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Stone Fruit Market Update

Report Categories:

Stone Fruit

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Report Highlights:

Stone fruit (sweet and tart cherries, peaches and nectarines) are traditional for Bulgaria and account for the largest share in fruit production. Sweet cherries are the second most important fruit after apples, and peaches follow third. In recent years, farmers have increased their investment in cherry orchards and new foreign investment was attracted to cherry processing.

The year 2014 was very challenging for the horticulture sector due to unfavorable weather. This included heavy snows, a very cold winter, with damage to the orchards, a rainy and cool spring and summer, continuing into the harvest period. Reoccurring rains left many orchards unharvested. On average, only 77% of planted fruit orchard areas were harvested.

In 2015 the weather was much more favorable and production is likely to be restored to its traditional level or higher in select regions. Industry reports exceptional yields by select farmers and regions and further revision upward is possible. Continued investment and improvement at the production level in the stone fruit sector promise better results in the near future, however, much needs to be done to

address numerous challenges the sector faces today in order to meet local demand and produce exportable supplies of fresh produce to the global market.

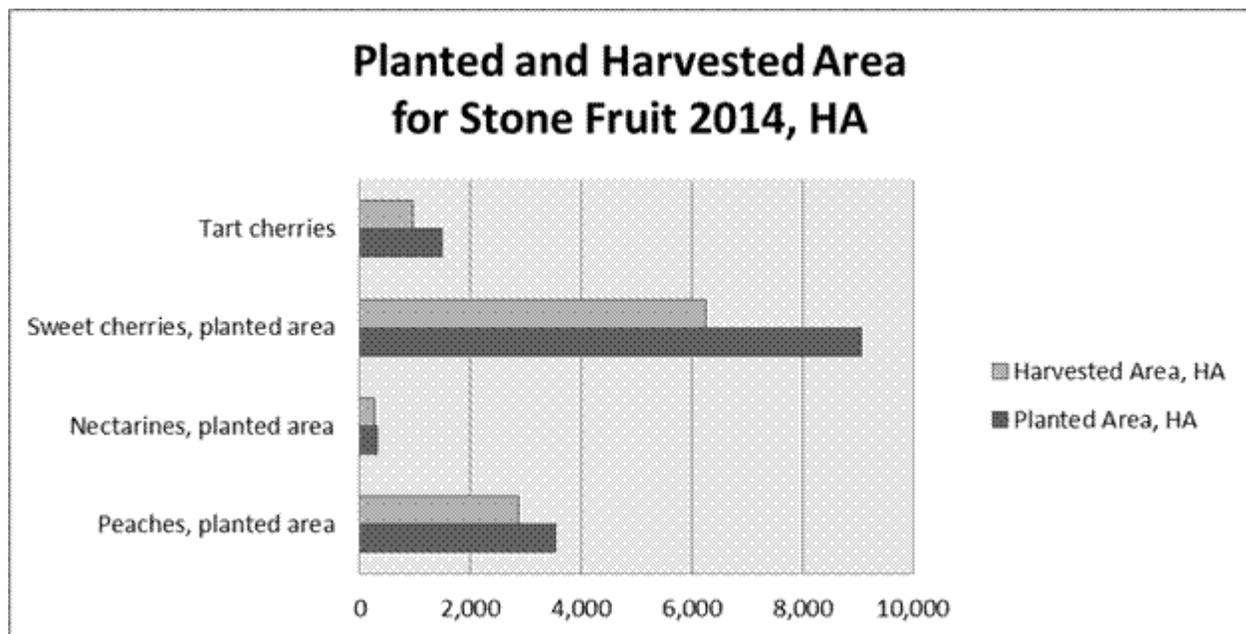
General Information: Supply

Orchard Area

Unfavorable weather in 2014, especially reoccurring rains during harvest time, deteriorated quality of produce, and the Russian embargo imposed in August, all brought a significant reduction in harvested area.

Unharvested areas reached 31% for sweet cherries, 36% for tart cherries, 20% for peaches and 16% for nectarines. The decline in harvested area in 2014 compared to 2013 was 17.7% for sweet cherries, 33.5% for tart cherries and 17.4% for peaches and nectarines (Table 4).

In 2014 the cherry area accounted for the highest share in total harvested area at 24%, followed by plums (19%), apples (15%) and peaches (12%). Compared to 2007, harvested area as a relative share of total orchards increased from 17% to 24% for cherries, and from 10% to 12% for peaches.



Average Yields and Production

Average yields for stone fruit in 2014 declined by 2% for peaches and 19% for tart cherries, however, sweet cherries were an exception with 6% higher average yield. As a result, production declined by 12.8% for sweet cherries, by 46% for tart cherries, and by 18.3% for peaches and nectarines (Table 4).

In general the average yields and production have grown, especially in the last two years with the adoption of modern technologies and introduction of more resistant rootstocks. For example, despite

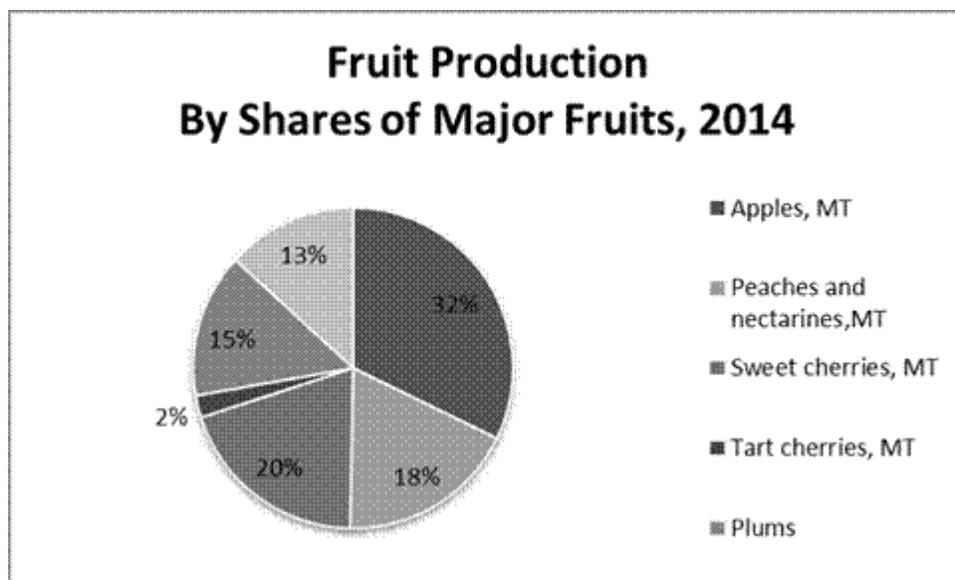
the adverse weather in 2014 and lower yields compared to 2013, average yields for sweet and tart cherries were 90% and 50% higher than in 2012, and 58% for peaches (Table 1). According to industry sources, sweet cherry yields in 2015 are likely to be higher and the Union of Gardeners estimated that it can exceed 10 MT/HA in many regions.

Table# 1. Stone Fruit Average Yields Development, 2002-2014, MT/HA

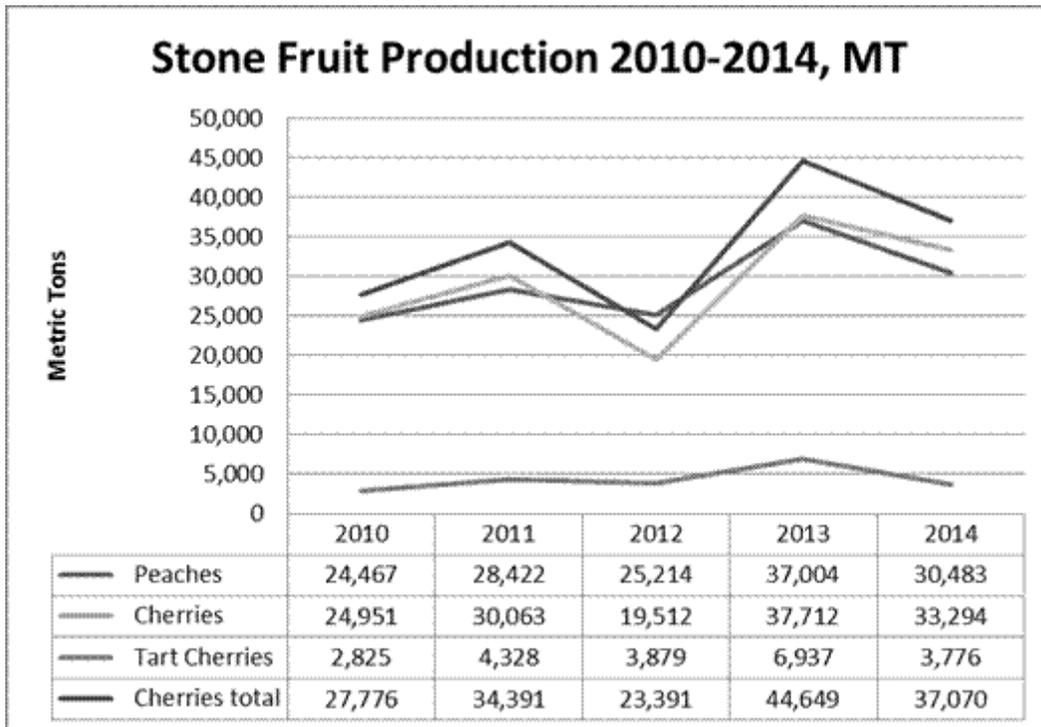
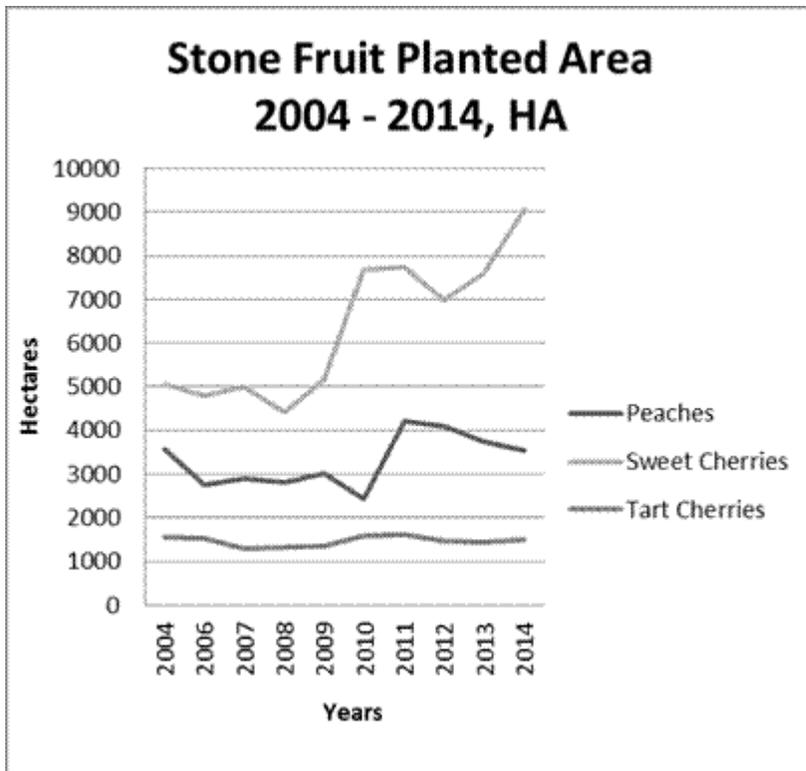
Stone Fruit Average Yields Development, MT/HA			
	2002-2011	2013	2014
Peaches	5.678	9.942	9.737
Sweet Cherries	3.587	5.019	5.322
Tart Cherries	2.348	4.868	3.942

Source: MinAg Statistical Bulletins

Despite the considerable reduction in harvested area and production, stone fruit remained the most important fruits in total fruit production followed by apples, with 40% share for stone fruit (peaches, nectarines, sweet and tart cherries together), and 32% for apples. By species, apples led (32%) followed by cherries with 22% (sweet and tart) and peaches with 18%.



In general, stone fruit area and have grown in recent years after a considerable drop in area and production around 2007. In 2014 the growth in planted area compared to 2007 was 80% for sweet cherries, 16% for tart cherries and 22% for peaches.



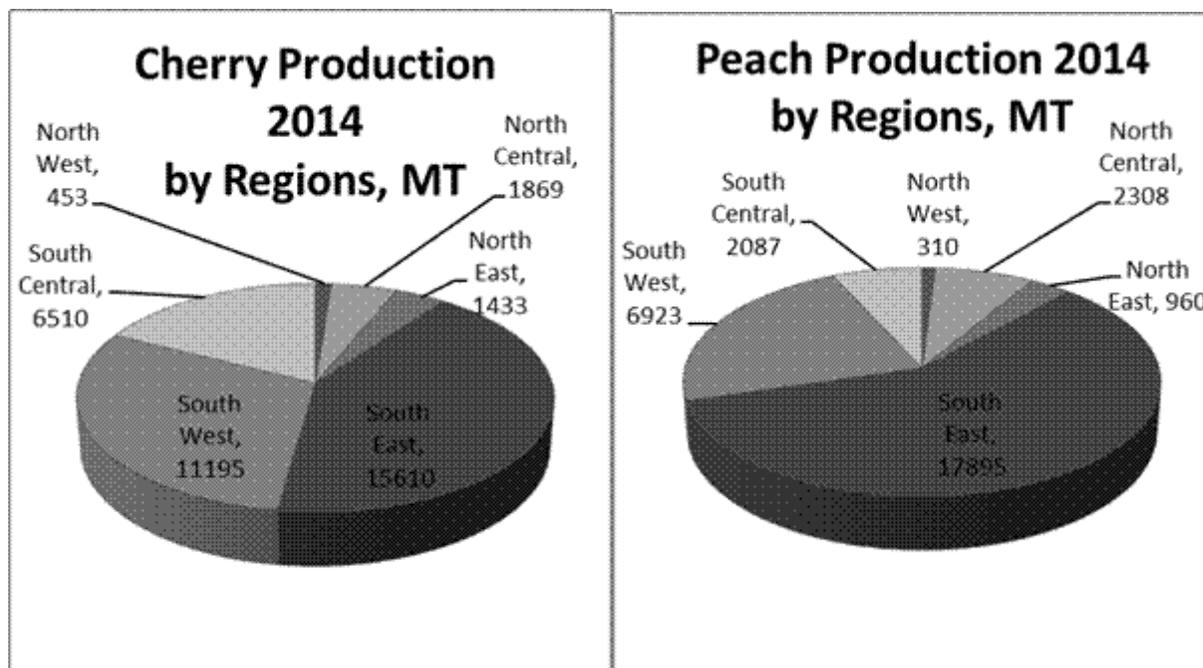
Production Regions

Stone fruit production continued to be located mainly in Southern Bulgaria.

In 2014, the major regions for sweet cherries were the Southeast with 46% of total production and the Southwest with 31%. For tart cherries, South Central dominated with 33% share. For peaches and nectarines, the Southeast accounted for 59% of total production, followed by the Southwest with 23%.

Sweet cherries registered their highest average yield in the Southeast region – 5.69 MT/HA compared to 5.32 MT/HA for the country; peaches had the highest yields in the Southwest – 11.1 MT/HA compared to average for the country of 9.7 MT/HA.

For the past few years, there has been a trend for cherry farms to change their production regions. The traditional area in Southwest has mainly smaller size farms (0.8 HA) and fragmentation does not allow for faster introduction of new technologies. Most orchards are old and the varieties are outdated. Due to lack of producer cooperatives/organizations, production in this area has a tendency to decline due to lower yields as well as lower quality. On the other hand, the Southeast region has new farms with much higher average size (1.7 HA) and the tendency is for improved yields, technologies and quality of product. Lately, the Northeast also emerged as a new region with the highest average size of farms at 2.2 HA. This region benefits from better marketing opportunities due to its proximity to Black Sea resorts and to Romania which became a main market for fresh produce over the last 2-3 years.



Variety and Age Structure

Official MinAg statistics is collected and published about peaches and nectarines while that for cherries is more limited.

Cherries (2007 data)

The main varieties for sweet cherries are Van (34%), Bing (17%) and Early Black Large (6%) which account for 57% of all orchards. For tart cherries Oblaniska variety accounts for 52%, followed by Schattenmorelle with 12% and Nefris and Heimanns with 8% each. Lately new varieties were introduced to the market, however, the high diversity of varieties spread over numerous farms makes marketing a challenge due to an inability to deliver persistent quality and quantity product in sufficient volume for commercial lots.

The density of sweet cherry orchards is dominated (69%) by less intensive orchards with 200-500 trees/HA while 30% have a density above 500 trees/HA. For tart cherries, the trend is the opposite with 23% of orchards with lower density of 200-500 trees/HA and 78% with more than 500 trees/HA.

Data on the age of cherry orchards shows that 31% of orchards are above 25 years old and as of today these orchards are gradually exiting from production. However, the group of younger orchards 0-4 years accounts for 45% of area, followed by 11% for the age class 5-9 years. Along with the new orchards started in the years after 2007, this structure of the orchards promises a better potential for the future. On the other hand, according to Intelliago NGO, even the young (0-4 years) orchards established in the period 2007-2013 were not very professionally executed, with updated rootstock, using outdated technologies etc. For this reason, farmers report a severe need for new modern orchards to replace the old ones. At the same time, the current age structure with 41% of orchards older than 15 years predetermines a dominant share of cherries of lower quality for processing rather than for fresh consumption.

Age structure for tart cherries shows 45% of orchards as young plantations (0-4 years), followed by the next class (5-9 years) at 20%. Old orchards above 25 years of age account for 21% of area.

Peaches and nectarines (2013 data)

The dessert varieties occupy 85% of the total area with the most common variety Redhaven - 25%, followed by Hale - 13% and Glowhaven - 12%. Late dessert varieties account for 44% of the total area, and the medium varieties for 38%. In recent years, the most substantial has been the growth of Elegant Lady variety followed by Redhaven and Hale. The varieties for processing account for 15% of the total area with the most popular variety Babygold with 53% of the area under peaches for processing (MinAg Bulletin #254/2013).

Depending on the density of planting, the largest proportion of area falls within the density class from 600 to 1190 trees per hectare (73%). The density class up to 600 trees per hectare ranks second (25%). Only 2% (2007 data) of peach orchards have high density of more than 4000 trees/HA.

In the age class 5 to 14 years fall 78% of the area under peaches. The plantations up to 5 years of age are 14% and those over 15 years are 8%. This age structure shows an improvement compared to the previous census data (2007) which had orchards older than 15 years at 25%.

For nectarines, the most common variety is Fantasia with 38%, followed by Bigtop with 7%, Stark Red Gold 5% and Golden Grand with 4%. Late varieties occupy 50% of the total area, medium varieties 27%, and early varieties 23%. The highest growth in area recently was registered by Stark Red Gold,

followed by Fantasia.

Depending on the density of planting, the class with 600 to 1190 trees/HA occupies 61% of the area. The plantations with a density of less than 600 trees/HA are 34%. Investment in nectarine orchard over the last 5 years accounted for 25% of total area.

Production Opportunities and Challenges

Over the recent years investments in new young, intensive orchards have been more active, supported by EU investment subsidies. In 2013 new orchards were 9,047 HA and in 2014, 12,000 HA. In MY2013/2014 new stone fruit orchards were 32% of total, after tree nuts orchards (61%). In the period 2007-2013, stone fruits led in the structure of new young orchards. For 2013 this trend changed due to higher economic interests (more subsidies) provided to newly planted nuts' orchards (walnuts, almond, hazelnuts).

Cherry orchards have enjoyed a very good interest due to relatively lower production cost/ expenses compared to apples and some other fruits. Cherries are also more attractive for farmers due to faster marketing for fresh consumption or for processing. Most new orchards are carried out by uprooting of old, less productive trees and their replacement with new rootstocks. The cherries' share in total young orchards in the period 2007-2013 was at 18%-25%, but it declined to 15.4% in 2013 and 13.5% in 2014. At the same time, they increased in absolute terms from 915 HA in 2010 to 1,130 HA in 2013 and 1,620 HA in 2014.

As a result of new investment, the average area per farm changed. Currently, cherry farms have the highest average size compared to other horticulture farms at 0.87 HA compared to peaches (0.5-0.6 HA) and apples (0.3 HA) (source: InteliAgro).

Irrigation is generally a challenge for most stone fruit orchards in the country. Although cherry, peach and apple orchards have the highest percent of irrigation compared with other fruits, establishment of irrigation systems faces lots of administrative and infrastructure barriers. In 2014, 18% of irrigated orchards used drip irrigation and 10% used surface irrigation. New orchards are predominantly on drip irrigation.

Mineral fertilizers were used on 42% of all orchards in 2014, and organic fertilizers on 17% of the orchards. For cherries, these percentages were 67% and 18%, respectively; 79% of peach and nectarines orchards were fertilized with mineral fertilizers.

Consumption

Processing

Cherries

Cherries are traditionally the most demanded fruit for processing in Bulgaria, followed by apples and peaches. In 2013 (the last available official public data), cherries accounted for 34.6% of all processed

fruits, followed by apples with 25.5%, peaches with 10.0% and tart cherries with 5.7% (Tables 5,6, 7 and 8). In general, local processors are focused on sourcing locally produced fruits although in 2013, cherry processors reported also use of 7,700 MT imported cherries and 3,200 MT imported peaches. In the period 2009-2014, the share of cherries used for processing has always dominated over fresh consumption and varied between 50% (2011) to 87% (2012), also as a result of quality issues. FAs/Sofia estimate for share of cherries for processing is for 66% in 2014 and 60% in 2015 due to better quality of this year’s crop. The volume of cherries for processing has also grown in absolute terms from about 12,000 MT in 2009 to 36,000 MT in 2013 (see Tables 5, 6 and 11).

Demand for processing is encouraged for various reasons. Fragmented production, difficulties with producing persistent quantity and quality for commercial lots, and a lack of producer organizations make marketing for fresh consumption difficult. In addition, Italian capital has established several processing groups in the country and has a dominant role in purchasing. The main processed product is cherry pulp, which is exported to Germany and Russia (Table 12). Annual exports of this product are close to 7,000 MT (U.S. \$28-30 million). The second processed product is dried cherries but its volume is much smaller. Cherry jams are the third processed product, also in smaller volumes compared to the pulp.

In 2015 cherry producers protested against stating low ex-farm/purchase prices for their product (about 0.30 Euro/kilogram/U.S. \$0.18/kilogram). The price, however, was reported to increase later to 0.45-0.50 Euro/kg (U.S. \$0.23-29/kg) and select farmers reported ex-farm prices of 0.90 Euro (U.S. \$0.53) for premium quality product. Abundant crop made logistics more difficult and reportedly some of the regular buyers (Italian traders/processors) preferred to use the crop from their own new orchards instead of buying from smaller farmers.

Media reports (Mediapool, dated 3/07) speculated that the dominance of the foreign processors led to a stable decline in farm prices over the last 3 years while at the same time, retail prices for fresh produce remained high. In addition, cherry ex-farm prices have declined over the last 3 years while the retail prices have increased (Table 2).

According to trade sources, cherry ex-farm prices in 2014 were lower due to deteriorated quality but higher in 2015.

Peaches

Processing of peaches has good traditions with the main products compotes, peaches in syrup, puree and juice. In 2015 processors expanded capacities. Over the last 3 years the volume for processing has increased from 9,000 MT to 13,000 MT. Overall the share of peaches for processing is lower compared to cherries and varied at 24% (2013) to 47% (2012) since 2011, with an estimate for 43% in 2014 (Tables 10 and 11). Processed products are exported mainly to Italy, followed by Russia and Poland (Table 13).

Table# 2. Stone Fruits Ex-Farm, Wholesale and Retail Prices 2012-2014 (U.S. \$/kilogram)

Stone Fruits Ex-Farm, Wholesale and Retail Prices 2012-2014 (U.S. \$/kilogram)			
Peaches			
	2012	2013	2014

Ex-farm	0.41	0.38	0.33
Wholesale	0.76	0.80	0.83
Retail	0.91	0.97	1.02
Cherries			
Ex-farm	1.02	0.68	0.63
Wholesale	1.68	NA	1.74
Retail	2.03	1.72	2.87
Source: MinAg Situation and Outlook Analysis Fruits and Vegetables 2015			

Fresh Consumption

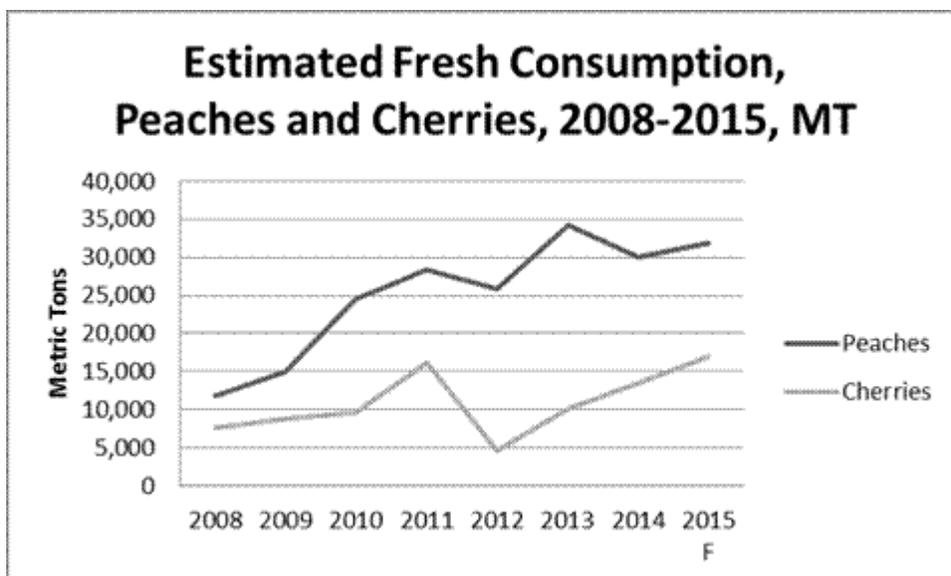
Fresh consumption of stone fruit has increased since 2008. Larger cities and Black Sea resorts are the main markets. Bigger farms are able to market their produce to select retailers. As of 2015, at least 4 retail chains offer locally produced cherries and two retailers began to contract more regular deliveries with local farmers. In May 2015 Billa announced its new program “Gardens of Bulgaria” with more than 30 local certified farmers of fresh produce (covering more than 100 orchards). The main local horticulture products marketed in Bulgaria are potatoes, cherries, and cucumbers.

In July 2015 the Union of Gardeners launched the first e-commerce platform for marketing of fresh produce and the interest so far has been very high. The platform assists mainly wholesale trade at the first stage with the idea to grow into a direct retail online store in the future.

Since official statistics do not publish data about stone fruit fresh consumption, estimates vary. According to InteliAgro, fresh market for cherries is 13,000 MT - 20,000 MT, our estimates are slightly lower at 10,000 MT-17,000 MT (Table 11).

Consumption of fresh peaches shows a stable and faster trend for growth. Imported fresh peaches can be found on the market for longer period of time out of season (see the next section for details), and imports are much higher compared to local peach production, and also compared to imports of cherries. This extends the market supply in time and stimulates higher consumption. Imports are dominated by nectarines.

For peaches, the trend towards reduction of ex-farm prices was less pronounced compared to cherries. Trade sources indicate that 2014 prices were lower due to quality issues and higher competition from imports (Tables 2, 9 and 10).



Price Fluctuations

Stone fruit are highly seasonal fruits in Bulgaria. Cherries are offered in the period May-July, and peaches in May-August. Over the last 5 years, prices follow an identical pattern starting with much higher prices in the beginning of the season and usually ending with a price at 50% or lower of the start price. Prices are also strongly correlated with the volume of supply and quality. For example, in 2014, shorter crop and deteriorated quality led to on average 20% higher prices for cherries for fresh consumption. For peaches, the prices at the end of the season in 2014 were only 17% of the start prices early in the season.

A survey carried out by the Agency for Wholesale Markets in 2010 indicated that:

- Local fresh produce is traded at 24 wholesale markets while imported produce is sold at 34 wholesale markets;
- Local cherries and peaches accounted 1-3% of all sold fresh produce at wholesale markets. Imported peaches accounted for 1% of both volume and value sales;
- Local cherries accounted for 0.7% of volume sales of local fruits and vegetables, and 1.4% of value sales in the same category;
- Local peaches accounted for 1.6% of volume sales of local fruits and vegetables, and 1.8% of value sales in the same category;
- Peaches were available at wholesale markets 135 days during the year (versus apples which are available at full time 302 days), for cherries this index was even lower at 55 days.

Trade

Cherries

Fresh cherry exports remained small (below 4,000 MT) and in 2014 it was only 4% of the crop compared to 8% in 2013. Cherry exports to Russia were halted in select regions in June 2014 due to rains and quality problems, and later were hit by the Russian embargo in August. Romanian traders

have been very active over the last 3-4 years but reportedly, they are not in the market this year. Main markets for fresh cherries are Russia, Belarus, Germany and the UK. Although local producers make efforts to export to Western EU markets due to higher export prices (about 50% more compared to the other export destinations), these deals are sporadic. Only a few local farms are certified (Global GAP is the most popular certification) and a small number of producers are able to meet the quality standards. This situation may change in 2015, however, since leading farmers have reported higher quality crop and better export demand.

In terms of imports, Greece is the major supplier to Bulgaria. In 2014, despite the lower crop, imports declined by 56%.

Peaches

Fresh peach exports are destined mainly to Russia, Belarus and Ukraine while imports are dominated by Greece. In 2014, Bulgarian exports of peaches to Russia occurred before the embargo was placed in August. Imports of peaches from Greece in 2014 increased by 61% as the reasons are both lower local crop and reportedly, efforts of the Greek traders to find new markets due to the closed Russian market which coincided in time with the harvest campaign.

2014 Supply, Demand and Trade

The MinAg reported that 98% of the fruit crop in 2014 was used and only 2% was lost. On average 65% of fruit were marketed through trade channels, 27% were directly sold to processors and 4% remained for on-farm consumption. These trade channels indicate mainly fresh consumption but also some processing. The trade channels for stone fruit in 2014 are shown in Table 3.

Table# 3. Marketing Channels of 2014 Stone Fruit Crop

Marketing Channels of 2014 Stone Fruit Crop (Percentage)				
	On-farm	Trade Channels	Processing	Other
Peaches and nectarines	2.3%	80.5%	14.8%	2.4%
Sweet Cherries	3.5%	51.8%	39.6%	5.1%
Tart Cherries	1.2%	21.9%	76.3%	0.6%
Source: MinAg bulletin #289/2015				

FAS Sofia estimates for supply and demand are shown in Tables 10 and 11. Data for 2014 is tentative and 2015 is a forecast.

Agricultural Policy and Domestic Support

The current Cabinet stated that horticulture is a priority sector for domestic support. For this reason a number of policy initiatives were targeted at the horticulture sector, as follows:

Subsidies: The new 2014-2020 Single Area Payment Scheme payments have new eligibility criteria of a minimum eligible area reduced from 1.0 HA to 0.5 HA. In addition, the MinAg applies redistributive payments for direct subsidies which favor smaller farmers for the first 30 HA as the subsidy rate for them is about 45%-50% more per a hectare than for those who have more than 30 HA. Most of these farms are in horticulture farming. These changes favor smaller producers, mainly horticulture farmers,

many of whom were not receiving any subsidies to date.

In addition, Bulgaria voted in support of 13% coupled support (currently estimated at about 120 million Euro/U.S. \$138 million) for the new Common Agricultural Policy 2014-2020. This support will target horticulture and dairy/livestock sectors. Estimates show the fruit producers will be able to receive 20 million Euro (U.S. \$23.0 million) coupled support or about 507 Euro/HA (U.S. \$581/HA) compared to only 7.5 million Euro (U.S. \$8.6 million) before 2015.

Estimates show that cherry producers will be able to receive 750 Euro/HA (U.S. \$860/MT) (source InteliAgo) to 850 Euro/HA (U.S. \$976/HA) (MinAg) as direct payments in 2015. Per the MinAg, total 23,000 HA of cherry orchards and 4,260 farmers were eligible for subsidies in 2015. The MinAg public statements also show that peach producers will receive total 2.3 million Euro (U.S. \$2.6 million) coupled support or that every peach farmer will be able to receive 1,025 Euro/HA (U.S. \$1,176/HA) as a combination of direct payments, coupled support and redistributive payments for small farms this year.

Between 2012 and 2014, the MinAg undertook certification of quality fruits and vegetables (including stone fruits) for premiums paid for quality produce per a kilogram (the program was eliminated for 2015 crop due to introduction of coupled support). The certification was executed by the Food Safety Agency. Eligible farmers should had at least 0.5 HA of fruit orchard and at least 0.1 HA for each of the eligible crops (apples, cherries, peaches, nectarines, and apricots).

In 2013 (premiums paid for 2012 crop) the premiums were significant and the interest to the program quickly increased. Beneficiaries totaled 435 farmers who received a premium rate of 91 Euro/MT (U.S. \$104/MT) for 80,000 MT fruits and vegetables. The program continued in 2014, however, since the number of applicants and the eligible volume increased while the program kept a fixed budget of 7.5 million Euro (U.S. \$8.6 million), this reduced the premium rate per a kilo of quality produce to less than 50% of the previous year level. A total of 1,500 horticulture farmers benefitted from the program at a rate of 43 Euro/MT (U.S. \$50/MT) for 170,000 MT total fruits and vegetables (for 2013 crop). In 2015 the rate per a metric ton was increased twice to 82 Euro/MT (U.S. \$94/MT) in February and to 85 Euro/MT (U.S. \$98/MT) in June (payable for 2014 crop). The number of beneficiaries for 2014 crop was reported to be 2,015 farmers for a total amount of 18 million Euro (U.S. \$21 million).

Subsidized Investment: The new Rural Development Program 2014-2020 encourages more investment on horticulture farms, especially of young farmers. Young farmers who have horticulture farms will be ranked higher, along with other priority sectors such as organic producers and livestock/dairy farmers. To date, the highest percentage of approved investment projects under the program are for orchards. Several new farmers' markets can be funded under the Rural Development Program as the farm groups applying for this investment can have a subsidy of up to 80% of the investment cost.

Insurance: Since 2011, the MinAg has applied a special system for insurance of horticulture crops. The allocation for 2014 was 300,000 Euro (U.S. \$344,000) and it subsidized 80% of the insurance premium for farmers. The insurance covered natural disasters which caused over 30% loss of average annual production of the respective farmer. However, only 9% of orchard areas were under insurance in 2014.

In late June 2015, the MinAg increased the total budget by 355,000 Euro (U.S. \$407,000) and it reached

850,000 Euro (U.S. \$975,000). In 2015 farmers can cover as high as 65% of the insurance premium with this program. Due to the high interest, as of early June, applications exceeded previously approved budget of 500,000 Euro (U.S. \$573,000) which caused the increase undertaken by the MinAg.

Labor: The horticulture sector has been suffering from the lack of manual labor, especially during the harvest campaigns when the demand for workers peaks. Based on numerous industry requests, in May 2015, the Cabinet approved legislative changes which allowed for daily labor contracts as well as flexible work hours to be used in agriculture. Although these contracts are still limited to be used for not more 90 days within the calendar year, they still provide a very good tool for horticulture farmers.

Agricultural Land Legislation: Horticulture farmers are to receive preferences through the land legislation. Those farmers who rented municipal or government land to make orchards will have the right to request to purchase the land after 5 years of use. The proposal still has to be voted by the Parliament in the fall of 2015.

Marketing Legislation: The regulation for direct sales was amended in 2014 to allow for higher volume of horticulture produce to be sold directly from farmers to consumers.

Trade Policy

In 2013 and 2014 the Union of Gardeners worked on EU-funded promotional program targeting increased exports of cherries to Russia and Norway. The program had to be half stopped due to the embargo regime. Regardless, in July 2015, the Union of Gardeners made an application for a promotional program for cherries, along with a Greek partner, titled “Enjoy the Cherries of the European Union” for promotions of cherries to Germany, Finland and Sweden. After the imposition of the embargo, the MinAg and the Union of Gardeners made efforts to open new markets such as UK, Scandinavian countries, Israel, Arab countries, Moldova and Belarus.

In 2015 the Cabinet and the MinAg made numerous public comments about the negative effect of the Russian embargo on local farming. During the visit of EU Agricultural Commissioner Hogan in early July 2015, the Prime Minister requested new compensations of 80 million Euro (U.S. \$92 million) for the ag sector. The EC already paid 398,000 Euro (U.S. \$456,000) (applications were submitted for 1.4 million Euro (U.S. \$1.6 million) but not all were approved) compensations for 66 farmers for more than 4,000 MT fresh produce due to the embargo. In July 2015 the EC decision to prolong the application of EC 1031/2014 of September 2014 until June 30, 2016, included an allocation for Bulgaria for 950 MT peaches and nectarines in addition to the general 3,000 MT allowed for one or more of eligible products.

The MinAg made efforts to support more producer organizations and to encourage farmers to form producer groups. Bulgaria has 12 recognized producer groups in 2012 and 10 in 2013 but only a few of them are in the horticulture sector. In June 2015, the MinAg paid 3.5 million Euro (U.S. \$4.0 million) to producer groups on contacts made in 2013. These payments represented subsidies for already made investments for purchase of harvest and post-harvest equipment, irrigation equipment, anti-hail systems, grading and calibrating machines etc.

In 2014 and 2015 local farmers protested against illegal imports of fresh produce, especially from neighboring non-EU countries. They claimed that this trade was in the grey sector, that importers

avoided payment of due taxes, and severely impacted prices on the market. To prevent and/or cease such practices, the MinAg and the Min Finance established a special department and mobile patrols of 200 inspectors which inspected trade for a total 53 higher risk agricultural products, mainly fresh produce, and mainly imports. These surprise inspections were done at borders, wholesale markets, and at retail level farmer markets, as well as on transportation vehicles of a size up to 3.5 MT. The frequency of inspections was higher in May - June season when most imported fresh produce compete on the market.

Table #4. Peaches and Cherries Area, Yields and Production, 2010-2015 F

Peaches and cherries area, yields and production, 2009-2015						
	2010	2011	2012	2013	2014	2015 F
Harvested Area, HA						
Peaches	4,264	4,225	4,103	3,753	2,868 (3,547 planted)	3,800
Nectarines					271 (324 planted)	
Sweet Cherries	7,692	7,747	6,989	7,605	6,256 (9,055 planted)	6,900
Tart Cherries	1,575	1,624	1,470	1,441	958 (1,497 planted)	1,000
Cherries total	9,267	9,371	8,459	8,937	7,214	7,900
Yields, MT/HA						
Peaches	5.737	6.728	6.146	9.942	9.737	9.800
Nectarines					9.435	
Sweet Cherries	3.244	3.880	2.792	5.019	5.322	5.500
Tart Cherries	1.794	2.664	2.638	4.868	3.942	4.000
Production, MT						
Peaches	24,467	28,422	25,214	37,004	30,483 (27,926 MT peaches and 2,557 MT nectarines)	37,300
Cherries	24,951	30,063	19,512	37,712	33,294	38,000
Tart Cherries	2,825	4,328	3,879	6,937	3,776	4,000
Cherries total	27,776	34,391	23,391	44,649	37,070	42,000
Source: MinAg statistical bulletins, 2014 is final official data #289/2015, 2015 is AgSofia forecast						

Table #5. Processing of Peaches and Cherries in 2009-2014

Processing of peaches and cherries in 2008-2013						
Processed fruits, MT	2009	2010	2011	2012	2013	2014 E
Peaches	3,630	3,720	8,750	12,000	9,000	13,000
Sweet Cherries	10,220	15,870	14,740	16,620	30,900	19,600
Tart Cherries	2,320	1,999	2,300	3,840	5,100	5,000

Cherries total	12,540	17,869	17,040	20,460	36,000	24,600
Source: MinAg Bulletins #143/2009; #163/2010, #175/2011, #184/2012, #196/2012, #248/2013, #274/2014. 2014 published data is estimated by the MinAg based on industry survey before season, no final official data is available.						

Table #6. Processing of Peaches and Cherries at Commercial Plants in 2010-2013

Processing of peaches and cherries in 2010-2013, MT								
	2010		2011		2012		2013	
	No of plants	Processed raw material						
Peaches	20	3,720	22	8,750	17	12,000	21	9,000
Sweet Cherries	23	15,870	30	14,740	26	16,620	32	30,900
Tart cherries	26	1,999	27	2,300	26	3,840	33	5,100
Cherries total		17,869		17,040		20,460		24,600
Source: MinAg Bulletins #143/2009, #163/2010; #175/2011, #184/2012, #196/2012, #248/2013, #274/2014.								

Table #7. Share of Processed Peaches and Cherries as a Percentage of Total Processed Fruits, 2010-2013

Share of processed peaches and cherries as a percentage of total processed fruits, 2010-2013				
	2010	2011	2012	2013
Peaches	7.0%	13.5%	18.2%	10.0%
Sweet Cherries	28.0%	22.7%	25.1%	34.6%
Tart Cherries	4.0%	3.5%	5.8%	5.7%
Total processed fruits	56,330 MT (100%)	64,860 MT (100%)	66,110 MT (100%)	89,200 MT (100%)
Source: MinAg Bulletins #163/2010, #175/2011, #184/2012, #196/2012, #248/2013, #274/2014				

Table #8. Processing of Peaches at Commercial Plants, 2008-2013

Processing of peaches at commercial plants, 2007-2012						
	2008	2009	2010	2011	2012	2013
Fresh Peaches for processing at commercial plants, MT	9,600	3,630	3,600	8,200	11,030	8,400
Intermediate product, MT	1,800	0,700	0,400	0,200	0,070	0,600
Ready finished product, MT	17,100	7,800	8,900	12,200	13,900	10,200
Source: MinAg Bulletins #123/2008, #143/2009, #163/2010, #175/2011, #184/2012, #196/2012, #248/2013, #274/2014						

Table #9. Trade in Fresh Peaches and Cherries, 2008-2015

Trade in peaches and cherries, 2008-2014 (January-December)								
	2008	2009	2010	2011	2012	2013	2014	2015 January-March
Peaches, HS 080930								
Imports	7,716	2,455	6,424	11,296	16,673	9,472	15,242	5
Exports	995	1,018	2,642	2,571	3,964	3,316	2,619	0
Cherries, other than sour HS 080929								
Imports	0	0	0	0	1,520	5,020	1,809	1
Exports	0	0	0	0	1,192	3,366	1,092	0
Sour Cherries HS 080921								
Imports	0	0	0	0	139	141	502	0
Exports	0	0	0	0	202	268	288	79
PG Cherries, HS 080920, 080929, 080920								
Imports	186	278	1,031	978	1,659	5,161	2,311	0
Exports	107	434	1,257	2,180	1,394	3,634	1,380	0

Source: World Trade Atlas

Table #10. Supply and Demand Peaches and Nectarines 2008-2015 F

Peaches	2008	2009	2010	2011	2012	2013	2014 T	2015 F
Harvested Area, HA	2,820	3,309	4,264	4,225	4,103	3,753	3,139	3,800
Production	14,908	17,187	24,467	28,422	25,214	37,004	30,483	37,300
Imports	7,716	2,455	6,424	11,296	16,673	9,472	15,242	10,500
Total supply	22,624	19,642	30,891	39,718	41,887	46,476	45,725	47,800
Exports	995	1,018	2,642	2,571	3,964	3,316	2,619	2,000
Processing	9,810	3,630	3,720	8,750	12,000	9,000	13,000	14,000
Fresh Consumption	11,819	14,994	24,529	28,397	25,923	34,160	30,106	31,800
Total Distribution	22,624	19,642	30,891	39,718	41,887	46,476	45,725	47,800

Table #11. Supply and Demand Cherries Total 2008-2015 F

Cherries	2008	2009	2010	2011	2012	2013	2014 T	2015 F
Harvested Area, HA	5,740	6,532	9,267	9,371	8,459	8,937	7,214	7,900
Production	19,886	21,414	27,776	34,391	23,391	44,649	37,070	42,000
Imports	186	276	1,031	978	1,659	5,161	2,311	1,000
Total supply	20,072	21,690	28,807	35,369	25,050	49,810	39,381	43,000
Exports	107	436	1,257	2,180	1,394	3,634	1,380	1,000
Processing	12,360	12,540	17,869	17,040	20,460	36,000	24,600	25,000
Fresh Consumption	7,605	8,714	9,681	16,149	4,590	10,176	13,401	17,000
Total Distribution	20,072	21,690	28,807	35,369	25,050	49,810	39,381	43,000

Table #12. Exports of Processed Cherries, 2012-2014

Bulgaria Export Statistics
Commodity: 200860, Cherries, Prepared Or Preserved, Whether Or Not Containing Added

Sweetening Or Spirit, Nesoi							
Calendar Year: 2012 - 2014							
Partner Country		2012		2013		2014	
		USD	Quantity	USD	Quantity	USD	Quantity
World	T	25,709,181	6,449	29,571,414	6,746	28,142,969	6,647
Germany	T	22,967,739	4,549	26,673,184	4,734	25,498,159	4,704
Russia	T	1,183,315	1,060	1,253,668	1,059	1,275,906	1,114
Australia	T	244,065	162	247,493	164	254,424	173
United States	T	338,950	168	208,551	120	191,286	115
Israel	T	94,771	57	251,397	157	160,684	109
Netherlands	T	0	0	0	0	158,585	54
Italy	T	413,153	171	255,997	174	155,095	102
Canada	T	62,417	38	76,762	44	90,215	57
Romania	T	39,887	35	78,491	38	60,696	41
France	T	46,582	30	64,934	37	45,781	28

Table #13. Exports of Processed Peaches, 2012-2014

Bulgaria Export Statistics							
Commodity: 200870, Peaches, Prepared Or Preserved, Whether Or Not Containing Added Sweetening Or Spirit, Nesoi							
Calendar Year: 2012 - 2014							
Partner Country	Unit	2012		2013		2014	
		USD	Quantity	USD	Quantity	USD	Quantity
World	T	8,892,273	8,297	10,378,189	8,984	11,259,052	10,749
Italy	T	1,910,641	1,475	3,072,533	2,230	4,202,473	4,494
Russia	T	2,762,139	2,704	2,763,310	2,441	2,946,124	2,555
Poland	T	1,763,864	1,818	1,587,123	1,599	1,208,066	1,088
Romania	T	1,779,817	1,673	1,404,505	1,259	719,166	637
Czech Republic	T	51,828	50	412,927	426	702,681	664
Hungary	T	176,714	170	430,829	427	421,294	401
Slovakia	T	12,833	11	240,860	232	405,677	407
Germany	T	35,087	29	20,428	13	111,415	71
Kazakhstan	T	17,975	18	0	0	61,323	53
United States	T	44,792	31	102,585	77	58,188	42
Austria	T	52,604	38	95,577	62	55,196	35
Canada	T	47,206	42	28,807	24	53,041	40

End of Report.

