Country Report Organic 2023

BULGARIA

Report on the Status of Organic Agriculture and Industry in Bulgaria

Gefördert durch

Bundesministerium für Ernährung und Landwirtschaft

BÖL
BUNDESPROGRAMM ÖKOLOGISCHER LANDBAU

aufgrund eines Beschlusses des Deutschen Bundestages

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Disclaimer

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This report has been prepared to the best of our knowledge and belief. We cannot however accept any guarantee for the accuracy, correctness or completeness of the information and data provided.

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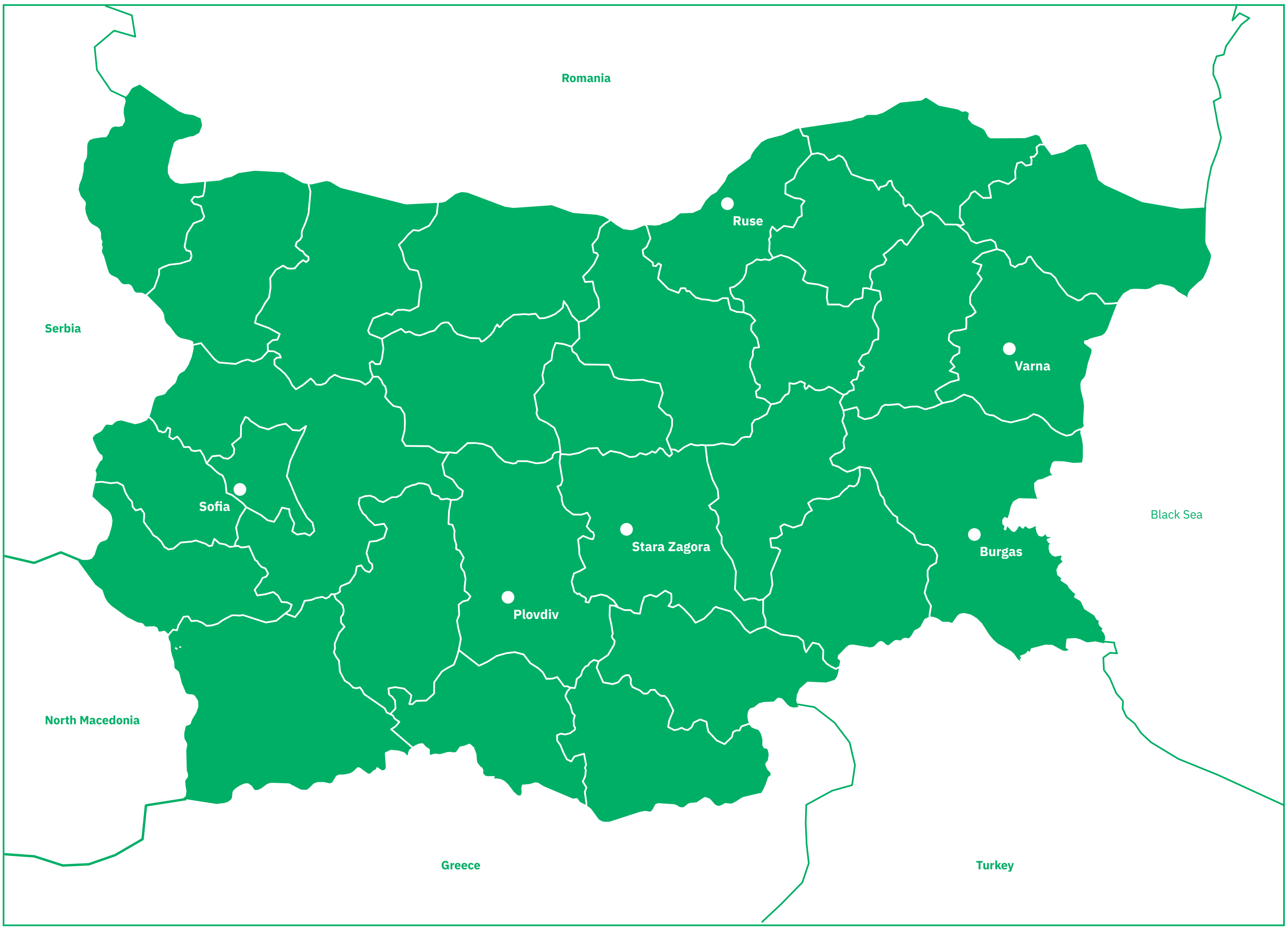

Figure 1: Map of Bulgaria

Bulgaria in South-Eastern Europe can be subdivided into the following areas: The Black Sea coast in the East (with Varna and Burgas), the fertile Danubian Plain in the North bordering Romania, the Balkan Mountains in the Centre stretching from West to East, and South-West of them Sofia as well as the triangular Thracian Plain to the South-East of Sofia stretching to the Turkish border (Plovdiv and Stare Zagora). The area South-West of Sofia (Kyustendil Valley) is the major fruit area of the country ("Orchard of Bulgaria"). And further South, the Pirin, Rila and Rhodope Mountains form the border to Greece.

The four most important cities are Sofia (1.2 m inhabitants), Plovdiv (0.32 m), Varna (0.31 m) and Burgas (0.18 m). From Sofia to Varna is about 440 km. The distance from the capital to population centres in the neighbouring countries is much shorter: 160 km from Sofia to Nish (Serbia), 245 km to Skopje (North Macedonia) and 295 km to Thessaloniki (Greece). From Ruse to Bucharest with its 1.8 m inhabitants it is only 75 km. Sofia has a slow train connection with Varna and Burgas. A motorway between Sofia and Burgas has been completed (Avtomagistrala Trakiya). It also links Sofia with Edirne (Turkey). The next motorway to open will be Avtomagistrala Evropa linking Bulgaria with Serbia and the rest of Europe (expected in 2024).

Country Statistics

110,993 km²
Area

6.5 million[1]
Usual resident population (down from 8.2 million in 2000)

73 %[1]
Urban population

11,680 EUR[2]
GDP per capita (2022, estimation)

71 %[1]
GDP shares from services

24 %[1]
GDP shares from industry

5 %[1]
GDP shares from agriculture

2.3 %
EU-subsidies of GDP (2021)

The Bulgarian Lev (BGN)[3]
Currency

1 See www.nsi.bg
2 See www.imf.org
3 Fix rate to the EUR at 1.95583 BGN to 1 EUR (DEM / EUR exchange rate); the BGN is scheduled to be supplanted by the EUR on 1 January 2024.

Climate

Bulgaria is characterized by three climatic regions: Continental in the North (Danubian Plain), Mediterranean in the South (Thracian Plain) and temperate on the Black Sea coast.

The continental North tends to have higher year-to-year variation in temperature and precipitation compared to the other parts of the country. Annual precipitation is between 600 and 700 mm most of it falling between March and July. Average minimum temperatures in the three winter months are below 0 °C and the average maximum temperature in August 30 °C. The four months from July to October are arid.

The Mediterranean climate is characterised by dry summers. Annual precipitation is below 600 mm, most of it falling between December and May. The winters are slightly warmer, but the average maximum temperature in August does not exceed 30 °C. The arid months stretch from June to September with a particular dry month of August.

In the coastal area, the rain pattern is nearly even throughout the year (about 600 mm per year). Winters are quite warm and summer temperatures not as extreme as inland. The number of arid months increases from 2 in the North to 4 in the South.

Agriculture

One third the of Bulgaria is covered by forests and 55 % is classified as for agricultural use (6 m ha of which about 4 m ha are in production). Currently especially unused grassland is coming back into production. 136,000 ha are equipped for irrigation.

The 2020 agricultural census in Bulgaria reveals that Bulgaria's agriculture changed significantly during the first years of EU membership with clear trends toward consolidation. According to the census, there are 132,000 farms, of which the average size has tripled over the last ten years. The Western Thracian Plain (Pazardzhik, Plovdiv, Haskovo) and the Pirin, Rila and Rhodope Mountains are characterised by small farms (<30 ha in the plain and <10 ha in the mountain valleys), while farms in the Danubian Plain are larger (>60 ha). Of the arable land, 60 % are cropped with grains and 31 % with sunflower and other industrial crops. This only leaves very little land for fodder legumes which are necessary to maintain soil fertility.

The average number of cattle in dairy farms is as high as 20. Pig production is largely carried out at industrial level, i.e. in holdings with no land keeping >70 % of all pigs. Small farms play an important role in sheep and goat production (51 % and 66 % respectively). Sheep milk is quite important in Bulgaria. It accounts for 7.6 % of the total milk production and its production has been stable for the last 10 years (Bulletin 389, Ministry of Agriculture).

Agriculture is mainly family-based with a 79 % share of unpaid family labour. However, labour in agriculture is growing old (76 % of farm managers older than 45), and this problem will aggravate in future.

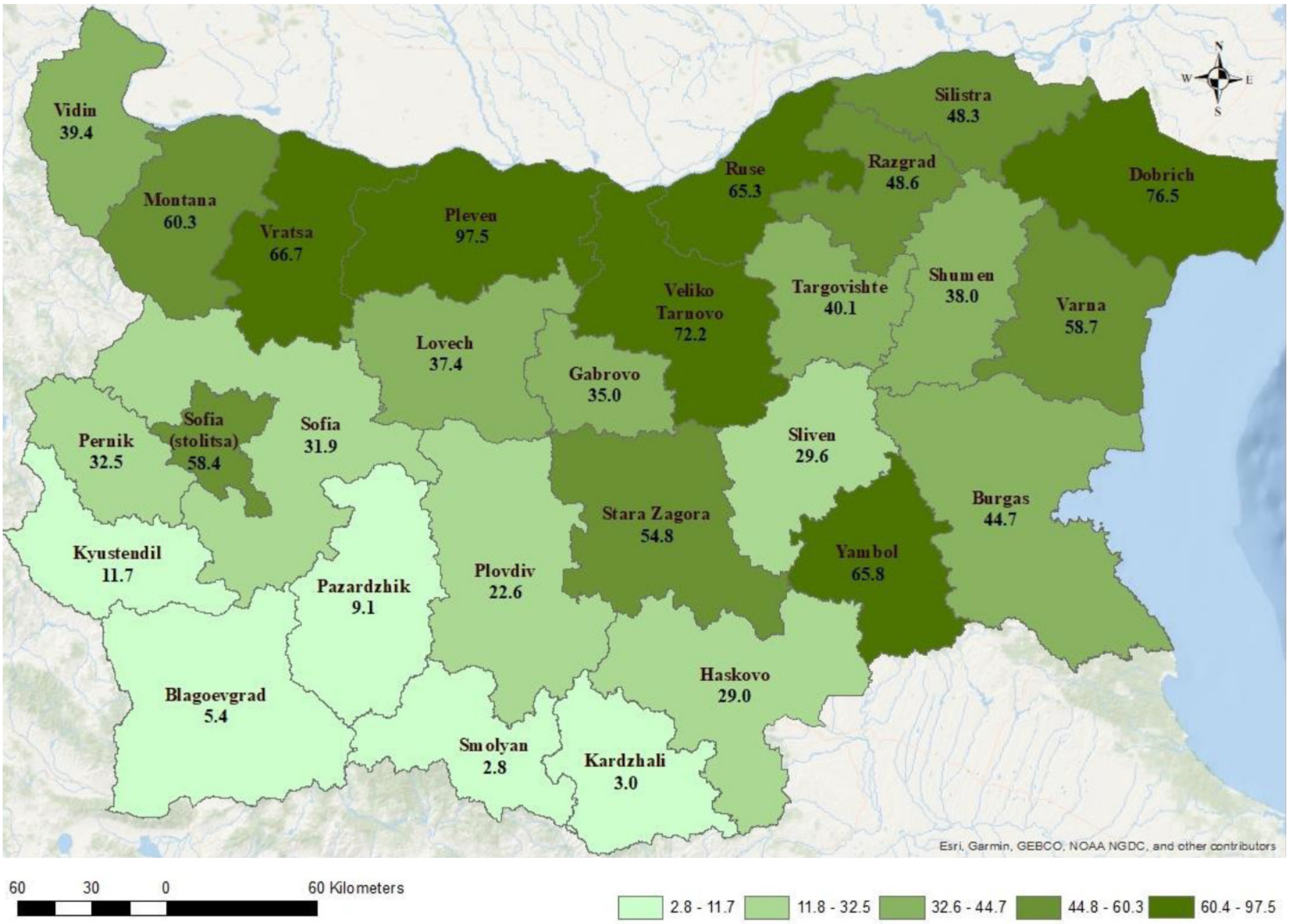

Figure 2: Map of farm sizes from 2020 agricultural census (Ministry of Agriculture)

History

Emerging from centuries of Ottoman rule, Bulgaria gained its independence in 1878. In 1946, the country came under the Soviet-led Eastern Bloc. Cooperative farms were established on most arable land. In the 1970s, cooperative and state farms merged into larger units called agro-industrial complexes. With the revolutions of 1989 and multiparty elections, Bulgaria adopted a democratic constitution in 1991. Almost all agricultural land was restored to private ownership. The new system initially failed to improve living standards or create economic growth and the average quality of life and econo-mic performance remained lower than under communism. Only after 2001, economic conditions improved greatly. The country became a member of NATO in 2004 and after several years of reforms, it joined EU in 2007.

Economy and Trade

Bulgaria sells more to other EU countries than it buys from them. Only in food it is the other way round: 77 % of all imports come from the EU, but only 59 % of all exports go into the EU with Germany and Romania being the most important destinations (15 and 10 % of all exports respectively). Germany also exceeds all other countries as origin for imports.

Agriculture and food exports only account for 15 % of all exports. Because of Lukoil's activities importing Russian oil thanks to a derogation from EU sanctions, refining it to gasoline and then re-exporting it mainly to Ukraine, fuel exports shot up from 6 % in 2021 to 13 % in 2022. Much more important, however, is manufacturing (mostly electrical equipment and machinery) accounting for more than half all exports. For agriculture and food as well as manufacturing, Bulgaria became a net exporter.

Bulgarian exports by value (% | 2021)

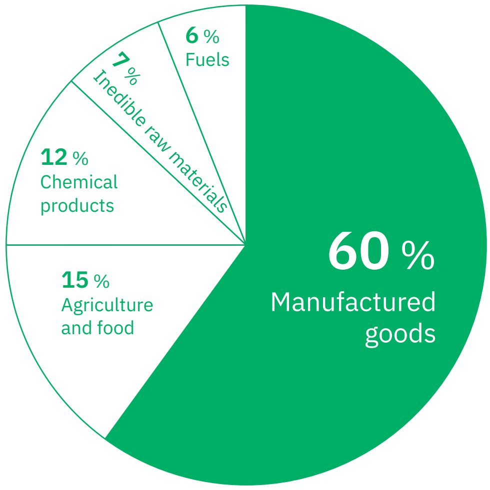

Figure 3

History and Development of Organic Farming in Bulgaria

The first initiatives for organic agriculture came from academia and international development projects. At this time, government was still strongly protecting large scale intensive cropping of grains and oil seeds in the Danubian and Thracian Plains. Later, when the State became involved, the subsidy system caused more harm than good for the development of a steadfast organic sector.

In the early 1990s, it was mostly **academic** circles that were interested in organic farming in Bulgaria. Already during the last years of socialism, a Professor of the Agricultural University of Plovdiv (Stoitcho Karov) established the Agro-Ecological Centre (AEC) running an organic pilot farm (10 ha) from 1994 and partnering with other European agricultural universities (Netherlands, Italy and Hungary) in research projects. Although Bulgaria was already producing organic pesticides earlier, the concept of organic farming was completely unknown to academia. The aim of AEC was initially not to demonstrate organic farming, but rather integrated pest management with a lower use of chemicals. In 1993, AEC joined IFOAM and later, pioneers from the AEC set up the NGO Ecofarm dedicated entirely to organic farming and promoting organic technologies through training, workshops and translated literature. Until 2001, when the first national legislation on organic farming appeared, AEC also certified farms. About a dozen farms were certified by AEC in the 1990s.

The other force were **development projects**, in the twelve years from 1996 to 2007 mostly initiated from Switzerland and primarily implemented by FiBL. These projects realised early on that it was not enough to expose farms to organic farming principles, but to run a holistic programme of first letting family farms emerge as many of those interested in organic agriculture had no background in farming, but had received land in the process of de-collectivisation and privatisation. One of the Swiss projects (SOAP) helped to create Bioselena in 1997, a foundation situated in Karlovo which until today has the mission to save and transfer knowledge linked to organic farming. In the 1990s, these three organisations, AEC, Ecofarm and Bioselena laid the foundation in Bulgaria for a new culture in attitudes towards land, environment and food.

The project context, however, was demanding as the rural areas in the 1990s struggled with the difficulties of transforming post-socialist agriculture with huge problems of restitution of private property. Accessing finance and finding markets for organic products added to these difficulties farmers faced. In the late 1990s, there was not yet any demand nor legal protection for organic products. As commercial banks were not financing family farms, the Swiss Development Cooperation SDC also set up a credit line and a guarantee fund for farmers converting to organic farming. The same farmers then received advice by Bioselena.

To overcome marketing problems, a cooperative was set up in 1999 with over 50 members. The cooperative fell apart after a few years, and later in 2004, a much smaller cooperative of 9 families only was created: Bio

Bulgaria Oil for lavender and rose products which was more successful.

The **State** only started to show interest in supporting organic agriculture from the 2000s. Organic legislation was passed in 2001 (Regulations 22 and 35). With the EU accession programme (SAPARD) of 2001–2006, EU funds began to flow into the agricultural sector, and thus also into organic farming. An organic subsidy system was created which has been (and still is) utterly bureaucratic with strict control measures and excessive penalties. The very important aspect of smallholder cooperation – something that is crucial for success in organic agriculture – was not addressed by the government. Through the subsidy system, organic farmers rather became competitors (for limited subsidies) than allies (with similar problems and needs). Today, analysts say that the focus on subsidies hindered the formation of a common identity, the emergence of organic marketing structures and broader social and political recognition (Stoeva, 2016).

After EU accession in 2007, a National Plan for organic farming development was passed aiming at 8 % agricultural land by 2013. However, only 1.1 % were reached. Today, when the EU wants to go to 25 % organic area, Bulgaria can only offer 1.7 %.

From 2010, the organic farming area grew, mostly due to large sunflowers and grain producers interested to take advantage of subsidies. An example is a producer of 2,200 ha of grain and one of the major traders in agrochemicals in North-Eastern Bulgaria who entered the organic sector. They were the first to drop out when subsidies were not made available in a timely manner. The subsector of aromatic plants (roses) and beekeeping were more reliable growth engines of organic farming development.

After years of growth, the unpredictability of the subsidy rate as well as systemic problems of poor competitiveness of organic farms, underdeveloped markets and dysfunctional supply chains led to a drop in the number of operators (from 2016), in the organic area (from 2018) and in the number of organic beehives (from 2019). The latest figure for the beginning of 2023 is 4,841 certified organic operators, about 86,000 ha of land, 230,000 beehives, 10,000 cattle and 20,000 sheep.

With Hipp baby food, certified organic packed products started to appear in the **market** from 1998. They made organic labelling known to the consumer. From 2004, there were several attempts to sell Bulgarian organic products through formal sale channels. However, they all failed sooner or later until in 2006 the organic food company Bio Bulgaria (Brand: Harmonica) started to bring organic yoghurt to the market. Now there are 150 Harmonica branded Bulgarian products in virtually all shops throughout Bulgaria. Many of them also sell products of the other significant Bulgarian organic food company Smart Organic (different brands) which has been active since 2010.

Development of organic farming in Bulgaria (2003–2022 | ha)

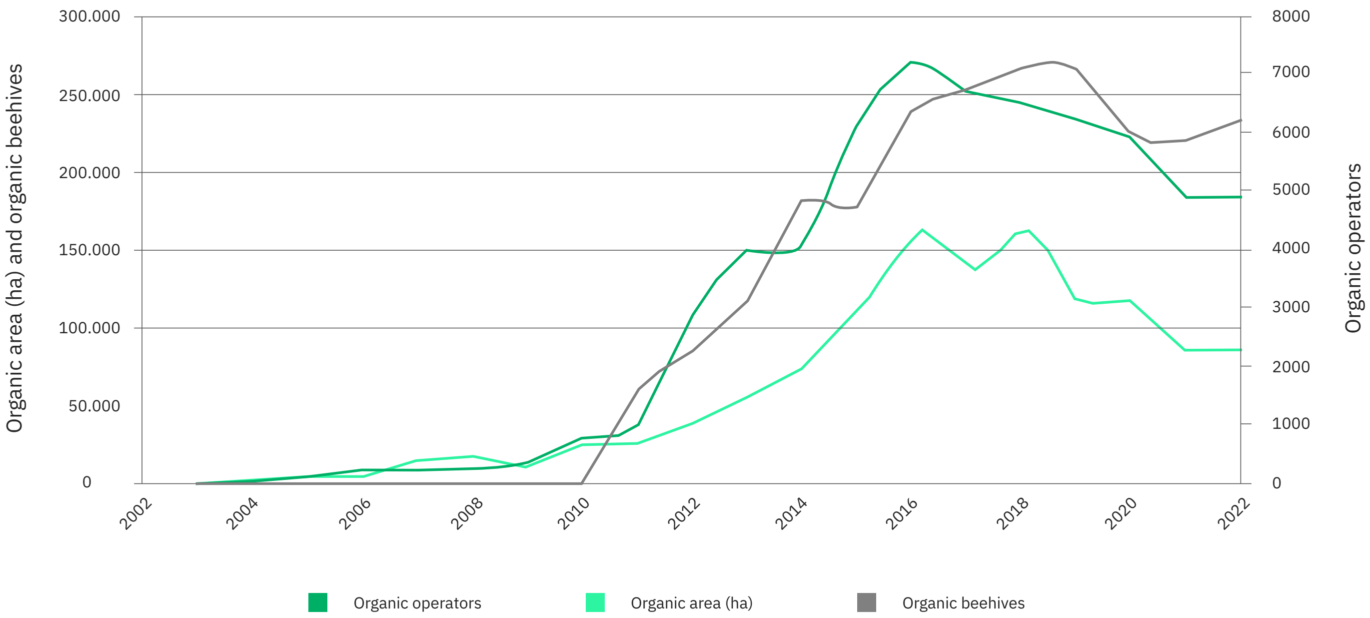

Figure 4

Milestones of organic farming development

1997	French company Biolandes started organic rose production in the Rose Valley (EU standard)
1999	Albena Simeonova (President of BOPA) started an organic farm
2001	National organic legislation and first farm certifications
2001	The doyen of organic honey exports Gerada became certified
2003	The farm of Ralchevs (Ina Essentials) became certified
2003	First participation as a country at BioFach
2003	First organic shop in Bulgaria (Bioproduct BG, Sofia)
2006	Bio Bulgaria Ltd. started to source and process organic dairy products
2008	Organic boom – more than 1500 shops in Bulgaria selling organic products
2008	First national organic farming support programme
2009	Founding of producer association BOPA with then 25 farms (today 300)
2010	First World Conference on Organic Beekeeping taking place in Bulgaria in 2010
2018	Founding of National Bio Association (50 members)

Figure 5

Figure 6: Organic milk of Bio Bulgaria Ltd

Institutions of Organic Food and Farming

Associations play an important role in Bulgaria to help farmers and other actors defend their interest vis-à-vis government and to transfer knowledge wherever the State fails. Besides two organic member associations, there are about 15 subsector associations and a number of foundations servicing organic farming.

The most important organisation with about 300 producers on the membership list is **BOPA**. The organic winemaker, environmental activist and deputy for Bulgaria's Green Party in the country's national parliament, Albena Simeonova is BOPA's founder and president. Vice president is the organic rose producer and processor Veselina Ralcheva. The association employs two staff and mostly deals with representing the position of small organic farms when government support schemes are designed. However, there is also considerable knowledge exchange within the association; when the authors asked farmers where they turn to for questions on technology and subsidy procedures, the answer was mostly: To senior BOPA members.

Later, some 50 farmers split off BOPA and founded another association in 2018: **National Bio Association**. Members are mostly from the fruits and vegetables subsectors. In addition, about **15 subsector associations** have emerged, mostly representing different commodity groups (organic beekeepers, dairy producers, horticultural producers). The Horticulture Union (Mariana Miltenova) is one of them. It helps members to exhibit at international trade fairs (e.g. Fruit Logistica 2023) and recently promoted Bulgarian certified organic fruit juices in the Emirates, Israel, China and Australia.

None of the above mentioned associations owns any private organic standard. Consequently, membership in an association is not used for marketing. Organic products in the market do not bear association labels.

Among the foundations, **Bioselena** is the most important. It was already established in 1997 in Sofia as a knowledge repository for organic farming and has since played this role. It is now run by Dr Stoilko Apostolov and operates from Karlovo. It got Swiss support right from the start and was made one of the owners of Bulgaria's second largest control body Balkan Biocert. Until today, Bioselena has also been the preferred partner of FiBL for any project implemented in Bulgaria. This has secured some income for the foundation as the current situation of the sector does not allow it to offer the full range of its services to stakeholders. One of the regular activities of Bioselena is the organisation of the Farmers' Market in Sofia every Wednesday as well as an Organic Festival once a year.

The **FAEL** Foundation has also helped to raise the profile of organic farming in Bulgaria, but at a much lower level as it is based on the voluntary commitment of Prof Dimita Hadjinikolov and others. Every year, FAEL organises an organic summer school in which students are exposed to organic farming and are made acquainted with forerunner farms.

12 associations have signed an MoU to build **unity** among organic stakeholders and ensure that they represent the sector's interest vis-à-vis the Ministry with one voice. Among the 12 is also the Association of Control Bodies in which 7 of the 15 Control Bodies are organised in order to counter the burden of documentary requirements which the Ministry is putting on producers and their control bodies (Chapter E). Unity has deemed very important as the National Grain Producer Association representing large-scale conventional farming enjoys an extremely strong lobby in Bulgaria which has led to a virtual absence of State support for the strengthening of the organic sector.

The support scheme of the **Ministry** is discussed in Chapter D. Beyond subsidies, not much has happened so far. The National Agricultural Advisory Service (NAAS) under the Ministry has made no move to start trials and demonstrations for organic farming. The only support farmers can expect from NAAS is assistance in filling applications for organic subsidies. The regional offices of NAAS do not have personnel specialised in organic farming and the material which NAAS has on organic farming is outdated and irrelevant. In the European project Knowledge Exchange Platform for Organic Farming (↳), Bioselena is the Bulgarian partner, and not NAAS.

A ray of hope is the spacious country stand at Biofach 2023 which the Ministry of Agriculture organised for the first time in ten years. 18 organic producers were present at the stand.

None of the three **universities** in Bulgaria preparing farmers (Agricultural University in Plovdiv, Forestry University in Sofia and Thracian University in Stara Zagora) currently runs a proper organic agriculture programme. In Plovdiv and Stara Zagora there were just not enough students to fill a programme. However, with the help of FiBL, individual course curricula have been adapted to incorporate some best international practice into selected study courses.

Under the Agricultural Academy, Bulgaria has 25 specialised agricultural research **institutes**. Only three were mentioned by organic farmers for any practical support: The Institute of Vegetable Crops "Maritsa" in Plovdiv ran some trials on organic production and makes available organic seed. Also the Institute of Agriculture of Kyustendil is selling fruit tree seedlings of varieties suitable for organic farming. And finally, the Institute of Mountain Animal Husbandry and Agriculture in Troyan has helped organic cheese producers with developing a final product.

An important private sector input provider for organic farming is Amititsa (↳). The company offers a broad range of organic insecticides and fungicides as well as beneficial insects, mites and nematodes.

With regards to investment financing for organic entrepreneurs, no special programme has been set up. However, it can be noted, that 4 Bulgarian banks hold about 70 % of the agricultural lending market: KBC (Belgium), UniCredit (Italy), ProCredit (Germany) and DSK (Hungary). Especially ProCredit Bank is behind some of the most impressive organic agriculture investments in Bulgaria. In 2022, the bank received a 60 m EUR credit line from EBRD for SME investments.

Figure 7: Organic meat products on Bioselena's weekly Farmer's Market

Organic Legal Frame and Subsidy System

The Bulgarian organic subsidy system has been a source of controversy. Area payments have been fluctuating during the past years. Last-minute decisions and non-predictability of organic subsidies make subsidies a weak instrument for political steering. In addition, farms often relied on subsidies as collateral for bank loans, and if they are not well-defined for the years to come, organic farms will find it difficult to secure loans.

The Ministry of Agriculture and Rural Development is the competent authority responsible for the implementation of the European and national organic legislation as well as for the approval and surveillance of all private control bodies. The directorate of organic farming is currently headed by Lora Pastuhova. Being part of the EU since 2007, the EU legislation on organic farming is fully implemented. In 2021, an inter-disciplinary working group proposed changes to the national law to reflect the new rules of 2018 / 848, but its recommendations were largely ignored by the Ministry.

In Bulgaria, all three common terms for organic products “Bio”, “Organic” and “Eco” are protected; although “Bio” is the one commonly used. The fine for not having a valid organic certificate when “Bio”, “Organic” and “Eco” are used is about 5,000 Euro. Any retailed organic produce needs to be packed and labelled. Unpacked sale by kilogram is only allowed under the organic label if sold directly by producers or by shops certified as organic retailers. Organic products sold in Bulgaria must be labelled with the EU organic farming logo. A national organic label exists (ladybug), but is absent in the market.

Support is largely limited to subsidies for conversion and maintenance of organic farming. However, the inability to secure area payments led to a decrease of organic area from 2018. For the current 2023−2027 Strategic Plan for Agricultural and Rural Development, more than 406 m EUR have been earmarked for organic farming (compared to only 168 m EUR for the 9 years from 2014 to March 2023), of this 331 m EUR for organic plant production, 41 m EUR for organic ruminant production, permanent grassland and forage crops as well as 34 m EUR for organic beekeeping. Another 40 m EUR are foreseen for organic processing investments. Payments for the maintenance of organic farming will range from 177 EUR / ha for pulses and 257 EUR for oil crops to 1182 EUR / ha for fruits and berries and 1679 EUR / ha for heated vegetable greenhouses.

To avoid available funds getting depleted on large grain operations, the organic associations ensured that the payments will favour small and medium-sized farms. For example, for large acre crops, there is 100 % payment for the first 100 ha, 50 % for the following 150 ha and 10 % for all land above 250 ha.

At the common initiative of a number of organic stakeholders (among others BOPA), the Ministry intends to support the organic market by an organic catering programme in kindergartens during the 2023–2027 period. 30 % higher state subsidies are budgeted for those kindergartens that conclude contracts for organic food. The number of kindergartens in this programme is intended to grow by 100 every year. Substantial benefits are expected: Plannable sales for producers and the change of perception among consumers that organic food is something for the upper class only.

This is only one of several measures elaborated by organic stakeholders in July 2022 as part of the National Organic Action Plan 2030. One of the first activities under this plan are the Bulgarian stand at BioFach 2023, a national organic conference in Plovdiv and other events taking place from 2023.

Figure 8: Bulgarian organic goat cheese at BioFach 2023

Organic Control and Certification

The way in which the Ministry of Agriculture surveils the 15 private control bodies attests a lack of contact with reality: The documentary burden on both organic operators and control bodies are bureaucratic and not heard of elsewhere in Europe. The Ministry's administrative requirements as well as excessive sanctions for documentary inaccuracies are a reason why in the last years, 5 European control bodies left Bulgaria and why the number of operators has been constantly decreasing since 2016.

The Ministry of Agriculture is responsible for the surveillance of all private control bodies while the control of organic products on the market (labelling and presentation) and the import procedures from third countries are delegated to the Bulgarian Food Safety Agency.

The Ministry operates a national **online database of all certified operators** (currently 4,841 certified operators). The software is poorly designed and there are no filtering options. The **online database for organic seeds and seed producers** was faulty at the time of writing.

15 control bodies (private companies) have been licensed by the Ministry. This is a quite high number for only relatively few operators and creates enormous competition. Three control bodies (CBs) only have less than 35 clients. The first license in 2003 was given to SGS Bulgaria. In 2005 then Balkan Biocert followed. This CB deserves some attention as it was the first national inspection and certification body established with the help of the Swiss CB IMO under one of the Swiss projects implemented by FiBL. Balkan Biocert is a limited liability company and shareholders are NGOs (Bioselena), traders and private persons who have initiated organic agriculture in Bulgaria. The idea was to reduce certification costs for farmers while at the same time ensuring the quality of services which customers are expecting from a Swiss CB. Today, Balkan Biocert has a daughter company in North Macedonia.

Info

Online database of all certified operators

www.bioreg.mzh.government.bg/Home/DataBaseList

Online database for organic seeds and seed producers

www.bioseeds.mzh.government.bg

Recognised Control Bodies in Bulgaria and number of operators certified by them in 2023

Name of the CB	Spelling of CB on MoA website*	Code	Office in Bulgaria	Country of HQ	Certified operators
Balkan Biocert	БАЛКАН БИОСЕРТ www.balkanbiocert.com	BG-BIO-02	Plovdiv	BG	786
Q Certification	КЮ СЕРТИФИКЕЙШЪН www.qscert.com	BG-BIO-03	Plovdiv	I	69
Ceres	СЕРЕС www.ceres-cert.com	BG-BIO-04	Sofia	D	189
Control Union Certifications	Контрол Юнион www.controlunion.com	BG-BIO-07	Sofia	NL	110
Biohellas	БИОХЕЛЛАС www.bio-hellas.gr	BG-BIO-10	Plovdiv	GR	621
SGS Bulgaria	СЖС БЪЛГАРИЯ www.sgs.bg	BG-BIO-14	Sofia	CH	58
Bulgarkontrola	БУЛГАРКОНТРОЛА www.bulgarkontrola.bg	BG-BIO-15	Sofia	BG	11
Agency for Organic Certification	АГЕНЦИЯ ЗА БИОЛ. СЕРТ. www.abcbg.net	BG-BIO-17	Varna	BG	255
Cosmocert	КОСМОСЕРТ www.cosmocert.bg	BG-BIO-18	Sofia	GR	562
Makom Certification	МАКОМ СЕРТИФИЦИРАНЕ www.makom.bg	BG-BIO-19	V. Tarnovo	BG	1,400
Agro Organic Control	Агро Органик Контрол www.agro-organic.com	BG-BIO-20	Yambol	BG	213
Bio Certification	Био Сертификейшън www.biocertification.eu	BG-BIO-21	Plovdiv	BG	255
Nutramed	НУТРАМЕД www.biocert.nutramedbg.com	BG-BIO-22	Plovdiv	BG	257
Global Sert	Глобал Серт www.globalsert.bio	BG-BIO-23	Plovdiv	BG	34
Organic Cert	ОРГАНИК СЕРТ www.organic-cert.eu	BG-BIO-24	Shumen	BG	22
				Total	**4,841**

Figure 9

In addition, 29 companies are certified according to the American NOP standard by Ceres (16), Ecocert (7) and Control Union (6). They are nearly all from the industry of roses and other aromatic plants. According to the Biodynamic Federation Demeter International, in 2023, there were 2 companies and 470 ha certified Demeter (mostly almonds, walnuts and lavender).

A poorly designed system of the Ministry of Agriculture which lacks all contact with reality of how CBs are supposed to report data as well as excessive sanctions for documentary inaccuracies, not heard of in other countries of the EU (see box) has led to a continuous decline in number of certified operators from 7,161 in 2016 to now only 4,841. Also a number of reputable European CBs left the system during the last years as they found it economically not worthwhile to comply. BCS Öko Garantie (BG-BIO-06) left in 2018, Austria Bio Garantie (BG-BIO-16) in 2019, Bioagricert Italia (BG-BIO-13) in 2019, Ecogruppo Italia (BG-BIO-12) in 2021 and Lacon (BG-BIO-05) in 2022.

* The Bulgarian spelling is needed to search a certificate on the Ministry’s website: www.bioreg.mzh.government.bg/Home/DataBaseList

Absurdities of the current control system which operators and their CBs need to fulfil:

- 1. Organic certification and subsidy application are interlinked. They are based on cadastral parcels. However, a field usually is made up of very many (up to 50 or more) different parcels.

- 2. For application and reporting, operators and CBs need to use three different ID systems for each land unit: The cadastral ID, the ID of the Ministry's organic registry and the ID created by the Payment Agency. Data needs to be entered manually (no possibility of data export), not only once, but repeatedly every year; a subsidy application can easily be 40-50 pages.

- 3. Mistakes in data entry cannot be changed once data sets have been uploaded; a request must be filed to correct data; a commission is then formed, the decision of which needs to be signed by the Minister; only then the system is unlocked so that the mistake can be corrected; this process may take 2-3 months.

- 4. Almost every data discrepancy between the Payment Agency's and Ministry's register leads to a loss of subsidy, not only for the parcel in question, but for the entire farm.

- 5. The inspection by the CB is supposed to be carried out during harvesting; however, this is physically often not feasible.

- 6. All harvested quantities need to be recorded per parcel, but this is often not reasonable, for example in vegetable farming when many different crops grow on one plot and are harvested selectively over a longer period of time. Operators must inform CBs about all changes on the farm within only 10 days (except for newborn animals for which the time limit is 3 months).

- 7. Pesticide residue and soil contaminant analyses must be carried out from at least one crop before the end of the conversion period and if the analysis results in two values of 1 ppm or higher (e.g. from drift), the conversion period starts again for all crops of the farm.

- 8. A risk assessment with 66 questions is compulsory for every operator although this has no real effect on inspection and documentation requirements.

- 9. Entire farms can be decertified for small issues like a missing invoice. Again, this leads to sanctions in form of unpaid subsidies for the entire farm.

- 10. Farms in Bulgaria receive an unacceptable high number of inspections, not only from CBs, but often also from the Ministry's organic directorate accompanying the CBs as well as from the Payment Agency.

With these cumbersome requirements, Kristian Zhekov from the Association of Control Bodies (SKLBP) says: "In Bulgaria, organic farming exists because Control Bodies are working."[4]

Figure 10: Sofina organic vegetable farm with farmer Stoyan Simeonov

4 Source: Own interviews with control bodies and farmers in 2023.

Organic Production by Value Chain

Bulgaria may be mostly known for its world-famous organic rose oil, which is indispensable in the perfume industry. However, in the last decade a number of successful organic enterprises has emerged especially in the area of food manufacturing, beekeeping and honey export as well as fruits, berries and nuts production and processing. Slowly also organic dairy products conquer the market as well as meat specialities.

Food Manufacturing

Without two food manufacturing companies, the organic sector in Bulgaria would not be what it is today: Bio Bulgaria and Smart Organic. Both companies were visited and decision-makers interviewed. Bio Bulgaria is mostly using contract processing (about 20 factories) as there seem to be sufficient high-class processing capacity in the country. Only a small dairy near Sofia is operated by the company itself. In contrast, Smart Organic is entirely processing it its own new facility located in Knyazhevo, a suburb of Sofia. Both companies have a young management with vision and strategy and are sensitive to questions of sustainability with regards to sourcing, packaging and transport.

Bio Bulgaria Ltd

Started in 2006 when retired tennis professional Magdalena Maleeva (world ranking No 4) wanted to see organic Bulgarian dairy products on the shelves of local shops. She founded the company with Metodi Metodiev and Lubomir Nokov, and Bioselena made the connection to the first organic farms supplying milk. Now the company has 150 products (only organic) mostly sold under the Harmonica brand. The company focuses on Bulgarian food products using traditional village recipes (for example its famous Lutenitsa pepper spread or Boza maize drink). Best sellers are organic dairy products and Harmonica's range of fruit syrups. The company's credo is to source locally if available in Bulgaria. Although the products are present in all supermarket chains (except Kaufland), the company tries to make most of the turnover from small corner stores, 800 of which are currently delivered regularly. Some export of products under private label (e.g. KoRo) go to Germany, Italy, Spain, Poland and Dubai.

- Brand: Harmonica
- Annual turnover: 5 m EUR

www.harmonica.bg

Figure 11: Aneliya Hadzhieva, supply chain manager at Bio Bulgaria Ltd, with Christoph Arndt of EkoConnect

Figure 12: Harmonica organic almond butter

Figure 13: Harmonica organic almonds

Smart Organic Ltd

Became active in 2010 after the founder and CEO Yani Dragov returned from Germany where he studied mathematics and economics. His idea was to produce convenient and hip food products that are more affordable. Most of the 320 products are vegan and all organic. In a 6000 sqm facility, products (bars, cookies, snacks, staple food) are made and packed on 5 product lines. 60 % of turnover comes from export (about 60 countries). 20 m bars are produced per year. The company buys grains, sunflower kernels, almonds, hazelnuts and walnuts from Bulgarian organic farmers through contract farming. In addition to the 33 own brands, the company is also producing products for the private labels of supermarket chains (e.g. for Lidl, Billa, Alnatura, KoRo). Lidl is the company's most important single customer, not only in Bulgaria, but also in Germany. Smart Organic is also an importer of the German brands Dennree, Vivani, Yogi Tea.

- Brands: BIOKLASA, bett'r, Roo'bar, dragon, KOOKIE CAT, Smart Organic, Kurabiinitsa, Frudada
- Annual turnover: 30 m EUR

www.smartorganic.com

Figure 14: Smart Organic's snack bar made for Lidl's Alesto brand

These two companies are just the more successful ones from a range of creative young enterprises that produce unique organic food products. Fruit and chocolate bars turned out to be a segment in which Bulgarian companies can be internationally competitive.

The family business **Agarikus BG** exhibiting at Biofach 2023 is producing organic bars and snacks just outside Sofia. It is working for private labels only. The company started in 2015 with self-designed products developed in the own kitchen and moved into a modern facility with a fully automated raw bar production line in 2020. 95 % of the production is exported to Europe, mainly Germany. **Livity** is a Bulgarian producer of three types of organic bars, active since 2014. The company was started by Krasen Kyurkchiev, a well-known Bulgarian brand creator.

Another product which we see in great variety are spreads from nuts and chocolate. The organic nut spreads of **Dr Keskin** can be found virtually in every chain supermarket throughout Bulgaria. The company mainly imports and exports food, but also has a small facility to process nuts and fruits. Most products are conventional, but 45 are certified organic (nut pastes, mueslis, seeds and nuts).

RAD-MAR is a family company from Dobrich, close to the Black Sea. The company is producing pastes and oils from nuts under its brand Belun, but mostly makes such products for private label. Raw materials are imported (organic groundnuts, sesame and dates) or come from domestic production (almonds, hazelnuts). Some organic hazelnuts and walnuts are grown on the own farm in Dobrich. Most of the products are exported as raw materials for the baking, confectionary and ice cream industry in other EU countries.

Crafted organic chocolate is also produced in Bulgaria: Benjamissimo is the brand of **Bio Benjamin** in Sofia producing 20 high-priced chocolate products available nearly in all supermarkets, all organic and vegan. Only partly organic are the products of **Gaillot chocolate** (in Bulgarian: Гайо Шоколад), a small chocolatier from Plovdiv.

Rostar BG is mainly a distributor of fast-moving consumer goods in Bulgaria, but the company also packs and makes organic food in Bulgaria selling it under two organic brands “And nothing more” with 45 organic products of the dry assortment (mostly imported) as well as MIGIBI with 20 sweet and salty products of cookies, muffins and crackers baked in Bulgaria.

BioStyle is specialised on making vegan food products in the village of Brestovitsa near Plovdiv. Under the company’s brands Amore, breakfast cereals, bonbons (some with Bulgarian organic rose oils) and gluten-free cookies are produced (altogether about 25 products). In addition, vegan salami sticks are made. BioStyle was founded by the young couple Evgeniya and Dimitar Stamenov in 2012 and is fully devoted to organic plus vegan foods. Raw materials are mostly sourced from Bulgaria and products are exported to 15 countries.

Finally, the young company from Sofia **Rocket Food** deserves mentioning. It was created to produce hip vegan food products (gluten free, soy free, GMO free, lactose free) through high pressure processing. Two of them are organic (boza and hummus) and can be found in some major mainstream retail stores in Sofia.

Wine

The Thracian Valley is the largest and oldest wine region of Bulgaria. Archaeological evidence suggests that wine

Figure 15: Benjaminissimo organic chocolate

Info

Agarikus BG

www.agarikus.com

Livity

www.livitybar.com

Dr Keskin

www.keskin.bg

RAD-MAR

www.belun.bg www.nutbutters.eu

Bio Benjamin

www.biobenjamin.com

Gaillot chocolate

www.gaillotchocolate.com

Rostar BG

www.andnothingmore.eu www.migibi.eu

BioStyle

www.biostyle.bg

Rocket Food

www.rocketfood.eu

was made here 7,000 years ago by the Thracians. Other viticulture regions are the Rose Valley (just North of the Thracians Valley), the Danubian Plain, the Black Sea and the Struma River Valley (Southwest Bulgarian).

Bulgaria has about 2,800 ha of organic wine grapes (down from 5,400 ha in 2016). It is only on Position 9 in Europe and has slightly more than Romania. When comparing the different wines which wineries offer, it turns out that organic wines often belong to the wineries' cheaper range. In organic production, intervention is minimised using natural wine yeast, rather than highly-efficient strains. The involvement of technologists in the fermentation process is also limited, which emphasises more the unique profile of each harvest. Bulgaria's first organic vineyards were certified in 2007, with the country's first organic wines appearing in 2010.

Wineries with organic products on the market:

Orbelus

The winery in the Struma River Valley which is one of the most known organic wineries in Bulgaria cultivates 30 ha of organic grapes and produces only organic wines. It is organic certified since 2010.

www.orbelus.bg/en

Edoardo Miroglio

The 220 ha of new vineyards in the Thracian Plain were established by the Italian entrepreneur Edoardo Miroglio from 2002 onwards placing a boutique hotel and a cellar in the centre of the estate. As of 2013, Edoardo Miroglio obtained organic certification for about one third of the vineyards and started producing 3 new organic wines. Plans are to increase to 50 % from 2023 onwards.

www.emiroglio-wine.com

Figure 16: Edoardo Miroglio's three organic wines

Figure 17: Edoardo Miroglio's vineyards with a hotel in the centre

Katarzyna Estate

Katarzyna Estate in the Thracian Plain is located close to the border to Turkey. The winery opened in 2006, and in 2012 a part of the vineyards (85 ha) was converted to organic production. The first vintage of wine produced from organically grown grapes was in 2015 year. Organic wines are sold under the brand Callisto.

www.katarzyna.bg

Damyanitsa

In the Struma River Valley. Organic since 2012.

www.damianitza.bg

Zagreus

In the Thracian Plain. Organic since 2010.

www.zagreus.org

Terra Tangra

In the Thracian Valley. Partly organic. The winery is one of the first certified for organic wine in Bulgaria.

www.terratangra.com

Boshkilov

In the Struma River Valley. Organic since 2017.

www.vini-boshkilov.com

Albena Simeonova

The 30 ha all-organic vineyard of the president of the organic association BOPA, Albena Simeonova, is located in the Danubian Plain and has been organic since 1999.

Grains, oil crops, pulses

Despite Bulgaria's large grain production areas especially in the Danubian Plain (1.9 m ha are under grains every year in Bulgaria), organic grain production only takes place on about 10,000 ha (down from 30,000 ha in 2016). This is very low and a reason why the organic area is only at 1.7 % in total. It is hard to imagine that this share will considerably grow if grain producing (mixed) farms do not convert to organic farming in significant numbers. Romania, Bulgaria's Northern neighbour, has more than 12 times the area under organic grain. Organic grain producers face low yields and a dependence on external inputs as there are nearly no farms practicing circular agriculture with livestock.

Position of Bulgaria in Europe for size of organic production (2023|ha | number)

Type of organic production	Position in Europe
Organic grains	25
Organic pulses	16
Organic oil seeds	15
Organic fruits	8
Organic nuts	5
Organic vegetables	17
Organic medicinal and aromatic plants	1
Organic beehives	1
Organic dairy cows	21
Organic dairy sheep	16

Figure 18

At present, even organic flour is hard to sell in Bulgaria. It is virtually non-existent on supermarket shelves. Only **Ecosem** and **Flora** were found to offer Bulgarian flour (wheat and spelt). Goodmills Bulgaria (brand: Sofia Mel) sells organic flour from Austria.

The production of pulses (about 5,500 ha) seems to be more profitable. Its cropping area in Bulgaria is comparable with that of Romania.

Figure 19: Ecosem's organic rye flour

Figure 20: Flora's organic spelt flour

Info

Ecosem

www.ecosem.bg

Flora

www.florabioworld.com

Suncomo Foods

www.suncomofoods.com

Pliska Oil

www.pliska-oil.bg

Regarding oil seeds, (90 % sunflowers, 10 % soya), Bulgaria only occupies 15th position in EU; Romania has a six times higher production. However, sunflowers usually grow well in the Eastern Danubian Plain. **Suncomo Foods** from Kalipetrovo is the lead company in Bulgaria's organic sunflower value chain. The company belongs to the Dutch Tradin Organic (Part of the Acomo Group) and only processes organic sunflowers producing hulled kernels, oil and pelletised cake for feed. **Pliska Oil** also has an organic line and produces organic oil bottled for the Bulgarian market. Organic soybeans may become more important in the near future being promoted by EU's agricultural policy with specific subsidies and the crediting of soy as ecological compensation area.

Figure 21: Smart Organic's organic sunflower seeds

Fruits, Nuts, Vegetables

Organic fruits are produced on about 5,000 ha: 90 % stone fruits and 10 % apples. Bulgaria occupies Position 8 in Europe and grows about half of what the Northern neighbour Romania does. With about 12,000 ha, nuts (almonds, hazelnuts, walnuts) are much more important.

A cluster for **organic fruits** is the Kyustendil Valley. Here also the organic fruit processing companies **Struma Fruit** and **Serena** are located which both dry a large variety of fruits and vegetables.

Yablena Natura from Botevgrad to the North-East of Sofia is a major apple and pear producer supplying major Bulgarian supermarket chains (Billa, Lidl) throughout most of the year.

The organic apple juice **Gaya** comes from Ruse in the Danubian Plain from a company which only partly processes organic apples. In the Danubian Plain also operates **Veda**, a company which produces a large variety of organic fruits.


Figure 22: Organic farmer Docho Mihaylov producing sour cherries for Bio Bulgaria's assortment "Harmonica"

Organic sour cherries are much produced in the Black Sea Region of Bulgaria, for example on the farm of Docho Mihaylov who produces sour cherries for Harmonica's syrop and jam. Another sour cherry producer is the farm of **Dr Slavi Trifonov** near Karlovo which is part of the Domain Trifonoff winery. Pure organic sour cherry juice is offered for the Bulgarian and international market in glass bottles and larger containers.

Info

Struma Fruit

www.strumafruit.com

Serena

www.serenaltd.com

Yablena Natura

www.yablenanatura.com

Gaya

www.gaia.bg

Veda

www.veda-pleven.com

Dr Slavi Trifonov

www.cherry-berry.eu

With regards to **organic berries**, Bulgaria is mostly known for aronia, but also with less importance cultivated raspberries and blueberries as well as blueberries, cranberries and blackberries from some wild collection. Berries are mostly for processing; only a few berries are produced for fresh consumption. For organic aronia, two bigger players are **Aronia Alive Agriculture** from Sofia and **Organic Aronia** from Dobrich.

The largest actor for raspberries is Ekovita (and sister companies) belonging to the Italian **Rigoni di Asiago**, one of Europe's largest producers of organic jams. Rigoni di Asiago started its activities in Bulgaria already in 1993 producing organic raspberries and strawberries grown on own land and by three outgrowers. Cleaned and frozen fruits are transported to Italy where all jam manufacturing takes place. In addition, the company deals with organising wild collection of organic blueberries which are further processed in Romania. Organic apples are grown on 200 ha purely for processing. 1,300 workers are employed in agriculture and 100 in processing.

Much smaller processors of berries are **Istar Eco Consult** of Gerasim Dotchev producing frozen berries near Teteven in the Balkan Mountains mostly for export as well as **Jam & Jam** from Plovdiv making 16 organic jams from strawberries and other berries and fruits. An organic blueberry producer is the company **Arkom** (Brand: Belmeken) in the Upper Thracian Valley growing blueberries since 2014 and processing them to jam and juice. The company **Balevski and Kirov** from the Balkan Mountains is specialised in purchasing and processing organic rosehips converting them into flours, teas, oils and jams. The company represented Bulgaria on the Green Week 2023.

Figure 23: Rigoni de Asiago's processing factory Ekovita in Pazardzhik

Info

Aronia Alive Agriculture

www.aroniabg.eu

Organic Aronia

www.organic-aronia-bg.com

Rigoni di Asiago

www.rigonidiasiago.it

Jam & Jam

www.jamandjam.com

Arkom

www.borovinki.bg

Balevski and Kirov

www.balevski.bg

Organic nuts do better than organic fruits as they require less labour and can be better mechanised. In addition, especially demand of local processors (e.g. Smart Organic and Bio Bulgaria) for organic almonds and hazelnuts is very high, e.g. for snack production. Many nuts are grown in the Eastern Thracian Plain. However, the largest nut company, **Bulgaria Nuts** is situated in the Danubian Plain producing and exporting organic almond, hazelnut and sunflower seed butters. The company **Gourmoli** from the Danubian Plain is known for its organic walnut oil.

There are not many examples of **permaculture**, but they are worth mentioning as they make organic farming attractive for young educated adults who would otherwise perhaps not dedicate themselves to agriculture. **Venets** near Pleven and Troyan is an organic permaculture farm producing a large variety of fruit and berry products. They cooperate with the **Polyculture Project** doing permaculture trials near Kazanluk.

Figure 24: Organic products of the Venets permaculture farm

Organic vegetables is the crop category which was most reduced in the last ten years. Bulgaria's organic vegetables area only occupies Position 17 in Europe. The most important vegetable company, though not by area, but by output, is without doubt **Gimel Organic** with 46 ha of greenhouses at Pazardzhik producing cucumbers, peppers and cabbage; however, no tomatoes due to some high pest pressure. In cucumbers and peppers, the company uses mostly beneficial insects to control pests. Gimel employs 450 staff. Production is 100 % organic, 10 % of it for the Bulgarian market (Gimel's products are sold at major Bulgarian chain supermarkets including Lidl and Billa) and 90 % for other EU countries, especially Germany having long lasting contracts with Edeka and Rewe. Karamfila Gyurova, the owner of Gimel Organic, says that her competitive advantage is the availability of water and intensity of sunlight in Pazardzhik with moderate temperatures in summer.

Another vegetable producer worth mentioning is **Moravsko Selo** (↳) at the foot of the Rila Mountains producing a large variety of organic vegetables sold in organic shops throughout the country. The farm is complemented by a small hotel and restaurant. **Versol** (↳), a biodynamic farm in the Balkan Mountains (100 km from Sofia) with 13 tunnel greenhouses, and **Sofina Organic Farm** (↳) just East of Sofia both offer box schemes for clients in Sofia.

Two companies are present on the market with canned organic vegetables: **Drujba** (↳) near Varna and **Konservinvest** (↳) in the Thracian Valley. Lyutenitsa, the typical Bulgarian vegetable relish with peppers, is not missing in the range of their products.

Figure 25: Gimel Organic's fresh cucumbers sold at Billa in Bulgaria

Info

Bulgaria Nuts

www.bulgarian-nuts.com/

Gourmoli

www.gourmoli.com

Venets

www.venets.co

Polyculture Project

www.thepolycultureproject.com

Roses

Rose oil is perhaps the organic product mostly associated with Bulgaria. In the Valley of Kazanlak, just South of the Balkan Mountains, about half of the world's rose oil is produced. The climate here offers mild winters, long and temperate springs with light rains and high humidity and abundant morning dew. Between mid-May and end of June, the flowers of "Rosa damascena" are picked by hand before sunrise and shortly after for achieving the highest concentration of their oil. About 15 % of the rose area is certified organic and up to 20 distilleries are involved in the organic rose oil production.

Although about 80 % of the organic rose products are shipped outside Bulgaria, some Bulgarian companies encompass the entire value chain consisting of growing and picking roses, distillation, oil trade, cosmetics production, and marketing of the final product. **Ina Essentials** serves as an example. Others are only specialised in one or a few segments of this value chain.

Figure 26: Ina Essentials' organic cosmetics

Ina Essentials

Ina Essentials is first of all an organic farm, one of the oldest in Bulgaria (since 2003) growing roses and other aromatic plants (lavender, rosehips, chamomile, salvia) on 100 ha, but also fruits, vegetables and oil seeds on another 50 ha with the help of manure and plant extracts. The family company which was started by Nikolay Ralchev and Veselina Ralcheva soon started to operate an own distillery, but the breakthrough only came in 2019, when the products of distillation were further processed to cosmetics, the brand Ina Essentials was created and their children opened international online stores. This came with costs, but let the turnover jump from 1 m EUR to 5 m EUR. The Ralchevs have been instrumental in building an organic cluster by being an example for others to start organic cultivation and making their certified distillery available. However, organic rose companies usually have only very few outgrowers (the Ralchevs only work with 6 farms producing rose petals for them) as for cosmetics it is of utmost importance to control the entire process. Looking at the success factors for Ralchevs' farming activities, three timely decisions can be distilled: Converting organic early on and sticking to it also in financially difficult times, buying land when other farmers sell it, and building a trustful relation with the Roma community who constitute most of the 200 workers harvesting the petals.

There are certainly a number of other successful family-owned companies in Bulgaria integrating the chain from growing roses to marketing of cosmetic products, for example **Alteya Organics** and **Little Rose Fields**. Other, larger companies just grow organic roses and produce essential oils. **Bioform**, **agroCO2**, **Enio Bonchev**, **Krimas**, **Brighters** and the French **Biolandes** are important examples.

Info

Ina Essentials

www.inaessentials.com

Alteya Organics

www.alteyaorganics.com

Little Rose Fields

www.littlerosefields.org

Bioform

www.bioform.bg

agroCO2

www.agroco2.com

Enio Bonchev

www.eniobonchev.com

Krimas

www.krimasbg.com

Then there are about 50 companies who just contract farmers and distilling services and then trade essential oils. **Ayali Group**, for example, contracts 100–150 farmers every year for the production of different essential oils sold in bulk. **Armina**, on the other hand, is a Bulgarian company only offering retail-ready branded organic essential oil products.

Figure 27: Organic roses in Bulgaria's Rose valley

Figure 28: Armina's cosmetics made from organic herbs

Info

Brighters

www.brighters.bg

Biolandes

www.biolandes.com

Ayali Group

www.ayaligroup.com

Armina

www.armina.bio

Other Medicinal and Aromatic Plants as well as Wild Collection

The other aromatic plant for which Bulgaria is known is organic lavender. Here, Bulgaria occupies the second position in Europe after France. Lavender is grown more in the area around Dobrich, close to the Black Sea. Here, we have organic companies such as **Bul Lavender Oil**, **Bulgarian Essential Oils** and **Agro Bio Farm**.

Other companies deal with a variety of herbs grown for distillation or drying, for example **Bulgarian Oils** in the Danubian Plain near Ruse, **Agro-Oil** and **Plantabul** both in Shumen in the Balkan Mountains and **Bakalski** in Plovdiv. **Ira-Eko** is one of the biggest producers and exporters of dried herbs, flowers, roots, fruits and seeds (more than 1000 tons / year). The plants are usually grown by a network of partnering local organic farms. Some, however, are also from wild collection in the vast mountains of Bulgaria. Trade partners are European tea producers and pharmaceutical factories.

The trend goes away from wild collection, partly because of lack of labour. Cranberries, blueberries and blackberries are still collected wild – as also Lime blossoms in the Balkan Mountains; the latter, however, requires pickers to climb into the trees which fewer and fewer are ready to do. Today, Bulgaria is only on 8th position in Europe for wild collection after Finland, Romania, Belarus, Albania, Ukraine, North Macedonia and Greece.

Info

Bul Lavender Oil

www.bullavenderoil.business.site

Bulgarian Essential Oils

www.bulgarianessentialoils.com

Agro Bio Farm

www.agrobiofarm.com

Bulgarian Oils

www.bulgarianoils.com

Agro-Oil

www.agro-oil.bg

Plantabul

www.plantabul.com

Bakalski

www.bakalskico.com

Ira-Eko

www.ira-eko.com

Beekeeping

Organic beekeeping is a further stronghold of Bulgaria's organic sector. With 223,000 organic beehives, the country occupies Position 1 in the EU. This position was maintained since 2016, but the risk is that more and more farmers now start to drop out. The production per beehive that went to the market was quite low (only about 12 kg). Therefore, Bulgaria is not EU's top producer of organic honey, but Romania instead. Much bigger in organic honey is Ukraine, and the pressure on the price from organic Ukrainian honey pouring into the EU is immense.

The centre of organic beekeeping in Bulgaria is Shumen and Sliven (Balkan Mountains), but also the Danubian Plain. Beekeepers are usually linked to a honey processor who is also exporting the honey (main markets: Germany and US). Among the more important ones are **Gerada**, **RAM Commerce** and **Bulgarian Bee**, a sister company of Bulgarian Nuts. They usually work with 50 to 100 beekeepers, each of who operate 100–500 beehives (subsidies are only paid for the first 250 hives).

The main problem faced by the organic honey sector is the aging of the beekeepers' community. Gerasim Dotchev of Gerada therefore buys beehives off from retiring beekeepers and makes them available for young farmers with 50 % of pre-financing. Another problem is the quite low additional margin which organic beekeepers get. The price difference between conventional and organic honey is usually only 0.15–0.50 EUR / kg, but costs are much higher as hives have to be placed into wild areas to be far from the large sunflower fields. This involves high transport costs which can soar if fuel prices go up. Finally, organic beekeeping is faced with a high annual yield fluctuation. The sector therefore calls for government support in form of compensation payments in bad years.

Figure 29: Organic honey processed by Bulgarian Bee

Info

Gerada

www.geradaorganic.com

RAM Commerce

www.bulgarianhoney.com

Bulgarian Bee

www.bulgarianbee.com

Dairy and Other Animal Products

Bulgaria is also known for its sheep cheese, and some organic farmers and dairies made use of this opportunity. However, all in all, organic livestock numbers are extremely low: 3,000 dairy cows, 8,000 ewes and 4,000 goats. On the other hand, conditions for ruminant farming are good: The demand for organic dairy products both locally and in Europe is high, and there is abundant grassland available (about one quarter of certified land in Bulgaria is grassland). Investment costs for dairy production must not be very high as especially in the Balkan Mountains large organic herds (100–200 animals) are grazed on a free range with a herdsman. Goats even still go on transhumance in autumn.

The strongest in the market is **Bio Bulgaria** (Brand: Harmonica, see page 18) working with two dairies and producing a range of organic dairy products since 2006. They are known to be the first on the market educating the consumers about organic food.

The dairy **Dimitar Madjarov** near Plovdiv manages to get fresh organic milk into major supermarkets. **Kondov Ecoproduction** in the Balkan Mountains produces organic cheese from mostly sheep and goat milk, partly cow milk. Certified organic since 2006, more than three quarters of Kondov's production is sold to other EU countries or exported to the US. **M.J. Dairies** in Karlovo at the Southern side of the Balkan Mountains also has a small organic product line.

In addition, there are more and more examples of livestock farms making their own cheese sold under the farms' brands. Examples are the goat farms **Todorovfarm** from Ruse and **Kozle** from Bansko, but also the cow farm SPEKT from Vratsa.

The first organic slaughterhouse in Bulgaria was the one of **Wild Farm**. The farm in the South Eastern Rhodope mountains with 1,200 beef cattle makes fresh and canned beef as well as sausages. However, in the absence of more (mobile) organic slaughterhouses and meat processing facilities, most of Bulgaria's slaughter animals are marketed as conventional.

Organic eggs in the supermarkets are mostly imported from Greece. Two Bulgarian organic egg producers are **Organita** from the Danubian Plain and Ferma Yaiko from Kostinbrod. The Bulgarian Veterinary Law restricts the possibility of keeping birds in the open. Therefore, only 500 organic laying hens are registered in Bulgaria. The Veterinary Law also prohibits pigs to be kept outdoors. Therefore, there is no organic pig production in the country.

Finally, marine aquaculture has to be mentioned. It is growing fast and produces nearly exclusively mussels (2,000 to 3,000 t per year).

Figure 30: Kondov's organic cheese

Info

Dimitar Madjarov

www.madjarov.bg

Kondov Ecoproduction

www.kondov.net

M.J. Dairies

https://moetvoenashe.bg

Todorovfarm

www.facebook.com/todorovfarm/

Kozle

www.facebook.com/kozleood

Wild Farm

www.divataferma.com

Organita

www.organita.bg

Organic Domestic Market

Also in Bulgaria, most organic products are traded via chain supermarkets. The larger ones – and those that are effective in selling organic food – are all in German ownership: Schwarz Group, Rewe Group, dm and Metro AG. Among the Bulgarian chain supermarket, Fantastico is an important retailer of organic products. Smaller Bulgarian specialised food chains have emerged also, which however, are not as successful as the Bulgarian online stores.

As in other countries too, it was Hipp babyfood which made the organic label known to Bulgarian consumers. Later, from 2006, Bio Bulgaria with its Harmonica brand brought organic dairy products into the supermarket chains. Consumers were also exposed to the organic label by the activities of Bioselena, namely the weekly Farmers Market in Sofia (every Wednesday) and the annual Organic Festival.

Today the size of the organic retail market is estimated at 50 m EUR taking in consideration recent price rises. Lidl, Kaufland, Billa and dm are the chains contributing most to organic turnover although each of them follows different concepts: Lidl only offers 80 organic articles (15 % Bulgarian), but among them fresh fruits and vegetables. Kaufland (275 organic articles, 40 % Bulgarian) offers no organic fruits and vegetables, but dairy products. Billa stocks 320 organic articles (25 % Bulgarian) and dm as many as 500 (20 % Bulgarian).

Figure 31: Organic shelf at Kaufland in Sofia

Online stores have also become very important for organic domestic trade. **Ebag** (↳), for example, has the same turnover for Smart Organic products as about 50 dm branches, the CEO of Smart Organic, Yani Dragov, told us. The number of online stores specialised in selling organic food is high and will probably see some concentration.

Most important online stores for organic food:

- **Balev Bio** (↳)
  with 7 shops in Sofia, Plovdiv and Varna
- **Zoya** (↳)
  with 8 shops in Sofia
- **Biomag** (↳)
  linked to Bio Bulgaria with 3 shops in Sofia
- **Zelen** (↳)
  linked to Smart Organic with 6 shops in Sofia
- **Foodfolie** (↳)
  linked to the importer Rostar BG
- **Biobazar** (↳)

Among the above are also the main importers of organic food products for the organic market. Organic fruits and vegetables, whether imported or from Bulgaria, are usually supplied by two companies which operate packing lines: **BioGreeny** and **Balev Bio**.

At present, organic food is not available in the state-funded canteens of kindergartens, schools, hospitals or government offices. At the same time, the State is the largest individual consumer of food. For the first time, organic fruit, vegetables and dairy products were included in the School Fruit and School Milk Programs in the 2022–2023 school year. While only 4 of the 50 deliveries were organic, this is a good start and could help increase local production. Furthermore, the implementation of the Green Public Procurement Directive in Bulgaria may now enable municipalities and ministries to include locally produced organic products into the requirements which are given to suppliers.

The steady turnover growth in organic sales can be easily understood against the background that the monetary income per capita has significantly increased (by 50 % from 2016–2021). This has led to an increase of 43 % in expenditure for food and beverages (Bulgarian National Statistical Institute). With an increase in wealth, consumption patterns also changed and the per capita consumption of more expensive food rose significantly, e.g. yellow cheese from 3.9 to 5.1 kg, fruit juice from 4.9 to 6.8 kg and nuts from 1.0 to 1.5 kg. This provides opportunities which the organic sector needs to tap into.

Figure 32: Balev store in Varna

Info

BioGreeny

www.biogreeny.com

Balev Bio

www.balevbio.bg

Outlook

Bulgaria is at the bottom of the league in Europe as far as organic area is concerned. Government policy to support organic farming was not consistent and failed to balance vulnerabilities. This will most probably change now in the frame of the EU target to reach 25 % of land under organic farming.

Without having a large number of mixed grain growing family farms as well as large specialised grain producers converting to organic farming, the sector will not grow significantly. Experience shows that it is not the subsidies which make them convert and stay organic; a bureaucratic subsidy scheme can be a hindrance instead. Efforts need to be made to create and support market structures in the form of off-taking companies or cooperatives with facilities for grains logistics and post-harvest treatment. Government now needs to support such private investments. The small country Moldova can serve as a model here. Organic pulses and soybeans which are getting increasingly profitable to grow, will make organic grain crop rotations more profitable.

Next to the grains subsector, growth can also be expected in the organic livestock subsector if adequate government support is provided. In Europe, Bulgaria can be very competitive with organic beekeeping and milk production wherever low-intensity farming practices are further developed. They do not require much investment, but safeguards for bad years which government needs to provide. A high demand on the market and the availability of high-class off-taking and processing companies are an asset for further livestock development.

Another asset is the new unity of the organic sector with a memorandum signed by twelve civil society organisations. This will hopefully result into a better dialogue with government and less bureaucratic procedures for organic control and support.

Sources

Figures

For the elaboration of this country report, the following stakeholders were interviewed:

No	Name	Company Organisation	Activity	GPS
1	Karamfila Gyurova	Gimel Organic	Producer of organic greenhouse crops	42.1889, 24.2175
2	Aneliya Hadzhieva	Bio Bulgaria (Brand: Harmonica)	Food manufacturing, retail packing	42.6615, 23.3186
3	Antoan Charakchiev	Ministry of Agriculture	Director of Organic Farming (until April 2023)	42.6962, 23.3148
4	Yani Dragov	Smart Organic	Food manufacturing, retail packing	42.6652, 23.2509
5	Dr Stoilko Apostolov	Bioselena	Organic projects and consultancy	42.6370, 24.8025
6	Veselina Ralcheva	Ina Essentials Bulgarian Organic Products Association	Producer & processor of organic roses Association of organic producers	42.5066, 24.1856
7	Stoyan Simeonov	Sofina Organic Farm	Producer of organic greenhouse crops	42.6407, 23.6522
8	Gerasim Dotchev	Gerada, Istar Eco	Trader of organic honey and frozen fruits	42.6983, 23.3210
9	Dimiter Petkov	Ecovita	Production, processing of organic berries	42.1781, 24.3277
10	Alberto La Rosa	Edoardo Miroglio	Producer of organic wine	42.4036, 26.1555
11	George Krustev	Ayali Group	Producer of organic essential oils	42.4955, 26.4871
12	Yordan Fotev	Iordan Fotev	Producer of organic almonds	42.4648, 26.9698
13	Kristian Zhekov	SKLBP	Association of Control Bodies	42.4648, 26.9698
14	Julieta Dimova	Control Body ABC (BG-BIO-17)	Organic inspection and certification	42.4648, 26.9698
15	Dr Slavi Trifonov	National Bio Association Domain Trifonoff	Association of organic producers Organic wine and juice producer	42.4914, 24.8119
16	Mariana Miltenova	Agribusiness Consult Bulgarian National Horticulture Union	Consultancy for organic investments Association of horticulture producers	42.7151, 23.1347