

Challenges Associated with The Development of Vegetable Production in Bulgaria after The EU Enlargement

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Предизвикателства, свързани с развитието на зеленчукопроизводството след присъединяването на България към ЕС

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След присъединяването на България към ЕС, в сектор „Зеленчукопроизводство” настъпват редица промени.

Подкрепата, която се оказва на земеделските производители, предизвика преструктуриране на сектора и нови адаптационни процеси.

Целта на публикацията е да анализира предизвикателствата, пред които е изправено българското зеленчукопроизводство, неговото развитие и конкурентоспособност.

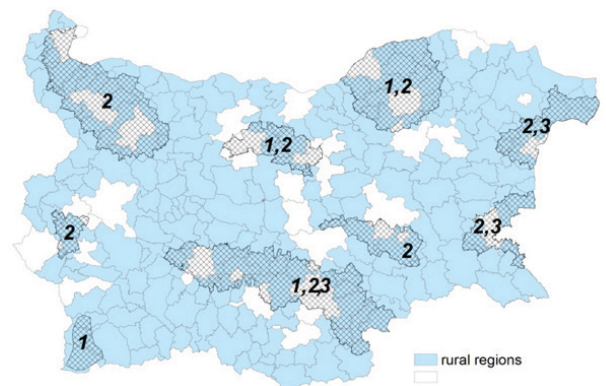
Introduction

The vegetable production has always been an inseparable part of Bulgarian agriculture and it is distinguished with its dynamics and intensity. Due to the favorable agro-climate conditions and the presence of certain traditions, such crops have great potential and can be an attractive market.

Bulgarian vegetable production has faced serious challenges after the accession of our country to the EU. This traditional sub-sector of Bulgarian agriculture has been subjected to a constant pressure by the competitive import of cheap vegetables from other European countries.

There are a number of adverse factors dominating the development of vegetable production that have a negative impact on the recovery of this important Bulgarian sub-sector. More precisely, these include the insignificant financial support provided by the state. In other hand the inability of Bulgarian production to compete with the smuggling of vegetables from other countries. From internal factors is the outdated and destroyed irrigation system. Concerning the

market access exists the ineffective vertical relationships between the producers and the market, low levels of organization among the producers themselves, lack of well-trained and skilled people employed in vegetable production.



1 – early field production; 2 – medium early field production; 3 – late field production

Fig. 1. Regionalization of production strands in field vegetable production

Source: Kartalov et al., 1990 (*Rural Development Program 2007-2013*).

The purpose of this article is to analyze the challenges and the development of vegetable production in Bulgaria with a view to enhancing its competitiveness and sustainable development. In response to the crisis prevailing in the sector, we must reply to the key question of how to stop the decline in the production of vegetables in Bulgaria.

Material and methods

A number of analysts (Gerganov and Blazheva, 2012; Petkov, 2012) identify the need to increase the competitiveness of agricultural production as a precondition for the sustainable development of the sector in view of the strong pressure of the European market.

According to Cholakov (2009), the reasons for the uneven and sometimes negative development of vegetable production in our country over the last 10–15 years are complex – they are of organizational, socio-economic and technological nature. To a greater degree the overcoming of the negative trends in this sub-sector of agriculture will depend on the strengthening and renewal of agricultural equipment and facilities, long-lasting and reliable solution to the problem of efficient marketing of vegetables – fresh and processed both on domestic and foreign markets. The most recent issues of selection and technology must be scientifically resolved in due time by using the opportunities offered by scientific institutes in the country and in the most developed countries.

The prerequisites on which the development of vegetable production depends differ in importance. They can be divided in three main groups: environmental factors, economic factors and subjective factors (acc. to Kartalov et al., 1990).

The analysis of vegetable production for the period 2001–2012 shows that the total production of vegetables follows an unfavorable trend of reduction of production output (fig. 2).

A major challenge for Bulgarian vegetable production is the lack of organization and cooperation between the producers and traders, which hinders the access to the market and reduces competitiveness of the marketed vegetable production. The pooling of Bulgarian vegetable producers in independent professional organizations is a difficult and lengthy process. **The advantages of such professional associations** among vegetable producers can be divided into several basic aspects:

- The members of such associations have a better opportunity to know and research the market.
- Their position regarding the formation of the purchase price is significantly strengthened. Thus, the influence of resellers involved in the whole process is limited to a greater extent which subsequently leads to fairer prices.
- The possibilities for buying and using specialized equipment would increase significantly. To a great extent, it would lead to enhancement of labor productivity in the sector as well as to lowering the production cost and would automatically contribute to increasing the production competitiveness.

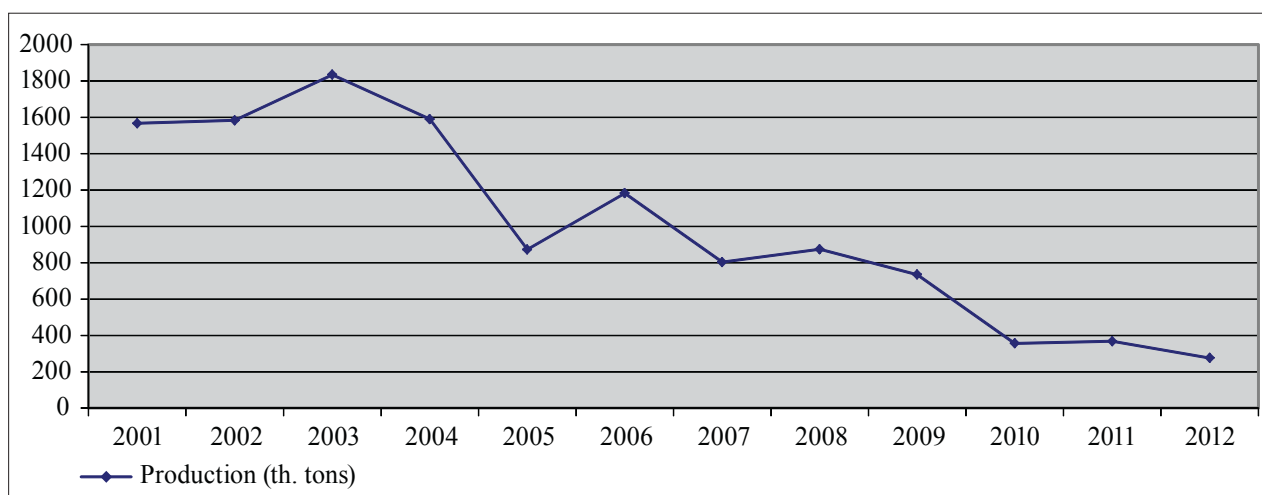


Fig. 2. Production of main vegetable crops for the period 2001–2012

Unfortunately, in Bulgaria the level of professional associations is the lowest in the sector within the whole EU. Presently, there are eight organizations of fruit and vegetable producers established in our country, five of them are directly linked with the production of vegetables. According to the Ministry of Agriculture and Food, the total farmed area is 7 626 decares, which represents only 1.4% of the total area planted with vegetables in the country.

Results and discussion

By establishing associations and organizations the vegetable producers would have much greater opportunities for market research as well as for better realization of their production that would comply with the high quality and quantity requirements of the commercial chains.

The vegetable production is a highly labor-intensive sub-sector of the agricultural sector. This fact imposes the necessity for combining different vegetable crops and production lines in such a way so as to optimize the use of the labor force

and agricultural equipment to the greatest extent. The specialization of production is a prerequisite for the better utilization of the production factors and the increase of economic efficiency of the vegetable production.

The specialization of production has a direct influence over the employment in the agricultural farms.

Two vegetable farms in Plovdiv region were included in the survey – a vegetable farm specialized in growing tomatoes and another one without any specialization. From the results achieved it is obvious that the vegetable farm specialized in growing tomatoes exhibits higher profitability level – 16.5%, in comparison to the farm without any specialization – 12.48%. The levels of production costs are almost the same in both vegetable farms but with a significant difference in the level of labor costs which are lower for the vegetable farm with specialized production. It can be concluded that specialization leads to better levels of profit and higher profitability.

Table 1. A vegetable farm in Plovdiv region – 40 decares, cultivation of three crops, specialized in growing tomatoes

Crops	Area		Production costs		Labor input		Profit	
	decares	%	BGN	%	man-days	%	BGN	%
Peas	10	25	860	2.7	80	11.9	640	11.8
Tomatoes	10	25	12 800	38.8	220	32.8	2 050	37.7
Water-melons	10	25	6 500	19.7	150	22.5	700	12.8
Tomatoes	10	25	12 800	38.8	220	32.8	2050	37.7
Total:	40	100	32 960	100	670	100	5 440	100

Profitability: 16.5%

Source: Own research.

Table 2. A vegetable farm in Plovdiv region – 40 decares, cultivation of four crops, without specialization

Crops	Area		Production costs		Labor input		Profit	
	decares	%	BGN	%	man-days	%	BGN	%
Tomatoes	10	25	13 500	41.9	300	36.6	2 050	51
Water-melons	10	25	6 500	20.2	150	18.3	720	17.9
Pepper	10	25	11 300	35.1	310	37.8	620	15.4
Green beans	10	25	900	2.8	60	7.3	630	15.7
Total:	40	100	32 200	100	820	100	4 020	100

Profitability: 12.48%

Source: Own research.

Due to the fragmentation of the arable land the vegetable production is inefficient and fragmented; the majority of farms are small in size and the biggest part of their production satisfies primarily their own needs while the rest of it, which is offered on the market, is of poor quality. Consolidation of arable land will lead to a significant increase in the utilization rate of the production factors and will improve the access to irrigation systems and canals. The advantage of establishing associations is bilateral – the market will also benefit from the actions performed by the professional organizations. Bulgarian vegetable production has some specific distinctive features that turn it into a unique production. The favorable natural and climatic conditions, the longstanding traditions and experience of Bulgarian people in cultivating vegetables and the availability of a wide range of local varieties, all these have a positive effect over the taste of vegetable crops grown in Bulgaria and turn them into marketable products preferred both by consumers and exporters. Unfortunately, the vegetable production is not particularly attractive due to the weak financial support in comparison with other sub-sectors of the agricultural sector.

To improve the organization of the vegetable production it is necessary to consolidate the production which at present is very fragmented and consists mainly of small family farms. The consolidation and grouping of small-sized agricultural farms would increase the effectiveness and competitiveness of vegetable production. The consolidation would facilitate the modernization of agricultural farms as well as the access to the irrigation systems and irrigation channels. The unification of vegetable production would lead to increase in the level of mechanization of the work processes and above all of the processes associated with crop harvesting. It is a well-known fact that vegetable production is one of the most labor-intensive sub-sectors of the agricultural sector, with a high share of manual work – about 80–90% of the total labor input.

Conclusions

- A major challenge facing Bulgarian vegetable production is its modernization – it would help increase the production competitiveness so that the vegetable products meet the current quali-

ty requirements and compete with the imported vegetables.

- Enhancing the national support for the vegetable production sector;
- Encouraging vegetable producers to expand their vegetable repertoire by growing not only traditional vegetable crops but also new ones that are sought in the market and can be grown in our soil and climate.

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(Summary)

After the accession of Bulgaria to the European Union, a series of changes have occurred in the vegetable production sector.

The support that has been rendered to the vegetable producers has caused restructuring of the sector and has led to some new adaptation processes.

The aim of this article is to analyze the challenges over the development of vegetable production in Bulgaria with a view to enhancing its competitiveness.

Key words: vegetable production, changes, development, competitiveness, challenges