CHAPTER A

SITUATION OF AGRARIAN SECTOR

I. SITUATION AND DEVELOPMENT OF THE NATIONAL ECONOMY. MACRO ECONOMIC FRAMEWORK. PLACE OF THE AGRARIAN SECTOR IN THE NATIONAL ECONOMY

The economy of Bulgaria in 2004 characterized by stability and high growth which resulted in the positive development of the major macro economic indicators.

The gross domestic product (GDP) in market prices in 2004 reached nominal value volume of 38 008 million BGN while for 2 003 it was 34 547 million BGN, for 2002 г. – 32 335 million BGN. Compared to 2003 the physical volume of GDP grew by 5.6% which was the highest growth since the beginning of the transitional period.

The value volume of GDP for 2004 was calculated as 4 885 per capita, or 3 101 USD at average exchange rate of 1.575 BGN/USD. Compared to 2003 the GDP per capita was 4 416 BGN or 2 548 USD at average exchange rate of 1.733 BGN/USD.

The gross added value created from the economic activities of the national economy in 2 004 amounted to 32 942 million BGN in current prices by marking growth of 5.4% compared to the one reached in 2003. The situation for the individual sectors was as follows:

- For the industrial sector – 5.3% and the industry created 30% of the value added in economy
- For the service sector - 6% and its share in the total value added was 59.1%
- For the agrarian sector – 2.2% and its share in the value added was 10.9%.

The relative share of gross value added created in the agrarian sector kept the downward trend – from 13.4% in 2001, 12.1% in 2002, 11.6% in 2003 down to 10.9% in 2004.

Structure of the economic sectors in gross value added over the period 2003 - 2004

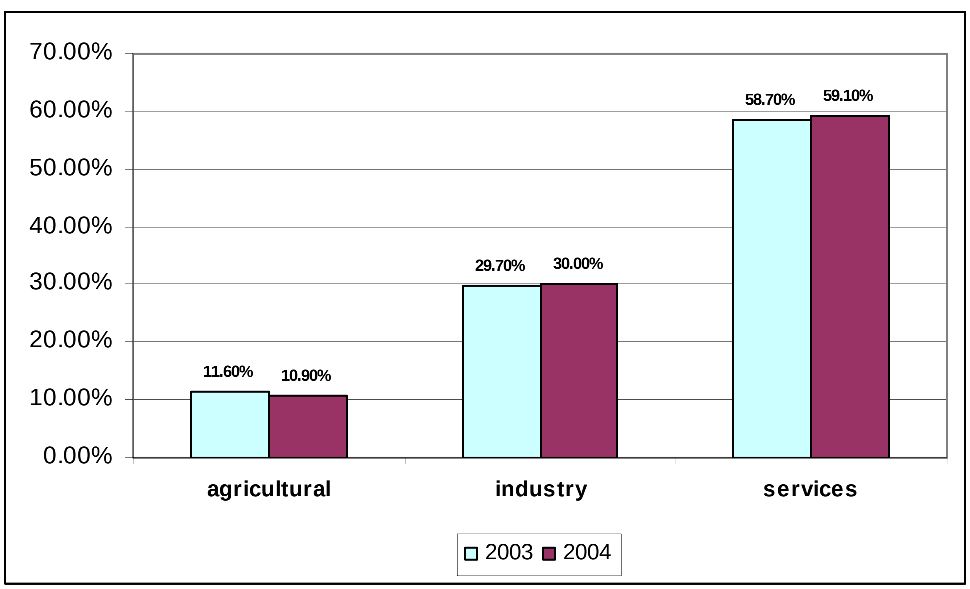


Fig.I.1

The foreign trade balance of Republic of Bulgaria was negative in 2004 amounting to 3 900 million BGN, and was increased by 622 million BGN compared to the same period of the previous year. The rate of increase of the import (14.1%) remained higher than those of the export (13.1%), which led to increase of the trade deficit. Major factors for the strong import of commodities were the increased consumption, related to the growth of the salaries and employment, the household credits, the delayed consumption over the last years with expectations for favourable periods. *The foreign trade in agricultural commodities for 2004 ended up with a positive trade balance amounting to 247 004 thousand USD (389 031 thousand BGN, at average exchange rate of the U.S. dollar of 1.575 BGN).*

The investments in expenditures for acquisition and the acquired long-term assets in 2004 amounted to 15 430.5 million BGN, 324 million BGN of them in the agricultural sector.

In 2004 as a result of the intensification of the economy in the private sector and the implementation of programs and measures at the labour market kept the tendency for increasing the employment and decreasing the level of unemployment. The average annual number of the registered jobless people in 2004 was 450 566 and decreasing by 10% compared to 2003. According to the data of the environment agency the level of unemployment in the country was 12.6% and it dropped down by two points compared to 2003.

In 2004 the average annual salary of the employed people in the country reached 3 618 BGN, it increased in face value by 15.5% compared to 2003.

The inflation processes in the country over the period 2001-2004 characterized by stability. The inflation at the end of 2004 was 4.0%, and the average annual inflation was 6.1%.

Table I.1.
Major macro economic indicators over the period 2001-2004

	Indicators	2001	2002	2003	2004*
1.	Gross domestic product (GDP) – current prices million BGN	29 709	32 335	34 547	38 008
	Including: Gross value added (GVA) – million BGN	26 356	28 526	30 227	32 942
	Gross value added – million BGN - Agriculture, forestry and hunting - Fishing	3 520 13	3 446 14	3 484 14	3 567 14
	Change of the physical volume of GVA compared to the previous year - Agriculture, forestry and hunting - Fishing	+ 0.3% + 1.9%	+5.5% +4.8%	-1.0% +1.7%	+ 2.2% +4.4%
	Share of the gross value added from sector agriculture and forestry and hunting in GVA for the economy as a whole	13.4%	12.1%	11.6%	10.9%
2.	Growth of GDP in (compared to the previous year)	+ 4.1%	+4.9%	+4.5%	+5.6%
3.	GDP per capita of the population - in BGN - In U.S. dollars	3 754 1 718	4 109 1 978	4 416 2 548	4 885 3 101
4.	Foreign trade balance – million BGN	-2 250	-2 141	-3 279	- 3 901
	Including:** Agriculture – million BGN	+ 222.1	+ 498.46	+ 321.0	+ 389.0
5.	Investments in expenditures for acquisitions and acquired tangible long-term assets – million BGN	12 663.9	14 379.5	16 086.5	15 430.5

	Including Investments in the agricultural sector (agriculturally. forestry. hunting and fishing) – million BGN	271.2	380.9	506.2	324.0
6.	Inflation: - average for the period - at the end of the period	7.4% 4.8%	5.8% 3.8%	2.3% 5.6%	6.1% 4.0%
7.	Exchange rate BGN/USD	2.185	2.077	1.733	1.575
8.	Level of the unemployment - average annual value ***	18.08%	17.71%	14.24%	12.67%
	Registered unemployed - total	662 260	602 524	500 664	450 566
9.	Average annual salary of the employed people in the country	2 880	3091	3 280	3 618
	- in agriculture. forestry and hunting - BGN	2 227	2 307	2 431	2 675
	- in fisheries - BGN	1 295	1 347	1 498	1 661

***Source**: NSI*
***Note:** * Preliminary data*
*** Calculated as per the exchange rate of p. 7*
**** As per the data from the Employment Agency*

II. DEVELOPMENT OF THE AGRICULTURAL SECTOR IN 2004 AND FORECAST FOR 2005

1. Land relations, use of agricultural land, registered agricultural producers

1. 1. Land ownership and land relations

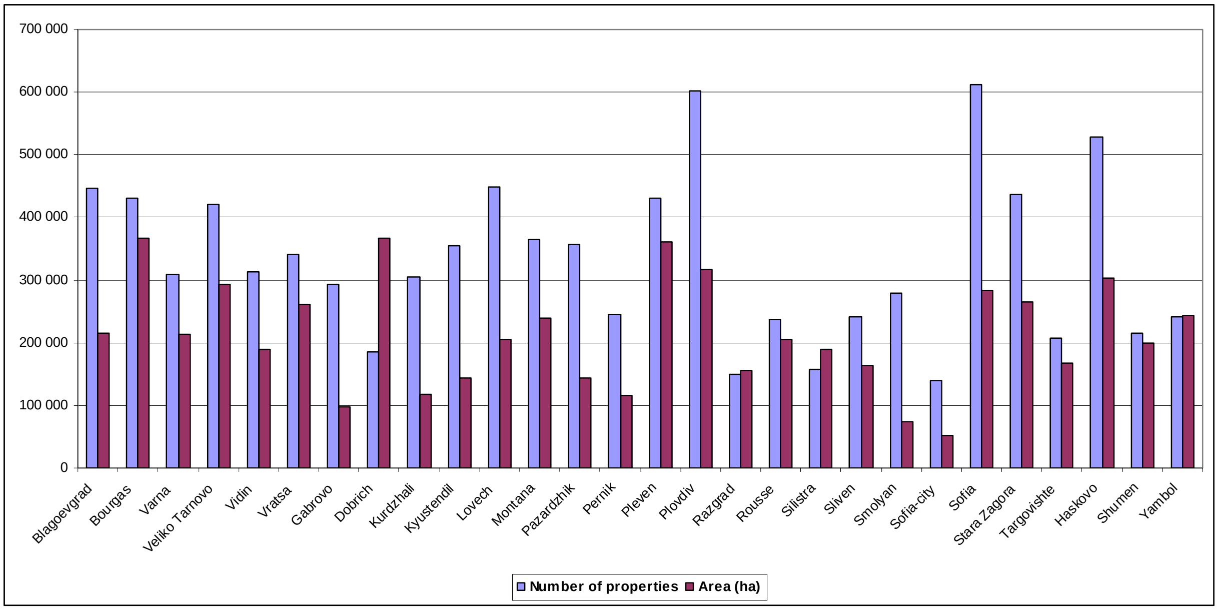
1.1.1. Land ownership

In 2004 continued the work on the system for collection, summarizing and analyzing the land ownership data and the land relations in Bulgaria, maintenance of current data and coordination among the municipal services Agriculture and Forestry, the district directorates Agriculture and Forestry and MAF. This allows MAF to avail with up-to-date data for the land ownership as well as to follow the dynamics and the trends concerning the ownership and use of agricultural lands.

The ratio between the area of the agricultural lands and their number gives the idea for the land fragmentation per districts. (Fig. II.1). With that regard the districts can be differentiated into two major groups:

- Districts in which small area of agricultural land corresponds to a great number of the properties – Smolyan, Kurdzhali, Kyustendil, Pazardzhik, etc.
- Districts in which on a big in size area agricultural land corresponds to a small number of the properties – Dobrich, Pleven, Bourgas, Yambol, Shoumen, etc.

Ration of areas and number of properties in the agricultural lands per districts by 31.12.2004



Source: MAF

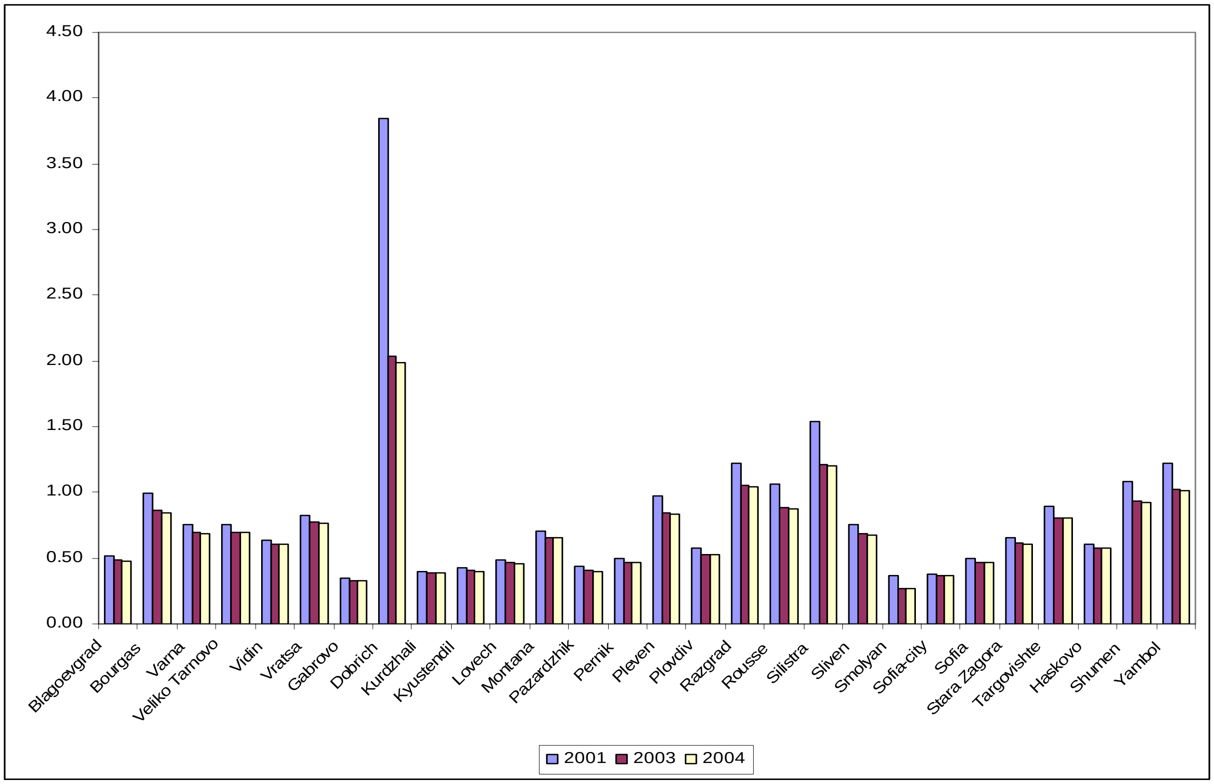
Fig. II.1

The average area of one property in the agricultural lands per districts obtained as a ratio of the agricultural land and the number of the properties in the respective district is presented on Fig.II.2. The graph presents information for the period 2002-2004.

In 2002 the properties as a whole for all districts were with bigger area which gradually decreased in 2003 and 2004. This is a mainly the result of the process for division of the land estates among the heirs of the owners of the restored agricultural land. This process was most dynamic for the district with traditionally best developed agriculture and consolidated land ownership - district of Dobrich where the average area of one estate decreased almost two times from nearly 4 ha to 2 ha.

Depending on the geographical features and specificity in 2004 the area of the land estates varies widely for the different districts of the country - from average 0.26 ha for the district of Smolyan to 1.99 ha for the district of Dobrich.

Average area of an estate in the agricultural lands for districts over the period 2002-2004 (ha)



Source: *MAF*

Fig. II.2

1.1.2. Land market

The data for 2004 characterized a dynamic land market. 45 855 deals were concluded for 45 264 ha of lands for agricultural purposes with average price of 1 340 BGN/ ha . The deals with agricultural lands which were concluded in order to change the purpose of use were 2 582, for 1 070 ha. The average price was 7 585 BGN/ha. Total of 48 437 deals for 46 333 ha were concluded in 2004 at the average land price of 3060 BGN/ha.

The general characteristics of the land market for 2004 were as follows:

- The supply and demand of agricultural lands was comparatively balanced for the country as a whole. In most of the case's there were discrepancies in terms of the quality characteristics of the agricultural estates;
- A new tendency of the market of agricultural lands was the search of lands from categories I to III and differentiation of the offered prices for purchase and renting according to the land category;
- The demand was mainly for purchasing lands for agricultural purposes. For 2004 only 2.3% of the land sold was with the purpose of change of purpose of use;
- In terms of prices the market was stable;
- In 2004 the trend for low prices of the lands for agricultural production was kept. Exceptional growth had the prices of the estates close to the sea, mountain resorts, big cities;
- Stable rent payments and increasing the competitiveness between the tenants for ensuring land for development of the production.

The good farming 2003/2004 was one of the factors for intensifying of the demand of agricultural lands. An additional stimulus for the development of the market relations was the concluded negotiations with the European Union on Chapter Agriculture which determined the financial framework for support of the agricultural producers after 2007.

The differentiation of the agricultural lands market per regions of the country continues. The basis for the regional differences was the acting production structures, the profitability of the agricultural production, the distribution of the ownership. The tendency the land market in the major grain producing regions of the country to be more dynamic both in terms of the concluded deals and in terms of market prices continues.

1.1.3. Rent/lease relations in agriculture

In 2004 were concluded 264 726 rent contracts for 562 870 ha. In financial terms the rent was 50-100 BGN/ha (5–10 BGN/dca). The average size of the land rented by one tenant was 63.5 ha, and this indicator was the highest in the Northern Central region – 146 ha.

The land of 363 481 owners was rented.

The registered tenants and leaseholders were 8 858 which compared to 2003 marks an increase of 3.3 times.

According to the level and volume of the signed rent contracts and the rented the land the regions in the country can be divided into three groups:

- Regions with developed rent relations. The leader in this group was the Northern Central region followed by the North East region of the country. The rent relations were best developed in the districts of Pleven and Veliko Tarnovo. The rent payment was within the range of 50 to 150 BGN/ha, and in kind it reached to 600 kg/ha of grain.
- Moderately developed were the rent relations in South-East region. The level of the rent payments was from 50 to 300 BGN/ha, and in the region of Yambol the size of the rent in kind reached up to 1000 kg/ha.
- Poorly developed in 2004 were the relations in the North-West, South-Central and South-West regions. Prevailed the rent in kind which was considerably lower than the remaining regions.

1.1.4. Pilot projects for land consolidation

At present the land consolidation is done by the freely expressed desire on behalf of the land owners. Two projects on land consolidation by agreement are being implemented at the Ministry of Agriculture and Forestry subject to agreement. The implementation of the projects showed that the land consolidation is a long and complicated process connected with legal and financial commitments for the owners. The work on the projects started at the end of 2002. Five territories belonging to settlements (TBS) were included. They were chosen under different criteria. The TBSs are situated in differential graphical regions of the country with specific agricultural characteristics. The activities on the consolidation of agricultural lands on the TBSs of the selected settlements for 2003 are described in detail in the Agrarian Report 2004.

<u>Project "Land consolidation under agreement in Bulgaria"</u>

The project is implemented in the TBSs of:

- Village of Lomtsi, municipality of Popovo, district of Targovishte, and in
- Village of Golesh, municipality of Kaynardzha, district of Silistra

Only agricultural lands which are permanently used as fields restored in new real boundaries participate in the land consolidation projects.

After the decision to stop the project for the village of Lomtsi a try was made for partial land consolidation in the TBS per blocks. It turned out, however, that most of the owners possess only one estate in the chosen block and they will not benefit from land consolidation in the proposed manner. As a result of that the central working group decided to discontinue the project in that pilot TBS.

In village of Golesh in 2004 the final plan for land consolidation was prepared. In April, 2005 the notarial deed was signed and after the harvest the new boundaries of the terrain were delineated.

Project "Consultancy services for the implementation of a pilot project for land consolidation on agricultural lands"

The second project for land consolidation is being implemented. The project includes the TBS's of:

- Village of Abrit, municipality of Krushari, district of Dobrich
- Village of Hurlets, municipality of Kozlodui, district of Vratsa
- Village of Botevo, municipality of Tundzha, district of Yambol

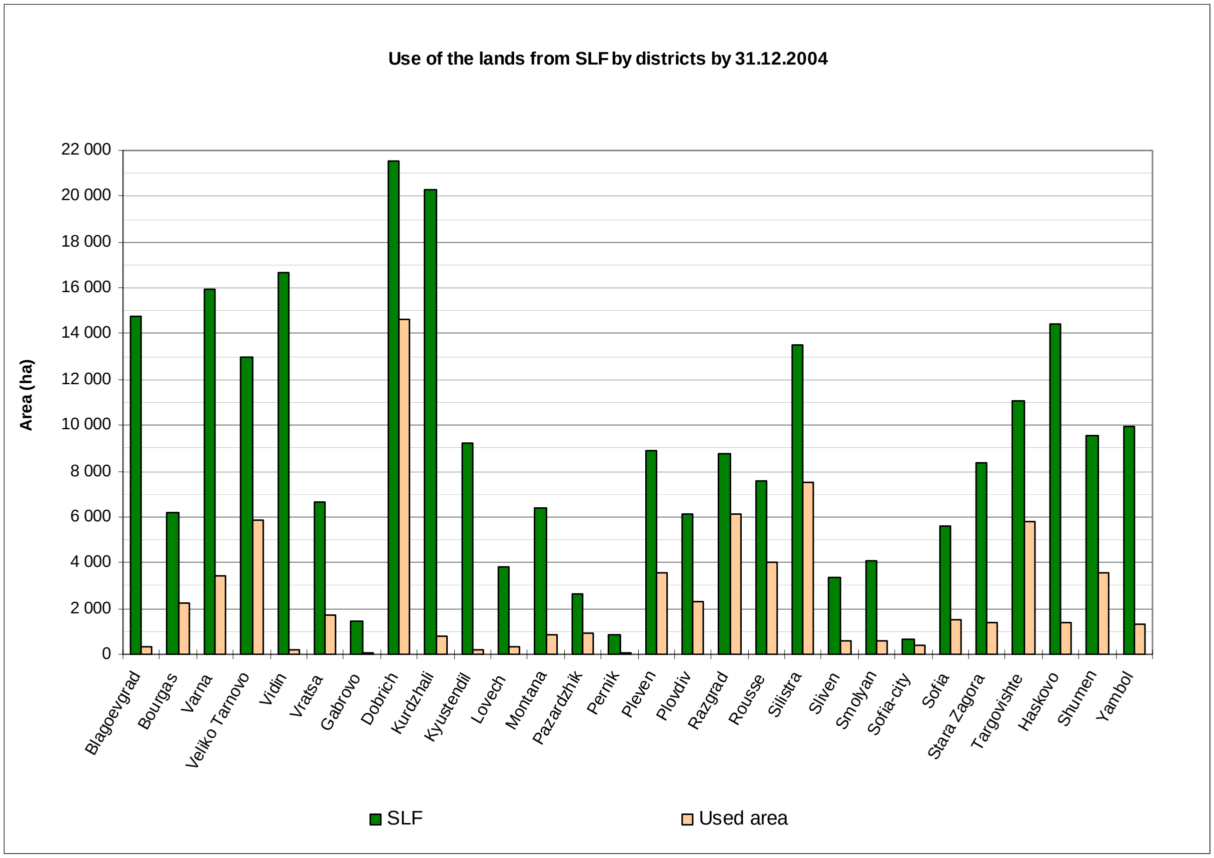
The project was on a stage of approval of the land consolidation plan in June 2005. Second draft for land consolidation was prepared for the three TBSs. In September the final land consolidation plans were approved.

1.1..5.State land fund (SLF). Participation of the SLF in the process of development of the land relations in Bulgaria

The size of the lands of SLF by 31.12.2004 was 251 284 ha. Compared to 2003 the lands of the SLF decreased due to several reasons:

- Exclusion of lands from SLF for protected territories;
- Lands from SLF won at a tender by owners of by name compensation bonds
- Provision of land for landless and needy citizens by transferring the right of land ownership;
- Provision of lands from SLF for compensation under the terms and conditions of the Law on ownership and use of agricultural lands.
- Unification and updating the data in the digital models on the map of the restored ownership and the registers to them which resulted into the exclusion of areas from SLF which are not agricultural lands.

In 2004 SLF received 7 185 ha result of the identification of state owned agricultural estates (mainly alpine pastures) and of the exchanges with agricultural lands owned by physical and legal bodies.



Source: *MAF*

Fig II.3.

17 989 ha of SLF (6.89%) were granted for use by research institutes, schools, production units, etc. in 2004.

The lands given under rent or lease were as follows:

- For one year rent or lease - 1 396 ha - (0.53% of SLF)
- For long-term use – 50 161 ha - (19.96% of SLF), 14 692 ha of which under rent,
- 23 569 ha under lease, 11 900 ha for land settlement by providing under rent.

Compared to 2003 the size of the lands given for long-term under rent or under lease increased.

4 000 ha of lands form SLF which were not cultivated for two or more years were provided for use without tender or competition in 2004.

Compensation the owners holders of by name compensation bonds with lands form SLF

11 949 ha (9.58%) of the state land fund were offered by tender to holders of the by name compensation bonds in 2004. 1 132 ha (0. 43% of SLF) were purchased.

By 31.12.2004, 94% of the municipal, 81% of the district, and 46% of the national tenders for sale of land from SLF to owners of name compensation bonds were concluded.

Providing land to landless and needy people

Plans for land settlement for 81 municipalities were designed. In 2004 were concluded contracts for a long-term leasing for 11 900 ha. Landless people were provided 1 006 ha of land from SLF by transferring the right of ownership.

<u>Exchange of lands from SLF</u>

In 2004 the following exchanges of lands from SLF with lands owned by physical, legal bodies or private state ownership were done:

- Exchange of lands from SLF with agricultural lands owned by physical and legal bodies - 261; and yielded rights of ownership for 2 585 ha, acquired to right of ownership on 2 612 ha;
- Exchange of lands, private state ownership, representing adjacent areas to purchased buildings and machines of the former cooperatives with agricultural lands, owned by physical and legal bodies - 86; yielded right of ownership for 144 ha, acquired right of ownership – on 184 ha;
- Exchange of free, unfit for agricultural use lands in the areas owned by the former cooperatives, owned by physical and legal bodies - 109; yielded right of ownership for 151 ha, acquired right of ownership on 203 ha.
- Exchange of lands from SLF in compliance with the activities under project "Land consolidation under agreement" - 16; yielded right of ownership for 49 ha, acquired right of ownership on agricultural lands - 54 hectares.

1.2. Registers of producers of agricultural products

According to the provisions of the Law for support of the agricultural producers a register of the agricultural producers was established and is functioning at the MAF.

In 2004 the number of the registered agricultural producers was 66 772 – physical and legal bodies.

By 19.09.2005 the registered agricultural producers, physical and legal bodies were 64 127.

It should be noted that there is a temporary reflux in the process of registration, which is mainly due to the strict legal requirements for registration and social and health insurance.

In that regard it has to be underlined that the registration is more an obligation than a recommendation as it is the necessary condition for access to the financial support by State Fund Agriculture and SAPARD program.

Over the period 2007-2009 around 1.8-2 billion Euro in the form of direct financing will be received in the country. 1.5 of them under different forms of subsidies will directly reach the Bulgarian producers. Every agricultural producer will receive around 1000 Euro as annual support. This money is for the so called semi-subsistent farms - small farms which produce for their own consumption and for the market.

In order to have access to these subsidies the agricultural producer will have to be registered with a special form in the national register.

With regard to the information campaign for explaining the need and the advantages form the registration of the agricultural producers under Ordinance №3/1999 and by the possibility of free training under SAPARD program a number of seminars were held which acquainted the farmers with the advantages of the registration, the future schemes for financing from EU, the advantages form the establishment of producers organizations and subsidizing the agricultural producers.

Table II.1.
Registered agricultural producers according to the Law on support of agricultural producers

№	District	Number of active AP in 2 004	Number of active AP by 19.09.2005
1.	**Blagoevgrad**	3 085	3 142
2.	**Bourgas**	3 290	3 617
3.	**Varna**	2 136	1 812
4.	**Veliko Tarnovo**	3 059	2 819
5.	**Vidin**	1 825	1 287
6.	**Vratsa**	2 394	1 807
7.	**Gabrovo**	796	600
8.	**Dobrich**	3 305	3 256
9.	**Kurdzhali**	2 840	3 139
10.	**Kyustendil**	1 323	802
11.	**Lovech**	464	850
12.	**Montana**	1 477	1 450
13.	**Pazardzhik**	2 749	2 875
14.	**Pernik**	404	374
15.	**Pleven**	2 947	2 977
16.	**Plovdiv**	8 457	7 686
17.	**Razgrad**	1 661	1 717
18.	**Rousse**	2 335	2 481
19.	**Silistra**	2 198	2 299
20.	**Sliven**	2 073	2 332
21.	**Smolyan**	2 769	2 476
22.	**Sofia-city**	1 846	1 905
23.	**Sofia**	1 110	1 017
24.	**Stara Zagora**	2 918	2 993
25.	**Targovishte**	1 115	1 316
26.	**Haskovo**	3 883	3 654
27.	**Shumen**	2 438	1 470
28.	**Yambol**	1 875	1 974
	Total:	**66 772**	**64 127**

Source: *MAF*

A national register of the tobacco producers and the areas in Bulgaria was established and is functioning at Fund Tobacco (according to the Law on tobacco and tobacco products). In the regional offices of the Fund there is a register of the tobacco producers and of the areas under tobacco by municipalities. The number of the registered producers of raw tobacco over the last three years is shown in Table II.2.

Table II.2. Registered tobacco producers according to the Law on tobacco and tobacco products

№	District	2003	2004	2005
1.	Blagoevgrad	14 985	14 095	14 877
2.	Bourgas	2 884	3 448	3 790
3.	Varna	19	5	1

4.	Veliko Tarnovo	0	0	0
5.	Vidin	4	0	0
6.	Vratsa	15	24	27
7.	Gabrovo	0	0	0
8.	Dobrich	915	979	108
9.	Kurdzhali	21 075	20 019	21 478
10.	Kyustendil	923	852	437
11.	Lovech	11	1	0
12.	Montana	24	18	11
13.	Pazardzhik	1 438	1 599	1 633
14.	Pernik	0	0	0
15.	Pleven	38	31	18
16.	Plovdiv	1 469	1 538	657
17.	Razgrad	1 297	1 266	1 428
18.	Rousse	111	146	289
19.	Silistra	3 456	4 234	3 892
20.	Sliven	172	210	269
21.	Smolyan	3 024	3 462	3 713
22.	Sofia-city	0	0	0
23.	Sofia	0	0	0
24.	Stara Zagora	649	539	571
25.	Targovishte	185	212	234
26.	Haskovo	7 395	7 562	10 590
27.	Shumen	2 553	1 555	1 797
28.	Yambol	147	122	145
	Total:	**62 789**	**61 917**	**65 965**

***Source**: Fund Tobacco*

1.3. Usage of areas with agricultural purpose

The areas with agricultural purpose[1] in 2004 was 5 786 thousand ha and covered 51.1% of the territory of the country. In 2003 the area with agricultural purples was 5 782 thousand ha. Its relative share of the territory of the country remained unchanged over the two years.

The used agricultural area[2] in 2004 was 5 330 thousand ha or 48.0% of the territory of the country. In 2003 the used agricultural land was 5 326 thousand ha – 48.0%. As a whole the relative share of the used agricultural land remained unchanged compared to the total area of the country.

The biggest relative share of the used agricultural land in Bulgaria in 2004 was the North-Eastern region – 23.4%, followed by Southern-Central region – 20.9% and Northern-Central region – 19.3%.

The cultivated lands[3] in Bulgaria in 2004 were 3 263 thousand ha and represented 61.2% of the used agricultural land. In 2003 the cultivated lands were 3 238 thousand ha – 60.8% of the total used

[1] **The area with agricultural purpose** is the used agricultural land and the non-cultivated lands

[2] **The used agricultural area** includes:

- the cultivated land,
- perennials,
- permanent grasslands,
- family gardens,
- green house areas.

[3] **Cultivated land** are the areas which are included in the crop rotation in the year under observation, the temporary lawns with cereals, leguminous and fallow land

land in the country. There was an increase of 0.8% of the cultivated land in 2004 compared to the previous year.

The region with the greatest size of cultivated land in 2004 was the North-East – 31.3% of the cultivated land in the country followed by the Northern-Central region – 21.6% and Southern-Central region 17.8%.

In 2004 fallow land was observed on 438 thousand ha or 13.4% of the cultivated land. Compared to the previous 2003 the fallow lands decreased by around 4%.

The **non-cultivated lands**[4] in 2004 amounted to 455 thousand ha and were 7.9% of the areas with agricultural purpose. The non-cultivated lands kept almost the same size compared to the previous year.

Table II.3. **Cultivated land, used agricultural area and area with agricultural purpose over the period 2000-2003.**

(hectares)

CODE*	Planted crops	2000	2001	2002	2003	2004
		Area (ha)	Area (ha)	Area (ha)	Area (ha)	Area (ha)
23	Wheat	1 121 838	1 366 594	1 382 890	903 345	1 044 006
24	Barley	226 808	293 128	392 765	285 372	333 484
25	Rye and triticale	26 501	23 843	24 065	23 252	17 578
26	Oats	40 605	52 726	46 218	47 392	42 467
27	Maize	626 961	444 955	360 116	488 488	415 971
28	Rice	3 571	3 897	5 232	5 644	5 397
29	Other cereals	7 934	7 831	6 274	19 141	15 852
30	Sugar beat	1 940	1 343	2 188	400	1 041
31	Industrial textile crops	10 231	14 689	6 436	3 293	3 735
32	Sunflower	591 979	398 478	477 276	674 883	598 203
33	Tobacco	48 247	52 165	42 016	41 875	48 974
34	Industrial oil-bearing crops	9 541	20 748	12 871	20 308	20 517
35	Other industrial crops	25 010	40 002	55 873	71 295	96 078
36	Potatoes	25 585	21 377	22 889	22 781	24 562
37	Beans, peas, broad beans	10 351	6 800	6 223	6 091	5 801
38	Lentils, chick peas and other leguminous	4 067	3 427	6 023	8 111	3 875
39	Fresh vegetables	44 678	52 400	50 772	46 381	37 765
40	Nurseries	4 271	4 527	4 299	3 901	4 842
41	Fodder crops arable crops	695	311	508	194	484
42	Other fodder annual crops	8 913	7 680	7 985	9 820	6 547
43	Lawns sown with leguminous	86 561	89 277	86 474	97 469	93 044
44	Lawns sown with cereals	6 264	5 523	3 999	3 548	4 900
49	Fallow lands	467 573	438 757	273 911	455 798	437 674
	CULTIVATED LAND:	**3 400 124**	**3 350 478**	**3 277 303**	**3 238 782**	**3 262 797**
63	Family gardens	123 667	118 956	75 417	82 426	49 122
50-58	Orchards	98 820	92 330	81 045	80 285	83 082
59	Vines – pure crop	143 047	139 087	122 299	122 080	117 041

[4] **Non-cultivated land** – includes abandoned perennials, fallow lands and fields which were not cultivated for more than three years but to which can be used in the crop rotation if some funds are provided

60-62	Mixed perennials	10 420	9 363	9 312	9 026	10 782
45-48	Permanent grasslands and lawns–orchards	1 803 752	1 785 908	1 757 305	1 791 718	1 805 711
82	Green houses, shelters and tall sheds	2 220	2 220	2 020	2 011	1 954
	USED AGRICULTURAL AREA:	**5 582 050**	**5 498 342**	**5 324 701**	**5 326 328**	**5 330 489**
	Non-cultivated land	292 510	355 900	471 507	456 133	455 197
	AREAS WITH AGRICULTURAL PURPOSE:	**5 874 560**	**5 854 242**	**5 796 208**	**5 782 461**	**5 785 686**

***Source**: MAF, Agrostatistics*

** Code of the physical nomenclature of the survey for the planted crops and the use of the territory of the country (BANSIC)*

Table II.4.
Planted crops on the territory in 2004 for regions of planning

(hectares)

Main categories	BULGARIA	NORTH-WEST	NORTH-CENTRAL	NORTH-EAST	SOUTH-EAST	SOUTH-CENTRAL	SOUTH-WEST
Wheat	1 044 006	102 361	244 298	310 626	154 951	186 329	45 441
Barley	333 484	31 752	79 295	91 791	69 375	52 547	8 724
Rye and triticale	17 578	92	661	.	792	11 722	4 311
Oats	42 467	9 596	12 336	9 651	2 292	5 114	3 478
Maize	415 971	43 923	103 014	,220 991	11 471	24 474	12 098
Other cereals	21 249	.	.	6 917	5 123	9 209	.
Cereals total (including for feedingstuffs) :	**1 874 755**	**187 724**	**439 604**	**639 976**	**244 004**	**289 395**	**74 052**
Sunflower	598 203	63 660	158 449	202 352	67 395	82 486	23 861
Other oil bearing crops	20 517	1 623	1 480	14 828	1 055	1 531	.
Oil bearing total:	**618 720**	**65 283**	**159 929**	**217 180**	**68 450**	**84 017**	**23 861**
Fibre crops	3 735	.	.	.	.	3 735	.
Tobacco	48 975	1 794	354	2 710	2 308	30 544	11 264
Other industrial crops	97 118	3 170	4 325	36 352	42 807	9 627	836
Technical crops total:	**149 828**	**4 964**	**4 679**	**39 063**	**45 116**	**43 906**	**12 100**
Potatoes	24 562	199	1 135	1 402	268	13 379	8 179
Peas, beans, broad beans, lentils and other leguminous	9 676	.	1 761	5 419	696	1 108	692
Fresh vegetables excluding green beans and green peas	37 765	199	1 455	11 493	5 265	17 497	1 856
Flowers, greenhouses and nurseries, (including forestry)	6 796	367	1 503	1 807	972	1 678	469
Family gardens	49 122	4 292	6 329	6 119	7 859	11 063	13 460
Vegetables and flowers total:	**127 921**	**5 057**	**12 183**	**26 240**	**15 060**	**44 725**	**24 656**
Arable and other annual fodder crops	7 031	192	1 192	906	518	2 988	1 235
Lawns with leguminous	93 044	3 413	26 636	40 068	3 599	15 420	3 908
Lawns with cereals	4 900	.	1 401	1 237	.	108	2 154
Total lawns and annual fodder crops (excluding maize):	**104 975**	**3 605**	**29 229**	**42 211**	**4 117**	**18 516**	**7 297**
Productive permanent lawns	539 254	97 117	96 839	7 596	39 350	136 042	162 310
Alpine pastures	132 785	6 474	5 527	120	2 643	52 547	65 474
Low productive grasslands	1 108 082	72 090	177 966	167 009	169 401	266 586	255 030
Lawns-orchards	25 590	192	12 491	.	209	843	11 855
Total of permanent grasslands and lawns-orchards :	**1 805 711**	**175 873**	**292 823**	**174 725**	**211 603**	**456 018**	**494 669**

Vines	117 041	12 112	11 488	23 448	25 220	38 291	6 482
Apricots and peaches	14 287	333	2 572	8 009	1 726	1 119	528
Cherries and morello cherries	13 672	333	1 157	1 725	1 115	5 201	4 141
Plums	19 703	775	5 782	1 300	1 678	6 351	3 817
Apples	7 350	389	110	2 179	380	3 705	587
Pears and other fruit crops	15 291	.	3 135	2 738	691	7 612	1 115
Other perennials (sub crops, strawberries)	23 561	1 489	1 767	5 462	3 053	4 537	7 253
Total perennials:	**210 905**	**15 431**	**26 011**	**44 861**	**33 863**	**66 816**	**23 923**
Fallow land	437 674	110 342	66 679	64 204	37 198	113 093	46 158
USED AGRICULTURAL AREA:	**5 330 489**	**568 279**	**1 031 137**	**1 248 460**	**659 411**	**1 116 486**	**706 716**
Non-cultivated land	455 197	82 257	66 572	53 694	65 709	121 510	65 455
AREAS WITH AGRICULTURALLY PURPOSE:	**5 785 686**	**650 536**	**1 097 709**	**1 302 154**	**725 120**	**1 237 996**	**772 171**

***Source**: MAF, Agrostatistics*

Table II.5.
Size, structure and change of the areas with agricultural purpose in 2003 and 2004

Main categories	2003		2004		Change 2004/ 2003 %
	Hectares	Share-%	Hectares	Share -%	
Cereals total (incl. for feedingstuffs):	1 772 634	30.66	1 874 755	32.40	+ 5.76
Oil bearing total	695 191	12.02	618 720	10.69	- 10.86
Technical non-oil bearing total:	116 863	2.02	149 828	2.58	+ 28.21
Vegetables and flowers total:	171 702	2.97	127 921	2.21	- 25.50
Lawns and annual fodder crops total (excluding maze):	111 031	1.92	104 975	1.81	-5.45
Permanent grasslands and lawns-orchards total:	1 791 718	30.99	1 805 711	31.21	+ 0.78
Perennials total:	211 391	3.66	210 905	3.64	- 0.23
Fallow land	455 798	7.88	437 674	7.56	- 3.98
USED AGRICULTURAL AREA:	**5 326 328**	92.11	**5 330 489**	92.13	+ 0.08
Non-cultivated land	456 133	7.89	455 197	7.86	- 0.20
AREA WITH AGRICULTURAL PURPOSE:	**5 782 461**	100.00	**5 785 686**	100.00	+ 0.06

***Source**: MAF, Agrostatistics*

1.4. Situation of the soil surveys and soil resources in Bulgaria in 2004

The management of the soil resources by insuring multifunctional usage of the existing information for the soul cover and land use by the owners and the users of land, the specialized agricultural structures and the management bodies at different levels is the main purpose of the Executive Agency on Soil Resources under MAF.

The establishment and adding to the geographical information system (GIS) of the soil resources continued.

The application of the satellite images with high resolution was experimented for updating and working in detail of the soil map information and the separation of the agricultural areas by sustainable fixed datum and crops.

The updating and adding to the existing information for the soil resources is one of the main tasks of the Agency which is carried out in GIS media and enables to use the information for each parcel from the plans for land division. Through its thematic maps GIS enables the optimum use of soil resources by carrying out the policy for development of the plant growing, the irrigated agricultural activities and amelioration.

The information is compatible with the information of the EU through a correlation of the classification, methods and analytical research work in order to create opportunities to use the information within the framework of the European countries.

In 2004 the database with analytical and agroclimatic parameters for determining the suitability of the soils for growing of 22 crops in irrigated and non irrigated conditions for the TBSs with updated maps of the soil cover was completed with data for 200 000 ha of lands. Increasing is the number of owners, users, renters of agricultural lands for which detailed information for the soil resources is being prepared with regard to the application for financing under SAPARD program and SFA. In 2004 this information covered 256 TBSs (it includes over 1000 estates) and only for the first half of 2005 - 177 TBSs. Increasing is the number of owners, users, renters of agricultural lands which are interested in the suitability of land for growing different crops.

The number of the examinations increased to 50 in 2004, of the agricultural lands in the different regions of Bulgaria referring to check per category on soil maps combined with plans for land division done under the request of municipality services of agriculture, regional services and citizens.

2. Production and economic results in 2004 and forecast for 2005. The system for economic accounts for agriculture.

2.1. Production

2.1.1. Plant growing production

2.1.1.1. Grain production

According to Agrostatistics Directorate data, areas under cereals in 2004 amounted to 1 875 000 ha, which was 57.5% of the cultivated land in the country. Compared to the previous year the areas under cereals increased by 5.8%. The increase was registered in all regions of the country. The largest areas under cereals were in the North-Eastern region amounting to 640 000 ha and in Northern Central region – 440 0000 ha, or respectively 62.6% and 62.3% of the arable land in both regions. 0.1% of the cereals were harvested when still green.

Production of cereals from harvesting year 2004 increased by 96% compared to the previous year. The increase was due to the larger size of the sown areas and to the higher average yield from the crops resulting from the appropriately carrying out agrotechnical activities, the good wintering and the favourable agro-climatic conditions.

The climatic conditions in the second half of 2004 had positive effect on the development of the weeds, as well as on the increase of the mouse-looking rodents (in the non-cultivated areas, in the lucern and the secondary weeded arable crops). Their ascending development was due to the existence of rich green vegetation, seeds and especially on the application of shallow surface tilling of soil for the autumn sowing. As a result of these circumstances in the autumn of 2004 calamitous breeding of the common field mouse in five districts of the country was announced. Under the recommendation of the National Service for Plant Protection measures were undertaken for limiting the density of this pest. SFA made allocation for a subsidy for the agricultural producers, for re-sowing of the ploughed autumn crops with spring crops in 2005.

Wheat

In 2005 the areas sown with the major food crop in our country, wheat, were 1 044 000 ha (55.7% of the areas under cereals). Compared to 2003 they increased by 15.6%. The harvested areas in 2004 were 1 039.7 thousand ha. That was 23.6% more compared to the previous year.

In 2004 the wheat production increased by around 98% compared to 2003 reaching 3 961 000 tons.

The favourable agro climatic conditions in 2004 had a positive effect on the growth of the wheat which resulted into higher yields. The average yield for the country reached 3.81 t/ha or 60% higher than the previous year. The highest average yield was reported in the North-Eastern region (4.44 t/ha) where 30% of the areas under what are concentrated.

The quality of grain from harvest 2004 was lower than that of 2003 and was comparable to that of harvest 2002. Around 65% of the grain harvest met the requirements for bread baking qualities.

Table II.6.
Wheat production from harvesting years 2003-2004

Regions	Areas /harvested/ [ha]		Average Yield [tons/ha]		Production [tons]	
	2003	2004	2003	2004	2003	2004
North-Western	97 183	102 262	2,35	3,46	228 373	353 831
Northern Central	187 738	243 701	2,71	3,93	509 334	957 762
North-Eastern	265 158	309 809	1,95	4,44	516 131	1 375 575
South-Eastern	118 237	153 836	2,32	3,85	274 270	592 278

South Central	143 194	185 103	2,81	3,01	402 926	557 169
South-Western	29 504	44 968	2,47	2,77	72 903	124 563
Total for the country	841 014	1 039 679	2,38	3,81	2 003 937	3 961 178

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

The greatest areas and the biggest production were reported in the North-Eastern region, followed by the North-Central.

A number of agrotechnical measures contributed for the increase of the average yield and wheat production in 2004. Some of them were:

- Appropriate crop rotation on 71% of the areas under wheat. The share of the arable crops as precursors was the highest – 51.5%. The areas under wheat with wheat as a precursor are decreasing. They had a share of 22.6% while in 2003 these areas were 40.4%. Fallow land and other crops, precursors of the wheat, represented 19.1%, barley – 6.8%.
- High percent of crops fertilized with nitrogen - 93.7%. Combined fertilizers were used on 6.5% of the sown area, mainly before the sowing.
- 64.6% of the areas under wheat were sown with certified seeds.
- 85.5% of the crops were treated with herbicides.
- Pest and diseases control was carried out on 18% and 13.2% of the areas.

According to the preliminary data of Agrostatistics Directorate for harvest 2005 around 1 134.4 thousand ha were sown with wheat, the average yield is estimated to 3.17 t/ha and the wheat production of around 3 400 000 tons.

Rye and triticale

The high average yields in 2004 contributed for the increase of the production of rye and triticale compared to the previous year despite the less sown areas. Rye production increased by 43.2% (up to 16 976 t), and that of triticale by 51.2% (up to 27 643 t).

Table II.7.
Rye and triticale production from harvesting years 2003-2004

Regions	Areas /harvested/ [ha]				Average Yield [tons/ha]				Production [tons]			
	2003		2004		2003		2003		2004		2003	
	Rye	Triticale	Rye	Triticale	Rye	Triticale	Rye	Triticale	Rye	Triticale	Rye	Triticale
North-Western	1 339	892	12	79	0.68	1.32	1.77	3.81	916	1 176	22	302
Northern Central	372	1320	107	555	1.12	1.69	1.34	3.78	417	2 237	143	2 095
North-Eastern	281	1647	48	874	2.75	1.30	2.81	3.82	772	2 145	134	3 339
South-Eastern	456	2566	69	719	1.01	1.16	2.27	3.13	460	2 969	156	2 249
South Central	4 370	4573	5 010	6 709	1.22	1.68	2.07	2.73	5 351	7 690	10 346	18 307
South-Western	2 983	889	3 275	585	1.32	2.33	1.89	2.31	3 943	2 071	6 175	1 351
Total for the country	9 801	11 887	8 521	9 521	1.21	1.54	1.99	2.90	11 859	18 288	16 976	27 643

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

Barley

For harvest 2003 areas under barley were 333 485 ha which was 17% more compared to the previous year. Only 1.37% of the sown area was reported as non harvested.

As a result of the increased areas and the highest for the last 10 years average yield of 3.59 t/ha, harvest 2004 from barley was 2.2 times higher than the previous year and amounted to 1 180 836 t.

Table II.8.
Barley production from harvesting years 2003-2004

Regions	Areas /harvested/ [ha]		Average Yield [tons/ha]		Production [tons]	
	2003	2004	2003	2004	2003	2004
North-Western	19 114	31 741	1.99	3.40	37 978	108 039
Northern Central	65 048	78 794	2.12	3.89	137 857	306 849
North-Eastern	59 538	91 109	1.73	3.92	103 128	357 544
South-Eastern	71 158	68 008	1.66	3.72	118 181	253 271
South Central	49 273	50 656	2.33	2.61	144 968	132 358
South-Western	6 481	8 617	1.99	2.64	12 878	22 775
Total for the country	270 612	328 924	1.94	3.59	524 990	1 180 836

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

The biggest quantities from harvest 2004 were gathered in the north-eastern region (357 500 t), followed by the northern central (306 900 t) and south-east (253 300 t) regions.

The share of the areas under barley on which argotechnical measures were undertaken was comparatively high, though lower than the areas under wheat.

- In the crop rotation of the barley (winter and spring) the biggest was the share of the sunflower and of maize – around 40.4% (134 700 ha) compared to 29% (74 760 ha) from the previous year. The areas under barley after precursors wheat and barley decreased by 27 800 ha compared to the previous year down to 125 400 ha. Fallow lands, included into the crop rotation were around 26 400 ha compared to 9 700 ha in the previous year.
- 90.1% of the crops were fertilized with nitrogen. For 3.9% of the areas were used phosphorous fertilizers, and for 0.9% - potassium fertilizers. On 3.1% of the area were applied complex fertilizers;
- For 62.8% of the areas with barley certified seeds for sowing were used.
- Almost 83% of the sown areas were treated with herbicides.

According to the preliminary data the areas sown with barley for harvest 2005 were 276 500 ha, and the production is expected to reach around 680 000 t at average yield of around 2.52 t/ha.

Oats

Areas under oats for harvest 2003 reached almost 43 400 ha which was 8.4% less compared to the preceding year. 43 000 ha were harvested and the average yield was 2.36 t/ha. The increase of the harvested areas (by 14.3%) and of the average yield (by 72.2%) resulted into increase of production around 2 times compared to 2003 - up to 101 486 t.

Table II.9.
Oats production from harvesting years 2003-2004

Regions	Areas /harvested/ [ha]		Average Yield [tons/ha]		Production [tons]	
	2003	2004	2003	2003	2004	2003
North-Western	8 357	9 548	1.23	2.17	10 316	20 721
Northern Central	7 897	12 298	1.50	2.65	11 860	32 541
North-Eastern	6 883	9 456	1.62	2.42	11 115	22 866
South-Eastern	6 227	2 203	1.08	2.21	6 726	4 868
South Central	4 584	6 069	1.24	2.37	5 706	14 375
South-Western	3 668	3 428	1.58	1.78	5 810	6 115
Total for the country	37 616	43 002	1.37	2.36	51 533	101 486

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

The yield obtained in 2004 was above the average for the country in the north-central (2.65 t/ha) and north-eastern (2.42 t/ha) regions where the biggest quantities from this harvest were obtained – respectively 32 541 t and 22 866 t.

According to the preliminary data the areas sown with oats for 2005 were 36 400 ha.

Grain Maize

The favourable agro-meteorological conditions, the improved agrotechics and the use of certified seeds in 2004 contributed for obtaining the highest yields from maize since 1989. On average 5.54 t/ha were harvested in 2004 which was almost 2 times more than the previous harvest.

According to the data of Agrostatistics Directorate the total area sown with maize in the spring of 2004 amounted to 415 971 ha, 385 930 of which with grain maize. Compared to 2003 the areas under grain maize decreased by 10.2%.

383 217 ha with grain maize or 99% of the sown areas were harvested in 2004. The grain maize production amounted to 2 123 022 t, 82.8% more compared to 2003.

Over 61% of the harvest was produced in north-eastern region where the highest average yields for the country of 6.08 t/ha were obtained. In the south-eastern region of the country were harvested above the average quantities per hectare (5.93 t/ha).

Table II.10.
Maize for grain production from harvesting years 2003 and 2004

Regions	Areas /harvested/ [ha]		Average Yield [tons/ha]		Production [tons]	
	2003	2004	2003	2003	2004	2003
North-Western	43 795	42 283	2.19	4.29	95 736	181 424
Northern Central	99 140	94 270	2.16	5.03	213 778	474 258
North-Eastern	239 566	215 358	3.16	6.08	755 915	1 309 594
South-Eastern	9 948	7 627	2.77	5.93	27 552	45 241
South Central	16 050	16 643	3.30	5.25	53 025	87 391
South-Western	6 181	7 036	2.44	3.57	15 101	25 114
Total for the country	414 680	383 217	2.80	5.54	1 161 107	2 123 022

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

The following agro technical measures for maize were carried out for harvest 2004:

- Main precursors of maize were winter cereals (wheat and barley) on 39.5% of the areas. On 26.8% *of the total area* maize was grown after maize and on 17.7% of it after sunflower. Fallow land and other crops, precursors of the maize, covered 16%.
- For 62.3% of the crops for grain were used nitrogen fertilizers; 3.8% were fertilized with phosphorous and 0.5% with potassium. Complex fertilizers were introduced on 4.5% of the areas and manure – on 0.1%;
- On 96.6% of the areas certified seeds were used for sowing;
- Herbicides were used on 83.6% of the areas sown for grain.

According to the preliminary data the areas under maize for harvest 2005 were around 340 800 ha.

Sorghum

The areas under sorghum during the last years vary between 3 000 and 5 000 ha. In 2004 the sown areas (3 286 ha) decreased by 10.5% compared to 2003. The grain production increased by

8.99% compared to 2003 - up to 6 400 t. The average yield was 2.1 t/ha and it was 26.5% higher than the previous year.

Though the sorghum is an alternative crop of the maize it is still poorly demanded for the needs of the fodder industry.

Rice

According to the data of Agrostatistics Directorate in 2004 the production of paddy in the country increased by 18.8% compared to the previous year - up to 28 116 t. The average yield was 4.96 t/ha or 18.1% higher than 2003.

The areas under rice increase insignificantly (by 0.9%) compared to the level of 2003 - up to 5 699 ha. Traditional production regions are southern-central and south-eastern.

2.1.1.2. Oil-bearing crops

Areas under oil-bearing crops in 2004 were 612 655 ha of which 605 294 were harvested. The decrease of the harvested areas compared to 2003 was 10.2%.

Sunflower

The harvested areas of sunflower in 2004 were 592 000 ha, including 554 000 ha with oil-bearing sunflower and 38 000 ha with black-and-white sunflower. Compared to 2003 the total areas show a decrease of around 67 000 ha. The production of sunflower seeds in 2004 was 1 079 000 t (incl. 1 026 000 t of oil-bearing sunflower) which was 290 069 t more or 36.8% more than the previous year. The average yield was 1.82 t/ha (1.85 t/ha for the oil-bearing sunflower) 51.7% higher than that of 2003.

Table II.11.
Sunflower production over the period 2000 – 2004

Year	Areas /harvested/ [ha]	Average Yield [tons/ha]	Production [tons]
2004	592 765	1,82	1 078 832
2003	659 632	1,20	788 763
2002	471 013	1,37	645 369
2001	389 741	1,04	405 087
2000	591 979	1,01	598 852

***Source**: MAF, “Agrostatistics”*

During the last several a tendency for increase of the average yield and sunflower production years is observed which is due to the good agro climatic conditions, the good agrotechnics, the sowing of the large part of the areas with certified seeds and the financial support form SFA.

According to the preliminary data the areas under sunflower for harvest 2005 were 653 400 ha.

Rape

The winter oil-bearing rape comes second in importance after the sunflower. In 2004 the areas sown with it were 13 169 ha which was 7.7% less than in 2003. 11 250 ha of them were harvested or 11,3% less than in 2003. The production of oil-bearing rape in 2004 increased by 98.3% compared to 2003 - up to 22 388 t. The average yield was 1.99 t/ha with 123.6% higher than the previous year. The greatest share of the harvested areas was in the North-eastern region – 7 734 ha.

Peanuts

In 2004 the areas under peanuts amounted to 942 ha, which was 10.5% less compared to 2003. The production amounted to 1 322 t – 19.9% less compared to the previous year.

2.1.1.3. Technical Crops

The trend for decrease of areas under fibre crops observed over the last years continued in 2004. According to the data of Agrostatistics Directorate the overall harvested area under fibre crops in 2003 was 2 374 ha which was 27.7% less compared to 2003. Cotton had the largest share among the Bulgarian fibre crops - 94.7 % of the total harvested area.

Table II.12.
Fibre crops structure

Years	Harvested areas Total ha	% of the cotton from the total area	% of the flex from the total area	% of the hemp from the total area
2003	3 259	96.4	3.6	0
2004	2 374	94.7	5.3	0

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

Cotton

The areas under cotton in 2004 were 2 619 ha. They decreased by 18.1% compared to 2003. The harvested areas amounted to 2 249 ha.

In 2004 were produced 2 587 t of cotton or 37.8% less compared to the previous year. That was due to the combination of decreased areas and lower average yield (from 1.32 t/ha in 2003 to 1.15 t/ha in 2004 г.). The areas under cotton were in the south-central region.

Flax

The harvested areas under fibre flax increased from 117.3 ha in 2003 to 125 ha in 2004. The production of flax from harvest 2004 was 209 t, at average yield from hectare 1.67 t.

In 2004 hemp was not grown in the country.

The limited production of cotton and flax and the termination of growing hemp are due to the high labour consumption and the use of old and obsolete and ineffective machinery.

Over the last several years there is a global trend of increasing natural fibre demand in everyday life and industry at the expense of synthetic fibre, which will influence the Bulgarian situation as well. The country has favourable soil and climatic conditions for growing fibre crops and a well developed textile industry.

Sugar beet

In 2004 sugar beet production increased by 190.5% compared to the previous year reaching 26 367 t.

The areas under sugar beet in 2004 were 1 109 ha – around 2.8 times more compared to 2003 (when they were 400 ha). The areas which were not harvested were only 2.34% of the sown areas and the average yield increased up to 24.35 t/ha compared to 23.05 t/ha in 2003.

Main production regions of sugar beet are: north-central, north-eastern and south-central.

Table II.13.
Sugar beet production from harvesting years 2003 and 2004

Total for the country	2003	2004
Areas /harvested/ [ha]	394.~~00~~	1 082.80
Average Yield [tons/ha]	23.05	24.35
Production [tons]	9 076.~~00~~	26 367.~~00~~

***Source**: MAF, “Agrostatistics”*

Economical difficulties over the years of transition affected negatively the sugar beet production. On the other hand the sugar beet processors have high demands to the production that they buy-out.

The high prime cost of the production (mainly due to lack of heavy duty harvesting machines), the low purchasing price and import of cheap raw cane-sugar led to permanent tendency of decrease of the acreages and the volume of sugar beet production.

Sugar beet must be grown mainly on irrigated land and the technological process has to be completely mechanized.

The existing sugar plants in the country process imported raw material. Only "Zaharni Zavodi" in Gorna Oryahovitsa are interested and purchase sugar beet for processing.

Hops

Hops production in Bulgaria is concentrated along the banks of river Chepinska in the TBS of Velingrad, Rakitovo and Kostandovo.

In 2004 the harvested areas with hops were 273 ha – 2.8% less compared to 2003, which was compensated by the higher average yield of 1.01 t/ha. Total hops production in 2004 was 276 tons, which could not meet the needs of the brewery industry in the country.

The American varieties of – Nugget, Chinook and CFJ-8/Cascade/ are grown. Nugget is well accepted at the market in price terms.

Hops producers are united in consortium “Bulhops”.

Tobacco

According to data of “Agrostatistics” the total acreage under tobacco in 2004 increased almost 17% compared to the previous year and amounted to 48 980 ha. Around 1 800 ha or 3.7% of the areas under tobacco were reported as not harvested.

The total tobacco production (raw, in leaves) in 2004 was estimated at 69 569 t, which exceeded harvest 2003 by 13% and was the highest level since 1998.

Production of Oriental tobacco increased by 19.2% compared to 2003 reaching 50 300 t. This was due to the larger acreage of the harvested areas – 34 960 ha or 21% above the level of 2003. The average yield was about the same as that of the previous year – 1.44 t/ha.

Table II.14.
Areas, yields and production of tobacco by types - 2001-2004.

	Harvest 2001	Harvest 2002	Harvest 2003	Harvest 2004
PRODUCTION - thousand tons	57.8	62.3	61.5	69.6
Including Oriental	39.6	46.5	42.1	50.4
Virginia	12.7	11.7	14.1	14.3
Burley	5.5	4.1	5.4	4.9
HARVESTED AREAS – thousand ha	45.49	39.37	41.44	***47.15***
Including Oriental	31.67	27.95	29.01	34.97
Virginia	8.89	7.69	8.29	8.88
Burley	4.93	3.73	4.14	3.30
AVERAGE YIELD – t/ha				
Including Oriental	1.25	1.66	1.45	1.44
Virginia	1.43	1.52	1.70	1.61
Burley	1.12	1.09	1.30	1.49

***Source**: MAF, “Agrostatistics”*

Production of tobacco type “Virginia” from harvest 2004 amounted to 14 300 tons or 6% more compared to the previous year despite the decreased average yield by 5%. This increase was due to the bigger size of the harvested areas - 8 870 ha compared to 8 290 ha in 2003.

4 900 t of tobacco type “Burley” were produced in 2004. The obtained average yield of 1.49 kg/decar could not compensate the less harvested acreage. This resulted into 9% lower production compared to the previous year.

2.1.1.4. Medicinal and aromatic crops

The areas under the main medicinal and aromatic crops (oil-bearing rose, lavender, mint and coriander) in 2004 amounted to 86 419 ha. Compared to 2003 they increased by 21 665 ha or by 33.5%.

In 2004 were produced total of 94 506 t of medicinal and aromatic crops. This was 42 479 t or 81.6% more compared to 2003. The increase of the areas and the production in 2004 were due to the increased interest in growing these crops and the good agro-climatic conditions.

2.1.1.5. Vegetables

In 2004 open field vegetable growing occupied around 109 000 ha. Compared to 2003 in terms of acreage it decreased by 14.7 %. The green houses also decreased from 856 ha in 2003 to 780 ha in 2004 or by 8.9%.

The major part of the open field vegetables belonged to potatoes, tomatoes, peppers, water melons and beans. In 2004 the areas under tomatoes and peppers decreased by around 21% compared to the previous year while the areas under potatoes increased by 3%, of aubergines – by 22% and lentils by 25%.

Table II.15.
Areas used for vegetable production – harvest 2004

Main Areas	Unit	Areas used - Harvest 2004.
Open fields	ha	103 506.9
Glass green houses	ha	337.0
Polyethylene green houses	ha	442.9
Total area of the green houses:	ha	779.9
Total area:	ha	104 286.8

***Source**: MAF, “Agrostatistics”*

The overall vegetable production in 2004 was 1 590 000 tons which was a decrease by 13.4% compared to the previous year. The reason for that was the decreased acreage and the low average yield for some crops.

Tomatoes production decreased by 45% compared to 2003, going down to 237 000 t. Considerable decrease was reported for pepper production – 42% less, down to 124 900 t. The production of aubergine increased by 24% and of potatoes – by 27%.

Table II.16.
Areas, yields and production of vegetables – harvest 2004

Vegetables	Open fields	Production (tons)		Average yield
	(ha)	Total	From open fields	(t/ha)
I. Fruit vegetables				
Tomatoes	12 265.8	237 597	201 386	16.42
Peppers - sweet	10 800.1	124 907	122 858	11.38

Aubergines	1 613.4	40 097	40 077	24.84
Cucumbers and gherkins	3 094.2	86 560	55 834	18.04
Pumpkins	1 164.1	16 023	15 971	13.72
Watermelons	6 128.5	100 176	99 833	16.29
Melons	2 413.7	27 356	27 321	11.32
Sweet corn	318.9	1 537	1 537	4.82
Other fruit vegetables *(zucchini. okra)*	1 029.2	18 140	18 109	-
II. Legumes				
Green beans	1 738.1	14 489	14 409	8.29
Green peas	1 050.2	3 266	3 266	3.11
Green broad beans	82.3	339	339	4.12
Dried vegetables				
Dried beans	7 019.8	8 985	8 985	1.28
Lentils	2 569.4	1 644	1 644	0.64
Chick peas	4 450.4	3 916	3 916	0.88
III. Brassicas				
Cabbage	5 128.4	116 862	116 658	22,75
Other brassicas *(salads, lettuce, spinach, parsley, celery, savoury, parsnip, dill, cauliflower, collards, kale, Brussels sprouts, kohlrabi, broccoli, green onions, green garlic)*	5 792.1	77 580	76 361	
IV. Root and tuber crops				
Potatoes	30 675.5	573 179	573 018	18.68
Carrots	1 422.3	33 955	33 950	23.87
Bulb onions	3 989.6	44 553	44 553	11.17
Bulb garlic	916.9	5 483	5 483	5.70
Leeks	1 269.1	19 953	19 950	15.72
Seed onions	3 041	1 905	1 904	6.26
Other root crops *(turnip, radish, red beet, celery, parsnip)*	1 327,1	18 215	18 161	
V. Strawberries	1 965,7	11 504	11 499	5,85
VI. Cultivated mushrooms		1 282		
VII. Other vegetables	76,0			
Total:	108 649,9	1 589 503	1 517 022	

Source*: MAF, "Agrostatistics"*

** Total area includes also the areas under second crops*

Table II.17.
Vegetable production from harvest 2004 per regions of planning

Regions	Tomatoes	Pepper	Cucumbers	Aubergines	Pumpkins	Water melons	Melons	Strawberries
Open fields (ha)								
North-Western	548.9	475.4	141.3	55.0	57.1	456.9	228.3	138.1
Northern Central	990.0	624.3	339.9	57.0	58.9	877.2	482.2	255.2
North-Eastern	1 279.3	1 359.0	684.7	107.5	265.8	2 089.2	695.8	478.8
South-Eastern	1 476.1	1 094.1	628.0	65.8	210.4	459.7	353.1	-
South Central	5 733.0	5 462.0	863.7	752.0	319.8	1 942.7	476.1	923.9
South-Western	2 238.5	1 785.3	436.6	576.1	252.1	302.8	178.2	169.7
Bulgaria	12 265.8	10 800.1	3 094.2	1 613.4	1 164.1	6 128.5	2 413.7	1 965.7
Production (tons)								
North-Western	12 216	5 152	2 913	1 241	366	2 037	906	431
Northern Central	21 529	6 137	6 696	1 246	514	9 337	4 675	771

North-Eastern	14 004	10 260	7 403	3 120	3 145	34 305	7 019	1 479
South-Eastern	25 367	10 623	13 604	825	3 182	8 708	5 628	-
South Central	112 908	72 252	42 031	24 337	5 053	36 504	5 503	6 688
South-Western	51 573	20 483	13 913	9 328	3 763	9 285	3 625	2 135
Bulgaria	237 597	124 907	86 560	40 097	16 023	100 176	27 356	11 504
Average yield (t/ha)								
North-Western	21.55	10.84	19.87	22.57	6.40	4.46	3.97	3.12
Northern Central	19.78	9.83	13.15	21.85	8.72	10.64	9.69	3.02
North-Eastern	8.82	7.53	7.16	29.02	11.83	16.42	10.09	3.09
South-Eastern	15.33	9.58	20.16	12.24	15.12	18.94	15.94	-
South Central	16.45	12.89	24.56	32.36	15.63	18.61	11.48	7.24
South-Western	18.65	11.46	22.42	16.19	14.93	30.66	20.34	12.56
Bulgaria	16.42	11.38	18.04	24.84	13.72	16.29	11.32	5.85

Continuation

Regions	Cabbage	Potatoes	carrots	Sweet corn	Green beans	Dried beans	Bulb onion	Bulb garlic
Open fields (ha)								
North-Western	235.8	447.2	55.1	55.5	5.1	551.8	321.4	63.5
Northern Central	321.5	1 355.2	56.5	30.8	86.9	551.1	311.4	44.7
North-Eastern	737.8	***2 184.6***	214.8	23.5	100.0	2 631.9	822.1	311.3
South-Eastern	728.4	1 185.5	106.4	19.8	137.1	283.1	1 248.5	226.0
South Central	2 143.6	15 670.7	465.8	115.3	699.6	2 335.2	1 017.0	306.4
South-Western	961.3	9 832.3	523.7	74.0	709.4	666.7	269.2	10.0
Bulgaria	5 128.4	***30 675.5***	1 422.3	318.9	1 738.1	7 019.8	3 989.6	961.9
Production (tons)*								
North-Western	4 552	5 802	1 891	204	19	678	4 015	90
Northern Central	5 574	25 886	1 198	193	1 042	821	3 652	400
North-Eastern	13 199	32 181	2 492	34	539	3 499	6 282	1 641
South-Eastern	16 963	26 806	2 351	64	926	597	16 452	1 666
South Central	43 076	267 208	11 837	492	5 905	2 124	12 041	1 670
South-Western	33 498	215 296	14 186	550	6 058	1 266	2 111	16
Bulgaria	116 862	573 179	33 955	1 537	14 489	8 985	44 553	5 483
Average yield (t/ha)								
North-Western	19.30	12.96	34.31	3.67	3.80	1.23	12.49	1.42
Northern Central	17.23	19.10	21.21	6.27	11.99	1.49	11.73	8.95
North-Eastern	17.80	14.73	11.60	1.44	5.39	1.33	7.64	5.27
South-Eastern	23.21	22.61	22.08	3.22	6.21	2.11	13.18	7.37
South Central	20.08	17.05	25.41	4.27	8.44	0.91	11.84	5.45
South-Western	34.84	21.88	27.08	7.44	8.53	1.90	7.84	1.58
Bulgaria	22.75	18.68	23.87	4.82	8.29	1.28	11.17	5.70

***Source**: MAF, "Agrostatistics"*
**Incl. Green house production*

2.1.1.6. Fruit

Orchards

Main fruit trees in the country are: apples, pears, plums, cherries, morello cherries, apricots, peaches, raspberries and walnuts.

The young plantations (0 – 5 years) take 3-4 % of the areas, whereas the decommissioned ones occupy 20% of the harvested orchards.

The agro technical and phytosanitary condition of the young plantations is good and that of fruit-bearing vary from satisfactory to well-performing.

In 2004, there was a growing interest in creation of cherry, hazelnut, walnut and raspberry plantations due to the ensured domestic and the international markets.

Areas

In 2004 the harvested areas with orchards were 38 454 ha –3.3% less compared to 2003. Main reason for the decrease was the uprooting of the unfit fruit trees.

From the main harvested fruit trees the largest was the share of the plums and wild plums - 28,5%, followed by those with walnuts - 13,6%, cherries - 13,2%, apples - 11,8% and apricots - 11,5%.

Table II.18.
Area of the harvested fruit trees in 2004

(ha)

Regions	Apples	Pears	Apricots	Peaches and nectarines	Plums	Cherries	Morello cherries	Wall nuts	Raspberries	Other fruits	Total
North-Western	175	23	81	74	316	34	77	369	75	48	1 272
Northern Central	432	38	189	652	5 467	422	154	377	262	48	8 041
North-Eastern	485	49	3 961	303	1 169	475	467	1 664	348	133	9 054
South-Eastern	749	33	58	1 344	432	1 239	44	420	14	720	5 053
South Central	2 077	47	93	474	2 918	1 548	759	2 324	274	714	11 228
South-Western	601	146	47	715	665	1 353	45	79	75	80	3 806
Bulgaria	4 519	336	4 429	3 562	10 967	5 071	1 546	5 233	1 048	1 743	38 454

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

Table II.19.
Area of the harvested fruit trees in 2003

(ha)

Regions	Apples	Pears	Apricots	Peaches and nectarines	Plums	Cherries	Morello cherries	Wall nuts	Raspberries	Other fruits	Total
North-Western	184	23	93	79	304	34	67	374	77	61	1 296
Northern Central	425	36	264	781	5 496	451	179	432	307	49	8 420
North-Eastern	562	54	3 977	370	1 149	496	467	2 194	356	141	9 766
South-Eastern	772	33	59	1 195	356	1 197	44	448	14	969	5 087
South Central	2 165	60	92	477	2 947	1 505	627	2 410	276	763	11 322
South-Western	603	152	45	754	660	1 360	95	79	79	46	3 873
Bulgaria	4 711	358	4 530	3 655	10 912	5 043	1 479	5 937	1 109	2 029	39 764

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

Production

167 273 000 tons of fruits were produced in 2004, which was 8.7% more than in 2003. Most considerable was the production of plums and wild plums – 49 200 t, apples – 39 400 t, peaches – 22 500 t, cherries – 21 400 t and apricots – 18 500 t.

Fruit production was concentrated in the South-Central region - 30.2%, followed by North-Eastern – 20.5%, the North-Central – 17.6%, the South-Western - 17.4 % and the South-Eastern region - 10.9%.

The foremost producer of apples, plums, peaches, cherries, morello cherries and raspberries is the South-Central region.

Table I I.20.
Fruit Production, harvest 2004.

(tons)

Regions	Apples	Pears	Apricots	Peaches and nectarin	Plums	Cherries	Morello	Wall nuts	Raspberries	Other fruits	Total

				es			cherrie s				
North-Western	1 275	114	114	467	1 972	94	343	357	465	61	5 262
Northern Central	1 964	181	518	3 417	20 250	892	271	690	1 272	24	29 479
North-Eastern	3 201	181	17 177	1 379	7 047	938	1 105	1 643	1 707	58	34 436
South-Eastern	4 055	112	154	6 135	1 823	5 245	134	491	33	197	18 379
South Central	23 211	303	373	2 362	13 586	6 173	1 342	805	1 800	709	50 664
South-Western	5 687	904	122	8 724	4 487	8 027	130	516	329	127	29 053
Bulgaria	39 393	1 795	18 458	22 484	49 165	21 369	3 325	4 502	5 606	1 176	167 273

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

Table II.21.
Fruit Production, harvest 2003.

(tons)

Regions	Apples	Pears	Apricot s	Peach es and nectari nes	Plums	Cherries	Morello cherrie s	Wall nuts	Raspberr ies	Other fruits	Total
North-Western	687	85	44	68	1 522	12	96	91	244	29	2 878
Northern Central	2 109	87	637	2 117	13 604	635	250	147	664	119	20 369
North-Eastern	3 951	138	17 152	1 850	4 371	667	839	2 387	1 587	313	33 255
South-Eastern	7 167	30	98	7 697	637	2 628	42	282	51	344	18 976
South Central	21 011	61	406	1 893	21 412	4 907	1 674	3 071	1 377	1 672	57 484
South-Western	3 447	6342	190	2 919	4 818	8 394	207	51	160	86	20 906
Bulgaria	38 372	1 035	18 527	16 544	46 364	17 243	3 108	6 029	4 083	2 563	153 868

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

Average yields

In 2004 the average yields of fruit trees were higher than in 2003. The increase of the yields was for all fruit tree species, excluding raspberries. The greatest was the increase for the walnuts – five times, pears - 84.5% and peaches - 39.5%.

Table II.22.
Average yields of fruits for harvest ***2004***

(kg/ha)

Regions	Apples	Pears	Apricot s	Peaches and nectarine s	Plums	Cherries	Morello cherries	Wall nuts	Raspberr ies
North-Western	7 264	4 972	1 408	6 333	6 240	2 765	4 444	6 164	969
Northern Central	4 546	4 812	2 740	5 245	3 704	2 112	1 759	4 851	1 829
North-Eastern	6 595	3 651	4 337	4 553	6 027	1 977	2 367	4 914	987
South-Eastern	5 414	3 394	2 651	4 561	4 216	4 235	3 036	2 444	1 171
South Central	11 178	6 480	3 997	4 980	4 656	3 985	1 768	6 571	347
South-Western	9 467	6 173	2 593	12 205	6 752	5 934	2 912	4 357	6 508
Bulgaria	8 717	5 338	4 167	6 312	4 483	4 214	2 151	5 349	861

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

Table II.23.
Average yields of fruits for harvest ***2003****

(kg/ha)

Regions	Appl es	Pears	Apricots	Peaches and nectarines	Plums	Cherries	Morello cherrie s	Wall nuts	Raspbe rries
North-Western	3 728	3 647	469	859	5 006	369	1 447	243	3 181
Northern Central	4 961	2 443	2 415	2 712	2 475	1 410	1 397	341	2 162
North-Eastern	7 034	2 565	4 313	5 008	3 805	1 344	1 796	1 088	4 459
South-Eastern	9 285	895	1 658	6 440	1 790	2 195	961	630	3 658
South Central	9 704	1 015	4 441	3 964	7 267	3 259	2 671	1 274	4 986

South-Western	5 715	4 180	4 179	3 872	7 298	6 172	2 171	643	2 012
Bulgaria	8 145	2 892	4 090	4 525	4 249	3 419	2 102	1 016	3 680

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

* The average yield was calculated for areas equal to and above 0.1 ha

2.1.2. Animal Breeding – situation, production, problems and priorities

The development of the Bulgarian animal breeding over the last years was determined by the preparation of the country for accession to the EU. In 2004 continued the work on concentration and modernization of production, grading of the production and processing units and investments for achieving optimal conditions for production and processing.

With the bovine an increase in the average number of animals raised in a farm was observed, which determines the better production and quality indicators of the obtained raw materials. In 2004 in the farms with 10 and more animals were raised 33.5% of the cattle and 47.0% of the water-buffalos. The biggest concentration of the animals was observed with the pigs (38.8% of them are raised in 74 farms) and with the poultry – broilers (61.4% of the chicken for fattening were raised in 17 poultry farms).

In 2004 the total number of the bovine decreased by 7.8% compared to 2003. The number of the cows increased by 0.3%. For the sheep in total the growth was 5.9%, and for the ewes – 5.7%. There was a decrease by 3.8% for the swine. The number of the bee families increased by 10.6 %.

Table II.24.

Number of animals in 2004 and 2003. Forecast for 2005

Number of animals	01.11.2003	01.11.2004	01.11.2005 /forecast/
Bovine - total	728 336	671 579	672 000
including cows	378 182	379 498	370 000
Buffalos	7 875	7 973	8 000
including buffalo cows	4 542	4 056	4 500
Sheep - total	1 598 556	1 692 507	1 690 000
including ewes	1 278 759	1 351 212	1 350 000
Goats - total	725 308	718 117	720 000
including mother goats	592 572	578 501	580 000
Pigs - total	1 032 300	931 402	935 000
including sows	78 878	75 855	80 000
Poultry - total	21 796 380**	19 512 098	20 000 000
including laying hens and pullets	8 981 103**	9 965 615	9 965 000
Including broiler chickens	9 755 288**	7 193 869	7 350 000
Including water fowl	1 886 720**	1 746 988	1 800 000
Including other poultry	1 173 269**	605 626	885 000
Equine (horses, donkeys, mules, hinnies)	242 817*	245 907*	245 000
Rabbits	352 193*	308 282*	350 000
Bee families	459 178*	507 784*	550 000

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

** NVS*

*** Census of the agricultural farms in 2003*

The total milk output in 2004 increased by 6.3% compared to 2003 and amounted to 1 551 054 000 l. 818 957 000 l of them were processed in dairies, 294 720 000 l were sold directly from the farms, 352 773 000 l were for consumption on the farms and 84 604 000 l were for other purposes.

Production of main end-products from the milk processing units in 2004 was as follows: 36 130 000 l of packaged fresh milk, 1 284 t of cream, 137 338 t of natural yogurt, 1 223 t of milk fats, total 83 989 t of cheeses (including 47 484 t of white pickled cheese and 30 858 t of yellow cheese).

Table II.25.
Production of animal products 2003-2004

Production	2003	2004	Change 2004 compared to 2003 in %
1. Milk production - total (tons)	1 504 010	1 598 042	+6.3
Incl. cow's milk	1 308 525	1 344 750	+2.8
buffalo's	5 276	6 229	+18.1
sheep's	88 679	117 682	+32.7
goat's	101 530	129 381	+27.4
Industrial meat production – total (tons)	117 218	122 000	+4.1
Beef and veal	9 036	7 624	-15.6
Mutton and goat meat	9 071	8 973	-1.4
pork	51 706	45 348	-12.3
poultry meat	47 392	59 992	+26.6
rabbit meat	13	63	+484.6
eggs (in thousands)	1 553 721	1 557 124	+2.2
wool (tons)			
honey (tons)	8 500	6180	-27.3

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

In 2004 the total industrial production of meat amounted to 122 000 t of carcass weight - 4.1% more than the previous year.

2.1.2.1. Bovine – Cattle and buffalos

Key moments outlining the development of the cattle breeding in 2004 were linked to the continuous consolidation of the farms, import of breeding animals for milk and meat for increasing the existing genetic potential, and improvement of the machines and equipment, which guarantees obtaining quality and safe raw materials and products. Structural restructuring of the sector began in compliance with the Law on Animal Breeding and the EU requirements and experience, taking into account the specific character, traditions and experience of the Bulgarian farmers.

By 1 November 2004, the total number of the cattle in the country was 671 579, raised in 193 600 farms. There were 379 498 cows, which were 56.5% of the cattle in the country. Despite the decrease of the total number of cattle by 7.8% the number of the dairy cows increased by 1.9% compared to the same period of 2003.

In terms of regional distribution, the greatest percentage of cattle was raised in the South-Central region – 34.9% of the animals, followed by the North-Eastern region – 21.3% and the North-Central region – 14.4%,

Table II.26.
Number of bovine per regions – 2003-2004г.

Regions	Cattle - total			Incl. cows		
	1.11.2003	1.11.2004	Change - % 2004/2003	1.11.2003	1.11.2004	Change - % 2004/2003

North-Western	49 686	51 976	+ 4.6	26 480	32 058	+ 21.0
Northern Central	113 104	96 555	- 14.6	55 709	52 489	- 5.8
North-Eastern	161 467	142 947	- 11.5	79 281	79 107	- 0.2
South-Eastern	76 112	63 545	- 16.5	39 025	35 119	- 10.0
South Central	239 033	234 477	- 1.9	127 890	133 179	+ 4.1
South-Western	88 934	82 080	- 7.7	49 797	47 545	- 4.5
For the country	728 336	671 580	- 7.8	378 182	379 498	+ 0. 3

***Source**: MAF, “Agrostatistics”*

The surveys carried out in 2004 with regard to the size of farms and number of dairy cows in them showed that 75.4% of the dairy cows are raised in farms with 1 to 9 dairy cows. Compared to 2003 the number of the dairy cows in farms with more than 10 cows increased by 13.5%. The number of the dairy farms in 2004 was 17 400, and by 01.05.2005 it was 15 200.

The selection in the cattle breeding in 2004 was carried out by the Executive Agency of Selection and Reproduction in Animal Breeding (EASRAB) and by the Regional Association of the Milk producers – District of Sliven. The Association performed control on the reproductive qualities of 62 farms with total of 2 058 cows and heifers from the four municipalities in the district of Sliven.

32 567 cows were under the control of EASRAB in 2004. They were by 8 021 or 32.6% more compared to 2003. 8.5% of the total number of cows in the country were under selection control.

Table II.27.
Milk yields of controlled cows by breeds – 2003-2004

Breed	Milk yield –kg		Change - % 04/03	Fat content - %		Change - % 04/03
	2003	2004		2003	2004	
Black and white cattle	4853	4952	+ 2.03	3.75	3.8	+ 1.33
Brown cattle	4253	4409	+ 3.66	3.91	3.9	- 0.25
Red and white cattle	5296	5881	+ 11.04	4.11	4.08	- 0. 73
Simmental and crosses	3924	3886	- 0.96	3.95	3.91	- 1.01
Bulgarian Rhodopi cattle	3795	3623	- 4.53	4.71	4.59	- 2.54

***Source:** EASRAB*

The cows from the Black-and-white breed in the controlled herds were 76.2%, followed by those from the Brown breed and the Bulgarian Rhodopi cattle /Table II.28./.

Table II.28.
Breed structure of controlled herds in 2004

Breeds	Percentage -%
Black-and-white cattle	76.2
Brown cattle	14.0
Red-and-white cattle	1.3
Simmental and crosses	2.5
Bulgarian Rhodopi cattle	4.0
Others	2.0

***Source:** EASRAB*

Water buffalo breeding in 2004 was characterized by maintaining the upward trend of production of buffalo’s milk over the last years. This confirmed the good genetic qualities of the buffalo cows from the breed Bulgarian Moura and the effective breeding and improvement measures in the buffalo breeding.

Buffalo breeding was concentrated mainly in south-central region where 2 385 buffalos were raised in 481 farms.

By 1.11.2004 the buffalos were 7 973 – 1.2% more compared to the same period of 2003. The biggest was the increase of the buffalo calves and the buffalo heifers under age of 1 year (by 700 animals). This was a pre-condition for increasing the buffalo cows in the main herd and carrying out of efficient selection and improvement measures.

Table II.29.
Number of buffalos per regions – 2003-2004

Regions	Buffalos - total			Incl. buffalo cows		
	1.11.2003	1.11.2004	%	1.11.2003	1.11.2004	%
North-Western	1 442	1 264	- 12.3	913	686	- 24.9
Northern Central	1 989	2 223	+ 11.8	1 091	1 084	- 0.6
North-Eastern	756	807	+ 6.7	427	353	- 17.3
South-Eastern	875	888	+ 1.5	484	447	-7.6
South Central	2 287	2 385	+ 4.3	1 298	1 299	+ 0.1
South-Western	526	406	- 22.8	329	187	- 43.2
For the country	7 875	7 973	+ 1.2	4 542	4 056	+10.7

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

The total number of the buffalo farms decreased and the average number of buffalos per farm increased to 4.7. 6 229 t of buffalo's milk was produced in 2004 which was 18.1% more compared to 2003.

Table II.30.
Production of buffalo milk 2002-2004 (tons)

	2002	2003	2004
Buffalo milk	4 410	5 276	6 229

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

The selection activity of the EASRAB with regard to buffalo breeding was carried out with 1 004 buffalo cows which were 21% of their total number. The controlled buffalo cows increased by 633 compared to the previous year. The average milk yield of the categorised animals was 1 976 kg of milk with 7.12% fat contents.

In 2004 the Buffalo Breeding Association allocated money for selection measures. Control was carried out on the productive qualities of 520 buffalo cows.

Output from bovine

Production of cow's milk in 2004 increased by 2.8% compared to 2003 up to 1 344 750 t and it was 84.2% of the total milk obtained during the year. The average milk yield for the country in 2004 was 3 540.9 l.

The restructuring of the processing plants in the sector continued. There were 325 milk registered processing units, 28 of which were approved for export to EU.

The number of slaughterhouses in 2004 was 174, and in 122 of them were slaughtered cattle and buffalos. The industrial output of bovine in 2004 was 7 624.4 t. The farms obtained 23 262.8 t of meat. There is a trend of decreasing the weight of the animals for slaughtering. Compared to the previous year the meat production from bovine in the slaughterhouses decreased by 15.6%, and the meat obtained directly on the farms increased by 18.1%.

Table II.31.
Meat production – 2003-2004

Animal categories	Industrial production – carcass weight (tons)			Meat production in farms – carcass weight (tons)		
	2003	2004	Change in	2003	2004	Change

			%			in %
Calves	5 033	4 560	- 9.4	12 979	11 964	- 7.8
Other cattle and buffalos	4 003	3 064	- 23.5	6 712	11 299	- 68.3
Bovine Total	9 036	7 624	- 15.6	19 691	23 263	- 18.1

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

2.1.2.2. Sheep and goats

Sheep and goats breeding provides livelihood to major part of the population in the country's rural areas.

In 2004, the national herds of sheep and goats according to the number of the raised animals were distributed in the following way:

- 76.6 % of ewes and ewe-lambs were reared in holdings of up to 50 animals. On the farms with more than 50 animals 336 300 ewes and ewe-lambs were raised which was 23.4 % of their total number.
- 96.2% of the mother goats were raised in farms with up to 50 animals, and only 3.7% of the total number were raised on farms with more than 50 animals.

These data show a greater portioning out in goat breeding than in the sheep breeding.

By 01.11.2004 the total number of sheep in the country was 1 692 500 - 5.9% more compared to the same period of 2003, mainly on the account of their increased number on the farms with 10 to 50 animals and on the farms with more than 100 animals. The total number of the ewes increased by 5.7%. In comparison to the previous year there was a decrease by 8.8% of the number of farms raising from 1 to 9 ewes. The number of the big farms with over 100 ewes increased by 26.0%. the number of lams considerably increased compared to 2003.

The distribution of the sheep per regions in 2004 is shown in Table II.32: north-eastern and south-central region remain regions where most sheep are raised. There is a slight decrease, by 1.3%, in the reported period in terms of the total number of sheep and in the number of ewes.

Table II.32.
Total number of sheep per region 2003-2004 (in thousands)

Regions	Sheep - total			Incl. ewes		
	1.11.2003	1.11.2004	%	1.11.2003	1.11.2004	%
North-Western	174.2	115.8	- 33.5	143.2	98.2	- 31.4
Northern Central	156.0	210.9	+ 35.1	130.4	161.1	+23.5
North-Eastern	413.7	462.4	+ 11.8	326.1	365.1	+ 12.0
South-Eastern	208.3	258.5	+ 24.0	176.5	214.4	+ 21.5
South Central	423.0	417.6	- 1.3	326.1	322.0	- 1.3
South-Western	223.4	227.3	+ 1.8	176.5	190.4	+ 7.9
For the country	1598.6	1692.5	+5.9	1278.8	1351.2	+5.7

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

The number of sheep in 2004 increased in north-central region by 35.1%, in south-eastern - by 24.0% and in north-eastern – by 11.8%. In the north-western region of the country the number of sheep decreased by 33.5%.

Over the reported year selection measures were applied on 26 sheep breeds from seven productive types. The biggest was the percentage of the controlled sheep for milk –79.1%, followed by the fine fleece – 8.9% and aboriginal – 5.4%.

Table II.33.
Breed structure of the controlled ewes in trends – 2004.

Types	Relative share %	Number

fine fleece	8.9	7 238
Semi fine-fleece	1.4	1 124
Tsigai	4.2	3 373
Dairy	79.1	63 634
Meat	0.8	590
Multiple offspring	0.2	172
aboriginal	5.4	4 354
TOTAL:	100 %	80 485

***Source**: EASRAB*

Fertility was kept within the range reported in 2003. The highest biological fertility was reached with the elite herds for:

- milk - 133.6 %
- fine fleece - 126.3 %
- semi-fine fleece - 120.8 %

The milk yield over the whole lactation period for individually controlled sheep was 197.1 l and for 120 lactation days – 122.6 l. Highest milk yield for the whole period of lactation was registered with the milk crosses – 198.3 l.

Table II.34.
Number of goats per regions 2003-2004. (in thousands)

Regions	Goats total			Incl. mother goats		
	1.11.2003	1.11.2004	Change %	1.11.2003	1.11.2004	Change %
North-Western	82.3	81.2	- 1.3	66.3	67.3	+ 1.5
Northern Central	125.4	133.8	+ 6.7	102.4	100.4	- 2.0
North-Eastern	136.6	150.0	+ 9.8	112.0	113.2	+ 1.1
South-Eastern	100.9	93.5	- 7.3	82.4	78.8	- 4.4
South Central	158.0	136.1	- 13.9	129.3	111.8	- 13.5
South-Western	122.1	123.5	+ 1.1	100.2	107.0	+ 6.8
For the country	725.3	718.1	-1.0	592.6	578.5	-2.4

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

In 2004 decrease was reported of the total number of goats - by 1.0%, of mother goats – by 2.4%, and of the number of goat breeding farms – by 0.6%.

The trend for increasing the number of goats was kept in north-central, north-eastern and south-west region which was linked with the traditions of the population, the good infrastructure and the chance for feeding the animals with own feedingstuffs. A slight decrease of the number of goats, incl. the mother goats, was observed in south-central region.

Over the past year 3 078 goats were under selection control, incl. 397 in the elite herds and 2 681 in the breeding herds.

The controlled goats reached 171.1% farm fertility and 183.6% biological fertility.

The registered average lactation milk yield for 2004 was 451.6 l (incl.):

- elite herds – 590.9 l
- breeding herds – 451.6 l

Output from sheep and goats

Out of the total milk produced in 2004 sheep and goat's milk was 15.5%. 117 682 t of sheep's milk were produced which was 32.7% more than in 2003. Goat's milk production in 2004 was 129 381 t, 27.4% more than in 2003.

This upward trend shows the increasing opportunity for production of traditional Bulgarian products from sheep's and goat's milk.

Table II.35.
Milk production in the country in 2004 per regions (thousand l)

Regions	Total cow's milk	Total buffalo's milk	Total cow's milk	Total goat's milk	TOTAL MILK
	113 392	871	9 463	17 603	141 329
North-Western	184 883	2 020	18 758	27 685	233 346
Northern Central	297 206	474	27 117	23 119	347 916
North-Eastern	122 783	441	12 494	12 074	147 792
South-Eastern	410 311	1 935	28 669	24 229	465 144
South Central	177 007	294	17 202	21 024	213 527
TOTAL /thousand l/	1 305 582	6 035	113 703	125 734	1 551 054
TOTAL /tons/	1 344 750	6 229	117 682	129 381	1 598 042

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

In 2004 in total 20 467,5 t carcass weight from sheep and goats was obtained, which was 15.78% of the red meats in our country. The industrial units slaughtered in total 731 200 sheep and 36 900 goats which was respectively 8.5% and 3.7% less compared to 2003. The number of sheep slaughtered on the farm units increased from 333 400 in 2003 to 475 700 in 2004. The number of the goats slaughtered on the farms in 2004 decreased by 16.6% (570 300 animals).

2.1.2.3. Pig Breeding

Pig breeding sector in 2004 characterised with improvement of the material and technological conditions for production, fulfilment of the veterinary requirements, observance of the requirements for animal welfare and safety of the produced products and for carrying out of active selection measures.

The great importance of pig breeding for our economy is determined by the fact that it provides the production of more than half of the meat in the country.

By 1.11.2004 the number of pigs was 931 402, 75 855 of which sows.

Table II.36.
Number of pigs per regions in 2003 and 2004

Regions	Pigs – Total			Sows		
	1.11.2003	1.11.2004	%	1.11.2003	1.11.2004	%
North-Western	84.6	60.6	- 28.4	6.2	3.2	- 48.4
Northern Central	212.7	227.6	+ 7.0	16.8	19.9	+ 18.5
North-Eastern	291,1	251.1	- 13.7	23.8	22.7	- 4.6
South-Eastern	153.8	135.4	- 12.0	9.6	12.9	+ 34.4
South Central	180.7	166.3	- 8.0	12.6	11.1	+ 11.9
South-Western	109.4	90.4	- 17.4	9.9	6.1	- 38.4
Bulgaria	1 032.3	931.4	- 9.8	78.9	75.9	- 3.8

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

Compared to 2003 a decrease of 9.8% for the pigs in total was observed and of 3.8% for the main sows. For both categories the decrease was greatest in the north-western region. Excluding the north-central region, the number of pigs decreased. Considerable lower was the decrease of the number of the main sows. In some regions there was a positive trend. The young swine for breeding decreased.

The major reason for the decrease of number of pigs in 2004 was the lower grain harvest in 2003 which led to price increase of the feedingstuffs and therefore to decrease of the efficiency of the animal breeding, including pig breeding.

Pig breeding is the most concentrated sector of the animal breeding.

In 2004 the number of the swine for breeding in farms with over 10 animals increased by 7,8% compared to 2003. By the end of 2004 such farms raised 61 900 animals which was 65.3% of the total number of swine for breeding. The remaining swine were raised in farms with up to 10 animals.

The program for identification of pigs continues. In the past 2004 the controlled sows increased with 6 101 or by 33.8% compared to 2003. In the reported year 24 128 sows were under selection control which was 31.8% of the existing sows.

The breed structure of the animals under selection control was as follows:

- Large White – 38%
- Landrace - 36%
- Danubian White – 19%
- Duroc - 2%
- East-Balkan – 5%

Compared to 2003 improvement in the controlled indicators was observed, like:

- average fertility of sows increased from 9.7 to 10.4 alive born piglets from a farrow;
- the drop out of the sucklings decreased from 7.6% to 6.7%;
- the average thickness of fat of the pigs' bacon with 90 kg live weight decreased. In the boars it was 23.7 mm and in the swine – 23.1 mm.

The efforts of the selection experts in this sector were directed towards the increasing of the share of the lean meat in the carcass. As a result in 2004 the thickness of the bacon decreased by 35% with the young boars and with 42% with the swine. The decrease was due to the import of boars from Denmark and had positive effect on the implementation of the EUROP system for classification of carcasses of pigs. With this regard in 2004 the Bulgarian breed of pigs "Synthetic line of pigs from Silistra", which is characterized with very good reproductive, fattening and slaughtering qualities was recognised.

The establishments of a register was started of the breeding farms and holdings producing breeding material for pig breeding.

The pig breeding ensured 60.4% of the total yield and 73.2% of the industrial yield of red meat in the country in 2004.

Pork production increased by 10.9% compared to 2003, going up to 78 320 t. 45 347.6 t of them were obtained in the slaughterhouses (industrial production), and 32 972.4 t – directly on the holdings.

Table II.37.
Production of pork

Categories of animals	Industrial production – carcass weight (tons)			Meat production in private farms (tons)			Total production of pork (tons)		
	2003	2004	%	2003	2004	%	2003	2004	%
Total pigs	51 706	45 348	-12.3	18 938	32 972	+74.1	70 644	78 320	+10.9

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

Decrease was observed in the number of animals slaughtered in slaughterhouses. The number of animals slaughtered on the private farms increased by 37.2%. The pigs slaughtered in slaughterhouses are 16.6% less compared to the previous year and the obtained meat decreased by 12.3%. Pork production on the private farms increased by 74.1% compared to 2003.

Increased yield of pork on private farms in 2004 was due to the larger number of slaughtered animals and the higher live weight at the time of slaughtering (slaughtered pigs were 37.2% more and the average live weight at the moment of slaughtering increased up to 122 kg, compared to 100 kg in 2003). The number of farms raising from 1 to 9 animals and the number of animals in them (by 22% decreased the number of farms and by 31.3% decreased the number of female breeding animals on them) decreased.

2.1.2.4. Poultry breeding

The organizational and market structure in the poultry breeding and poultry processing in the country in 2004 reflected the world tendency of stabilization and efficient use of highly productive hybrids, balanced feedingstuffs and modern technological solutions. The good nutritional value of the poultry products expressed in optimal ratio between proteins and fats, the normal digestibility, and the severe control which relates to their harmlessness were the factors determining the increased demand of poultry and eggs over the past period.

The continued technological re-equipping of the enterprises, the good price levels, the widening of the array of products and the consumers demand were the factors determining the development of the poultry breeding in 2004.

The survey carried out by Agrostatistics Directorate showed that by 31.12.2004 in our country there were 19 512 000 birds, 87.9% of which were hens. Raising of laying hens and chickens – broilers was concentrated mainly in the north-east region – 27.6%, followed by north-central – 24.5% and south-central – 18,1%.

Table II.38.
Poultry per type and regions of planning by 31.12.2004. (in thousands)

Regions	Hens and pullets	Chicken for fattening	Total number of hens and chickens	Turkeys	Ducks	Geese	Other poultry	Total number of poultry
	1	2	3 = 1+2	4	5	6	7	8 =3+4+5+6
North-Western	s	s	s	44,6	27,2	29,5	2,1	s
Northern Central	2 143.5	2 067.1	4 210.6	152.9	162.0	59.3	5.9	4 590.7
North-Eastern	2 691.3	2 052.7	4 744.0	152.5	449.0	155.8	4.5	5 505.8
South-Eastern	1 175.2	916.7	2 091.9	31.1	80.3	17.8	0.8	2 221.9
South Central	1 910.2	1 200.8	3 111.0	185.0	742.0	17.8	1.4	4 057.2
South-Western	s	s	s	23.1	5.1	1.1	1.9	s
For the country	9 965.6	7 193.8	17 159.4	589.2	1 465.6	281.3	16.6	19 512.1

Source*: MAF, "Agrostatistics"*

In the big poultry farms with 10 000 and more hens where the technological equipment meets the modern norms for animal welfare to laying hens 4 102 000 laying hens were raised which was 41.2% of the total number. They determine the aspects of the industrial poultry breeding.

The broiler raising in the country has 17 specialised enterprises where 100 000 and more broilers in each are being fattened. This enables efficient use of the production resources and introduction of the systems for self control and monitoring of the critical points in the production.

The laying hens from parental flocks – for broilers and eggs by the end of 2004 were 402 684 and were 4% of the total number of hens.

76 189 000 breeding eggs were produced in 2004. 71.1% of them were used for broilers and 22.6% for laying hens. The total number of eggs for incubation was 63 241 500, which was around 12.0% more compared to 2003. 77.9% of them were for hatching of broilers, 16.3% for stock laying hens and 3.7% for hens for general purposes.

Table II.39.
Activity of the hatcheries over the period 2003-2004.

(thousand numbers)

Poultry type	2003		2004	
	Eggs for incubation	Utilised chickens	Eggs for incubation	Utilised chickens
Hens	56 143. 9	43 291.8	61 887.2	46 164.2
Turkeys	190.2	113.8	195.8	112.2
Ducks	51.5	34.4	1 115.0	547.1

Geese	16.1	8.3	17.0	11.0
Ostriches	2.7	1.2	2.3	0.9
Other fowl	66.4	33.1	24.2	17.1
total	56 470.8	43 482.6	63 241.5	46 852.5

Source: *MAF, Agrostatistics"*

From the total number of eggs for consumption produced in 2004 - 1 557 124 000, the hens' eggs were 99.9%. The biggest egg industrial production was in the north-southern region – 28.1% of the total production in the country, followed by south-central – 21.7% and north-central regions – 20.2%.

The chicken was obtained mainly in specialized slaughterhouses categorized according to the requirements for restructuring in compliance with the legislation in force. In 2004 the production of chicken in them increased by 26.6% compared to 2003 reaching 59 992.4 t carcass weight.

Table II.40.
Production of poultry meat – 2003-2004 (tons)

Categories of birds	Industrial production – carcass weight		
	2003	2004	Changes %
Broiler chickens	40 594.1	49 113.4	21.0
Hens and roosters	1 037.9	2 057.1	98.2
Turkeys	156.1	s	s
Geese	264.5	s	s
Ducks	5 339.6	8 673.3	62.4
total	47 392.2	59 992.4	26.6

Source*: MAF, "Agrostatistics"*

„s"- when there are less than 3 slaughterhouses in the category under consideration or one of the slaughterhouses in the category under consideration covers more than 85% of the activity in the same category the data were replaced.

Leading place was taken by the chicken from broilers – 49 113.4 t or 81.9% of the total production of chicken. Next was the meat from ducks – 14.5% and from hens and roosters – 3.4%. In 2004 38 742 600 birds were slaughtered in the slaughterhouses. This was 11.2% more compared to the previous year. The number of birds slaughtered on the farms also increased (by 5.5%). The live weight had decreased which was an indicator for balanced feeding and lower prime cost.

The industrial production of meat from ducks increased by 62.4% compared to 2003 up to 8 673.3 t carcass weight. The number of parental flocks with the turkeys remained low and the turkey production was insufficient for meeting the needs of the consumers and the processing industry in the country.

2.1.2.5. Horse breeding

The total number of the equine in the country by 01.11.2004 was 245 907, which was 1.2% more than the same period previous year. It is expected that the number of the equine in 2005 will remain around the level of 2004.

Larger part of the equine is used for labour in the agriculture and forestry. The breeding animals are below 1% of the total number but the tendency is that their relative share will continue to increase. In 2002 selection was carried out with 1 356 horses, in 2003 – with 1520 horses, in 2004 – 1 680 horses and in 2005 the expectations are that their number will reach 2 000. The number of horses used in horse riding and tourism is increasing. Farms were established for production of horses for meat.

The sector has some expert activities. In 2004 were exported 6 885 equine at the amount of 12 724 558 BGN. The biggest was the share of horses for sport and amateur riding and the donkeys. Increased was the export of equine for breeding. In 2004 their number was 312 compared to 265 in 2003.

Import of equine is not popular. Imported horses are mainly for breeding and for horse riding. In 2004 were imported 145 horses mainly form Germany, Turkey, Serbia & Montenegro, Belgium, France and Hungary.

The following main activities were carried out in the horse breeding in 2004:

- Following the amendments in the Law on Animal Breeding, in 2004 the legal status of "Kabyuk", Shumen, was arranged as a state-owned enterprise. The purpose is to maintain and improve indigenous and other valuable breeds of animals from the National Gene Fund. Its activity is supported from the budget of MAF. An important part of the National Gene Fund in the horse breeding is concentrated in this enterprise.
- The National Horse Breeding Association (NHBA) began practical selection activity in 2004 through a subsidy from SFA. Subsidized were the activities on identification of breeding horses, creation of a digital data base of the horses under selection control, DNA tests for proving the origin of newly born horses, publication of State Breeding Books for the Purebred Arabic and Purebred English breeds, castration of young stallions, which were dropped out after the categorisation, as well as a program for testing and examining of breeding horses.
- A stallion depot was organized and a program was started for obtaining and freezing of semen from stallions. This is a joint activity of the EASRAB and the NHBA.
- The year was successful in terms of import of high class stallions. EASRAB with funds form SFA, imported 1 stallion from the Arabic breed and two stallions from the Haflinger breed from France. NHBA imported 1 stallion Shagia from Hungary and 2 stallions from the breed Hungarian Nonius.
- The Bulgarian registrator of horses from the Purebred English breed represented our country at the European conference of the International committee on the breeding book of the Purebred English horse with regard to the preparation of Bulgarian for admission as a full member of the committee.
- R Bulgaria took part in the First European Symposium on horse breeding in Lion organized with the support of the Minister of agriculture of France.

2.1.2.6. Bee keeping

In 2004 bee-keeping retained its priority importance in the animal breeding as a sector with traditions in the past providing production of valuable and with wide application products.

The increased interest in this type of production is determined by:

- The prevailing export orientation. The currency revenues from export of bee products in 2004 amounted to 14 530 359 USD.
- Opportunity for the professional bee-keepers for whom bee-keeping is the main business to receive good incomes.
- Support to the producers by allocation of capital subsidies and preferential credits from SFA.
- Providing livelihood and additional incomes for the population in the less developed rural areas.

According to data from NVS in 2004 the number of the bee families in the country was 507 784, which was 10.6% more than in 2003. The growth was due to the increased number of bee families grown and to the improvement of the reporting at the registration of the apiaries.

Despite the increased number of bee families the production of honey from harvest 2004 decreased by 27.2% compared to the previous year, going down to 6 180 tons. The unusual unfavourable climatic conditions did not allow the bee families to avail of the grazing and led to considerable decrease of the obtained honey. Due to the low yields in some regions of the country the bee-keepers found it difficult to provide the winter reserves for their families.

In pursuance of the Order of the Minister of agriculture and forestry the first check on spot was performed for the last 20 years in 33 units for processing of honey. The purpose of the check was the observance of the technological and veterinary requirements and the veterinary documentation.

On the grounds of the obtained results the enterprises that were checked were divided into four groups:

1. enterprises which can export honey to EU, USA and third countries and which meet the veterinary, hygienic and technological requirements;
2. enterprises which can export honey to EU, USA and third countries after fulfilling the received written recommendations and removal of the irregularities found;

3. enterprises which do not meet the veterinary, hygienic and technological requirements and have received an order for suspension of production;
4. enterprises which do not have BG number and authorization for production.

At the time of concluding the control activities the number of the enterprises in groups was as follows: from first group (no recommendations) - 8, from second group (written recommendations and temporarily ceased production until removal of the irregularities found) - 14, from third group (order issued for suspension of production) - 6 and from fourth group (without a BG number and permission for production) – 2.

During the second half of 2004 after completing the recommendations part of the enterprises included into second and third group moved to the first group. In that way the total number of the enterprises approved for export reached 16.

In pursuance with the Law on Bee-Keeping the designing of a National Program for the Development of Bee-Keeping began with the assistance from GTZ (Joint Technical Work Society – Germany).

In 2004 a subsidy was provided for the first time for the National Reproductive Association for Bee-Keeping (NRABK) by SFA for carrying out of the main selection measures for identifying the race, the control on the biological and productive qualities of the bee families.

As a result of that under the control of the NRABK were 481 bee families from the National Gene Fund and 4 956 families from the elite part of the population. 4 776 samples were taken and analysed for identifying the race through a morpho-ethological analysis, 5 400 control checks were performed for control of the biological and productive qualities.

Bee-keeping will continue to be a priority sector in 2005. The expectations are that the number of the bee families and production of honey will increase.

2.1.2.7. Silk-worm breeding

The major activity in 2004 in this sector remains production of silk-worm eggs for preservation and reproduction of the populations in the National Gene Fund.

Producers of silk-worm eggs continue to be the Regional Centre for Scientific and Practical Servicing – Vratsa and "Svila" SH Haskovo.

In 2004 total of 1 030 boxes of silk-worm eggs were produced, including 230 breeding boxes (super elite and elite) and 800 boxes of industrial /F1 hybrid/.

Over the reported period silk-worm eggs for industrial production of raw cocoons were not given out.

Lack of working processing plants and the low purchasing price of the raw cocoons continue to be the major limiting factor for the recovery of the sector.

2.1.2.8. Rabbit breeding

The interest in rabbit breeding over the last years is reviving. The tendency is to restructure from small and fragmented to modern production with market and export orientation.

According to the data of the NVS the total number of rabbits in 2004 in the country was 308 282.

Despite the good preconditions for organizing large production for the market and the suitable natural and climatic conditions the share of the farms with up to 9 doe-rabbits was still the biggest – 91.5% of the total number of rabbit farms. The farms with up to 49 doe-rabbits was 8.3%. the farms with more than 50 doe-rabbits was below 1%.

According to the data of Agrostatistics Directorate in 2004 the number of rabbits slaughtered in specialized slaughterhouses reached 38 400 and the obtained rabbit meat was 63 tons. This quantity was 4.8 times more compared to 2003.

Positive impact on the development of the sector had the opening in 2004 of 3 lines - Evrovurhut /Stara Zagora/, Mekom – Silistra and in the village of Chubra /Bourgas/. They are approved for slaughtering of rabbits and export of rabbit meat in the EU countries. Thus in 2004 the number of the slaughterhouses for rabbits went up to 8.

In October 2004 a specialized centre was opened for artificial insemination of rabbits at the Technical University of Forestry. The funds were provided by SFA in one of the less developed regions of the country – district of Montana. The expectations are that this will have a positive impact on the rabbit breeding.

The last obstacle in front of the export of rabbit meat to the EU countries is the lack of an approved by the EU Commission National Monitoring Program for Control of Residues from veterinary products and polluters of the environment in live animals and products of animal origin. /NMPCR/.

Some of the reasons for the delayed approval of the National Plan by the EC in Brussels was the fact that the planned analysis of samples for 2003 was not performed as well as the lack of analytical methods for several groups of substances.

To push the development of the sector in the desired direction it is needed to undertake measures to win the Bulgarian consumers in order to increase the internal consumption as well as to remove all the obstacles in front of the export of rabbit meat.

2.2. Prices

2.2.1. Prices of plant production

2.2.1.1. Purchase prices of cereals and wholesale and retail prices of the flour and bread

Wheat

Wheat for bread

The average price for the wheat for bread in the marketing year 2003/04 was 299 BGN/t. It was 90% higher compared to the price from the previous 2003/04 marketing year. The reason for the great increase of the prices over the season 2003/04 was the decreased production of wheat from harvest 2003 as well as the higher prices at the international markets, especially in the countries of the Black Sea region and Europe.

By the release of wheat from the government reserve and the introduced zero duty for import of flour the prices calmed down and gradually decreased reaching 320 BGN/t at the end of the marketing year (June, 2004).

Table II. 41.
Purchase prices of wheat for bread over the period 2002/03 - 2004/05

	Unit	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	Average Price
2004/2005	BGN/t	160	155	157	158	158	158	159	166	167	166	157	145	159
	USD/t	100	96	98	101	105	108	107	110	113	110	102	90	103
2003/2004	BGN/t	195	239	254	261	296	346	348	341	335	326	324	320	299
	USD/t	113	136	146	156	177	217	225	220	210	200	199	199	182
2002/2003	BGN/t	132	130	136	147	151	153	155	157	162	176	190	200	157
	USD/t	67	65	68	74	77	80	84	86	90	98	113	119	84

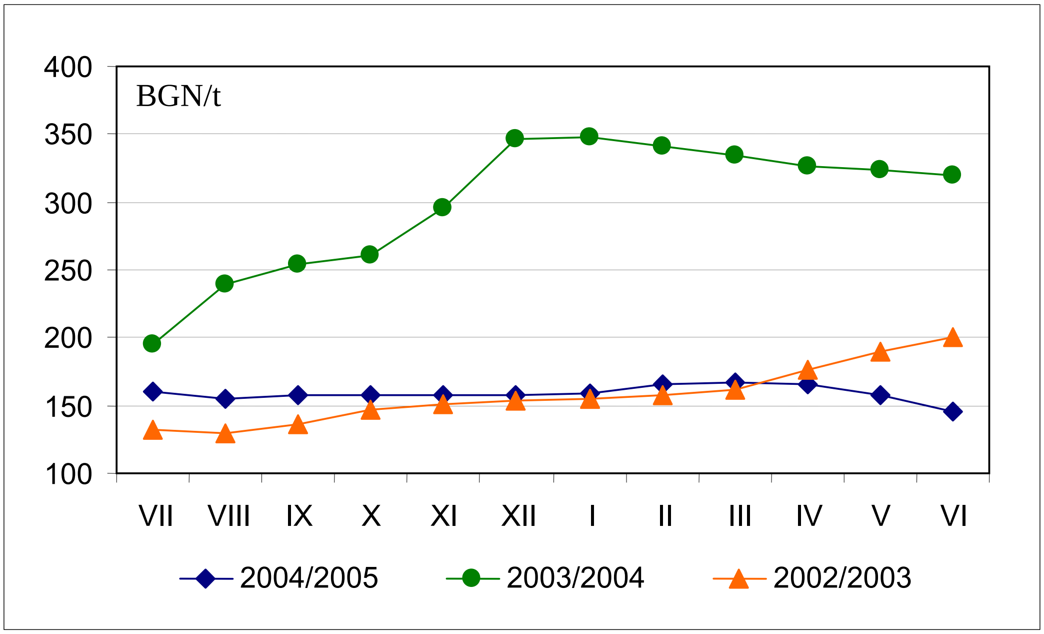
Source: *AMIS Ltd.*

The buying-out campaign for harvest 2004 of wheat started at a twice lower price level compared to the price at the end of the season 2003/04 - 160 BGN/ton in July 2 004. This price was around 18% lower than the level in July, 2003.

According to the data of AMIS Ltd. from August on the prices of wheat for bread in the greater part of the country settled between 150 BGN/ton and 160 BGN/Tom (average 155 BNG/ton). In September, 2004 began the replacement of the government reserve with wheat from the new harvest. This kept and even slightly increased the prices in some regions, but within the range of 150-160 BGN/t. In the last quarter of 2004 the wheat was traded at the average price of 158 BGN/t. In January 2005 the reported level was close to 159 BGN/t and in February the average purchase price increased to 166 BGN/t.

The expectations for good production of harvest 2005 dropped down the purchasing price of the wheat for bread at the end of the marketing 2 004/05 to 145 BGN/t.

Figure II
Purchase prices of wheat for bread over the period 2002/03 - 2004/05



Fodder wheat

In 2003/04 the fodder wheat was sold at prices within the range between 176 -327 BGN/t. These levels considerably exceeded the prices in 2002/03. In some months there were insufficient supplies of fodder grain on the market.

Table II.42.
Purchase prices of fodder wheat over the period 2002/03 - 2004/05

	Unit	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	**Average price**
2004/2005	BGN/t	132	132	136	137	136	138	140	143	143	144	138	130	137
	USD/t	83	82	85	87	90	94	94	95	96	95	89	81	89
2003/2004	BGN/t	176	205	223	-	-	-	-	-	300	308	327	-	257
	USD/t	102	117	128	-	-	-	-	-	188	189	201	-	154
2002/2003	BGN/t	121	115	115	121	125	128	130	131	145	157	180	197	139
	USD/t	61	58	58	61	64	67	71	72	80	87	107	118	74

Source: AMIS Ltd.

According to the data of AMIS ltd. the purchase price of the fodder wheat in the beginning of 2004/05 (July 2004) was 132 BGN/t, and over the next months it slightly increased up to 137 BGN/t (October). By the end of 2004 the prices kept on levels of 136-138 BGN/t. Since the beginning of 2 005 a slight increase of the purchase price of the fodder wheat was observed to average 144 BGN/t in April 2005. Then to the end of the marketing 2004/05 it went down to 130 BGN/t.

Flour and bread

The high prices of wheat in 2003/04 reflected on the prices of flour and bread.

In the beginning of the season the wholesale prices of *flour* “type 500” started from 374 BGN/t (July 2003), and then went up following the increase of the prices of the grain for bread. In December 2003 they reached the highest level for 2003/04 – average 670 BGN/t flour. According to data from AMIS ltd. in some cities (Pleven, Lovech, Vratsa and Sofia) the price reached 700 BGN/t.

After the introduction of zero duty for import of wheat flour from 1 January 2004 until 30 June 2004 (DCM №289/05.12.2003 revoked at the end of May, 2004 before the end of the term) the prices of flour began to lightly decrease.

Season 2003/04 ended at price of 578 BGN/t (June 2004).

In the beginning of the marketing 2004/05 the average wholesale price of flour “type 500” was 447 BGN/t (July 2004). Compared to the same month of the previous season it was 28% higher (a result of the processing of the wheat from the previous harvest). Over the next months the prices decreased to levels lower compared to those of 2003/04 and 2001/02 marketing years.

According to data from AMIS ltd. from August to December 2004 the flour “type 500” was traded in prices of 343 BGN/t to 391 BGN/t – levels close to the prices in 2002/03 when the harvest was good. Since the beginning of 2005 the average wholesale price of flour “type 500” began a downward trend reaching 306 BGN/t in June.

Table II.43.
Wholesale and retail price of wheat for bread over the period 2002/03 - 2004/05

	Unit	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	**Average Price**
							2004/05							
I. Flour														
1. Flour “type 500”														
- wholesale price	BGN/t	477	391	362	354	351	343	340	334	331	321	315	306	352
- retail price	BGN/kg	0.80	0.71	0.64	0.58	0.58	0.57	0.57	0.56	0.54	0.53	0.52	0.51	0.59
1. Flour “type 700”														
- wholesale price	BGN/t	444	360	335	329	325	316	314	311	310	296	287	280	326
II. Bread														
1. Bread "Stara Zagora"														
- wholesale price	BGN/kg	0.78	0.74	0.72	0.69	0.69	0.7	0.7	0.7	0.7	0.70	0.7	0.7	0.71
- retail price	BGN/kg	**0.86**	**0.83**	**0.81**	**0.77**	**0.77**	**0.78**	**0.78**	**0.78**	**0.78**	**0.78**	**0.77**	**0.77**	0.79
2. Bread "Dobrudzha"														
- wholesale price	BGN/kg	0.72	0.69	0.66	0.63	0.63	0.63	0.64	0.64	0.64	0.63	0.63	0.63	0.65
- retail price	BGN/kg	0.79	0.77	0.74	0.71	0.70	0.71	0.71	0.71	0.71	0.70	0.70	0.69	0.72
							2003/2004							
I. Four														
1. Flour “type 500”														
- wholesale price	BGN/t	374	439	471	495	582	670	649	625	605	589	586	578	555
- retail price	BGN/kg	0.55	0.59	0.62	0.65	0.70	0.85	0.86	0.85	0.82	0.81	0.81	0.81	0.74
1. Flour “type 700”														
- wholesale price	BGN/t	334	405	439	458	546	643	620	597	580	568	565	554	526
II. Bread														
1. Bread "Stara Zagora"														
- wholesale price	BGN/kg	0.66	0.70	0.72	0.72	0.78	0.89	0.89	0.87	0.85	0.84	0.82	0.82	0.80
- retail price	BGN/kg	0.73	0.78	0.81	0.82	0.87	0.98	0.96	0.95	0.94	0.93	0.92	0.91	0.88
2. Bread "Dobrudzha"														
- wholesale price	BGN/kg	0.60	0.63	0.65	0.65	0.70	0.81	0.80	0.79	0.77	0.76	0.75	0.75	0.72
- retail price	BGN/kg	0.67	0.70	0.73	0.73	0.78	0.89	0.87	0.86	0.85	0.84	0.82	0.82	0.80

2002/2003														
I. Flour														
1. Flour "type 500"														
- wholesale price	BGN/t	367	345	344	338	330	327	328	327	328	335	347	361	340
- retail price	BGN/kg	0.58	0.57	0.55	0.55	0.54	0.53	0.53	0.53	0.53	0.52	0.52	0.53	0.54
2. Flour "type 700"														
- wholesale price	BGN/t	336	313	308	304	296	295	297	298	299	303	313	320	307
II. Bread														
1. Bread "Stara Zagora"														
- wholesale price	BGN/kg	0.66	0.66	0.66	0.66	0.65	0.64	0.64	0.62	0.64	0.64	0.65	0.66	0.65
- retail price	BGN/kg	0.73	0.73	0.73	0.73	0.72	0.72	0.71	0.69	0.72	0.72	0.72	0.73	0.72
2. Bread "Dobrudzha"														
- wholesale price	BGN/kg	0.60	0.60	0.60	0.60	0.59	0.58	0.58	0.56	0.59	0.59	0.58	0.59	0.59
- retail price	BGN/kg	0.66	0.66	0.66	0.66	0.65	0.65	0.65	0.63	0.66	0.66	0.65	0.66	0.65

Source: *AMIS Ltd.*

White bread "Stara Zagora"

The marketing 2003/04 characterized by high price levels compared to the previous two seasons. According to data from AMIS Ltd., the retail prices of white bread "Stara Zagora" were in the range 0.73 BGN/kg and 0.98 BGN/kg. During the first six months they followed the upward trend of the wholesale prices of wheat due to the increased purchasing prices of wheat. By undertaking different measures for calming down the grain market in the second half of 2003/04 the prices of white bread gradually decreased from average 0.98 BGN/kg in December 2003 to average 0.91 BGN/kg in June 2004.

During the first three months of the marketing 2004/05 the retail prices of white bread kept higher levels compared to the same months of the previous year but later they recorded a gradual decrease. According to data from AMIS Ltd. the retail price per kilogram of white bread in July 2004 was on average 0.86 BGN, in August – 0.83 BGN and 0.81 BGN in September. Till the end of 2004/05 the retail prices of the white bread "Stara Zagora" stabilized around 0.77–0.78 BGN/kg.

Bread "Dobrudzha"

The average annual retail and wholesale prices of bread "Dobrudzha" over the marketing 2003/04 were respectively 0.72 BGN/t and 0.80 BGN/t. In 2004/05, following the downward trend in the decreasing prices of the flour they recorded lower levels – average 0.65 BGN/kg for wholesale price and 0.72 BGN/kg of retail price.

Maize

The great supply of maize during the marketing 2004/05 contributed for the setting up of the lowest buyout prices of maize for the last 10 years.

Unlike the previous years when its price was with 20-30 BGN/t above that of the fodder barley and fodder wheat in season 2004/05 it exceeded by 10-15 BGN/t that of the fodder barley and almost equalled that of the fodder wheat.

In the first month of the marketing 2004/05 year (September 2004) mainly quantities from the old harvest were supplied and the price was around 240-250 BGN/t in the region of Rousse, Razgrad, Silistra and Targovishte and around 230-235 BGN/t in the region of Pazardzhik. At the end of the month the first quantities from the annual harvest appeared at considerably lower price - 150 BGN/t.

Table II.44.

Purchase prices of maize over the period 2001/02-2004/05

Unit

BGN/t

USD/t

	Мярка	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII
2004/05	лв./тон	225	154	146	143	143	144	151	149	151	151		
	щ.д./тон	141	98	97	98	96	96	102	99	98	94		
2003/04	лв./тон	210	218	243	269	275	283	285	290	303	310	308	283
	щ.д./тон	120	130	145	169	177	183	179	178	186	192	190	176
2002/03	лв./тон	203	177	169	166	173	173	181	188	197	206	212	223
	щ.д./тон	102	89	85	86	94	95	100	104	117	123	123	128
2001/02	лв./тон	226	211	208	197	197	204	207	207	204	201	201	199
	щ.д./тон	106	98	95	90	89	91	93	93	96	98	102	100

Source: *AMIS*

In the next month the supply increased and the purchase price decreased to average 154 BGN/t. According to data from AMIS Ltd. in November and December 2004 in some regions of the country (Varna, Veliko Tarnovo, Dobrich, Lovech, Pleven) were sold quantities at a price of around 115-130 BGN/t. During the same two months the maize was supplied at the highest price in the region of Haskovo (180-190 BGN/t), Stara Zagora (170-180 BGN/t), Plovdiv (160-170 BGN/t), etc.

Since mid October 2004 till the end of February 2005 the average purchase price stabilized around the level of 140-145 BGN/t. Since the beginning of March a slight increase of the price up to 149-152 BGN/t, was seen which reflects the accumulated expenditures for storage. During the next three months the purchase price kept at around this level.

Barley

As a result of the high supply of grain from harvest 2004 in the country in the first half of the marketing 2004/05 year the lowest prices of fodder over the last ten years barley were reached. This crop was purchased at prices by around 5-10 BGN lower than those of the record high harvest 2002.

The first quantities of the new harvest appeared on the market in the second half of June 2004 and the price at which they were supplied (150-165 BGN/t) was considerably lower than that of the old harvest. With the mass supply of harvest 2004 at the market the price began to go down and the average price for July was 125 BGN/t. Over the next three months (August September and October) the price stabilized around 116-118 BGN/t.

Because of the high exports since the beginning of the marketing 2004/05 year, as a result of the continued great international demand of fodder barley since the beginning of November 2004, the purchase price, though very slowly, started to increase.

Additional influence on the increase of prices had the invasion of field rodents which population increased many times as a result of the warm and humid weather to the end of December 2004

The purchase price kept its trend till mid March 2005 when the highest level of the purchasing price for the marketing year was reported - 145 BGN/t. (by 16 -23 March 2005).

Table II.45.

Purchase prices of fodder barley over the period 2001/02-2004/05

Unit

BGN/t

USD/t

	Мярка	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI
2004/05	лв./тон	125	116	118	117	121	126	129	140	144	143	139	133
	щ.д./тон	*78*	*72*	*74*	*75*	*80*	*86*	*87*	*93*	*97*	*95*	*90*	*83*
2003/04	лв./тон	170	203	210	222	247	260	270	-	295	306	310	223
	щ.д./тон	*99*	*116*	*120*	*133*	*148*	*163*	*174*	-	*185*	*187*	*190*	*138*
2002/03	лв./тон	125	121	123	127	128	134	135	137	150	168	179	200
	щ.д./тон	*63*	*61*	*62*	*64*	*66*	*70*	*73*	*76*	*83*	*93*	*107*	*119*
2001/02	лв./тон	161	163	165	163	166	167	167	168	170	168	166	165
	щ.д./тон	*71*	*75*	*77*	*76*	*75*	*76*	*75*	*75*	*76*	*76*	*78*	*80*

Source: *AMIS*

Since the end of March though the already accumulated expenditures for storage as a result of the decreased demand for export in combination with the still significant stocks of grain the price went down. On average it was decreasing by around 2 BGN/t per week. The marketing year ended at the average price for the country of 133 BGN/t.

Rice

According to the data of the union of rice producers the purchase price of paddy from harvest *2004* was within the range 380–420 BGN/t. For the previous three harvests its level was around 400 BGN/t, VAT included.

The expected purchase price of rice paddy from harvest 2005 is 400 BGN/t.

Table II.46.

Retail price of rice in 2001/02 –2004/05

	Unit	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII
2004/05	**BGN/kg**	1.07	1.08	1.08	1.08	1.07	1.05	1.05	1.04	1.03	1.04	1.06	1.08
2003/04	**BGN/kg**	1.05	1.05	1.04	1.04	1.05	1.05	1.05	1.05	1.05	1.05	1.06	1.06
2002/03	**BGN/kg**	1.06	1.07	1.07	1.06	1.07	1.06	1.07	1.07	1.06	1.06	1.06	1.05
2001/02	**BGN/kg**	1.07	1.07	1.06	1.07	1.06	1.04	1.03	1.04	1.04	1.04	1.05	1.05

Source: *AMIS Ltd.*

According to data of AMIS, the retail prices of rice in 2004/05 were in the range 1.03 – 1.08 BGN/kg. During the first four months of the current season 2004/05 they recorded certain increase compared to 2001/02 and 2003/04. The retail price per kilogram of rice in September 2004 was 1.07 BGN, and during the next three months it kept at 1.08 BGN. Since the beginning of 2005 until May a tendency of slight decrease of the retail price of rice was recorded due to the increased supply and the need for selling the accumulated quantities before the new crop.

In May 2005 the average monthly retail price of rice went down to 1.03 BGN/kg, 4% less compared to the beginning of the season. In June an average monthly price was recorded of 1.04 BGN/kg, and at the end of the marketing year the retail price of kilogram of rice was 1.08 BGN.

2.2.1.2. Prices of sunflower and sunflower oil

Sunflower

The buying-out of sunflower is traditionally most active in the first two-three months after the gathering of the harvest both by the oil processing plants in order to provide the necessary raw materials and by the exporters which try to export large quantities over a short period of time to avoid the accumulation of expenditures for storage of the production.

The average purchase price of the oil-bearing sunflower in the marketing 2003/04 was 367 BGN/t – around 7% lower than that in 2002/03.

Table II.47..
Purchasing prices of oil bearing sunflower in 2002/2003-2004/2005

	Unit	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	Average
2004/2005	**BGN/t**	**332**	**358**	**377**	**386**	**391**	**399**	**399**	**400**	**398**	**390**	**-**	**-**	**383**
	USD/t	**207**	**229**	**250**	**264**	**262**	**265**	**269**	**265**	**258**	**243**	**-**	**-**	**251**
2003/2004	**BGN/t**	**329**	**352**	**392**	**393**	**367**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**367**
	USD/t	**188**	**210**	**234**	**246**	**237**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**223**
2002/2003	**BGN/t**	**361**	**384**	**395**	**403**	**400**	**399**	**404**	**406**	**408**	**-**	**-**	**-**	**396**
	USD/t	**181**	**193**	**202**	**209**	**217**	**202**	**223**	**225**	**242**	-	-	-	**210**

Source: *AMIS Ltd.*

In the previous two seasons there was a tendency for starting the purchasing campaign of oil bearing sunflower at levels of 320 -360 BGN/t, the prices increased by December followed by a standstill during the remaining months till the end of the respective marketing year.

In 2004/05 the campaign for buying-out of oil-bearing sunflower from harvest 2004 started at the level of the 332 BGN/t, which was slightly above the price at which the marketing 2003/04 started. In the conditions of increased competition between the oil processors and exporters over the next months the prices were constantly increasing. According to data from AMIS Ltd. in October 2004 the average purchase price of the oil-bearing sunflower was 358 BGN/t, in November - 377 BGN/t and in December - 386 BGN/t.

The increase of the prices of the oil bearing sunflower continued in the first months of 2005 as a result of the increased demand of the raw material for export. Major factors determining this trend were the increased demand of sunflower for Turkey and the insufficient volume of the sunflower supplied for exports from Russia and Ukraine as well as from almost all EU countries (excluding Hungary and Spain where the harvest was bigger than expected).

In the next months the purchasing prices continued to slowly increase and their highest level was reached in April 2005 – 400 BGN/t. Since May 2005 a tendency of decrease was observed which kept till the end of the marketing year (August 2005).

The reached levels of the purchasing price prices in marketing 2004/05 year allowed the agricultural producers to cover their expenditures for growing sunflower and to receive some profit.

Sunflower oil

The average purchasing price of sunflower oil during the marketing 2003/04 was 1.83 BGN/l – 7% lower compared to the previous marketing year.

Table II.48.
Retail prices of sunflower oil in 2002/2003- 2004/2005.

	Unit	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	Average price
2004/2005	BGN/l	1.78	1.74	1.73	1.72	1.73	1.73	1.72	1.68	1.67	1.67	1.70	1.76	**1.72**

2003/2004	BGN/l	1.94	1.86	1.80	1.82	1.83	1.83	1.81	1.81	1.81	1.81	1.81	1.81	**1.83**
2002/2003	BGN/l	2.05	1.97	1.91	1.92	1.95	2.02	1.96	1.96	1.95	1.95	1.95	1.95	**1.96**

Source: AMIS Ltd.

The marketing year 2004/05 started at retail prices for the sunflower oil of 1.78 BGN/l, which dropped down to 1.74 BGN/l in the beginning of October 2004. Over the period November 2004 – March 2005 the prices were at stable levels of 1.72-1.73 BGN/l, and since April 2005 there was a tendency of decrease. In May and June the average registered prices were 1.67 BGN/t.

As the main quantities of sunflower were purchased at prices of 320-360 BGN/t till the end of the marketing 2004/05 year the prime cost of the sunflower oil was formed on the basis of these prices of the raw material and the purchasing prices of the sunflower oil did not suffer substantial change.

The general feeling is that the prices of the sunflower oil do not follow the observed trend of increasing the purchasing prices of the sunflower. This can be explained with the greater demand of sunflower for export rather than for processing. Also the producers of oil try to purchase the quantities needed for the whole marketing year at the beginning of the purchasing campaign when the prices of sunflower are comparatively low.

The retail prices of sunflower oil from harvest 2005 will be determined by the internal purchasing prices of sunflower and by the international prices of vegetable oils. It can be expected that in the marketing 2005/2006 the levels from season 20004/05 will be kept.

2.2.1.3. Tobacco prices

The raw tobacco is negotiated and bought-out on minimum prices by types, origin and classes which are determined by the Council of Ministers every year.

In order to increase the competitiveness of Bulgarian tobaccos on the international markets and in compliance with the National strategy for development of tobacco production in Bulgaria over the period 2003 – 2007 the Council of Ministers carries out a policy for detention the growth of the minimum purchase prices by compensating the increased production expenditures through the size of the monetary premium provided to the tobacco producers. This was the reason the purchasing prices for harvest, 2005 to be on the level of the prices for harvest 2004.

The minimum purchasing prices of raw tobacco for harvest 2005 were at the level of those from harvest 2002.

Table II.49.
Minimum purchase prices of tobacco 2004 – 2005

Types and origin	**2004**			**2005**		
	I class BGN/kg	II class BGN/kg	III class BGN/kg	I class BGN/kg	II class BGN/kg	III class BGN/kg
I. Oriental tobacco						
Dzhebel	7.33	5.60	2.28	7.33	5.60	2.28
Nevrokop	5.78	4.01	1.77	5.78	4.01	1.77
Dupnitsa	5.68	3.69	1.77	5.68	3.69	1.77

Melnik	5.47	3.76	1.77	5.47	3.76	1.77
Ustina	5.38	3.71	1.77	5.38	3.71	1.77
Harmanli	5.51	3.77	1.77	5.51	3.77	1.77
Kumovgrad	6.72	4.26	1.77	6.72	4.26	1.77
East Balkan	5.63	3.97	1.77	5.63	3.97	1.77
Topolovgrad	5.51	3.77	1.77	5.51	3.77	1.77
Northern Bulgaria	4.12	2.83	1.77	4.12	2.83	1.77
Svilengrad	5.69	3.97	1.77	5.69	3.97	1.77
Srednogorska yaka	5.38	3.78	1.77	5.38	3.78	1.77
II. Large-leaved tobaccos						
Virginia	3.93	2.57	1.10	3.93	2.57	1.10
Burley	3.00	1.97	1.22	3.00	1.97	1.22

Source: *Fund Tobacco*

The average purchasing prices of raw tobacco by types and origin are made on the grounds of the minimum purchasing prices and the quality of the harvest.

Table II.50.
Average purchasing prices of tobacco over the period 2002 – 2004.

Types and origin	**Average purchasing prices**			**Chain index of change of the average purchasing price**	
	Harvest 2002	**Harvest 2003**	**Harvest 2004**	**Harvest 2003**	**Harvest 2004**
1	**2**	**3**	**4**	**5**	**6**
I. ORIENTAL	**3.12**	**3.92**	**3.58**	**25.64**	**-8.67**
Dzhebel	4.40	5.18	5.08	17.73	-1.93
Nevrokop	3.26	4.06	3.64	24.54	-10.34
Dupnitsa	2.82	3.42	3.35	21.28	-2.05
Melnik	2.67	3.07	3.15	14.98	2.61
Ustina	2.41	3.30	3.01	36.93	-8.79
Harmanly	2.54	3.27	2.75	28.74	-15.90
Krumovgrad	3.38	4.22	3.90	24.85	-7.58
East Balkan	3.30	3.58	3.42	8.48	-4.47
Topolovgrad	2.57	3.16	3.06	22.96	-3.16
Nerthern Bulgaria	2.04	2.17	1.99	6.37	-8.29
Svilengrad	2.42	3.18	3.12	31.40	-1.89
Srednogorska yaka	2.31	3.45	3.09	49.35	-10.43
II. LARGE-LEAVED TOBACCOS					
Virginia	2.38	2.68	2.79	12.61	4.10
Burley	1.90	1.93	1.96	1.58	1.55

Source: *Fund Tobacco*

For the period indicated above only the quality characteristics of the harvest influenced the size of the average purchasing prices. In case of the same level of the minimum purchasing prices for the three harvests the average purchase price differs per type and origin.

The chain index for harvest 2003 showed an increase for the three types of raw tobacco as well as for any origin for type Oriental. This was due to the better quality of harvest 2003 compared to harvest 2002.

The quality characteristic of harvest 2004 for type Oriental for any origin was deteriorated compared to harvest 2003 as a result of which the chain index became negative - 8.67 %.

Each year the production expenditures – material and labour for the production of 1 kg of raw tobacco increase which is the result of the increase of prices of the materials, the fuel and the electricity by keeping the minimum purchasing prices. The government compensates part of the production expenditures by granting the tobacco producers monetary premium according to article. 18a, par 1 and 2 from LTTP.

Table II51.
Subsidized price per producer, harvest 2004 **(BGN/kg)**

Types and origin	I Class				II Class				III Class			
	Minimum purchasing price		Premium	Price with premium	Minimum purchasing price		Premium	Price with premium	Minimum purchasing price		Premium	Price with premium
		Incl. targeted financial support				Incl. targeted financial support				Incl. targeted financial support		
I. ORIENTAL	**6.43**	**1.71**	**3.03**	**9.46**	**4.11**	**0.87**	**2.28**	**6.39**	**1.78**	**0.58**	**1.73**	**3.51**
Dzhebel	7.33	2.00	3.00	10.33	5.60	1.50	2.25	7.85	2.28	0.50	1.70	3.98
Nevrokop	5.78	2.40	3.00	8.78	4.01	1.50	2.25	6.26	1.77	0.50	1.70	3.47
Dupnitsa	5.68	1.50	3.00	8.68	3.69	1.00	2.25	5.94	1.77	0.45	1.70	3.47
Melnik	5.47	1.50	3.00	8.47	3.76	1.00	2.25	6.01	1.77	0.45	1.70	3.47
Ustina	5.38	1.50	3.00	8.38	3.71	1.00	2.25	5.96	1.77	0.45	1.70	3.47
Harmanly	5.51	1.50	3.00	8.51	3.77	1.00	2.25	6.02	1.77	0.45	1.70	3.47
Krumovgrad	6.72	1.50	3.00	9.72	4.26	0.50	2.25	6.51	1.77	0.50	1.70	3.47
East Balkan	5.63	1.50	3.00	8.63	3.97	1.00	2.25	6.22	1.77	0.45	1.70	3.47
Topolovgrad	5.51	1.50	3.00	8.51	3.77	1.00	2.25	6.02	1.77	0.85	1.70	3.47
Nerthern Bulgaria	4.12	2.00	3.30	7.42	2.83	1.40	2.55	5.38	1.77	0.45	2.00	3.77
Svilengrad	5.69	1.50	3.10	8.79	3.97	1.00	2.35	6.32	1.77	0.45	1.80	3.57
Srednogorska yaka	5.38	1.50	3.10	8.48	3.78	1.00	2.35	6.13	1.77	0.45	1.80	3.57
II. LARGE-LEAVED TOBACCOS												
Virginia	3.93	0.55	2.40	6.33	2.57	0.50	1.95	4.52	1.10	0.40	1.40	2.50
Burley	3.00	0.90	3.30	6.30	1.97	0.50	2.55	4.52	1.22	0.30	2.00	3.22

Source: *Fund Tobacco*

Subsidized prize for harvest 2004 compared to harvest 2003 increased for type Oriental and type Burley for any origin and all classes. The subsidized price for type Virginia almost did not changed. This was the result of the increased size of the monetary premium granted to the tobacco growers for produced and purchased 1 kg raw tobacco.

By keeping the minimum purchasing prices for harvest 2004 compared to harvest 2003 the relative share of the premium in the subsidised price changed as follows:

- For type Oriental tobacco – for I class an increase by 2.68 % , for II class by 3.17 % and for III class by 3.07 %;
- For type Burley – for I class an increase by 3.23 %, for II class by 2.56 % and for III class by 2.51%;
- For type Virginia – the relative share of the premium was almost unchanged.

Table II.52.
End selling price per producer on the basis of the average purchase price and the granted premium to the tobacco grower in 2003 u 2004 **(BGN/kg)**

Types and origins	End price per producer Harvest 2003	Including:		End price per producer Harvest 2004	Including:		% of change in 2004 compared to 2003
		Average purchase price 2003	Premium for 2003		Average purchase price 2004	Premium for 2004	
I. ORIENTAL	**5.93**	**3.92**	**2.01**	**5.76**	**3.58**	**2.18**	**-2.87**
Dzhebel	7.39	5.18	2.21	7.36	5.08	2.28	-0.41
Nevrokop	6.13	4.06	2.07	5.84	3.64	2.20	-4.73
Dupnitsa	5.36	3.42	1.94	5.52	3.35	2.17	2.99
Melnik	5.01	3.07	1.94	5.25	3.15	2.10	4.79
Ustina	5.21	3.30	1.91	5.07	3.01	2.06	-2.69
Harmanly	5.16	3.27	1.89	4.73	2.75	1.98	-8.33
Krumovgrad	6.23	4.22	2.01	6.10	3.90	2.20	-2.09
East Balkan	5.51	3.58	1.93	5.56	3.42	2.14	0.91
Topolovgrad	5.12	3.16	1.96	5.13	3.06	2.07	0.20
Nerthern Bulgaria	4.11	2.17	1.94	4.11	1.99	2.12	0.00
Svilengrad	5.11	3.18	1.93	5.27	3.12	2.15	3.13
Srednogorska yaka	5.39	3.45	1.94	5.27	3.09	2.18	-2.23
II. LARGE-LEAVED TOBACCOS							
Virginia	4.67	2.68	1.99	4.80	2.79	2.01	2.78
Burley	4.18	1.93	2.25	4.50	1.96	2.54	7.66

Source: *Fund Tobacco*

The changes in the end selling price of producer for 1 kg of raw tobacco for harvest 2004 was the result of the changes in the average purchasing price and the size of the premium by types, origins and classes as follows:

- type Oriental – a decrease by 2.87%, which was a compensated result of the decreased average purchasing price and the increased size of the monetary premium for any origin and class;
- Type Virginia – an increase by 2.78%, result of the increased average purchasing price and insignificantly increased size of the monetary premium;
- Type Burley – an increase by 7.66 %, result of the insignificantly raised average purchase price and the great increase of the size of the monetary premium.
-

2.2.1.4. Fruit and vegetable prices

Potatoes

According to data from AMIS, the average annual wholesale price of potatoes for 2004 was 0.44 BGN/kg –15.4% lower compared to the previous year. Major factors for the decrease of the prices were the better organization of production of early and average early potatoes, the increased supply of local production, as well as the import at lower prices.

In 2004 the prices of potatoes followed the specific seasonality of the production and the expenditures made for storage. The highest level were recorded over the first five months of the year – between 0.48 and 0.53 BGN/kg wholesale price and 0.64-0.67 BGN/kg retail price, which was linked to the accumulation of expenditures for storage and decrease of the supplied quantities. In May and June the potatoes supplied on the market were predominantly early potatoes from local production and the prices kept comparatively high. By the mass supply of new harvest 2004 at the market, they went down to 0.37-0.38 BGN/kg wholesale price and 0.50-0.51 BGN/kg retail price. The price kept at that level until November. In December of slight increase of the prices was registered (by 2-3 stotinki/kg).

Table II.53.
Potato prices in 2003 and 2004

	Average for 2003	2004												The average for 2004	Change 2004/ 2003
		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII		
Wholesale prices, BGN/kg	0.52	0.53	0.52	0.50	0.48	0.50	0.44	0.40	0.38	0.37	0.37	0.37	0.40	0.44	*-15.4%*
Retail prices. BGN/kg	0.61	0.67	0.67	0.66	0.66	0.64	0.59	0.51	0.50	0.51	0.51	0.51	0.53	0.58	*-4.9%*

Source: *AMIS Ltd.*

Table II.54.
Potato prices during the first half of 2005

	Average for I-VI. 2004	2005						Average for I-VI. 2005	Change I-VI. 2005/2004
		I	II	III	IV	V	VI		
Wholesale prices, BGN/kg	0.50	0.42	0.44	0.45	0.46	0.47	0.46	0.45	*-10.0%*
Retail prices, BGN/kg	0.65	0.55	0.56	0.56	0.57	0.59	0.57	0.57	*-12.3%*

Source: *AMIS Ltd.*

The increase of the potato prices which started in December continued during the first half of 2005 with the accumulating of the expenditures for storage. As a whole, however, since the beginning of 2005 the potato prices were within the same levels as the year before. The average wholesale price for the first six months of the year was 0.45 BGN/kg, 10% less compared to the same period of 2004. This can be explained with the bigger supply resulting from the better harvest in 2004

Over the next months decrease of the potato prices is expected due to the gathering of the new harvest. The forecast, however, is that they will be higher than those reported in the second half of 2004 as it is the expected that the potato production will be a little less below the level of the previous year.

Onion Bulbs

The average wholesale price of onion bulbs for 2004 was 0.66 BGN/kg, 3.1% more compared to the previous year. More considerable increase was registered with the average annual retail price – by 15.2% up to 0.91 BGN/kg.

As a whole a tendency of decreasing prices of onion bulbs was observed in 2004 – from average 0.96 BGN/kg wholesale price and 1.19 BGN/kg retail price for January to up to average 0.40 BGN/kg wholesale price and 0.68 BGN/kg retail price for December. During the first five months of the year when the onion was supplied to the market from harvest 2003 (including from import), the decrease was gradual and the prices kept at high levels. With the appearance of the new harvest the prices drop down sharply to average 0.51 BGN/kg wholesale price and 0.77 BGN/kg retail price for July. Till the end of the year a gradual decrease followed, more considerable with the wholesale prices.

Table II.55.
Prices of onion bulbs in 2003 and 2004

	Average for 2003	2004												Average for 2004	Change 2004/ 2003
		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII		
Wholesale prices, BGN/kg	0.64	0.96	0.94	0.90	0.89	0.83	0.60	0.51	0.49	0.48	0.47	0.45	0.40	0.66	*+3.1%*
Retail prices, BGN/kg	0.79	1.19	1.18	1.12	1.12	1.09	0.92	0.77	0.71	0.73	0.71	0.69	0.68	0.91	*+15.2%*

Source: *AMIS Ltd.*

Table II.56.
Prices of onion bulbs during the first half of 2005

	Average for I-VI. 2004	2005						Average for I-VI. 2005	Change I-VI. 2005/2004
		I	II	III	IV	V	VI		
Wholesale prices. BGN/kg	0.85	0.44	0.45	0.43	0.41	0.44	0.46	0.44	*-48.2%*
Retail prices, BGN/kg	1.10	0.68	0.64	0.63	0.61	0.63	0.66	0.64	*-41.8%*

Source: *AMIS Ltd.*

In the first half of 2005 the prices of onion bulbs were comparatively stable. They hesitated around the levels from the end of 2004. The average wholesale price for the first half of the year was 0.44 BGN/kg and the retail price – 0.66 BGN/kg. Compared to the previous period of 2004 they decreased respectively by 48 and 42%.

Tomatoes

In 2004 the prices of tomatoes followed the seasonal character of the production, but were at levels higher than the previous year.

The average annual wholesale and retail prices of the tomatoes were 1.59 BGN/kg and 1.95 BGN/kg, respectively with 22.3 and 26.6% higher compared to 2003. Major factors for this increase were the introduced in 2004 high import duties for import of tomatoes the over the period April-June in order to protect the Bulgarian greenhouse and early field production and the poorer harvest 2004.

During the first quarter, when on of market tomatoes from greenhouses were supplied exceptionally from import a gradual increase of the prices was observed from 1.69 BGN/kg to 2.02 BGN/kg wholesale price. A sharp increase in prices followed in April – up to average 2,54 BGN/kg wholesale price and 2,96 BGN/kg retail prices and slight increase in May when the highest levels for the year were reported. Since

June with the appearance of the field tomatoes from local production, the wholesale prices gradually started to decrease and reached average 0.71 BGN/kg wholesale price for August.. As a result of the poorer harvest 2004, however, this price was almost two times higher compared to August 2003. A gradual increase of the prices followed until they reached average of 2.10 BGN/kg wholesale price for December.

Over the first four months of 2005 the prices of tomatoes continued to grow (up to average 3.12 BGN/kg wholesale price and 3.49 BGN/kg retail price in April) and were considerably above the levels from the previous year. In May and June the prices decreased, which related to the supply on the market of more tomatoes from local production.

The average prices for the first half of 2005 were 2.28 BGN/kg wholesale prices and 2.79 BGN/kg retail price, respectively by 13.4 and by 11.6 % higher than those for the same period of 2004

Over the second half of 2005 it is expected that the tomatoes prices in the country will be at higher prices compared to those from the previous year. The reason for such a forecast gives the expected poorer production due to the damages caused by the elements (floods and hails).

Table II.57.
Tomato prices in 2003 and 2004.

	Average for 2003	2004												Average for 2004	Change 2004/ 2003
		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII		
Wholesale prices , BGN/kg	1.30	1.69	1.86	2.02	2.54	2.59	1.37	1.02	0.71	0.84	0.92	1.43	2.10	1.59	*+22.3%*
Retail prices, BGN/kg	1.54	2.15	2.39	2.72	2.96	3.01	1.75	1.22	0.95	1.08	1.19	1.57	2.44	1.95	*+26.6%*

Source: AMIS Ltd.

Table II.58.
Tomato prices over the first half of 2005

	Average for I-VI. 2004	2005						Leverage for I-VI. 2005	Change I-VI. 2005/2004
		I	II	III	IV	V	VI		
Wholesale prices, BGN/kg	2.01	2.16	2.19	2.33	3.12	2.45	1.41	2.28	*+13.4%*
Retail prices, BGN/kg	2.50	2.85	2.74	2.86	3.49	2.96	1.81	2.79	*+11.6%*

Source: AMIS Ltd.

Cabbage

The average wholesale price of cabbage for 2004 was 0.26 BGN/kg, which was a decrease by 50,9% compared to the previous year. The average annual retail price was 0.38 BGN/kg, by 44.1% lower compared to 2003.

Over the year the wholesale price varied from 0.16 to 0.42 BGN/kg, and the retail price – from 0.24 to 0.64 BGN/kg. For both priced the gradual increase was registered since the beginning of the year until April/May; a sharp decrease with the appearance on the market of the first cabbage from local production in June; continued to decrease until August when the greatest supply was; slightly increased and stabilized till the end of the year.

Table II.59.
Cabbage prices in 2003 and 2004

	Average for 2003	2004												Average for 2004	Change 2004/ 2003
		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII		
Wholesale prices, BGN/kg	0.53	0.27	0.29	0.34	0.42	0.41	0.26	0.20	0.16	0.18	0.19	0.18	0.21	0.26	*-50.9%*
Retail prices, BGN/kg	0.68	0.40	0.42	0.48	0.60	0.64	0.37	0.30	0.27	0.30	0.31	0.24	0.28	0.38	*-44.1%*

Source: *AMIS Ltd.*

Table II.60.
Cabbage prices over the first half of 2005

	Average for I-VI. 2004.	2005						Average for I-VI. 2005	Change I-VI. 2005/2004
		I	II	III	IV	V	VI		
Wholesale prices, BGN/kg	0.33	0.32	0.47	0.75	0.81	0.97	0.40	0.62	*+87.9%*
Retail prices, BGN/kg	0.49	0.46	0.59	0.93	1.05	1.25	0.56	0.81	*+65.3%*

Source: *AMIS Ltd.*

Over the first half of 2005 an upward trend was observed for the prices of cabbage similar to the prices in the same period of 2004, but at considerably higher levels.

Since the beginning of 2005 until May a gradual increase of the prices of cabbage was registered – from 0.32 to 0.97 BGN/kg a wholesale price and from 0.46 to 1.25 BGN/kg a retail price. In June a sharp decrease of the prices was registered down to 0.40 BGN/kg wholesale price and 0.56 BGN/kg retail price (by over 55% compared to the previous month). Determining factor for this decrease was the appearance on the market of early varieties of cabbage mainly from local production.

The average prices of the cabbage over the first half of 2005 were 0.62 BGN/kg wholesale price and 0.81 BGN/kg retail price. Compared to the same period of 2004 they have increase by respectively 87.9 and 65.3%.

Till the end of 2005 it is expected that the cabbage prices will continue to move above the levels of the previous year.

Apples

The average annual wholesale price for apples for 2004 was 1.39 BGN/kg, by 1% higher compared to 2003. A little bit higher was the increase of the average annual retail price – by 3% to 1.57 BGN/kg.

Since the beginning of the year until July the apple prices increased from 1.27 BGN/kg to 1.82 BGN/kg wholesale price and from 1.32 BGN/kg to 2.35 BGN/kg retail price. This increase was due to the decrease of the supply, because of the running out of quantities from the old harvest and increase of the prices on the foreign markets (over this period supply in the country was mainly from import). From August until October with the gradual supply of apples from the annual harvest on the market a decrease of the prices followed. Over the last two months of the year of slight increase was registered.

Table II.61.
Apple prices in 2003 and 2004

	Average for 2003	2004												Average for 2004	Change 2004/ 2003
		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII		

Wholesale prices, BGN/kg	1.38	1.27	1.26	1.21	1.32	1.54	1.68	1.82	1.58	1.35	1.16	1.22	1.27	1.39	*+0.7%*
Retail prices, BGN/kg	1.53	1.32	1.40	1.46	1.51	1.61	1.94	2.35	1.77	1.50	1.32	1.31	1.39	1.57	*+2.6%*

Source: AMIS Ltd.

Table II.62.
Prices of the polls over the first half of 2005

	Average for I-VI. 2004	2005						Average for I-VI. 2005	Change I-VI. 2005/2004
		I	II	III	IV	V	VI		
Wholesale prices, BGN/kg	1.38	1.33	1.55	1.47	1.50	1.66	1.86	1.56	*+13.0%*
Retail prices, BGN/kg	1.54	1.48	1.61	1.64	1.73	1.88	2.07	1.74	*+13.0%*

Source: AMIS Ltd.

Like in 2004 in the first half of 2005 there was a trend of increasing the apple prices in the country. It became more obvious in the second quarter because of the running out of quantities from the old harvest and increasing the prices from import.

As a whole over the first half of 2005 the apple prices were above the levels compared to the previous year. The average wholesale and retail prices over the period were respectively 1.56 BGN/kg and 1.74 BGN/kg compared to the same period of 2004 both prices had increased by 13%.

2.2.2. Prices of products from animal origin

Prices of veal

In 2004 the prices along the marketing chain of veal followed a similar trend: stability over the first five months and gradual slight increase since June till the end of the year. A major factor for the increase of the prices at the end of the year was the decreased supply at the market.

The average purchasing price of calves for the year was 1.63 BGN/kg live weight or by 1.9% higher than the previous year. The average annual wholesale and retail prices of veal also increased by between 2.3 and 4.9%.

Table II.63.
Prices of veal in Bulgaria in 2004, compared to 2003

	Average for 2003	2004												Average for 2004	Change 2004/ 2003
		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII		
Purchasing prices, BGN/kg live weight															
calves	1.60	1.60	1.59	1.58	1.59	1.59	1.62	1.63	1.64	1.65	1.67	1.71	1.73	1.63	+1.9%
Wholesale prices, BGN/kg															
Veal carcass	4.26	4.28	4.28	4.25	4.24	4.25	4.36	4.36	4.32	4.34	4.38	4.55	4.71	4.36	+2.3%
veal fillet	5.85	5.84	5.88	5.86	5.92	5.94	6.04	6.10	6.11	6.22	6.36	6.57	6.80	6.14	+4.9%
Retail prices, BGN/kg															
Bone veal	5.00	4.99	5.00	5.00	5.04	5.05	5.13	5.14	5.16	5.18	5.23	5.33	5.47	5.14	+2.9%
veal fillet	6.33	6.44	6.43	6.43	6.45	6.45	6.55	6.58	6.59	6.65	6.74	6.89	7.00	6.60	+4.3%

Source: *AMIS*

The trend for increase of the veal prices which started at the end of 2004 continued during the first half of 2005.

For the first six months of the year the average purchasing prices of calves (1.81 BGN/kg live weight) increased by 13.1% compared to the same period of 2004. The increase of the wholesale prices was by 11.2% for carcass veal and by 14.9% for veal fillet. The increase for the retail prices was slight, by 9.7% for bone veal and by 9.3% for veal fillet.

Table II.64.
Veal prices over the first half of 2005 compared to 2004

	Average for I-VI. 2004	2005						Average for I-VI. 2005	I-VI. 2005/2004 Change.
		I	II	III	IV	V	VI		
Purchasing prices, BGN/kg live weight									
calves	1.60	1.73	1.73	1.80	1.87	1.86	1.87	1.81	*+13.1%*
Wholesale prices, BGN/kg									
Veal carcass	4.28	4.72	4.73	4.76	4.77	4.77	4.78	4.76	*+11.2%*
Veal fillet	5.91	6.71	6.66	6.74	6.78	6.93	6.94	6.79	*+14.9%*
Retail prices, BGN/kg									
Bone veal	5.04	5.48	5.49	5.51	5.54	5.58	5.59	5.53	*+9.7%*
Veal fillet	6.46	7.00	6.96	7.01	7.12	7.11	7.13	7.06	*+9.3%*

Source: *AMIS*

Prices of chicken

In 2004 the prices of the frozen chicken in the country were relatively stable and they varied between 2.92 and 3.11 BGN/kg wholesale price and from 3.29 to 3.47 BGN/kg retail price. The average annual wholesale price of frozen chicken was 3.04 BGN/kg, and the retail price – 3.38 BGN/kg. Compared to 2003 they had increased respectively by 10.1 and 10.5%.

After the increase at the end of 2003 during the first four months of 2004 a slight increase of the prices of chicken was registered. Despite that they were above the levels from the year before (excluding in April), mainly because of the higher prices of the feedingstuffs. Over the period from May until August a slight increase of the prices followed supported by the increased demand with regard to the to tourist season . Since September till the end of the year that prices of chicken were stable.

Table II.65.
Prices of chicken in 2004 compared to 2003

	Average for 2003	2004												Average for 2004	Change 2004/ 2003
		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII		
Wholesale prices of frozen chicken, BGN/kg	2.76	3.08	3.01	2.94	2.92	2.99	3.03	3.07	3.10	3.09	3.09	3.10	3.11	3.04	*+10.1%*
Retail prices of frozen chicken, BGN/kg	3.06	3.41	3.35	3.30	3.24	3.29	3.36	3.40	3.42	3.45	3.42	3.43	3.47	3.38	*+10.5%*

Source: AMIS

Since the beginning of 2005 the prices of chicken in the country were around the levels from the previous year. The average wholesale and retail prices of frozen chicken for the first six months of 2005 were respectively 2.98 BGN/kg and 3.35 BGN/kg. For the same period of 2004 the wholesale price decreased by 0.7%, and the retail price increased by 0.6%.

There is a trend of change similar to that from the first half of 2004 – decrease in the beginning of the year and until May and increase in June with the beginning of the tourist season. Till the end of 2005 the prices of chicken will depend on the prices of the combined feedingstuffs which are a major part of the production expenditures.

Table II.66.
Prices of chicken over the first half of 2005 compared to 2004

	Average for I-VI. 2004	2005						Average for I-VI м. 2005	Change I-VI м. 2005/2004
		I	II	III	IV	V	VI		
Wholesale prices of frozen chicken, BGN/kg	3.00	3.11	3.05	2.94	2.88	2.87	3.03	2.98	*-0.7%*
Retail prices of frozen chicken, BGN/kg	3.33	3.47	3.43	3.35	3.30	3.25	3.32	3.35	*+0.6%*

Source: *AMIS*

Prices of pork

Since the beginning of 2004 till mid May the prices of pork in the country were relatively stable. Since the second half of May till the end of the year a gradual increase of the prices was registered.

According to data from AMIS, the average purchasing price of fattened pigs for 2004 was 2.09 BGN/kg live weight, by 32.3% more compared to the average for 2003. Major factors that affected that increase were: higher prices of the feedingstuffs in the marketing 2003/04, higher prices at the international markets in combination with the more limited opportunities for import two with decreased duty and decreased supply from local production. During the summer months the growth of the prices of pork was extra stimulated by the strong tourist season.

The average annual wholesale and retail prices had also increased compared to the previous year, but more slightly – between 11 and 18%. This can be explained with the fact that the wholesale and retail prices are not formed only by the purchasing price but by other factors which were unchanged or increased to a lesser degree (like expenditures for salaries, transportation, storage , etc.).

In 2004 there was a change in the ratio along the marketing chain of pork. The share of the purchasing price in the retail and wholesale prices had increased by around 8 points. Average for 2004 the purchasing price of fattened pigs in carcass weight (at output of 65%) represents 75.6% of the wholesale price of skinned pork; 54,9% of the wholesale price of pork quarter and 52% the retail price of pork quarter.

Table II.67.
Prices of pork in Bulgaria in 2004 compared to 2003

	Avera	2004	Avera	Change

	ge for 2003	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	ge for 2004	2004/ 2003
Purchase prices, BGN/kg live weight															
Fattened pigs	1.58	1.72	1.70	1.68	1.71	1.77	1.96	1.99	2.18	2.36	2.51	2.70	2.83	2.09	*+32.3%*
Swines	1.23	1.27	1.25	1.23	1.25	1.30	1.44	1.49	1.61	1.83	1.93	2.10	2.23	1.58	*+28.5%*
Wholesale prices, BGN/kg															
Skinned pig	3.60	3.67	3.67	3.64	3.63	3.69	4.04	4.09	4.37	4.80	4.94	5.18	5.38	4.26	*+18.3%*
Pork quarter	5.25	5.25	5.30	5.27	5.26	5.36	5.55	5.57	5.90	6.34	6.56	6.87	7.19	5.87	*+11.8%*
Retail prices, BGN/kg															
Pork quarter	5.59	5.60	5.61	5.56	5.58	5.62	5.83	5.91	6.18	6.66	6.84	7.23	7.66	6.19	*+10.7%*

Source: *AMIS*

Over the first half of 2005 there was a tendency gradual decrease of the prices along the marketing chain of pork. Major factors for this were the lower price of the feedingstuffs as a result of the better grain harvest 2004 and increased of the supply of pork.

As a whole, however, the prices remain considerably below the levels from the previous year. The average purchasing price of fattened pigs for the first half of 2005 was 2.45 BGN/kg live weight, by 39.2% more compared to the same period of 2004. Compared to the first half of the previous year the average wholesale and retail prices of pork increased between 28 and 38%.

Till the end of the year at the beginning of 2006 the prices of pork in the country will depend on the trends at the international markets and the grain harvest 2005, which will be a determining factor for the price of feedingstuffs in the marketing 2005/06 year.

Table II.68.
Prices of pork in the first half of 2005 compared to 2004

	Average for I-VI. 2004	2005						Average for I-VI. 2005	I-VI. 2005/2004 change
		I	II	III	IV	V	VI		
Purchasing prices BGN/kg live weight									
Fattened pigs	1.76	2.81	2.70	2.57	2.32	2.16	2.12	2.45	*+39.2%*
Swines	1.29	2.23	2.20	2.13	1.89	1.77	1.76	2.00	*+55.0%*
Wholesale prices, BGN/kg									
Skinned pork	3.72	5.37	5.33	5.26	5.08	4.94	4.81	5.13	*+37.9%*
Pork quarter	5.33	7.19	7.09	6.99	6.74	6.56	6.43	6.83	*+28.1%*
Retail prices, BGN/kg									
Pork quarter	5.63	7.58	7.50	7.42	7.22	7.04	6.84	7.27	*+29.1%*

Source: *AMIS*

Prices of cows' milk and dairy products

In 2004 the purchasing prices of cows' milk in the country were above the levels of the previous 2003. Traditionally higher purchasing prices were registered in the beginning and at the end of the year (between 0.40 and 0.45 BGN/l), and lower – over the summer months, when the production expenditures decrease because the animals are fed through the grazing (around 0.31 – 0.32 BGN/l).

Table II.69.
Prices of cows' milk and dairy products in 2004 compared to 2003

	Avera ge for 2003	**2004**												**Avera ge for 2004**	**Change 2004/ 2003**
		I	**II**	**III**	**IV**	**V**	**VI**	**VII**	**VIII**	**IX**	**X**	**XI**	**XII**		
Purchasing prices															
Cow's milk BGN/l	0.31	0.44	0.45	0.44	0.40	0.35	0.32	0.31	0.31	0.34	0.37	0.41	0.42	0.38	*+22.6%*
Wholesale prices															
Fresh milk, BGN/l	0,78	0,80	0,81	0,80	0,80	0,79	0,78	0,77	0,78	0,78	0,79	0,80	0,82	0,79	*+1,7%*
Yogurt, BGN/number	0.46	0.47	0.47	0.47	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.47	0.47	0.46	*+0.9%*
Cow's cheese, BGN/kg	2.90	3.37	3.41	3.33	3.13	2.83	2.70	2.98	3.28	3.35	3.40	3.40	3.46	3.22	*+11.0%*
Yellow cheese Vitosha, BGN/kg	5.50	6.92	7.08	6.96	6.62	6.15	5.66	5.63	5.89	6.13	6.29	6.56	6.78	6.39	*+16.2%*
Retail prices															
Fresh milk, BGN/l	0.89	0.90	0.91	0.90	0.90	0.90	0.89	0.88	0.89	0.89	0.90	0.91	0.91	0.90	*+0.9%*
Yogurt, BGN/number	0.52	0.53	0.53	0.53	0.52	0.52	0.52	0.51	0.51	0.51	0.52	0.52	0.52	0.52	*+0.0%*
Cow's cheese, BGN/kg	3.29	3.85	3.88	3.83	3.59	3.29	3.13	3.40	3.71	3.75	3.80	3.85	3.90	3.67	*+11.4%*
Yellow cheese Vitosha, BGN/kg	6.19	7.70	7.82	7.75	7.16	6.91	6.41	6.35	6.63	6.76	6.94	7.19	7.34	7.08	*+14.4%*

Source: *AMIS*

The average purchasing price for cow's milk for the year was 0.38 BGN/l, by 22.7% higher then the average for 2003. The increase was due to the higher prices of the feedingstuffs in 2004 (until the gathering of the new harvest), as well as due to the fact that in the beginning of 2003 the prices of cow's milk kept at levels low for the season (average 0.29 BGN/l).

Despite the higher purchasing prices in 2004 the wholesale and retail prices of cow's milk remained comparatively stable going slightly above the levels of the previous year. Average for the year they were 0.79 BGN/l and 0.90 BGN/l, respectively by 1.7% and 0.9% higher compared to 2003.

Following the trend of the purchasing price of cow's milk in 2004 the prices of cow's cheese and yellow cheese „Vitosha" were considerably higher compared to the previous year. The average wholesale price of cow's cheese for the year was 3.22 BGN/kg, and retail price – 3.67 BGN/kg. Compared to 2003 they increased by 11%. Bigger was the increase for the average annual prices of yellow cheese „Vitosha" – by 16.2% for the wholesale prices and by 14.4% for the retail prices.

During the first half of 2005 The prices of cow's milk were slightly above the levels of the year before .

The average purchasing price of cow's milk for the first six months of the year was 0.41 BGN/l, which was by 0.01 BGN/l or by 2.5% more compared to the same period of 2004. Slightly bigger was the increase over the period for the wholesale and retail prices of cow's milk – respectively by 5 and by 4.4%. This is explicable taking into consideration that in 2004 they remained stable despite the higher purchasing prices.

Over the first six months of 2005 there was a trend of gradual decrease of the prices of cow's cheese and yellow cheese „Vitosha". As a whole, however, the prices of cow's cheese remain slightly higher compared to the first half of the previous year. The average wholesale and retail prices of cow's cheese over the first six months of 2005 were 3.42 BGN/kg and 3.82 BGN/kg, respectively by 9.3 and 6.1% more compared to the same period of 2004. For the prices of yellow cheese„Vitosha" the increase over the period is insignificant – by 0.6% for the wholesale price and by 0.7% for the retail price.

Table II.70.
Prices of cow's milk and dairy products over the first half of 2005 compared to 2004

	Average for I-VI. 2004	2005						Average for I-VI. 2005	I-VI. 2005/2004 Change
		I	II	III	IV	V	VI		
Purchasing prices									
Cow's milk BGN/l	0.40	0.45	0.46	0.44	0.40	0.36	0.33	0.41	*+2.5%*
Wholesale prices									
Fresh milk, BGN/l	0.80	0.84	0.85	0.85	0.84	0.84	0.83	0.84	*+5.0%*
Yogurt, BGN/number	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	*0.0%*
Cow's cheese, BGN/kg	3.13	3.56	3.57	3.52	3.40	3.28	3.16	3.42	*+9.3%*
Yellow cheese Vitosha, BGN/kg	6.57	6.80	6.81	6.76	6.59	6.45	6.24	6.61	*+0.6%*
Retail prices									
Fresh milk, BGN/l	0.90	0.94	0.95	0.95	0.94	0.94	0.93	0.94	*+4.4%*
Yogurt, BGN/number	0.53	0.53	0.53	0.53	0.53	0.53	0.53	0.53	*0.0%*
Cow's cheese, BGN/kg	3.60	3.94	3.97	3.94	3.80	3.68	3.60	3.82	*+6.1%*
Yellow cheese Vitosha, BGN/kg	7.29	7.55	7.54	7.49	7.35	7.18	6.92	7.34	*+0.7%*

Source: *AMIS*

Prices of eggs

The average annual egg prices for 2004 were 0.138 BGN/number wholesale price and 0.16 BGN/number retail price, respectively by 7.8 and 6.7% higher compared to the previous year. Higher prices were registered at the beginning and at the end of the year, and lower – during the summer months when the supply traditionally increases.

After the sharp increase of the prices registered at the end of 2003 as a result of the higher feedingstuffs prices since the beginning of 2004 the egg market in the country stabilized. Major factor for that was the considerable import of eggs at low prices. Despite that the prices continued to move above the levels from the year before until September. The good grain harvest in 2004 led to decrease of the prices of the feedingstuffs and unlike 2003 over the last quarter of 2004 the prices of eggs remained stable hesitating around the levels from the beginning of the year.

Table II.71.
Eggs prices in 2004 compared to 2003

	Average for 2003	2004												Average for 2004	Change 2004/ 2003
		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII		
Wholesale prices,	0.128	0.145	0.142	0.149	0.153	0.131	0.116	0.109	0.122	0.147	0.150	0.148	0.149	0.138	+7.8%

BGN/number.															
Retail prices, BGN/number	0.15	0.17	0.163	0.17	0.17	0.15	0.14	0.13	0.14	0.17	0.17	0.17	0.17	0.16	+6.7%
Retail price/ wholesale price	1.17	1.17	1.15	1.14	1.11	1.15	1.21	1.19	1.15	1.16	1.13	1.15	1.14	1.16	

Source: *AMIS*

Over the first six months of 2005 the prices of eggs were between 0.120-0.144 BGN/number wholesale price and 0.15-0.17 BGN/number retail price. Compared to the same period of 2004 the average wholesale price decreased by 5%, and the retail price kept on the same level .

Table II.72.
Egg prices over the first half of 2005 compared to 2004

	Average for I-VI. 2004	2005						Average for I-VI. 2005	I-VI. 2005/2004 change
		I	II	III	IV	V	VI		
Wholesale prices, BGN/number	0.139	0.144	0.131	0.120	0.136	0.14	0.121	0.132	-5.0%
Retail prices, BGN/number	0,16	0,17	0,16	0,15	0,16	0,16	0,15	0,16	0,0%

Source: *AMIS*

2.3. Results from the agricultural economical accounts

Value of the agricultural production

The value of the gross production from sector agriculture for 2 004 in current prices amounted to 7 105.6 million BGN (Annexes 1, 4) it is formed from the value of:

- Production from plant growing - 3 679.3 million BGN;
- Production from animal breeding – 2 228.7 million BGN;
- Production from agricultural services – 388.1 million BGN;
- Production from inseparable secondary activities – 809.5 million BGN.

The gross production in sector agriculture in current prices increased compared to 2003 by 431.2 million BGN, or by 6%. This growth was the result of the increase of the value of the plant production (by 9%), the animal production (by 7%) and of agricultural services – by 18%. Certain negative impact on the formation of the total result for the sector had the decline by 67 million BGN (8%) for non-agricultural inseparable secondary activities. For comparison in 2003 there was a decrease of the value of the gross production compared to the previous year for all mentioned sub-sectors .

In 2004 the share of different sectors in the structure of value of the gross production from sector agriculture was similar to the one in the previous years and it was as follows:

- Plant production - 51.8%,
- Animal production – 31.4%,
- Agricultural services – 5.4%
- Nonagricultural inseparable secondary activities – 11.4%.

Most important most important for formation of the gross across production value in plant growing in 2004 had:

- cereals – 1 302.9 million BGN (18.3% from the value of the gross production from sector agriculture) ;
- Vegetables – 1 020.7 million BGN (14.4% from the value of the gross production from sector agriculture)
- Technical crops – 602.7 million BGN (8.5% from the value of the gross production from sector agriculture).

Compared to all products from the sector the group of the cereals and the technical crops registered also the highest growth of the production value compared to the previous year – respectively 37% и 29% (more specifically for the soft wheat the increase was 54%, for grain maize – 49%, for sunflower – 44% - see Annex 4). These results were due to the considerable increase of the production of the most important cereal and technical crops in 2004, though the increased supply of cereal crops let to decrease of their purchasing prices below the level of the prices from the previous year. In vegetables the opposite tendency was observed. The gross production value in 2004 decreased by 9% compared to the previous year. This was the result of the lowering of the production for almost all crops from this subgroup which can not be compensated by the increase of their purchasing prices.

The positive development of sector plant growing in 2004 created favourable preconditions for the development of sector animal breeding. The highest growth was observed in the gross production value of the products from animal breeding –13%, which was a result of the increased production of milk in all types of animals and also of the increase of its purchasing prices. Growth was observed in the value of the production from sheep breeding, goat breeding, and pig breeding. In sheep breeding the growth was due to the parallel increase of the production and of the purchasing prices. Concerning the production value created by the goat breeding and pig breeding where a certain decrease of the production was observed the growth was due to the achievement of higher purchasing prices of the animals. The trend for development of cattle breeding was unfavourable. Its share in the gross production value from the animal breeding sector decreases as a result also from the decrease of the production and also from the insignificant increase of the purchasing prices of animals over the year. In 2004 the greatest importance for the formation of the gross production value in animal breeding had:

- Milk production - 673.1 million BGN, with a share of 9.5% from the value of the gross production from sector agriculture;
- Sheep breeding and goat breeding – 337.1 million BGN with a share of 4.7% of the value of the gross production from sector agriculture
- Poultry breeding – 331.9 million BGN with a share of 4.7% of the value of the gross production from sector agriculture
- Pig breeding – 323.2 million BGN with a share of 4.5% of the value of the gross production from sector agriculture
- egg production – 223.2 million BGN with a share of 3.1 of the value of the gross production from sector agriculture.

The gross production from the sector in 2004 that was sold amounted to 4 215 million BGN (59.3% of the total) including:

- 3706.6 million BGN were sold outside the sector,
- 308.7 million BGN were the sales in the sector between agricultural enterprises mainly plant production.

The marketed plant production amounted to 1 933.0 million BGN (27.2% of the gross production), the marketed animal production amounted to 1 084.4 million BGN (15.3% of the gross production). The holdings created processed agricultural production (as an inseparable nonagricultural secondary activities[1]), intended for the market amounting to 809.5 million BGN (11.4% of the gross production).

The share of the production consumed by the agricultural units themselves was 16.6% of the value of the gross production or 1 181.0 million BGN as follows:

- Planned production for 411.0 million BGN mainly vegetables and fruits;
- Animal production for 770.0 million BGN or 34.5% of the created by sub sector animal breeding value.

The high share of selfconsumption in sub sector animal breading was a result of the relatively big share of the production structures – small farms and households raising small number of animals and producing mainly for their own consumption. In 2004 the farms consumed with production purpose 11.2% of the gross production (798.1 million BGN) – mainly for seeds, planting material and feedingstuffs.

Production of commodities – main capital for own account (long term assets) amounted to 187.6 million BGN – mainly productive animals.

The value of the end production[2] From sector agriculture in 2004 in current prices amounted totally to 6 765.7 million BGN and had the following structure:

- Production from plant growing – 3 443.1 million BGN – 50.9%;
- Production from animal breeding – 2125.0 million BGN – 31.4%;
- Agricultural services – 388.1 million BGN – 5.7%;
- Production from inseparable secondary activities – 809.5 million BGN – 12%.

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[1] Activity processing of products which is considered to be inseparable nonagricultural secondary activity of the agricultural units, closely connected with the agricultural production for which the data for production, the intermediate consumption, compensation of the hired people, working force volume and gross formation of the basic capital can not be separated from the major agricultural activity during the statistical observation

[2] **End production** Is the created production, cleaned out of **internal turnovers*** and losses.
*** Internal turnovers** are the produced and used in the same unit in the framework of the same reported perid like seeds, milk for feedeing of young calves, honey for feeding bees, eggs for hatching, etc..

Compared to 2003 the end production from sector agriculture in current prices increased by 6%. The tendencies in the change of the end production followed the tendencies in the change of the gross production .

Intermediate consumption

Data for the intermediate consumption give an idea about the value of all commodities and services which were processed or completely used during the production process excluding the long term assets (see Annexes 2 and 3).

In 2004 the intermediate consumption, needed for the creation of gross production in the sector, amounted to 4 002.3 million BGN and registered an increase compared to the previous year by 9%. The rate of increase of the value of the intermediate consumption was higher than the rate of increase of the production value. The larger volume of production was achieved by consumption of a bigger volume of commodities and services - intermediate consumption, but greatest importance for its front running had the increase of the prices of the consumed energy products, plant protection chemicals, fertilisers, feedingstuffs, veterinary expenditures, etc.

Commodities and services used by other sectors of the economy had a share of 71.8%. The biggest share in the structure of intermediate consumption had the expenditures for fuels and oils.

The commodities produced and used on the farms for 798.1 million BGN had 19.9% share in the intermediate consumption – mainly feedingstuffs, seeds and planting material, fertilizers and soil improvers.

The commodities and services purchased by other agricultural units intended for intermediate consumption amounted to 308.7 million BGN and had a share of 7.7%-in its structure.

The proportion “intermediate consumption”/“value of the gross production” (respectively “intermediate consumption”/“value of the end production”) is an indicator for the efficiency of the production activity in the sector. For 2004 this proportion was 56.3%, while for the previous year it was more favourable – 55.2%. Over the period 2000 – 2004 the share of the intermediate consumption in the gross production value increased from 53.7% to 56.3%, and in 2002 it reached 57.9% . The increase of the share of the intermediate consumption in the production value shows that for the production of one production unit greater expenditures are made.

Gross value added

The size of the gross value added from sector agriculture for 2004 in current prices amounted to 3 103.3 million BGN and compared to previous 2003 it had increased by 4% (see Annexes 4 and 5).

The gross value added is the difference between the production value and the intermediate consumption and directly depends on the values and their dynamics of development of these two indicators .

In 2004 the gross value added amounted to 43.7% of the value of the gross production respectively 45.9% of the value of the end production. The data for 2003 were more favourable – respectively – 44.74% and 46.9%. This result is influenced by the change in the intermediate consumption mentioned above.

Consumption of basic capital

Consumption of basic capital in the sector for 2004 amounted to 217.8 million BGN. An increase of the consumption of basic capital was observed compared to the previous year 2003 by 19%.

Net value added

Net value added from sector agriculture for 2004 amounted to 2885.5 million BGN. The increase was 3% compared to 2003.

Income formation from agricultural activity - net operating surplus/ mixed income

The value of the indicator “mixed income” for 2004 was 2768.8 million BGN. The increase was 3% compared to the previous 2003.

The data for the compensation for the rents, other taxes and subsidies on production and the operating surplus/mixed income are given in Annex 5.

Entrepreneurial income

The entrepreneurial income in sector agriculture for 2004 was 2658.3 million BGN.

2.4. State support for the agriculture

2.4.1. Providing tobacco growers with grant seeds

According to article 7, paragraphs 1, 2 of the Law on Tobacco and Tobacco Products the registered tobacco growers receive tobacco seeds as a grant. The production of tobacco is financed by Fund Tobacco. Each year the managing board of Fund Tobacco approves a production program on stages of variety maintenance and seeds production which is entrusted to legal entities (research institutes and physical bodies. On the grounds of the approved program contracts are concluded for its funding.

Table II.73.
Information for the granted funds for production of tobacco seeds in 2004-2005 (**thousand BGN)**

№	Name	**Report for 2004 г.**	**Report for the first half of 2005 г.**	**Forecast for the second half of 2005**
1.	Variety maintenance	970	335	777
2.	Seed production	1 302	273	614
3.	Packaging and delivery of the tobacco seeds to the municipalities	31	17	-
4.	Seeds storage	9	4	4
	Total	**2 312**	**629**	**1 395**

Source: *Fund Tobacco*

The quantities of tobacco seeds, including owned by Fund Tobacco and the additionally purchased seeds from scientific institutes for ensuring the tobacco production in 2004 and their value are shown in Table II.

Table II.74.
Tobacco seeds provided to the municipalities for ensuring tobacco harvest in 2004 and 2005

№	**Name**	**Tobacco seeds (kg)**	**Value (thousand BGN)**
1.	Seeds given out in 2004	4 850	512
2.	Seeds given out in 2005	4 937	611

Source: Fund Tobacco

2.4.2. Premiums to the tobacco growers

For the produced and delivered row tobacco in 2004 Fund Tobacco gave financial premium directly to 43 064 people, producers of tobacco type “Oriental” and “Burley”, from harvest 2003 and to 121 tobacco producers of type “Virginia” – harvest 2004. The funds spent for giving premiums to the tobacco growers were within the framework of approved funds from the budget of Fund Tobacco. 84 498 thousand BGN were spent in 2004.

For the premiums given to the tobacco growers in 2004 continued the trend for increasing the size of the premium per kilogram produced and delivered raw tobacco as well as for increasing of the relative share of the premium for quality (article. 18a, par. 2 from the Law on Tobacco and Tobacco Products).

The changes per type of raw tobacco were as follows:

- For type "Oriental", harvests 2003 the average size of the premium was 2.01 BGN/kg. It increased by 23.80% compared to the average size of the premium for harvest 2002 г. The relative share of the premium for quality reached 25% for harvest 2003 compared to 14% for harvest 2002;
- For type "Virginia", harvest 2004 the average size of the premium was 2.01 BGN/kg – the increase was by 1%. The relative share of the premium for quality was 30.31% compared to 28.84% for harvest 2003;
- For type "Burley", harvest 2003 the average size of the premium was 2.25 BGN/kg while 1.89 BGN/kg for harvest 2002 – the increase was 19.05%. The relative share of the premium for quality was equal to that of the previous harvest.

By Decision № 290/19.04.2005 the Council of Ministers determined the size, the terms and conditions for granting a financial premium to the tobacco growers for produced and delivered raw tobacco type " Oriental" and "Burley" from harvest 2004. During the first half of 2005 Fund Tobacco granted financial premium directly to 50 393 people. 89 286 000 BGN were spent. Till the end of 2005 funds will be granted for premiums to the tobacco growers who had produced and delivered tobacco type " Virginia", harvest 2005.

2.4.3. Targeted financial support to the tobacco growers

To increase the competitiveness of Bulgarian tobaccos on the grounds of the article 19a, par. 2, p. 3 from LTTP under the proposal of the managing board of Fund Tobacco each year the Council of Ministers defines the size of the targeted financial support within the framework of the minimum purchasing prices. 28 090 thousand BGN from the budget to Fund Tobacco in the framework of the funds allocated for financial support were spent In 2004.

During the first half of 2005 were spent 33 792 thousand BGN for granting financial support with the framework of the minimum purchasing prices for produced and delivered tobacco type "Oriental" and "Burley", harvest 2004, as well as for the financial support which was not paid in 2004 for type "Virginia". This money was in the framework of the funds allocated from the budget.

2.4.4. Support to the agricultural producers through State Fund Agriculture (SFA)

In 2004 the state financial support through SFA was carried out in compliance with the Law for support of the agricultural producers and the determining principles laid down in the Strategy for financial support for the development of agriculture and rural areas over the period until the accession of the country to the EU. It aims at the implementation of the measures included in the National plan for development of agriculture and rural areas. An integrated model for financial support of the agriculture and rural areas including national and external sources for support and parallel implementation of three types of financial instruments - investment crediting, capital subsidizing, and direct (current) subsidizing were applied.

For the first time paying off of export subsidies for export of agricultural products, element of the Common Agricultural Policy of EU, was applied.

Capital subsidies and subsidies for interests

In 2004 SFA provided capital subsidies and other relieves for the agricultural producers who have used investment credits under the programs “Plant growing” and “Animal breeding” amounting to total of 2 051 thousand BGN

The capital subsidies and other relieves that were granted to the agricultural producers were as follows:

- For creation of perennials - vines and orchards - 1500 BGN/ha;
- For creation of perennials from oil bearing rose - 1000 BGN/ha;
- For construction, reconstruction and delivery of equipment for steel and glass greenhouses or greenhouses with reinforced folio for vegetable production – 10% of the size of the credit;
- For creation of apiaries – 10 BGN per bee-hive;
- For covering part of the expenditures for interests over the grace period on the investment credits of young agricultural producers and for creation of apiaries – amounting to 3% in case of direct crediting and 6% in case of refinancement from a bank.

To the agricultural producers from the regions included into the Program for alternative agriculture in the Rhodopi Mountain and the Regional program for north-west Bulgaria applying for a credit under their programs “Plant growing” and “Animal breeding” were granted capital subsidies amounting to respectively 20% and 14% of the size of the credit and subsidies for covering the expenditures for interests over the grace period..

Table II.75.
Capital subsidies and subsidies for interests under the financed/refinanced investment projects in 2004

Investment program	Number of projects	Capital subsidies (thousand BGN)	Subsidies for interests (thousand BGN)
1. “Animal breeding” – direct crediting from SFA	126	290	73
2. “Animal breeding” - through commercial banks	1	171	71
3. “Plant growing” - direct crediting from SFA	95	729	12
4. “Plant growing ”- through commercial banks	3	611	0
Total:	225	1 801	156
Targeted capital subsidies		250	
Total:	225	**2 051**	156

Source: *SFA*

Table II.76.
Granted capital subsidies and subsidies for interests on their financed/refinanced investment projects in 2004 according to type of investment

Type of subsidy	Size of subsidy (thousand BGN)
I. Capital subsidies	**1 801**
1. Capital subsidies for creation of perennials from vines, roses and orchards, green houses for vegetable production and creation of apiaries, including:	**1 136**
- for perennials (1000 – 1500 BGN/ha)	529
- for greenhouses (10% of the size of the credit)	584
- for beekeeping (10 BGN/bee hive)	23
2. Capital subsidies for investments in the region included in the Program for alternative agriculture in the Rhodopi Mountain and in the Regional program for North-	**665**

West Bulgaria including:	
- under Rhodopi program (20% of the size of the credit)	327
- under program north-west Bulgaria (14% of the size of the credit)	338
II. Subsidies for interests	**156**
1. Subsidies for covering part of the expenditures for interests including:	**15**
- for young agricultural producers	8
- for creation of apiaries	7
2. Subsidies for covering expenditures for interests, including:	**141**
- under Rhodopi program	31
- under program North-West Bulgaria	110
III. Targeted capital subsidies	**250**
Institute of rose and oil bearing crops - Kazanluk	250

Source: *SFA*

The distribution of the capital subsidies per investments projects under the program "Animal breeding" and the program "Plant growing" per districts in 2004 is presented in Table II.77.

Table II.77.
Distribution of the capital subsidies under the financed projects per districts

District	Program "Animal breeding"		Program "Plant growing"	
	Number of projects	Capital subsidies (thousand BGN)	Number of projects	Capital subsidy total (thousand BGN).
1. Blagoevgrad	15	50	7	21
2. Bourgas	0	0	5	53
3. Varna	2	2	1	4
4. Veliko Tarnovo	0	0	2	7
5. Vidin	28	63	8	34
6. Vratsa	20	213	1	6
7. Gabrovo	0	0	0	0
8. Dobrich	7	4	2	8
9. Kurdzhali	11	33	4	53
10. Kyustendil	0	0	1	2
11. Lovech	5	2	2	14
12. Montana	6	12	4	12
13. Pazardzhik	2	6	1	5
14. Pernik	0	0	0	0
15. Pleven	2	3	0	0
16. Plovdiv	4	13	23	786
17. Razgrad	1	1	0	0
18. Rousse	0	0	3	18
19. Silistra	2	1	4	19
20. Sliven	4	5	6	36
21. Smolyan	12	46	1	2
22. Sofia-city	0	0	0	0
23. Sofia-district	1	1	0	0
24. Stara Zagora	0	0	5	64
25. Targovishte	0	0	2	10
26. Haskovo	1	4	8	146
27. Shumen	4	2	5	35
28. Yambol	0	0	3	5
Total :	**127**	**461**	**98**	**1 340**

Source: *SFA*

Over the first half of 2005 SFA granted capital subsidies and other relieves to agricultural producers who had used investment credits under the programs “Animal breeding”, “Plant growing” and “Agricultural machinery” amounting to 2 484 thousand BGN in total.

Direct subsidies

In 2004 the state support to the agricultural producers was made under the terms and conditions of 24 short-term financial lines of which 20 with targeted subsidies and 2 targeted financial lines including credit and a subsidy. The total amount of distributed funds was 75 740 thousand BGN including 12 500 thousand BGN credits and 63 240 thousand BGN subsidies.

Considerable increase of the envisaged financial resource was observed in 2004 compared to the allocated funds in 2001 - 53 178 thousand BGN 2002 - 49 700 thousand BGN and 2003 - 56 755 thousand BGN. The growth was as follows:

- 2004 compared to 2001 – 42%;
- 2004 compared to 2002 – 52%;
- 2004 compared to 2003 – 33%,

The increase of the subsidies only in 2004 compared to 2002 was 156%, and compared to 2003 - 42% .

The tendency of decreasing the share of the short term crediting and enforcing the direct support was kept and the size of the subsidies compared to the total resources increased as follows:

- 2002 – 50% subsidies;
- 2003 – 79% subsidies;
- 2004 – 83% subsidies;

Data show multiple increase of the number of the contracts concluded with the agricultural producers for financial support:

- 2001 – 6 265 бр.;
- 2002 – 8 141;
- 2003 – 16 414;
- 2004 – 27 106.

Percentage of the utilisation of the envisaged funds over the years around 97-98%, as follows:

- 2002 – from the approved resource amounting to 49 700 thousand BGN were distributed 49 116 thousand BGN or 98.8%, including 24 492 thousand BGN credit and 24 624 thousand BGN subsidy;
- 2003 - from the approved resource amounting to 56 755 thousand BGN to the agricultural producers were transferred 55 138 thousand BGN or 97%, including 12 161 thousand BGN credit and 42 977 thousand BGN subsidy;
- 2004 – from the approved resource amounting to 75 740 thousand BGN were utilized 74 130 thousand BGN or 97%, including 12 389 thousand BGN credit and 61 741 thousand BGN subsidy.

SFA supported the agricultural producers in 2004 in the following directions and financial lines:

<u>Grain production and oil bearing crops</u>

- Targeted financial line (TFL), including credit and subsidy for purchasing of certified maize seeds, harvest 2004 г. – 60.00 BGN/ha, of which 40.00 BGN/ha were credits and 20.00 BGN/ha - subsidy;
- Targeted subsidy (TS) for buying of certified seeds of black oil bearing sunflower, harvest 2004 – 40.00 BGN/ha;

- TS for purchasing of seeds for sewing of rape, harvest 2005 г. – up to 35.00 BGN/ha VAT included;
- TS for use of water for irrigation by rice producers, harvest 2004 – 90.00 BGN/ha;
- Ts for storage of wheat for bread, harvest 2004 – up to 1.20 BGN/t monthly for covering part of the expenditures for storage in public warehouses and granaries;
- TFL, including credit and subsidy for purchasing mineral fertilisers for support of agricultural producers of wheat, harvest 2005 – up to 60.00 BGN/ha VAT included, 30.00 BGN/ha of which were credit and 30.00 BGN/ha were subsidy;
- TS for purchasing and production of wheat seeds, harvest 2005 – 40.00 BGN/ha VAT incl. for certified seeds of wheat first propagation, 30,00 BGN/ha VAT incl. for certified wheat seeds second propagation;
- TS for purchasing diesel fuel for support of the agricultural producers of wheat, harvest 2005 – 20.00 BGN/ha VAT incl.;
- TS of the agricultural institutes from NCAS for production of basic and pre-basic seeds from wheat and barley, harvests 2005 – 250 BGN/ha VAT incl. ;
- TS for purchasing mineral fertilisers for support of agricultural producers of wheat, harvest 2005 – 30.00 BGN/ha VAT incl.

Potato growing

- TS for purchasing of planting material from potatoes for seed production and consumption, harvest 2004 – for purchasing of planting material for seed production – 2 500 BGN/ha for basic and 2000 BGN/ha for certified Class A seeds; for purchasing of planting material for consumption – 1500 BGN/ha for certified class B seeds.
-

Production of flax and cotton

- TS for produced and sold flax stalls, harvest 2004 – 0.078 BGN/kg for delivered and ready production;
- TS for produced and sold uncleaned flax, harvest 2004 г. – 0.25 BGN/kg for delivered and ready production.

Vegetable production

- TS for produced and sold quantities of red flashy peppers in 2004 – 0.04 BGN/kg for sold production, first grade;
- TS for produced and sold quantities of tomatoes in 2004 - 0.02 BGN/kg for sold graded production.

Sugar beet production

- TS for produced and sold quantities of sugar beet, harvest 2004 – 15 BGN/t

Milk production

- TS for produced and sold first grade cow's, buffalo's and sheep's milk 2004 – 0.05 BGN/l for first grade cows' milk; 0.07 BGN/l for later first grade buffalo's and sheep's milk .

Animal breeding

- TS for support the feeding of agricultural animals and birds (feedingstuffs for January and February 2004);
- TS for feeding of animals and bird from the national gene fund, the elite part and selection activity of the breeding associations in 2004;
- TS for animal breeding under the programs "Rhodopi" and North–West Bulgaria in 2004.

Cultivation of abandoned lands

- TS for cultivating of abandoned private lands in 2004 –100 BGN/ha.

Protection and enrichment of the plant genetic fund

- TS for protection and enrichment of the plant genetic fund in 2004

Export subsidies for export of unprocessed and processed agricultural products

Table II.78.
Utilised financial resource on targeted financial lines and targeted subsidies in 2004.

N	Financial line	Subsidy /thousand BGN/	Contracts Number	Subsidized ha/litres
1.	TS for support for the feeding of the agricultural animals and poultry (feedstuffs) January and February 2004	4 239	12 198	
2.	TFL, including credit and subsidies for purchasing of certified seeds of maize, harvest 2 004	1 695	504	84 729
3.	TS for purchasing of certified sees of black-and-white oil bearing sunflower, harvest 2 004	5 991	971	149 792
4.	TS for purchasing of planting material from potatoes for production of seeds and for consumption, harvest 2 004	1 046	302	631
5.	TS for cultivation of abandoned private agricultural lands, 2004	1 669	298	16 692
6.	TS for feeding of animals and poultry from the national gene fund, the elite part of the population, import of elite animals for the gene fund and support of the reproductive process and support for the selection activity of the breeding associations in 2004	4 541	773	
7.	TS for produced and sold first grade cow's, buffalo's and sheep's milk, 2004 per litre	8 027	7 461	151 911 178
8.	TS for protection and enrichment of the plant genetic fund in 2 004	495	26	347
9.	TS for produced and sold quantities of red flashy peppers, 2 004. ready production	554	113	1 058
10.	TS for produced and sold quantities of tomatoes, ready production, 2004	448	94	968
11.	TS for produced and sold quantities of sugar beet, 2004	181	22	1 204
12.	TS for produced and sold flax stalks, 2004	11	1	70

13.	TS for produced and sold uncleaned cotton, selection and first quality, harvest 2004	315	23	1 677
14.	TS for use of water for irrigation by rice producers, harvest 2004	128	16	1 423
15.	TS for storage of wheat for bread, 2004	413	108	
16.	TS for purchasing of seeds for sowing of rape, 2005	231	51	6 600
17.	TS for produced and sold quantities of peanuts, 2004			
18.	TFL, incl. credit and subsidy for purchasing of mineral fertilisers for support of the agricultural producers for wheat, 2005	9 000	1 065	300 070
19.	TS for purchasing of seeds of wheat for bread, 2005	11 201	1 243	325 963
20.	TS for purchasing of diesel fuel for support of the agricultural producers for wheat for bread, 2005	5 989	1 142	299 485
21.	TS of the agricultural institutes form NCAS for production of basic and pre-basic seeds like wheat and barley , 2005	1 095	14	4 380
22.	TS for purchasing of mineral fertilisers for support of the agricultural producers for production of wheat, 2005	3 589	573	119 635
23.	Ts for the animal breeding, programs Rhodopi and North-West Bulgaria, 2004	214	79	
24.	Export subsidies	669	29	

Source: *SFA*

Plant growing

6 566 contracts were signed in sector plant growing in 2 004 for support of the agricultural producers . Under these contracts 56 440 thousand BGN were transferred which was 76% of the total size of the utilised funds and 27% more than the size of the financing in 2003 amounting to 44 292 thousand BGN.

Supported productions:

Wheat

To finance the wheat production, harvest 2005, were signed 4 037 contracts amounting to 39 874 thousand BGN , incl. 9 000 thousand BGN credit and 30 874 thousand BGN grant which was 54% of the total utilized funds and 36% more than the funds utilized in the autumn campaign, harvest 2004 (29 109 thousand BGN , incl. 7 723 thousand BGN credit and 21 386 thousand BGN subsidy). The distribution of the funds was as follows:

- 18 000 thousand BGN – to cover part of the expenditures for pre-sowing fertilization on 300 070 ha, of which 9 000 thousand BGN Credit and 9 000 thousand BGN Subsidy. 1 065 grain producers were supported;
- 11 201 thousand BGN to subsidise the purchasing of wheat seeds. 1 243 producers were supported for the sowing of 325 963 ha;
- 5 989 thousand BGN – a target subsidy for purchasing of diesel fuel. 1 142 contracts were signed;

- 3 589 thousand BGN to subsidize the purchasing of mineral fertilizers. 573 grain producers were supported for the fertilization of 119 635 ha;
- 1 095 thousand BGN for support to the agricultural institutes from NCAS for the production of basics and pre-basic seeds of wheat and barley, harvest 2005.
- For storage of the produced wheat for bread, harvest 2004, were paid 413 thousand BGN , which was 3 times more than the subsidy which was distributed in the previous year for storage of the production form harvest 2003 (121 thousand BGN) and with 17% less than the support in 2002 (thousand BGN).

Sunflower and maize

To support the growing of main spring crops - maize and sunflower 1 475 contracts were concluded amounting to 11 075 thousand BGN in 2004, incl.:

- 5 991 thousand BGN for purchasing of certified seeds from black oil bearing sunflower which was nearly 5 times more than the funds transferred in the spring of 2003 (1 196 thousand BGN); the support was received by 971 agricultural producers who cultivated 149 791 ha (in 2003 – 438 farmers, 68 361 ha);
- 5 084 thousand BGN for purchasing of certified seeds from maize, of which 3 389 thousand BGN as credits and 1 695 thousand BGN as a grant. 504 agricultural producers were financed of 84 729 ha crops. Compared to the funds aid in 2003 the increase was almost three times in the part grants (2003 – 594 thousand BGN 254 contracts) and 55% more than the distributed resource in 2002 (1 095 thousand BGN 207 contracts).

Potatoes

In 2004 to subsidize the potato production were transferred 1 046 thousand BGN which was 49% more than the utilized in 2003 (702 thousand BGN) and almost 3 times compared to the distributed resource in 2002 amounting to 383 thousand BGN, incl. 230 thousand BGN credit and 153 thousand BGN subsidy.

Vegetables

To support vegetable production – tomatoes and red fleshy peppers – 207 producers were financed. The total amount of both targeted lines was 1 002 thousand BGN which was 5% less compared to the support in 2003 (1 060 thousand BGN) and nearly 3 times more than the support paid in 2002 (313 thousand BGN).

Rape

Under the targeted subsidy for purchasing of seeds for sowing of rape, harvest 2004, were paid 231 thousand BGN under 51 signed contracts for financial support for the sowing of 66 00 ha which was 32% more compared to the previous reported period (174 thousand BGN) and 23% more compared to 2002 (188 thousand BGN).

Rice

Under the targeted subsidy for use of water for irrigation in 2004 by the rice producers 128 thousand BGN were distributed which was 41% more than the size of the funds which the rice producers had utilized in 2003 (32 thousand BGN for seeds and 59 thousand BGN for produced output).

Sugar beet

181 thousand BGN were paid for financial support to the sugar beet production which was 48% less than the support in 2002 (347 thousand BGN). The subsidy was used by 22 agricultural producers for the sold quantities of output.

Flax and cotton

For the first time in the last 3 years the producers of flax and cotton were supported in 2004. under the two targeted lines a grant was paid amounting to 326 thousand BGN of which 11 thousand BGN for produced and sod flax stalks and 315 thousand BGN for produced and sold uncleaned cotton, selection and first grade.

Upkeep of the collections of plant genetic resources in the units of NCAS

495 thousand BGN in total were utilized which was 1% more than the funds allocated in 2003 (489 thousand BGN). The funds were paid to finance part of the tangible expenditures for water, fuel, fertilizers, plant protection chemicals, etc.

Abandoned lands

In 2004 for grant financing of the pre-sowing preparation of abandoned agricultural lands private ownership of physical and legal bodies which were not cultivated over the previous three years a subsidy was paid amounting to 1 669 thousand BGN which was 31% less than the size f the support paid in 2003 (2 427 thousand BGN).

Animal breeding

For the financial support of sector Animal Breeding in 2004 were provided 17 021 thousand BGN of which:

- 4 239 thousand BGN for support of the feeding of the agricultural animals and poultry; the subsidy was distributed among 12 198 agricultural producers;
- 4 541 thousand BGN for support of the feeding of valuable genetically animals and poultry and selection activity of the breeding associations which was 27% more than the amounts paid in 2003 (3 582 thousand BGN) and 71% more than the subsidy in 2002 (2 660 thousand BGN) ;
- 214 thousand BGN subsidy was given to 79 agricultural producers form the region of Rhodopi Mountain and North-West Bulgaria. They have received investment credits under Animal Breeding program which exceeds 4 times the support in 2003 – 50 thousand BGN;
- 8 027 thousand BGN for produced and sold cow's, buffalo's and sheep's milk first grade which was 37% more than the financial support paid as grant in 2003 amounting to 5 859 thousand BGN (101 505 738 l) and three times more than the subsidy in 2002 (2 370 thousand BGN 53 898 797 l); 7 461 milk producers were supported for the sold 151 911 178 l high quality output.

Export subsidies

In compliance with the EU practice in 2004 for the first time in Bulgaria paying of export subsidies was applied. On the grounds of Art. 12 b, par. 5 of the Law of Support of the Agricultural Producers with a Decision of the Council of Ministers № 212/23.03.2004 the size of the export subsidies was determined and the directions of the export. To achieve a real economic effect the following agricultural products were included which have considerable export potential and are of special importance for the Bulgarian agriculture:

- chicken
- poultry eggs for consumptions
- dairy products – white pickled cheese and yellow cheese
- lamb
- vegetables, fruits and other fit for consumption part form plants, cooked or canned with vinegar – cucumbers and gherkins, sweet pepper, vegetable mixes, jams, jellies, marmalades, purees and gruels, prepared by boiling from strawberries, raspberries, etc. fruits and other parts form plants fit for consumptions prepared in a different way – peaches and cherries.

In 2004 SFA carried out two public tenders for issuance of export licensees by observing the Ordinance on the terms and conditions for issuance of export licenses and Ordinance № 42/24.10.2003 on the terms and conditions for payment of export subsidies in case of export of agricultural products. 29 licensees for export were issued. The export subsidies which were paid amount to 669 thousand BGN which was 91% of the amount allocated for export licensees.

Table II.79.
Export subsidies paid in 2004

Product	Quantity	Subsidy	Distributed quantity after the I and II tender	Subsidized quantity	Subsidy paid /thousand BGN /
Chicken	2 500 t	400 BNG/t	140 t	120 t	48
Poultry eggs for consumption	500 t	400 BNG/t	500 t	500 t	200
Dairy products					
Cheese					
Yellow cheese	3 932 t	250 BNG/t	300 t	300 t	75
	620 t	350 BNG/t	105 t	105 t	36
Lamb	250 t	800 BNG/t	250 t	250 t	200
Canned fruits and vegetables					
Cucumbers and gherkins	1 330 t	60 BNG/t	790 t	542 t	32
Sweet peppers	1 600 t	100 BNG/t	339 t	134 t	13
Vegetable mixes					
Jams, jellies, marmalades	600 t	100 BNG/t	15 t	-	-
Cherries, peaches canned in a different manner	1 250 t	80 BNG/t	1 065 t	786 t	62

Source: *SFA*

In the first half of 2005 finished the utilization of the funds under the targeted subsidies for support of the producers of maize, sunflower, spring barley and potatoes. The Fund gave out targeted subsidies amounting to 12 691 thousand BGN under 2 734 contracts.

Subsidies under SAPARD program

In 2004 the subsidy paid under SAPARD program under the concluded contracts for grant financial support amounted to 135 225 thousand BGN and the co-financing from the state budget was 33 806 thousand BGN.

In the first half of 2005 under SAPARD program the subsidy paid under the concluded contracts for grant financial assistance amounted to 89 441 thousand BGN and the co-financing from the state budget was 22 342 thousand BGN.

More detailed data on the support of the agricultural producers through SAPARD program are given in sub-section VIII., p. 4 Implementation of SAPARD program.

2.7. Credits

2.7.1. Credits form banks

Compared to 2003 the financial resource provided for crediting of the agriculture from commercial banks in 2004 was increased by 112,9 million BGN. The relative share of the loans for agriculture in the structure of the used loans in the economy was as a whole low again – 1.9%. This is due on one hand to the higher risk of the agricultural production and the slow establishment of marketing structures with a high economic potential, and on the other hand – to the financial support of the sector with funds from SFA and SAPARD Program.

Table II.81.
Crediting of the agricultural sector from commercial banks in 2001 – 2004 **(million BGN)**

CREDITS – TOTAL IN BGN AND IN FOREIGN CURRENCY	**2001**	**2002**	**2003**	**2004**
Credits for the agricultural sector	*164.5*	*167.4*	*263.3*	*376.2*
Credits for the sectors of the economy	9 357.5	10 784.4	13 012.5	19 735.9
Share of the credits for the agricultural sectors in the credits for economy as a whole	1.8%	1.6%	2.0%	1.9%
CREDITS – IN BGN	**2001**	**2002**	**2003**	**2004**
Credits for the agricultural sector	*137.7*	*121.2*	*203.2*	*258.7*
Credits for the sectors of the economy	3 440.8	4 477.0	6 296.3	8 777.0
Share of the credits for the agricultural sectors in the credits for economy as a whole	4..0%	2.7%	3.2%	2.9%
CREDITS – IN FOREIGN CURRENCY	**2001**	**2002**	**2003**	**2004**
Credits for the agricultural sector	*26.8*	*46.1*	*60.1*	*117.5*
Credits for the sectors of the economy	5 916.7	6 307.5	6 717.3	10 958.9
Share of the credits for the agricultural sectors in the credits for economy as a whole	0.5%	0.7%	0.9%	1.1%

Source: *Bulgarian National Bank*

Credits against warehouse promissory notes

In Table II.82. are presented the data for crediting of the grain against warehouse promissory notes. For the grain for harvest 2004 credits were given out amounting to 23.4 million BGN which was the biggest amount since the system with the warehouse promissory notes was started. The credited warehouse promissory notes were used mainly for wheat (133 239 tons). The banks which released the financial resource were: “Union Bank”, “Hebros”, “UBB”, “Eurobank”, “SG Expressbank”, “Pireos”, “FIB” and SFA.

The data show the increased trust in the system with warehouse promissory notes in 2004, its growth and its strengthened position in practice.

Table II.82.
Warehouse promissory notes issued for stored grain and their crediting

Harvest year	***Wareh***	***Grain under a warehouse promissory note***	***Total grain,***	***Number of***	***Credits given out,***

	ouse promis sory notes, numbe r	wheat	barley	maize	sunflower	tons	bank which credited warehouse promissory notes	million BGN
1999	*5*			*5 000*		*5000*	*3*	*0,6*
2000	*391*	*99 466*	*3 468*	*17 471*	*27 320*	*147 725*	*3*	*7,2*
2001	*426*	*124 852*	*2 632*		*105*	*127 589*	*5*	*7,2*
2002	*1 036*	*26 8676*	*7 341*	*6 890*	*27 474*	*310 381*	*8*	*12*
2003	*275*	*22 716*	*15 648*	*3169*	*31 727*	*73 260*	*6*	*5*
2004	*674*	*13 239*	*1 1800*	*6 628*	*88 506*	*240 173*	*8*	*23,4*

Source: *NSGF*

2.7.2. Credits from State Fund Agriculture

Investments credits

In 2004 the investment crediting form SFS was focused on the implementation of the investment programs Animal Breeding, Plant Growing and Agricultural Machines.

The long-term financial instruments of the Fund are for more then a year and are used for support and stimulation of the investment process in agriculture. The investment crediting provides resource for long-term investments in the farms. Under the investment programs of the Fund in 2004 credits were released for:

- creation of perennials – vines, fruit trees, strawberries, oil-bearing, aromatic, herbs and medicinal plants, asparaguses, lucern.
- Restoration of fruit bearing perennials – vines, fruit trees, oil-bearing rose and lavender;
- Restoration of old and unfit perennials – vines and fruit trees;
- New construction, buying and reconstruction of green houses with polyethylene and non-polyethylene cover;
- buying of breeding and productive animals – pregnant heifers and cows which have brought not more than 2 calves, pregnant cow-buffalos and cow buffalos which have brought not more than 1 young, sows and breeding pigs over 4 months of age, mother sheep which have brought not more than 2 lambs and ewes, mother goats which have brought not more than two kids and breeding goats, mother mare and young mares for breeding up to 3 years.
- Purchasing of pigs for fattening;
- Purchasing of poultry for stock production– laying hens and pullets, turkeys, ducks and geese, one-day chickens, young turkeys, ducklings and geese, ostriches up to 6-moths of age and quails.
- Purchasing of rabbits for stock production;
- Creation and restoration of apiaries;
- Purchasing of machines and equipment needed for the raising of animals and milk collecting points;
- New construction, purchasing, restoration and reconstruction of farm buildings for raising animals, warehouses for grading of eggs, feedingstuff kitchens for covering the needs of the owned farm and milk collecting points;
- Purchasing of new and recycled agricultural machines.

The investment credits in 2004 were released directly form the Fund under the scheme “with funds and risk for the Fund” and through refinancement of commercial banks which have concluded contracts with the SFA under the scheme “with funds form the Fund – on account of and with the risk for the CB”. Contracts for refinancing were concluded with 15 bank institutions: “Biochim” SH, “Bulgaria

Invest" SH, "Eurobank" SH, "Investbank" SH, "Municipality bank" SH, "First East International Bank" SH, "First Investment Bank" SH, "Roseximbank" SH, "Teximbank" SH, "Hebrosbank" SH, "Central Cooperative Bank" SH, "Union Bank" SH, "Demirbank" SH, "Tokuda Creditexpress" and "Nasurchitelna Banka" SH.

The min parameters of the preferential investment credits are:

- Terms of the credits – from 12 to 96 months;
- Grace periods – from 3 to 48 months;
- Annual interest – 6% in case of direct financing form the Fund and 9% in case of refinancing of the commercial banks (7% for the bank and 2% for the Fund)

In 2004 under the investment programs of the Fund which were financed/refinanced 549 investment projects at the total amount of 27 032 thousand BGN, including:

- Under program Animal Breeding – 298 amounting to 6 227 thousand BGN
- Under program Plant Growing – 119 amounting to 14 511 thousand BGN
- Under program Agricultural Machines – 132 amounting to 6 294 thousand BGN

Table II.83.
Approved and financed/refinanaced investment projects in 2004

Investment program	Approved projects				Of them financed/refinanced			
	Number	Credit /in thousand BGN/	Cap. Subs. /in thousand BGN/	For interests /thousand BGN/	Number	Credit /in thousand BGN/	Cap. Subs. /in thousand BGN/	For interests /thousand BGN/
1	2	3	4	5	6	7	8	9
1. Under program "Animal breeding" – through CB	12	6 147	181	71	3	1 252	171	71
2. Under program "Animal breeding" – direct crediting	322	5 539	329	162	295	4 975	290	73
3. Under program "Plant growing" - through CB	10	9 417	653	0	3	6 098	611	0
4. Under program "Plant growing" - direct crediting	127	11 188	832	259	116	8 413	729	12
5. Under program "Agricultural machines" - through CB	0	0	0	0	0	0	0	0
6. Under program "Agricultural machines"- direct crediting	167	8 471	0	0	132	6 294	0	0
Total under the investment programs:	**638**	**40 762**	**1 995**	**492**	**549**	**27 032**	**1 801**	**156**
Refinancing of the CB under SAPARD program					**178**	**98 683**		
Targeted capital subsidies							250 000	
Total:					**727**	**125 715**	**2 051**	**156**

Source: *SFA*

Under program Animal Breeding were provided funds for purchasing of animals amounting to 5 369 thousand BGN under 288 contracts and for buildings and equipment for raising animals – 858 thousand BGN under 10 contracts. With these funds 1 486 heifers and cows were purchased, 34 cow buffalos, 430 sows, 8 463 mother sheep and ewes, 250 mother goats, 364 rabbits, 55 000 laying hens and pullets, 54 000 one-day chickens, 31 840 one-day ducks, 5 000 quails, 6 900 bee families, 11 ostriches, fodder milling machines, cages for hens and rabbits, buildings for raising the animals.

Table II. 84.
Financed projects under program Animal Breeding in 2002, 2003 and 2004 by types of animals

Type of animals	2002			2003			2004		
	Number of projects	Number of animals	Amount BGN	Number of projects	Number of animals	Amount BGN	Number of projects	Number of animals	Amount BGN
Cow buffalos	-	-	-	1	5	12 000	2	34	45 000
Pregnant heifers and cows	16	278	362 800	181	3 408	4 080 253	82	1 486	1 807 325
One-day ducks	1	30 000	198 500	1	8 000	25 120	2	31 840	77 010
One-day chickens	-	-	-	6	173 500	87 110	2	54 000	43 000
Rabbits	-	-	-	9	5 406	192 660	3	364	31 446
Mother goats	2	283	33 445	2	680	65 000	3	250	28 220
Laying hens and pullets	4	13 635	110 160	18	120 314	767 910	1	55 000	550 000
Mother sheep and ewes	3	400	45 000	94	12 604	1 791 966	76	8 463	1 224 790
Bee families	9	286	72 962	74	5 886	1 078 121	107	6 900	1 265 116
Quails	-	-	-	2	8 000	28 806	1	5 000	14 000
Sows	5	378	139 100	36	1 719	817 911	8	430	269 960
Ostriches	-	-	-	-	-	-	1	11	13 150
Purchasing of buildings and equipment	4		1 021 008	18		1 103 332	10		858 170
Total	**44**		**1 982 975**	**442**		**10 050 189**	**298**		**6 227 187**

***Source**: SFA*

The projects under Plant Growing program which were financed supported the agricultural producers for the creation of 3 041 decars of vines, 161 decars of raspberries, 407 decars of cherries, 618 decars of apples, 104 decars of strawberries, 373 decars of plums, 408 decars of peaches, 459 decars of oil-bearing rose, 379 decars of lavender, 95 decars of aronia, 143 decars of apricots, 102 decars of morello cherries, 170 decars of pears, 1 112 decars of lucern, 729 decars of rezene, 40 decars of nuts, 23 decars of milfoil, 24 decars of hazelnuts, 20 decars of mulberry and 15 decars of common balm as well as purchasing and restoration of green houses.

Table II.85.
Financed projects under program Plant Growing in 2002, 2003 and 2004 by types of crops

Types of crops	2002			2003			2004		
	Number of projects	ha	Amount in BGN	Number of projects	ha	Amount in BGN	Number of projects	ha	Amount in BGN
Aronia	-	-	-	6	14.0	89 699	4	9.5	43 940
White marjoram	-	-	-	2	5.5	27 500	-	-	-
Milfoil	-	-	-	-	-	-	1	2.3	13 440
Almond tree	1	9.2	36 900	-	-	-	-	-	-
Morello cherries	1	10.0	175 203	3	4.0	35 100	3	10.2	46 640
Apricots	-	-	-	4	15.5	70 750	4	13.4	51 100
Pears	-	-	-	1	1.5	8 940	2	17.0	202 790
Vine	10	279.3	5 005 313	21	511.5	10 336 241	15	304.1	6 245 949
Lavender	2	19.0	204 278	9	95.0	253 903	4	37.9	163 383
Lucern	-	-	-	-	-	-	3	111.2	87 270
Hazelnuts	-	-	-	-	-	-	1	2.4	8 680
Raspberries	5	59.0	583 270	18	49.4	500 952	9	16.1	132 100
Oil bearing rose	-	-	-	3	15.1	90 730	9	45.9	329 867
Common balm	1	400.0	1 220 000	-	-	-	1	1.5	6 800
Nuts	-	-	-	-	-	-	1	4.0	20 400
Peaches	-	-	-	8	24.8	152 578	13	40.8	214 276
Rezene	-	-	-	-	-	-	1	72.9	95 000
Plums	1	2.0	19 970	3	11.4	77 710	4	37.3	205 343
Salvia	-	-	-	1	33.3	96 600	-	-	-
Cherries	3	3.7	27 220	11	43.0	165 664	12	40.7	207 994

Mulberry	-	-	-	-	-	-	1	2.0	14 000
Dog rose	-	-	-	1	4.4	13 600	-	-	-
Raspberries	1	2.0	11 300	7	14.6	148 389	5	10.4	124 590
Apples	8	11.7	70 996	19	41.8	333 491	23	61.8	621 304
Purchasing of green houses	4		657 832	6		3 100 569	3		5 676 000
Total:	**37**		**8 012 282**	**123**		**15 502 416**	**119**		**14 510 886**

Source: *SFA*

Under program Agricultural Machines in 2004 agreements were signed with 31 suppliers of diverse agricultural machines. Support was provided for the purchasing of 24 grain harvesters, 96 tractors, trailers and other specific machines.

Table II.86.
Financed projects under program Machines in 2002, 2003 and 2004 by types of agricultural machines

Types of machines	**2002 г.**			**2003 г.**			**2004 г.**		
	Number of projects	Number of machines	Mount in BGN	Number of projects	Number of machines	Mount in BGN	Number of projects	Number of machines	Mount in BGN
Tractors	9	9	368 195	145	176	6 032 751	74	96	3 631 664
Grain harvesters	18	18	4 115 021	32	37	3 641 503	24	24	2 158 346
Other machines and equipment	2		192 000	46		906 818	34		504 048
Total:	**29**		**4 675 216**	**223**		**10 581 072**	**132**		**6 294 058**

Source: *SFA*

Data or the financed projects under the investment programs of SFA per districts are presented in Table II.87.

Table II.87.
Distribution of the financed projects per districts

District	**Program Animal Breeding**		**Program Plant Growing**		**Program Machines**	
	Number of projects	**Amount /thousand BGN /**	**Number of projects**	**Amount /thousand BGN /**	**Number of projects**	**Amount /thousand BGN /**
1. Blagoevgrad	20	337	7	138	0	0
2. Bourgas	8	158	5	402	4	100
3. Varna	6	102	3	135	10	329
4. Veliko Tarnovo	5	59	2	30	10	559
5. Vidin	29	462	8	178	2	90
6. Vratsa	20	1 525	1	28	10	450
7. Gabrovo	3	63	0	0	1	50
8. Dobrich	39	524	2	69	16	775
9. Kurdzhali	12	179	5	171	1	11
10. Kyustendil	1	19	2	40	0	0
11. Lovech	10	134	3	69	2	37
12. Montana	7	96	4	38	5	222
13. Pazardzhik	4	54	4	134	0	0
14. Pernik	5	96	1	30	4	100
15. Pleven	10	155	0	451	8	199
16. Plovdiv	16	421	24	9 284	2	154
17. Razgrad	13	158	1	21	6	545
18. Rousse	3	54	4	84	6	316

19. Silistra	5	46	4	46	14	597
20. Sliven	14	265	7	129	4	62
21. Smolyan	12	228	1	8	0	0
22. Sofia-city	2	57	0	0	0	0
23. Sofia district	9	167	0	0	2	43
24. Stara Zagora	5	64	6	1 651	4	166
25. Targovishte	9	147	6	137	5	140
26. Haskovo	7	196	8	1 096	4	167
27. Shumen	14	239	8	116	11	1 092
28. Yambol	10	222	3	26	1	90
Total:	**298**	**6 227**	**119**	**14 511**	**132**	**6 294**

Source: *SFA*

The distribution of the investment credits according to the agricultural producers which used financial support under the programs of SFA is presented in Table II.88.

Table II.88.
Distribution of the beneficiaries per legal status **(number)**

Investment program	Physical bodies	Sole traders	Legal entities	Co-operations
Program Animal Breeding	275	6	17	0
Program Plant Growing	89	10	19	1
Program Machines	34	28	45	25
Total:	**398**	**44**	**81**	**26**

Source: *SFA*

Under Animal Breeding program and Plant Growing program from the regions included in the Program for development of the agriculture in the Rhodopi Mountain and the Program for development of agriculture in North-West Bulgaria 126 agricultural producers were credited. The distribution per investment programs, directions and legal status of the beneficiaries is presented in Table II.89.

Table II.89.
Number of the credited projects and utilized funds under the regional programs

Regional programs	Animal breeding		Plant growing		Physical bodies	Legal entities	Co-operations
	Project /number/	Provided credits /thousand BGN/	Project /number/	Provided credits /thousand BGN/			
Program for development of the agriculture in the Rhodopi Mountain	44	753	15	579	51	8	0
Program for development of agriculture in North-West Bulgaria	54	2 061	13	242	62	5	0
Total:	**98**	**2 814**	**28**	**821**	**113**	**13**	**0**

Source*: SFA*

In 2004 for financing the approved projects under SAPARD program contracts were concluded with 19 bank institutions: “Bulgaria Invest” SH, “Eurobank” SH, “Investbank” SH, “Municipal bank” SH, “First East International Bank” SH, “First Investment Bank” SH, “Roseximbank” SH, “Teximbank” SH, “Hebrosbank” SH, “Central Co-operative Bank” SH, “Unionbank” SH, “Demirbank” SH, “Tokuda Creditexpress”, “Nasurchitelna Banka” SH, “UBB” SH, “Co-operative commercial bank” SH, “Pireos

Bank" SH, "Reifeisen Bank" SH and bank "DSK" SH. 178 credits were provided amounting to 98 683 thousand BGN with annual interest rate from 8.5 to 9%.

In the first half of 2005 under the investment programs of the Fund were financed/refinanced 205 investment projects amounting to totals of 18 143 thousand BGN, including:

- Under program Animal Breeding – 70 amounting to 1 739 thousand BGN
- Under program Plant Growing – 52 amounting to 9 380 thousand BGN
- Under program Agricultural Machines – 83 amounting to 7 024 thousand BGN.

Short-term credits

In 2004 the short terms credits which were provided by SFA amounted to 12 389 thousand BGN.

Table II.90.
Utilised credit resource under the targeted financial lines

№	Targeted financial line	Credit /thousand BGN/
1.	TFL, incl. credit and subsidy for purchasing of certified seeds from maize, harvest 2004	3 389
2.	TFL, incl. credit and subsidy for purchasing of mineral fertilizers for support of the agricultural producers of wheat, harvest 2005	9 000
	Total:	**12 389**

Source: *SFA*

The tendency for decreasing the share of the short-term crediting is decreased and the grant support is increased and the size of the credits against the total resource decreases as follows:

- 2002 – 50% credits;
- 2003 – 21% credits;
- 2004 – 17% credits.

For the first half of 2005 targeted short-term credits were released for purchasing of mineral fertilizers for support of the agricultural producers of maize for grain and sunflower at the amount of 5 024 thousand BGN under 523 contracts.

2.4.5. Government expenditures for the agricultural sector

in 2004 form the budget of the Ministry of Agriculture and forestry were made expenditures for financing activities in the agricultural sector as follows:

- for irrigational agriculture – 7 286 thousand BGN
- veterinary activities: - 5 743 thousand BGN, incl. immunological program – 2 816 thousand BGN; monitoring residues – 65 thousand BGN; vaccines and diagnostics activities 2 799 thousand BGN; animals killed by force – 24 thousand BGN; bees killed by force - 28 thousand BGN; purchase of young breeding animals – 11 thousand BGN
- maintenance of the environment balance in the wild animals and international events of sector Forestry – 1 116 thousand BGN.
- Land division, remaking of plans for land division – 1 319 thousand BGN
- Maintenance of the plans for land division – 553 thousand BGN
- To liquidate the consequences from natural calamity and production failures – 754 thousand BGN;
- Control on Moroccan and Italian grasshoppers – 258 thousand BGN;
- Destroyal of old pesticides -183 thousand BGN;

- For support for the maintenance of valuable breeds of animals (indigenous herds) in state-owned enterprise "Kabyuk" – 466 thousand BGN;
- Issuance of bullet for agricultural market information through AMIS Ltd. – 202 thousand BGN;
- For control over the quarantine pests on potatoes – 136 thousand BGN;
- On a program for artificial breeding, restoration and maintenance of the fish populations – 81 thousand BGN;
- For defensive and mobilization preparedness – 67 thousand BGN;
- International fair Agra 2004 – 61 thousand BGN;
- Project Mountainous Animal Breeding and Agriculture – 60 thousand BGN;
- In the sphere of the professional education for physical education and port – 46 thousand BGN
- For a project for a communication strategy for the accession of Bulgaria to the EU – 17 thousand BGN

2.5. Taxes and charges

Taxes

Taxation and tax relieves of the agricultural producers, laid down in the Law for the corporate Income taxation, the Law on Income Taxation of the Physical Bodies, the Law on the Value Added Tax and the Law on Local Taxes and Charges are described in detail in the Agrarian Report 2003. In 2004 there were no changes in the tax legislation referring to the agricultural producers.

Charges collected in the system of agriculture

The total amount of the incomes to the MAF budget for state charges (99 713 thousand BGN) and tariff services (88 258 thousand BGN) in 2004 amounted to 187 971 thousand BGN. They were received form the following structures:

- National Veterinary Service – state charges – 41 847 thousand BGN and incomes form services – 52 thousand BGN;
- National Service for Plant Protection, Quarantine and Agrochemistry – 11 512 thousand BGN;
- Executive Agency on Fisheries and Aquacultures – 1 935 thousand BGN;
- Executive Agency on Selection and Reproduction in Animal Breeding – 1 603 thousand BGN income form services;
- Executive Agency on Variety Testing, Approbation and Seed control – state charges - 446 thousand BGN and services – 1 589 thousand BGN;
- National Grain Service – 2 575 thousand BGN and services – 114 thousand BGN;
- Charges for testing and control of agricultural and forestry machines and spare parts – 761 thousand BGN;
- State charges of MAF – 7 601 thousand BGN and services – 3 376 thousand BGN;
- Vocational schools – 73 thousand BGN.

3. Activities supporting the agricultural production

3.1. Irrigation

The implementation of the MAF policy with regard to irrigation is entrusted to the Executive Agency of Irrigation (EAI). The activities carried out by EAI in 2004 were in the following directions:

1. *Organising the activities with regard to the participation of the state in the payment of the service "water supply for irrigation":*

- Concluding contracts between the Ministry of Agriculture and Forestry and the suppliers of water for irrigation (Irrigation Systems, Irrigation – Sevlievo Ltd.) for participation of the state in the price of the service "water supply for irrigation";
- Payments on the contracts, clarification and certification by EAI of the irrigation and watering quotas per crops and regions, as well as informing the existing irrigation associations about them.

The government participated in the payment of the service "water supply" until 31.12.2004 providing financial resources (from the budget of MAF) to the suppliers of water for irrigation. Through these finds is subsidized the difference between the selling price of the water for irrigation to its prime cost.

The areas irrigated by 31.12.2004 were 56 311 ha, which was 23.3% less compared to 2003 (73 439 ha).

2. *Carrying out of supervision on all sites subject to overhaul and acquisition of long-term assets (construction of infrastructure sites).*

Through its Regional Directorates the EAI supervises the irrigation sites, included into the lists of names of MAF, constructed with budget funds.

From the funds invested in 2004 for the construction of irrigation sites amounting to over 100 000 BGN the most important were:

- Samuilovo Dam, Irrigation System Pirinska Bistritsa;
- Kalinkite Dam, Irrigation System Pirinska Bistritsa;
- Irrigation System Trakiets, IS Klokotnitsa – Further construction of the distribution network

3. *Support for the establishment, activity and the development of the irrigation associations*

Since the Law on Irrigation Associations entered into force (April 2001) until December 2004, 171 applications for establishment of irrigation associations have been submitted. According to the data of the irrigation associations they will manage 80 139.9 ha of agricultural land. The Ministry of Agriculture and Forestry has issued 124 orders for opening of a procedure for irrigation associations. The total number of the associations, which received an order for approval of the statute, was 57. 47 of them were irrigation associations registered at the district courts per regions and for 39 of them orders were prepared for acquiring the right for free of charge use of the irrigation structure or requests to the mayors of municipalities for transferring of municipality ownership and/or ownership of the former cooperatives.

With regard to the project for development of the rural areas together with the World Bank a "Pilot project for restoration of the irrigation structure" was prepared. It includes the territories of 10 irrigation associations: "Chayka 99"; "Ludzha-Kavarna"; "Krustyo Rakovski"; "Belgun"; "Irechek"; 'Korten-Iztok"; "Urozhai"; "Borets"; 'Starosel" и 'Choba".

3.2. Plant protection and agrochemistry

3.2.1. Plant protection

On the basis of the forecasts for the growth of the agricultural crops the National Service for Plant Protection (NSPP) at MAF provided information for the agricultural producers referring to the appearance, development, density, stage of attack on agricultural crops and plant production of 261 diseases, pests and weeds on the agricultural crops and their natural regulators.

Plant protection of wheat and barley

- *Weed control*

From climatic point of view in 2004 and in the first half of 2005 favourable conditions created for the growth of weeds. The use of insufficiently disinfected seeds and of inappropriate herbicides or their application in the inadequate stage of growth, as well as the rainfalls all over the country in the spring-summer period led to higher secondary weeding found out in the period before harvest.

Table II.91.
Weeded areas with wheat and barley in thousand ha

Year	With broadleaved weeds resistant to hormonlike herbicides	With wheat weeds
2003.	391.72	59.43
2004	653.45	43.89
2005	614.96	98.32

Source: *NSPPA*

The treated areas in 2004 were 82% of the total acreage under autumn crops. Increase of the areal of distribution of the broadleaved weeds resistant to 2,4D was observed.

Over the first half of 2005 in most of the grain production regions were applied herbicides on the basis of 2,4-D and MCPA. The non-use of specialized herbicides against the *wild oats* led to great propagation of this weed. In some places clean crops could not be found. There was a great extent of weeding with *Johnson grass*. Herbicides continued to be applied on an insignificant part of the areas under wheat weeds

Table II.92.
Areas under wheat and barley treated against weeds in thousand hectares

Year	Totally treated	Incl. against broadleaved weeds, resistant to hormonal herbicides	Incl. against wheat weeds
2002 г.	1 032.15	483.79	75.66
2003 г.	689.11	391.72	59.43
2004 г.	779.65	563.26	75.93
2005 г.	1034.73		

Source: *NSPPQA*

3.2.2 Products for plant protection

77 products for plant protection were requested for testing for efficiency in 2004, including fungicides - 31, insecticides - 25, herbicides - 20, desiccants - 1.

Under a PHARE project Program-2002 equipment was delivered for the bases for biological testing in Stara Zagora, Bourgas and Rousse. Currently NSPP has 6 completely equipped according to the DEP requirements bases for biological testing.

In the first half of 2005 requests were submitted for testing for efficiency of 104 products for plant protection including fungicides - 24, insecticides - 39, herbicides - 40, growth regulators - 1. In the same period the Council for Plant Protection Products gave permission for 11 new products to be offered at the market on the grounds of the data for biological efficiency and toxicological evaluation.

A "List of the plant protection products approved for supply on the market - 2005" was prepared and published which offers alternatives for diminishing the risk of resistance and new products which can be used in organic agriculture.

3.2.3 Fertilizers

2004 characterized with slight increase of the total quantity of applied mineral fertilizers which was at the expense of the three nutritional elements.

Table II.93.
Applied mineral fertilisers

Year	Total nitrogen, phosphorus, potassium (tons)	kg/ha	Nitrogen (tons)	kg/ha	Phosphorous	kg/ha	K_20	kg/ha
2000	163 569	34.85	144 928	30.88	16 104	3.43	2 537	0.54
2001	178 734	38.06	167 962	35.77	8 474	1.81	2 298	0.49
2002	177 935	37.89	155 411	33.09	21 400	4.56	1 124	0.24
2003	167 607	35.71	140 930	30.03	23 874	5.09	2 803	0.60
2004	**197 980**	**37.18**	**164 958**	**30.98**	**29 904**	**5.61**	**3 118**	**0.58**

***Source**: NSPPA*

Use of nitrogen fertilizers increased by 17%, of phosphorous – 25.2%, and of potassium - 11%.

Though improved in 2003 the ratio between the nutritious elements continued to be extremely unfavourable. The optimal ratio is N : P : K = 1 : 0,8 : 0,4, while in 2004 it was 1 : 0,18 : 0,02. The unbalanced fertilization with considerable preponderance of the nitrogen and all negative consequences is a practice that is gaining ground in the country.

For harvesting 2004 nitrogen fertilizers were applied on 1 758 000 ha and the average per ha was 87.90 kg of nitrogen. Phosphorous fertilizers were used on 96 500 ha with average – 80.7 kg P_20_5 per hectare. Potassium was applied on 28 600 ha or 107 kg K_20. In percentage to the used agricultural area of the country this was 33.03% for the areas fertilized with nitrogen, 1.81% for those with phosphorous and 0.54% for the areas fertilized with potassium fertilizers.

The data for the distribution of fertilizers per crops shows that the largest share from the fertilized with nitrogen acreages belonged to the autumn crops – wheat and barley, followed by sunflower and maize. Phosphorous fertilization was applied in the greatest extent on wheat, maize, sunflower and potatoes, and potassium – on potatoes and sunflower. For the remaining crops less than 10% of the areas under crops were fertilized.

The use of manure continues to decrease. In 2004 118 200 t manure were driven away – 71.8% compared to 2003. Around 5 100 ha were fertilized or - 74% of the areas fertilized in the past year. The non utilization of the manure not only deprives the soil from the needed nutrients and micro organisms but causes pollution to the environment. Indicative of this were the results from the internal monitoring for nitrates in waters for irrigation carried out in 2004. From the analysed 183 samples of waters for irrigation 116, or 63%, contained nitrates above the admissible concentrations. The pollution ranged from 2 to 15 times above the admissible concentrations.

For the first half of 2005 according to data from RSPP 129 405 t of nitrogen, 14 042 t of P_20_5 and 2 389 t K_20 were used. Compared to the same period of 2004 the use of nitrogen, phosphorous and potassium fertilizers increased by respectively 11.7%, 33.7%, and 48.5%.

92.6% of the autumn crops were fed - 93.4% of the areas under wheat, 92.1% under barley and 63.3% under rye, triticale and winter rape. The used quantities per decar were considerably lower than the optimal, but higher compared to 2004.

The total balance of nutritious elements continued to be negative for the nitrogen and strongly negative for phosphorous and potassium. The negative trend that the obtained yields were on account of the soil reserves continued.

3.3. Veterinary

3.3.1. Health care

In 2004 on the territory of the country were registered two centres of classical swine fever in the village of Trakiytsi, Bourgas region, and in Etropole, Sofia district. At the end of the year a centre of Newcastle disease on poultry in the hamlet of Ridino, Kurdzhali district was registered. The three centres were liquidated in due time by NVS and the diseases were stopped from spreading to other settlements and regions.

In 2004 the incinerator "Bramas" in Shumen was put into operation. There began the collecting and making harmless of specific risk materials. According to the requirements of the EU legislation the bone-meal obtained in it is burnt out in the cement plants in the town of Devnya.

In 2004 began the preparation for step-by-step discontinuation of the vaccination against classical swine fever. The preparation includes pig ear tagging with individual ear tags, registration of the pig breeding units, construction of fences around the larger pig breeding units, disinfection platforms, filters, quarantines premises, etc.

In compliance with the EU requirements NVS prepared contingency plans for urgent action in case of occurrence of diseases from List A of the international Bureau of Epizootics.

Some EU Directives and Regulations like the amendments of Regulation 999/2001/EU, Regulation 1774/2002/EU on African swine fever, etc. were harmonized.

3.3.2. Diagnostics and scientific and research activity

In 2004 the efforts of the National Diagnostic Scientific and Research Veterinary Institute (NDSRVI) were directed towards ensuring the implementation of priorities linked with the scientific program and improving the quality of the laboratory control linked with preserving the animal health care, raw materials safety, products and foods of animal origin, control on feedingstuffs, environment, and animal welfare.

Scientific program consisted of the development of 45 scientific assignments in total, referring to the problems of the ethyology, epizootics, prophylactics and control on very dangerous diseases on animals, fish and bees valid for the country and the region of South-East Europe and on the problems of the safety and quality of the foodstuffs from animal origin.

As a result of the research works the distribution of rabies on domestic and wild animals, the distribution and options for eradication of classical swine fever after discontinuance of the obligatory vaccinations with live vaccine were investigated. Comprehensive research work was carried out on the health status of the fish breeding farms and it was proved that for the fresh water fish in Bulgaria problems are yersiniosis, mixobacteriosis and renibacteriosis. It was also proved that there is a trend for increasing the number of the infected with American footrod bee families and the needs for extending the monitoring research work on the bacterial diseases in bees in the next years.

Exceptionally important was the work on four international projects related to live for the region epizootic diseases – blue tongue, FMD, etc.

The biggest volume of the activity of the institute was on the diagnostic research work and the national monitoring program for supervision of classical swine fever, blue tongue, FMD, transmisive spongiform encephalopatics, African horse sickness, Newcastle disease and influenza A on poultry and the diseases on fresh water fish.

As a result of the diagnostic research work that was carried out one outbreak of anthrax, 6 of tuberculosis, 8 of leptospirosis, 13 of contagious epididimitis, 61 of Q-fever, 3 of medi-visna and 3 of arthritis encephalitis on sheep and goats, 11 of classical swine fever, 1 of Newcastle disease on poultry, 5 of rabies, 7 of tularemia and 108 of American footrod on bees were revealed and liquidated in due time.

Considerable progress was made also concerning the renovation and further equipping the laboratories. In conformity with the strategy for development of the laboratory control priority is given to the accreditation of the laboratories for food safety and the laboratories of List A of the International Bureau of Epizootics. Since May 2005 two more regional laboratories of NVS started work on diagnostics of the transmisive spongiformic encephalopatics (TSE) on animals. The laboratories are equipped under PHARE Program. In the National republican laboratory on TSE apparatuses were delivered and began the introduction of two confirmation methods – immunehistochemical and immunebloting. Till the end of the year the laboratories on brucellosis, parasitic zoonoses, salmonellas and ecotoxicology will be further equipped.

3.3.3. Harmonization of the veterinary legislation with the legislation of EU

The Draft Law on Veterinary Activity was adopted on first reading in the Parliament. It will provide the legislative framework for the adoption of the entire EU veterinary legislation.

NVS has harmonized the veterinary legislation of EU, excluding the requirements for trading inside the Community which will be done in the beginning of 2006. In April 2004 the legislation concerning the food safety was amended and 15 directives in that sphere were included in 4 regulations: 852/2004, 853/2004, 854/2004 and 882/2004. In order for these to be harmonized it will be needed to amend the Law on Foods, Law on Veterinary Activity, Law on Animal Breeding and Law on Feedingstuffs.

Since the beginning of the year working groups from experts from the MAF and Ministry of Health are harmonizing Regulation 178/2002 and 882/2004. In a process of harmonization is also the new hygiene package (Regulations 852/2004, 853/2004, 854/2004).

3.3.4. Identification of the animals and registration of the animal breeding units

In compliance with the EU requirements NVS is obliged to establish and maintain a data base for the animal breeding through the system EUROVET-BG and to provide information to all government structures in the country.

In 2004 began the ear tagging of the pigs and the registration of the pig breeding units and continued the ear tagging and the registration of the newly born bovine and sheep and goats.

With regard to the establishment, maintenance and development of the information systems of NVS activities were performed aimed at technical maintenance of the system for collection, processing and storage of the veterinary working information; ensuring compliance of the information system of NVS with that of MAF and providing information to the Paying Agency, ensuring and maintenance of links with the already functioning information systems of EU, as well as activities on the maintenance and functioning of the information system of NVS.

With regard to the identification and registration of animals in 2005 the following activities were performed:

- Preparation and adopting a legal system for identification of the equine;
- Delivery of the needed ear tagging material and instruments for ear tagging of the equine;
- Start of the main ear tagging of the equine;
- Continuation of the ear tagging and registration of the newly born animals and the annual provision of the needed materials and equipment for ear tagging;
- Putting into operation of the information system for small ruminants, pigs and equine;
- Providing and installation of the needed hardware for inclusion into the information system of the regional veterinary health stations (RVHS) and the veterinary ranges (VR) (including purchasing of palm tops);

- Training of the employees of the RVHS to work with the software; finalizing and testing the work of the joint information centre at the HQ of NVS;
- Updating the existing software and hardware of the information system; inclusion into the network of the information system of VR, VHS and producers, processors and traders of animal production with the relevant rights and levels of access; start of information contacts with the EU countries and the associated countries.

In order to fulfil its obligation to create information flow for the Paying Agency, NVS must finalise on time the expansion of the data base EUROVET-BG which will cover the whole population of animals of the bovine, sheep, goats, swine and equine species and to work online by using the existing organisational structures of NVS and to ensure traceability of the animals.

With that regard in 2005 NVS will perform the following structural changes:

- privatization of the veterinary activity on the territories of the state district veterinary health stations (DVHS) – 28;
- privatisation of the veterinary activities on the territories of the regional veterinary health stations (RVHS) – 145;
- creation of new veterinary ranges (VR) – 173, in order to completely cover the territory of the country by VR;
- organising DVSC and the RVHC as structural units of NVS with control functions.

The identification, registration and the traceability of the movement of the animals shall be entrusted on the veterinary ranges covering the whole territory of the country.

4. Control activities carried out by structures of MAF

4.1. State Veterinary and Sanitary Control (SVSC)

In 2004 the bodies of SVCS had to perform the following main tasks:

- Production and marketing of raw materials and foods of animal origin to be done by observing the veterinary and sanitary and hygienic requirements of the Bulgarian legislation;
- The inspectors of SVSC had to carry out control identical to the control performed by the veterinary inspectors of the EU member-states.

With regard to the restructuring of the enterprises from the food industry and their compliance with the EU requirements all enterprises producing products from animal origin and categorized in 2003 were checked-up in 2004. 130 veterinary inspectors from all regions which had undergone training, took part in the check-up. The check-ups were carried out in the following directions:

- Compliance of the technological designs of the enterprises with the secondary legislation in force;
- Execution of the business plans, designed by the owners of the enterprises and certified by SVSC, concerning the status of the units and observance of the deadlines mentioned in them.
- Implementation of the self-control systems in the enterprises guaranteeing the production of harmless foodstuffs.
- Execution of internal monitoring programs of the enterprises guaranteeing production of harmless foodstuffs.
- Implementation of internal monitoring programs of the enterprises certified by SVSC.

Over the period January-April 1147 enterprises from all categories were checked up. Enterprises from category III which were not implementing their business plans and programs because of financial or other reasons were temporarily shut down, the rest were moved into category II. Category IV with relieves was created for 73 enterprises. They were allowed to work keeping the minimum veterinary, sanitary and hygienic requirements if they could prove financial resources, designed technological plan for a new enterprise, purchased and approved new construction sites and started construction.

From 08.11. to 31.12.2004 were performed check-ups of 983 enterprises from categories II and category IV with relieves.

368 enterprises in total were closed down in 2004. 271 of them were shut down on a temporarily and 97 permanently.

In 2004 SVSC performed control on 1 129 000 t of animal products in the country. 1 677 t of them were re-graded as fit for consumption but not meeting the requirements of BSS and TS; 664 t were graded as unfit for human consumption and were destroyed.

370 231 check-ups in production and trading units were performed. 1678 punitive decrees were issued for the infringements that were found out.

To improve the control performed by the SVSC inspectors in 2004 were carried out numerous seminars, training courses and workshops on the implementation of the HACCP system, on issues related to the slaughterhouses condition, elimination and destruction of CPM, on the implementation of Decision 471/2000/EC on the microbiological control of the hygiene in obtaining meat, acquaintance with the veterinary legislation, etc.

Despite the undergone training still a small number of inspectors from SVSC are capable of performing the control identical to the one carried out in the EU member states.

According to the national strategy for restructuring of the enterprises in the country the process of their putting into compliance with the legal requirements concerning buildings and equipment and the introduced systems for self-control will be finalized by the end of 2005. With that regard through out the whole year periodical check-ups will be performed of all enterprises in the country to evaluate the restructuring.

In 2005 check-ups and categorization of all cold stores – 56 - in the country will be carried out.

In compliance with the new requirements of Regulations 852 and 853/2004 of the EU for the small capacity enterprises, which were not given recommendations for restructuring in 2005, SVSC will prepare recommendations in 2005. The deadlines for the fulfilments of the restructuring are till the end of 2005.

Most of the enterprises from category I were approved for export to EU (62). Despite this some of them are still in unsatisfactory condition.

Since 01.01.2006 the units for obtaining meat and the units for production of minced meat and meat preparations with industrial capacity will be obliged to implement the HACCP system. In total 68 meat producing and meat processing enterprises for categories I and II were financed with 10 000 BGN each for the development of the system. For all remaining enterprises the deadline for the introduction of HACCP is till the end of 2006.

In 2005 the country will be visited by 5 EU missions mainly with regard to the restructuring of the enterprises.

In December 2004 and January 2005 meetings were held of NVS experts with the EU sub-committee in Brussels on issues related to the granted opportunity for a grace period 2007-2009 in terms of the indicators: total number of the microorganisms (TNM) and total number of somatic cells (TNSC) in the raw milk. After 2007 the milk producing enterprises (MPE) will be divided into three categories:

- I category – MPE which will process raw milk, meeting the requirements of Regulation 853/2004;
- II category – MPE which will process two types of raw milk - meeting the requirements of Regulation 853/2004 and not meeting these requirements. Such enterprises will have to have two separate lines;
- III category – MPE which will process raw milk that does not meet the requirements of Regulation 853/2004.

The final lists of these enterprises will be given to the EU in 2006. Three groups of farms will be created in a similar way.

The training of the veterinary inspectors in the legislation and the new regulations of EU will continue in the Technical University of Forestry, Sofia, and Thracian University, Stara Zagora. The training of the veterinary inspectors will continue together with the AMP on the implementation and auditing of the HACCP system in the meat producing and meat processing enterprises. Similar trainings will be organized and carried out in the second half of 2005 in the milk sector.

4.2. Border Veterinary Control (BVC)

Through the border inspections for veterinary control and quarantine (BVIQ) NVS carries out border veterinary control on import, export and transit of animals, raw materials and products of animal origin, additives, feedingstuffs and feedingstuff additives, as well as of the transportation vehicles in which these are being transported.

In 2004 at the border control checkpoints check-ups of animals and products were carried out in the quantities shown in Table II.94.

Table II.94.
Border veterinary control in 2004

Products	Unit	Import	Export	Transit
Red and white meats	Tons	127 395	16 542	357 630
Fish and fish products	Tons	23 110	3 877	12 482
Milk and dairy products	Tons	7 935	30 746	21 388
Live calves	Number	167	24 000	17 880
Live lambs and sheep	Number	196 550	147 515	558 504
Live pigs	Number	706		
Live poultry	Number	1 508 285		19 788 228

***Source**: NVS*

In July 2004 experts from the EU Commission (Food Control Office) made an examination of the border veterinary inspection points (BVIP) of Republic of Bulgaria. The team visited the points in Bregovo, Kalotina, Gyueshevo and Zlatarevo. According to the report prepared by the experts Bulgaria has made a good progress in the implementation of the EU legislation.

From 28 July to 3 August 2004 a second team of EU experts carried out a check-up in order to assess the progress of the implementation of the EU legislation and the development of the border inspection veterinary points. The team visited the inspection points of port Varna West, port Bourgas and Captain Andreevo.

In September 2004 a follow-up mission was undertaken by experts from Food and Veterinary Office (FVO). The check-up took place in BVIPs Capitan Andreevo and airport Sofia. The conclusions of the check-up show that BVIP in Bulgaria do not meet the EU requirements, excluding the one in Capitan Andreevo.

4.3. Control on the veterinary products (VP)

The control activity on production, trade in and use of VP is carried out by employees of HQ of NVS together with the institute on control of the veterinary medicines (ICVM).

In 2004 and the first half of 2005, 56 authorisations for production of VP, 18 authorisation for trading in VP, 42 authorisations for opening of veterinary pharmacies were given. 359 certificates for import/export of VP were issued.

4.4. Phytosanitary control

Main task of Phytosanitary Control is protection of country from penetration and distribution of quarantine pests on agricultural crops and forestry species.

In the reported 2004 and the first half of 2005 the main task was the practical implementation of the introduced into our phytosanitary legislation provisions of the EU directives.

With regard to the implementation of the amendments and the supplements of Ordinance No. 1 aimed at facilitating the importing companies and improving the control by the Regional Services for Plant Protection, the certificates for import of plants and plant products subject to phytosanitary control are issued by all Regional Services for Plant Protection (RSPP) in the country. For 2004 total for the country 6846 certificates for import were issued.

In compliance with the harmonized with EU legislation and according to the requirements of Directive 2000/29 of EU continued the issuance of phytosanitary passports for movement of plant and plant products in the country, local production and from import. This document guarantees that the commodity is under the control of the phytosanitary bodies and is clean from quarantine pests. All commodities subject to phytosanitary control in the EU member states move throughout the Union only with a phytosanitary passport. In 2004 12 199 phytosanitary passports were issued for movements of commodities from import in the country and 7 890 phytosanitary passports for commodities of local production.

Over the period January-June 2005 two missions of the EU Commission, Directorate General Health and Consumer Protection took place. The first one was with regard to the check-up of the progress made in the sphere of plant health in the preparation for the country's accession to EU and a second, additional, one FVO inspection mission to assess the progress made concerning the freedom of the potato ringrot. Due to the good results achieved from the check-ups, the official announcement of the country as a zone protected from that disease is forthcoming. During the same period in the country were issued 8675 phytosanitary passports for movement of goods from plant origin.

Import

Control on the import of plants and plant products in the country

Phytosanitary control is carried out by 28 border control check points (BCCP) approved by the Minister of Agriculture and Forestry for import, export and transit of commodities of plant origin, by 14 Regional offices of the Plant Protection Services (RPPS) and 13 units all over the territory of the country.

In 2004 import was registered of 702 700 t of plant products compared to 642 500 t in the previous year. Main reason for the increase (by around 60 000 t) was the big import of grain in the beginning of 2004 as well as the allowed duty free import of flour.

In the period January-July 2005, 300 900 t of plant products were imported or 239 000 t less compared to the same period of 2004 which was mainly due to the good grain harvest in 2004. The import of the planting material (fruit trees and vines) was considerably increased.

Transit

Transit cargos with plants and plant products at BCCP

The phytosanitary inspectors have controlled 37 900 transit transport vehicles loaded with goods of plant origin at the BCCP in 2004. In the first half of 2005 the transit transport vehicles that were controlled were 19 500.

Export

Phytosanitary control in case of export from the country

By entering into force of the amendments and supplements of Ordinance No. 1 on the phytosanitary control, the control on export of plants and plant products from the country is carried out only by the RSPP at the issuance of the phytosanitary certificates.

In 2004 were issued 58 230 phytosanitary certificates for export of plants and plant products from the country which is by 6 000 more than the ones issued in 2003. There were no commodities returned or notified due to phytosanitary considerations in 2004.

Over the period January-June 2005 were issued 29 567 phytosanitary certificates for export of plants and plant products from the country which was by 6 413 more than the ones issued for the same period of 2004.

4.4 Phytosanitary control in the production on the territory of the country

On the grounds of Ordinance №1 on the phytosanitary control all producers of seeds and planting material, green houses, storage facilities, wholesale markets are obliged to register in the official register of the respective RSPP in the region of their production.

4.5. Control of grain, grain products and feedingstuffs

4.5.1. Licensing and control of public warehouses and granaries

At the end of December 2004 the number of licensed and registered units for grain storage reached:

- Public warehouses for grain - 47 with total capacity of 493 770 t.
- Granaries - 129 with total capacity of 1 003 273 t.

In 2004 the public warehouses were still 47, but their capacity increased by 28 750 t compared to 2003. Over the last three years the capacity of the public warehouses for grain ranged 465 000 – 493 000 t.

In 2004 the number of granaries decreased by 14, and the registered capacity of 1 003 273 was kept at the level of 2003 (the decrease was only 177 t). Over the last 3 years the total capacity of the granaries stabilized at 900 000 -1 000 000 t.

The licensed public warehouses and the registered granaries for the whole period from 1999 to 2004, when the Law on Storage and Trade in Grain was in force, are presented in Table II.95.

Table II.95.
Number and capacity of the licensed and registered units per years

Year	Public warehouse for grain		Granaries	
	Number	Licensed capacity tons	Number	Licensed capacity tons
1999	5	98 100	76	551 600
2000	21	238 595	105	819 555
2001	36	417 385	115	854 425
2002	42	479 185	121	913 000
2003	47	465 020	143	1 003 450
2004	47	493 770	129	1 003 273

Source: *NSGF*

In 2004 the licenses of 9 public warehouses and 14 granaries were terminated.

90% of the public warehouses for grain are in North Bulgaria and only 10% are in the South part of the country. The north-east region of the country is very well covered with public warehouses where are concentrated half of the total number of the warehouses - 23.

The granaries are situated comparatively more evenly. 64% of the total number of granaries are in north Bulgaria and 28% in the south Bulgaria.

In north Bulgaria are concentrated in total 72% of the licensed and registered volumes for grain storage while in south Bulgaria they are 28%.

With the amendments of the Law on Storage and Trade in Grain from 2003 began the annual re-registration of the traders in grain in NSGF. Over the period 1998-2003 the register of the traders in grain recorded accumulation of 4 371 traders larger part of which were not active. In 2004 their number was 1 267. the introduced annual re-registration of the traders in grain updated the number of traders in grain in the country.

In 2004 were carried out 29 initial check-ups on the grounds of which were issued 9 new licenses for public warehouses and 20 new registrations for granaries.

In 2004 the periodical check-ups of the licensed and registered units were intensified. They were 526 which compared to the total number of the units means 3 check-ups on average.

The results showed that, with small exceptions, the grain was stored well and the measured quantities corresponded, with insignificant deviations, to the quantities in the documentation.

The special check-ups of public warehouses and granaries were on the request of depositars, a claimant on civil case, territorial tax directorate – Sofia District and of MPs.

The certificates for compliance of grain and grain products for import and export were introduced with the amendments of the Law on Storage and Trade in grain from July 2003. In 2004 they were 4 627 for total of 1 688 822 t. Wheat prevails among all the grain.

Table II.96.
Quantity of grain checked for compliance

Year	Quantity, tons, including	
	Import	Export
2003	182 761	827 941
2004	347 467	1 341 355

Source: *NSGF*

Compliance control on the grain products is being carried out since 2004 after the preparation of the legal basis (Ordinance 39/15.09 2003) and the technical organizational preparation.

In total 313 check-ups for compliance were carried out for grain products of 219 milling facilities. 515 lots were checked amounting to 19 982 t of grain products. The largest was the share of the flour – 19 885 t. Controlled were also insignificant quantities of rice and wheat semolina. For 16 947 t (84.81%) were issued certificates for compliance. For the remaining 3 036 t (15.19%) protocols of findings were prepared with the recommendation to remove the incompliance or to re-label.

Though the compliance control on grain products was performed for the first year each of the units in the country was checked on average 1.5 times and the compliance problems that were found out with the flour were corrected. The lack of penalty provisions concerning the incompliance with the grain products makes the control more difficult and diminishes its efficiency. This problem will be removed with the amendments made in 2005 to the Law on Storage and Trade in Grain.

Control was performed on the declared circumstances by the participants in the stock exchange sessions for purchasing and processing of wheat from the government agency Government Reserve and Wartime Stocks. Control was performed in the mills which have won the tenders for processing the purchased grain for the purpose. 105 mills were checked. It was found out that the mills process the purchased wheat in flour, excluding four companies which have re-sold the quantities. They were duly expelled from participation in the next stock exchange sessions.

4.5.2. Grain quality control

Over the period of the harvesting campaign 1 145 samples were taken from 1 177 232 t of the grain producing regions of the country which were a 30% excerpt from the produced wheat and form the representativeness of the grading that was carried out.

The grading was done on the main indicators of BSS and BSS ISO, which determine the consumers and trade values of the wheat.

Table II.97.
Distribution of wheat per groups

Groups	I	II	II b	III
1998	3.0 %	24.0%	41.0%	32.0%
1999	0	8.5%	30.0%	61.5%
2000	3.4 %	9.5 %	34.3 %	52.8 %
2001	1.1 %	7.6 %	33.9 %	57.4 %
2002	1.2 %	5.4 %	29.5 %	63.9 %
2003	7.8 %	13.6%	35.3%	43.3%
2004	**0.6%**	**5.3%**	**23.9%**	**70.2%**

***Source**: NSGF*

Prevailing was the grain from group III. The comparative review of the data per years shows that the quality of the harvest was comparable to that of 2002. Around 35% of the wheat from group III was suitable for processing in small mills and bakeries or total of around 65% of the wheat from harvest 2004 were with quality which meets the requirements of the grain processing branch and thus provides quality raw material for the branch.

The results of the quality of the wheat grain is shown in Table II.97.

Wheat from harvest 2004 was of better quality in South Bulgaria where the distribution in groups was:

- I group: 1.0%;
- II group: 8.8%;
- IIb group: 43.0 % and
- III group: 47.2 %.

For the southern part of the country the wheat from group III was below 50%.

In a number of districts – Plovdiv, Haskovo, Sliven, Yambol, Stara Zagora the grain from group III does not exceed 45%, and only for Bourgas and Pazardzhik it reached respectively 59% and 77.5%.

In north Bulgaria the grading in quality groups was as follows:

- I group: 0.5 %;
- II group: 3.8 %;
- IIb group: 11.6% and
- III group: 79.4%.

The quantity of the wheat from groups I, II and IIb compared to that in south Bulgaria was from 20% to 60%. The best was the quality of the wheat in the districts of Shoumen, Turgovishte, Veliko Tarnovo and Dobrich.

The grain from wheat harvest 2004 was with quality satisfying the technological requirements of the grain processing enterprises.

4.5.3. Feedingstuffs control

Chief directorate Feedingstuffs Control keeps two registers in compliance with the Law on Feedingstuffs.

By 31.12.2004 1220 persons were entered in the Register of the Physical Bodies and Legal Entities producing or trading in products or substances aimed for animal feed. Because of terminated activity 30 legal entities and physical bodies were delisted. 214 certificates were issued to the persons performing activity in a regime of registration.

For the same period 44 persons were included into the list in the Register of the approved bodies which produce and trade in products and substances dangerous for the health of people and animals.

Control in the past 2004 was carried out in compliance with the Plan for carrying out of check-ups and taking samples for 2004. 766 check-ups were carried out and 454 samples were taken. 1123 analysis in total were made. 21 statements were drawn up for finding out administrative infringements. The control was carried out in the following directions:

- Control on producers and traders who have not declared to work under the Law on Feedingstuffs
- Control on keeping the requirements on circulation of the raw feedingstuffs;

- Control on keeping the requirements for trading in combined feedingstuffs;
- Control on raw feedingstuffs and combined feedingstuffs from import and export;
- Control on keeping the minimal conditions for registration and approval of producers and traders in feed of animals;
- Check-ups on complaints and warnings.

4.6. Fresh Fruit and Vegetables Control

In 2004 the control on compliance of the announced quality with the requirements for quality of fresh fruit and vegetables continued to be carried out on the grounds of the provisions of Ordinance №9/26.03.2002 of MAF, amended and supplemented at the end of 2004.

In 2004 was built the administrative capacity in the area of quality control and its strengthening continued in 2005. Currently 36 regional inspectors carry out compliance check-ups on the internal market in case of export or import. The check-ups on the internal market cover mainly commodity exchanges and large supermarkets. Considerable part of these check-ups were aimed at acquainting the producers and traders with the requirements of the ordinance, including the grading requirements, packaging, marking and labelling of the production in compliance with the quality requirements now in force in the country. 414 certificates in total were issued in 2004 (244 certificates for compliance of fruit and vegetables aimed for direct consumption and 170 certificates for fruits and vegetables aimed for processing). Only in the first half of 2005 were issued 319 certificates in total, 61% of which were for fresh fruits and vegetables aimed for export and 1 statement with findings for import of low quality production.

In 2004 continued the collection of information for producers and traders in fresh fruits and vegetables and updating the already collected information. By 31 December 2004 information was collected for 2932 producers and traders which is stored in computer files. The available information will be incorporated in 2005 into the now being established data base for traders in fresh fruits and vegetables.

4.7. Control of agricultural and forestry machines and equipment

Over the period 1999–2004 there was a tendency for increasing the percentage of the registered machines and therefore – the percentage of the agricultural and forestry machines which have passed technical examination. In the last years due to the released credits from SFA and SAPARD Program new machines were bought but their number is still very small. The ratio between the total number of registered machines and those which have passed the technical examination in 2004 as well as their age are shown in Table II.98.

Table II.98.
Registered agricultural and forestry machines and number of the technical inspections that were carried out in 2004
(number)

Type of machines	Registered agricultural and forestry machines	Machines which have passed annual technical examination	Age of the machines		
			Up to 7 years	8-10 years	over 10 years
1	2	3	4	5	6
GROUP A					
Chain tractors	2 354	1 273	26	14	2 314
Wheel tractors	26 899	24 590	2297	1067	23 535
Self-propelled chassis	1 127	907	17	14	1 096

Other self-propelled machines	1 159	1 054	122	53	984
Tractor trailers:	15 352	9 268	61	365	14 926
Including with general purpose	12 499	9 200	43	254	12 202
With specific purpose	2 853	68	18	111	2 724
Forestry machines	676	470	4	27	645
GROUP B					
Grain harvesters	7 983	6 489	825	343	6 815
Self-propelled silage harvesters	464	330	5	2	457
Other self-propelled machines	1 096	732	23	15	1 058
GROUP C					
Machines for sowing and planting	12 261	8 062	1 640	636	9 985
Machines for fertilizing and plant protection	4 661	3 662	759	327	3 575
Fodder collecting	7 848	4 943	1 070	294	6 484
Soil cultivating	43 786	29 311	3 874	2 203	37 709
Driers, etc.	332	190	35	12	285
Grain and seed cleaning	1 948	1 287	81	40	1827
Irrigation machines	722	396	87	22	613
Forestry machines	434	427	79	19	336

Source: *CTI*

Control on registration and technical inspections of agricultural and forestry machines continues to identify identical problems from the past years – high percentage obsolete machines in the agriculture - around 85% of the wheel and around 98% of the chain tractors. These physically old and obsolete machines complicate and delay the carrying out and identification of the technical inspections of the machines which makes it impossible to cover all the machines in the country.

Main purposes for carrying out preventive control for work with agricultural and forestry machines were in the following directions:

- preventing of break-downs and casualties;
- decreasing the operational expenditures;
- decreasing the expenditures for putting into operation of machines which were stored for a long period;
- preventing the environment pollution with agricultural and forestry machines;
- Decreasing the production losses.

59 training forms were registered in the country in 2004. Since Ordinance № 5/2000 of the Minister of Agriculture and Forestry on gaining and suspension of legal capacity to work with agricultural machines till the end of 2004 came into force, 21 831 permits were replaced or issued and for 2004 their number was 2721.

In 2004 was completed the preparation of the last group of legal documents which introduce the requirements for standard approval of wheel tractors, systems and components for them as well as for standard approval of engines aimed for or installed in machines that are not used on the roads.

According to the promulgated in 2003 and 2004 ordinances on the standard approval since 1 January 2005 the Control and Technical Inspection (CTI) is the administrative body which controls the market of wheel tractors, systems and components for them and checks for the existence of a certificate for approval of the type and certificate for compliance with the approved type which each machine must possess. To train the employees on the implementation of the newly introduced EU requirements a Phare Program project started (No. Phare BG 0205.02.11) “Administrative capacity building of the CTI – introduction of a system for market control of wheel tractors with standard approval”.

5. Science and education

5.1. Scientific and research activity

The expanded use of project competition for scientific and research and applied activity is the main task envisaged in the two basic documents – Strategy for Development of the Science in the Agrarian Sector and the Program for Development of the National Centre adopted by the National Centre for Agrarian Science (NCAS) and approved by MAF. For the first time since the transitional period MAF has identified 18 programs for the development of integrated scientific projects and adopted a mechanism for assigning government commissions.

The following programs were adopted:

- Collection, research, storage and management of the plant genetic resources in the country;
- Improvement of the varieties of the key for the country agricultural crops concerning yields, ecological plasticity and quality of the production;
- Prolongation of the period for supply the internal market with fresh fruits and vegetables;
- Production and control of quality pre-basic and basic seeds and planting material;
- Complex environmental and economic assessment of the soil resources and new technologies for increasing the soil productivity;
- Problems related to the resistance and tolerance of the major crops to the water deficit and extreme temperature impacts of the medium;
- Technologies for biological (organic, ecological) production of plant and animal production;
- Optimization of the techniques and technologies for irrigation in the conditions of water deficit;
- Evaluation of the agricultural production as a consumer and producer of energy;
- Management of the risk from pollution of the plant production and the elements of ecosystems with pesticides, technogenic polluters and nitrates through the modern technologies of production;
- Development of integrated schemes for plant protection as the basis for safe foods and protection of the ecosystems;
- Systems for storage of the national gene fund and elaboration of the breeding populations of agricultural animals;
- Optimum use of feedingstuffs for increasing the productivity from animal breeding;
- New methods and technologies for environmentally friendly, resource saving production and storage of quality and safe foods, drinks and bio products of plant and animal origin;
- Integration of the production and processing of plant and animal production in agriculture for the development of new industrial technologies for quality production;
- Evaluation of the agro ecological potential of the agricultural regions and diversification of the agricultural production;
- Development of the organizational and farming units and their elaboration;
- Social and economical problems for the development of the rural areas.

The main thing on which the emphasis is put for the implementation of the scientific programs is the implementation of integrated projects with clearly formulated scientific and technological aims. For the competition session 2004 the requirement was that every integrated project should be directed towards increasing the competitiveness of the agricultural sector; directing the technological transfers from the scientific research to the practice; introduction of modern criteria for evaluation of the scientific research; approximation of the scientific programs in the sphere of agriculture with the programs of the EU member states and development of the international cooperation.

In 2004 the scientific and research activity in the standing scientific units of NCAS was carried out in 255 projects financed by NCAS, 48 by the fund “Scientific Research Work” under Ministry of Education and Science, 43 by other bodies and organizations and 153 contracts under international and bilateral cooperation.

The scientific and research activity was carried out in the following directions:

- Selection and biotechnological research work in plant growing
- Soil science and environment protection
- Research work in the sphere of irrigation and mechanization
- Selection and biotechnological research work in animal breeding
- Research work in the sphere of cryobiology and food technologies
- Agricultural economics

Publishing

The publishing council established at NCAS in 2004 with the purpose of regulating the publishing and printing activity organizes and controls the whole process related to the publishing of the scientific magazines. As a result the planned volumes of the scientific magazines were published; materials were prepared for the publishing of a collection “Scientific works of NCAS” in the current year. Volume 1 “Technologies for sustainable development of agriculture” was published already. Other printing materials were published for promoting the results from the scientific and research and scientific and applied activity “Program for development of the agriculture in north-west Bulgaria 2003-2006” “program for development of the alternative agriculture in the Rhodopi Mountain”, “Situation and trends in the development of the personnel potential in NCAS” and other materials.

Centre for Scientific and technical Information (CSTI)

During the year continued the participation in the prestigious international project “eIFL – Direct”. Through this project an electronic data base is used which services all units of NCAS. Cooperation on a contract base was carried out with the Bulgarian Information Consortium (BIC). Through it CSB and CSTI respectively became part of the electronic system Ebsco Publishing which allows them to use full text magazines, books and brochures. Instruction for this were provided to all units of NCAS.

With regard to the introduction of the EU standards in the library activity of CSTI the implementation of the international unified standard for updating the materials "MARC FORMAT" began, which intensifies this specific activity.

Over the reporting period the establishment of the system "IDI" for transmission of data basis per directions began. A new functional unit, LIB INFO, was created for searching under WINDOWS.

With regard to the ensuring loan and other library activity contacts were established for book exchange with 49 countries all over the world.

There is a tendency on the grounds of established and new practices (mainly AGRIS) to develop a national DB for agricultural information using INTERNET technologies.

By a decision of the MB of NCAS a Centre for professional training was established under the HQ of NCAS. The license was granted and it includes 31 specialties from all spheres of the agricultural science and practice.

13 training courses were held compared to 11 in the school 2003 year. The number of the trainees was 158.

Qualification structure of the research personnel potential

By 31 December 2004, there were 758 research workers in NCAS: out of them: 2 - academicians, 50 – senior researchers I degree, 371 – senior researches II degree, 231 – researchers I degree. 53 researchers II degree and 51 researches III degree.

The number of researches compared to 2003 decreased by around 3% because 25 researchers retired and 14 quitted their job due to different reasons.

After holing competitions 17 researchers were selected and appointed, i.e. only around 40% of the unoccupied positions were occupied.

Main tendencies:

- The number of the scientists in NCAS continues to decrease;

- The analysis shows that over the next 3 years the number of the scientists will reduce by 100 people because of retirement;
- Compared to the previous year the number of the researchers which attained academic rank as well as of those who attained educational and scientific “doctor” degree is smaller.
- The ratio between the number of the researchers who have attained and those who haven not attained an academic rank in NCAS was 1.42. This can be assessed as negative for the time being because the higher qualification of the scientists is a precondition for execution of more difficult and important research projects and assignments. In the group of the people who have not attained an academic rank unfortunately there is a big part of researchers above the age of 40 which is reason for delay in the scientific progress.
- The number of the young scientists, though it increased over the last years, is not high yet. 14% of the scientists are up to 35 years of age;
- More than 50% of the scientists are at the age of above 50.
- Larger part of the scientists, 515, hold educational and scientific “doctor” degree, doctor of science are 40 and without a scientific degree are 203 or 25% of the researchers.
- Part of the group of the scientists III-I degree moved to a group of higher qualification. However, this number is not compensated by the entrance into office of young scientists.

NCAS management undertakes different measures to improve the qualification structure of the scientific potential, including by opening competitions for attaining an academic rank and for young scientists. As a result 46 competitions in total were approved in the different units. 2 competitions were for senior researchers I degree, 25 for seniors researchers II degree and 19 for researchers III-I degrees.

New academic rank attained 2 researchers – senior researcher I degree, 18 researchers – senior researcher II degree and 20 researchers attained higher degree.

10 researchers attained educational and scientific degree – “doctor”. There were no scientists who had attained the scientific degree – “doctor of science”.

189 people are doing their PhD at the institutes of NCAS. 89 are regular doctorants, 37 are extramural and 63 are on an individual program.

For the school year 2003/2004 total of 49 doctorates were announced: 41 – regular and 8 for extramural form of education in 19 scientific subjects. It must be noted that less than 50% of the announced positions for doctorates were utilized. The research work is not very attractive for the young people and as a result of that candidates cannot cover the requirements and cannot be classed.

The total number of the accredited scientific subjects for NCAS is 34 for 13 institutes.

The total number of the scientific publications in 2004 was 1413. The share of the publications in international editions was 29.16% of the total number which was around 5% less compared to the previous year. The average number of scientific publications per one researcher from NCAS was 1.86.

5.2. Education

In the school 2004/2005 year in the vocational schools under MAF, 98 in total, were educated 32776 students.

The vocational high schools are grouped as follows:

1. Agriculture – 72 schools
2. Forestry and Woodworking – 14 schools
3. Food, wine and tobacco technologies – 12 schools

When opening new subjects more often emphasis is put on economic and demographic specificity of the region, needs of the labour market and desire of the students.

Under the proposals of the schools new subjects were introduced like:

- Rural tourism;
- Economist manager in the agriculture
- Organiser of a small enterprise;
- Park construction;
- Landscaping;
- Floriculture.

Modernization of the agricultural education and training is based on the updating of the legal basis according to which the national and the sectorial system of vocational training and education operate. With that regard MAF prepared amendments and supplements to the Law on the Education and the regulation for its implementation, the Law for vocational training and education, the Law on the educational degrees, general education minimum and the curriculum. The justification of the amendments proposed was based on the belief that the authority of MAF shall step by step be increased as it is the financial body of the public schools according to the budget framework.

Until now the Minister of agriculture and forestry approved and were entered into force the state educational requirements for the professions: ,,forester", ,,hotel-keeper", ,,farmer", ,,technologist of the production and catering establishment facilities", "operator in the food, wine and tobacco industry", "operator in the woodworking". "baker-confectioner". "carpenter", "cook", "cabinet-maker", "joiner". The educational requirements for acquiring qualification for other professions are in the process of preparation and their publication in State Gazette is forthcoming. These professions are: "landscapist" – I and II degree of professional qualification, "technician-landscapist", technician forester", "mechanic of forestry machines" and "veterinary technician". Most of the working groups for the state educational requirements involved and involve teachers who are teaching subjects for professional preparedness from the public schools at MAF.

In 2005 state qualification exams were held for the first time. They were held in compliance with the state educational requirements for acquiring a qualification in the respective profession. What is new is that for the nomination of the examination committee representatives of the employers were included. In that way a legal opportunity was provided for the real consumers of skilled workers from the public schools to be at the exit of the training institution and to receive direct information for the quality of the acquired knowledge, skills and competences.

Since Ordinance № 8 entered into force (12.03.2004) concerning the terms and conditions for acquiring or cancelling the qualification for operation of agricultural and forestry machinery and equipment 72 syllabus were opened (training organizations). 57 of them are public schools at MAF, 15 are physical and legal bodies outside the structure of MAF. The Minister of agriculture and forestry issued 128 licenses which allow theoretical and practical training to be carried out. The number of the licences is bigger than the number of the training institutions because most of them possess a licence for more than one category of qualification. The issued licences cover the following categories: Tvk – 60, Tvk-3 – 47, Tvk-M – 2, for motor saws and bush trimmers – 18, for log band-saw – 1, for electric trucks and motor trucks - 2.

The National strategy for continuous professional education over the period 2005-2010 focused on ensuring suitable education and professional education for improving the fitness for employment of the working force.

More than 50 courses for professional training under the syllabus of the Ministry of Education and Science for continuous education and training were carried out.

The preparation of tender dossiers for carrying out of the first group of courses on the implementation of Measure 3.1. (09) "Improvement of the professional education and training" of the NRDP began.

All issues with reference to Measure 09 are presented on the web site of MAF in the part SAPARD/Professional education. The right to apply under this measure have physical bodies registered as agricultural producers or registered tobacco growers or owners or users of forests or working on a labour contract at the farms of registered agricultural producers.

Till the end of the first quarter of 2005 MAF received requests from more than 400 agricultural producers approved by SFA. 19 courses were organized distributed as follows: 1 course in sector "Milk and milk production", 1 course in sector "Animal Breeding", 1 course sector "Bee-keeping", 1 course in sector "Plant growing", 5 courses in sector "Perennials – orchards, vines and strawberries", 3 courses in sector "Growing vegetables, flowers, oil-bearing crops, cereals aromatic и oil-bearing perennial medicinal plants, high quality varieties of tobacco and cotton", 6 courses on the topic "Acquiring of professional qualification "bee-keeper – inspector" according to Art. 36, par 1 of the Law on Bee-keeping.

The total number of the agricultural producers participating in the courses, in the prepared tender documentation of MAF till the end of 2005 was 288. As it is necessary to keep the procedures from the Practical guidebook for the commissioners for carrying out of tender procedures under SAPARD program in the Republic of Bulgaria and the special terms for evaluation and selection of the training institutions the training will be delivered in 2006. The courses under Measure 09 are mid-term – 30 classes or long-term – 150 classes. The training will be carried out on site of the training institution which has won the tender.

In 2005 is completed a project, financed by EU on the topic "New methods and technologies in the education of students from the agricultural schools". It is being implemented by "Science and Education" Directorate, teachers from 13 selected schools in the professions "Plant growing", "Animal breeding" and "Agricultural economics" together with professors from the Agricultural College in Plovdiv. Partners are professors from the Aristotle University, Thessalonica, Greece, and the International Educational Centre in Turin, Italy.

11 schools are working under international projects and the programs "Phare", "Leonardo Da Vinci" and "Comenski". 210 schools are in bilateral cooperation with Germany, France, Italy, Russia and Turkey.

Over 20 schools work on programs and projects of the Ministry of Labour and Social Policy.

The traditional exhibition and a bazaar of products from professional direction "Forestry, woodworking and interior architecture" took place. Through the assistance of MAF the schools participated in the Plovdiv spring fair with their own booth.

5.3. Scientific servicing and consultations

5.3.1. National Centre for Agrarian Science

Despite the restricted finances NCAS through its scientific units made a lot of efforts to support Bulgarian agriculture to achieve better results. The changes in the conditions of production and the markets had to be followed as well as financial and economic justification of the necessity for receiving targeted subsidies and credits.

Units of NCAS proposed and provided the agricultural producers with high quality scientific products and technological solutions in the following main directions:

- Providing the agricultural producers with super elite and elite sowing and planting material, breeding animals and breeding material;
- New technologies for growing agricultural crops and animals, different recipes for food products and combined foodstuffs for the private agriculture and small farms;
- The complete laboratory services for analysis of soil, plant and animal products with the needed recommendations;
- Increasing the qualification and the skills of the agricultural producers;
- Promotion and implementation of effective scientific products and decisions;
- providing consultations on issues of the modern agriculture, veterinary science and food industry;
- establishment of effective information system for scientific servicing.

Looking for ways and means for faster and efficient transfer of the scientific achievements the institutes and the stations continued the so called “open days” to present and demonstrate the modern achievements. In 2004 their number was smaller compared to the previous years - they were 63 - but the organization of their preparation and implementation was better. Not only the novelties were presented but also contacts with the producers were made to provide scientific help, contracts were concluded for production of elite seeds and sowing material, breeding animals, new machinery, etc. 104 experimental fields were created in the institutes and stations of NCAS.

Over the year the research institutes and regional centres of NCAS concluded total of 311 contracts with farmers, co-operations, associations, etc. In the institutes and stations were carried out training courses for farmers, co-operations, associations and companies with total of 8064 participants.

124 scientific and practical conferences, seminars, symposia, round tables were carried out with 6163 participants where problematic issues of the modern agriculture, veterinary medicine, economics and marketing, financing, different internal and external factors influencing the production were discussed.

In the international agricultural fair AGRA-2004 NCAS took part with its scientific units on 314 sq.m. and presented its newest scientific products implemented into practice. The fair is the biggest and the only agricultural fair in Bulgaria which is a member of the International Association of the Fair Industry (UFI) since 1995. The 13 year tradition turned this event into the biggest Bulgarian forum for the achievements in the agriculture and as a place for business meetings, presentations and exchange of information.

On the territory of the Fruit Growing Institute in Plovdiv for the fourth time an exhibition-bazaar 2000, called Mini AGRA, took place. 14 research units and companies from the region took part in it. The purpose of this exhibition is the producers to inform themselves directly for the opportunities of the research units, to receive consultations and advice on different issues of the agricultural production, to buy seeds, sowing material, fertilizers, chemicals, etc. and to conclude contracts for sale of the scientific products.

In the economic 2004 the units of NCAS cultivated around 14 000 ha land provided by the NLF of which 9300 ha to the research units and 4700 ha under rent or lease. The biggest share had the grain-cereals – wheat and barley. More than 70% of the output were seeds.

In the experimental basis of the units are grown around 20 000 breeding agricultural animals, including 2100 mother cows, 100 cow-buffalos, 9200 mother sheep, 250 goats, 600 sows, 2500 pigs for fattening, silk-worms, fish, rabbits. The units of NCAS raise the only exiting animals of aborigine breeds short horn Rhodopi cattle, grey Iskar cattle, local Strandzha cattle, Karakachan sheep, mid-Rhodopi sheep, local Karnobat sheep, black headed Pleven sheep and east Balkan pig.

5.3.2. National Agricultural Advisory Service

In 2004 the activity of the National Agricultural Advisory Service (NAAS) was directed to the preparation of the sector for the EU requirements related to the organization of the agricultural production and to the agricultural production market, the implementation of appropriate agricultural practices and the environment protection, production of quality and safe production, the need of establishing producer groups, etc., as well as to providing of specific advice, consultations and services to the agricultural producers.

The Common Agricultural Policy of the EU and the organization of the market after 2007 are the main topics on which NAAS is training its experts and works actively with the agricultural producers in 2004. The purpose is to strengthen the capacity of NAAS for the successful implementation of the EU standards and mechanisms in agriculture.

In 2004 the advisory activity of NAAS corresponded to the priorities of the country in the agriculture and aimed at the preparation of the sector for fulfilling and implementing the commitments under Chapter Agriculture which was closed in 2004.

Advisory activity in the area of plant growing

The activity in the sector was directed towards development of the rural areas and production of high quality agricultural production.

Grain production

In 2004 advice and consultations were provided in the following directions: use of certified and disinfected sowing material, selection of suitable varieties and hybrids in compliance with the agrienvironment characteristics of the region, application of balanced fertilization and appropriate agrotechnics, appropriate crop rotation, effective plant protection, etc. 61 initiatives for training of grain producers – seminars, discussions, open days were organised, where live for the development of the sector topics were discussed: Nitrogen feeding of wheat and barley; Perspective wheat varieties; Variety characteristics of the most used sunflower varieties; Disinfection of the seeds and quality sowing – a precondition for high yields, etc. With the assistance of NAAS and the company "Pioneer" 3 demonstration fields for testing of different hybrids of maize in Vratsa, Pernik and Pleven Districts were created. 2500 soil samples for main examination and for operational fertilizing of areas with cereals were analysed in NAAS laboratory. The farmers were provided with differential rates for fertilization with nitrogen, phosphorous and potassium for each specific field. The district offices in Pleven, Rousse, Turgovishte, Stara Zagora, Shoumen and Montana provided methodological and practical assistance to grain producing farms with total area of 20 800 ha and contributed for obtaining 10-25% higher yields with compared to 2003.

Perennials

In sector Perennials the main activity was the support to the agricultural producers for restoration of old and creation of new orchards and wines. With the direct support of the experts from the RAAS 1524 ha of orchards and vines were restored, mainly in Bourgas, Varna, Shoumen and Lovech. Special attention was paid to the training of the agricultural producers in the sector on issues related to the obligatory soil analysis before the planting, use of quality and certified planting material, application of appropriate agrotechnics and plant diagnostics. Advice and consultations were provided on the terms and conditions of planting of new vines, as well as for re-planting, engrafting and rooting of the existing vine massifs. Expert assistance was provided for the application of appropriate agricultural practices - selection of suitable varieties, rootstocks and planting schemes, applying of balance fertilisation and appropriated agrotechnics.

Together with the International Potassium Institute 4 workshops were held on balanced fertilisation of orchards and vines in the districts of Blagoevgrad, Veliko Tarnovo, Sliven and Bourgas where around 200 agricultural producers participated in them. Demonstration days were organised with the participation of the RAAS - on the peach in Sliven, on the cherry in Plovdiv and an exhibition of the strawberry in Montana. 3260 soil samples were analysed in the laboratory mainly for creation of new perennials. The analysed area was two times bigger than in 2003. Diagnostics of the leaves was also performed of fruit-bearing orchards and vines from 26 farms and advice was provided on appropriate feeding with macro and micro elements and restoration of their optimal ratio in the plants.

Balanced fertilisation

Agrochemical examination of soils from agricultural farms is also an important priority of NAAS. 6 764 soil samples from the whole country and with diverse soil characteristics were analysed in the Analytical Laboratory. 39 743 analytical definitions were made which was 30% more compared to 2003. The contents of mineral nitrogen and the absorbed phosphorous and potassium were analysed in all samples and advice was provided for balanced fertilisation consistent with the soils on the farms, the crops and the required yields. The data from the analyses showed that around half of the examined area was with poor phosphorous reserves which confirmed the trend from the previous years. Concerning the potassium reserves, the trend for increase of the areas with poor reserves continued. Still predominant were the areas with severely imbalanced ratio of the nutritious elements but there are farms of which the laboratory has carried out analyses for the second time in 2004 where, as a result of the applied appropriate fertilisation, optimal levels of phosphate and potassium reserves were achieved.

Organic agriculture

Organic agriculture continues to be a priority matter for NAAS. All events that were held over the year were directed towards acquainting the farmers with the requirements for organic production, with the procedure for certification of the organic production as well as with the options for maintenance of the soil fertility and perseverance of the natural balance in the ecosystem by applying appropriate organic fertilisers, etc. The analytical Laboratory analysed soils for contents of nutritious elements and heavy metals and an assessment was made for the suitability of the areas for that type of production.

Advisory activity in animal breeding

Major activity in the work of NAAS is to support the structural and technological restructuring of the sector, especially in the milk sector which refers to the EU requirements as well.

Milk quality

As a result of the agreement signed with the National Association of the Milk Producers (NAMP) for joint activity 28 workshops on milk production with the zoo engineers from RAAS were held in 2004. Special attention was paid to the modern milking and cooling equipment which is a guarantee for good milk quality.

Selection breeding activity

Very important for the development of the animal breeding sector is the selection work and the use of artificial insemination. It was found out that in the agricultural farms observed by the NAAS experts only in 9 districts breeding activities are carried out. In some areas the percentage of the animals covered by the breeding activity is 5-55%. Therefore the zoo engineers actively advise the farmers to undertake precise selection measures to improve the genetic potential and the productivity of their herds and hence to increase their incomes.

Farm animals feeding

The advisors zoo engineers get support from the Analytical Laboratory which made 286 analyses of feedingstuffs. Identified were proteins, raw fats, raw fibres, mineral substances, contents of phosphorous, calcium, microelements, acidity, etc. which were used by the zoo engineers in the RAAS for setting up of differentiated rations consistent with the animal species, age and the purpose for raising the animals.

Support to uniting of the farmers

The producers' organisations are an important element from the implementation of the common organisation of the market. To get NAAS employees acquainted with this problem two workshops were held, organised by MAF. Later the experts informed and clarified to the agricultural producers the need and benefit from uniting and were directly involved in the creation of association and organisations.

With the active participation of the experts from RAAS Silistra were prepared the documents of 3 organisations of tobacco growers and one of them was recognised under the provisions of Ordinance №23. A number of meetings were held to support the establishment, registration and recognition of 6 more organizations in the District of Silistra. In Veliko Tarnovo an organization of sheep breeders was established, in Gorna Oryahovitsa – an organization of the vegetable growers, in Shoumen – an association of the fruit producers. With the assistance of the RAAS in Sliven and Yambol regional associations of the poultry breeders were established. RAAS Smolyan helped for the establishment of an association of the potato growers in the village of Zmeitsa. 15 more organizations, associations and regional associations were established under the Law for the Legal Bodies with Non-profit Purpose with the active support from NAAS.

Activities of NAAS under the implementation of national programs

Development of alternative agriculture in the Rhodopi Mountain

In pursuance of the Program for alternative agriculture in the Rhodopi Mountain are involved the teams from RAAS Blagoevgrad, Kurdzhali, Pazardzhik, Plovdiv, Smolyan, Haskovo. They held 64 workshops, lectures, discussions, etc. explaining and training the farmers in the implementation of the program. 975 consultations were provided on farms. Most often they were with regard to the creation of new fruit plantations, appropriate selection of place and appropriate varieties for planting, raising of animals from local breeds, veterinary and sanitary requirements for animal buildings, purchasing of breeding animals, etc. 51 projects were developed under the program and 45 were approved. Their total value was 7 154 724 BGN and they were mainly from the Districts of Plovdiv, Smolyan and Kurdzhali.

Program for development of agriculture in North-West Bulgaria

The work on this program continued actively in 2004 as well. The experts from the RAAS in Vidin, Vratsa and Montana provided 350 consultations. To apply under the program assistance was provided for the development of 45 projects mainly for purchasing animals and creation of perennials. NAAS experts helped for the solving of some problems in the implementation of the program – lack of certified planting material and breeding animals, difficulties for providing collateral for the credits, difficulties in the creation of perennials due to the land fragmentation.

Explaining the Common Agricultural Policy (CAP) of EU

NAAS experts participated in the National Informational Campaign of MAF on the CAP of the EU. 90 workshops were held, a number of lectures were delivered, meetings on variety of topics were held where 3600 agricultural producers got acquainted with the CAP requirements in sectors as well as with the arrangements under Chapter Agriculture.

Last year NAAS experts participated in working groups in two Twinning projects of MAF. This was an opportunity for increasing their professional qualification as well as a way to enrich and expand the advisory activity of NAAS.

6. Sectors related to the agriculture

6.1. Feedingstuffs production

The favourable conditions in 2004 had a positive effect on the development of the agricultural crops and that led to higher yields compared to the previous year. That also helped to increase the production of combined feedingstuffs as well as to increase their quality.

The yields from fodder crops (fodder peas and lucern), according to the data of Agrostatistics at MAF, increased on average by around 25% compared to 2003 despite the fact that the sown areas decreased by 10% compared to harvest 2003.

On the grounds of the Law on Feedingstuffs ordinances were issued through which the EU requirements in the sphere of feedingstuffs production and feeding of farm animals were introduced.

In compliance with the requirements of Ordinance №3 on the feedinstuffs additives a list was prepared and published in 2004 of the additives allowed for use with the feedingstuffs. The list included the allowed for use antibiotics, cociodiostatics and medicinal substances, enzymes, microorganisms, growth stimulators, colouring substances, etc. In compliance with Ordinance №24 on the terms and conditions for approval and registration of producers and traders in animal feed 52 producing companies of combined feedingstuffs with additives were approved in the country.

The production from these enterprises in 2004 was 486 237 t, 266 875 t out of which were produced for sale, 117 344 t were produced to meet the needs of their own animal breeding farms and 96 013 t of combined feedingstuffs were produced with material supplied by the customers.

The combined feedingstuffs produced for poultry in 2004 were 287 715 t or 59% of the total production. This was 10% higher compared to the quantities produced in 2003. At the same time a slight decrease of the production of combined feedingstuffs for pigs (147 041 t) and other types (14 259 t) was observed compared to 2003 and the feedingstuffs produced for ruminants slightly increased.

The tendency for development of the animal breeding in R of Bulgaria and for the development of the production infrastructure in the sector presupposes retention of the current structure in the production of combined feedingstuffs in 2005.

Table II.99.

Quantities of combined feedingstuffs produced per districts in 2004 **(tons)**

№	District	Combined feedingstuffs produced					
		Total	For poultry	For pigs	For bovine	For sheep and goats	Other species
1	2	3	4	5	6	7	8
1	Blagoevgrad	202	0	202	0	0	0
2	Bourgas	24 429	2 961	18 372	1 038	1 881	177
3	Varna	2 061	1 026	500	0	0	535
4	Veliko Tarnovo	76 948	68 093	6 621	1 947	0	287
5	Vidin	2 581	40	2 480	61	0	0
6	Vratsa	10 638	9 841	797	0	0	0
7	Gabrovo	8 688	4 124	2 544	1 100	246	674
8	Dobrich	23 630	21 771	1 855	4	0	0
9	Kardzhali	3 443	2 700	35	0	30	678
10	Kyustendil	296	15	281	0	0	0
11	Lovech	32 977	12 570	10 340	2 689	482	6 896
12	Montana	1 056	573	395	78	3	7
13	Pazardzhik	8 784	6 201	1 792	347	2	442
14	Pernik	0	0	0	0	0	0
15	Pleven	13 662	4 023	6 067	3 031	42	499
16	Plovdiv	33 257	16 001	13 508	3 121	2	625
17	Razgrad	9 313	3 012	1 416	715	4 150	20
18	Rousse	21 036	1 882	18 713	177	141	123
19	Silistra	13 744	3 059	10 385	142	94	64
20	Sliven	72 087	56 679	10 883	3 400	798	327
21	Smolyan	5 125	4 858	10	27	4	226
22	Sofia city	7 985	3 906	1 951	1 663	390	75
23	Sofia district	19 637	15 243	3 297	490	26	581
24	Stara Zagora	32 173	24 979	3 985	2 668	72	469
25	Targovishte	11 398	253	10 911	234	0	0
26	Haskovo	8 790	3 968	2 783	898	697	444
27	Shoumen	23 570	19 350	2 258	693	325	944
28	Yambol	18 728	587	14 660	3 272	43	166
	Total	**486 237**	**287 715**	**147 041**	**27 794**	**9 428**	**14 259**
	Presented in %	100%	59%	30%	6%	2%	3%

Source: MAF

III. VINE GROWING AND WINE PRODUCTION

1. Grapes production

1.1. Acreages

Over the period 2001 – 2004 the trend was towards decrease of the areas under wine varieties of vines.

In 2004 the areas under vines were 129 580 ha, including 34 029 ha of non-maintained vines outside the farms.

The interest of the producers in creating new vine plantations increased in the last years thanks to the financing provided by SFA and SAPARD Program.

Table III.1.
Vines in Bulgaria over the period 2000–2004

Year	Acreage under vines in the farms (ha)	Non-maintained vines outside the farms (ha)	Total acreage under vines (ha)
2000 г.	153 200	7 271	160 471
2001 г.	146 995	4 190	151 185
2002 г.	129 998	15 200	145 198
2003 г.	103 019	28 050	131 069
2004 г.	**95 551**	**34 029**	**129 580**

Source: *MAF, Agrostatistics*

The harvested areas in 2004 were 95 551 ha**.** It was found that a big percentage of the wine vine varieties were with worsened age structure and were in poor agrotechnical and phytosanitary condition. More than 65% are over the age of 20 years. The necessary cares are not taken for the vine plantations under the varieties Pamid, Dimyat, Red Misket, Shevka, etc. because of the low interest on the market and the low purchasing price offered for the grapes.

In 2004 continued the practice for abandonment of vine plantations. The areas of non-maintained vines outside the farms are increasing and reached 34 029 ha. This is due mainly to the change of ownership and use of vine plantations, fragmentation of the large farms, as well as of the age structure of the vines.

Young vines which are not fruit-bearing are around 511.4 ha. They were created mainly with funds from SAPARD Program and SFA.

Table III. 2.
Distribution of the areas under vines in the farms per regions of planning in 2004

Regions	Total acreage (ha)	Harvested from them (ha)	Harvested %
	8 394	7 896	94.1%
North-west	12 388	11 514	92.9%
North-central	16 624	14 646	88.1%
North-east	22 857	19 931	87.2%
South-east	28 370	25 455	89.7%
South-central	6 918	5 680	82.1%
South-west	**95 551**	**85 122**	**89.1%**
Total:			

Source: *MAF, Agrostatistics*

Table III. 3.
Distribution of the harvested vines per regions for planning

Regions	Red wine varieties		White wine varieties		Dessert varieties		Vine total	
	Acreage (ha)	%	Acreage (ha	%	Acreage (ha	%	Acreage (ha	%
North-west	**5 289**	67.0%	**2 272**	28.8%	**335**	4.2%	**7 896**	100%
North-central	**8 149**	70.8%	**2 730**	23.7%	**635**	5.5%	**11 514**	100%
North-east	**4 966**	33.9%	**8 915**	60.9%	**765**	5.2%	**14 646**	100%

South-east	**10 197**	51.2%	**8 621**	43.3%	**1 113**	5.6%	**19 931**	100%
South-central	**20 074**	78.9%	**2 966**	11.7%	**2 415**	9.5%	**25 455**	100%
South-west	**4 823**	84.9%	**529**	9.3%	**328**	5.8%	**5 680**	100%
Total:	**53 498**	62.8%	**26 033**	30.6%	**5 591**	6.6%	**85 122**	**100%**

Source: *MAF, Agrostatistics*

In general there were no significant changes in the structure of distribution of the harvested vines with red wine and dessert varieties per regions. The harvested vines with white wine varieties decreased by more than 30% compared to the previous year. The biggest was the decrease in the North-East region. The harvested red wine varieties were insignificantly increased. The red wine varieties keep their dominant role in the structure of the harvested vine plantations with a relative share of 62.8% followed by the white wine varieties – 30.6% and the dessert varieties – 6.6%.

The expert monitoring shows that the vines planted with varieties with a higher purchasing price (Chardonnay, Muscat Otonel, Cabernet Sauvignon, and Merlot) are managed well. The necessary cares are not taken for the plantations under varieties of low interest by the wineries.

The major problems related to the application of agrotechnical measures are as follows:

- Undersized areas within a massif which leads to the application of different technologies and untimely performing of plant protection measures.
- Insufficient and low quality cultivations of the soil;
- Insufficient plant protection. This resulted into a big percentage of vine plantations affected by viruses, fungi diseases and weeding, especially in the private vines, under varieties of low purchasing price.

The recreation of plantations with wine varieties vines continued in 2004. The applications received at EAWV for granting of new rights for planting show increased interest in the possibility given under & 3, par. 1 of the *Ordinance on the terms and conditions for planting new vines, re-planting, engrafting and uprooting of the existing vines (SG, vol. 80/20.08.2002, amended SG, vol. 31/04.04.2003, amended, SG, vol. 60/04.07.2003).*

EAVW issued 166 statements for engrafting of wine vine varieties in 2004. Their total area was 3952.8 ha. Comparatively lower was the interest in the opportunity to acquire rights for engrafting of wine vine varieties from the National Reserve. During the year EAVW issued 21 statements for planting from the National Reserve for wine vine varieties with total acreage of 259.8 ha. The lowest was the interest in granting rights for planting of new vines – 5 statements were issued for 191 ha.

The applications submitted to EAVW for issuing documents for planting/engrafting of wine vine varieties can be the grounds for the dynamics of the land consolidation process. The producers are trying to shape large massifs which allow them to easier and efficiently cultivate the plantations. During this "private consolidation" the most common difficulties were linked with the existence of many farmers with different interests.

1.2. Average yields

Table III. 4.
Average yields of grapes from vines – harvest 2004 per regions

Regions	Average yields from vines (kg/ha)	
	Wine varieties	**Dessert varieties**
North-west	4 320	2 735
North-central	4 394	2 243
North-east	3 895	2 311
South-east	3 339	3 023
South-central	3 859	3 282
South-west	5 369	3 198
Total:	**3 975**	**2 942**

Source: *MAF, Agrostatistics*

In 2004 the average grapes yield was lower compared to the previous year by around 7%. This was due to the unfavourable climatic conditions in some regions of the country.

The higher were the yields in the South-West, North-Central and North-West region.

The average yield for the red wine varieties in the country was 4150 kg/ha and for the white vine varieties - 3610 kg/ha.

The average yield of vine-arbours in 2004 was 12 kg per vine-arbour.

1.3. Production

Grapes production from vines in 2004 was 332 597 tons, including wine grapes – 95.1% and dessert grapes – 4.9%. 18 871 tons grapes from vine-arbours were produced in 2004 which is 30% less compared to the previous year.

Table III. 5.
Grapes production – harvest 2004 per regions **(tons)**

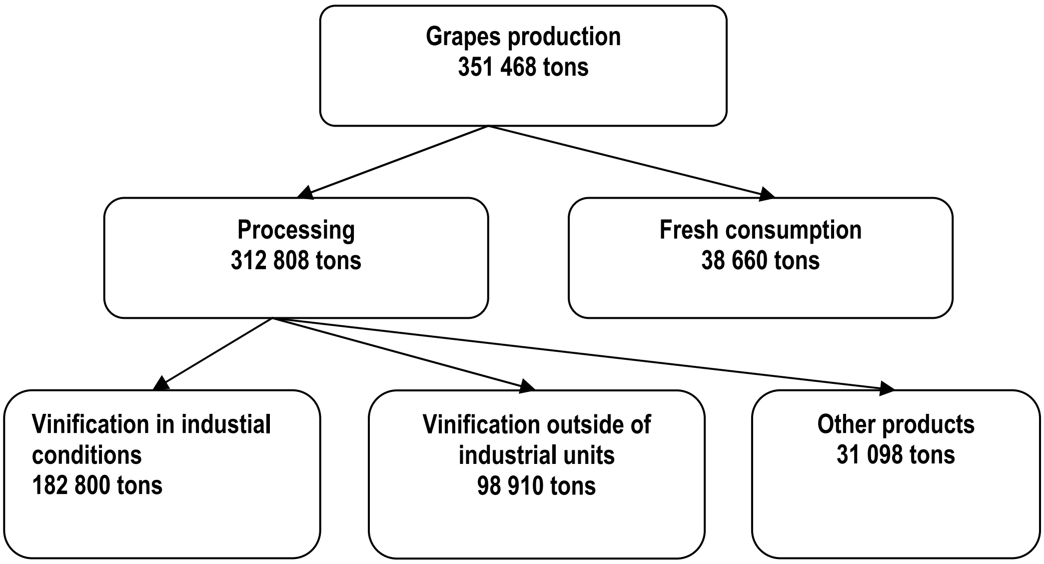
Regions	Grapes from vines				Grapes from vines-arbours	Total produced grapes
	Wine	Dessert	Total production of grapes from vines	%		
North-west	32 036	917	**32 953**	10%	.	.
North-central	48 197	1 425	**49 622**	15%	.	.
North-east	55 463	1 768	**57 231**	17%	.	.
South-east	62 835	3 365	**66 200**	20%	.	.
South-central	88 896	7 925	**96 821**	29%	.	.
South-west	28 722	1 048	**29 770**	9%	.	.
Total:	**316 149**	**16 448**	**332 597**	**100%**	**18 871**	**351 468**

Source: *MAF, Agrostatistics*

South-Central, South-East and North-East regions were the biggest producers of grapes with respectively 29%, 20% and 17% of the total produced grapes from vines in 2004. Approximately 71% of the total harvested areas were in those regions.

From the total produced grapes in 2004 over 38 700 tons were intended for fresh consumption and over 312 800 tons were processed in wine or other products. In 2004 there was a decrease of about 20% compared to the previous year of the quantity of grapes processed in industrial conditions. The processed grapes from harvest 2004 for production of table, regional and quality wines of the registered wine producers was 182 800 tons.

Fig. III.1
Distribution of the grapes produced in 2004



2. Buying-out

The grapes bought-out during campaign 2004 was 208 151 tons and for 2003 – 222 670 tons. As a result of the reduced production in 2004 the wineries reported decrease of the quantities that were bought-out and processed compared to the previous year.

Table III. 6.
Buying out of grapes in harvest 2004

Territorial unit	Bought out quantity of grapes (tons)
Montana	9 167
Pleven	22 106
Rousse	21 635
Varna	15 836
Bourgas	42 978
Sliven	29 853
Plovdiv	40 724
Haskovo	16 528
Blagoevgrad	9 324
Total for the country:	**208 151**

Source: *EAVW*

The biggest quantities of wine grapes were bought-out by the wineries in the South-East and South-Central regions (Bourgas, Plovdiv, Sliven).

3. Wine production

The wines produced in 2004 were 1 417 467 hl, which was by 115 856 hl less compared to 2003 or 7.6 %.

Table wines production increased by 75 820 hl or 8.7%. Production of sparkling and special wines was increased by 3 389 hl.

Production of regional wines decreased by 52 905 hl or 16.9%. The decreased production of quality wines was by 142 160 hl or 40.7 %.

Table III. 7.
Total production of wine - 2004 **(hectolitres)**

№	*Territorial units of EAVW*	Total Produced wines	Table wines	Regional wines	Quality wines	Sparkling and special wines	Must
1	Montana	67 761	45 837	6 075	15 849	-	532
2	Rousse	145 113	104 027	34 562	6 524	-	1 780
3	Varna	123 021	85 859	26 444	10 718	-	787
4	Bourgas	271 868	202 375	8 436	55 924	5 133	6 170
5	Sliven	178 880	72 239	72 349	34 272	20	-
6	Haskovo	111 733	65 657	23 074	23 002	-	-
7	Blagoevgrad	87 053	84 859	1 074	1 120	-	209
8	Plovdiv	271 418	191 670	55 000	23 636	1 112	2 353
9	Pleven	160 620	90 815	33 831	35 904	70	1 603
	Total:	**1 417 467**	**943 338**	**260 845**	**206 949**	**6 335**	**13 434**

Source: *Operational data of the territorial units of EAVW*

Total quality of wine produced from harvest 2004, declared by the registered wine producers at EAVW was 1 417 466 hl, 7% less than in 2003.

The percentage ratio of the table, regional and quality wines of the total production was as follows:

- 43 338 hl of table wines or 66.6%;
- 260 845 hl of regional wines or 18.4%;
- 206 949 hl of quality wines or 14.6%

Table III. 8.
Industrial production of wine - harvest 2004 per regions

(hectolitres)

Regions	Table wines		Quality wines		Foamy, sparkling and special wines		Wines total	
	Red and rose	White	Red and rose	White	Red and rose	White	Red and rose	White
North-west	33 313	12 524	18 554	3 370	-	-	51 867	15 894
North-central	71 364	57 811	56 352	15 050	31	40	127 747	72 901
North-east	71 994	79 531	7 382	69 198	-	-	79 376	148 729
South-east	148 484	126 130	109 347	61 633	3 433	1 720	261 264	189 483
South-central	160 206	97 121	103 048	21 664	736	377	263 990	119 162
South-west	54 067	30 792	2 194	-	-	-	56 261	30 792
Total:	**539 428**	**403 909**	**296 877**	**170 915**	**4 200**	**2 137**	**840 505**	**576 961**

Source*: EAVW*

The South-East region is known as the main producer. The wines produced in the region were 450 748 hl which is 32% of the total quality for the country. The total quality of the produced quality wines in the region was 90 196 hl or 44% of the total produced quality wines.

In South-Central region were produced 383 151 hl of wines or 27% of the total production. The produced quality wines were 46 638 hl which is 22.5% of the total produced quality wines.

In North-East region were produced 268 134 hl or 18.9%, from them 17 242 hl or 8.3% were quality wines, 189 886 hl or 20.1% were table wines.

In South-West region were produced 87 053 hl or 6.1 % of the total production.

In the north-West regions were produced 67 761 hl or 4.8% of the total production.

In the north-central region were produced 160 620 hl or 11.3% of the total quality for the country. The quality wines produced were 35 904 hl or 17.3%.

The survey carried out by Agrostatistics Directorate on the production of grapes, harvest 2004, reported production of 530 575 hl of wine and 58 381 hl of rakya on grape and wine basis in non-production conditions.

The stored quantities of wine in the country by 31.07.2004 were 1 270 623 hl, including per categories:

- 751 832 hl table wines;
- 146 883 hl regional wines;
- 349 917 hl quality wine produced in a designated region
- 21 991 hl sparkling wines and special wines
- 9 699 hl must.

4. Registration of the vine farms

Main task of the EAVW at MAF until the accession of R. of Bulgaria to the EU is the registration of the vine-growing farms. The execution of the undertaken commitments in 2004 following the preliminary set plan was as follows:

Table III. 9.
Registered vine farms until 31.12.2004.

Territorial units of EAVW	*Number of vine growing farms (ha)*	*Total registered area (ha)*
Montana	552	767
Pleven	157	3 529
Rousse	158	1 731
Varna	49	1 240
Bourgas	315	5 538
Sliven	184	1 130
Haskovo	977	2 919
Plovdiv	839	1 471
Blagoevgrad	498	427
Total:	***3 685***	***18 752***

Source: *EAVW*

The registered vine-growing farms at the end of 2004 were 18 752 ha which is over fulfilment of the plan for 2003 and 2004 (18 360 ha) by 2.14%.

According to the undertaken commitments in the vine-growing sector it is envisaged that until our accession to the EU the total acreage of the registered farms will be 153 500 ha; for 2005 their acreage should be 68 960 ha and for 2006 – 66 180 ha.

Table III. 10.
Plan for registration of the vine farms in ha

Territorial units of EAVW	**2005**	**2006**	**Total for the period 2003 -2006 г.**

Montana	7 000	6 890	16 040
Pleven	7 300	7 230	16 530
Rousse	6 200	6 230	14 230
Varna	9 600	9 410	21 660
Bourgas	9 100	8 420	20 020
Sliven	6 200	6 260	14 360
Haskovo	9 190	7 560	19 050
Plovdiv	10 250	9 400	21 510
Blagoevgrad	4 120	4 780	10 100
Total:	**68 960**	**66 180**	**153 500**

Source: *EAVW*

IV. FISHERIES

1. Catch and fish production in 2004 and forecast for 2005

According to the data of the Executive Agency of Fishing and Aquaculture (EAFA) the total catch of fish and other water organisms for the country in 2004 was 8 246 t, which is 34.1% less compared to the previous year. The decline is due mainly to the considerable decrease of catch of sea fish species - by 66.7% compared to 2003, down to 3 272 t (Table IV.1).

Table IV.1.
Catch of fish and other water organisms **(tons)**

FISH SPECIES	**2003**	**2004**	**1 - 6 months 2005**
Sea fish species	9 813	3 272	1834,5
Passage (sturgeon)	16	18	10,8
Including: in Black Sea	*1*	*4*	0,4
In the Danube river	*15*	*14*	10,4
Passage (herring)	67	100	50
Including: in Black Sea	*56*	*78*	35
In the Danube river	*12*	*22*	15
Fresh water fish	2 259	2 394	470
Including: in the Danube river	*464*	*368*	*148*
In internal waters	*1 795*	*2 026*	*322*
Rapanas, mussels and shrimps	340	2 462	72
Total catch of fish and other water organisms	**12 496**	**8 246**	**2437.3**

Source: *IAFA*

Major share (88%) of the catch of the sea fish species belongs to the *minnow*. In 2004, however, considerable decrease of its catch was reported - 2 889.1 t, 68.4% less compared to the previous year. (Table IV.2.)

The catch of *sprat* also decreased compared to 2003 – by 32.9% down to 87.9 t. A decrease was registered with the other sea fish species. The behaviour of the fish is with seasonal character and their availability depends on the climatic and migration characteristics.

Turbot is another sea fish species which due to its delicatessen qualities maintains high selling price. This results into increased trade interest in it. On the grounds of the investigation of the existing resources each year MPH determines quotas for the turbot catch.

The quota for turbot catch in 2004 was *40 t*, and the reported catch was 16.2 t, which is 60.3% decrease compared to the previous year.

In 2005 the total annual quota for turbot catch in Black Sea was again *40 t.* The catch must be reported only in the identified ports.

Table IV.2.
Catch of fish and other water organisms in Black Sea

(tons)

Fish species	**2003**	**2004**	**1 - 6 months 2005**
Passage fish			
Beluga, Huso huso	0.6	2.5	0.4
Stor Sturgon, Acipenser stellatus	0.3	1.0	0.0
Russian (Black sea) Sturgeon, Acipenser gueldenstaedti	-	0.5	0.0
Sturgeon total	**0.9**	**4.0**	**0.4**
Shad, Danube sturgeon, Casp.Pont./Alosa pont.	55.8	77.91	34.5
Sea fish			
Sprat, Sprattus sprattus	9 154.5	2 889.1	1 756.8
Black Sea scad, Trachurus mediterraneus ponticus	141.6	73.9	3.4
Bonito (Black Sea), Sarda sarda	22.6	17.8	0.0
Turbot, Psetta maeotica	40.8	16.2	5.3
Anchovy, Engraulis encrasicholus ponticus	131	87.9	7.5
Gobies, Gobidae	125.2	78.8	34.2
Spiny dogfish (Black Sea), Squalus acanthias	51.3	47.2	12.3
Mullet, Mugil cephalus	32.6	17.9	5.3
Carfish, Belone belone	8.3	4.1	0.2
Bluefish, Pomatomus saltatrix	18.2	4.7	1.9
Lttle mullet, Liza saliens	15.6	7.8	0.05
Atherine, Atherina mochon pontica	0.4	1.0	0.8
Red muller, Mullus barbatus	35.9	17.0	0.4
Whiting (Black Sea), Merlangius euxinus	12.9	1.5	1.0
Burbot, Gaidropsarus mediat.		1	0.0
Sea bass, Dicentr.labrax/Morone labrax	0.3	1	0.0
Sole, Solea nasuta	9	3	0.04
Flounder, Platichthys flesus luscus	1	2	0.0
Golden grey mullet, Liza aurata	1.3	0	0.0
Other sea organisms			
Rapana, Rapana spp.	324.6	2 427.9	61.3
Black mussels, Mytilus galloprovincialis	15.1	33.7	10.4
Shrimps, Leander spp.	0.1	0.2	0.3
TOTAL	**10 209.5**	**5 815.8**	**1 941.7**

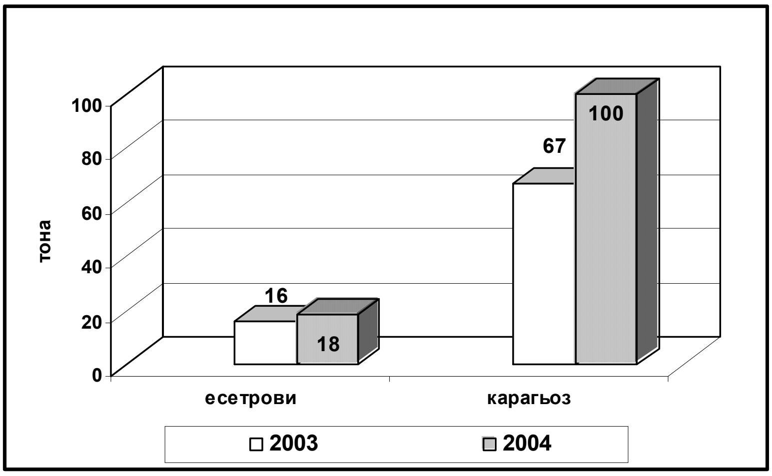
Source: EAFA

The catch and trade in sturgeon fish, which are a protected species, is carried out under the regulations of the Convention for International Trade in Endangered Species from the Wild Flora and Fauna (CITES). In compliance with the stock of sturgeon fish each year a quota for catch intended for obtaining roe is determined.

The quota for Bulgaria for 2004 was *22 t* – at the level of 2003 (according to data from MOEW).

According to data of EAFA the catch of the passage fish species in 2004 increased compared to the previous year. The catch of *sturgeon fish* increased by 12.5%, up to 18 t, including: 4 t – from Black Sea and 14 t – from Danube river. For the same period the catch of *herring* amounted to 100 t (including: 78 t from Black Sea and 28 t from the Danube river), which was 49.3% more compared to 2003 (Fig. IV.1.)

Fig. IV.1.
Catch of passage fish per species



According to data of EAFA the total reported catch of sea organisms in Black Sea in 2004 - rapanas, mussels and shrimps increased around 7 times compared to the previous year reaching *2 462 t*. This was due mainly to the growth of catch of *rapanas* (over seven times), which is a major share (99%) of the total catch of sea organisms and in 2004 it reached 2 427.9 t. The high prices at the international markets of these species of sea organisms determine the considerable interest in their catch.

The total catch of fresh water fish in 2004 increased by 6% up to *2 394 t compared to the previous year,* mainly on the account of the increase of catch in the internal water basins.

The fish catch in the Danube river in 2004 decreased by 17.5% compared to the previous year, down to *404.2 t*, including: fresh water Danube fish – 368 t, sturgeon fish – 14.2 t and Danube herring – 22 t. (Table IV.3.)

According to the data of EAFA *4 302 licences* in total were issued in 2004 for business fishing, including: 1 968 – for Black Sea, 1 598 – for the Danube river and 736 – for the internal water basins.

The efficiency of the control over fishing and the protection of the water basins in the country from poachers were increased.

Table IV.3.
Catch of fish in Danube River

(tons)

Fish species	2003	2004	1 - 6 months 2005
Passage			
Shad, Danube sturgeon, Casp.Pont./Alosa pont.	**11.5**	**22.0**	**15.01**

Passage sturgeon			
Beluga, Huso huso	8.2	9.9	7.85
Russina sturgeon, Acipenser gueldenstaedti	1.0	0.5	0.1
Stor sturgeon, Acipenser stellatus	1.3	0.5	0.4
Sturgeon			
Danube starlet, Acienser ruthenus	4.5	3.4	2.0
Sturgeon total	**15.1**	**14.2**	**10.4**
Fresh water - Danubian			
Wels catfish, Sillurus glanis	45.5	39.4	10.3
Lucioperca lcioperca	33.4	26.1	6.6
Barbel, Barbus barbus	51.8	44.3	15.4
Lota lota	3.0	1.2	0.19
Bleack, Alburnus alburnus	29.9	20.9	9.1
Danube bream, Abramis brama	59.8	53.2	16.0
Asp, A*spius aspius*	14.7	15.2	7.8
Undermouth, Chondrostoma nasus	19.5	9.9	8.3
Silver carp, Hypophalmichthis molitrix	28.8	21.5	12.4
Bighead carp, Aristhishthys nobilis	9.1	15.7	10.1
Crucian carp, C*arassius sp*	15.7	3.5	3.76
Grass carp, Ctenopharingodon idella	19.2	12.7	8.95
Carp, Cyprinus carpio	32.7	31.5	7.93
Pike, Esox lucius	3.9	2.9	2.1
Perch, Perca fluviatilis	5.8	3.9	9.09
Vimba, Vimba vimba	23.8	20.6	8.71
Ide, Leuciscus idus	13.6	4.5	2.0
Roach, Rutilus rutilus	13.4	7.9	2.6
Chub, Leuciscus cepfalus	5.1	0.3	0.05
Rudd, Scardinius erythrophthalnus	9.7	8.6	3.8
Gobies, Gobidae	1.5	1.0	0
Bleack, Chalcalburnus chalcoides	9.1	5.5	0.9
Eastern bream, Abramis sp.	1.7	1.2	1.3
Pelecus cultratus	0.8	0.6	1.3
Diverse fish	10.5	15.8	5.9
TOTAL	**490.1**	**404.2**	**173.5**

Source: *EAFA*

Since 2004 the interest increased both in physical and legal bodies for renting water basins and using them for business fishing. This activity is predetermined by the increasing consumption of fish and fish products by the population and expanding the existing market niches. This contributed for the increase of the catch from business fishing in the country.

In 2004 the fish catch in the internal water basins increased by 12.9% compared to the previous year reaching *2 025.6 t*. Most considerable was the catch of carp (967.5 t), which increased compared to the previous year by 28.7%. Next was the catch of carp - 490.2 t, 26% more compared to 2003. The catch of crucian carp was also significant – 300 t, by 2.4% less compared to 2003 г. (Table IV.4.)

Table IV.4.

Catch of fish and other water organisms in the internal waters

(tons)

Fish Species	**2003**	**2004**	**1 - 6 months 2005**
Salmonidae			
Balkan salmon, Salmo trutta fario	2.4	0.7	0.5
Rainbow trout, Salmo gairneri	46.5	21.8	1.4
Brook trout, Salvelinus foutinalis	0.4	1.5	0.0
Esocidae			
Pike, Esox lucius	7.2	9.7	2.4
Cuprinidae			
Carp, Cyprinus carpio	752	967.5	135.4
Silver carp, Hypophthalmichthys molitrix	388.9	490.2	89.2
Crucian carp, Carassius auratus	307.4	300.0	55.1
Grass carp, Ctenopharingodon idella	29.5	26.9	4.0
Black carp, Mylopharringodon piceus	3.6	0.9	0.6
Rudd, Scardinius erythrophthalnus	35.2	32.0	8.9
Danube bream, Abramis brama	29.8	9.8	4.2
Asp, Aspius aspius	3	2.8	0.6
Chub, Leuciscus cepfalus	13.1	5.4	0.5
Bleack, Alburnus alburnus	23.3	24.0	2.6
Undermouth, Chondrostoma nasus	14.2	6.7	0.6
Tench, Tinca tinca	4.2	0.7	0.08
Roach, Rutilus rutilus	10.1	4.8	0.6
Barbel, Barbus barbus	1.2	2.6	0.0
Balkan barbell, Barbus merid. petenyi	5.3	1.0	0.3
Maritsa barbell, Barbus cyclolepis	1	0.0	0.0
Bleack, Chalcalburnus chalcoides	2.6	1.2	0.0
Vimba, Vimba vimba	1.6	2.7	0.0
Ide, Leuciscus idus	0.7	0.2	0.0
Siluridae			
European carp, Sillurus glanis	25.9	48.3	4.9
Ictaluridae			
Sheat fish, Yctalurus punctatus	11.3	18.3	2.4
Percidae			
Perch, Perca fluviatilis	42.3	16.0	3.2
Stizostedion lucioperca	25.1	21.9	3.8
Cray fish, Astacus leptodactyus	3.5	6.0	0.0
Diverse fish	3.1	0.9	0.15
TOTAL	**1 795.4**	**2 025.6**	**322.1**

Source: *EAFA*

Compared to the previous year the catch of European carp increased by 86% reaching 48 t.

Despite the reported decrease, more significant of the other fish species was the catch of river perch, perchpike, grass carp, bleack and rudd (between 16 and 32 t). According the Law on Fishing and

Aquaculture from 2001 the reported catch from amateur fishing is registered as catch of fish in the internal water basins of the country.

All fishing activities in Black Sea, Danube river and the internal water basins are subject to licensing through the regional services – the territorial units of EAFA which issue licences by name to all persons, carrying out fishing activity, contain data for the target of fishing, the fishing appliances, the gears and gadgets, including the used vessels. The terms of validity of the licenses is one year. Most of them are renewed in the beginning of the year. Due to this the number of the licenses issued during the first half of 2005 was close to the total number of the licenses issued in the previous year. It is expected that the number of the licenses issued at present will be approximately the same as the total number for 2005.

The quantity of the catch, the caught species, the region of fishing, the type of the used equipment are recorded in the fishing registers on a daily basis.

During the first half of 2005 the catch in Black Sea amount to 1 941.7 t, in the Danube river – 173.5 t, in internal water basins – 322.10 t or 2 437.3 tons in total. It is expected that the catch of fish and other water organisms in 2005 will reach the qualities reported in 2004.

Data of EAFA show that in 2004 the fish-breeding farms produced in total *19 036 310 breeding material*, which was 20.5% more compared to the previous year. This was mainly due to the increased production of breeding material from *rainbow trout* - 82.4% more compared to the previous year reaching 9 556 050.

Table IV.5.
Production of breeding material, fish and other water organisms in the fish breeding farms

Fish species	Breeding material (number)		Fish (tons)	
	2003	2004	2003	2004
Carp	5 019 000	5 199 050	1 091	881.2
Silver carp	208 000	-	72	10
Bighead carp	2 412 500	2 974 720	281	521.1
Grass carp	139 300	130 580	63	71.6
Black carp	20 000	-	0.004	0
European carp	76 150	102 380	6	17.8
Sheat fish	200 000	-	174	0
Tench	40 000	-	0.4	0
Pike	10 000	10 700	2.4	3.9
Rainbow trout	5 238 620	9 556 050	880	1 555.4
Balkan trout	479 000	460 000	4.4	4.4
Brook trout	1 720 000	440 000	144	18.6
Russian sturgeon	205 606	108 440	144	6.7
Sterlet	-	6 100	0.3	0.1
Beluga	21 383	7 230	3.4	3.7
Paddlefish		32 500		2.3
Lake salmon	5 000	7 000	0.005	0.1
Crucian carp			4.5	28
Pikeperch	-	1 560	-	0.5
Black sea mussel	-	-	15	117.7
Others		-	5	5
TOTAL	**15 794 559**	**19 036 310**	**2 898**	**3 248**

Source: *EAFA*

Source: *EAFA*

The traditional production of breeding material from *carp* was 5 199 050, or 3.5% more compared to 2003. Next was the production of breeding material from *bighead carp*, which increased by 23% up to 2 974 720. Increase registered the production of *European carp* – up to 102 380 (Table IV.5.).

The biggest decline in 2004 – by 74% which was registered in the production of breeding material from brook *trout* (440 000). Considerably decreased the production of breeding material from *beluga* (7 230) and *Russian sturgeon* (108 440), respectively by 66.2% and 47.3%.

In the reported 2004 total production of fish and other water organisms in the fish-breeding farms increased by 12.1% compared to the previous year, up to *3 248 t*. That was the result of the increased production of *rainbow trout,* up to 1 555.4 t, 76.8% more compared to 2003, and it was connected with its increased demand at the internal market.

The production of *black sea mussel* also considerably increased compared to 2003 in the specialized farms (more than 7 times) and reached 117.7 t. Black sea mussel is a new aquacultural representative in which lately the interest is growing.

Production of carp considerably dropped down in 2004 - by 19.2% compared to the previous year, down to 881.2 t, but despite this fact its volume remained big.

Because of the seasonal nature of the fish production EAFA does not have data for the produced quantities of fish and other water organisms for the first half of 2005. It is expected that the production of fish for consumption and breeding material in the fish breeding farms will be increased in 2005 by 15%-20% compared to 2004. Good grounds for that forecast gives the increasing number of the registered specialized farms for raising fish and other water organisms as a result of the increased interest in that activity and the increased demand at the internal and international markets.

2. Consumption of fish and fish products

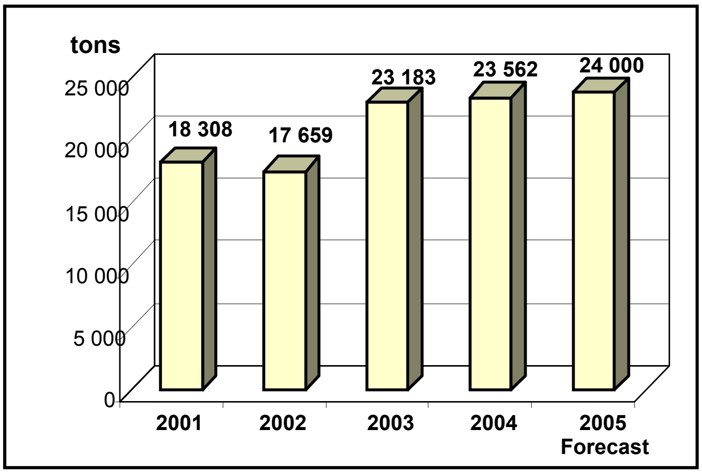
According to data of the NSI the annual consumption of fish and fish products in 2004 increased by 13.2% compared to the previous year and reached 4.3 kg per person (compared to 3.8 kg in 2003). That quantity was calculated on the basis of the monitoring of the households that was carried out and does not include the consumption at restaurants, canteens, and other catering establishments. In principle fish and fish products consumption in the country is lower compared to other sea countries. The reason for that are the higher prices of some fish species (most of them imported) and the lack of traditions for their regular consumption despite the nutritional and healthy qualities of fish.

3. Import and export of fish and fish products

3.1. Import

According to data of Customs Agency in 2004 the total import of fish and fish products in Bulgaria slightly increased compared to the previous year (by 1.6%) reaching *23 562 m* (Fig. IV.2.). The value of the import amounted to *17 796 955 USD.* Import is necessary to diversify the assortment at the market with species which cannot be caught in the Bulgarian territorial waters and to provide raw material for the canning industry.

Fig. IV.2.
Import of fish and fish products over the period 2001 – 2004
and forecast for 2005

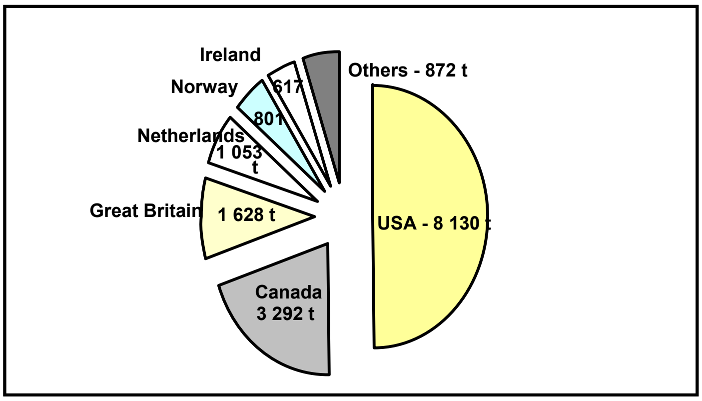


Usually the largest share in the structure of import has the frozen fish - around 90%. In 2004 its volume reached *20 069 t*. Compared to the previous year there was insignificant decrease of the import of frozen fish by 1.8%. Traditionally imported are fish species which are not produced in Bulgaria – *salmon, herring, shark, sardine, white hake,* etc. The total value of the import of frozen fish was *10 797 698 USD*, at average price of *538 USD/t*.

There is no catch of mackerel in Bulgaria and therefore import is executed to meet the demand of the market for direct consumption and for the canning industry. In practice around 80% of the imported frozen fish is mackerel. In 2004 were imported *16 393 t* of *mackerel* with average import price of *506 USD/t* of total value of *8 301 126 USD*.

Major contractors from which bigger quantities of *frozen mackerel* were imported were USA (50%), Canada (20%), Great Britain (10%), Netherlands (6%), Norway (5%), Ireland (4%), etc. (Fig. IV.3.).

Fig. IV.3.
Import of frozen fish in 2004



In 2004 the import of mackerel from the Netherlands considerably increased – around 11 times more compared to 2003. This can be explained with the slump of the average import price approximately by 9% (from 621 to *566 US/t*). Because of that reason the quantity imported from Great Britain increased by 68%. At the same time considerably increased the import of mackerel from Norway (7 times) and from USA (by 18%). At the same time the import from Ireland and Canada greatly decreased respectively by 81% and by 18%.

The import of *fillets and other fish meats* increased by 35% reaching *1 520 t*. Prevailing was the import of frozen fillets from fish species which are not typical for Bulgaria like *salmon, shark, tuna, cod fish, white hake,* etc. In 2004 practically half import of fillets and other fish meats originated from the

Argentina (764 t), around 9% was from Norway (136 t), and smaller quantities were imported from (86 t), Spain (67 t) and the Netherlands (30 t). The increase was a result mainly due to the decrease of the average imported price per ton (by 20%) from 1 655 USD in 2003 to *1 330 USD* in 2004, as well as to satisfy the needs of the more pretentious consumers despite the highest prices of the fillets.

Following the tendencies in the developed countries lately in Bulgaria there is a change in the feeding habits of the consumers – they go for ready food and half-finished products. Therefore the import of *ready foods and fish cans* considerably increased – 45% more compared to 2003 reaching *1 026 t.* Bigger quantities of fish cans were imported from Indonesia, Poland, Lithuania and Thailand.

Order *RD 09–193/16.04.2004* of MAF for ban on import of salmon caught in the Baltic seas which came into force on 1 May 2004 is not abrogated yet. The reason for this ban were the increased levels of dioxin which were found out in the Baltic salmon. The ban is applied to all salmon from all EU member states (including the new member states).

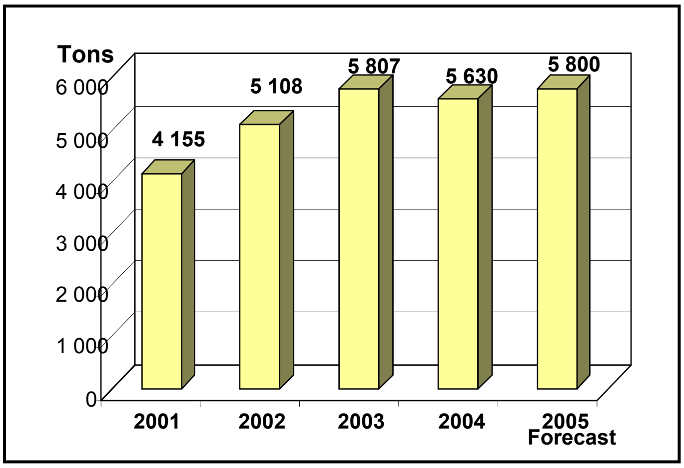
Over the first six months of 2005 import of 13 075 t of fish and fish products was registered which is 3.8% more compared to the same period of the previous year.

It is expected that till the end of 2005 the import of fish and fish products shall gradually increase and reach 24 000 t. Imported is mainly frozen fish to meet the needs of the canning industry with raw materials as well as fish species which cannot be caught in Bulgarian territorial waters to improve the assortment at the market.

3.2. Export

The total export of fish and fish products realized in 2004 was *5 630 t*, 3% less compared to the previous year. Despite the decreased quantity, however, the value of the exported fish products increased by 12.5% (up to *10 864 039 USD)* due to the higher export prices. (Fig. IV.4.)

Fig. IV.4.
Export of fish and fish products



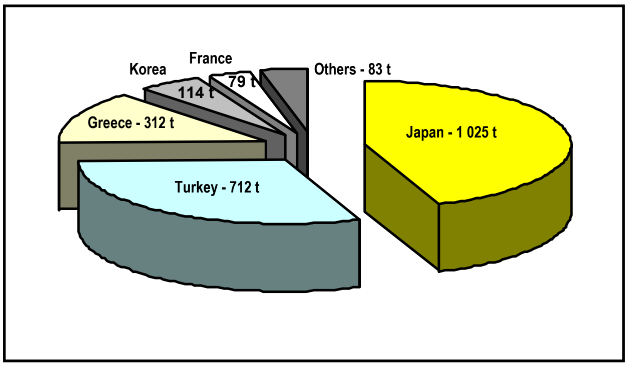
In the structure of the export in 2004 (total 5 630 t) were included *5 268* t *fish, crustacean and molluscs* (fresh, chilled, frozen, smoked, salted, fillets from fish) and *362 t* *fish products* – ready foods and fish cans, including roe, crustacean and molluscs.

In principle the biggest share in the export of fish and fish products from Bulgaria have the *molluscs* - around 40%. In 2004 their export decreased by 12% compared to the previous year down to *2 325 t.*

Export of molluscs (*mussel, octopus, oysters, periwinkles and other invertebrates)* in 2004 amounted to total *5 938 108 USD* at average export price of *2 555 USD/t.* The general feeling is that the price per ton of output has considerably increased – by 51% (at 1 694 USD/t in 2003). Molluscs are considerate to be luxury food and therefore they are supplied at high price.

Most considerable export of molluscs was executed to Japan – 1 025 t, 69% more compared to the previous year. (Fig. IV.5.).

Fig. IV.5.
Export of molluscs from Bulgaria in 2004



For the other countries to which bigger quantities of molluscs were exported there was some changes. Export to Turkey in 2004 also increased considerably compared to 2003 – by 54%, while for other contractors like Greece, France and Korea it decreased respectively by 36%, 38% and 21%.

The highest export price was reached in the export to Korea – *4 382 USD/t*, followed by France – *4 244 USD/t* and Japan. Export to the neighbouring countries Greece and Turkey was at lower prices – between *780 and 980 USD/t*.

Second place per volume exported output was the export of *frozen fish* which in 2004 г. registered a minimum drop (by 2.6%), compared to the previous year, down to *1 400 t*. The total value of the export was *193 248 USD*, at average price of *853 USD/t,* which was 31% higher compared to 2003. Usually Romania and Serbia & Montenegro are the main contractors of the country to which bigger quantities of frozen fish are exported mainly sprat. In 2004 both neighbouring countries took a share of around 80% (1 102 t) in the total export (more to Romania).

Considerably increased the export of frozen fish to Germany 2004 – by 107%, reaching 214 t. Mainly trout was exported (170 t), at quite high price - *3 190 USD/t.*

In 2004 a 2.6% increase was registered of the export of *dried, salted, smoked or pickled fish* – up to *1 353 t.* Approximately 90% of the total volume of the export was directed towards Romania (1 193 t), with very low average price - *461 USD/t*. At the same time small quantities destined for the European markets (Germany and the Netherlands) were sold at quite high prices – *between 3 100 u 8 300 USD/t.*

At the moment there are 4 licensed enterprises for export of fish and fish products to EU. Two of them are for export of caviar and the quota is distributed equally among them. The other two enterprises are for export of dressed and frozen trout and fillet of trout, filleted and salted sardines and anchovy. 3 more fish processing enterprises were approved by EU experts and are awaiting accreditation.

During the first half of 2005 were imported 2 362 t of fish and fish products; around 2.4% less compared to the same period of the previous year.

It is expected that in the second half of 2005 the export of fish and fish products will increase reaching 5 800 t at the end of the year. Usually bigger volume of the export is registered during the second half of the year because of the seasonal nature, the climatic conditions and the migration of fish.

It is also expected that the higher prices of the fish at the international markets will also stimulate the export.

4. Fish prices

According to data of AMIS Ltd. in 2004 the prices of the major fish species supplied on the market in the country registered decline compared to the previous year, excluding the sprat price.

4.1. Wholesale prices

In 2004 the decrease of the wholesale prices of the major fish species ranged between 3% and 6%. The biggest decrease compared to 2003 was registered with the *mackerel* price – 6.4% (Table IV.6). In the territorial waters of Bulgaria there was no catch of mackerel and around 80% of the imported quantity of frozen fish was of that species. In 2004 a slight decline of the average imported price of the mackerel was registered (by 2.8% in USD), which affected its price at the internal market. Next were the prices of hake*, silver carp and trout*, where the decline of the wholesale price was respectively by 5.5%, 3% and 2.7%.

Only the price of *sprat* increased (by 11%) compared to 2003 reaching 1.01 BGN/kg. This increase can be explained with the considerable decrease of the catch of this fish species (by 68%) during the year.

Table IV.6.
Average annual wholesale prices of major fish species **(BGN/kg)**

Fish	2003	2004	2004/2003 in %	2005 First quarter
mackerel	2.51	2.35	**93.6**	2.77
sprat	0.91	1.01	**111.0**	0.96
carp	3.36	3.35	**99.7**	3.27
hake	3.27	3.09	**94.5**	3.28
silver carp	1.97	1.91	**97.0**	2.08
trout	6.66	6.49	**97.4**	6.31

Source: *AMIS Ltd.*

2. Retail prices

The retail prices of fish in 2004 follow the same tendency as those of the wholesale prices. The decrease was more obvious with the price of *mackerel* – by 7.9%. For the other fish species the decline was slighter – between 2% and 5% (Table IV.7.).

Increase was registered only at the *sprat* price which was 4.3% higher compared to that of 2003.

Table IV.7.
Average annual retail prices of main fish species **(BGN/kg)**

Fish	2003	2004	2004/2003 in %	2005 First quarter
mackerel	3.02	2.78	**92.1**	3.29
sprat	1.17	1.22	**104.3**	1.25
carp	3.66	3.47	**94.8**	3.58
hake	3.81	3.66	**96.1**	3.89
silver carp	2.10	2.06	**98.1**	2.14

trout	7.28	7.03	**96.6**	7.03

Source: *AMIS Ltd.*

It is expected that till the end of 2005 the fish prices will stay at a level of or slightly higher than those of 2004.

4. Catch policy, production and trade in fish and fish products

In 2005 continued the discussion at the Parliament on the draft Law on amendments and supplements of the Law on Fisheries and Aquaculture. The proposed amendments create the legal basis for regulating the relations in the sphere of sale of fish and other water organisms and the creation and functioning of organizations of the producers of fish and other water organisms as well as associations of these organizations. These amendments are in compliance with the commitments undertaken by Republic of Bulgaria on Negotiation Chapter 8 Fisheries and they aim to finalise the complete secondary legislation referring to the sector and the harmonization of the Bulgarian legislation with that of EU.

By an order of MAF and MOEW each year the regime is determined for fishing in the business fishing sites and the periods for banning the fishing in the reproduction periods of the species in order to protect the biodiversity and for creating optimal conditions for natural reproduction of fish and other water organisms in the waters of Black sea, rivers Danube and internal reservoirs.

More than 35 000 checks in sites of business and amateur fishing, of fish-breeding farms, of vessels and in fish trading sites were carried out in 2004. As a result of the control activities the EAFA inspectors drew 1 196 statements for the administrative infringements that were found out.

In 2004 was finalized the delivery of equipment under the PHARE program project “Strengthening the administrative capacity of the EAFA” of 17 patrol boats for carrying out of control in the internal reservoirs, two patrol cutters for beats of the Danube river and two big patrol cutters for control of the Black sea waters. With the newly acquired vessels specially trained employees at the regional units of EAFA perform beat and monitoring of the river and Black Sea territories of the country and check for infringements and poaching.

In pursuance of the *National program for breeding in 2004* the Danube river – near to the town of Vidin, a large number of reservoirs with economical importance and the rivers Struma, Mesta, Osum, Vit, Zlatna Panega, Tundzha and Ropotamo were bred. The total quantity of the breeding material amounts to 908 000 with total weight of 9 t. The spread breeding material was at the total value of 83 000 BGN.

The National program for breeding the Danube river and the internal reservoirs in 2005 continues the main priorities included in the concept for restoration and maintenance of the fish stocks. Special attention must be paid to the maintenance of industrial species by adding to the reproductive part of the populations (carp, silver carp, grass carp). The program envisages also species attractive for the amateur fishing like wild carp, Balkan trout and European carp. The funds allocated for the implementation of the program are 80 000 BGN.

In pursuance of the National Program for artificial breeding in the first half of 2005 Smolyan District was artificially bred – the lakes of Trevistoto, Kiryanov Gyol, Silaga, the rivers Kriva and Cherna; in Gabrovo District the rivers Yantra, Rositsa, Mokra Byala, Bagareshtitsa, Sivyak, Zhulteshka, Staichevhamska, Radevska reka, Enchevska reka; in Stara Zagora District – the rivers Gabrovnitsa, Eninska, Selchanska and Borushtenska; Ogosta reservoir. The quantity of the breeding material was 70 500 with total weight of 4 000 kg.

Over the first half of 2005 the control bodies of the EAFA in pursuance of the LFA and the respective secondary legislation drew 1 258 statements for the administrative infringements that were found out. On the grounds of these statements 1 065 punitive orders were issued, 765 of which came into force. During control checks of the water bodies in the country 23 boats, 220 fishing rods, 71 fishing nets and 734 nets with total length of over 48 000 m were confiscated to the state.

During the first half of 2005 were issued 87 545 tickets for amateur fishing.

5. Negotiations on Chapter Fishery. International and integration activity

In 2004 considerable progress was made in sector Fisheries both internationally and from point of view of the commitments under the negotiation position of Bulgaria under Chapter 8 Fisheries.

The integration events were summarized at the meeting of the Subcommittee on the progress of Bulgaria on the issues concerning the accession. There the representative of DG Fisheries, responsible for our country, gave very good praise of the work done in the sector. The successes in sector Fisheries were confirmed and support was expressed on the participation of Bulgaria in the sessions of the Commission General on Fishing in the Mediterranean (GFCM). It was underlined that the Register of the Fishing Vessels, measuring the parameters of the fishing vessels shall be updated and the second stage of the Fishing Vessels Monitoring System shall be fulfilled – satellite based in compliance with Regulation 2244/2003.

Since the putting into operation of the first stage of the monitoring system EA Marine Administration and EAFA avail of updated technical data for all fishing vessels. The information is in a format compatible with the EU regulations requirements. The tonnage and the capacity of the vessels were measured and entered into the system and can be used for the purposes of the management plan for the fishing capacity of the fleet.

Continued the training with Spanish experts under the Twinning project of the EAFA on the topic for collecting, processing and exchange of statistical data in the sphere of fishery and experts in creation and maintenance of a complete informational system for data collection.

The training continued also on the tasks for elaboration of the licensing and registration regimes, consultations were held with Spanish legal experts, practical experts and theoretical experts concerning the legal system, the market organisation and the market relations, establishment and recognition of producers groups. Seven Bulgarian experts were trained in Spain on the problems concerning the licensing and registration regimes. EAFA organized and carried out a workshop with a group of Spanish experts where representatives of organizations of producers and processors of fish were invited on issues linked with systems of quality and reliability of fish products, standards for trade in fish and fish products, the contribution of the producers' organizations to the market, common market policy, etc.

In July 2004 completed the delivery of equipment under the finished project of EAFA under the Phare program BG 01/ IB/AG-04. It was concentrated into four subprojects:

Subproject A: Improvement of the control functions of EAFA. Beneficiary was EAFA. The specifications included:

- two marine patrol cutters at total amount of 395 000 euro. The cutters are based in Bourgas and Varna and control the territorial waters of the country along the Black Sea coast.
- Two river patrols at total amount of 183 500 euro. The cutters are based in Vidin and Rousse and control the river border of the country along the river Danube.
- 17 small patrol boats with external engines at total amount of 140 500 euro. Through the boats the internal water basins of the country are controlled.
- two cars Landrover with high roadability for transporting the patrol boats;
- two minivans Volkswagen for mounting mobile laboratory equipment for talking samples from water basins and fish farms in the country;

Subproject B**:** Delivery of two complete computer configurations and a central server for establishing a National system for processing of statistical information in the fish sector. The beneficiary was EAFA. The computers are mounted in all territorial units of EAFA and are connected in a system. The software and the data base were installed on spot.

Subproject C: A system for controlling the fishery boats with a length over 24 m. The system is mounted in the premises of the territorial units of EA Marine Administration in Varna and Bourgas. The system works as part of the system of EAMA. For this purpose the equipment delivered to the beneficiary EAFA was given with a contract to be used by EAMA. This allowed the fishery boats to be constantly controlled.

Delivered were also 11 transponders which are mounted on the fishing boats. Through them a link is established with the system for control of the vessels.

Subproject D: Delivery of laboratory equipment for control of the health status of fish and fish products. The equipment of total amount 520 000 euro was given by the beneficiary EAFA with a contract to be used by the NVS. NVS has needed laboratory premises and the necessary trained and qualified experts and laboratory assistants.

EAFA developed a project under Phare program from the Multiannual Planning 2004-2006 as well as a three-year plan for preparation for accession over the period 2004-2006.

As part of the measures envisaged in the Action Plan for Chapter 8 Fisheries for 2005 an initial draft of the Plan for management of the fishing fleet management was developed. Pursuant to another measure from the Action Plan the administrative capacity of the agency was increased by 40 people (DCM № 130/28.06.2005).

The land system for monitoring in Black Sea of Bulgarian fishing boats with mounted on them equipment in compliance with the EU legislation was built under Phare project BG0101.05. It will be upgraded to satellite based until the end of 2005 under the Phare investment project 2004-2006.

The envisaged delivery of equipment for EAFA under the four contracts of this project includes: Contract 6.2. Equipment for improving the inspection and control; Contract 7.2. Laboratory equipment for DNA analyses; Contract 7.3. Equipment needed for identifying the fish stocks and Contract 7.4. Equipment for the second stage of the System for monitoring of the fishing boats – a satellite based system. With the delivery of the envisaged in the investment project equipment the activity concerning the management (storage and reproduction) of the fish resources, control on the observance of the legislative framework when doing fishing activities in the internal water basins and along the coastal zone of the Danube river and Black Sea, as well as concerning the issuance of licenses, the maintenance of the Register of the fishing boats and the control on the collection and processing of the statistical information will be improved.

International Activity

Our country is a member of the Convention for protection of Black Sea from pollution, it participates in the development of a project on the Convention on Fishing and Protection of the Live Resources in Black Sea. Bulgaria is a member of UN Food and Agriculture Organization (FAO), International organization for development of fishing in Central and Eastern Europe (EUROFISH), as well as of the General Commission for fishing in the Mediterranean (GFCM), but has not adopted the new rules from 1997 yet. Lack of fishing fleet which can actively fish in the action zone of the Convention for future multilateral cooperation in fishing in the North Atlantic, as well as the reduction of the fishing quotas of the country imposed the necessity to adopt a procedure for terminating the membership of our country in that Convention.

V. FORESTRY

1. Main priorities in the working activity of the National Forestry Board in 2004.

In 2004 the activity of the National Forestry Board /NFB/ was directed to:

1. Restructuring of forestry sector and changes in the normative basis.
2. Construction of new forest roads & renewal of existing roads, management of real estate, i.e. rehabilitation of existing buildings in the resort areas.
3. Forest conservancy of lands and forests:
   - interactions with other institutions and non-governmental organizations with respect to the conservancy of lands and forests belonging to the Forest Fund;
   - completion of pilot project implemented on the territory of Regional forestry directorate of Pazardjik;
   - reinforcing of prevention activity as it concerns prevention of fires and poachers. Awareness of general public through use of media events at regional and national level.
4. Implementation of planed key silvicultural activities including:
   - afforestation and replenishment of forest crops;
   - increase of clear cuttings area in young plantations.
5. Optimization of the size of timber tenure and trade through:
   - Planning of tenure on market principle;
   - development of new trade marketing and trade policy and strategy;
   - improving of mechanisms for utilization and sale of timber.

2. Forest regeneration. Erosion control

In 2004 the main priorities of NFB work, its structures and specialized local units were oriented to the implementation of following activities:

2.1. Creation and maintenance of forest seed production base

In 2004, the main activity in this important field was focused on achieving of following goals:

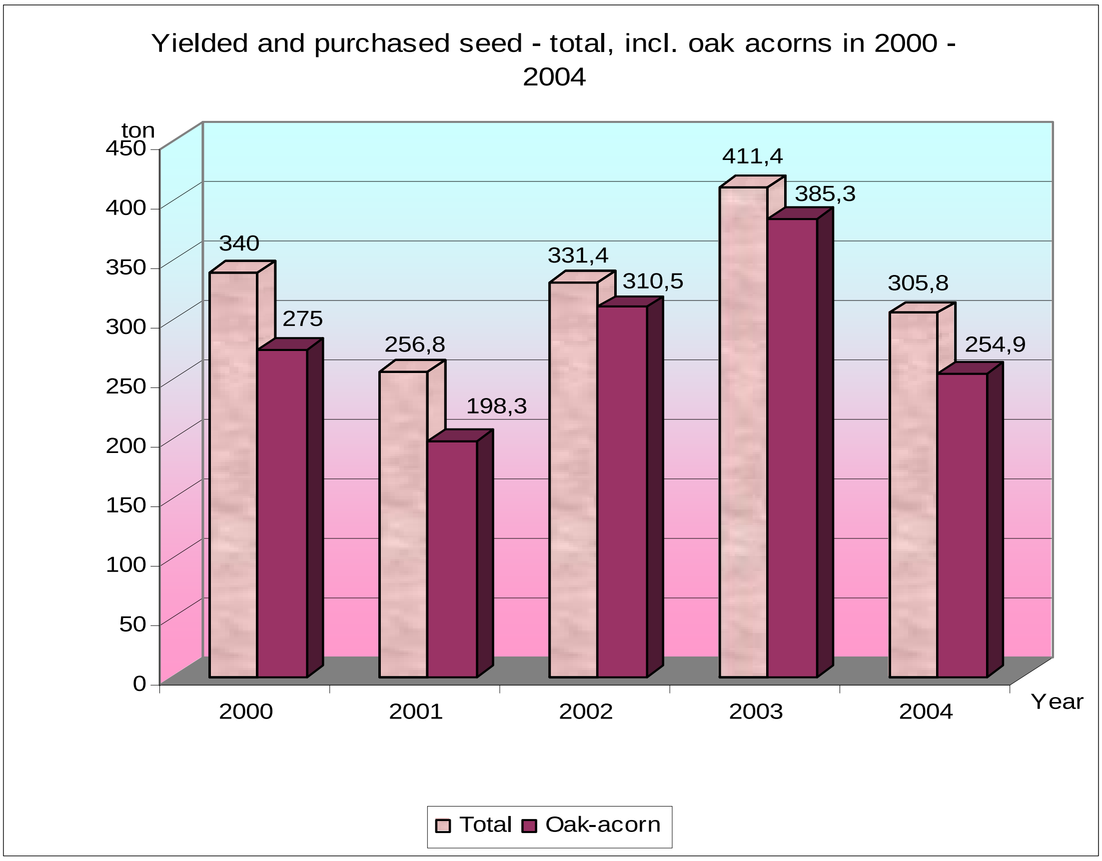
- Harmonization of Bulgarian legislation with the EU legislation as it concerns the requirements on the production and trade with forest reproductive materials;
- Improving of situation of existing forest seed production base;
- Gathering and yield of needed plant material for afforestation and production of saplings in the State owned forest nurseries;
- Research activity.

As a result of work undertaken by NFB and its structures and specialized local units, the following outputs were achieved:

- There were specified and registered 312.9 ha of new sources for seed production while 640.1 ha were withdrawn;
- The total area of generative seed production gardens under silvicultural measures figured out at 169.4 ha;
- There were collected, produced and purchased 305.8 tons of seed, including 255 t Oak-acorn;

- It was drafted and adopted Ordinance № 5 on production and trade of forest reproductive materials. This ordinance was harmonized with EU Directive 105/1999;
- There were important research activities performed by the experimental stations within NFB, FCC and research institutes. The work was done under contractual tasks concerning:
  - conservation of forest genetic fund;
  - creation of experimental crops for testing of selection branches generations and origin of forest species considered as important for the forestry;
  - elaboration of methodologies and guidelines concerning the storage and production of seed etc.;
  - investigations on genetic particularities and characteristics of seeds etc.

Figure V.1.



In 2004 for Seed production were spent totally 364 500 BGN from the NFB budget, including the involving of unemployed people in the framework of National program " Renewal and conservation of Bulgarian forest - 2004" where the funding provided by the Ministry of labor and Social Policy was at the rate of 65 600 BGN.

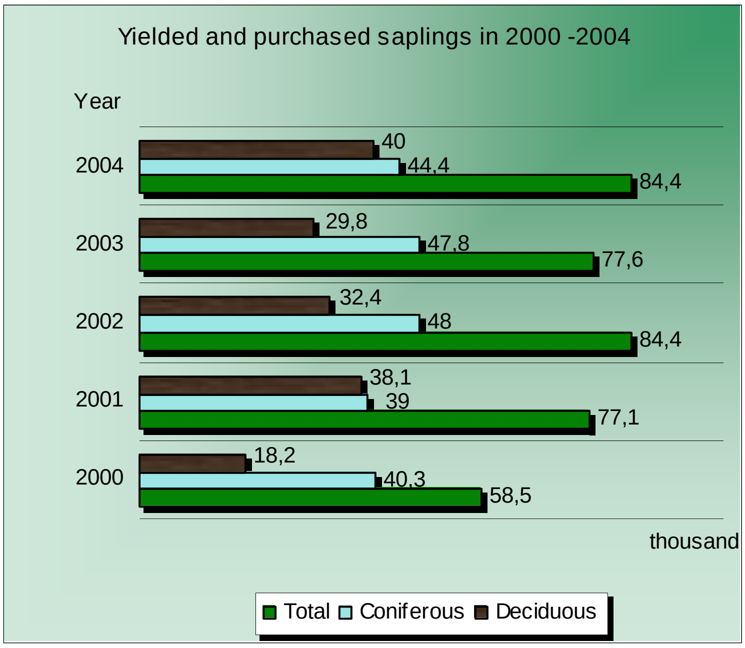
2.2. Production of saplings in the State owned forest nurseries

The production of saplings during the year was done in 239 permanent forest nurseries having total area of 1 908.4 ha. Totally were produced 81.7 million of saplings intended for afforestation, from which 81.7 million of seedy saplings, 1.14 million of poplar sapling and 1.6 million of saplings for pricking in. The predominant part of coniferous saplings amounted to 53 %.

The species multiformity was presented by 66 tree species and 21 shrubby species. There were produced 593 000 of saplings intended for decoration and 78 000 saplings intended for Christmas trees (spruce and silver spruce, pine spruce etc.)

The production of seed saplings increased by 8.2 million, while the number of poplar saplings increased by 100 000 as compared to the previous year

Figure V.2.



The funds spent for this activity accounted for 4 976 million BGN, including the funds (141 400 BGN) provided under the MLSP program for the employment “Renewal and conservation of Bulgarian forest – 2004”

2.3. Erosion control

The erosion control during the year was implemented mainly through afforestation of barren areas, construction of small fortification facilities, stone sills, barrages and coast fences

Table V.1.
Erosion control measures for the period of 2000 - 2004

Year	Barrages m^3	Stone sills m^3	Clayonages m^2	Gabions m^3	Coast fences m	Blockages m^2	Afforestation dka
2000	350.6			48	2 742	500	1 329
2001		27	20		2 701	240	
2002					1 500		
2003		158	100	99	840	323	
2004	1 888		198		654	57	767

Source: NFB

3 barrages were designed and built in 2004: in RFD of Smolian(- two of them built in the Forestry Station of Zlatograd with volume of 438 m3 and the funds spent were at the rate of 70 000 BGN and one built in RFD of Plovdiv - Game breeding station of Chekeritza - with volume of 1 450 m3 and total cost figuring out at 65 000 BGN.

3. Management of forests and lands of forest fund

3.1. Structure of forests and lands of forest fund

The total area of the forest fund figures out to 4 063 555 ha, from which 3 648 005 ha of afforested land, 23 ha of dwarf-pine, 313 108 ha of not-afforested land intended for wood production (from which: 5 943 ha of burnt out area; 24 777 ha of wood-cutting area; 77 829 ha of barren area) and 302 027 ha of area not intended for wood production.

Table V.2.
Main indicators of forest fund according to the type of forests and total

	Type forests	%	Afforested area (ha	Total reserve in cubic m.	Average age /years	Average growth per 1/ ha	Average reserve per 1/ha	Average density
1	Coniferous	31.5	1 150 646	266 124 177	42	6.735	231	0.75
2	Deciduous high-stem	21.0	767 304	155 280 894	67	3.574	202	0.74
3	Rehabilitation	14.0	510 824	23 628 916	48	1.022	46	0.60
4	Sprout for conversion	28.9	1 052 625	144 043 376	48	2.971	137	0.76
5	Low-stemmed	4.6	166 606	9 633 257	20	4.051	58	0.80
6	Total	100.0	3 648 005	598 710 620	49	4.00	163	0.73

Source: NFB

The total area of deciduous forests is 2 497 359 ha – 68.5 %, while the total area of coniferous forests covered 1 150 646 ha – 31.5 %

The natural plantations covered 2 727 684 ha, from which the share of coniferous figured out at 411 300 ha (15.1%).

The crops covered 897 008 ha, from which 716 036 ha of coniferous (79.8%).

According to their functions, the forests could be divided as it follows:

- forests and lands of forest fund with basic wood productive and environment-forming functions - 65.9 %
- protective and recreational forests and lands of forest fund - 26.6 %
- forests and lands of forest fund in protected territories - 7.5 %.

3.1.1. Forest management

In 2004 it was opened a procedure for assignment of public procurement on elaboration of forest management and game management projects for 13 State owned forestry stations and 3 game breeding stations. After the completion of procedure it was assigned the development of forest and game management project for the State forestry stations of: Dobrich, General Toshevo, Suvorovo, Gorna Oriahovitza, Gabrovo, Breznik, Svoge, Etropole, Peven, Lukovit, Belovo, Zlatograd, Svilengrad and the following State game breeding stations : "Kubrat", "Seslav" and "Karakuz". The total area of sites under management was 350 000 ha, while the total amount of public procurement value accounted for 2.3 million BGN.

The Expert Technical and Economic Council (ETEC) adopted 18 Terms of Reference about the elaboration of forest management projects, as well as 18 proposals for segregation of management categories, turnus and size of annual use for forestry stations and game breeding stations managed in 2003 - 2004.

At the end of the year there was organized ETECs on adoption of minutes from the second forest management meetings and forest management projects for 18 State forestry stations and game-breeding stations.

3.1.2. Situation of forest fund

In 2004 there were analyzed, controlled and completed the documents on 82 correspondences for change of forests and forestland use, 71 correspondences on easements on forests and lands form the State forest fund, 4 correspondences on exchange of forests and forest lands, 94 correspondences on sale of built-up area according to the provision of f § 123 of Act amending the Forest Act, as well as complying with 6 draft decisions of the Council of Ministers.

3.1.3. Ownership

At 01.01.2005 according to data established on the basis of information supplied by the State forestry stations, State game-breeding stations and Regional Boards of Forestry, the distribution of forests and lands form Forest funds is at it follows: total restituted ownership 842 491 ha, or 20.73 % from the total area of Forest fund from which 386 217 ha (9.50 % from the total area) belong to physical persons; 379 178 ha (9.33 % from the total area) belong to municipalities; 22 369 ha (0.55 % from the total area) belong to religious communities and 8 165 ha (0.20 % from the total area) belong to other legal entities. From the restituted ownership 46 562 ha (1.15 %) were managed temporarily by the municipalities.

3.2. Forest management and protection

The leading activities of forest management and protection in the NFB were directed to the implementation of its priorities for 2005:

- increase of clear cuttings share in young and average aged plantations and crops in order to improve their structure reaching at least 60 % of forecasts stated in the forest management projects;
- most-efficient use of all silvicultural measures supporting the natural renewal;
- increase of capacity of employees in the NFB structures in order to enable them to advise and help forest owners and proper implementation of legislative status;
- maintenance of sustainable status of forests and control of insect pests via timely implementation of forest protection measures by implementation of biological methods and means for plant protection.

3.2.1. Clear cuttings

In 2004 in the State forest fund there were clear cuttings on area figuring out at 67 803 ha, which is a 5.5 % growth comparing to 2003 and 56.1% comparing to 2002.

The fulfillment of clear cuttings plans in young plantations and crops for the reporting period figured out at 46 103 ha, which represents 61.8 % from the forecasts in forest management projects and it is by 3 % more than the preceding year.

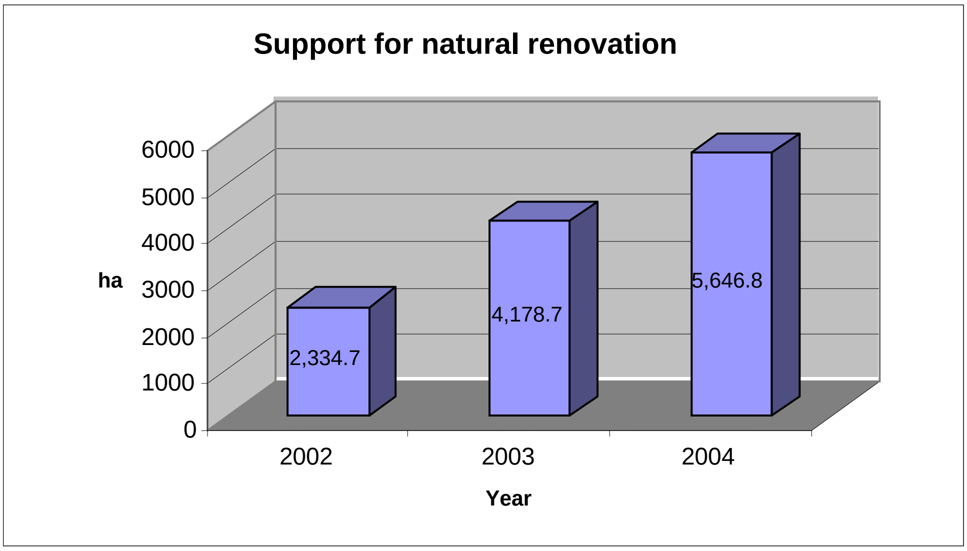
Clear cuttings without timber yield, financed by NFB budget, were done on area of 8 785.1 ha, and the plan was fulfilled at 103.3 %, which is by 1.6 % more than the report for 2003.

Figure V.3.

3.2.2. Support to the natural renewal

In 2004 the efforts were oriented to maximal use of natural renewal potential of the forests through variety of silvicultural approaches and according to the regional characteristics. The silvicultural measures were implemented on area of events are of 5646.8 ha, which exceeded the planned area of 5 278.7 ha by 7 %. In comparison to 2003 there is a 35.1% growth i.e. the implementation against forecasts of forest management projects achieved 99.3 %.

Figure V.4.



3.2.3 Management of non-State forests

In 2004 the work on the management of non-State forests was aimed at the alleviation of management regimes, improvement of forestry activity, increase of preventive control on the management and use of timber, provision of information to the owners about the different opportunities for management of their forests, improvement of owner service etc. In the framework of seminars organized with participation of private forest officers there were clarified normative and others requirements of work in private forests. It was organized also a training of private forest officers devoted to the subject and implementation of environmentally friendly silviculture and maintenance of biodiversity in the forests as well as presentation of additional information on practical activity on forest management. It was organized a round table in Plovdiv devoted to the problems of private forests management with participation of experts from NFB, RFD, German association for technical cooperation – forest project, BULROFOR, representatives of National Association of private forest owners, forest cooperatives, specialists from municipalities, dealing with municipal forest management and other forest owners. Together with German Bulgarian project on forests there was conducted a mobile training of owners of forest in Smolian district.

3.2.4. Forest protection

In 2004 the health situation of forests was rather good as a whole.

The drought of climate established during the last years hampered the maintenance of forests in good health condition. This imposed regular implementation of planned forest protection measures.

At the beginning of 2004 it was elaborated a prognosis for the expected attacks of pests, diseases etc. during the year.

The planned forest protection measures and their results in 2004 compared to those achieved in 2003 as well as financial funds spent are shown in Table V.3.

Table V.3.
Planned and implemented forest protection measures in 2003 and 2004

Activity	Forecast 2003	Report 2003	Forecast 2004	Report 2004
	ha	ha	ha	ha

Air protection	13 369	11 237	17 700	16 836
Land phyto sanitary protection	907.8	1387	1 800	2 780
Mechanical protection	3 179.0	441.6	1300	413
Total:	17 455.8	13 065.2	20 800	18 075.6

Source: NFB

The increase of the total area where were implemented different measures in 2004 as compared to 2003 was due to the spread of gipsy moth pest in the deciduous forests.

4. Forest conservancy

Forest guards

The total number of forest and game guards in comparison to 2003 was increased by 71 officers (respectively from 2 883 to 2 954); 2414 officers worked in forest ranges; (FR) 417 were mobile forest patrols (MFP) within RDF - (and from them 111 worked on the control forest points,9 worked as mobile game patrols within game breeding stations and 114 worked as game guards. The permanent control forest points accounted for 30.

Established and uncovered breaches

The forest officers made checks of 219 623 vehicles, 78 749 hunters, 39 192 fishermen, 810 collection points for buying up of forest products etc. The checks in the sites for processing and marketing of timber figured out at 18 860, and 674 persons were sanctioned with statements for administrative breaches and 74 sites were closed by RDF, SFS or GBS because of infringements (). Totally for the year there were established 25 626 infringements, and 23 274 from them were subject of statements drawn up. This number is in the limit of average number established during the last years (104% as compared to 2003 and 100% as compared to 2002).

The statements drawn up under the Hunting and Fishing Act accounted for 768 (that is by 36.7% more than 2003) and under the Fishing and Aquacultures Act their number was 790 (an increase by 23.6%). 57 hunters were deprived of hunting right. Those activities are controlled mainly by the MFP (mobile forest patrols. There were a lot of infringements during the huntings related to the fulfillment of hunting permissions and supporting documents. The breaches of Fishery and aquacultures Act concerned mainly fishing without permission.

Illegally cut timber

The total quantity of timber illegally cut according to statements, inspection records and records of findings figured out at 12 032 m³ of timber for building and 56 060 m³ of firewood. The increase of illegal cutting for firewood was conditioned by its increased market demand as well as by the lack of effective measures for collecting of amounts due under the penalties entered into force.

Penal decisions: penalties imposed, execution of penalties

Till the end of 2004 there were issued 22 339 penal decisions that imposed pecuniary sanctions at the rate of 5.290 million BGN. The decisions that were subject ot appeal in 2004 figured out at 3.9% from the total number (in 2001 their number was 7.9 %, while in 2003 – 5.4%). In 2004 the number of cancelled penal decisions accounted for 0.5% from the issued penal decisions (in 2003 – 0.9%). The number of penal decisions entered into force till the end 2004 figured out to 74.8% from the decisions issued (in 2003: – 69.4%), that imposed penalties accounting for 3.4 million BGN. (64.3% from the total). 57 persons were deprived of hunting rights according to the provisions of Hunting Act.

In the prosecutor's office were sent 520 files and 99 from them were sent back for administrative proceedings, on 83 there were already proceedings done, 23 sentences were passed and 19 from them were for breaches in the region of RFD Blagoevgrad.

5. Fire prevention of forests

Statistics and analysis

2004 was relatively favorable as it concerns the fire prevention of forests. According to the statistics during the last 14 years in the country forest fund each year there were registered about 500 forest fires that damaged approximately 11 000 ha of forest territories. The damages for the period were assessed on the average of 13 million BGN.

During the 12 months of 2004 the number of forest fires was less than the average: 294 that damaged 1 136.5 ha of forests. The area of biggest fires amounted to 144.9 ha. In March and April was registered the biggest number of forest fires: 159 (nearly half of fires registered during the whole year) and in September – 59. In comparison to 2003 the data were respectively: 452 fires, 5 000 ha of forests set on fire from which 716.1 ha destroyed by big fires. The damages accounted for 1 585 000 BGN.

During the last year there were not big fires especially during the summer months. This fact was due to the rainfalls during this period, as well as to the adopted normative and organizational measures at national, regional and local level.

The main reasons for forest fires in 2004 were as it fallows:

- because of negligence -155;
- intentionally provoked - 17;
- natural - 5;
- unknown reasons - 117.

Most of fires, specified as due to unknown reasons, were due to negligence at stubble burning and others, but not always the real reason was mentioned. The existing practice was not overcome. The greatest number of unknown reasons was reported in the RFD of Kardjali (24 from 37), Varna (7 from 10), Pazardjik (19 from 26) etc. As a matter of fact there are only single cases when really it is not possible to specify the reason for fire.

6. Demise of forest activities and uses

6.1.Use of wood from the State forest fund

The estimation for wood production in 2004 accounted for 5 408 482 m³,and from this quantity 5 375 887 m³ valued at 104 111 688 BGN were offered to procedures of wood use in different ways approved in the legislative base. For the reporting period there were concluded contracts for 5 322 084 m³ which cost accounted for 106 509 960 BGN, which represents 98 % fulfillment of plan in natural term and 101 % in value term.

The plan for industrial wood production, including sales of standing trees and from storehouse figured out at 4 447 446 m³ valued at 98 626 539 BGN, including 43 883 892 BGN for implementation of wood production activities and for local population these figures were respectively 961 036 m³ and 6 514 999 BGN. As it concerns the industrial wood production, the concluded contracts were for 4 383 891 m³ valued at 100 155 112 BGN, including 42 291 645 BGN intended for the implementation of wood production activities.

The data reported for transported and paid wood under the transportation permissions respectively accounted for 4 530 446 m³ valued at 94 358 808 BGN, which represented a contracts fulfillment at 85% in natural term and & 89% in value term.

Table V.4.
Summarized information on wood use at 31/12/2004 – NFB

Types of procedures	Estimation		Concluded contracts		Report		%			
	m³	BGN	m³	BGN	m³	BGN	6/2	7/3	6/4	7/5
1	2	3	4	5	6	7	8	9	10	11
1.Total standing trees = 1.1+1.2	2 950 924	30 480 320	2 902 618	31 133 035	2 458 597	26 321 628	83	86	85	85
1.1. Industrial wood production - provision of wood-cutting area :	1 989 888	23 965 321	1 964 425	24 778 187	1 572 780	20 660 432	79	86	80	83
auction, negotiations, competition	860 942	11 467 418	838 306	12 003 601	645 295	9 874 749	75	86	77	82
big processors	1 128 946	12 497 903	1 126 119	12 774 586	927 485	10 785 683	82	86	82	84
1.2. Local population	961 036	6 514 999	938 193	6 354 848	885 817	5 661 196	92	87	94	89
2.Assignment of wood production	2 457 558	43 883 892	2 419 466	42 291 645	2 098 741	35 403 676	85	81	87	84
3.Assortiment sale	2 503 660	118 545 110	2 424 876	117 668 570	2 071 849	103 440 856	83	87	85	88
Total /1+2/	5 408 482	x	5 322 084	x	4 557 338	x	84	x	86	x
Total Sales /1+3/	5 454 584	149 025 430	5 327 494	148 801 605	4 530 446	129 762 484	83	87	85	87
gains /3-2/	x	74 661 218	x	75 376 925	x	68 037 180		91		90
total	5 408 482	105 141 538	5 322 084	106 509 960	4 530 446	94 358 808	84	90	85	89

Source: NFB

In 2004 through use of assignment there were produced and marketed 2 071 849 m³ of timber valued at 68 037 180 BGN which represents a two times growth of in-stock sales.

As a conclusion it could be mentioned that as a result form the correct direction of change of legislative base and common efforts of NFB, RFD, SFS and GBS at a national scale, the fulfillment of contracts concluded in 2004 in comparison to 2003 fulfillment, has marked a growth - in value term by 21% more wood, while the rates of production were the same by 7000 m³ increase.

Table V.5.
Comparative table for fulfillment of contracts concluded on wood use in 2003 and 2004.

	Concluded contracts				Transported wood				Performance in %				Growth			
	till 31.12.2003		till 31.12.2004		till 31.12.2003		till 31.12.2004		till 31.12.03		till 31.12.04		%			
	m³	,000 BGN	m³	,000 BGN	m³	,000 BGN	m³	,000 BGN	quantity	value	quantity	value	4/2	5/3	8/6	9/7
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
NFB	5 576 942	98 667	5 322 084	106 510	4 523 757	78 119	4 530 446	94 359	81	79	85	89	95	108	100	121

Source NFB

The estimation and fulfillment of wood production per wood categories from the State forest fund in 2004 are shown in Table V.6

Table V.6.
Wood production per wood categories in 2004 in cubic meters

Categories	estimation	report
industrial wood production	4 447 446	3 644 629

coniferous wood	1 707 286	1 500 322
large	473 425	475831
medium	645 171	568649
small	198 586	187 514
firewood	390 104	268 322
deciduous wood	2 740 159	2 144 307
large	510 881	361 739
medium	344 354	274 474
small	121 938	80 711
firewood	1 762 897	1 423 018
local population	961 036	885 817
total	5 408 482	4 530 446

Source NFB

Those good outputs were due to the changes of timber use. There were amendments in the Forest Act and the Regulations for its implementation and namely in the Chapter on forest use. This was an opportunity for the State forestry stations and State Game Breeding stations to make independently their own wood production or to assign it in the framework of the Act on Public procurements and then to sell the produced wood according to its assortments from a temporary forest warehouse.

Investigations of domestic and foreign wood market were performed. Their objective was to approach and to consider the wood production estimations to the demand of individual assortments of three species and categories. Periodically there were meeting with representatives of companies dealing in the wood processing sector in order to find possibilities to supply the amount of wood needed.

Despite difficulties due to the lack of specialized wood production equipment, poor situation of existing road network and lack of financial means for building of new roads, through the assignment of wood production under the Public Procurements Act and with own staff, there were produced and marketed 2 098 741 m3 of wood. The efforts of NFB for the increase of wood use in such a way will be oriented in this direction independently of difficulties.

6.2. Secondary uses of forests for non forest products

As use of forests and lands form the SFF within the meaning of Forest Act could be considered the wood production and/or secondary uses as the disposition with them. According to Art.63, par. 1 form the same Act "the use of forests and lands from the SFF such as production of resin, kindling-wood, hay, leave fodder, bark, baste, seed, inert materials, collecting of mushrooms, forest fruits other plants or their parts, catching of animals that are not game, grazing of agricultural animals, bee-keeping etc. without use of wood are considered as secondary uses." The subject of secondary uses has a large range and it is in continuous development. The adequate use of non-wooden forest resources requires an inventory control and assessment of their row-material base.

The estimations of income from non wood forest products, produced in 2004 were fulfilled and figured out at 2,780,203 BGN.

Table V.7.
Income from non wood forest products

Type of use	Measure	Nature	Value
1	2	3	4
Production of tree materials	BGN		153 833

including brushwood	m3	25 902	6 702
Christmas trees	Nmbr.	51 403	128 181
Bark	kg	2 700	258
others	BGN		18 692
Small wooden articles	BGN		20
others	Nmbr.		20
Animal breeding	BGN		39 438
honey	kg		27
others	BGN		39 411
Plant growing	BGN		8 578
hay (meadow, forest, vetch)	t	3110	1 918
others	BGN		6 660
Shell fruits	t	8 849	20 677
including Walnuts	t	7 897	18 014
Hazelnuts	t	23	2 030
others	t	929	633
Cultivated field mushroom	kg	2 140	602
Wild mushrooms	kg	5 101 696	898 107
including edible boletus	kg	2 602 200	572 759
chanterelle	kg	850 616	236 308
parasol mushroom	kg	290 049	14 495
saffron milky-cap	kg	453 196	22 676
morel	kg	4 850	1 719
puffball	kg	31 595	1 896
May fungus	kg	146 889	8 869
Brawn Ring Boletus	kg	203 500	6 490
others	kg	518 801	32 895
Forest fruits	kg	1 278 060	50 944
including raspberry	kg	14 920	940
blackberry	kg	345 650	21 172
blueberry and cranberry	kg	108 680	16 242
sloes	kg	611 000	6 336
others	kg	197 810	6 254
Lime blossom	kg	440 376	41 211
Dog rose	kg	291 450	6 760
Forest seed	kg	155 760	4 286
including conifers	kg	147 337	3 176
deciduous	kg	8 423	1 110

Forest saplings	Nmbr.	422 967	35 553
including conifers	Nmbr.	225 567	18 084
deciduous	Nmbr.	197 400	17 469
Decorative saplings	Nmbr.	10 772	73 070
Herbs	kg	5 168 760	73 013
Pit and inert materials	t	14 670	8 606
Services	BGN		843 744
Others	BGN		521 761
General			2 780 203

Source NFB

7. Hunting and fishery

The taxation of game during the spring of 2004 was done according to the NFB guidelines stated in order No. 36-00-62/25.02.2004.

On the basis of reports on the situation of game reserves, submitted by the regional directorates it could be drawn the conclusion that the game taxation has been done at good level of control and organization. The taxation data were results from yearly observations of feeding-troughs, watering points, mires, game fields, game paths or walking around the game areas covered by snow as well as from data of red dears and fallow dears matting. The requirement on simultaneous conducting of taxation in the neighboring hunting regions was respected. In the hunting regions the taxation was done in the presence and under control of SFS and SGBS officers.

Table V.8.
situation of game reserves in the SGBS for the period of 2002-2004 (in numbers)

SGBS	Year	Type of game					
		Red deer	Fallow deer	Doe	Wild-boar	Wood-goose capercailzie	Wild goat
1	2	3	4	5	6	7	8
KOTEL	2002	201	0	174	210	0	0
	2003	225	0	183	233	0	0
	2004	308	0	283	268	0	0
TUNDJA	2002	77	70	276	257	0	0
	2003	71	140	201	220	0	0
	2004	77	220	223	290	0	0
CHEPINO	2002	96	0	180	94	68	64
	2003	83	0	224	144	260	52
	2004	93	0	304	199	263	49
KARAKUZ	2002	92	0	174	112	0	0
	2003	111	0	172	70	0	0
	2004	165	0	210	110	0	0
SESLAV	2002	219	0	125	66	0	0

	2003	185	0	169	110	0	0
	2004	204	0	210	94	0	0

Source: NFB

In 2004 there were not established any acute contagious diseases. In the region of SFS Momchilgrad in GBS there were found dead muffles. After the analyses by the National Veterinary Service of Sofia it was established that there was a total exhaustion of game immune system due to relative crossbreeding.

The taxation data showed increase of large animals with the exception of alpine capricorn and Tibetan yak and decrease of quail. There was established better organization at the taxation of game and correct presentation of data.

The poaching remained amongst the most sensible subjects during the last reporting year. Its dimensions became bigger and bigger.

Table V.9.
Situation of game stocks in Bulgaria for 2001 - 2004

(number)

Type of game	2001	2002	2003	2004
Large animals				
Red deer	15 542	16 264	14 310	15 030
Fallow deer	3 731	3 748	4 055	4 291
Doe	63 610	57 246	61 800	63 161
Wild-boar	46 663	42 323	42 410	45 788
Wild goat	1 820	1 807	2 035	1 836
Muffles	2 194	2 110	2 250	2 216
Bear	812	864	868	904
Alpine Capricorn	9	4	6	3
Tibetan yak	19	20	21	17
Aurochs	62	67	51	51
Wood-goose capercailzie	2 470	2 535	2 740	2 693
Small animals				
Rabbit	474 461	390 583	354 635	391 343
Pheasant	105 401	79 900	76 950	77 660
Partridge	288 739	232 197	210 920	226 328
Quail	28 336	20 870	19 215	18 386
Predators				
Wolf	2 160	2 032	2 005	2 230
Jackal	24 049	23 473	26 730	27 084
Fox	33 622	34 798	35 095	36 502
Wandered dogs	28 066	29 314	26 390	24 314

Source: NFB

8. Economic policy

In 2004 the activities on management, reproduction, use and conservation of the forests by SFF, NFB, its structures and specialized territorial units were funded by the NFB budget. Through its budget, NFB supports financially the State game breeding stations.

During the last year there were composed financial reports, reflecting to administrative income from the NFB budget and financial resources spent for the fulfillment of yearly tasks.

INCOME RECORD

In 2004 there were reported incomes at the rate of 101 077 000 BGN at initial estimation of 89 378 000 BGN or a 113 % fulfillment.

The main earning under § 24-00 "Income and earnings from ownership" came from the wood use through assignment and sale of in-stock wood, incomes from sales of saplings, seed, fish pond material, game meat etc. Its share from the total income accounted for 60%, while the yearly fulfillment against the estimation figured out at 96%.

The State taxes provided for 32 964 000 BGN from the income (143% fulfillment). The overfulfilment was due to the income from State game breeding stations for NFB budget as state taxes wood use.

Costs

The expenditure in 2004 at the rate of 113 670 000 BGN ensured the implementation of measures in the forests, which guarantees, either of multifunctional management the forests, thus the expenditures for salaries and social and health insurance costs for the people employed in the NFB structures and units including the costs for payment of people employed under the National Program "Restoration and conservation of Bulgarian forest". The funds for implementation of this national program were transferred to the NFB structures by the Ministry of labor and social policy accounted for 5 474 000 BGN

For forest measures it was spent a total amount of 33 844 000 BGN The State game breeding stations are functioning as State enterprises participating in the NFB budget by income at the rate of 13 370 000 BGN and expenditures for the implementation of assigned measures in the forests figuring out at 12 114 000 BGN

In 2004 the capital costs for repairs and building of forest roads, acquisition of tangible and intangible assets were at the rate of 6 474 000 BGN From this amount 1 211000 BGN were spent for repairs, including repairs of forest roads for 522 000 BGN For acquisition of tangible assets there were spent in total 5 109 000. BGN including: purchasing of 200 PCs - 647 000 BGN; acquisition of buildings - 291 000 BGN; purchasing of 20 moto-cultivators, 5 motor sledges, 50 copy machines – 683 000 BGN; acquisition of transport vehicles - 2 044 000 BGN including: 142 off-road vehicles and 200 motorcycles; building of infrastructure sites - 1 333 000 BGN, from which for building of new forest roads - 848 000 BGN and acquisition of software products - 154 000 BGN

Subsidy

In 2004 the State budget subsidized the costs for payment of forest and game guards at the rate of 5 275 000 BGN only.

Number of staff

In 2004 the reported number of NFB staff figured out at 7 734. The pay-roll staff amounted to 7 498 persons with an average yearly salary amounting to 4144 BGN

9. International cooperation

9.1. International projects

The project on "National forest policy and strategy" was successfully completed. The prepared document was officially adopted the Council of Ministers.

Active work was carried out on projects with international support by:

- The World Bank

- The preparation of project "Bulgaria - development of ferestry sector" which was initiated at the beginning of 2002 was completed successfully».
- The work under the project “Re-establishment of wet areas and decrease of pollution” was coordinated.
- The pilot project "Fuels change" funded by Japan government grant via World bank was in process of imlementation.

- United Nations Development Program (UNDP):

- In cooperation with MAF there was work done on the management and implementation of “Rural Development” project.
- Start of joint project between MAF and UNDP on conservation of global important biological diversity in landscape of Rhodopes Mountain.

- European Union – PHARE program:

- The twining project on “The increase of administrative capacity of State forest Administration and staff of National Forest Company” was approved in its final version by the Delegation of European Commission.
- Submitted proposals for projects of cross-border cooperation with Romania on following subjects: “Preservation of bio-diversity and sustainable management of forests in the South Dobrudja” and “Re-establishment of bay forests of Danube islands”.

- The Food and Agriculture organization (FAO) started its work on project “Strengthening of capacity for forest fire prevention”;
- Sixth framework program - Application and approval of first phase of projects “Sustainable, permanent, evolution development of forest and wood chains at global, regional and local level”;
- Participation in the International temporary working group of experts on prevention of forest fires within the European Commission, whose task is to prepare a draft-proposal for adoption of official European directive for prevention of forest fires;
- The coordination on the implementation of Swiss-Bulgarian forest program continued;
- The project “Encouragement of agricultural and forest structures in Rhodopes" started in July, was coordinated. The Ministry of Agriculture and Forestry and German Association for technical cooperation are partners on this project.

9.2. Bilateral cooperation

- Austria - there were organized work meetings and exchange of experience on topics concerning the efficient organization and control of forest uses, improvement of forest road network etc. Bulgaria is partner under the projects “Conservation of mountainous forests INTERREGIIIC”.
- Germany - with Bavarian forest schools it was agreed a training and exchange of experience on forestry issues.
- Finland – there were expert meetings in the framework of signed agreement for cooperation with State forestry enterprise "Metzahallitus". NFB continued its participation in the Finnish forest academy.
- Turkey – it was signed a protocol for cooperation between the Regional Forestry Directorate of Burgas and Regional Forest Department of Istanbul.

VI. TRADE

1. Trade policy

With a view to the enlargement of the European Union since May 1, 2004 with 10 New Member States, it was organized a new round of negotiations between Bulgaria and the European Commission on additional liberalization of agricultural commodities trade . As a result of the negotiations, on May 14, 2004 in Brussels it was signed Protocol for adapting of trade aspects of European agreement for association between hte EU and the Republic of Bulgaria. The additional protocol to the Agreement, introducing the new terms in agricultural commodities trade was ratified by an Act (publ. SG No.44/27.05.2005) and came into effect on July 1.

One of the main goals achieved in the negotiation process concerned the retaining of preferential conditions of trade with new EU member states that have been former CEFTA members (Czech Republic, Hungary, Poland, Slovakia and Slovenia) and that are traditional trade partners of Bulgaria.

As it concerns the exports of Bulgarian agricultural commodities to the EU:

- There were removed the custom duties for unlimited quantities of export oriented agricultural goods as: fresh fruits and vegetables, canned goods, jams and jellies, sunflower oil, tobacco etc., for which there were granted preferences under the previous Agreement in the framework of quotas. To this list were added some live animals and breeding poultry, animal products, animal and plant fats and oils, fruit mashes and juices, vinegar etc.

- The concessions for imports in the Community of cattle meat, pork meat and its products, chicken meat and its products, yogurts, cheese, eggs, fresh tomatoes, wheat.

- There were new quotas, with zero duties for finished food and sausages from cattle meat, powdered milk and rice.

- EU removed the minimal import prices for soft red fruits, fresh or frozen, with sugar supplement - strawberries, blackberry, black currant, blueberry, mulberry.

The system of entering prices, which the EU applies at the imports of some fresh fruits and vegetables, is still acting. In the framework of last round of negotiations, Bulgaria managed to contract quotas amounting to 2 500 t for cucumbers intended for processing without entering prices and 3 000 t of cucumbers intended for direct consumption for which the entering price level shall decrease gradually by 10%, 20% and 30 % during 3 yearly period. The concessions granted by the EU for cucumber imports of cucumbers, reduced the weight of cucumbers imports considered as one of most marketed goods (cucumber imports in the EU composes 70% from the total imports of Bulgarian goods, for which are applied entering prices). The plums intended for processing are not subject of EU entering price application. As it concerns the other products there were applied additional reductions of entering prices that will be used before the application of complete specific custom duty.

As it concerns the EU exports to Bulgaria:

- For most sensible goods as pork and chicken meat and sausages, dairy products (for these goods there was hard pressure on the part of EU for increase of quotas up to the present trade level), the Bulgarian part increased quotas only for quantities subject of CEFTA concessions. This approach was adopted also with respect to the tobacco and yogurts.

- For some goods it was agreed to be applied a 10% increase of quotas quantities.

In the progress of the negotiations it was taken into account the request of Bulgarian producers to share the imports of agricultural goods originating from EU on 4 equal portions by quarters in order to ensure the equity of imports. The quantities not used shall be added to the allotted quantity for the next period within the relevant year.

The Agreement for further liberalization of trade with the European Union, the membership of Bulgaria in the World Trade Organization /WTO/, as well as concluded bilateral agreements for free trade played a positive role for the dynamics of trade with agricultural commodities, establishing favorable conditions for preferential access to different markets

Together with bilateral agreements for free trade already in force with Turkey, Macedonia, Israel and Albania, in 2004 came into force three new agreements with Serbia and Montenegro - as from 1 June 2004; with Moldova - as from 1 November 2004 and with Bosnia and Herzec - as from 1 December 2004.

2. Structure and geographical distribution of foreign trade with agricultural commodities in 2003 and 2004

The analysis of Bulgarian foreign trade indicated an increase of trade exchange from 18 198 million USD in 2003 to 24 257 million in 2004 (by 33.29%) independently of unfavorable economic conditions of world markets.

According to the data of NSI, in 2004 it was observed a growth of exports at the rate of 2 432 million USD as well as imports at the rate of 3 627 million USD, as compared to the previous year. The more significant increase of imports (by 33.73%) against this one of exports (by 32.67%) resulted in an increase of negative trade balance from 3 309 million USD in 2003 to 4 503 million USD in 2004. (Table VI.1.).

Table VI.1.

Foreign trade of the Republic of Bulgaria in 2003 and 2004

(,000 USD)

Year	2003	2004	Change 2004/2003	
			in value	in %
Exports - FOB	7 444 823	9 877 000	2 432 177	132.67
Imports - CIF	10 753 612	14 380 400	3 626 788	133.73
Balance	- 3 308 789	- 4 503 400		
Barter	18 198 435	24 257 400		

Source: NSI

The improvement of competitiveness of agricultural sector resulted in increase of export potential of Bulgarian Agricultural goods. At the same time there was an increase of opportunities concerning the access of Bulgarian processed and unprocessed agricultural goods to the international markets, as a result from signed free trade agreements. This had a positives impact on the growth of agricultural trade that increased by 34.88% - from 1 381 million USD in 2003 to 1 863 million USD in 2004.

In 2004 it was observed an increase either of exports - by 34.70%, thus of imports of agricultural products - by 35.11%. Independently of outstripped growth of imports against exports, the positive trade balance in the sector increased by 33.39% as compared to 2003. (Table VI.2).

Table VI.2.

Foreign trade with agricultural commodities in 2003 and 2004 **(,000 USD)**

Year	2003	2004	Change 2004/2003	
			in value	in %
Exports - FOB	783 192	1 054 988	271 796	134.70
Imports - CIF	598 022	807 984	209 962	135.11
Balance	185 170	247 004	61 834	133.39
Trade	1 381 214	1 862 972	481 758	134.88

Source*: NSI*

The increased volume of trade with agricultural commodities in 2004 had an important contribution to the forming of the total foreign trade balance of country. In 2004 the relative share of agricultural exports represented 10.7% - by 0.2% more as compared to the previous year. The share of imports from the total for the country in 2003 and 2004 amounted to 5.6% (Table VI.3).

Table VI.3.
Relative share of agricultural goods
in the foreign trade of Bulgaria in 2003 and 2004.

Year	2003	2004
Share	**in %**	**in %**
Exports - FOB	10.5	10.7
Imports - CIF	5.6	5.6

Source NSI

In 2004 the main partners in the agricultural commodities trade were the EU member countries. The total trade exchange between Bulgaria and the EU-15 countries for 2003 figured out at 593.1 million USD and it increased by 23.85 % up to 565.2 million USD in 2004. In 2004 the commodity turnover with the EU - 25 was at the rate of 899.1 million USD.

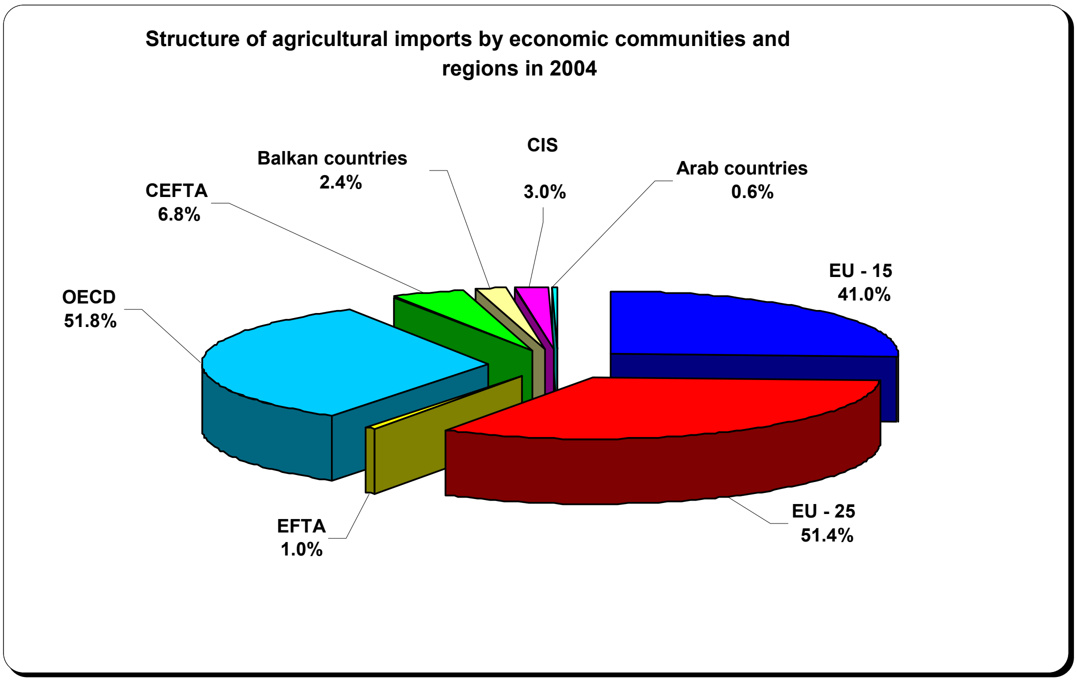


Fig. VI.1

Bulgaria increased its positive trade balance of agricultural commodity trade with the EU - 15 from 60.7 million USD in 2003. to 72.6 million USD in 2004. The balance of trade with the EU - 25 was also positive: 69.1 million USD. (**Table VI.4**).

The relative share of agricultural exports to the EU countries compared to the total exports accounted for 38.25% , while the imports accounted for 40.96%. (**Fig. No. 1, 2**)

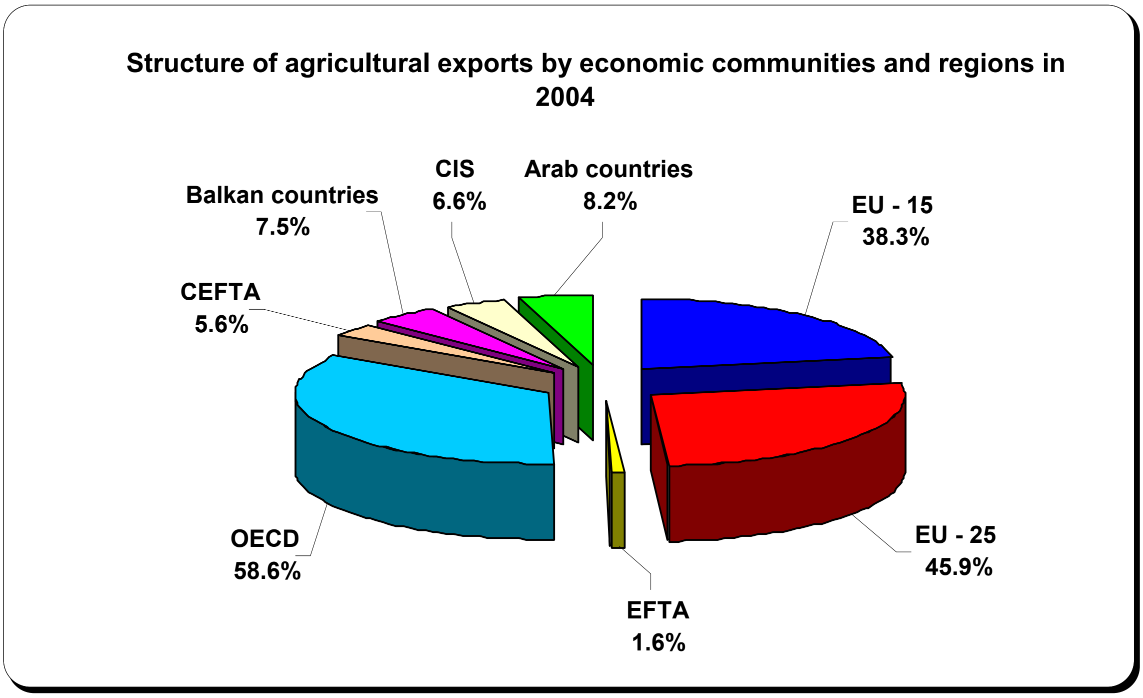


Fig. VI.2

The enlargement of European market by 10 new member states resulted in a change in the structure of agricultural commodity trade. The relative share of the Bulgarian exports to the EU countries - 25 in 2004 represents 45.9% from the total exports of the country and more than half of imported agricultural goods (51.4%) originated from the Community.

Table VI.4.
Imports and exports of agricultural commodities in 2003 and 2004 per economic communities, countries and regions

TRADE AREAS	2003					2004				
	EXPORTS		IMPORTS		BALLANCE	EXPORTS		IMPORTS		BALLANCE
	million USD	%	million USD	%	million USD	million USD	%	million USD	%	million USD
All countries and from them:	**782.8**	**100.0**	**598.0**	**100.0**	**184.8**	**1 055.0**	**100.0**	**808.0**	**100.0**	**247.0**
European Union - 15	326.9	*41.8*	266.2	*44.5*	60.7	403.6	*38.3*	331.0	*41.0*	72.6
European Union - 25	394.4	*50.4*	335.4	*56.1*	59.0	484.1	*45.9*	415.0	*51.4*	69.1
*EFTA**	9.2	*1.2*	5.6	*0.9*	3.6	17.0	*1.6*	8.4	*1.0*	8.6
*OECD***	466.3	*59.6*	332.3	*55.6*	133.9	617.9	*58.6*	418.2	*51.8*	199.7
including USA	36.6	*4.7*	14.8	*2.5*	21.8	72	*6.8*	19.9	*2.5*	52.1
*CEFTA****	48.1	*6.1*	18.2	*3.0*	29.9	59.0	*5.6*	55.0	*6.8*	4.0
*Balkan countries **** *	61.6	*7.9*	8.9	*1.5*	52.7	78.9	*7.5*	19.7	*2.4*	59.2
CIS	65.4	*8.4*	24.9	*4.2*	40.5	70.1	*6.6*	23.9	*3.0*	46.2
including Russia	32.1	*4.1*	5.5	*0.9*	26.6	41.5	*3.9*	4.3	*0.5*	37.2
Ukraine	4.7	*0.6*	11.6	*1.9*	-6.9	2.2	*0.2*	14.3	*1.8*	-12.1
Arab countries	27.1	*3.5*	3.4	*0 6*	23.7	86.1	*8.2*	5.2	*0 6*	80.9

Source: Customs Agency"
*Including Iceland, Liechtenstein, Kingdom of Norway and Switzerland

**Including Australia, Canada, New Zealand, USA and Turkey
***Including Romania and Croatia
**** Including Albania, Bosnia and Herzec, Macedonia, Croatia and Serbia & Montenegro

The commodity turnover in terms of value and the structure of Bulgarian trade of Bulgaria with each EU - 15 and EU - 25 member states are shown in Table VI.5 and Table VI.6.

Table VI.5.
Agricultural commodity trade with the EU-15 member states in 2003 and 2004.

Country	2003					2004				
	EXPORTS		IMPORTS		BALLANCE	EXPORTS		IMPORTS		BALLANCE
	,000 USD	%	,000 USD	%	,000 USD	,000 USD	%	,000 USD	%	,000 USD
TOTAL	**326 855**	***100.0***	**266 159**	***100.0***	**60 696**	**402 626**	***100.0***	**330 965**	***100.0***	**71 662**
AUSTRIA	25 113	*7.7*	14 414	*5.4*	10 699	27 394	*6.8*	19 718	*6.0*	7 675
BELGIUM	16 537	*5.1*	10 947	*4.1*	5 590	22 262	*5.5*	16 760	*5.1*	5 501
DENMARK	3 274	*1.0*	10 690	*4.0*	-7 417	2 325	*0,6*	16 173	*4.9*	- 13 848
FINLAND	3 502	*1.1*	863	*0.3*	2 639	2 012	*0.5*	662	*0.2*	1 350
FRANCE	29 906	*9.1*	31 543	*11.9*	- 1 637	36 874	*9.2*	39 848	*12,0*	- 2 973
GERMANY	81 595	*25.0*	43 546	*16.4*	38 048	84 860	*21.1*	49 447	*14.9*	35 413
GREECE	62 385	*19.1*	71 602	*26.9*	- 9 217	93 942	*23.3*	85 272	*25.8*	8 670
IRELAND	1 385	*0.4*	2 055	*0.8*	- 670	634	*0.2*	1 438	*0.4*	- 804
ITALY	55 799	*17.1*	21 833	*8.2*	33 966	62 013	*15.4*	26 859	*8.1*	35 154
LUXEMBOURG	90	*0.0*	97	*0.0*	-6	132	*0.0*	19	*0.0*	112
NETHERLAND	11 698	*3.6*	30 212	*11.4*	- 18 515	11 390	*2.8*	39 925	*12.1*	- 28 535
PORTUGAL	6 955	*2.1*	640	*0.2*	6 315	3 280	*0.8*	472	*0.1*	2 807
SPAIN	11 378	*3.5*	12 700	*4.8*	- 1 323	37 675	*9.4*	19 143	*5.8*	18 533
SWEDEN	3 360	*1.0*	1 965	*0.7*	1 395	4 650	*1.2*	3 072	*0.9*	1 578
GREAT BRITAIN	13 880	*4.2*	13 051	*4.9*	828	13 183	*3.3*	12 156	*3.7*	1 027

Source Customs Agency"

About 78% from agricultural exports of Bulgaria to the EU-15 in 2004 were directed to Greece (23.3%), Germany (21.1%), Italy (15.4%), Spain (9.4%) and France (9.2%) (Figure VI.3).

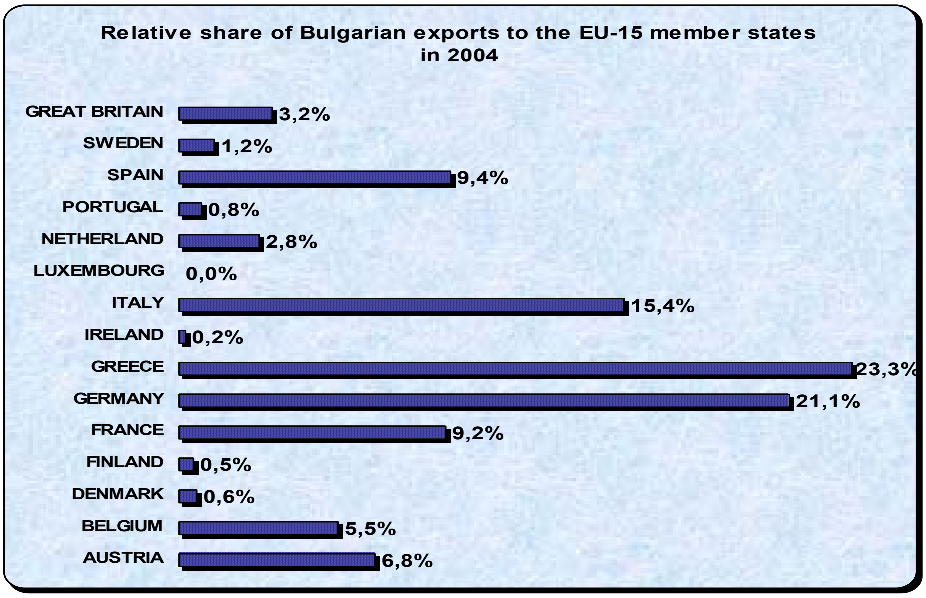


Figure VI.3

The commodity list of Bulgarian exports to the EU member states was headed by: tobacco, Oriental type – 8 832 tons, 33 284 000 USD of value; entire and half lamb carcasses – 5 998 tons, 27 448 000 USD of value black oleaginous and motley sunflower seed - 65 970 tons, 21 712 000 USD of value ; fat anserine liver - 885 tons, 13 987 000 USD of value ; natural honey – 4 591 tons, 12 111 000 USD of value etc..

The exports to the EU was directed mainly to Greece (25.8%), Germany (14.9%), Netherlands (12.1%) and France (11.9%(Figure VI.4).

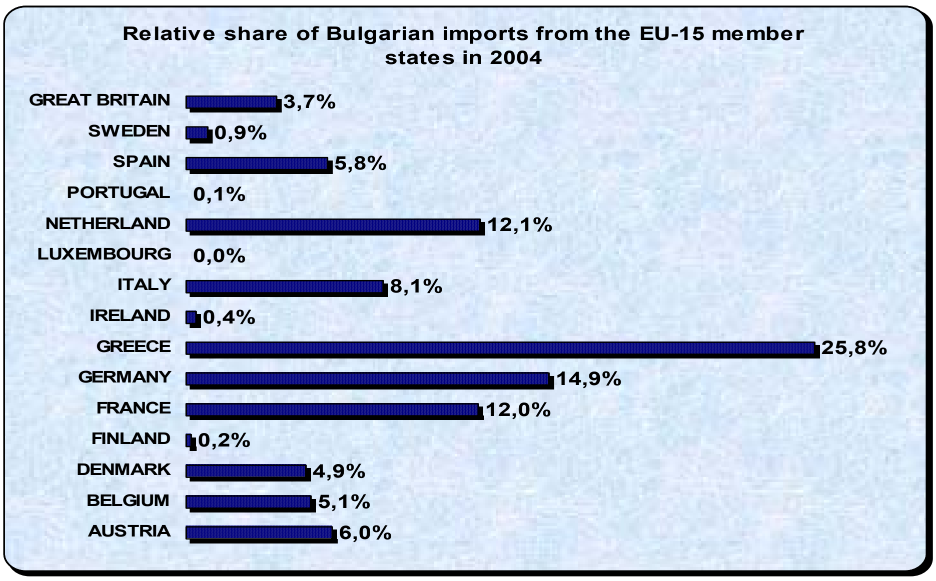


Figure VI.4

The main agricultural commodities, imported from the EU in 2004 were as it follows: frozen boneless meats from domestic pigs - 9 224 tons, 13 994 000 USD of value; plant oils - 8 448 tons, 9 071 000 USD of value; domestic pig bacon - 12 050 tons, 7 311 000 USD of value ; non-decaffeinated coffee - 1 977 tons, 6 946 000 USD of value ; cocoa powder - 2 442 tons, 5 840 000.USD of value etc..

In 2004 Bulgaria improved its foreign trade balance with Spain, Greece, Italy, Sweden, Great Britain, and Luxembourg. Trade balance with Austria, Denmark, Finland, France, Netherlands and Portugal was worsened.

Table VI.5.
Agricultural commodity trade the EU - 25 in 2003 and 2004

Country	2003					2004				
	EXPORTS		IMPORTS		BALLANCE	EXPORTS		IMPORTS		BALLANCE
	,000 USD	%	,000 USD	%	,000 USD	,000 USD	%	,000 USD	%	,000 USD
TOTAL	**394 406**	**100.0**	**335 412**	**100.0**	**58 994**	**484 149**	**100.0**	**414 969**	**100.0**	**69 180**
AUSTRIA	25 113	*6.4*	14 414	*4.3*	10 699	27 394	*5.7*	19 718	*4.8*	7 675
BELGIUM	16 537	*4.2*	10 947	*3.3*	5 590	22 262	*4.6*	16 760	*4.0*	5 501
DENMARK	3 274	*0.8*	10 690	*3.2*	-7 417	2 325	*0.5*	16 173	*3.9*	-13 848
FINLAND	3 502	*0.9*	863	*0.3*	2 639	2 012	*0.4*	662	*0.2*	1 350
FRANCE	29 906	*7.6*	31 543	*9.4*	-1 637	36 874	*7.6*	39 848	*9.6*	-2 973
GERMANY	81 595	*20.7*	43 546	*13.0*	38 048	84 860	*17.5*	49 447	*11.9*	35 413
GREECE	62 385	*15.8*	71 602	*21.3*	-9 217	93 942	*19.4*	85 272	*20.5*	8 670
IRELAND	1 385	*0.4*	2 055	*0 .6*	-670	634	*0.1*	1 438	*0.3*	-804
ITALY	55 799	*14.1*	21 833	*6.5*	33 966	62 013	*12.8*	26 859	*6.5*	35 154
LUXEMBOURG	90	*0.0*	97	*0.0*	-6	132	*0.0*	19	*0.0*	112
NETHERLAND	11 698	*3.0*	30 212	*9.0*	-18 515	11 390	*2.4*	39 925	*9.6*	-28 535
PORTUGAL	6 955	*1.8*	640	*0.2*	6 315	3 280	*0.7*	472	*0.1*	2 807
SPAIN	11 378	*2.9*	12 700	*3.8*	-1 323	37 675	*7.8*	19 143	*4.6*	18 533
SWEDEN	3 360	*0.9*	1 965	*0 .6*	1 395	4 650	*1.0*	3 072	*0.7*	1 578
GREAT BRITAIN	13 880	*3.5*	13 051	*3.9*	828	13 183	*2.7*	12 156	*2.9*	1 027
CZECH REPUBLIC	10 758	*2.7*	11 245	*3.4*	-487	11 607	*2.4*	14 655	*3.5*	-3 047
HUNGARY	12 908	*3.3*	25 756	*7.7*	-12 849	15 755	*3.3*	29 279	*7.1*	-13 524
POLAND	23 684	*6.0*	20 316	*6.1*	3 368	31 788	*6.6*	26 689	*6.4*	5 098
SLOVAK REPUBLIC	3 312	*0.8*	5 840	*1.7*	-2 528	4 629	*1.0*	6 755	*1.6*	-2 126
SLOVENIA	3 777	*1.0*	750	*0.2*	3 028	2 708	*0 .6*	443	*0.1*	2 265
LITHUANIA	3 212	*0.8*	3 358	*1.0*	-146	3 286	*0.7*	1 233	*0.3*	2 053
LATVIA	3 786	*1.0*	63	*0.0*	3 723	3 080	*0 .6*	215	*0.1*	2 865
ESTONIA	2 685	*0.7*	-	-	2 685	1 762	*0.4*	740	*0.2*	1 023
CYPRUS	2 461	*0 .6*	1 587	*0.5*	875	5 022	*1.0*	2 987	*0.7*	2 034
MALTA	968	*0.2*	338	*0.1*	629	1 887	*0.4*	1 009	*0.2*	878

Source: Customs Agency

Since 1 May 2004, after the EU enlargement, the prevailing part of Bulgarian agricultural commodity exports was directed to Greece, Germany, Italy, Spain and France. As it concerns the new EU member states, the most preferred destinations were Poland; 6.6% from the total EU exports, Hungary; 3.3% and Czech Republic; 2.4% (Table VI.6, Figure VI.5).

As it concerns the imports of agricultural commodities, the biggest relative share from 25 member states took Greece, Germany, Netherlands and France, and amongst the new member states the list was headed by Hungary; 7.1%, Poland; 7.1% and Czech Republic; 3.5%.

Agricultural commodity trade with CEFTA (Central European Free Trade Agreement) countries

After the EU accession on 1 May 2004 of Czech Republic, Hungary, Poland, Slovakia, Slovenia, that were CEFTA members, at present time the Agreement includes Bulgaria, Romania and Croatia.

Table VI.7.
Agricultural commodity trade with CEFTA countries in 2003 and 2004

(,000 USD)

Country	2003			2004		
	EXPORTS	IMPORTS	BALLANCE	EXPORTS	IMPORTS	BALLANCE
ROMANIA	38 661	16 854	21 807	35 411	53 334	-17 924
CROATIA	9 448	1 348	8 100	23 448	1 630	21 818
TOTAL	**48 109**	**18 202**	**29 907**	**58 859**	**54 964**	**3 894**

Source Customs Agency

Compared to 2003, the trade exchange of Bulgaria with Romania and Croatia increased by 72%; from 66 311 000 USD to 113 823 000 USD in 2004.

The agricultural trade balance with Romania is always positive for Bulgaria. There was only one exeption in 2004, when due to the poor wheat crop in 2003, the imports of wheat and oil-cake from Romania, were significant and resulted in a negative trade balance.

At the same time it was marked an outstripped growth of Bulgarian agricultural commodity exports to Croatia, that was reason for the growth of Bulgarian positive balance in 2004. (Table VI.7).

Agricultural commodity trade with EFTA /European Association for Free Trade/ countries

In spite of fact that the foreign trade with agricultural goods done with EFTA countries was not very active, in 2004 it was observed a commodity exchange growth; from 14 814 000 USD in 2003 to 25 251 000 USD. (by 70.4%). Amongst the EFTA countries, the Confederation of Switzerland was most prefered Bulgarian partner at the exports of agricultural commodities and it was formed a positive trade ballance at the rate of 8 010 000 USD. (Table VI.8).

Table VI.8.
Agricultural commodity trade with EFTA countries in 2003 and 2004. **(,000 USD)**

Country	2003			2004		
	EXPORTS	IMPORTS	BALLANCE	EXPORTS	IMPORTS	BALLANCE
NORWAY	1 583	717	866	1 534	984	550
SWITZERLAND	7 666	4 646	3020	15 260	7 250	8 010
ICELAND	-	69	-69	25	108	-83
LICHTENSHTEIN	-	133	-133	6	85	-79
TOTAL	**9 249**	**5 565**	**3 684**	**16 824**	**8 427**	**8 398**

Source: Customs Agency

Agricultural trade with the OECD /Organization for Economic cooperation and development/ countries

According to the NSI data, in 2004 the agricultural exports to the OECD countries and the imports from them represented respectively 58.6% and 51.8% from the total volume of trade. The exports increased from 466.3 million USD in 2003 to 617.9 million USD in 2004 and the imports: from 332 200 USD to 418 200 USD. As a result from outstripping growth of exports, the trade balance in 2004 increased by 49.1%, as compared to the previous year (**Table VI.4**).

Free trade zones

In the conditions of intensified competition in the agricultural commodity trade , the obtaining of access to the national markets of other countries on the basis of concluded agreements for free trade became more and more significant for the sector in general. For that reason, Bulgaria was striving for increase of its preferential partners' number. Together with agreements into force signed with Turkey (1998), Macedonia (1999), Israel (2001), Albania (2003), Croatia (2001), in June 2004 entered into force also bilateral agreements with Serbia and Montenegro, Moldova and Bosnia and Herzec.

In 200 the trade exchange with our preferential partners increased by 34.4% as compared to 2003 and reached a total amount of 263 000 USD. (increase by 31.1% for exports and for imports - by 43.3%). Bulgaria has formed a positive trade balance with almost all partners and improved its trade balance with Turkey, Croatia, Moldova, Israel, Albania, Bosnia and Herzec (Table VI.9).

TableVI.9.
Agricultural commodity trade in 2003 and 2004 with countries which had concluded agreement for free trade with Bulgaria.

(,000 USD)

Country	2003			2004		
	EXPORTS	IMPORTS	BALLANCE	EXPORTS	IMPORTS	BALLANCE
TURKEY	73 013	38 146	34 867	97 050	52 190	44 861
MACEDONIA	14 093	2 579	11 514	16 298	11 929	4 368
CROATIA	9 448	1 348	8 100	23 448	1 630	21 818
MOLDOVA	1 592	4 104	-2 513	964	2 382	-1 419
ISRAEL	6 280	2 370	3 911	9 842	2 338	7 504
SERBIA AND MONTENEGRO	29 534	4 863	24 671	25 100	6 040	19 060
ALBANIA	6 164	55	6 109	11 038	86	10 952
BOSNIA AND HERZEC	2 382	16	2 366	3 030	18	3 011
TOTAL	**142 505**	**53 480**	**89 026**	**186 769**	**76 614**	**110 155**

Source Customs Agency

Balkan countries

The Balkan countries are preferred trade partners for Bulgaria, having in mind their territorial proximity and production specialization. Moreover, with most of them Bulgaria had established preferential relations on the basis of concluded bilateral and multilateral trade agreements.

In 2004 the most active was the exports of Bulgarian agricultural commodities to Turkey, Greece, Romania and Serbia and Montenegro. Positive change occurred in the trade with Greece where from negative trade balance for Bulgaria in 2003, it increased to a positive value in 2004. At the same time the result of trade with Romania was worsened. Improvement could me noticed in the trade balance with Turkey, Albania, Croatia and Bosnia and Herzec. (Table VI.10)

Table VI.10
Agricultural commodity trade with Balkan countries in 2003 and 2004.

(,000 USD)

Country	2003			2004		
	EXPORTS	IMPORTS	BALLANCE	EXPORTS	IMPORTS	BALLANCE
TURKEY	73 013	38 146	**34 867**	97 050	52 190	**44 861**
GREECE	62 385	71 602	**-9 217**	93 942	85 272	**8 670**
R. MACEDONIA	14 093	2 579	**11 514**	16 298	11 929	**4 368**
ROMANIA	38 661	16 854	**21 807**	35 411	53 334	**-17 924**
SERBIA AND MONTENEGRO	29 534	4 863	**24 671**	25 100	6 040	**19 060**
SLOVENIA	3 777	750	**3 028**	2 708	443	**2 265**
ALBANIA	6 164	55	**6 109**	11 038	86	**10 952**
BOSNIA AND HERZEC	2 382	16	**2 366**	3 030	18	**3 011**
CROATIA	9 448	1 348	**8 100**	23 448	1 630	**21 818**
TOTAL	**239 457**	**136 211**	**103 246**	**308 025**	**210 944**	**97 081**

Source *Customs Agency*

Trade with CIS countries

The CIS countries will continue to play an important role in the trade exchange by the view-point of re-establishment of Bulgarian position on these important markets. In 2004 the Bulgarian exports of agricultural goods to CIS countries increased by 7.2%. The exports to the Russian Federation increased by 29.3% in 2004 and the positive trade balance accounted for 37.2 million USD. In 2004 the trade balance with Ukraine was negative as a consequence of significant imports during the year as well as because nearly half decrease of exports (Table VI.4).

Trade with Arab countries

In 2004 it was registered a significant increase of capacity of agricultural commodity trade between Bulgaria and Arab countries that was due to a large extent of Bulgarian exports increase. The agricultural commodity exchange increased three times as compared to the previous year; from 30.5 million USD to 91.3 million USD.

The good wheat yield `2004 allowed the exports to the Arab countries of significant quantities of wheat, barley and maize. As a result, it was formed a positive trade balance, which exceeded this one of 2003 by three times and half.. (Table VI.4).

3. Structure of exports and imports per commodity groups

Exports

According to the data of NSI in 2004 the exports of processed goods was at the rate of 1 054 988 000 USD. (Table VI.11).

The main commodity groups, forming the agricultural export structure in 2004 according to the Titles of Custom Tariff are respectively:

- ***Title I– "Live animals & products from animal origin"***

The relative share of exports of these products represented 17.31% from the total agricultural exports. In comparison to 2003, the exports of commodities, covered by this title, increased by 32.26% in value terms. During the observed period, the most significant increase was marked for the exports of meat and harslets from all livestock categories intended for direct consumption - (by 49.66%). Growth of exports was registered also for milk and dairy products (by 16.30%), fish and crustaceans (by 8.27%). The trade balance under this Title was at the rate of 13 997 000 USD and it marked a decrease by 41.62% in comparison to the preceding year;

- ***Title II – "Products from vegetal origin"***

In 2004 the commodities under this title took 35.40% from agricultural exports. Thi biggest share from the total exports under this title belonged to plants – 14% (wheat, barley, maize), followed by oleaginous seed – 11.11% (mainly maize and motley sunflower), fruits and vegetables – 8.11%. The positive balance under Title II accounted for 137 289 000 USD, and it increased by 15.4% as compared to 2003

- ***Processed products - Title III - "Fats and fats from animal and vegetal origin" and Title IV - Products of industry, non-alcoholic and alcoholic drinks and types of vinegar, tobacco and processed substitutes of tobacco"***

The processed products took 47.29% in the structure of agricultural exports of the country. In 2004 the export of goods with higher added value increased in value term by 33.97% as compared to 2003, and the biggest increase was marked for fats and oils dorm vegetal origin (by 121.05%), processed tobaccos and cigarettes (by 96.73%), sugar and sugar products (by 26.26%) etc. In 2004 the positive trade balance of processed products was at the rate of 95 718 000 USD and it increased more than twice, as compared to the previous year.

Table VI.11.
Structure of agricultural foreign trade of Bulgaria in 2003 and 2004

Code	Sections	EXPORTS-FOB					IMPORTS-CIF					BALANCE 2003	BALANCE 2004
		2003		2004		2004/2003	2003		2004		2004/2003		
		'000 USD	%	'000 USD	%	%	'000 USD	%	'000 USD	%	%	'000 USD	'000 USD
	a	1	2	3	4	5	6	7	8	9	10	11	12
	TOTAL:	7 444 823		9 877 000		132.67	10 753 612		14 380 400		133.73	-3 308 789	-4 503 400
	O/w Agricultural commodities:	783 193	*100*	1 054 988	*100*	134.70	598 022	*100*	807 984	*100*	135.11	*185 171*	*247 004*
	SECTION I	138 087	*17.63*	182 632	*17.31*	132.26	114 112	*19.08*	168 635	*20.87*	147.78	23 975	13 997
1	Live animals	15 729	*2.0*	22 009	*2.1*	139.93	6 469	*1.08*	19 391	*2.40*	299.75	9 260	2 618
2	Meat and harslets good for consumption	57 053	*7.28*	85 384	*8.09*	149.66	61 349	*10.26*	90 663	*11.22*	147.78	-4 296	-5 279
3	Fish and crustacea good for consumption	8 261	*1.05*	8 944	*0.85*	108.27	14 918	*2.49*	15 258	*1.89*	102.28	-6 657	-6 314
4	Milk and milk products, bird eggs, natural honey; animal origin products good for consumption, neither listed nor mentioned elsewhere	54 908	*7.01*	63 858	*6.05*	116.30	27 840	*4.66*	38 643	*4.78*	138.80	27 068	25 216
5	Other products from animal origin neither listed nor mentioned elsewhere	2 136	*0.27*	2 436	*0.23*	114.05	3 536	*0.59*	4 681	*0.58*	132.37	-1 400	-2 244
	SECTION II	272 677	*34.82*	373 413	*35.40*	136.94	153 683	*25.70*	236 125	*29.22*	153.64	118 994	137 289
6	Live plants and flower materials	3 107	*0.40*	2 370	*0.22*	76.29	6 434	*1.08*	9 456	*1.17*	146.97	-3 327	-7 086
7	Vegetables, plants, roots and tubers good for consumption	34 391	*4.39*	48 546	*4.60*	141.16	27 121	*4.54*	27 395	*3.39*	101.01	7 270	21 151
8	Fruits, citrus fruit or watermelon peels good for consumption	34 327	*4.38*	37 110	*3.52*	108.11	39 141	*6.55*	48 932	*6.06*	125.01	-4 814	-11 822
9	Coffee, tea, matte and spices	16 081	*2.05*	16 238	*1.54*	100.97	20 837	*3.48*	23 973	*2.97*	115.05	-4 756	-7 735
10	Cereals	64 087	*8.18*	147 648	*14.00*	230.39	34 541	*5.78*	72 466	*8.97*	209.80	29 546	75 182
11	Grain mill products, malt, starch, inulin, wheat gluten	7 824	*1.00*	3 056	*0.29*	39.05	5 478	*0.92*	22 647	*2.80*	413.41	2 346	-19 591
12	Oil seeds and fruits; different kinds of seeds, seeds for planting and fruits, industrial or medicine plants; straw and fodder	111 897	*14.29*	117 183	*11.11*	104.72	15 284	*2.56*	25 922	*3.21*	169.60	96 613	91 261
13	Gums and resins and others, plant juices and extracts	415	*0.05*	747	*0.07*	179.96	4 771	*0.80*	5 113	*0.63*	107.18	-4 356	-4 367
14	Weaving materials and other products of plant origin neither listed nor mentioned elsewhere	548	*0.07*	516	*0.05*	94.08	76	*0.01*	221	*0.03*	291.02	472	294
	SECTION III	13 208	*1.69*	29 196	*2.77*	221.05	43 397	*7.26*	44 401	*5.50*	102.31	-30 189	-15 205
15	Oils and butter from animal origin; by-products prepared while their decomposition; processed oils for foodstuff preparation; waxes from plant or animal origin	13 208	*1.69*	29 196	*2.77*	221.05	43 397	*7.26*	44 401	*5.50*	102.31	-30 189	-15 205
	SECTION IV	359 221	*45.87*	469 747	*44.53*	130.77	286 830	*47.96*	358 823	*44.41*	125.10	72 391	110 923
16	Products from meat, fish or crustacea, mollusks, or other invertebrate	10 539	*1.35*	11 505	*1.09*	109.16	8 585	*1.44*	8 477	*1.05*	98.74	1 954	3 028
17	Sugar and sugar based sweets	17 790	*2.27*	22 462	*2.13*	126.26	54 793	*9.16*	63 610	*7.87*	116.09	-37 003	-41 148
18	Cocoa and cocoa products	18 260	*2.33*	16 687	*1.58*	91.39	37 928	*6.34*	38 705	*4.79*	102.05	-19 668	-22 018
19	Foodstuffs prepared on the basis of cereals, flours, starch, farina or milk, dough based pastries	52 223	*6.67*	64 667	*6.13*	123.83	21 891	*3.66*	29 119	*3.60*	133.02	30 332	35 548
20	Food products from vegetables fruits or other plants	55 782	*7.12*	65 424	*6.20*	117.29	35 398	*5.92*	37 387	*4.63*	105.62	20 384	28 037
21	Different types of foodstuffs	18 377	*2.35*	19 197	*1.82*	104.46	44 294	*7.41*	61 022	*7.55*	137.77	-25 917	-41 825
22	Non-alcoholic and alcoholic	81 731	*10.44*	89 730	*8.51*	109.79	22 162	*3.71*	33 053	*4.09*	149.14	59 569	56 677
23	By products or leftovers from the food processing industry, good for animal feeding	31 677	*4.04*	36 770	*3.49*	116.08	35 941	*6.01*	45 706	*5.66*	127.17	-4 264	-8 936
24	Tobacco and processed tobacco substitutes	72 842	*9.30*	143 304	*13.58*	196.73	25 838	*4.32*	41 744	*5.17*	161.56	47 004	101 559

Source Customs Agency"

Leading positions in the export list'2004 belong to:

- Tobacco, Oriental type - 36 312.8 tons, value 198 467 000 USD;
- Wheat - 513 188.3 t, value 61 736 000 USD;
- Black oleaginous and motley sunflower seeds – 252 759.1 tons, valued at 69 087 000 USD;
- Wine with alcoholic contents <= 13%, volume up to 2 l - 43 519.9 tons, valued at 40 771 000 USD;
- Lamb meat - 6 928.4 t, valued at 34 312 000 USD.

The other goods taking leading position in the agricultural export structure for 2004 in value term are mentioned in (Table VI.12.)

Table VI.12
Leading agricultural commodities in Bulgarian exports in 2004

Custom Tariff Code	Name	Qty (tons)	Value (,000 USD)
2401 10 60 0	Sun curried tobacco, Oriental type	36 312.8	108 467
1001 90 99 0	Other wheat	513 188.3	61 736
1206 00 99 8	Black oleaginous sunflower in the period from April 1 till September 30	155 680.1	42 365
2204 21 80 0	Others wines with alcoholic contents <=13%, with volume up to 2 l	43 519.9	40 771
0204 10 00 0	Entire/half lamb carcasses, fresh or chilled	6 928.4	34 312
2402 20 90 0	Other cigarettes containing tobacco	4 283.4	28 089
1206 00 99 2	Black oleaginous sunflower in the period from October 1 till March 31	97 079.0	26 722
1003 00 90 2	Fodder barley	242 313.9	26 240
1512 11 91 0	Raw sunflower seed	35 990.6	20 484
1905 90 60 0	Baker, paste, confectionery or biscuit products with addition of sweeteners	8 415.9	17 971

Source *Customs Agency"*

Imports

In 2004 in the country were imported agricultural commodities which total amount figured out at 807 984 000 USD.

- ***Title I- "Live animals & products from animal origin*** "

The relative share of imported products figured out at 20.87% from the total agricultural imports. Largest share under this title belongs to fish and crustaceans (11.22% from the total agricultural imports). In 2004 the volume of goods imported under this title goods increased by 35.11% as compared to 2003. Highest growth of imports was registered at the live animal imports - by 199.75%, followed by meats and harslets for direct consumption– by 47.78% and milk and dairy products – by 38.8%;

- ***Title II - "Products from vegetal origin"-***

In 2004 the commodities under this title took 29.22% from the imports of agricultural products. largest share from the total imports under this title belongs to cereals – 8.97%, followed by fruits for direct consumption – 6.6% etc.;

- ***Processed products - Title III - "Fats and fats from animal and vegetal origin" and Title IV - "Products of industry, non-alcoholic and alcoholic drinks and types of vinegar, tobacco and processed substitutes of tobacco"***

Processed products took 49.91% in the structure of agricultural imports. In 2004 the imports of processed goods in value term increased by 22.11% as compared to the previous year. It should be noticed that the growing rates of exports of these goods outstripped their rates of imports (increase by 33.97%).

Leading commodities in the agricultural imports'2004 in value term:

- Raw sugar from sugar can, intended for refinement - 279 708 t, value 52 602 000 USD;
- Others victuals, not mentioned elsewhere - 8 812.2 t, value 26 354 000 USD;
- Wheat - 114 543 tons, value 24 634 000 USD;
- Soy-been oil-cakes - 86 279 tons, value 26 354 000 USD;
- Cattle meat - 31 495 24 tons, value 24 421 000 USD.

The other leading imported agricultural commodities in value term for 2004 are shown in **Table VI.13**.

Table.13.
Leading agricultural commodities in Bulgarian imports in 2004

Custom Tariff Code	Name	Qty /tons/	Value (,000 USD)
1701 11 10 0	Raw sugar from sugar can, intended for refinement	279 708.0	52 602
2106 90 98 0	Others victuals, not mentioned elsewhere	8 812.2	26 354
2304 00 00 0	Oilcakes and others solid leftovers, even grind from soy	86 279.1	25 564
1001 90 99 0	Other common wheat	114 543.4	24 634
0202 30 90 0	Others frozen boneless meats from cattle	31 495.2	24 421
2401 20 10 0	Flue curried tobacco, Virginia type	6 371.3	22 050
1005 90 00 9	Other maize	123 653.7	21 314
0203 29 55 0	Frozen boneless meats from domestic pigs	13 368.6	18 262
1101 00 15 0	Flour from spelt and common wheat	51 503.6	13 716
0803 00 19 0	Fresh banana	49 963.2	13 413

Source *Customs Agency"*

4. Exports and imports of main agricultural commodities

4.1. Grain and industrial crops

4.1.1. Exports

Wheat

During 2003/04 marketing year according to the provisions of CoM Decree № 193/05.09.2003, it was introduced a temporary ban on the exports of wheat snd flour, of wheat.

Accodring to the data of Customs Agency, the exports of wheat in 2003/04 figured out at 25 989 tons. The qualities were exported mainly to Romania (22 669 t), Greece (2 298 t) and Cyprus (1 019 t).

The good crops and increased export demand in 2004/05 contributed to the increase of wheat exports till 1 095 987 tons. This level represents 38% more than the level of 2001/02 ant it approached the exports level achieved in 2002/03 marketing year (1 106 987 t).

According to the providional data of Customs Agency, the exports destinations were EU, neighbouring countries as wellas some African countries. The largest quantities of Bulgarian wheat were purchased by Spain (326 636 t), Tunisia (127 436 t), Romania (68 648 t), Macedonia (61 020 t) and Morocco (45 150 t).

Table VI.14.
Exports of wheat, 2001/02 - 2004/05 **(tons)**

Country	2001/02	2002/03	2003/04*	2004/05**
1.EU	433 343	690 069	3 317	429 205
Italy	167 520	196 567		37 118
Grece	18 342	45 822	2 298	41 463
Spain	191 362	336 614		326 636
Belguim		43 277		
Great Britain		23 619		
Portugal	41 058	21 996		8 271
France	3 451	16 700		2 462
Germany		2 633		8 804
Netherland				
Hungary		-		
Cyprus	11 610	2 842	1 019	4 451
2.Others	360 980	416 918	22 672	666 782
Romania	33 422	120 563	22 669	68 648
R. Macedonia	37 389	32 751	3	61 020
Turkey		9 762		4 784
Albania	39 835	7 886		30 785
Jugoslavia	44	630		3 321
Ukraine	2 023	-		0
Armenia		-		
Georgia		-		4 252
Croatia				45 966
Algeria	19 942	101 817		27 324
Egypt		69 555		
Tunisia	57 631	22 922		127 436
	20	22 000		
Lebanon		10 647		3 012
Morocco	44 500	7 700		45 150
Syria		4 620		18 414

Israel	28 635	3 005		7 152
Others	97 540	3 061		219 518
TOTAL WHEAT	**794 325**	**1 106 987**	**25 989**	**1 095 987**
value (,000 USD/	**75 227**	**98 621**	**3 560**	**132 427**

Source *Information Service Plc. and Customs Agency*

Remark: * Since 30.09.2003 it was introduced an export ban

*** The data for 2004/05 are provisional.*

Barley

According to the provisional data of Customs Agency, in 2004/05 marketing year (July 2004 - June 2005), the volume of total barley exports figured out at 419 494 tons as compared to 2002/03 marketing year when this voulme accounted for 517 884 tons.

Table VI.15.

Exports of barley, 2001/02 – 2004/05 marketing years **(tons)**

COUNTRIES	2001/02	2002/03	2003/04	2004/05*
1. European Union	**6 916**	**71 099**	**9 638**	**159 572**
Germany	1 634	4 311	-	-
Greece	1 610	8 954	9 638	82 848
Spain	-	36 745	-	4 180
Italy	-	-	-	26 099
Portugal	2 634	-	-	-
France	1 038	21 089	-	-
New Member States	-	-	-	
Cyprus	-	-	-	46 446
2. Other countries	**271 657**	**446 784**	**9 023**	**259 916**
Albania	-	23.1	32	355
Cyprus	4 414	6 431	-	
Macedonia	4 182	1 467	2 763	7 389
Romania	40 113	113 039	3 627	70 583
Turkey	-	5 603	-	53
Ukraine	23	-	2 601	-
Serbia & Montenegro	-	-	-	3 180
Algeria	16 618	86 144	-	-
United Arab Emirates	-	6 705	-	-
Israel	8 378	-	-	9 420
Jordan	-	-	-	4 624
Lybia	4 692	6 600	-	29 000
Lebanon	-	-	-	8 159
Morocco	15 230	9 905	-	10 212
Saudi Arabia	143 848	142 742	-	-
Syria	-	10 205	-	69 279
Tunisia	34 160	57 920	-	47 663
Others	-	-	-	-
TOTAL - tons	***278 573.10***	***517 883.40***	***18 660.60***	***419 488.40***
- value (USD)	***25 095 396***	***41 077 269***	**2 632 061**	**46 928 390**
-average price (USD/ton)	***90.09***	***79.32***	**141.05**	**111.87**

Source *Information Service Plc. and Customs Agency*

Note: ** preliminary data*

Almost 72% from the quantities sold at foreign markets consisted of feeding barley, exported mainly to Romania (57 537 tons), Greece (67 578 tons), Tunisia (47 663 tons), Cyprus (35 695.6 tons), Italy (26 099 tons) and others. There were exported also small quantities of barley for the industrial purposes (59 439 tons) and for the needs of brevery (39 770 tons) The exports barley intended for sowing figured out at 16 272 tons.

During the first month of 2004/05 year, the barley exports were most active, when 147 000 tons were marketed. More than half from this quantity was exported to the EU countries (mainly Greece and Italy). The exports to the EU were favoured by the annual quota for duty free exports of barley and its products, originating from Bulgaria, at the rate of 55 000 tons. The quota was completed during the first two weeks of new marketing year.

Other purchaser during the month in questions was Romania, that imported 49 284 tons.

During the next months were exported smaller quantities - 20 - 40 000 tons, intended mainly to the Arab countries (Syria, Tunisia, Lybia and others) and Balkan countries (Romania, Macedonia and others). In spite of depletion of qualities subject to duty free exports in the EU and good cereal crop in the Community, Cyprus and Greece continued to purchase Bulgarian barley, which was due probably to the lower price compared to the Community prices.

Maize

Accodring to the data of Customs Agency, in 2003/04 marketing year, the totalexports of maize figured out at 80 818 tons , which is by 66% lower in comparison to the preceeding marketing year. This was due mainly to the increased domestic demand and uncompetitive prices of Bulgarian maize.

Almost 93% from the exports were done during the first three months of marketing year (mainly in October 2003) and the main importers were the EU countries – Italy (27 795 tons), Greece (21 048 tons), Spain (17 884 tons) and Portugal (8 057 tons). The exports to the EU were favoured by the negotiatied preferences according to which from July 1, 2003 till June 30, 2004 there was duty free export quota of maize originating fromBulgaria at the rate of 80 000 tons.

During the next months till the end of marketing year, there were exported considerably lower quantities - between 500 – 1 000 tons per month, intended mainly to Macedonia.

Table VI.16.
Export of maize, 2001/02 – 2004/05 marketing years **(tons)**

COUNTRIES	2000/01	2001/02	2002/03	2003/04	2004/05*
1. European Union	*61*	*0*	*45 995*	*75 182*	*220 928*
Austria	61	0	-	-	-
Great Britain				-	0
Germany	-	-	8 669	-	6 527
Greece	-	-	9 874	21 413	492
Spain	-	-	25 765	17 884	148 875
Italy	-	-	-	27 795	24 904
Portugal	-	-	-	8 060	21 377
France	-	0	1 687	31	146
New Member States					
Hungary					0
Slovak Republic					56
Cyprus	-	-	-	-	18 551
2. Others	*62 605*	*40 975*	*191 768*	*5 636*	*310 187*
Albania	3 253	1 754	-	8	8 677
Algeria	-	-	11 424	-	-
United Arab Emirates	-	-	4 173	-	-
Georgia	3 165	-	-	-	-

Egypt	-	-	2 538	-	24 754
Israel	-	-	-	-	36 728
Jordan	-	4 853	-	-	-
Cyprus	0	2 225	12 728	-	
Cuba	-	-	-	-	-
Lybia	-	7 878	3 852	-	51 696
Lebanon	-	-	-	-	2 920
Macedonia	4 046	1 513	373	5 628	36 128
Morocco	-	-	47 088	-	-
Moldova					15
Romania	27 776	406	23 139	-	7 940
Russia	-	-	-	-	3
Syria	-	5 243	7 764	-	58 066
Slovak Republic	39	87	-	-	-
Serbia & Montenegro				0	-
Tunisia	-	2 678	36 002	-	66 298
Turkey	23 983	14 320	42 661	-	16 954
Ukraine	-	-	-	-	8
Hungary	-	18	26	-	-
Switzerland	-	-	-	-	-
Yugoslavia	291	-	-	-	-
Others	52	-	-	-	-
TOTAL - tons	***62 665***	***40 975***	***237 763***	***80 818***	***531 115***
- value (USD)	***6 592 966***	***4 155 465***	***25 168 304***	***11 746 567***	***58 785 614***
- average price (USD/ton)	***110.0***	***98.6***	***105.9***	***145.4***	***110.7***

Source *Information Service Plc. and Customs Agency*

Note: **The data included the period of September 2004 - July 2005.*

After the low export level registered for 2003/04 marketing year, the crop`2004 provided significant quantities, having export potential.

According to provisional data of Customs Agency from the beginning of 2004/05 marketing year (September2004) to July 2005 there were exported 531 115 tons of maize. This figure exceeded considerably the quantities for entire 1999/00 and 2002/03 years (respectively 289 628 and 237 761 tons), when there were recorder the highest export levels of latest 10 years.

The main part of exports during the mentioned period belonged to the maized intended for industrial puproses (331 533 tons) and its main quantity was exported to Spain (70 853 tons), Tunisia (48 578 tons), Israel (36 728 tons), Syria (30 006 tons), Lybia (25 028 tons), Egypt (24 754 tons), Portugal (21 377 tons) etc. For the period of september 2004 –July 2005, the exports of fodder maize figured out at 199 314 tons. As it concerns the exports of maize intended for sowing, this quantity accounted for 250 tons.

Because of delayed entering of new crop in the market in September 2004, the quantities of maize sold on foreign markets were unsignificant, i.e. 3 163.8 tons, at the average price at the rate of 140 USD/ton.

In October 2004 it started active exports of maize (90 193 tons) and the EU countries were the main importers for which 78 642 tons were exported. The main importers were Spain (47 068 tons), Italy (16 155.4 tons), Cyprus (8 400 tons) and others. According to the agreements with the EU, from July 1, 2004 till June 30, 2005 there were a for duty free quota on maize exports originating from Bulgaria to the EU (tariff position 1005) at the rate of 88 000 tons.

In next months the maize exports continued and the highest level was registered in December. (101 236 tons). Since the beginning of 2005 the qualities maize sold on foreign markets decreased gradually. However, the dynamics remained at high level for this period of season. As a comparison, in July 2005 there were exported 15 235 tons and respectively 575 tons for the same month of 2002/03 marketing year.

Even after depletion of quantities specified for duty free exports to the EU and despite good EU crop, Cyprus, Spain and Portugal (main maize importers in the EU) continued to purchase Bulgarian maize. For the period of September 2004 -July 2005 the maize exports to the EU-25 figured out at 220 943 tons or 42% from the total exports for the period.

Main exports markets during the present season, together with the EU countries, are Arab countries; Tunisia (66 298 tons), Syria (58 066 tons), Lybia (51 696 tons) and others.

Sunflower

The traditional markets, where Bulgaria sold its oleaginous sunflower, were the EU countries and Turkey.

The rich sunflower crops during the last three seasons (crop`2002, crop `2003 and crop `2004) conditioned a stable trend of export increase during the period os 2002/03 - 2004/05.

Accodring to the data of Customs Agency, in 2003/04 marketing year there were exported 275 545 tons of sunflower or by 29 000 tons (12%) over the level of preceeding year and nearly 3 times more than 2001/02 season.

*Table VI.**17.***

Exports of oleaginous sunflower, 2000/01 - 2004/05 **(tons)**

COUNTRY	2000/01	2001/02	2002/03	2003/04	2004/05*
1. European Union					
SPAIN	-	22 989	57 883	-	7 153
Netherlands	716	130	37 314	17 393	
Portugal	-	5 354	26 885	20 914	111
France	-	20	15 692	16 567	23
Italy		-	5 183	15 103	
Germany	2 297	1 869	3 879	152	246
Austria	44	75	1 000	-	570
Greece	5 024	1 333	522	333	14 160
Belgium	-	22	428	18 789	
Finland	355	-	50		
Denmark	25	50	4		
Sweden	221	304	42		
Great Britain	87	88	420	132	230
Poland	40	710	25		364
2. Others					
Turkey	28 340	65 719	78 961	185 963	398 875
Romania	46	eight	16 246	20	10 479
Yugoslavia	71	33	21		
Syria	4 184	4 103	1 079	-	
Switzerland	11	40	655	-	20
Others	1 398	579	121	179	8 084
TOTAL - tons	42 859	103 425	246 410	275 545	440 317

VALUE - USD	7 124 545	23 059 662	61 520 650	71 020 494	128 420 880
PRICE - USD/ton	166	223	250	258	292

Source *Information Service Plc. and Customs Agency*

Note: **The data for 2004/05 are for the period of September - June 2005.*

The rich sunflower crop`2004, as well as the sunflower deficiency in the world markets, occured during the first months of 2005 and the respective growth of international prices were favourable for the exports of Bulgarian sunflower in 2004/05 marketing year.

Accodring to the data of Customs Agency, for the period from the beginning of 2004/2005 (September 1, 2004) till the end of June 2005 there were exported 440 317 tons of oleaginous sunflower,

The trend of export increase on its part decreased the opportunities of local industry to create a value added in the country. By the economic point of view in general it is more profitable to proceed the sunflower in the country of origin and then to be exported as oil.

Tobacco

According to final data of Customs Agency in 2004 there were total exports of 42 231 tons of tobacco, which is nearly by 67% more than the 2003 exports. This is the highest export level for the last 9 years.

As usual, the main export part (86% approximately) was under positions 2401 10 60 and 2401 20 60 – Sun curried tobacco, Oriental type. In 2004 the exports of this tobacco type figured out at 36 439 tons; by 72% more than in 2003. More than twice increased the exports to the USA, reaching 12 010 tons, (5 048 tons in 2003). Another important importer were the EU-15 countries, for which there were exported 8 832 tons, mainly to Belgium (3 459 tons), Germany (2 038 tons), Austria (1 288 tons) and Netherlands (1 193 tons). Egypt was the third importer of Bulgarian Oriental tobacco in 2004; its imports figured out at 6 112 tons , that is 6 times higher as compared to 2003.

Almost 93% of exports were done under the conditions of Customs Regime 10 "Final exports". The rest quantity (2 475 tons) was marketed under Regime 31 "Reexports".

The trend of export increase started in 2001 was registered also for the two types large-leaved tobacco.

The exports of Virginia tobacco in 2004. increased 2.3 times as compared to the previous year and it was at the rate of *2 287 tons*. Larger quantities were exported to Egypt (694 tons) and Italy (245 tons).

It was observed also an increased interest to Bulgarian Burley tobacco, which export figure in 2004 on the international markets figured out at *693 tons compared to* 114 tons in 2003.

The share of other tobaccoes, tobacco wastes and tobacco ropes from the total expored quantity in 2004. accounted for 7% (2 813 tons). It was observed approximately 8% decrease of exports for this group as compared to the previous year. The main importers were Russian Federation - 1 176 tons, USA - 368 tons, Armenia – 178 tons, Georgia – 101 tons and Ukraine – 100 tons.

Table VI.18.
Exports of tobacco, 2001-2005 **(tons)**

	2001	2002	2003	2004	I-VI. 2005
I. Flue curred tobacco, Virginia type	***66***	***352***	***973***	**2 287**	**521**
II. Light air-curred tobacco, Burley type	***14***	***1.4***	***114***	**693**	**698**
III. Sun curred tobacco, Oriental type	***17 026***	***21 524***	***21 244***	***36 439***	***12 244***

Algeria	800	1 133	1 000	900	-
Bulgaria – duty free areas	3 023	2 588	2 090	1 895	842
Egypt	2 376	3 516	1 110	6 112	2 524
EU-15	3 891	5 080	7 224	8 832	3 797
Indonesia	14	0	0	200	199
Russian Federation	890	1 240	1 296	1 419	423
USA	2 512	5 675	5 048	12 010	2 018
Ukraine	135	511	455	492	357
Hungary	323	271	350	250	54
Switzerland	1 585	427	322	1 550	370
Others	1 478	1 083	2 350	2 779	1 660
IV. Other tobacco, tobacco wastage and tobacco ropes	**2 545**	**1 232**	**3 071**	**2 813**	**763**
Armenia	215	304	181	178	115
Bulgaria – duty free areas	57	11	342	564	176
EU-15	51	12	20	159	120
Russian Federation	1 767	0	1 712	1 176	127
USA	143	141	326	368	138
Ukraine	30	79	43	100	0
Others	284	685	447	269	87
TOTAL TOBACCO (I+II+III+IV)	**19 651**	**23 110**	**25 402**	**42 231**	**14 226**

Source *Information Service Plc. and Customs Agency*

According to the provisional data of Customs Agency, during the first half of 2005 the exports of tobacco figured out at 14 225.8 tons, which is by 23% less as compared to its level for the same period of the preceeding year (18 454.5 tons).

Bulgaria has traditional exports of small-leaved tobacco and during the period of January-June 2005 there were exported 12 243.8 tons. The average export price figured out for about 2 990 USD/t (2 558 USD/t for the same period of preceeding year). The largest quantities were exported to the EU-25 countries (3 901 tons, mainly to Belgium and Greece). According to the agreements, each year the EU grants a quota for duty free imports of tobacco (Virginia type, Oriental type and dark air-curied tobacco) originating from Bulgaria. For the period of July 1- June 30, 2005 the total amount of quota figured out at 7 500 tons. Other larger importers were: Egypt (2 524 tons) and USA (2 017.9 tons).

The main part of these quantities was exported under Customs Regime 10 "Final exports" and 765.7 tons - under Regime 31 "Reexports".

As it concerns Virginia broad-leaved tobacco, it was observed a decrease of quantities sold on foreign markets. For the first half of 2005 from this type tobacco there were exported 520.9 tons as compared to 1 035.9 tons exported during the same period of the preceeding year.

The exports of Burley tobacco during the period of January- June 2005 were at the rate of 698 tons, which is by 60% higher as compared to the same period of 2004. The main purchaser of this type was Greece,that imported 409.7 tons, at an average price of 1 183.96 USD/ton.

Others tobaccoes, tobacco wastes and tobacco ropes took aroabout 5% from the total exported quantity during the first half of marketing 2005. The main importers were the USA (138 tons) and Russian Federation (127 tons).

4.1.2 Import

Wheat

During the marketing 2003/04, the insufficient supply of wheat and lerieving import regime encouraged the significant imports of wheat and flour. There were imported 192 453 tons of wheat. From this quantity 58 000 tons were imported for of the needs of State reserve. As comparison, in 2002/03 there were imported 16 127 tons.

The largest quantities of wheat in 2003/04 were imported from Brazil (74 056 t), USA (20 693 t), Russia (32 472 t), Germany (24 883 t).

Table VI.19.
Imports of wheat, 2002/03 - 2004/05 **(tons)**

Country	2002/03	2003/04	2004/05*
1. European Union	100	27 886	5 534
Grece		2 997	5 530
Germany		24 883	
Italy	99	5	0
Hungary	0	1	
France			2
Austria	1		2
Czech republic			0
2. Others	13 827	164 567	1 815
Romania	681	27 769	
Russia		32 471	
Jugoslavia	31		
Turkey		-	41
USA		20 693	1 750
Brazil		74 056	
Canada	13 000	5 078	
Syria		4 500	
Others	115		24
Totalwheat	**13 927**	**192 453**	**7 349**
value (000 USD/	**2 997**	**39 633**	**1 661**

Source: *Information Service Plc. and Customs Agency*
Note: ** The data for 2004/05 are provisional.*

In 2004/05, accodring to the data of Customs Agency htere were imported 7,349 tons of wheat. The imports was done mainly from Greece (5 530 t) and USA (1 750 t).

Barley

Rich barley crop`2004, as well as the decreased needs of this product in anumal feeding reduced the necessity to its imports in 2004/05 marketing year.

According to the provisional data of Customs Agency, in marketing 2004/05 there were imported 76.8 tons of barley, as compared to 19 060 tons imported in the preceeding year. The imports were done during the first four months of 2004/05 and originated from the EU countries. According to the agreements with the EU, from July 1, 2005 till June 30 2005 there is a quota for duty free imports of barley and its products from Community at the rate of 16 500 tons.

More than 60% from imported quantities of barley were intended for industrial purposes nad the main importer was Greece. From Greece in the country were imported 18.8 tons of barley for fodder. From France were imported 9.8 tons of barley for brewery purposes. The imports of seed for sowing during the observed period figured out at 1.4 tons.

Maize

The poor crop `2003 of wheat and barley reduced the supply of corn in 2003/04 marketing year. This led to an increase of interest to maize, icluding the imported maize.

According to the provisional data of Customs Agency during the period of *September 2003 - August 2004* there were imported 168 428 tons of maize, which is by 83 000 tons more as compared to 2002/03 level.

Approximately 77% (128 948 tons) from the imports of maize in 2003/04 were imported under position 1005 90 00 9 - maize for industrial purposes and the main importer was Brazil (112 660 tons) There were imported another 36 777 tons of maize for fodder, originating mainly from Ukraine (31 700 tons) and 2 396 tons of sowing maize.

The main quantities were imported at the beginning of 2004. (January-March) when came into effect an autonomous tariff reduction for duty free exports of corn, including of maize (1005) for the period of January1 - September 30, 2004.

Table VI.20.

Imports of maize, 2001/02-2004/05 **(tons)**

COUNTRIES	2001/02	2002/03	2003/04	2004/05*
I. SOWING MAIZE	**1 397**	**1 376**	**2 396**	**2 217**
- value (USD)	***2 076 109***	***2 555 998***	***6 093 782***	***5 386 224***
Austria	149	196	678	292
Germany				8
Israel	-	17	-	0
Italy	42	2	21	-
Canada	-	-	-	-
Moldova	-	-	0	0
Poland	-	2	1	-
Romania	69	23	22	142
USA	52	0	43	-
Serbia & Montenegro		163	42	97
Turkey	10	-	3	20
Ukraine	-	-	-	20
Hungary	661	730	1 156	1179
France	273	222	406	166
Croatia	74	21	-	290
Czech republic	12	-	19	-
Yugoslavia	46	-	-	-
South Africa	-	-	-	-
Others	10	16	5	4
II. MAIZE FOR FODDER AND INDUSTRIAL PURPOSES	**119 554**	**83 678**	**165 685**	**5 642**
- value (USD)	***11 508 859.0***	***10 209 622.0***	***28 390 930.0***	***1 006 711.0***
- average price (USD/ton)	***96.3***	***122.0***	***171.4***	***178.43***
Argentine	-	299	187	72
Brazil	-	-	112 599	-
Germany	2	-	262	-
Greece	-	27	0	-
SPAIN	19	-	-	25
China	-	-	82	-

Paraguay	-	-	-	-
Peru	-	-	-	18
Romania	752	-	5 483	2016
USA	441	354	702	990
Slovak Republic	-	16 095	-	-
Turkey	1	-	184	-
Ukraine	-	901	33 234	2473
Hungary	118 296	64 219	10 253	1
France	-	-	2 673	-
Czech republic	-	1 784	-	-
Chile	-	-	25	47
Yugoslavia	-	-		
South Africa	43	-		
Others	1	-	2	
TOTAL - tons	***120 951***	***85 055***	***168 081***	***7859***
- Total value of imports(USD)	***13 584 968.0***	***12 765 620.0***	***34 484 712.0***	***6 392 935***

Source: *Information Service Plc. and Customs Agency*

Note: **the data included the period of September 2004 - June 2005*

For the period of September 2004 – July 2005, in the country there were imported 8 113 tons of maize, as compared to 164 675 tons imported in the same period of preceeding season. More than 70% (5 896 tons) from the imported quantities consisted ot maize for **fodder and industrial purposes** originating mainly from Ukraine (2 473 tons), Romania (2 016 tons) and USA (1 193.8 tons). The imports from Ukraine was done in September 2004, when the autonomous tariff reduction on maize imports with zero duty was still acting. The whole quantity was imported under Customs regime 51 "Active improvement at the implementation of deffered payment system" that supposes further exports in processed form.

The imports of sowing maize , from the beginning of 2004/05 marketing year till July 2005, **figured out at 2 217 tons, and the main part originated from Hungary (1 179 tons).**

Rice

Accodring to the data of Customs Agency in 2004 there were imports of 25 522 tons of rice (position 1006, including unshelled rice) or by 6% lower as compared to 2003 level (27 164 tons). The reason for this decrease could be found in the increased production of unshelled rice in the country in 2003/04 and 2004/05.

The total cost of imported quantities figured out at *6 135.5 000 USD at an average price since of 240 USD/ton.* From this quantity, 6 217 tons consisted of unshelled rice (position 1006 10 37), 37 tons - seed for sowing, imported from Italy at an average price of 396.9 USD/ton.

In 2004 the largest share in the rice imports took Egypt (54%) and China (29%).

*Table **VI. 21.***

Imports of rice [1] for the period of 2001 – 2005 **(tons)**

Countries	2001	2002	2003	2004	I -VI. 2005
China	8 012	7 369	18 855	7 340	26
Egypt	12 749	4 106	6 376	13 793	8 335
Greece	638	709	721	1 032	432

Italy	236	352	326	306	312
Thailand	356	199	540	710	80
Pakistan	61	-	115	56	11
Turkey	76		48	200	12
Argentine	151	eight	49	-	31
Russia	20	-	20	-	
Romania	-		20	-	
USA	3 974	881	23	-	
Lebanon	-			240	
Burma		6 151		-	
Spain	25	81		-	
India	-			24	50
Germany	ten			-	
Banladesh	-			-	
Taiwan	-			-	
Vietnam	41	360		0	
Others	81	5	72	1 820	231
TOTAL	***26 430***	***20 221***	***27 164***	***25 522***	***9 519***
- value (USD)	**5 366 222**	**3 960 272**	**5 900 339**	**6 135 475**	**2 541 842**

Source: *Information service Plc., and since 2003 accodring to the data of Customs Agency Note1(Including unshelled rice).*

From the beginning of 2005 till June in the country there were imported 9,519 tons of rice (tarif position 1006) from which 2,478 tons consisted of unshelled rice. The total imports value figured out at *2 541 800 USD at an average price of267 USD/ton,* and the main importer was Egypt(8 334.5 t). *Relatively large quantities were imported also from Greece (432 t),* Italy *(312.1 t)* and Macedonia *(216 t).*

The imports for January – June 2005 was by 2% lower as compared to the same period of the preceeding 2004. For January – June 2004 the registered imports of rice in the country figured out at 9 687.4 tons at an average price of 223.2 USD/ton.

Sunflower

In 2003/04 there were imported 8 306 tons of oleaginous sunflower which total value figured out at 2 013 000 USD.

Accodring to the data of Customs Agency, from the beginning of marketing 2004/05 (1 September 2004) till the end of June 2005, there were imported 2 280 tons of oleaginous sunflower.

The imports of *oleaginous sunflower* in 2003/04 as well as in 2004/05, were done mainly from Moldova, because the export prices of Moldovian sunflower were lower than the domestic prices. From this country were imported respectively 4 616 tons in 2003/04 and 2 119 tons till June 2004/05

Table VI. 22.

Imports of oleaginous sunflower, 2002/03 - 2004/05 (tons)

COUNTRY	2002/03	2003/04	2004/05*
1.EU			
Greece	364	-	59
Italy	20	-	
Poland	37	-	

2.Others			
Romania	455	2,021	
Ukraine	276	962	38
Yugoslavia	95	416	
Moldova	3 159	4 616	2 119
Turkey		248	0
Canada	48	-	
China	20	-	0
Others	116	43	64
TOTAL - tons	**4 590**	**8 306**	**2 280**
- value (USD)	**1 259 252**	**2 012 781**	**755 269**

Source *Information Service Plc. and Customs Agency*

Note: **The data for 2004/05 are for the period of September 2004 - June 2005*

Tobacco

According to final data of Customs Agency in 2004 it was reported the highest of import level of tobacco since 1998. The total tobacco imports under all customs regimes figured out at *13 953.8 tons*.

The imported quantities under regimes 40 and 42, that formed the final imports remained at the level of previous years – 10 485 tons. The imports under regime 51 "Active improvement with deffered payment" that supposes a subsequent exports in processed form, increased nearly three times as compared to the previous year.

The main part of tobacco *(6 371.3 tons)* were imported under tariff position 2401 20 10 – „Flue curred tobacco, Virginia type", *partially or entirely cleaned from tobacco ropes.* Larger importers wete Brazil (2 819 tons), Zimbabwe (1 686.6 tons) and India (1 247.5 tons). The highest average import price was registered for the imports from Zimbabwe - 4 408.5 USD/t and USA – 4 370 USD/ton.

In 2004 in Bulgaria were imported *2 032.4 tons of* Burley tobacco *and the entire quantity was under position 2401 20 20 – light air-curred tobacco, partially or entirely cleaned from tobacco ropes.* As in previous years, the main importers of this tobacco type in Bulgaria were Brazil (1 084 tons), Argentine (350.5 tons) and India (347.8 tons).

It was observed a significant increase of Oriental tobacco imports; from 64 tons in 2002 and 323 tons in 2003 till *3 116 tons* in 2004. The entire quantity was importd under tariff position 2401 10 60 - sun curred oriental tobacco", on leavesand under the conditions of customs regime 51 that is connected to subsequent exports in processed form. The imports were done from Macedonia (3 112.9 tons) and Greece (3.1 tons).

The imports of other tobacco, tobacco ropes and tobacco wastes figured out at *2 434 tons*, which was by 40% less as compared to the preceeding year. Almost 50% from this quantity originated from China.

Table VI. 23.
Imports of tobacco, 2001-2005 **(tons)**

	2001	*2002*	*2003*	*2004*	*month I - VI 2005*
I. Flue curred, Virginia type incl.	***5 059***	***6 020***	***4 810***	***6 371***	***1 753***
Brazil	2 507	2 578	1 709	2 819	573
EU-15	63	40	447	75	54
Zimbabwe	1 832	2 213	1 452	1 687	444
India	531	799	792	1 248	328
USA	76	256	150	192	96

Switzerland	0	0	244	320	49
others	50	134	16	32	209
II. light air-curred", Burley type incl.	***2 528***	***2 107***	***1 276***	***2 032***	***412***
Argentine	304	544	311	351	58
Brazil	366	426	387	1 084	109
EU-15	701	294	146	126	0
India	564	379	372	348	67
Cuba	89	197	0	0	79
Malawi	71	47	58	18	0
Mexico	433	0	0	0	0
others	0	222	2	106	99
III. Sun curred, Oriental type incl.	***15***	***64***	***323***	***3 116***	***222***
Macedonia	0	0	288	3 113	68
Serbia & Montenegro	-	-	35	0	0
Turkey	15	25	0	0	71
others	0	40	0	3	84
IV. Other tobacco, tobacco wastes and tobacco ropes incl.	***3 498***	***3 730***	***4 167***	***2 434***	***1 007***
Brazil	401	178	318	285	71
EU-15	892	694	1 128	534	132
Zimbabwe	605	404	578	337	39
China	1 477	2 228	1 895	1 180	713
others	124	226	249	98	52
TOTAL (TOBACCO (I+II+III+IV)	**11 099**	**11 922**	**10 576**	**13 954**	**3 394**

Source: *"Information Service Plc. and Customs Agency "*

During the first six months of 2005 the total imports of tobacco were at the rate of 3 393.4 tons, which is by 48% lower as compared to the same period of the preceeding year.

As usual, there were imported mainly high quality large-leaved tobacco for the needs of processing industry.

During the first half of 2005 there were imported 52.5 tons of Virginia tobacco or by 14% lower than the level recorded for the same period of the preceeding year. The larger importers were Brazil (572.8 tons), Zimbabwe (44.4 tons), India (327.6 tons) and Columbia (198.2 tons)

Decrease was observed in the imports of other large-leaved tobacco, i.e. Burley type. For the first half of 2005 in the country were imported 411.7 tons from this type, as compared to 816 tons imported in January-June 2004.

The reported imports of tobacco for the first six months of 2005 figured out at 222.4 tons that was significantly lower that the level registered for the same period of the preceeding year (2 312 tons). The main part of imports (213.6 tons) was done under customs regime 51 "Active improvement with deffered payment" and the importers were neighbouring countries as Greece (74.6 tons), Turkey (71.4 tons) and Macedonia (67.5 tons).

Accodring to the data of Customs Agency, the imports of other tobacco, tobacco wastes and tobacco ropes were at the rate of 1 006.9 tons, and 712.9 tons or 50% from this quantity originated from China. Other importers were Italy (131.6 tons), Brazil (71.3 tons) and others.

4.2. Wine

4.2.1. Exports of wine

Accodring to the data of Customs Agency in 2004 there were exported 90 278 920 l of wine; by 18% more as compared to the previous year. The average export price was 0.88 USD/l and it is near to this one registered in 2003 The value of exported wine quantity figured out at 79 902 888 USD.

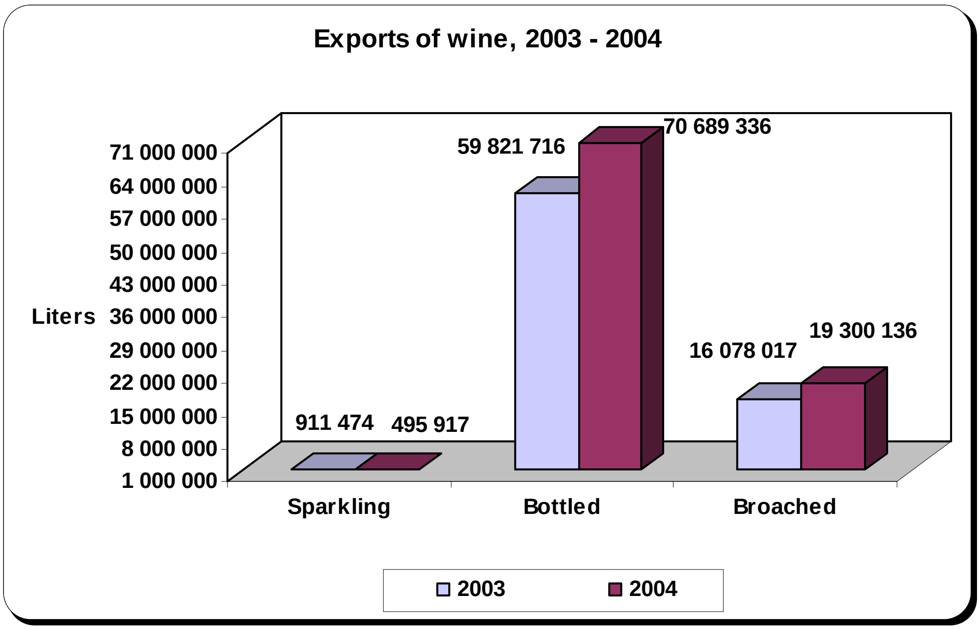


Figure VI.5.

The quotas granted to Bulgaria for duty free exports of wine in the EU and their fulfilment are mentioned in Table

Table VI. 24.
Fulfilment of quotas for duty free exports of wine to the EU in 2004 and at 31.07.2005

Description of the commodity.	2004			2005		
	Tariff quota in hl	Acquired quantity in hl	Fulfilment /%/	Tariff quota in hl	Acquired quantity in hl	Fulfilment /%/
Sparkling wines	1 800	1 227.98	68.22	1 800	523.08	29.06
Bottled wines	485 000	275688.89	75.15	485 000	171 466.27	35.35
Broached wine	195 000	76551.58	39.26	195 000	50 893.80	26.10

Source: *Customs Agency*

For 2004 a preferential access of wine (position 2204) originating from Bulgaria was granted at imports to the following countries:

Country	Tariff Number	Description	Period	Quota (hl)	Customs rate (%)
EU	220410	Sparkling wines		4 000	0
	220421	Bottled wines	from 1.07.2004	510 000	0

	220429	Broached wine		195 000	0
EU	220410 220421 220429	Sparkling wines Bottled wines Broached wine	since 1.07.2005	4 200 535 500 195 000	0 0 0
Serbia & Montenegro	2204	Wines from fresh grape	1.01.-31.12.2004	50	0
Turkey	2204	Wines from fresh grape	1.01.-31.12.2004	500	50
Macedonia	220421, 22042138, 22042178, 22042182, 22042184	Bottled wines	1.01.-31.12.2004	10 000	50% decrease

Source: *Customs Agency*

In 2005 the volume of quotas and customs rates for Serbia & Montenegro, Turkey and Macedonia remained the same.

During the period of January-June 2005 there were registered exports of 52 630 770 l of wine, which is a 17% more as compared to the same period of 2004.

Exports of bottled wines

During the last several years it was observed a trend to increase of bottled wines exports.

In 2004 there were registered exports of 70 689 336 l of bottled wines; by 18% higher as compared to 2003. The increase was due mainly to the growth of exports to Russia and Poland, that are traditional importers of this commodity. 58% from the exports of bottled wines in 2004 were intended for these countries.

Others important partners were: Great Britain (6 675 385 l), Germany (4 741 799 l) and Sweden (4 741 799 l). The exports to these countries decreased because of unstable quality of Bulgarian wines.

The average export price figured out at 0.95 USD/l and it is close to 2003 price.

Table ***VI. 25.***

Export of bottled wines 2003 – 2005

COUNTRIES	2003	2004	I-VI. 2005
	Quantity in litres		
RUSSIA	20 882 078	30 893 978	23 989 302
POLAND	13 647 360	17 953 336	9 725 559
GREAT BRITAIN	6 362 468	4 731 088	1 319 177
GERMANY	4 625 894	3 624 280	682 862
LATVIA	2 854 059	1 961 211	823 224
LITHUANIA	2 473 187	1 920 439	699 221
CZECH REPUBLIC	1 760 831	2 101 932	850 721
SWEDEN	1 023 259	1 225 281	724 189
NETHERLANDS	1 008 824	652 446	224 645
ESTONIA	795 828	749 571	350 568
BIELORUSSIA	519 311	679 846	90 300
CANADA	546 685	414 396	202 625
MONGOLIA	403 511	531 869	128 229
ISRAEL	444 083	450 657	49 250
BELGUIM	370 598	560 508	291 209
TURKMENISTAN	267 850	331 800	100 800
MOLDOVA	259 210	3	41
SLOVAK REPUBLIC	224 047	407 594	263 288
OTHERS*	1 352 633	1 499 101	728 477
TOTAL	**59 821 716**	**70 689 336**	**41 243 687**

Source: *Customs Agency*

Note: ** Including duty free area of the country*

Accodring to the data of Customs Agency, for the period of January - June 2005 there were exported 41 243 687 l of bottled wines, which is a 19% more as compared to the same period of 2004.

In 2004 there were exported 5 548 762 l of special wines (wines, with alcoholic contents from15 to 22%) which is by 36% more as compared to 2003. About 92% from their total exports was intended for the markets of Russia and Poland.

For the period of January - June 2005, the exports of this type of wines figured out at 2 584 572 l that is by 20% lower as compared to the same period of the preceeding year.

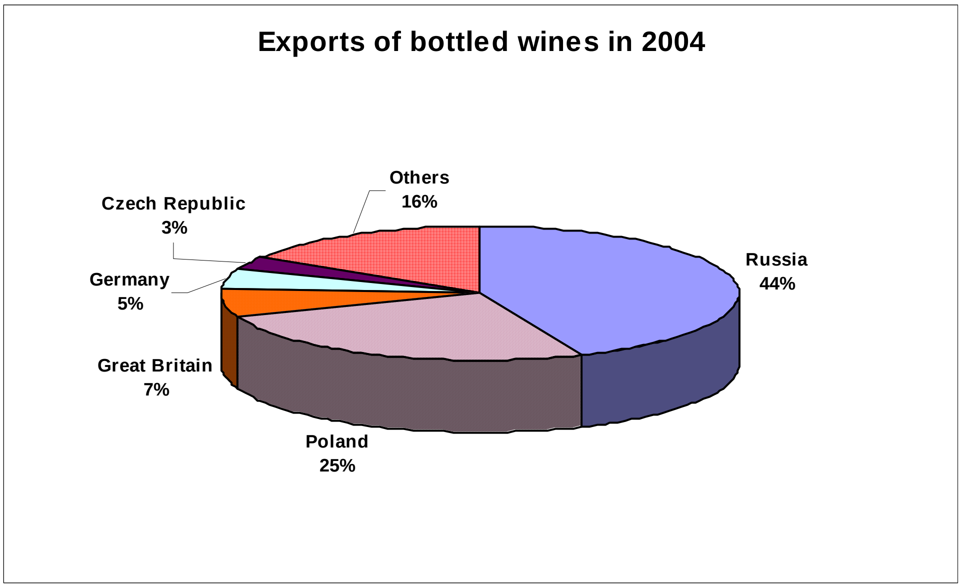


Figure VI.6

Exports of broached wine

During the last several years there was observed a trend to increase of exports.

In 2004 there were exported 19 300 136 l; by 20% more than the preceeding year. The growth was due to larger quantity of wine, destined for the markets of Russia. The average export price was 0.64 USD/l and it was near to this one of 2003.

The largest quantities of broached wine were exported to Russia (8 609 305 l) and Germany (5 153 452 l). It was reported a significant decrease of exports to Japan, Greece, Serbia & Montenegro and USA. In contrast to the preceeding year, in 2004. there was any export of broached wine to Canada.

For the period of January- June it was registered exports of 11 299 540 l of broached wine, which was a 9% more as compared to the same period of 2004. The growth was related mainly to the increased exports of broached wine to Russia - by approximately 43% more as compared to the same period of preceeding year. At the same time, the exports for most of the EU member states decreased.

Table V². 26.

Exports of broached wine, 2003 – 2005

COUNTRIES	2003	2004	²-V². 2005
	Quantity,		
GERMANY	6 081 420	5 153 452	1 697 195
RUSSIA	3 325 660	8 609 305	6 705 754
JAPAN	1 723 912	995 341	848 434
GREAT BRITAIN	1 324 653	1 253 291	598 008
FRANCE	1 394 033	859 917	296 320

CZECH REPUBLIC	536 667	217 059	64 162
LATVIA	163 162	253 871	20 220
SVEDEN	174 391	252 358	394 608
SWITZERLAND	301 267	242 022	68
FINLAND	280 906	129 136	89 590
POLAND	211 824	544 812	201 428
LITHUANIA	123 953	352 582	156 186
BIELORUSSIA	142 615	75 491	40 000
BELGUIM	151 504	190 390	118 880
GRECE	66 084	1 247	-
USA	25 256	5 899	18 675
CANADA	23 402	-	-
ESTONY	9 679	2 430	7 200
SERBIA AND MONTENEGRO	6 094	300	-
SLOVAK REPUBLIC	-	59 148	3 493
OTHERS	11 535	102085	39 319
TOTAL	**16 078 017**	**19 300 136**	**11 299 540**

Source: *Customs Agency*
Note: ** Including duty free areas of the country*

Export of sparkling wines

In contrast to bottled and broached wines, where the exports decreased, during the last years at sparkling wines it was observed a trend to decrease.

In 2004 it was registered export of 495 917 l of sparkling wines (by 46% less compared to the preceding year).

The average export price of Bulgarian sparkling wines increased from 1,04 USD/l in 2003 to 1.43 USD/l in 2004. The most important importer of Bulgarian sparkling wines in 2004was Vietnam (226 791 l). Important quantities were imported to Denmark (59 589 l), Turkmenistan (56 219 l) and Poland (54 941 l).

For the period of January- June 2005, it was registered exports of 87 403 l of sparkling wines, which was a 4% less as compared to the same period of 2004. Over 60% from sparkling wines exports was intended for Denmark (52 650 l).

Table 4. VI. 27.
Export of sparkling wines, 2003 – 20052005

COUNTRIES	2005	2005	L-VI. 2005
	Quantity, liters		
VIETNAM	275 447	226 791	-
LATVIA	227 736	24 300	13 500
POLAND	199 828	54 941	-
TURKMENISTAN	83 971	56 219	-
DENMARK	53 549	59 589	52 650
MONGOLIA	15 872	24 662	7 920
LEBANON	15 300	12 420	-
RUSSIA	13 505	139	-
ESTONY	9 450	24 300	-
CROATIA	3 600	-	-
AUSTRIA	4 905	1 008	-
GERMANY	732	1 008	1 306
ARAB EMIRATES	2 250		-
USA	1 802	902	180
TURKEY	228		5 233
OTHERS	3 299	9638	6 614
TOTAL	911 474	495 917	87 403

Source: *Customs Agency*
Note: ** Including duty free areas of the country*

4.2.2. Imports of wine

According to the data of Customs Agency", in 2004 it was imported 756 348 l of wine. This is approximately by 40% lower as compared to 2003, and it was marked an increase for sparkling and bottled wines and significant decline for broached wines.

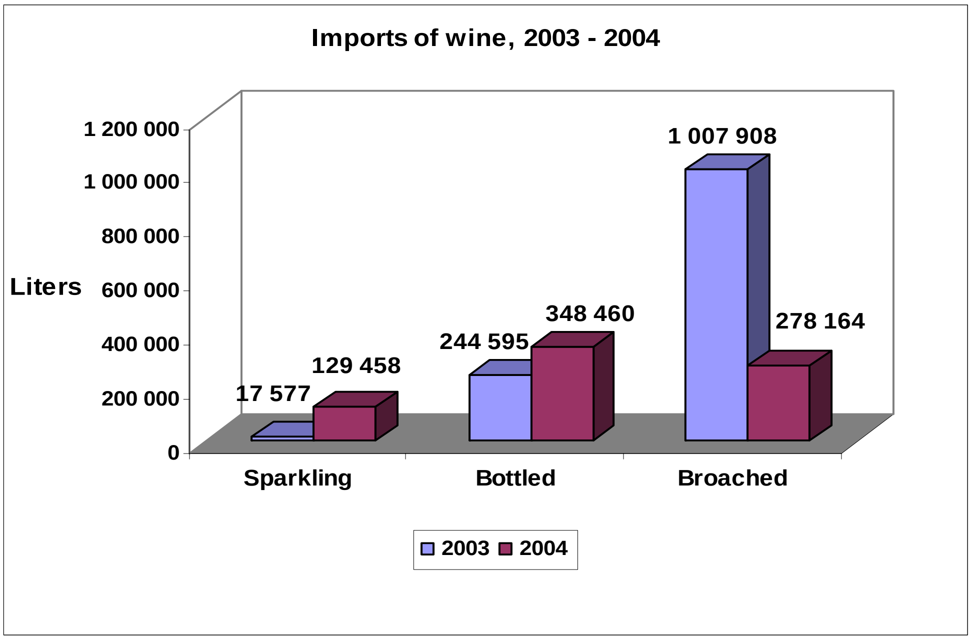


Figure VI.7.

For the period of January- June 2005 there were registered total imports of 1 661 511 l of wine, which was five times more as compared to the same period of the preceding year.

According to the Customs tariff of Bulgaria, at the imports of wine in 2004 there were the following autonomous custom duties which were retained in 2005 also:

Tariff Number	Description	Custom rate
220410	**Sparkling wines**	12%+35 euro/hl
220421	**Bottled wines**	12%+35 euro/hl
220429	**Broached wine**	12%+35 euro/hl

According to the signed Trade agreements, in 2004 . it was provided a possibility for preferential imports of wine in Bulgaria from following countries:

Country	Tariff Number	Period	quota (hl)	Custom rate (%)
EU	2204	from 1.07.2004	73 100	0
Serbia and Montenegro	2204	1.01.-31.12.2004	50	0
Macedonia	220421, 22042138, 22042178, 22042182, 22042184	1.01.-31.12.2004	10 000	50% increase

In 2005 the amount of quotas and customs rates were retained.

Imports of broached wines

In 2004 it was registered a significant decrease of broached wine imports up to 278 164 l; a 72% less as compared to the preceding year.

Table . V². 28.
Imports of broached wines 2003 – 2005

COUNTRIES	2003	2004	I-VI. 2005
	Quantity, liters		
HUNGARY	400 532		50 873
ROMANIA	328 355		
AUSTRALIA	97 642	25 890	73 752
GERMANY	49 810		
CHILE	48 000	48 000	48 000
ITALY	32 289	116	48 753
GREAT BRITAIN	23 969		
USA	23 000		
BELGUIM	3 606		
FRANCE	560	173 180	30 584
GEORGIA		5 000	765
SPAIN	9	25 833	
MACEDONIA			984 784
SERBIA AND MONTENEGRO			259 000
others	136	145	14 220
TOTAL	**1 007 908**	**278 164**	**1 510 731**

Source: *Customs Agency*

From countries as Hungary, Romania and Germany, considered as traditional exporters in our country there was any imports.

The largest quantity of broached wine was imported from France - 173 180 l. Other importing countries were: Chile (48 000 l), Australia (25 890 l), Spain (25 833 l). The imports from France and Spain increased significantly as compared to 2003 which could explain the lower import prices.

For the period of January- June 2005 there were registered total imports of1 510 731 l of wine, which was 15 times more as compared to the same period of the preceding year. The increase was due to the imports from Macedonia and Serbia and Montenegro – 1 243 784 l in total.

Imports of bottled wines

According to the data of Customs Agency, in 2004 there were imported 348 460 l of bottled wines, which was 42% higher as compared to the preceding year. The largest quantities of bottled wines were imported from Poland (91 275 l), Spain (52 270 l), Italy (45 508 l) and France (43 758 l). There were also imports from countries, from which during 2003 there was any imports (Ukraine and Sweden). The average import price was 2.57 USD/l and it is close to this one of the preceding year.

During the period of January- June 2005 it was registered imports of 141 837 l of bottled wines, which was a 28% less as compared to the same period of 2004. There were imports of bottled wines from Slovak republic, Latvia and Turkey – countries, from which during the preceding year there were not registered imports.

Table VI. 29.
Imports of bottled wines, 2003 – 2005

COUNTRIES	2003	2004	I-VI. 2005
	Quantity, liters		
POLAND	89 696	91 275	9 450

FRANCE	38 828	43 758	21 697
GERMANY	43 594	16 706	14 005
ITALY	36 989	45 508	26 201
SPAIN	7 574	52 270	2 479
NETHERLANDS	6 163	11 469	5 099
GRECE	10 575	1 885	764
PORTUGAL	2 700	990	254
BELGUIM	2 381	4	-
MACEDONIA	923	-	3 911
SLOVENIA	1 232	68	932
MEXICO	1 095	120	-
UKRAINE	-	30 971	11
SWEDEN	-	15 012	-
SLOVAK REPUBLIC	-	-	23 040
LATVIA			16 020
TURKEY		9	3 750
others	2 845	38 424	14 224
TOTAL	**244 595**	**348 460**	**141 837**

Source: *Customs Agency*

Imports of sparkling wines

During the considered period 2003 – January-June 2005, there was a trend to an increase of sparkling wines imports.

In 2004 there were exported 129 458 l of bottled wines - approximately by 7 times more as compared to the previous year. This increase referred to the reduced average import prices – from 9.44 USD/l in 2003 to 4.43 USD/l in 2004. More than 70% from the imports of bottled wines in 2004 were done from Germany (93 681 l) and the imports from this country increased considerably as compared to the previous year. Large quantities were imported also from France (23 703) and Italy (9 178 l).

Table . VI. 30.
Imports of sparkling wines, 2003– 2005 .

COUNTRIES	2003	2004	I-VI. 2005
	Quantity, liters		
FRANCE	9 847	23 703	4 787
ITALY	3 993	9 178	3 107
SPAIN	1 591	1 725	390
GERMANY	1 013	93 681	3
GREAT BRITAIN	272	245	9
others	861	926	647
TOTAL	**17 577**	**129 458**	**8 943**

Source: *Customs Agency*

During the period of January-June 2005 there were registered imports of 8 943 l of sparkling wines – approximately two times more in comparison to the same period of the preceding year. The most significant imports were done from France and Italy.

4.3. Fresh fruits and vegetables

4.3.1. Exports and imports of fruits

4.3.1.1. Exports of fruits

In 2004 it was reported an increase of fresh fruits exports. During the year there were exported 9 719.6 tons, by 29% more as compared to 2003, mainly as a result from the increased exports of shell fruits. The largest share took shell-nut (66%) and garden fruits (21%).

In 2004 there were exported 1 969.5 tons of garden fruits, which was by 12% lower as compared to the preceding year. The decrease was due mainly to the frosts in the course of flowering and in the period of fruit development.

The largest quantities of fruits were exported to Romania: 1 162.2 tons (58% from the total exports).

In the export list of garden fruits, the largest share belongs to the apricots, cherries and plums.

In 2004 there were exported 1 323.3 tons of apricots, that is about two times more, as compared to 2003, intended mainly for markets of Romania (1 161.3 tons) and Switzerland (112.2 tons).

The exported quantity of cherries in 2004 figured out at 370.1 tons: by 6% more as compared to 2003.

In 2004 there were exported 221.7 tons of plums, including sloes. The decrease against the previous year was around four times and half, because of the frosts in the country.

The exports of shell fruits in 2004 amounted to 6 417.6 tons: almost two times more as compared to the previous year.

The largest share in the shell fruits exports in 2004 belongs to the wall-nuts: 6 322.5 tons or 98% from the total exports of nuts . Their export increased almost two times as compared to the previous year because of larger quantities, intended for Turkey, as well as the opening of new market outlets as Iraq and Vietnam. The exports were stimulated by the agreed preferences at the imports of Bulgarian walnuts to Turkey, Serbia, Albania, Israel and Macedonia.

The quantity of grape exported in 2004 was at the rate of 208.7 tons and this figure represents a 50% decrease as compared to the previous year, because of lower production in the country. The main importer of Bulgarian grape was Slovakia: 96% from the total exports.

In 2004 there were exported 660.7 tons of melons and watermelons: by 12% higher as compared to the preceding year,

During the first half of 2005, the exports of fresh fruits amounted to 977.2 tons: by 63% less against the same period of 2004. The most significant exports belong to the shell fruits (617 tons) and garden fruits (225 tons).

4.3.1.2. Imports of fruits

The registered imports of fresh fruits in 2004 amounted to 152 453.7 tons: by 7% more as compared to the previous year. The largest import increase was observed for melons and water melons: approximately three times; grape – about two times and kiwi: by 45%. At the same time, there was decrease in the import of berries: by 51% and citrus: by 2%.

In 2004 there were exported 35 479.4 tons of garden fruits, which was by 12% lower as compared to the preceding year.

The most significant imports of garden fruits were done from Poland (10 450.1 tons), Greece (15 362.6 tons) and Macedonia (6 530 tons) and the largest share in the imports belong to the apples and peaches (respectively 78% and 16% from the total imports of garden fruits).

In 2004 there were registered imports of 26 730.5 tons of apples, which is by 16% lower in comparison to 2003. It was reported a decrease of apples imports for direct consumption at the expense of this one of apples intended for processing. The quantities, intended for direct consumption amounted to 24 669.2 tons and for processing under regime 51 "Active improvement at implementation of deffered payment system" (imports and back exports in processed conditions) there were imported 3 021.0 tons.

The slight decline of apples referred to higher import prices and better production of apples in the country in 2004.

The main countries importing to Bulgaria were: Poland (10 330.4 tons); Greece (8 700.7 tons) and Macedonia (6 077.5 tons).

The registered imports of peaches in 2004 amounted to 5 784.4 tons. This is about five times higher as compared to the preceding year, which referred to the poor crop in the country (as a result from frosts), as well as to the lower import prices at the average of 327.25 UDS/ton compared to 479.56 UDS/ton in 2003. For direct consumption were intended 3 132.9 tons and for processing (under regime 51) – 2 651.5 tons. The almost entirely import was done from Greece.

The registered imports of apricots in 2004 accounted for 424.1 tons (approximately two times more compared to 2003) and for direct consumption were intended 124.1 tons and for processing – 299.8 tons. The main imports were done from Greece: 403.9 tons.

In 2004 there were imported 46 189.2 tons of citrus fruits(30% from the imports of fresh fruits).

In 2004 the imported melons and watermelons amounted to 9 753.7 tons:approximately three times more as compared to the previous year. This increase referred to 50% decrease in the production of melons and water melons in the previous year as well as to the lower import prices at average of 123.01 UDS/ton compared to 178.01/ton in 2003.

The main part from the imports of melons and watermelons originated from Greece. According to the agreements with the EU, the imports of melons and watermelons from the Community is duty free.

During the first six months of 2005 there were imported 105 017.2 tons of fresh fruits (by 46% more as compared to the same period of the preceding year). The largest share belong to citrus fruits, bananas and garden fruits.

4.3.2. Exports and imports of vegetables

4.3.2.1. Exports of vegetables

In 2004 there were registered exports of 10 879.5 tons of fresh vegetables (by 5% lower as compared to the previous year), from which 3 218.8 tons of open field vegetables and 4 256.8 tons of greenhouse vegetables.

The largest share in the open field vegetables exports belong to sweet pepper. The exports in 2004 figured out at 2 603.5 tons and this figure is close to the level from the preceding year.

In 2004 because of insufficient production in the country, it was observed a sharp decrease in the exports of seed onions. The registered exports of seed onions accounted for 58.3 tons (about 20 times lower as compared to the previous year), intended mainly for Poland (97 tons) and Turkey (28.4 tons).

The exports of tomatoes declined by 94%, because of low production in the country, as a result from unfavorable climatic conditions. In 2004 there were exported only just 20.8 tons of tomatoes (10 times less compared to 2003) and 19.9 tons from them were exported under regime 95 "Ship and aircraft supply".

The exports of gherkins in 2004 amounted to 291.3 tons: approximately three times more as compared to 2003.

The cucumbers took the largest share in the exports of greenhouse vegetables. The exports registered in 2004 figured out at 3 974.9 tons, which is by 8% lower as compared to 2003.

It was observed an increase of greenhouse gherkins and tomatoes exports. In 2004 there were exported 116 tons of greenhouse gherkins: about 12 times more as compared to the preceeding year. One of the reasons for this growth could be found in the higher average export price: 483.36 USD/ton (against 374.25 USD/ton in 2003). The largest quantities of gherkins were exported to Czech Republic (148.8 tons) and Russia (76 tons).

In 2004 there were exported 166 tons of greenhouse tomatoes (by 40% more as compared to the previous year), intended mainly for markets of Russia (59.2 tons) and Greece (73.7 tons).

The exports of fresh potatoes for consumption in 2004 figured out at 97.3 tons (by 46% lower as compared to the preceding year).

The exports of potatoes to the EU was difficult due to a range of non-tariff restrictions, related mainly to phyto-sanitary prohibitions. The trend of export decrease continued because of prohibition imposed by the EU for imports of potatoes from third countries (including Bulgaria), in which was widely distributed a specific type of soil bacterium, included in the quarantine species.

According to the new agreements entered into force on 01.07.2005, the exports to the EU of potatoes originating from Bulgaria is entirely duty free.

The favorable climatic conditions as high humidity and temperature in specific periods form the development of wild mushrooms led to the extremely reach crop and as a consequence: to larger export opportunities. In 2004 there were exported 1 651.1 tons of mushrooms, by 79% more than the preceding year.

During the first half of 2005 there were registered exports of 5 187.6 tons of fresh vegetables (by 23% more than the same period of the preceding year). It was observed a significant decrease in the exports of legumes and brassicas crops and decrease of onion and shallot exports.

4.3.2.2. Imports of vegetables

In 2004 there were registered imports of 95 158.3 tons of fresh vegetables, potatoes and mushrooms (by 6% more as compared to 2003).

The largest share in the imports of vegetables took the onions and shallot. During the last years it was observed a stable trend of increase of ripe onions. This referred to with the fact, that the average purchase price in the country was higher that the average import price. In 2004 there were imports of 18 597.1 tons of onions and shallot, a 17% more as compared to 2003.

The imported quantity of leeks in 2004 amounted to 1 445.3 tons that is almost in half lower as compared to the previous year. The lower imports were a result from better crop in the country, that was sufficient for the population needs. Almost all quantity of leeks (1 440.8 tons) was imported from Turkey.

In 2004. there were imports of 6 379.4 tons of sweet pepper (more than three times higher as compared to the previous year). The imports were favored by the lower import prices – 279.89 USD/ton at average (against 322.29/ton in 2003). It was registered an increase of quantities, imported for processing with the purpose of subsequent export.

The imports of sweet pepper were done mainly from Turkey (3 157.8 tons) and Macedonia (2 542.2 tons).

.In 2004 there were imported 4 721.4 tons of cabbage, by 29% lower as compared to the preceding year

The registered imports of open field tomatoes in 2004 accounted for 932.9 tons. The unsufficient production in the country, as well as the lower import prices (at average 254.30 USD/ton in comparison to 393.15 USD/ton in 2003) were the reason for the import increase by more than three times as compared to the previous year. The import of tomatoes was done mainly form Greece (817.3 tons) and Poland (49.5 tons).

The imports of greenhouse vegetables were by 34% less as compared to 2003, mainly because of lower imports of greenhouse tomatoes, that took the largest share in this group.

The imported greenhouse tomatoes in 2004 figured out at 6 948.5 tons that is almost half from the 2003 quantity. The significant decrease of imports was a result from growing production (by 20% against the preceding year) of greenhouse tomatoes in the country in 2004. About 55% from the whole imports of greenhouse tomatoes were from Turkey (5 739.1 tons).

According to the agreements with the EU, each year Bulgaria grants a possibility for duty free exports of greenhouse tomatoes from the EU in the framework of quota consisting of 900 tons.

In 2004 the import of greenhouse cucumbers increased to 3 440.6 tons that is by 14% higher as compared to 2003.

The import of potatoes in 2004 figured out at 42 894.9 tons (including 3 716.2 tons for seed) and it was by 20% more as compared to the previous year. The average import price of seed potatoes increased from 498.81 USD/ton in 2003 to 607.85 USD/ton, and the price of potatoes for direct consumption: from 81.43 USD/ton to 101.11 USD/ton. The imports were done mainly from Turkey: 33 925 tons (79% from the total imports).

The import of fresh mushrooms varied in a broad range depending on the crop in the country during the relevant year. In 2004 it was observed a significant increase of mushroom imports: 3.3 tons (against 0.6 tons in 2003). The quantities of mushrooms were imported from China (2.4 tons) and Turkey (0.9 tons).

During the period of January-June 2005 there were registered imports of 63 664.9 tons of fresh vegetables, potatoes and mushrooms: by 13% less as compared to the same period of 2004. The decline was a result from lower imports of potatoes, legumes, vegetables and onions.

4.4. Live animals, meat and milk

4.4.1. Exports

Live animals

According to the data of Customs Agency in 2004 there were exported 351 754 heads of livestock, by 43.4% higher as compared to the preceding year. This increase was on the account of exports of great number of sheep and goats.

In 2004 there were exported 155 115 heads of sheep and goats, (1 125 in 2003) Table VI.). From the tolal number of animals, the lambs took largest share: 149 992 heads, while the rest 5 123 were goats. The main export destination was Greece: 154 930 animals, intended for slaughtering. From them 149 828 were lambs up to 1 year of age and 5 102 goats. The increased lamb exports could be referred to high export price: 2 663 USD/t on the average. As comparison, the average price for 2003 figured out at 1 220 USD/t.

Significant decline in 2004 in comparison to the preceding year was reported in the number of poultry exported (about 22% less), to 171 920. These were chickens (hens and roasters) up to 185 gr of weight, intended for breeding and selection and practically all exports were directed to Macedonia (171 916).

The export cattle in 2004 retain its level from the preceding year – 24 714 heads. (only by 8 heads more). The main part from the exported livestock was intended for slaughtering: 24 542 heads and only 172 animals were exported for breeding and selection. About 70% from the animals for slaughtering were exported to Serbia & Montenegro – 17 425 heads, low number was exported to Macedonia (2 003 heads), Albania (3 134 heads) etc.

In 2004 there were also exports of 5 pigs, while during the previous three years there was any export.

Table VI. 31.
Exports of live animals for the period of 2001 - June 2005

(number)

Tariff Number	Type of animals	2001	2002	2003*	2004*	January - June 2005**
0102	Cattle	24 220	21 901	24 706	24 714	24 372
0104	Sheep and goats	7 795	1 923	1 125	155 115	7 512

0103	domestic pigs	0	0	0	5	1 084
0105	poultry	274 804	476 665	219 547	171 920	76 102

Source: *Information Service Plc. Customs Agency*

Note: *** preliminary data*

The preliminary data of Customs Agency for the first half of 2005 comparedto the same period of 2004 showed a decline by almost 50% of exported live animals from Bulgaria. There were exported 109 070 live animals. It could be noticed that there is a significant growth in the number of exported cattle, pigs and poultry (Table VI. 31.). The number of exported cattle increased about 3 times as compared to the first half of 2004, accounting for 24 372 animals. From them 1 813 were intended for breeding and selection, while the rest part was for slaughtering. The number of exported poultry increased by 21.3% (76 102). For the period of January - June 2004 there was any export of pigs, but during the period of January-June 2005 there were exported 1 084 pigs intended for breeding and selection.

During the first six months of 2005, a 95% decline was registered only in the exports of sheep and goats as compared to the same period of the preceding year .

Meat

The total exports of meat in 2004 amounted to 14 205 tons which comprised a growth by 18%, as compared to the preceding year. This increase was due mainly to the significant growth in the poultry meat exports.

In 2004 there were exported 6 556 tons of poultry meat, which comprised a growth by 68% as compared to the preceeding year. More than 50% from the poultry meat exports belongs to duck and goose meat (about 3 700 t including fattened liver). The increased production as well as export subsidies granted by SF "Agriculture" to the sector (1 million BGN) contributed to the growth of poultry meat exports..).

The exports of pork also increased and from 155 tons in 2003 reached 215 tons in 2004. (or 38% growth).

In 2004 there was a decline in the export of cattle & sheep and goats meats and the decrease in cattle meat exports was more significant: by 74%. The decrease reported in the sheep meat exports was by 3% only. Lower meat exports were balanced by the higher export of live cattle and sheep and goats.

Table VI. 32.

Exports of meat for the period 2001 - June 2005

(tons)

Tariff Number	Type of Meat	2001	2002	2003*	2004*	January - June 2005**
0201 and 0202	Cattle	129	492	356	91	41
0204	Sheep and goats	6 928	6 858	7 582	7 343	3 909
0203 and from 0210	domestic pigs	170	151	155	215	61
0207	poultry	5 514	3 699	3 909	6 556	4 189

Source: *Information Service Plc. Customs Agency*

Note: *** preliminary data*

According to preliminary data of Customs Agency during the first half of 2005 . it was reported a significant growth of meat exports as compared to the same period of 2004. The exports were at the rate of 8 200 tons which comprised a growth by 21% and the growth was at the expense of larger marketed quantities of poultry and sheep and goats meat. The poultry meat exported during the mentioned period increased by 43% (from 2 931 t during the first half of 2004 to 4 189 t during the first half of 2005.). The increase in the lamb meat exports was lower: by 6.5% (from 3 669 to 3 909 during the observed 2-yearly period).

It is expected that the meat exports will continue to grow till the end of the year because the subsidies granted in 2005 by the State Fund "Agriculture" for this purpose could be considered as an important incentive.

Milk and dairy products

The trend to gradual export decrease of milk and dairy products, observed during the last years continued in 2004 and the total volume reached 15 732 tons, by 7.7% more as compared to the previous year.

The main share in the export structure of dairy products belongs to the cheese and kashkaval: more than 90%. In 2004 there were exported 15 171 t of cheese and kashkaval, which represented by 9.6% higher as compared to the preceding year. The Bulgarian white brine d cheese from cow and sheep milk and kashkaval (from cow and sheep milk) have excellent gustative qualities due to which they are demanded not only in the domestic but also in the foreign markets. This was the reason for the growth of their exports. Larger quantities of cheese and kashkaval were directed to Greece (29% from the total exports), USA (23%), Lebanon (11%), Australia (11%) etc. (Figure VI.1.) As an additional incentive for the increase of exports could be considered the export subsidies granted during the year and figuring out at 1.2 million BGN. (250 BGN/t for cheese and 350 BGN/t for kashkaval) that were allocated in the tenders as it follows: for white brined cheese – allocated shares for 300 t, subsidy for 75 000 BGN, for kashkaval there were allocated shares for 250, subsidy for 36 750 BGN. -

Exports of cheese and kashkaval in 2004

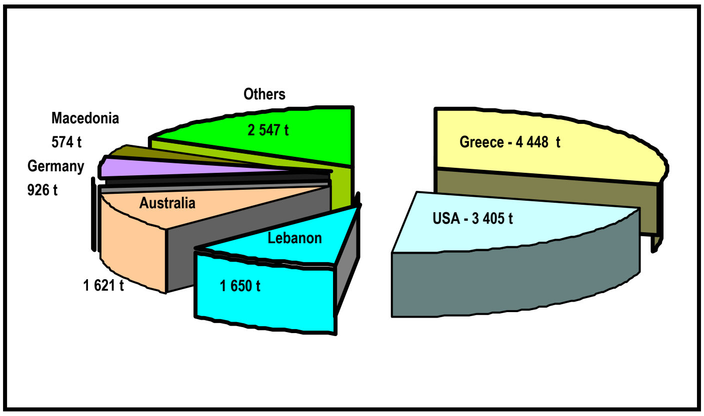


Figure VI.1.

In 2004 the exports of butter and milk fats increased more than four times as compared to 2003 - : up to 149 t. The growth was as a result from the production increased in 2004.

As it concerns the other dairy products (milk, cream, yogurt and whey) it was observed a significant decline of exports as compared to 2003: by 43%, up to 412 t.

Table VI. 33.
Exports of milk and milk fats in the period of 2001 - June 2005

During the first half of 2005, the exports of milk and dairy products increased in comparison the same period of the preceding year by 53%, reaching up to 8 934 t. The exports of cheese and kashkaval took leading position in the export structure (7 470): by 35% more as compared to the same period of 2004.

Tons

Tariff Number	Products	2001	2002	2003*	2004*	January - June 2005**
0401, 0402, 0403, 0404	milk and cream	752	786	728	412	194
0405	butter and milk fats	67	27	36	149	1 270
0406	cheese and curd	8 576	10 688	13 838	15 171	7 470

Source: *Information Service Plc. Customs Agency*
Note: *** preliminary data*

In 2005 it is expected an increase of milk and dairy products export as a result from the growth expected in the production of dairy products. The increased quality of export oriented products (cheese and kashkaval), increased number of dairy processing enterprises licensed to export in the EU and the export subsidies granted to the milk sector could be considered as a precondition for the export growth.

4.4.2. Imports

Live animals

According to the data of Customs Agency, the imports of live animals in 2004 increased significantly as compared to the previous year: by 68.5%, reaching up to 4 515 383 animals. There was an increase in the import of most of livestock categories (with the exception of pigs).

In 2004 the highest growth was registered in the imports of poultry and their number reached 4 292 033: by 64% more as compared to 2003. Table VI.34. Approximately 72% from the total imported poultry or 3 079 837 animals were ducklings and goose-lings intended for fattening and obtaining of fattened liver, mainly from France. More than two times increased the imports of turkeys reaching up to 8 750 animals. The rest part from the imported fowls (1 205 446) consisted of chickens(roasters and hens), intended mainly for breeding and selection.

Significant increase as compared to the previous year was registered in the imports of sheep and goats – 4 times growth, reaching up to 220 074 animals. The import of lambs till 1 year of age from Romania at relatively low import price – about 1.90 USD/kg on the average. Larger number of livestock were imported at the end of the year, during the last 3 - 4 months, when in the country there were no lambs in principle. In 2004 there were imported 186 cattle which is about17 times more than the preceeding year. These animals were intended for breeding and the main part form them were imported from Austria (129 animals).

Decrease was registered only in the imports of pigs in 2004 in comparison to the previous year – by 27% less reaching up to 1 090.

Table VI. 34.
Imports of live animals for the period of 2001 - June 2005

(number)

Tariff Number	Type of animals	2001	2002	2003*	2004*	January - June 2005**
0102	Cattle	33	0	11	186	974
0104	Sheep and goats	0	0	59 737	220 074	43 086
0103	domestic pigs	822	821	1 496	1 090	344
0105	poultry	3 312 304	2 387 598	2 618 280	4 294 033	3 394 947

Source: *Information Service Plc. Customs Agency*
Note: *** preliminary data*

During the first half of 2005 it was registered a significant growth of imported live animals in comparison to the same period of the preceding year – by 2 times more. The increase was at the account of greater number of imported fowls (3 394 947), as compared to 1 406 265 fowls imported in 2003. About 5 times increased the imports of cattle, reaching up to 974 animals, while the number of imported sheep and goats and pigs decreased.

Meat

In 2004 the imports of meat were by 24% more as compared to the preceding year, and reached up to 95 001 t. Important increase was registered in the export of poultry and cattle meat (Table VI.35.). The import of beef was at the rate of 33 368 t or by 48.4% more as compared to 2003. The increase of poultry meat exports for the same period was by 23.6% more, reaching up to 41 391 t. In 2004 it was observed a slight decrease of pork imports (by 2.1%), but despite this its volume remained quite large: 20 217 t. The poultry, beef and pork meat were exported mainly frozen and they were intended for row materials used in the food processing industry in the production of sausages and others meat products.

Decrease was registered in the import of sheep and goats meat: from 46 t, imported in 2003 it dropped to 25 t in 2004: by approx. 46% less. The production of lamb and sheep meat is traditional for the country and it could meet the demand of domestic market. For that reason in the country there were imported small quantities of sheep and goats meat.

Table VI. 35.
Imports of meat for the period of 2001 - June 2005

tons

Tariff Number	Type of Meat	2001	2002	2003*	2004*	January - June 2005**
0201 and 0202	Cattle	15 360	22 316	22 482	33 368	26 036
0204	Sheep and goats	46	34	46	25	135
0203 and from 0210	domestic pigs	12 802	19 483	20 633	20 217	5 505
0207	poultry	24 081	32 790	33 484	41 391	19 857

Source: *Information Service Plc. Customs Agency*
Note: *** preliminary data*

During the period of January-June 2005 there was registered a significant increase in the meat imports in the country: by approx. 40% more as compared to the same period of 2004. The largest was the import of cattle meat: approx. 2 times more, reaching up to 26 036 t. The poultry meat import figured out at 19 857 t, which was by 15.8% more as compared to the first half of 2004. It could be noticed the increase of sheep and goats meat which fact is unusual for the country. During the first six months of 2004 there were imported 135 t of frozen sheep meat, intended for food-processing industry. Approx. 60% from the exported volume originated from Australia (82 t).

It is expected that the growing trend of meat imports to continue till of the year.

Milk and dairy products

According to the data of Customs Agency in 2004 there were registered imports of 24 433 t of milk and dairy products, which was by 26.8% higher as compared to the preceding year (Table VI.36.).

In 2004 there were imported 18 285 t of milk and cream, by 23.4% more as compared to 2003. As a whole, the largest share in the import belongs to milk and cream under tariff position 0402 – about 50% from the total imports of milk and dairy products. In 2004 under this position there were imported 12 168 t, by 22.4% more as compared to 2003, and from them *12 094 t* consisted of *milk powder*.

Traditionally, important quantities of milk powder were imported from Ukraine (18% from the total import) Germany (16%), Romania (11%), France (11%) etc. (Figure VI.2.)

The import of dry whey in 2004 figured out at 5 845 which represents a 29% increase in comparison to 2003. The milk powder and dry whey are used as row material the dairy processing and pastry industry. Increase by 50% marked the import of cheese and kashkaval and from 2 748 t in 2003 it reached 4 107 t in 2004. Usually there were imported types of cheese that could not be produces in the country in order to diversify the market range. Despite of their high prices, there is a demand of these cheeses aand for this reason their import marked a growth during the last 3 – 4 years.

The imports of milk increased by 20% approx. in comparison to 2003, reaching up to 2 040 t. The main imported was Germany (1 313 t); lower quantities were imported from France (296 t), Czech Republic (136 t) and Netherlands (130 t).

Table VI. 36.
Imports of Milk and Dairy Products for the period of 2001 - June 2005

tons

Tariff Number	Products	2001	2002	2003*	2004*	January - June 2005**
0401, 0402, 0403, 0404	milk and cream	7 003	10 756	14 820	18 285	6 912
0405	butter and milk fats	1 159	1 194	1 704	2 040	1 329
0406	cheese and curd	1 708	2 039	2 748	4 107	1 753

Source: *Information Service Plc. Customs Agency*
Note: *** preliminary data*

During the first six months of 2005 there was observed a decrease in the imports of milk and dairy products, reaching up to 9 994 which is by 13.3% less as compared to the same period of 2004. This decrease was as a result from the significant decline in the imports of milk powder (by 73% less) and whey (by 43% less) during the mentioned period.

In 2005 it is expected a decrease in the imports of milk and dairy products as compared to the previous year.

VII. INTEGRATION POLICY AND INTERNATIONAL COOPERATION

1. European integration

1.1. Progress achieved in the harmonization of Bulgarian legislation with the EU legislation in 2004 and first half of 2005

Seeds and planting material

The adoption of ordinances listed below in 2004 was the end of process on the introduction of the European legislation requirements concerning the production and trade with seed and planting material:

1. Ordinance No. 59 from 30 December 2003 on production and trade with sowing material of fodder crops (publ. SG, No. 10, 6 February 2004) introducing Council Directive 66/401/EEC;

2. Ordinance No. 60 from 30 December 2003 . on production and trade with beet planting material (publ. SG, No. 10, 6 February 2004) introducing Council Directive 2002/54/EC;

3. Ordinance No. 61 from 30 December 2003 on production and trade with potatoes planting material (publ. SG, No. 10, 6 February 2004) introducing Council Directive 2002/56/EC;

4. Ordinance No. 11 from 2 March 2004 on production and trade with vine planting material (publ. SG, No. 29, 9 April 2004) introducing Council Directive 68/193/EEC

5. Ordinance No.12 from 15 March 2004 on the conditions and order for approbation, recognition, inscription and striking off of plant varieties in and from the Official Variety List of the Republic of Bulgaria., SG, No.40, 14.05.2004), introducing Council Directive 2002/53/EC

6. Ordinance No. 13 from 31 March 2004 on the order for issuing of licenses of producers of sowing and planting material and for registration of traders dealing with sowing and planting material (publ. SG, No.40, 14.05.2004), introducing Council Directive 92/34/EEC

7. Ordinance No. 16 from 21 April 2004 on production and trade with sowing and planting material for ornamental plants (publ. SG, No.51, 15.06.2004), introducing Council Directive 98/56/EC

8. Ordinance No. 19 from 5 May 2004 on production and trade with planting material for vegetable crops (publ. SG, No.51, 15.06.2004), introducing Council Directive 92/33/EEC

9. Ordinance No. 40 from 30 September 2004 on production and trade with propagation material from garden species (publ. SG, No.93, 19.11.2004) introducing Directives of the Council № 92/34/EEC and 93/48/EEC

Phytosanitary issues

In the field of phytosanitary issues there were introduced requirements concerning the maximum allowable remains of pesticides in the plant products and foods through the adoption of Ordinance No. 31 from 29 December 2003 on standards for maximum allowable quantities of remains from pesticides in foods (publ. SG, No. 14, 20 February 2004) – Council Directives No. 76/895/EEC, 86/362/EEC, 86/363/EEC and 90/642/EEC; Commission Directive 2002/63/EC;

Veterinary issues

In the field of veterinary issues there were adopted ordinances introducing the requirements of EU legislation in the field of animal health and concerning in particular the measures in case of hog cholera on pigs. The existing legislation for prevention and control of some transmissive spongiform encephalopathies on animals was completed in line with the newly introduced European requirements in this field. In line with the EU legislation it was adopted an ordinance regulating the issues related to by-products from animal origin.

In April 2004 there were ratified: the European convention on protection of vertebrates, used for experimental and others purposes and the Protocol for amending of European convention on protection of vertebrates used for experimental and others purposes, European convention on protection of accompanying animals And European convention on protection of animals at slaughtering.

In particular the adopted legislation includes the following normative acts:

1. Ordinance No. from 6 February 2004 on prophylactics and control of hog cholera, SG, No. 17, 2 March 2004) introducing Council Directive 2002/60/EC;

2. Act on ratification of European convention on the protection of animals at mortification by slaughtering (publ. SG, No.34, 27.04.2004), introducing Council Directive No. 88/306/ EEC (European convention on the protection of animals at mortification by slaughtering)

3. Act on ratification of European convention on the protection of animals bred for agricultural purposes and the Protocol for amendment of European convention on the protection of animals bred for agricultural purposes (publ. SG, No.34, 27.04.2004) in accordance with Council Decision No. 92/583/EEC (European convention on the protection of animals bred for agricultural purposes)

4. Ordinance amending and complementing Ordinance No. 34 from 2002 on prophylactics and control of some transmissive spongiform encephalopathies of animals (publ. SG, No.49, 8.06.2004), introducing Commission Regulation 999/2001/EC

5. Decree No. 261 from 27 September 2004 amending and complementing the Tariff of fees collected by the national Veterinary Service under the Act on veterinary services, approved by Decree No. 166 of the Council of Ministries from 2002. (publ. SG, No.87, 05.11.2004), introducing Council Directive 85/73/EEC

6. Ordinance No. 50 from 17 November 2004 on veterinary requirements to by-products from animal origin, which are not intended for human consumption (publ. SG, No.111 from 21.12.2004) introducing the Regulation of European Parliament and Council No. 1774/2002

Milk

In the milk sector it was adopted an Ordinance on the specific requirements to the designation and labeling of milk and dairy products sold in the marked (adopted by CoM Decree No. 28 from 3 February 2004, publ. SG, No. 11, 10 February 2004) that introduced the requirements to the designation and labeling of milk and dairy products in line with Council Directive No. 1898/87/EEC;

In the milk sector there were adopted also the Act amending and complementing the Act on the support of agricultural producers (publ. SG No. 14 from 11.02.2005) and Ordinance No. 6 from 7 June 2005 on the monitoring of produced and marketed quantities of cow milk and dairy products from cow milk (publ. SG No. 50 from 21 June 2005) introducing Council Regulation No. 1788/2003 and Commission Regulation No. 595/2004. In such a way it was regulated the establishment of data bases of cow milk producers, milk collecting points and dairy processing enterprises buying up the milk, as well as the information gathering and its storage in Ministry of Agriculture and Forestry. This information will include data on the quantities of cow milk produced and marketed to the end users, as well as the quantities of purchased cow milk and dairy products and their fat content. The above mentioned normative acts established a basis for the implementation of quota system in the production of milk sector.

Meat

In the meat sector in 2004 there were adopted the following normative acts, introducing Codes for classification and assessment of standard quality of animal carcasses:

1. Act amending the Animal breeding Act (publ. SG, No. 18 from 05.03.2004) - Regulations 1208/81, 2467/98, 461/93, 563/82, 2123/89, 2967/85, 3220/84, 2137/92, 1481/861.

2. Ordinance No. 20 from 14 May 2004 on assessment of sheep carcasses under (S) EUROP grade (publ. SG, No.52, 18.06.2004) - Council Regulation 2137/92, Commission Regulation 461/93

3. Ordinance No. 21 from14 May 2004 on assessment of pig carcasses under (S)EUROP grade (publ. SG, No.52, 18.06.2004) - Council Regulation 3220/84, Commission Reg 2967/98

In the beginning of 2005 it was adopted Ordinance No. 1 (from 11 January 2005) on assessment of cattle carcasses under (S)EUROP grade (publ. SG, No. 8, 21 January 2005), introducing rules for classification and assessment of standard quality of cattle carcasses and introducing Council Regulations 1208/1981; 563/1982; 1186/1990 and Commission Regulation 334/91.

Wine and alcoholic drinks

In the sector of wine and alcoholic drinks it was adopted an Ordinance on the order and conditions for registration and striking off the list, data, subject of registration, way of register keeping, contents and form of declarations of harvest and available stocks and control on persons registered ant their activities (adopted by CoM Decree No. 239 from 8 September 2004, publ. SG, No.81, 17.09.2004). The Ordinance introduced requirements to the registration and keeping of register of producers of wine and alcoholic drinks as well as to the control of production of products through use of distillation on the part of Ministry of Economy through keeping of production register in line with Regulation 1493/1999

Fruits and vegetables

In the sector of fruits and vegetables it was adopted an Ordinance amending and complementing Ordinance No. 24 from 2001 on the conditions and order for recognition of fruits and vegetables producers' organizations (publ. SG, No.85, 28.09.2004) that introduced new requirements to the recognition of Fruits and vegetables producers' organizations in accordance with Commission Regulation 1432/2003.

The adoption of ordinance amending and complementing Ordinance No. 9 from 2002 on the requirements to compliance quality and control of fresh fruits and vegetables (publ. SG, No. 111, 21.12.2004) introduced the EU marketing standards (adopted in the EU after 2002) for fruits and vegetables as per Commission Regulations 46/2003; 48/2003; 907/2004 and annexes to Regulations 843/2002, 982/2002, 1284/2002, 1466/2003, 1757/2003, 85/2004, 86/2004, 214/2004 -

Forestry

In the forestry sector it was adopted Ordinance No. 5 on production and trade of forest reproduction materials (publ. SG, No. 18 from 05.03.2004) that introduced the requirements of Council Directive 99/105/EC and Regulations 1597/2002/EC, 1598/2002/EC, 1602/2002/EC, 2301/2002/EC concerning the production and trade of forest reproduction materials.

Selection and reproduction

In the sector of selection and reproduction there were adopted Act amending Animal breeding Act (publ. SG, No. 18 from 05.03.2004) and Ordinance No. 22 from 14 May 2004 on the rules of production and trade with pure-bred and hybrid material of poultry and order of register keeping (publ. SG, No.49, 8.06.2004). These normative acts introduced the requirements to the production and trade with pure-bred and hybrid material of poultry in accordance with Council Regulation 2782/75 and Commission Regulation 1868/77

Trade mechanisms

In the sector of trade mechanisms there were introduced the requirements of Regulation 1291/2000 on licensing at the imports of agricultural products in the framework of tariff quotas through the adoption of Act amending and complementing the Act on support of the agricultural producers (publ. SG No. 14 from 11.02.2005) and Ordinance on order for issue of licenses for imports of agricultural products in the framework of tariff quotas (publ. SG. No.56 from 8 July 2005)

Quality policy

In the sector of quality policy there were adopted:

1. Ordinance concerning the specific requirements to fats intended for smearing (adopted by COM Decree No. 34 from 1 March 2005, publ. SG No. 22, 15.03.2005) introducing the requirements of Council Regulations 2991/94 and 1898/87, Commission Regulation 577/97 concerning specific designations of different categories of smearing fats, as well as the requirements to the labeling of smearing fats it relation to the fat contents.

2. Ordinance No. 4 from 7 March 2005 on the order for adoption of statements, completing of files and keeping of files' register of foods having traditionally specific character (publ. SG No. 23, 18.03.2005) introducing the requirements of Council Regulation 2082/92 concerning mainly the product groups, that could use the protection provided to foods having traditionally specific character as well as the order for submission and approval of application for entering of foods in the register

1.2. Ending of the negotiations and signing of European Union Accession Agreement

The ending of negotiations under Chapter 8 “Fishery”, that was opened and closed for negotiations in the first half of 2001, and after the closing of negotiations under Chapter7 “Agriculture” on 4.06.2004, marked the end of negotiations in the field of agriculture and fishery. Officially the negotiation process was closed at the last meeting of Intergovernmental conference for accession of Bulgaria to the EU on 14 December 2004.

The Bulgarian part took active participation. It presented many standpoints, recommendations and adjustments concerning the text of draft agreement prepared by the European Commission about the accession of Bulgaria to the EU, as it concerns the part, devoted to the agriculture and fishery. As a result of this, all settings agreed in the course of the negotiations were fully and exactly mentioned in the agreement text. The agreement texts in Bulgarian and English language were coordinated and finalized.

On 25 April 2005, during the Luxembourg presidency of EU, in the framework of meeting of Council on general issues and external relations it was signed the Agreement for the accession of Bulgaria to the EU.

1.3. Fulfillment of commitments

As it concerns the commitments undertook in the framework of negotiations, the most important of them, requiring the highest level of work and financial resources are the establishment of Paying agency and Integrated Administrative Control system in the field of veterinary issues, because after its accession, Bulgaria will became the EU external border. The Bulgarian part observes the fulfillment of commitments undertook through an Action plan that is updated each year and it is reported each month in the framework of Coordination and monitoring Council established under CoM Decree 145 of the Council of Ministers from 07.07.2005.

On the part of the European Union, the monitoring and evaluation of commitment implementation occurs in the framework of meeting of bodies working on the implementation of the European agreement for association (Subcommittee 1 – agriculture and fishery), in the yearly regular report and strategic document of EC, in the peer reviews on the part of EC and member countries). The meetings of Subcommittee 1 take part twice a year. After the end of meetings, minutes are t be drawn up, containing a list of activities, that shall be implemented and it is submitted the information, required by the European Commission during meetings.

In sector of *veterinary issues* there were missions for checking of enterprises (April 2004) and border veterinary control (September 2005).

At the end of 2004 the Minister of Agriculture and Forestry approved the National program for stopping of vaccination against hog cholera through step-by-step use of "marker vaccine" and oral vaccination of wild-boars with live vaccine (K-strain). The vaccination against hog holera with K-strain was stopped since 31.08.2005. From 1 September till the end of 2005 it was done vaccination with marker vaccine only of new born piglets non vaccinated with K-strain inthe regulated pig breeding farms. In 2005 it was done an oral vaccination of wild-boar population in the State game breeding stations. Since 31.12.2005 it was stopped any vaccination against hog cholera. Together with experts fromTAIEX technical assistance office, till 30.03.2006 it shall be produced a plan for eradication of this disease that has to be approved by the EC.

In Bulgaria there will be one Paying agency, that has to be established in the framework of State Fund Agriculture and it will be responsible for the implementation of all CAP measures on paying of amounts, check of financial aid applications, as well as the execution of payments subject of farmers' applications. *It shall be fully functional and accredited till the end of 2006. In order to control and to ensure correctness in the paying of financial means, it is necessary to be established an Integrated Administration and Control System (IACS).*

In 2004 it started a PHARE Twining project BG/2002/IB/AG/01 together with Dutch paying agency (LASER) aimed to assist the building of administrative structure of Paying agency and establishment of IACS. For the purposes of the system for identification of agricultural plots as part of IACS, in 2004 it was implemented a pilot project of Isperih municipality. The project was implemented by BASA (Bulgarian Agency on Space Aviation) under the direct guidance and control of SFA. The project included 402 km sq. approximately. For the purposes of study, there were 100 participating agricultural producers and it was processed the information of more than 700 agricultural plots. The following agricultural crops were observed: wheat, barley, oat, maize (for sowing and fodder) sunflower, pumpkin (which seeds are used for production of oil in the aviation industry), coriander, vegetables and tobacco. The measured area and outlines of vector plots were compared to the official data from Agricultural land cadastre.

In 2004 there were 13 assessment missions on the part of EU, that were done in the field of agriculture in the sectors, under which was given the greatest priority of the commitment fulfillment by the Bulgarian part.

After the signing of the Accession agreement in April 2005, the main priority remained the fulfillment of commitments undertook in the framework of negotiations on the agriculture and fishery. Till the end of July 2005 there were assessment missions on issues related to the wine sector (April 2005), milk quotas and interventions (July 2005), trade mechanisms (July 2005) and veterinary problems – transmissive spongiform encephalopathies (May-June 2005) and enterprises (June 2005). There was also a monitoring mission on the activity concerning the establishment of Paying agency and IACS (April and September 2005) as well as on the harmonization of European veterinary legislation (February 2005). In August 2005 there was an assesment meeting in the field of veterinary issues and in particular on the assessing of enterprises.

In connection with the establishment of *Paying agency and IACS* in 2005 were undertook the following activities:

- it was prepared the Paying agency structure, in line with the requirements of the European legislation for the implementation of three key functions:
    - Authorization of payments.
    - Making of payments.
    - Keeping of appropriate bookkeeping.

It was started the recruitment and training of supplementary staff needed for the Paying agency. It is planed that in 2007 the Paying agency staff shall account 1,100 persons.

- Within the SFA there are 15 product and sectorial working groups, that prepared charts and manuals containing detailed written instructions for each payment sheme under the CAP, that will be applied, including charts, guides with detailed written instructions; application forms; inventories, working documents, on-the-spot check instructions.

- It was prepared and approved a detailed master plan on the establishment of Paying agency and IACS, that includes specific activities, deadlines, financial resources and responsible persons.
- As it concerns the software for IACS, there was signed a bilateral project between MAF of Bulgaria and the Ministry of Agriculture, forests, environment and waters of Austria about the testing of software used for IACS purposes in Austria. The staff was trained to use and to administer the system.
- There were made also the relevant procurements related to the provision of hardware and software needed for the functioning of Agency. This shall be finished as a process till the end of 2006 with fully functional data bases as well as acquires and introduced Austrian software needed for Paying agency operation.
- In relation to the establishment of the System for identification of agricultural plots, that has a key importance for the IACS functioning, it was started an spatial snapshoting on the territory of country. In the structures of the Ministry of Agriculture and Forestry will be appointed and trained additional number of employees. By virtue of Decision of the Council of Ministers No. 480 from 25.05.2005 it was adopted an Action plan and Technical terms of reference about the creation of digital orthphoto map of the country territory, that will be used as a base at the the establishment of IACS.   EVROSENS Ltd. was selected as a contractor of contract on the creation of digital color orthophoto map for a part of country, Part from the first processed photo material was submitted to the Executive agency on soil resources in order to start the decoding of physical blocks. The supply of otho-photo images for 4 regions in the country - Pleven, Russe, Veliko Tarnovo and Lovech will be done through use of PHARE Program funding;
- It was prepared the legal framework for the establishment of Paying Agency and IACS in Bulgaria.

2. International cooperation

2.1. Bilateral cooperation

In 2004, MAF representatives took participation in meetings of Intergovernmental joint commissions for economic, research and technical cooperation with Serbia & Montenegro, Croatia, Indonesia, India, Yemen, Cuba, Slovakia, Moldova, Armenia, Albania, Byelorussia, Kazakhstan, Azerbaijan and Iran.

There were meetings of joint working groups on agriculture with Italy, permanent governmental Bulgarian Bavarian commission “", permanent joint Bulgarian Walloon commission n , permanent joint Bulgarian Flemish commission and Bulgarian Turkish committee on agriculture.

The following bilateral agreements were signed:

- Agreement between the Government of the Republic of Bulgaria and the Government of the Popular Democratic Republic of Algeria for cooperation in the field of quarantine and plant protection
- Agreement between the Government of the Republic of Bulgaria and the Government of the Popular Democratic Republic of Algeria for cooperation in the field of veterinary
- Agreement between the Government of the Republic of Bulgaria and the Government of the Popular Democratic Republic of Algeria for cooperation in the field of agriculture

- Addendum to the Agreement from 8 April 1997 on the use of gratuitous support granted by France to Bulgaria for the implementation of projects in the field of animal breeding and planting material
- Agreement between the Ministry of Agriculture and Forestry of Bulgaria and the Ministry of agriculture and food provision of the Republic of Byelorussia for economic, research and technical cooperation
- Agreement between the Ministry of Agriculture and Forestry of Bulgaria and the Ministry of agrarian policy of the Republic of Ukraine for cooperation in the field of testing for discernibility, homogeneity and stability and protection of selectionist rights
- Intention Protocol between the Ministry of Agriculture and Forestry of Bulgaria and the Ministry of agriculture and food supply of Moscow region.

There were implemented projects in the sector funded by the UN Food and Agriculture Organization and foreign agencies as GTZ - Germany, JAICA - Japan, PSO - Netherlands, KOIKA - South Korea, the Ministry of agriculture of France.

During the first half of 2005 MAF prepared and took participation in Joint Commissions for economic, research and technical cooperation with Venezuela, Vietnam, Mongolia, Syria, and Turkey.

It was prepared the next meeting of permanent governmental Bulgarian Bavarian commission.

During the present 2005 there is a preparation for the MAF participation in meeting of Intergovernmental joint commissions for economic, research and technical cooperation with Macedonia, Slovenia, Jordan, Cuba Argentine, and Mexico. The Minister of Agriculture and forestry presided the Joint commissions with Argentine, India and Kuwait, and the deputy ministers of agriculture and forestry are presiding the Joint commissions with Cuba and Mexico.

The following agreements were signed:

- Addendum to the Agreement between the Ministry of Agriculture and Forestry of Bulgaria and Federal Ministry of agriculture, forestry, environment and water management of Austria for cooperation in the field of agriculture and forestry
- Agreement between of the Government of the Republic of Bulgaria and the Government of Mongolia for cooperation in the field of quarantine and plant protection
- Agreement between the Government of the Republic of Bulgaria and the Government of Mongolia for cooperation in the field of agriculture
- Addendum to the Memorandum of understanding between the Confederation of Switzerland and the Republic of Bulgaria concerning the implementation of "Rare indigenous breeds" project.

2.2. Cooperation with international organizations

It was prepared the participation of Bulgarian official delegation in the 24th European conference of the UN Food and Agriculture Organization (FAO).

In relation to the preparation of Bulgaria's accession to the EU and Euro-Atlantic structures, in 2004 MAF representatives took participation in the meetings of Planning Committee in the field of foods and agriculture (FAPC) within the NATO High Committee on civil planning in emergency situations

MAF representatives prepared Bulgarian participation in the General Assembly of the International Vine and Wine Organization

2.3. Conferences, exhibitions, fairs and others agro-forums

In 2004- there were a range of international conferences and agro-forums as well as participations in exhibitions and fairs and amongst the most important from them were as it follows:

- Political conference on "Initiative for development of viticulture in the South East European countries", February 2004, Plovdiv;
- Presentation of Bulgarian wines and food products in Vienna, Austria;
- Conference devoted to: "Business opportunities USA – Bulgaria", September, Sofia;
- International exhibition " Green week Berlin'2004", January 2004, Germany ;
- POLAGRA International exhibition, September 2004, Poland;
- "Alimentaria" International exhibition of foods and drinks, March, Spain ;
- EXPO'2004 International exhibition of gardens and flowers, Popular Republic of China;
- In 2005 it was prepared Bulgarian participation in the exhibition for high quality wines "Wine in the castle", May, Koblenz, Germany.

- It was organized the participation of the Ministry of Agriculture and Forestry in conference devoted to: "The Business opportunities: USA – Bulgaria", May, Sofia.
- POLAGRA International exhibition on the agriculture and food industry, September, Poznan, Poland

The Bulgarian participation in process of preparation concerns

- the International exhibition "Green Week Berlin'2006", Germany

VIII. SAPARD PROGRAM

1. Programming

Amendments in the NPARD

On 23.12.2004 the EC approved proposals (third in order after the Program start) concerning the amendment and complementing of NPARD (SAPARD Program) that reflected the remarks and recommendations of Interim Assessment Report of the program; proposals of SAPARD Agency, directed to the improvement of fund uptake and proposals of permanent working groups within the Monitoring Committee, approved by the Committee.

The most important proposals for amendments were as it follows:

1) General amendments in the measures of the National agricultural and rural development plan (NPARD):

- There were changed the criteria for project assessment and a priority was given to sectors, that have highest need of investments, in order to meet the veterinary, hygienic and environmental requirements of the European legislation recently introduced in the country;
- It was limited the amount of costs needed for preparation of business plan (in line with the market conditions in Bulgaria) and in such a way could be obtained a resource for investments in real assets;
- There were introduced monitoring indicators on the measures impact on the environment, that reflects the recommendations of Interim assessment concerning the inclusion of environmental

indicators for monitoring and it was aimed at better abidance to the guidelines of the Commission on conducting of SAPARD program assessment.

2) Particular amendments in the measures of the National agricultural and rural development plan (NPARD)

Amendments in Measure 1.1 "Investments in agricultural holdings"
Amendments concerning "Milk and dairy production" sector

The amendments were a result from discussion on SAPARD Program implementation in the milk sector and analysis of reasons for insufficient activity of potential applicants. The adopted amendments aimed at improving of milk producer's participation in the program:

- It was removed the limitation about purchasing of pure breeding animals up to 1/3 from the livestock in the herd. The investment will be supported only providing that the applicant farm meets the requirements of "Code for the requirements to the agricultural holdings: veterinary, phyto-sanitary, environmental and animal welfare", mentioned in the Annex to the measure about new number of livestock, including recently purchased animals. The same conditions for support were laid down in the meet sector at the purchase of elite breeding animals.
- The minimum value of investments was decreased from 15,000 euro to 10,000 euro, which will allow the application of most of prevailing middle-size farmers;
- it was created an opportunity only for producers' organization to build and to equip milk collecting points under the measure, including laboratory equipment;
- To the eligible investments in the sector it was added also a purchasing of wind generators and wind powered pumps for pumping out of water;

Others amendments in the measure:

- It was removed the requirement that the planting material must be from fruit varieties, included in the National Variety List;
- It was decreased the minimum amount of investments from 10,000 euro to 5,000 euro for Essential crops and perennial medicinal plants as well as the areas under these crops: from 1 ha to 0.5 ha, which will allow to small producers existing in the sector to apply;
- The criteria for project assessment were changed. Higher priority was given to projects concerning Less favored rural areas, mountainous areas and those from milk and dairy production sector and thus will be achieved a highest level of concentration and prioritizing of investments in a sector, where there is a great need to be encouraged the introduction of European standards and requirements. It was included an additional criterion for organic farming;
- The eligible beneficiaries shall meet the requirement to register their livestock farms in the relevant regional veterinary services;
- There was new requirement to the eligibility criteria: at the application of agricultural producers from "Milk and dairy production" and "Meat" sectors, the applicants shall present a prescript (endorsed by the NVS) concerning meeting of requirements, set out in "The Code of requirements to the agricultural holdings: veterinary, phyto-sanitary, environmental and animal welfare";
- To the conditions for support it was added that the aid shall be paid only, if the holding of beneficiary meets the requirements set out in "The Code of requirements to the agricultural holdings: veterinary, phyto-sanitary, environmental and animal welfare";
- New annex 2 to "The Code of requirements to the agricultural holdings: veterinary, phyto-sanitary, environmental and animal welfare";

3) Amendments in measure 1.2. "Improving of processing and marketing of agricultural and fishery products"

- Reduction of requirements concerning capacity for yearly slaughter production of applicants in sub sector "hare meat" from "meat" sector: from 350 000 to 35 000 rabbits and from 500 tons to 50 tons of hare meat. This will provide an opportunity for the holdings in sub-sector "hare meat" to apply under SAPARD program, because the capacity set out in the measure was significantly higher that the real one in the sector.
- The maximal amount of **eligible investment costs for a slaughterhouse project is increased to** 5 000 000 euro from its current amount (3 000 000 euro), while for all other projects it decreases as it follows:
    - maximum 2 500 000 euro for sectors "milk and dairy products", "fish and fishery products" and "meat and products" (with the exception of slaughterhouses);
    - maximum 1 500 000 euro for sectors "wine" and "fruits and vegetables";
- In "Justification" part of the measure it was added a justification of slaughterhouses regionalization.
- From the total budget of the measure it was allocated a budget intended for slaughterhouses at the rate of 12.5 million euro of public expenditures (EU+national funds) as from 08.2004. This budget shall be allotted as it follows:
    - 5 million euro of public funds for read meat slaughterhouses;
    - 7.5 million euro of public funds for white meat slaughterhouses from which: 2.5 million euro of public finds intended for white meat slaughterhouses situated in the South East, South Central and South West planning regions (NUTS II Regions); 5 million euro of public finds intended for white meat slaughterhouses situated in the North West, North Central and South East planning regions (NUTS II Regions);
- The applicants (with the exception of slaughterhouses) shall develop their activity in the relevant sector at least 3 years before the date of application;
- The applicants in sectors "fish & fishery products", "milk and dairy products" and "meat" shall be eligible for support only if the enterprises that are subject of application are already classified by the National Veterinary service (NVS) as second category on restructuring, as per NVS internal procedures;
- In the criteria for assessment of projects, together with the priority on adapting of enterprises processing agricultural production to the EU standards, the stress is laid is also on projects for "rural areas" and "less favored rural areas";
- As it concerns the slaughterhouses, in case of equal number of points, additional 5 points shall be given to projects having highest slaughtering production (in tons) for the last three years from of the date of application;
- In the milk sector, as eligible investment it was included "purchase of specialized machinery for transportation of dairy products";
- Reduction of eligible percent of total costs, needed for elaboration and implementation of projects, including these needed for the elaboration of business plan (for projects which value exceeds 1 000 000 euro) as it follows:
    - At the amount of eligible investments from 1 million euro to 3 million euro, the rate is reduced respectively from 12% to 10% for **the whole amount of total costs and from 5% to 4% for the drafting of business plan ;**
    - **-At the amount of** eligible investments over 2 million euro, the rate is reduced respectively from 12**% to 8%** for the whole amount of total costs and from 5% to 3% for the drafting of business plan ;

4) Changes in measure 1.2. 1."Markets of the producers and wholesale markets"

- Reduction of eligible rate of total costs, needed for elaboration and implementation of projects, including these needed for the elaboration of business plan for projects which value exceeds 1 000 000 euro of:
  - At the amount of eligible investments from 1 million euro to 3 million euro, the rate is reduced respectively from 12% to 10% for **the whole amount of total costs and from 5% to 4% for the drafting of business plan;**
  - **At the amount of** eligible investments over 3 million euro, the rate is reduced respectively from 12**% to 8%** for **the whole amount of total costs and from 5% to 3% for the drafting of business plan;**
- From the budget under measure 1.2. “Improving of processing and marketing of agricultural and fishery products”, it was allotted (as for a separate measure) budget indented for sub measure 1.2.1. “Markets of producers and market-places” that is at the rate of 25 million euro of public funds (EU+ national budget) for the whole period of SAPARD Program in the following allocation of budget under sub measure 1.2.1.:
  - 9 million euro of public funds for 2004
  - 8 million euro of public funds for 2005
  - 8 million euro of public funds for 2006

  This amendment will guarantee defined budget for the implementation of objectives set out in the sub measure. The budget corresponds to the projects expected under the sub measure.

5) Amendments in measure 1.5 “Establishment of producers' organizations”

- The minimal number of organization for fruits and vegetables and milk was decreased from 30 to 7 members and in result of which it was recalculated (decreased) respectively the volume of minimal annual production, the relevant number of livestock /land for fruits, vegetables and milk sectors and the relevant annual turnover from 150 000 to 100 000 euro.

6) Amendments in measure 2.1 "Development and diversification of economic activities and creation of opportunities for multiple activities and alternative incomes"

- It was planed a decrease of maximum size of eligible investment costs for "Rural tourism": from 500 000 euro to 250 000 euro. In such a way it was achieved a more strict observance to the aims of measure, because larger investments in rural tourism project could create preconditions for damage of authentic rural environment. In relation to this it was changed (limited) also the geographic scope of “rural tourism” and there were changes in the list of **“**Municipal and mountainous settlements having potential for development rural tourism” (Annex 1.D. of NARDP);
- There was a change in the criteria for selection of projects. This reflected remarks from Interim assessment of the program. The inclusion of new criterion ("support to local initiatives”) gave priority of projects of local companies or physical persons. it was included an additional criteria for encouragement of organic production;
- It was decreased significantly the eligible rate of total expenditures needed for drafting of business plan.

7) Changes in the financial tables of National Agriculture and Rural Development Plan (NARDP).

The proposals for changes in the financial tables included allocation of additional funds(as per signed financial agreements for 2003), additional funds for 2003 and funds expected for 2004 - 2006**,** making of separate budget line for sub measure 1.2.1.“Markets of producers and market-places"(the funds needed shall be allotted from the budget of measure 1.2. “Improving of processing and marketing of agricultural and fishery products) and redistribution of funds between the measures of Program.

New (fourth in sequence) amendments and complements in the NPARD (SAPARD Program) were prepared as a result of discussions and decisions taken during the eight meeting of Monitoring Committee (08 December 2004) concerning the necessity of:

- ensuring of sufficient raw resource for processing enterprises in order to be decreased the necessity of imports of such raw materials and negative consequences for the Bulgarian producers;
- support of priority sectors “milk“ and “meat“ in order to comply the commitments undertook for meeting of sanitary and hygienic standards in these priority sectors;
- support of sector “perennial crops”, where it was reported over 50% of non-fulfillment of budget set out in the measure and that means in practice failure to implement the strategy approved under SAPARD, in which the vine-growing and production of fruits and vegetables are set out as priority sectors, together with the “milk“ and “meat“ sectors.

More important amendments were as it follows:

- Increase of budget under measure 1.1**.** “Investments in farm holdings” by 11 887 540 euro (EU funds) and decrease of budgets of measures 1.4. **“**Silviculture, afforestation of agricultural lands, investments in forest holdings, processing and marketing of forest products”, 1.6**.** “Management of water resources” and 4.1**.** “Technical assistance (Program). The funds will be used for support of “milk” sector.
- Allocation of additional funds at the rate of 14 160 000 euro (EU funds) for 2005 and 2006 in the following correlation**:**
    - 40% for measure 1.1. “Investments in farm holdings” and the funds will be used for support of “milk”, “meat” and "perennial crops" sectors *:* vineyards, orchards, berries*”;*
    - 20% for measure 1.2. “Improving of processing and marketing of agricultural and fishery products”;
    - 40% for measure 2.1**.** “Development and diversification of economic activities, creation of opportunities for multiple activities and alternative incomes”.
- The municipality of Ugarchin was included in the list of municipalities and mountainous settlements having potential for development of rural tourism.

The above mentioned fourth amendments in NPARD were approved by the EC on 07 June 2005.

2. Monitoring

Meetings of Monitoring Committee:

During the period of August 2004 – July 2005 the Monitoring committee of SAPARD Program had two regular meetings, where it made review of progress in the implementation of program and it discussed proposals for amendments in the National agricultural and rural development plan.

The eight meeting of Committee took place on 8 December 2004 in. Sofia.

The committee discussed the following key questions: information on the fulfillment of decisions, adopted at 7th meeting of Monitoring Committee, information for the implementation of measures accredited under SAPARD Program- approved, rejected, implemented projects, progress in the support of investments in the milk sector (under measures 1.1 and 1.2) and for slaughterhouses (under measure 1.2), progress in the implementation of projects under "public" measures” 2.2 and 2.3, information about the results from checks of/by SAPARD Agency (internal audit; on-the-spot checks), information about the financial implementation of SAPARD Program under the started measures, rate of interest amount accumulated on the amounts transferred to SAPARD in to account of National Fund within the Ministry of Finances, forecast for uptake of “budget 2001” (by measures), information on EC position concerning the Interim assessment report of SAPARD Program and discussion of necessity of its updating and the second yearly report on SAPARD Program implementation, information about the meetings of permanent working groups within the Monitoring Committee: discussed problems, decisions taken and proposals for amendments in the NPARD, including those resulting from the amendments in Regulation 1268/99, Information about checks made by EC and others institutions, reporting of Agency SAPARD about the readiness concerning: implementation of amendments in the NPARD measures , adopted by STAR Committee on 20 July 2004 accreditation of Measures 1.3 “Development of agricultural activities, aimed at environmental protection” and 1.6 “Management of water resources”, information for measures undertook for stabilization and strengthening of administrative capacity of Agency SAPARD, Information by the national executive about amendments in the procedure regulations, presented by Agency SAPARD as a result from the changes in the NPARD adopted by STAR Committee on 20 July 2004.

The 9th meeting of Committee took place on 22 June in Velingrad.

The committee made review of following key questions: adoption of protocol of 8th Monitoring Committee meeting that occurred on 8 December, information about the fulfillment of decisions, adopted in 8th meeting of Monitoring Committee, implementation of SAPARD Program: information about the progress achieved in the accredited measures (approved, rejected, projects implemented). Progress in the support of investments in the milk sector (under measures 1.1. and 1.2.) and for slaughterhouses (measure 1.2.) and progress in the implementation of projects under "public" measures” 2.2 and 2.3, information about the results from checks of/by SAPARD Agency (internal audit; on-the-spot checks), information about the financial implementation of SAPARD Program and the rate of interest amount accumulated on the amounts transferred to SAPARD in to account of National Fund within the Ministry of Finances, adoption of changes in the monitoring indicators tables, discussion of the Third annual report on SAPARD Program, information about meeting of permanent working groups within the monitoring Committee, reporting of SAPARD agency concerning the readiness for the implementation of measures 1.3. “Development of agricultural activities aimed at environmental protection” and 1.6. “Management of water resources”, information on the progress of preparation of update of Interim assessment of SAPARD Program, information on the progress achieved in the preparation of Program for development of agriculture and rural areas (2007 -2013).

3. Publicity of SAPARD

Complete and detailed information on SAPARD Program is regularly published on MAF Web page. This Web page contains detailed description of the eligible investments under 10 accredited measures, as well as the full text of the National agricultural and rural development plan. There are mentioned also all documents needed for application, model of business-plan and instructions for its elaboration. On this web-page is available also an information concerning the progress achieved in the implementation of program, including the list of approved applicants The pages contains also hyperlinks to the web pages of European Commission devoted to SAPARD.

In 2004 SAPARD Agency took participation in the Investment forum'2004 "Projects and funding" held on 14-15 April 2004 in Sofia in the National Palace of Culture. The activity of SAPARD Program under the first, sixth, a seventh and eighth measure was promoted through use of special information materials. The information materials included in summary the conditions for application, i.e. eligible investments, financial provisions and particular requirements to the applicants. The experts of

European schemes department offered detailed information on the order and conditions for application under all measures. Because of depleted financial resources and suspended reception of applications under the first, second and third measures there were no information materials.

SAPARD Agency assisted the mass media in the broadcast of reportages about projects implemented under the Program.

Every day the Agency responds to the letters received from private persons, companies, organizations and representatives of municipalities. Especially for the public measures it was produced a schedule, in which was offered a fixed day for each of municipalities in the relevant district. In this day could be obtained the information needed and consultation on the public measures for the relevant region.

The MAF experts organize regular meetings with potential beneficiaries under the Program in different districts and municipalities. One of the main objectives of these meetings is to clarify the opportunities for establishment of producers' groups and use of support granted under SAPARD Program for their functioning.

It was produced (made to MAF order) and broadcasted on BTV an educational film devoted to the implementation of Codes for Good Farming Practice –that is one of mandatory conditions for participation in NPARD Measure 1.3.

4. Implementation of SAPARD Program

In 2004 under SAPARD Program, the subsidy paid on contracts concluded for gratuitous financial support was at the rate of 135 225 000. BGN. (Including funding from European funds and co-Financing from the State budget)

Table VIII. 1.
Projects paid under SAPARD Program in 2004 by measures and sectors

Sector	Description	Number of paid contracts	Total investment of paid projects /,000 BGN/	Total paid subsidy /,000 BGN/
0101	Milk	3	1 513	709
0102	Meat	16	17 294	7 484
0103	Perennial crops	65	15 232	6 444
0104	Vegetables, flowers	210	83 211	39 606
M1	**Investment in agricultural holdings**	**294**	**117 250**	**54 243**
0201	Wine	14	31 074	14 613
0202	Fruits and vegetables	20	46 095	20 485
0203	Milk and dairy products	7	12 602	5 999
0204	Meat and meat processing	27	48 159	22 715
0205	Fishery and aquacultures	5	13 310	5 820
M2	**Improving of processing and marketing of agricultural and fishery products**	**73**	**151 240**	**69 632**
0301	Rural tourism	28	11 019	3 726
0302	Craftsmanship	1	674	271
0303	Wood processing	25	11 427	5 009
0305	Honey and bee products	13	839	358
0306	Horse breeding	1	949	446
0307	Aquacultures	2	425	193

0308	Mushroom production	2	940	366
0309	Processing of essential crops	7	2 398	950
M3	**Development and diversification of economic activities and provision of opportunities for multiple activities and alternative incomes**	**79**	**28 671**	**11 319**
0602	Building of second class roads	1	53	22
M6	**Silviculture, afforestation of agricultural lands, investments in forest holdings, processing and marketing of forest products**	**1**	**53**	**22**
1001	Costs of Monitoring Committee meetings, costs for experts and others participants	1	9	9
M10	**Technical Assistance**	**1**	**9**	**9**
	Total:	**448**	**297 223**	**135 225**

Source: *State Fund "Agriculture"*

During the first half of 2005 under SAPARD Program, the subsidy paid on contracts concluded for gratuitous financial support was at the rate of 89 441 000 BGN.

IX. RURAL DEVELOPMENT

In July 2004 it was completed the implementation of PHARE Twining light project for defining of less favored agricultural regions in Bulgaria.

The main objective of projects was harmonization and implementation of legislation in the field of agriculture, in particular its structural policy part , chapter V "Less-favored areas and areas with environmental restrictions" of Regulation (EU)1257/1999 on support of development of rural areas granted by the EAGGF (European Agriculture Guaranteeing and Guidance Fund).

Main outputs of project implementation:

- It was prepared an analysis of practice of the EU member states related to the development and implementation of schemes for support of agricultural producers in the less favored regions;
- There were identified criteria for laying down of different types of Less-favored areas in Bulgaria;
- it was produced a methodology for calculating of compensatory payments granted for support of agricultural producers in different types of less-favored areas in Bulgaria;
- It was prepared a draft pilot scheme for support of agricultural producers in the less favored regions, including draft manual for the participants in the scheme for compensatory payments to the agricultural producers of less favored regions, draft requirements for Good Farming Practice, draft of Scheme administration process;
- It was prepared a draft Ordinance for lying down of less favored regions and regions with environmental restrictions.

From 28.06.2004 till 2.07.2004 as an assistance for the successful start of pilot scheme for support of agricultural producers in less-favored areas and areas with environmental restrictions there were organized three seminars: in MAF, in Batak and Boliarovo in order to train MAF and SFA structures how to implement the compensatory payments scheme. There were training seminars for the agricultural producers in the pilot municipalities of Batak, Makresh, Boliarovo and Malko Tarnovo. In the training were invited and participated experts from District Agriculture and Forestry Directorates, Municipal services on agriculture and forestry, Regional Agricultural Advisory Services, NAAS representative, Regional directorates of SFA, as well as mayors and experts from the municipal administrations.

By virtue of Decision 685/24.08.2004 it was approved the draft Act amending and complementing the Act for support of agricultural producers, including support in the less-favored areas and areas with environmental restrictions. According to Protocol No.10 of the Management Board of SF "Agriculture"" from 19.10.2004 it was taken a decision on implementation of pilot scheme for support of agricultural producers in less favored areas.

By virtue of Protocol No. 1 of the Management Board of SF "Agriculture"" from 25.01.2005 on implementation of the pilot scheme in 2005 there was allotted 5 500 000 BGN.

By virtue of Protocol No. 4 of the Management Board of SF "Agriculture"" from 25.03.2005 there were adopted Instructions for implementation of pilot scheme for compensatory payments of agricultural producers in the less favored areas in Bulgaria (in the pilot municipalities of Batak, Boliarovo, Varshetz, Malko Tarnovo, Kotel and Chuprene).

In March and April 2005, experts from Development of rural areas Directorate , SF "Agriculture"" and National Agricultural Advisory Service organized a range of seminars in the municipalities of Batak, Boliarovo, Varshetz, Malko Tarnovo, Kotel and Chuprene in order to inform the agricultural producers about the order, conditions and documents needed for application under the pilot scheme for compensatory payments.

The deadline for submission of applications under the pilot scheme for 2005 was 15.06.2005.

Table IX. 1.
Funds claimed under special purpose subsidy for implementation of pilot scheme for compensatory payments at 15.06.2005

District Directorate	Number Agr. prod.	Claimed hectares	Claimed funds
Burgas	11	203.775	58 813.62
Vidin	21	438.600	136 416.00
Montana	42	450.356	156 625.98
Pazardjik	27	235.628	73 193.43
Sliven	75	1 157.153	352 633.20
Yambol	170	5 527.908	1 685 114.59
TOTAL:	**346**	**8 013.421**	**2 462 796.82**

Source: *MAF*

Sustainable development of rural areas project

The joint project between MAF and UNDP “Sustainable development of rural areas” started in 2003 in order to prepare Bulgaria for implementation of Leader Initiative after its accession to the EU. The project was implemented till the end of 2005 and its total budget was at the rate of 1 325 000 USD, including: 800 000 USD from MAF budget 165 000 USD from 11 pilot municipalities and 360 000 USD from the UNDP. In the framework of projects there were established 11 local initiative groups (LIG) in rural municipalities according to Leader methodology with participation of non-governmental organizations, local governments and business representatives. The project provided support to the elaboration of LIGs strategies for local development, their training, capacity building and financial support for their functioning.

The project aimed to support the sustainable development of rural area in 11 municipalities form Pernik, Montana, Blagoevgrad, Kardjali and Haskovo regions. The activities were focused on the sustainable agriculture, sustainable forestry and alternative tourism.

Under the pilot project during the period of January - December 2004 there were following activities:

1. Establishment, registration and functioning of 11 local initiative groups under the Act on legal entities with non-lucrative purpose. Registration and functioning of 11 cooperatives
2. In 2004 it was continued the building of capacity of 11 LIGs: trough organizing of regular LIG meetings by municipalities on updating of working plans, discussion of draft proposals, consultations on business plan drafting for granting of loans, organizing of loan commissions and organizing of traveling seminars for participants in the annual meeting of PREPARE. There were organized different trainings, participation in international seminars and work meetings.
3. LIGs took participation in the annual meeting of European network for partnership in the development of rural areas PREPARES, 24-30 September and the municipalities of Satovcha and Garmen established cooperation with the French municipality of Lectur.
4. There were produced also many publications as: guide for composting, tourist leaflets and leaflet of project.
5. The fund for demonstration initiatives was approved by the Project Management Board on 28 April 2004 and it started on 15 May 2004. 65 proposals for projects were assessed under the schemes for "Socially useful and innovative projects". There were two meetings of MAF experts and 2 meetings of Steering Committee, where 29 projects were approved for funding. There were contracts concluded for implementation at total value of 185 600 USD. Under the scheme for micro-funding there were allotted 30 loans at the rate of 58 000 BGN. It was started the implementation of 22 (from 29 in total) socially useful and innovative projects, funded by the Fund for demonstration initiatives (FDI), which represents contracts concluded for 76% from the total value of all approved projects.
6. Under the project there was created a permanent employment during 12 months for 30 persons (Unit for Project Management in 2004 and 25 permanent the consultant in 11 units for project development in 2004) and temporary employment during 12 months for 50 persons under projects implemented under the Fund for demonstration initiatives.

Under the pilot project in the period of January - June 2005 there were the following activities:

1. In January 2005 the Management Board (MB) of Project approved the yearly plan for 2005 and yearly project report for 2004;
2. The MB approved the concept of Fund for demonstration initiatives (FDI) for 2005;
3. The FDI working procedures for 2005 were updated and it was conducted a campaign for gathering of project proposals on FDI - 2005 in 11 municipalities;
4. There were prepared summaries of strategies for sustainable agriculture, forestry and alternative tourism of 11 municipalities;
5. it was completed the implementation of 2 socially useful and 4 innovative FDI -2004 projects, the remaining 27 FDI - 2004 projects are in advanced stage of implementation;
6. There were approved 14 micro-credits by the credit commissions in Garment, Yakoruda, Varshetz and Satovcha; there were granted 44 credits in total that represent 59% from the resources foreseen under the Scheme for micro-funding of FDI;
7. In the National Palace of Culture, Sofia, during the International tourist exhibition Vacation'2005, it was organized an Annual meeting of Sustainable Development of Rural Areas (SDRA) project

team, together with joint participation of 6 municipalities involved in the SDRA project and 2 municipalities from Opportunities 21 project;

8. There were organized expert on-the-spot visits in the 11 municipalities. The experts were dealing with the Interim Assessment of project and they focused on the activity of Local initiative groups, Leader type in Bulgaria.

*Under the pilot project till **the** end of 2005 it is planned:*

1. Organizing of traveling working seminars from 11 LIGs and participation of LIGs members in these seminars for the purpose of experience exchange and training.
2. Organizing of training in the 11 municipalities.
3. Implementation and completion of FDI projects for 2004.

Program for development of agriculture and rural areas in Strandja-Sakar

The Program was adopted and approved by virtue of Decision of the Council of Ministers from 9 June2005. In its scope are included the municipalities of Malko Tarnovo, Primorsko, Zarevo, Sredez, Sozopol, Boliarovo, Elhovo, Straldja, Tundja, Lubimez, Svilengrad and Topolovgrad.

The Program takes into account the three key challenges, to which is faced the development of rural areas at European and national level - economic, social and environmental and it will be implemented in the period of 2005 - 2013. The program introduces purposeful efforts to integrated development of agriculture and rural areas in the region of Strandja-Sakar that shall prepare the region to deal with the future EU funds. The main objectives, provided for in the program are as it follows:

1. Gradual increase of local communities readiness to uptake and optimize the relevant financial funds, granted by the national, European and others international funds and programs and the emphasis is put on funds allotted for rural areas development;
2. Boost the development of efficient and modernized agricultural production;

In the process of program preparation there were identified six priorities (directions) and each from them is presented in the program with the relevant sub-paragraphs.

A) Plant growing - horticulture, fruit and nut production, vine-growing,;

B)

C) Improving of infrastructure in the rural areas;

D)

E) Capacity building for future implementation of projects under Leader priority axis;

F) Training, education and information.

The creation of package containing attractive financial and economic incentives for starting up of agricultural activities in the field of identified priorities is one of the ways for interest boostening to the "Program for development of agriculture and rural areas in Strandja-Sakar region. As an important point of the program is considered the proposal of the Council of Ministers, mentioned in point 5.1 according to which the territorial scope of program, is considered as criterion for eligibility of projects under the measures of different operational programs, in case of compliance of these projects with the priorities of "Program for development of agriculture and rural areas in Strandja-Sakar". In this connection, all ministries, at the formulation of their different investment programs and projects as well as at the planning of their funding shall take into account the priorities identified in the Program and an advantage shall be given to the financing of proposals, that are in line with the programming directions and activities of "The Program for development of agriculture and rural areas in Strandja-Sakar". In the implementation of this decision, starting from 2006 the Ministry of Agriculture and Forestry shall give priority to projects in the field of programming directions and activities at its financing of projects from MAF annual investment program.

PHARE Twining Project with the Austrian Ministry of Agriculture, environment and waters and Italian Ministry of Agriculture and Forestry

BG/2004/IB/AG/01 "Preparation of the Ministry of agriculture and forestry for the implementation of CAP Second pillar - Rural areas development"

In the framework of preparation of Ministry of Agriculture and Forestry to implement the policy for development of rural areas of the European Union, the RAD Directorate (as a body responsible for the management of EU aid), together with the Austrian Ministry of Agriculture, environment and waters prepared a twining project, whose main objective is to provide an expert assistance to Bulgaria in the drawing up of the National Plan for Development of rural areas 2007-2013, as well as systems for its management, monitoring and assessment. The project partner is also the Italian Ministry of Agriculture and Forestry.

The project includes also training of experts from the units of RAD Directorate, SFA, social and economic partners from the sector, as well as presentation of experience in the development of rural areas of member countries. The project was approved by the European Commission (the Committee on institutional development within GD "Enlargement" and "Agriculture") and it started officially on 13 September2005. The project duration is 24 months and the outputs and main activities are as it follows:

Main activities:

- Analysis of institutional situation and assessment of needs with a view to the management of the ESFRD aid;
- Rules and methodology for programming, monitoring, control and assessment;
- Definition of main responsibilities and tasks on RDP implementation (including those of Paying agency);
- Preparation of RDP measures ;
- Training of experts from the responsible institutions and social and economic partners.

Outputs:

- Rural Development Program (RDP) 2007-2013 prepared and approved by the EC;
- Mechanisms for RDP implementation developed and approved by the EC;
- Functioning monitoring system;
- Development of data bases including monitoring indicators for RDP and development of rural areas.

X. AGRIENVIRONMENT

It was prepared draft Strategy and National plan for development of the organic farming (NPDOF) for the period of 2006-2013. It is forthcoming the coordination and adoption of this document. The main principle in the process of elaboration of NPDOF was the wide participation of stakeholders. Following this principle it was established a working group including more than 30 representatives of main stakeholders. The work of working group was supported by expert team, consisted also of specialists in the field of organic farming from non-governmental organizations, scientists and consulting companies. The working version of NPDOF was discussed with more than 600 persons from the whole country in the framework of six meetings that took place in each planning region. During these meetings was presented a SWOT analysis as well as strategic and particular objectives and tasks for the further development of organic farming in Bulgaria. As strategic objectives were defined:

- The development of organic produce market;
- 8% form the agricultural land in use to be managed in organic way at 2013;
- Efficient legislative framework for development of the organic farming at 2007;
- Practically oriented scientific researches, training, education and advisory in the field of the organic farming;
- Establishment of efficient system for control and certification.

In the framework of Twining project BG/2002/IB-AG-02 between Bulgaria, Netherlands and Greece "Support to the pre-accession program of the Ministry of agriculture and forestry and the ministry of environment and waters in the field of agrienvironment" it was defined the National Agrienvironmental program (NAEP). In the framework of NAEP it will be supported the organic farming. It will be supported also the management of lands with high natural value and it will be oriented in particular to the rehabilitation and maintenance of semi natural grasslands, maintenance of waterfowl habitats; protected species habitats; riparian habitats, extensive management of fish ponds). The third measure will support the creation and maintenance of landscape features, mainly in lowland regions, it will be promoted the creation, rehabilitation and maintenance of field boundaries, it will be supported the maintenance of traditional orchards. Another NAEP measure will support the protection of soils and waters through reduction of nitrate pollution and soil erosion control. A separate measure is devoted to protection of endangered breeds of farm animals and traditional animal breeding practices.

In the framework of Twining project there were developed Code for Good Agriculture Practice and Program for limitation and elimination of pollution, as per the requirements of Ordinance No.2 on preservation of water from nitrate pollution originated from agricultural sources. Through the appropriate use of mineral and organic fertilizers and their appropriate storage it shall be protected the soil and waters from a nitrate pollution. Their implementation is forthcoming.