount to 2 276 thousand BGN, compared to 1 884 thousand BGN for 2011 and annual average of 4 500 thousand BGN for the period 2001 – 2011.

The reasons for occurrence of forest fires in 2012 are, as follows: burning down of plants (stubble and meadows) in proximity to forest territories– 361 fires (41%), neglect – 223 fires (26%), natural – 42 fires (5%), intentional – 72 fires (8%), unknown – 178 fires (20%).

In 2012 for firefighting activities in forest areas, a total of 1 235,7 thousand BGN have been spent at the expense of the economic activity of the state enterprises under article 163 of the Forests Act. 77 840 linear meters of barrier screens, 485 830 linear meters of forest and crop barrier, and 2 063 653 linear meters of mineralized strips have been built. The funds scheduled for 2013 amount to 2 481 394 BGN, and until the end of July 2013 for combating forest fires, 343 820 BGN have been spent.

## 6. Protected areas

In 2011, the Council of Ministers has approved the plans for management of the nature park (NP) “Persina”. The development of plans for management of NP “Belasitsa” and NP “Balgarka”, financed with funds under Operational program “Environment 2007 – 2013” continues. The structural guidelines of the eleven directorates of natural parks have been developed, approved and published in “State Gazette”.

The carrying out of the project “Protection and recovery of 11 types of natural habitats near rivers and humid areas in 10 locations of “Natura 2000” in Bulgarian forests”. In four protected areas, with a total surface area of 43,48 ha, included in the project, foreign invasive species have been eliminated – acacia, amorpha and Japanese knotweed. Out of the scheduled 80,6 ha, 21,3 ha have already been afforested. In the protected area Strandzha, according to the method for individual production of high quality timber, a total of 63,8 ha forests have been raised. Nine out of the scheduled

13 species of rare and endangered plant species have been restored, through introducing them into the nature of three of the four project areas.

For the carrying out of activity "Protection of target habitats through specialized infrastructure" from the project in 2012, 13 new tourist areas have been built, and 7 tourist areas and 2 tourist routes have been repaired. 23 new wooden bridges have been built, and 10 wooden bridges have been repaired. 75 notice boards, 142 signposts, 420 m. fences and 210,9 m wooden grates have been placed. During the organized national day for cleaning natural parks, 36 tons of wastes have been collected by a total of 8 400 volunteers.

The directorates of the natural parks continue with the carrying out of the following international projects: project "ECP – 2007-317007 – Nature SDI+" – SNP Strandzha and SNP Vitosha, and projects related to carrying out sustainable management and carrying out priority activities out of the management plans of natural parks Vitosha and Strandzha, financed by the European Regional Development Fund, and from the state budget of the Republic of Bulgaria, through Operational program "Environment 2007 – 2013". In 2012, 17 agreements have been signed for carrying out activities for development and management of natural parks under Operational Program "Environment 2007 - 2013".

## **7. Forest certifications**

The process for certification of forestry territories continues. The total area of the forests certified as of 31.12.2012 is 231 899 ha. Certificate FSC – FM (Forest management) is held by 11 State Forest Holdings and State Hunting Areas and by one non-state forest owner – Lignum AD.

As of the end of 2012 certificate FSC – COC (for tracing of the production) is held by 40 companies. PEFC certificate for tracing of the production has also been issued to one wood processing company.

## **8. Non-state forests**

With the purpose of importing the work of non-state forest owners, in 2012 methodical assistance has been provided to the Regional Forestry Directorates, related to the carrying out of their control functions under the Forests Act. EFA has provided assistance to SFH and SHA for carrying out of their obligations to the non-state owners of forests. Trainings on management issues of municipal forests have been carried out, with the participation of municipal managers, municipal mayors, representatives of the State Forestry Enterprises and of the Municipal Forests Association. The total number of the participants is 300 persons.

Inspections on any problems which have occurred and conflicts in management, governance and protection of non-state owned forests have been carried out.

## **9. Hunting sector**

In 2012, the following activities, related to the management and use of game, and maintenance of the environmental equilibrium in rivers upstream have been carried out:

- Changes have been adopted in the Hunting and Game Protection Act (published in SG., issue 38, issue 60, issue 77 and issue 102 in 2012);
- Draft of a Strategy for Development of the Hunting Holdings in the Republic of Bulgaria for the period 2012 – 2022 has been adopted and published for public discussion;
- Four meetings of the Hunting Board have been carried out, on which taxation of game and the utilization plan for 2012 have been adopted, and the deliverables of the inspections carried out in the carrying out of agreements for providing management and utilization of game in the game breeding sections of SFH have been discussed, and the actions required to be taken for the purpose of decreasing hunting accidents have been outlined;

- Jointly with BFSA and in due time, measures for counteracting the spread of FMD on cloven-hoofed animals in the districts Burgas, Varna, Shumen, Kardzhali, Sliven, Yambol and against fox rabies in North Bulgaria have been taken in due time;
- Participation in four hunting exhibitions has been organized – Dortmund, Salzburg, Madrid and Brescia, as a result of which, a series of agreements have been reached for hunting tourism in 2013;
- The eighteenth edition of the specialized international exhibition „Nature, hunting, fishing, tourism” has been carried out in Plovdiv, as well as the National Exhibition of Predator Trophies;  
In the state forest enterprises, the following hunting and management activities have been carried out:
- Establishment and maintenance of forage base, feeding of game, development and maintenance of bio-technical facilities – hunting blinds, feeders, traps, mud traps, repair and civil engineering of bases for intensive management of game;
- A public procurement for farm game-poultry has been carried out with the purpose of preserving environmental equilibrium. Into the farms to the SHA 34 thousand pheasants, 11 thousand partridges, 683 American turkeys and 460 guinea hens have been hatched and raised to the age of 45 days;
- The program for resettlement of game (pheasants, partridges, fallow deer, and wild sows) in regions of SHA, as well as for resettlement of aquaculture stock of 12 000 thousand salmon in the reservoirs and river upper reaches for sports fishing have been successfully completed;
- The reported income from the hunting activities for 2012 are 10 972 thousand BGN, including 3 526 thousand BGN of organized hunting tourism. In comparison to 2011, decrease of the income of organized hunting tourism has been reported as 34,9%, as a consequence of the financial and the economical crisis in Europe, the citizens of which are main clients for hunting tourism in Bulgaria.
- Financing of hunting, fishery and other events has been reported in the state hunting regions, to the amount of 1 910 thousand BGN;
- Approximately 12 000 thousand fishes of river and rainbow trout have been produced for aquaculture of basins, and the upper reaches of rivers for sports fishing in state forest territories.

The management and the use of game by 137 game breeding sections of the state forest holdings shall be carried out by legal entities, following a carried out competition under the provisions of the Hunting and Game Protection Act. In 2012, a total of 45 competitions for letting of management and use of game in game breeding sections of SFH have been carried out, as a result of which a total of 29 agreements with legal entities have been concluded, 3 of which - in 2013. Deliverables of these method of management of game breeding sections indicate that it is successful.

In 2013, state enterprises under article 163 of the Forests Act plan income under hunting activity to the amount of 13 031 thousand BGN.

## **10. Protection of forest areas and control**

In 2012, the employees on protection of forest areas, more than 370 thousand inspections have been carried out for persons, transfer funds and facilities, related to the use, processing and trade with forestry, game and fishing resources, 5,7% more in comparison to 2011.

For the established administrative breaches of forest and environmental law during the year, 18 738 acts have been prepared, under which 14 033 penal ordinances have been issued. In comparison to 2011, the number of prepared acts has increased by 32,1%, and one of the prepared

penal ordinances - by 138,5%. This is due mostly to: increased legal capacities of employees with forestry education in SFH, SHA and ETFH for protection of forest areas and control, regulated with the adopted change in the Forestry Act; detailed interpretation of texts of the Forest Act, regulating the conditions and the order for implementation of the activities on protection of forest areas and control, granted in Ordinance No. 1 dated 30.01.2012 and the improved organization on protection of forest areas with surface area of up to 20 acres, organized and financed by the state forest enterprises.

In 2012, the trend that the most frequent subject of breach is firewood continues, and 21 035 design cubic meters, with 12 186 design cubic meters in 2011, for the whole year 2012 in the country, 11 543 cubic meters illegal timber have been confiscated, which is an increase by 68,8% compared to the quantity confiscated in the previous year.

The financial sanctions applied with effective penal ordinances amount to 1,001 million BGN. A total of 145 705 BGN have been collected, or 14,55%, with collection rate of 11,85% in 2011

Higher criminality rate of the persons who have perpetrated crimes under article 225 of the Penal Code is observed. A total of 75 sentences have been given, which is more than twice above the level in 2011. Approximately 59% of the 4 951 files sent have been repealed for administrative procedures, and a decision is pending on 1 938.

The best deliverables for prevention and discovery of breaches in forests in 2012 have been reached in conducting mutual actions with the participation of institutions and non-governmental organizations. In compliance with the requirements of Ordinance No. 1 dated January 30, 2012 for the control and protection of forest areas, in the MOI Academy, a total of 271 forest inspectors have been trained by EFA and RDF.

In 2012, EFA has completed 136 thematic inspections and 24 inspections for signals sent by various institutions, as a result of which 247 prescriptions and orders have been issued, the predominant share of which have been complied with, within the specified terms.

As a result of the control carried out, in 2012 forest inspectors to EFA have prepared a total of 434 acts for establishing administrative breaches. A total of 79 cubic meters rounded construction timber, 62 cubic meters of shaped timber, 602 design cubic meters firewood, 21 chain saws, 6 axes, 14 fishing rods, 1 000 linear meters fishing nets, 5 hunting rifles, 5 boats and 3 municipal stamps have been seized.

## **11. Strategic planning and international Activities**

In June 2012, with an Order of the Minister of Agriculture and Food, work group has been created for development of the National Strategy for Development of the Forest Sector in the Republic of Bulgaria for the period 2013 – 2020, including representatives of all stakeholder countries. The prepared draft of a Strategy has been approved within the limits of the work group at the beginning of 2013, and has passed a procedure for public discussion in June 2013. Its introduction for approval by the Council of Ministers is pending.

In 2012, the preparation of the Strategic Plan for Development of the Forestry Sector in the Republic of Bulgaria for the period 2013 – 2022 within the limits of draft “Strategic Planning in Bulgarian forests have also started – guarantor for efficient management and sustainable development”, financed under Operational program “Administrative capacity”.

During the year, carrying out of the project in support of the institutional reform in forestry sector - IDF GRANT No. TF- 096228 has been successfully completed, in which the state enterprises under article 163 of the Forest Acts, and EFA as main partners. The participation of state forestry enterprises and of EFA in carrying out of draft “Preservation and recovery of oak habitats along the Black Sea coast”, with coordinating beneficiary SHA Balchik has continued. Successful work is being done on carrying out of project “European Forest Fires Monitoring Using Information Systems – EFFMIS”, under the program INTERREG IV C of EU.

In 2012, EFA takes active participation in carrying out of: PHARE twinning project "Additional support for sustainable management of forests", project "Storage of the gene fund and recovery of priority forest habitats in areas of NATURA 2000 under the program LIFE+; project "Intensifying Forest Studies in the Mediterranean Sea Region, through the Improvement of Coordination and Integration" – FORESTERRA, under the Seventh Framework Program, and in project "Mitigation of Vulnerability of Water Resources toward Climate Changes" – CC-WARE under Operational program of SE Europe.

## **12. Financing and investments in forest areas**

### **12.1. Executive Forest Agency**

As of 31.12.2012, EFA has made capital expenses to the amount of 1 006 562 BGN, as follows: for overhaul of long-term tangible assets - 205 020 BGN, for acquiring short-term tangible assets (software) – 19 244 BGN and for acquiring of long-term tangible assets – 782 298 BGN, including for development of infrastructure sites – 120 366 BGN, for purchasing of transportation funds – 589 352 BGN, for purchasing of computers and hardware – 22 188 BGN, for acquiring another equipment, machines, and equipment – 50 392 BGN.

In relation to carrying out of activities on projects and programs, financed by the European Union, and of international organizations, 892 076 BGN have been paid to the budget of the Agency.

### **12.2. State forestry enterprises**

As of the end of 2012, the six state enterprises under article 163 of the Forestry Act have a total of 164 territorial departments – 136 State Forest Holdings, and 28 State Hunting Areas.

The general income of activities of state forestry enterprises in 2012 amount to 306 537 thousand BGN – an increase by 12,8% compared to the projections for the same year, which is due mainly to a larger than the planned scope of the sold timber. The income from sales of timber represents 88,7% of the total income. The reported expenses of state forestry enterprises amount to a total of 294 919 thousand BGN, which is 10% more of the projections under the financial plans.

The state forestry enterprises end in 2012 with general financial result to the amount of 10 373 thousand BGN following taxation, which represents an increase of 194,7% in comparison to 2011

The total amount of the funds, deduced from the state forest enterprises in 2012, in fund "Forest Investments", amounts to 37 047 thousand BGN. During the year, the state forest enterprises have expended a total of 2 525 thousand BGN for design, civil engineering and repairs (recovery) of forest vehicle roads in forest territories – state ownership, including:

- For design and study activities –a total of 33 designs have been prepared, for which a total of 111,6 thousand BGN have been paid;
- For repair (recovery) of 13,6 km of existing forest car roads, a total of 77,3 thousand BGN have been expended;
- For civil engineering of 18,9 km of new forest roads in forest territories, a total of 2 256,6 thousand BGN have been expended.

The funds available in fund "Investments in Forests" of state enterprises as of 31.12.2012, amount to a total of 35 813 thousand BGN.

According to financial plans in 2013, in order to complete its overall activity, the state forest enterprises plan for income to the amount of 297 825 thousand BGN and expenses to the amount of 294 985 thousand BGN. The income designated for fund "Investments in forests" in 2013 amount to 40 090 thousand BGN.

## **13. Public registers of natural persons, exercising private silviculture practice and traders performing activities within the forest fund**



In 2012, a total of 4 724 certificates have been issued to natural persons exercising silviculture practice and 1 617 certificates traders for completion of Activities in forest areas, respectively 2 444 and 706 certificates for 2011. The increase in the number of certificates issued is related to the changes in the Forests Act, and the carried out pre-registration of existing certificates.

As of 31.12.2012, the total number of registered natural persons exercising silviculture practices has reached 8 658, compared to 5 101 persons in 2011. The total number of registered traders for carrying out of activities in forest areas as of the end of 2012, is 4 559.

In 2012, 40 traders have been deregistered from the public register under article 241 of the Forests Act, and from the Register, under article 235 of the Forestry Act, – 14 natural persons, and 8 of them have been deregistered for established breaches under the Forestry Act, and other sub-legislative statutory acts for its application, carried out in the exercising of activities, for which they have been registered.

As of the beginning of 2012, a Register of the sector organizations and of the national sector organizations in the forestry sector is kept in MAF. As of 30.09.2013, it includes two sector organizations – “BULPROFOR – association of practitioners of forestry and forest entrepreneurs in Bulgaria” and “Sector Chamber of Wood Processing and Furniture Industry”.

## **VII. FISHERIES**

### **1. Catch and production of fish and other aquatic organisms**

#### **Catch of fish and other aquatic organisms**

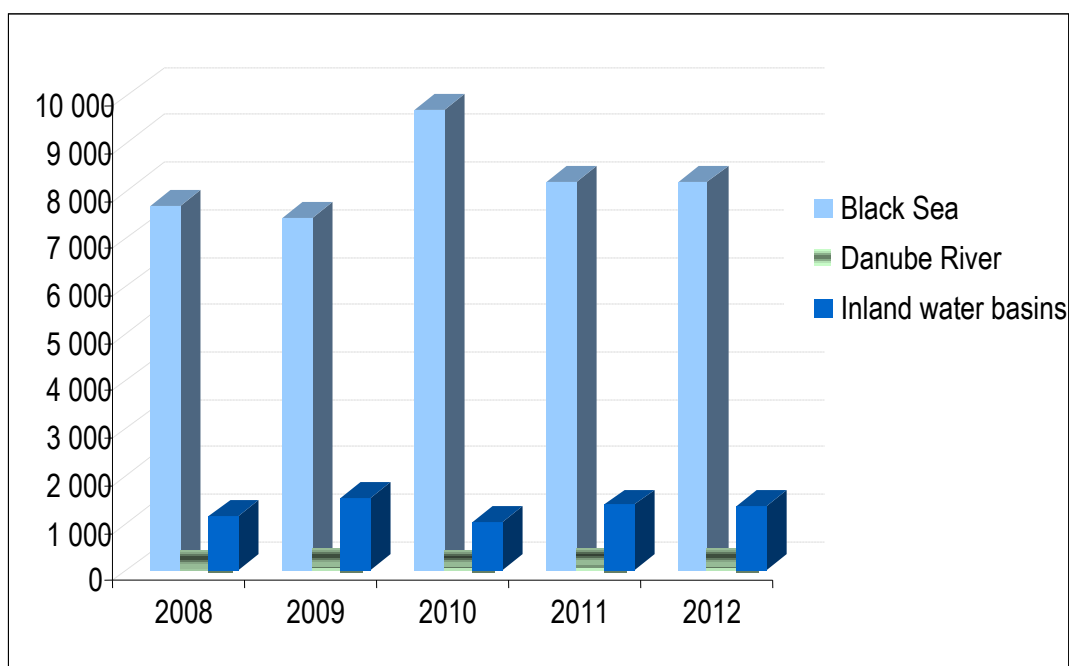
According to the data provided by the National Agency for Fisheries and Aquaculture, in 2012 the total catch of fish and other aquatic organisms from commercial fishing in the country amounts to 9 595,2 tons. This is 0,4% below the level from the previous year, due to decrease of the catch in the Danube river, and in inland waters, whereas the catch in Black Sea has increased, despite insignificantly. According to water basins, the catch is distributed as follows: 8 161,4 tons (85%) – in Black Sea, 1 322,7 tons (13,8%) – in inland basins, and 111,1 tons (1,2%) – in the Danube river.

In 2012, the catch of fish and other aquatic organisms in the Black Sea is to the amount of 8 161,4 tons - 0,2% more compared to 2011. Out of them, 4 338 tons are sea fish, 22,1 tons - diadromous fish (shad) and 3 801,2 tons – shells, mussels and shrimp.

The catch of aquatic animals (shells, mussels and shrimp) in the Black Sea in 2012 has increased by 21,8% compared to the previous year, up to 3 801,2 tons, 99,8% of which - shells.

Coincidentally, in the catch of marine species of fish, a decrease by 12,8% to 4 338 tons is observed, due to the smaller quantities of the traditionally most significant specie for fishing *Sprattus sprattus sulinus* (bristling, minnow, sprat). The catch of this specie decreases by 28,3% compared to 2011, up to 2 836,21 tons.

**Figure VII.1. Total catch of fish and other aquatic organisms in the country per aquatic basins**



Source: EAFA

In 2012, the catch of blue-fish has increased approximately 19 times, and the catch of belted bonito – approximately 12 times, reaching respectively 550,8 and 96,3 tons. Entrance of large quantities of fish from these commercially significant species from the Bulgarian Black Sea coast has resulted in an increased interest and activeness by the fisheries, at the expense of the catch of other target species, such as horse mackerel, sprat, etc.

Out of the remaining Black Sea fish, with a more essential business importance, in 2012 the catch of horse mackerel has decreased (by 3,4%), mullet (by 25,4%) and Thornback ray (by 26,6%).

**Table VII.1. Total catch of fish and other aquatic organisms in the country for aquatic basins, tons**

	2009	2010	2011	2012	Change 2012/2011
<b>Catch in the Black Sea - total, including:</b>	<b>7 394,5</b>	<b>9 685,9</b>	<b>8 147,6</b>	<b>8 161,4</b>	<b>0,2%</b>
- marine species	5 096,4	4 793,8	4 973,9	4 338,0	-12,8%
- diadromous shad	37,4	59,1	51,8	22,1	-57,3%
- shells, mussels and shrimp	2 260,7	4 832,7	3 121,9	3 801,2	21,8%
- other	0,03	0,3	0,02	0,02	0,0%
<b>Catch in Danube river - total, including:</b>	<b>96,1</b>	<b>86,6</b>	<b>136,3</b>	<b>111,1</b>	<b>-18,5%</b>
- freshwater fish	90,6	78,6	122,6	102,7	-16,2%
- diadromous shad	2,6	4,5	6,2	2,9	-53,7%
- other	2,9	3,5	7,5	5,5	-26,9%
<b>Catch in inland basins - total</b>	<b>1 494,2</b>	<b>1 001,7</b>	<b>1 350,6</b>	<b>1 322,7</b>	<b>-2,1%</b>
<b>Total catch of fish, etc. aquatic organisms</b>	<b>8 984,8</b>	<b>10 774,2</b>	<b>9 634,5</b>	<b>9 595,2</b>	<b>-0,4%</b>

Source: EAFA (including administrative penalties)

In recent years, the total catch in the Danube river is in relatively small quantities, because populations of species of fish of importance for fishing have decreased and are unstable.

With an order No. RD 09-43 dated 20.01.2012 of the Minister of Agriculture and Food, a ban has introduced for fishing of sturgeon fish of the specie Russian sturgeon, sterlet, star surgeon and great sturgeon in the Bulgarian aquatic territory of the Danube river and the Black Sea. The ban is necessitated by the need for protection of the populations of the sturgeon species of fish, which in turn is a factor for decrease of catch in general.

In 2012, a decrease has been reported in the catch of fish in the Danube river by 18,5% compared to the previous year to 111,1 tons, including: 102,7 tons - freshwater fish; 2,9 tons – shad and 5,5 tons - other fish.

The most significant quantities are the quantities of caught barbel – 19,1 tons, bighead carp – 13,6 tons, bream – 13,6 tons, carp – 10,2 tons and wels catfish – 9,4 tons, followed by Prussian carp – 5,8 tons, silver carp – 5 tons, great sturgeon – 4,7 tons and white fish – 4,6 tons. For almost all species of fish, decrease of the catch compared to 2011 is observed, most significantly with the great sturgeon, the white fish and barbus white – between 33 and 38%. Only for the bighead carp and the carp, increase of the caught quantities is increased, respectively by 9,7 and 0,2%.

The reported catch of fish and other aquatic organisms in 2012 in inland waters of the country amounts to 1 322,7 tons - 2,1% less in comparison to 2011, mainly due to the decrease of the catch of some of the most spread types of fish in the country - carp and goldfish.

Traditionally, the catch of carp is the highest, amounting to 600,1 tons – with approximately 5% under the level in 2011. Following the sharp increase in the previous year, in 2012 the catch of Prussian carp has decreased by 12,5%.

Among the remaining species of fish, of more important business relevance is the significant increase in the quantities of caught bighead carp, compared to 2011– increase of 18,3% to 416,5 tons, rainbow trout – more than twice, to 27,5 tons, silver carp – by 69,5% to 25,5 tons, grass carp – by 64,8%, to 25,7 tons and wels catfish – by 87,2%, to 24,2 tons.

**Table VII.2. Catch of fish and other aquatic organisms from water bodies for commercial fishing in 2012**

Serial No.	Generally accepted and local names and scientific name /in Latin/	Quantity in tons		
		Black Sea	Danube	Inland waters
A. Freshwater fish				
	Family Sturgeon /Acipenseridae/			
1	Sterlet /Acipenser ruthenus/			
	Family Salmonidae /Salmonidae/			
2	River /Balkan/ trout /Salmo trutta fariol/			
3	Rainbow trout /Oncorhynchus mykiss/			27,47
4	Brook trout /Salvelinus fontinalis/			
0	Hunchen (Danube trout) /Hucho hucho/			
	Family Coregonidae /Coregonidae/			
5	European Whitefish /Coregonus lavaretus/			
6	Peled /Coregonus peled/			
	Family Esocidas /Esocidas/			
7	Northern Pike /Esox lucius/		1,51	8,36
	Cyprinidae Family /Cyprinidae/			
8	Common Roach /Rutilus rutilus/		0,23	0,03
9	European Chub / Leuciscus cephalus/		0,13	0,41
10	Orfe /Leuciscus idus/		0,20	
11	Common rudd /Scardinius erythrophthalmus/		0,28	2,38
12	Asp /Aspius aspius/		1,76	0,02
13	Tench /Tinca tinca/			0,03

Serial No.	Generally accepted and local names and scientific name /in Latin/	Quantity in tons		
		Black Sea	Danube	Inland waters
14	Danube bleak /bleak, common bleak/ <i>Chalcalburnus chalcoides</i> /		2,09	0,10
15	Common bleak <i>Alburnus alburnus</i> /		3,13	1,47
16	Bream <i>Abramis brama</i> /		13,58	3,44
17	Oriental Bream <i>Abramis sp.</i> /		0,04	
18	Great sturgeon <i>Vimba vimba</i> /		4,67	0,05
19	Ziege <i>Pelecus cultratus</i> /			
20	Common nase <i>Chondrostoma nasus</i> /		3,07	0,27
21	Common barbel <i>Barbus barbus</i> /		19,06	0,15
22	Balkan barbus <i>Barbus meridionalis petenyi</i> /			0,01
23	Strumitsa barbel <i>Barbus cyclolepis</i> /			
24	Carp <i>Cyprinus carpio</i> /		10,24	600,09
25	Prussian carp <i>Carassius sp.</i> /		5,80	162,38
26	Silver carp <i>Hypophthalmichthys molitrix</i> /		5,04	25,53
27	Bighead carp <i>Aristichthys nobilis</i> /		13,59	416,48
28	Grass carp <i>Ctenopharingodon idella</i> /		3,93	25,68
29	Black carp <i>Mylopharingodon piceus</i> /			
0	Crucian carp <i>Carassius carassius</i> /		0,01	3,56
0	Macedonian great sturgeon (Macedonian vimba) <i>Vimba melanops</i> /			
	<b>Family Siluridae /Siluridae/</b>			
30	Wels catfish <i>Sillurus glanis</i> /		9,49	24,21
	<b>Family Ictaluridae /Ictaluridae/</b>			
31	Channel /American/ catfish <i>Ictalurus punctatus</i> /			0,33
	<b>Family Gadidae /Gadidae/</b>			
32	Burbot <i>Lota lota</i> /		0,03	
	<b>Family Percidae /Percidae/</b>			
33	White fish /Zander/ <i>Sander lucioperca</i> /Stizostedion lucioperca/		4,63	17,75
34	European perch <i>Perca fluviatilis</i> /		0,22	1,01
35	Zingel ( <i>Zingel zingel</i> )			
	<b>Family Catostomidae (Catostomidae)</b>			
36	Buffalo fish ( <i>Ictiobus</i> )			0,04
<b>B. Diadromous fish</b>				
	<b>Family Acipenseridae /Acipenseridae/</b>			
37	Great sturgeon <i>Huso huso</i> /			0,08
38	Star surgeon <i>Acipenser stellatus</i> /			
39	Russian sturgeon <i>Acipenser gueldenstaedti</i> /			
0	Siberian sturgeon <i>Acipenser baerii</i> /			
	<b>Family Anguillidae /Anguillidae/</b>			
40	European river eel <i>Anguilla anguilla</i> /			
	<b>Family Clupeidae /Clupeidae/</b>			
41	Shad, Alosa immaculata <i>Caspialosa pontica</i> /Alosa pontica/	22,10	2,87	
<b>C. Sea fish</b>				
	<b>Family Squalidae /Squalidae/</b>			
42	Spiny dogfish <i>Squalus acanthias</i> /	28,69		
	<b>Family Clupeidae /Clupeidae/</b>			
43	Sardine <i>Sardina pilchardus</i> /	4,62		
44	Sprat /bristling, minnow, sprat/ <i>Sprattus sprattus sulinus</i> /	2 836,21		

Serial No.	Generally accepted and local names and scientific name /in Latin/	Quantity in tons		
		Black Sea	Danube	Inland waters
	<b>Family Engraulidae /Engraulidae/</b>			
45	European anchovy / <i>Engraulis encrasicolus ponticus</i> /	8,82		
	<b>Family Belonidae /Belonidae/</b>			
46	Garfish / <i>Belone belone</i> /	2,52		
	<b>Family Gadidae /Gadidae/</b>			
47	Shore rockling / <i>Gaidropsarus mediterraneus</i> /			
48	Black Sea Merlangius merlangus / <i>Merlangius merlangus euxinus</i> /	1,44		
	<b>Family Mugilidae /Mugilidae/</b>			
49	Flathead mullet / <i>Mugil cephalus</i> /	24,82		
50	Haarder ( <i>Mugil soiyu</i> )	0,18		
51	Golden grey mullet / <i>Liza aurata</i> /	0,95		
52	Leaping mullet / <i>Liza saliens</i> /	14,64		
	<b>Family Old World silverside /Atherinidae/</b>			
53	Atherina / <i>Atherina spp.</i> /	28,11		
	<b>Family Serranidae /Serranidae/</b>			
54	European seabass / <i>Dicentrarchus labrax/Morone labrax</i> /	0,06		
	<b>Family Pomatomidae /Pomatomidae/</b>			
55	Blue-fish / <i>Pomatomus saltatrix</i> /	550,80		
	<b>Family Carangidae /Carangidae/</b>			
56	Horse mackerel / <i>Trachurus mediterraneus ponticus</i> /	381,37		
	<b>Family Centranchidae /Centranchidae/</b>			
57	Spicara / <i>Spicara spp.</i> /			
	<b>Family Mullidae /Mullidae/</b>			
58	Stripped mullet / <i>Mullus barbatus ponticus</i> /	131,49		
59	Red mullet / <i>Mullus surmuletus</i> /	11,74		
	<b>Family Scombridae /Scombridae/</b>			
60	Atlantic mackerel / <i>Scomber scombrus</i> /	0,10		
61	Belted bonito / <i>Sarda sarda</i> /	96,25		
62	<b>Family Gobiidae /Gobiidae/</b>	89,98		
	<b>Family Scophthalmidae /Scophthalmidae/</b>			
63	Turbot / <i>Psetta maxima</i> /	40,34		
	<b>Family Pleuronectidae /Pleuronectidae/</b>			
64	European flounder / <i>Platichthys flesus luscus</i> /	9,36		
65	Sole / <i>Solea nasuta</i> /	0,03		
	<b>Family Rajidae /RAJIDAE/</b>			
66	Thornback ray / <i>Raja clavata</i> /	68,59		
	<b>Family lophiidae /lophiidae/</b>			
67	Anglerfish / <i>Lophius piscatorius</i> /	0,05		
	<b>Family dasyatidae /dasyatidae/</b>			
68	Common stingray / <i>Dasyatis pastinaca</i> /	6,88		
<b>D. Aquatic animals</b>				
	<b>Class Amphibia /Amphibia/</b>			
69	Marsh frog / <i>Rana ridibunda</i> /			
	<b>Class Crustaceous /Crustacea/</b>			
70	Common shrimp / <i>Leander spp.</i> /	2,77		
71	European brown shrimp / <i>Crangon sp.</i> /	0,16		

Serial No.	Generally accepted and local names and scientific name /in Latin/	Quantity in tons		
		Black Sea	Danube	Inland waters
72	Freshwater crayfish / <i>Astacidae</i> , <i>Cambaridae</i> /			0,81
73	Danube crayfish / <i>Astacus leptodactylus</i> /			0,67
74	European crayfish / <i>Astacus astacus</i> /			
75	Warty crab / <i>Eriphia verrucosa</i> /	0,25		
	<b>Class Mussels /<i>Bivalvia</i>/</b>			
76	Soft-shell clam / <i>Mya arenaria</i> /	0,89		
77	Blue mussel / <i>Mytilus galloprovincialis</i> /	3,71		
78	Veined rapa whelk / <i>Rapana spp.</i> /	3 793,43		
79	<b>Other</b>	0,02	5,48	
<b>TOTAL:</b>		<b>8 161,37</b>	<b>111,08</b>	<b>1 322,7</b>

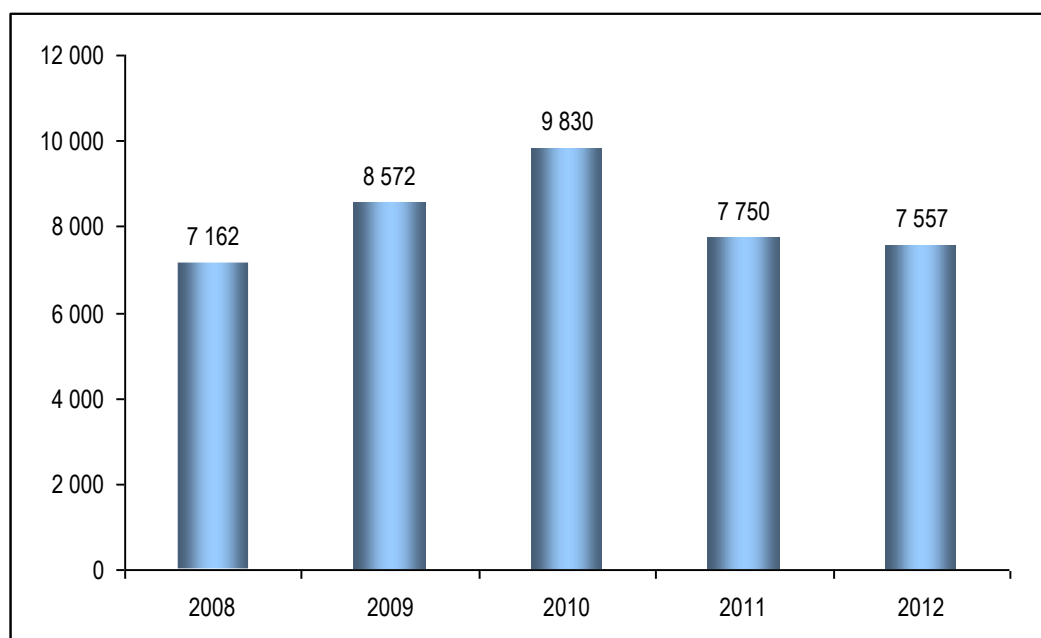
Source: EAFA (including administrative penalties)

During the first six months of 2013, the total catch of fish and other aquatic organisms from commercial fishing amounts to 3 843,7 tons - 3,5% more compared to the same period of the previous year, out of which: 3 786 tons – in the Black Sea, 47,8 tons – in the Danube river, and 9,9 tons – in inland basins.

#### Production of fish and other aquatic organisms

According to data of EAFA, as of the end of 2012, the total number of active fish farms in the country has increased to 388, by 322 farms the previous year. Out of them, 347 farms are for freshwater aquatic crops, and 41 farms - for marine aquatic crops.

**Figure VII.2. Production of fish and other organisms in specialized fishery farms for the period 2008 – 2012, tons**



Source: EAFA

In 2012, the total production of aquatic crops (aquaculture stock and fish and other aquatic organisms for consumption) in them amounts to 7 557,1 tons. This is 2,5% less in comparison to the previous year, due to the registered decrease by 29,2% with the production of aquaculture stock, whereas for the production of fish for consumption, an increase of 8,2% is observed.

The total production of aquaculture stock in fisheries, required for the maintenance of fish populations and increasing the number of commercially valuable types of fish decreases of approximately 29% compared to the previous year 2011, up to 1 571,1 tons. This is mostly caused by the decrease of the production of aquaculture stock from the types of fish most important for the country, for aquatic cultural stock production - rainbow trout (by 29,1%) and carp (by 28,5%).

**Table VII.3. Production of aquaculture stock, fish and aquatic organisms in fisheries, tons**

Universal and local names	Aquaculture stock		Change 2012/2011	Fish for consumption		Change 2012/2011	Total weight		Change 2012/2011
	2011	2012		2011	2012		2011	2012	
Brown trout	12,1	10,8	-10,6%	17,4	34,6	98,5%	29,5	45,4	53,9%
Rainbow trout	951,6	674,2	-29,1%	1 534,8	2 167,7	41,2%	2 486,4	2 841,9	14,3%
Northern Pike	6,0	3,9	-35,5%	16,9	5,8	-65,5%	22,9	9,7	-57,7%
European Chub	0,0	0,0		1,2	0,0	-96,7%	1,2	0,0	-96,8%
Tench	4,0	1,1	-72,9%	0,0	0,6		4,0	1,6	-59,0%
Common bleak	0,0	0,0		6,8	2,4	-65,2%	6,8	2,4	-65,2%
Danube bleak (common bleak)	0	0		0,877	1,99	126,9%	0,877	1,99	126,9%
Bream	0,0	0,0		7,3	7,4	1,4%	7,3	7,4	0,7%
Carp	621,9	444,5	-28,5%	1 389,6	1 288,4	-7,3%	2 011,5	1 733,0	-13,8%
Prussian carp	0,2	0,3	25,0%	218,6	94,1	-57,0%	218,8	94,3	-56,9%
Silver carp	64,1	18,9	-70,6%	93,0	77,7	-16,5%	157,1	96,5	-38,6%
Bighead carp	203,8	291,7	43,1%	926,3	820,5	-11,4%	1 130,1	1 112,2	-1,6%
Grass carp	51,0	64,8	27,0%	162,4	150,6	-7,3%	213,4	215,5	0,9%
Black carp	0,0	0,0		0,1	4,0	4900,0%	0,1	4,0	4900,0%
Catfish	36,9	24,0	-35,0%	78,2	75,7	-3,2%	115,1	99,7	-13,4%
Channel /American/ catfish	105,0	2,4	-97,7%	98,0	14,3	-85,4%	203,0	16,7	-91,8%
White fish (zander)	4,5	7,7	71,5%	16,4	19,3	17,8%	20,9	27,0	29,3%
European perch	0,0	0,0		1,0	0,4	-60,7%	1,0	0,4	-60,7%
Sterlet	0,4	0,0	-100,0%	0,0	0,6		0,4	0,6	57,1%
Great sturgeon	1,3	0,0	-100,0%	61,0	24,4	-60,0%	62,3	24,4	-60,8%
Star surgeon	0,0	0,0		6,1	7,2	17,2%	6,1	7,2	17,2%
Russian sturgeon	37,8	9,4	-75,0%	215,4	277,6	28,9%	253,1	287,0	13,4%
Freshwater crayfish	0,0	0,0		1,7	1,5	-11,8%	1,7	1,5	-7,2%
Danube crayfish	0,4	0,0	-100,0%	6,2	3,4	-45,3%	6,6	3,4	-48,7%
Blue mussel	104,5	0,0	-100,0%	642,1	877,8	36,7%	746,6	877,8	17,6%
- Other	0,0	0,0		2,3	6,6	181,8%	2,3	6,5	177,5%
- Atlantic salmon	8,2	7,3	-11,8%	1,7	4,5	169,2%	9,9	11,8	18,8%
- American paddlefish	0,1	0,2	100,0%	0,3	0,3	-11,8%	0,4	0,5	11,6%
Common rudd	0,0	0,0		4,7	3,2	-32,2%	4,7	3,2	-32,2%
Barramundi	4,4	9,98	127,9%	0,0	0,0		4,4	10,0	127,9%
Siberian sturgeon	0,6	0,0	-100,0%	18,6	13,7	-26,3%	19,1	13,7	-28,5%
<b>Total</b>	<b>2 218,7</b>	<b>1 571,1</b>	<b>-29,2%</b>	<b>5 531,6</b>	<b>5 986,1</b>	<b>8,2%</b>	<b>7 750,3</b>	<b>7 557,1</b>	<b>-2,5%</b>

Source: EAFA

In 2012, the production of fish and other aquatic organisms for consumption has increased by 8,2% in comparison to the previous year, up to 5 986,1 tons.

The most significant production is the production for consumption of rainbow trout, carp and bighead carp. Following the significant decrease, registered in the previous year, and for the three species, in 2012 the production of rainbow trout marks an increase of 41,2% (up to 2 167,7 tons), due to the increased user demand, while the production of carp and bighead carp continues to decrease, respectively by 7,3% and 11,4%, compared to 2011

Among the more significant economic species of fish, increase in the production for consumption in comparison to 2011 is registered for the Russian sturgeon – by 28,9%, river (Balkan) trout – almost 2 times, white fish (zander) – by 17,8%, star surgeon – by 17,2% and lake salmon – 2,6 times. The sturgeon fish are valuable and demanded on the markets, due to the caviar yielded from them, as well as due to the delicacy properties of their meat.

A significant decrease on an annual basis marks the production for consumption of Prussian carp (by 57%), silver carp (by 16,5%), grass carp (by 7,3%), channel catfish (by 85,4%), great sturgeon (by 60%), etc.

The main type of marine aquaculture, raised in the coastal aquatic areas of the country, is the blue mussel. In 2012, its production in holdings marks an increase of 36,7% compared to the previous year, reaching 877,8 tons. At the same time, the production of Danube crayfish and freshwater crayfish decreases, respectively by 45,3% and 7,5%

According to the changes in the Fishing and Aquatic Cultures Act, effective as of August 2012, inland waters have not been allowed for commercial fishing. As a result of these changes, in 2013 significant increase in the number of aquatic culture holdings in inland basins registered under article 25 of the law is observed.

According to data of EAFA, for the period 01.01. - 14.05.2013, a total of 103 new fishery holdings have been registered. The support under the Operative Program for development of sector “Fishery” also contributes to the increased interest to aquatic culture production.

In 2013, the production of aquatic crops in specialized fishery holdings is expected to be around or a little above the level of the previous year. Prerequisite for increase of the production is the highest number of registered holdings. On the other hand, a more significant increase of the production shall be limited to the higher production expenses (including the prices of feed) and the relatively constant user demand.

## **2. Import and export of fish and fish products**

### **Import**

According to preliminary data of NSI, in 2012, the total import of fish and fish products in Bulgaria has increased by 3,4% in comparison to the previous year, to 28 993 tons. The total value of the import during the year amounts to 69 129 thousand USD, 0,6% more compared to 2011.

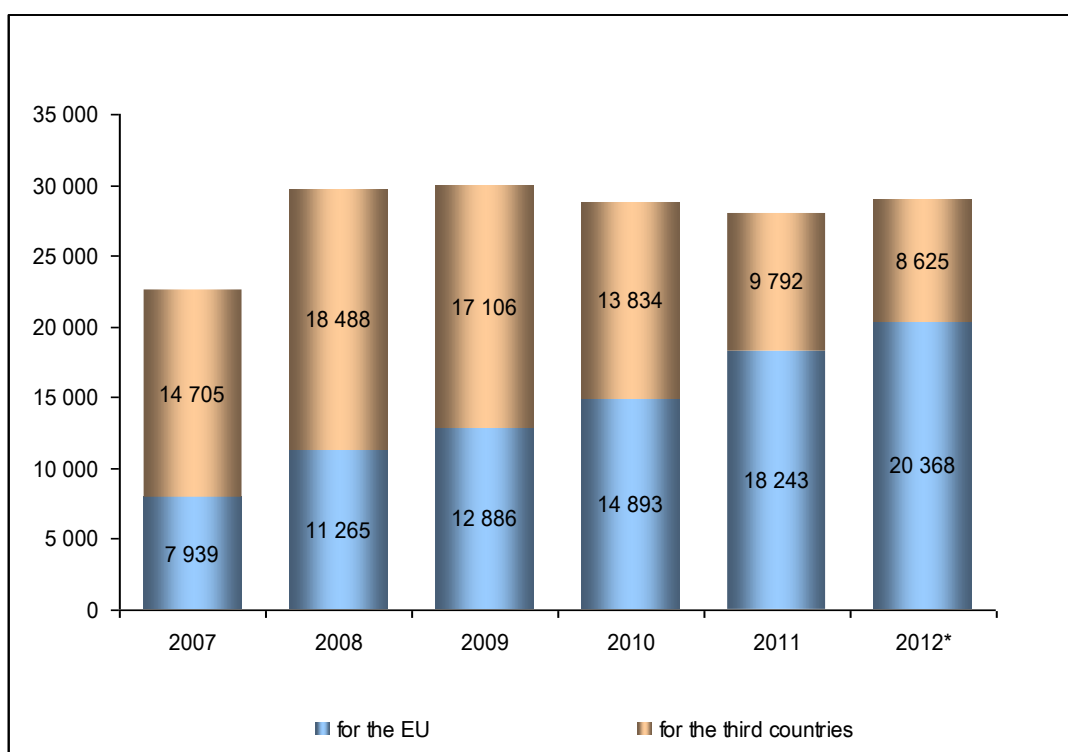
In 2012, the trend for increase of the import of fish and fish products from the member-states of EU observed during the last six years continues. The deliveries from them increase by 11,7% compared to the previous year, reaching 20 368 tons or around 70% of the total import for the year (by 65% in 2011). The main partners are Spain (4 302 tons), Greece (2 786 tons), Poland (2 654 tons), Netherlands (2 204 tons), Romania (1 424 tons), Lithuania (1 388 tons), Czech Republic (1 190 tons) and Estonia (750 tons).

The import of fish and fish products from other countries amounts to 8 625 tons, 11,9% less compared to the previous 2011. The most significant quantities are imported from Vietnam (2 269 tons), China (1 506 tons), Norway (1 168 tons), Canada (458 tons), Argentina (475 tons), Morocco (673 tons) and Turkey (340 tons).

According to types of products, the structure of the import in 2012 includes: 26 122 tons of fish, fillets, crustaceans and mollusks (live, fresh, cooled, frozen or dried, etc.) and 2 871 tons – processed fish products (cooked food and canned fish, caviar, conserved crustaceans and mollusks).



**Figure VII.3. Import of fish and fish products from EU and third countries, tons**



Source: NSI, \* preliminary data

The largest share of the total import of fish and fish products for the year (more than 56%) is the import of frozen fish. The imported quantities of frozen fish decrease by 1,4% compared to the previous year, by 7,6% higher average import price.

**Table VII.4. Import of fish, other aquatic organisms and fish products**

Products	2011		2012*		Amendment 2012/2011	
	Quantity (tons)	Average price (USD/ton)	Quantity (ton)	Average price (USD/ton)	Quantity (ton)	Average price (USD/ton)
<b>Fish, fillets, crustaceans, mollusks, including:</b>	<b>25 101,1</b>	<b>2 306</b>	<b>26 122,2</b>	<b>2 219</b>	<b>4,1%</b>	<b>-3,8%</b>
Live fish – freshwater and marine fish	2,1	6 551	15,8	7 666	652,4%	17,0%
Fish – fresh or cooled, with the exception of fillets	2 370,7	6 178	3 069,0	4 800	29,5%	-22,3%
Fish - frozen, with the exception of fillets	16 536,5	1 491	16 298,5	1 604	-1,4%	7,6%
Fillets and other fish meat, fresh or cooled, frozen	4 498,1	2 528	4 501,0	2 199	0,1%	-13,0%
Fish - dried, salted, smoked	182,8	9 025	448,9	5 023	145,6%	-44,3%
Crustaceans	308,5	7 026	270,2	6 869	-12,4%	-2,2%
Mollusks	1 202,3	2 817	1 518,8	1 952	26,3%	-30,7%
<b>Processed fish products, including:</b>	<b>2 933,6</b>	<b>3 699</b>	<b>2 870,6</b>	<b>3 882</b>	<b>-2,1%</b>	<b>4,9%</b>
Prepared food and canned fish food; caviar	2 580,4	35 497	2 430,5	3 634	-5,8%	-89,8%
Crustaceans and mollusks, canned	353,2	5 181	440,1	5 273	24,6%	1,8%
<b>Total fish and other aquatic organisms and fish products</b>	<b>28 034,7</b>	<b>2 452</b>	<b>28 992,8</b>	<b>2 384</b>	<b>3,4%</b>	<b>-2,8%</b>

Source: data of NSI, processed by MAF, \* preliminary data

Approximately 45% of the frozen fish imported in 2012 is mackerel – 11 523 tons – by 17,6% less in comparison to the previous year, which could be explained with the increased prices for import.

The catch of mackerel in Bulgaria is in minimum quantity, due to which significant import is carried out on an annual basis for satisfying the market demand for direct consumption and for the processing industry. The largest quantities of frozen mackerel in 2012 have been delivered from Spain, Poland, Netherlands, Norway and Romania.

Among the remaining import of frozen fish during the year, a significantly high percentage is the percentage of fish from the following species: herring and codfish – 2 063 tons; hake – 803 tons; brisling, minnow, sprat - total 613 tons; sardines – 355 tons; horse mackerel – 226 tons; European seabass – 238 tons and gilt-head bream – 219 tons. The import of frozen belted bonito is in smaller quantities – 38 tons, trout – 35 tons, Sockeye salmon – 25 tons, etc.

In 2012, the import of fish fillets (fresh, cooled or frozen) forms approximately 15,5% of the total import of fish and fish products. During the year, 4 501 tons of fillets and other fish meat are imported in the country, which is near the levels of the previous year.

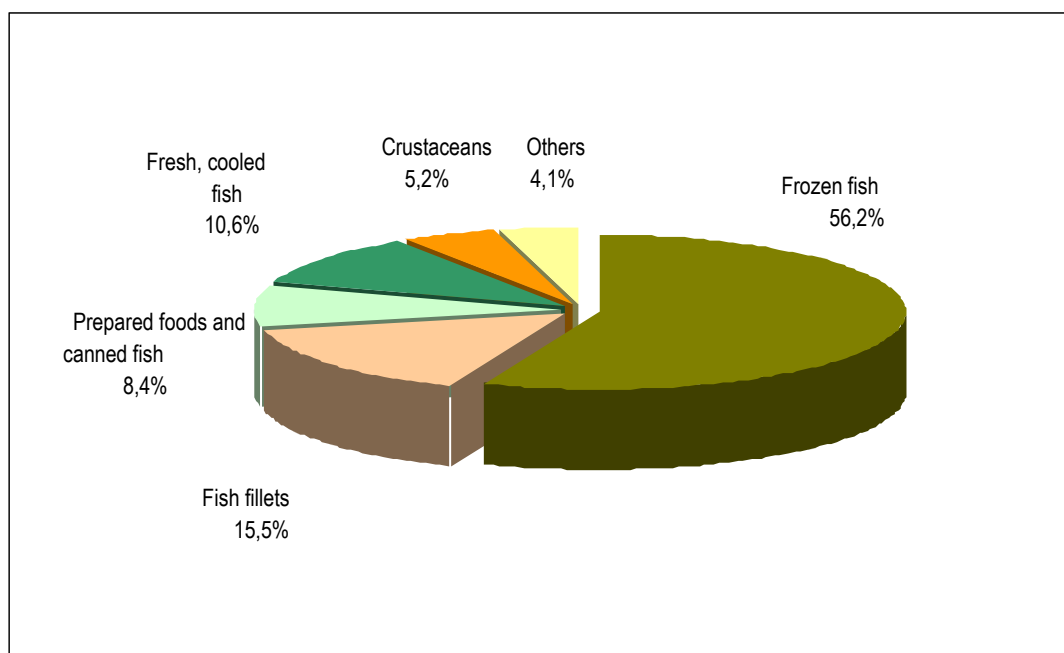
The import of fresh or cooled fish (with the exception of fillets) in 2012 marks an increase of 29,5% on an annual basis, reaching 3 069 tons.

In 2012, the import of mollusks significantly increases (mostly frozen Mediterranean mussels, clams and gratineed scallops, etc.) A total of 1 519 tons have been imported –26,3% more compared to the previous year, and the main supplier is Greece.

The import of crustaceans decreases by 12,4% on an annual basis, to 270 tons, delivered mainly from Estonia, Germany, Belgium, Italy and China.

Despite 7 times more in comparison to the previous 2011, the import of live fish (mainly fresh water types) remains relatively low - 16 tons, realized predominantly from the neighboring Romania and Greece.

**Figure VII.4. Structure of the import of fish and fish products in 2012, %**



**Source:** NSI, preliminary data

In 2012, a total of 2 871 tons of processed fish has been imported in the country - 2% less compared to the previous year. With the import of prepared food and canned fish and caviar, the decrease on an annual basis is 2,1%, up to 2 430,5 tons. The largest quantities of these products have been delivered from Lithuania, Germany, Spain and the Czech Republic.

The import of canned crustaceans and mollusks marks an increase of 24,6% in comparison to 2011 to 440 tons, delivered mainly from Spain, Chile, Belgium, Czech Republic and Germany.

According to preliminary data of NSI, during the first five months of 2013, a total of 12 470 tons of fish and fish products have been imported, with approximately 5% more in comparison to the same period of 2012. The total import of fish and fish products for the whole year 2013 is expected to exceed the level from the previous year, by reaching approximately 30 thousand tons.

## Export

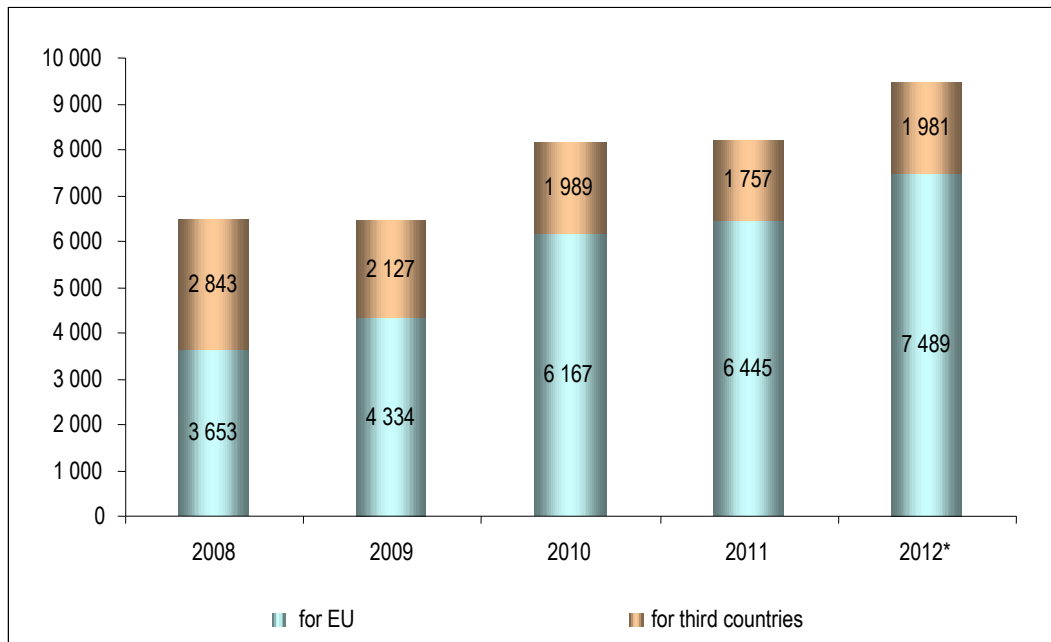
In 2012, the trend observed during the previous six years for gradual increase of the export of fish and fish products is affirmed, which is, however, related largely to the realization of re-export of various species of imported fish (mostly mackerel).

According to preliminary data of NSI, the realized total export of fish, aquatic organisms and fish products in 2012 amounts to 9 470,3 tons, 15,4% more compared to the previous year. Due to the export price lower than the average (by 3,3%), the total value of the export has increased by 11% on an annual basis to 32 502 thousand USD

Over 79% of the total export of fish, aquatic organisms and fish products in 2012 has been implemented for EU. The quantities, directed to the Union has increased by 16,2% compared to the previous year, reaching 7 489 tons, realized mainly in Romania (4 137 tons), Sweden (1 360 tons), Greece (996 tons), France (643 tons), United Kingdom (182 tons) and Poland (179 tons).

The export of fish and fish products for third countries also marks an increase compared to the previous year – with approximately 13%, up to 1 982 tons. The largest quantities are realized in Japan (774 tons), Russia (473 tons) and Turkey (586 tons), followed by the Korean Republic (218 tons), Serbia (202 tons) and Macedonia (159 tons).

**Figure VII.5. Export of fish, other aquatic organisms and fish products for EU and third countries, tons**



Source: NSI, \* preliminary data

The largest share in the structure of the total export of fish and fish products in 2012 is held by the share of frozen fish (with the exception of fillets) - 30,7% or 2 904 tons, which is an increase of 19,2% compared to the previous year. Approximately 44% of the exported frozen fish is mackerel – 1 282 tons, an increase of 20% compared to the previous year. Export of relatively large quantities of frozen sardines, brisling, minnow or bristling has been realized – 869 tons, trout – 140 tons, herring – 112 tons and Atlantic salmon – 85 tons.

Close to 74% of the exported quantities of frozen fish are directed to Romania – 2 146 tons, which is 23% more compared to the previous year. A relatively large export has been implemented for Greece, the United Kingdom and Poland.

**Table VII.5. Export of fish, other aquatic organisms and fish products**

Products	2011		2012*		Change 2012/2011	
	Quantity (tons)	Average price (USD/ton)	Quantity (tons)	Average price (USD/ton)	Quantity (ton)	Average price (USD/ton)
<b>Fish, fillets, crustaceans, mollusks, including:</b>	<b>7 127,7</b>	<b>3 587</b>	<b>7 163,6</b>	<b>3 554</b>	<b>0,5%</b>	<b>-0,9%</b>
Live fish – freshwater and sea fish	435,2	2 204	681,7	1 764	56,6%	-20,0%
Fish – fresh or cooled, with the exception of fillets	1 128,1	7 940	1 254,1	7 769	11,2%	-2,2%
Fish - frozen, with the exception of fillets	2 436,3	1 872	2 903,6	1 782	19,2%	-4,8%
Fillets and other fish meat, fresh or cooled, frozen	305,9	8 568	379,6	2 680	24,1%	-68,7%
Fish - dried, salted, smoked	357,0	2 560	172,8	4 223	-51,6%	64,9%
Crustaceans	1 055,1	2 261	46,1	9 422	-95,6%	316,7%
Mollusks	1 410,1	3 666	1 725,7	4 150	22,4%	13,2%
<b>Processed fish products, including:</b>	<b>1 077,5</b>	<b>3 302</b>	<b>2 306,7</b>	<b>3 052</b>	<b>114,1%</b>	<b>-7,6%</b>
Prepared food and canned fish; caviar	705,4	2 020	637,5	2 645	-9,6%	30,9%
Crustaceans and mollusks, canned	372,1	5 746	1 669,2	3 208	348,6%	-44,2%
<b>Total fish, etc. aquatic organisms and fish products</b>	<b>8 205,2</b>	<b>3 550</b>	<b>9 470,3</b>	<b>3 432</b>	<b>15,4%</b>	<b>-3,3%</b>

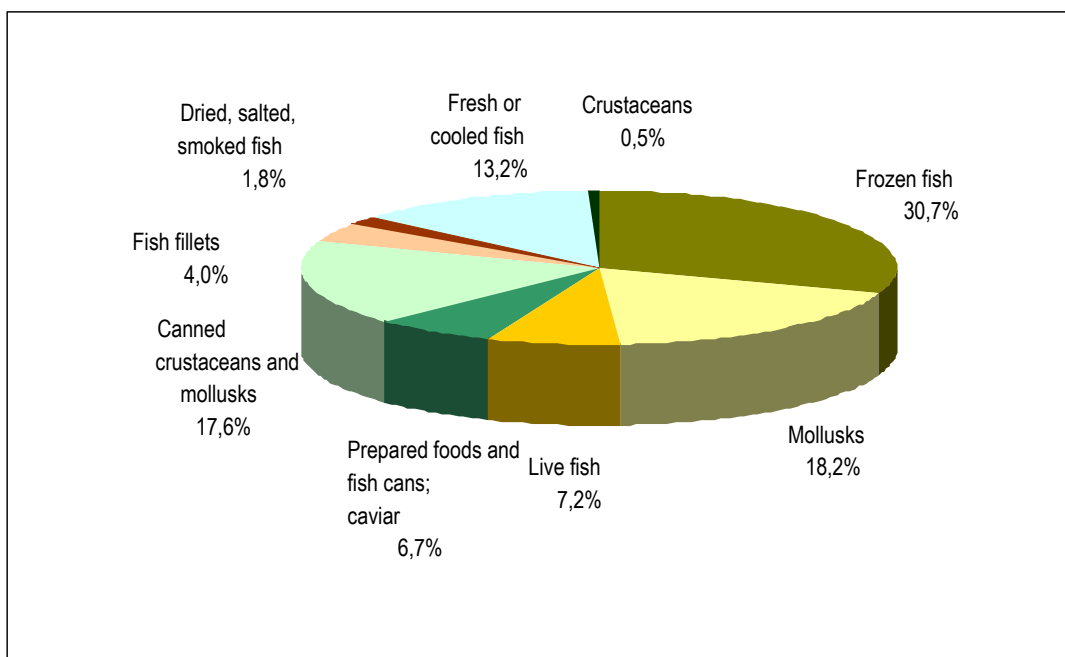
*Source: data of NSI, processed by MAF, \* - preliminary data*

In 2012, the export of mollusks marks an increase of 22% in comparison to the previous year to 1 726 tons. This increase is related to the increased catch during the year, which is designated mostly for export. The main destinations for the export of these products remain Japan, France, Greece and Korea.

During the year, 1 254 tons of fresh or cooled fish have been exported (with the exception of fillets) – by 11,2% more on an annual basis. The largest quantities have been directed to Romania, Russia, Serbia and Greece.

The export of live fish in 2012 has increased 1,5 times compared to the previous year to 682 tons, as a result of the higher production of fish for consumption in fisheries. Mostly fish from aquacultural production have been exported, including carps - 281 tons, trout - 162 tons, etc. freshwater fish – 239 tons. Live fish is sold mostly in Romania (660 tons), and smaller quantities are realized in Macedonia and Greece.

**Figure VII.6. Structure of the export of fish and fish products in 2012**



The total export of processed fish products (prepared food and canned fish, crustaceans and mollusks) in 2012 is to the amount of 2 307 tons. It has increased more than twice in comparison to the previous year, mostly due to the reported essential increase in the export of canned crustaceans and mollusks, whereas the export of prepared food and canned food has decreased.

In 2012, the export of prepared or conserved crustaceans and mollusks amounts to 1 669 tons – more than four times compared to the previous year. Out of them, 1 244 tons are directed toward Sweden, which represents a new destination. Export of such products has been realized for regular partners, such as Japan, Korea and Greece.

For the export of prepared food and canned fish, decrease of 9,6% is observed in comparison to the previous year to 638 tons, directed mainly to Romania, Greece and Sweden.

According to preliminary data of NSI, the total export of fish, aquatic organisms and fish products for the period between January and May 2013 amounts to 3 528 tons, by 11% less compared to the same period of the previous year. Taking into consideration the trend of the last few years, the export for the whole year 2013 is expected to exceed the level of the previous year a little. The prerequisite for realization of higher export levels are the higher prices on the foreign markets, as well as the expected increase of the production in fisheries.

### **3. Operational program for development of sector „Fishery”, financed by the European Fisheries Fund.**

The main strategic goal of OPFSD (2007-2013) is converting fishery in competitive, modern and dynamic sector, based on sustainable development of fishery and aquaculture, as well as improvement of the quality of life in fishing areas. The total budget of OPFSD (2007-2013) is to the amount of 101 168 996 EUR (197 869 357 BGN), out of which 75% - financing by the European Fishery Fund, and 25% - national co-financing.

#### ***General progress under OPFSD as of December 2012***

The cumulative physical progress in carrying out of OPFSD as of December 2012 could be processed as follows:

- Total number of registered projects: 386;

- Total number of signed agreements/approved projects: 207 (out of which 119 signed agreements with private beneficiaries);
- Total number of annulled agreements: 14;
- Total negotiated funds: 145 117 944,93 BGN (73,34%)
- Total funds paid to beneficiaries: 55 416 223,40 BGN (28,01%);
  - Advance payments – 16, to a total value of 4 565 528,39 BGN.
  - Interim payments – 14 to a total value of 5 589 236,38 BGN.
  - Final payments – 95 to a total value of 45 261 458,63 BGN.
- Final payments of funds under 95 projects to a value of 48 443 000,93 BGN.

**Table VII.6. Financial carrying out of OPFSD for the period 2007 - 2012**

Axis/Measure	Agreed funds			Actually paid funds			Fully paid projects		
	Number of agreements	Total public expenses, BGN	%	Number of payments	Total public expenses, BGN	%	Number of projects	Total, BGN	%
Measure 1.1 "Public aid for permanent termination of fishing activities"	36	5 290 271,59	71,94%	21	3 578 048,63	48,65%	21	3 578 048,63	48,65%
Measure 1.3 "Investments on board of fishing boats and selectivity"	6	92 532,90	1,56%	5	84 161,20	1,42%	5	84 161,20	1,42%
<b>AXIS 1</b>	<b>42</b>	<b>5 382 804,49</b>	<b>34,40%</b>	<b>26</b>	<b>3 662 209,83</b>	<b>23,41%</b>	<b>26</b>	<b>3 662 209,83</b>	<b>23,41%</b>
Measure 2.1 "Production investments in aquaculture"	61	53 436 070,90	96,97%	38	12 880 829,22	23,37%	14	7 701 651,75	13,98%
Measure 2.2 "Aquatic ecological measures"	2	84 781,43	78,80%	0	0,00	0,00%	0	0,00	0,00%
Measure 2.6. "Investments in processing and marketing of products from fishing and aquaculture"	9	6 987 747,75	83,37%	6	2 517 101,18	30,03%	2	752 135,84	8,97%
Measure 2.7 "Financial engineering"	3	30 217 850,00	100,00%	3	30 217 850,00	100,00%	3	30 217 850,00	100,00%
<b>AXIS 2</b>	<b>75</b>	<b>90 726 450,08</b>	<b>96,64%</b>	<b>47</b>	<b>45 615 780,40</b>	<b>48,59%</b>	<b>19</b>	<b>38 671 637,59</b>	<b>41,19%</b>
Measure 3.1 "Collective Activities"	2	897 295,17	49,20%	0	0,00	0,00%	0	0,00	0,00%
Measure 3.4 "Development of new markets and promotional campaigns"	8	3 211 312,87	44,96%	0	0,00	0,00%	0	0,00	0,00%
Measure 3.5 "Pilot projects"	1	131 231,60	9,25%	0	0,00	0,00%	0	0,00	0,00%

<b>AXIS 3</b>	<b>11</b>	<b>4 239 839,64</b>	<b>11,62%</b>	<b>0</b>	<b>0,00</b>	<b>0,00%</b>	<b>0</b>	<b>0,00</b>	<b>0,00%</b>
Measure 4.1.A "Financial support for implementation of local strategies for development and coverage of operative expenses of Fishers groups"	6	41 434 169,59	100,00%	12	4 348 084,26	10,49%	11	4 319 004,60	10,42%
<b>AXIS 4</b>	<b>6</b>	<b>41 434 169,59</b>	<b>100,00%</b>	<b>12</b>	<b>4 348 084,26</b>	<b>10,49%</b>	<b>11</b>	<b>4 319 004,60</b>	<b>10,42%</b>
Measure 5.1 "Technical support"	59	3 334 681,13	31,97%	40	1 790 148,91	17,16%	39	1 790 148,91	17,16%
<b>AXIS 5</b>	<b>59</b>	<b>3 334 681,13</b>	<b>31,97%</b>	<b>40</b>	<b>1 790 148,91</b>	<b>17,16%</b>	<b>39</b>	<b>1 790 148,91</b>	<b>17,16%</b>
<b>TOTAL</b>	<b>193</b>	<b>145 117 944,93</b>	<b>73,34%</b>	<b>125</b>	<b>55 416 223,40</b>	<b>28,01%</b>	<b>95</b>	<b>48 443 000,93</b>	<b>24,48%</b>

\* 6 payments made under projects in LAFG, 4 carried out payments on current expenses of LAFG and two payments on LDS (one advance payment and one final payment)

**Source:** EAFA

In 2012, under axes 1 to 4 of OPRR, a total of 142 draft proposals have been filed, almost three times more in comparison to 2011

Significant progress has been achieved during the year in agreeing the funds under the Operative Program. On the four priority axes, a total of 90 agreements have been concluded, to a total value of 70 416 327,85 BGN.

As of the end of 2012, 73,34% of the budget of the program has been agreed, and the lowest percentage is the percentage under axis 3 - 11,62%, and the highest percentage is the one under axis 2 - 96,64%.

The high percentage of agreements under axis 4 refers to the agreements for support concluded with the local Action fishers groups for support of their local strategies for development. The actually concluded agreements under LDS represent 2,38% of the budget under the axis, which makes agreeing under this axis the lowest.

During the year 2012, 15% of the budget of the program has been paid, and as of the start of its application – 28,01%.

A significant increase in the number of the measures is at hand, under which projects have been filed, and agreements have been concluded. In 2012, agreements have been concluded, and projects are carried out for nine measures of all four priority axes of the program, while in 2011, agreements are carried out only for three measures for three of the axes. This improves greatly the balancing of the carrying out of the Operative Program.

Under Priority axis 1, there is an almost triple increase in the number of concluded agreements, but overall the trend for interest only toward one of the four measures opened for application has continued. In 2012, an increase in the number of concluded agreements is observed. Coincidentally, the average value of the agreements for the year decreases almost in half to 63 000 Euro, by 113 000 Euro for 2011, which is due to the fact that in 2011, scrapping of the largest ship of the Bulgarian Fishing Fleet has been supported.

Due to the specifics of measure 1.1, the agreements are carried out relatively quickly, whereas part of them are even concluded prior to the agreed deadline.

In 2012, the biggest progress has been achieved in completing the objectives of this measure exactly. On the agreements concluded during the year, the purpose of scrapping of 27 fishing ships, with

a general capacity of 565 GT and 2 461 kW. Until the end of 2012, with the support of EFF, a total of 30 ships have been taken out of the fishing fleet, with a total capacity of 979 GT and 3 690 kW.

Under the remaining measures of Priority axis 1, no essential progress has been achieved. In general, due to the absence of interests by the potential beneficiaries, significant delay in the purposes set in the Program for modernization of the fishing fleet is registered. Since the start of the carrying out of the Program, modernization of only 5 fishing ships has been supported. No progress has been achieved in the measures, having the purpose of improving professional skills of fisher, and small-scale coastal fishing, due to absence of interest, and filing application.

In 2012, significant progress in the completion and tangible deliverables under Priority axis 2 "Aquaculture, fishing in inland basins, processing and marketing of fishing products and aquaculture" has been achieved. In comparison to 2011, the number of projects concluded in 2012 is 3,5 times higher, and their value - 8 times.

The number of the agreements concluded in 2012 under measure 2.1 is almost three times higher compared to the number for the previous year and exceeds significantly the number for the whole period 2009 – 2011 (35 agreements in 2012; 13 in 2011; 26 for 2009 - 2011).

The National Guarantee Fund EAD has developed and has started applying (during the month of May 2011) a Warranty Program for beneficiaries under the investment measures of OPFSD, which is financed under measure 2.7. The Managing Body and the National Guarantee Fund have concluded Financial Agreement for providing funds for performance of guarantee activity under OPFSD. According to Annex No. 4 dated 19.12.2012 to the Agreement, the total value of the financial resource, presented to the National Guarantee Fund, is increased by 7 695 061 EUR, with which the total resource shall become 15 450 378 EUR. The guarantee program shall include guarantees for investment loans and loans for turnover equity for small and medium enterprises, which are beneficiaries under OPFSD and counter-guarantees for bank guarantees for advance payments.

The guarantee program is realized by five commercial banks, selected on a tender principle. The selected banks have undertaken a commitment to provide facilitated conditions for financing: extended term for repayment of loans, rebate from the interest rates for loans for beneficiaries under OPFSD within the limits of 1 - 2% of the average interest rates on the market for new granted loans, facilitated procedures in the review of loans requests or bank guarantee and lower than the standard requirements for security under the loan.

With the purpose of improvement of the perspectives for utilization of funds under OPFSD, and maximum utilization of possibilities, granted under measure 2.7, as well as providing easier financing of the beneficiaries, has increased the amount of the sum guaranteed by the National Guarantee Fund. Thus, the maximum sum for guarantees for a single debtor has been increased from 500 000 BGN (255 650 EUR) to 1 500 000 BGN (766 950 EUR) for micro and small enterprises, and 1 000 000 BGN (511 300 EUR) to 3 000 000 BGN (1 533 899 EUR) for medium enterprises. The guarantees are free for beneficiaries of the Program.

Furthermore, at the end of 2012, with a change in the Law for a Bulgarian bank for development, the amount of the guarantees for the loans granted has been increased from 50% to 80%, through which the purpose is to provide higher percentage of carrying out of projects under OPFSD and respectively, increase in the utilization rate of the financial resource under the Program.

In 2012, a total of 9 warranties have been issued, to a total value of 1 758 184 EUR. A total of 3 counter guarantees have been issued, to a total value of 379 239 EUR. As a comparison, during the previous year 2011 (as of the beginning of its application), no beneficiary has been supported under the Guarantee program.

With the purpose of efficient and successful carrying out of the Operative Program and utilization of funds under it, and following the carried out detailed and independent analysis, actions have been undertaken for transferring additional resource under measure 2.7 "Scheme for financial engineering". The Managing Body has undertaken these actions with the purpose of maximum



facilitation of beneficiaries in the carrying out of their investment intentions, and to conclude their projects as planned. The decision for this step has also been taken in view of guaranteeing the financial parameters of the future Operational program for development of sector „Fishery”, because it is very likely that they are determined on the basis of the distributions, and the utilization of funds in the past.

**Table VII.7. Guarantees and counter guarantees issued as of 31.12.2012**

	In 2012	Total as of 31.12.2012
<b>Guarantees</b>		
Number of issued guarantees	9	9
Value of the loans (EUR)	3 516 369	3 516 369
Value of the guarantees issued (EUR)	1 758 184	1 758 184
Value of the guarantees excluded from the guarantee portfolio, including:	99 703	99 703
- annulled	0	0
- paid loan	99 703	99 703
Value of the guarantees paid	0	0
Number of rejected guarantees	0	0
<b>Counter guarantees</b>		
Number of issued counter guarantees	3	3
Value of the bank guarantees (EUR)	758 467	758 467
Value of counter claims (EUR)	379 239	379 239
Value of the excluded by the counter guarantees, including:	0	0
- annulling	0	0
- removal of grounds for issuance	0	0
Value of the paid counter guarantees	0	0
Number of rejected counter guarantees	0	0

**Source:** EAFA

During the reporting period, the quality of the granted design proposals is improved significantly, to which the carried out awareness and explanatory campaigns held will contribute. The smaller number of rejected projects is another confirmation of the good structure and the exhaustion of the documents granted. Unlike the previous years, in which the number of the rejected proposals has exceeded the number of the approved, although by a little, in 2012 only two proposals have been rejected.

The projects carried out and paid in 2012 shall result in increasing the annual aquaculture production.

As a result of the carried out projects (regarding mainly the extension or the modernization of existing fishing holdings), the turnover in the production of aquaculture has increased in 2012 with a much faster rate compared to the previous year, reaching 7,4 million BGN. As of the start of application of measure 2.1, the increase in the turnover of companies from projects paid in full shall be 4,9 million BGN, in case projects reach the indicators set in the investment intentions.

Approximately two third of the projects concluded in 2012 under measure 2.1 have used environmental friendly technologies for production of aquaculture. The number of new created workplaces is 31. In case that the projects agreed in 2012 have been carried out in compliance with the assignments in the investment intentions, a total of 160 new jobs would have been created 29 of which for women.

As a result of the two projects carried out and paid for in 2012 under measure 2.6. “Investments in processing and marketing of fishing and aquaculture products” for extension and modernization of

existing fish processing enterprises, an increase in the turnover is projected by close to 2,54 million BGN. The expected increase of fish processing and fish products is almost 288 tons, out of which 216,9 tons in frozen/deeply frozen products and 71 tons - other products.

Investments for both projects have resulted in improved hygiene and operational conditions, and for the single projects – also to improved environmental conditions. The newly created jobs are 14, 12 of which for women.

In 2012, under measure 3.1 “Collective Activities”, the first two agreements have been signed, the carrying out of which would result in increasing of the professional skills of 50 people, and removal of lost fishing equipment from the sea bottom in Varna district. In the carrying out of agreements under measure 3.4 “Development of new markets and promotional campaigns”, a total of 8 promotional campaigns shall be carried out, which is expected to contribute to the improvement of the prestige of the fishery sector, and to increase the popularity of fishery products and aquatic crops.

The progress in negotiating and full payment of funds under the strategies for the six approved Local Action Fishery Groups is not satisfactory. According to an evaluation of MB, LAFG has not yet developed sufficient administrative capacity and control and evaluation systems for the incoming project proposals. This has delayed the verification for eligibility by MB, by creating a requirement for filing huge amount of additional information for the submitted projects, which delays the conclusion of the agreements.

**Table VII.8. Financial carrying out of OPFSD as of 12.07.2013**

Axis/measure	Agreed funds			Actually paid funds			Fully paid projects		
	Number of agreements	Total public expenses, BGN	%	Number of payments	Total public expenses, BGN	%	Number of projects	Total, BGN	%
Measure 1.1 "Public aid for permanent termination of fishing activities"	59	6 804 777,02	76,30%	45	5 577 735,41	62,54%	45	5 577 735,41	62,54%
Measure 1.3 "Investments on board of fishing ships and selectivity"	7	94 766,23	1,59%	5	84 161,20	1,42%	5	84 161,20	1,42%
<b>AXIS 1</b>	<b>66</b>	<b>6 899 543,25</b>	<b>44,10%</b>	<b>50</b>	<b>5 661 896,61</b>	<b>36,19%</b>	<b>50</b>	<b>5 661 896,61</b>	<b>36,19%</b>
Measure 2.1 "Production investments in aquaculture"	58	54 057 914,63	100,03%	49	17 100 343,17	31,64%	17	8 217 406,88	15,21%
Measure 2.2 "Aquatic ecological measures"	2	84 781,43	7,23%	0	0,00	0,00%	0	0,00	0,00%
Measure 2.6. "Investments in processing and marketing of fishing and aquaculture products"	8	6 237 532,77	74,42%	7	2 643 709,27	31,54%	3	1 005 352,03	11,99%
Measure 2.7 "Financial engineering"	3	30 217 850,00	100,00%	3	30 217 850,00	100,00%	3	30 217 850,00	100,00%
<b>AXIS 2</b>	<b>71</b>	<b>90 598 078,83</b>	<b>96,50%</b>	<b>59</b>	<b>49 961 902,44</b>	<b>53,22%</b>	<b>23</b>	<b>39 440 608,91</b>	<b>42,01%</b>
Measure 3.1 "Collective"	3	2 018 705,70	110,68%	0	0,00	0,00%	0	0,00	0,00%

Activities"									
Measure 3.3 "Investments for reconstruction and modernization of fishing ports, unloading docks and covered beds"	1	9 323 393,33	37,5 9%	0	0,00	0,00%	0	0,00	0,00%
Measure 3.4 "Development of new markets and promotional campaigns"	22	6 880 102,51	81,5 0%	2	97 237,77	1,15%	0	0,00	0,00%
Measure 3.5 "Pilot projects"	1	131 231,60	18,2 7%	0	0,00	0,00%	0	0,00	0,00%
<b>AXIS 3</b>	<b>27</b>	<b>18 353 433,14</b>	<b>50,3 1%</b>	<b>2</b>	<b>97 237,77</b>	<b>0,27%</b>	<b>0</b>	<b>0,00</b>	<b>0,00%</b>
Measure 4.1.A "Financial support for implementation of local strategies for development and coverage of operational expenses of fishers groups"	6	41 434 169,59	100, 00%	13	4 378 465,29	10,57%	11	4 319 004,60	10,42%
<b>AXIS 4</b>	<b>6</b>	<b>41 434 169,59</b>	<b>100, 00%</b>	<b>13</b>	<b>4 378 465,29</b>	<b>10,57%</b>	<b>11</b>	<b>4 319 004,60</b>	<b>10,42%</b>
Measure 5.1 "Technical aid"	79	7 023 745,26	67,3 3%	50	2 902 263,77	27,82%	47	2 281 579,14	21,87%
<b>AXIS 5</b>	<b>79</b>	<b>7 023 745,26</b>	<b>67,3 3%</b>	<b>50</b>	<b>2 902 263,77</b>	<b>27,82%</b>	<b>47</b>	<b>2 281 579,14</b>	<b>21,87%</b>
<b>TOTAL</b>	<b>249</b>	<b>164 308 970,07</b>	<b>83,0 4%</b>	<b>174</b>	<b>63 001 765,88</b>	<b>31,84%</b>	<b>131</b>	<b>51 703 089,26</b>	<b>26,13%</b>

\*6 carried out payments under projects of LAFG, 4 carried out payments on current expenses of LAFG and three payments under LDS (one advance payment, one interim payment and one final payment)

Source: EAFA

### ***Cumulative physical progress in the carrying out of OPFSD as of 12.07.2013:***

- Total number of registered projects: 522;
- Total number of signed agreements/approved projects: 249 (out of which 134 signed agreements with private beneficiaries);
- Total negotiated funds: 164 308 970,07 BGN (83,04%);
- Total funds paid to beneficiaries: 63 001 765,88 BGN (31,84%).
- Final payments of funds have been made for 131 projects (52,61% of the total number of concluded agreements) to a value of 51 703 089,26 BGN.

As a result of the action of the program, decrease of the capacity of the fleet has been achieved, through permanent termination of fishing activities by 1 290,21 GT. Engine power has been decreased by 5 413,45 kW. A total of 350 fishing facilities have been replaces, and a total of 5 fishing vessels have been upgraded.

Carrying out of projects under the Operative Program shall result in increasing the production of aquaculture to 3 477,73 tons, and the production from processing to 1 765,09 tons.

As of the beginning of applying OPFSD, the increase of companies turnover for the fully paid projects for production of aquaculture is suggested to be 5,83 million BGN, and for fish processing - 16,6 million BGN., in case the projects have reached the indicators set in the investment intentions.

One of the main priorities in relation to OPFSD in 2013 is the maximum agreement level of the budget of OPFSD and the reasonable management of funds under the Program. The analysis indicates that for some of the measures, no interest exists by the beneficiaries. Due to this reason, the funds dedicated under this measures shall not be utilized, if the required actions for their transferring to a measures where there is an interest have not been undertaken. During the month of April, MB initiates an additional acceptance under the measures for the second axis, with the purpose of reviewing projects, which could prevent any contingent future risk of unsuccessful agreeing of financial funds, due to rejection for carrying out and/or annulling of conditional obligations. MB shall undertake actions, following coordination with EC, on a change of the financial plan of OPFSD, with the purpose of minimizing the risk of failure to utilize the resource from the non-attractive measures, by transferring the funds to the budgets of measures, for which high level of interest exists.

#### **4. Administrative penalties for management of fisheries and aquatic cultures**

With the purpose of protection of fish resources and support of their reproduction, measures have been undertaken in 2011 by EAFA for increasing the efficiency of the control of amateur and commercial fishing and maximum limitation of poaching. In the carrying out of the Fisheries and Aquatic Cultures Act, the following activities have also been carried out in 2012:

- A total of 763 unlimited term permits have been issued, for performance of commercial fishing, including: for Black Sea - 457, for Danube river - 188 and for inland waters - 118;
- A total of 3 637 certificates have been issued granting the right to performance of commercial fishing, including special permits for catch of turbot: for Black Sea – 2 1857, for Danube river – 1 404 and for inland waters - 48;
- 368 certificates for legal capacity for carrying out of commercial fishing have been issued;
- 3 511 fishing facilities have been marked;
- Registration of 71 new fisheries has been carried out, coincidentally deleting 30 fisheries;
- Registration of 125 entities and companies has been carried out for performance of first sales of fish and fish products;

In relation to conducting administrative and penal activity with Fisheries and Aquatic Cultures Management, in 2012, a total of 30 311 inspections have been carried out, out of which:

- 4 943 in commercial fishing facilities;
- 14 823 in amateur fishing facilities;
- 714 in fishing holdings;
- 4 203 of vessels;
- 3 455 in fish trade facilities;
- 1 057 according to signals submitted by the public;
- 1 116 jointly with the bodies of the Ministry of Interior and the Executive Forest Agency, as well as their local departments.

In comparison to 2011, the number of inspections carried out in the amateur fishing facilities and facilities for fish trade has increased by 23%, and the number of vessels – by 10%, while the number of inspections in fisheries has decreased by 17%.

As a result of the inspections carried out, in case of established breaches of the Fisheries and Aquatic Cultures Act, in 2012 a total of 3 917 acts for breach and 17 681 deeds of findings have been prepared, as well as 2 940 penal decrees, and the ones which have become effective are a total of 2 067.

With the prepared deeds of findings and acts for establishment of administrative breaches, a total of 5 959 poaching fishing equipment has been confiscated, as well as 29 055,7 kg illegally caught fish (approximately 2,4 times more compared to 2011). Out of the total quantity of confiscated fish and other aquatic organisms in 2012, 7 013,7 kg have been returned in the reservoirs, 17 954,2 kg have been provided as donations, and 4 087,83 kg have been destroyed.

## **SECTION B**

### **PRIORITIES AND OBJECTIVES OF THE POLICY IN THE AGRARIAN SECTOR, MEASURES AND ACTIONS FOR THEIR CARRYING OUT IN 2014**

In the context of specific meaning of agriculture and rural areas for social and economical development of Bulgaria, its current condition and potential, the main priorities of the policy in relation to the agrarian sector:

#### **Priority 1:**

Development of the agrarian sector for providing food security and for production of products with high added value for sustainable management of natural resources

#### **Priority 2 :**

Mobilization of the potential of rural areas for achieving balanced social and territorial development

Within the limits of **Priority 1**, in compliance with the Governmental Program "System of government, development, fairness – economy and social priorities of the government of the Republic of Bulgaria" shall put emphasis for several of the main goals for the realization of which the following measures and actions for 2014 shall be set:

#### **Objective 1: Balanced development of the sectors in the agrarian sectors fir production of products with high added value**

##### **Measure: Recovery and modernization of hydromeliorative infrastructure**

###### **Actions:**

- Starting operation on preparation of the strategies for sector "Hydromelioration" and sector "Protection from harmful effect of water";
- Improvement of the regulatory framework and institutionalized capacity in the field of Hydromelioration;
- Use of possibilities of the Development Program of rural areas 2007-2013 for investments in the hydromeliorative system;
- Preparation of the sub-legislative framework and implementation of measures of the Rural Development Program 2014-2020 for investments in the hydromeliorative system.

##### **Measure: Stimulation of the Bulgarian agricultural production by closing the circuit and development of the catering industry**

###### **Actions:**

- Use of options of RDP 2014-2020 for stimulation of the establishment of short supply chains from producer to the end customer, including local markets;
- Support using RDP 2014-2020 of investments for processing, trade and marketing of agricultural products;
- Implementation of scheme for state aid for investments in facilities for direct supplies of small quantities raw materials and food of animal origin.

##### **Measure: Overcoming structural imbalance in sector Agriculture and in its sub-sectors**

###### **Actions:**

- Preparation of notification sent to the European Commission and development of national laws for implementation of measures for binding support with direct payments, directed in priority to sectors "Vegetable production", "Perennial crops" and "Livestock breeding";

- Preparation of the sub-legislative statutory framework for implementation of measures for investments under the Rural Development Program 2014-2020. Providing more favorable conditions for support of investments in sectors with traditions and potential, but experiencing difficulties;
- Use of possibilities of state aid for stimulation of production strands lagging in their development;
- Implementation of National program for support of the vine and winery sector in Bulgaria 2014 - 2018;
- Implementation of the National Apiculture Program 2014 – 2016..

#### **Measure: Development of organic farming**

##### **Actions:**

- Guaranteeing carrying out of state policy on surveillance control of organic farming and compliance with the requirements of the European and National legislation in the field;
- Development of sub-legislative framework and implementation of measures of the new Rural Development Program for the period 2014 – 2020, for priority support of organic farming.

#### **Measure: Control over the quality of both imported foods and local production, protection of population from GMO foods and crops**

##### **Actions:**

- Ensuring the compliance of the national legislation with the newly accepted principles for safe food chain at European Union level;
- Development and acceptance of priorities of Codex Alimentarius for our state standards, directed toward providing a high level of hygiene and food safety, and adequate user information;
- Increasing of the quality of services proposed by the administration through preparation of information materials, implementation of good practices, development of procedures, instructions and manuals, oriented toward official control bodies and business;
- Increasing the quality of food produced in Bulgaria food through certification of the systems for safety and traceability of foods in compliance with standards ISO 22000:2005 and 22005:2008;
- Providing adequate control for compliance with the requirements of the laws in the area of GMO
  - Carrying out of control inspections in allowing on the market of genetically modified seeds and planting material, genetically modified plants and genetically modified plant protection products;
  - Carrying out of laboratory analyses for availability of GMO;
- Permanent cooperation with the European Food Safety Authority, with all structures of the European Union, having relevance to the activities for food safety, plant health, health protection and humane treatment of animals, and food safety bodies in EU member states and third countries;
- Development of a network for cooperation and improvement of communication and exchange of information with sector organizations and associations in the field of food safety.

#### **Measure: Flexible use of intervention mechanisms of the EU Common Agricultural Policy in compliance with the needs and the specifics of Bulgarian agriculture**

##### **Actions:**

- Preparation of sub-legislative statutory acts in relation to the changes in 2013 of the Law for implementation of the General organizations of agricultural products markets of the European Union.

#### **Objective 2: Consolidation of small and medium agricultural holdings as a prerequisite for sustainable and balanced structural development of the agricultural sector**

**Measure: Support of small and medium agricultural producers through providing European financing**

**Actions:**

- Introduction of special simplified scheme for support of small agricultural producers through direct payment to holdings after 2014;
- Preparation of notification to EU and development of the national legislation for the implementation of measures for bound support, which shall encompass smaller holdings for the period 2015 - 2020.;
- Preparation for implementation of a thematic subprogram for small holdings to Rural Development Program 2014 - 2020.

**Measure: Establishing conditions for facilitated access to small agricultural producers to markets for realization of agricultural production**

**Actions:**

- Initiation of changes in the statutory basis, allowing an easier market access to smaller agricultural owners;
- Development of the sub-legislative framework for implementation of the measures of RDP 2014 – 2020., directed toward establishing the conditions for promotion and sales of local agricultural products and food.

**Measure: Stopping food smuggling**

**Actions:**

- Exercising joint control by the Bulgarian Food Safety Agency, the National Revenue Agency, the Customs Agency, and the Ministry of Interior over the import and sales of agricultural products for the border control checkpoints, markets and exchanges, and commercial chain stores;
- Participation in the process of preparing the statutory legislation related to non-allowance of non-regulated import and trade with agricultural production in the territory of the country.

**Measure: Targeted use of the State Land Fund for stimulation of product diversity and encouraging the raising of intensive crops**

**Actions:**

- Performance of changes in the statutory legislation, regulating long-term leasing or renting agricultural lands by the State Land Fund and leasing common lands and pastures from the fund with preference to livestock farmers.

**Measure: Stimulating the association of agricultural producers for achieving competitive and economy effective agricultural production with high added value, designated for the domestic and foreign market.**

**Actions:**

- Update of the national strategy for sustainable operative programs of organizations of producers of fruits and vegetables in the Republic of Bulgaria for the period 2009-2013, with the purpose of its application in 2014;
- Successful implementation of the national procedures for review and submitting promotional programs to EU, filed by associations of producers and processing parties, which are co-financed by EU and popularize the European quality products on the domestic market and the markets of third countries;
- Successful implementation of the national procedures for review and sending to EU of applications and specifications, filed by associations of producers and processing parties, for entering in the



European Register for Protected Geographical Indications and in the European Register of Traditional and Specialty Foods, and for approval by controlling persons for every applying name;

- Development of sub-legislative statute and implementation of measures of the new Rural Development Program for the period 2014 – 2020 for support in the establishment of groups of producers and for encouragement of the interaction between suppliers of raw materials, processing parties and traders and cooperation in and between the sectors.

**Goal 3: Development of efficient agriculture through high quality scientific and applicable research, knowledge and technology transfer**

**Measure: Sustainable development of the scientific potential and creating new scientific products**

**Actions:**

- Selection of new varieties of plant cultures and animal breeds;
- Development of traditional and new technologies for plant growing and animal raising;
- Evaluation of the innovativeness of the created scientific products;
- Patenting and certification of the created scientific products;
- Transfer of scientific products to the production – conclusion of licensing agreements.
- Modernization of scientific infrastructure;
- Development of a system of stimuli for stimulating scientific potential.

**Measure: Improvement efficiency of the system for agricultural consultations**

**Actions:**

- Introduction of regulated rules and procedures for joint activity between the participants in the system for consultations in agriculture and the scientific institutes and universities;
- Development of partnerships, including public and private transfer for the purpose of transfer of scientific knowledge, implementation of good practices and innovations in Bulgarian agriculture;
- Facilitation of the access to consultations in agriculture for agricultural producers, especially by the settlements remote from the district centers, through increasing the capacity of the national office for consultations in agriculture, including at a municipal level;
- Active functioning regional consultation councils for consultations in agriculture with the participation of representatives of NAAS, universities, scientific institutes, non-governmental organizations, and agricultural producers.

**Measure: Increasing the professional qualification and awareness of agricultural producers**

**Actions:**

- Organizing and conducting training of agricultural owners, including long-term and short-term courses and awareness activities;
- Providing access of agricultural producers to an important agricultural information, through organizing on a local level (municipal and per settlements) of seminars and awareness events, as well as through media events;
- Active use of different communication channels for providing consultation services.

**Objective 4: Protection of forests and development of forestry**

**Measures:**

- Implementation of the National Strategy for Development of the Forestry Sector in the Republic of Bulgaria (2013 – 2020.);

- Development of the Strategy Plan for Development of the Forestry Sector (2013 - 2022);
- Development of 7-year plans for the activities of the directorates of natural parks, with the purpose of their incorporation in the National Priority Framework for Activities under NATURA 2000 for program period 2014 - 2020 of EU;
- Development of uniform automated system for surveillance and discovery of fires in forest areas and settlements, and in proximity to them;
- Starting work on development of methods for evaluation and providing consideration for ecosystem benefits of forests;
- Support the sustainable management of non-state owned forests, and the operation of private practice arboriculturists;
- Starting national forestry itemization of forest areas; carrying out of current control of the annual itemization of forest areas;
- Development and carrying out of Long-term program of the Executive Forest Agency for utilization of funds from the European Structural Funds and other financial instruments of the new program period 2014-2020.

#### **Objective 5: Dynamic and sustainable development of fish holding**

**Measure: Stimulation of the investments and innovations in fishery and aquatic cultures, including in the process of processing the production in them**

##### **Actions:**

- Development of the sub-statutory base for application and popularization of the measures under the Maritime Affairs and Fisheries Program 2014 - 2020, related to the support for investments and development, as well as implementation of innovations in fishery and aquatic cultures, in the processing and market realization of products in the sector.

**Measure: Securing and Management of reliable technical, economical and biological data for the sector**

##### **Actions:**

- Development of sub-legislative base for implementation of the measures of the Maritime Affairs and Fisheries Program 2014 - 2020, related to the collection and analyzing scientific data for sector "Fisheries".

**Measure: Encouragement of the sustainable development of fishing regions through the realization of Local Development Strategies**

##### **Actions:**

- Development of the sub-legislative basis for implementation of the measures of the Maritime Affairs and Fisheries Program 2014-2020, directed toward the support of local fishing communities of the coastal and the internal fishing regions for realization of Local Development Strategies.

For the realization of **Priority 2: Mobilization of the potential of rural areas for achieving balanced social and territorial development** in 2014 the carrying out of Activities under RDP 2007 – 2013 shall continue, the legal framework shall be prepared and the application of RDP for the new program period 2014 – 2020 shall continue. The following goals and the measures for carrying out shall be emphasized on:

**Objective 1: Diversification of the economics of rural areas and high employment levels of the local population**

##### **Measures:**

- Encouraging the start-up and the development of economic activities in the form of new holdings, new enterprises, new investments in non-agricultural activities
- Support of local communities and carrying out of Local Development Strategies.

**Objective 2: Improvement of the quality of life in rural areas**

**Measures:**

- Encouragement of the development of the local infrastructure and renovation of villages;
- Encouragement the supply of local basic services;
- Encouragement of the protection of the local cultural and natural heritage.

## ANNEXES

**ANNEX 1**  
**GROSS AND END PRODUCTION FROM BRANCH "AGRICULTURE" FOR 2012\* (ACCORDING TO MANUFACTURER PRICES)**

(million BGN)

(million BGN)																				
Code	Product	Current prices														Sales - total	Productio n of fixed capital goods at its own expense	End reserves	Change in reserves	End production
		Gross production	Losses	Available reserves	Used in the unit			Processed by producers	Self- utilization	Sales										
					Seeds and seedling material	Feed additives	Others			within the country		foreign								
										within the industry	outside the industry									
a	b	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16			
01	Cereals	2737.8	6.1	903.3	132.6	346.8	17.8	2.8	48.1	191.2	2188.3	12.2	2391.7	0.0	695.2	-208.1	2581.4			
01.1	Wheat and spelt	1774.0	4.3	457.3	104.2	108.4	13.9	2.2	33.7	116.6	1470.9	10.0	1597.6	0.0	367.1	-90.2	1651.7			
01.1/1	Common wheat	1748.9	4.3	454.6	103.6	105.5	13.7	1.4	29.6	114.3	1456.0	10.0	1580.3		365.2	-89.4	1627.4			
01.1/2	Durum wheat	25.1	0.0	2.7	0.7	2.9	0.1	0.8	4.1	2.3	15.0	0.0	17.3		1.9	-0.8	24.3			
01.2	Rye	8.2	0.0	4.5	0.5	4.5	0.2	0.0	0.4	0.3	3.3	0.0	3.7		3.4	-1.1	7.5			
01.3	Barley	247.5	0.7	35.4	15.3	42.6	1.6	0.2	6.7	16.1	170.6	1.5	188.2		27.6	-7.8	230.0			
01.4	Oats and grains	9.7	0.0	14.3	1.3	10.8	0.0	0.0	0.6	1.5	3.3	0.0	4.8		6.6	-7.8	8.4			
01.5	Grain maize	659.0	1.1	358.1	1.8	168.9	1.9	0.3	6.6	56.0	512.5	0.6	569.1		267.3	-90.8	654.1			
01.6	Rice	18.9	0.0	19.7	8.7	0.0	0.0	0.0	0.0	0.0	19.0	0.0	19.0		10.9	-8.8	10.2			
01.7	Other grains	20.5	0.0	14.0	0.9	11.5	0.2	0.0	0.3	0.7	8.7	0.0	9.4		12.3	-1.7	19.5			
02	Industrial crops	1593.4	7.4	421.4	3.0	24.2	2.4	1.7	6.7	93.6	1497.3	16.4	1607.2	0.0	362.2	-59.2	1580.6			
02.1	Oilseeds	1400.5	6.8	315.3	0.6	9.7	1.2	1.7	0.9	90.5	1287.2	16.4	1394.1	0.0	300.9	-14.3	1392.0			
02.1/1	Rapeseed and Colza	221.3	1.0	17.8	0.1	0.2	0.1	0.0	0.0	9.4	206.1	5.6	221.1		16.5	-1.3	220.1			
02.1/2	Sunflower	1165.1	5.6	296.4	0.3	9.5	1.1	1.7	0.8	80.1	1070.3	10.0	1160.5		282.0	-14.4	1158.0			
02.1/3	Soy	5.4	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.0	5.2	0.0	5.2		0.1	0.1	5.3			
02.1/4	Other oilseeds	8.7	0.1	1.0	0.1	0.0	0.0	0.0	0.0	1.0	5.6	0.7	7.3		2.3	1.3	8.6			
02.2	Protein crops	20.5	0.1	29.2	2.4	14.5	0.5	0.0	5.6	2.8	7.9	0.0	10.6		16.0	-13.2	17.5			
02.3	Tobacco	109.0	0.0	52.9	0.0	0.0	0.0	0.0	0.0	0.0	132.8	0.0	132.8		29.0	-23.8	109.0			
02.4	Sugar beet	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0	0.0	0.0			
02.5	Other industrial crops	63.4	0.5	24.0	0.0	0.0	0.7	0.0	0.2	0.3	69.4	0.0	69.6	0.0	16.3	-7.8	62.1			
02.5/1	Fibre crops	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.0	0.6		0.0	0.0	0.6			
02.5/2	Hop	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.9	0.0	0.9		0.0	0.0	0.9			
02.5/3	Other industrial crops	61.9	0.5	24.0	0.0	0.0	0.7	0.0	0.2	0.3	67.9	0.0	68.2		16.3	-7.8	60.6			
03	Forage crops	391.0	3.4	382.5	0.0	530.8	1.8	18.2	0.4	12.3	3.9	0.0	16.2	0.0	202.7	-179.8	385.8			
03.1	Maize for silage	36.0	0.0	0.0	0.0	19.9	0.5	13.5	0.0	2.0	0.1	0.0	2.1		0.0	0.0	35.4			
03.2	Root crops for fodder	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0	0.0	0.1			
03.3	Other fodder crops	354.9	3.4	382.5	0.0	510.8	1.2	4.7	0.4	10.3	3.8	0.0	14.1		202.7	-179.8	350.3			
04	Vegetables	219.7	0.1	16.6	0.5	7.1	0.5	0.0	50.2	10.4	156.4	0.0	166.8	0.0	11.1	-5.4	218.7			
04.1	Fresh vegetables	217.4	0.1	9.6	0.1	7.1	0.5	0.0	50.2	10.4	150.9	0.0	161.3	0.0	7.8	-1.8	216.8			
04.1/2	Tomatoes	62.3	0.0	0.0	0.0	0.2	0.0	0.0	14.4	5.2	42.6	0.0	47.8		0.0	0.0	62.3			
04.1/3	Other fresh vegetables	155.1	0.1	9.6	0.1	6.9	0.5	0.0	35.8	5.3	108.3	0.0	113.5		7.8	-1.8	154.5			
04.2	Flowers	2.3	0.0	7.0	0.4	0.0	0.0	0.0	0.0	0.0	5.5	0.0	5.5	0.0	3.3	-3.7	1.9			
04.2/1	Plant nurseries	1.6	0.0	7.0	0.4	0.0	0.0	0.0	0.0	0.0	4.8	0.0	4.8		3.3	-3.7	1.2			
04.2/2	Ornamental plants, incl. Christmas trees	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7		0.0	0.0	0.7			
04.2/3	Creation and growing	0.0	0.0								0.0		0.0	0.0		0.0	0.0			
05	Potatoes	69.1	0.6	41.5	7.8	12.8	0.1	0.0	26.9	6.3	47.3	0.0	53.7		9.0	-32.6	60.7			
06	Fruit	318.3	0.3	4.9	0.0	0.4	0.7	1.5	57.0	2.4	256.2	0.1	258.8	0.0	4.5	-0.3	317.3			
06.1	Fresh fruit	109.9	0.3	4.9	0.0	0.4	0.0	1.4	27.4	0.8	79.8	0.1	80.8	0.0	4.5	-0.3	109.6			
06.1/1	Apples	17.0	0.3	4.2	0.0	0.3	0.0	1.2	7.2	0.4	8.2	0.0	8.6		3.6	-0.6	16.7			
06.1/2	Pears	2.4	0.0	0.1	0.0	0.0	0.0	0.1	1.7	0.0	0.5	0.0	0.5		0.2	0.1	2.4			
06.1/3	Peaches	15.5	0.0	0.0	0.0	0.0	0.0	0.0	4.6	0.0	10.9	0.0	10.9		0.0	0.0	15.5			
06.1/4	Other fresh fruit	75.0	0.0	0.6	0.0	0.0	0.0	0.1	14.0	0.4	60.2	0.1	60.7		0.7	0.1	75.0			
06.4	Grapes-all	208.4	0.0	0.0	0.0	0.0	0.7	0.1	29.5	1.6	176.4	0.0	178.0	0.0	0.0	0.0	207.7			
06.4/1	Dessert grapes	10.9	0.0	0.0	0.0	0.0	0.0	0.0	2.9	0.0	7.9	0.0	7.9		0.0	0.0	10.9			
06.4/2	Other grapes	197.5	0.0	0.0	0.0	0.0	0.7	0.1	26.6	1.6	168.5	0.0	170.1		0.0	0.0	196.8			
07	Wine																			
07.1	Table wine																			
09	Other crops	22.8	0.0	19.2	2.8	0.0	0.0	0.0	2.0	7.0	14.2	2.7	23.9	0.0	13.2	-5.9	20.0			
09.2	Seeds	7.4	0.0	19.2	2.8	0.0	0.0	0.0	0.0	7.0	3.6	0.0	10.6		13.2	-5.9	4.6			
09.3	Other crop products	15.4	0.0	0.0	0.0	0.0	0.0	0.0	2.0	0.0	10.7	2.7	13.4		0.0	0.0	15.4			
10	Crop breeding production (from line 01 to line 09)	5352.1	17.8	1789.4	146.6	922.0	23.3	24.2	191.4	323.2	4163.7	31.3	4518.3	0.0	1298.0	-491.4	5164.5			

**ANNEX 1**  
**GROSS AND END PRODUCTION FROM BRANCH "AGRICULTURE" FOR 2012\* (ACCORDING TO MANUFACTURER PRICES)**

(million BGN)

		Current prices															
Code	Product	Gross production	Losses	Available reserves	Used in the unit			Processed by producers	Self-utilization	Sales			Sales - total	Production of fixed capital goods at its own expense	End reserves	Change in reserves	End production
					Seeds and seedling material	Feed additives	Others			within the country		foreign					
										within the industry	outside the industry						
a	b	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
11	Livestock	1164.6	0.0	813.1	0.0	0.0	0.0	0.0	376.7	0.0	646.8	0.0	646.8	132.6	821.7	8.6	1164.6
11.1	Cattle	177.0	0.0	364.1	0.0	0.0	0.0	0.0	62.5	0.0	29.9	0.0	29.9	67.5	381.2	17.1	177.0
11.2	Pigs	284.7	0.0	45.1	0.0	0.0	0.0	0.0	9.7	0.0	269.1	0.0	269.1	9.7	41.3	-3.7	284.7
11.3	Horses	3.8	0.0	13.5	0.0	0.0	0.0	0.0	0.1	0.0	1.0	0.0	1.0	1.2	15.0	1.5	3.8
11.4	Sheep and goats	294.6	0.0	276.7	0.0	0.0	0.0	0.0	131.8	0.0	112.2	0.0	112.2	54.2	273.1	-3.6	294.6
11.5	Poultry	381.5	0.0	47.4	0.0	0.0	0.0	0.0	146.8	0.0	234.0	0.0	234.0		48.1	0.7	381.5
11.6	Other animals	23.0	0.0	66.4	0.0	0.0	0.0	0.0	25.8	0.0	0.6	0.0	0.6		62.9	-3.4	23.0
12	Livestock products	1258.6	4.9	14.3	0.0	104.8	61.9	10.0	159.5	95.7	810.6	0.0	906.4	0.0	25.4	11.1	1086.9
12.1	Milk	904.1	3.0	0.0	0.0	103.9	0.0	8.1	102.7	40.5	645.8	0.0	686.3		0.0	0.0	797.1
12.2	Eggs	278.3	1.9	2.0	0.0	0.8	37.0	1.8	51.1	39.3	146.0	0.0	185.3		2.3	0.3	238.6
12.3	Other livestock products	76.2	0.0	12.3	0.0	0.0	24.9	0.0	5.7	15.9	18.8	0.0	34.7	0.0	23.2	10.8	51.2
12.3/1	Greasy wool	2.6	0.0	2.9	0.0	0.0	0.0	0.0	0.0	0.0	1.6	0.0	1.6		3.9	1.0	2.6
12.3/2	Silkworm cocoons	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0	0.0	0.0
12.3/3	Other livestock products	73.6	0.0	9.4	0.0	0.0	24.9	0.0	5.7	15.9	17.3	0.0	33.2		19.2	9.8	48.6
13	Livestock products (line 11 + line 12)	2423.2	4.9	827.4	0.0	104.8	61.9	10.0	536.2	95.7	1457.4	0.0	1553.1	132.6	847.1	19.7	2251.5
14	Production of agricultural products (line 10 + line 13)	7775.3	22.7	2616.8	146.6	1026.7	85.2	34.2	727.6	418.9	5621.1	31.3	6071.4	132.6	2145.1	-471.7	7416.0
15	Production of agricultural services	520.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	520.0	0.0	520.0	0.0	0.0	0.0	520.0
16	Agricultural production (line 14 + line 15)	8295.3	22.7	2616.8	146.6	1026.7	85.2	34.2	727.6	418.9	6141.1	31.3	6591.4	132.6	2145.1	-471.7	7936.0
17	Non-agricultural inseparable secondary activities	579.8							579.8								579.8
17.1	Agricultural products processing	579.8							579.8								579.8
17.1/1	- grains	168.3							168.3								168.3
17.1/2	- vegetables	75.6							75.6								75.6
17.1/3	- fruits	35.6							35.6								35.6
17.1/4	- wine	51.7							51.7								51.7
17.1/5	- livestock	161.1							161.1								161.1
17.1/6	- livestock products	73.6							73.6								73.6
17.1/6/1	- milk	73.6							73.6								73.6
17.1/7	- other	13.9							13.9								13.9
17.2	Other inseparable secondary activities																
18	Production from Agriculture Industry (line 16 + line 17)	8875.1	22.7	2616.8	146.6	1026.7	85.2	34.2	1307.4	418.9	6141.1	31.3	6591.4	132.6	2145.1	-471.7	8515.8

Source: NSI

\* The data provided for 2012 is projected.

## ANNEX 2

### INTERMEDIATE CONSUMPTION, FACTOR EXPENSES, OTHER SUBSIDIES AND TAXES FOR 2012\*

(million BGN)

Elements of intermediate consumption	For creation of gross production	For creation of end product	Produced and consumed within the holding	Purchase of goods and services for intermediate consumption	
				from other agricultural units	from units outside the industry
a	1	2	3	4	5
Losses	22.7		22.7		
Seeds and seedling material	308.6	161.9	146.7	30.4	131.5
Fuels and oils	1,208.7	1,208.7	0.0	0.0	1,208.7
- power supply	94.1	94.1			94.1
- gas	27.3	27.3			27.3
- other fuels	1,083.4	1,083.4			1,083.4
- other	3.9	3.9			3.9
Fertilisers and soil conditioners	411.2	411.2	0.0	8.0	403.2
Plant protection products and pesticides	247.8	247.8			247.8
Veterinarian expenses	292.7	292.7			292.7
Forage additives	1,589.3	1,589.3	922.0	340.3	327.0
Forage additives, not included in EAA	104.8		104.8		
Maintenance and repair	552.0	552.0	0.0	0.0	552.0
- maintenance and repair of machines and small inventory	371.4	371.4			371.4
- maintenance of buildings	180.6	180.6			180.6
Agricultural services	520.0	520.0		520.0	
FIZIM	85.1	85.1			85.1
Other goods and services	375.9	290.7	85.2	107.1	183.6
<b>Intermediate consumption</b>	<b>5,718.8</b>	<b>5,359.4</b>	<b>1,281.4</b>	<b>1,005.8</b>	<b>3,431.6</b>
<b>Utilization of fixed capital</b>	<b>347.1</b>	<b>347.1</b>			<b>347.1</b>
- equipment	297.7	297.7			297.7
- buildings	23.6	23.6			23.6
- creation and growing	6.4	6.4			6.4
- others	19.4	19.4			19.4
<b>Remuneration of employees</b>	<b>483.8</b>	<b>483.8</b>			<b>483.8</b>
<b>Other production taxes</b>	<b>2.9</b>	<b>2.9</b>			<b>2.9</b>
<b>Other subsidies based on production</b>	<b>1,081.7</b>	<b>1,081.7</b>			<b>1,081.7</b>
<b>Royalty</b>	<b>590.0</b>	<b>590.0</b>			<b>590.0</b>
<b>Interest paid</b>	<b>38.9</b>	<b>38.9</b>			<b>38.9</b>
<b>Interest received</b>	<b>13.0</b>	<b>13.0</b>			<b>13.0</b>

Source: NSI

\* The data provided for 2012 is projected.

^ THE 2012 ESTIMATE FOR 2012 IS PROJECTIONS

**ANNEX 3**
**Value of the gross production and gross added value from branch "Agriculture" on manufacturer prices**

(million BGN)

Code	Products	2010	Change factor	2011	Change factor	2012*
a	b	1	2	3	4	5
01	Cereals	1,731.5	1.4	2,452.3	1.1	2,737.8
01.1	Wheat and spelt	968.1	1.5	1,447.6	1.2	1,774.0
01.1/1	Common wheat	958.6	1.5	1,399.2	1.2	1,748.9
01.1/2	Durum wheat	9.5	5.1	48.4	0.5	25.1
01.2	Rye	3.9	1.4	5.5	1.5	8.2
01.3	Barley	160.8	1.4	218.4	1.1	247.5
01.4	Oats and grains	9.1	1.0	9.4	1.0	9.7
01.5	Grain maize	550.1	1.3	730.6	0.9	659.0
01.6	Rice	29.2	1.0	29.1	0.6	18.9
01.7	Other grains	10.3	1.1	11.7	1.8	20.5
02	Industrial crops	1,397.1	1.2	1,735.4	0.9	1,593.4
02.1	Oilseeds	1,142.9	1.3	1,443.3	1.0	1,400.5
02.1/1	Swede rape and turnip rape	298.0	1.4	418.8	0.5	221.3
02.1/2	Sunflower	810.9	1.2	998.8	1.2	1,165.1
02.1/3	Soy	1.2	4.4	5.3	1.0	5.4
02.1/4	Other oilseeds	32.8	0.6	20.4	0.4	8.7
02.2	Protein crops	23.0	1.0	23.1	0.9	20.5
02.3	Tobacco	155.1	1.3	206.4	0.5	109.0
02.4	Sugar beet	-	-	0.0	-	0.0
02.5	Other industrial crops	76.1	0.8	62.6	1.0	63.4
02.5/1	Fibre crops	0.6	0.7	0.4	1.5	0.6
02.5/2	Hop	0.5	0.4	0.2	4.5	0.9
02.5/3	Other industrial crops	75.0	0.8	62.0	1.0	61.9
03	Fodder crops	378.5	0.8	287.1	1.4	391.0
03.1	Maize for forage	22.5	0.8	17.7	2.0	36.0
03.2	Root crops for forage	0.5	0.2	0.1	1.0	0.1
03.3	Other forage	355.5	0.8	269.3	1.3	354.9
04	Vegetables	365.0	0.7	238.6	0.9	219.7
04.1	Fresh vegetables	340.6	0.7	235.0	0.9	217.4
04.1/2	Tomatoes	70.3	0.8	58.0	1.1	62.3
04.1/3	Other fresh vegetables	270.3	0.7	177.0	0.9	155.1
04.2	Flowers	24.4	0.1	3.6	0.6	2.3
04.2/1	Plant nurseries	23.3	-	2.6	-	1.6
04.2/2	Ornamental plants, incl. Christmas trees	1.1	0.9	1.0	0.7	0.7
04.2/3	Creation and growing	-	-	-	-	-
05	Potatoes	125.7	0.8	104.5	0.7	69.1
06	Fruit	238.7	1.1	253.0	1.3	318.3
06.1	Fresh fruit	141.3	0.9	124.4	0.9	109.9
06.1/1	Apples	36.1	0.4	13.7	1.2	17.0
06.1/2	Pears	2.5	0.1	0.3	8.0	2.4
06.1/3	Peaches	16.4	0.9	15.5	1.0	15.5
06.1/4	Other fresh fruit	86.3	1.1	94.9	0.8	75.0
06.4	Grapes-all	97.4	1.3	128.6	1.6	208.4
06.4/1	Dessert grapes	4.6	0.9	4.1	2.7	10.9
06.4/2	Other grapes	92.8	1.3	124.5	1.6	197.5
07	Wine	-	-	-	-	-
07.1	Table wine	-	-	-	-	-
09	Other crops	7.4	4.0	29.8	0.8	22.8
09.2	Seeds	3.1	7.8	24.2	0.3	7.4
09.3	Other crop products	4.3	1.3	5.6	2.8	15.4
10	<b>Crop production</b>	<b>4,243.9</b>	<b>1.2</b>	<b>5,100.7</b>	<b>1.0</b>	<b>5,352.1</b>



## ANNEX 3

## Value of the gross production and gross added value from branch "Agriculture" on manufacturer prices

(million BGN)

Code	Products	2010	Change factor	2011	Change factor	2012*
a	b	1	2	3	4	5
11	Livestock	1,030.1	1.1	1,145.7	1.0	1,164.6
11.1	Cattle	168.9	1.1	185.6	1.0	177.0
11.2	Pigs	232.2	1.2	270.1	1.1	284.7
11.3	Horses	2.7	1.5	4.1	0.9	3.8
11.4	Sheep and goats	221.9	1.3	279.6	1.1	294.6
11.5	Poultry	363.5	1.1	382.8	1.0	381.5
11.6	Other animals	40.9	0.6	23.5	1.0	23.0
12	Livestock products	1,116.9	1.2	1,292.3	1.0	1,258.6
12.1	Milk	774.2	1.2	962.2	0.9	904.1
12.2	Eggs	256.9	1.0	248.4	1.1	278.3
12.3	Other livestock products	85.8	1.0	81.7	0.9	76.2
12.3/1	Greasy wool	1.9	1.0	1.9	1.4	2.6
12.3/2	Silkworm cocoons	-		0.0		0.0
12.3/3	Other livestock products	83.9	1.0	79.8	0.9	73.6
13	<b>Livestock products</b>	<b>2,147.0</b>	<b>1.1</b>	<b>2,438.0</b>	<b>1.0</b>	<b>2,423.2</b>
14	<b>Production of agricultural goods (line 10 + line 13)</b>	<b>6,390.9</b>	<b>1.2</b>	<b>7,538.7</b>	<b>1.0</b>	<b>7,775.3</b>
15	<b>Production of agricultural services</b>	<b>491.8</b>	<b>1.0</b>	<b>508.9</b>	<b>1.0</b>	<b>520.0</b>
16	<b>Agricultural production (line 14 + line 15)</b>	<b>6,882.7</b>	<b>1.2</b>	<b>8,047.6</b>	<b>1.0</b>	<b>8,295.3</b>
17	<b>Non-agricultural inseparable secondary activities</b>	<b>657.3</b>	<b>0.9</b>	<b>619.9</b>	<b>0.9</b>	<b>579.8</b>
17.1	Agricultural products processing	632.1	1.0	619.9	0.9	579.8
17.1/1	- grains	146.6	1.3	183.4	0.9	168.3
17.1/2	- vegetables	62.6	0.8	51.7	1.5	75.6
17.1/3	- fruit	20.6	0.7	14.2	2.5	35.6
17.1/4	- wine	50.4	0.2	12.3	4.2	51.7
17.1/5	- livestock	184.7	1.1	210.1	0.8	161.1
17.1/6	- livestock products	157.8	0.9	138.7	0.5	73.6
17.1/6/1	- milk	157.8	0.9	138.7	0.5	73.6
17.1/7	- other	9.4	1.0	9.5	1.5	13.9
17.2	Other integral secondary activities	25.2	0.0			
18	<b>Production from Agriculture Industry (line 16 + line 17)</b>	<b>7,540.0</b>	<b>1.1</b>	<b>8,667.5</b>	<b>1.0</b>	<b>8,875.1</b>
19	<b>Intermediate consumption</b>	<b>5,043.4</b>	<b>1.1</b>	<b>5,703.4</b>	<b>1.0</b>	<b>5,718.8</b>
	Losses	9.3	1.3	11.9	1.9	22.7
19.01	Seeds and seedling material	295.1	1.3	384.5	0.8	308.6
19.01/1	delivered by other agricultural enterprises	42.2	1.2	49.2	0.6	30.4
19.01/2	supplied by other agricultural enterprises	167.7	1.0	164.1	0.8	131.5
	Produced and consumed within the establishment	85.2	2.0	171.2	0.9	146.7
19.02	Fuels and oils	1,017.7	1.1	1,150.0	1.1	1,208.7
19.02/1	- power supply	84.3	1.0	87.3	1.1	94.1
19.02/2	- gas	31.7	1.2	38.0	0.7	27.3
19.02/3	- other fuels	897.5	1.1	1,020.5	1.1	1,083.4
19.02/4	- other	4.2	1.0	4.2	0.9	3.9
19.03	Fertilisers and soil conditioners	370.3	1.1	417.4	1.0	411.2
19.03/1	supplied by other agricultural enterprises	14.6	1.2	18.0	0.4	8.0
19.03/2	purchased outside the industry	355.7	1.1	399.4	1.0	403.2

**ANNEX 3****Value of the gross production and gross added value from branch "Agriculture" on manufacturer prices****(million BGN)**

Code	Products	2010	Change factor	2011	Change factor	2012*
a	b	1	2	3	4	5
	Produced and consumed within the establishment	-				
19.04	Plant protection products and pesticides	203.4	1.0	210.2	1.2	247.8
19.05	Veterinary expenses	257.7	1.1	294.8	1.0	292.7

### ANNEX 3

#### Value of the gross production and gross added value from branch "Agriculture" on manufacturer prices

(million BGN)						
Code	Products	2010	Change factor	2011	Change factor	2012*
a	b	1	2	3	4	5
19.06	Feed additives	1,326.6	1.2	1,607.8	1.0	1,589.3
19.06/1	supplied by other agricultural enterprises	279.1	1.2	329.9	1.0	340.3
19.06/2	purchased outside the industry	352.0	0.8	292.4	1.1	327.0
19.06/3	Produced and consumed within the farm	695.5	1.4	985.5	0.9	922.0
	Feed additives, not including in EAA	59.7	1.3	78.2	1.3	104.8
19.07	Maintenance and repair of machines and small size inventory	326.9	1.1	374.0	1.0	371.4
19.08	Building maintenance	194.1	0.9	181.8	1.0	180.6
19.09	Agricultural services	491.8	1.0	508.9	1.0	520.0
19.10	FIZIM	105.4	1.0	106.7	0.8	85.1
19.11	Other goods and services	385.4	1.0	377.2	1.0	375.9
	supplied by other agricultural enterprises	67.9	1.6	107.8	1.0	107.1
	purchased outside the industry	251.8	0.8	197.2	0.9	183.6
	Produced and consumed within the farm	65.7	1.1	72.2	1.2	85.2
<b>20</b>	<b>Gross added value by producer prices (page 18 - page 19)</b>	<b>2,496.6</b>	<b>1.2</b>	<b>2,964.1</b>	<b>1.1</b>	<b>3,156.3</b>

Source: NSI

\* The data provided for 2012 is projected.

## ANNEX 4

END PRODUCTION VALUE, GROSS ADDED VALUE AND ENTREPRENEURIAL INCOME IN THE  
"AGRICULTURE" INDUSTRY, FOR 2012 (ACCORDING TO CURRENT BASIS PRICES)

(million BGN)

Code	Products	2010	Change factor	2011	Change factor	2012*
a	6	1	2	3	4	5
01	Cereals	1,648.4	1.4	2,339.2	1.1	2,581.4
01.1	Wheat and spelt	896.9	1.5	1,354.5	1.2	1,651.7
01.1/1	Common wheat	888.1	1.5	1,307.6	1.2	1,627.4
01.1/2	Durum wheat	8.8	5.3	46.9	0.5	24.3
01.2	Rye	3.6	1.4	5.1	1.5	7.5
01.3	Barley	153.0	1.3	205.4	1.1	230.0
01.4	Oats and grains	8.2	1.0	8.3	1.0	8.4
01.5	Grain maize	548.2	1.3	726.3	0.9	654.1
01.6	Rice	28.5	1.0	28.6	0.4	10.2
01.7	Other grains	10.0	1.1	11.0	1.8	19.5
02	Industrial crops	1,461.5	1.2	1,801.5	0.9	1,580.6
02.1	Oilseeds	1,140.8	1.3	1,439.5	1.0	1,392.0
02.1/1	Rapeseed and Colza	297.8	1.4	417.9	0.5	220.1
02.1/2	Sunflower	809.2	1.2	996.5	1.2	1,158.0
02.1/3	Soy	1.1	4.8	5.3	1.0	5.3
02.1/4	Other oilseeds	32.7	0.6	19.8	0.4	8.6
02.2	Protein crops	21.6	1.0	21.8	0.8	17.5
02.3	Tobacco	224.3	1.2	278.4	0.4	109.0
02.4	Sugar beet	-	-	-	-	-
02.5	Other industrial crops	74.8	0.8	61.8	1.0	62.1
02.5/1	Fibre crops	0.6	0.7	0.4	1.5	0.6
02.5/2	Hop	0.5	0.4	0.2	4.5	0.9
02.5/3	Other industrial crops	73.7	0.8	61.2	1.0	60.6
03	Forage crops	376.5	0.7	280.9	1.4	385.8
03.1	Maize for silage	22.5	0.8	17.4	2.0	35.4
03.2	Root crops for fodder	0.5	0.2	0.1	1.0	0.1
03.3	Other forages	353.5	0.7	263.4	1.3	350.3
04	Vegetables	360.6	0.7	234.5	0.9	218.7
04.1	Fresh vegetables	337.3	0.7	233.4	0.9	216.8
04.1/2	Tomatoes	69.6	0.8	57.6	1.1	62.3
04.1/3	Other fresh vegetables	267.7	0.7	175.8	0.9	154.5
04.2	Flowers	23.3	0.0	1.1	1.7	1.9
04.2/1	Plant nurseries	22.3	0.0	0.1	12.0	1.2
04.2/2	Ornamental plants, incl. Christmas trees	1.0	1.0	1.0	0.7	0.7
04.2/3	Creation and growing	-	-	-	-	-
05	Potatoes	118.9	0.3	33.2	1.8	60.7
06	Fruit	238.7	1.1	252.6	1.3	317.7
06.1	Fresh fruit	141.4	0.9	124.6	0.9	110.0
06.1/1	Apples	35.8	0.4	13.6	1.2	16.7
06.1/2	Pears	2.5	0.1	0.3	8.0	2.4
06.1/3	Peaches	16.4	0.9	15.5	1.0	15.5
06.1/4	Other fresh fruit	86.7	1.1	95.2	0.8	75.4
06.4	Grapes-all	97.3	1.3	128.0	1.6	207.7
06.4/1	Dessert grapes	4.6	0.9	4.1	2.7	10.9
06.4/2	Other grapes	92.7	1.3	123.9	1.6	196.8
07	Wine	-	-	-	-	-
07.1	Table wine	-	-	-	-	-
09	Other crops	6.8	4.4	29.7	0.7	20.0
09.2	Seeds	2.5	9.6	24.1	0.2	4.6
09.3	Other crop products	4.3	1.3	5.6	2.8	15.4
10	<b>Crop production</b>	<b>4,211.4</b>	<b>1.2</b>	<b>4,971.6</b>	<b>1.0</b>	<b>5,164.9</b>

#### ANNEX 4

#### END PRODUCTION VALUE, GROSS ADDED VALUE AND ENTREPRENEURIAL INCOME IN THE "AGRICULTURE" INDUSTRY, FOR 2012 (ACCORDING TO CURRENT BASIS PRICES)

(million BGN)

Code	Products	2010	Change factor	2011	Change factor	2012*
a	6	1	2	3	4	5
11	Livestock	1,094.6	1.1	1,226.8	1.0	1,267.2
11.1	Cattle	216.1	1.1	246.2	1.0	244.4
11.2	Pigs	232.2	1.2	270.1	1.1	284.7
11.3	Horses	2.7	1.5	4.1	0.9	3.8
11.4	Sheep and goats	239.2	1.3	300.1	1.1	329.8
11.5	Poultry	363.5	1.1	382.8	1.0	381.5
11.6	Other animals	40.9	0.6	23.5	1.0	23.0
12	Livestock products	1,019.7	1.2	1,190.3	0.9	1,124.7
12.1	Milk	734.3	1.2	913.5	0.9	834.9
12.2	Eggs	233.2	1.0	222.5	1.1	238.6
12.3	Other livestock products	52.2	1.0	54.3	0.9	51.2
12.3/1	Greasy wool	1.9	1.0	1.9	1.4	2.6
12.3/2	Silkworm cocoons	-	-	-	-	0.0
12.3/3	Other livestock products	50.3	1.0	52.4	0.9	48.6
13	<b>Livestock products</b>	<b>2,114.3</b>	<b>1.1</b>	<b>2,417.1</b>	<b>1.0</b>	<b>2,391.9</b>
14	<b>Production of agricultural goods (line 10 + line 13)</b>	<b>6,325.7</b>	<b>1.2</b>	<b>7,388.7</b>	<b>1.0</b>	<b>7,556.8</b>
15	<b>Production of agricultural services</b>	<b>491.8</b>	<b>1.0</b>	<b>508.9</b>	<b>1.0</b>	<b>520.0</b>
16	<b>Agricultural production (line 14 + line 15)</b>	<b>6,817.5</b>	<b>1.2</b>	<b>7,897.6</b>	<b>1.0</b>	<b>8,076.8</b>
17	<b>Non-agricultural inseparable secondary activities</b>	<b>657.3</b>	<b>0.9</b>	<b>619.9</b>	<b>0.9</b>	<b>579.8</b>
17.1	Agricultural products processing	632.1	1.0	619.9	0.9	579.8
17.1/1	- grains	146.6	1.3	183.4	0.9	168.3
17.1/2	- vegetables	62.6	0.8	51.7	1.5	75.6
17.1/3	- fruit	20.6	0.7	14.2	2.5	35.6
17.1/4	- wine	50.4	0.2	12.3	4.2	51.7
17.1/5	- livestock	184.7	1.1	210.1	0.8	161.1
17.1/6	- livestock products	157.8	0.9	138.7	0.5	73.6
17.1/6/1	- milk	157.8	0.9	138.7	0.5	73.6
17.1/7	- other	9.4	1.0	9.5	1.5	13.9
17.2	Other integral secondary activities	25.2	0.0			
18	<b>Production from branch "Agriculture" (line 16 +line 17)</b>	<b>7,474.8</b>	<b>1.1</b>	<b>8,517.5</b>	<b>1.0</b>	<b>8,656.6</b>
19	<b>Intermediate consumption</b>	<b>4,823.5</b>	<b>1.1</b>	<b>5,369.9</b>	<b>1.0</b>	<b>5,359.4</b>
19.01	Seeds and seedling material	209.9	1.0	213.3	0.8	161.9
19.01/1	delivered by other agricultural enterprises	42.2	1.2	49.2	0.6	30.4
19.01/2	purchased outside the sector	167.7	1.0	164.1	0.8	131.5

#### ANNEX 4

#### END PRODUCTION VALUE, GROSS ADDED VALUE AND ENTREPRENEURIAL INCOME IN THE "AGRICULTURE" INDUSTRY, FOR 2012 (ACCORDING TO CURRENT BASIS PRICES)

(million BGN)						
Code	Products	2010	Change factor	2011	Change factor	2012*
a	6	1	2	3	4	5
19.02	Fuels and oils	1,017.7	1.1	1,150.0	1.1	1,208.7
19.02/1	- electricity	84.3	1.0	87.3	1.1	94.1
19.02/2	- gas	31.7	1.2	38.0	0.7	27.3
19.02/3	- other fuels	897.5	1.1	1,020.5	1.1	1,083.4
19.02/4	- others	4.2	1.0	4.2	0.9	3.9
19.03	Fertilizers and soil improvements	370.3	1.1	417.4	1.0	411.2
19.03/1	Delivered by other agricultural enterprises	14.6	1.2	18.0	0.4	8.0
19.03/2	purchased outside the sector	355.7	1.1	399.4	1.0	403.2
19.04	Plant protection products and pesticides	203.4	1.0	210.2	1.2	247.8
19.05	Veterinary expenses	257.7	1.1	294.8	1.0	292.7
19.06	Forage crops	1,326.6	1.2	1,607.8	1.0	1,589.3
19.06/1	Delivered by other agricultural enterprises	279.1	1.2	329.9	1.0	340.3
19.06/2	purchased outside the sector	352.0	0.8	292.4	1.1	327.0
19.06/3	Production and consumption within the holding	695.5	1.4	985.5	0.9	922.0
19.07	Maintenance and repair of machines and small inventory	326.9	1.1	374.0	1.0	371.4
19.08	Maintenance of buildings	194.1	0.9	181.8	1.0	180.6
19.09	Agricultural services	491.8	1.0	508.9	1.0	520.0
19.10	FIZIM	105.4	1.0	106.7	0.8	85.1
19.11	Other goods and services	319.7	1.0	305.0	1.0	290.7
	Delivered by other agricultural enterprises	67.9	1.6	107.8	1.0	107.1
	purchased outside the sector	251.8	0.8	197.2	0.9	183.6
<b>20</b>	<b>Gross added value under basis prices (line 18 -line 19)</b>	<b>2,651.3</b>	<b>1.2</b>	<b>3,147.6</b>	<b>1.0</b>	<b>3,297.2</b>
21	Utilization of fixed capital	413.3	1.3	523.3	0.7	347.1
21.1	- equipment	354.7	1.3	449.0	0.7	297.7
21.2	- buildings	30.6	1.2	35.6	0.7	23.6
21.3	- establishment and raising	6.9	1.4	9.4	0.7	6.4
21.4	- others	21.1	1.4	29.3	0.7	19.4
<b>22</b>	<b>Net added value under basis prices (line 20 - line 21)</b>	<b>2,238.0</b>	<b>1.2</b>	<b>2,624.3</b>	<b>1.1</b>	<b>2,950.1</b>
23	Compensation of employees	422.8	1.2	489.2	1.0	483.8
24	Other taxes over production	4.6		3.3	0.9	2.9
25	Other subsidies over production	911.4	1.0	895.7	1.2	1,081.7
26	Income per factors	3,144.8	1.1	3,516.7	1.1	4,028.9
<b>27</b>	<b>Operating surplus / Mixed income (line 22 + line 25 -line 23 -line. 24)</b>	<b>2,722.0</b>	<b>1.1</b>	<b>3,027.5</b>	<b>1.2</b>	<b>3,545.1</b>
28	Royalties	457.5	1.2	545.8	1.1	590.0
29	Interest paid	22.5	0.9	20.2	1.9	38.9
30	Interest received	0.7	9.0	6.3	2.1	13.0
<b>31</b>	<b>Entrepreneurial income (line 27 + line 30 - line 28 - line 29)</b>	<b>2,242.7</b>	<b>1.1</b>	<b>2,467.8</b>	<b>1.2</b>	<b>2,929.2</b>

Source: NSI

\* The data provided for 2012 is projected.