

Negotiation Process

Bulgaria
Chapter “Agriculture”

Negotiation process – Bulgaria- Chapter “Agriculture”

- **The negotiation position was submitted by the Bulgarian side in July 2001.**
- **21 March 2002 – the Chapter was opened for negotiations ;**
- **January and September 2002 – additional information to the negotiation position on veterinary and phytosanitary issues was submitted;**
- **20 December 2002 – veterinary and phytosanitary part was closed;**

Negotiation process – Bulgaria- Chapter “Agriculture”

- **October 2002 – additional information to the negotiation position was submitted covering Common Agricultural Policy.**
- **October 2003 – technical consultations with the Commission were held on the technical aspects of negotiations**

Negotiation process – Bulgaria- Chapter “Agriculture”

- **06 February 2004 – additional information was submitted to the negotiation position in relation to CAP and rural development;**
- **10 February 2004 г. The European Commission presented the financial framework for Bulgaria and it was approved by the Council on 22 March 2004;**
- **Additional information covering statistics and new arguments in support of our requests was presented on 23 March and 16 April 2004.**

What was negotiated?

- In the financial framework for Bulgaria the sum for agriculture amounts to 1,552 billion Euro for the period 2007-2009.:
 - ◆ Direct payments– 431 mln. euro;
 - ◆ Market support – 388 mln. euro;
 - ◆ Rural development – 733 mln. euro.

Negotiations were held on the basis of:

- **EU legislation before the 2003 Reform, taking into account new elements resulting from the reform;**
- **The Methodology used by the European Commission in the negotiation process with EU -10;**
- **Statistical data for production and processing of agricultural products in the specific sector in Bulgaria.**

DIRECT PAYMENTS

Phasing-in of direct payments

- In Bulgaria direct payments are introduced in accordance with the following scheme as a percentage of the then applicable level of such payments in the Community as constituted on 30 April 2004:
- — 25 % in 2007,
- — 30 % in 2008,
- — 35 % in 2009,
- — 40 % in 2010,
- — 50 % in 2011,
- — 60 % in 2012,
- — 70 % in 2013,
- — 80 % in 2014,
- — 90 % in 2015,
- — 100 % as from 2016.

FINANCIAL ENVELOPE

- The amount of direct payments is closely related to the reference period;
- The European Commission defined the most recent historical period. The same approach was used with newly acceded EU-10;
- The calculation of quotas and reference quantities was based on the reference period of 3 or 5 years depending on EU acquis and the Methodology for the negotiations with EU-10 issued on 30 January 2002-Issues paper;
- For Bulgaria the reference period was 1998-2002 for sectors with 5 year reference period, and respectively 2000-2002, for sectors with 3 year reference period, for some sectors 2003 was included.

Annual financial envelope

- It is the sum of the funds that would be available in respect of the calendar year concerned for granting direct payments in the new Member State,
- Formed according to the relevant Community rules and on the basis of the quantitative parameters, such as base areas, premium ceilings and maximum guaranteed quantities, specified in the Act of Accession and subsequent Community legislation for each direct payment.

Single Area Payment Scheme

- The single area payment is made once a year;
- It is calculated by dividing the annual financial envelope by the agricultural area of each new Member State;
- There is no obligation to produce or to employ the factors of production.

Agricultural Area

- For Bulgaria and Romania, the agricultural area under the single area payment scheme is the part of its utilised agricultural area which is maintained in good agricultural condition, whether in production or not, where appropriate adjusted in accordance with the objective criteria to be set by Bulgaria or Romania after approval by the Commission.
- **UTILISED AGRICULTURAL AREA (UAA)=Arable land +Permanent crops +Kitchen gardens +Permanent grassland** (as established by the Commission (EUROSTAT) for its statistical purposes).

Calculations for Bulgaria

UTILISED AGRICULTURAL AREA (UAA)REDUCED (WITHOUT OVERLAPPING) BY:

- Holdings with agricultural area under the minimum size (less than 1 ha UAA or less than 0.5 ha for permanent crops);
- Parcels under 0.1 ha;
- Permanent grassland, which is not in good agricultural conditions.

**=LAND IN GOOD AGRICULTURAL CONDITION,
ELIGIBLE UNDER SAPS**

The areas which are not in compliance with the good agricultural conditions criteria are excluded from the total area of permanent grassland. These are the areas, which have not been systematically used as pastures during the last years, with a considerable coverage of shrubby plants, with grass not suitable for grazing, as well as rocky terrains and bare areas. These areas should not be considered as eligible areas for support under SAPS. Therefore the excluded areas have been determined on the basis of objective physical criteria.

Minimum size

- The minimum size of eligible area per holding for which payments may be requested is 0,3 ha.
- However, any new Member State may decide, on the basis of objective criteria and after approval by the Commission, to set the minimum size at a higher level not exceeding 1 ha.

In Bulgaria

- Minimum size per holding -0.5 ha for permanent crops, incl.vineyards;
- 1.0 ha for all other crops
- Minimum size of eligible parcel – 0.1 ha

SAPS in new Member States

- The Single Area Payment Scheme was chosen by all new member states, with the exception of Malta and Slovenia;
- The minimum holding size in all new member states is 1 ha with the exception of Cyprus – 0,3 ha.

Good agricultural and environmental condition-check

■ Soil erosion:

Protect soil through appropriate measures

Standards:

- Minimum soil cover-Compulsory standard-Reg.73/2009
- Minimum land management reflecting site-specific conditions - compulsory
- Retain terraces – optional standard – Regulation 73/2009

■ Soil organic matter:

Maintain soil organic matter levels through appropriate practices

- Standards for crop rotations where applicable- optional standard
- Arable stubble management – Compulsory standard

■ Soil structure:

Maintain soil structure through appropriate measures

- Appropriate machinery use - optional

■ Minimum level of maintenance:

Ensure a minimum level of maintenance and avoid the deterioration of habitats

- — Minimum livestock stocking rates or/and appropriate regimes-optional standard
- — Protection of permanent pasture - compulsory
- — Retention of landscape features – compulsory – including where appropriate hedges ponds, trees in line
- — Avoiding the encroachment of unwanted vegetation on agricultural land

Period of application of SAPS

For Bulgaria

- the single area payment scheme was available for a period of application until the end of 2009 with the possibility of renewal twice by one year at the new Member State's request.
- As a result of the Health Check(2008) the period could be prolonged until 2013.

Arable crops

- Bulgaria has base area of arable crops (cereal, oil and protein crops) of 2 625 258 ha, on the basis of 2000 – 2002 reference period;
- Average arable crops yield 2,9 tonnes/ha-reference period 1998-2002.

Полските култури включват:

Зърнени култури: твърда пшеница, обикновена пшеница, ръж, ечемик, овес, царевица, сорго, бакла, царевица;

Маслодайни култури: соя, рапица, слънчоглед; **Протеинови култури:** грах, фасул, сладка вълчанка; **Лен:** ленено семе.

Базовата площ за страната се изчислява като средноаритметична на площите засети с полски култури през референтния период.

Статистическите данни за България са: **2000г. – 2663491 ха, 2001г – 2541558 ха, 2002 – 2670726 ха.** Средноаритметичната е точно **2 625 258 ха.**

Референтните добиви се изчисляват като средна на медианата на 3-те години, от петте най-последни години, за които има данни. От този период се изключват годината с най-нисък и годината с най-висок добив.

Статистическите данни за България са: **1998г. – 2,698 т/ха, 1999г. – 3,056 т/ха, 2000г. – 2,613 т/ха, 2001г. – 2,897 т/ха и 2002г. – 3,163 т/ха.**

Изключват се годината с най-нисък добив – 2000г. и годината с най-висок добив – 2002г. Получава се среден добив от **2,883 т/ха.** В резултат на проведените разговори ЕК прие нашето искане за референтен добив от **2,9 т/ха.**

Durum wheat and leguminous

- We have 7 traditional production zones for durum wheat;
- Bulgaria has 21 800 ha guaranteed area for traditional production of durum wheat
- The guaranteed area for leguminous is 18 047 ha –reference period 2000-2002.

Критериите за признаване на **традиционни производствени зони за твърда пшеница** са:

- Твърдата пшеница трябва да се произвежда, за да се използва като суровина за производството на макаронени изделия – 73% стъкловидност (качествен критерий);
- Да е налице производство поне през последните 20 години;
- Производството на твърда пшеница във всеки от регионите трябва да е поне 2 % от общите площи със зърнени култури в региона.

Първоначалното искане на България за **гарантирана площ за традиционно производство на твърда пшеница** е в размер на 15 000 хектара. В началото на годината беше направено искане за **21 800 хектара**, което беше изцяло прието.

След реформата на ОСП през 2003г. отпадна специалната помощ за твърда пшеница в райони с добре установено производство. Затова България оттегли искането си за определяне на райони с добре установено производство на твърда пшеница в размер на 50 000 хектара.

В началото на годината беше направено искане за гарантирана площ за производство на **бобови култури** – леща, нахут и фии. Въз основа на **референтен период 1998 – 2000г.** беше поискана гарантирана площ от **43443 хектара**. Статистическите данни за този период са: **1998г. - 44102 ха, 1999г. - 38310 ха, 2000г. - 33921 ха**, средноаритметично количество от **38777 ха**. Европейската комисия определи референтен период за бобовите култури последните три години – 2000 – 2002г. Статистическите данни за този период са: **2000г. - 33921 ха, 2001г. -**

Rice

- Bulgaria is added to the list of rice producing countries;
- National base area 4166 ha;
- Bulgaria receives in its financial envelope additional payment for rice 345.225 euro/ha, based on average yield of 4.603 t/ha.

Националната базова площ за ориз се определя въз основа на последната година, за която има данни. За България това е 2002г., за която статистиката дава площ от **4166 ха**.

Допълнителното плащане за ориз беше въведено с реформата на ОСП през 2003г. и не подлежи на договаряне. Определеният среден добив от **4.603 т/ха** представлява средна аритметична от средните добиви за 2000, 2001 и 2002г., съответно **4.7, 4.8 и 4.31 т/ ха**.

Sugar

- **Total annual quota for white sugar - 203 500 tonnes, including:**
 - ✓ **A quota for production of white sugar from sugar beet -4 320 tonnes of white sugar;**
 - ✓ **B quota for production of white sugar from sugar beet-432 tonnes of white sugar;**
 - ✓ **Quota for production of white sugar from unrefined sugar cane from preferential import -198 748 tonnes of white sugar.**
- **Total annual quota for production of isoglucose - 56 063 tonnes (determined on the basis of 42% fructose of dry matter)**

Fruit and vegetables

- National threshold for tomatoes for processing - 156 343 tonnes
- National threshold for peaches for processing - 17 843 tonnes
- National guaranteed area for nuts - 11 984 ha

Национален праг за домати, предназначени за преработка

В Общата позиция на ЕК се определя праг за България за преработка на домати в размер на 156 343 тона.

Съгласно методологията при водене на преговорите като референтен период за определяне на националния праг за преработка на домати следва да бъдат взети най-близките три маркетингови години, за които страната има официални исторически данни.

В тази връзка в Общата позиция на ЕК от 3 юни 2004г. за референтен период са взети 2000/2001, 2001/2002 и 2002/2003 маркетингови години. За този период България е предоставила следната официална статистическа информация за количества домати, предоставени за преработка:

2000/2001 – 130 000 т.

2001/2002 – 152 796 т.

2002/2003 – 197 610 т.

При изчисление на прага се взима средноаритметичната стойност на данните от трите години (160 135 тона), която съгласно методологията се умножава с коефициент за корекция в размер на 1.0277, или получения резултат е 164 571 тона.

Тъй като България е заявила, че над 95 % от доматите за преработка се използват за продукти, които дават право на помощ, прагът за домати за преработка е определен в размер на 95 % от коригираната средна аритметична стойност (164 571). Или националният праг е в размер на 156 343

Wine

- Bulgaria has been classified in two wine zones – C II and C IIIa. This classification reflects the tradition in oenological practices applied. Adding sugar is traditional in BG.
- New planting rights -1,5 % of the existing vine potential.
- Wine and spirit drinks produced in BG – the labels can be in Bulgarian and other Community languages. Geographical indications and specific traditional denominations can be transcribed in another official language.

- ЕС предлага България да бъде класифицирана в две лозарски зони:
 - **СП** – Северен български лозарски регион ”Дунавска равнина”, Източен лозарски регион “Черноморски регион” и Подбалкански регион “Долината на розите”.
 - **СПа** – останалата част от територията на страната.

Tobacco

- **The national quota for tobacco production is 47 137 tonnes, divided between varietal groups as follows:**
 - I Flue cured (Virginia): 9 023 tonnes;**
 - II Light air cured (Burley): 3 208 tonnes**
 - VI Basmi: 31 106 tonnes**
 - VIII Kaba Kulak: 3 800 tonnes**

Milk and milk products

- **Reference period 2000-2002**
- **Quota - 979 000 tonnes**
(722 000 tonnes deliveries to dairies and 257 000 tonnes direct sales);
- **Restructuring reserve - 39 180 tonnes; It will be released in 2009 in case that the quantities for processing increase as a result of decrease of on farm consumption –both human consumption and feed.**

Beef

- 90 343 rights for special male premium
- 16 019 suckler cows
- 22 191 rights for slaughter premium adult animals and 101 542 calves
- Additional payments 380 172 euro

Sheep and goat meat

- **2 058 483 premium rights in the sector**
- **Additional payments - 2 176 155 euro**

Complementary national direct payments

- Bulgaria has the possibility, after approval by the Commission to top-up direct payments from the national budget by 30 % above the level of direct payments applied in the respective year, 2010 г. – 50%
- Top-up/CNDPs are available only for direct aid schemes existing in EU legislation within the limits of the respective scheme.

Transfer from rural development money

- Complements to direct payments from RD funds:
- Support may be granted to farmers eligible for complementary national direct payments or aids under Article 143c of Regulation (EC) No 1782/2003 .
- The Community contribution to support granted under RD funds in Bulgaria or Romania in respect of each of the years 2007, 2008, and 2009 shall not exceed 20 % of its respective annual allocation. However Bulgaria or Romania may decide to replace this 20 % annual rate with the following rates: 25 % for 2007, 20 % for 2008 and 15 % for 2009.

Direct payments and CNDPs

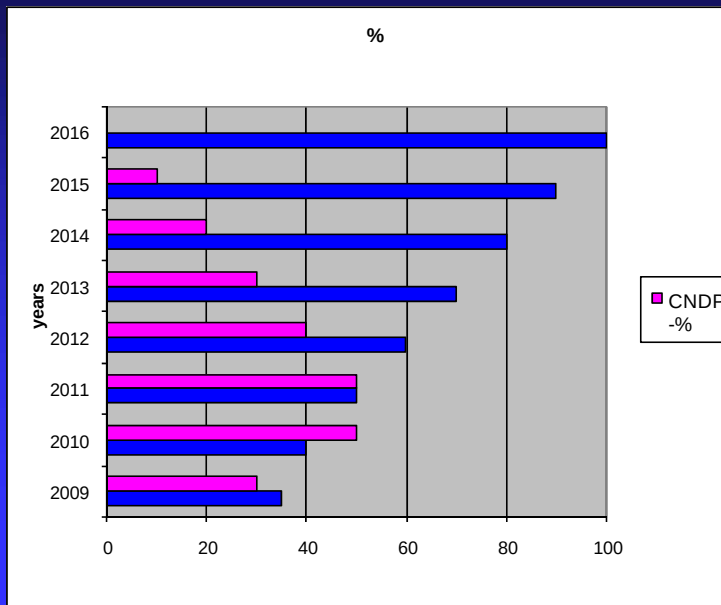
Year	DP-%	CNDP-%
2009	35	30
2010	40	50
2011	50	50
2012	60	40
2013	70	30
2014	80	20
2015	90	10
2016	100	0

Direct payments and CNDPs

Direct Payments and CNDPs

Years	Direct Payments	CNDPs			Total Direct Payments + transferred Rural Development money
		Transfer of Rural Development money			
		EU	national budget	Total	
	1	2	3	4	5
2007	202 097 000,00	48 428 890	12 107 222	60 536 112,00	262 633 112,00
2008	248 882 000,00	52 690 633	13 172 658	65 863 291,00	314 745 291,00
2009	289 797 000,00	29 156 640	7 289 160	36 445 800	326 242 800,00
2010	336 041 000,00	0,00	0,00	0,00	336 041 000,00
2011	416 372 000,00	0,00	0,00	0,00	416 372 000,00
2012	499 327 000,00	0,00	0,00	0,00	499 327 000,00
2013	580 087 000,00	0,00	0,00	0,00	580 087 000,00
2014	660 848 000,00	0,00	0,00	0,00	660 848 000,00
2015	741 606 000,00	0,00	0,00	0,00	741 606 000,00
2016	814 295 000,00	0,00	0,00	0,00	814 295 000,00
Total 2007-2016	4 786 954 000,00				

DP/CNDPs



Per ha payment in BG

Year	direct payments %	direct payments (euro)	per ha payment (euro/ha)
1	2	3	4
2007 г.	25	202 097 000	57,87
2008 г.	30	248 821 000	71,25
2009 г.	35	289 797 000	82,98
2010 г.	40	336 041 000	96,22
2011 г.	50	416 372 000	119,22
2012 г.	60	499 327 000	142,98
2013 г.	70	580 087 000	166,10
2014 г.	80	660 848 000	189,23
2015 г.	90	741 606 000	212,35
2016 г.	100	814 295 000	233,16

State aid in agriculture

- Bulgaria had to notify the Commission about the implemented state aid until 4 months after accession if it wants to keep implementing it;
- The European Commission makes an assessment according to state aid rules;
- The aid is classified as existing state aid and can be applied within 3 years' period after accession. After the end of the 3 year period a new notification is submitted in compliance with the strict state aid rule and cannot be applied before the approval of the Commission.