The common agricultural policy (CAP) is Europe’s answer to the need for a decent standard of living for 22 million farmers and agricultural workers and a stable, varied and safe food supply for its 500 million citizens. As a common policy for all 28 EU countries, the CAP strengthens the competitiveness and sustainability of EU agriculture by providing direct payments aimed at stabilising farm revenues, and finances projects responding to country-specific needs through national (or regional) rural development programmes, which also cover the wider rural economy and life in rural areas. The CAP also provides a range of market measures, including tools to address the impact of price volatility and other market difficulties and additional elements, such as quality logos or promotion for EU farm products, which complete CAP action to support farmers. The CAP budget for 2014-2020 is €408.31 billion, with €308.73 billion intended for direct payments and market measures and €99.58 billion for rural development.

BULGARIA

- covers an area of 110 900 km² of which 81 % is rural. Of the total area, 46.1 % is agricultural land while forests cover 37.4 %
- has a total population of roughly 7 million, of which more than 2 million (or 37.1%) live in predominantly rural regions
- has highly polarised farm structures and fragmented land ownership following the land restitution process
- has rich natural biodiversity and a significant share of high nature value farmlands and permanent grassland that contribute to preserving biodiversity (34 % of the land that can be used for agriculture)
- has nearly half (48 %) of its territory covered by mountainous/less favoured areas
- has a rural economy that is highly dependent on agriculture, characterised by high unemployment, an ageing population, poor access/quality of basic services (roads, sewage systems, etc.) and migration towards urban areas, but with good potential for rural tourism development

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In the period from 2014 to 2020, around €7.4 billion is expected to be invested in Bulgaria’s farming sector and rural areas through the CAP. Certain key political priorities for which CAP funding should be used have been defined at European level - jobs and growth, sustainability, modernisation, innovation and quality. However, Bulgaria also has the flexibility to adapt both direct payments and its rural development programme to its specific needs.

Bulgaria’s direct payment allocation for 2014-2020 amounts to around €5.1 billion.

Farmers in Bulgaria, as they are across the EU, are subject to so-called ‘greening’ rules, designed to ensure that they farm in a sustainable way and help contribute to the EU’s efforts to tackle climate change, biodiversity loss and soil quality. Under this system, 30% of the direct payment allocation, paid per hectare, is linked to three environmentally-friendly farming practices: crop diversification, maintaining permanent grassland and dedicating 5 % of arable land to environmentally friendly measures (so-called ‘ecological focus areas’).

As one of the newer EU member states, until the end of 2020 Bulgaria will apply a simplified system for allocating direct payments to farmers – known as the single area payment scheme or SAPS. This system links the amount of basic income support for Bulgarian farmers to the area of land declared by each farmer in a simpler form than the main direct payment payments scheme applicable in most other EU countries. The Bulgarian authorities earmark 13 % of the direct payments allocation (the maximum permitted) for voluntary coupled support – i.e linking payments not only to the number of hectares farmed but also to specific products or processes, in this case beef and veal, fruits and vegetables, milk and milk products, sheep meat and goat meat, and protein crops. Bulgaria has also opted for redistributive payments that allow it to achieve a fairer distribution of the support between farmers by reducing 5 % direct payments for amounts above €150 000 on an individual farm (excluding the first 30ha declared). In addition, all payments are capped at €300 000.

Bulgaria also applies the small farmers scheme, a simplified system of support for the smallest beneficiaries, with a maximum annual payment of €1 250 per farmer. This scheme reduces the administrative burden on farmers with the smallest holdings, as well as reducing their obligations with regards to cross-compliance (i.e. the obligation to meet certain environmental standards to receive their payments) and exempting them from greening rules.

1 Total allocation of direct payments and rural development for the period 2014-2020 (in current prices).
Supporting key priorities for Bulgaria’s rural development

For 2014-2020, a total contribution of more than €2.9 billion (€2.4 billion from the EU, including €28 million transferred from the Bulgarian allocation for direct payments, €0.5 billion in national funding) has been allocated for measures that will benefit Bulgaria’s rural communities.

The 2014-2020 rural development programme for Bulgaria focuses on the following priorities:

- improving the competitiveness of the agricultural sector and farm viability and ensuring quality food production (around 24% of the funding)
- preserving ecosystems and the sustainable use of natural resources in agriculture, forestry and food processing (around 46%)
- the economic and social development of rural areas – creating jobs, reducing poverty, improving social inclusion and quality of life (around 30%).

These objectives are part of broader priorities on increasing innovation and tackling environment and climate-related issues.

In order to improve the competitiveness of Bulgarian farms, funding will be used to support advice and training for farmers; given the polarised farm structure in Bulgaria, a specific programme to boost the competitiveness of small farms has also been created.

Example of a rural development project supported by the CAP

**Fruit farm goes organic**

After spending several years working in the agricultural sector in France, one Bulgarian farmer decided to return home to the Silistra region to set up his own business – a 34 ha apricot orchard established in 2009. Thanks to EU support, he was able to buy farm machinery and expand his apricot orchard to 42 ha, as well as acquiring a walnut plantation of 22 ha. Looking for new business opportunities, the farmer then decided to switch to organic production, finally completing the conversion process at the end of 2016.

Total cost: €21,840 (EU contribution: €17,908)

More project samples: European Network of Rural Development and EU results
Between 2007 and 2013, the CAP invested more than €4 billion in Bulgaria’s farming sector and rural areas to stabilise farmers’ income, modernise and increase the sustainability of Bulgarians farms and to secure the supply of safe, affordable and quality food for its citizens.

Bulgarian farmers benefit from the CAP

In recent years, direct payments have been a key safety net for Bulgarian farmers. For example, in 2014, some 90 490 Bulgarian farm businesses received €578 million in direct payments, 61 700 of which received a payment below €5 000. Meanwhile, in 2015, the EU spent more than €30 million on market measures in Bulgaria, targeting mainly the wine growing sector, but also others such as fruits and vegetables.

Fostering growth and jobs in Bulgaria’s rural areas

In the period from 2007 to 2013, more than €3.2 billion of public funds (of which €2.6 billion from the EU) was invested via Bulgaria’s rural development programmes in a range of different activities supporting agricultural production and benefitting Bulgaria’s rural areas, preserving their diversity and enhancing their economic strength, cultural richness and social cohesion. In concrete terms, rural development funds helped:

- more than 5 400 young farmers take up the profession
- contribute to gross value added (GVA) of over €1.6 billion from farm holdings and enterprises supported by the programme
- allow more than 560 000 people living in Bulgaria’s rural areas benefit from improved basic services

Rural development funds have also helped develop a more sustainable model of agriculture:

- more than 4 900 farmers (accounting for 841 000 ha) received support for agri-environmental measures
- nearly 1 400 farms (accounting for 71 000 ha) received support for organic farming measures
Adding value with quality schemes

Through the quality policy of the CAP, the EU provides a number of measures to help producers build on the high quality reputation of European products to sustain competitiveness and profitability. A key tool in this is the register of more than 1,300 protected food names which are classified as a Protected Designation of Origin (PDO), a Protected Geographical Indication (PGI) or a Traditional Speciality Guaranteed (TSG). The production of these registered quality products contributes to diversity, development and growth in the rural areas where they are produced and protects local knowledge, skills and jobs.

At present, Bulgaria has six food products registered, including two PGI (Bulgarsko rozovo maslo and Gornooryahovski sudzhuk) and four TSGs (Kayserovan vrat Trakiya, Role Trapezitsa, File Elena and Lukanka Panagyurska).

Responding to market difficulties

Following the prolongation of the Russian ban on the EU agricultural imports and difficult conditions in certain markets, in October 2015 the European Commission agreed a support package worth €500 million to help those farmers most affected by the difficulties, including €420 million in national allocations to support the dairy and livestock sectors in particular, with flexibility for member states to decide how to target this support. Bulgaria opted to use all of its €6 million allocation for the milk sector.

In July 2016, the European Commission agreed a further solidarity package worth €500 million, including aid worth €350 million aimed at the dairy sector in particular. Of this, more than €5 million was earmarked for Bulgaria.

What do the Bulgarians think of the CAP?

According to the most recent Eurobarometer survey, published in January 2016, a majority of Bulgarians (74%) consider that agriculture and rural areas are very important in the EU. This is more than the EU average of 62%. "Developing the rural areas while preserving the countryside" should be one of the main CAP objectives, according to 59% of Bulgarians, while 55% believe the policy should help "ensure reasonable prices for consumers". Furthermore, 78% of Bulgarians agree that the common agricultural policy benefits all EU citizens, not just farmers.

Source: Eurobarometer survey 440 "Europeans, Agriculture and the CAP"
Bulgarian agriculture is characterised by:

- relatively small farms: 83.2% of holdings are under 2 hectares
- relatively old farmers: 6.4% of farmers are under 35 years old (6.0% in EU28), while 36.7% are older than 64 (31.1% in EU28)
- a high contribution to the economy: the primary sector (agriculture, forestry and fishing) accounts for 4.4% of the country’s economy (total GVA) and agriculture for 6.8% of total employment. This is higher than the European average both in economic terms (1.5% in EU28) and employment (4.3% in EU28).

A very diversified production

Exporting commodities is highly important for Bulgaria (2016 data)

Farmer’s income continues to be more volatile than wages and salaries in other sectors

Data sources: Eurostat, Comext.