

# **PROJECT “AGROFOOD INNOVATION CLUSTERS” WITH ACRONYM “AGROLABS”**

**IN IMPLEMENTATION UNDER A CONTRACT № BMP/1.2/2158/2017, ACCORDING  
WITH “BALKAN-MEDITERRANEAN 2014-2020” TRANSNATIONAL COOPERATION  
PROGRAMME FOR THE PURPOSES OF THE SOFIA UNIVERSITY “ST. KLIMENT  
OHRIDSKI” FACULTY OF BIOLOGY, DEPARTMENT ECOLOGY AND ENVIRONMENTAL  
PROTECTION**



## **ANALYTICAL REPORT**

**ON THE RESULTS OF THE REALIZED REGIONAL STUDY IN THE  
BLAGOEVGRAD REGION**

(Survey among farmers, processing, packing, transport and commercial companies and  
representatives of local government)

**Sofia, 2018**

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## INTRODUCTORY NOTES

The present analytical report is developed as a component of a project “**AGROLABS-AGROFOOD INNOVATION CLUSTERS**”, implemented under a Contract № BMP/1.2/2158/2017 in accordance with "Balkan-Mediterranean 2014-2020" Transnational Cooperation Programme for the purposes of the Faculty of Biolog, Sofia University “St. Kliment Ohridski”. The project is being implemented by an international consortium of researchers and scientists from Bulgaria, Greece, Macedonia and Albania, as the aim is to explore the agro-food sector state in selected municipalities and exploring the opportunities / readiness to build innovative agro-clusters stimulating the development of an Agro-food sector. In Bulgaria, the survey was conducted in Blagoevgrad municipalities, which is in line with the idea for building an Agrocluster in the town of Razlog.

**According to the concluded Contract № 80.09-44/26.02.2018, the implementation of the research activities under the project was entrusted to Foundation “Risk Analysis”, which carried out the assigned tasks between 27.02.2018 and 15.04.2018.** The preparation and implementation of the study was carried out in full accordance with the requirements of the Terms of Reference and the clauses of the cited Contract.

The present analytical report is being developed as an implementation of project „AgroLabs - AgroFood Innovation Clusters“ and presents the results of a representative survey for the region of Blagoevgrad implemented during March-April 2018 among producers, processors, distributors and traders of agricultural production, and among representatives of the local government. The survey gathered rich and challenging information on the state of the agro-food sector in Blagoevgrad region as well as on the real difficulties and challenges with which local farmers and other units in the production-sale chain are confronted. The opportunities for overcoming the existing problems were outlined and in this context the role and functions of Agrocluster in the town of Razlog were discussed.

A particular feature of the research was that a methodology was developed in the framework of the project, which was accepted as mandatory and valid for all participants in the implementation of the project activities. This requirement also concerned the preparation and implementation of the research activities.

Following the rigorously adopted methodology, Foundation “Risk Analysis” prepared and successfully carried out a survey among three main target groups:

1. Primary agricultural producers;
2. Processing companies and processors;
3. Traders and distributors of agricultural products.

Additionally, according to the requirements of the common methodology adopted within the project, representatives of local authorities from municipalities in the Blagoevgrad region were included in the survey.

**Three basic research methods** were used for implementing the study:

**1) Standardized interview:** by this method a total of 405 persons were interviewed. For the purpose of the standardization method, appropriate models of representative samples were constructed and, as a result of their implementation, the survey covered as follows:

- ✓ 248 primary agricultural producers working in the Blagoevgrad municipalities;
- ✓ 144 processing, packing, transport and commercial companies operating on the territory of the Blagoevgrad region;
- ✓ Representatives of 13 municipal administrations from settlements in the Blagoevgrad region.

**2) Method of the focus group discussions:** three focus group discussions were conducted in the towns of Yakoruda, Razlog and Sandanski, respectively. The three groups participated in **A total of 35 persons from the three target groups** of the survey took part in the survey.

**3) Method of the case study: 5 good practices in the region were identified** using this method.

The collection of empirical information was done using **six tools**:

- ✓ Appendix 1: Farmers questionnaire;
- ✓ Appendix 2: Questionnaire for processing, packing and trading companies;
- ✓ Appendix 3: Questionnaire for institutions representatives;
- ✓ Appendix 4: Indicative questions for focus group discussion;
- ✓ Appendix 5: Agreement form for participation in focus group discussion;
- ✓ Appendix 6: Form - case study.

The six instruments described were provided by the Contracting Authority (in English) and the contractor's task was to make a professional translation of the instruments in Bulgarian. Also it was in accordance with the requirement that the formulation should be as close as possible to English but also to be easy to perceive by the three Bulgarian target groups.

The sociologists and the interviewers involved in the direct study reported that the studied subject raised a high interest among the three main target groups of the project - the persons invited to the survey responded with willingness and readiness, there was practically no refusal to participate in the study. The impressions of the three focused group discussions were also excellent: the participants in the discussions came with interest and apparent wish to comment on the issues raised in the discussions. Their personal commitment to the problems of the agro-food sector in the region was clearly evident, their desire to find solutions to problems by flexibly combining the capacities of

the state, the local government and the private business, and together seeking mutual beneficial solutions for stimulating the agro-food sector development in the settlements of the Blagoevgrad region.

The collected empirical information was analyzed using relevant analytical methods:

- ✓ The empirical data from the standardized interview realized through Appendix 1, Appendix 2 and Appendix 3 were introduced into a SPSS software model and thus three databases were generated for each of the three target groups of the study, respectively. The next step was to conduct a statistical and mathematical analysis of the empirical information - a one-dimensional distribution of the significance of the investigated indicators was obtained, two-dimensional distributions were generated on the appropriate pairs of variables necessary for the purposes of the study, suitable coefficients were calculated to verify statistically significant relationships between pairs of variables (Cramer  $V^2$  и Chi-square  $X^2$ );
- ✓ The empirical information gathered in the three focus group discussions was analyzed in another way - three stenographs were made (this is the way in which focus group discussions are usually formed), then the stenograph fragments were coded and prepared for secondary analysis

On the basis of the described analyzes, the documentary basis for the development of this analytical report was prepared. It is structured in three thematic parts:

- 1) An analytical part presenting and analyzing the results of the statistical and mathematical processing of the results of the representative survey among the key stakeholders from Blagoevgrad region. It presents the empirical data collected with Appendix 1, Appendix 2 and Appendix 3.
- 2) Analytical part based on the results of the three focus group discussions. It presents and analyzes the results of the three focus group discussions.
- 3) Presenting and analysis of the identified five good practices (case studies): the selected cases are presented, describing the valuable and instructive in them in terms of the construction of Agrocluster in the town of Razlog and the development of the agro-food sector in Blagoevgrad region.

The Foundation "Risk Analysis" expresses its deep gratitude to our colleagues from the Faculty of Biology, SU "St. Kliment Ohridski", which with valuable advice and guidance contributed to the smooth organization of the study and its seamless implementation, and subsequently in the implementation of complete and profound analyzes of the collected empirical information

## **PART I. METHODOLOGY OF THE SURVEY**

The regional survey conducted in the Blagoevgrad region is based entirely on the methodology developed by the team of “**AGROLABS-AGROFOOD INNOVATION CLUSTERS**” project and accepted as mandatory and valid for all project participants. Therefore, in this part of the report we will present schematically the main components of the applied research methodology.

**First of all, the project works with three main target groups:**

1. Primary agricultural producers;
2. Processing companies and processors;
3. Traders and distributors of agricultural products.

Additional target groups of the project are **representatives of local authorities, experts and other institutions** who could share their opinions, observations or recommendations on the state of the agro-food sector in settlements in the Blagoevgrad region. They can recommend opportunities and measures to overcome existing problems and to stimulate the development of private initiative and entrepreneurship of local people in the production, processing and distribution of agricultural production

**Second, within the project it was agreed to work with three research methods:**

**1) Standardized interview:** this method was designed to gather opinions, assessments, concepts and expectations of the three main target groups (including the representatives of the institutions). It has been estimated that the standardized interview method is best suited to its specific gnoseological characteristics, both in terms of the specifics of the target groups and the opportunities that this method generates for collecting representative and reliable information and its subsequent analysis. Since the aim of the study was to quantify the main characteristics of the agro-food sector in the region, this required a quantitative study, i. e. a study using a typical quantitative method. The standardized interview is such a kind of method and there can be no doubt in the appropriateness of its choice for the particular case.

**2) Method of the focus group discussions:** in the context of the developed methodology, the method of focus group discussions was planned as a component of the study which has to be realized immediately after the quantitative (representative) study. The aim of the focus group discussions was to discuss key problems concerning the producers, processors, traders and distributors of agricultural production in the region. The discussions were planned after the representative survey in order to be able to see the tendencies and reactions of the respondents covered by the standardized interview and this also to be taken into account when focus group discussions are held. The requirement of the focus group discussions was to be conducted in a heterogeneous composition group, i. e. to invite representatives of all target groups and to give the

opportunity to collide with opinions, to express their own and diverging views, to discuss possible good solutions from which all stakeholders can benefit.

**3) Method of the case study:** the purpose of this method was to identify between three and five good practices in the populated areas of the region. The intention was to implement the representative regional survey using the standardized interview method and to identify in the course of the three focus group discussions interesting cases of realization of business ideas in the field of the agro-food sector, making an assessment and selecting among suitable cases up to five practices which to be described in detail and to be the leading examples of successful implementation of business initiatives in the agro-food sector.

**Third, the collection of the empirical information was done using six research tools as follows:**

- ✓ Appendix 1: Farmers questionnaire;
- ✓ Appendix 2: Questionnaire for processing, packing and trading companies;
- ✓ Appendix 3: Questionnaire for institutions representatives;
- ✓ Appendix 4: Indicative questions for focus group discussion;
- ✓ Appendix 5: Agreement form for participation in focus group discussion;
- ✓ Appendix 6: Form - case study.

These tools were provided to us by the Contracting Authority in English, translated professionally, tested for fitness and adjusted, as the original semantic sense of the questionnaires remains.

**Fourth, according to the terms of reference were generated three general aggregates** on the territory of Blagoevgrad, referring to the three target groups of the study: 1) a general set of primary agricultural producers, 2) a general set of processing, packing and trading companies; 3) a general set of traders and distributors of agricultural production. It has been previously estimated that the three concerned general sets are directly related to the development of the agro-food sector in Blagoevgrad. We think it is very important not only how active are the three major stakeholders, but also what is their relationship and whether this ratio favors (or hinders) the development of the agro-food sector in Blagoevgrad.

**The main objective of the study** was to examine the attitudes, assessments and expectations of the three stakeholders regarding the idea of establishing and development of Agrocluster in the town of Razlog. But taking into account our experience in this kind of research, the study also examined such assessments and opinions of the three general sets from which can be drawn conclusions about the state of the agro-food sector in Blagoevgrad region and the expectations for its future development.

**Fifth, construction of an excerpt for the study.** The Employer's requirement was that the study to be representative of the three general sets. To meet this requirement, **the study was conducted using representative samples**, which were applied in

accordance with the scientific requirements for the preparation and implementation of stochastic representative surveys. **For its part, the realization of representative studies is related to some mandatory preparatory stages.**

- ✓ The first is to compile comprehensive and very accurate lists of the three surveyed sets: 1. primary agricultural producers; 2. processing companies and processors, and 3. traders and distributors of agricultural production. Our preliminary studies have suggested that collecting this type of information requires very good organization and work in a coordinated manner with the Employer. The available Internet resources were used, but also communication with the Directorates “Agriculture” in different municipalities in the Blagoevgrad region was made. In this process, it was essential to make a distinction between farmers and registered farmers - the first category includes all persons having even a minimum area and producing agricultural products for private purposes whereas the second category includes only those persons who are officially registered as producers of agricultural production. According to our understanding, the second category was subject of the survey;
- ✓ On the basis of the prepared lists of agricultural producers, processing and other companies in the region, three excerpts were drawn, respectively for each of the target groups;
- ✓ The next important stage in the preparation of the study was to construct relevant models of the cross sections. With regard to the excerpts, our view was that for the purposes of the study it is appropriate to construct **two-tiered stratified excerpts** in which a certain number of nests (operational small sets) are formed at the first stage in the individual settlements and in the second stage an appropriate number of persons of these nests are selected to be surveyed. Following the available information on the general sets, we initially formed 13 base nests within which potential respondents were selected. The exact excerpt sizes were calculated additionally in a communication mode with the Employer after specifying the exact lists and the number of people falling into the three general sets.

**The total surveyed persons were 405 as follows:**

- ✚ With Appendix 1: Questionnaire for farmers were surveyed 248 persons;
- ✚ With Appendix 2: Questionnaire for processing, packing and transport companies for 144 surveyed persons (processing companies and processors - 64 persons, traders and distributors - 80 persons);
- ✚ With Appendix 3: Questionnaire for institutions, were surveyed 13 persons.

**In this way, the contractor fully complied with the requirements of the Technical Specification regarding the volumes of the excerpts of the study and also achieving additional volumes.**

**Sixth, the projected survey is realized on the field in accordance with the Technical Specification. The fieldwork on interviewing potential respondents with**



**the three questionnaires took place between 5 March and 5 April 2018. The fieldwork continued for 5 calendar weeks.**

The representative survey among the three categories of persons was carried out by a research team, comprising experienced researchers and 12 experienced interviewers working in Southwest Bulgaria and in particular in the towns of Blagoevgrad, Yakoruda, Kresna, Razlog, Bansko and the region, Hadjidimovo, Sandanski and the region (Simitli, Strumyani, Petrich). The selected interviewers did very well with the tasks assigned to them and took the excerpts on time and in accordance with the instructions.

**The survey organization was as follows:** the team leader organized interviewers' instructions, a trial completion of the three questionnaires types was done, and the interviewers received detailed instructions on how to find survey persons and how to handle the survey. The interviewers received the required number of the three questionnaires and started work. The surveyed persons were searched by settlements, i.e. place of residence or company registration. In some cases, difficulties were encountered with the discovery of the initially submitted persons, the reasons for which were either obsolescence of the submitted contact information or termination of the company's business. In these cases new persons or companies were selected from the generated data bases that meet the requirement to have specific characteristics, for example, to be registered farmers in the respective settlement, or to act as an active legal or economic entity.

Daily operational control was carried out on the work of the interviewers and there was a report on the difficulties encountered to the team leader. Once every ten days, the team leader required interviewers to report on the progress of the study, thereby controlling the smooth implementation of the envisaged excerpts. The completed questionnaires were promptly received by the team and were screened thoroughly, then directed for input and processing with the SPSS product. All the questionnaires received from the conducted survey are introduced into the mentioned product and on this basis three databases were generated, which were processed by appropriate statistical and mathematical methods. This is the empirical basis for writing the analytical report.

**Seventh, preparation and conduction of the three focus group discussions was made parallel with the quantitative study.** According to the methodology we adopted, mixed focus group discussions were prepared, in which representatives of all three categories of persons were invited:

- 1) Primary agricultural producers;
- 2) Representatives of processing companies and processors;
- 3) Traders and distributors of agricultural production.

Our initial hypothesis has been confirmed that this is a better research approach because it has created the opportunity to meet people in different positions and having different roles in relation to the development of the agro-food sector. This resulted in a

constructive exchange of views and interesting ideas for the development of the agro-food sector in the region and the development of AgroCluster in Razlog.

**Focus group discussions took place in three of the big settlements in the Blagoevgrad region**, where agriculture forms a significant share of the local economics:

- 1) Focus group 1: Yakoruda, 26.03.2018.
- 2) Focus Group 2: Razlog, 27.03.2018.
- 3) Focus Group 3: Sandanski, 29.03.2018.

The information gathered from the three focus group discussions is formed as three separate stenographs that are the basis for analyzing the results.

**Eighth, identifying between three and five good practices that will be investigated using the case study method.** In the process of the representative study, in the three focus group discussions, five good practices were identified, to which the case study method will be applied. The identified units are undergoing extensive research - through in-depth interviewing, on-site monitoring, etc. appropriate to the specific case. The collected material is described in an appropriate form in order to be included in the provided Good Practice Guide.

**The present analytical report was developed on the basis of the collected empirical information through the representative survey among the three categories of persons under study and through the three focus group discussions. It is structured in three thematic parts and presents in a systematic way the main results of the research activities carried out.**

Bypassing the findings and findings of the study, we will emphasize here that, given the richness and completeness of the empirical information collected and the functions it performs, the study can be described as successful and qualitatively implemented:

- ✓ Opinions, assessments, presentations and expectations of all target groups were collected, based on all indicators included in the research tools. From this point of view, the study fulfilled its purpose, as the whole volume of empirical information was collected;
- ✓ From the point of view of the fulfillment of aims and tasks, the study can also be described as successful because the collected empirical information is the documentary basis for conducting a qualitative and complete analysis of the research questions;
- ✓ The research has been successful also because it has achieved a high promotional and informative effect during its implementation. At the time of interviewing and focus group discussions, people were fully acquainted with the aims of this project and the concept of the study. It was explained to them that this is the purpose of making a reliable and objective assessment of the state of the Agro-Food Cluster in the Blagoevgrad region to identify the main difficulties and

problems faced by producers, processors and distributors of agricultural products, to find working solutions to overcome these problems and highlight the role of Agrocluster in the town of Razlog.

Having this in mind, we are confident that this analytical report will be of interest not only to researchers but also to a wider range of experts, institutions and local authorities. It not only describes existing problems and challenges but also offers ideas for their solution and suggests how it is possible to stimulate the Agro-food sector in the Blagoevgrad municipalities.



## PART II. ANALYSIS OF THE RESEARCH RESULTS

### 1. Survey results of farmers

#### 1.1. Profile of the respondents

According to the constructed excerpt of the survey, with Annex 1: Questionnaire for farmers were surveyed 248 persons, proportionally located in settlements of the 13 big municipalities of Blagoevgrad region: Blagoevgrad, Yakoruda, Belitsa, Razlog, Simitli, Kresna, Bansko, Strumyani, Sandanski, Gotse Delchev, Petrich, Hadjidimovo and Satovcha. The relative shares of the respondents in the 13 municipalities are presented in the following Fig. 1.:

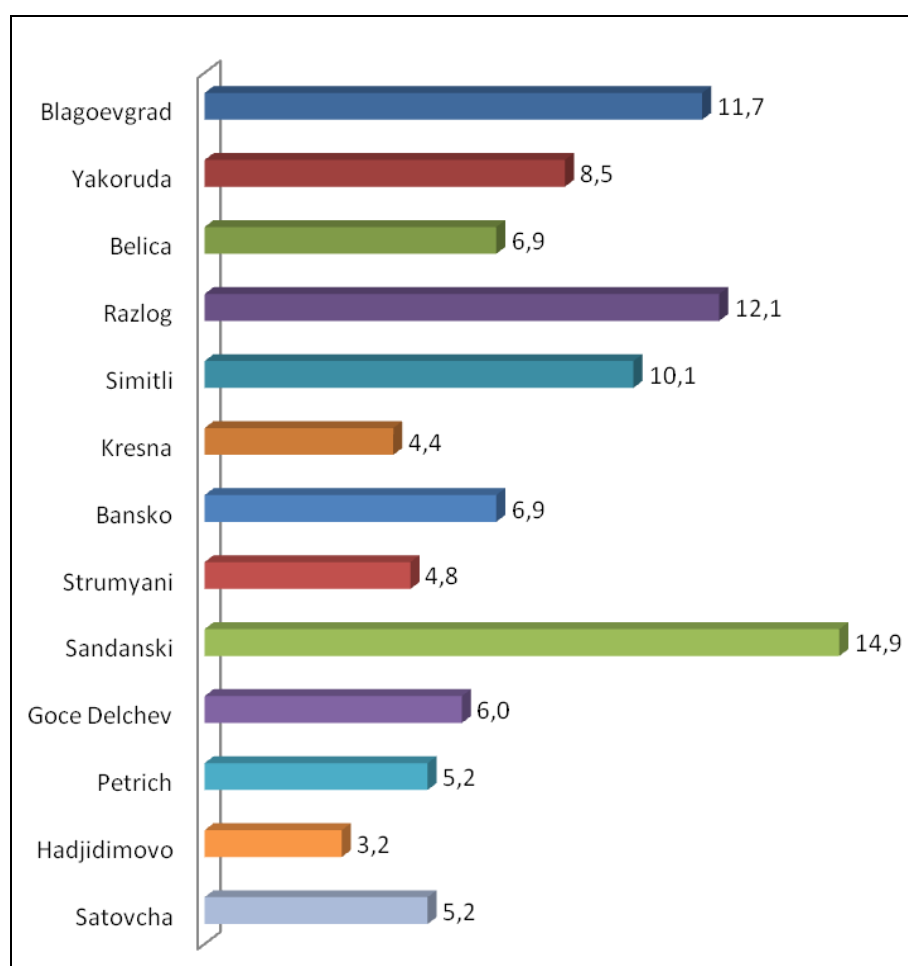


Fig. 1. Distribution of surveyed agricultural producers by settlements in Blagoevgrad region

The largest relative shares of the surveyed persons are in the municipalities of Sandanski (14.9%), Razlog (12.1%), Blagoevgrad (11.7%), Simitli (10.1%) and Yakoruda (8.5%). We have to mention explicitly that we had serious difficulties in identifying registered farmers in the municipalities of our interest. Although we have repeatedly

attempted to obtain information from the available Internet resources, it turned out that a significant part of them is not actual. This required many additional contacts and searching information from local Directorates "Agriculture" or local municipalities. In some places, we met understanding and a high level of cooperation, while elsewhere the interviewers used all their available contacts to find respondents. What is important is that, ultimately, the task has been successfully completed and all respondents in this category met the basic requirement - to be registered farmers and to be directly and directly involved in the production of agricultural products.

In the introductory questions of Annex 1: Questionnaire for farmers was explicitly required to record the type of activity performed by the respondent. The analysis of the gathered information shows that **the survey covers all typical regional farming activities** as follows:

- ✓ Cattle breeding;
- ✓ Cattle breeding and beef production;
- ✓ Growing cows;
- ✓ Dairy farms;
- ✓ Livestock breeding - sheep;
- ✓ Pig farm;
- ✓ Grape harvest / vineyard, grape production;
- ✓ Mushroom cultivation (oyster mushroom, agaricus);
- ✓ Vegetable production (lettuce, tomatoes, cucumbers, peppers, gherkins);
- ✓ Greenhouse vegetable production;
- ✓ Agriculture;
- ✓ Potato production;
- ✓ Poultry and production of chicken and eggs;
- ✓ Grain production;
- ✓ Fruit growing (apples, raspberries, blackberries, peaches, cherries, melons)
- ✓ Tobacco growing;
- ✓ Fodder and hay;
- ✓ Fodder mixtures;
- ✓ Beekeeping.

According to the predominant agricultural activities, the 13 municipalities have their own profile. For example, in the municipality of Yakoruda the most widespread are cattle breeding, cows breeding for milk, and from vegetable production priority is the production of potatoes, as well as cultivated growing of different mushroom species. In Blagoevgrad, the typical activities are vegetable growing, fruit growing, beekeeping, grain production, feed and hay production. In the municipality of Razlog cattlebreeding is widely practiced as it has good traditions in all of its subtypes. Here, potato production is widely developed too. In the municipality of Bansko variety is the breeding of goats, sheep, and good attempts to grow vegetables. The municipalities of the southern part of the Blagoevgrad region have their own agricultural appearance - here

dominates the viticulture, the cultivation of local varieties of wine grapes, but also the vegetable production and the fruit growing as the variety of vegetables and fruits is impressively large. There are also dairy farmers, sheep and goat breeding farmers as well as poultry / chickens and eggs production.



According to the **respondents' gender**, relative close shares comprised the study - women accounted for a relative share of 47%, while men were 53%.

**The study included respondents from all major age groups**, which is visualized in the following Fig. 2.:

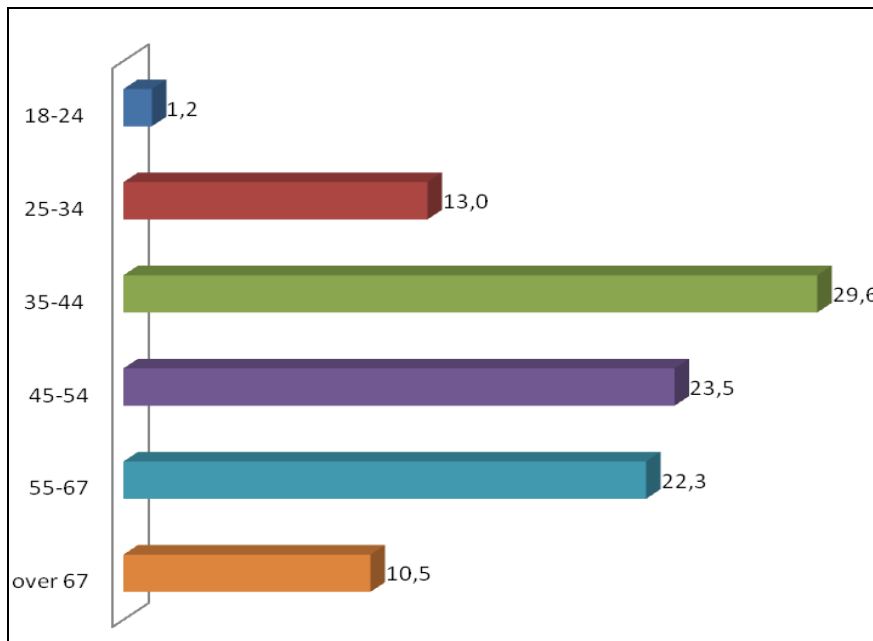


Fig. 2. Age structure of the surveyed agricultural producers

Judging by the data presented in Fig. 2., **the most significant age group is between 35 and 44 years (29.6%), followed by persons aged 45-54 (23.5%) and those aged between 55 and 67 (22.3%)**. Very young people felt in the survey (18-24 year old), although their share is very scarce (1.2%). However, people aged 25-34 form a relative share of 13.0%. The elderly in the survey excerpt (over 67 years) comprised 10.5%. The obtained data showed a relatively favorable age structure for farmers in the region. Most of them are in the range between 35 and 67 years, which shows that in the agricultural production, are involved persons in active economic age. Of course, this is largely due to objective factors and prerequisites. For example, in Yakoruda local people probably would like to have other opportunities for livelihood, but the objective prerequisites contribute to the development of agriculture and forestry. So, local people have no choice but to get involved with the development of some particular type of farming or livestock breeding. Another is the case in the municipality of Sandanski - the town has its economic appearance and offers opportunities for realization in at least several economic sectors (mostly different types of tourism, textile industry). Third is the case in the municipality of Bansko - known for its wide possibilities for tourism, the municipality also has well-developed processing industry, construction sector, trade sector, forest and fishery, culture and leisure activities. While local people in the Yakoruda municipality are almost non-alternatively facing the need to grow cows or potatoes, in the other two municipalities the local population has a much wider choice. And when choosing the agricultural sector, it is the result of a deliberate choice and a well-thought-out solution.

Although the survey did not include the control of gender and age, their distributions were nevertheless interesting and indicative, as they gave an idea of the profile of those involved in the agricultural production. It is clear that both women and men are almost equal, and it can not be concluded that farmers are differentiated by gender. As regards the age structure of farmers, middle-aged people are strongly presented, but also people in general between the age of 35 and 67.

**These data give us reason to make the general finding that agricultural production is equally a job for both genders, with the highest probability persons aged 35-55 years to be employed. Judging from the economic profiles of the studied municipalities, the decision to target agricultural production in part of the Blagoevgrad region (Yakoruda, Simitli, Strumyani, Kresna, Hadjidimovo) is dictated by strict economic expediency (lack of other employment and income opportunities) in other municipalities (Blagoevgrad, Sandanski, Razlog, Bansko) this is a matter of personal choice and to a higher degree indicates preferences and tendencies towards the development of a precisely defined team of economic activity.**

### 1.2. Main characteristics of the farmers in the Blagoevgrad region

During the survey, empirical information was collected on some of the key characteristics of farmers in the region, such as the duration of the farming activity, the reasons for the development of the production, the functional purpose of the production and the degree of its development as it was measured by the hiring indicator labor force for production purposes.

**According to the duration of the agricultural activity,** the respondents are distributed as follows:

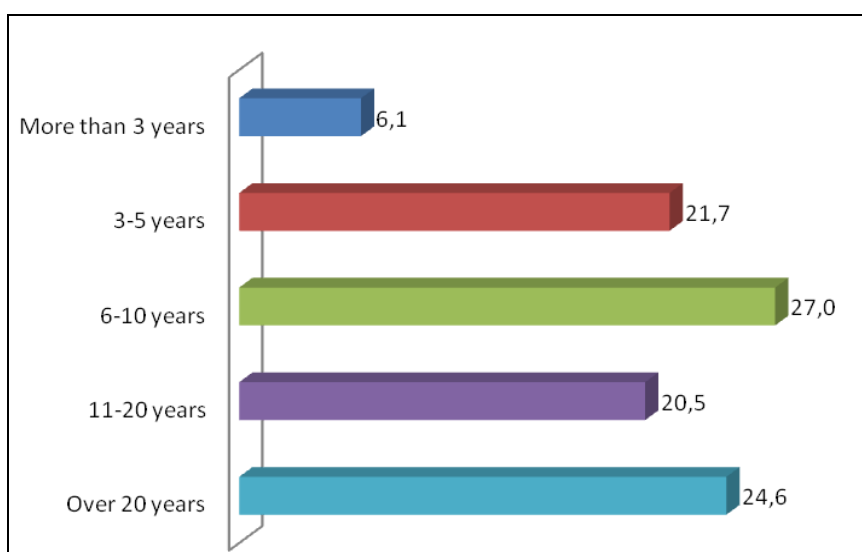


Fig. 3. Duration of the agricultural activity.



The data on Fig. 3. show that people with a solid history in agricultural production have fallen into the study. In fact, this is largely due to our desire to search and interview people who have a lot of experience in carrying out different types of agricultural production. It is not a coincidence that 24.6% of respondents have experience in their activities over 20 years, another 20.5% have experience between 11 and 20 years, 27.9% have experience between 6 and 10 years, and 21, 7% - between 3 and 5 years. Only 6.1% of respondents have less than 3 years of experience. In our opinion, the availability of significant experience in agricultural activities is a good prerequisite for collecting qualitative and reliable empirical data for the purposes of the survey as it ensures that respondents have solid own observations and rich insights from the situation in their business and can share with us interesting and valuable opinions and assessments on which to draw conclusions on the state of the agro-food sector in the region.

In terms of the analysis, **a special interest is the respondents' views on the reasons why they are occupied in the agricultural production.** The questionnaire provided several basic response options that varied between personal choice, family business, local traditions, and support for national and European programs. The collected assessments show that **the main reasons for the development of agriculture in the region are mainly related to the maintenance of local traditions (according to 42.1% of the respondents), the development of family business (according to 29.1% of the respondents) and personal choice (according to 20.2 % of the respondents).** Fig. 4.:

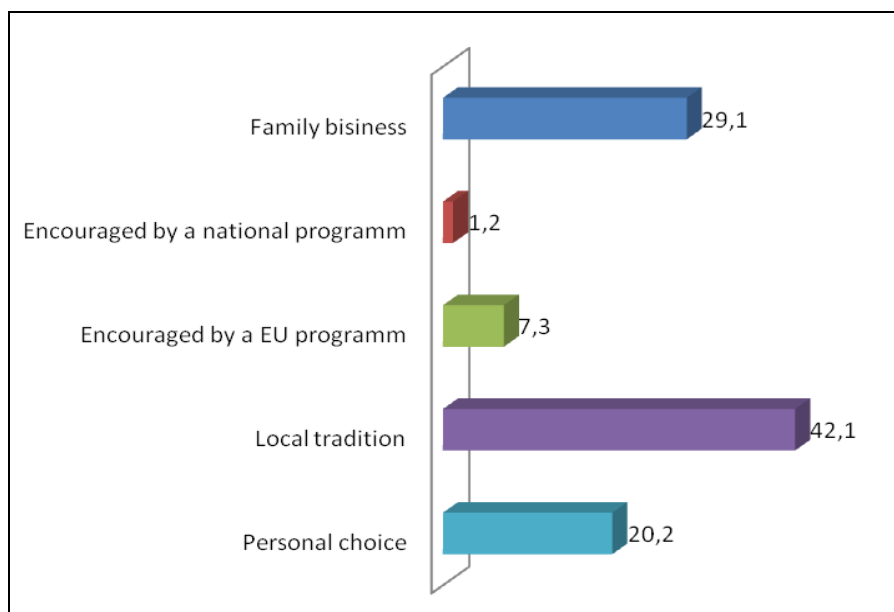


Fig. 4. Reasons for the development of agricultural activity in the region

It makes a strong impression that only 1.2% of respondents have indicated the support of national programs as a reason for the start-up and development of agricultural

production. The share of respondents who indicated the support of the European programs is also low (7.3%). These data are a cause for very serious reflection. The assessments received are eloquent and indicate a very low level of support for agricultural production by the state and the European funds. Despite the existence of many active programs and incentives for farmers, and despite the fact that some of the respondents also received direct payments for different measures when asked about the driving force and the main motive for the development of their production, they emphasize either their desire to preserve local traditions, either to develop a family business or that they have made that choice themselves. There is no point in noticing that even those persons who have received grants under different European programs do not ignore this fact and focus on other determinants which, in their view, are leading in their decision to undertake a specific type of farming activity.

As these data awakens high interest, we take a further look to see if there is a statistically significant relationship between the reasons given for the development of agricultural activity and the duration of that activity. **Our preliminary hypothesis was that there would be a correlation and that people who had started such a business in the last decade was more likely due to the opportunities for funding from national or European programs.** The following Fig. 5 shows that **there is actually such a correlation** (Cramer  $V^2=0.344$ ; Chi-square  $X^2=0.025$ ):

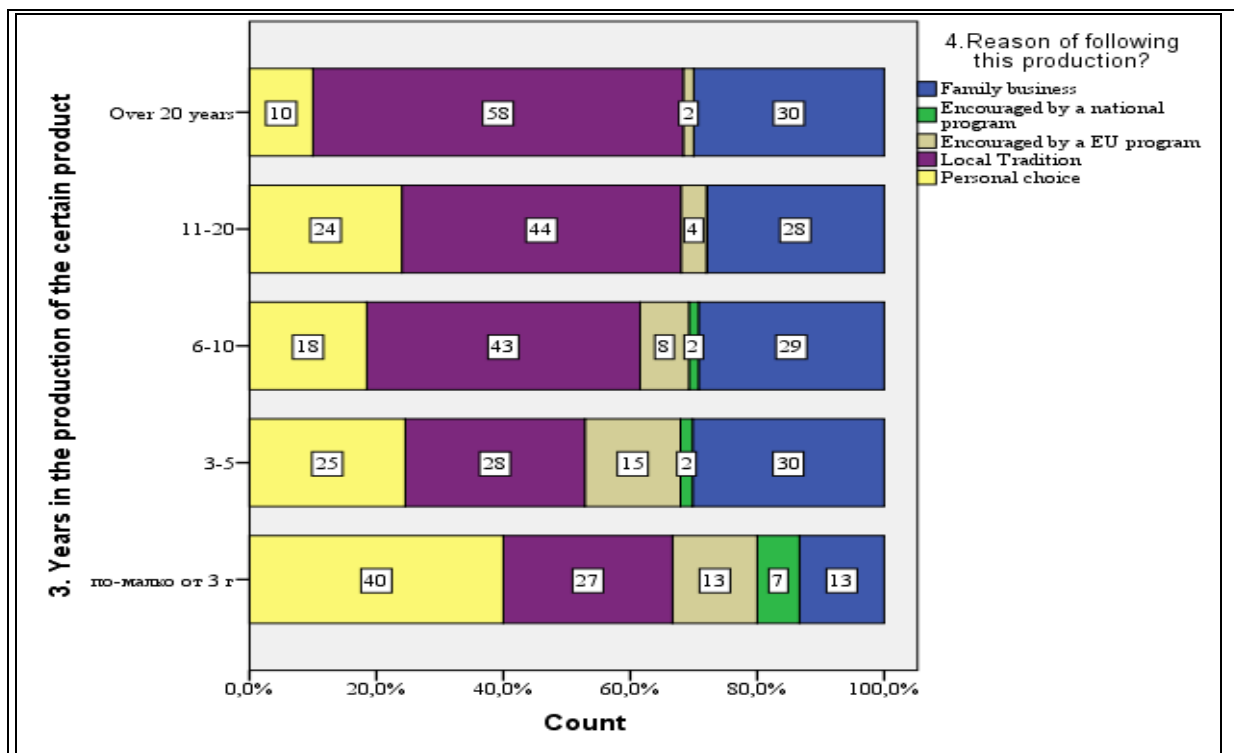


Fig. 5. Reasons for the development of agricultural activity in the region according to the duration of the respective type of agricultural activity

It is noteworthy that people who have been developing agricultural business for more than 20 years is mainly by virtue of local traditions (58%) and family business (30%). The motivation of people who develop their business between 11 and 20 has similar structure, with the difference that 24% of them have highlighted their agricultural activities as a matter of personal choice. Forom those practicing agricultural ativities between 6 and 10 years, a significant share (8%) have been initiated it under the influence of European funds and measures. This share is 15% for those with experience from 3 to 5 years and 13% for those with less than 3 years experience in agricultural production. **There is a clear trend in the last ten years for increasing the relative share of those who have been encouraged by European programs and who have started their own agricultural business as a result of European funds. The relative share of persons indicating their agricultural occupation as a matter of personal choice is also increasing - this share is 10% for persons with more than 20 years of experience in agricultural production and increases up to 40% for those with less than 3 years of experience.**

**This finding is extremely favorable in the context of the present study as it clearly and definitively indicates that those who, in modern times, are occupied in agricultural production, do so in their own conviction and with the clear intention of doing this kind of activity. This shows deep inner motivation and awareness of the choice made.**

In this context, however, an important fact is that **only for 34% of the respondents this is their only activity, which means that the remaining 66% have at least one other type of activity from which they receive income.** When asked to clarify how much of their income comes from agricultural production, respondents point out that: 38.8% of them recieve up to 25% of their income, another 23.7% report that they receive between 25 and 50% of the income, for 17.6% - it is between 50 and 75%, and for only 20% this is their only source of income.

Fig. 6 illustrates the relationship if the agricultural activity is the only one for the respondents and the relative share of the income they receive from it. Among those who indicated that farming activity is their only activity, 51% said they earned more than 75% of their income. Conversely, 57% of those for whom agricultural production is not a single activity have indicated that they receive less than 25% of their income. These assessments are illustrated in the following Fig. 6:

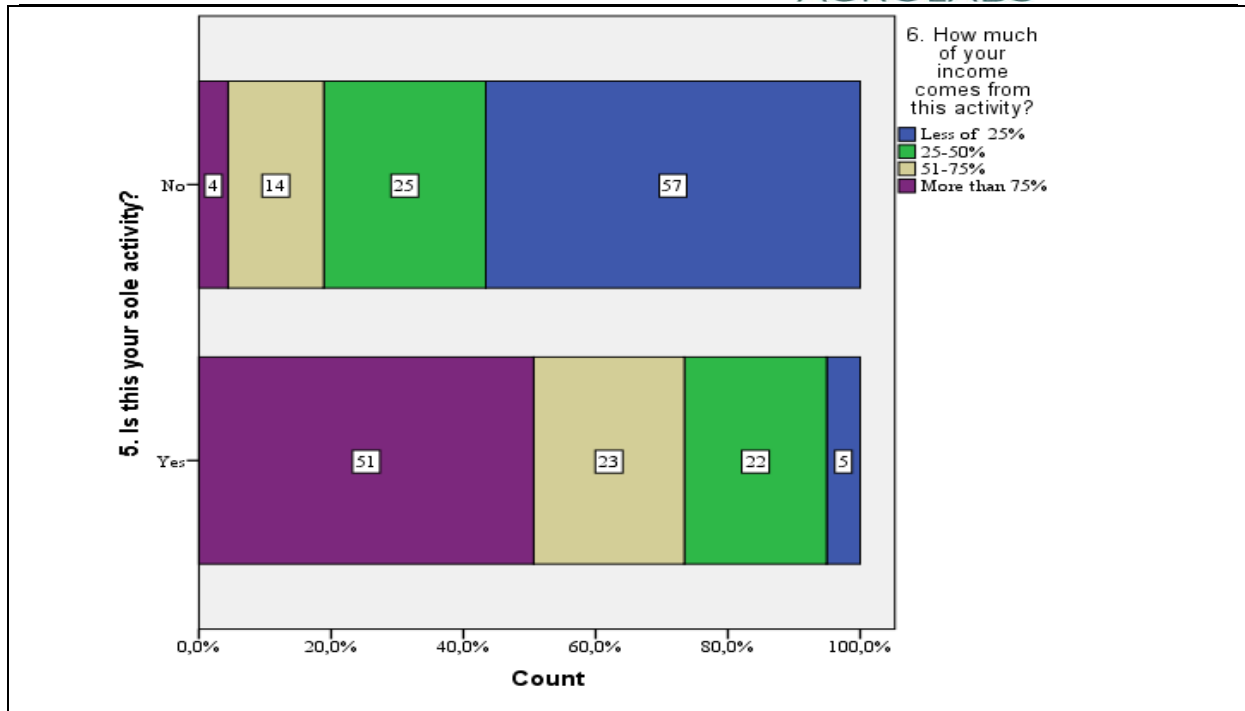


Fig. 6. Share of incomes received by agriculture production, in accordance of whether it is only activity or not

The presented assessments conclude that only about a third of the persons occupied in agricultural production point this as the only source of income. For the rest, agricultural production is one of the sources of income, but in parallel they do other types of activities. Although they are registered farmers, this obviously does not prevent them from reconciling this activity with other activities in order to obtain income. The survey also shows that in a number of cases, registered farmers have another source of permanent income, apart from agricultural production. It is a frequent case in the region people in pre-retirement or retirement age to get occupied in agriculture sector so they reconcile the salary or retired pay with a particular type of farming.

Probably because of this, the development of agricultural activity by these persons does not have a special scope - as the data show, only 20.4% report that they employ between 6 and 10 persons for the purpose of their production. 40.8% of the respondents said they have between 3 and 5 people to help them, mostly from their family or close relatives. 34.7% said that they work with one or two other people. **This confirms the already made findings that agricultural production in the settlements in Blagoevgrad region is highly dispersed by a number of small firms or registered farmers who carry out their activities mainly on their own or with the help of a limited number of other people, mainly the closest from the family. This gives the agricultural production a particularly family character. The big companies operating as larger economic units are relatively few. Small and sole proprietorships predominate where one family member is the official holder of the work permit and the other family members are involved in the activity.**

### **1.3. Assessments and opinions on agricultural production realized on the territory of Blagoevgrad region**

A significant part of the assessments and opinions of the interviewed farmers refers to the establishment of the main features and parameters of the agricultural activities. respondents shared a wide range of information on average annual yields, production trends, availability of certificates for the activities and products produced, the availability of subsequent packing and transport activities as well as major problems encountered in the implementation of production activities and their perceptions of the factors on which the improvement of the quality of the produced agricultural products depends. In the following text we present in a systematic way the collected assessments and opinions.

The collected empirical information gives an idea of the average annual volume of agricultural production in the populated areas of the region. As could be expected, **the data on average annual output vary over a very wide range depending on the type of farming:**

- ✓ The cattle breeders in the area report about the growing of between 20 and 120 calves;
- ✓ Other cattle breeders indicate that they have grown between 30 and 80 cows for milk production;
- ✓ Milk producers point that they produce between 10 and 95 tons of milk a year;
- ✓ Sheep breeders - between 100 and 700 sheep;
- ✓ Producers of lambs - 100-700 per year (65-70% annual growth);
- ✓ Laying hens – up to 200;
- ✓ Potato growers indicate different tonnages - from 2 to 20 tons, but there are cases, such as 300 tons of annual production;
- ✓ Vegetable producers: cucumbers (from 2 to 80 tons per year);
- ✓ Carrots producers- 3 tons per year;
- ✓ Cabbage producers - up to 2 tons per year;
- ✓ Tomatoes producers - between 1 and 7 tons per year;
- ✓ Raspberries producers - from 100 to 250 kg per year;
- ✓ Peach producers - 8-10 tons per year;
- ✓ Lettuce producers - up to 20 000 pieces per year;
- ✓ Corn producers - 250/300 kg per hectare;
- ✓ Bean producers - 800 kilos per year;
- ✓ Oyster mushrooms producers - 800 kilos per year;
- ✓ Cherry producers - 8-10 tons per year;
- ✓ Apples producers - between 70 and 300 kg per hectare;
- ✓ Aronia producers - 50 kilograms per year;
- ✓ Grape producers - between 5 and 60 tons per year;
- ✓ Lucerne producers - 1-10 tons per year.

The review of the annual output shows that agricultural activities vary strongly, with average and relatively smaller yields prevailing, but in parallel there are single cases of more significant yields. The situation is very different in the settlements. For example, a massive practice in Yakoruda is raising cows for milk - local people grow between 20 and 80/90 cows, yielding up to 20-30 tonnes of milk a year. They mention, of course, that cows of different breeds give different quantities of milk and that dairy production is not year-round but 8-9 months of the year. Another highly developed agricultural activity in Yakoruda municipality is the growing of potatoes. The local people have noted that virtually everyone grows potatoes (between 5 and 20 tons of annual production) with the idea to sell them on the market. This leads to over-production of potatoes in the region and impossibility of their marketing. The producers of grapes, fruits and vegetables predominate in Sandanski. Again, the ranges and span are different, but mid-range producers dominate - their major problem is also market realization and difficult placement of the production.

Surveyed farmers estimated that this year's production is rather stable (57.5%) compared to the previous calendar year. The production of 17.8% of the farmers was increased, while a decrease was reported by 24.7%. These assessments can be seen on Fig. 7.

At the same time, 48.6% of the farmers expected their production volume to remain the same in the next calendar year, without substantial changes. 38.0% of the farmers expect increased production volumes and 12.6% predict a decrease in the production volume. The discussed assessments are illustrated on Fig. 8:

**The analysis of the two presented types of assessments shows that nearly half of the farmers maintain the same production levels. This in turn means an extensive development of their production - the same territories are developed, in the majority of cases the same crops are grown, without significant investments and with no intention for expanding the production activities. Production is the same volume as present, with very weak investment intentions which are rather exceptions. For small businesses the trend is to keep volumes - where possible but also to reduce them if necessary by the inability to cover the costs and generate a profit.**

**Interestingly, 38% of farmers who predict production growth are farmers who have invested in their production (either through technology and techniques, using more advanced methods to develop the business, or expanding areas and volumes of activity) and which, for these reasons, expect their average annual yields to increase.**

**Approximately one-tenth of agricultural producers are acquiescent - they have accepted the fact that their output is gradually declining, but they do not take action for positive change and are satisfied with the situation - as it is.**

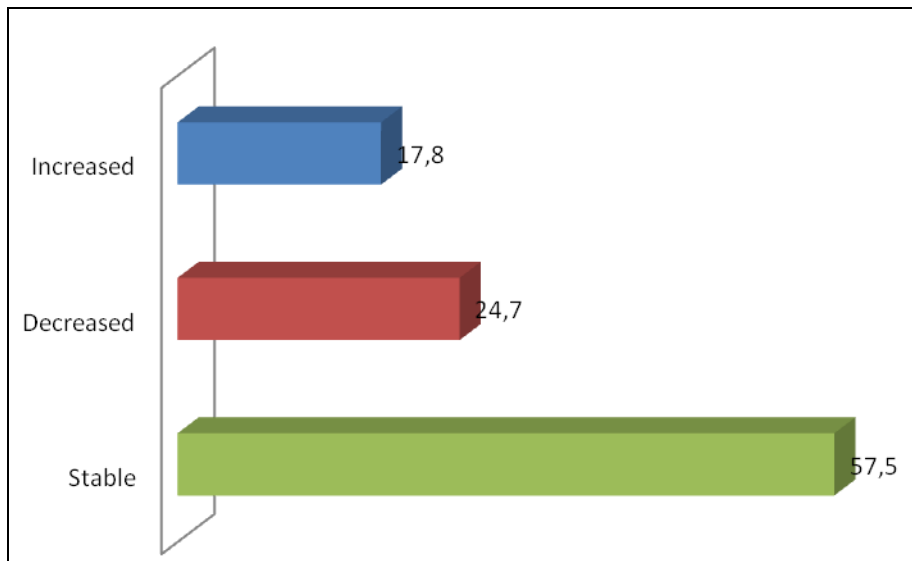


Fig. 7. Estimations of trends in this year's production, based on the yields of the last calendar year

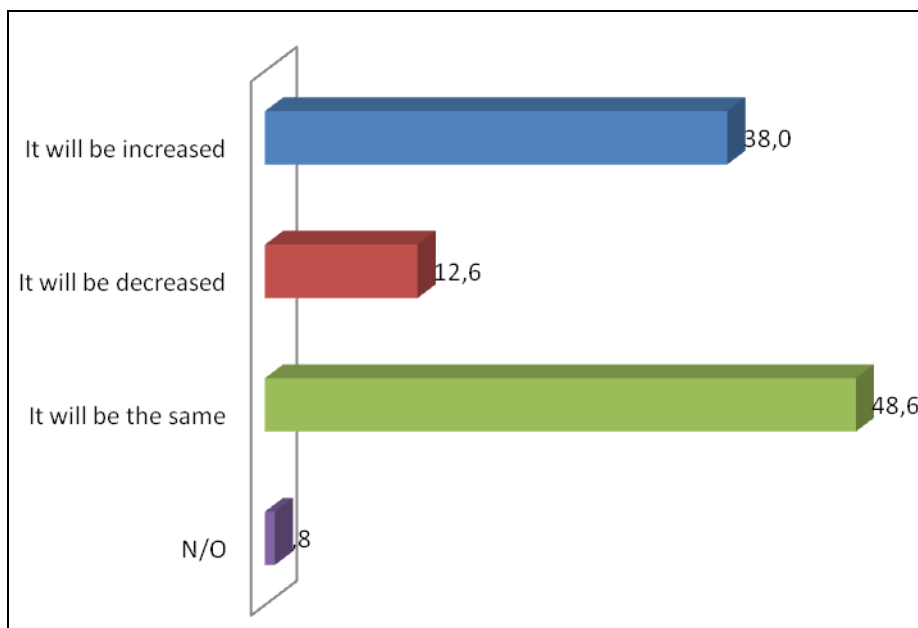


Fig. 8. Predictions and expectations for next year

In the course of the study, valuable information was collected on the relative shares of **certified production**. Taking into account the data, 90.4% of the registered farmers are not certified as bioproducts producers. By contrast, different farmers have another type of certification:

- ✓ 10.1% of the respondents indicated that they had P.O.D. (protected designation of origin) certificate;
- ✓ 2.4 % have P.G.I. (protected geographical indication) certificate;
- ✓ 87.6 % have T.S.G. (traditional specialities guaranteed) certificate.

Obviously, the prevailing type of certification is in line with the development of foods and traditional specialties. These are specific brands and products that have their local uniqueness as are largely relying on this fact to find their niche on the market.

**Other important aspects of the study are ways for selling the farmers' production.**  
**Fig. 9:**

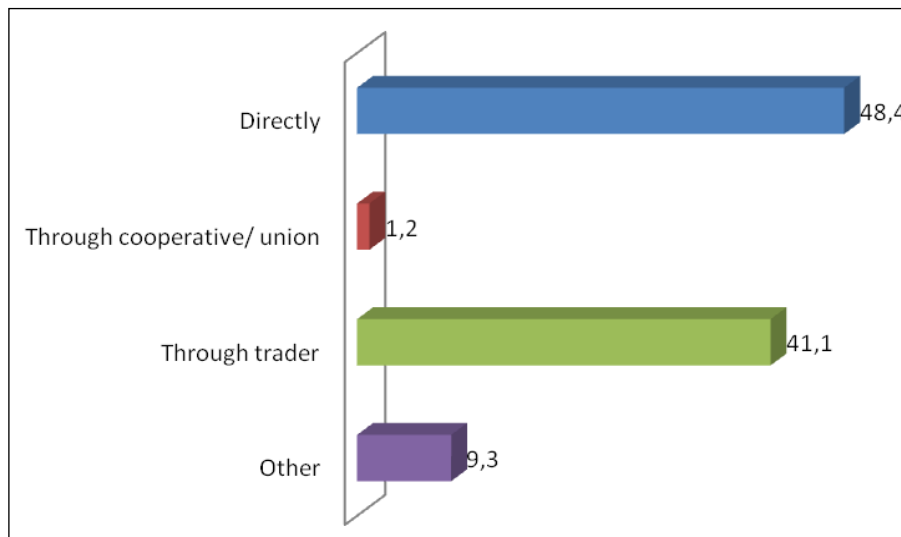


Fig. 9. Ways to sell production

Fig. 9 demonstrates that, **two models for realization of the production visibly dominate in Blagoevgrad region - directly or through mediation of traders:**

- ✓ 48.4 % of respondents sell their production directly, i.e. without relying on traders-mediators or other retailers;
- ✓ at the same time, 41.1% of farmers sell their products with the help of traders;
- ✓ those who rely on cooperatives have a small share (1.2%);
- ✓ rather seek other ways (in 9.3% of cases) for the realization of the production.

The interviewers say that the respondents explicitly commented on these questions, indicating that there are clearly two categories of farmers among them - 1) those who rely only on themselves and 2) those who seek the mediation of the traders in the settlement and in the region.

No matter what model of product placement they choose, farmers differ according to how they sell their products - in bulk, packaged for wholesale or retail. This question was too general and caused comments from some of the respondents because they felt it was not adequate to their production. But after clarifying from the interviewers, the respondents faced one of the three possible responses. Here is the distribution of the responses on this question:



- ✓ 77.3 % of the respondents sell their products in bulk (the milk is without further packing, the fruit and vegetables - also);
- ✓ 9.1 % of the respondents explain that they are packing their production for wholesale;
- ✓ 13.6 % point out that, in order to realize their production, they pack it for retail.

It is obvious that predominate farmers who do not pack the products they produce and offer them in the so-called "bulk". This indicates a low rate of development of agricultural production - moreover, respondents have been surprised by this question they find it quite naturally selling their products the way they get them. This is fully valid for cow and sheep's milk, for fruit and vegetables, for meat or for farmed animals. A relatively small proportion of farmers are talking about packaging (wholesale or retail) - producers of mushrooms, nuts, eggs, fodder, some fruits (raspberries, blackberries, blackcurrant, aronia), cherries, grapes. But, as a whole, it should be noted that it is strange for the Bulgarian farmer to pack and give the production commercial appearance: the milk is poured into cans and thus delivered. Potatoes are put into sacks and so are offered for sale, tomatoes and gherkins are placed in cartridges, but not always, especially when they are not offered directly to a trader, but using own channels for sale.

These packaging producers were asked to clarify who is doing this type of activity - the producer himself, specialized units or someone else. The results show that in 35% of the cases the packaging is made by the producer himself (private installations), in 3.8% is done by a cooperative, but in the prevailing case (61.2%) this is done by "someone else". By "someone else", producers understood that packaging is made by persons close to or related to the producer but not directly involved in the production process. Interestingly, with this response, respondents endorsed the predominantly manual and non-mechanized packaging of the production.

**To summarize, we will point out that in the surveyed settlements of Blagoevgrad region there is a relatively non-respecting attitude towards the activities of packing and giving commercial appearance of the products. Once produced, they either go to traders, and then packed, or the producer himself tries to sell the products, but often keeps the products in bulk, e.g. produced tomatoes are not packaged in packs of 1 kg or more, but are left in bulk and packed during the direct sale as desired by the customer.**

Correspond to the presented assessments are the responses for **the place of storing the products** - in private warehouses, in cooperative warehouses or elsewhere. **84.0% of the respondents indicated that they store the products in private warehouses**, 1.7% in cooperative warehouses and 14.3% in other warehouses.

An important element of the survey is the **respondents' assessments of the types of problems faced by and the "burden" of these problems**. The persons were asked to scale the problems according to their seriousness, with 1 indicating the most serious

problem, and with 5 - the least important problem. We calculated the average values of the respondents' estimates for the five factors and that's what we got:

- ✓ Sales and prices – 2.28;
- ✓ Placement – 2.65;
- ✓ Financing – 2.80;
- ✓ Problems with the quality – 3.26;
- ✓ Technical provision / climatic factors – 3.41.

These assessments clearly indicate that the most serious problem for farmers in Blagoevgrad region are sales and prices (with an average of 2.28), followed by placement (2.65) and financing (2.80). Relatively less important are the problems of quality (3.26) and technical safety / climatic factors (3.41). The interviewers reported that the respondents made a number of concomitant comments in answering these questions, pointing out the immense importance of the difficulties they encountered in price formation and output sale. It is no wonder, therefore, that the second most serious problem is the placement, which is essentially a variation of the first response (for sales and prices). It is noteworthy that the funding for agricultural activities remained a medium-sized problem - was it neither highly valued nor underestimated. This indicates that farmers are relatively calm about the sources of funding for their agricultural activities. Quality problems are considered to be of the utmost importance - obviously, each manufacturer has a strong view of the qualitative characteristics of its products and the problems of technical security and dependency on climate factors.

**In searching of more detailed information, respondents were asked to indicate in free form what are the most serious problems regarding the following five areas: 1) technical problems; 2) problems with the quality; 3) funding problems; 4) commercial problems and 5) sales and price problems.** We have to say that the respondents have used extensively their opportunity and have identified specific problems. Here we present them in a systematic manner.

**1) Technical problems:** depending on the agricultural activities performed, these problems reflect the irregularities and the problems with the available techniques. For example, a mass problem risen by cattle breeders (dairy cows) is obsolete milking devices, as far as they exist, or total lack of such. For many dairy farmers milking is done manually, and the problem is that these manufacturers have no resources to buy the necessary milking equipment. Dairy farmers also complain of weak, inadequate or damaged refrigeration units - obviously, they use them until they deliver the milk. Vegetable producers have a completely different type of problems - watering is critical, so they explicitly mention old irrigation systems, the inability to invest in more modern irrigation systems. Other farmers (including fruit producers) point as a problem the old equipment they have - old trucks or tractors, the use of second-hand air conditioners (cheaper), which in fact makes them more expensive because these air conditioners break up and not need repair. In general, farmers complain of obsolete or inadequate equipment, insufficient inventory, work with minimal technical devices - much of the crop is picked by hand, transported in an old-fashioned way. According to a large

number of respondents, agricultural equipment breaks up quickly and requires constant care, which costs many nerves and money to the producers. Transport is also mentioned as a technical problem - not all manufacturers have the necessary vehicles of transport as some of them hire machinery and others buy their own but they assess this as a problem. The very idea of investing in transport is seen as an excessive waste of funds.

**2) Problems with the quality:** a significant part of respondents have explicitly stated that they have no problems with the quality of the produced products. More critical people have pointed out that the problems come from many plants, trees, tobacco and other crops diseases. Other respondents have pointed out soil erosion as a problem, obviously emphasizing that eroded soil does not give a good yield. Third respondents have pointed the perishability of the produced products - they are quickly spoiled, perishable for storage and require very fast sale. In this regard, other respondents have pointed out that the quality of products depends to a large extent on how much money is invested in pre-chemical cultivation of plantations and crops, how much money is invested in quick and quality harvest, how much money is invested in storage of the harvested yield (electricity) and its transport. Some of the respondents also complain about the seedlings, including the quality of the seeds, which block most of their efforts. On the other hand, milk producers have emphasized that due to a lack of quality feed, they can not obtain high-quality butter and high-quality milk, so their cow farming efforts are not paid.

**3) Funding problems:** the main problems are the difficulty of obtaining lucrative loans, as well as the difficult conditions of the banks for granting loans. Farmers believe that if they can meet all these conditions, they would not turn to banks for loans. Other respondents comment on the receipt of funds under measures and direct payments - they think that paperwork is too much and heavy for farmers, payments are late and come do nido not come in time, so farmers are left alone to deal with the situation. In general, there is a predominance of opinions that loans are expensive and literally "skin" them. A large number of respondents point out that the purchase prices are very low and do not cover their costs of producing - significant financial resources are invested, but once the output is redeemed, the producer remains on "minus" and without profit from the activity. In the interest of objectivity, we should point out that about a third of the respondents are doing their own - they report that they are not looking for loans and rely on their own resources, making reasonable accountability for costs and revenues and trying not to "overleap" them. This, on the one hand, is good because it indicates a rational attitude to the activities being developed and an effort to invest them in the available resources. But on the other hand it shows that farmers do not think of an intensive expansion of production but rather try to stay within the already created capacities and volumes. In the long run, this gives some certainty - activities are being carried out but there is no growth in production and a desire to achieve higher production goals.

**4) Commercial problems:** problems with the realization of the production are many and variable. On the one hand, farmers complain that the purchase prices are very low - as a rule, in a given settlement or in the region as a whole there are one or several resellers who are monopolists and abuse their dominant role by offering producers very low prices, then the products reach the market at quite different prices (times higher). This is a very irritating factor for the producers and, in fact, one of their most serious problems at the moment. This problem is very damaging to milk and vegetable producers. On the other hand, producers face a problem caused by importing fruits and vegetables from neighboring countries, which are sold at relatively low market prices (market dumping). In order to be competitive, Bulgarian producers have to maintain approximately the same market levels, which in most cases are not profitable because they do not cover the input costs. In this regard, producers are proposing and insisting that the state should carry out a protectionist policy - first from all unscrupulous buyers and second, from the dumped prices of imported agricultural products. Farmers expect the state to set up its own companies that buy the production and to ensure producers with maintaining minimum guaranteed profit rates. Respondents say they now have no assurance of purchasing the production and never know in advance whether they will be able to sell their products. This is a big problem, because producers are constantly losing and this leads to either a full outflow of agricultural production or a reluctance to expand production - the lack of sales' guarantees stops producers and they do not want to invest new funds in activities.

**5) Sales and prise problems:** the problems mentioned under this point largely overlap with the answers to the previous question - low purchase prices, monopoly resellers, impossibility to go directly to the processing companies, low prices of imported agricultural products. In the mountain areas of the region, a further problem is the late ripening of the production, which leads to lower market prices and inability to reimburse, low profitability of agricultural activities.

While reflecting on their main problems, some of the respondents admit that their products do not have the required commercial appearance which makes it difficult to sell the produced products. In this regard, respondents were asked to assess what would make their products more attractive and more competitive. The obtained assessments are visualized in the following Fig.10:

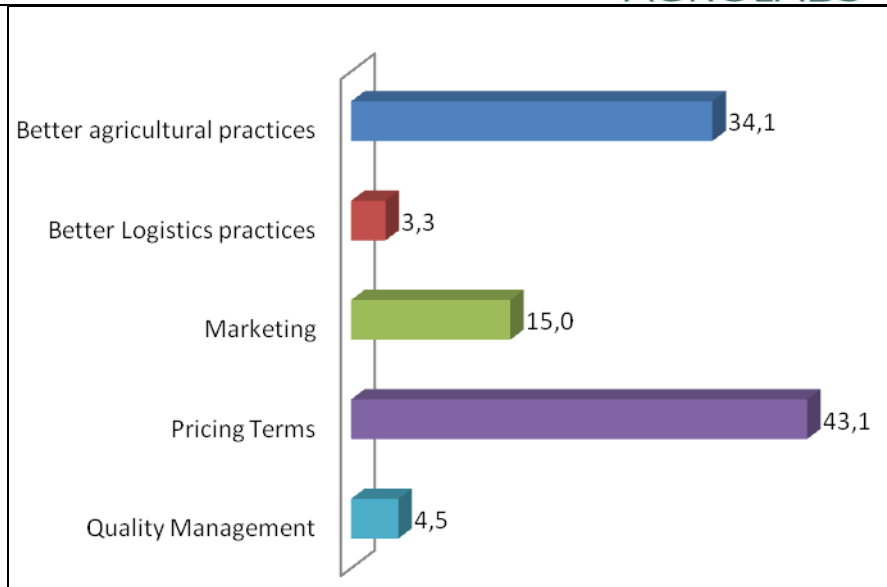


Fig. 10. Assessment of factors that would help to make agricultural products more attractive and more competitive

**Among the five factors proposed for the assessment, the respondents focused on three, which in their opinion would have the highest impact on making agricultural products more attractive and more competitive:**

- ✓ **43.1 % of the respondents take the pricing conditions as a factor of high importance:** judging by the assessments, this is the factor with the heaviest burden as it is indicated by the highest number of respondents. From this we can conclude that a significant part of the farmers associate the low competitiveness of their products not so much with the quality of production but with the inability to offer this production in an adequate and attractive way on the market;
- ✓ **The second most important factor mentioned by 34.1% of the respondents is the introduction of better agricultural practices:** in order to produce quality and competitive production, more modern farming practices must be invested and applied, machinery and equipment should be used so that the cost of production will decrease, the production should be kept under modern conditions to ensure that it is preserved and has fresh commercial appearance, to apply modern packaging techniques and to make the goods with attractive commercial type. This need is recognized by the Bulgarian farmers, but another is the question of the extent to which they are willing to invest and apply modern agricultural practices;
- ✓ **According to 15.0%, the third important factor is modern marketing.** With few exceptions, the respondents said they had no specialized marketing knowledge, and they suffered from all of their work because, with much effort, they managed to produce good production but did not know how and where to sell it. They are unable to position themselves on the market, neither can find the

necessary market agents, nor can they find the relevant market approaches. Therefore, in most cases, they begin to lose and, instead of being enthusiastic, they start to give up and gradually decrease the speed of their activity;

- ✓ In the assessment of the factors it is noticeable that the improvement of the transport facilities was pointed out as a significant factor by only 3.3% of the respondents. The factor for introducing quality management system was also low assessed (4.5%). This indicates some underestimation of the significance of these two factors and a misunderstanding of their enormous potential.

**In addition to the use of modern market approaches and the attractiveness of products, the study sought assessments of what could be done at the stage of harvesting and after harvesting so as to improve the quality of the products.**

**Respondents' assessments show that the most important and with high potential of possible actions at the stage of harvesting are highlighted:**

- ✓ The use of better techniques, indicated by 55.8% of the respondents;
- ✓ According to 27.5%, another important factor is the use of different sorts and hybrids, which will lead to more diverse production, on the one hand and, on the other hand, to identification of these varieties, which are the best and most sought-after in the markets;
- ✓ 4.2% of the respondents indicated that improving roads would contribute to improving the quality of production as there would not exist a risk of damaging the more perishable products as a result of bad roads;
- ✓ 6.7% of the respondents pointed out that the rational use of agrochemicals would improve the quality of products;
- ✓ 5.8% considered that the use of trained personnel is also a prerequisite.

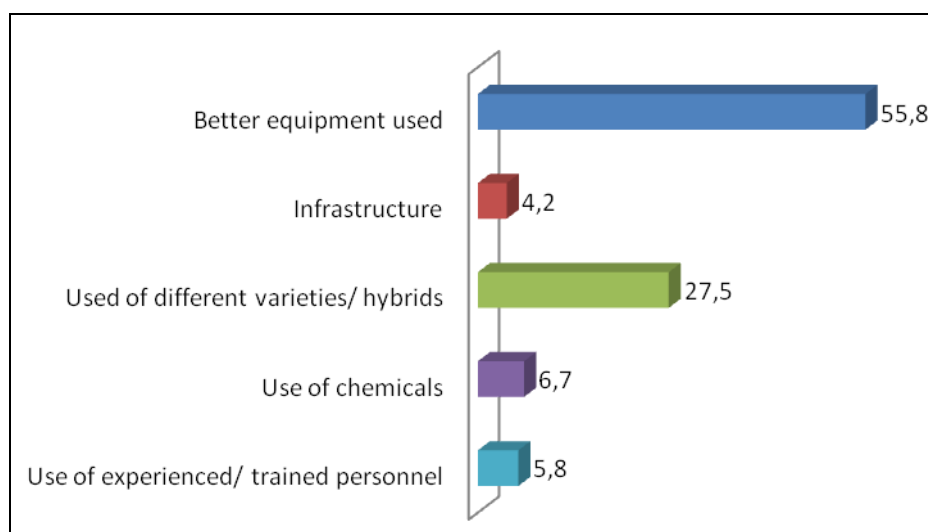


Fig. 11. Assessments of possible actions at the stage on a prior-harvest level to improve the quality of the products

In this line of thoughts, **only 10.3% of respondents say that post-harvest treatment reduces the quality of their products. According to 80.2% this is not true, and 9.5% have chosen the answer "I can not judge".**

According to this background, respondents were asked to tell which factors (aspects) at the post harvest stage would help to improve the quality of the products:

- ✓ Half of the respondents (50.0%) consider that the processing of the products would significantly contribute to their quality improvement;
- ✓ Another factor with a significant impact is the improvement of storage conditions - this factor is indicated by 21.8% of the respondents and reflects their opinion that the good storage of agricultural products is essential for preserving their quality;
- ✓ 10.3% of the respondents indicated that the improvement of transport is a factor having the potential to increase the quality of production;
- ✓ 9.4% pointed out that packaging of products could positively influence the quality of products;
- ✓ According to 8.5%, if transport time is reduced, this will substantially improve the quality of agricultural production.

These assessments can be seen in the following Fig. 12:

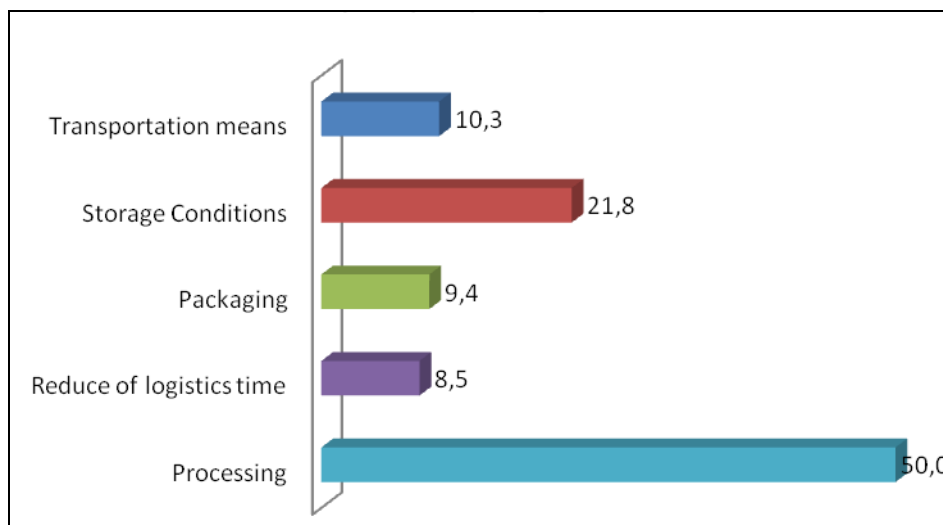


Fig. 12. Assessments of possible actions at the stage on a post-harvest level to improve the quality of the products

**When asked to make further assessments of what would still help to increase the value of agricultural products:**

- ✓ 37.2% of the respondents believe that if they have commercial contracts, this will contribute to increase the value of their products. Obviously in the minds of

farmers, the existence or absence of contracts for the distribution of products is a guarantee of success;

- ✓ according to 31.2%, the quality certificate would contribute even more to the value of the products;
- ✓ 21.8% of the respondents believe that a protectionist policy by the state is required to succeed;
- ✓ 9.4% rely on specialized marketing campaigns.

**Ending the performance of farmers' assessments of the quality of their products and the success factors we will make it clear that farmers have a very sober and realistic picture of how they could be more successful in their business. Most of the farmers have focused entirely on the production of certain types of products, but they do not make the next step to create preconditions for commercial success. They rely on occasional circumstances or already established traders, but in any case remain unsatisfied because either they do not accommodate market prices or fail to realize the output in the way they would like. It is, however, positive that farmers are clearly aware that their weakness is pricing, marketing techniques and marketing of the output. Farmers explicitly state that they expect the state to pursue a protectionist policy to protect them from monopoly buyers and from the dumped prices of agricultural products imported from other countries.**





### 1.4. Needs of training and participation in Agroclusters

The development of successful agricultural production requires the availability of specialized knowledge and skills. However, the practice shows that farmers often rely on learning from life or their close people knowledge and do not realize that, like any other business, its successful development is related to the transition to specialized training.

#### The study devoted a series of questions to training needs.

First, data show that only 20.7% of the farmers have undergone special training, giving them knowledge and skills to develop their agricultural activities.

We check which individuals from the manufacturers have been trained and have knowledge of their activities. The survey clearly shows that while large shares (67%) of young people (aged 18-24) occupied in agricultural activities have undergone training, these shares between the average and the higher age are noticeably lower - 31 % for those aged between 25 and 34, 15% for those aged between 35 and 44, 21% for those aged 45-54, 20% for those aged between 55 and 67 and 19% for those aged between 67 years.

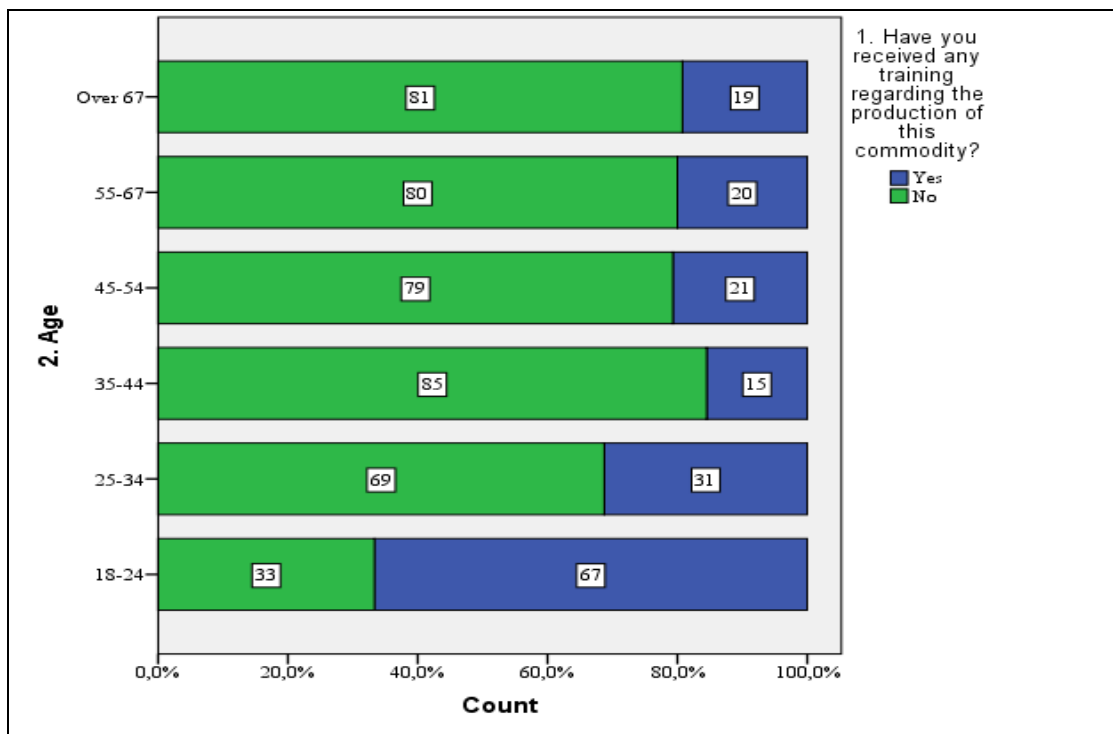


Fig. 13. Share of trained farmers, by age

Obviously, young people have a higher interest in specialized forms of training that create specific skills and increase their competitiveness compared to other subjects this market niche.

The study showed that those who mentioned training have received knowledge about specific aspects of their activities and some general knowledge that formed the thinking of the modern farmer:

- ✓ Agroecology and environmental componets;
- ✓ Methods and techniques for the use of preparations;
- ✓ Veterinary;
- ✓ European programs for stimulating farmers;
- ✓ Growing seeds and seedlings;
- ✓ Improvement of production;
- ✓ Seminars to improve agro-technology and use of qualitative chemical pest control;
- ✓ Other respondents point out that they have learned from their ancestors and fathers because in their genres the knowledge is passed on from father to son, and the desire is traditions to be preserved and enriched. These impressions are mostly shared by grape growers as well as by vegetable and fruit growers.

Without underestimating the value of knowledge passed on from generation to generation, we must point out that **still a small part of Bulgarian farmers are turning to training opportunities on topics that directly affect them as producers. These courses mainly focus on the younger people who are still entering the field and who wish to professionally master the subtleties of the profession and to be successful in their business.**

Respondents say that when they have problems in their activities, 50.8% rely on colleagues, 37.4% on private consultants, 6.9% on the Internet, and only 4.1% on state agencies. It is noteworthy that half of the producers rely on informal contacts - this indicates a high degree of informal relations, including in relation to agricultural activities. It is also impressive that over one third of the producers are looking for the help of private consultants – this is a high percentage showing that farmers need specialized knowledge and are willing to pay to get them.

These assessments are presented on Fig. 14:

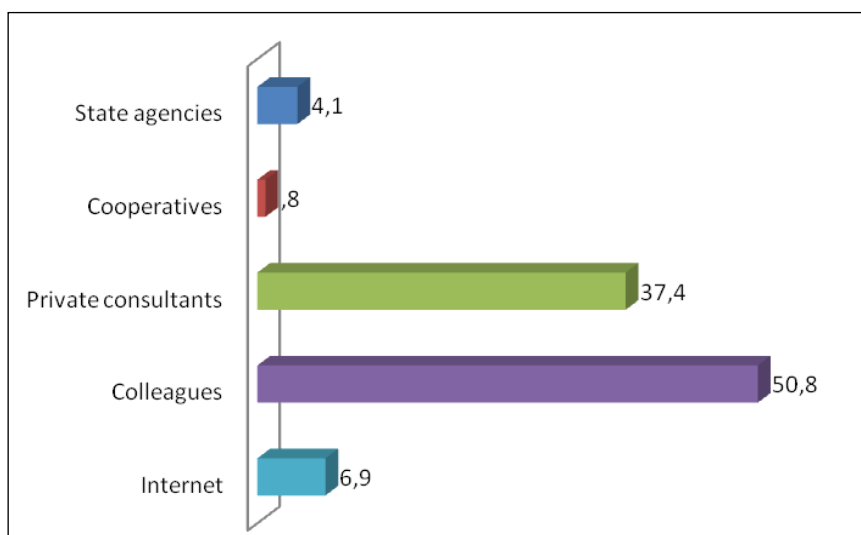


Fig. 14. Source of information for solving problems regarding production

In support of the above findings, the survey found that **80.0% of farmers would like to be trained to be more successful in developing their business**. Attitudes and willingness to learn are practically shared by all ages, but the data check reveals that they are the highest among people aged 45-54 (88%), also high among people over 67 (85%) and 35 -44 years-old (also 85%). The lowest learning attitudes are shared by individuals under 24 (50%). This is probably due to the fact that this category of persons has already undergone certain training and their training needs are lower now (Fig. 15):

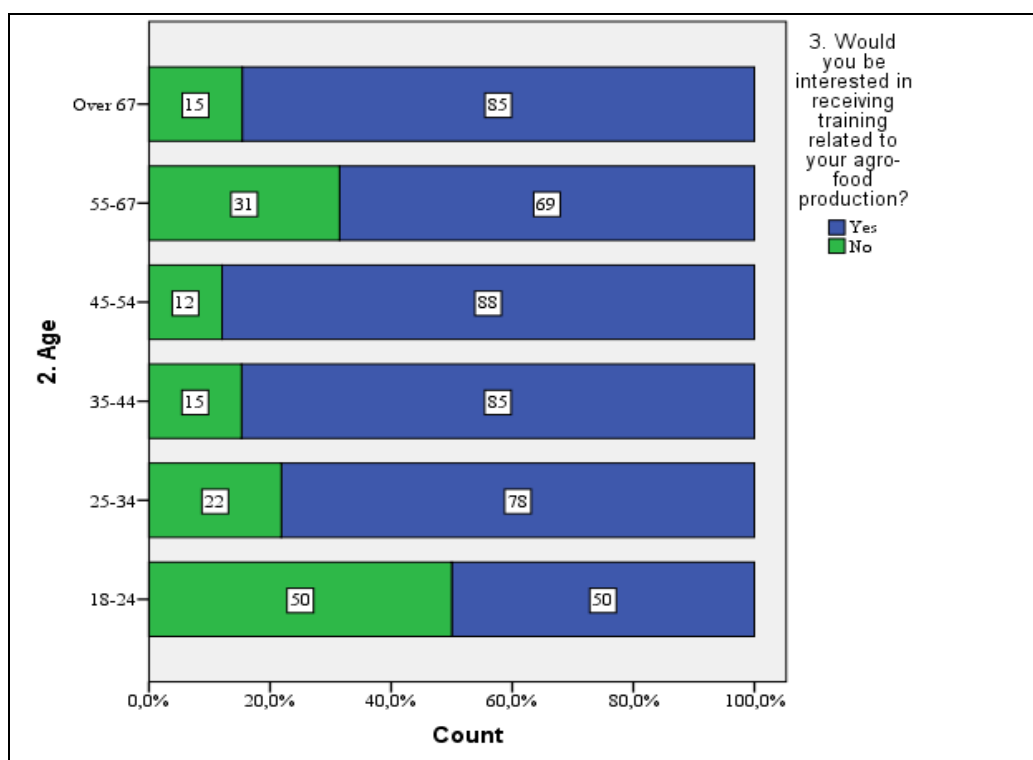


Fig. 15. Attitudes for receiving training in regards of activities developed

The survey sought specific attitudes and training needs. The expressed needs are presented in the following Table 1.:

- 0= *not interested at all*
- 1= *limited interest*
- 2=*interested*
- 3= *very interested*
- 4= *very much interested*

	0	1	2	3	4	H/O
Technical issues (for example, how to increase production, how to solve concomitant problems)	6.9	21.8	23.0	19.8	25.8	2.8
Product safety and quality (legal requirements, application of the Food Safety System, nutritional value, use of chemicals,	6.5	12.1	38.5	23.9	16.2	2.8

etc.)						
Legislation and trade rules	<b>6.1</b>	<b>10.6</b>	<b>26.8</b>	<b>33.3</b>	<b>19.5</b>	<b>3.7</b>
Transport solutions	<b>5.7</b>	<b>11.8</b>	<b>17.1</b>	<b>24.4</b>	<b>34.1</b>	<b>6.9</b>
Commercial aspects: sales and marketing	<b>4.0</b>	<b>4.5</b>	<b>13.4</b>	<b>15.4</b>	<b>60.7</b>	<b>2.0</b>

From Table 1 becomes clear that farmers (60.7%) are highly interested in training on trade aspects: sales and marketing. Transport solutions are also of high interest - 34.1% are very much interested and 24.4% - very interested. Technical issues are also of high interest. Product security and quality cause medium interest.

The study also found that preferred training methods are:

- ✓ 53.9% of respondents prefer seminars and lectures;
- ✓ 25.3% would prefer exchange of experience or participation in working groups;
- ✓ 11.8% rely on field training;
- ✓ 9.0% prefer to be educated by information materials.

Various preferences for training methods can be seen in the following Fig. 16:

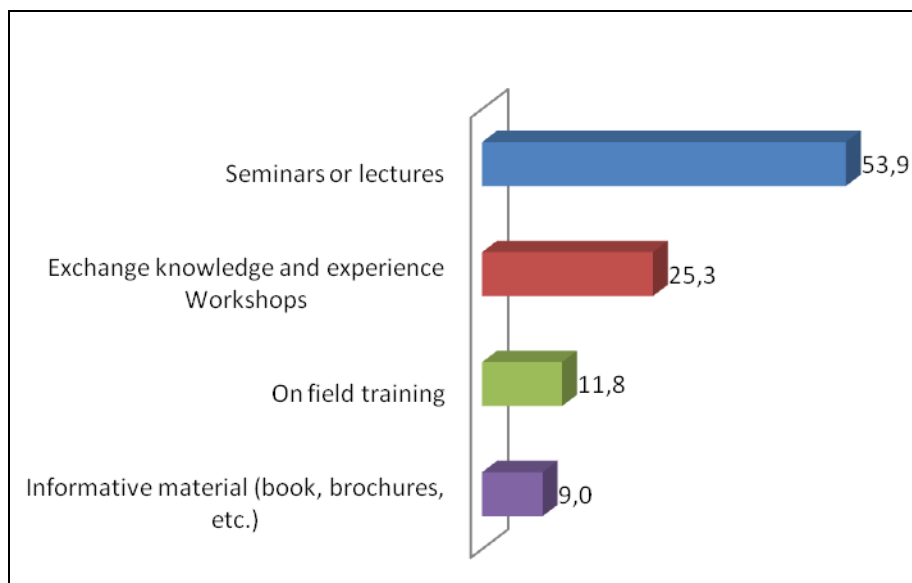


Fig. 16. Preferences towards training methods

Finally, the survey found that, **according to 85.7% of farmers, if Agrocluster is created in the region, it would contribute to the promotion of their agricultural activity.**

**89.0% of farmers declare willingness to join such an Agrocluster** because they are convinced that the operation of Agrocluster will be beneficial both for the region as a whole and for them personally as farmers.

**The survey found very high attitudes for inclusion in Agrocluster in the individual municipalities of the region, as the highest are in Belitsa, Simitli, Kresna, Strumyani, Gotse Delchev, Petrich, Satovcha. The smaller the settlement, the**

greater the need to be involved in such business associations, as small producers do not feel strong and secure, and within a business association they will have more opportunities and chances for marketing.

Fig. 17 shows the attitudes for inclusion in Agrocluster by settlements in Blagoevgrad region:

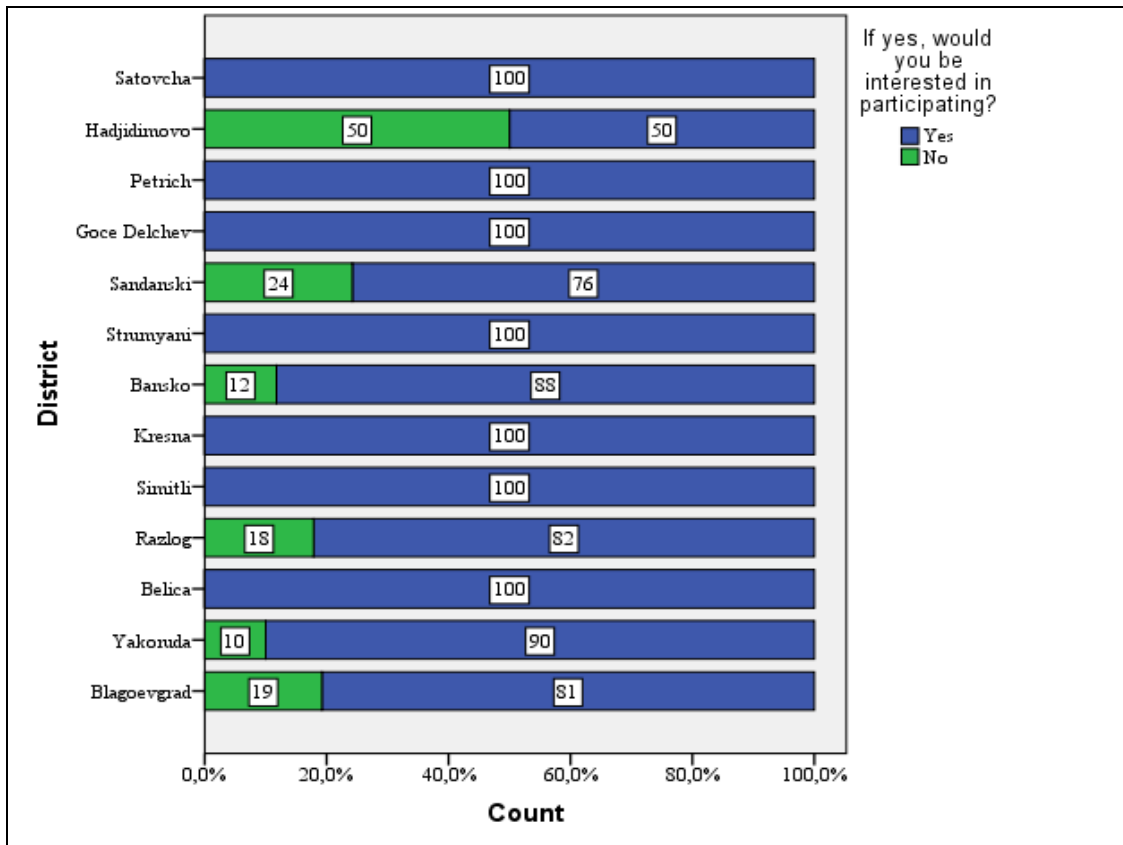


Fig. 17. Attitudes for joining Agrocluster - by settlements

In conclusion of the assessments and attitudes presented, farmers from Blagoevgrad region concentrated on the cultivation and development of typical for their region agricultural crops and animal species. This gives to a great extent the uniqueness of the settlements in the municipality - for example, Yakoruda is formed as a center of animal breeding and potato cultivation, Sandanski is a typical center of growing grapes, greenhouse vegetables and fruits. It is noteworthy that the share of tobacco production in the formation of agricultural production in the region is decreasing. Farmers are focused on growing such crops and species that are more demanding on the local and national markets and guaranteeing them higher profitability.

At the same time, a large number of farmers in the region experience a serious shortage of specialized knowledge in the field of agricultural production and the sale of production. According to the respondents' estimations, the most serious problems arise not even in the process of production itself, as in the realization of the produced agricultural production. The relations with the processing companies are weak and sporadic, relying mainly on the buyer companies, and because of their monopolistic

positions allow aggressive behavior and seriously undermine the interests of farmers. As a result, strong expectations are formed in the region for the state to intervene and protect the interests of local farmers - first through the implementation of a protectionist national policy for farmers, second through the creation of state-owned companies to buy up agricultural produce and third, by creating opportunities for direct links between farmers and processing companies. Respondents hope that in the near future they will be able to offer the finished products themselves to the processing companies, thus avoiding the aggravating function of the retailers.

The study also showed that farmers are still poorly aware of and under-exploiting opportunities for financing and stimulating agricultural production. Few are those who are realistically aware of financial instruments and are adequately benefiting from them. Serious information campaigns and more consultations paid by the state or European programs are needed to inform and stimulate local farmers to expand production. The main problem for farmers is their access to the markets. They have no specific marketing knowledge, connections or experience to place the produced production. This largely discourages them from expanding production and investment plans because they have no guarantee that the output will be successfully marketed. Therefore, the decision for local farmers is establishing relationships with sustainable market players, developing marketing campaigns and self-sell production, and making a direct line with processing companies.

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## 2. Results of the survey of processing, packaging, trading and logistics companies

### 2.1. Profile of surveyed individuals

With Appendix 2: A questionnaire for processing, packaging and transport companies are examined a **total of 144 persons, of which 98 are occupied in processing activities, and the remaining 46 persons belong to the categories of traders, distributors and transport companies.** It has been quite problematic to find persons with such characteristics, as most of them have small businesses (family business) and some of them even operate in the sphere of gray economy. Their search was harder, but not impossible, as people in small towns know each other and know what they are doing. It was more difficult to persuade these people to be interviewed as we promised that their identity would not be revealed and that the information they shared would be presented in a summary form.

The gathered information shows that **while the agricultural production is scattered and its separate subspecies are developed in the smaller municipalities of Blagoevgrad region, the the most significant part of the manufacturing industry, including its packaging, distribution, trade and distribution is developed in the major administrative centers** such as Blagoevgrad (where are 26.4% of the surveyed respondents), Sandanski (18.1%) and Razlog (10.4%). In these settlements are registered and are working bigger companies and enterprises, which are processing the agricultural production from the region. In these settlements are also the highest concentrations of companies that complement the production chain - packing of agricultural products, warehousing and storage of the finished products, wholesale and retail trade, transportation of goods on the territory of the region and beyond.

However, this does not mean that smaller municipalities are totally deprived of processing and other ancillary activities preparing the output for marketing. Practically, in each municipality there are small processors that pack agricultural production, transport the finished products and other who are occupied in its sale - either legally or in a gray or semi-black manner. The most important thing is that everywhere is the pursuit of local producers to sell their production. Whether they succeed and at what cost - we will focus on these issues in the following paragraphs, and here we will confine ourselves to pointing out the obvious facts. The distribution of the surveyed respondents from this second category by settlements in the region is illustrated on Fig. 18:

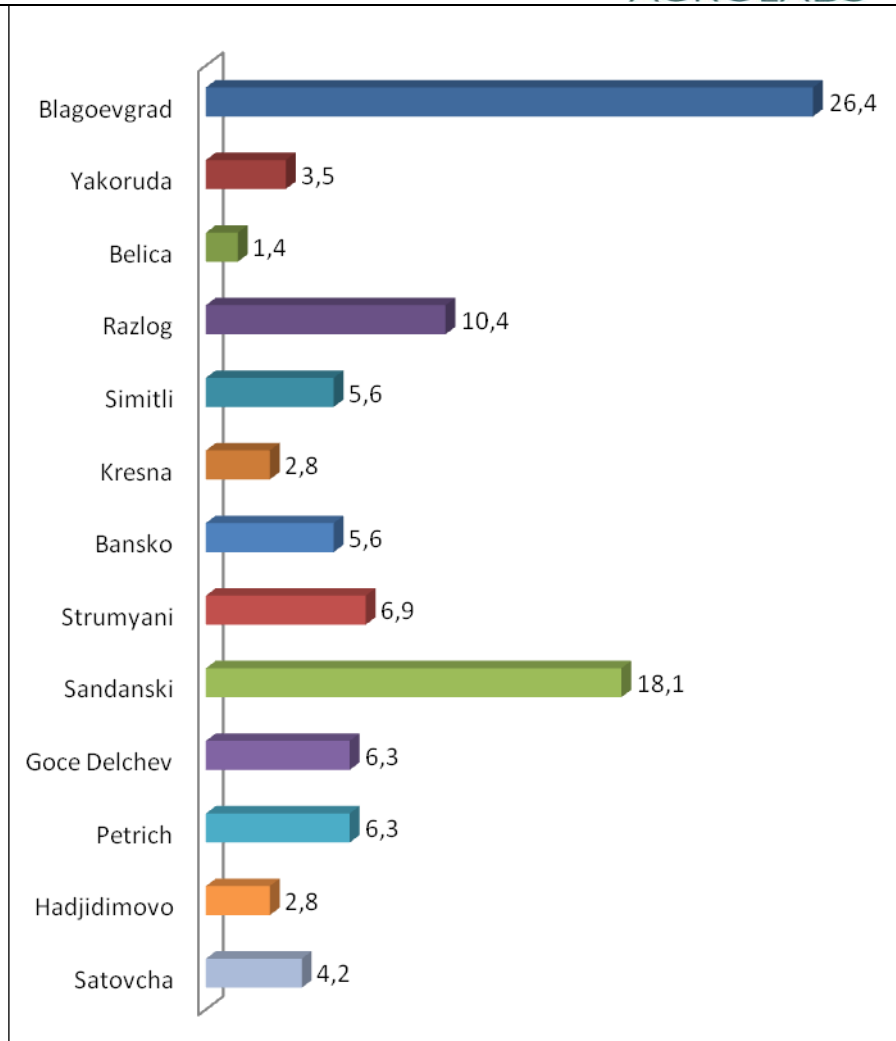


Fig. 18. Distribution of processors, packing companies, traders and distributors by settlements in Blagoevgrad region

The analysis of the information shows that **in the 13 municipalities there is an extremely wide range of processing and other activities in which the agricultural production is processed and prepared for market realization.** In a systematic way, these activities look like this:

- ✓ Wine producers;
- ✓ Redeem and processing of herbs;
- ✓ Redeem and processing of tobacco;
- ✓ Processing and distribution of mushrooms;
- ✓ Distribution of mushrooms;
- ✓ Potato processing (chips);
- ✓ Preserving fruits and vegetables (compotes, sweets, pickles);
- ✓ Международен транспорт;
- ✓ Meat processing and meat products;
- ✓ Production of sausages and delicacies;
- ✓ Milk and meat production;



- 
- ✓ Distribution and marketing of meat products;
  - ✓ Milk processing - production of dairy products (cheese, yellow cheese, cream, yoghurt, butter);
  - ✓ Dairy packaging and distribution;
  - ✓ Packaging and distribution of vegetables;
  - ✓ Packaging and distribution of fruits;
  - ✓ Packing and distribution of nuts;
  - ✓ Grain processing;
  - ✓ Production of bread and bakery products;
  - ✓ Sale of cereals and mixes;
  - ✓ Packing of pastry;
  - ✓ Production of snacks, sweets, Easter breads;
  - ✓ Combined fodders and bran;
  - ✓ Honey production;
  - ✓ Production of brandy;
  - ✓ Transport activities;
  - ✓ Trading and distribution;
  - ✓ Wholesale of fruits and vegetables.

The widest range of processing and other auxiliary activities is in Blagoevgrad, Sandanski, Razlog and Bansko. The smallest municipalities have least number of processing companies and auxiliary activities, even in places where processors, traders and distributors in the gray sector are dominating. Interestingly, according to the interviewers themselves, the respondents were not hiding that they work semi-legal. The latter were finding rational explanations and were justified by imperfections in the legal acts, the lack of development of the local economy, and partly found arguments in the ethnic psychology.

The survey found that **the highest share of this type of activity was related to processing (73.7%), which is quite logical and expected.** The majority of respondents to this category are occupied in the processing of agricultural products. It should be noted that this share, to a certain extent, is the result of our increased efforts to find and interview processors - our initial information was that this would be a difficult task and that there are few processing companies in the region. It turned out that the large companies are actually few, but at the level of family business there is a significant share of people involved in this type of activity. In the survey included 12.8% packing companies, as well as 13.5% logistics companies. A small share of traders who also completed Annex 2 has been assigned to them. The structure of the surveyed companies according to their main scope of activity - processing, packaging and logistics is presented on the following Fig. 19.

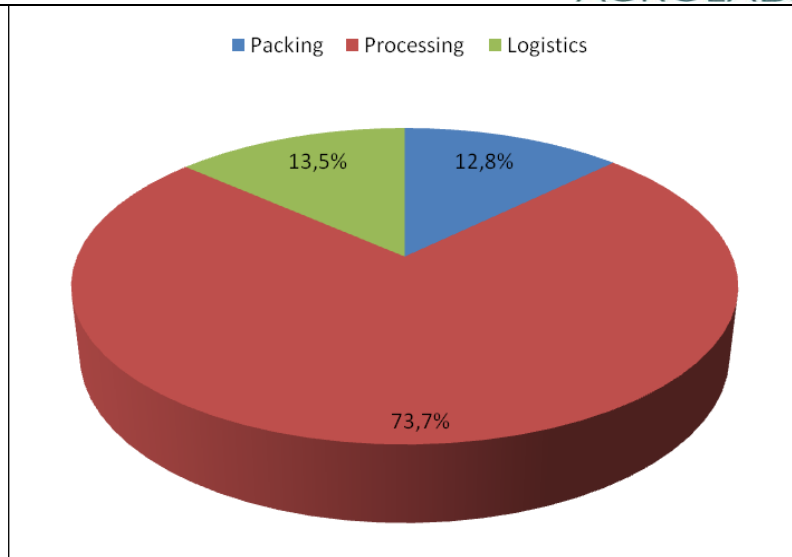


Fig. 19. Respondents structure by operation activity in Blagoevgrad region

The survey shows that **in the case of mass processing, packaging and logistics the companies have a relatively rich company history**: only 4.2% of the companies reported an activity of less than 1 year. Almost one third of the companies (32.2%) declared that they are active between one and three years, another 35.7% - between 4 and 10 years, 17.5% - between 11 and 20 years and 10.5% - over 20 years. These data indicate a relatively stable company picture of the processing and logistics industry in the region. In addition, it should be explicitly noted that 99.3% of the surveyed companies are private. In most cases, it is a family business that is developed on the basis of available local resources and in an attempt to respond adequately to the economic situation in the populated areas of the region.

**The production capacity of the surveyed companies varies over a wide range. Different measure units are specified, depending on the type of production. Logically, in some cases, we are talking about processed tons of certain fruits or vegetables, in other cases we are talking about liters produced wine or other beverages, in third cases we are talking about kg or tons of certain items:**

- ✓ For example, wine producers have indicated a production capacity of between 9000 liters per year and 1 million liters per year;
- ✓ Fruit processors report capacity between 1000 and 35,000 kg per month, as the smaller prevail, which process between 1 and 5 tons of raw material per month;
- ✓ Those who process vegetables (gherkins) have indicated 1-5 tons per day, but there are also smaller producers, indicating 5-6 tons per year;
- ✓ Manufacturers of soft drinks have reported about 100 pasking cases per day;
- ✓ Milk processing - 5 to 30 tons a day;
- ✓ Bakery producers - between 100 and 1,000 bread per day; 120 kg of banitsa per day;

- ✓ Meat processors indicate a wide range of capacities - 1,000 kg of carcass meat and 150 kg of delicatessen per month,
- ✓ Mushroom processors also vary in their capabilities - between 30 and 100 jars of preserved mushrooms per month;
- ✓ Grain producers have indicated a capacity of 350 tons per year;
- ✓ Fodder - up to 200 tons a month during the season.

**The production of the surveyed companies is organized on a market principle.**

These are normally operating companies that hire a workforce to function normally. Among them, small businesses (69.4%) companies are predominant that hire between 1 and 5 people for production purposes. 14.6% of the companies said they hire between 6 and 10 people and 9.0% hire between 11 and 20 people. larger volumes of workers. 4.2% of the surveyed companies hire between 21 and 50 people and 2.8% of the companies in the region hire more than 51 people. These data are presented in the following Fig. 20.

The data presented are a clear indication of the size and scope of the processing and other auxiliary (packing, trade and logistics) companies in the region - **small businesses predominate, a type of family business, mostly employing up to 5 workers.** This structure fully corresponds to the characteristics of local economies in the settlements of Blagoevgrad region. Including in the regional center Blagoevgrad, companies processing agricultural products and operating in its packaging, warehousing, transportation and commercial distribution are related to the category of small business. Large enterprises - processing, warehousing and trading are rather units in the region. The research has made it clear that this is actually a problem for the region because the manufacturers are much more than the capacity of available processing companies. In fact, it is most accurate to say that there are enough commercial and transport companies in the region that are ready to transport and distribute the output of agriculture. The weak link, however, is the processing companies - they are relatively few and insufficient to absorb the quantities of fruit, vegetables, milk and meat:

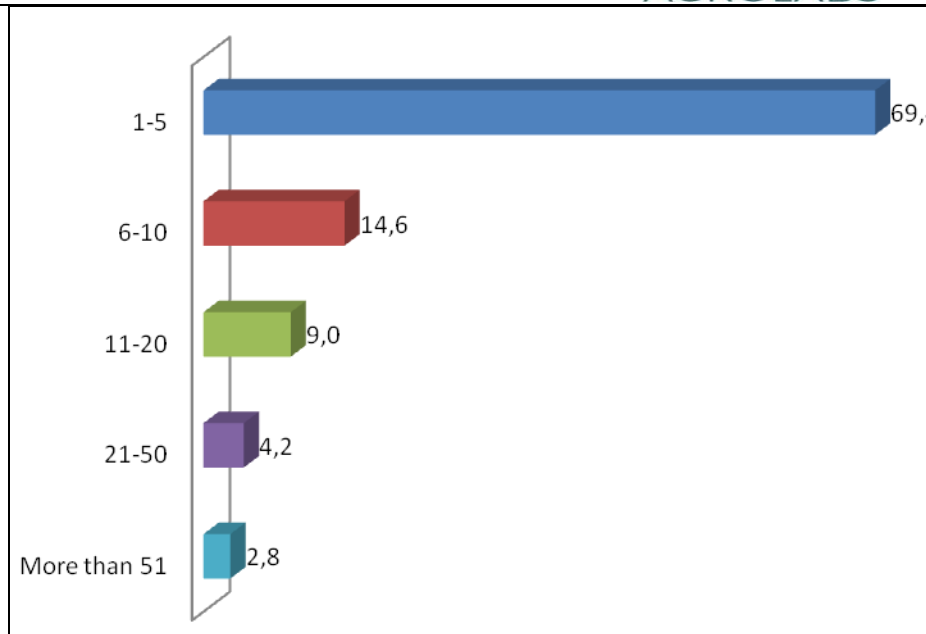


Fig. 20. Respondents distribution by number of labour force being hired

**86.1% of the companies report not recruiting seasonal workers**, i. e. they either maintain a permanent production or because they are family businesses, they do not have to hire seasonal workers during the harvesting seasons. **10.4% of the companies have indicated that up to 50% of their workers are seasonal** - these are mostly firms involved in fruit growing or vegetable growing as well as harvesting raspberries and blackberries. Here we have to add another observation as about one third of the surveyed companies reported moving on the border between legal and gray businesses. We assume that the reported data on the use of seasonal workers is not very precise. There was a tendency that respondents indicate relatively large production capacities, but at the same time did not declare the use of seasonal workers, although the type of their activity predisposes to the use of seasonal workers. For example, wine producers hire workers from the area for harvesting the grape. This is sometimes reported by one-day contracts, but in other cases it remains as undeclared work. Similar is the situation in the production of vegetables - in the summer months when it is the peak in the production of most vegetables, these companies use the services of local people who "help" them (against payment) for harvesting (tomatoes, cucumbers, lettuce, gherkins). The relationships between the company and its "helper" are unclear - whether they have formal employment relationships, or the relationships are rather based on oral agreements. However, in interviewers' impressions, in a significant number of cases, it is precisely oral agreements and payment of certain periods (daily wage or pay for a certain number of days of work).

## 2.2. Description and main characteristics of the production

### 2.2.1. Aspects of production processes

In this part of the analytical report we present and analyze the main features of the production activities developed by processing, packing, transport and commercial companies.

51.9% of people surveyed stated that the products they produced were of organic origin (bioproducts). In this regard, we must explicitly state that during the sampling we have made special efforts to find data on certified organic producers and companies that process and produce bioproducts. We should also point out that this type of information was one of the few to which Internet access is free and data is highly reliable. As a result, a significant number of people who were actually registered as organic producers or producing bioproducts were included in the survey excerpt.

In particular, to determine the type of certification, the respondents were allocated between P.O.D. – 10.8%, P.G.I. - 27.7% and T.S.G. - 61.4%. This makes it obvious that the majority of respondents are certified to the standard Traditional Specialities Guaranteed. This is according to Commission Implementing Regulation (EU) No 668/2014 of 13 June 2014 laying down rules for the application of Regulation (EU) No 1151/2012 of the European Parliament and of the Council on quality schemes for agricultural products and foodstuffs.

The production and marketing of agricultural products has its peculiarities and is subject to specific laws. In order to determine which factors give more attractiveness and more benefits to the production, we asked the respondents to sort out the reasons why their advantages are competitive in the market. The following nine factors were assessed: 1) Quantity; 2) Quality; 3) Reputation; 4) Prices; 5) Nutritional value; 6) Proximity to the market; 7) Protectionist legislation; 8) Extra processing and 9) Traditional character. The obtained mean values are presented in Table 2:

**Table 2.**

**Assessment of factors that create product benefits**

Factors	Mean values of significance
Quantity	2.310
Quality	<b>4.281</b>
Reputation	<b>3.715</b>
Prices	<b>3.165</b>
Nutritional value	<b>3.328</b>
Proximity to the market	1.921
Protectionist legislation	1.000

Extra processing	2.381
Traditional character	2.270
Other	1.705

By examining the respondents' estimates of the factors that give their product advantages, we come to the general conclusion that the most influential factor is quality (average estimate 4.281), followed by the reputation (3.715), the nutritional value (3.328) and the prices of products (3.165).

Proximity to the market is estimated to be medium but rather low, and protectionist legislation is the least important, probably because it is currently lacking, and local producers feel entirely affected by external factors.

The following Fig. 21 illustrates in descending order **Model of factors influencing the quality of products** produced by processing and other companies processing, storing, transporting or realizing agricultural products in the region. The matrix of 10 factors was used constructed in the Questionnaire for this category of respondents.

From the established model, it is clear that the quality of the products, the reputation of the producer, the nutritional value and the prices of the products have the highest importance for the positioning and successful marketing of products based on agricultural production. Next in the order are the factors additional processing, traditional character and available quantities. The least significant are the proximity to the market and the presence / absence of protectionist legislation.



Fig. 21. A model of the factors creating the benefits of the products

The seasonality factor is also of high significance for the quality of the products. The survey shows that, according to 31.2% of respondents, their products are seasonal. Interestingly, however, 51.4% of respondents considered that the raw materials they use are of a seasonal nature. This shows that while half of the production is based on entirely seasonal products (e.g. sheep's or cow's milk, vegetables or fruits), only one-third of the finished products can be assigned to the seasonal product category.

A special part of the questions in Appendix 2: A questionnaire for processing, packing, transport and commercial companies was aimed at establishing quality assessments of products produced on the basis of agricultural production in the region. In this part of the study, the research revealed interesting and essential facts that represent the overall picture of the processing and realization of agricultural production.

First, the survey showed that 69.7% of the respondents work with special (permanent) suppliers or clients. This is a relatively high share and it indicates the persistence and sustainability of the farmers' business plans.

79.0% of the respondents have and implement a Food Safety System. Although only 56.0% of the respondents are certified, nearly 80% of them have built up Food Safety Systems and applied them, creating modern systems for the production of quality products.

The quality concern of the produced products goes on all lines. On the one hand, 57.2 % of the processors of agricultural products show interest and have certified suppliers. 51.4% of the respondents added that they had their system for assessing the characteristics of their suppliers, especially in terms of their security, the quality of the products provided, their correctness to the downstream chain, their reputation, etc.

On the other hand, processors are also interested in whether their customers are certified, thus ensuring that the whole cycle of production, processing and marketing of agricultural products is of high quality.

At the same time, the producers themselves are making serious efforts to ensure the quality of the products they produce. As the survey shows, 63.6 % of the respondents reported that in their companies / businesses are built and operate specialized units for quality control. This is a very high share that illustrates the high willingness of agricultural producers to make efforts to create high quality products. These assessments are illustrated on Fig. 22.:

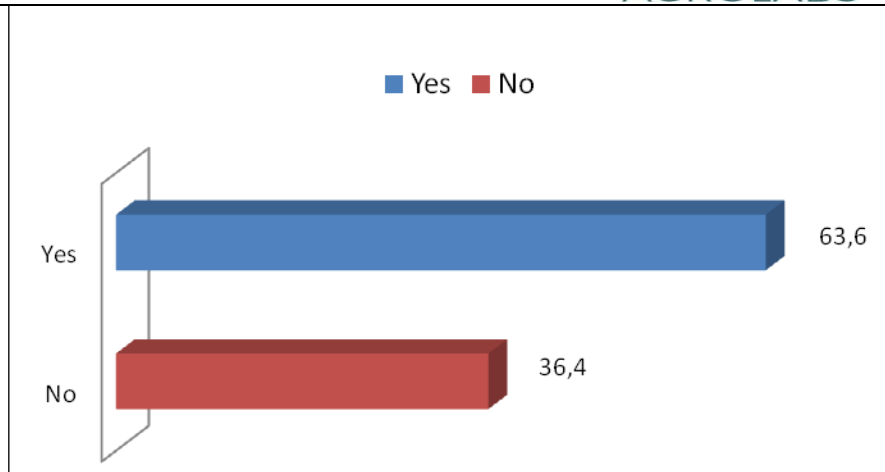


Fig. 22. Estimates of having or not Quality Control Department

49.3% of the respondents said they have a system for tracing the process of implementing their products. Although below 50%, this share is still sufficiently high and indicates a high degree of development of the company culture of processors and other ancillary companies occupied in packing, storage, transport and marketing of agricultural products.

### 2.2.2. Assessments of the main characteristics of the carried activities

An important part of the research carried out among the processing, packing, storage, transport and commercial companies concerned the identification of the main characteristics of the activities performed. They include how raw materials are delivered, assessments of the activities prior to or the supply of the raw materials and their influence on the quality of the products produced, finished products, major problems in the process of production, storage and realization of finished products, estimates of how the products could become more attractive and more competitive.

First the study found that **58.0% of the supply of raw materials is predominantly in bulk**. 23.2% receive raw materials packed by the supplier. 16.7% of the respondents collect their raw materials and 2.1% reported that they import them. These assessments are visualized on Fig. 23.:



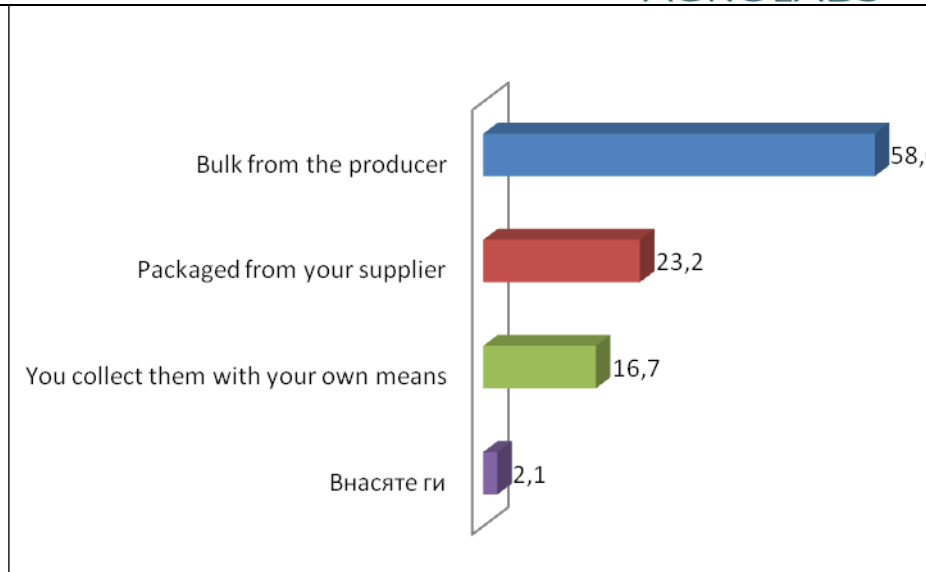


Fig. 23. Assessment of the ways of delivering raw materials

Obviously, in the relationship between primary farmers and processors of agricultural raw materials, the simple production model dominates - the raw materials are passed on to the processor without any additional effort for their packaging or making more attractive commercial appearance. This obviously has a negative impact on the purchase price - the majority of farmers are resentful at the low purchase prices, but at the same time few realize that if they pack the agricultural products they produce, they will give them more attractive commercial appearance and could insist on higher purchase prices. Of course, there are also such processing companies that prefer to go around the region and choose between the available agricultural raw materials. This gives them some comparative advantages - by purchasing directly from the producers, the processor can gather additional information about the way the products are produced. For example, a large-scale meat processing company goes around the populated areas of the region and selects the best quality livestock for processing. In doing so, it can be chosen both the immediate qualitative indicators of animals and the way animals are grown - judging by the characteristics of the premises where the animals are kept, the food they are fed with, the sanitary conditions and etc. This enables the processor to select the best quality animals to process and transform them into meat products.

Fig.24 illustrates that there is a strong correlation between the type of activities (processing, packaging and logistics) and the way raw materials are delivered. For example, 67% of processing companies receive in bulk their raw materials. Only in 17% of the cases there is primary packaging of the raw materials supplied, and in 16% of the cases the processor obtains the raw materials by himself. Regarding the packing companies, the ratios are different: 47% of them receive raw materials in bulk but 35% deliver them in primary packaging (sacks, cassettes, etc.). 18% of packing companies get their raw materials by themselves, which in most cases is equivalent to rounding off the area and purchasing raw materials in bulk. Among transport and commercial companies

(referred to as logistics) predominate (57%) the supply of products in a packaged, ready-to-use form. However, in 29% of the cases the products are delivered in bulk form. These features are illustrated on the following Fig. 24.:

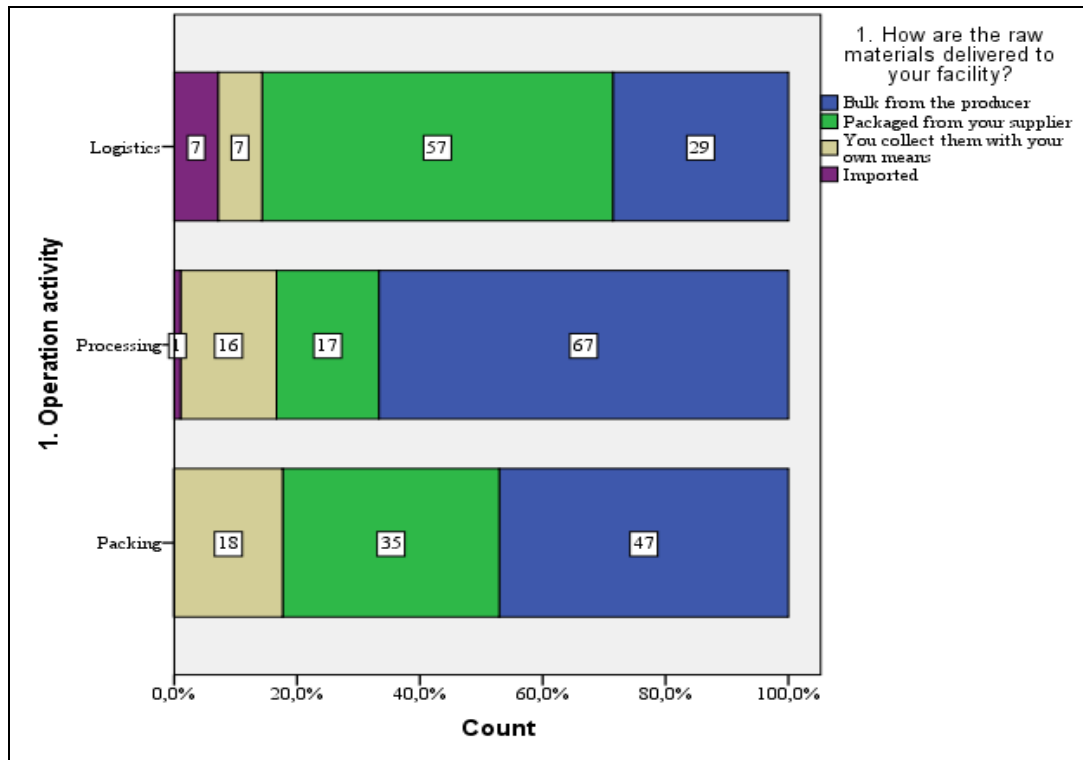


Fig.24. Estimates of the ways of delivering raw materials, by the type of operational activity

**The storage and transport of raw materials has a serious impact on the commercial appearance of the products. It is supposed that this should especially be valid to agricultural products and their realization. The study found the following dominant models in Blagoevgrad region:**

- ✓ Only 17.1% of the respondents in the region think that transport impacts negatively the quality of raw materials. This is a very good attestation of how agricultural products are transported and indicates that in this respect there are no serious problems that require urgent solutions;
- ✓ At the same time, the vast majority of respondents (88.7%) reported having adequate storage facilities for long-term storage of agricultural products. This applies equally to both processing companies and packing and trading companies;
- ✓ Only 24.8% of the respondents say that the activities after taking the raw materials have a negative impact on the quality of the raw materials. This means that the conditions created for processing, storage and transport of the agricultural products are very good and guarantee the preservation of the good qualities of the products;

- ✓ 45.3% of respondents have indicated that they have emergency plans and, in the event of failure with any of the suppliers of raw materials, have alternative supply sources. In 73.8% of these cases, these alternative sources are from the country and only 26.2% from external sources (imports). This shows that nearly half of the processors in the region have built very good relations with local producers - both in the region and in the country, thus creating prerequisites for sustainable supply with the necessary raw materials and ensuring the continuity of their production. Of course, the fact that 54.7% of the respondents do not have emergency plans should not be neglected because in case of unforeseen circumstances, their production will be disturbed, which will also affect their ability to deliver finished products to the local markets. So, in the end, it turns out that if, due to weather or other adverse factors, raw material supply is breached or left out of its usual patterns, it will result in visible disruptions in local markets. This is because a little more than half of the local firms will experience serious difficulties and most likely their production will be disturbed;
- ✓ 97.1% of processors think that their activities retain the quality of the raw materials;
- ✓ Regarding whether or not they add value to their activity, 57.2% believe that their activities are standard elements of the supply chain. 42.8% of the respondents have confidence for uniqueness and in their view their activities are not routine - they add value to the originally produced agricultural products.

**The survey found differences in preferred ways of selling agricultural production:**

- ✓ The majority of the respondents (54.3%) are orientated to direct sales of their production;
- ✓ Another significant part (39.3%) relies on the sale to be sold by a trader;
- ✓ Only 2.9% sell by cooperative and 3.6% in another way.

These assessments can be seen on the following Fig. 25.:

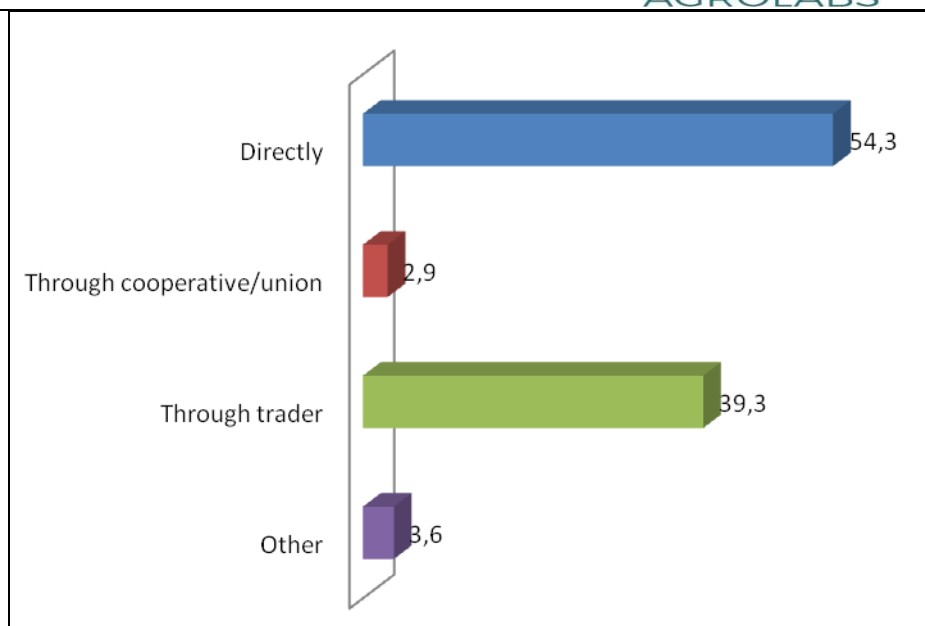


Fig. 25. Ways of selling production

**Another aspect of the realization of the finished products is how it is sold - in bulk, packaged in bulk or packaged for retail sale. The study found that in only 20.9% of cases the sale was in bulk. In 34.3% of the cases there was wholesale packing and in 44.8% the goods were prepared for sale in the country's commercial network and respectively were packed in retail packs.**

95.6% of the finished products are stored in private warehouses.

The survey collected interesting and valuable empirical information **about the main problems faced by processors, packers, warehousing, commercial and transport companies in the region.** Respondents were asked to evaluate five of their predefined problems, indicating with 1 the most important, and with 5 - the least important. The assessments collected in the study show that for the proposed five potential problems are given the following rankings (shown in descending order according to the given values):

Problem	Average value of the given values
1. Technical provision / climatic factors	2.706
2. Sales and prices	2.765
3. Commercial problems	2.875
4. Funding	3.064
5. Quality problems	3.468

The analysis shows that the processing, packing, transport and commercial companies from the settlements in Blagoevgrad region rank the potential problems in the following way:

- ✓ First of all, the problem of technical security and the impact of climate factors arises. Although with a value of 2.706, this is a relatively serious problem affecting the character of the production processes and the realization of the finished production;
- ✓ The second most serious problem is the sales and the formation of prices. The respondents commented that the realization of the output arised very serious problems: once, due to the lack of firmly established contacts / trade relations with commercial companies that go directly to the market, and second due to the peculiarities in the formation of prices. Respondents say that due to a number of objective and subjective reasons they are not satisfied with the level of prices and as a whole this whole process of realization of finished products does not satisfy them;
- ✓ In the third place are the problems directly related to the realization of the production and generally to the commercial aspects. They include skills to find the right tools for the realization of the finished product, again - the formation of prices and the skills of the finished product to be sold most advantageous;
- ✓ At fourth place, respondents have put the funding: carrying out processing, warehousing, transport and commercialization of finished goods requires the availability of a certain financial resource without which these activities would not be possible. Some of the respondents rely on credit, which they think puts them in an unfavorable situation, as lending conditions are not particularly attractive. Other respondents rely on their own capital. But here again problems arise because the profitability of the production is in most cases low. Often costs outweigh the revenue, or revenue is slowing down and companies' owners fail to "turn the turnover" and need additional funding. In the end, it turns out that the production in these areas is extremely uncertain and with very low profitability;
- ✓ In the last fifth place, respondents have posed problems with quality: according to them, quality problems are seldom because the producers are doing their best and are trying to produce very high quality products.

In addition to collecting overall assessments of the seriousness of the underlying problems, respondents were asked to indicate **how their major issues are being expressed**. Here we present in a synthesis the collected assessments and opinions:

- ✓ **The most serious technical problems of this category of respondents are the following:** technical accidents in the available and necessary for the production processes technique (breakdowns in dryers, refrigeration rooms or refrigeration equipment, failure of ovens used, accidents in other technologies used). Another serious problem is the mere maintenance of the available equipment. A large part

of the equipment is obsolete and requires constant repair, and spare parts are expensive and this costs additional investment. Business owners complain about specific issues that are directly related to their production. For example, some carriers complain that their trucks are old and this creates technical problems. Other processors also complained that for economic reasons they used older equipment and could not afford the purchase of modern equipment. This makes it very costly to maintain the old available equipment and ultimately the maintenance of the old equipment is more expensive. Respondents report very specific elements - amortized presses, packing machine problem, problems with equipment for roasting and drying the nuts, stopping the power supply. In general, the common problem is obsolete equipment and the inability to change it with a newer one. This indicates at least two facts: companies with a wealth of experience in the described activities face the problem of aging technology and the need for it to be replaced. However, this proves to be an insurmountable problem because judging by the respondents' opinions, their profits are not large, sometimes they barely cover the costs and therefore there is no money for investing in new techniques and updating the production. All of this slows the development of the production and gives them a very extensive look. Although in the age of new technologies, business owners are satisfied with the availability and can hardly allocate funds for the intensive development of their production;

- ✓ **A further range of problems are those related to the quality of the production:** according to the respondents, a major problem in their sector is the high perishability of the raw materials and the need for them to be processed very quickly. Milk processors point out that they have problems with preservatives (they are imported), and some problems arise in their use. Processors of vegetables and fruits are categorical that raw materials break down very quickly and this requires maximum concentration and very good organization in order to process the collected produce. Production quality also depends to a large extent on climatic conditions. Serious years happen when the raw materials are not of good quality and then the processor can do nothing but take into account the quality of the inputs and to get the best possible of them. This is not always possible and sometimes the processor suffers from severe weather conditions and not particularly good harvests. The weaker the crop, the more certain it is that additional enhancers - colorants, flavor enhancers, long-lasting substances, etc. are used. All of this negatively affects the quality of the final product. In this context, the views of the winemakers are interesting. They also claim that are very much dependent on the quality of the raw materials: when the grapes are sweet and ripe, a better quality wine is obtained. If the harvest is weak, it automatically affects wine production - less wine is produced and with lower quality. Transport companies have not mentioned explicit quality problems, except that they depend to a large extent on the regularity of the order submission;

- ✓ Processors also have serious problems with funding: some of the owners highlight the high prices of manufacturing technologies they use - including processing, packing and other auxiliary machines. They need credits to be bought, while servicing loans puts companies in a range of even more serious problems. It is widely considered that the loans have very high interest rates and generally the conditions are not profitable for the companies. Transport companies also report serious funding problems. According to them, there is no targeted allocation of credits for transport companies, so other steps have to be taken to ensure that the necessary funding is obtained. A significant part of the respondents said they were self-financing. They prefer this option as it is much more profitable than making credits for the development of production and their service;
- ✓ Asked to point out their **most serious commercial problems**, respondents have described: 1) A problem for wine producers is that the market is full of cheap imported wines and people prefer to buy them instead of the slightly more expensive but better Bulgarian wines. The processors of grapes claim that the Bulgarian market is full of wine, which is not made from grapes and therefore has lower cost, respectively it is offered at lower prices. Instead of focusing on quality wines, the Bulgarians prefer cheaper products and, instead of real wine, buy chemistry. With this, respondents raise the very serious question of the presence of significant quantities of food imitating products on the market and which are also much cheaper. 2) Another problem is the high saturation of the internal market: the Bulgarian market is abundant with Bulgarian agricultural products and the competition is very high. It does not allow prices to vary significantly - it is usually maintained at a common market level. In addition, there are many massive imported products that are available at lower prices and this puts Bulgarian producers at a disadvantage. 3) Meat processors also note that imported meat products are relatively cheap and, against this backdrop, Bulgarian meat products are not well traded - they are stored longer time and gradually lose their nutritional qualities. 4) Honey producers also complain of poor quality products that compete with the real. According to them, the market is full of fake products having the label "honey", which do not meet the basic requirements for this type of product;
- ✓ **Directly related to the problems are the difficulties that have arisen in connection with the sales and the formation of the prices:** companies complain that the merchants buy their products at low prices, and although subsequently sale it, it is also at relatively low prices as this practice is not good for processing companies: once again the problem of low profitability and the impossibility of expanding production is formulated - companies operate without or with minimal profit. As a result, with very serious efforts and a lot of work, companies fail to realize their expected profits, and their work remains poorly valued. Other respondents point out that the purchasing capability of the Bulgarians is very low and even prices fall, buyers are always upset because they think they are still high. This creates a serious problem between buyers and

companies offering agricultural products. Buyers are looking for lower prices without being keen on quality and processing and marketing companies are interested in maintaining a minimum level of pricing that will allow them to reimburse their costs. Therefore, the Bulgarian markets are full of agricultural products - at a different level of processing, but the realization of the proposed products is even under the expectations of the producer companies. Third respondents underline that they are making a huge effort to get in touch with large chain stores. The problem is that these stores offer very low purchase prices, justifying with this their policy of maintaining relatively lower retail prices. Bulgarian companies are severely affected by the implementation of dumping policies on agricultural products (primary and secondary processed) and finally are able to withstand those producers which have higher turnover and thus afford lower prices.

Respondents were asked to assess what would make their products more attractive. The obtained assessments are presented on the following Fig. 26.:

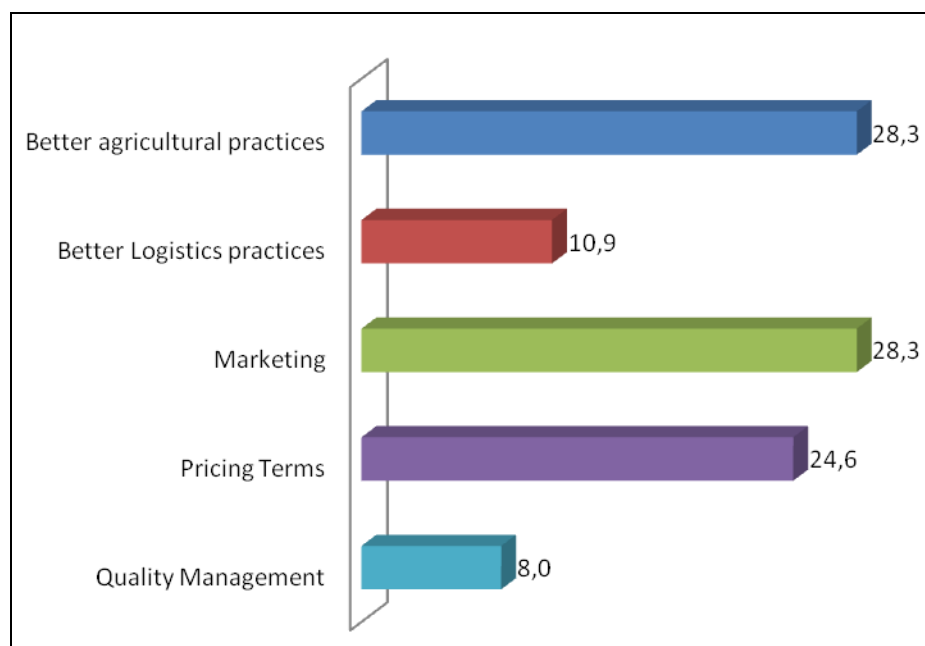


Fig. 26. Assessments on how agricultural products would become more attractive/competitive

As Fig. 26 shows, **according to the respondents, three are the key conditions for more attractive type of agricultural products:**

- ✓ According to 28.3%, it is necessary to apply more modern and better agricultural practices, as a result of which the overall quality of agricultural raw materials will be improved and, therefore, the quality of agricultural products will be also improved;



- ✓ Other 28.3% believe that better marketing practices are needed. Obviously, these respondents assume that agricultural products are good in principle, but due to inadequate marketing strategies, their marketing is below the expectations of producers and processors and other ancillary firms; obviously, these respondents assume that agricultural products are good in principle, but due to inadequate marketing strategies, their marketing is below the expectations of producers, processors and other ancillary firms;
- ✓ Third part of respondents (24.6%) believes that their products will become more attractive if the pricing conditions are optimized. At present agricultural products from Bulgarian producers are not well priced on the market due to the fact that the market is full of cheap imported agricultural products and also the great concentration of Bulgarian agricultural products. This does not create optimal conditions for pricing and profitable marketing of Bulgarian agricultural products;
- ✓ 10.9% of respondents insist on better logistical practices. They think that if the transport of agricultural produce improves (faster and better quality means of transport), this will have a positive impact on the commercial appearance of the agricultural products offered;
- ✓ Last but not least, 8.0% of respondents point out that in order to improve the attractiveness of agricultural products on the market, it is necessary to introduce quality management systems to ensure that the agricultural products are of high quality.

We asked respondents to specify their assessments and appraise **what would contribute to improving the quality of their products**. Assessments show that:

- ✓ First, according to 40.9% of the respondents, applying of good agricultural practices is key to improving product quality;
- ✓ 23.5% of the respondents emphasize that the quality of products would improve if conditions for storing agricultural products were improved;
- ✓ Other 22.0% focus on packaging. According to them, good packaging does not only give the products good commercial appearance but also to preserves their nutritional qualities. Therefore, better packaging is an essential condition for improving the quality of agricultural products;
- ✓ 7.6% believe that, if procedures for further processing of raw materials are introduced, this will contribute to the creation of higher quality products;
- ✓ 6.1% believe that integrating a food safety system is an important prerequisite for improving the quality of agricultural products.

Presented assessments are visualized on the following Fig. 27.:

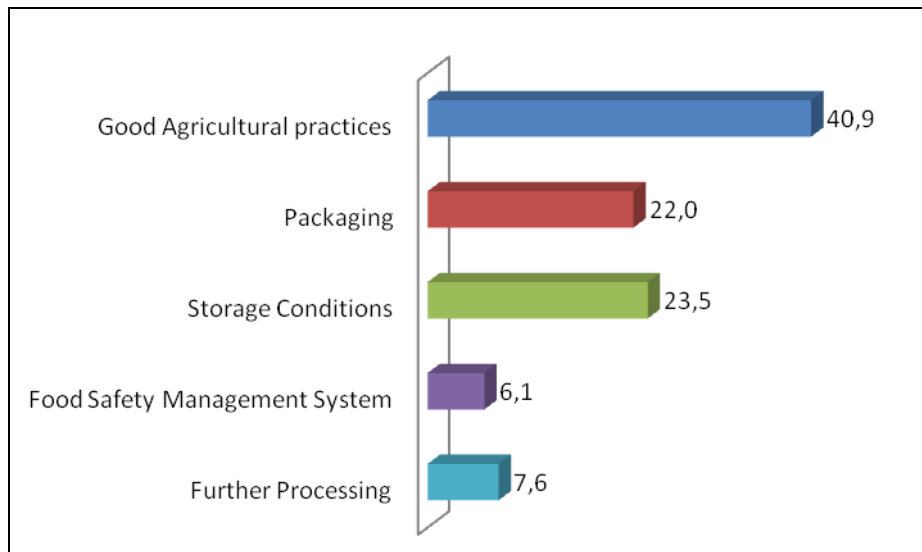


Fig. 27. Estimates of how agricultural products would improve the quality

**We further examined whether there are significant differences of opinion on this issue expressed by the three main categories of respondents - 1) processors; 2) packaging companies and 3) logistics companies.** The investigation showed that there are some interesting differences, although the statistical significance of the relationship is rather weak. Fig. 28.:

- ✓ For example, 41% of processing companies believe that quality would be improved by more modern farming practices; other 19% rely primarily on packaging, 20% - on the storage conditions of the product, 9% - on the establishment of a system of quality control, and 11% - on further processing;
- ✓ Packing companies form three distinct shares of opinions: 31% believe that better agricultural practices are the basis for better agricultural product quality; however, 38% emphasize on packaging, and 31% on storage conditions;
- ✓ Logistics companies have a strikingly uniform structure of views on this issue: also 31% believe that better agricultural practices are the basis for better agricultural product quality; also 38% emphasize on packaging, and 31% on storage conditions:

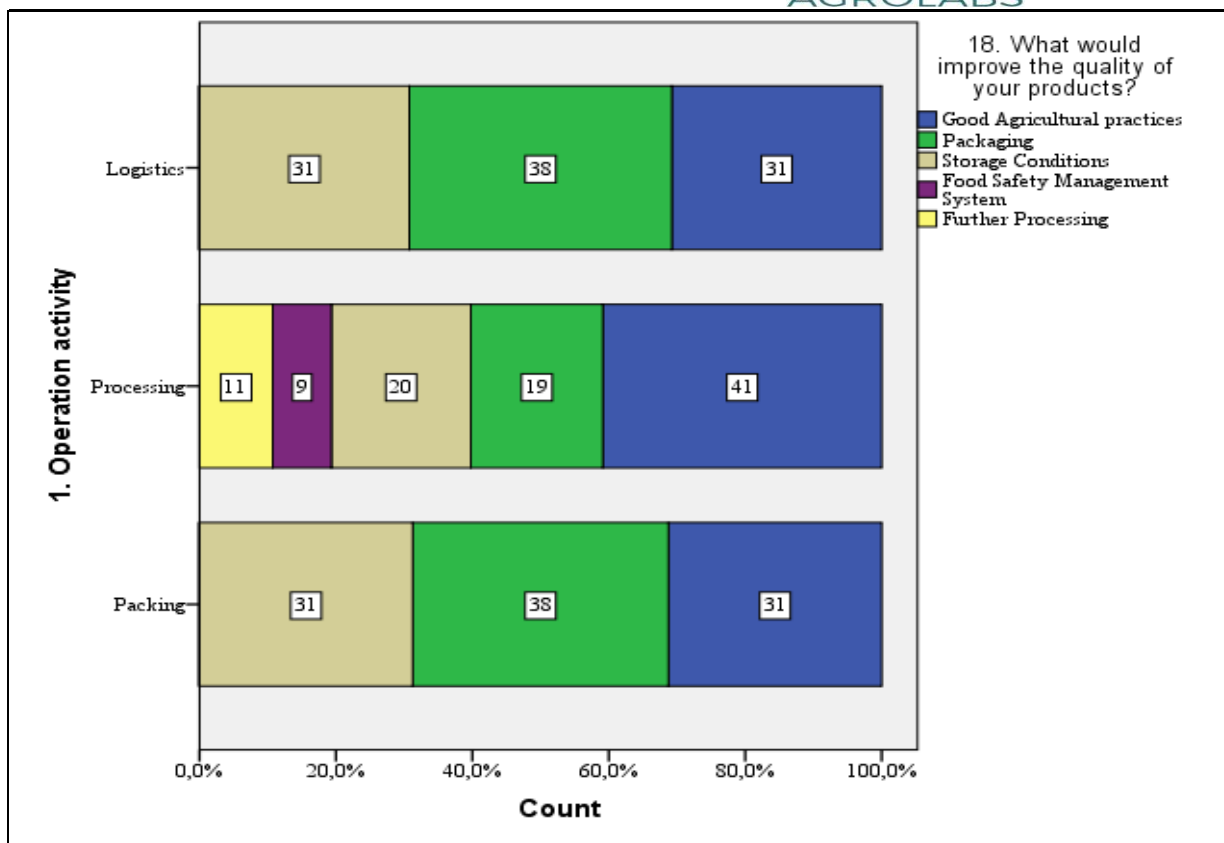


Fig. 28. Estimates of how agricultural products would improve the quality, by the type of operational activity

The differences found indicate that, depending on the type of activities, the respondents tend to focus on different factors and to assess their impact as more important than the impact of other factors. For example, packing companies tend to attach greater importance to packing activities. Processing companies logically place a stronger emphasis on the processing of agricultural raw materials and their transformation into attractive agricultural products. In our opinion, it is perfectly normal for companies to focus on their type of activities - this reflects their internal conviction that the activities they carry are very important and even determine the quality of the agricultural products and their market realization.

Continuing to look for opportunities to improve product quality, we were interested in what could be improved at the harvest stage. The obtained assessments are presented on the following Fig. 29.:

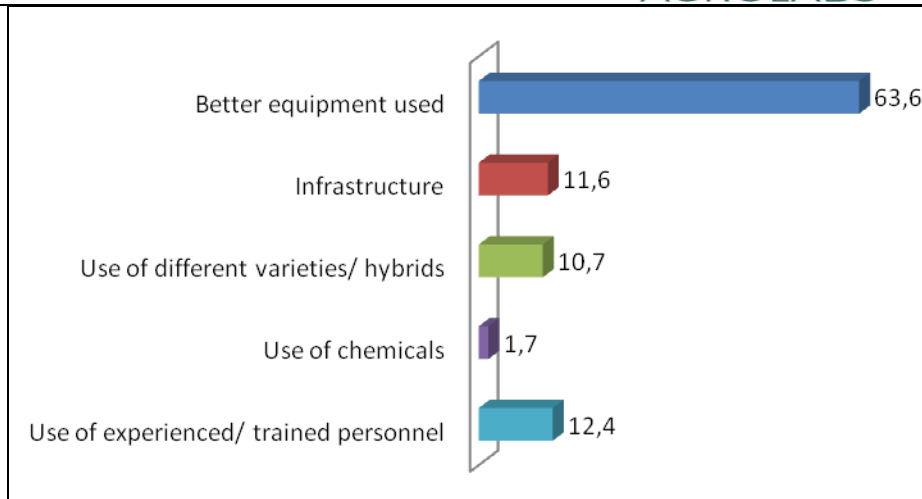


Fig. 29. Assessments of possible actions at the stage on a prior-harvest level to improve the quality of the products

**The majority of respondents (63.6%) think that in order to improve the quality of products, better equipment and / or technologies should be used. 12.4% expressed the view that another important prerequisite is to use well-trained staff. 11.6% highlighted the better roads as a necessary prerequisite for better end-product quality. 10.7% thought it was necessary to diversify the varieties used - the commonly used varieties are enriched with new, different or hybrids, giving better quality products, including a better commercial appearance (for example, bigger, more juicy, more sugary fruits).**

**Another aspect of the study was to find out what can be done after the crop is harvested so as to improve the quality of the products. The assessments show that:**

- ✓ The opportunities for improving products quality can be seen mainly by improving the processing of agricultural raw materials - 36.8% of the respondents have this opinion;
- ✓ 28.8% of the respondents believe that the key condition is another - to improve the storage conditions and the storage of finished products;
- ✓ 14.4% pay attention to the packaging processes of agricultural products;
- ✓ 12.8% believe that for improving the quality of products transport needs to be improved and 7.2% that transport time should be reduced.

These assessments are visualized on the following Fig. 30.:

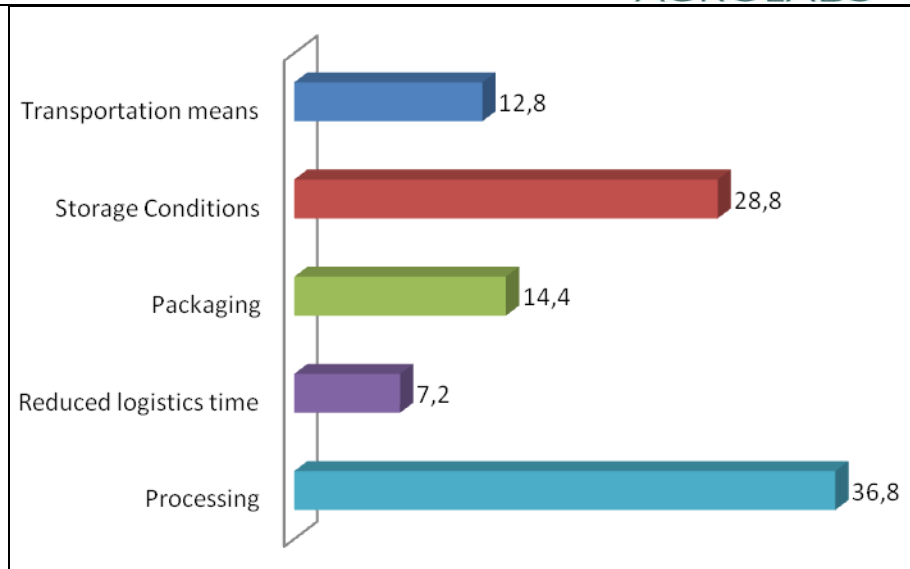


Fig. 30. Assessments of possible actions at the stage on a post-harvest level to improve the quality of the products

Fig. 31 is even more interesting because it shows the differences in the way the representatives of the three categories of respondents assess what needs to be done after harvesting to improve the quality of agricultural products:

- ✓ The processing companies categorically rely on more processing as 44% of the respondents in this category have expressed such an opinion. 19% indicated packaging as a prerequisite, 18% - warehousing conditions, and 12% improved transport;
- ✓ Packaging companies have placed storage conditions in the first place (53%), with 20% indicating the need to reduce transport time, and 13% - to improve the processing;
- ✓ Logistics companies are divided into two - the majority of them (64%) pointed the improvement of storage conditions and the remaining 36% underlined the need to improve the transport.

The discussed differences in the ratings of the three categories of respondents can be seen on the following Fig. 31.:

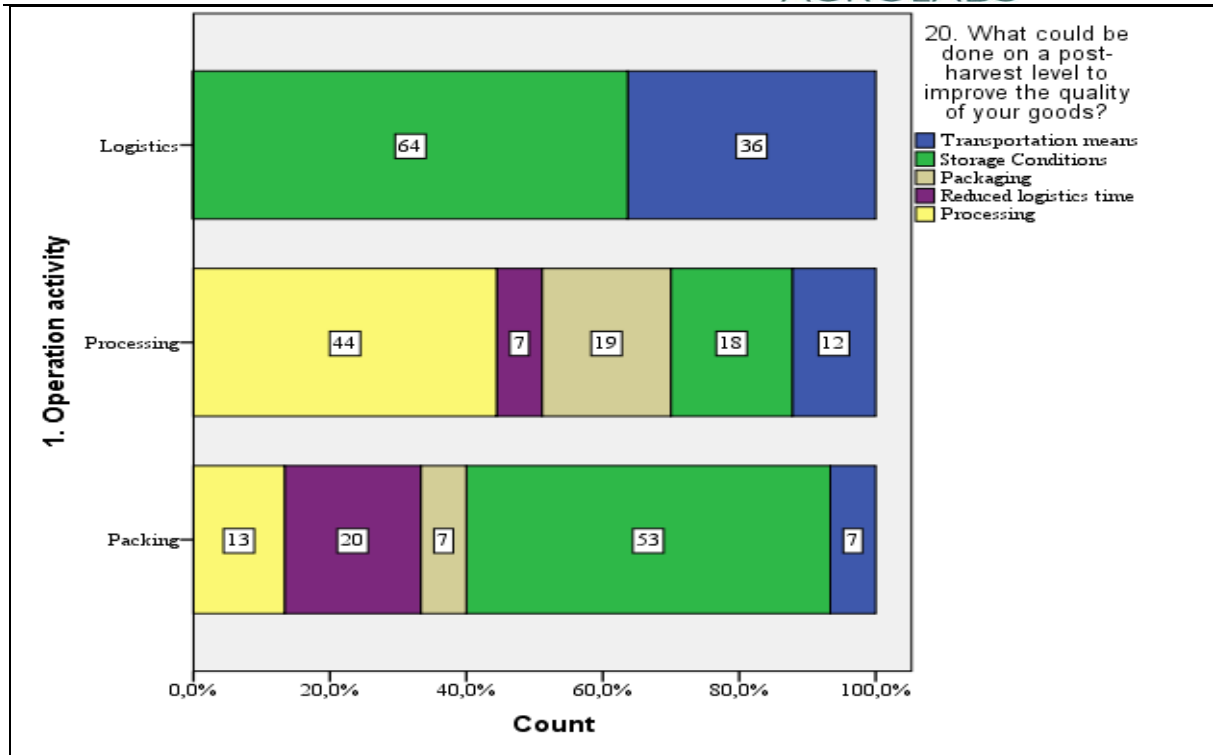


Fig. 31. Estimates of possible actions at the stage on a post-harvest level to improve the quality of the products, by the type of operational activity

And last but not least, the survey gathered assessments of the factors on which the value of agricultural products depends on in order to increase. These assessments are presented on the next Fig. 32.:

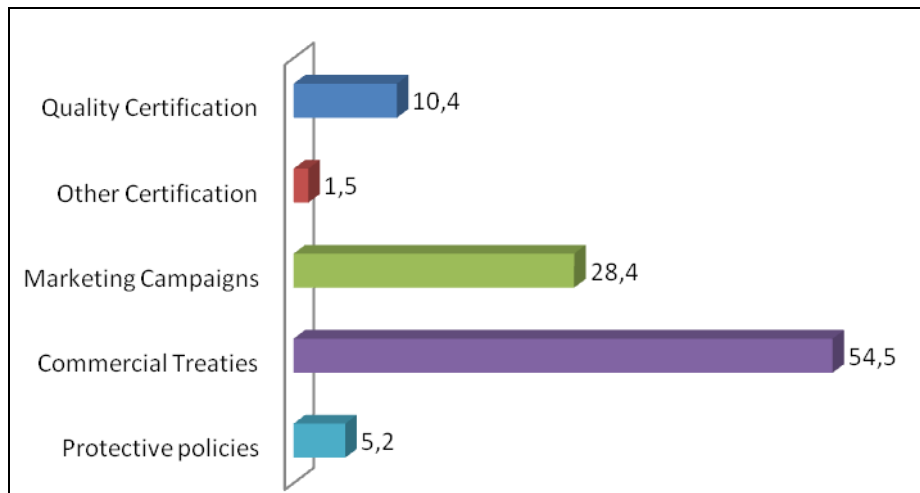


Fig. 32. Estimates of what would help to increase the value of agricultural products

As is clear, **the respondents manifest their harsh logic and put first the creation of prerequisites for guaranteed realization of the production as a basic prerequisite for increasing the value of the produced agricultural products:**

- ✓ 54.5% consider that the existence of commercial contracts would significantly increase the value of agricultural products because it would guarantee a secure marketing;
- ✓ 28.4% of the respondents have indicated marketing campaigns as a guarantee to increase the value of their products;
- ✓ only 10.4% highlighted the possession of a quality certificate as a condition for increasing the value of the products;
- ✓ 5.2% of the respondents have indicated the need for a protectionist policy to protect domestic producers and guarantee good market conditions.



### 2.3. Training needs

Another essential part of the research is the quality of the labor force used in the processing and other auxiliary companies. This type of information was collected through a series of several interrelated research questions.

First, **86.1% of respondents say that workers' experience and knowledge have a strong impact on product quality** - the more experienced workers are and the more specialized knowledge they possess, the greater the likelihood of producing high quality products.

**According to 85.4% of the respondents, finding well-trained staff with appropriate professional qualifications is a very difficult task.** Only 14.6% of respondents said they had no difficulty in finding workers with the required characteristics. These assessments indicate the existence of a huge problem with regard to workers employed by agricultural companies. The assessments are presented on the next Fig. 32:

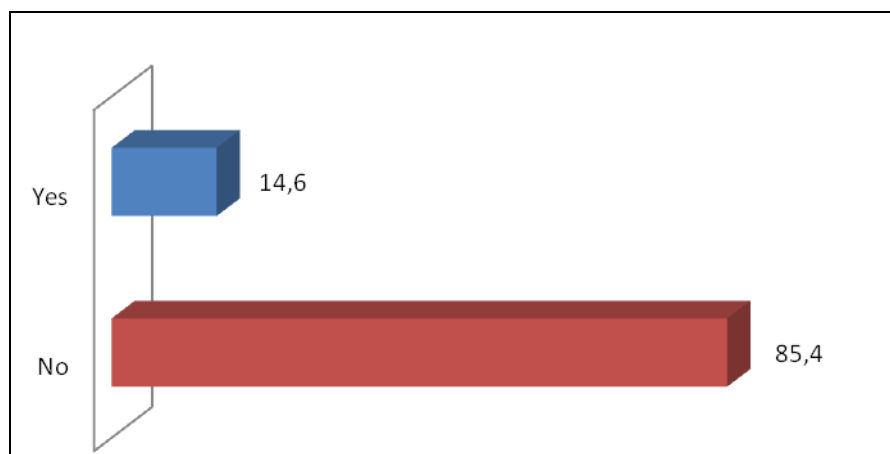


Fig. 33. Estimates how easy or difficult is to find experienced/ trained workers

**91.0% of respondents are convinced that the transfer of knowledge is a key element for the quality of agricultural products.**

In this regard, the study found that **the majority of respondents (63.4%) were trained for the production they are currently developing.** This is an extremely good prerequisite. As nearly two-thirds of processing and other logistics companies are trained for the production they are developing, this indicates that at least two-thirds of companies have a qualified knowledge of the specifics of their activities. This in turn is a prerequisite for creating high quality products. There are three categories of trained persons:



- 1) Persons who have received secondary or tertiary education in the field of food-processing industry: some respondents indicate that they have graduated from a secondary school in the food industry; others have higher education in this field.
- 2) Other respondents received specialized knowledge and skills in training courses conducted in the framework of applications for European projects or in the process of implementing certain European projects in the field of agricultural production;
- 3) A significant part of respondents indicate that they have not undergone special training courses, but they still feel very well trained because they are developing a family business with traditions in their family and the practice is to pass on knowledge from generation to generation - the father teaches his son, he - his son and so on. This keeps valuable knowledge and tips in the business, such as how to make good wine, or raise dairy cattle or to grow quality potatoes. It is noteworthy that this knowledge is highly appreciated by respondents - their value is even higher than the value of European or other training programs. This is understandable in the context of the established attitudes of farmers in the region to save local traditions and to develop activities that support the existence of local traditions (foods and products with an established local character).

However, the study found that different models are applied for solving problems and searching for information:

- ✓ The most common practice to solve the problems arising in the everyday life of processing, packaging and transport companies are informal contacts: 50.3% of the respondents indicated that in case of difficulties they rely on advice and information from their colleagues in the same sphere;
- ✓ About one third of the respondents (32.9%) use the services of private consultants - this is the part of local processors and other ancillary companies that can afford it;
- ✓ 10.5% of respondents trust the Internet from where they get the information they need;
- ✓ Only 6.3% of respondents use consultations or assistance from state agencies.

These assessments are visualized on Fig. 34.:

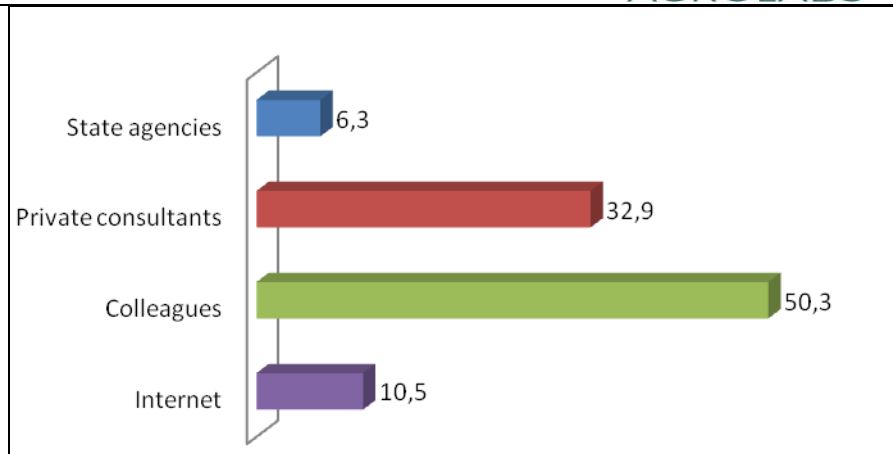


Fig. 34. Source of information for solving problems regarding production

**Obtained data are interesting and provocative at the same time: they show that the problems of agricultural processors and ancillary companies are mostly solved at an informal level, or at best with the help of private consultants. The state has a practically very low share in these processes, which reflects both the real established relations in the country and the low trust in state institutions.**

Obviously, companies that carry out processing, packaging, transport and commercialization of agricultural products need additional and specialized information in order to be able to carry out their activities successfully. In this context, it is interesting that 50% of the respondents have requested the need of training - the remaining 50% have estimated that when they need information or specific knowledge they will find a way to get the information they need.

Checking the collected assessments of respondents from the surveyed settlements for the training needs shows that the needs of the people are different:

- ✓ The highest demand for education is reported by respondents from Bansko (88%), followed by people from Gotse Delchev (78%), Hadzhidimovo (75%), Blagoevgrad (67%);
- ✓ The training needs in the villages of Belitsa (50%) and Razlog (also 50%) are average;
- ✓ The lowest training needs are in the villages of Satovcha (17%), Petrich (22%), Strumyani (30%).

These preferences could be taken into account when organizing training under this project. Fig. 35.:

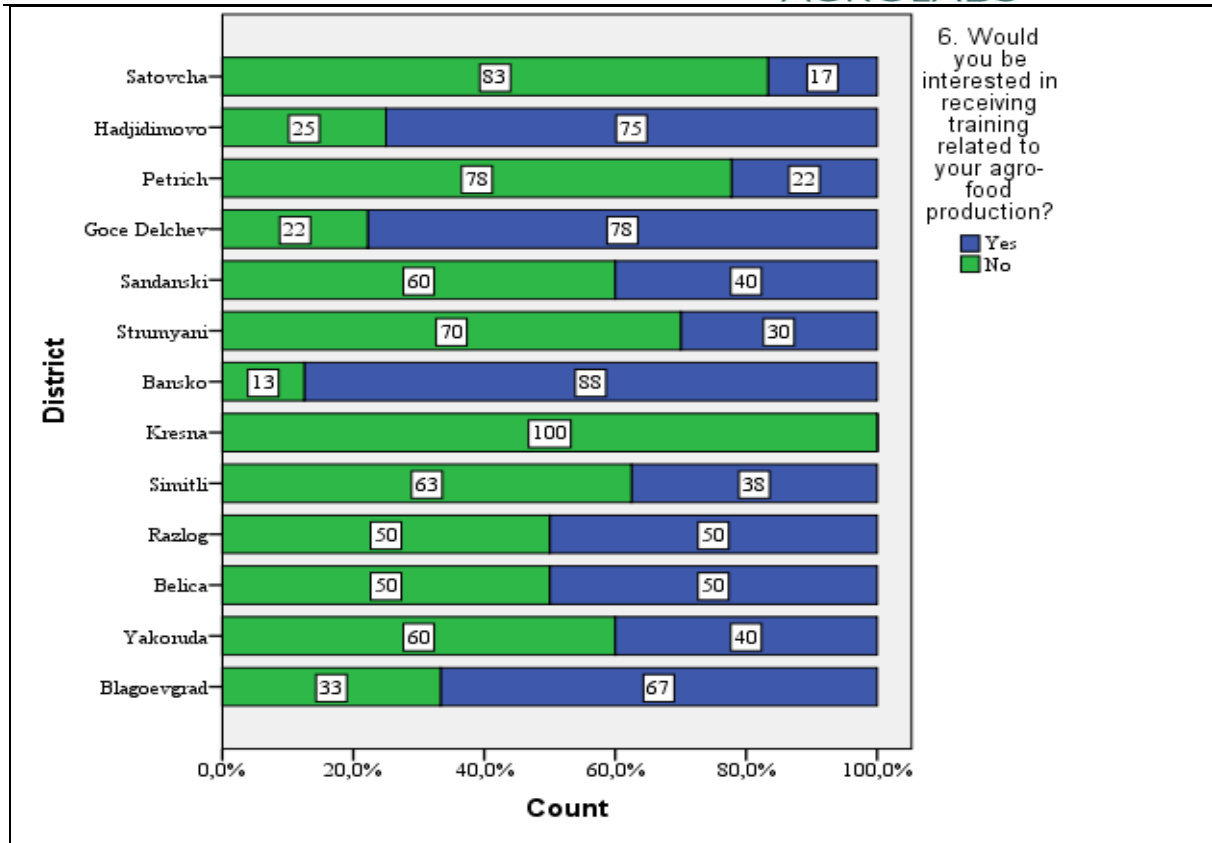


Fig. 35. Training needs - by settlements in the region

The study raised specific questions to identify specific attitudes and training needs. The aim was to check what specific training needs (respectively, what deficits) have the processing, packaging, trade and logistics companies from Blagoevgrad region.

The expressed needs are presented in the following Table 3:

Legend: 0= *not interested at all*  
1= *limited interest*  
2= *interested*  
3= *very interested*  
4= *very much interested*

Table 3.

Training needs - by topics

	0	1	2	3	4	H/O
Technical issues (for example, how to increase production, how to solve concomitant problems)	22.6	11.3	4.8	22.6	14.3	4.5
Product safety and quality (legal requirements, application of the Food Safety System, nutritional value, use of chemicals, etc.)	9.7	22.4	26.9	27.6	9.0	4.5

Legislation and trade rules	11.3	18.8	32.3	<b>23.3</b>	<b>10.5</b>	3.8
Transport solutions	10.4	10.4	29.9	<b>28.4</b>	<b>17.9</b>	3.0
Commercial aspects: sales and marketing	5.9	6.6	16.2	<b>17.6</b>	<b>49.3</b>	4.4

The data presented in Table 3 show that:

- ✓ The highest interest is shown in the training on sales aspects - sales and marketing: 49.3% of the respondents indicated they are very interested in training on these issues;
- ✓ There is also a relatively high interest in training in transport solutions - 17.9% have very high interest and 28.4% - high interest in this issue;
- ✓ 14.3% of respondents say they are very interested, while another 22.6% are highly interested in acquiring knowledge on technical issues like increasing production and solving accompanying problems;
- ✓ 10.5% are very much interested and 23.3% are very interested in training in legislation and trade rules;
- ✓ There is average to moderate interest in training on security and product quality: 9.0% of respondents declare very strong interest in this issue, 27.6% - strong interest and 26.9% - medium interest.

**Judging by these data, we can make the general finding that those who need training to develop their production have a strong interest both in the issues of production itself and its optimization, as well as in the issues of effective positioning and successful marketing of the manufactured products. This is an indication of the existence of serious intentions for the development of the respective activities and the willingness to develop these businesses in a sustainable way in the context of the Bulgarian market.**

The study found that **48.9% of the respondents preferred seminars or lectures as a training method.** On second place is the exchange of experience and participation in working groups - these methods are preferred by 27.8% of the respondents. About 17.3% of respondents pointed out field training. Only 6.0% of the respondents preferred to get the necessary knowledge through information materials. The established attitudes are visualized on the following Fig. 36.:

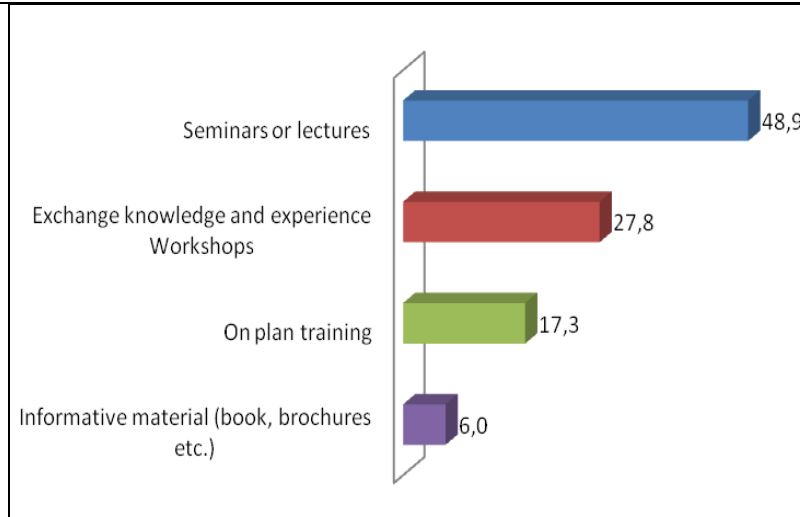


Fig. 36. Preferences towards training methods

**Checking the preferences for learning methods reveals interesting relationships:**

- ✓ Seminars or lectures are most preferred by manufacturing companies (54%), followed by packing companies (47%) and finally by logistics companies (38%);
- ✓ 47% of packing companies, 38% of logistics and 22% of processing companies prefer sharing the experience;
- ✓ Field training is preferred by 17% of the processing companies, 13% of th logistics and only 7% of the packing companies;
- ✓ Information materials are preferred by 13% of the logistic and by 7% of the manufacturing companies.

The identified differences in preference to training methods are illustrated on the following Fig. 37.:

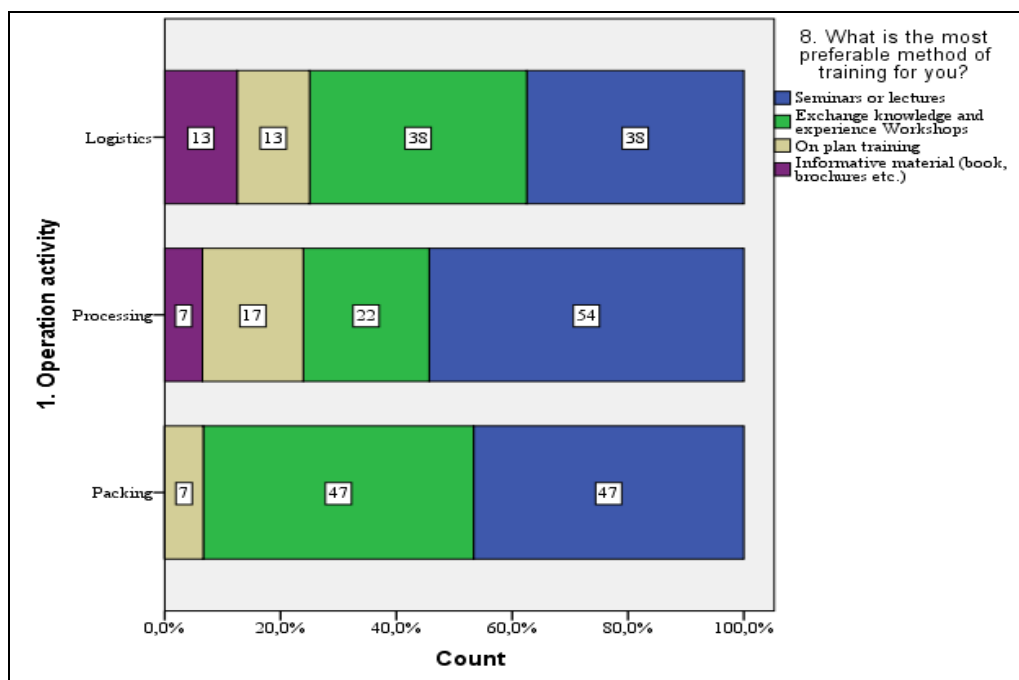


Fig. 37. Preferences towards training methods - by the type of operational production

**In the context of the research carried out, an important issue was to be identified the general attitude towards the establishment of Agrocluster in the town of Razlog:**

- ✓ 75.2% of the respondents say that if Agrocluster is established in the region, they will also promote their activities in the field of processing and logistics of agricultural products;
- ✓ 76.3% of the respondents said they would be involved in the activity of such a local cluster, thus relying on wider and lasting business contacts with counterparties in the country and abroad, and also believe that this will make them stronger and more resilient as business units.

It should be made clear that in the course of the study these two issues were a subject of further discussion by the respondents. First of all, many of them wanted explanations from the interviewers about what this agrocluster would be and what the benefits of it. After being given annotations, the respondents in the mainstream have expressed a positive attitude towards the idea of creating Agroclusters, some of whom were interested in why exactly in Razlog and why only there. According to them, there is a need for such agroclusters in each of the larger cities from Blagoevgrad region. Respondents have indicated that it is also important for such an agrocluster to enable the involvement of all types of producers in the area - including vegetable processors and fruit growers, wine producers, fodder producers, etc. The survey revealed the hope of local producers that the creation of agroclusters could solve the main problems of farmers: supplying with more modern equipment for processing of agricultural products, modernizing production processes, investing in modern packaging technologies in order to create a more attractive commercial appearance of the products, building modern warehouses for preserving the quality of the products, supplying with modern transport means and reduction of transport time, development of professional marketing campaigns and successful marketing of the produced agricultural products.





### **3. Results of focus group discussions**

In this part of the analysis we summarize the results of the three focus group discussions. We will remind that for the purpose of this study three focus group discussions were prepared and realized:

**1) Focus group discussion № 1: Yakoruda, 26.03.2018**

**2) Focus group discussion № 2: Razlog, 27.03.2018**

**3) Focus group discussion № 3: Sandanski, 29.03.2018**

Representatives of all the main target groups of the project (primary producers of agricultural products as well as processing, packaging, commercial and transport companies) were invited to participate in the group discussions. In total, 35 persons participated in the three focus group discussions. The requirement for their participation to comply with the requirements of this project was followed (all persons have been informed in advance and have filled in the required project consent form for participation in a focus group discussion)

In terms of content, focus group discussions are extremely interesting and highly informative. It made a strong impression that all participants in focus group discussions expressed personal and emotionally engaging views. It revealed the deep personal attitude of the participants to the problem, their concern over the existing serious problems and their hope that concrete actions will be taken through this project to solve the main problems of the farmers in the region.

The three focus group discussions were conducted under the indicative Scenario (List of sample questions that was provided by the Contracting Authority). Depending on the course of the discussion, additional questions have been raised, which aimed more profound penetration in the studied problem and collecting the widest range of opinions and assessments. In the following paragraphs we present an analysis of the collected empirical information. It is structured in three thematic parts:

1) Opinions and assessments of the agricultural activities performed - species, nature, nature, volumes and scope.

2) Main problems accompanying the development of different types of activities for production, packaging, storage, transportation and commercialization of agricultural products, as well as proposals and recommendations for solving the main problems and stimulating the development of the Agro-food sector in Blagoevgrad region.

### **3.1. Opinions and assessments of the agricultural activities performed - species, nature, nature, volumes and scope**

Representatives of the typical agricultural activities of the three municipalities took part in the three focus group discussions. Primary agricultural producers and processors, packing, storage and trading companies were invited.

It turned out, however, that there is a problem with the processors and other ancillary companies. First, the large processing companies in the region are relatively few, second, there are processing family companies, but they operate semi-legally. They are not officially registered, and although they do legally authorized activities, they are actually in the gray sector and therefore avoid to be presented. For their existence we learned from the participants in the focus group discussions who shared with us that the situation with the processing of agricultural production is extremely difficult.

Because of the described objective circumstances, the group discussions were mainly focused on direct agricultural producers, as well as representatives of larger local processing, storage and transport companies.

- ✓ **Yakoruda:** potato, fodder, hay production; raising of cows for meat (for calves and breeding), dairy cows (for milk); sheep and lamb farming; growing of vegetables (bio-gherkins, other vegetables);
- ✓ **Razlog:** raising dairy cows (dairy), sheep, meat production and processing of cattle - sheep, lambs and pigs (slaughterhouse<sup>1</sup> with meat processing), processing of chicken (cutting of chickens imported from Poland) farm and dairy for cheese and yellow cheese production of fodder mixtures, vegetable growers, wheat, maize, lucerne, farm machinery and livestock raising (10 sheep);
- ✓ **Sandanski:** wine growers, grape and wine producers, fruit producers (melons), vegetable growers, greenhouse vegetables, sheep breeding.

Focus group discussions showed that in the three settlements local people developed typical activities for the region - in the field of fruit, grapes or vegetables growing, or in the livestock sector - cows, sheep and lambs. Activities are predominantly medium or small. Local farmers do not have large resources and are therefore oriented towards development of smaller-scale activities. For example, 2-3 decares greenhouses for growing vegetables or a maximum of 100 sheep, between 40 and 100 cows. In part of the settlements massively are grown potatoes - their annual harvest is in the range of 10 to 20 tons. There are wine producers who grow 40 decares of wine grapes.

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<sup>1</sup> This is Razlog meat-processing plant, trade mark Sarai.



It is noticeable that local people are not trying to overcome traditions but rather, they develop typical and already adapted to the region cultures. There are, of course, exceptions, but they are rather single examples and do not define the region vision.

### **3.2. Main problems accompanying the development of different types of activities for production, packaging, storage, transportation and commercialization of agricultural products, as well as proposals and recommendations for solving the main problems and stimulating the development of the Agro-food sector in Blagoevgrad region**

We will immediately point out that the main part of focus group discussions has been devoted to identifying and discussing the problems faced by farmers, processors and other ancillary firms. The focus group discussions have shown that the problems are so many and so severe that it is a real wonder, therefore, how the agro-food sector still develops.

In the following paragraphs we present the problems in a structured way.

**First, a significant share of the serious problems encountered by local primary farmers and processors are caused by the inability to realize the output. This problem is so serious and substantial that it comes to the forefront of such other issues as the feed of animals, the quality of the products produced and the human labour necessary for their production.**

#### **1) Problems of farmers growing dairy cows:**

In the villages of the region, growing dairy cows is a typical livelihood. A classic example of this is Yakoruda. People grow between 20 and 100 cows, depending on their capabilities. This type of business is entirely family one - it develops within the family and seldom recruits workers. Everything is done on a family basis - everyone is involved - the "elder" and "younger".

The problems of this type of farmers are serious:

**The first major problem is the low purchase price of milk.** For example, in Yakoruda region, the purchase price is 55 st., which, according to the dairy farmers, is extremely low and does not meet their expectations as to how their output should be realized. There were times when retailers bought a liter of cow's milk for 29 stotinki. In the opinion of the respondents, the minimum price of a liter of milk should be 90 st.:

*"How to be satisfied with 50 stotinki of milk, given that I am first category, that we are with milk collection points, with such works, they require invoices continuously, sample every month, every month 78 BGN. Fat content should not be below 3.6-3.8. And in order to be 3.6-3.8 (he pays me the milk at 50 stotinki), I must satisfy this animal with food and with fodder." (FG, Yakoruda)*

*"The problem is that we can not buy anything at all. No, milk for 55 stotinki, no, it is nothing." (FG, Yakoruda)*

*"It's funny, you give it for 55 st. to the dairy." (FG, Yakoruda)*

*"So, this is a shame, 29 stotinki for milk last summer. 29 stotinki is just a shame. It's without money" (FG, Yakoruda)*

*"The price per liter to be at least 90 stotinki." (FG, Yakoruda)*

*"That was the goal - resellers to disappear. For example, I do not need retailers, nor one of those people here on the table. What does this reseller do? Produces, waters, digs?" (FG, Yakoruda)*

*"Here comes the problem that we are too small producers, we can not go to the processor himself... He comes and wants wholesale, to load a truck or ten trucks. I do not care that I have to go to 10 villages to collect production. And that's where the problem comes from, the retailer comes, he goes round, collects, stores, he comes, loads and he's gone." (FG, Yakoruda)*

*"Our people here are very busy, they do everything by themselves, they look at their animals properly, the milk is done properly, there are no fakes or nutritional supplements, everything is bio, everything is purely natural. And all this purely natural goes to the wind, there is no one to appreciate it, absolutely." (FG, Yakoruda)*

**The second related problem is the poor quality of the cows' food: dairy farmers admit that in order to obtain whole milk and quality milk, animals should eat quality food - quality fodder, hay, grain. Local farmers do not have free funds and can not buy quality food, from which suffers the quality of milk and consequently the purchase price falls.**

*"To milk this cow, it should have milk and must be fed, then there will be milk." (FG, Yakoruda)*

✓ There is a problem with pastures too:

*"And our pastures were also cut off and from pastures, acceptable-unacceptable. Last year was acceptable, is now unacceptable." (FG, Yakoruda)*

*"Pastures come from other municipalities, and we are here... we are wondering what to do" (FG, Yakoruda)*

*"They come from Bansko, Shumen and Petrich to our regions." (FG, Yakoruda)*

*"He comes from Shumen with 1,000 animals and puts them here and that is it." (FG, Yakoruda)*

**In this regard, dairy farmers emphasize that the payment of direct payments during the winter months is not properly considered. Dairy farmers need funds in spring and summer to buy food for the animals and to feed them during the winter. If funds are transferred in the winter, it is no longer possible to buy quality food and the whole process of animal growing is vitiated:**

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*"We need some money in the summer so that we can buy food for the winter. And they transfer them to us during the winter, what is the benefit then..." (FG, Yakoruda)*

**As can be seen, the problems are complex and intertwined - farmers are generally not very financially capable and can not afford investment in animal feed or other extras. They do as much as they can. As a result,** they produce low-quality milk for which they receive a low purchase price. This discourages them, and instead of expanding production, the opposite happens - gradual shrinkage and restrictions. Farmers mainly blame resellers - for them, this is the main figure in the local market, which "binds their hands" and blackmail them to sell it dirt cheap.

**There are problems in terms of proving the given liters of milk.** Respondents report that the requirement is to prove one and a half ton milk per animal. To prove the given quantities, milk producers must have a document (invoice) from the retailers or from the dairies themselves. Here, however, other problems arise - the retailers *"fill the documents of the eye and put quite a few liters, not the real ones, as they typically enter less than it is actually given"*. Dairy farmers generally disagree with this practice. However, they are resigned to it, because the region's resellers are units, and if it transpires that someone did not agree with the invoice, then no one buys his milk and this producer finds himself in an even worse situation.

*"You want, but no, he will not take your milk tomorrow and what will you do with it?" (FG, Yakoruda)*

*"Because we do not have customers, so it is. If we have more such traders, it will not be like that." (FG, Yakoruda)*

*"They put only conditions." (FG, Yakoruda)*

*"Everything rests on the price. One will not go to sell with the bottle if the price is good in the dairy." (FG, Razlog)*

**As always, however, the truth has another side. It was presented by the dairy owners in the focus group discussions. According to them, dairy farmers also have their flaws, and although they constantly complain, at the same time they are themselves guilty of the situation. As the purchase prices seem very low, the dairy producers apply all sorts of tricks: pick up the butter of milk and then place it in black, including making cheese and yellow cheese and also putting them in black; then hand over the skimmed milk to the dairies and are angry that they are offered low purchase prices. But for milk with such low fat content it can not be offered a higher price. In addition, the dairy owners also take into account the market prices of dairy products. they form the buying-in price of the milk so that they can get their bills and can give cheese and cheese at prices that will be well accepted by the Bulgarian producer. They tried, for example, to give the yellow cheese 15 BGN per kilogram, but nobody bought it - this item was not rated by**

**consumers. Therefore, the owners of dairies are oriented towards the scheme low purchase prices - low prices for dairy products:**

*"It's a little like the proof of milk. In principle, if real milk is proven, it will not be logical to sell it on bottles because it has to be delivered in order to get a subsidy. And he has to prove one ton and a half of milk. If you have a good cow, you will prove it for a month and not for one year." (FG, Razlog)*

*"Dairy farmers are creating big problems because they do not want to give milk, but at the same time they want their dairy documentation to be kept, and you do not keep it because they do not deliver you milk then they blame the dairy. You did not bring a kilo of milk, and he wants you to get back documentation for ... everybody's looking at him." (FG, Razlog)*

*"The price is really low, because in principle the finished product that is produced must be at a price so that the end user can buy it. And you can not put a high price because there is imported yellow cheese that is cheap." (FG, Razlog)*

*"If it can not be sold, why to produce, you have to close. And the price is determined by what the market is looking for. An old man, having a pension of 300 BGN, how can buy cheese of 7 BGN per kilo, he will buy imported for 2, which is some kind of imitation product and it is ready, why to buy good cheese. And that's where it comes from. For example, I also have a farm. How to give me a high price if the milk is processed and if it has a high price, the cheese should go up to 15 BGN from the dairy. Who will buy yellow cheese for 15 BGN, no one will." (FG, Razlog)*

*"Well, yeah, they take the butter, so they could do things for them. And to be angry and to do, one time was for example if you have milk with low fat the price is one, if it is with more fat the price is other. If you do it, one or two times he will give you milk with more fat so you can give him a higher price, then it starts again – today he takes a little bit from butter, tomorrow a little and again, it's still the same, he makes some moves "to blush the eyes". (FG, Razlog)*

*"They cheat and they have right because the price is not good also for them. If you really think that you have a low price, then it is better to take a little and to get something else. Sells the bottles of milk on private, etc., for which you can not be angry." (FG, Razlog)*

*"From here to Pazardzhik, on both sides of the road on every 20 meters, they sell milk, cheese and yellow cheese ... do they give cash receipts? (FG, Razlog)*

**Another identified problem is the feeding of animals.** In the land of Yakoruda, all meadows are private, so farmers have no choice, but to buy fodde, hay and alfalfa. In order to get quality milk, combined and quality nutrition is required. It wants funds, and there is not always.

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*"But it is not just fodder, this cow does not eat only fodder, she eats alfalfa, hay. An alfalfa bale now costs 7-8 BGN." (FG, Yakoruda)*

*"And not only with straw, because there is no milk from the straw, the animal gets weak." (FG, Yakoruda)*

*"Grain is 35 BGN." (FG, Yakoruda)*

The survey shows that with little exceptions farmers almost do not use agricultural machinery. They would like to work with a technique, but **they have no means to invest in small-scale equipment**. They want to buy and modernize their labor, but their costs are more than the proceeds and there is no money for technique. That is why people in the region rely mainly on their labor and their two hands:

*"And there are other problems - the modernization of farms here does not work for us. None of these people here, who I see, have such a small-scale technique to lighten the labor. In our farms everything is a terrible job." (FG, Yakoruda)*

*"From where money?! Either make money from our production or have a bank to give us a loan that we can afford to buy and use." (FG, Yakoruda)*

*"The technique is the family." (FG, Yakoruda)*

*"This is the biggest problem with us. How to afford a technique? Those people who have potatoes and me want to be mechanized. For example, a person with mechanization, with a technique can process a sum of decars. I want to have my farm mechanized, to get on a nice tractor, not to use 10 people to work, we can do this just two or three people. But all the time, it presses you, presses, I've come to the end to take remove everything, they've forced me to remove everything." (FG, Yakoruda)*

*"There is no choice here, not in this country. I've been to Germany, I'm sorry that I came back here. If there are not those goods right now, I am outta here. But the goods force me to stay here. Because 10 years there is absolutely no improvement, just talking on the TV that this has to be done, that's how. It is done for one, otherwise it's written for everyone on documents. Everything is just for some of them in the parliament, they are well, from there on, especially people like us, no one hears us, I am sure they do not know we exist." (FG, Yakoruda)*

**In the end, the three discussions showed that the main problem of milk producers is the difficult realization of the produced milk. The dairy workers' labor is heavy, a lot of effort is being done, but the production is difficult - at much lower prices than the expectations of milk producers. Accompanying problems of this category of farmers are the untimely payments and the inability of cows to be fed with quality food. Thus, the round of problems is closed and there is no workable solution. Respondents explained that they had tried to avoid the retailer's figure but it was impossible. The retailers have established themselves in the structure of the local economy and can not be ignored.**

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*"But to fix it, the final market must be fine, there should be no import." (FG, Razlog)*

*"We are in Europe, it is free trade, and imports can not be banned." (FG, Razlog)*

*"We want contacts with larger companies, with merchants to sell our goods." (FG, Yakoruda)*

*"And training people in the sphere they want." (FG, Yakoruda)*

*"And there is no need of these invoices for milk, it's funny... So far it has not been, last year and this year. Why did they think it up - to take people's money that they have earned with work and sweat" (FG, Yakoruda)*

*"The three problems are that we need to get the picture. The most important is that we do not have quality animals, then we do not feed them with good food and the third: we do not have skilled workers. These are the three most basic problems for me. If we have all this, we can... I slaughter a lamb, weight it alive, weight it after that, it does not give me 50%, but it could not give me a 50% yield. She tells me to buy it at 4, and it gets 8. It needs to be butchered and processed." (FG, Razlog)*

*"For example, we are dealing with sheep. I need a shop for three weeks a year in which to sell my lambs. I take them to the slaughterhouse and sell them so that I do not need another person. No one will allow me to make this shop and use it for one month a year. And I have to make a shop, abandon my animals..." (FG, Yakoruda)*

**To solve existing problems, local dairy farmers offer to create shops or markets for buying the produce. They believe that the current situation is not good and there must be an improvement towards a stronger protection of milk producers' rights.**

**Thinking on the possibilities to optimize the process of milk production and the realization of the production, milk producers insist on intervening the state in these processes.**

*"There must be a state policy in this work - for buying milk, to have an instance where the state can interfere, to set prices for whatever it is - for vegetables, for meat, for cheese." (FG, Yakoruda)*

**Respondents propose to have a minimum guarantee to ensure a minimum purchase price which will guarantee that all liters of milk produced will be sold:**

*"The state has experts who know how many kilos of fodder are necessary for a kilogram of meat, milk. At one time there was Rodopa, there was a dairy where nobody claimed. They gave food, you were raising animals, no matter what kind - pigs, lambs, calves, cats, fodder, everything. Why it's gone now?" (FG, Yakoruda)*

*"Well, in my opinion or the state to intervene, or smaller ones to allow them to be able to process at least some of the milk, let's say, milk, meat. We can not make slaughterhouses, we can not make dairies they are so expensive, we do not produce so much milk." (FG, Yakoruda)*

*"A packing machine for milk, buckets and to sell, not only in a neighboring district, but there are also restrictions." (FG, Yakoruda)*

*"Let the state intervene, but this state, by intervening, can not let me because somebody who makes these laws has its own man, and he will give this project to his man, even it won't reach to me, my word won't be heard. As it was with the animals, I hear 100 animals, and no one hears anything, he hears the money in his pocket, but he takes the money for thousands of decares of subsidies, and I have real animals, I can not take a decare pasture." (FG, Yakoruda)*

*"You have costs, you can not give the money to anyone, and he does not spend on anything and gives money to someone." (FG, Yakoruda)*

*"Let the state intervene, but to intervene steadily, not everything, it is the state itself, it is all corrupt. Each law has a sub-law, they are many, each law has many laws." (FG, Yakoruda)*

**Changes in legislation are proposed to ease the creation of mini-dairies and mini-slaughterhouses. This would allow a large number of farmers to process their produce and then sell it on the market. Currently, farmers do not have the right to process the produce and are entirely dependent on purchasers and processors. This is not considered a good situation and mini-dairies and mini-slaughterhouses are proposed as an option:**

*"There was an idea, but they stopped it at the beginning... For mini-dairies, mini-slaughterhouses. To have the right to make, for an example, a room for the slaughter of your animals and sell them with a document as a farmer. But it was only one idea. They apparently called were is necessary." (FG, Yakoruda)*

*"During Communism, somebody was growing up animals and when there were holidays, a veterinarian was coming, checks the meat and you can sell it. He is the person who guarantees. So someone else gives a certificate of quality to my animals that I have raised. How to do this thing?! Only passes through his slaughterhouse and he issues a certificate, I can not prove that I have raised these animals. The doctor is the person who certifies. He checks and says "yes" and "no" by necessity and selling to the people, that is. We slaughtered so many animals, we sold them and no one died." (FG, Yakoruda)*

*"No one has answered yet because there is nothing to see. For 30 years everything has been destroyed and we have left because we have no choice." (FG, Yakoruda)*

*"There were a lot - in every village, in every neighborhood there were workshops, factories. Wood industry, tailors, other ... Narkoop, RPC, Cooperative farms, Forestry, all people were involved in some kind of work" (FG, Yakoruda)*

*"During the Communism, everything that was produced could be sold. Now at this moment, in which we live, in this development, you produce, we do not sell, then what we are doing?" (FG, Yakoruda)*

**Some of the participants in the focus group discussions reported very unfair attitude from part of the retailers. Besides the low purchase prices, they make a payment once a month which is even more difficult for farmers. They never have a guarantee that they will be paid for the milk, and if so, when exactly will they be paid and how much:**

*"These are things that are painful for us, we will tell them no matter to whom. I do not care that someone does not like what I'm going to tell him, I've told it to many people. So I go to the store I want a bread - they want one BGN, I want a salami - three BGN. He comes to me one month for milk, and he finally pays as much as he wants and when he wants. How this can happen?!" (FG, Yakoruda)*

*"I've had many confrontations with many of these cheesemakers, I tell them "You have to pay me every morning, not once or twice in the month". (FG, Yakoruda)*

**In order to develop agricultural activities and to be convinced that they are moving within the frame of the law, farmers would like to have reliable advisers to inform and advise them. In this need, farmers explicitly underline that they have a strong need for consultants:**

*"And people who are bound, for example, now with meat, mushrooms, vegetables, with these measures, we also need advice, we need more information. Now, you have come and we explained these problems, we must have consultants - if we have questions to ask for a certain measure, we go, we pay, or how it is there, there must be such people." (FG, Yakoruda)*

*"Look, maybe we also have some flaws in what we produce. However, people who are more competent than us should make comments, and one learns from the mistakes. If something goes wrong this year, change it next year so that if there is a need to increase production, if it needs something better has to be done, we want to build." (FG, Yakoruda)*

*"Well, how to improve this production, how to increase it if you are pressed continuously - they cut the money absolutely from everything - you do not have a market for milk, no market for lambs, absolutely for everything. And you work 24 hours." (FG, Yakoruda)*

*"You produce and do not sell, that's the situation." (FG, Yakoruda)*

*"If there is a good place to sell all the goods, whatever it is, everyone will do, if you have 10 cows today, tomorrow you will have 15 if you have a profit. Everyone*



wants to develop something and give the children. And we only use the labor of the children without giving them anything." (FG, Yakoruda)

"I told you the first thing that is, we want to have consultants, and when we have a problem with milk to go and ask them. They can advise us about the measures. There are many measures under which funds are not uptaken and redirected to other, respectively. And they do not even tell them. Like me, I've been losing support for fruits and vegetables for 3-4 years. I'm going to the woman who is the one who works; the others just stay in front of the computer and think they know a lot, nothing. She can not be useful to absolutely the whole city and the villages around it, we need to have other consultants... You can not go to Blagoevgrad every time, you wait and there you do not know how to say what you went for" (FG, Yakoruda)

## **2) The problems of going meat-breed cows or sheep (lambs):**

There are a number of farmers in the region who are raising animals for meat - mostly calves, lambs, but also pigs. And for this kind of producers the most serious problem is the realization of the production. Links to local processing companies are virtually nonexistent. The reasons are two: on the one side are the processing companies, which consider that the quality of the raw material is very low and on the other are the producers. The problem of the producers is that the prices are very low and they do not agree to sell the animals. In return, they are willing to look for other informal channels - animals are bought by local people, mostly for fattening or breeding.

**In the focus group discussions the processors explicitly emphasized that the raw material, the quality of the meat, does not meet the requirements. There are established standards for the characteristics of the meat. Processors argue that local producers can not offer meat of the required characteristics and they need to buy meat from northern Bulgaria:**

*"We have made the impossible to make some European factories according to building stock and equipment; in the area we absolutely meet 100% of the European requirements However, in the farms, the raw material is not quality."* (FG, Razlog)

*"It is the same with the meat - animals are not properly grown, they do not eat properly, they give me a calf, which was grazed, we slaughter it, no quality of meat - neither muscles nor fat, nor anything... this meat is only for sausages. We buy mainly animals from northern Bulgaria, this is the paradox."* (FG, Razlog)

*"We currently buy lambs, but we can not find because 99% of the lambs are without ear marks. We buy lambs, I pay the lamb mark."* (FG, Razlog)

At the same time, **livestock farmers from the region reported of their unsuccessful plans to export calves to Greece. These plans have failed because the vaccines with which the calves have been treated are not valid for Greece:**

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*"This autumn we gathered calves from three places to export to Greece. We united and gathered together. On the border they found that the vaccine is not European, and is not valid for Greece. Then we we took the calves back from the border. What can you do?! You fight for two days with papers, you load the animals, take courses for the car, and return them because the veterinarians have not done their job, that is it." (FG, Yakoruda)*

**In the direct manufacturing, including in manufacturing companies, a serious problem is the lack of manpower. Companies rely mainly on their own strength and everything is done on a family basis. Of course, big manufacturers need a workforce, but they find it difficult to find the necessary specialists, and the turnover is big:**

*"And here the question is that there is no workforce, no one agrees. You work for 10 BGN per day as a producer, and they want for two hours to take 20 BGN when you hire them. We have no workforce, people have gone abroad." (FG, Yakoruda)*

*"On a family basis - the husband, the children, the grandparents, the father-in-law, the mother-in-law, this is, if someone can help." (FG, Yakoruda)*

*"Yes, we have a problem finding people because it is difficult to find people who want to work something like this, because it is a job that requires first knowledge of animal rearing." (FG, Razlog)*

*"Manpower is very difficult to be found, trained workforce very difficult. We have two technical colleges in our municipality and absolutely no specialists go from there ...: Well, in one of the technical schools we have a "Livestock" class, however, here they will say how many specialists are there ... Nobody wants to work this job. Everybody wants something clean, everyone wants to work on a desk." (FG, Razlog)*

*"We are all on a family basis." (FG, Razlog)*

*"So we are the most hardworking." (FG, Razlog)*

*"The workforce - this is the family - the daughter, the son." (FG, Razlog)*

*"In this sense, we take them constantly, however, for example our work is very specific, in order to learn you must work for at least one year and they go abroad - ready, trained specialists." (FG, Razlog)*

*"We teach someone for three months and then he or she decides to go to England." (FG, Razlog)*

*"Family - my mother, my father, me." (ФГ, Сандански)*

**It is considered that there is no state control over this business, but there must be such control to break the frauds and abuses. There are many producers who do not correctly declare either the number of animals reared or the other**

**parameters of their activity. On a local level, however, it is visible and people know everything but they are mutually covering up:**

*"Here is absolutely the same - all slaughtered illegally on the roads. At present, no farmer has either been rearing lambs, or cattle, has actually recorded what animals have. You can not have 20 cows, where the calves are? You can not have 100 sheep, where are your lambs?! Nowhere. The state must start from there."  
(FG, Razlog)*

*"There are unregistered traders, who offer output at a lower price, and we are obliged to pay taxes, cash registers, everything and they undercut the market. If you want to complain in an institution, organizing is very difficult and they hide, they hide very skilfully."  
(FG, Razlog)*

**The issue of fees for checking the meat is particularly discussed. According to meat processors, they are unjustifiably high and this creates serious financial difficulties for processing companies:**

*"There are state fees. In December I paid 7 thousand BGN to the Food Agency... We pay fees for incineration."  
(FG, Razlog)*

**Participants in focus group discussions were specifically encouraged to comment on how production could be stimulated. The view that the requirements to start and carry out a processing business are very high dominates. Only few are those who think they can meet such high requirements. This concerns both the start-up requirements - for construction of workshops and productions meeting European requirements, as well as for such elements as labeling and distribution of finished products:**

*"The requirements are very high - for the storage rooms, the bases you need to start a production. They do not stimulate, the state simply does not stimulate sole traders in any way, it hinders them, it does not stimulate them."  
(FG, Razlog)*

*"Today the requirements for the labeling of the goods are one, the next check comes - the requirements are quite different, so we hanged the label a thousand times. And not just the label, it's all about the storage rooms, the buildings you need to use. Perhaps there should be some categorization of production itself from the very beginning, depending on the capacity."  
(FG, Razlog)*

*"At least when they approved the plants the requirements were the same for all no matter if you produce 200 tons, 20 tons or 2 tons. After that comes the very burden for the manufacturer."  
(FG, Razlog)*

*"In my opinion, the state has enough ways and systems to encourage production. The most important thing is the import that comes and undercuts our prices. All of this determines the final price. As my colleague said there can not be lower VAT in Romania and in Poland VAT, and here it is 20%. I guess there are other ways and systems to make our production competitive, not to import. It is very difficult*

*to export. Because I own also a transport company and I see what is being exported from Bulgaria - we export some bottles from "Dzham shishe" in Plovdiv and Sofia, we do not export anything else, we rarely export anything. Other countries manage to import in Bulgaria but we fail. So the state itself has to take some measures and systems which have to be legitimate, right, we are in the European Union, it should be normal, legal. How good are the farms of the Greeks? As you pass the roads, you see." (FG, Razlog)*

*"They are more adept at marketing and very strictly comply with the law." (FG, Razlog)*

*"Perhaps the state must redeem the output and trade it." (FG, Razlog)*

*"At least they have to provide you the market, not to wonder how to sell it and to pay your workers the salary." (FG, Razlog)*

*"The most problematic is the realization of the production and because there are problems with the realization of the production and this downstream creates other problems and even with the raw material." (FG, Razlog)*

*"I breed sheep, karakachans. When I look at my colleagues' problems I think it is little easier for me. I do not know if I can give you any advice, but in general, if you unite small businesses, you can not be a farmer with one decare greenhouse and one decare of tomatoes, for example. You can not develop absolutely nowhere, nor in the market. It's the same here with me, I'm looking to sell something here, and I'm still looking for a market." (FG, Sandanski)*

*"I hire fields, I made contracts even with the municipality. I have been applying for five years, three years, I have been submitting documents, but they did not give me. It is very difficult, here is bureaucracy, if you want to issue you one document of the municipality, they can make you wait even a year. I have applied with two projects - one for blueberries (but not in this municipality), I just regret that I went with this business here, if I go to another municipality, it will be easier to work. Everything here is on a local level, people know each other, this is my man, the other is not my man, we have to crush him and if you resist and have the financial opportunity, you can develop here, otherwise no, unfortunately." (FG, Sandanski)*

*"I raise mainly cattle and instead of a break also some vineyards... Yes, the problems with me are also with the realization of the production - it is kind of not illegal, but, you can sell to some gypsy, or a private person." (FG, Sandanski)*

*"And even if there is a processing company there is nothing to give - prices are very low, I go to Petrich." (FG, Sandanski)*

*"You have to go through a slaughterhouse to certify that this meat is fit and if for example if the market price of live animal is 5 BGN, for example, by taking it to*

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*the slaughterhouse, the cost goes to 2.50-3 BGN for you. It just makes no sense to do these movements." (FG, Sandanski)*

### **3) Problems of vegetables producers, including potatoes, beans**

**The problems of vegetable producers are similar to those of other farmers. First, is the difficult realization of finished products; second, difficult or inefficient contacts with traders; third, the application of biotechnology leads to a production of high-quality products but also to high prices which are impossible for the local markets. The way out is searching for new markets that can consume the produced vegetables:**

*"No matter what we produce, we will fill the river with production. We sell potatoes, 20 tons of potatoes were in stock for a whole winter, when I sell them, never." (FG, Yakoruda)*

*"Everybody produces. Everyone here produces beans; everyone produces potatoes and who will come to buy?" (FG, Yakoruda)*

*"Abundance, here everything is in abundance." (FG, Yakoruda)*

*"We are bio-certified and we have a weed problem. I have six and a half acres of gherkins and hoe them five times a year to gain some production. We weed them, hoe them, we can not spray them - weeds are constantly growing. We need manpower; people do not want to work. There are no people, they went abroad." (FG, Yakoruda)*

**Companies are organized exclusively on a family basis.** All people are involved, from big to small. In rare cases, larger firms hire seasonal workers, but are not satisfied because the workforce is not qualified and, instead of helping them, workers create problems:

*"I am also like that - with my father and my brother." (FG, Sandanski)*

*"You can not afford workers, who will work 6 months." (FG, Sandanski)*

*"She is my niece, we produce vegetables, we are all occupied starting from the grand-grandmothers to the youngest." (FG, Sandanski)*

*"Who can not walk, sits and sorts tomatoes." (FG, Sandanski)*

*"When we have more work, we also hire workers, but they are not qualified, they are gypsies or other." (FG, Sandanski)*

**In the region of Blagoevgrad there is overproduction of vegetables from all the basic species. The problem is, however, that there are no buyers - there are no developed local markets where the production to be realized, there are no retail chains to take up the production and realize it:**

*"We are coping with it; we sell it the production where we can find. We can say that, for example, we use different measures, but the Fund itself forces you to increase production, but it does not guarantee you any market." (FG, Yakoruda)*

*"But when you get the vegetable production and every food, there is no place to store it; you have to sell it somewhere." (FG, Yakoruda)*

*„Specifically you throw the potatoes from year to year. If a new candidate with potatoes according to measure 6.1 or 6.3 comes and you can not sell them, then you can throw them away or give them to a stockman who pays them 19 or even 15 stotinki immediately."*

**A specific problem for bio-producers** is that the requirements for them are extremely high. They are not allowed to use ordinary seeds but buy bio-seeds; do not use artificial fertilizers but only bio-fertilizers; hoe 4-5 times the vegetables. They are constantly weeding because there are requirements for the quantity of permissible weeds. There are organic fertilizers and enhancers on the market, but local producers can not afford them. They are also subject to frequent control by the state:

*"The first thing is that we buy organic seeds, and then we start gathering them to produce our seeds because they are very expensive. The second thing is that we have no right to spray; we do not put any preparations. Even we had to buy preparations, I bought and I did not use them, I left them at home." (FG, Yakoruda)*

*"Given that I am illegal, in the sense that I do not have the necessary documents, but I sell my products thay way. I make it, canned, in jars, marinated product and sell it in hotels and restaurants in Bansko. Yes, but a man comes to me and says, "Your production is good" you're wondering how to sell it, and at one moment he says "Bring me 500 jars". We are too small as producers, no one defends my rights, if you go to sell, you have to look for other processors, walk around, fuel...."*

**Most vegetable producers have no storage conditions - they are trying to sell it as quickly as possible.** For example, in Yakoruda, they dig in pits where store the produced annual potato harvest. This is an ancient potato storing technology and it is passed on from generation to generation, but when 20 tons of potatoes are produced, things get comic.

**In short, arises the question why they do not have direct ontacts with processing companies and directly give their production. Discussions show that the problem is again in the prices. Potato and vegetable producers say they do not agree with prices, so they prefer not to sell the produce at all, instead of giving it at low prices:**

*"No, no, we tried to get in touch, but they offer ridiculous prices for the gherkins. We have a bio certificate, we pay 500-600 BGN to the certification company, from which companies do not receive any subsidies. When subsidies have to be paid, the*

*controller finds something that you have not met, and we are all inside." (FG, Yakoruda)*

*"I offer them organic gherkins, the woman here, and this boy, we're all certified as bio producers, and we do it right. You explain people that you produced bio gherkins, hoed them five times a year, there is no one to whom you can sell them, you sell it at a lower price, and they look at you just like that. How they will look at you - they do not have money to buy an ordinary gherkin, let alone a bio gherkin. And in Sofia they have three times higher prices. And here you offer them at 60 or 80 stotinki in order to sell them which it's funny." (FG, Yakoruda)*

*"They (people in the big cities) appreciate it and look for it. We have gone to a market for organic production and there one kilogram of potatoes is 4.90 BGN." (FG, Yakoruda)*

*"Well, in principle, it will probably be the problem for the market again, not for anything else. I can sign a contract, with "Metro" for example, but because we have a small farm we can not satisfy their market." (FG, Sandanski)*

*"Well small, the greenhouses are for example two acres. I will not be able to satisfy their market and still need an association for ones like me and alternate: today, tomorrow the other day, they will pick up every day, because I will do it three times a week, for example, and they want to have production every day. (FG, Sandanski)*

*"Big companies have a contract with you just to catch small producers; you can not stand that price. You have to look for a price from the stock exchange, there you can have some realization and some contracts." (FG, Sandanski)*

*"I am a vegetable producer and I think the problem is really in the realization of the production. People are struggling, working and finally throwing it into the river, as you said, and giving it without money... Well we have traders, but, you know how it is, they twist your arms, take it dirt cheap." (FG, Sandanski)*

*"So if we were a normal country and the European programs worked, you will have in every village a processing place where the tomatoes, which are not good and you can make them to lutenitsa, and when the winter comes, the citizens will buy from the village - cucumbers, tomatoes, peppers, such things." (FG, Sandanski)*

*"If only one do it in a village you will see that all the villages are going to work the same way." (FG, Sandanski)*

*"Yes, but you need finance to do it." (FG, Sandanski)*

*"How can not be? Any village can be organized because for example there are 10 producers in Struma village, each of them will spend 1000 BGN and they will make it. If half or 70% was possible, as it was, to take for lutenitsa, for a packing machine, for other things, for a third, for a fifth." (FG, Sandanski)*

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*"But why do I tell you that this is a matter of finances, nothing is done without money. We have the ideas, but nothing happens without money..." (FG, Sandanski)*

*"If money is collected from everyone then it will be enough." (FG, Sandanski)*

*"Wait a minute, if you take some money from everyone, you know the mentality of the Bulgarian." (FG, Sandanski)*

*"Well, here I think the state should intervene and can help in any way, we can not rely... Well, we can help, but you can not spend the whole amount, so there is a need for state funding." (FG, Sandanski)*

*"That is why these European programs have been chosen, but the big manufacturers have taken the money again. In 2009 they did not give me money for a tractor, but they gave money for a harvester that costs 20 times more than the tractor, you know: instead of giving money to 20 people for buying such a tractor. And the money was over with two harvesters. And they give to the same 300,000 subsidies in addition or 3 million, because he had 30,000 decares of land." (FG, Sandanski)*

*"He (the big producer) has a special department for European programs and has 6 people working in this department, he always knows where to look at, what to write, how to write it in order to take the money. When will I have time to do it?" (FG, Sandanski)*

**In focus, group discussions were also included producers who are approved for different programs and work with funds from these programs. However, they show no particular enthusiasm, as there are many obstacles and difficulties in their business, and their business is not developing as expected. For example, they can not expand it because they fail to realize the output and can not recover the funds invested:**

*"We are approved." (FG, Sandanski)*

*"I'm a "Young Farmer" and I've received the first bio-tranche." (FG, Sandanski)*

*"€ 12500, and by adding 3 more units, they give you the next." (FG, Sandanski)*

*"Well, yes, it depends on how you increase them, in this sense, I have taken a van and will not increase the areas, because there is no one to work, there is no place to realize them. Otherwise, we have land as much as you want, but what to do, if there is a market we will do without a program, more decares, but why." (FG, Sandanski)*

**Looking for a way out of the situation, participants in focus group discussions unite around the position of making associations of small producers and these associations genuinely defend the interests of smaller businesses. If bigger manufacturers intervene, things are changed into their direction and the small**



**producer is not protected. One problem, for example, is that large retailers take agricultural output at prices below those on the stock exchange. The small producer does not benefit from this situation, and on the contrary - it damages his economic interests:**

*"There are associations, as in the case of associations of farmers' markets in Sofia, this must be done everywhere in Bulgaria. So if someone goes to a farm market, he knows that there is the real thing, thit, that. But this association is supposed to control it, not the state to control it because the state does not care about it altogether." (FG, Sandanski)*

**For example, there are many benefits for farmers in Macedonia. According to the respondents, the situation is much more favorable, as the prohibition regimes are less and the producers have much more freedom to decide what to produce and how to realize the finished product:**

*"Because in Macedonia it is allowed to use all sorts of things just to produce a lot and sell it. That is why we are talking about the fact that the Macedonians do not have become European Union members, because, they will have the same rules and they will raise their prices." (FG, Sandanski)*

#### **4) Grain producers and production of fodder:**

The survey also included people who are occupied in grain and fodder production. They say that they adjust according to the situation. But in general, their strategy is to alternate crops, in line with the recommended technologies, in order to create prerequisites for higher yields. The produced products are stored in their own or hired warehouses. Their quest is to realize the output as an export for a higher price. When they fail, they are looking for a realization on the Bulgarian market. But they emphasize that the Bulgarian market is their second option. However, they prefer to export the finished product, because the return on of the invested funds is higher:

*"I cultivate about 600 decares. I rotate them - wheat, corn, alfalfa which is a perennial plant and hay. I offer to the colleagues and sell the output." (FG, Razlog)*

*"It is different, I have warehouses, I rent warehouses, we put the production in the warehouses, and when there is a market they come with gondolas... We exported for Greece earlier, now we are offering more here because the price has dropped there. It is different depends on what we have and according to the price - where it suits us, there." (FG, Razlog)*

*"Earlier when we sent to Greece it was better, there was a contract, they came and took it, and we are free of the products. Now it is harder for us because we do not agree with the price." (FG, Razlog)*

#### **5) Problems of grapes and wine producers**

**In Blagoevgrad region there are settlements known for the production of grapes and wine. These are mainly the lands of the southern settlements, located near the**

**Bulgarian-Greek border. Sandanski is such a typical area, so it is no wonder that several winemakers participated in the focus group discussion. As a rule, they are both grape growers and wine producers. People were willing to talk about their experience but underlined that they were dealing with a difficult activity that required a lot of relations and contacts, otherwise it will fail:**

*"And I have been doing this job for 26 years, so we have all sorts of connections, mainly with state institutions. There, some people are very well prone to the producers and explain everything and tell the processors how to do it, in this case the Executive Agency on Vine and Wine. There are two people who do their job properly, only two for the whole Blagoevgrad region." (FG, Sandanski)*

**Winemakers describe that have huge problems with the realization of the wine due to competition with big factories that produce wine from chemical ingredients on very low prices. The wine made from grapes could not have such low prices and this is the real problem of wine producers. They are small as subjects, they do not have the same size as the big wineries, and when they produce wine, it is uncompetitive on the Bulgarian market because the wine from big factories has unrealistically lower prices:**

*"Now, everyone has problems with the realization, with the commercial part, because people are not familiar with the real things in general, and nobody cares. They only care about the price, and in most cases the price is not decisive. Let's not say that we work at a low price so that we can still sell something and get two BGN to look after our family. This is due to factories that produce large quantities of low quality wine, but at a low price." (FG, Sandanski)*

*"They (the big wine factories) watch if they can sell cheaper, so they want to take our grapes cheaper - even with no money." (FG, Sandanski)*

*"They have a lot of power, but they do not want to." (FG, Sandanski)*

*"What to say to those with millions in bank accounts, we can not deal with them. I talk to him, he looks at the ceiling. So this does not make it right as long as we do not have our own small associations, or the little ones to make one bigger association which word will be heard everywhere. But all of them, because we take care of this work, we do not have time to make associations, to do business, the free ones do these things." (FG, Sandanski)*

*"In my opinion, it will still be the same, the big ones will be there, yet it will not be heard. We need to do something like a cooperative, for example, for grape producers, or for vegetable producers to have a cooperative, just as it was. So we have to look how it was before, because in Bulgaria, in 1937-1938, we were the first, in the whole world, who have made cooperatives outside the former Soviet Union. And then (this is a dirty word) after 1945-1948 they are forced to bring people to cooperative farms - now you can not get him to join an association.*

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*"Because they think you will win more, or he will win more, or no one will work and will win etc, etc." (FG, Sandanski)*

*"You say, for example, you have produced 40 tonnes and eventually they bought from you only 4, for example. The others, in order to warrant the wine, you can not warrant buying 4 tons of wine and selling 5 tons of wine. You can not produce 5 tons of wine from 4 tons of grapes. And they take their quota and sell and do not care. They enter Macedonia, come to Croatia and sell stum not grapes at 16 euro cents. 99% of the grapes that the private manufactures in Bulgaria produce go to the private sector." (FG, Sandanski)*

*"People do it in the dark and sell it in the dark, you know, no one knows how much is produced and how much is sold." (FG, Sandanski)*

*"What they have on statistics is all a scam." (FG, Sandanski)*

*"So, as a registered wine producerr, you have less troubles getting caught with wine because you have a document that you bought the grapes and processed it for wine. And you may not have sold it, you have a document. The problem is with grapes, because there are no people to observe how much grapes have been produced, what amount has been sold and what has been processed, and so on. This should be done by the Executive Agency on Vine and Wine, it only monitors the vineyards how many wine producers have registered and what they are buying because we submit declarations." (FG, Sandanski)*

*"If we were a normal state, in the year 2000 they gave us a quota for old vines of two million and a half decars, the pre-accession things. We made them to three and a half decars and they reduced it to a million and seven hundred thousand decars. And, in fact, they also gave money for vines to be eradicated, which is very strange, because everywhere in Europe they give money to make vineyards." (FG, Sandanski)*

*"The Melnik kind is the best and it is the easiest for cultivating, in the sense of weeding, for such things, others are more comple - there are much more leaves, and it is easier to pick, that is, healthy grapes by falling the grains are not spilled on the ground." (FG, Sandanski)*

*"Well, there must be state support in this regard, even just to pay attention to these things, because these things are known for 50-60 years, everywhere they know." (FG, Sandanski)*

*"Well, as for yoghurt, as for lutenitsa, the salami, they also made for the eggs, there also should be a "Stara planina" standard for the wine, for example." (FG, Sandanski)*

## **European funding - an impetus for farmers or an impossible mission?**

**A small number of farmers say that they have started their activities with the help of European funds - they have applied and have won funds under various programs and means.**

This category of manufacturers, however, commented that winning the programs and their service is extremely difficult. First, local farmers do not have the capacity to handle the documentation, and second, because of the high requirements and the existing bureaucracy. People walk around the state institutions, walk from door to door and try to gather the information they need to prepare a project proposal. They receive different information which is contradictory and difficult for them to make a final decision. They can not decide what is best for them as producers and what they are allowed to do, do they meet the requirements of the measures, and so on:

*"We are now approved by a European program, but the documentation for a normal person is a lot. For example, my uncle was dealing with my documents, and the consultancy company was from Sofia, and if it did not work in the municipality, an ordinary person could not deal with this documentation. You go and if they pay no attention to you and there are such requirements that I just can not know as a farmer, I can not be competent as an accountant. To be able to do, the requirements are so big that now for a borer, I have a building permit, a separate permit from the municipality, we separately have permission as if we are going to make a block or a pool, they came to check. Just the requirements for us are so big that I do not see how an ordinary person can deal with it. There are three bags with documentation. We were three persons that we were putting stamps for three and a half hours on the documents; imagine what kind of work is it." (FG, Sandanski)*

*"Paperwork is something scary." (FG, Sandanski)*

*"So, in order to participate in the European programs, to comment here, we still turn to the state. They oblige you to buy equipment from 3-4 companies. This technique, as my colleagues said, costs 25 000 euros; if I have so much money free, I go, buy a tractor, I do not do anything. They twist our hands - I have to go through the fund, once I have to go through this company that has been related to the fund and this tractor becomes 100,000 euros and you also pay the VAT. As I have production, for example, I also need a new technique, that I deal with meadows, but I keep Russian equipment from the social. And so I do not want to participate in these funds, for example, to get this technique because I can not earn enough money from the animals, there is just not so much work. Now, if I'm a grain producer and I have thousands of hectares, yes." (FG, Sandanski)*

*"But they gave them too, they bought and now do not need more. Again five years later, they sell them as second-hand products and buy new ones, but still through European programs. How do they give it to him, and do not give it to us? Because he has already made the path, everyone knows him and give it to him." (FG, Sandanski)*

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*"The truth is that if everything is normal in the country and there is a market, I do not need European money." (FG, Sandanski)*

*"And we also do not need." (FG, Sandanski)*

*"But we need this money." (FG, Sandanski)*

*„Even I do not want to have euro money, to see how these people will work without euro money... I do not want them to give that kind of money to see who really works and who does not. Because they do not give money to nonprofessionals who pretend that are hard working." (FG, Sandanski)*

During the focus group discussion, arised the question that small companies have neither the capacity nor the contacts to apply for European projects. People are convinced that in order to approve you for funding, you need to have your own people and an appropriate structure in your company to prepare the projects. That is why the financial instruments are mainly used by large companies - small ones have no chance:

*"I told you, there is a special department for European programs, every big company has a special department for that. As the municipality has a special department for European programs, so every big company has." (FG, Sandanski)*

*"The measures are sufficient only for large manufacturers." (FG, Yakoruda)*

*"For the big ones, not for us." (FG, Yakoruda)*

*"Man: Nobody speaks with us." (FG, Yakoruda)*

**The participants in focus group discussions also outline a problem with local communities: local areas are distributed to relatives and friends, large economic interests are in force. Local people can not use pastures or lands from the same municipality because the municipality distributs them to other people who come outside. These people offer high rents and rates to certain clerks, and local people are thus unable to use the land from their own village:**

*"Yes, it is handed out and there is no way to develop here. And if you want something to invest, they hinder you." (FG, Sandanski)*

**Another curious aspect is that local people, although they develop real activity, are not willing to be photographed or displayed as good practices. This is because, as they admit, white and gray elements are mixed in their activity and this is not good to be shown:**

*"The pictures are easy, but there really is nothing to shoot because everybody has done their own business, for example, only to produce. What can we show, just to be ashamed, in the sense that we are not a greenhouse, three plastic nylon covers and we produce output." (FG, Sandanski)*

*Moderator: Well, you are producing wine and probably have something to show.*

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*"If you know how I do it - everything is blurred, the state blurred it, you know. I want to make a special building, arranged, everything, to have approach, I can not. Six years I set up one place, but it turned out to be in Melnik Pyramids Park and I am not allowed to have a transport access, I already have it." (FG, Sandanski)*

**In the course of discussions, the issue of the presence of agricultural markets was specifically discussed. On this issue, the opinions are contradictory.**

Respondents from Yakoruda are firm in saying that there should be market places for agricultural products.

Respondents from Razlog have the opposite opinion. According to them, the creation of markets and exchanges will strengthen the gray practices in the industry and will not lead to anything good:

*"My opinion is that there should not be such a stock exchange. There is someone to buy regulated, all rules are met under the European Union, and there is someone to buy. Such a stock exchange will be a kind of black market. We had earlier such an animal market, and it was made at the carnage below, on Saturday I think. And so what, traders come to resell there..." (FG, Razlog)*

*"If there is a livestock market, it will be in single piece. People come as it was before on Saturday until, for example, lunch, everybody grabs the animal for the club and lead it there to sell it." (FG, Razlog)*

*"On the Food Agency website... From there I can see what farms are registered in the area and directly to contact them." (FG, Razlog)*

*"You can not dump the store with milk and meat and finally you can not sell it. The money stays in the warehouse and finally when you do not sell, you throw it away and what you do, you lose." (FG, Razlog)*

**Respondents from Sandanski are proposing creation of markets to make it possible for farmers and processors to meet, so that both to be glad. Since it is a large quantity, it is more like a platform for negotiating of trade relations, not a traditional agricultural market:**

*"To me, the truth is that there must be a marketplace, whether it will be for wine producers, in order to secure you some realization of the goods you produce. For example, I produce 20 tons of lettuce, it does not matter, this marketplace will ensure that for this period of time it will take it from me and will sell it normally. Everyone works for some money, for example, to respect the rules, not to curb our hands." (FG, Sandanski)*

*"And this, the market must be cooperative, as it is in France." (FG, Sandanski)*

**In this regard, the respondents from Sandanski remember with a lot of nostalgia the time when there were refrigeration chambers in Damianitza and the local producers brought the produced agricultural production directly there. They gave**

**their production and were paid immediately for it, and these products have been exported to a number of countries in Europe. The question is why there is not such an easy-to-use form for delivering finished products? All farmers in the region would benefit from this opportunity and the output will not fail but will be 100% realized:**

*"At one time, they destroyed Hladilnika, what Hladilnika was. People had two decars of tomato in the garden, which they plant and pick up. When it comes, there is a star on the tomato, today you pick up 5 crates, drive them to Damianitsa, they take them and everything. There were refrigeration chambers in Damianitza were processed. As a schoolgirl I went on a Saturday and Sunday to sort tomatoes in Hladilnika and we were paid for this. So children and everyone, and the family were involved. What happened now, what?!" (FG, Sandanski)*

*"I live next to Hladilnika, and I remember - compositions went to the Union, to the Czech Republic to Poland. My thought is different, I have not been in Greece, but they say that there is such a thing – you drive the tomato, they value it and take it - like the Damianski Hladilnik." (FG, Sandanski)*

*"They have contracts, one remains for the cannery, and the other goes to the market and everything is known, nothing goes to the garbage." (FG, Sandanski)*

*"And depending on the quality, you give it to the cannery or to the market." (FG, Sandanski)*

**Participants in the focus group discussions appeal for the recovery of the described tradition (Damjanovski Refrigerator). But they make it clear that the organization has to be managed from an enthusiastic and energetic person - to be financially secure, but also to be nationalistic and to long for the home production:**

*"Well, this one needs to be picked up, but we need an organization, somebody big must take it." (FG, Sandanski)*

*"According to me he should be an idealist because if he is a materialist who only looks at the money it can not be done." (FG, Sandanski)*

*"We need a man with a lot of money, respecting the Bulgarian. At the moment, all people with a lot of money do not respect the Bulgarian." (FG, Sandanski)*

*"I have been working in Greece for a while and there in an ordinary village, who knows where, in some parts of Greece, but not so large, there is a family picking up olives or what, from the sheep, production, peanuts. He picks up the peanuts today, takes them to a factory, and there they are cleaned, prepared, and he takes the money. He gathers people, picks up the olives, drives them to a factory, and they give him olive oil immediately, and milk and everything. This is done in a backward location, which has one word, backward location. They have an organization, who does it, what does he do, how?!" (FG, Sandanski)*

**How is perceived the idea of creating Agrocluster in Razlog:**

People of Yakoruda are not very well aware of how such an idea would work and therefore express reserved views. But they point out that if Agrocluster is set up to improve their production capabilities, they are very fond of joining such an idea.

Interesting arguments are brought by people in Razlog itself. They do not believe that the idea will be successful and their main argument is that for psychological reasons people will not be able to negotiate and understand so they will fail the realization of the idea:

*"The envy of the people is more. You have it and I do not have it, it can not happen."  
(FG, Razlog)*

*"Well, when it comes to help, everyone will be pleased. The point is that I think that in our country we are still not ready to organize. Everyone wants everything for himself; here the workmanship even the dog does not want it. So if anyone does to you, to say "I offer such a price if it suits you". Well, okay, here is super for me, it is close. But I think if we need to organize, I do not think it will happen." (FG, Razlog)*

Respondents from Sandanski also welcome the idea of Agrocluster. But again they ask a lot of questions and are skeptical whether the idea will work and if it works, whether it will protect the interests of the small producer, or it will be another association from which big local producers will benefit. They insist not only Razlog, but even every bigger town in the area to have its own Agrocluster as long as it is organized in such a way as to protect the interests of the farmers:

*"Wait now, we are not talking about a center, we are talking that there is a need for such things to be done everywhere and even every municipally should have an agrocluster." (FG, Sandanski)*

*"And the municipality will do it, they will put their people in, and you can not go to sell your goods. That's why it's gotta be private, we are small and get together, we take a place or we rent it, we make it agro-stock for special things, and so on." (FG, Sandanski)*

In this regard, respondents have repeatedly raised the issue of the state's role in stimulating agricultural production and processing. The state could considerably ease the processes by simplifying the legislation for small businesses. It is imperative to differentiate between small and large businesses. Requirements may be the same, but the rules will be different and small businesses will be able to meet these rules. Otherwise, the business of small companies is doomed to extinction:

*"No, the requirements can be the same, mitigation in dealing with these things, bureaucracy, such things; it means simpler rules for small ones. The requirements can be the same, but the rules to be simpler. Not to go ten times for a stamp, you put it once and do not go more." (FG, Sandanski)*



*"With the small ones, our farmers, the vegetable growers, now have an association. So, with a decare you have no right to participate in our subsidy production, it must be 5 decare. That's why we fought a lot, at Mamin Kolyo, we made a strike, we closed the highway many years ago, it's not over, it's back to the state." (FG, Sandanski)*

*"A decare greenhouse and you can have four outdoors, they should be five." (FG, Sandanski)*

*"That's what I said, my thoughts are about the social contributions, it really is a serious problem, and it has to be put in place, you do not need to pay twice for it as he pays." (FG, Sandanski)*

*"The state gives us some subsidies and then takes us 10%, why does it give them, then stop them, and ready." (FG, Sandanski)*

*"At the moment, I am talking about livestock farming, they lied to people to open animal sites - who with 5, who with 10 sheep, to register the meadow, for example, the garden to take subsidies and when you make calculations, it is in the minus because for a year, if you are a retiree you are more relieved, you do not pay a pension. But in the next moment, for example, there is income of 1000 BGN from subsidies, so he pays for pension, health, for an accountant and nothing remains for him. And if he uses something from the municipality, he's in the red. However, they lured the people, gave them some BGN, for example they gave them that money, for example, 30 or 40 BGN for an animal." (FG, Sandanski)*

*"This is so that we can show up to Europe that we do like them, but we did not really need it at all. Why we have to show up. Our politicians have always been nasty, because they always agree with the strong in the world. You hit the table and say, "We are Bulgarians and we will work on our rules!" Where he will go, he will accept them. We should not eat by-products, in the sense of tripe, go to Spain – they eat it so much!" (FG, Sandanski)*

*"The truth is that we must consolidate, for example, the small producers, to make a whole, go out, we have to certify a product or two, for example, if he produces grapes, we do, we certify this production, tomatoes can also be put on the market - the internal market, I am not talking about exports, because we are very few, if we consolidate more farmers, it is better for everyone." (FG, Sandanski)*

**By finalizing the presentation of opinions and assessments from focus group discussions, we will emphasize that the three focus group discussions were extremely interesting, highly informative and at times highly emotional. Respondents commented with pain and indignation on the tragic condition of the agri-food sector in the region, comparing with the recent past, and regretted that things had changed in such a negative direction. They definitely believe that at present the situation is not good and does not favor the development of the agri-food sector in the region. The reasons according to the respondents are complex:**

both the national legislation that does not stimulate the development of small and medium-sized businesses in the sector, as well as other objective circumstances such as:

- 1) Unwillingness of municipalities to engage in the development of agricultural production as a component of local economies;
- 2) The existence of the figure of resellers who are private companies and are solely driven by their economic interests, but this behavior ruins the local farmers;
- 3) The lack of well-established and regularly functioning local markets or exchanges where to realize the output;
- 4) The lack of direct contractual relations between direct farmers and processing companies, which greatly impedes the processes of transferring production and its direction to processing for significant purposes;
- 5) The lack of significant processing companies in the region to lead an active policy of direct purchase of agricultural products from the primary agricultural producers;
- 6) The lack of a targeted state policy to encourage and stimulate farmers. Despite existing support measures for producers, local people do not feel that the state takes care of them. They believe that the measures are possible and target only large producers, but are impracticable and unrealistic for the small producer. They underline that 99% of farmers in the region are small producers and family businesses who, even if they wish, can not benefit from the existing measures. They also recognize that they do not know the measures and do not know what measures they could benefit. Therefore, they insist on external consultations by settlements, during which they receive reliable information about the measures;
- 7) Regarding the idea of construction of Agrocluster in Razlog, the opinions are diverse and contradictory. There are both entirely enthusiastic and very skeptical opinions. People from the region need associations and organizations to create trade contacts and facilitate the realization of agricultural production. But they ask how exactly such a cluster will be realized and whether it will actually protect the interests of the average farmer in the region.

**Note:** when forming the analytical part about the results of the three focus group discussions, the conclusions are supported by citations from the participants. They are preserved in the authentic form in which they were communicated - the local dialects were preserved, neither the speech, nor the semantic means of the local respondents were edited. This is done consciously for greater authenticity and in order to maximally preserve the credibility of the focus group discussions.

## **APPENDICES**

## APPENDIX 1: Farmers questionnaire

### APPENDIX 1: QUESTIONNAIRE FOR FARMERS

Service.....

#### I. GENERAL INFORMATION

**1. Sex:**

Male  Female

**2. Age:**

18-24  25-34  35-44  45-54  55-67  над 67

**3. How many years totally do you produce these products?**

Less than 3  3-5  6-10  11-20  more than 20

**4. Specify the reason for the development of your production:**

Family business	Encouraged by national programs	Encouraged by European programs	Local traditions	Personal choice
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**5. Is this your only activity? (or you have another employment)**

Yes  No

**6. How much of your income comes from this activity?**

less than 25%  25-50%  51-75%  more than 75%

**7. Apart from you, how many people are involved in the production of your products?**

---

0       1-2       3-5       6-10       more than 10

---

**II. PRODUCTION INFORMATION**

**1. How much is your annual output? (average annual yield):**

*If you grow more than one crop, indicate for each the average annual yield:*

.....

.....

.....

.....

.....

.....

**2. Compared to the previous year, this year's production is:**

Increased       Decreased       Stable (without change)       H/O

**3. What are your forecasts and expectations about the volume of production next year?**

Will increase       Will decrease       Will remain the same (no change)       H/O

**4. Is your production certified as a bioproduction?**

Yes       No

**5. How is your production certified?**

P.O.D. (Protected Designation of Origin)	P.G.I. (Protected Geographical Indication)	T.S.G. (Traditional Specialities Guaranteed)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**6. How do you sell your products?**

Directly       Through cooperative / union       Through a trader       Other

**7. How do you sell your products?**

In bulk	Packed for wholesale	Packaged for retail sale
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**8. If your products are packaged, who does the packing?**

Private installation       Cooperative / union       Other

**9. Where do you store your products?**

Private warehouses       Cooperative warehouses       Other warehouses

**10. Which is the most serious problem you face?**

*Please assess the following issues in terms of severity, with 1 for the most serious, and with 5 for the least important problem:*

Technical provision / climatic factors	Problems with the quality	Financing	Placement	Sales and prices
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**11. Please indicate your most serious technical problem:**

.....

**12. Please indicate your most serious problem with the quality:**

.....

**13. Please indicate your most serious financial problem:**

.....

**14. Please indicate your most serious trade problem:**

.....

**15. Please indicate your most serious problem with sales and pricing:**

.....

**16. What would help to make your products more attractive / more competitive?**

Better agricultural practices	Better transport	Marketing	Pricing conditions	Implementation of a quality management system
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**17. What would improve the quality of your products?**

Good agricultural practices	Packaging	Conditions for storing the products	Food Safety System	Additional processing
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**18. What can be done until the harvest stage to improve the quality of your products?**

Better technique to be used	Provision of better roads	Using different varieties / hybrids	Use of agro-chemicals	Use of experienced / trained staff
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**19. Do you think post-harvest processing reduces the quality of your products?**

Yes  No  I don't know

**20. What can be done at the post harvest stage to improve the quality of your products?**

Improving the transport	Improving of storage conditions	Packaging	Reducing transport time	Processing
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**21. What would help to increase the value of your products?**

Quality Certificate	Other certification (e.g. P.D.O.)	Marketing campaigns	Commercial contracts	Protectionist policies
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### III. TRAINING INFORMATION

**1. Have you ever been trained for the production you are currently developing?**

Yes  No

If yes, indicate what you are trained for:

.....  
 .....

**2. Which is your source of information to solve the problems you encounter in your production?**

State agencies	Cooperatives	Private consultants	Colleagues	Internet
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**3. Would you like to be trained in relation to your production?**

Yes  No

**4. Please indicate to what extent you are interested in training on the following topics:**

- 0= not interested at all
- 1= limited interest
- 2=interested
- 3= very interested
- 4= very much interested

	0	1	2	3	4	H/O
Technical issues (for example, how to increase production, how to solve concomitant problems)						
Product safety and quality (legal requirements, application of the Food Safety System, nutritional value, use of chemicals, etc.)						
Legislation and trade rules						
Transport solutions						
Commercial aspects: sales and marketing						

**5. Which is your most preferred training method?**

- a) Seminars or lectures
- б) Exchange of experience and participation in working groups
- в) Field training
- г) Informative materials (books, brochures, etc.)

**6. Agro-food cluster: In your opinion, if there is a local cluster in the region (a group of local firms), will this promote your work?**

Yes  No

**If so, would you like to join such a local cluster?**

Yes  No

**THANK YOU FOR YOUR TIME AND SHARED VIEWS!**



**APPENDIX 2:  
 Questionnaire for processing, packing and  
 transport companies**

**APPENDIX 2:  
 QUESTIONNAIRE  
 FOR PROCESSING, PACKAGING AND TRANSPORT COMPANIES**

Service/ Activity.....

**I. GENERAL INFORMATION**

**1. Activity:**

Packaging  Processing  Logistics

**2. How many years do you do this?**

Less than 1  1-3  4-10  11-20  more than 20

**3. Your company / enterprise is:**

Private  Cooperative  State

**4. What is the production capacity of your company / enterprise?**

.....

.....

**5. How many people work in your company / enterprise?**

1-5  6-10  11-20  21-50  more than 51

**6. What part of your workers is seasonal?**

0%  50%  100%  Other:.....%

**II. INFORMATION ABOUT THE PRODUCTION**

**1. Is your product organic (bioproduct)?**

Yes  No

**2. Is your product certified as:**

P.O.D. (Protected Designation of Origin)	P.G.I. (Protected Geographical Indication)	T.S.G. (Traditional Specialities Guaranteed)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**3. Please rank the reasons why your product has advantages (compared to similar products):**

*Consider the reasons given above to the extent that they give your company an advantage. From the 10 reasons below choose 5 reasons, rank with 1 the one that gives you the least advantage, and with 5 the one that gives you the most important advantage:*

Quantity <input type="checkbox"/>	Quality <input type="checkbox"/>	Reputation <input type="checkbox"/>	Prices <input type="checkbox"/>	Nutrition value <input type="checkbox"/>
Proximity to the market <input type="checkbox"/>	Protectionist legislation <input type="checkbox"/>	Additional processing <input type="checkbox"/>	Traditional character <input type="checkbox"/>	Other <input type="checkbox"/>

**4. Is your product seasonal?**

Yes  No

**5. Are the raw materials for your activity seasonal?**

Yes  No

**III. INFORMATION ABOUT QUALITY**

**1. Do you have special suppliers / customers?**

Yes  No

**2. Do you have a quality control department / unit?**

Yes  No

**3. Do you have and implement a Food Safety System?**

Yes  No

**4. Are you certified?**

Yes  No

If Yes, please point out:.....

**5. Are your suppliers certified?**

Yes  No

**6. Are your clients certified?**

Yes  No

**7. Do you have a system for tracing the realization of your products?**

Yes  No

**8. Do you rate your suppliers?**

Yes  No

**IV. INFORMATION ABOUT THE ACTIVITY**

**1. How do you receive the raw materials?**

In bulk from the producer  Packaged by the supplier  You collect them by yourself  Import hem

**2. Does transport affect the quality of raw materials negatively?**

Yes  No

**3. Do you have suitable premises for long-term storage of raw materials?**

Yes  No

**4. Do you consider that the post-harvest activities affect (negatively) raw materials' quality?**

Yes  No

**5. Do you have alternative sources of raw material in case of emergency?**

Yes  No

**5.1. If yes, the raw materials come from:**

Other region in the country  Import

**6. Your activity:**

Adds value  Is a standard activity in the supply chain

**7. Do your production processes preserve the quality of the products?**

Yes  No

**8. How do you sell your products?**

Directly  Through cooperative / union  Through a trader  Other

**9. How do you sell your output?**

In bulk  Packed for wholesale  Packaged for retail sale

**10. Where do you store your products?**

Private warehouses  Cooperative warehouses  Other warehouses

**11. Which is the most serious problem you face?**

*Please assess the following issues in terms of severity, with 1 for the most serious, and with 5 for the least important problem:*

Technical Problems with Financing Placement Sales and prices

provision / the quality  
 climatic factors

**12. Please indicate your most serious technical problem:**  
 .....

**13. Please indicate your most serious problem with the quality:**  
 .....

**14. Please indicate your most serious financial problem:**  
 .....

**15. Please indicate your most serious trade problem:**  
 .....

**16. Please indicate your most serious problem with sales and prices:**  
 .....

**17. What would help to make your products more attractive / more competitive?**

Better agricultural practices	Better transport	Marketing	Pricing conditions	Implementation of a quality management system
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**18. What would improve the quality of your products?**

Good agricultural practices	Packaging	Conditions for storing the products	Food Safety System	Additional processing
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**19. What can be done until the harvest stage to improve the quality of your products?**

Better technique to be used	Provision of better roads	Using different varieties / hybrids	Use of agro-chemicals	Use of experienced / trained staff
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**20. What can be done at the post harvest stage to improve the quality of your products?**

Improving the transport	Improving of storage conditions	Packaging	Reducing transport time	Processing
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**21. What would help to increase the value of your products?**

Quality Certificate	Other certification (e.g. P.D.O.)	Marketing campaigns	Commercial contracts	Protectionist policies
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**V. TRAINING INFORMATION**

**1. Do you consider that the experience and knowledge of your employees can influence quality?**

Yes  No

**2. Is it easy to find experienced and trained workers?**

Yes  No

**3. Do you think that the transfer of knowledge is a key element of quality?**

Yes  No

**4. Have you ever been trained for the production you are currently developing?**

Yes  No

**If so, please specify the subject of the training:**

.....  
 .....

**5. Which is your source of information about the problems you encounter in your production?**

State agencies  Cooperatives  Private consultants  Colleagues  Internet

**6. Would you like to be trained in relation to your production?**

Yes  No

**7. Please indicate to what extent you are interested in training on the following topics:** 0= *not interested at all*

1= *limited interest*

2= *interested*

3= *very interested*

4= *very much interested*

	0	1	2	3	4	H/O
Technical issues (for example, how to increase production, how to solve concomitant problems)						
Product safety and quality (legal requirements, application of the Food Safety System, nutritional value, use of chemicals, etc.)						
Legislation and trade rules						
Transport solutions						
Commercial aspects: sales and marketing						

**8. Which is your most preferred training method?**

- a) Seminars or lectures
- б) Exchange of experience and participation in working groups
- в) Field training
- г) Informative materials (books, brochures, etc.)

**9. Agro-food cluster: In your opinion, if there is a local cluster in the region (a group of local firms), will this promote your work?**

Yes  No

**If so, would you like to join such a local cluster?**

Yes  No

**THANK YOU FOR YOUR TIME AND SHARED VIEWS!**

## APPENDIX 3: Questionnaire for representatives of institutions

### APPENDIX 3: QUESTIONNAIRE FOR REPRESENTATIVES OF INSTITUTIONS

**Institution**.....

**Name and position of the institution representative:**  
.....

#### I. GENERAL INFORMATION

**1. Type of institution:**

Ministry       Regional authority       Municipality   
 Other

**2. Type of institution:**

Food Safety	Primary production	Financial Administration	Commercial
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**3. What are the responsibilities of your institution?**

Entirely administrative	Consulting	Control and enforcement of legislation	Enhancement
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**4. Does your institution implement strategies / policies in the local agro-food sector?**

Yes  No

**5. Does your institution issue certificates / licenses?**

Yes  No

**6. What are the financial resources of your institution?**

Central management	European funds	Local taxes and fees	Private Donations	Mixed
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**7. Does your institution have experience in implementing European programs?**

Yes  No

**8. Has your institution implemented strategic partnerships?**

Yes  No

**If so, please specify what:**.....

.....

.....

## II. INFORMATION ABOUT THE PRODUCTION

**1. Do you have (maintain) registers of local primary agricultural producers?**

Yes  No

**2. Do you have (maintain) registers of local packing or processing companies?**

Yes  No

**3. Are these registers available for implementing control?**

Yes  No

**4. Does your institution appear as a counselor on:**

Primary production	Food safety	Starting a business supported by funds	Opportunities for career development	Legislation
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**5. Do you support programs for the development of the Agro-food sector in the area?**

Yes  No

**6. Has your institution taken initiatives to encourage the local agro-food sector?**

Yes  No

**If so, please specify what:**.....

.....

.....

**7. Which is the most serious problem you face in the local agro-food sector?**



Please assess the following issues in terms of severity, with 1 for the most serious, and with 5 for the least important problem:

Technical provision / climatic factors	Problems with the quality	Financing	Placement	Sales and prices
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**8. Please indicate your most serious technical problem:**

.....

**9. Please indicate your most serious problem with the quality:**

.....

**10. Please indicate your most serious financial problem:**

.....

**11. Please indicate your most serious trade problem:**

.....

**12. Please indicate your most serious problem with sales and pricing:**

.....

**13. What would help to make the products from the local agro-food sector more attractive / more competitive?**

Better agricultural practices	Better transport	Marketing	Pricing conditions	Implementation of a quality management system
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**14. What would improve the quality of the products from the local agro-food sector?**

Good agricultural practices	Packaging	Conditions for storing the products	Food Safety System	Additional processing
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**15. What can be done until the harvest stage to improve the quality of the products from the local agro-food sector?**

Better technique to be used	Provision of better roads	Using different varieties / hybrids	Use of agro-chemicals	Use of experienced / trained staff
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**16. Do you think that post-harvest processing reduces the quality of products from the local agri-food sector?**

Yes       No       Don't know

**17. What can be done at the post-harvest stage to improve the quality of products from the local agri-food sector?**

Transport facilities	Storage conditions	Packaging	Reducing transport time	Processing
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**18. What would help to increase the value of products from the local agri-food sector?**

Quality certificate	Other certification (e.g. P.D.O.)	Marketing campaigns	Commercial contracts	Protectionist policies
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**III. TRAINING INFORMATION**

**1. Do you offer training related to the development of the local agri-food sector?**

Yes  No

**If so, please specify the topics:**.....  
 .....

**2. Are you interested in offering training related to the local agri-food sector?**

Yes  No

**3. Please specify the level of significance of the following training topics:**

- 0= *not significant at all*
- 1= *limited significance*
- 2= *it is significant*
- 3= *highly significant*
- 4= *very strongly significant*

	0	1	2	3	4	H/O
Technical issues (for example, how to increase production, how to solve concomitant problems)						
Product safety and quality (legal requirements, application of the Food Safety System, nutritional value, use of chemicals, etc.)						
Legislation and trade rules						
Transport solutions						
Commercial aspects: sales and marketing						

**4. Agro-food cluster:**

**Do you think the local cluster will encourage the local agri-food sector?**

Yes

No

---

**5. Are you interested in participating in this cluster?**

Yes

No

---

**6. How do you see your contribution?**

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

## **APPENDIX 4: INDICATIVE QUESTIONS FOR FOCUS GROUP DISCUSSION**

**Date of the focus group discussion:.....**

**Indicative questions  
in the context of the Agrolab Project co-funded by the EU and National Funds of  
the participating countries**

- 1a. Do you have any problems with the practical realization of your production?  
16. If so, how do these problems affect the economic side of your business?**
- 2. Do you encounter any transport or commercial problems?  
26. If so, how do these problems affect the economic side of your business?**
- 3a. Do you encounter any problems related to ensuring food safety and quality?  
36. If so, how do these problems affect the economic side of your business?**
- 4. In your opinion, how can the economic side and sustainability of your business  
improve on the above mentioned sectors (manufacturing, transport, trade, food  
safety)?**
- 5. In your opinion, how could the agri-food sector be promoted in your region?**
- 6a. Do you think that learning would help to improve your ability to develop a  
business in a more effective way?**
- 66. If so, in which topics you would like to be trained?**

## **APPENDIX 5: Stenography of the focus group discussion from Yakoruda**

### **STENOGRAPHY OF FOCUS GROUP № 1**

**Place and date: YAKORUDA, 26.03.2018**

**Moderator:** I want you to write real things as they are. Where there is free space for problems, write about your most serious problems - technical problems, quality problems, financing, sales, if you have problem.

**Woman:** That's the problem - sales.

**Moderator:** Now you will tell me. Because you, I suppose, is not a problem to produce, but then how do you sell it, I do not know.

**Woman:** The problem is that there is not anything to produce, to buy. None, for the milk 55 stotinki, there is nothing, it is nothing.

**Woman:** It's funny, they give you 55 stotinki in the dairy.

**Woman:** To milk this cow, it must have milk and must be fed, then there will be milk.

**Moderator:** And how do you feed them - with fodder?

**Woman:** With fodder, hay. We need some money for the summer so that we can buy food for the winter. And they transfer them to us during the winter, what is the benefit now ...

**Woman:** In the summer, the price of liter milk will still decrease, for now it is even better. The liter of milk has even reached 30-40 stotinki.

**Moderator:** And do you have collection companies to buy the milk?

**Woman:** Well, they're giving us this money.

---

**Moderator:** They are surely monopolists, how many are they? Two or three companies or one?

**Woman:** One is currently in Razlog. We give also in Cherna Mesta. Our milk - in Razlog.

**Moderator:** One and only. And they travel around the villages?

**Woman:** Yes, they go around.

**Moderator:** It's good, I think it's nice to go around...

**Woman:** They give a very low price of milk.

**Moderator:** How much do you think the price should be?

**Man:** At least.

**Woman:** BGN, at least, to have a stimulant, and just to challenge us to sell, it can not be that way. To pay us attention, to those who breed animals.

.....

**Moderator:** At the end (on the questionnaire) you are also offered training opportunities under this project. If you think you need training on some topics, you can now claim it and then Razlog municipality will do the training after a month or two. We will have your names, if you like, they can again call you and train you if you think you need – by financial instruments, how to manage your companies, or how to make more contacts with traders, whatever you need.

**Woman:** Good, even very good for consultation.

**Man:** Will be there anything for processing the produce?

**Moderator:** Well, sure, whatever you want. They are currently collecting opinions through these questionnaires, and we can tell them, people are interested in, for example, from setting up business relationships, others are asking how to facilitate processing. What kind of output?

**Man:** The milk.

**Moderator:** Milk. Is there a dairy here in the area?

**Man:** We worked only for dairies and slaughterhouses, nothing remains for us.

**Moderator:** On the other hand, isn't this good, because it turns into money and money comes to you?

**Man:** It's not good to work for someone. He is depends on me and at the same time he "twists my arms". He does not have animals, his dairy has nothing to do if he does not buy from here, from our people.

**Moderator:** Well, that's right.

**Man:** And at the same time - he calculates how much our production costs, he gives the price of the milk he consumes.

**Man:** He calculates it in a way that is most profitable for him. So he actually cuts us.

**Man:** If we give it to him without money, it will be the best.

**Man:** So, it is a shame 29 stotinki for milk the previous summer. 29 stotinki is just a shame.

**Woman:** It's without money.

**Woman:** No one gives in the store without money.

**Woman:** One cup of coffee - 80 stotinki.

**Woman:** One bottle of water is one BGN and more.

**Man:** Now, Easter is coming, on television they said that our lambs are not enough. Who redeemed the lambs and they are not enough? Our people stay in the stalls, and on TV say that meat should be imported because our is not enough. And no one has come to redeem lambs and to give a price.

**Moderator:** So as I listen to you, the first girl who came and started with milk, and now when I listen to you, I understand that everyone has got something and produces - one breeds cows, calves, what are you doing?

**Woman:** We just grow vegetables.

**Moderator:** Vegetables. What about potatoes?

**Woman:** Yes, potatoes, tomatoes, cucumbers.

**Moderator:** What kind of other vegetables?

**Man:** Mushrooms.

**Moderator:** Right. So, you produced them. In order to structure the conversation, let's go first from the production. What problems do you mainly encounter during production? We all have an idea of what is being done to produce such a production, but still... Let's start with the milk. Because you started with your problems, tell us what real

problems you are facing at the production stage, then we will talk about the placement and how you manage to implement it. But now only when you produce.

**Woman:** Requires many tons of milk per cow, and here is impossible with us - tone and half from a cow, this is not a fountain – to turn it on and run. The cow has to be fed before it is milked and we to produce milk. However, very low prices and we failed to prove milk – they did not transfer anything.

**Moderator:** Now let's make it clear - you prove it to whom?

**Woman:** In the State Fund "Agriculture" in Blagoevgrad. They ask for an invoice for milk.

**Man:** The dairy issues at the same time.

**Woman:** The dairy has given us some, but it is not enough to prove so much milk.

**Moderator:** And as you can not prove it in such a way...

**Woman:** Well, we can not and we have no money, no money is transferred. These animals need to be raised with something we can not do it alone... we need some other work to have to raise the animals.

**Moderator:** Yes, but this is your main business for you, you have nothing else.

**Woman:** Well, of course.

**Moderator:** All right. You actually feed the animals from those meadows you mow, you make fodder.

**Woman:** Yes, basically, some we mow, others we buy, we can not all summer... This is not enough.

**Man:** You can not mow anything from Yakoruda, we buy everything.

**Moderator:** Yes, it is my first time to Yakoruda, but I was impressed that there was no place.

**Woman:** Private meadows, there is no place.

**Man:** But these private meadows... How much I can, for example, for 70 animals, from where can I get as many meadows, there is not so much manpower and gather so much hay. Everything I buy is ready.

**Moderator:** From where?

**Man:** Well, there are people who sell bales here.

**Moderator:** They pass through the areas. And is the fodder expensive?



**Man:** It is expensive, there is no argue.

**Woman:** It is expensive.

**Man:** But it is not just fodder, this cow does not eat only fodder, she eats alfalfa, hay. An alfalfa bale is 7-8 BGN at the moment.

**Woman:** And I can not feed it only with straw, because there is no milk from the straw, the animal is looses weight, it becomes weak.

**Man:** The grain is 35 BGN.

**Man:** From everywhere, from everywhere, nothing happens in this country.

**Woman:** This state does not work for the people, it works against the people.

**Man:** Against!

**Woman:** No matter what we produce, we will fill the river with production. We sell potatoes, 20 tons of potatoes stayed whole winter, when will I sell them, never.

**Woman:** And they become lighter.

**Woman:** Besides becoming lighter, there is no one to buy them.

**Man:** Well yes. Or they will take them at a minimum price.

**Woman:** But there is no, and there is no minimum.

**Moderator:** And is there a local market where you can sell?

**Woman:** Everybody produces. Everyone here produces beans, everybody produces potatoes and who will come to buy it.

**Woman:** In our area, we all cultivate.

**Moderator:** So you can not sell here inside the area, you have to go outside.

**Man:** Abundance, here everything is in abundance.

**Woman:** Everybody grows to feed the family.

**Moderator:** But obviously not just for food, you have a lot more.

**Woman:** Well, yes, who are under programs, they have more.

**Woman:** Well, that's just what it is, what else can you do?

**Moderator:** And is there a municipal market where to sell produce?

**Woman:** No.

**Man:** No.

**Man:** There is a Saturday market.

**Woman:** Marketplace, but what is not bought here.

**Man:** It has it, they even import. It is not only in Yakoruda this problem.

**Moderator:** Now let me ask you, when we talked in the preliminary conversation that they are coming with some cars buyers and collectors of your products. Tell me a little about them - are you satisfied, how it is, what it is.

**Man:** How to be satisfied with 50 stotinki of milk, given that I am first category, we are with milk collection points, with such works, they require us invoices continuously, sample every month, every month 78 BGN. The fat content should not be below 3.6-3.8. And in order to be 3.6-3.8 (he pays me the milk at 50 stotinki), in order to be bigger you must satisfy this animal with food and with fodder.

**Moderator:** You have to do it, yes, you can not. The chain is wrong – in order to give good quality milk you need to give...

**Man:** ...quality food, and it is associated with higher costs, higher prices. Finally, the cost price does not cover the expences.

**Moderator:** Otherwise, are you registered as farmers?

**Man:** Yes.

**Woman:** Yes.

**Woman:** Yes.

**Moderator:** You are such, because we need such people, not just those who produce. Okay, the state says there are a lot of measures for people like you. Do you agree with that?

**Man:** No.

**Man:** No.

**Woman:** We can not get to the measures.

**Moderator:** Why?

**Woman:** Because whatever we do - we submit the documents to Blagoevgrad District Directorate and they reject.

**Moderator:** But do they give you arguments why they are rejecting you, do they explain to you?

**Man:** They find reasons.

**Woman:** The reasons are different.

**Moderator:** For example what are they?

**Woman:** Now, for example, if a cooperative can be built here together with the back villages, they make bigger agricultural productions in Pazardzhik, in Plovdiv they cooperate. And here we can not.

**Moderator:** And why not?! The idea you give is very good - to make a cooperative and that cooperative already gathers the output and exports it out, it looks for a market.

**Woman:** A boy made a production of blanched potatoes here, how much did he work - exactly one month and could no longer work.

**Man:** What was he producing...

**Woman:** Nothing. And he can not sell his goods and stay. We hoped at least that there was a workshop. And even at a lower price, he will redeem them again.

**Moderator:** Okay, let the others tell how the production goes. Here's the boy with the mushrooms. How do you manage?

**Man:** We do it, we sell it, in the sense where we find place. That is, let's say, for example, we use different measures, but the Fund itself forces you to increase production, but it does not guarantee you any market.

**Man:** There is no guarantee for a market.

**Man:** For us the production itself is easier, in the sense that we do not put daily care and everyday means, we put it there, let's say in spring and expect some production. But when you get the vegetable production and every food, there is no place to store it, so you have to sell it somewhere.

**Moderator:** And this is the other question I want to ask you - where do you store your produce and how do you guarantee that the quality is maintained?

**Man:** You can not store it; you have to sell it the fastest way.

**Moderator:** But it depends on the production. For example, the potatoes can be arranged, in the sense of having nice premises.

**Woman:** We have no place to store them. We dig pits in the ground and store them there.

**Moderator:** And you overwhelm them?

**Woman:** Yes.

**Moderator:** Are they preserved?

**Woman:** Yes.

**Moderator:** This is, by the way, an ancient Slavic technology for preservation; they have preserved them like that during these times.

**Woman:** It is left from generation to generation, and we do it so.

**Moderator:** They really are preserved. The squirrels hide walnuts in the ground, I have seen them and you do like the squirrels do. Yes, but we are supposed to be modern people, and to do like the squirrels. And how are you with the vegetables?

**Woman:** Well we have, we make ourselves at home - either in the basements or in the garages that we have, but we try to sell it as quickly as possible.

**Moderator:** And what do you grow?

**Woman:** Potatoes, gherkins, we grow this.

**Moderator:** Do you have any contracts, for example, with a processing company to buy them out?

**Woman:** No, no, we tried to get in touch, however, we were offered funny prices for the gherkins, and we have a bio certificate, we pay 500-600 BGN to the certification company, from which company do not receive any subsidies. At the moment when subsidies are due to be paid, the controller finds something that you have not met, and we are all inside.

**Moderator:** Finally, you are again guilty, and you have no money.

**Woman:** Then they start calling you to pay the certification fee, which is not a small one.

**Woman:** 700 BGN.

**Moderator:** Per year?

**Woman:** I think it was 650.

**Woman:** 690.

**Moderator:** It is not small one, yes.

**Woman:** The first thing is that we buy bio seeds, then we start to produce our seeds because they are very expensive. The second is that we have no right to spray anything, we do not put any preparations. We even we had to buy preparations, I bought them and I did not use them, they stay at home.

**Moderator:** Well, yes, if it's bio-production...

**Woman:** There are even organic, but with a price that we can never cover only the price for preparations.

**Woman:** Plus, the preparations themselves are not so good.

**Moderator:** Okay, I saw a gentleman in the corner; tell us about your situation. You have calves, you grow them, and how do you sell them?

**Man:** These are meat cows that are only raised for calves. We have been breeding cows for a whole year, no markets, we have been "licking our chops" for Turkey, however...

**Moderator:** Where do you sell them?

**Man:** People take them for fattening.

**Man:** When we don't sell, the flock is increasing, however, no income.

**Man:** Incomes decreases, costs increase.

**Man:** People from the region are taking bulls for fattening, to slaughter them, so we give to them.

**Moderator:** Well, at what price, is not the price very thin?

**Man:** Well, it is thin.

**Woman:** For a funny price.

**Moderator:** You are not paid then. So basically are the subsidies and eventually the measures. If you look at what the state has written under normative documents, there are a lot of measures and they say, "The measures are ample, what those people want," they say this in the Ministry. But I tell them to come and talk to you, you tell them.

**Man:** The measures are sufficient only for large producers.

**Woman:** For the big ones, not for us.

**Man:** Nobody talks with us.

**Moderator:** But they do not dare to come and send intermediaries like us. Now when we tell them these things, I do not know what will change.

**Woman:** They include our incomes, but what about the work?! This work is from morning till night, which can not... for 2-3 hours, you come in again there, it can not, otherwise can not, work is not even included or paid.

**Man:** We are 24 hours with the animal.

**Man:** Measures, regulations must be written on the field, not in the offices.

**Woman:** You should not get sick, if you get sick, there is no one to take care of your animals.

**Man:** To come, get him in the farm and see how we are working.

**Man:** Then let's see if the measure responds.

**Woman:** The cowsheds, boots, that is ours...

**Moderator:** Actually no one pays for your work.

**Woman:** No.

**Man:** If we are part time, we can't 24 hours...

**Woman:** We will become rich.

**Woman:** And here the question is that there is no workforce, no one agrees. You work for 10 BGN per day as a producer, and they want to take 20 BGN for two hours when you call them. We have no workforce, people have gone abroad.

**Man:** Everything works on a family basis.

**Woman:** On a family basis – the man, children, grandparents, father-in-law, mother-in-law, if someone can help.

**Man:** There is work, but no money.

**Woman:** If there is money to pay, we will pay and fetch people, but if you can not pay...

**Woman:** It is required to deprive yourself of something to be able to.

**Woman:** You just can not get from somewhere.

**Woman:** We are bio-certified and we have a weed problem – I have six decares and half gherkins, and I hoe them five times through the year to get some produce. We pluck them, hoe them, we can not spray them - weeds are constantly coming out. We need manpower, people do not want to work. They are gone, they went abroad.

**Moderator:** There is no one to invite.

**Woman:** Pues, yes. And when they come to check - why did you not ditch it here at this end?... By the time you reach the end, it has already sprouted. And you hoe during the whole year.

**Moderator:** So it is. Do companies that are redeeming, go around or you look for them?

**Woman:** We look for them, but they promise us and when you go to sell your produce, they hide. They tell you to leave them and when they have money will pay for it, and give you 20 stotinki of organic gherkins, it's funny.

**Moderator:** Yes, so they have got the hang of it - they negotiate, then disappear and you wonder where to leave the good.

**Woman:** There is not any here, we are looking in Gotse Delchev and Pazardzhik, but there is not. A factory for fruit and vegetable processing is being built in Dagovo but it is not yet open. We hope these vegetable producers there ...

**Woman:** Well, we hoped for here too, but see that it did not go.

**Moderator:** All of them. And if there are one hundred yards, it is in these hundred yards. However, what is going on with this production, it is not used qualitatively and efficiently. It stands somewhere in the yards, you struggle, it rots.

**Woman:** You specifically throw potatoes from year to year if some new candidate under measure 6.1 or 6.3 comes with potatoes and you can sell them, then throw them away or give them to some stockman who pays them 19 or even 15 stotinki of fodder on the spot.

**Woman:** Even less than the fodder.

**Moderator:** Well, right here in the area a processing factory is needed. And everything as I listen to you, processing potatoes - making chips, blanched potatoes.

**Woman:** We had, but it could not ...

**Moderator:** Why it could not?

**Woman:** He could not get into the market.

**Moderator:** Something was wrong.

**Woman:** Otherwise the boy made a very nice factory, by design, according to the European standard everything is very good but he could not, maybe the production...

**Woman:** ... he could not sell it.

**Moderator:** Well, that's what it should have such ...

**Man:** There must be a state policy in this work – for redeeming milk to have an instance where the state can interfere, to set prices for whatever it is - for vegetables, for meat, for cheese.

**Man:** It is determined by the retailers.

**Man:** An illiterate man determines how much my work costs.

**Man:** All the buyers gather together and set one price and that is, the end.

**Moderator:** Yes, it is good for the state policy that you say it, because indeed other people tell that the private person is a private person but that the state must have a share too, to redeem and guarantee a minimum...

**Man:** Let there be a minimum guarantee, to guarantee a minimum purchase price, the state has a reserve, there is a resource, for example, the potatoes will be at least 50 stotinki, you know, at least even if you can not grow them, at least to know how much money you will spend, at least knowing that it is guaranteed.

**Moderator:** If you have a guarantee that the state will redeem them, then it will become easier, you will have an incentive to work.

**Man:** The state has experts who know from how many kilograms of fodder a kilogram of meat, milk is produced. At one time there was Rodopa, there was a dairy where nobody claimed. Fodder was given, you were raising animals, no matter pigs, lambs, calves, drives, price with fodder, everything. Why don't we have this now?

**Moderator:** Well, I also wonder why we don't have this. Those who are now the retailers, they are quite another type.

**Man:** They get richer and we get poorer.

**Woman:** The people went abroad and here the young almost do not stay.

**Woman:** And people who are bound, for example, now with meat, mushrooms, vegetables, with these measures, we also need advices, we need more information. Now, you have come and explained these problems, we must have consultants - if we have questions to ask for a certain measure, we go, we pay, or how it is there, there must be such people.

**Moderator:** Have to. Here's what you were finally asked in the questionnaire for training, did you fill it?

**Woman:** Yes.

**Woman:** Yes.

**Moderator:** That's exactly the point, the municipality of Razlog, who coordinated the project, promised to do training.

**Man:** To whom we should turn to?

**Moderator:** Zlatka Stoycheva is the employee in Razlog municipality from "Eurointegration" Department. We will not give your cards to anyone, but here I have your names, and when we finally describe the survey, we will name the people who



participated in the discussions. And the goal is not to calumniate you, but rather when comes time for training, they to find and teach you if you want.

**Man:** These are things are painful for us, we will tell them to anyone. I do not care that someone does not like what I'm going to tell him, I've told it to many people. So I go to the store I want a bread - they are looking for me one BGN, I want a salami - three BGN. He comes a month for milk and finally he pays it as much as he wants and when he wants. How can this happen?!

**Moderator:** It's not right, really.

**Man:** I've had many confrontations with many of the dairy keepers I'm dealing with, I say "You have to pay me every morning, not once or twice in the month".

**Moderator:** And what he says?

**Man:** He tells that he has no money transfer. If I process it, the transfers will come to me. How could I know whether you have a transfer or not, I am not your reverend to know if you have or not.

**Moderator:** Well, in this situation, how far can you say that your business is sustainable i. e. when you started, there was a guarantee that will remain?

**Woman:** It is not sustainable.

**Moderator:** I. e. today it is here, tomorrow it's gone.

**Man:** Today it is here, tomorrow – Terminal one.

**Man:** These are problems that make us get out of this.

**Moderator:** Okay, you can make offers now, because I will tell to those people who will write their reports your problems and they will say "Okay, what to change now?", tell how it can be changed. Here the gentleman said that the state policy, to have protection, guarantees, and so on.

**Man:** Well, in my opinion either the state to intervene, or to allow smaller ones to be able to process at least some of the milk, let's say, milk, meat. We can not make slaughterhouses, we can not make so expensive dairies, we do not produce so much milk.

**Man:** A packing machine for milk, buckets and to sell, not in a neighboring area only, but there are also limitations.

**Moderator:** There are many requirements, yes.

**Man:** Let the state intervene, but by intervening, they will not let me because somebody who makes these laws has its own people, and they will give this project to

his man, it even will not reach to me, my word will not to be heard. As with the animals, I hear 100 animals, and no one hears anything, hears the marks in the pocket, but he takes the money for subsidies for thousands of decares, and for the real animals that I have, I can not take even a decare pasture.

**Man:** You have expenses; you can not give money to anyone, and has no expenses with the marks and gives money to someone.

**Woman:** At least it left to give away. (laughs)

**Man:** That's why we can not get anywhere until he intervenes. Let the state intervene, but to intervene steadily, not everything, it is the state itself, it is all corrupt. Every rigid law has a sub-law, they are many, every law has many laws.

**Moderator:** Well, as a minimum there are two or three rules below it and some regulations, it becomes more and more complicated and complicated, so is it.

**Woman:** And they also cut us off the pastures, acceptable-unacceptable. Last year it was acceptable, now it is unacceptable.

**Man:** Pastures come from other municipalities and we are here ...

**Woman:** They come to our regions from Bansko.

**Moderator:** Here the municipality is guilty, why gives to them. The municipality gives to them.

**Man:** Well, yes, they came here from Shumen.

**Man:** From Shumen and from Petrich.

**Moderator:** And, by the way, in North Bulgaria, I do not know if you know, there is one big, he is a monopoly, an octopus who has gathered all the land and all are under a hat, so there it is and also there is no. I do not know about Blagoevgrad, if there is a big monopoly who, for example, buys pastures, lands?

**Man:** No.

**Woman:** No.

**Man:** Encounters most animal, I do not want pastures.

**Moderator:** But the fact that, for example, someone comes from Bansko and buys your pastures and owns you, you have conform to him, do not you?

**Man:** He takes them and claims them for subvention, he does not ....

**Man:** We do not comply, we comply with the state

**Moderator:** And when he takes them and claims them for subvention what happens? This pasture has some grass there.

**Man:** They subsidize it.

**Moderator:** But does he allow you to this pasture?

**Man:** He has animals.

**Woman:** He came with his animals.

**Man:** He comes from Shumen with 1,000 animals, leaves them here and that's it.

**Moderator:** This is not good for you at all.

**Man:** Well, it is not, we have nowhere to graze them.

**Man:** And what about us, the locals, where to go in this case?

**Moderator:** Yes, yes. Well here are these questions you must put in front of the municipality because when such as us come, now it is true that it is difficult here to live and tell the mayor "Ah, mayor, so and so ...". But here they will come from Shumen and they will take your pastures under your nose, you will be left with nothing.

**Man:** It is work on a percentage.

**Moderator:** Well, we know, we've heard.

**Man:** He will give the percentage to the gentleman there, who depends on him. That's why the pastures in some places are preferred.

**Moderator:** Okay, what else can we offer and recommend in order to improve your production.

**Woman:** We want contacts with larger companies, with merchants who will sell our goods.

**Man:** And training people in the direction they want.

**Woman:** And there is no need for these invoices for milk that we are required, it's funny.

**Moderator:** And why they want them from you?

**Man:** Proof of production.

**Woman:** It has not been so far, last year and this year. Why did they figure it out - to take people money that they have earned with labour and sweat.

**Moderator:** Who gives you those invoices, the milk purchaser?

**Man:** Yes, but he does not really give it to you.

**Woman:** Well, they write some liters, whatever quantity they decide.

**Moderator:** And are they more than the real you give them?

**Man:** Less.

**Man:** This is how taxes are hidden.

**Moderator:** Thus he hides turnover, yes. And why do you agree?

**Woman:** We have no choice.

**Man:** Why do we agree ?! Because there is no one to give it.

**Woman:** If I throw it on the road, is it better instead of giving it to him?!

**Moderator:** If you give him a thousand liters, you will say, "I want to write for me a thousand."

**Woman:** You want, but no, he will not take your milk tomorrow and what will you do with it.

**Woman:** Because we do not have customers, so it is. If we have more such traders, it will not be like that.

**Woman:** They place only terms.

**Moderator:** Yes, that's unpleasant. It is a closed circle. If you set yourself up, tomorrow he will not come to you at all and you have to go and deliver it. Okay, why do not you think about making your milk stations as the problem started?

**Man:** Who will allow you, no one allows.

**Woman:** The requirements are high.

**Man:** This can happen if you split the big one from the small producer, otherwise it will not happen. The legal base for the large producer and for the small one should be different. Otherwise, if we're under the same hat, you are finished.

**Moderator:** No, and I think that the conditions must be lightened somehow for you to be able to loosen your hands.

**Man:** Exactly. There was an idea, but they stopped it at the beginning.

**Moderator:** Which is it?

**Man:** Well, for mini-dairies, mini-slaughterhouses. To have the right to make for an example a room for the slaughter of your animals and sell them with a document as a

farmer. But it was only one idea and up to here. They obviously called wherever they should.

**Man:** During Communism, everybody was breeding animals after there is for holidays for such things, a veterinarian comes, checks the meat, and you can sell it. He is the person who guarantees. So someone else gives a certificate of quality to my animals that I have raised. How this thing can happen?! It only passes through his slaughterhouse and he issues a certificate, I can not prove that I have raised these animals. The doctor is the person who certifies. He checks and says "yes" and "no" by necessity and selling to the people, that is. We have slaughtered so many animals, we sold them at the time, and no one died.

**Moderator:** Yes, I remember, we've all caught it this time, we remember how it was, but things have changed now.

**Man:** They have changed, some are changing to good, others are changing to bad. For us, the producers is not good, but for the one who has come to blackmail me is very good.

**Moderator:** That's right. What's more, if it's your only business. You have no other business, right?

**Man:** But if we have another work, we will not deal with it.

**Man:** there is no other work.

**Man:** Where you came to Yakoruda from - from Razlog or Velingrad?

**Moderator:** From Razlog.

**Man:** From Razlog to here did you see somewhere a factory or place where a lot of people work?

**Moderator:** We did not see anything, that's the problem.

**Man:** No one has answered to this question yet because there is nothing to see. Everything has been destroyed for 30 years and we have left only those who have no choice.

**Woman:** We just have no choice.

**Moderator:** And were there any operating companies in Yakoruda before?

**Man:** There were a lot - in every village, in every neighborhood there were workshops, factories.

**Moderator:** What? For timber?

**Man:** Woodworking.

**Woman:** Tailoring.

**Man:** Narcoop, RCC, Cooperative farms, Forestry, all people were involved in some work.

**Woman:** In the plant down worked so many people!

**Moderator:** It was one time that there was an opportunity for anyone who was not lazy, in fact the society was such that it did not allow anyone not to work, we can say it was so.

**Moderator:** Now it is the opposite. Indeed, at the moment, as I looked around, I did not see anything.

**Man:** There is nothing to see, except something destroyed, not done....

**Woman:** Well it all felt down.

**Moderator:** Well, that's not good at all, but to tell you, they have chosen Blagoevgrad municipalities because here there is an idea - there are typical cultures, there are wonderful climatic conditions, there are people (they are not exactly gone as in Northwestern Bulgaria) here you still have people.

**Man:** Some more.

**Man:** UDF took the power at that time, and said it will give people the freedom to produce and sell what they produce. It's worse now than during communism.

**Woman:** We were well, we had jobs, and now we do not have.

**Man:** During Communism, all that was produced was sold. Now at this moment in which we live, in this development, you produce and do not sell what we are doing.

**Moderator:** It can not be this way, this chain should be interrupted, you lack the sales, you have no realization. At the same time, if we go through the register, there will probably be at least 50 retailers.

**Man:** There are.

**Man:** That was the goal - resellers to disappear. For example, I do not need resellers, nor one of those people here on the table. What does this reseller do? Produces, waters, hoes?

**Man:** Wins pure money.

**Woman:** Well, he takes it cheaper.

**Man:** He buys it at some price, goes somewhere and resells it, and he does not pay, he has no cost, there is nothing.

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**Moderator:** So it is good for you to sell your production directly to the processing company.

**Man:** There is no one to sell it.

**Moderator:** Is not there such a processing, when the reseller buys them, what does he do with them?

**Man:** Here comes the problem that we are too small producers, we can not go to the processor itself.

**Man:** He comes and wants wholesale, to load a truck or ten trucks. I do not care that I have to go around 10 villages to collect production. And that's where the problem comes from, the retailer comes from, he goes around, collects, stores it a depot, the other comes, loads and he's gone.

**Moderator:** Well, yes, one has to go and collect the produce. Hence the figure of reseller appears. This was not accidental, indeed. But the bad thing is that a lot of your profit is going there, otherwise it would stay with you, really.

**Moderator:** Yes, it is. Okay. I understood the things that interest me, if you want something else to say, some other things you care about regarding the production. You told them, but if we have not said something till now.

**Man:** Look, maybe we also have some faults in what we produce. However, we need more competent people than us to make remarks as one learns from the mistakes. If something goes wrong this year, change it next year so if we need to increase production if something better is to be done, we want to upgrade.

**Man:** Well, how could you improve this production, how to increase it in case you are pressed all the time - they cut you absolutely out of money - you do not have a market for milk, market started for lambs, absolutely for everything. And the work is 24 hours.

**Man:** You produce and do not sell, that's the situation.

**Woman:** If there is a good place to sell all the goods, no matter what it is, everyone will do it, if you have 10 cows today tomorrow you will have 15 if you have a profit. Everyone wants to develop something and give the children. And we only use the labor of the children without giving them anything.

**Moderator:** They're free workers, so they're running away.

**Woman:** And as they become adults and they find jobs in England, the Netherlands and we are left without children.

**Moderator:** That's right. That's what I think is good as an idea, to be offered this cluster, they probably will do it, but it has to be considered. Here's where Razlog is, if this cluster is positioned there, but somehow to connect you with traders, to open processing factories. But from people who have money and will not depend on the first placement. Because this boy, that you told me, obviously depends on the sale.

**Woman:** Everyone is dependent here in Yakoruda.

**Moderator:** Here a slightly more serious entrepreneur is needed who has the means and who can endure the first 2-3 years even if he is at a loss. Then, when he starts collecting the produce from the area, he will make a profit. And then he will be able to give you higher purchase prices, because he makes some calculations there - at 100 units - 90 for me, 10 for you, they think that way.

**Man:** It's not 100 for him, 5 for us.

**Woman:** There is not even one for us - 0.001.

**Moderator:** Well, roughly yes. No one loves the retailers.

**Man:** And there are other problems - the modernization of farms here no measures work for us. None of these people here, who I see, have any small-scale technique to lighten the labor. In our farms everything is a terrible work.

**Moderator:** And why? No money?

**Man:** From where money?! Make money from our production or the bank to give us a loan that you can afford to buy and use.

**Moderator:** Well, he said that grows 100 animals, for this a technique is needed.

**Woman:** The technique is the family

**Man:** This is the biggest problem with us. How to afford a technique, as everywhere they cheat on you. Me and those people with the potatoes both want everything to be mechanized. For example, a person with mechanization, with a technique can process a lot of decars. I want to have my farm mechanized, to get on a good tractor, not to use 10 people for work, when we can do it two or three. But all the time it is pressing you, pressing, I've come to the conclusion to remove everything, they've forced me to remove everything.

**Woman:** This forces people.

**Man:** There is no choice here, not in this country. I've been in Germany, I'm sorry that I came back here. If this is not this production at the moment, I will go. But the goods force me to stay here. Because absolutely 10 years there is no improvement, just talking on the TV that this has to be done this way, that - the other way. They do it for



one, otherwise according to the documents it is for everyone. Everything is just for some of them in the parliament, they are well, from there on, especially people like us, no one will hear us, I am sure that they do not know that we exist.

**Moderator:** Oh, they know, they know.

**Man:** When it comes time for voices, to vote, then ...

**Woman:** They do not even know how a whole family can live with 300 BGN, not as the ministers say "Such a salary of 300 BGN does not exist".

**Moderator:** But it gives the impression that reporting is bad too - we wanted to come here and we said, "Give us registers and lists of people registered as farmers, we want to meet these people and talk to them," and they do not give anything. The question arises why they do not give them, is it accidental, they do not give them but they are obliged - this is public data, this is European money. And they say "No, find them by yourself". And we said, "Okay, we will then go to the municipalities and find them." And as you see, we found you.

**Woman:** Why do we pay then?

**Moderator:** This is also very indicative, why do they not make these registers public?

**Woman:** Nobody wants to do anything, nobody wants to tell us. I told you, the first one that is, we want to have consultants, to have people to go and tell that he has a problem with milk, has a problem with that, to tell us which measure, there are a lot of measures that according to them money is not acquired and redirected to others. And they do not even tell them. Like me, I've been losing support for fruits and vegetables for 3-4 years. I go there, the woman (she's the one that works, the others just stay in front of the computer and think they know a lot and nothing, just this). She can not be absolutely useful to the whole city and the villages around it, we need to have other consultants.

**Woman:** But they have not even said about the quantity, why they have not said and for the kilograms so far.

**Woman:** We do not know our rights to which measure you can take money.

**Man:** The goal is to keep you in ignorance.

**Woman:** In ignorance is easier.

**Woman:** The purpose is to lose that money.

**Man:** And the other thing is, when we sit down, for example, to say "you have to know this sub-measure". When you go to sign a contract, you read, however, no bargain, 50% for you, 50 for me, because everywhere it is. If they give you some money for

modernization, the one who arranges it takes your profit, and there may be something minimal for you. If you apply for 50,000 BGN, the person who arranges it (because I'm 150 per cent sure, not a hundred per cent), he will get at least 50,000 ...

**Woman:** Five thousand.

**Man:** No, more.

**Woman:** Well, let me tell you, you can already be tired, but we must have people here, people-consultants, a few companies or what in Razlog. You can not go to Blagoevgrad every time, to stay there, you wait and there you do not know how to say what you went for.

**Man:** Go to this cabinet, go to the next cabinet, go back to this cabinet, here it is not like that..

**Man:** The other thing is that you leave your here here where it's waiting for you.

**Man:** But how will you leave the animals alone!

**Woman:** One person tells you, "You can apply for it," and the other "You can not," and the next one tells you "You can apply under three measures" how this happens?!

**Moderator:** It must, yes, it must be explained to the people. There are, indeed, such consultancy firms, mostly in Sofia and Blagoevgrad and in other big cities, but ask them what they are doing there, they have to come here.

**Man:** They get salaries.

**Man:** They wait to steal from here, from there.

**Woman:** Our people here are very busy, they do everything by themselves, they raise their animals properly, the milk is done properly, without fake food, no nutritional supplements, they do not put such things, everything is organic, everything is purely natural. And all this purely natural goes to the wind, there is no one to appreciate it, absolutely.

**Woman:** And they import from abroad different things.

**Woman:** I offer them bio gherkins, the woman here, and this boy, we're all certified with bio and we do it right. You explain to people that you have produced bio gherkinss, you have hoed them five times a year, but there is no one to sell them, you sell them at a lower price, people watch you just like that. How they will look at you - they do not have means to buy an ordinary gherkin, how about a bio gherkin. And in Sofia they know and sell them at threefold higher price. And here you offer them at 60 stotinki or 80 to sell them and it's funny.

**Moderator:** But that's what I wanted to tell you that you really lack the sales chain, you miss the last link, even miss two units - the manufacturing industry and the trader. You have to get to the Sofia market - there are people with money and they will take all this, they are looking for it.

**Woman:** They appreciate it and look for it. We have gone to a market for bio produce where one kilogram of potatoes is 4.90.

**Moderator:** Are you telling this to me, I know it, it's very expensive.

**Woman:** In Fantastico 4 BGN for potatoes.

**Woman:** We offer them at 40 stotinki and there is no one to take them, here I have not sold the potatoes and they are organic - no fertilizer, no preparation.

**Moderator:** Okay, for example, can you do that - you are producing gherkins, and open a mini preserving workshop - we all prepare jars, also me in the summer.

**Woman:** Here in our villages all people preserve.

**Moderator:** Outside, we are talking that you have to go and sell outside.

**Woman:** We tried to do such things in Gotse Delchev, it did not happen.

**Man:** Well, yes, but who will let you with all the paperwork to do what you want - to preserve!

**Woman:** The tax officers will come immediately and will stop me again.

**Man:** If I'm illegal, in the sense of, I do not have the necessary papers, but I sell my products. In the sense that I preserve it, in jars, marinated product and sell it in hotels and restaurants in Bansko. Yes, but a man comes to me and says, „Your production is good" you're wondering how to sell it, and at one moment he says "Bring me 500 jars". We are too small as producers, no one defends my rights also, we are very thin, if you go to sell it you have to look for other processors, to go, fuel...

**Moderator:** But here a big part of the legislation needs to be changed - it must allow you as the gentleman has said about mini-farms, mini-slaughterhouses, such mines, mines, and European directives are just the opposite - they are for big ones to meet such requirements, I do not know what, of such complexities that are not for our conditions, I understand it so. And in fact, they tie our hands.

**Man:** For example, we are dealing with sheep. I need three weeks a year a shop where to sell my lambs. I take them to the slaughterhouse and sell them so that I do not need another person. No one will allow me to do it and to use it for a month a year. And I have to make a store, to leave my animals...

**Moderator:** That's why you need someone to buy you the produce, give it somewhere, you will not pay for a store that will be used for three days a year.

**Woman:** We can not, we have no means to do it.

**Man:** Either a store, or a market.

**Moderator:** The market is fine. Is there an animal market now?

**Man:** No, no market.

**Woman:** There is nothing at all.

**Man:** Let it not be here, for example in Razlog, to have a market, to take the production and to sell it wholesale.

**Moderator:** Is not there in Razlog? Anywhere? And down to Rupite?

**Man:** Petrich.

**Moderator:** But Petrich is very far away for you.

**Man:** To take and return this produce...

**Man:** To there and nothing left for you.

**Man:** This autumn we gathered calves from three places for export to Greece. You tell us to unite, we did it. The calves to the border and there found that the vaccine, which was put in Bulgaria, is not European, it is not valid in Greece and we have returned them from the border. What can you do?!

**Moderator:** This is terrible!

**Man:** You fight for two days with papers, you load the animals, take courses for the car, and return them because the veterinarians have not done their job, that's it.

**Man:** It's the state, not the vets.

**Man:** When it bought such a vaccine.

**Man:** In the European Union, we can not export to Greece. They take our money for the vaccines, however, they were obviously cheaper vaccines or I do not know what.

**Man:** Or it's not a vaccine at all.

**Man:** It is a vaccine, but if the Greeks do not accept it...

**Man:** And you will work, and you will go!

**Moderator:** That is how it is.

**Man:** It is not everything up to us. We look at our work, we produce it, everything comes from above.

**Moderator:** What about these people above, from time to time they think of you and say, "Let's see what these people think, what they want," and when we write them...

**Man:** They think of us when it is time for taxes, for social security...

**Woman:** For elections.

**Woman:** Then they think of the people, that there is a people.

**Moderator:** Yes, otherwise you are registered as agricultural producers, you are insured, are not you?

**Woman:** Yes, we are insured.

**Moderator:** Otherwise you are very strict, insurance must be paid.

**Man:** I have just asked you how we can not be here anywhere after we are insured. We are all insured.

**Moderator:** No, they do not give information, not because you are not there, but when you ask them they do not give information, that is not correct because it is public information.

**Man:** You can see that they do not give information to you, what about us if we need some information.

**Moderator:** So the situation is not good at all. Now what we can promise you. Here, we go from municipality to municipality with these questionnaires, we collect the opinion of the people. Then we will describe them in some reports, we will tell what we have seen and heard. Could you recommend me some good practices here in Yakoruda, more famous farms, something that can be shot? We will make a Handbook of good practices, within this project, for the four countries that participate in the project - Bulgaria, Greece, Macedonia and Albania. We are all very well, Greece is the best. In this Handbook they want to put some good practices, someone succeeded, who made a prosperous farm.

**Woman:** That is the man, him.....

**Man:** There is nothing to shoot; we do not have time for these things.

**Moderator:** Where are you, in one of the nearby villages?

**Man:** I'm in Yakoruda.

**Moderator:** Why not to take a picture of you, you are a nice guy, we'll take it with a background of the map. Do not be shy, there is nothing scary.

**Man:** There is no one to pose, the pigs?! (*laugh*)

**Moderator:** But we want to see nice things, a nice farm, for example, modern.

**Man:** Nice, mud to your knees, is that nice?

**Woman:** It's like that in the stables.

**Moderator:** You tell there is nothing to shoot.

**Man:** There is nothing, misery!

**Moderator:** Pity. Otherwise, is there a processing plant, something that can also be shown?

**Woman:** No.

**Man:** Operating – no

**Woman:** There is nothing.

**Moderator:** But is there a plant in Yakoruda at the moment?

**Man:** There is a dairy, the dairies are modern now.

**Moderator:** A, dairy! Can we shoot?

**Man:** It is not in Yakoruda.

**Man:** It is in the municipality.

**Moderator:** Is this dairy private?

**Man:** It is on the territory of the municipality, the next village is Cherna Mesta.

**Man:** It is the only processor of production here.

**Moderator:** What is its capacity, do they manage, do you have any idea?

**Man:** We have no idea.

**Man:** Around 10 tons.

**Moderator:** Thank you! With this, our discussion finished. Thank you again for coming back and telling us so many interesting things!

## **APPENDIX 6:**

# **Stenography of the focus group discussion from Razlog**

### **STENOGRAPHY OF FOCUS GROUP №2**

**PLACE AND DATE: RAZLOG, 27.03.2018**

**Moderator:** Let me intruduse myself, I am Prof. Emilia Chengelova, I work at the Bulgarian Academy of Sciences and I am employed by Sofia University, Faculty of Biology, which together with the municipality of Razlog implements a project for establishing the attitudes of agricultural producers, processing and transporting companies, traders, etc. The idea of the project is to investigate the state of the agro-food sector in Blagoevgrad municipalities and the possibility of creating an agrocluster in the municipality of Razlog. That concerns all municipalities, as you can see, from Blagoevgrad region and they are very reliant on what will be done in Razlog. Today, we have invited you to talk about the difficulties and problems you face in the industry you are dealing with and on this basis to formulate recommendations on what and how to improve. The only rule in our discussion is not to talk at the same time, do not interrupt, and I hope every one of you will say something about yourself and introduce first. Let's start with you. What you do, tell us briefly.

**Woman:** We have a farm for dairy cows.

**Moderator:** How many?

**Woman:** 40. At the same time, we produce compound feed for dairy cows, this is in general.

**Moderator:** Do you hire people, because as you hear, you should hire people?

**Woman:** Yes, however, limited, seasonally.

**Moderator:** And do you have any problems with finding people, is there any?

**Woman:** Yes, we have a problem because it is difficult to find people who want to work something like this, because it is a job that requires first knowledge of animal raising.

**Moderator:** And where do you raise them, in one of the nearby villages or here in the land of Razlog?

**Woman:** On the territory of Razlog municipality, we pay rent, it is not easy, as a beginning it is not easy.

**Moderator:** How many years?

**Woman:** For 15 years.

**Moderator:** For 15, so you should already be a name here in the region, they know you.

**Woman:** We try.

**Moderator:** Okay, thank you! And let's ask the colleague next to you, tell us what do you do.

**Woman:** We deal with meat production and meat processing of large ruminants - sheep, lambs and pigs. We have a slaughterhouse with meat processing.

**Moderator:** Tell us in few: words about the volumes, capacity, average annual output to get an idea of the volume of your activity.

**Woman:** Our meat production is dependent on the requests. Different groups are slaughtered per day with a different number of animals, as most of it is pigs.

**Moderator:** And where do you realize the output? Do you have any chain or you rely on other channels?

**Woman:** On others, we have our company stores and deliver to other stores, a chain of stores, a Bulgarian chain.

**Moderator:** Which means you are a famous name in the region. Introduce yourself.

**Woman:** Razlog Meat Company, the trademark "Saray".

**Moderator:** Well, just to know who we interviewed. It is needless to ask for manpower.

**Woman:** ItLabor is very difficult to find trained workforce. We have two technical colleges in our municipality but no experts graduate there.

**Moderator:** You need to make a connection with them, maybe talk and say, ask what kind of people you need to be trained there. As far as I know, many parts of the business were oriented - as they did not have the required experts, they talk to the municipality first (there is a committee that deals with these issues), then go to high school or technical college and negotiate, and directly say they need thirteen people, for example.



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**Woman:** Well, in one of the schools we have a "Livestock breeding" class, however, here they will say how many experts there are.

**Moderator:** No one wants to register there.

**Woman:** Nobody wants to work this job. Everybody wants something clean, everyone wants to work on a desk.

**Moderator:** Everybody wants a desk, that's it.

**Man:** And wants a five thousand salary, these are their requirements.

**Moderator:** Is not it too much?!

**Man:** You give a nice salary for our region, no one is happy.

**Man:** It does not matter the sector, there is no workforce.

**Man:** All are family-run.

**Woman:** So we are the most hardworking.

**Man:** The family - the daughter, the son.

**Woman:** The family works hard.

**Moderator:** The family is busy and employs as many people as it needs.

**Man:** And temporarily.

**Woman:** In the sense, we take them constantly, however, for example our work is very specific to learn, you must work for at least one year but they go abroad after that - already, trained experts.

**Woman:** He is thained three months and then decides to go to England.

**Woman:** When importing this meat, which is also for milk, and for absolutely everything, with regulated imports and unregulated production absolutely everywhere, we can not give high salaries. Everyone who has animals can not sell milk in bottles, there is absolutely no milk in the dairy, the capacity is not covered, what salary?! It is absolutely the same for us - all slaughter illegally along the roads. At present, all producers of lambs, cattle, no one actually records how many owns. You can not have 20 cows, where are the calves? You can not have 100 sheep, where are your lambs?! Nowhere. The state must start from there. When I was studying at the University of Food Technology in Plovdiv Prof. Dragoev said that HACCP means from the pond to the plate. At present, HACCP is somewhere in the middle of the business. Mr. Velev will confirm it. We have made the impossible to make some European factories under building stock and equipment in the area, we absolutely meet 100% of European requirements.

However, in the farms, the raw material is not quality. And the other thing that is, I tell again that farmers are unregulated producers for me.

**Man:** They want them to prove a ton and a half for a cow, it gives a ton and a half for a month, and you have to prove it for a year, it's a very stupid thing to prove a ton and a half for a year, a ton and a half that is nothing.

**Moderator:** Explain because I did not understand anything. You said that ton and a half for a year is nothing? In the sense it is little?

**Man:** It's a little like milk to be proof. In principle, if real milk is proven, it will not be logical to sell it in bottles because it has to be delivered in order to get a subsidy. And he has to prove a ton and a half milk. If your cow is good, you will prove it for a month not for a year.

**Moderator:** Well, that has to be rethought. In Yakoruda, people said that they have big problems with this proof of milk.

**Man:** Big problems arise because they do not want to give milk but at the same time want to be kept in the dairy records and if you do not keep it because they do not bring you milk then he blames the dairy. You did not bring a kilo of milk, and he wants you to get back a documentation for ... everybody consuts their interest.

**Man:** We're a little bit far ...

**Woman:** We are just a misunderstood civilization because we can not expect all of Bulgaria, all journalists, they probably do their best, you know the campaigns for poor milk, palm oil imports, e. g. not every milk producer can sell butter for example, so he takes the fat of the milk and gives the dairy skimmed. What quality do you expect?! It is the same with the meat - the animals are not grown properly, they do not eat properly, they give me a calf, which was grazed, we slaughter it, no meat quality - neither muscles nor fat, nor anything.

**Moderator:** What do you do with this meat? Besides sausages?

**Woman:** Nothing, sausages. We buy animals mainly from North Bulgaria, that's it.

**Moderator:** This is paradoxical. Here you have so many animals, and it is necessary to look for animals in Northern Bulgaria.

**Woman:** We currently buy lambs, we can not find, 99% of the lambs are without ear marks. We buy lambs, I pay the lamb mark.

**Moderator:** Because there must be an ear mark.

**Woman:** At the same time vets take unfair prices - 49 BGN for 10 ear marks. How can this farmer mark his animals, explain to me.

**Moderator:** Yes, it's expensive, he gets 5 BGN per animal.

**Woman:** We just go around in an enchanted circle.

**Man:** Everything rests on the price. The man will not go to sell with the bottle if the price in the dairy is good.

**Man:** But if you give a good price in the dairy, you have to sell it. And when you sell yellow cheese for 6 BGN and people will get killed for it, it's all connected.

**Woman:** Illegal import, as a whole the import kill us.

**Man:** He imports beef at 5 BGN, what is this meat?!

**Woman:** Less than 5 BGN, now there are calf cuts in the market at 4 and 03 stotinki. Imported lambs are at 9 BGN. I put a price of 9 BGN to my lamb meat, that means I have to take it at 4 BGN of them. Who will give me lambs at 4 BGN?!

**Moderator:** It will not happen, yes. But you set up a very serious problem, because this whole story, both with the bottles and with the fat, happens in front of the people. They do not do it secretly and in the nights, so it is visible.

**Man:** But to fix it, the final market must be fixed, without import

**Moderator:** Okay, how to put it right?

**Man:** To prohibit the import, to sell ours first then...

**Woman:** We are in Europe, trade is free, imports can not be banned.

**Moderator:** So maybe it's good to think of some state protectionist policy at least for certain quotas because the woman is right - there's no way to ban imports, it's a free market, where it comes from - from Poland, from Hungary ...

**Woman:** We export, import, everything.

**Moderator:** Exactly. It is the idea of the European Union - to facilitate trade relations, including one of the ideas, so we can not escape from it, but now you are suffering from this.

**Man:** The three problems are that we need to get the picture. The most important is that we do not have quality animals first, then we do not feed them with good food and the third: we do not have skilled workers. These are the three major problems for me. If we have all this, we can... I slaughter a lamb, weight it alive, weight it after that, it does not give me 50%, but it could not give me a 50% yield. She tells me to buy it at 4, and it gets 8. It needs to be slaughtered and processed.

**Woman:** There is a meat check, the state takes 4 BGN per meat check.

**Moderator:** Is not it a little expensive, how this price was established?!

**Woman:** There are state fees. In December, I payed the Food Agency 7 thousand BGN.

**Moderator:** For what?

**Woman:** Meat check. For December, 7 thousand BGN is only the meat check.

**Moderator:** Maybe you produce huge volumes, but it is a big expense for you.

**Woman:** We pay incineration fees.

**Moderator:** Certainly, yes, also has to be done by the rules. And what do you do?

**Woman:** We are a chicken cutting plant.

**Moderator:** So what you buy - you grow chickens or just cut them.

**Woman:** No, just cut them.

**Moderator:** Do you buy them from the region?

**Woman:** No, mainly from Poland.

**Moderator:** Ah, import chickens from Poland and cut them here...

**Woman:** We freeze them.

**Moderator:** And cut them into pieces, like breasts, legs, all sorts of things?

**Woman:** Yes. We freeze them and transport them to the stock exchange with our buses.

**Moderator:** So you have a guarantee that what you produce will be realized.

**Woman:** It is frozen, the expiry date is one year.

**Moderator:** Okay, let's hear this corner here – the men, who sat a little far away *дето*. What is your occupation? You started to tell, tell us what you are dealing with and what problems are there? The man already said the three problems, I absolutely agree with him.

**Man:** These are the basic ones for me.

**Moderator:** Others will confirm or add something to these problems?

**Man:** These are.

**Moderator:** And what you're dealing with, you said that with your father you have both production and processing.

**Man:** That's right.

**Moderator:** Could you tell us more about this?

**Man:** What do I have to tell?

**Moderator:** Well what do you do, as the women have told?

**Man:** We buy milk from the area, process and make cheese, yellow cheese, milk.

**Moderator:** You have a dairy?

**Man:** Yes, and a farm.

**Moderator:** Good. In Yakoruda, when we were yesterday, many people said that this chain is broken and nothing is happening - the buying price is low, not all go, then the milk does not always meet the requirements. What you are your impressions, you buy here from the area?

**Man:** The price is really low, because in principle the final product that is produced must be at a price that can be bought by the end user. And you can not put a high price because there is cheap imported cheese.

**Moderator:** You take into account the final price.

**Man:** Yes, in order to have a market, to sell it.

**Man:** If it can not be sold, why to produce, you have to close. And the price is determined by what the market is looking for. An old man, having a pension of 300 BGN, how to buy cheese of 7 BGN kilo, will buy imported for 2, which is some kind of imitation product, why to buy good cheese. And that's where it comes from. For example, I also have a farm. How to give a high price as when you process the milk, the cheese should be 15 BGN from the dairy. Who will buy cheese for 15 BGN, there is no one to buy it.

**Moderator:** But are you satisfied with the quality of the milk because I heard that there are such problems - they do not feed them well, the milk has no fat, and so on.

**Man:** Well, yes, they take the fat in order to make their things from it. And to be angry and to do, one time was for example if the milk is low-fat is one price if it has more fat - another price. If you do it one or two times, he gives you with more fat so you can give a higher price, then he starts again - today takes a little bit, tomorrow a little and again, still the same, makes some moves "to blush the eyes".

**Moderator:** And they cheat, we can say.

**Man:** And they are right to cheat, because the price is not good for them either. If you really when the price is low, a man concludes that it is better to take a little and to get something else. Sells the bottles privately, etc., for which you can not be angry.

**Moderator:** And this with the sale of the bottles is a gray, black market, we can say. Control bodies?

**Woman:** They sanction, there are sanctions.

**Woman:** We currently have three veterinary doctors responsible for food control in Razlog Regional Office, which covers Razlog, Razlog municipality, Bansko municipality, Belitsa municipality, Yakoruda municipality. Three doctors, two must be necessarily ... For this area and for this commercial network, which is currently in Bansko - one person. Given that we also have five dairies.

**Moderator:** Are all certified and meet the requirements?

**Man:** Yes.

**Moderator:** Well, as far as I've read and know, you must have requirements for the quality of milk, you can not take any milk.

**Man:** Yes, there are requirements, it should be first category of milk, if it is not first category it is generally not allowed to be sold to the dairy, but it is still sold.

**Moderator:** My opinion is that other people who are not happy with the price and wonder what to do with the milk go out with the bottles on the street. Well. Police officers pass, the Economic Police passes ...

**Man:** *(laugh)* Yes ...

**Woman:** They do not pay even a BGN for taxes.

**Moderator:** I know, that's why I provoke you, but you laugh when I said police.

**Man:** They do not deal. From here to Pazardjik on the road, on every 20 meters they sell milk and cheese and yellow cheese

**Moderator:** I saw, yes. And honey, and potatoes.

**Man:** Do they pay, do they give cash receipts?

**Man:** No, these are traders and it is right for them. Those who sell 3-4 kilos does not have much influence, but the other are traders there. It is a question that they have such sales, for example, I was given a retail quota, but I did not ... I do not know, I had to put labels, stuff like that and I did not take advantage of it. It is a matter of dealing - someone should put it in a bottle, carry it, sell it, who, to shovel the shit, to milk, what to do first.

**Moderator:** Well, you have to hire workers.

**Man:** And if you hire workers, we talked about the problem.

**Woman:** But why did not they oblige them to put milk machines, no bottles.

**Man:** Because the milk machine costs few thousand.

**Woman:** And do not we invest thousands, what for us. So those with the bottles, and we in the workshop every month machines I do not know how much. We have credits, it's a milk machine. Not to mention names, can buy a milk machine for 5 or 10 thousand?! Are these bottles clean?!

**Man:** Not to talk about hygiene.

**Woman:** The milk machine is refrigerated, to oblige him, there on the market is the newspaper kiosk to put a milk machine, to be his own.

**Man:** Problems com from everywhere. Everywhere.

**Woman:** With the difference that during auditing and if the machine does not meet the requirements or the building stock, there is something that does not meet the requirements, they are checking us.

**Moderator:** They're checking you, and it's probably very strict.

**Woman:** They write you a prescription and give you a deadline in which you have to fulfill what is prescribed. And you are in a hurry to do it because after that time they can fine you.

**Woman:** Sanctions for legal entities are much greater than sanctions for non-regulated persons. When you are a company is 5,000 when you are a private person - 500 BGN.

**Woman:** And under the new food law, the administrative offense starts with a fine of 2,000 BGN. The fact that I did not write that Sabin Kyuchukov's nails are cut off and has no jewelry is 2,000 BGN in a sudden check.

**Moderator:** Yes, that's not fair.

**Woman:** Here, Mr. Velev will say and we confirm that the enterprises have constantly some repair works.

**Man:** And at the same time you do something, something new comes out tomorrow, you have to do it, then it drops off. "You did it, but you did not have to do it," and so on.

**Moderator:** And it turns out that you are always guilty after all.

**Man:** There is always something you have to do, and at the same time, the other what you did drops off. They put blinds on the refrigerators on the front so the cold air does not come out. These blinds were in law for a year, then dropped out. You did it and

gave yourself a x of money, why did you give it when it dropped out. Somebody had to sell their blinds, a law enters into force, sells them, then drops off. It enters into force, then is annulled...

**Moderator:** Okay, and the men from this corner who came later to tell us, what you do, what problems you encounter.

**Man:** Recently we are dealing with sheep.

**Moderator:** Where are pastures, where do you pasture them, is there a place?

**Man:** Along the road (*laugh*).

**Moderator:** Along the road? You are laughing, however, and here in Yakoruda, people said they had a big problem – others are coming from Shumen, buying their pastures, bringing their animals and leaving them without pastures and saying "Other people have come and we here"? Is it the same here?

**Man:** So so, not a hundred percent, but...

**Man:** There are enough pastures here.

**Moderator:** Okay, tell me how do you do cope with it.

**Man:** For now well, it is our first year.

**Moderator:** It is your first year and what - you bought pastures or how?

**Man:** No, we are not. Rental contracts.

**Moderator:** And how many animals do you raise?

**Man:** About hundred for now.

**Moderator:** What will you do with them, in fact you raise them for milk?

**Man:** For milk.

**Moderator:** And who will make the cheese then?

**Man:** The dairy.

**Moderator:** Do you already have a strategy, to consider with whom you will have contractual relations?

**Man:** Still no.

**Moderator:** Now you are waiting to see how things will develop during the first year?

**Man:** Yes, how it will be, whether to do it or to give up.



**Moderator:** All right. And the gentleman, what are you doing?

**Man:** I am a farmer - wheat, corn, lucerne, farm services with machinery and animals - 10 sheep.

**Moderator:** And now, how do you handle with your production? Wheat, corn, this is different. What volumes, what areas do you sow?

**Man:** I process about 600 decares. I rotate them – wheat, corn, alfalfa a perennial plant and hay. I propose to colleagues, I sell the produce.

**Moderator:** Otherwise, how do you realize the wheat?

**Man:** It is different, I have warehouses, I rent warehouses, we put it in the warehouses, and when there is a market they come with gondolas ... And we exported earlier for Greece, now we are offering more here because the price has dropped there. It is different, wherever it is, according to the price - where it suits us, there.

**Moderator:** Otherwise, can you say that you have problems with the realization of the production?

**Man:** We have, recently we have. Earlier when we sent to Greece it was better, there was a contract, they came, they took it once, export and we are released. Now it is harder for us because the price is not good.

**Moderator:** And now you are trying to sell here in Razlog?

**Man:** Well in the area, my colleague buys from us and others too.

**Moderator:** Good. Let's talk a little about how you realize your production, how do you succeed. Should there be an animal market in Razlog, what do you think? Here, for example in Yakoruda said that, if Razlog makes a stock exchange, it would greatly ease them, plus they also want agricultural because they grow tons of potatoes and can not sell them afterwards. And they offered me to comment with the municipality of Razlog to see if it is good to create such an exchange. How do you think maybe there is, I do not know, is there an animal market in Razlog?

**Man:** My opinion is that there should not be such an exchange. There is someone to buy regulated, in the European Union all rules are met, there is someone to buy. Such a stock exchange will be a kind of black market. We had earlier such an animal market, made at the slaughterhouse below, on Saturday I think it was. And what, trading there, traders come to resell...

**Moderator:** You have people who can buy directly from you. And you know the producers and you communicate with them directly, I guess, and you go around and collect the animals you need. Perhaps it is more correct because there is no mediator,

why the retailer to come to take 50 lambs and come to you to offer them, it will increase the price.

**Woman:** Yes.

**Man:** If there is a livestock market, it will be in single piece. People come as it was before on Saturday until, for example, lunch, everybody grabs the animal for the club and lead it there to sell it.

**Moderator:** Well, no, I also imagine that such a single market does not make sense. Rather, for example, if someone now has a hundred sheep, he can not bring them there to the market, he may come, negotiate directly with the lady who buys meat, go with the truck and take it. And is there such a register in which, for example, you are a meat producer, know the people what they do, you can find them and buy the necessary production or not, you know?

**Woman:** On the Food Agency website.

**Moderator:** And you can see them from there?

**Woman:** From there I can see what registered farms are in the area.

**Moderator:** Well. I suppose it happens informally as well, because the people in the town know each other and know who is who, maybe also it happens on personal relations. But my thought is that sometimes it happens even more efficiently, everyone knows I can count on this person, on the other I can not. But you should know that from the small municipalities people look to Razlog with some hope that they can realize and place their goods here, especially with regard to agricultural production, they do not know what to do with it. Are there any processing plants in the area for agricultural production?

**Man:** There are not any.

**Moderator:** No, none? Canning factory at least as it used to be?

**Woman:** There was before, now there is not.

**Man:** For lavender.

**Man:** We have for olives, however, they must be imported from Greece.

**Moderator:** Oh, here they have made a factory probably just for olive oil.

**Woman:** No, they only pack the olives here, put them in smaller cuts.

**Moderator:** Oh, they just re-pack them. There is a demand for olives, so their business should be good.

**Man:** There is a demand of all, it depends on the price.

**Moderator:** Ridht. Well, we are a free market economy, you know there was state planning for the market before, the state was pricing, you had to comply with them.

**Woman:** Yes, however, in other countries, for example in Romania, VAT for food is not 20%, unlike Bulgaria. For import to be 20%, and for us 10.

**Moderator:** To have a preference, in order to be stimulated. So even some people sometimes say that the state must actually hold some allowances to be able to stimulate the different producers and have state quotas, even to stimulate and say "Here, if 50 tons of some grain are produced, we guarantee it will be redeemed".

**Man:** You can not dump the warehouses with milk, meat and finally you can not sell it. The money stay in the warehouse and finally you do not sell, throw it away and what you do, you lose.

**Moderator:** This seems to be a problem that, in fact, many people in the area are working on empty speeds - they produce and then can not sell the output. And they work hard a lot, they say round-the-clock, as one woman said yesterday „No one pays me for my labor. Me and my family are working round-the-clock and then we do not know what to do with this production”. Now regarding the construction of an agro-cluster. You know this imported word - a group of companies, producers, processors, etc., who come together on different auctions to play, to speak, to make money from it. Do you think that such an idea will work? Because is the project is recorded, that the next step is submission of the collected information to the municipality of Razlog and there the experts will assess what needs to be done from now on, to train the people of the region on relevant topics in order to be more prepared for what they are doing and making an agro-cluster to communicate with other clusters and so to negotiate. For example, the cluster in Razlog negotiates for an opportunity to export wheat, for Poland, for example. Do you think this idea will work?

**Man:** No.

**Moderator:** Why?

**Man:** The envy of the people is more. You can not have and me not to have, it can not happen.

**Moderator:** But the idea is everyone to have. By uniting this does not mean that your personal interest is impaired. There are more opportunities to sell your goods. Rather, it is like your advertisement

**Man:** And how will this happen?

**Moderator:** The municipality will have to invent the mechanism itself. But the idea is to have an association of companies and processors, the municipality to look for markets out of the municipality, outside of Bulgaria and then to connect you with other

manufacturers, to negotiate supplies, export somewhere, etc. As you have been personally organized the export to Greece. Imagine that the cluster establishes such bilateral relations with Greece, with Macedonia, with Romania, with neighboring countries, Balkans. And he tells you "Ivan, you can export to one of these companies". This is the idea - someone to do the mediation work. Certainly, some taxes have to be payed, I suppose, it will not happen without money, but then it can be easier to organize the markets, that's the idea.

**Man:** An opportunity to go into the production, see how things happen.

**Moderator:** Yes, for example, if you are a producer and you need fodder, you can easily get in touch with other producers who have too much fodder and wonder what to do with it, that's the idea.

**Man:** When it is a help, everyone will be pleased. The point is that I think that in our country we have not grown yet to organize for this work. Everyone looks for himself; no one wants to work with other people. So if anyone say "I offer such a price if it suits you". Well, good, this is super, it is near, okay. But I think if we need to organize, I do not think it will happen.

**Moderator:** No, you will not organize. The municipality. There is a woman called Zlatka Stoycheva in the municipality, I do not know if you saw these girls we came with, they are from the "Eurointegration" Directorate and they are project coordinators. If you need some advice, consultations, etc., they can help you. And in this relation I want to ask you, we will see in the questionnaires, but did you write if you need any training, on what topics, what needs to be done because the municipality after a month or two will do such training and I guess it will invite if you are interested, of course. We have your names here and we will provide them to know which people have come to the discussion, have shown interest, and from now on you are already dependent on your activity. If you want to be trained, do you need it and on what topics.

**Man:** We live and learn.

**Woman:** How this training will be, where they will come from?

**Moderator:** They will organize lecturers, I suppose they will be specialists as you need. For example, if you claim meat production technology, I think, they have to find a suitable professor, associate professor with this education to come.

**Man:** An associated professor will come for one person?!

**Moderator:** Well, not for one person, they will organize a group of at least 10-15 people.

**Man:** They will never organize together. Here are 5 dairies, an associated professor will come for 5 dairies.

**Moderator:** No, I am more optimistic, I think at least a dozen people will come from the whole municipality.

**Man:** Well, there are not so many dairies to get together.

**Moderator:** Well, they will unite you.

**Woman:** We will send the workers to training.

**Moderator:** Yes, exactly.

**Woman:** Especially for us who are in the production there should be some exchange of experience.

**Moderator:** Yes, you have nothing to learn after you have completed such education.

**Woman:** But the workers.

**Moderator:** And do you train the workers?

**Woman:** Yes.

**Woman:** It is a must.

**Woman:** We have such a HACCP program and we must train the workers on a different topic each month. Plus, every day we have new and new requirements, and you have to teach them on these requirements. There is a change in the regulation of labeling, the one that makes the labels, the seal, submits the data, we train him.

**Moderator:** So yes, he has to be trained. You know that they strictly follow the certification and when they come to check you can be fined. You are silent all the time. To provoke you if you want to share something with us - problems you have, difficulties that you encounter. And I will ask the boy, we have talked more from this corner, you tell.

**Woman:** There are unregistered traders who offer output at a lower price, and we are obliged to pay taxes, cash registers, everything and they undercut the market. And it is very difficult to complain in an institution, they hide, they are very skilful.

**Moderator:** So yes. This is your main problem. Otherwise, do you have problems with the realization of the production how did you organize it?

**Woman:** No, not now. I need skilled workers.

**Moderator:** But it will be difficult with workers. No one wants to go in agriculture.

**Man:** We have to take those who cross the border - immigrants. *(laugh)*

**Moderator:** And they will not want, they want to go to Germany, Holland.

**Man:** Everyone wants to work there.

**Man:** He will work there, will sleep in a caravan and take 3 BGN more and will work there.

**Moderator:** Let's talk more about how the agro-food sector can be promoted in the region – from the European programs or by the state. What should be done to encourage it? We have described the problems with you, it has been seen that they are common everywhere, and can not be expected to be different. But how do you imagine some promotion measures regarding your production and experience. Tell me.

**Woman:** The requirements are huge - for the storage rooms, the bases you need to start a production. They do not stimulate, the state simply does not stimulate sole traders in any way, it hinders them, it does not stimulate them.

**Moderator:** Because the requirements are high.

**Woman:** Yes, yes, yes. As they said today the requirements for labeling the goods are one, the next check comes - the requirements are quite different, we change the label thousands of times. And not just the label, it's for everything - the storage rooms, the buildings you need to use. Perhaps there should be some categorization of production itself from the very beginning, depending on the capacity.

**Moderator:** Is not it any at the moment?

**Woman:** At least when they approved the plants the requirements were the same for all no matter if you produce 200 tons, 20 tons or 2 tons. And hence comes the burden for the manufacturer itself.

**Moderator:** Right. OK. Let us know how the state can encourage production to be of use to you, not to hinder you. What hinders you most and should be relieved?

**Man:** In my opinion, the state has enough ways and systems to encourage production. The most important thing is the import that comes and undercuts our prices. All of this determines the final price. As my colleague said there can not be lower VAT in Romania and in Poland VAT, and here it is 20%. I guess there are other ways and systems to make our production competitive, not to import. It is very difficult to export. Because I own also a transport company and I see what is being exported from Bulgaria - we export some bottles from "Dzham shishe" in Plovdiv and Sofia, we do not export anything else, we rarely export anything. Other countries manage to import in Bulgaria but we fail. So the state itself has to take some measures and systems which have to be legitimate, right, we are in the European Union, it should be normal, legal. How good are the farms of the Greeks? As you pass the roads, you see.

**Man:** It is funny.

**Man:** Funny, however, how can they be categorized, and we - not.

**Moderator:** So that's why we talk that they are more adept at marketing, they have such unions, clusters and are aggressive.

**Woman:** They are more adept at marketing and strictly comply with the legislation.

**Moderator:** And they succeed, they break through the palaces, back and forth. But you are right that agreements are concluded at a state level, the state and ministries are for this, we can make such a recommendation to the Ministry of Agriculture.

**Man:** Maybe the state has to redeem the output and realize it.

**Man:** At least to provide you a market and not to wonder how to sell it and to pay the workers.

**Man:** The point is that here are conditions and fields in north Bulgaria, there are people for other cultivation, we have the conditions.

**Man:** But we can not do anything.

**Moderator:** So I feel that the most problematic is the realization of the production and because there are problems with the realization of the production and this downstream creates other problems even with the raw material. Here you can not pay people at normal prices. Now how much do you pay for the milk?

**Man:** It depends on the farm category.

**Moderator:** Yes, and how it varies?

**Man:** 60-65 stotinki for cow milk.

**Moderator:** Well, they want a BGN, that's what old ladies do, but...

**Man:** And I want to sell the yellow cheese for 20 BGN, everyone wants.

**Moderator:** Okay, do you think about anything else, any other issues that worry you, considering the production even at the local level, because, well, everyone knows its own situation. And in terms of credit, I guess you're all stuck to the neck.

**Man:** If the state can remit our credits, then give it as such. To remit all our loans, we will be fine then. *(laugh)*

**Moderator:** However, the problem with these loans is that they are provided by banks, and the bank, as you know, is a private company, it is not a state institution, the state can not order a bank to remit your credit.

**Woman:** We have taken these credits in order to make the enterprises according to the requirements of the European Union. We took them to throw the old healthy machines and buy new ones from Germany, for example, or from Spain, not ours, which were Bulgarian, because it could not.

**Moderator:** Here, by the way, is not entirely correct. There should be some preferences, because they really extorted you just to get rid of your old production and buy new machines with credit, and now whatever you do, you comply with the credits.

**Woman:** The old mosaic did not respond at one time to the European requirements, and the tiles did not respond, we had to put panels, self-leveling floor coverings at very high prices.

**Moderator:** Yes, yes, it's very costly and until you regain it ...

**Woman:** Where an old mosaic is left, it has not even trembled, but we repair the floor coverings every year.

**Man:** They splitted, and then the workers came to repair them again.

**Woman:** Yesterday in green, red, yellow, whatever color they want. After one year the color is almost gone, so go again.

**Moderator:** What kind of material are they, from resin?

**Man:** Depends, there are different in general, mostly from resin.

**Man:** On a cement basis.

**Moderator:** Yes, but they are obviously not lasting, and every year are repaired.

**Man:** They say they have 30 years of guarantee, but they last a year. 30 years, surely, only if you step only with slippers.

**Woman:** Every day we wash it a hundred times, we use very strong preparations and constantly with hot water, maybe this thing also affects.

**Man:** And the mosaic can not break even if you hit it with a hammer.

**Moderator:** Yes, we remember the mosaic. Well, if there are any other problems you would like to share? If not, I am very pleased with what you have told me, the situation is clear. We are basically expeditious and interesting things come out. Thank you for participating in today's discussion. Good luck to all of you.



## APPENDIX 7: Stenography of the focus group discussion from Sandanski

### STENOGRAPHY OF FOCUS GROUP № 3

PLACE AND DATE: SANDANSKI, 29.03.2018

**Moderator:** Welcome to our discussion today. As I said at the beginning, this discussion is part of a project to the Sofia University, Faculty of Biology. The project is jointly implemented by Bulgaria, Macedonia, Albania and Greece. The Greek colleagues are the leading part, they also did these research tools and they will finally make a summary for the whole region as the idea is to find out what is the situation in some specific municipalities of these four countries regarding the agro-food sector. And the other, the second idea is to see whether a special agro-food cluster could be built in this region. You know, the cluster is a voluntary association of manufacturing companies, other types of unions who want together to fight for markets, this is generally speaking, and defend their business interests. However, today we have come together to talk about what you do, what problems you encounter and what you propose to change things. And I suggest you, without being ashamed, I give you the word, everyone to tell about their production - what they do and what problems they face, respectively how they handle with the situation. Here, I understand, Mitko is the most talkative, right? I already know the name. Mitko, tell us about your wine production, and you can also include that you are a closed cycle – you grow your grapes and produce your wine.

**Man:** However, to make it easier, my brother is a registered farmer, but I am a registered wine producer so that the system can be better documented. It is even difficult to do this, because I have to have two companies - one for production, one for trade, and I only have one to avoid dealing with more documentation, with even more. And generally because I have been dealing with it for a long time and I am one of the first registered wine producer in the whole area, perhaps under number 5, I was after the big wineries.

**Moderator:** Tell a brand, is it known?

**Man:** Well everybody knows me like Mitko Shestaka in the area, if anyone has heard in Melnik Shestaka, that's me. Generally, a lot of people know me. My father has been involved for a long time, he was once a dispatcher on the cooperative, he knows a lot of people, then he works as a bartender, in a buffet, in the restaurant of RPC, so he knows a lot of wine producers in the area, traders, many. And I have been doing this job for 26 years, so we have all sorts of connections, mainly with state institutions. There, some people are very well prone to the producers and explain everything and tell the processors how to do it, in this case the Executive Agency on Vine and Wine. There are two people who do their job properly, only two for the whole Blagoevgrad and Kyustendil region.

**Moderator:** And what difficulties do you encounter?

**Man:** Now, everyone has problems with the realization, with the commercial part, because people are not familiar with the real things in general, and some are not interested. They only care about the price, and the price is in most cases not decisive. Let's not say we have low prices so that we can still sell something and get two BGN to take care about our family. This is due to the factories that produce large quantities of low quality wine, but at a low price.

**Man:** Or it is not from grapes.

**Man:** I do not know how they do it, whether from grapes or not, the point is that people buy it from there because they think that when it is cheaper they will be able to buy a larger quantity, for example, and this damages the health. And that's why I said they are not familiar, there is no state policy in this regard. There are not even winemakers' organizations to which I am a member, there are all factories, big producers and I am there, but I do not have a voice. What to say to those with millions in bank accounts, we can not deal with them. I talk to him, he looks at the ceiling. So it will not be okay until we have our own small associations, or the little ones to make an association which word will be heard everywhere. But all of them, because we care about this work, we do not have time to make associations, to do business, the free ones do these things.

**Moderator:** Well, if they make this agro-cluster, they'll do it, but I suppose they ask you you before, there may be some sectoral distinctions, for example, if there's a big agglomeration I do not know if it's going to happen again exactly such an association that you say will not be heard.

**Man:** In my opinion, it will still be the same, the big ones will be there, yet it will not be heard. We need to do something like a cooperative, for example, for grape producers, or for vegetable producers to have a cooperative, just as it was. So we have to look how it was before, because in Bulgaria, in 1937-1938, we were the first, in the whole world, who have made cooperatives outside the former Soviet Union. And then (this is a dirty word) after 1945-1948 they are forced to bring people to cooperative

farms - now you can not get him to join an association. Because they think you will win more, or he will win more, or no one will work and will win etc, etc.

**Man:** They have to understand that they are still working separately, but that they are inside with the realization then.

**Man:** But you can not explain it to people, they think that you will cheat on them. Since you can not do it, give it to someone you trust. "Well, I do not know who I trust." Well, you trust yourself. Here I am going to trust you. "But I do not know if I can do this job," why do you want it then - and you can not do it, and you will not go in, what can I do?!

**Moderator:** And you are dealing with growing grapes and because it is the same thing for you to complete what Mitko says.

**Man:** He did not have these problems, for example with the realization. Two years ago, not to say a big word, probably 20% remained in the vineyards.

**Moderator:** Because you can not sell it?

**Man:** You can not sell it, the big winemakers, as he says, no one will take it.

**Man:** They took it at a price.

**Man:** You only give it to them, it is not good for you to pay people or to pick it up or give it to them.

**Man:** Well, in order to go bankrupt the small producer, that is it.

**Man:** That is the whole thing.

**Moderator:** And are they looking for you?

**Man:** Who to look for you?

**Moderator:** The big ones, for example.

**Man:** Nobody is looking for you.

**Man:** Do you know what the big ones are doing?

**Moderator:** Tell me.

**Man:** They come to you, you have 20 tons, for example you are registered as a grape producer, they take you only a quota, and they are on quotas.

**Moderator:** Yes, as much as the quota.

**Man:** You say, for example, you have produced 40 tonnes and eventually they bought from you only 4, for example. The others, in order to warrant the wine, you can

not warrant buying 4 tons of wine and selling 5 tons of wine. You can not produce 5 tons of wine from 4 tons of grapes. And they take their quota and sell and do not care. They enter Macedonia, come to Croatia and sell stum not grapes at 16 euro cents. 99% of the grapes that the private manufactures in Bulgaria produce go to the private sector.

**Moderator:** Private companies that process it?

**Man:** For private use.

**Man:** People do it in the dark and sell it in the dark, you know, no one knows how much is produced and how much is sold.

**Man:** What they have on statistics, everything is a scam.

**Moderator:** Well, yes, because there are many producers who are not registered and will come and buy from you.

**Man:** For them it is better to be registered. Even if you are registered, what is the problem?!

**Moderator:** It's better to be registered, right?

**Man:** For them.

**Man:** So, as a registered wine producerr, you have less troubles getting caught with wine because you have a document that you bought the grapes and processed it for wine. And you may not have sold it, you have a document. The problem is with grapes, because there are no people to observe how much grapes have been produced, what amount has been sold and what has been processed, and so on. This should be done by the Executive Agency on Vine and Wine, it only monitors the vineyards how many wine producers have registered and what they are buying because we submit declarations.

**Man:** And they are members of the Vine and Wine Chamber, again the big ones and these are bosses, everything. Those who rule are the same.

**Man:** Those who are members of the Vine and Wine Chamber are keen to maintain the quota and large wineries, with this quota they implement their quota, where they take from wine producers, and then, if they have 100 tons, they sell them on the black market.

**Man:** If we were a normal state, in the year 2000 they gave us a quota for old vines of two million and a half decars, the pre-accession things. We made them to three and a half decars and they reduced it to a million and seven hundred thousand decars. And, in fact, they also gave money for vines to be eradicated, which is very strange, because everywhere in Europe they give money to make vineyards.

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**Moderator:** All right. Does anyone else want to say something about the wine, the grapes, the vineyards?

**Man:** In this sense, here is melnishko in our region. They want the gamza, melnishko and mavrud.

**Moderator:** Yes, these are the three types, yes.

**Man:** Yes, however, everyone is talking about how governments change, and will make them unique, the ones with the rakia to be licensed as unique. The same thing, they will wait for something and it will not be there, and you have something, how to produce it for example in ....

**Man:** ... elsewhere - neither in Albania nor in Greece, nor in Croatia, nowhere.

**Man:** Melnishko wine is only here.

**Moderator:** Yes, it's unique. I know that is grown only here.

**Man:** It is unique, but it is not documented.

**Moderator:** Are you saying you have no protection?

**Man:** We have no protection.

**Man:** For example, certified that you are raising melnishko, because everyone avoids, he can tell you very good melnishko...

**Man:** The Melnik kind is the best and it is the easiest for cultivating, in the sense of weeding, for such things, others are more complete - there are much more leaves, and it is easier to pick, that is, healthy grapes by falling the grains are not spilled on the ground.

**Man:** Everywhere they lie, for example to bring you a pure Melnik wine, most of them drink and think they drink Melnik wine, nothing in common

**Man:** They say it's dark.

**Man:** They drink it even slightly diluted, they do not know what it is.

**Moderator:** If you have never drank it, now even if you give me, I will not know.

**Man:** Well, there must be state support in this regard, even just to pay attention to these things, because these things are known for 50-60 years, everywhere they know.

**Moderator:** Before there was a state policy on wine, production, etc.

**Man:** Well, as for yoghurt, as for lutenitsa, the salami, they also made for the eggs, there also should be a "Stara planina" standard for the wine, for example.

**Moderator:** Yes, yes, there must be. But this is a nice idea, when we write their analyzes, we will tell them, we will tell them your words, because that's important, we fight. Here you saw, there are "Are You Certified" questions, unique products.

**Man:** How do I get certified? I tell them "Certify me" and the Certification Authorities will tell me "We do not know how to certify it because we have not done certification of a grape variety name until now".

**Moderator:** Yes, yes, this must be a state policy, clear. Okay, let's give the word to other participants now.

**Woman:** Well, in principle, it will probably be the problem for the market again, not for anything else. I can sign a contract, with "Metro" for example, but because we have a small farm we can not satisfy their market.

**Moderator:** What quantities you grow?

**Woman:** Well small, the greenhouses are for example two acres. I will not be able to satisfy their market and still need an association for ones like me and alternate: today, tomorrow the other day, they will be picked up every day, because I will do it three times a week, for example, and they want to have production every day.

**Moderator:** Well, so, they will want you to load them every day.

**Man:** And will you be able to withstand this price of "Metro" or "Kaufland", the larger chains?!

**Woman:** Well, we hope that the bio will be a bit more expensive than the conventional one.

**Man:** There is no such thing. Big companies have made a deal with you just to catch small producers, you can not bear that price. You have to look for a price on the stock exchange, for example, you play on the stock exchange so you can have some realization, to have some contracts.

**Woman:** Yes, my idea is that we really need to have associations, we'll see...

**Man:** There are associations, as in the case of associations of farmers' markets in Sofia, this must be done everywhere in Bulgaria. So if someone goes to a farm market, he knows that there is the real thing, that, that. But this association is supposed to control it, not the state to control it because the state does not care about it altogether.

**Woman:** This is clear to us.

**Moderator:** And we really know that big "Metro" chains and others...

**Woman:** ... they take at a lower price than the exchange.

**Moderator:** That's right, they give them at low buyer prices, so you have to buy them at even lower prices.

**Man:** They do not have very low prices, because in "Kaufland", for example, sometimes winter prices are higher than in the store.

**Woman:** Yes, yes, the green salad was one BGN – one BGN and twenty in Kaufland, the trader takes it from us for 20-30 stotinki.

**Woman:** Where the end comes out!

**Man:** This year Totev was selling lettuce for one BGN and twenty directly.

**Woman:** Well, Totev can, everyone can not be Totev

**Moderator:** And are there other people who deal with vegetables? You?

**Woman:** I rely on my brother, relatives, to one, other, to that shop, to other shop.

**Moderator:** I. e. you have such connections and acquaintances.

**Woman:** Yes, personal and I rely on the family.

**Moderator:** Look, we started from Yakoruda and talk to the people, and basically all complain about having problems with realization.

**Woman:** Well yes, that is the most important thing.

**Moderator:** They produce output, but they wonder what to do, where to give it, how to sell it better, some say that "we will throw it in the rivers."

**Man:** Because in Macedonia it is allowed to use all sorts of things just to produce a lot and sell it. That is why we are talking about the fact that the Macedonians do not have become European Union members, because, they will have the same rules and they will raise their prices.

**Man:** For example, there is 5% VAT for the preparation.

**Man:** There is a state policy there. And there were certain things with lower VAT in Greece.

**Man:** We shop in Greece, it is not normal some things to be more expensive here.

**Man:** To me, the truth is that there must be a marketplace, whether it will be for wine producers, in order to secure you some realization of the goods you produce. For example, I produce 20 tons of lettuce, it does not matter, this marketplace will ensure that for this period of time it will take it from me and will sell it normally. Everyone works for some money, for example, to respect the rules, not to curb our hands.

**Man:** And the market must be cooperative, as it is in France

**Man:** Cooperation.

**Woman:** At one time, they destroyed Hladilnika, what Hladilnika was. People had two decars of tomato in the garden, which they plant and pick up. When it comes, there is a star on the tomato, today you pick up 5 crates, drive them to Damianitsa, they take them and everything. There were refrigeration chambers in Damianitza were processed. As a schoolgirl I went on a Saturday and Sunday to sort tomatoes in Hladilnika and we were repaid for this. So children and everyone, and the family were involved. What happened now, what!?

**Moderator:** Is there an opportunity to revive this initiative?

**Woman:** Well, this one needs to be picked up, but we need an organization, somebody big must take it.

**Man:** According to me he should be an idealist because if he is a materialist who only looks at the money it can not be done.

**Moderator:** Well, now all companies are private, so anyone to do it, there must be interest...

**Man:** We need a man with a lot of money, respecting the Bulgarian. At the moment, all people with a lot of money do not respect the Bulgarian.

**Woman:** Цел свет нашите домати от Хладилника ги търсеха, толкова износ в Русия, навсекъде.

**Man:** I live next to Hladilnika, the compositions went to the Soviet Union, to the Czech Republic, for Poland. My thought is different, I have not been in Greece, but they say that there you deliver the tomato, they value it and take it - like the Damian Hladilnik.

**Man:** They have contracts, one remains for the canning factory, the other goes to the market and everything is known, nothing goes to the garbage.

**Woman:** And depending on the quality, you give for canning, or to the market.

**Moderator:** Yes, however, who do you think will be able to realize it - the state, the municipality?

**Woman:** I have been working in Greece for a while and there in an ordinary village, who knows where, in some parts of Greece, but not so large, there is a family picking up olives or what, from the sheep, production, peanuts. He picks up the peanuts today, takes them to a factory, and there they are cleaned, prepared, and he takes the money. He gathers people, picks up the olives, drives them to a factory, and they give



him olive oil immediately, and milk and everything. This is done in a backward location, which has one word, backward location. They have an organization, who does it, what does he do, how?!

**Man:** The colleague is right that someone with a lot of money, a company to organize it is needed.

**Man:** Едно време държавата го е организирала, ние искаме за 20 години да надминем тоя период, който хората са го минали след ...

**Woman:** And when he sees the result, everyone will come to give because he immediately gives you the output.

**Moderator:** So what is in Greece, so I said that the Greek colleagues are leading, it is obviously not accidental, because they will be able to share practices.

**Man:** There it was private all the time, do not forget. So we have gone through nationalization and that is why there are things ...

**Moderator:** But whether the state will do it, but it can do it and be a company policy, for example, a manufacturing factory to have some forms of redeeming production.

**Woman:** We see what the processing factories are doing.

**Man:** They care only about themselves, instead of trying all grape producers to be able to make more wine to sell it everywhere as it once was.

**Man:** This was recently when they went to China, the Minister of Agriculture said, "We can not meet the quota, the Chinese do not want because..."

**Man:** Well, we can do it if all grape producers have the right to do as much as they want, not to have quotas.

**Moderator:** Let's get back to this question you put because it is important - those big processors, the winemakers, are they not interested in making a campaign either in September or in August and collecting the grapes from the region and other regions what they do, as much as kinds are.

**Man:** They want, either cheaper or even without money to take it.

**Moderator:** Okay, they can figure out their capacities.

**Man:** They have a lot of capacities, but they do not want to.

**Man:** Why to grow yours, if you can work for them.

**Man:** They have certain decars and buy a little more.

**Man:** That's why people went abroad, he went to work in Italy, in Spain, in Greece, even do not stay here, because here the land does not feed him.

**Moderator:** Yes, I understood you, this is a problem, I suppose, not only here in Blagoevgrad region, but everywhere.

**Man:** The land here was the cheapest, no one wants, how much it was, 1200 euro per hectare.

**Moderator:** Okay, let's give the word to the ladies in the right corner. What is your occupation?

**Woman:** I am a vegetable producer and I think the problem is really in the realization of the production. People are struggling, working and finally throwing it into the river, as you said, and giving it without money.

**Moderator:** To whom do you give the production, who buys it?

**Woman:** Well we have traders, but, you know how it is, they twist your arms, take it on the cheap.

**Man:** So if we were a normal country and the European programs worked, you will have in every village a processing place where the tomatoes, which are not good and you can make them to lutenitsa, and when the winter comes, the citizens will buy from the village - cucumbers, tomatoes, peppers, such things.

**Woman:** Yes, but that will be very difficult, we have not reached this stage.

**Man:** One to do it in the village you will see that all the villages are going to work the same way

**Woman:** Yes, but you need finance to do it.

**Moderator:** But you imagine that in every small village there will be such a workshop, processing?

**Woman:** If not in every village, at least in the municipality.

**Man:** How can not be? Any village can be organized because for example there are 10 producers in Struma village, each of them will spend 1000 BGN and they will make it. If half or 70% was possible, as it was, to take for lutenitsa, for a packing machine, for other things, for a third, for a fifth.

**Woman:** But I tell you that this is a matter of finances, nothing is done without money. We have the ideas, but it does not happen, without money, nothing happens...

**Man:** If everyone gets together, a little bit from everyone, then the money will be enough.

**Woman:** Wait a minute, if they get a little bit from everyone, you know the mentality of the Bulgarian.

**Man:** Well, that's exactly what it is.

**Woman:** Well then here I think the state should intervene and can help in some way, we can not rely... Well, we can help, but you can not spend the whole amount, so you need to get financing from the state.

**Man:** That is why these European programs have been chosen, but the big manufacturers have taken the money again. In 2009 they did not give me money for a tractor, but they gave money for a harvester that costs 20 times more than the tractor, you know: instead of giving money to 20 people for buying such a tractor. And the money was over with two harvesters. And they give to the same 300,000 subsidies in addition or 3 million, because he had 30,000 decares of land.

**Moderator:** So, what you say is very important that, in fact, those with the money have much greater chances to receive program support.

**Woman:** It has always been so.

**Man:** There is a special department for European programs and has 6 people working in this department, he always knows where to look at, what to write, how to write it in order to take the money. When will I have time to do it?

**Moderator:** That is correct. So there is no money for small farmers.

**Man:** No, he knows in advance what the criteria are.

**Man:** Well, they call him because he will give 20,000 BGN, of course, to the consulting group which will not do anything, but he will give it. To give him some of the information, just to know it in advance.

**Woman:** But that's not a little, that's the most important thing.

**Moderator:** And is there any one of you who here, who has received money from a European program, has implemented a project?

**Woman:** We are approved.

**Woman:** I am "Young Farmer" and I have received the first tranche for the bio.

**Man:** € 12500, and by adding 3 more economic units, they give you the next.

**Woman:** Well, yes, it depends on how you increase them, in the sense that I have taken a van and I will not increase the areas, because there is no one to work, there is no place to realize them. Otherwise, we have land as much as you want, but what to do, if there is a market we will do more decares without a program, but why.

**Moderator:** You are tied through the market, and this also binds your hands.

**Woman:** Right.

**Moderator:** I want to ask you, we missed the question of the workforce - who does what you do, you hire workers or you are doing it with the family.

**Woman:** Family - my mother, my father, me.

**Man:** I am so - with my father and my brother.

**Woman:** We make insurance, everything we need.

**Moderator:** So, you make family businesses, and your relatives help you around?

**Man:** Most of the work is seasonal.

**Moderator:** It's also true that it's seasonal; most of you are on seasons.

**Man:** You can not afford workers that work 6 months, 6 months ...

**Moderator:** Okay, there are two girls who have not told us anything, tell us about you, what is your occupation, what you do.

**Woman:** She is my niece, we produce vegetables, we are all occupied starting from the grand-grandmothers to the youngest.

**Woman:** Who can not walk, sits and sorts tomatoes.

**Woman:** When we have more work, we also hire workers, but they are not qualified, they are gypsies or other ...

**Moderator:** To do some work.

**Woman:** Either they finish the work or make you more troubles. We are now approved by a European program, but the documentation for a normal person is a lot. For example, my uncle was dealing with my documents, and the consultancy company was from Sofia, and if it did not work in the municipality, an ordinary person could not deal with this documentation. You go and if they pay no attention to you and there are such requirements that I just can not know as a farmer, I can not be competent as an accountant. To be able to do, the requirements are so big that now for a borer, I have a building permit, a separate permit from the municipality, we separately have permission as if we are going to make a block or a pool, they came to check. Just the requirements for us are so big that I do not see how an ordinary person can deal with it. There are three bags with documentation. We were three persons that we were putting stamps for three and a half hours on the documents; imagine what kind of work is it.

**Moderator:** For the water?

**Woman:** Not for the water, just all. And if you do not have a person to help you and to be inside ...

**Man:** And consulting companies are actually included in the European program 5 to 7% of the amount as a consultant.

**Woman:** При нас са 10%.

**Man:** Well, and 10 can be, but see now, for example, they need or I need something little, about 20,000 BGN, for example a processing thing, a technique for making lutenitsa, for example, they are some stainless, some streams you put in, but it can be used for other things - for boiling the jars then you can still use it. The point is that this costs, for example, 20 000 BGN. For 20 000 BGN you go through this one, it is not worth it, and they will take 2 000 BGN.

**Man:** They do not deal with such, they deal with 20,000, 200,000 BGN and 200,000 euros.

**Man:** And the paperwork is the same.

**Woman:** The paperwork is something terrible.

**Man:** And that's why they all prefer, also the MIG here, and others prefer bigger projects - one, two, three, five, not 20 small. And so it is on a central level, and so is everywhere.

**Woman:** But we are small ones and can not fix our documents, and the big ones, when Malchev goes everything is fine for him, and when we go - what?

**Woman:** Malchev is involved in this whole life.

**Woman:** Malchev also has an accountant, and everything.

**Man:** I told you, there is a special department for European programs, every big company has a special department for that. As the municipality has a special department for European programs, so every big company has.

**Moderator:** And do you think there should be some relief for the small producers in these programs, I hear it in many places, people are terribly dissatisfied.

**Man:** Absolutely. And the leader at the moment - MIG things are also aggravated there, me and him take part in the management board of MIG, second term already and I am familiar with these things, however, and the same is there, things started to get worse there, more bureaucracy, documents go one after another, and so on.

**Moderator:** Well, they are constantly writing directives: "The business is very burdened, we have to relieve them, we must, we must," and in the next moment - five new requirements instead of relieving them.

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**Woman:** With a small business does not happen - when lifting your head and they push you back.

**Moderator:** Okay, we did not give the word to the gentleman next to me, he said he's dealing with sheep.

**Man:** I breed sheep, karakachans. When I look at my colleagues' problems I think it is little easier for me. I do not know if I can give you any advice, but in general, if you unite small businesses, you can not be a farmer with one decare greenhouse and one decare of tomatoes, for example. You can not develop absolutely nowhere, nor in the market. It's the same here with me, I'm looking to sell something here, and I'm still looking for a market.

**Man:** We are all the same, and so am I.

**Man:** Basically we are all like that.

**Moderator:** Do you have any specific problems?

**Man:** For me, the problems are more municipal, local, in the sense that I have been raising animals, for example, for 5 years, I have not taken a decare of pasture.

**Moderator:** Where do you raise them?

**Man:** I hire fields, I made contracts even with the municipality. I have been applying for five years, three years, I have been submitting documents, but they did not give me. It is very difficult, here is bureaucracy, if you want to issue you one document of the municipality, they can make you wait even a year. I have applied with two projects - one for blueberries (but not in this municipality), I just regret that I went with this business here, if I go to another municipality, it will be easier to work. Everything here is on a local level, people know each other, this is my man, the other is not my man, we have to crush him and if you resist and have the financial opportunity, you can develop here, otherwise no, unfortunately.

**Moderator:** Unfortunately, it's like that. And tell us few words about yourself, what are you doing?

**Man:** I raise mainly cattle and instead of a break also some vineyards.

**Moderator:** But do you have a professionally designed rooms, everything?

**Man:** Yes, but the problems with me are with the realization of the produce, this is kind of not illegal, but, where to some gypsy, where to a private person.

**Moderator:** And is there a meat company here, for example, a meat processing plant?

**Man:** And if there is some, it is not good to give there, I go to Petrich.

**Moderator:** Why?

**Man:** Well low purchase prices, delay payments, I have not even worked with them.

**Moderator:** You realize them privately where you can?

**Man:** If there is someone to take half the animal at ones...

**Moderator:** Otherwise, do not local people show interest in the shops?

**Man:** You need a document to go through...

**Man:** You have to go through a slaughterhouse to certify that this meat is fit and if for example if the market price of live animal is 5 BGN, for example, by taking it to the slaughterhouse, the cost goes to 2.50-3 BGN for you. It just makes no sense to do these movements.

**Man:** The problem is with realization and bureaucracy, like everyone.

**Man:** And if young people, not young, new people in our municipality, start to work, absurd!

**Man:** Everything has been dragged here, everything is taken.

**Moderator:** Everything is given away?

**Man:** Yes, it is given away and you just can not develop here. And if you want something to invest, they hinder you.

**Moderator:** Right. Let's this girl finally tell us about herself.

**Woman:** We are producers of grapes, wine and grapes. And we have melons with my husband, he's more concerned with these things, I help him when I'm free.

**Moderator:** What volumes of grapes, how many decares, hectares?

**Woman:** 40 decares cabernet and merlot.

**Moderator:** And what, are you satisfied?

**Woman:** We are pleased, however, my husband wants to apply for a tractor, he has 2-3 tractors, but old Russian equipment that constantly breaks. He wants something new, these programs give expensive that are 100 000 BGN.

**Man:** No, the vineyard tractor costs 25,000 euros everywhere – in Italy, in Germany, everywhere. 55 horsepower cost 25,000 euros, they do not give it to us.

**Moderator:** How do you cope with this?

**Woman:** How, he repairs them.

**Man:** He repairs them. And I bought an old tractor for 15,000, I also repair it.

**Woman:** It is constantly when he starts to work, breaks up, starts to repair it, and then starts working again.

**Man:** He has machines from the Socialist.

**Moderator:** That's what this question was, "Do you have problems with technique, with funding," etc., to say that people have old technique.

**Man:** You can find a small Lambourgini for 50 - there are for 50.

**Woman:** I'm not familiar with these programs, my husband is, but ...

**Man:** So, in order to participate in the European programs, to comment here, we still turn to the state. They oblige you to buy equipment from 3-4 companies. This technique, as my colleagues said, costs 25 000 euros; if I have so much money free, I go, buy a tractor, I do not do anything. They twist our hands - I have to go through the fund, once I have to go through this company that has been related to the fund and this tractor becomes 100,000 euros and you also pay the VAT. As I have production, for example, I also need a new technique, that I deal with meadows, but I keep Russian equipment from the social. And so I do not want to participate in these funds, for example, to get this technique because I can not earn enough money from the animals, there is just not so much work. Now, if I'm a grain prducer and I have thousands of hectares, yes.

**Man:** But they gave them, they bought and do not need now. Again five years later, they sell them as second-hand products and buy new ones, but still through European programs. How they give it to him, and do not give it to us? Because he has already made the path, everyone knows him and gives him.

**Moderator:** There is something like this in these European programs at one point in order to give you something, someone should have once opened your door, to give you and you have. If not, you are either not legitimate or you do not meet the requirements, they still find something in you.

**Woman:** The truth is, if everything is normal in the country and there is a market, I do not need European money.

**Man:** We do not need also.

**Woman:** But we need this money.

**Man:** I even want to have no Euromoney, to see these people how will work without Euromoney.

**Moderator:** But at certain moment they will stop giving.



**Woman:** But he has set aside so much that if they do not give him any more, he does not need that money.

**Man:** He has set aside, I do not care. I do not want to give that kind of money to see who works and who does not. Because they do not give money to nonprofessionals who pretend that are hard working.

**Man:** I told them, "I want to work, I do not want to give me money."

**Woman:** And you were probably the only one.

**Man:** And probably that's why I succeeded.

**Moderator:** One of the tasks of our project is also to identify good practices. People like you, who agreed, there will be a handbook of good practices and will be published in English as it will be issued in these four countries that are in the project and just will tell about you. If someone is willing we can send some of the girls from Irina's office, for example, to make two or three photos, to see there if you have a nice greenhouse, or we can take a picture of the lucerne, to tell what you're doing. A kind of a little story, accompanied with a picture and this thing is nice to be published. From each municipality where we go, where people have done something less or more. Does any of you think it could be launched, here are vines, you have vegetables, what do you think?

**Woman:** Well, we might think about it, we'll talk to the girls.

**Man:** The pictures are easy, but there really is nothing to shoot because everybody has done their own business, for example, only to produce. What can we show, just to be ashamed, in the sense that we are not a greenhouse, three plastic nylon covers and we produce output.

**Moderator:** Let me ask. Okay, you're producing wine...

**Man:** If you know how I do it - everything is blurred, the state blurred it, you know. I want to make a special building, arranged, everything, to have approach, I can not. Six years I set up one place, but it turned out to be in Melnik Pyramids Park and I am not allowed to have a transport access, I already have it.

**Moderator:** Yesterday we were to Hadjidimovo and showed us a shepherd - some huge halls separated sheep, mothers, lambs, Dimitar Malinov I think it is said. He told us that they had taken pictures from "Brazdi" and were constantly going there as an example of good practice.

**Woman:** Well, he took the money before and did it.

**Moderator:** He is proud of what he has done, but everything is great!

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**Man:** This is the former president of the cooperative farms of the area, so you do not surprise me.

**Moderator:** Well, we did not know that detail. But you will not see such in the entire region.

**Man:** Well, what to do?!

**Man:** They are at the front.

**Moderator:** And tell what to recommend, what measures the sector needs in the region to be encouraged, to help you. You have already identified the problems you.

**Man:** To divide, as we have always wanted, to big and small.

**Moderator:** Requirements to be more eased for small ones?

**Man:** No, the requirements can be the same, mitigation in dealing with these things, bureaucracy, such things; it means simpler rules for small ones. The requirements can be the same, but the rules to be simpler. Not to go ten times for a stamp, you put it once and do not go more.

**Moderator:** This is a good suggestion. What else did you mean?

**Woman:** For the markets.

**Man:** With the small ones, our farmers, the vegetable growers, now have an association. So, with a decare you have no right to participate in our subsidy production, it must be 5 decares. That's why we fought a lot, at Mamin Kolyo, we made a strike, we closed the highway many years ago, it's not over, it's back to the state.

**Woman:** No, they did it.

**Man:** They did it, but we did an association now.

**Woman:** One decare greenhouse and you can have four outdoors, there must be five.

**Man:** Well, yes, but if not, you have to join the association with up to 5 decares. If you have one decare, we talk about the little one.

**Woman:** But no one joined then.

**Moderator:** Is it realized?

**Man:** No.

**Man:** And to say something else, for example when you have two jobs, as I have- I deal with one, but I have another job and have to pay insurance for both.

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**Moderator:** Well, because insuring, you know the maximum insurance threshold. But if you are over 2,600 BGN, it is already over; it depends on your income.

**Man:** Once you are registered as a farmer, you have to pay.

**Man:** And why should I be insured as a farmer to pay twice.

**Moderator:** I do not know, this should be asked.

**Man:** The state gives us some subsidies and then takes us 10%, why does it give them, stop them then and that's it.

**Woman:** Yes, this is a serious problem.

**Man:** That's why I parted with my brother. Prior to loading, my company was registered as a farmer, but I deregistered as a farmer and registered my brother to be ...

**Man:** No, they give you, to stop the 10 percent, not to do business with accountants.

**Moderator:** And what did you say about the social ones?

**Woman:** That's exactly what I said, my thoughts were about the insurance, it really is a serious problem and it has to be put in place, you do not need to be insured twice as him.

**Man:** And you pay both health and retirement, you pay everything.

**Man:** I understand if you have to pay a fee, but not to pay health or retirement, because when you go to work, you are insured, and pension, you pay everything.

**Moderator:** However, in the Social Security Code there is another way of thinking - when you are an employee, you have to be insured if you are an agricultural worker, if you are self-employed, you have to pay them by yourself.

**Man:** However, in this way you fit in the smaller ones, because for less than 20 decares you do not deserve to be registered as farmer, they take them as insurance, and you do not get anything.

**Moderator:** I. e. must be over 20 acres to make sense?

**Man:** Some stotinka to remain for you. And if you have 10 decares, you have to pay from your pocket to the state.

**Man:** At the moment, I am talking about livestock farming, they lied to people to open animal sites - who with 5, who with 10 sheep, to register the meadow, for example, the garden to take subsidies and when you make calculations, it is in the minus because for a year, if you are a retiree you are more relieved, you do not pay a pension. But in the next moment, for example, there is income of 1000 BGN from subsidies, so he pays for

pension, health, for an accountant and nothing remains for him. And if he uses something from the municipality, he's in the red. However, they lured the people, gave them some BGN, for example they gave them that money, for example, 30 or 40 BGN for an animal.

**Man:** And you have no right to quit because you are bound for 5 years to the program, even for 6 because one is zero. But you pay for everything.

**Moderator:** Well, yes, it seems to me a little incorrect.

**Man:** And the small municipalities did it here....

**Man:** This is so that we can show up to Europe that we do like them, but we did not really need it at all. Why we have to show up. Our politicians have always been nasty, because they always agree with the strong in the world. You hit the table and say, "We are Bulgarians and we will work on our rules!" Where he will go, he will accept them. We should not eat by-products, in the sense of tripe, go to Spain – they eat it so much!

**Man:** You are in the game, no way out!

**Man:** But they agreed because they stole a lot of money from these funds.

**Man:** They agreed, because they take from there.

**Man:** Everybody takes. And then the ordinary man returns it, because this money from EU funds is donated and free of charge, it must be returned.

**Man:** Every thing should be returned.

**Moderator:** Another thing he wants to add? We talked about the state policy, the markets for these distinctions, these things are clear. Now, I do not speak about how the state is looking its work and if it has a strategy.

**Man:** The truth is that we must consolidate, for example, the small producers, to make a whole, go out, we have to certify a product or two, for example, if he produces grapes, we do, we certify this production, tomatoes can also be put on the market - the internal market, I am not talking about exports, because we are very few, if we consolidate more farmers, it is better for everyone.

**Moderator:** It can also happen to bigger, yes. Well, this means that the idea of agrocluster is good.

**Man:** It's good, but let me tell you, villa Melnik will make the agro-cluster it for example.

**Man:** And Malchev, with 100 decares ...

**Moderator:** No, Razlog Municipality will do it.

**Man:** Razlog is far away from us.

**Moderator:** That's how Razlog municipality decided to make it for the whole Blagoevgrad region by including Blagoevgrad, Yakoruda, going down, down here. Maybe you are right that for you is far away, it is better for you to have something else here in Sandanski to have your own.

**Man:** No, it can be Petrich, something in the middle, in Delchevo, for example, there is even a place in Delchevo, where it can be done.

**Moderator:** And we can offer them something else - within this cluster Razlog can be the hat as they want to be, but there must be divisions - one for Petrich, one for Satovcha, Hadjidimovo, one for Yakoruda. Well Blagoevgrad also wants to be a center, why Razlog will be, everybody wants.

**Man:** Wait now, we are not talking about a center, we are saying that everywhere there should be such things, even in each municipality.

**Moderator:** Yes. And you just have to see which policy is the best.

**Man:** We are in the middle - neither private nor public, we are a bit crazy state. If it was only private without the state being messed up. And if it was only state without the privates having the word, it would have been different, have not it?

**Moderator:** Is it the same with us, it is a medley business.

**Man:** Why are the Greeks okay? Because the state says, "Do what you want!"

**Man:** Okay, there is a way for the state to be involved in these things.

**Man:** The state to do it.

**Man:** And like CEZ, the same thing.

**Man:** And if the municipality to do it, they will put their people in, and you can not go to sell your goods. That's why it must be totally private, the small like us will unite, take a place or rent it, make it an agro-market for special things, and so on.

**Man:** Yes, however, they go to Sofia on the market, sell tomatoes, write that they are produced from Petrich-Sandanski district, come prove they are from here.

**Woman:** And they are from Greece.

**Man:** Show a document, but nobody asks.

**Man:** A special stamp of the municipality is made, click, document, and you can not, it's not yours, goodbye!

**Man:** You're waiting for a check. We're talking that there's no check at the stall.

**Moderator:** I missed the conversation for a moment, because the man was leaving, tell me what it is all about.

**Man:** Not all potatoes are from Samokov.

**Man:** To prove that the production is from our region in Sofia or in Burgas or anywhere else.

**Moderator:** Is not there a mechanism in some way to certify it, to label it?

**Man:** We are not talking about certification, there must be something when the person is from this area, whether the municipality, whether the state will decide it, we will unite, otherwise we will do it ourselves and the people who are in our association will have ... this is the easiest thing, the association...

**Man:** They will not give you such powers.

**Man:** I'm not talking about going; everyone is sitting and deciding that our association, for example, will have a special sign and only the people who work this way ... A scrutiny committee will be made, when it is private, you will choose your committee when board of directors is elected.

**Man:** There's no problem inside, we're talking about going out on the market.

**Man:** When someone from our region sells, for example, and when is without this sign, it is understood that he is not from our region or is not in our organization.

**Man:** How will you put the sign?

**Man:** The sign is protected.

**Moderator:** No, no, you are not right. What he said is very important - one of the questions here was packing and not by chance, so you could create a business person, a trade name and the people know you.

**Man:** The point is, there is no one to protect it.

**Moderator:** There is a certifier and you can register it.

**Man:** Maybe, but then we have to judge because if you take it, the other person takes it and you can not really do anything because we are not the bodies that watch it. The certifying authority must monitor this and the certification authority hurts it, I do not know what to tell you.

**Moderator:** In principle, you have to go this way - everybody makes his own labels, defends himself, has his own trademark and then will recognize you, it will be known that these cucumbers are from ...

**Woman:** That's right, but we do not have a country.

**Man:** Both the certifying body and the state, the Patent Commission, they would have taken my label. Now, they did not take it because they were selling bad wine with the label, and they knew it was not mine and ready! What can I do?!

**Moderator:** This is an idea, this should be considered, one of the ideas, this could be done. Okay, thank you for the time you spent. And I wish you success in your work!

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