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Animal health challenges for the Bulgarian pork sector

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Report Highlights:

The latest EC inspection of the classical swine fever eradication program in Bulgaria found a number of deficiencies and had negative conclusions. At this point it is not likely that fresh Bulgarian pork will be allowed to enter the single market after September 2007 when the current ban expires. The EC inspection report caused legislative revisions. The pork industry is struggling with a number of serious challenges - animal health issues, grain deficit, rising costs and anticipated trade restrictions.

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Summary

In June, the EC conducted a comprehensive inspection of the classical swine fever eradication program in Bulgaria. Despite limited media attention to this issue, negative results from the inspection caused heated public and political debates. Some accused the European inspectors of biased attitudes and unjustified conclusions.

Pork sector development

Over the last 3 years, the pork industry has developed and progressed – the concentration, investment and commercialization increased, the swine numbers stabilized and grew (see Tables 1, 2, 3). According to the official 2006 data, pork production reached 78,000 MT or 4.2% more than in 2005, with a forecast for 79,000 MT in 2007. Thus, the pork sector accounts for more than 50% of the red meat market. The most serious challenge for the industry remained animal health issues.

Animal health issues: classical swine fever

Bulgaria stopped vaccination for classical swine fever (CSF) on January 1, 2006 as agreed with the EC. There were several outbreaks in 2006 in areas of Bourgas, Shoumen, Yambol (see BU6006) and 3 outbreaks in 2007 (2 in Shoumen area and one in Yambol). In the fall of 2006, the EC banned sales of fresh Bulgarian pork in the common market; sales were possible only for heat-treated pork products. The current ban expires in September 2007 and the recent inspection was conducted to analyze Bulgaria's CSF status. Another such inspection is expected in September/October.

No official data about the inspection report were released by the authorities. However, media and industry sources indicated that the inspection had negative outcome.

Reportedly, inspectors concluded that the necessary animal health measures are harmonized with European legislation but are not implemented. There is no reliable information system about CSF virus circulation, and traceability is lacking. Illegal hogs vaccination was discovered. Private vet doctors in charge of implementation of CSF eradication program are not well motivated. In short, allegedly, the EC experts concluded that the Bulgarian CSF program is not being implemented effectively.

The official local reaction was expressed by the Agricultural Minister. He defended local vet office work. Total about 3,000 samples were tested from the outbreaks areas in 2007, and although antibodies were found in 130 samples in Shoumen area and 28 in Yambol area, no CSF virus was found, according to the virology tests. In March, 2006, the vet office elaborated an eradication program, approved by Brussels in November (Decision 2006/876/EC). Based on the program, in 2006, the vets tested 100,000 samples; over 26,000 samples were tested in 2007 to date. Two vaccinations on wild boars were done in 2006 as a prevention measure, and two more are due in 2007 – one in June and a second one in October. Following the EC inspection, the vet office made a demonstrative shut down of one of the largest illegal pork farms, near Yambol (200 pigs). This farm has existed for 19 years near the town garbage depot which the pigs used as a feeding source. No local and central authorities were able to close it so far.

A new EC inspection team is expected to arrive in Sofia in September/October. If Bulgaria requests, DG SANCO experts are reportedly ready to come to Bulgaria and help. They can offer training seminars, and visits and meetings with the vet community, pork industry and meat processors.

Effects on agricultural policy and trade

The issue of CSF and the EC inspection was discussed in the Parliament. Many politicians expressed concern that for the first time, an EC animal health report is not only negative but makes explicit allegations against the vet service. As a result, the latest inspection may force legislators to initiate new articles in the criminal code to allow vet authorities to shut down and prosecute illegal pork farms.

The pork sector is not a significant beneficiary of domestic support programs. Currently, there is a subsidy of 2.50 Euro/animal for pigs slaughtered under (S)EUROP system to encourage production of quality pork; in addition in 2007, total 36,000 pigs were subsidized with 450,000 Euro as a part of the national genetic stud. Pork farms have access to the national domestic investment support program "Livestock" and to Rural Development Funds.

As of today, there are 3 possible scenarios for inter-EU pork trade after September 2007:

- (1) a complete ban on use of Bulgarian fresh pork - not only in the common market, but in the local market as well. In this situation, all marketable local pork must be heat-treated. Fresh pork in the local market (including pork for processing without heat treatment) should be imported. This is the negative option;
- (2) an extension of the current ban on Bulgarian pork for six or more months, or the same as the current situation;
- (3) regionalization or compartmentalization of CSF. This third scenario is the most optimistic but not very likely at this point.

Regardless of the EC decision, prospects for future sales of local pork on the EU market are not good. A new trade veto, combined with a grain deficit, anticipated excess slaughter, high meat prices and low domestic support, will be the most serious challenges for local sector players in MY07/08.

Table 1. Livestock numbers as of November 2006 and 2005

	Cattle	Incl.cows	Swine	Sheep	Goats
2005	622,000	359,000	943,000	1,602,000	608,000
2006	628,000	361,000	1,013,000	1,635,000	549,000
Change	1.0%	0.5%	7.4%	2.1%	-9.8%

Source: MinAg Statistical bulletin #105

Table 2. Structure of livestock farms, 2006 and 2005

	Cattle	Cows only	Buffalo	Swine	Sheep	Goats
Livestock, 000 head	628.2	361.2	8.2	1012.7	1635.4	549
Farms	159	142	1.5	210	173	180
Average number of animals per a farms	3.9	2.5	5.6	4.8	9.5	3.0

Source: MinAg Statistical bulletin #105

Table 3. Structure of pork farms, 2006

Sows per a farm	Farms		Sows above 50 kilos	
	Number	Change 06/05	Number	Change 06/05
1-2	15,930	2.7%	20,000	3.6%
3-9	2,677	7.3%	11,700	9.3%
10-49	765	-3.4%	13,000	-2.3%
50-199	71	-7.8%	6,200	3.3%
200 and more	51	-5.6%	45,600	-4.0%
Total	19,494	2.9%	96,500	-0.3%
Source: MinAg Statistical bulletin #105				