

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY.

Voluntary - Public

**Date:** 8/5/2019

**GAIN Report Number:** BU1928

## **Bulgaria**

**Post:** Sofia

## **Poultry and Products Annual Report**

**Report Categories:**

Poultry and Products

**Approved By:**

Jonn Slette

**Prepared By:**

Mila Boshnakova

**Report Highlights:**

In 2018, Bulgarian broiler meat production grew by 10 percent and duck meat production increased by 18 percent over 2017. Bulgarian demand for poultry meat reached record levels. 2018 imports declined slightly for the first time in many years, while exports grew by five percent on higher broiler meat shipments to other European Union (EU) markets. Calendar year 2019 started with significantly higher broiler inventories. Chicken meat production during the first four months of 2019 was higher over the same period in 2018 and prospects for trade are favorable. Consumer demand is likely to remain strong, particularly given a likely decrease in pork production following African swine fever outbreaks during summer 2019.

## General Information:

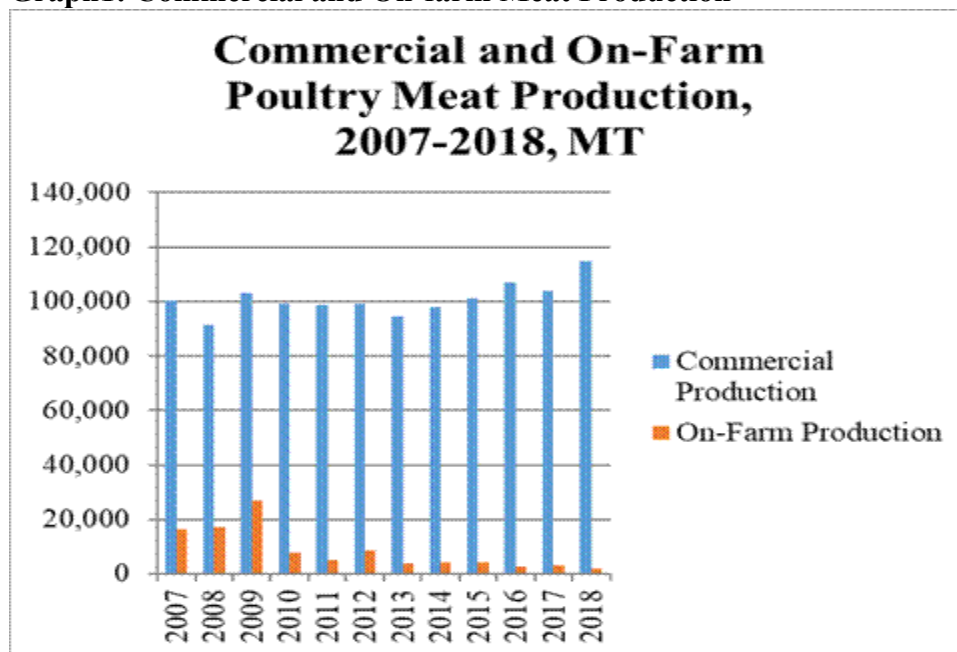
### MY2019 and MY2020 Supply and Demand Forecast

Bulgaria's poultry industry grew in 2018, despite 26 highly pathogenic avian influenza (HPAI) detections, particularly in October and November 2018. To date in 2019, four detections in March and April occurred on small duck and egg farms. Currently no HPAI-related trade restrictions are in place. Bulgarian poultry farms continued to operate under heightened biosecurity measures.

By early 2019, Bulgaria's poultry inventory increased by 16 percent over 2018, largely because the industry continued to consolidate and commercialize. Although the total number of farms declined by about 60 percent (Table 1, Graph 1), particularly due to a steep decline in the number of small farms (up to 10,000 birds), the number of larger farms grew by eight percent. Bird inventories grew significantly at medium and large farms, by 12 and 22 percent, respectively.

The latest data (January-April 2019) show an eight-percent increase of broiler slaughter and a 15-percent decrease in duck slaughter, resulting in three-percent cumulative growth in total poultry meat output during the first four months of 2019 over the corresponding period in 2018. Post forecasts that 2019 broiler meat production will grow at around five percent over 2018. Post expects this trend to continue in 2020.

**Graph1: Commercial and On-farm Meat Production**



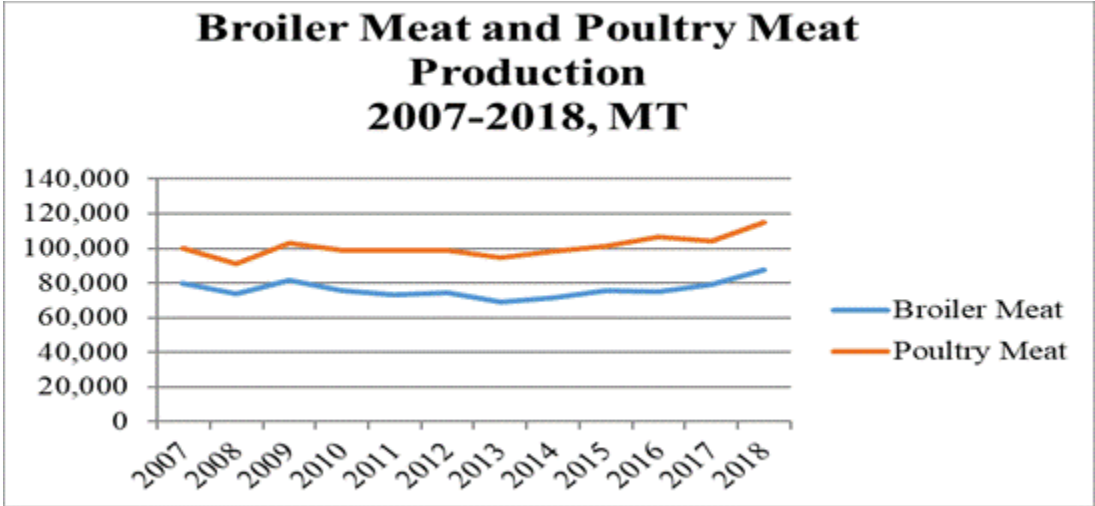
Source: Bulgarian Ministry of Agriculture and Foods Statistical Bulletins

Rising incomes and thriving food service and tourism sectors drive Bulgarian demand for poultry meat. Demand for value-added and convenience products is likely to expand further in 2019 and 2020. Post expects more imported broiler meat to meet local demand in 2019 and 2020.

**MY2018 Supply and Demand**

In 2018, broiler meat output increased by 10.1 percent and accounted for 76 percent of commercially produced poultry meat, compared to 20 percent for duck meat (Graph 2). Backyard chicken meat production sharply declined by 46 percent. Despite the HPAI outbreaks at duck farms, duck meat output grew by 18.2 percent. Total poultry meat production (commercial and backyard) increased by 10.5 percent.

**Graph 2: Broiler and Poultry Meat Production Since 2007**



Source: Ministry of Agriculture and Foods Statistical Bulletins

**Poultry Meat Supply**

*Farms:* Stringent biosecurity measures and competition with commercial meat production negatively affected small farms and spurred industry consolidation. The number of small farms (up to 200 birds) declined by 77 percent and small-farmer flocks were reduced by 84 percent. Larger farms continued to grow in terms of numbers and inventories. Total stocks increased by 16 percent (Table 1). Larger farms accounted for 98 percent of the total inventory. Vertical integration and export orientation continued to shape the industry.

*Broiler Meat Output:* 2018 broiler meat production was 87,000 MT (Table 2). The average carcass weight was 1.7 kg. Market share for cuts expanded and accounted for over 45 percent of broiler meat supplies. This trend is indicative of increasing demand for value-added and convenience products.

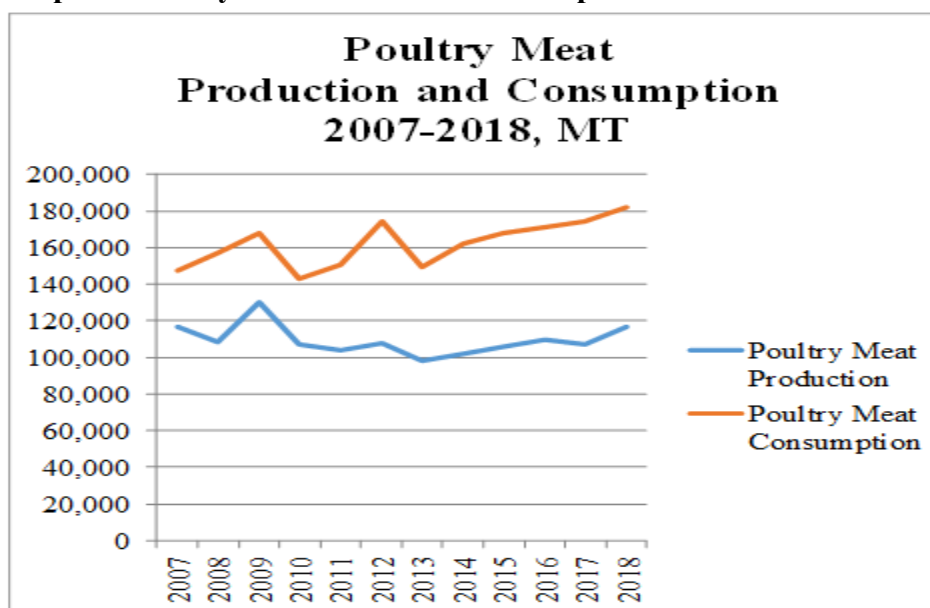
*Other Types of Poultry Meat:* Meat produced from old chickens is usually small, around 4,000-6,000 MT. In 2018, this type of production declined by two percent. Duck meat production increased by 18 percent to 23,000 MT. Backyard production decreased by 36 percent and its share fell below two percent of total output (Table 3).

**Consumption**

Poultry consumption has increased due to higher purchasing power and perception that poultry is more healthful. In 2018, consumption reached 182,000 MT, a four-percent increase in consumption from 2017 (Table 4). In 2018, local supply accounted for 64 percent of consumption versus 62

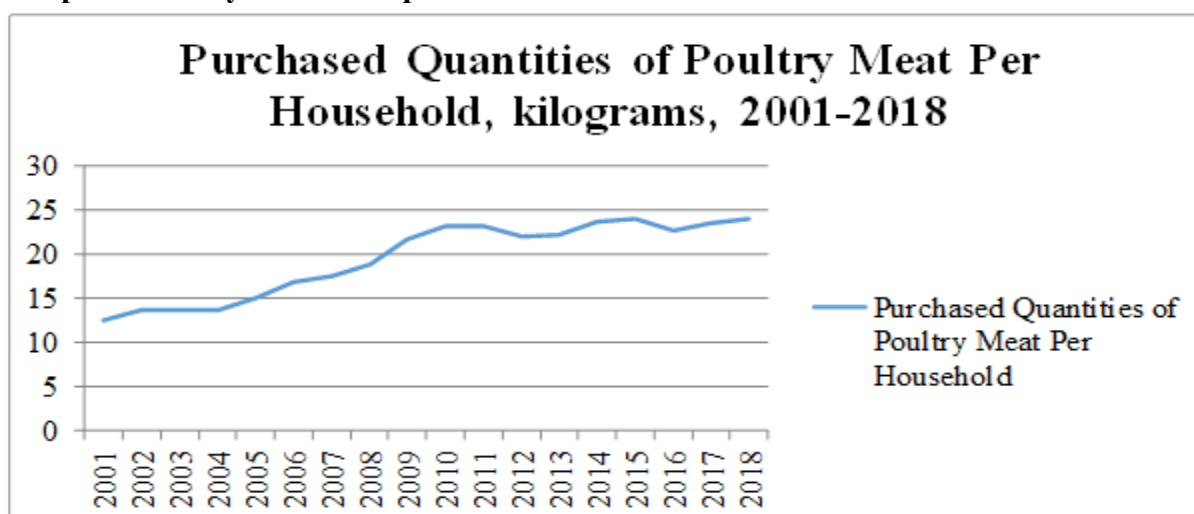
percent in 2017 due to higher domestic production and stagnant imports (Graphs 3 and 4).

**Graph 3: Poultry Production and Consumption**



Source: Ministry of Agriculture and Foods Statistical Bulletins

**Graph 4: Poultry Purchased per Household**

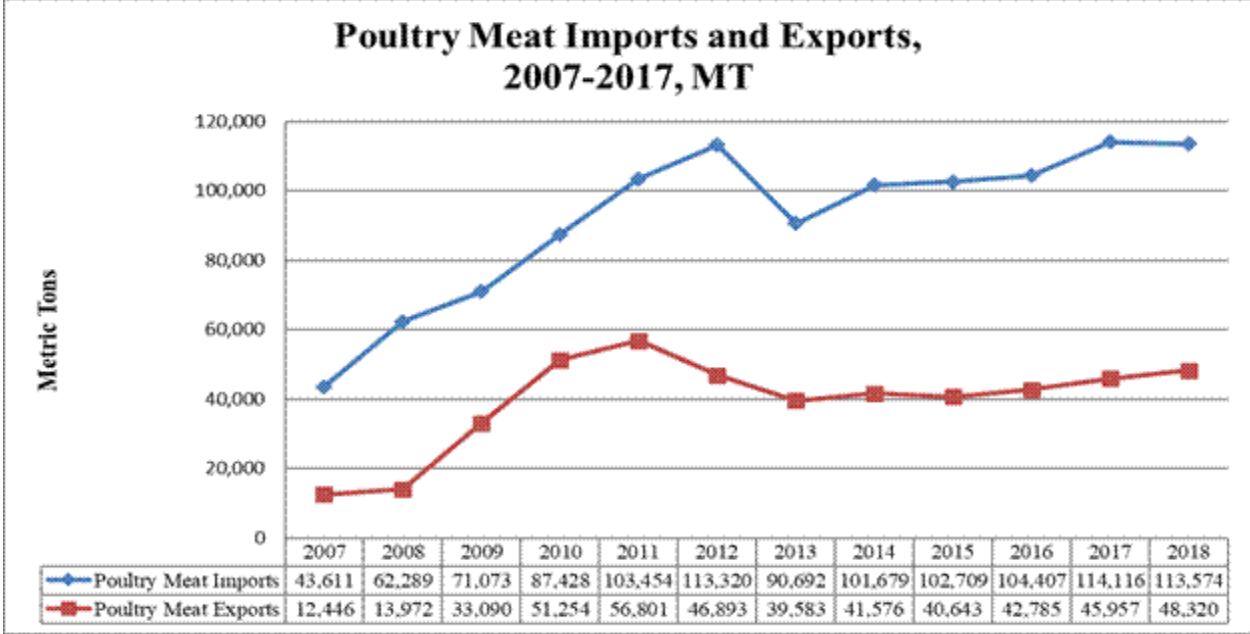


Source: National Statistical Institute

### Trade

Local poultry meat producers actively target export markets to diversify their risk and increase sales value. Imports are dominated by broiler meat, while export revenues come mainly from duck products. Higher duck prices (exports) and lower broiler prices (imports), generally create trade deficits for Bulgaria in volume and trade surpluses in value terms (see Table 4, Graph 5).

**Graph 5: Poultry Trade by Volume**



Source: World Trade Atlas

Imports

2018 Bulgarian poultry imports by volume stagnated (-0.5 percent) from 2017 (Table 4), although imports increased in value by five percent (\$135 million). Major suppliers were Poland, with a 43 percent share, Romania, with 16 percent, and Greece, with an 11-percent share. So far in 2019, imports by volume have slid down by about four percent and have stagnated value terms (WTA, January-March, Table 4). Poland continues to be a leading supplier, although its market share is lower at 38 percent of total imports, followed by Romania with 21 percent.

Broiler meat dominated poultry meat imports. In 2018, imports stagnated in volume although were six percent higher in value compared to 2017, this trend was preserved in January-March 2019 (WTA). The largest import category remained frozen chicken leg quarters (HS#020714) although these imports decreased by two percent in 2018. Frozen chicken leg quarters accounted for 43 percent (45 percent in 2017) of total broiler imports by volume in 2018. Thus, total frozen broiler imports in 2018 (HS#020712 and HS#020714) stagnated at 52,000 MT and its share in total poultry imports was stable at 50 percent.

Exports

In 2018, poultry exports increased by five percent in volume and by six percent in value terms, reaching \$204 million (WTA) (Table 4). Major markets were Greece and Romania for broiler meat, and France and Belgium for duck meat. In January-March 2019, exports continued to expand by seven percent in volume but declined by 25 percent in value over the same period in 2018 (Table 4).

Broiler meat exports in 2018 increased marginally by one percent in tonnage and by 11 percent in value (WTA). Greece was the leading market and accounted for 55 percent of broiler meat exports, and Romania for 18 percent, respectively. In January-March 2019, exports grew by 12 percent in

volume but stagnated in value terms compared to the corresponding period in 2018, with the double-digit increases to Romania (by 26 percent), Cyprus (by 56 percent) and the United Kingdom (by 34 percent). Greece remained the main export destination.

The difference between average broiler meat prices in Bulgaria and EU-28 provides an advantage for local exporters. In 2018, the average Bulgarian price was €153.01/100 kg (3.9 percent growth over 2017) compared to €186.87/100 kg average for the EU (2.2 percent growth over 2017). However, in 2019, Bulgarian prices have increased quickly compared to stagnant EU prices. In [June 2019](#), the average Bulgarian price was €156/100 kg (up 1.5 percent over last year) versus €190.14/100 kg for the EU average (0.7 percent less than in June 2018).

## Appendix:

**Table 1. Farms Raising Chicken for Meat as of December 2018**

Farms Raising Chicken for Meat as of December 2018				
Number of birds per farm	Farms		Chicken raised for meat	
	Number	Change, percent 2018/2017	Numbers, 000	Change, percent 2018/2017
1-199	86	-76.5%	2	-83.8%
200-9999	21	-36.4%	125	-23.3%
10,000 – 99,999	81	-1.2%	2,833	11.8%
100,000 and above	13	8.3%	3,961	21.6%
Total	201	-59.2%	6,921	16.0%

*Source: Ministry of Agriculture and Foods Statistical Bulletin 356/April 2019*

**Table 2. Poultry Meat Production 2018**

Categories	Slaughtered birds, 000	Live Weight		Carcass Weight		Change, 2018/2017, in percent
		Total, MT	Average, kg	Total, MT	Average, kg	
Broilers	51,482	114,197	2.2	87,277	1.69	10.1%
Hens and cocks	2,430	6,076	2.5	4,497	1.85	-2.3%
Ducks	6,405	30,653	4.8	23,102	3.6	18.2%
Total	60,317	150,926		114,875		10.5%

*Source: Eurostat and Ministry of Agriculture and Foods Statistical Bulletins*

**Table 3. Poultry Meat Production, Imports, Exports and Consumption in 2008-2018, MT**

<b>Poultry Meat Production, Imports, Exports and Consumption 2008-2018, MT</b>				
<b>Commercial production</b>	<b>Chicken Meat Produced on-farm</b>	<b>Imports*</b>	<b>Exports*</b>	<b>Domestic Consumption</b>
<b>2018</b>				
<i>114,875</i>	<i>1,932</i>	<i>113,574</i>	<i>48,320</i>	<i>182,061</i>
<b>2017</b>				
103,960	3,004	114,116	45,957	175,123
<b>2016</b>				
106,852	2,788	105,239	42,751	172,128
<b>2015</b>				
101,252	4,402	102,709	40,643	167,720
<b>2014</b>				
97,995	4,198	101,679	41,576	162,296
<b>2013</b>				
94,519	3,869	90,692	39,583	149,497
<b>2012</b>				
99,006	8,617	113,320	46,893	174,050
<b>2011</b>				
98,609	5,247	103,454	56,801	150,509
<b>2010</b>				
99,065	7,850	87,428	51,254	143,089
<b>2009</b>				
103,037	27,115	71,073	33,090	168,135
<b>2008</b>				
91,340	17,211	62,289	13,972	156,868
<i>Source: Ministry of Agriculture and Foods Statistical Bulletins (Imports and Exports calculated in poultry meat equivalent)</i>				

**Table 4. Poultry Meat Trade 2016-2019**

<b>Poultry (Including Broiler) Meat Trade 2016-2019 (January-March)</b>						
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2018 (January- March)</b>	<b>2019 (January- March)</b>	<b>Difference in Percentage 2019 vs 2018 (January- March)</b>
<b>Poultry Meat and Products Group/PG</b>						
Imports in MT	105,239	114,116	113,574	29,787	28,715	-3.6%
Exports in MT	42,751	45,957	48,320	10,848	11,600	+6.9%
Imports in million U.S.\$	109.5	128.7	134.7	36.4	32.1	-11.8%
Exports in million U.S.\$	172.5	191.6	203.9	47.9	36.1	-24.8%
<b>PSD Chicken (Broiler) Meat</b>						
Imports in MT	93,615	105,055	105,634	27,537	27,272	-0.96%
Exports in MT	26,350	31,586	33,223	7,550	8,425	+11.6%
Imports in million U.S.\$	94.7	113.8	120.7	32.6	29.1	-10.7%
Exports in million U.S.\$	63.8	77.1	85.8	19.5	19.5	0.12%
<i>Note: Poultry Meat and products Group includes the following HS#: 020710-14; 020721-27; 020731-39; 020741-45; 020750-55, 020760 and HS#1602 31-39</i>						
<i>PSD Chicken/Broiler) Meat includes the following HS#: 201711-12-13-14, and HS#160232</i>						
<i>Source: World Trade Atlas</i>						