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Short communication

TRENDS IN THE MEAT PRODUCTION AND COMMERCE IN BULGARIA

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The integration of Bulgaria in the European Union structures becomes a part of the united European market where free movement of goods and capital is a factor of increase in the economic growth and improvement of the standard of living. In the last years stock-breeding in Bulgaria advances, the quality of production improves and the quantity becomes stable. The objective of the present study is to take up the status and the trends of the development of the meat production and commerce in Bulgaria and to trace out the basic problems and possibilities to overcome. It includes the structure of the external commerce of meat, the production and the factors determining the production. Meat consumption in Bulgaria and in the world is also examined. To achieve this goal the following tasks will be resolved: the status of the production and commerce related to meat in Bulgaria will be analyzed; trends in the development of the stock-breeding branch and possibilities of realization of the production in the stock-breeding branch on the European market will be analyzed.

Key words: production; consumption; commerce; meat; trends; analysis

ТРЕНДОВИ ВО ПРОИЗВОДСТВОТО И ПРОМЕТОТ СО МЕСО ВО БУГАРИЈА

Со нејзината интеграцијата во структурите на Европската Унија Бугарија стана дел од единствениот европски пазар, каде слободното движење на добра и капитал е фактор на економскиот растеж и подобрување на животниот стандард. Во последните години одгледувањето на говеда во Бугарија се унапреди, квалитетот на производството се подобри и квантитетот се стабилизира. Целта на оваа студија е да се подигне статусот и трендовите на развојот на производството и прометот со месо во Бугарија и да се откријат основните проблеми и можности за нивно надминување. Таа ги вклучува структурата на надворешниот промет со месо, производството и факторите кои го одредуваат производството. Испитувана е и потрошувачката на месо во Бугарија и светот. За да се постигне оваа цел, треба да се решат следните задачи: анализа на статусот на производството и прометот со месо во Бугарија; да се анализираат трендовите на развојот на гранката на одгледување говеда и можностите за реализација на производството во гранката на одгледување говеда на европскиот пазар.

Клучни зборови: производство; потрошувачка; промет; месо; трендови; анализи

INTRODUCTION

The integration of Bulgaria in the European Union structures becomes a part of the united European market where free movement of goods and capital is a factor of increase in the economic growth and improvement of the standard of living. The stable economic development of each sector depends directly on its market orientation and competitiveness in the conditions of increasing process of liberalization of the commerce on the world level.

In Bulgaria, the national structure of the agricultural production is greatly influenced by the external commerce of the circulation of goods by a successful realization of the production on the international markets. Nowadays, one of the main priorities of the Bulgarian agricultural policy is to create conditions to use the agricultural production resources more effectively and to increase the competitiveness of the agricultural production on the international markets.

Agriculture is one of the most successful branches of Bulgarian economy and has an important contribution to the forming of the currency incomes of the country. In the circumstances of competitiveness, these goods are successfully realized according to the European requirements of good agricultural practices and food safety. The national market becomes a part of the internal market of the Community and Bulgarian producers and businessmen are now in front of a number of challenges related to the measures and structure of the export of agricultural products.

In the last years stock-breeding in Bulgaria advances, the quality of production improves and the quantity becomes stable. The development of the branch in 2007 was realized in conditions of Bulgaria membership in the EU. The activity of everyone engaged to the production in the stock-breeding – producers, processors and administrators is related to the guarantee of a stable, market-orientated and production sparing the environment. The mechanisms and regulations of the Common agricultural politics are applied. The production and the processing sector keep restructuring, and the investment supplies optimal conditions for production and processing.

The newest requirements related to the production of qualified and safe animal row materials provoked a further enlargement, modernization and restructuring of the stock-breeding farms. In 2007, the number of the cattle-breeding farms decreased by 13.1 percents, and the number of beef cattle by 4.2 percents. The number of the farms where sheep are bred increased by 6.7 percents. There was a decrease in the number of the goat farms which decreased more than the sheep. The enlargement of the swine-breeding sector where the total number of the pigs is less by 12.2 percents and the one of the farms by 13.8 percents. This process strongly marked the poultry-breeding where the diminishing of farms considerably anticipates the decreasing of birds. Growth of 6.8 percents of the number of the buffalo-cows is observed.

MATERIAL AND METHOD

The objective of the present study is to take up the status and the trends of the development of the meat production and commerce in Bulgaria and to trace out the basic problems and possibilities to overcome. It includes the structure of the external commerce of meat, the production and the factors determining the production and meat consumption in Bulgaria and in the world.

To achieve this goal the following tasks will be resolved:

– the status of the production and commerce related to meat in Bulgaria will be analyzed;

– trends in the development of the stock-breeding branch and possibilities of realization of the production in the stock-breeding branch on the European market will be analyzed.

Methods applied to resolve these tasks are analysis and synthesis, systematic and historical approach, induction and deduction.

RESULTS AND ANALYSIS

The food industry is the biggest industrial branch in Bulgaria; its percentage is 25 percents of the gross value added to the industry. The percentage of all kinds of meat production is 18.8 percents of the food products. In 2006 the percentage of the incomes from sales of meat is about 20 percents of the total incomes from sales of all kinds of food products and the branch is the second one after the sector of bread-making and the sugar industry which is 24.4 percents.

In 2005, the number of slaughtered animals in the slaughterhouses increased by 2.2 percents compared to the previous year, but the produced meat decreased by 14.2 percents. The number of the slaughtered animals in the farms increased by 14.5 percents and the produced meat by 12.0 percents. In 2005, in the country, the number of slaughtered animals (cattle, swine, goats and sheep) had a 8,6 percents increase, and the whole produced meat had a 0,5 percents decrease compared to 2004.

In 2005, in the farms 75 822.7 tons of dark meat was produced, which is by 12.0 percents more compared to the previous year. It represents 58.8 percents of the whole production of dark meat for the country.

The pork includes 47.5 percents of the whole produced meat in the farms. The percentage of the cattle meat is 32.6 percents (11.4 percents sheep and 8.5 percents goats meat). Meat produced in the farms is not offered on the market, but is used to satisfy personal needs in the farms, or is given in remuneration to the workers. The industrial production of meat is 41.2 percents of the whole quality of produced dark meat in the country. In 2005, the produced cattle meat is more than the same produced in 2003 by 4.5 percents and decreased compared to 2004 by 2.8 percents. In 2005, the goats and sheep meat increased compared to 2003 by 26.1 percents and to –19.4 percents compared to 2004. In 2005, pork was by 5.5 percents more compared to 2003, and by 4.8 percents less than in 2004.

According to the Ministry of Agriculture and Food (MAF) and the National Statistics Institute (NSI), in 2007 the total meat production (poultry excluding) in Bulgaria is 119 359 tons. Compared to the meat production that amounts to 124 473 tons in 2006, there was a decrease by 4.2 percents. At the same period the data for the production of poultry had an important increase by 49.5 percents.

Table 1

Meat production (in tons slaughtered weight)

	2003	2004	2005	2006	2007
Pork	70644	78320	74533	77696	76303
Beef's meat	28727	30887	30025	23004	21778
Muttoy and goats meat	19366	20467	24428	23773	21278
Total dark meat	118737	129674	128986	124473	119359
Poultry	72044	77835	88894	107413	116389

Source: NSI and reports related to the agriculture by years.

In spite of the decrease of the meat production in the country compared to the meat produced 10-12 years before, quantities of the produced meat are important and this is a prerequisite for Bulgaria to take part successfully in the international commerce. There is an important export of lamb and chicken meat, so is the export of poultry in different years and concerning live animals. The export of pork and beef has been unimportant for years.

In 2007, the export of meat had a great increase by 69.4% compared to 2006. The export of beef and pork was considerably increased, so was the export of poultry. Some decrease was observed in the export of lamb. Beef is exported mostly to Greece and Albania, in Germany and Netherlands. Pork is exported to Russia and Ukraine, lamb is exported to Italy, Greece and Croatia. The export of poultry increased twice including the duck's meat destined to be exported to France, Belgium and Germany.

In 2007, the economy in Bulgaria was stabilized and the main macroeconomy indexes grew. Problems accompanying the development of the agricultural sector in 2007 reflected on the external commerce of agricultural goods. In 2007, about 405 thousand agricultural farms bred farm animals and birds. There was a considerable decrease in the number of stock-breeding farms compared to 2005 when they were 481 thousand. In the same period, the trend that was observed was that the average number of animals per farm increased, and it concerned most ewes and females for breeding purposes.

The total meat production is 235 747.6 tons in the country, it is by 1.7 percents compared to 2006. In 2007, the production of white meat is about 8.4 percents and their percentage in the total meat production amounts to 49.4 percents. In the same year, in the country dark meat is produced which was less by 4.1 percents compared to the previous year, and its percentage in the total production was over 50.6 percents. The pork production represented 63.9 percents of the production of dark meat, and the percentage of the cattle and sheep and goats meat is almost the same.

In 2007, slaughterhouses producing dark meat were 76 by 16 less compared to 2006, and the ones producing white meat were 23, by 7 less compared to the previous year. The industrial yield of meat increased in the country. Dark meat produced in the slaughterhouses was by 10.3 percents more than in 2006, and white meat was more by 9.8 percents.

In 2007, produced cattle meat was 21 778 tons and represents 18.2 percents of the total dark meat produced in slaughterhouses. Compared to 2006, the cattle meat had a decrease by 5.3 percents, but the production in slaughterhouses increased, and the farm production decreased.

In 2007, the total production of sheep and goats meat became smaller by 10.5 percents compared to 2006 and by 12.9 percents compared to 2005. The number of slaughtered goats is by 3.4 percents less, and the number of the slaughtered sheep is by 4.0 percents more.

In 2007, the sheep and goat meat production is respectively 15 436.7 tons, and 5 840.8 tons. The pork production is 76 302.9 tons which is by

1.8 tons less compared to 2006. The pork production represents 64 percents of the total production and 73.2 percents of the industrial production of dark meat in the country. In 2007, the percentage of pork production in slaughterhouses increases by 8.4 percents and is 41 676.6 tons, and the meat produced in farms decreased by 11.7 percents, which is the reason for the slight decrease in the production of pork compared to 2006. This difference in the pork produced in the stock farms is due to the less number of slaughtered pigs and the less live weight at the moment of slaughter.

In 2007, the trend of enlargement of the production of poultry and packets of it keeps on, poultry farming for water-birds is developed, mostly the breeding of duck and yield of qualified fatted liver. The export of eggs and poultry grew. The reconstruction and modernization of the necessary equipment, optimizing of production and diversification of the deep processing of poultry persist.

Table 2

Meat production in 2006–2007 (in tons slaughtered weight)

Class animals	Industrial production (t)			Meat in farms (t)		
	2006	2007	%	2006	2007	%
Calves	2 283.9	855.3	-62.6	11 067.4	10 228 5	-7.5
Other cattle and buffalos	2 225.3	5 218.7	131.4	7 427.7	5 475.5	-26.3
Total in the country	4 509.2	6 074.0	34.7	18 495.1	15 704.0	-15.1

Source: NSI and reports related to the agriculture by years.

In 2007, the number of all kinds of birds decreased, excluded the ducks and the so-called other birds species (quails, ostrich and guinea-hen). The reasons which condition this downtrend are the continuous concentration and specialization of the production (compared to 2006, the number of layers and pullets bred in the big poultry farms was increased by 13.5 percents, and the number of the big farms breeding chicken destined to cramming had an increase by 12.2 percents) and the sharp rise in prices of the basic forage components in 2007. In 2007 the whole produced poultry is 116 389 tons which is by 8.4 percents more than in 2006. 87.7 percents of all the 66 million birds 87.7 percents are slaughtered in specialized slaughterhouses, and the meat produced by them is 100 153 tons, and the rest of the 12.3 percents are slaughtered in the farms, and so 16 236 tons of meat were produced. The data show that the growth in the production of poultry is due to the augmentation by 9.8 percents of the slaughtered production compared to 2006. The biggest percentage of the industrial production is taken by the broilers' meat. The turkeys' meat has the biggest augmentation among all the kinds of poultry.

In 2007, the total of the export has an important increase by 69.3 percents compared to the previous year, and reaches 28 057 tons. The enlarged export results of the removing of the exportation limitations for Bulgaria after becoming a full member of the EU and the augmentation of possibilities of free access for Bulgarian products on the European market. There is an augmentation of the exported quantities of all kinds of meat, and the percentages are respectively: 3 147 tons of cattle meat, 7 245 tons of sheep and goats meat, 549 tons of pork and 17 117 tons of poultry.

Poultry and sheep and goats meat are on the front place. According to the data from NSI, in 2007 the export of poultry is 11 117 tons and augments twice compared to the previous year. About half of the total export belongs to the cocks and hens, so it is 8 560 tons which is destined to be transported to Greece (4 548 tons), Romania (2 609 tons). The percentage of the exported meat of ducks and geese is great, 48 percents or 8 271 tons, including liver (2 580 tons) and giblets (3 784 tons). These poultry products are the object of business mainly on the European market.

Table 3

Export and import of meat for 2004–2008 (tons)

	Export					Import				
Meat	2004	2005	2006	2007	2008	2004	2005	2006	2007	2008
Beef meat	91	126	215	3 147	1 195	33 368	50 509	63 567	15 367	10 354
Mutton and goats meat	7 343	8 264	8 187	7 245	2 789	25	135	29	92	227
Pork's	215	129	113	549	561	20 217	16 563	18 655	57 799	33 692
Poultry	6 556	8 481	8 054	17 117	5 480	41 391	44 059	42 109	47 753	27 657

In 2007, 7 245 tons of sheep and goats meat was exported which is by 11.5 percents less in comparison with the previous year. The decreased export of meat in this year was compensated by the bigger export of live-stock destined to be slaughtered. Basically, the contractors concerning the sheep and goats meat are Greece (3 122 tons), Italy (2 428 tons) and Croatia (949 tons).

An important augmentation concerns the export of cattle meat; in 2006 it is 215 tons, and in 2007 it is multiplied by 15, or it is 3 147 tons. This augmentation is favoured by high export prices in this year compared to 2006. The most important role plays the export of freeze meat with its 3 018 tons, and bigger quantities are directed to the Czech Republic, the Netherlands, Greece and Germany. The export of fresh killed meat or chilled cattle meat is not important (129 tons) and also increases considerably compared to 2006, and its main destinations are Greece and Albania.

The export of pork grows about 5 times in achieving 549 tons. Despite the augmentation, the export of pork as a rule is minimum quantities because of the restrictions of veterinary nature (vaccination against pigs plague).

In the first half of 2008, the total quantity of the exported meat is 10 025 tons, which is by 26,5 percents less in comparison with the same period of 2007. This decrease is due to the huge diminution of the export of poultry, which is by 40 percents, and of sheep and goats meat which is the leader in the meat export structure.

In considering this, it is possible for the export of meat to the end of 2007 to be under the level of the previous year.

In 2007, the total import of meat is 121 011 tons, which is by 2.7 percents less in comparison with the previous year. This diminution is due to the important decrease of the import of beef, because the import of the other kind of meats increases.

According to the data of NSI, considerable import of beef has a 4 times decrease to 15 367 tons, compared to 2006. As a full member of EU, from 2007 Bulgaria has some change in its structure of external commerce. Considerably straightened is the trade with the European countries, and the change with the third countries reduces. For this reason, the import of beef from countries which were important contractors until recently, as Argentina and Brazil, diminishes considerably because of the imposed high import duties. In 2007, more important quantities of beef are delivered from Poland (2 874 tons), Austria (2 445 tons) and France (1 758 tons).

In 2007, the import of pork is on the considerable increase of 57 799 tons which is triple in comparison with the previous year. Most refrigerated meat is imported destined to the needs of the processing industry. The countries importers of bigger quantities of refrigerated pork are Spain (6 961 tons), Belgium (5 751 tons), Denmark (5 336 tons), France (4 709 tons), Poland (4 267 tons).

The import of poultry and giblets has an increase by 13.4 percents reaching out from 42 109 in 2006 to 47 752 tons in 2007. Traditionally, the import of refrigerated meat destined to be processed has the biggest place, but in 2007, it is seen that the import of fresh meat increases many times (from 67 tons in 2006 to 3 949 tons in 2007). In contrast to the previous years, the import from European countries increases considerably, and the first place is taken by Germany (9 313 tons), the Netherlands (8 818 tons), Greece (5 586 tons), Italy (3 793 tons).

Bulgaria is a traditional producer of sheep and goats meat and usually satisfies the request of the internal market for this kind of meat. Despite of this, in 2007 the import of sheep and goats meat increases about 3 times compared to the previous year, but as a whole the quantity remains low and it is 92 tons.

Bulgaria imports refrigerated meat mostly, pork and beef, to satisfy needs of the processing industry because of insufficiency of raw material. This is why exactly the import of beef and pork has its biggest increase compared to the same six months of 2007, respectively by 85.5 percents and 45 percents. Although low as quantity, the import of mutton and goats meat marks the considerable increase of 12 times, and the poultry is by 15.5 percents more in the analyzed period.

The import of meat destined to be processed is expected to the end of 2008.

After the removal of the interdict imposed because of veterinarian reasons from the 1st of July 2008 about the export of pork from Bulgaria to the countries of EU, the opportunities for importation of meat and meat products will increase.

Bulgaria is net weight importer of meat. Unfortunately, providing for the source of raw materials necessary to the standard and regular process in the branch depends almost totally on the import. In 2007, the total import of meat amounts to 138 880 tons. In comparison with the previous year the import of meat is negligibly decreased by 3.2 percents. The import of chilled and refrigerated beef from 63 567 tons to 15 406 tons, which is more than 4 times is especially concerned. The import of chilled and refrigerated pork has an increase by 3 times to 55 199 tons. The imported quantities of fat streaky bacon remain important as 17 794 tones which are imported mostly from the EU countries. The import of poultry marks an increase which is 47 876 tones.

In 2007, **consumption** of meat, as well as of meat products, **in the households** shows a growth compared to the previous year. The meat consumption adds up to 27.4 kg which is an increase by 3.4 percents compared to 2006, and the consumption of meat products reached 14.8 kg, which is increased by 5 percents.

Since 1992, NSI has published official data only for the consumption of different food products in the households. Meat consumed in the households represents about the half of the total meat consumption in the country. The index **meat consumption in the households** does not report the consumption in the public sector – in such as restaurants and hotels, hospitals, barracks, kindergartens, homes for the aged, orphanages, nor does report the meat consumed for the meat processing industry which is considerable.

In the last 10 years Bulgaria does not keep abreast of the advance of the other East European countries concerning the newest trends traced out in regard with the changes in the lifestyle of most consumers. There is a huge enlarging of the fast food restaurants which offer hamburgers, pizzas, hot-dogs, and more comfortable and faster ways to deliveries to the house and to the office.

Women doing things in a hurry, busy with their jobs, and their work-load provoked and stimulated the demand of the ready-to-cook food or even finished and packed air-free meat products in mostly small packages. But still a logic factor for the lack of a great increase of consumption of these products is their higher price, and their consumption is mostly in bigger cities. People in the small towns and villages are more unsusceptible regarding the newest things and prefer the traditional way of feeding and have fewer incomes. The social context still defines considerably the preferences of the consumers related to meat and meat products. There is no denying the positive trend in sales of meat products due to the big stores coming in the country in spite of some negative trends observed regarding the conditions while contracts signed with the meat processors.

CONCLUSION

The result of Bulgarian membership in the EU is contradictory for the sector of stock-breeding. On the one hand, producers have free access to the European markets, but on the other hand, their position regarding benefits and subsidies, calculated on a low basis, is nonequivalent. Due to it, Bulgarian agriculture, especially the stock-breeding, is not able to realize its natural potential. A clear conception for priority in the aid of stock-breeding by the State is needed.

Our agriculture has a low degree of conversion of vegetable production in valued stock-breeding products, such as meat and milk. Production of stock-breeding in relation to the indexes – per animal, per farm land, per inhabitant or per producer – is many times less from the production in the countries where the stock-breeding is developed. Our stock-breeding is not able to satisfy the necessities of consumption and the needs of the processing industry with meat and milk and the import of cheap raw materials with a low quality is counted on which is imminent for the export and for the health of the consumers in Bulgaria.

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