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Fish and Seafood Market Brief - Bulgaria

Report Categories:
Fishery Products
Product Brief

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Report Highlights:
Although Bulgaria's per capita fish and seafood consumption is below the European Union (EU) average, importers seek to expand the selection of fish available on the local market, especially in mid and high-value ranges. 2017 U.S. hake and mackerel exports to Bulgaria increased by 163 percent and 29 percent respectively. U.S. squid and lobster exports were also higher. The restaurant sector is an important driver for fish and seafood demand growth in Bulgaria.

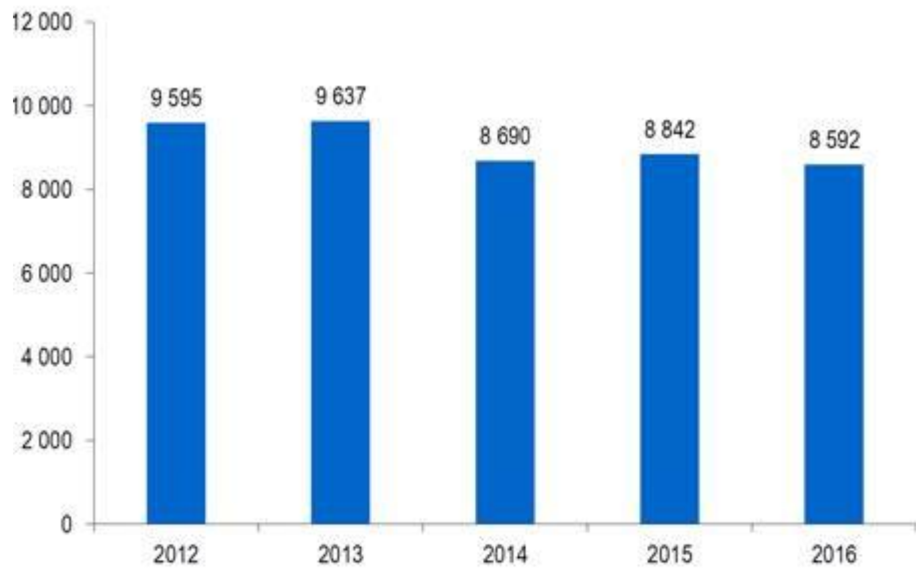
General Information:

Although Bulgaria's fish and seafood market is relatively small (per capita consumption is about five kilograms), commercial opportunities exist and many suppliers find it attractive. Bulgarian importers are actively seeking to expand the range of available fish and seafood, especially for mid and high-value categories. Bulgaria's ever-expanding restaurant sector and culinary scene are major drivers of seafood demand growth.

Bulgarian consumers currently tend to prefer species like European sprat, carp, rainbow trout, Prussian carp, silver carp, and zander, although there is increasing demand for more mid-range and high-end products like hake, mackerel, squid, salmon, shrimp and prawn, trout, tuna, catfish, and lobster. According to U.S. Customs data, Bulgaria imported 24 percent more U.S. fish in 2017 over 2016, mainly squid, hake, lobster, and mackerel. U.S. exports of squid and lobster increased rapidly last year. Exports of hake and mackerel increased by 163 percent and 29 percent respectively. Opportunities also exist for U.S. exports to Bulgaria to processed and/or packaged and sold as value-added goods throughout the EU. The development of new aquaculture species could help increase the demand for fish and seafood products.

According to official statistics, the total 2016 domestic catch decreased by 2.8 percent to 8,592 metric tons (MT) compared to 2015. 8,540 MT was taken from the Black Sea and 52.2 MT from the Danube River. Importers are seeking new suppliers and products to bridge the gap between the steady consumer demand and reduced national output. Changes in the Law on Fisheries and Aquaculture in August 2012 imposed a ban on commercial fishing within in-land water basins.

Figure 1. Total Catch, Bulgarian Fish and Seafood, 2012 – 2016 (MT)



Source: Bulgarian Executive Agency for Fisheries and Aquaculture (Agrarian Report 2017)

Table 1. Bulgarian Seafood Production 2016 (MT)

Description	**Quantity**
Fish, frozen	2,311
Fish fillets, frozen	106
Fish, dried, whether or not salted, or in brine	373
Fish, including fillets, smoked	180
Fish, otherwise prepared or preserved, except prepared fish dishes	7,175
Caviar and caviar substitutes	148
Crustaceans frozen, dried, salted or in brine	20
Molluscs, frozen, dried, salted or in brine	454
Other aquatic invertebrates and seaweed, frozen, dried, salted or in brine	406
Crustaceans, molluscs and other aquatic invertebrates and seaweed, otherwise prepared or preserved	3,176
Total:	**14,349**

Source: Bulgarian National Statistical Institute

Black Sea Fisheries

The Bulgarian fishery sector is fragmented along 240 miles of coastline. In recent years, the main Black Sea catch, comprised mainly of conch, European sprat, and farmed mussels, has increased. Conch accounts for the highest percentage of the Black Sea catch at about 40 percent. In 2016, the conch catch reached 3,419 MT, a 16.4 percent decrease from 2015. The soft-shell clam catch reached 586 MT, a five-fold increase. The blue mussel catch doubled, reaching 42 MT. Traditionally, the European sprat catch accounts for about 27 percent of Bulgaria's total Black Sea catch. However, in 2016 it reached only 2,290 MT, a 30.6 percent decrease from 2015. Bulgaria's 2016 red mullet catch reached 878 MT, an increased by 38 percent. The other Black Sea species caught by Bulgarian fishermen included bluefish (710 MT), scad (167 MT), spiny dogfish (83 MT), goby (64 MT), European anchovy (54 MT), and other species. The Bulgarian fishing fleet is considerably to be small, with about 2,000 vessels.

Table 2. Black Sea Catch by Species 2016 (metric MT)

Specie	**Quantity**
Shellfish (Conch, Mussel, Shrimp)	4,050
European Sprat	2,290
European Anchovy	54
Red Mullet	878
Bluefish	710
Spiny Dogfish	83
Scad (Horse Mackerel)	167
Goby	64
Turbot	42
Thornback Ray	36
Atherina	51
Other species	115

Source: Bulgarian Executive Agency for Fisheries and Aquaculture (Agrarian Report 2017)

Freshwater Fisheries
Bulgaria has over 200,000 hectares of lakes, reservoirs, and rivers, accounting for 1.8 percent its total territory. The longest rivers are the Danube (470 km), the Iskar (368 km), Maritsa (321 km.), and the Kamchia (245 km.). Over 400 lakes cover more than 10,000 HA.

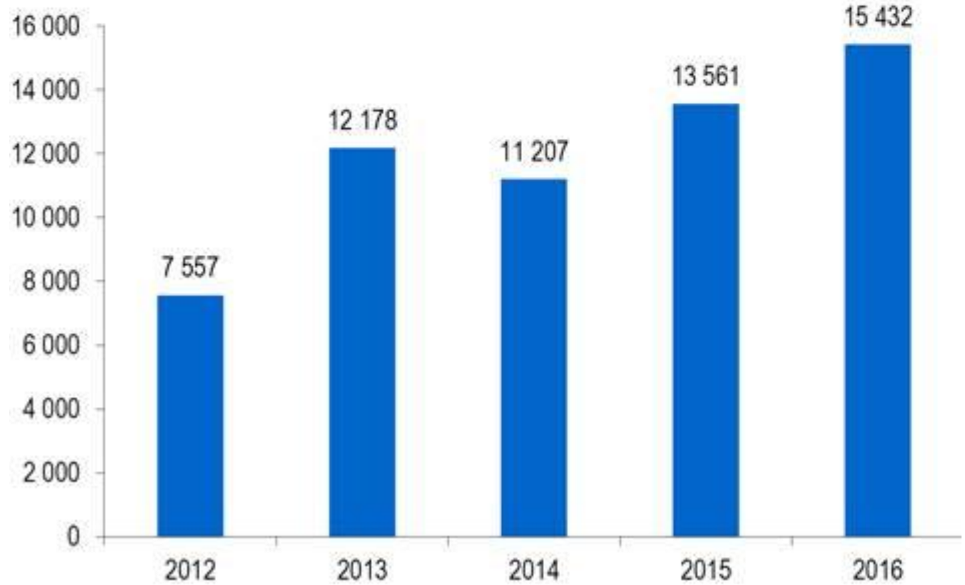
The commercial catch from the Danube in 2016 reached 52.2 MT, a 46-precent decreased from 2015. The main species caught in the Danube included carp (8.6 MT), silver carp (6.7 MT), barbell (6.7 MT), Prussian carp (6.05 MT), and wels catfish (4.7 MT). Although the 2016 Danube herring and mackerel catches increased, most other species decreased. The biggest drops in the Danube catch were for vimba bream (53 percent), grass carp (52 percent), common bream (49 percent), silver carp (42 percent), and common carp (32 percent).

In January 2012 the Ministry of Agriculture and Food banned fishing, transporting, and selling of the sturgeon and product derived from sturgeon. The ban was imposed for four years and aims to conserve the Danube sturgeon. In 2016 the ban was extended for another five years.

Aquaculture
Total 2016 aquaculture production (breeding material, fish and seafood) increased by 13.8 percent over the previous year at 15,432 MT. Total 2016 production of breeding material increased by 13.6 percent, reaching 3,048 MT. This increase was mainly due to higher production of the three main species, chiefly rainbow trout (1,570 MT), carp (544 MT), and silver carp (310 MT). Sturgeon hybrid aquaculture production also increased.

In 2016, the total capture of fish 12,384 MT and were mostly trout (mainly rainbow) and carp (common and silver carp). There was notable increase in rainbow trout (33 percent) and carp (18 percent) production, although silver carp production decreased slightly by four percent from 2015. Brown trout production increased significantly (109 percent), as did African sharp tooth catfish (89 percent), and wels catfish (79 percent).

Figure 2. Total Capture Fisheries Production, 2012 – 2016 (MT)



Source: Bulgarian Executive Agency for Fisheries and Aquaculture (Agrarian Report 2017)

The production of other high-quality local species is insignificant and is represented mainly by black carp, channel catfish, and black carp. Recent diversification of farmed species includes barramundi and sturgeon. The main marine aquaculture species is black mussel. 2016 black mussel production increased by 8.4 percent as compared to the previous year, reaching 3,376 MT. Crayfish production quadrupled.

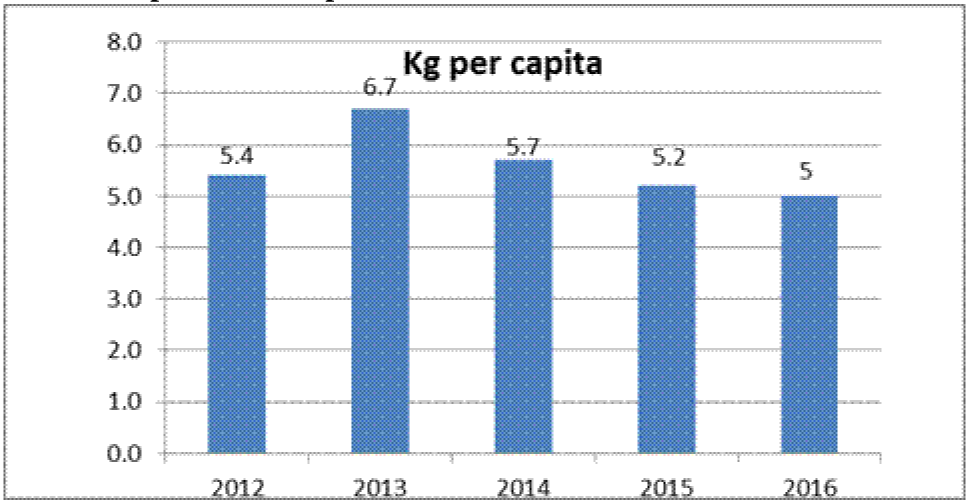
According to the Bulgarian Executive Agency for Fisheries and Aquaculture (BEAFA), the total number of aquaculture businesses at the end of 2016 was 683, of which 650 were in fresh water aquaculture and 33 in marine aquaculture. In 2015 the number of aquaculture businesses was 611. In the future, the number of aquaculture businesses is likely to increase as new and modern production facilities are established under the EU's fishery program.

Consumption

Per capita fish consumption in Bulgaria is below the average EU level. According to the Bulgarian National Statistical Institute (NSI) data, per capita household fish consumption in 2016 was five kg. However, this number does not include consumption in restaurants. Cumulative consumption per capita, including consumption in restaurants, is estimated at close to nine kg. Although the consumption level has remained stable for the last three years, industry forecasts indicate that it will increase slightly, despite increasing wholesale and retail prices of fish and fishery products, due to rising consumer incomes.

Bulgarian prices are determined mainly by international markets. Post expects that prices will remain stable in 2018. For traditional species in Bulgaria, prices will depend mainly on the catch size and domestic aquaculture production, while for imported species it will be determined by market prices. Shelf-stable seafood is expected to continue its positive upward trend.

Figure 3. Per Capita Consumption of Fish and Seafood Products, 2012 – 2016 (kg)



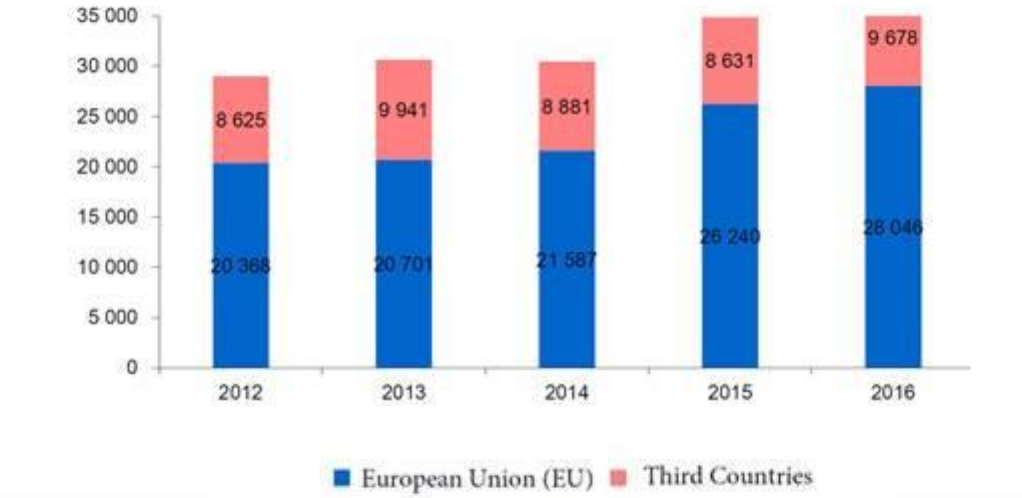
Source: Bulgarian National Statistical Institute
Remark: Consumption in restaurants not included

Imports of Fish and Seafood Products

According to the Bulgarian NSI data, total imports of fish and fishery products in Bulgaria in 2016 is 37,724 MT, an increase of eight percent over 2015. Increased imports of fish, fishery products, and processed fishery products are what compose this increase.

Over 74 percent (28,046 MT) of all imported fish is from other EU countries, which represents an increase of seven percent over 2015. 2016 imports mainly came from Spain (4,800 MT), Romania (4,600 MT), the Netherlands (3,500 MT), Denmark (2,400 MT), Greece (1,700 MT), Poland (1,700 MT), and United Kingdom (1,600 MT). Imports from non-EU countries grew in 2016 by 12 percent compared to 2015 to reach 9,678 MT. The main trading partners were Canada (1,600 MT), Morocco (1,100 MT), Vietnam (900 MT), and China (800 MT).

Figure 4. Imports of Fish and Seafood from EU and Non-EU Countries, 2012-2016 (MT)



Source: Bulgarian NSI

Total 2016 imports of fish, filets, crustaceans and mollusks reached 32,886 MT, as well as processed fishery products reached 4,838 MT. Frozen fish, excluding fillets, accounted for almost 57 percent of total fish imports. As in previous years, imports by species were dominated by frozen mackerel at 11,338 MT, down 5.1 percent from 2015. Due to a lack of mackerel in Bulgaria, frozen mackerel imports satisfy market demand for direct consumption and that of the processing industry.

2016 imports of the following species were relatively large: sardines (1,130 MT), European hake (923 MT), salmon (660 MT), herring (538 MT), scad (306 MT), shark (273 MT), trout (200 MT). According to U.S. Customs data, 2017 U.S. imports of fish increased by 24 percent and mainly consisted of squid, hake, lobster, Pacific salmon, squid fillets, mackerel, and scallops.

Total imports of processed fishery products in 2016 increased by 24 percent compared to 2015, reaching 4,838 MT. The import of ready-to-eat and canned fish food increased by 9.5 percent to reach 3,060 MT and the import of canned crustaceans and mollusks increased by 61.5 percent as compared to 2015, reaching 1,778 MT.

Table 3. Import of Fish and Fishery Products by Type, 2015 – 2016 (MT)

Product	2015	2016	Change 2016/2015
Fish, fillet, crustaceans, mollusks, incl:	**30,975**	**32,886**	**6.2%**
Live fish - fresh water and marine	274	23	-91.8%
Fish - fresh and chilled, excluding fillet	3,789	3,496	-7.7%
Fish - frozen, excluding fillet	18,585	18,596	0.1%
Fillet and other fish meat - fresh, chilled, or frozen	3,224	3,343	3.7%
Fish - dried, salted, smoked	356	347	-2.4%
Crustaceans	2,244	3,463	54.4%

Mollusks	1,114	1,070	-3.9%
Water invertebrate, other than crustaceans and mollusks	1,390	2,548	83.3%
Processed fishery products, incl:	**3,896**	**4,838**	**24.2%**
Ready food, caviar, fish cans	2,795	3,060	9.5%
Canned crustaceans and mollusks	1,101	1,778	61.5%
Total fish and other water organisms and fishery products	**34,871**	**37,724**	**8.2%**

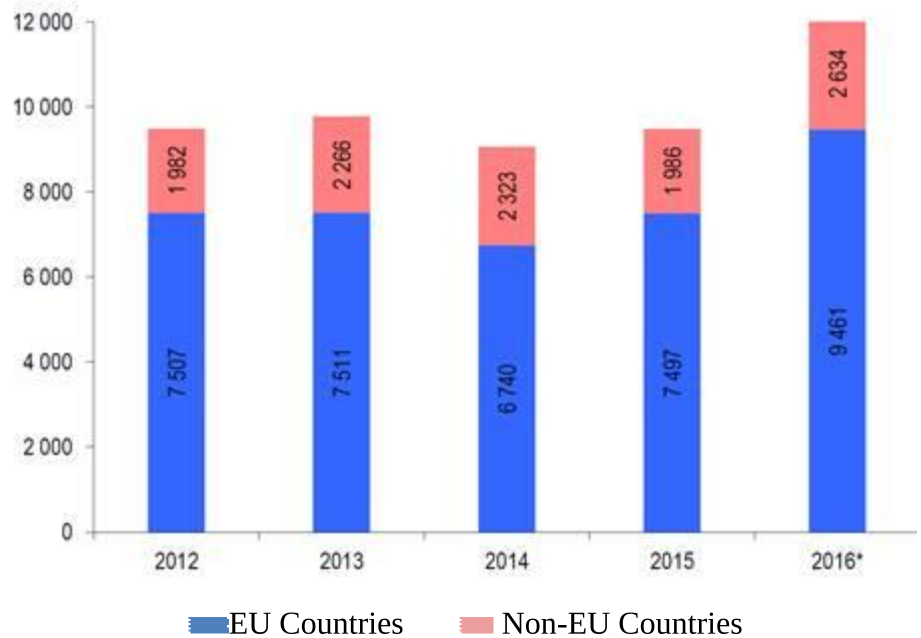
Source: Bulgarian NSI Data, Through Ministry of Agriculture and Food's Agrarian Report 2017

Exports of Fish and Seafood Products

According to Bulgarian NSI data, total 2016 Bulgarian exports of fish and seafood products were 12,096 MT, an increase of 27.6 percent over 2015. This jump was due mainly to higher aquaculture production, as well as re-exports of imported fish. 2016 exports within the EU increased by 26.2 percent to reach 9,461 MT, 74 percent of total exports. The main destinations were Romania (4,800 MT), Sweden (2,000 MT), Greece (1,500 MT), Spain (700 MT), and Belgium (300 MT).

2016 exports to non-EU countries also increased by 33 percent to 2,634 MT and were mainly to the Republic of Korea (1,200 MT), Japan (700 MT), Serbia (400 MT), and China (200 MT).

Figure 5. Exports of Fish and Fishery Products to EU and Non-EU Countries (MT)



Source: Bulgarian National Statistical Institute

2016 exports by product type consisted of 7,110 MT of fish, crustaceans and mollusks (live, fresh, chilled, frozen, smoked, or salted) and 4,985 MT of processed fishery products, such as ready food, fish cans, caviar, and canned crustaceans and mollusks. Compared to 2015, there is a notable increase in exports of fresh and chilled fish (66.1 percent). Exports of crustaceans and mollusks also increased by 64.2 percent and 131.7 percent respectively.

Frozen fish exports accounts for 16 percent of total exports of fish, filets, crustaceans, and mollusks in 2016 at 1,148 MT, down 39.5 percent as compared to 2015. Over 63 percent of the exported frozen fish consists of sprat and European sprat – 725 MT, down 17 percent compared to 2015. The export of frozen anchovy increased twice to 201 MT. Traditionally, the export of frozen fish to Romania was the highest (800 MT).

2016 mollusk exports increased by 38 percent at 2,668 MT. Bulgaria's main mollusk markets were Greece (1,000 MT), Republic of Korea (600 MT), Spain (400 MT), and Japan (300 MT).

Total exports of processed fishery products in 2016 increased significantly by about 40 percent, reaching 4,985 MT. Main destinations for processed fishery products were Sweden (1,900 MT), Romania (1,400 MT), Republic of Korea (500 MT), Japan (400 MT), and Greece (100 MT).

Table 4. Export of Fish and Fishery Products by Type, 2015 –2016 (MT)

Product	2015	2016	Change 2016/2015
Fish, fillet, crustaceans, mollusks, incl:	**5,911**	**7,110**	**20.3%**
Live fish - fresh water and marine	1,242	1,187	-4.4%
Fish - fresh and chilled, excluding fillet	974	1,617	66.1%
Fish - frozen, excluding fillet	1,897	1,148	-39.5
Fillet and other fish meat - fresh, chilled, or frozen	216	213	-1.2%
Fish - dried, salted, smoked	383	196	-48.8
Crustaceans	49	80	64.2%
Mollusks	1,151	2,668	131.7%
Processed fishery products, incl:	**3,571**	**4,985**	**39.6%**
Ready food, caviar, fish cans	1,339	2,083	55.6%
Canned crustaceans and mollusks	2,233	2,902	30.0%
Total fish and other water organisms and fishery products	**9,483**	**12,096**	**27.6%**

Source: Bulgarian NSI Data, Through Ministry of Agriculture and Food's Agrarian Report 2017

EU Common Fisheries Policy

Bulgaria's fish and seafood industry follows the EU Common Fisheries Policy (CFP). The CFP is a set of rules for managing European fishing fleets and for conserving fish stocks. Designed to manage a common resource, it gives all European fishing fleets equal access to EU waters and fishing grounds and allows fishermen to compete fairly.

Stocks may be renewable, but they are finite. Some of the EU's fishing stocks, however, are being overfished. As a result, EU countries have taken action to ensure the European fishing industry is sustainable and does not threaten the fish population size and productivity over the long term.

The CFP was first introduced in the 1970s and went through successive updates, the most recent of which took effect on January 01, 2014. The CFP aims to ensure that fishing and aquaculture are environmentally, economically and socially sustainable, and that they provide a source of healthy food for EU citizens. Its goal is to foster a dynamic fishing industry and ensure a fair standard of living for fishing communities. The CFP has 4 main policy areas:

- Fisheries management
- International policy
- Market and trade policy
- Funding of the policy

For further information on the CFP please see the EU website here.

Labeling

EU legislation requires that all products, including seafood, offered for retail sale in the EU be properly labeled. The EU's Publications Office issued a pocket guide to the new fish and aquaculture consumer labels. It explains what must appear on the labels and what additional information can be displayed. The pocket guide can be accessed through this link. For further information, please consult the legislation listed on page 15 and the provided links.

Import Tariffs

All EU Member States apply the same tariff on goods imported from outside the EU. The import duty rate is determined by the classification of a good in the EU Tariff Schedule (last update published in Official Journal L 312 – October 31, 2014) and by the customs value. For the customs classification of goods, the EU uses the Combined Nomenclature (CN) established by Council Regulation 2658/87. This eight-digit coding system is based on the Harmonized System which is also the basis for the import and export codes used by the United States. The full list of fish and seafood products duties can be found in Chapter 3 (page 52-73) here.

Bulgarian Fish and Seafood Importers

Please contact the Office of Agricultural Affairs in Sofia for an updated list of fish and seafood importers.

Table 6. Forecast Sales of Processed Seafood by Category: Volume 2017-2022

'000 tonnes	2017	2018	2019	2020	2021	2022
Processed Seafood	5.66	5.75	5.86	5.97	6.05	6.12
- Shelf Stable Seafood	2.17	2.20	2.27	2.33	2.38	2.42
- Chilled Processed Seafood	1.57	1.59	1.61	1.63	1.64	1.66
- Frozen Processed Seafood	1.92	1.96	1.98	2.02	2.03	2.04

Source: Euromonitor International

Table 7. Forecast Sales of Processed Seafood by Category: Value 2017-2022

BGN million	2017	2018	2019	2020	2021	2022
Processed Seafood	71.97	72.42	72.35	71.72	70.67	69.67
- Shelf Stable Seafood	22.48	22.47	22.55	22.63	22.48	22.44

- Chilled Processed Seafood	25.70	25.42	24.87	24.30	23.88	23.44
- Frozen Processed Seafood	23.80	24.53	24.93	24.78	24.31	23.79

Source: Euromonitor International

Table 8. Forecast Sales of Processed Seafood by Category: % Volume Growth 2017-2022

% volume growth	2017/18	2017-22 CAGR	2017/22 Total
Processed Seafood	1.59	1.55	7.98
- Shelf Stable Seafood	1.63	2.24	11.71
- Chilled Processed Seafood	1.15	1.01	5.18
- Frozen Processed Seafood	1.89	1.19	6.07

Source: Euromonitor International

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