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CHARACTERISTICS OF THE BULGARIAN ORGANIC AGRICULTURE

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Abstract: *The organic agriculture fuses traditions and innovation for providing fair relationships and a better quality of life for all stakeholders. In Bulgaria, the interest towards this holistic production management system is increasing in the last two decades. The favourable environmental conditions of the country provide excellent basis for organic sector development, which is attested by the main indexes. Beside this, the organic agriculture has become one of the priorities of the Bulgarian agricultural policy with an emerging (EU and national) legal, political and institutional background. This article reviews the evolvement of the Bulgarian organic sector and summarizes its threats and opportunities of a future development.*
Keywords: *Organic Agriculture, Bulgaria, organic land, organic product market, sustainability*

INTRODUCTION

The modern agriculture has two major challenges – to provide the necessary food supply to satisfy the needs of the ever-growing human population on one hand and to reduce the sector's negative impacts on the environment on the other hand. The solution is to develop the agriculture in a sustainable way. Apparently organic agriculture is one of the possible means for that.

Many different definitions of organic agriculture are known, but these contain one common characteristic: it is a system that relies on ecosystem management rather than external agricultural inputs, consequently produces more public goods than the conventional ones. FAO defines the organic agriculture as "a holistic production management system which promotes and enhances agro-ecosystem health, including biodiversity, biological cycles, and soil biological activity" It takes into account that the local systems have to be adapted to the regional conditions, which "is accomplished by using, where possible agronomic, biological and mechanical methods, as opposed to using synthetic materials, to fulfil any specific function within the system." (FAO/WHO, 1999). „ Organic Agriculture combines tradition, innovation and science to benefit to shared environment and promote fair relationship and good quality of life for all involved. " (IFOAM, 2010). In the last thirty years the organic agriculture has gained popularity worldwide, but while in some countries it is only a niche, in others, as the leading European countries, it is getting more and more widespread. (Niggli, 2014)

According to the definition of the USDA National Organic Standards Board, the organic agriculture is an "ecological production management system that promotes and enhance biodiversity, biological cycles and soil biological activity", which is "based on management practices that restore, maintain and enhance ecological harmony." (Gold and Gates 2007).

The organic agriculture's roots go back to the second-third decade of the 20^{th} century, but internationally it has been officially recognised by the Codex Alimentarius Commission (CAC) elaborating in 1991 guidelines in this field (Gomiero at al., 2011). It was not a coincidence that the organic farming movement raised the attention of the consumers in the 1990s as the public concern for the environment and food quality increased. That has undergone national and international institutional regulation (Willer and Yussefi, 2006). It is important to emphasise that although sustainable agriculture practices are adopted by a growing number of farmers, only the organic agriculture is regulated by laws and a specific set of norms is needed to be strictly followed (Gomiero et al., 2011). That characteristic is a strength, however it is represents the risk of the excessive bureaucratic control as well, which can cause economic difficulties for the farmers (Vogl et al., 2005).

Organic agriculture is regulated by international and national institutional bodies, which certify organic products from production to handling and processing (Courville, 2006; EC, 2007; IFOAM, 2008; 2010). Organic agriculture restores a decision-making role to local communities, guaranteeing the right of control over their own resources and engaging their active participation in a value added food chain (Juma, 2007).

THE LEGISLATION OF THE EUROPEAN UNION

In 2007 Bulgaria became a member of the EU, so its regulation is decisive for the Bulgarian organic farming. The following outlines the legal context in a nutshell.

The first EU legislation on organic farming was adopted in 1991. The Council Regulation (EEC) No 2092/91 was in line with the requirements in the CAC Guidelines. The Regulation provided the legal definition of organic farming determining production, control and labelling requirements and rules for importing organic products. The Council Regulation (EC) No 1804/99 which supplemented the original regulation with the rules for the organic livestock and livestock produce. After *substantially revised, this Regulation has been replaced by the Council Regulation (EC) No 834/2007, which provides a comprehensive framework for the organic farming. It defines in detail not only the methods of production for organic crops and livestock, but also regulates the labelling, processing, inspection and marketing of organic products on the single market and the importation of the organic products from third countries.*

On 24 March 2014 the European Commission adopted the legislative proposals for a new Regulation on organic production and labelling of organic products aiming to adjust the EU legislation to the current situation in the EU organic market (COM, 2014). The new regulation is also needed because it is necessary to provide consistency with the new CAP. An overarching objective of the new CAP adopted in 2013 is the sustainable competitiveness to achieve an economically viable food production sector with sustainable management of the land-based resources. The organic farms will benefit from the "greening" component (a payment under the I. pillar received by farmers for delivering environmental benefits beyond the basic requirements). The Rural Development measures will more widely address organic farming during the period 2014-2020. Among others there is a new measure for supporting organic farming through compensation for additional costs or income foregone resulting from the organic conversion or management, or for developing innovative products, processes, practices or technologies, or for cooperation among actors of the food chain. On the other hand the financial resources for rural development remain disproportional compared to the direct payments, which implies that a radical shift to more sustainable farming systems has not happened yet. Nevertheless, the new CAP is more oriented towards a better public good delivery and an enhanced visibility of the organic farming that can contribute to its development (Meredith et al., 2014).

DEVELOPMENT OF THE ORGANIC AGRICULTURE IN BULGARIA

In Bulgaria the environmental resources and conditions are appropriate for agricultural activities, including organic farming. According to the data from the Ministry of Agriculture and Food (MAF) 80% of the agricultural area is favourable for organic farming.

Unlike other developed countries where the soil pollution is much higher than permissible and in which to fulfil the criteria of organic farming raise extra costs, some Bulgarian regions provide almost free opportunities for it.

In Bulgaria after the comprehension of the concept of organic farming by an academic community on the field of plant protection in the late 1980s, the organic agriculture can be dated from the early nineties. In 1993 the first organic pilot farm at the Agrarian University of Plovdiv[1] was established. Between 1996 and 2000 the first activities on this field, such as trainings for farmers, literature release, preparation of the legal framework, were made. In this period started the "Development of organic farming in the Central Balkan Region", financed by the Swiss Agency for Development and Cooperation (SDC) and implemented by the Research Institute of Organic Agriculture (FiBL) and the Foundation for Organic Agriculture Bioselena[2]. In this period were adopted the Law on plant protection promulgated in State Gazette 91/10.10.1997, the Law on foodstuff promulgated in State Gazette 90/15.10.1999 and the Law on animal husbandry promulgated in State Gazette 68/8.8.2000 (all amended in 2004). In the next period, from 2000 to 2004 was published the national organic legislation (Ordinance No 22, promulgated in State Gazette 63/3.8.2001, on organic production of plants, plant products and foodstuffs of plant origin and indicators referring thereto on them and Ordinance No 35, promulgated in State Gazette 80/18.9.2001, on organic production of livestock, livestock products and foodstuffs of animal origin and indicators referring thereto on them). The first organic certification was given in 2001, and the first specialised organic shop opened in Sofia in 2004. From 2005 when the organic food appeared for the first time in the shops of Sofia until 2008, the number of shops selling organic products has passed 1500 throughout the country. (That is the so-called "organic boom".) One year after the accession of Bulgaria to the EU, in 2008 the first compensatory payments for organic farming became available under measure 214 of the national rural development programme. In 2009 the Bulgarian Organic Farmers' Association was established. Even in the period of economic crisis the development, the consolidation of Bulgarian organic agriculture has continued. The evidence for that is the growth realised in 2009-2010 – e.g. the certified land has doubled and the number of operators has increased by 76 %.

It should be emphasised that the driving forces of the Bulgarian organic agriculture's development were internal (agrarian academic circle, NGOs and organic operators) and external (international – foreign programs and organizations) (Stoeva et al, 2014a). In this top-down model the external forces contributed to institutionalization of the organic agriculture in Bulgaria in the middle of nineties by providing financing resources (Swiss government), human resources and capacity building (FiBL) for policy and institutions development. The Organic Farming sector was not initiated by the Bulgarian state[3] and it was not established by farmers' organisations neither.[4] This without a doubt influenced the support of the Bulgarian Organic agriculture. Another characteristic to be underlined is that the representatives of the academic sphere and the consultancy circles played a key role in setting up the national legislation (Stoeva et al., 2014b).

The fact that until 2005 there was no real domestic financial support to the organic farmers is in relation with the above-mentioned particularity concerning the emergence of Organic agriculture in Bulgaria. The small scale support for organic farming in the period before the accession to the EU was provided by international donors, mainly by the Swiss Agency for development and cooperation. In the period 2007-2013 (and currently) the support for organic farming is carried out under the EU Rural Development Program, most directly under Measure 214 "Agro-

[1] The Agriecological Centre is established at the Agricultural University of Plovdiv in 1987.
[2] The Foundation for Organic Agriculture Bioselena is a non-government organisation, established in 1997 by FiBL.
[3] As e.g. in the case of Poland.
[4] As e.g. in the case of Hungary.

ecological payments" (which includes subsidies for organic crops, animals and beehives). The farmers – formally certified or in the process of convergence - receive annual payments in a five-year period of an 82% EU co-funding. It has to be noted, that the payments under the Measure 214 are lower compared to other EU Member States. The problem is that because of the minimum size-area requirement (0.5 ha) the small-scale organic farmers (thus near three quarters of all) are not eligible for these subsidies (Kayryakov, 2010). Other possibilities for organic agriculture funding is also Measure 121 "Modernisation of agricultural holdings" (only 5% of that is consecrated to transition from conventional to organic farming), Measure 142 "Setting up producer group" and 111 "Vocational training, information and dissemination of scientific knowledge".

The National Plan for Organic Sector (2007-2013) aimed to achieve 8% of agricultural land under organic farming by 2013 (from 0.3% in 2005) and 3% share of organic food on the market (MAF, 2006).

In the last fifteen years this "young" sector was recognised by the EU and national policies were developed, which provides an economic framework for the agribusiness and creates the conditions for development of the sector as a whole and alternative forms of production such the organic farming (Nikolova, 2013).

As mentioned above the new CAP expectedly will stimulate better the organic farmers, with regard to the target for CAP greening and the new RDP, but there is still no official information from the MAF about the latter. Subsidies varying from 160 to 514 €/ha depending on the crops are expected (USDA, 2014).

THE BULGARIAN ORGANIC AGRICULTURE IN NUMBERS

The 2005-2012 period can be described by the steady growth of the arable area used for organic farming in Bulgaria. While its increase from 2005 to 2006 was almost doubled, in 2007 was became tripled, probably due to the accession to the EU among other factors. (Figure 1)

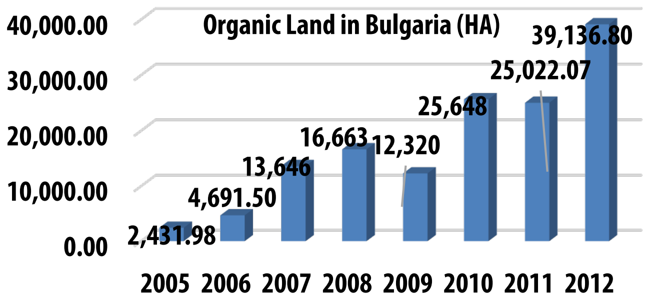

***Figure 1.** Source: FiBL&IFOAM*

***Table 1**. Fully converted organic area and area under conversion (HA)*

	2006	2007	2008	2009	2010	2011	2012
Fully converted organic area	2 728	8 387	4 236	4 955	12 691	8 902	11 974
Area under conversion	1 964	5 260	12 427	7 365	12 956	16 120	27 164

Source: Eurostat, 2014

According to USDA (2014) an interesting evolution has to be noted in the fast growth of the area under conversion into organic production, compared to the fully converted area as well in the 2006-2012 period. (Table 1). That can be explained by the larger number of start-up organic farms in 2011-2012.

The increasing number of organic operators – farmers, processors and traders – in Bulgaria is presented in Figure 2. The growth was especially spectacular in the period from 2009 to 2012, when this number moved from 446 to 2754. The significant increase of this indicator demonstrates the growing interest in the organic sector.

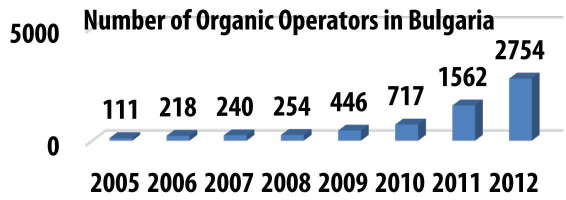

***Figure 2**. Source: Bioselena and FiBL&IFOAM*

The share of the organic product market is still modest, but in progress (except the decline in 2009 due to the economic crisis). While the index value was 0.05 % of the total food market in 2005, since 2007 rapid growth can be observed and in 2012 it attainted 1.28%. (Figure 3.) In absence of official data on sales in Bulgaria, the market for organic products is estimated between 6 to 8 million euros (800 000 euros in 2005, 5 million euros in 2008 and 7 million euros in 2010 (Bioselena 2009; FiBL&IFOAM, 2013, 2014).

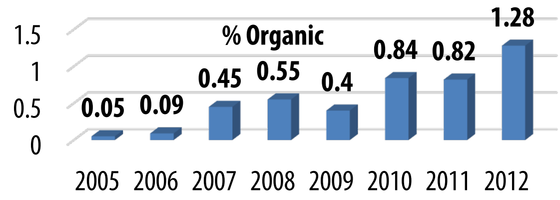

***Figure 3**. Source: FiBL&IFOAM*

CONCLUSIONS

Although the Bulgarian organic agriculture is in progress for a few years, the number of producers, operating mostly on small farms, still remains limited (MAF, 2013). The main motivation is to receive subsidies and not the attractiveness of the organic concept or the willingness to respond to the market demand. Presumably, e.g. the support in the three year-conversion period is attractive for the farms, but there is not guarantee that this conversion would be achieved. Another problem in this regard is also that the subsidies are provided per area and there is no obligation and surveillance of the actually produced organic products. On this basis the correlation between increasing organic area and the organic produce volume becomes questionable.

The small domestic market of the organic products is undoubtedly an obstacle for the development of this sector. Partly that is linked to the fact, that for most Bulgarian households low-priced fresh domestic products are available. In Bulgaria the categories "domestic" and "organic" are blurred, while the prices of these are significantly different. The organic is a kind of a "luxury" product, therefore inaccessible for most Bulgarians because of their low income. On the other hand the limited demand of the organic products is due to the low public awareness and the lack of reliable information concerning the organic farming.

One of principal challenges for the Bulgarian organic sector is the organic animal husbandry (five farms in 2012), which can be explained with the lack of financial support (no subsidies for breeding and certification).

The organic production (90-95%) is mostly sold on the international market principally as raw materials and not as processed products. (The Bulgarian top export products are dried wild forest fruits and herbs, frozen fruits – strawberries, raspberries, blueberries, essential oils from rose, lavender and mint, and honey.) At the same time over 80% of the organic products on the local market is imported from the EU. Moreover good Bulgarian brands are missing both on of the domestic and the international market.

The organic agriculture in Bulgaria has a great development potential, firstly because of the quite favourable agro-ecological conditions. In addition, the above mentioned weaknesses of the Bulgarian organic sector could be transformed in strengths (e. g. creating and promoting competitive Bulgarian organic brands; exporting processed organic products). The national legislation laid down the basis of organic farming and on general terms it is synchronized with the EU legislation. As mentioned above, an ambitious National Plan for Development of Organic Farming in Bulgaria was adopted and followed in 2007-2013. Otherwise, it is needed to rethink these goals, because although the area under organic farming and the number of organic sector operators have increased, according to current estimates the value of both indexes remain below/ around 1%.

However, for the development of the Bulgarian Organic agriculture is important to strengthen the motivation for organic farming by higher support with more targeted measures and by simplifying application procedures for subsidies. It is needed to strengthen the link between the production and the market, and to transform the organic farming from a passive economic activity (only subsidy-oriented) to a new market-oriented type of farming.

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