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**УСВОЯВАНЕ НА СРЕДСТВАТА ЗА РАЗВИТИЕ НА СЕЛСКОТО
СТОПАНСТВО В ОБЛАСТ РУСЕ: СЪСТОЯНИЕ, ПРОБЛЕМИ,
ПЕРСПЕКТИВИ**
**USE OF FUNDS FOR DEVELOPMENT OF AGRICULTURE RUSE REGION:
STATE, PROBLEMS AND PROSPECTS**

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Abstract

Absorption of EU funds (EF) for the development of agriculture provides opportunities for modernization of agricultural production in Bulgaria.

The study is based on a survey in the Ruse region through direct surveys. Results of the survey are analyzed and is the basis for the following conclusions: The EF and Rural Development Programme (RDP) in the area are used effectively and efficiently, but their distribution in the measures is in line with the needs and market organization the economic sector (agriculture), the structure of agricultural production in the Ruse region is strongly deformed.

Key words: EF, RDP, farmer, agriculture

INTRODUCTION

Agricultural policy of the Republic of Bulgaria is subject to the Common Agricultural Policy (CAP) of the European Union (EU). The National Strategic Plan for Rural Development 2007-2013 (NSPRD) defined the following general objectives for agricultural production: development of a competitive and innovation-based agriculture and the conservation of natural resources and the environment in rural areas. Agricultural policy in Bulgaria is realized by the priorities, objectives and measures of the Operational Programme "Development of the Competitiveness of the Bulgarian Economy" and "Regional Development".

To achieve these objectives, the following main objectives: modernization of technology and the introduction of modern management practices for land and water, promote innovation to produce new products with high added value, preservation of biodiversity and indigenous breeds; preserve traditional agricultural practices and the conservation of soil conservation and fertility. Tools for achieving the goals and objectives are to Axis 1 and Axis 2 of the RDP. Procurement of

resources: staffing, technology, engineering and information is tailored to the needs of the program. Financing of measures under Axis 1 is 1205 million euro, of which the European Agricultural Fund for Rural Development (EAFRD) is 967 million euro and Axis 2 is 777 million euro, of which EAFRD 637 million euro.

According to preliminary estimates by the end of the programming period 2007 to 2013 intended to be used around 2800 million euro, compared to an agreed total budget 3,279 million euro.

In this connection it is appropriate to offer reasonable steps and seek answers to important questions such as: What has been achieved over the planning period in the agrarian sector in Bulgaria? What are the missed opportunities? What are the reasons for the slow rate of absorption? How to improve the process of managing projects financed by EU funds?

In this context, the aim of this paper is to assess the efficiency and effectiveness of financial incentive policies from the application of the RDP, to identify some key issues in the use of financial resources from the EU funds, faced immediate beneficiaries of funds to assess their future intentions and propose additional measures and approaches for improvement (optimization) of this activity.

RESULTS AND DISCUSSION

The study is based on a survey conducted by PhD students during the months of October to December 2012 by random selection of respondents. Under study are rural Rousse district. The study is registered farmers in the Ruse region. It is representative and covers 7,19% of the registered 2 431 farmers. Objectives of the study are: to reveal the attitude of the beneficiaries and their attitude towards the program as a tool to grow their business, to clarify motivations and future intentions of the beneficiaries to participate in projects under the RDP, to summarize the problems identified by the beneficiaries of admissions, approval and implementation of projects under the RDP, the conduct of the poll to be oriented towards the study of the effectiveness and efficiency of the implementation of projects under the RDP and to reveal the preferences of the beneficiaries for focusing the funds on measures of the program. The survey was conducted through questionnaires prepared in advance and carried out by directly sampling.

Collected and processed primary information is presented using pie charts. They provide a visual representation of the structure of the answers and results, and are a good source for analytical processing and validity of the findings and proposed measures.

The largest share in the conducted survey are farmers - grain (68,82%). Nearly 3 times fewer farmers (22,06%). Vegetable growers are 3,53% and 3,24% are growers' favorites. As others 2,06%. Figures are comparable with the structure of agricultural production in the Ruse region where grain occupies 1260 thousand hectares of a total of 1561 thousand hectares of arable land. Holdings represent 20% of the farms in the region. The trend is to reduce the herd of cattle from the 15611 number (beginning of the programming period to 2007) of 14624 units in 2011. Downward trend is maintained with other livestock (source - TSB – Rousse).

Disturbed is the balanced development of agriculture. Analyses show that direct payments benefit farmers who manage large areas of grain and industrial

crops where production is low cost per hectare. Develops monoculture farming that are engaged in manufacturing a small number of mechanics. Not to create new jobs. Lack of employment is the reason for migration and depopulation of villages. Gardening, horticulture and animal husbandry, and small in economic size farms are less competitive, leading to an imbalance in agricultural production.

Conclusion: At the plant in Ruse region dominated by grain. The reasons are economic, due to the policy of allocating subsidies from EF per hectare. Represented are farmers - growers and fruit growers - the district level does not meet the needs of their products. A good way out of the current situation is the involvement of farmers in project/program and rural development. Expressed readiness to participate in projects are 77,06% of the respondents, and only 22,94% have a negative attitude. The high participation rate 77,06% indicates that the area is adequately deal with the opportunities that RDP provides. This shows the increasing interest in the possibilities offered by the program.

Integration Intention to participate in future project / and said the majority of the grain. Potential beneficiaries whose participation is shifted in time to later have answered "rather yes". Total group with a positive response is 86%. Total negative responses represent about 14% of these and hesitant to answer "rather not." The ratio between positive and negative responses is approximately 6:1, indicating that participation in projects and their implementation is desired by the majority of those surveyed area.

The analysis of the results of the motivation of the candidate projects that half of the respondents thought the updating of equipment and supplies new agricultural machinery as the main direction in which to apply with projects, although there is a trend of increasing energy intensity - 205 horse power/100 hectares in 2010. (Details of TIC), it lagged behind other EU countries, where the average horse power/100 provision is 230 ha. In Germany it reached 460 horse power/100 hectares of arable land. This indicator is important because it extends the period of agro-technical activities in growing and harvesting of agricultural products. Second place (32,94% of responses) takes the creation of by young farmers. Under Measure 112 projects are numerous and funds it is rapidly depleted after her opening.

Pooled data from respondents: "other" transition from subsistence to market-type farm ", storage of manure "and" adding value to agricultural and forestry products "show relatively little interest. Obviously, these are farmers with - specific production needs.

CONCLUSIONS: 1) Farmers' efforts are aimed at increasing the competitiveness they produced agricultural products by repairing machine-tractor fleet and the introduction of new varieties and cultivation technologies.

2) The interest of young people up to the age of 40 to create your own farm seems optimistic hopes for the future of agriculture.

3) As a matter of implementation of the RDP for the period 2014-2020 it is imperative that the measures are of a wide range in order to facilitate the process of execution of the planned equipment.

The time factor is crucial for the implementation of projects and the overall implementation of the RDP. In consideration of delayed projects and the announ-

cement of the new intake is a so-called "cap". When taken thousands of project proposals, the main problem is that they are treated with long delay (at the beginning of the programming period delay reached two years - source Institute of Modern Politics.). For this period of time, some delayed projects actually have or obsolete or impracticable. Delayed consideration of the project leads to low levels of negotiation and loss of funds rule N+2. Delayed processing projects cause inquiry by the beneficiaries, mostly to the Regional Directorates of State Fund "Agriculture" (OD of the SFA), where you can't get an answer. In recent years, some of the projects are reviewed and approved in the Regional Offices. Examination of the opinion of the beneficiaries of decentralization have naturally and logically.

On the powers of the Regional Directorate of SFA 75% of area believe that they should have greater powers. On the contrary opinion, 25% of respondents. 3:1 ratio shows the disposition of the beneficiaries to continue the process of decentralization measures.

The motives of the respondents positively evaluated decentralization include: procedures for the receipt and processing of documents will be made redundant at times (37,25%) more quickly solve the problems (34,12%), the responsibility will be direct (14,12%); easier to work on site (11,76%) and other reasons – 2,75%. decentralization have naturally and logically.

When problems arise, the decision of the place is easier and does not require lengthy during administrative procedures and additional costs. Difficulties of the respondents in the implementation of projects are summarized and are as follows: the need for a significant amount of initial investment – 34,12%, lack of advance payments on some projects - 30%; unclear procedures for project evaluation – 12,06%, overly complicated procedure for project applications - 10%, lack of timely information about the deadline for submission of applications – 7,94%, insufficient and / or unclear information presented - 5% and only 0,88% indicated "Other" . None of the respondents gave no answer "no clearly defined rules and obligations of beneficiaries".

Lack of funds for the initial investment has been cited as the most significant problem. Start a business in the agricultural sector experiencing major difficulties when applying to obtain loans from commercial banks. The lack of a guarantee fund at the beginning of the period is a major deterrent for both beginners and to those farmers.

In preparation of the new programming period 2014-2020, a new revision of the regulations will lead to streamlining procedures for applying.

Regarding the difficulties in the payment of the projects after their performance in most of the area have responded positively to 92,08%. As main difficulties are included: lack of own funds – 67,87%; difficult lending by commercial banks – 26,70% and other causes – 5,43%.

With regard to the relevance of the measures 87,94% of the respondents answered positively and 12,06% negative. The answers reflect personal impressions of the respondents - you decide important issues in agriculture and rural areas, what effects are achieved, you perform the objectives of the RDP.

Regarding the effectiveness of the use of either the means 95,88% of area responded positively and only 4,12% responded negatively.

Prevailing opinion that the utilization of funds is efficient. In terms of efficiency it is noteworthy that the positive responses were higher than those for efficiency. The explanation is that the results have the advantage of being visible.

The farmer is not only aware of the impact of your project, but sees the effect and neighbor.

Responses to the VP on the targeting of funds for the next programming period are illustrated in Figure 1. Distribution of preferences by sector are as follows: sector a "vocational training"; sector b "modernization of agricultural holdings"; sector c "creating young farmers"; sector d "adding value to agricultural and forestry products" , sector e "environmental conservation"; sector f "main-taining land in good condition"; sector g "diversification into non-agricultural activities"; sector h "support and creation of micro - enterprises"; sector i "promoting tourism"; sector j "improving infrastructure and services in rural areas"; sector k "reno-vation and development of villages"; sector l "other".

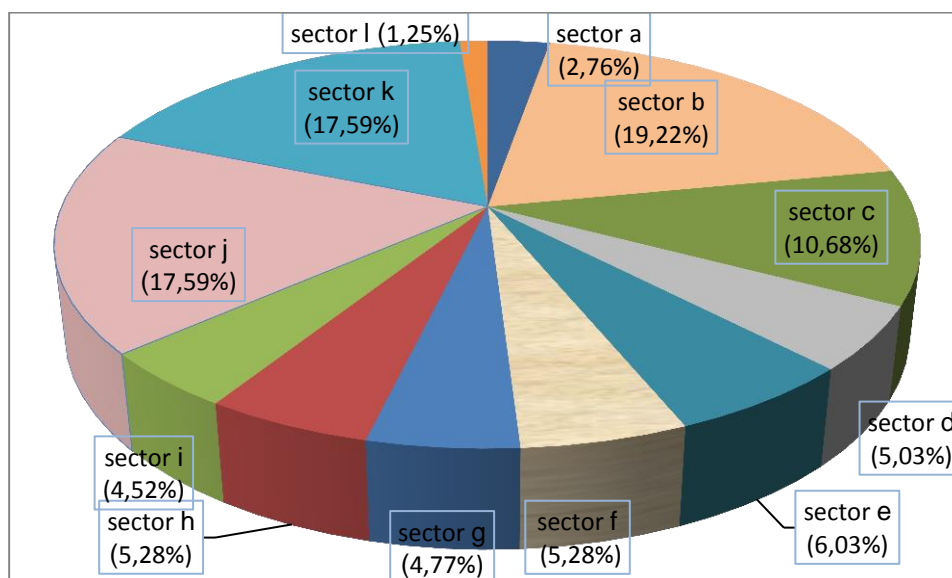


Figure 1. Targeting of funds for the next programming period 2014-2020

Modernization of agricultural holdings again a priority. This indicates that the agricultural production continues to require means for update and close a circuit of the production cycle.

Confirmed persistent tendency towards young farmers with RDP projects. On topics covering sectors G to I is shown sustained interest of approximately the same preferences.

A new aspect in this study is stable percentage - 17.59, reflecting the desire of farmers to improve infrastructure and services, and renewal and rural development. These are important conditions for sustainable development of agriculture and rural areas. The implication is that farmers intend to remain permanently in the villages.

The results of the answers to this question and analysis highlight problem areas of the beneficiaries. They can and should be used in the preparation of the new RDP period 2014-2020.

CONCLUSIONS

1. The analysis found that the structure of agricultural production in the Ruse region is highly distorted. The evidence is that: • Plant prevailed over other sub-sectors. It is dedicated to the cultivation of grain - cereal and industrial crops. Monoculture farming is not effective and efficient type of agricultural holdings in the area. • Livestock farming, gardening, horticulture and viticulture reached there's minimum. Due to high production costs and the long term returns sectors can't be revived. They need targeted support and consistent restructuring measures by EU funds and national budget. • For these reasons, the new RDP 2014-2020 should provide special incentives for diversification of production in the plant to achieve a balanced agro sector, which is the basis for sustainable agriculture.

2. Program funds are used effectively and efficiently, but their allocation measures are not in sync with the needs of agriculture. The scope of the measures to be extended to allow for easier allocation of resources according to the needs of the area. Combining the measures can be done thematically.

3. Farmers appreciated their participation in projects under the RDP and declare participation in future ones, but noted difficulties in paying for projects.

4. Decentralization of processing and contracted projects under measures demanded by the beneficiaries.

5. For the new programming period 2014-2020 area of interest except to those directly related to production are aimed at improving the living environment in rural areas.

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