

Dynamics and challenges facing the development of small vegetable producers in Bulgaria through the prism of extension services

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Abstract

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The social and economic changes that followed after 1990, have had a catastrophic impact on vegetable production in Bulgaria. Bulgaria has lost her strong position as a traditional vegetable producer and exporter. A major challenge facing Bulgarian vegetable production is its modernization – it would help increase the production competitiveness, so that the vegetable products can meet the current quality requirements and compete with the imported vegetables. The concept of agricultural extension services is to support the development of human resources, as well as to provide a good source of information, which is necessary to solve the current issues that farmers in rural areas are facing today. The role of consultancy, which consists in creating an environment that favours the development of agriculture and rural areas, including incentives to support agricultural production, political stability and the system for land resource use, will guarantee the producer benefits that derive from the improvements, made to their agricultural practice. The national policy in most countries maintains agricultural consultancy organizations that aim to offer additional assistance services to farmers. The legislation should set out the objectives and scope of the consultancy activity, focusing on the way of development of rural areas. The relation between research activity and extension services should be regarded as the basis for the development and implementation of agricultural programs. The aim of this study is to analyze the role of the extension services for the development of small vegetable producers in Bulgaria, which is characterized by great intensity and dynamics, focusing on the extension services.

Keywords: extension services; consultancy; challenges

Introduction

Bulgaria is characterized by a large number of small-scale farmers, who are produce mainly to meet household needs, while another part of the production is sold on the market. The key reason for the existence of so many small-scale farmers is the land reform in the 1990s. Following the implementation of the land reform, the land was returned to the owners and/or their heirs, within the real boundaries before the collectivization in the 1950s. This process of agricultural land restitution has resulted a trend of extremely fragmented ownership structure and a large number of land plots per owner (Mathijis & Noev, 2004; Yovchevska, 2015).

The main function of extension services is to provide training and professional advice in the sphere of agricultural production, marketing activities of farmers, distribution and use of natural resources, as well as the participation of young farmers and their involvement in agricultural production and improvement of services, offered in rural areas. The factors that influence extension services can be categorized as economic, geographical and political. The economic factors have an impact on the internal organization of extension services. The geographical factors influence the development of agricultural farms, as well as the need for specialized knowledge of the agencies, which offer extension services. The political factors are related to the level of development

of extension services and education. (Dirimanova, 2008)

The relation between research activity and extension services should be regarded as the basis for the development and implementation of agricultural programs. The aim of current study is to present and analyze the state and challenges of extension services and consultancy in the development of small vegetable producers, in this sphere in relation to the legal, social and economic environment in Bulgaria.

Materials and Methods

Methodology

In Bulgaria, there is no comprehensive study on the state of vegetable production in the implementation of the CAP policy and, in particular, the consultation of small vegetable producers. The study is focused on the role of extension services in the development of vegetable production in Bulgaria, as well as the range of extension services, related to the social, economic, management and legal environment in Bulgaria (Angelov et al., 2018). To achieve the aim, we have done interviews with 15 small vegetable producers. The main questions are related to participation in EU, government programs and preparation of business plans, required for the application process to Rural Development Program. Method of conducted interviews is face-to-face.

For the objectives of the research different information sources have been used: scientific journals, publications by Bulgarian and foreign authors, on-line (electronic) periodicals, as well as the author's own research.

Results and Discussion

Today in Bulgaria, the small vegetable production is prevalent and is distinguished by a low technological level. The reasons for the serious drop in the production of vegetables and the relatively weak competitiveness of vegetable production observed after the accession of Bulgaria to the EU in 2007, are rooted in the failure of the land reform. As a result of this reform, small-scale farms, which are ineffective due to the low degree of specialization, insufficient availability of agricultural equipment and modest level of production organization, dominate the structure of specialized vegetable outdoor farms. Most of the problems in the agricultural sector started when the cooperatives were destroyed and the land was returned to its owners within real boundaries (Dirimanova, 2008). Unfortunately, this working model was violently destroyed and the big tenants, who constitute about 3%, took over 95% of the arable land in Bulgaria. For all known advantages of concentration, the existence of large-scale land owners in Bulgaria will inevitably have a negative

impact on the recovery of Bulgarian agriculture. The monoculture farming of cereals, rape and sunflower, practiced by a number of Bulgarian farmers due to the high degree of mechanization in farming activities, has left other producers unemployed, which in turn has depopulated many Bulgarian villages. Since 1991, Bulgaria has adopted the Agricultural Land Ownership Act. The law has been amended more than 73 times by now. The state neither manages nor directs land trade, and at the same time, it avoids the problem of land consolidation. The land consolidation that is taking place in Bulgaria, is not for the sake of the production itself, but to make it easier to sell, or rent land (Stoeva et al., 2023).

There have also been huge changes in the structure of arable land. The area under permanent crops and vegetables has drastically decreased – by more than 10 times. There has been a trend towards preservation of areas planted with cereals, and a rapid growth of areas planted with sunflowers and rape, which number has increased more than 10 times. There has been a high degree of monoculture farming, with these two crops accounting for 94% of arable land (Figure 1).

The Plovdiv region is located in South Central Bulgaria. Total farmland is about 1.4 million hectares. The land restitution process started in 1991 and was completed in 2000. The main problem during restitution was that many of the documents had landowner names and land size, but no information about the precise location of the parcels. In such cases, witnesses provided information about the location of

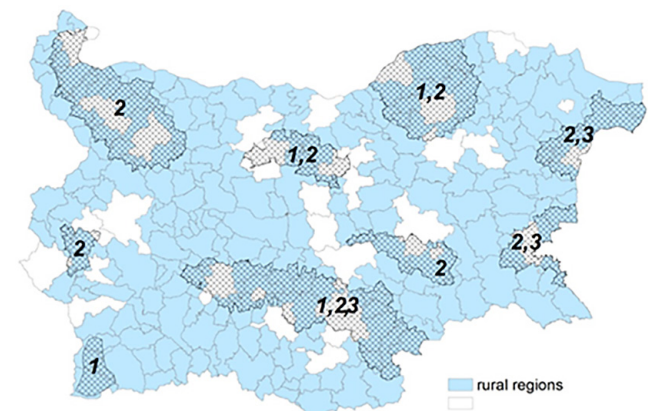


Fig. 1. Regionalization of production strands in field vegetable production

Legend: 1 – early field production; 2 – medium early field production; 3 – late field production.

Source: Kartalov, P., Hr. Petrov, M. Doykova, P. Boshnakov (1990) Vegetable production with selection and seed production, published by Zemizdat, Sofia, p.145, (Rural Development Program 2007–2013)

the claimed property (Stoeva & Dirimanova, 2022). In some municipalities of Plovdiv region, where land of similar quality exists, the restitution process was carried out together with land consolidation. However, in this region, a large part of the land was heterogeneous, and the plots were restored according to old and new boundaries. Although the process of land restitution is over, landowners, who were not able to obtain their property, can still claim it through the court within a ten-year period after the official end of restitution (Dirimanova, 2023). The individual producers cultivate almost half of the total farmland in the region, while the large commercial farms cultivate 21 percent and the cooperatives – 37 percent.

The impact of the institutional changes on the land relations in Bulgaria over the last 30 years is in response to the number of processes and changes that have taken place before and after the accession of the country to the European Union. Some of these changes are historically determined, by the way the social model of society has transformed since the 1990s (Yovchevska, 2016).

The results of these changes are that Bulgaria is still in a period of dynamic institutional changes that are actively affecting the state of land relations. The Ownership and Use of Agricultural Land Act, logically, has undergone the most changes (more than 70 changes by 2020). This dynamic of the Ownership and Use of Agricultural Land Act reveals the existence of real issues in the socio-economic system of agriculture, and the need to solve them. In this regard, the latest changes and the adoption of new legislation are a responsible economic and political act, that would provide better conditions for the development of agriculture, reduce the administrative costs of farmers and lead to an improvement of the socio-economic environment in the rural areas of the country.

The Land Act sets out the rules relating to the administrative procedures for creation of land units, voluntary consolidation of agricultural land with change of the ownership right, registration of the relevant documents for the use of agricultural land for the purposes of support under Single Area Payment Schemes, etc.

Till the end of 2020, Bulgaria applied a simplified system for allocating direct payments to farmers, known as the Single Area Payment Scheme (SAPS). Compared to the basic direct payment schemes applied in most of the other Member States of the European Union, the amount of basic income support for Bulgarian farmers under this system is linked in a simpler form, to the area of land, declared by each farmer. Bulgarian authorities dedicate 13% of the allocated funds for direct payments (the maximum eligible rate) for voluntary coupled support – i.e. payments are linked not only to the number of hectares cultivated, but also to specific products

or processes – beef and veal, fruit and vegetables, milk and dairy products, sheep and goat meat and protein crops. (European Commission: Bulgaria and CAP, 2016).

The study identified several groups of small farmers in Bulgaria:

- Newly established farms (by young people);
- Semi subsistence farms;
- Small-scale farmers, who do not participate in national and European programs.

The limitation of the large number of small-scale farmers is based on several criteria: Farmers must be aged up to 40 years to be vegetable growers, they must cultivate at least two crops and the farm size must be up to 4 economic units. This group of young farmers in most cases has no agricultural education and needs different types of extension services. Their needs are related to the development of business projects requiring the application of measure 112 of the Rural Development Program (RDP). Small semi subsistence farms in Bulgaria produce mainly for domestic consumption and to supplement their household income. This type of farming has economic potential for the future development of these farms. The number of such small-scale farms in the country is very high. They are usually not well-developed and need to be restructured in order to be competitive on the Bulgarian and European markets. According to the interviewed semi-subsistence farmers, who have participated in measure 141, all of them have used extension services to prepare business plans required for the application process. The number of small-scale farmers, who do not participate in national and European programs is very high. One reason for that, is that they do not meet the requirements of the RDP measures, for which they can apply. Another reason is that a large number of small-scale farmers are reluctant to participate in EU and government programs because of the high transaction and administrative costs during project implementation period. The tendency is that these producers are mostly interested in applying good agricultural practices and innovation. The key issue for them is not so much innovation or modernization, but mainly the marketing of their agricultural production (Figure 2).

NAAS is the main coordinator of the public consultation system in Bulgaria. All farmers, in particular and vegetable growers, even those who have not received support from the CAP, should have the right to participate in the system. NAAS is the guarantor that priority is given to farmers, whose access to other advisory services is the most limited (young farmers, semi-subsistence farmers). The most popular measures, under which NAAS has provided advisory services, are Measure 112 to set up young farms and Measure 141 to support semi-subsistence farms undergoing restruc-

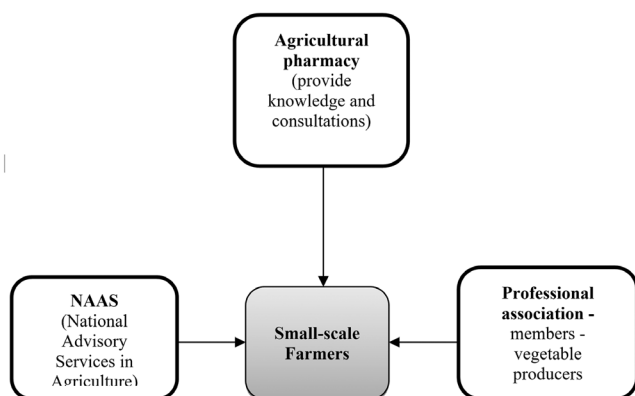


Fig. 2. Agricultural knowledge and information/innovation services to small-scale farmers

Source: Own research

turing. Farmers, in particular vegetable growers, actively use the services of experts of the NAAS regional services, especially for the preparation of projects, consultations on technological solutions, as well as activities defining improvements related to the maintenance of soil in good agricultural and environmental condition.

NAAS regional offices often organize practical courses, trainings and seminars that are useful for farmers, including vegetable growers. These trainings and seminars are organized on a specific topic. They are free of charge and farmers not only meet with experts and lecturers working in the sector, but also establish contacts with other farmers.

Agricultural pharmacy – They provide knowledge and consultations for plant protection products. They are closest to farmers and support their activities with knowledge transfer and, above all, practical skills and good practices.

Professional associations – Vegetable production faces serious difficulties, like the strong fragmentation and fragmentation of agricultural areas, a low degree of mechanization of production, a negative tendency to decline in the planted areas, low labor productivity, the presence of many small producers, low profitability of production, insufficiently strong relationship between production, science and markets, lack of production planning, insufficiently effective marketing and marketing of agricultural production, weak branch organizations.

There is a decrease in vegetable production due to a decline in average yields, competitive vegetable production imported from neighbouring countries, as well as a drastic reduction in harvested areas. Another serious problem of Bulgarian vegetable production is the lack of organization and cooperation between producers and traders, which ham-

pers market access and reduces the competitiveness of the offered vegetable products.

In our opinion, the ability and willingness of producers to associate in branch organizations, is a guarantee for strengthening the positions of both the vegetable subsector on the market, as a whole and the positions of the individual farmer as a counterparty in the process of supply and demand.

By cooperating with each other, vegetable growers have many times greater opportunities for market research and for better realization of the production, meeting the high requirements for quality and quantity of retail chains.

Membership in the organization of vegetable growers strengthens the position of farmers in determining purchase prices and the sale of production, strengthening the relationship between them and traders. It is an indisputable fact that the association between vegetable growers in branch organizations has a beneficial effect on them.

However, the benefit of cooperation is bilateral – the market is also positively influenced by the actions of branch organizations. By changing the normative documents allowing wider powers of the branch organizations of vegetable growers, such as the Law or Ordinance on Producer Organizations in Agriculture, would improve the state of the subsector and encourage the membership of farmers in professional organizations.

Conclusions

Small farms are the main important group for the development of agriculture in Bulgaria. They rely on own resources to finance current and investment costs linked to production. Small farmers have a low credit rating, due to a lack of sufficient assets that could serve as a guarantee of high risk from various farming operations. The existence of favourable soil and climatic conditions, long-standing traditions, rich practical experience, availability and development of new technological solutions and market-oriented innovations, use of modern varieties with improved biological potential, as well as the changes in the Land Act that clarify the use of agricultural land. All of these outline the future trends for the development of agricultural production in Bulgaria related to the harmonization of the institutional framework in compliance with the requirements of the EU – regulatory framework, strategies and programs related to land market regulation. The administration of land relations and, in particular, of land use, sets out important boundary conditions for land markets and the institutional framework is a decisive factor (Yovchevska et al., 2019).

A strategic approach is needed in order to regain the pride and glory of Bulgaria as the ‘orchard and vegetable garden’;

this in turn is connected to the promotion of projects that bring not only profit and rapid returns, but contribute to the increase of labor productivity, employment of the rural population /where there is still such population/ and the profitability per unit area (Angelov et al., 2018) The focus of the new CAP in the next programming period will continue to support small and medium-sized farms. Each Member will provide at least 2% financial support to young farmers through direct payments. Financial support for small-scale farmers will also increase in the new programming period, which would encourage the younger generation to take up farming. The provision of extension services in Bulgaria should continue to be one of the CAP policy priorities in the future (Angelov et al., 2018).

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