Participant 1

Q: Tell me about yourself, how long have you been farming and what kind of operation do you have?

A: We started in 1997 with an old farm for feeder pigs at a different location. We bought the animals and started working. This coincided at that time (1997-2000) with the low output prices for pork meat and high prices for grain. It was a disaster. And this brought us to the decision in 2000 to get farmland and start planting crops, so we can produce our own food for the animals. We realized that in the West the pig farming has been developing quite intensive concerning genetics, equipment etc. and we decided in 2002 to visit a specialized exhibition for pig breeding in Ultra, Holland. We saw the new trends and in 2004 we made the decision to take advantage of the programs of the European Union – program SAPART. In 2006-2007 we did the construction of facilities, bought the pigs and started the operation, increased the land for grain.

Q: How many hogs do you have at the moment?

A: Right now we’ve got 220 mothers and 3400 hogs. The idea is to be able to increase the mothers another 100-150 in the next couple years and to have 5000-5500 hogs. The fodder base is producing enough food to support it.

Q: So, you are using part of the grain for feeder?

A: Yes, part of the grain. A big part of the grain we ship to the market. We work in two main directions – pork meat production and production of grain.

Q: So, before 1997 did you have any farming experience?

A: No, never. Only in the village where we had small piece of land but it was for family use.

Q: Tell me, since joining the EU in 2007 how has farming changed – positive or negative for you?

A: 100% positive. After we started having access to EU programs, SAPARD at first, and now the program with the measures (criteria) for financing – they had a positive impact on all my colleagues, regardless of their specific operations – grain production, pig-breeding, cattle-breeding, or chicken farms. They have made a lot of investments in new equipment, tractors, combines, large pig complexes, and I think at the moment we’ve got some really good farms producing pork and chicken meat.
Q: Did it help the innovations?

A: Yes, it did. Yesterday, I was at the farm and we were talking about the time in the past – a hog in Europe used to get ready within 150 days; this was a myth to us. At that time we needed 7-8 months time. The genetics was Bulgarian and not imported. At present, we work mostly with imported genetics – Danish, Dutch, British, Belgian, etc. Speaking with other colleagues the hog farming is at really good level – good meat quality, good animals. The entering of EU made us work like Europeans, due to the fact that competition of the meat import is really serious and if we are not effective in the meat production we will lose the market.

Q: Is there an export of pork meat to the EU?

A: No. Bulgaria has a shortage of pork. In 1990 we had around 10 million pigs and now we have only 300,000. I know this because I am part of the National Board of the Association of Pig Farmers. There are 50,000 to 60,000 swine in Bulgaria at this time. We also used to have 10 million sheep, now we only have 500,000.

Q: So, what happened to the animal production for the last 20 years?

A: The crisis years 2000-2003 made a lot of farmers to give up production. Many pig farms collapsed. The meat price was .70 lv/kg, alive and the prime cost was 1.50-1.60 lv/kg. The other important factor is manpower; people are not willing to work in this sector. It’s hard to find young people interested in pig farming. Getting into the EU opened the door to get help from the West as well as many Bulgarians left Bulgaria to work in other Member States. There are not many young people in the livestock breeding, while in the grain production you can see more of them. In general, I don’t think we have more than 100 pig farms in Bulgaria. In our association we’ve got 55-60 farms members. There is another association as well. The largest farms are taking care of 3000-3500 sows.

Q: You mentioned that joining the EU was a positive experience. Can you tell me how subsidies impacted your operation?

A: I would prefer the grain producers not to receive subsidies. Since that time, a great battle for land has been taking place. There is strong competition between farmers in the grain production. We fight for every inch of land in order to get more subsidies. Then we had to raise the rent and it use to be that if we got 30 lv. per dekare, 15 lv. goes for the rent. At present, because of the competition, if we get 30 lv we need to add 15 lv more for the landowner. So, that’s what we are talking about – it is better not to have subsidies for the grain production. It would be better to give it for vegetables, orchards, animal breeding, and so on. In general, it is good to have them, though. Fresh money is being poured in the country. The subsidies have twisted the right perception for rent, land price. 2014 is a transitional year for Bulgaria and we are about to start the new program period. The main topic is redistribution of the subsidies. The small farmers
(around 300 dekares) would get 45 lv/dka and the bigger the land, the smaller the subsidy. Our farm will continue getting the same. This is something the bigger farmers didn’t like: the redistribution of subsidies and redirecting of the budget. There is a great opposition from the grain farmers because they will get less than us and won’t be able to invest into new combines and tractors. There was an opinion throughout the media – why would the grain producers have subsidies when they export all of their crops? The surplus value doesn’t remain in the country.

Bulgarian agriculture has many regulations because of the EU and the only way to get subsidies is to do what they want and give them access to your projects and operations. If farmers do not comply with EU regulations, no subsidies.

Q: What’s going to happen over the next 5 years? What do you expect?

A: At seminars and in a meeting with the minister of agriculture we were told to expect redirecting of resources toward animal breeding. From 2016, there is going to be subsidies for the humane raising of pigs and chickens, and the redirection of money for the vegetable sector, fruit production, and aquacrops. For grain crops, I think subsidies will remain the same over the next 5 years: 30-31 lv/dka.

Q: How do you spend most of your time each day?

A: Every day for us is different. Some days are easier and some days are more intense. Every morning I start by sitting at the computer and see how it went the previous night on the farm (we’ve got a system for remote surveillance). Then I take the kids to school and 7:45 and have my morning coffee, for only 15 min. I start work around 8am. I am trying to be at the farm every day in the afternoon. It is a biological process and there could be some surprises. I also have a partner but he is dealing more with the grain production where it is seasonal work. Now I begin the main work, while with the livestock you need to be involved 24/7. Until 1-2 pm I spend my time in town having meetings, doing business with any institutions, book keeping, banks etc., and then the farm. 1-3 times a week I get in with the animals and sometimes I stay late if needed. I try to see how is everything going. For example now we are testing new feed. I am also trying to spend time in recreation activities. We’ve got fruit trees and rose bushes on site. The farm also looks nice. It is a compact complex spread on only 7 dekares. The different units are connected with corridors.

Q: Do you use the manure for fertilizing your crops?

A: Yes, we spread it on the fields. We’ve got a big reservoir to store it and a tractor with tank takes it out. It is all in consideration of protecting the environment. In summary, the most time I spend is to control the people by giving them the tasks to perform and to control the cost/expenses.
Q: How many people work for you?

A: Currently, I have 38 employees in all the different departments: accounting, security guards, and labors. In the pig operation itself there are 4 people, 2 are working with the feed and maintenance, and 3 security guards.

Q: Have you had any serious outbreak with the animals since you’ve been doing this?

A: No, not yet. I don’t invite my guests and visitors there. I do all my meetings off site, in Svishtov at my office. I don’t let outsiders in. Until now, only one feed specialist from Holland has been on site. I avoid having people from outside and try to provide maximum bio-security. Our workers don’t raise pigs at home. We give them 1 pig a year so they don’t mess up with it at home and bring in diseases.

Q: How do you stay current? How do you learn about new technologies?

A: I subscribe to two electronic magazines, and mostly visit trade fairs.

Q: Which one is the most important?

A: Probably the trade fair. There I can be more visual. This is the way I did my farm, too. In 2003 I saw it in Holland. There you can see the feeder, the box, you have access and hands on.

Q: Does that influence your purchasing decisions? How do you buy things for the farm?

A: Yes, it influences us. You see it, like it, research it. Usually at the fairs they give a discount.

Q: Do other farmers play a role at all? Do they influence you, do you meet with them to talk about technology?

A: Of course. And here is an example. I’ve heard about a new company that is importing ventilation systems and equipment.

Q: How important from 1-10 is meeting other farmers.

A: Concerning equipment – 4. About genetics – 7-8. Concerning equipment everyone has an individual approach and perspective. When it is about genetics and feeding it is important because this is the product that we sell.

Q: Do you ever consult someone from the university, a veterinarian in that case?

A: Not with the universities, simply because they have fallen apart and the professors are a bit outdated. I often meet with veterinarians. I am economist by education.
Q: Do you have an extension program for agriculture?

A: We definitely meet and discuss the issues. When you have different opinions it is easier to find the solution.

Q: What factors influence you the most when you are to make buying decisions: whether it is for feed, or equipment and/or technology?

A: First of all we try to buy the most reliable, though it might be the most expensive because we are after quality. The supplements are important. We don’t work with the Chinese but with French. We are trying to provide quality. There is always the financial moment – we are trying to negotiate.

Q: Do these companies and the sales people come to you?

A: They come to us to meet, to get to know us, and then we communicate over the phone to place our orders.

Q: Are they helpful? Do they give you a good advice?

A: Yes, they are helpful and give good advice. They’ve got specific programs for feeding, they can make you a recipe, always send emails with new information and new products. The service is good. We shouldn’t forget these are European companies with reps in Bulgaria and for years they’ve been working here. This year we made a contract with a French company who would buy our barley for malt. We are using their seed; they call twice a month to check on us if we need something and then get the barley from us and give us 30 lv premium per ton. They come out in the field, and provide all the service necessary. It is not only for the crops but for the animals as well.

Q: How often do they take soil samples?

A: Once a year. In Bulgaria we already have a mobile lab and they come on the spot.

Q: How many hectares have you got?

A: 1250 hectares. I own 400 hectares and rent the rest.

Q: What type of capital equipment do you prefer and why?

A: I went to Germany with my sister’s husband, who is German. And we were able to get good machines with a better discount having him to negotiate. We signed the contract there. Ten days passed and we still did not have the invoice and were a bit worried. We found out that there wasn’t a problem. The dealer just wanted to check and service the machines before shipping it to
us. They work in a different way than us. We invested in that and bought an excavator. Our tractors are both used and new. The seeder, the harrow and the ploughs are new.

Q: How do you service your equipment?

A: We’ve got a Claas shop and they provide the service. That’s why the excavator is Claas too. It is good to use one brand because it is easier to service it. We use the combines around 400-500 each per year.
Participant 2

Q: How long you’ve been farming? Tell me when you started and how it evolved?

A: I started in 1995 selling chemicals, seeds, and fertilizers. I used to work as a representative of a fertilizer company, building up contacts with the costumers. I was doing this until 2000. In 2000 for a year, I was cleaning windows in Amsterdam and in Feb 2001, I started my own company selling chemicals, seeds and fertilizers. In 2003, we established the operation for grain production. Ironically, in one of the villages, I couldn’t get the money for the chemicals for two years and they offered me to become a leaseholder there. At first I didn’t want it but it so happened that I realized this is the only way to get the money from them. And on Feb 5th, 2004 I laid foot on that land and started working. Initially I was using their machines. Out of 1100 hectares they had only 20 ploughed and prepared. We started a very basic operation in order to give the rent to the people and start returning some of the money. What helped me a lot at that time was the margin for profit from selling the chemicals and seed was pretty good. After entering the EU in 2007, Bulgaria started the great expanding of the territories, renting new land. In 2008 and 2009 we’ve had two consecutive projects with the program Development of Rural Areas.

Q: So, there were subsidies with the projects?

A: Yes, every time we buy equipment or machines 50% of their value is a grant. At that time there was a resource and there was such an option and a number of farmers were able to renew their machines, which brought new technologies for work.

Q: Do you do any farming yourself or do you hire people to run the operation?

A: Back in 2003, 2004 I would get up at 6:30am and go out in the field. I did not operate the tractor but there was the need to motivate the people. In reality, I was directly involved with the people management. Though the spectrum of operations is wide in the area of plant growing, everything was going through me. The exception was the technical part of the equipment. After the projects in 2008, 2009 we acquired enough material security and were doing the operations better for less expense, while optimizing the labor force.

Q: How many people are employed to do the farming now?

A: Around 16 people work directly with the equipment, 10 people are security guards since we’ve got 3 locations. It is a problem in Bulgaria to have the bases unattended. We also have 5 staff members at the office. The administration is really hard work. For the vegetable gardens we hire seasonal workers because there is a great amount of manual labor. And we have 4 people in the executive body.
Q: After joining the EU, how did that affect your operations? Did it open new markets? Was it positive or negative, or both?

A: In general, there is more positive in our sector is than negative. The payments per unit of land definitely increased the possibility of paying more rent. In the beginning, 2007-2008, the direct payments were more than the rent payments. In 2009-2010 they became almost equal, and now the rent payment is 40% more than the direct payment. The first 2-3 years created the condition to be more comfortable with the work and then was the great expansion for renting as much land possible by all farmers. The second period when the payments and rent got almost equal, with the investment programs we were able to implement the new technologies in order to be more effective. The results came in 2009-2010. Then we had profit not from the direct payments by itself but from the good business they’ve developed. The second area is the investment programs. The third area is this: while the farmers in the Western Europe and in the US have an almost balanced level and a small size of profit, in Bulgaria the cost increased but also the yield increased and combined with the good prices in 2010-2011 brought about a very good profit. These two years are unforgettable in regards with the yield and good prices. 2009 was not a good year because of a drought. But the yield connected to the prices made up the difference for the expenses. The government covered our losses in 2007 due to drought - I lost 140,000 lv. I definitely think that this time was good and allowed us to invest into what we needed for the grain production. And this is all to the expense of the fruit and vegetable production, milk and meat.

I am having around 1000 hectares of wheat, 350 hectares of rape, 820 hectares of corn, 250-270 hectares of sunflower, and some small plots of alfalfa – which is for local consumption.

Q: Tell me what’s going to happen with your farm operation, based on the EU changes – positive or negative over the next 5 years? Good or bad?

A: In the area we still have some old structures of the communist coops. They are not so effective. The private initiative has been taking from them all the time – land, and we are expecting some increase of the land. So, the operation will grow. We don’t think much about it. We are mostly focused on what is the added value of what we are producing.

The second area we are thinking about is to increase the production of vegetables. Bulgaria is importing 80% of the vegetables.

Q: Does Bulgaria or the EU reward vegetable production yet?

A: No, not at this time. In the last two years there was 15 million Leva to support these markets, which is not much. This is the price of an intersection in Sofia on the Ring Road. So, we’ve got plenty to work on the development of vegetable growth. What was for the grain in 2008-2009, I think it will happen for the vegetables in 2015-2016. This will be a renaissance for them.
Q: You think in the next 5 years there will be a big surge in the vegetable growth?

A: Brief explanation. The big grain producers have the assets, the resources; they know where to ask for technologies, and they can afford to lose in such an investment. Since there is a problem with the labor, they are focusing on productions that are completely mechanized. For example onions, potatoes, carrots, and at the same time there are technologies for mechanical harvesting of cabbage, and the newest I saw is mechanical harvesting of peppers. So, I suppose, on small plots of land – 5 ha of carrots what I am doing now we want to try and see what it’s like. Our intention is to produce 3,000 tons of carrots. But at the same time you know, that along with production there is a need for storage then marketing and this all should be a completely new investment.

Q: So, what role would the change of subsidies play for you in the next five years?

A: I definitely think that not only for me but for all farmers there will be difficulties in regards with the requirements for the green component. In European CAP we have a greenery section. In the first two years I suppose all farmers will have many problems. They did not know the rules. Our government doesn’t give enough information and then our country has to make national decisions of what to grow. The farmers need to make diversification, give priority to ecological/bio plots of land, which is essential. The crop rotation will change because of some equivalent practices and it depends which one our country will choose.

The second important factor is the program Development of Rural Areas, the investment program. The ministry of agriculture doesn’t have a god analysis and will direct funds in sectors that we are not so sure for at this stage to be the right ones. In Bulgaria we are also having the doubts, as usual, the political parties are stealing the money from the program and we are trying not to rely on that only. Nevertheless, whatever funds come as help are welcome.

Q: Let’s move into your day-to-day operation. How does a normal day for you go? Where do you spend most of your time: making business decisions, managing, supervising?

A: I usually get up between 7 and 8 am and work with the administration – the staff that is actually managing the operations. From 8 to 8:30 we are here at the office working with the accountants signing paper work or taking care of other administrative tasks. Between 9 and 12 I have meetings and talk with customers about the chemicals and fertilizers, but it has nothing to do with the grain production. In the afternoon, I work with the institutions – banks, the municipality, and so on. I am trying to find some time for sport in the late afternoon (6-7 pm). Usually, when we are in the high season we work until 8:30-9:00 pm. The book keeping office closes at 5 pm. During harvest time we work until 11 pm. We are waiting to see everyone is off the field.
Q: How do you stay current with technology and information? What resources are you using?

A: I try to read a lot mostly from the Internet. I keep track of a few websites – some European and some American. I am impressed with Agro-Web. I read Agra-Net and the Bulgarian websites for farming. In regards with the prices and markets for grain, since I am doing an analysis on the grain markets, I keep track of a few websites – French and British. I do read the French because Matif is an important stock exchange in Europe. The British has good communication and a good data base and analysis.

Q: When you look at grain prices, do you look at the French one?

A: Yes, because there is a difference between the European and American prices. It is important to know how much is the spread here. For example, when the corn price in Bulgaria was $150 in France it was $25-30 more. It is interesting because in such a small area we have this big spread. This info helps me for the price to sell. And still, I try to work with big international traders like ADM and Cargill.

I am part of a small team in Sofia. We formed an Agro Institute for analysis and statistics because we don’t have enough data base in Sofia and if we have some, it is not correct. Now six other people and I started making this analysis of the CAP. Unfortunately they are only in Bulgarian at this time. Maybe in a month time they will be available in English, too.

So, in the next 5 years I am expecting to see the vegetables production getting developed altogether: storage, packaging, labeling and putting it on the market. Our focus is mostly on what we have at the moment and how to give it more added value, and to make the process connected. We definitely have all the prerequisites. Concerning production, I believe we are doing well. The row materials are still at a low cost. We can manage all the vegetables and grain, since Europe is a big market and the Middle East isn’t far also. I’ve got a friend who is exporting dried tomatoes to the US. There is a great potential.

Q: When you go buying for the operation what influence you the most? What influences your buying decision?

A: Relationships are important but what is important for each purchase to us is what would it contribute to our profit? Price is not always the key factor. If it can bring a return during the next 5-7 years then it is worth the investment. Than the scale. In general, we don’t try to be led by the price. We would work with new vendors as long as they’ve got good references.
Participant 3

Q: Can you please tell us about yourself, your background and how you got into farming?

A: I am 71 now. In 1969, I graduated the university in Rousse with a degree as a mechanical engineer working with agro machines – tractors, combines and cars. I became the chief engineer at a state farm in the Rousse area. Later, I had the same position on an AIC in Svishtov. Since 1992 I have been here at the Svishtov complex.

Q: What was it like before?

This used to be a State Agro Farm. In the 50’s, they built living accommodations, barns, storages, mechanic workshop for maintenance of the equipment, garages, and we are now at the administration building, where used to be the offices of the executives and staff. The land was acquired from swamps. If the Danube overflows, this land should be under water. After they had built the dyke in the 40s, the water was “gathered” at what’s called the Svishtov swamp. It spread over 4,000 hectares. They’ve dug 45 km of draining canals and cleared the land. That’s how this SAF was created. In 1992, when I came was the time for changes. I started as an engineer, two months later there were some elections on the farm and I became the executive. In 2009-2010 was the privatization of this SAF by the means of the so called Workers-Managers association. People know that this was not quite well done and there are a lot of rumors about many of the privatization deals made that way. The workers have the right to get stocks and this gives them right to be part of the owners and decision makers. The fact is that they had very few shares, so virtually - no voice. Two or three individuals were the main shareholders. (This was one of the corruption practices. Translator’s note). In our SAF the WMA worked out of the book. We haven’t sold a single cow, barn, tractor or whatsoever. All the activities kept going and this is an example for the real purpose and way to work of the WMA. So, It became somewhat like a joint-stock company.

This way of privatization in Bulgaria in known as deprived. After the change of ownership it usually leads to a total destruction of the particular business.

Q: Why did it work here and it didn’t work other places?

A: I mentioned earlier about how important the personality of the individual in charge is. And I am saying it feeling a bit uncomfortable because I need to talk about myself. I always wondered why others wanted to buy certain factory and then make it into pieces and sell it. So, it is a leadership issue.

Q: Why did it take such a long time for state land privatization – until 2009?

A: It is still state owned. We participate in auctions for the state owned land so we can work it. The state takes bids. We are not owners of the land only the assets at the SAF. We are talking
about the state land that we use as part of the SAF. We are renting it. It was 2,500 hectares and at present we work over 5,000 hectares. Our own land is about 1,500-1,600 ha. But it is at a different location. In 2005 we started leasing land in my home village Oresh.

Q: How did farming changed in the 90’s after the fall of communism and closer toward EU integration, up until 2000 and then from 2000 till 2007 and now?

A: The dividing point I think is the accepting of the Law of ownership and usage of the farm land. The ownership was restored to all Bulgarian citizens by 2007-8 and the land was divided into very small plots. This is the starting point and from here we’ll talk about what happened later on.

There were probably weak points and mistakes into the unjust land restitution and distribution but the basic fact since that time, I think, almost 20 years now, the breaking up the land into small plots was a great mistake.

Q: Did all of the state owned farms remain intact or some of them were divided?

A: Most of them remained intact. Some of the state land was given to the Agro Institutes. However, some of the land was used for compensation to the small owners because there was not enough land to give back. The law says that the state land first becomes owned by the local municipality and then given back to the small owners. The municipality had the responsibility for land distribution.

Q: Was the joining of the EU positive or negative for your operation? Did it give you resources to buy more land and equipment?

A: It is definitely positive. In 2007 began the pre-joining program SAPARD, which basically helped in almost all of Bulgaria to renew the machines on the farm. This was the main thrust of SAPARD. And yet, we had greater expectations of the program. We had a really good livestock breeding farm (cattle) and I expected that the joining of EU to give a good push in the raising of animals but for the next three years I received nothing and I finally sold the farm. I used to have 400 dairy cows and 250 heifers.

For the first period 2007-2014 we received subsidies in direct payment: we were paid per decare owned/leased land. It went up to 25-28 lv per decare. With this money we can’t cover only the fertilizer per decare but it is still something.

Q: What was the main reason the cattle farm did not work?

A: The main support was for the plants growing and not all of it. It is mainly for wheat, corn, sunflower, barley and rape. And this kind of policy, it is not only my opinion, wasn’t good. Working the land that we’ve leased and own, as we have 5,000 hectares and we are somewhat considered big, although there are some very big farm operations with 30,000 hectares, and they
plant the same crops. They are completely mechanized. There are villages where all the land around them is owned by these big farms and not even a single person from that village works at this farm. Not even a watchman. The village people used to provide for themselves out of this land. So, this is the great disadvantage of the program. It is catastrophic. The subsidies rewarded those crops and it impacted the region. It didn’t provide subsidies for the animals.

Q: What do you expect over the next 5 years with the subsidies and the way they will impact your operation?

A: There are two directions for the EU subsidies: the direct payments, and the program for development of rural areas. The direct payments are per unit land (1 decare = .1 hectare). In comparison with the older EU members we are getting 3 times less subsidies per decare which we also think is unjust. At least, this government intends these grain producers like me, should spread the subsidies also to some vegetable production, animal, fruit growing. And there are the Agro-ecological payments which are a serious portion. For them you need to apply according to the different programs for development of rural areas. Direct payments and participation in the programs but people need information, consultants. The state follows the policy of the EU and defines the rules for the farm operations. If there are subsidies for the vegetables – farmers will do them. The last couple years they started subsidizing the pig farms and you can feel it is growing.

Q: Do you have any sons that farm with you?

A: God has given me a good son is he is right next to me. My daughter in law, his wife, is also here and she works in the area of contracting the land, and my daughter is also here. But the main person I am happy about and I am at ease that there is someone to take over is my son. I have a plan this operation to continue in the family.

Q: You said you spend a lot of time managing people. Describe what you do on a day-to-day basis.

A: Every day there is adrenalin in it. This has been many years now and if everything goes well from the morning it feels a bit awkward. I start with the correspondence, signing documentation, giving orders, then I try to be more in the fields, which, having my son around for almost 10 years now, he is the manager of production. He is the agronomist and mostly he is in the field. However, I take every chance to go out. Here is one of the bases, in Oresh we’ve got another one and in Bozhuluka a third base. Through the years, every year we’d add some new facility and it needs attention. I don’t stay idle.

Did your son finish university?

He graduated the university in Svishtov and he is economist. He happened to be a smart boy and he is doing very well. He is the best agronomist in the area.
Q: What source of information are you using in order to stay current with the farm operation? Trade fares, exhibitions, media?

A: What I marked in the survey and we also have an association of the agro producers in Bulgaria where we are having discussions. It is a national association. This is one of the serious sources of information of how is everything going. There are some magazines on farming. There is also a lot of information on the Internet. It only takes time and it is good if you have it so you can read.

Q: Why do you like John Deere?

A: Fend was the first big tractor we got and it came through the first project with SAPARD. It was #17 in the nation. It was the most sophisticated model at the time. At that time, we knew that Fend is #1 but it did not leave us with good impressions altogether. This tractor always has innovations, a lot computerized, electronics that is already available in all the other brands, too. But it is just too much and it is not necessary especially for the land farming. Not long ago the tractor was on the field, got in fire and burnt down.

Then we started using Case. In the last 5-6 year we think John Deere is the best. It is good because it is a durable tractor, less defects, it is a lot more simple and easy to work on. The company that we bought it from has a very good service.

Q: Why are Claas combines so good?

A: It is good because it is good. We used to have a Case combine. We sold it with gladness later on. It couldn’t impress us. Claas has some serious possibilities. Parts are more durable and don’t wear out to fast.

Q: Do you in general buy new machines or used ones?

A: Sometimes we buy used ones. For example, we’ve got 5 used John Deer machines. We try to find the ones used fewer hours and we are happy with them. In Bulgaria we use them 2-3 times more hours than other places in Europe and perhaps US. Our big John Deer tractor work well and now during the sowing time they work 24/7 in preparing the land.

Everyone knows that is good to get new machine as often as possible but it is a luxury only for the richer ones. Last year we gave two smaller Claas combines to a firm and they gave us a bigger Claas with tracks, with fewer hours on it. We use are combines about 500 hours a year and tractors around 6,000 to 7,000 hours in a lifetime. Since these machines are very expensive we can’t afford to change them often. I would change them if they start breaking down more often.
Participant 4

Q: How long you’ve been farming, your background?

A: I started farming in 1997 because my business with scrap failed. The company I delivered a train composition with 180 cars couldn’t pay me. I also didn’t see any future of that business. I am a village boy. My father used to have cows. So, that’s why I returned to the farming. Until 3 years ago we were working only land, raising crops. Since 3 years we have the animal farm. We’ve got 130 cows and out of them we milk 92. We’ve started with 300 hectares and at some point we had 1200 hectares. 2005 was a terrible year – too wet, the soil was muddy and this just crashed my operation. I lost more than half a million Leva. In the spring when the pollination of the wheat had to take place there was lots of rain and it couldn’t happen and there were no crops. Out of 970 hectares I got nothing. My mistake was that I did the planting of the wheat in the fall within 7-8 days. In the spring, when pollination should happen, it rained and I was the only one that lost. If the banks were more flexible at that time I’d never sell 110 hectares of my own land. That was a major hit on me. The bank could’ve prolonged my credit but they didn’t. Now the conditions offered by the banks allow this to happen. It is not because of the EU. It’s just the bank policy at that time and now.

Q: How did the farming changed since Bulgaria entered the EU?

A: It changed in the positive. When we used to go to seminars in the beginning all the attendants were poor, sloppy. Now when we get together, the level is completely different, as well as the level of competence. It is a result of joining EU. A lot of new companies got in the country and the European subsidies that we receive, like the direct payments for example, are a serious push.

Q: So, the subsidies play a big role getting you at where you are today?

A: We could’ve managed without them but would be at a lower level then now. We’ve got new machines.

Q: What do you think for the next 5 years? Would it be better, would it change?

A: The new program period 2014-2020 I believe is going to be better. We’ve created a project for about 3 million Leva. I expect the approval by April 15th. It includes the animals, too. There have always been subsidies for animals but they were less. There is big a difference between the subsidies given to the farmers in Western Europe and the ones given to us. The older member countries get more than us.

Q: Can you share something about the project? What is it all about?

A: It is for a big tractor, loader, a fertilizer spreader, and trailer - mostly equipment.
Q: What does your normal day look like? Where do you spend more time?

A: Personally I spend most of my time gathering information through the Internet and contacts with other farmers. Then I discuss it and get the opinion of my son and daughter. And then I only observe, supervise somewhat. I don’t even run the business anymore. My son and daughter are doing that. I correct if somewhere is necessary. And they always consult with me whenever they want to make some big decision. I am involved in the deciding what crops and where to plant. I make the food recipes for the animals.

Q: How many people work with the animals and how many with the crops?

A: There are 7 with the cows and another 7 in the field, and we hire up to 10 seasonal workers.

Q: What’s been the most useful source of information for you? Is it trade show, exhibition or the Internet?

A: Seminars.

How often do you go? How many a year?

A: The last couple years we’ve had 4-5 seminars a year.

Q: Is this part of the association?

A: Yes. But some of them are organized by the retailers.

Q: How important is getting information from other farmers like you? Especially in relation with buying something or to try something?

A: I listen to all of them; I read, at the end I make the decision.

Q: What factors would influence you to buy something or to switch to something new? What is the most important for the equipment?

A: First is the reliability and then being economical. It should be also a brand that established itself on the market. For example, the Russian disks are the best.

Q: Which tractors, combines do you like?

A: All of my small tractors are new Beloruss. The big one and the combine are John Deer. I like this brand because it is durable. They use a little more gas but during harvest it is very important to be able to rely on them.

We use our combines about 120-200 hours a year. In regards to tractors, I have some that are over 30 years old. The normal life on a tractor is around 8,000 to 9,000 hours. We use our tractors about a 1,000 hours a year.
Q: What influences you when you want to buy fertilizer or seed?

A: The certificate has the leading role and also what my need is. If I need phosphorus I check to see which one offers more of it. If it is potassium, I take the one that has it. For the corn we need more nitrogen.
Participant 5

Our operation is similar to participant # 2 but many times bigger. We are a group of firms and the smallest operation is the land farming. A few firms are selling fertilizers, seed, chemicals, fuel and we are actually buying from ourselves. Participant # 2 has similar cycle and the difference is only in the size of operation – he’s got a small business, he buys from us and then sells to other small firms or farmers. We are not the typical farmer for Bulgaria. The agriculture is an add-on to our main activities. You can see the grain base and we’ve got a few across the country.

Q: How many hectares of land are you farming?
A: The total is 4,300 hectares. It is large but compared to all operations it is a small percentage. The main work is trading with commodities.

Q: What seed do you sell? Which brand?
A: We sell the more popular brands, what is on the market – Monsanto, Pioneer.

Q: So, what do you do daily on the farm?
A: We are doing the production.

Q: How long you’ve been farming?
A: Over seventeen years.

Q: What are some of the changes you’ve seen in the farming for the last 15 years?
A: A lot of major changes. And it is not in the last 15 but the last 7-8 years, a little before entering the EU. We are talking about modern machines, technologies, seeds, and chemicals.

Q: Did the subsidies programs help that?
A: One can’t deny that they also take part in the changes but still not the key factor. The main thing is a lot of work.

Q: What are 2-3 positives and a couple negatives since joining EU?
A: Positive: we used to be a socialist country and the machines were mainly from Soviet Union; now we use ones from Western Europe – mostly German and American. John Deere, Fendt, and New Holland. We try what’s new and works well to have it. It leads to an upgrade in the seed, chemicals, fertilizers and technologies.

Q: So, you purchase new equipment? What factors influence your decision?
A: There are many factors. Even now, at the moment we’ve got colleagues in Germany buying new machines. Now we want to try some used ones, 1-2 years old. Until now we had everything new.

Q: Do people come to service your equipment?

A: Yes, there are firms that service the equipment. The minor things we fix ourselves but when the need is for some finer things like electronics, we have them come.

Q: What made you buy John Deere?

A: (They is division between two production managers). Fendt is more economical, more refined to work with and the driver should be well trained. John Deere is simpler, more reliable, and more durable – a little bit like the Russian machines; people that are not so qualified can work with it but everything is relative. Fendt is an idea higher than John Deere. We bought John Deere because we had no machines when we started the operation and it was available. For Fendt one needs to wait about a year to get manufactured. On our operation, you see multiple brands of combines and tractors.

Q: How many hours do you use your equipment?

A: We use our combines about 250 hours each a year. We like to use our tractors about 1,000 hours a year and 7,000-8,000 during the machine’s life. Unfortunately, we usually use them a lot more than we should.

Q: With all the changes, how do you stay current, up to date – journals, magazines or internet?

A: We are a big company and we teach other farmers the new things. They come to us, we organize meetings, seminars, and demonstrations. First we are introduced with the new stuff and then we share it with the other farmers. This is from the trading point of view. So, we teach them. The big dealers do seminars but it is first presented to us.

Q: How much of the decision making process are you involved in? Do you make a decision or it is the big company that does it? Buying equipment, turnover, what is your role?

A: They have entrusted us with the decisions of what we need in terms of chemicals and seed, and when it comes about machines – we need to be in agreement. We sit down with the owners and make decisions together.

Q: How about farm planning? Do you sit with them and talk about the next 4-5 years?

A: Well, we follow one of the European measures (programs) and all is planned in it for a period of 5 years – Agro Ecology. We need to follow strictly.
Q: What does your day look like as managers of the farm? How many people work on the farm? Do you spend your time doing production or supervising, or doing business things?

A: We’ve got 2 locations; one is here in Sovata and the other on in Sevlievo. So, we’ve got around 20 people altogether. In farming the land things are inseparable. You need to know the land, the crops and then make decisions on what machines to use and people. It is a complex work. It is a chain and if you break the chain you can’t manage properly.

Q: Where do you think farming’s going? What the next five years look like for this operation? Positive or negative? Is it going to be bigger, with more land?

A: Going upward. Speaking about Bulgaria there is almost no uncultivated land anymore. Every year we increase the land 10-15%.

Q: How much of the land is owned by the business and how much is leased?

A: Here it is only owned.

Q: Was this an old collective farm?

A: The property belonged to investors from abroad, Italians, and they couldn’t develop it. Before them the land belonged to the municipality. The municipality privatized it, the Italians bought it, and then our business got it from the Italians. The administrative building is the only old building on the premise. We renovated and built most of the facilities around. There is a new lab. Back in the 50’s it used to be a state agro farm (SAF). It was land owned by the state, then given to the municipality and then privatized and bought a private owner.

The farm structure now is completely different than what it used to be, neither in management nor in operation.

Q: How much do you think EU influenced farm structure?

A: What is good is that there is a good price for the crops at the moment and even without subsidies business would still go well. The subsidies help to buy new machines and equipment faster. The key factor is the people. In Bulgaria you can’t find young people willing to do farming anymore.
Participant 6

Around our village out of 3,000 hectares, 2,700 hectares are irrigated. Now there isn’t even a square meter irrigated. There is nothing left. Everything is stolen, broken etc.

Q: How long you’ve been farming?
A: I started with .15 hectares back in 1980. Now, I work 350-400 hectares. The main crops are grain. We all became specialist in grain.

Q: Has it grown, have you expended in the last 20 years? Did it come with the EU subsidies? Did they help? When did it happen?
A: Yes it grew, and the subsidies helped us to buy our own land. Almost all of the money is invested in land and equipment.

Q: Do you own all the land or you also lease?
A: Not all of it is my own.

Q: Since you’ve been farming over 30 years, how has farming changed with EU integration? Positive and negative?
A: Positive. When we entered the EU many farmers have opened their eyes and started doing civilized farming. They used to spray the crops only with water, now they are using chemicals. In the past they were only simulating work in order to get hold of the money. They are interested in getting a better yield.

Q: What about the new markets? Did the new market really help?
A: I don’t have any part in the market. Only the big business, the exporters play on the market.

Q: What do you think will happen in the next 5 years, positive or negative?
A: It is going to be only positive. There will be increase of the yield and prices.

Q: How would you describe the role of the subsidies in your operation: significant, somewhat? How much did it help you to get where you are at now?
A: It helped a lot. Up until 10 years ago I worked only 20-30 ha. Now I work 10 times more land.

Q: What’s a normal day like for you? Where do you spend your time?
A: In the morning around 7 I am heading toward the village. At 8 the work is already assigned and the workers are on it.
Q: How many workers?

A: There are 5 and two accountant. After I send the workers on the field I am spending time with paper work. From 10-12 I am doing that and also meetings with people if any. In the afternoon I supervise and control the work in the field. Then, if it is necessary I make some corrections but this is what I am doing for the most of the afternoon.

Q: How do you stay current with the technology and technique? Where do you get your information?

A: I go the exhibitions, trade fairs, advertising, presentations held in the area.

Q: What is the most useful to you?

A: Seminars are the most useful.

Q: Do they come in your area or you go somewhere?

A: We, grain producers, usually meet at a place. Somewhere in the mountains or Veliko Tynovo, Varna and many other locations. We would be around 100 people.

Q: How often do you get together with other farmers? How important are farmers to learn, do discuss, to try things?

A: From 1-9 it is 8 or 9.

Q: Do they influence you to try something, new product or technology?

A: Yes.

Q: When you go to buy something that you need for the farm, what influence you the most? When you buy equipment? What factor influences that decision?

A: First of all what is the need. If it is a tractor: what am I going to use it for, is it going to be 250 hp or only 50. And maybe near the end will be the price. More important are the qualities of the machines, its durability and other factors than the price.

Q: What kind of tractors do you own?

A: Claas, Zetor and Arma Trac (Turkish) it is a Western machine assembled in Turkey. And there is a good service provided.

Q: Is service over all good for tractors and equipment? How important is service in your decision? Do you tend to buy new or used equipment?

A: Yes. It is important to know if the dealer will provide service from the very beginning. There are dealerships that sell machines and don’t provide any service with it for at least the warranty
period. We avoid these. I buy only new equipment. It comes out cheaper at the end. When I used to work 20-30 ha I used to buy used equipment.

Q: How about seed and fertilizer? What’s most important to you for seed?

A: The seed quality. If we talk about corn and sunflower I am interested in what fraction the seed is. It should be neither very small nor too big.

Q: Can you tell me how much corn, how much wheat and sunflower do you work?

A: Barley – 10 – 15%; wheat – 30 – 35%; the other 50 % are for corn and sunflower and we take under consideration the crop rotation. Mostly about the sunflower.

Q: Does it need a lot of fertilizer? I have no idea what the top soil is like here in the area.

A: We plough the land 35-40 cm deep. That’s how much the top soil is. If someone wants to plant orchards or vineyards they go deeper – 70 cm.

Q: Do you grow fruit and vegetables on the side?

A: Very little. 1-2% only for personal usage.

Q: Tell me more about the irrigation problem? Tell me what the history is and what needs to happen to have it back?

A: It used to have 2-3 different types of irrigation. It usually is with sprinkling. Now there is nothing. The gypsies ransacked it. Before 1989 the land was re-allotted and Irrigation Systems was taking care of it. Then the land was privatized and there is no one to maintain the irrigation systems. The problem is that it was allowed to sell all the irrigation systems; all the equipment was sold and exported to maybe Greece or Turkey for pennies. A system like this costs 50,000 – 60,000 levs. And they sold them for 5,000 apiece.

Q: Before 1989 did you have your own land or you’ve used someone else’s?

A: At that time we didn’t own land. It was nationalized and belonged to the state. We were allowed to have only .2 ha of land. It was called land for private use. Most of the land was cultivated by the state or the coops which were also under the supervision of the state. You could actually have up to 1 ha but in it is included all of your property, as well (.3 ha of yard around the house, .2 ha vineyard, etc.)

Q: What happen after 1989?

A: The state returned the land to the people but they didn’t know what to do with it. I also got land inherited from my parents.

Q: How long did it take to do the distribution of the land, to straighten out the ownership?
A: About 2 years. During these two years the pre-existing coops were still working the land but there was no private ownership at that time. Depending on the size of the coop there was 3, 5 or 7 member executive body, running the work. Before 1989 you could still lease some land. I did lease some from the Depart
**Participant 7**

Q: Are you able to qualify for subsidies with the amount of land you’ve got? How about the animals?

A: Yes, I qualify. I do receive subsidies for the animals too but it is ridiculous – 40 Leva subsidy per mother sheep.

Q: How did you get into farming? How did you learn to farm?

A: It started in the early 90s. I used to do other things but I’ve decided to start with agriculture. At that time my father passed away. We used have 4 sheep. Since then I started leaving female lambs for mothers. So, in the years starting with 4 I am where I am now. In the beginning I wasn’t that serious about it but with time it changed. I also mentioned that I’ve got a little grain operation.

Q: How did you acquire that land? When and how did you get into crops?

A: Most of the land is leased, though I’ve got some that is my own. I started parallel with both operations. Almost all the time I’ve had 300 ha. That’s what I was doing and raising some animals. In the last few years I started raising bull calves. I’ve done it once but I will keep doing it. I’ve got a different facility that allows me to do that, too.

Q: Tell me again about your farm? How many sheep, and how much land do you work?

A: I’ve got 250 mothers, 10-12 males, 60 of them are about to give birth and a little over 200 lambs. The land is 300 ha.

Q: Since Bulgaria joined the EU has it been positive or negative for farming?

A: For some it is very good, for some – not so good. For such a short time some very big leaseholders emerged. They were tolerated; there wasn’t an equal start for all.

Q: And this is a result of the subsidies or what?

A: Because they were closer to some of the communist elite and they were favored. At some point they came up with the idea of the Worker’s – Manager’s Association (WMA) and the ex-comm. party activists, being the director of IAF (Industrial Agro Farm) or the Labor COOP, some kind of a communist organization for 40 years. Next week they privatize it through the WMA, it becomes private and his son and grandchildren wake up one morning owning it all. They haven’t started from scratch, like me. This is why the situation is unequal. There are a few businesses in the country, like the Oktopod (Octopus) that work 200,000 ha of land.
Q: Was it advantageous for me because I was already there in the system, I worked in the COOP when it was privatized, or it is a disadvantage if I am a new farmer? What gave them an advantage?

A: Most of them have had some kind of connection. For such a short time to become such a big leaseholder – I haven’t seen it nowhere in the world. You can’t create this kind of operation for such a short time. And these kinds of people are no more than 3% but they take 80% of the subsidies in the whole country. There was a suggestion to put a limit to the subsidies - no more than 300,000 per farm, but it was not approved because they are taking millions.

Q: When they privatized the land here, who were the people that made the decisions? Were they the municipality people?

A: It was on a state level. This was the set up. Everything was pre-planned. There is no accident. There was a scenario and if you had the info ahead of time you’d do the right thing to get land.

Q: Has it gotten better now for most farmers or not?

A: Not really, especially for the small farmers. Things are getting harder. The competition is not loyal; it is not normal all that is taking place. The big ones are pressing the smaller and it is a mistake in the state policy. The villages are dying; there is no work for the people there. The whole nation is melting. I big leaseholder comes to the village with the big machines and for 3 days the work is done and he goes to another village. There are no jobs for the locals. In relation to the small farmer he puts him in an unequal position. The big one pays higher rent and we are disappearing.

Q: Will anything change during the next 5 years with the new EU policy?

A: It’s not clear yet what is taking place. If EU doesn’t get involved to control what’s going on in our country we slowly but surely going downhill. If there is no limit to the subsidies for the big leaseholders we won’t be able to exist.

Q: Where is the difference between a small family farm and commercial farm in your opinion?

A: There are farmers with over 3,000 ha or even 10,000 ha. These are the big ones. The small ones are the farms with 10, 20 ha. 500 ha is already a medium size farm.

Q: What role have the subsidies played in your operation? Has it helped or not?

A: Of course, they help. My subsidies are 40,000 Euro for both, land and animals. I’ve used them for different purposes – construction, machines, land, operating costs, etc. I hope subsidies are going to get better with the new program. At this time Romania is doing a lot better – with subsidies and development. The state institutions are doing a better job. The villages are in a lot better shape with bigger population, kids, and schools.
Q: What does a normal day looks like for you? Where do you spend most of your time? How many people work in the farm?

A: I’ve got 6-7 people working for me. Today, for example, 3-4 of us sprayed the wheat with fungicides and herbicides. Spent at least 4 hours with the animals taking care of them, there was one birth, taking part of the flock to graze; I managed all of these activities. I am working and also supervising.

Q: How do you stay current with the new technologies? What sources do you use?

A: Mostly the Internet. Once in awhile sales people come by or there are events for the farmers and I attend. Last thing – we were invited by BASF at a presentation for their new products. It took place at Kempinski Hotel in Sofia. There were quite a few brands presented, promoting chemicals for protection. There was a promoter from a company called Libosol – selling fertilizers for leaves. He did a good presentation with a lot of info on a power point and this year I am using their fertilizer. I will watch and see the results. BASD did the main presentation and until now they’ve sold a lot of fungicide. The usage of it has increased greatly. 5-10 years ago no one in Bulgaria was using fungicide on the wheat. Because the sales in the country are good BASF dropped the price down. They are also doing some special deals. You buy fungicide and they give you something else along. We use their chemicals more the Poland and the Czech Republic. I spray two times a year and it will certainly be with their products.

Q: Do you talk to other farmers, do they have role in your buying decisions?

A: Yes, it is normal. We discuss, share opinions.

Q: What kind of equipment do you have?

A: I’ve got two combines - I bought used from Germany. Claas 480 is one and 450 the other. They are a bit too much for my operation. But I’ve got friends farmers who own 5,000 to 10,000 hectares and during the harvest they give some of the harvesting work to me. Though they have the most modern machines sometimes they also need help because of weather or other circumstances.

Q: So, you think Claas is a good brand?

A: Yes, they are very good. Probably the majority of farmers in Bulgaria have the dream to have a Claas combine and John Deere tractor. It’s proven itself to be good. First of all, they’ve got the best service among all the other brands.

Q: What about tractors?

A: I’ve got Russian tractors and allowed myself one brand new. Last payment was today. It is a Steyr (Austrian).
Q: Does price play a factor when you buy equipment, or fertilizer, or seed?

A: It is normal to be a factor. For seed the most important is to see how the crops behave in the area where I am. Someone else has tried it, I’ve seen it grows well and then I buy it. I used Pioneer for many years.

Q: When it comes to seed what influence you to switch?

A: If I see that some is growing better I will take it. I am going to use DeKalb seed for corn for the first time this year. I saw it growing well.

Agricultural Representative from the local bank with the participant

Q: What programs are available through the bank?

A: Energy effectiveness, for buying farmland.

Q: What programs are EU sponsored?

A: Energy effectiveness. And there used to be a program for Development of the rural areas but at the moment it is on hold.

Q: Is it also administered through the bank?

A: If the farmer has got his own money he can be financed. If not, the bank gives him money. The subsidy is transferred to him, which is between 50% and 90%, depending on the branch of agriculture he is in – animals or crops. For grain it is up to 65% and for cows it is 85-90%.

Q: How about investment for equipment?

A: Yes, there is investment for machines and equipment; for grain producers: 50 – 70% and for animals – up to 90%.

Example: a project for 100,000 Lev is approved. The bank gives 100,000 and the client works the project for 100,000. Let’s say it is for a tractor and seeder drill or fertilizer spreader. Then he files up an application with the State Fund for Agriculture and tells them that he is done with the project. They come to check it out and make sure that all the details are in place. Within 30 days after the check they transfer between 50-90% depending on the program. The bank clears off part of the principal with this money without any charges for earlier clearing off.
Q: How do the banks compete with each other to get more customers?

A: There are 17 banks in Bulgaria that work with this program. The price, the charges and the fees if lower would attract customers. But the difference is very small. Mostly the personal contact with clients would attract them.

Q: Do you actively go out and pursue those customers?

A: Every day for the last 7 years I am with customers. I spend most of my time with farmers on the spot. At the weekend when I go fishing I meet with some of them again.