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## **Bulgaria**

### **Dairy, Livestock and Poultry**

### **Poultry Annual Report**

## **1999**

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#### **Report Highlights:**

**Total poultry meat imports in 1998 doubled to 24,000 MT due to lower international prices and good local demand. Turkey meat imported mostly for the processing industry reached a record high of 11,000 MT. Higher average consumer income and greater supply resulted in an increased poultry consumption of 18%. Consumption should continue to move upward in 1999 and the year 2000.**

**The US market share was 60% for chicken and 17% for turkey in 1998. The total value of the import market for poultry is US\$12 million while the US share is US\$4.0 million. Very good opportunities for US products should continue to exist in 1999 and the year 2000 due to price/quality competitiveness and favorable local demand.**

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Includes PSD changes: Yes  
Includes Trade Matrix: Yes  
Annual Report  
Sofia[BU1], BU

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## **EXECUTIVE SUMMARY**

In 1998, despite increased production, relatively low international prices led to a significant increase in poultry imports - turkey imports by 97% and chicken by 86%. Chicken exports dropped 30% to 5,000 MT as local demand was so high.

The major US products demanded by Bulgaria are frozen chicken leg quarters, turkey parts and turkey MSM. The major US competitors are Greece for chicken (20%) and the Netherlands for turkey (31%).

As of the beginning of 1999, poultry stocks had increased 9.3% for total poultry and 7.3% for layers. The private sector currently accounts for 98.3% of total poultry stocks and 98.1% of layers. A good feed supply in 1998 helped stimulate production in 1998, therefore, it exceeded AgOffice forecast and reached 107,000 MT.

According to industry sources, the US can continue to successfully compete in price and quality with suppliers such as Greece, Belgium, United Kingdom, and the Netherlands.

## **PRODUCTION**

### **General**

Poultry production in 1998 consisted of 107,000 MT of poultry meat, 846 MT of liver from geese and ducks, 1,690 million eggs and 850 MT of egg powder.

The 1998 production data in the P, S, and D tables was revised based on statistical data for slaughtered poultry numbers, industry source estimates and public data of the Association of Poultry Producers. For chicken meat, production is higher than forecasted due to good feed availability at low prices which stimulated production. Total poultry production in P, S and D table for 1998 includes not only chicken and turkey but also some other minor poultry meat production, ducks and geese meat, estimated at 6,000 MT.

In 1999, production will likely increase and remained stable in 2000 due to some distress slaughtering in the first half of 1999 and higher grain prices in 1999/00. The other factor for the distress slaughtering was price competition from imports which currently account for 18% of total supply.

Egg production data in the 1998 P, S and D table has been revised 4% upward based on official figures and average egg productivity. The forecast for 1999 and 2000 is for higher level of production due to increased number of layers.

### **Production Factors**

Feed: The good grain crop in 1998 along with the low prices improved grain supply/feeding. Utilization of imported protein substances such as soybean meal in 1998 was higher due to a liberalized trade regime, stabilization of the local currency and lower prices (about US\$240-290/MT compared to above US\$350/MT in the beginning

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of 1997). As a result, feed efficiency in 1998 slightly increased.

In 1998, the demand for genetic materials such as hatching eggs, one-day-age chicken, and layers increased. Most of the genetic materials were imported from the US, the Netherlands, Denmark, and France.

### **Production Problems**

Diseases: No significant diseases were reported in 1998. As in 1997, there were several cases of pseudo plague, however, action was taken immediately.

Quality, Prices and Stocks: As in 1997, production inefficiencies and the lack of quality feed produced smaller and tougher broilers. This has prohibited Bulgaria from exporting chicken to Western markets.

It is interesting to note that according to the Association of Poultry Producers and MinAg, the amount of poultry meat produced for the market is only 38,000 MT or 36% of total production. The remaining 65% is produced for on-farm consumption.

Higher prices of domestically produced chickens, a result of inefficiency, along with supply of imported quality products at lower price led to accumulation of stocks - about 4,000 in the winter months. Egg producers also claimed against imports of eggs, mainly from Turkey and the Netherlands, which lowered market prices and caused distress slaughtering of layers (Spring 1999).

## PSD Table, Poultry Total

PSD Table						
Country	Bulgaria					
Commodity	Poultry, Meat, Total				(1000 MT)(MIL HEAD)	
	Revised		Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		01/1998		01/1999		01/2000
Inventory (Reference)	0	0	0	0	0	0
Slaughter (Reference)	0	0	0	0	0	0
Beginning Stocks	4	4	4	5	4	6
Production	98	107	98	109	0	109
Whole, Imports	1	1	1	1	0	1
Parts, Imports	13	23	13	25	0	26
Intra EC Imports	0	0	0	0	0	0
Other Imports	0	0	0	0	0	0
TOTAL Imports	14	24	14	26	0	27
TOTAL SUPPLY	116	135	116	140	4	142
Whole, Exports	6	4	5	5	0	5
Parts, Exports	1	6	0	6	0	6
Intra EC Exports	0	0	0	0	0	0
Other Exports	0	0	0	0	0	0
TOTAL Exports	7	10	5	11	0	11
Human Consumption	95	108	97	111	0	114
Other Use, Losses	10	12	10	12	0	13
Total Dom. Consumption	105	120	107	123	0	127
TOTAL Use	112	130	112	134	0	138
Ending Stocks	4	5	4	6	0	4
TOTAL DISTRIBUTION	116	135	116	140	0	142
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0

## Import Trade Matrix, Poultry Total

Import Trade Matrix			
Country	Bulgaria		
Commodity	Poultry, Meat, Total		
Time period	1998	Units:	metric tons
Imports for:			1
U.S.	9545	U.S.	
Others		Others	
Greece	2576		
United Kingdom	1929		
France	1350		
The Netherlands	4047		
Macedonia	862		
Canada	335		
Germany	322		
Belgium	754		
Italy	336		
Romania	90		
Total for Others	12601		0
Others not Listed	1719		
Grand Total	23865		0

## Export Trade Matrix, Poultry Total

Export Trade Matrix			
Country	Bulgaria		
Commodity	Poultry, Meat, Total		
Time period	1998	Units:	metric tons
Exports for:			1
U.S.		U.S.	
Others		Others	
Georgia	3435		
Belgium	1559		
Romania	567		
Macedonia	356		
Russia	94		
Moldova	77		
Ukraine	12		
France	2761		
Cyprus	1		
Italy	1		
Total for Others	8863		0
Others not Listed	1092		
Grand Total	9955		0

## PSD Table, Chicken

PSD Table						
Country	Bulgaria					
Commodity	Plty, Meat, Chicken -16 wks				(1000 MT)(MIL HEAD)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		01/1998		01/1999		01/2000
Inventory (Reference)	0	0	0	0	0	0
Slaughter (Reference)	0	0	0	0	0	0
Beginning Stocks	3	3	2	5	2	5
Production	95	98	95	100	0	100
Whole, Imports	1	1	1	1	0	1
Parts, Imports	7	12	7	13	0	13
Intra EC Imports	0	0	0	0	0	0
Other Imports	0	0	0	0	0	0
TOTAL Imports	8	13	8	14	0	14
TOTAL SUPPLY	106	114	105	119	2	119
Whole, Exports	6	4	5	5	0	5
Parts, Exports	1	1	0	1	0	1
Intra EC Exports	0	0	0	0	0	0
Other Exports	0	0	0	0	0	0
TOTAL Exports	7	5	5	6	0	6
Human Consumption	88	93	89	97	0	98
Other Use, Losses	9	11	9	11	0	12
Total Dom. Consumption	97	104	98	108	0	110
TOTAL Use	104	109	103	114	0	116
Ending Stocks	2	5	2	5	0	3
TOTAL DISTRIBUTION	106	114	105	119	0	119
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0

## Import Trade Matrix, Chicken Meat

Import Trade Matrix			
Country	Bulgaria		
Commodity	Plty, Meat, Chicken -16 wks		
Time period	1998	Units:	metric tons
Imports for:			1
U.S.	7665	U.S.	
Others		Others	
Greece	2576		
Belgium	412		
The Netherlands	711		
Macedonia	539		
United Kingdom	255		
Cyprus	152		
France	100		
Denmark	78		
Romania	90		
Switzerland	61		
Total for Others	4974		0
Others not Listed	385		
Grand Total	13024		0

## Export Trade Matrix, Chicken Meat

Export Trade Matrix			
Country	Bulgaria		
Commodity	Plty, Meat, Chicken -16 wks		
Time period	1998	Units:	metric tons
Exports for:			1
U.S.		U.S.	
Others		Others	
Georgia	3435		
Romania	567		
Macedonia	356		
Belgium	312		
Russia	94		
Moldova	77		
Ukraine	12		
Malta	6		
Cyprus	1		
Italy	1		
Total for Others	4861		0
Others not Listed	159		
Grand Total	5020		0

## PSD Table, Turkey Meat

PSD Table						
Country	Bulgaria					
Commodity	Poultry, Meat, Turkey				(1000 MT)(MIL HEAD)	
	Revised		Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		01/1998		01/1999		01/2000
Inventory (Reference)	0	0	0	0	0	0
Slaughter (Reference)	0	0	0	0	0	0
Beginning Stocks	1	1	2	1	2	1
Production	3	3	3	3	0	3
Whole, Imports	0	0	0	0	0	0
Parts, Imports	6	11	6	12	0	13
Intra EC Imports	0	0	0	0	0	0
Other Imports	0	0	0	0	0	0
TOTAL Imports	6	11	6	12	0	13
TOTAL SUPPLY	10	15	11	16	2	17
Whole, Exports	0	0	0	0	0	0
Parts, Exports	0	1	0	1	0	1
Intra EC Exports	0	0	0	0	0	0
Other Exports	0	0	0	0	0	0
TOTAL Exports	0	1	0	1	0	1
Human Consumption	7	12	8	13	0	14
Other Use, Losses	1	1	1	1	0	1
Total Dom. Consumption	8	13	9	14	0	15
TOTAL Use	8	14	9	15	0	16
Ending Stocks	2	1	2	1	0	1
TOTAL DISTRIBUTION	10	15	11	16	0	17
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0

## Import Trade Matrix, Turkey Meat

Import Trade Matrix			
Country	Bulgaria		
Commodity	Poultry, Meat, Turkey		
Time period	1998	Units:	metric tons
Imports for:			1
U.S.	1880	U.S.	
Others		Others	
United Kingdom	1674		
France	1250		
The Netherlands	3336		
Macedonia	323		
Canada	335		
Germany	322		
Belgium	342		
Italy	336		
Poland	89		
Total for Others	8007		0
Others not Listed	954		
Grand Total	10841		0

## Export Trade Matrix, Turkey Meat

Export Trade Matrix			
Country	Bulgaria		
Commodity	Poultry, Meat, Turkey		
Time period	1998	Units:	
Exports for:			1
U.S.		U.S.	
Others		Others	
Belgium	830		
Total for Others	830		0
Others not Listed	21		
Grand Total	851		0

## PSD Table, Eggs

PSD Table						
Country	Bulgaria					
Commodity	Poultry, Eggs				(MIL HEAD)(MIL PCS)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		01/1998		01/1999		01/2000
Layers	8	8	9	9	0	9
Beginning Stocks	0	0	0	0	0	0
Production	1540	1600	1600	1650	0	1650
Hatch Eggs, Imports	7	0	7	0	0	0
Shell Eggs, Imports	60	92	50	90	0	90
Other Imports	0	0	0	0	0	0
Intra EC Imports	0	0	0	0	0	0
TOTAL Imports	67	92	57	90	0	90
TOTAL SUPPLY	1607	1692	1657	1740	0	1740
Hatch Eggs, Exports	6	0	6	0	0	0
Shell Eggs, Exports	50	10	50	10	0	10
Other Exports	0	0	0	0	0	0
Intra EC Exports	0	0	0	0	0	0
TOTAL Exports	56	10	56	10	0	10
Hatch Eggs, Consumption	490	520	500	510	0	510
Shell Eggs, Human	1021	1120	1057	1180	0	1180
Shell Eggs, OT Use/Loss	20	21	22	20	0	20
Other Dom. Consumption	20	21	22	20	0	20
Total Dom. Consumption	1551	1682	1601	1730	0	1730
TOTAL Use	1607	1692	1657	1740	0	1740
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	1607	1692	1657	1740	0	1740
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0

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## **CONSUMPTION**

Consumption of chicken meat in the 1998 P,S and D table was revised upward due to higher than expected production, imports, and demand. Turkey meat consumption was also revised considerably upward as a result of higher imports. The increase is mainly for turkey meat for processing (MSM) and less for human consumption. Consumption of eggs was revised upward also due to higher than projected production and imports, and lower exports. Consumption of hatching eggs was also higher due to good feed supply stimulating production.

The forecast for 1999 is for an increase in consumption of all poultry products, meat and eggs, due to expected higher production and stable imports and increasing consumer demand.

The AgOffice estimates average per capita consumption in 1998 at 12.7 kilos of poultry meat and 132 eggs compared to 11.5 kilos and 125 eggs in 1997.

## **TRADE**

The data in the trade matrixes are based on official statistical data. As in 1997, however, allegedly, some imports of chicken meat are under invoiced or not registered at all, therefore, imports are likely higher.

### **Exports**

Poultry exports in 1998 consisted of 9,176 MT of poultry meat including 5,020 MT of broiler chicken meat; geese and duck in parts - 2,328 MT, turkey - 851 MT; edible offal - 2,113 MT and liver from geese and ducks - 846 MT. Exports of eggs were 9.5 million or 556 MT at average export price of US\$830/MT or US\$0.048/egg.

The major portion of exports, chicken meat, declined due to low price/quality competitiveness of Bulgarian chicken meat. The major export market for Bulgarian broilers remained Georgia. As in 1997, turkey meat exports were negligible and only to Belgium. In 1998, 77% of chicken meat exported was under HS# 0207 12 900 or whole chickens without offal or so-called "65% chickens." For turkey, all exports were under HS# 0207 27 100 or frozen unboned cuts. Other meat/offal from duck and geese were traditionally exported only to France and Belgium.

Exports of eggs were a record low. Bulgarian eggs are not price/quality competitive on the world market as the case with Bulgarian poultry meat. Although, the data by export destination is not available, reportedly, the major export markets remained the same - Armenia and Georgia, and Hungary for hatching eggs.

The estimate for 1999 and 2000 is for stabilization in exports of poultry meat and eggs, and chicken exports are forecasted for increase slightly as a result of expected demand in neighboring countries.

### **Imports**

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Imports of poultry and poultry products in 1998 consisted of 24,000 MT of poultry meat of which 13,000 MT broiler meat and 11,000 MT turkey meat; meat from duck and geese - 251 MT and 2,000 MT of edible offal. The average import price of chicken was US\$430/MT and for turkey US\$460/MT. Imports of eggs were about 92.4 million eggs or 5,434 MT including 63.2 million eggs as temporary imports at average import price of US\$0.65/kilogram or US\$0.0389/egg.

The major imported poultry products were:

For chicken -

HS# 0207 12 900 (65% chickens), whole frozen chickens

- 1161 MT (972 MT in 1997); a US zero market share;

HS# 0207 13 600 - fresh and cooled leg quarters

- 1,391 MT (1,931 MT in 1997), US holds 5.2% (8.5% in 1997) of this type of imports;

HS# 0207 14 600 - frozen leg quarters

- 7,863 MT (1,594 MT in 1997), US holds 84% (75% in 1997) of this type of imports.

HS# 0207 14 910 frozen chicken liver

- 1,891 (1,001 MT in 1997) of total chicken products imports, US holds 46% (49% in 1997) of these imports.

For turkey -

HS# 0207 27 100 - frozen unboned cuts

- 3,538 MT (933 MT in 1997) of total turkey imports, US holds 13% (7.4% in 1997);

HS# 0207 27 600 - frozen legs

- 3,395 MT (1,208 MT in 1997), the US holds 25% (8% in 1997) of these imports;

HS# 0207 27 300 - frozen boned wings

- 2,214 (2,233 MT in 1997) of turkey imports, US hold 2% (1.4% in 1997) in these imports.

US exports of chicken meat increased 250% from 2,200 MT in 1997 to 7,700 MT in 1998. The United States continued to be the largest exporter followed by Greece and the Netherlands. The US share in total imports increased to about 60% compared to 33% in 1997. According to traders, Bulgarian imports of US chicken is even higher since Macedonia does not produce broilers and what is reported as exports from Macedonia to Bulgaria is actually of US origin. It is also reported that the major portion of illegally imported chicken leg quarters are of US origin.

1998 US exports of chicken products to Bulgaria consisted of:

71 MT (US\$35,000) chilled leg quarters

90 MT (US\$41,000) chilled liver

6,590 MT (US\$2,831,000) frozen leg quarters

880 MT (US\$351,000) frozen liver

35 MT (US\$12,000) other

total 7,665 MT (US\$3.270 million) compared to 2,189 MT (US\$1.220 million) in 1997

US turkey imports increased from 284 MT in 1997 to 1,880 MT in 1998 or 560%. US

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share in total imports was 17% compared to 5% in 1997. The other major exporters remained the same - United Kingdom, France and the Netherlands. Like for chicken, turkey meat imported from Macedonia was, reportedly, of US origin and re-packed.

US turkey exports to Bulgaria consisted of:

117 MT (US\$39,000) whole turkey  
170 MT (US\$71,000) chilled leg quarters  
476 MT (US\$231,000) frozen unboned cuts  
44 MT (US\$17,000) frozen wings  
865 MT (US\$358,000) frozen legs  
208 MT (US\$83,000) other  
total 1,880 MT (US\$800,000) compared to 284 MT (US\$141,000) in 1997

For eggs, imports slightly increased as a result of temporary duty free import quotas. The largest suppliers to Bulgaria were, reportedly, Turkey and the Netherlands.

### **Trade regime**

The trade regime was revised in December 1998 and import duties for most chicken products were at the same high levels as in 1997 mainly due to lobbying of local producers. The temporary import tax of 3% was canceled cross border tax of 1% remained unchanged. The VAT is 20%.

0207 11 10 0, 0207 11 30 0, 0207 11 90 0, 0207 12 10 0, 0207 12 90 0 - 74%  
Min 300 ECU/MT

0207 13 - 35%  
0207 14 - 74%  
0207 24 10 0, 0207 24 90 0 - 25% Min 100 ECU/MT  
0207 25, 0207 26, 0207 27 - 25%  
0207 32 - 25% Min 100 ECU/MT  
0207 33, 0207 34, 0207 35, 0207 36 - 25%

0407 00 11 0, 0407 00 19 0 Breeding eggs - 5%  
0407 00 30 1 - 20% Min. 6.6 ECU/1,000 pieces  
0407 00 90 1 - 50% Min. 16.5 ECU/1,000 pieces

0408 Powdered eggs  
0408 11 20, 0408 11 80 - 25% Min. 675 ECU/MT  
0408 19 - 25% Min 295 ECU/MT  
0408 91 - 25% Min 650 ECU/MT  
0408 99 - 25% Min 170 ECU/MT

There are reduced import duty quotas for 1999 as follows:

0207 12 10 0, 0207 90 0 - Whole chickens/hens, frozen - 200 MT at 55%  
or Min 650 USD/MT;  
0207 14 10 0 - 0207 14 99 0 - Parts of chicken and hens, frozen - 1,300 MT at 55% or

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min 650 USD/MT

There are not any import quotas granted to EU countries.

There are lower import duties for imports from CEFTA countries at 28% for most chicken products and 10% for some turkey and other poultry products. For some countries, these duties are valid only within certain quotas as follows:

Poland - 0207 12, 0207 14 - 240 MT for 1999 and 280 MT for the year 2000.  
0207 24 to 27 - 200 MT at 50% reduction in the basic import duty.

Czech Republic and Slovakia:  
020711 - 25% - unlimited quota  
020713 - 25% - unlimited quota  
0207 24 - 18% - unlimited quota  
0207 25 - 18% - 100 MT  
020726 - unlimited quota  
020727-18% -100 MT  
020732 - 18% - unlimited quota  
0207 33 to 36 - 9% - 100 MT

0407 - 0% - unlimited quota,  
0408 - 12.5% - unlimited quota.

Hungary - 0207 - 15% for 500 MT.

According to the free trade zone agreement with Turkey, there is a quota of 100 MT for 020724 and 020725 at 12.5% Min. 50ECU/MT

### **Tariff and Non-Tariff Barriers**

The veterinary requirements for poultry/egg imports were further liberalized in December 1998 and are available at AgOffice, Sofia per request. The veterinary rules are reportedly in line with European and WTO requirements.

## **POLICY**

### **Production Policy**

In 1998 and 1999, the GOB had a fund for soft loans for the livestock sector which enjoyed a great interest. Soft loans were available for purchasing breeding stock up to 30,000 layers as well as for purchasing equipment for livestock raising. The loan terms are preferential with a one-three year grace period. There were also subsidies per head of breeding stock for a total of 27,930 layers, 1,660 numbers of turkey and 200,000 numbers of growing poultry (for layers - 3,600 leva/head (US\$2.0), geese and turkey - 7,200 leva/head (US\$4.0) and growing poultry - 700 leva/head(US\$0.4) which were supposed to pay for 20%-25% of the necessary feed.

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## **MARKETING**

Several large privatized poultry complexes have started an assortment of new packaging and cuts of chicken products. For the first time, a private company started offering fresh chilled whole chickens at the retail level as well as refrigeration.

### **US Trade Opportunities**

Very good US opportunities to supply poultry products continued due to competitive US prices, and increased demand. Currently, the advantages of US chicken are price and consistent quality. Especially promising is the growing turkey market. The demand for retail marketing of whole turkeys is the highest around Christmas, and for turkey parts, especially legs and wings, all year round. Turkey products for processing are more preferred by the local industry than chicken meat. The demand both for turkey and chicken MSM is high with the preference towards turkey MSM.

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Table # 1. Number of Poultry as of January 1, 1997, 1998 and 1999 in 1,000 head			
Poultry	1997	1998	1999
Poultry	16227	14,766	15,686
Layers only	8,957	8,524	8,896

Table # 2. Production of Poultry Meat and Eggs in 1996, 1997, and 1998 (million eggs and thousand metric tons)			
	1996	1997	1998
Meat	96,000	98,000	107,000
Eggs	1,734	1,583	1,690
Average egg per hen	175	184	176



