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# **CAP and Bulgarian Agriculture**

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## **Bulgarian agriculture policy prior joining the EC**

- Chaotical
- No clear vision for priorities of agriculture
- Taxing ag. producers
- Not based on clear vision of the situation in the sector



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## **CAP – results /EU/**

**Provide stable and safe food supply at affordable prices for consumers**

**EU farmers make decent standard of living**

**Sustainable and balance development across rural areas**



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**CAP and BG agriculture**

**Inflow of substantial funds- more  
than 3.5 billion Euro up to 2013**

**Clear determined rules**

**Predictability of policy**



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Results of CAP introduction

**Productivity**

**Nearly one and same gross value added  
for the period**

**Agr.labour input – change 2005 – 2013 – -  
-48.7%**





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Results of CAP introduction

**Ag. incomes**

**2005 – 100**

**2013 - 142**



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Results of CAP introduction

**Trade in ag. commodities**

**Export :**

**2008 – 2,858 mln USD**

**2009 – 2,801 mln.USD**

**2012 – 4,247 mln USD**

**2013 – 5,374 mln.USD**



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**But speed up of Structural adjustment  
/production structures/**

**Agr. producers:**

**2003 – 665 548**

**2010 – 371 070**

**2013 – 259 900**





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## GAV in agriculture

**2004 -06 – 3371 mln lv**

**2009-2013 – 3500 mln lv.**

**But overall subsidies :**

**2005 – 87 mln.euro**

**2011 – 458 mln.euro**

**2013 – 854 mln.euro**



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**% subsidies in Entrepreneurial income:**

**2011 – 36.7%**

**2012- 48.8%**

**2013 – 54.5%**



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## **Problems in rural area:**

- **Depopulating**
- **Worsening age structure**
- **Lagging economic activity**
- **Widening gap between economic development in rural and urban areas**



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## **Some conclusions**

**Bulgarian agriculture has structural problems and needs strong and adequate national specific structural policies**

**Support should be targeted to producers**

**Well-functioning markets are better than state intervention**



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## Some conclusions

agricultural subsidies are not an effective tool for social policy.

big farmers reap most of the aid while poor farmers are disadvantaged.





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- In sum, the current CAP is not the right policy framework for enhancing the efficiency of agriculture, changing income distributions in the sector and encouraging rural development. Instead, the role of the CAP should be to give farmers appropriate incentives to deliver public goods demanded by society, particularly in the environmental realm.



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Bulgarian agriculture lacks efficiency and competitiveness. To achieve it needs strong R&D policy; adequate land policy; well- functioning markets



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Thank you