Marketing Strategies in Organic Production in Bulgaria

Ekaterina Arabska

University of agribusiness and rural development - Bulgaria

Abstract

The paper investigates the situation in organic sector and market development in Bulgaria as a part of the European Union. The investigation is based on the work with farmers applying for support or implementing business plans under a measure of the national rural development program for setting up of holdings of young farmers. In addition, a set of criteria for assessment of organic sector market development in the country was made which were discussed on a round table discussion and expert opinion was collected. The study poses and discusses some important issues on the organic farm profitability and the influence of the European and the state support. In the process of this study some conclusions were made concerning the importance as motivation issue and marketing planning in organic production. On the basis of the investigations made, the paper makes a proposal for making marketing strategies in organic production holdings (farms) considering the four elements of marketing mix – product, price, place and promotion.

Key words: organic production, organic market, marketing strategy, pricing strategy, sales strategy

INTRODUCTION

Bulgaria does not stay away from the rapid growth of organic sector in last decade (2001-2011) in the EU and worldwide. There are a number of projects (implemented mostly by the two higher education institutions in the country dealing with agriculture – University of agribusiness and rural development and Agrarian university of Plovdiv) treating questions related to training and capacity development in the sector and trying to collect and provide useful information for producers and traders. There is a National development plan (which is not properly implemented) and a section in a department at the Ministry of agriculture and food trying to collect some information from the certification bodies about the number of producers and certified areas. A few non-govermental organizations are working in training and extended services in organic too. Although all that and the fact that many priorities are set in national rural development program organic sector is suffering the problems of early development and lack of knowledge and skills in marketing and sales in organic managers. The literature studies in the field are mainly done as a part of some projects and thus servicing their goals. There is still no a profound investigation and reliable data on organic sector development in the country. The literature by a few authors working in the field is far away from extensive. That way very general data and conclusions for the EU are usually used. As the question of strategic planning is one of the most important one, this study focuses on the organic sector development and particularly in the part of strategies in marketing.

Organic agriculture is a production method which puts the accent on environmental protection and animal and human health (incl. food quality and safety) in the greatest extend. It proposes an opportunity to answer directly to all the EU legislation requirements in those fields and in correspondence to the Common agricultural policy priority goals. The contribution of organic farming to preservation of natural resources, components of environment (incl. biodiversity) and human attitude towards animals is just the one hand – ecological sustainable development. On the other hand is the great potential for sustainable economic and social growth and support to rural regions’ development. Organic farming has the opportunities to create strong connections between urban and rural areas and consumer trust assurance. As a specific production method (environmentally friendly, health and safe) it possesses a number of other advantages too: lower energy consumption, new markets, higher prices and increasing demand on the international markets. Thus among the most significant questions are the following: raising the level of information about it, selection of appropriate varieties for production, improvement in the production technologies, lowering the cost price and finding markets.

The organic sector in the EU has been rapidly developing during the past years. According to Eurostat data, the EU-27
had in 2011 a total area of 9.6 million hectares cultivated as organic, up from 5.7 million in 2002 according to a recent report of the European Commission. During the last decade, organic area in the EU improved by about 500 000 hectares per year. This is a big increase, but the whole organic area represents only 5.4% of total utilized agricultural area in Europe. Most of the organic land (78%) and of organic farms (83%) are situated in the EU Member States having joined the EU before 2004 (the so called EU-15).

The market research company Organic Monitor estimated the global market for organic products in 2011 at almost 63 billion US dollars (up from 59 billion US dollars) or more than 45 billion euros. The leading market is the United States with 21 billion euros. The organic market in Europe increased by nine percent in 2011 and it is now at 21.5 billion euros. As in the past years, the highest market shares were reached in Denmark, Austria, and Switzerland. The highest per capita consumption of organic food in 2011 was in Switzerland (177 euros), Denmark (162 euros), Luxembourg (134 euros) Austria (127 euros), Sweden (94 euros) and Germany (84 euros). The average per capita consumption for all 39 countries for which data were available was 27 euros (Schaack et al., 2013).

A study in Western Balkan countries (Vittuari, 2011) concludes that in the Balkans (the author considers countries adjacent to Bulgaria countries and very similar in economic history and development), with the exception of Croatia, organic farming is far from developed and its production is mainly destined for export. In many countries the relevant laws are recent, or as yet to be consolidated, and public support is low or just starting to emerge. The consumers' buying power is limited, as the national market is still disconnected, disorganized and often inefficient.

According to an investigation made by Vitosha Research in 2009 organic farming in Bulgaria is at an early stage of its development besides the good prerequisites as nature, pure land and country image as a producer of agricultural products of high quality. In Bulgaria in recent years organic agriculture is one of the sectors developing fast in conditions of crisis and permanently increasing the areas and number of operators in the organic control system. According to the data provided by Bulgarian Ministry of agriculture and food, at the end of 2012 the number of organic operators was doubled in comparison to 2011. At present 90% of organic food produced in Bulgaria is exported to richer European countries (Goranova et al., 2012). The increased growth in organic production is provoked by the market expansion in European and world scope. The main motif for development of activities in organic sector is the expectation for a good profit, followed by profitable direction of agribusiness, family and community benefits and healthy food (Nikolova, 2012).

Another study examining behavior, wish and opportunities of operators and consumers for organic production development in Bulgaria (Arabska, 2013) concludes that the main problems are connected to the low information provided about organic products, low average income in the country, limited product choice, difficult identification of organic products and the lack of consumers' trust. Lack of information, weak social attention, undeveloped trade with local organic products in local markets and the predominance of foreign trade marks certified organic products are among the negative factors for organic sector development. A SWOT-analyses of rural development through organic production encouragement in Bulgaria (Arabska, 2013) show high opportunities although threats and weaknesses are at high levels too they could be overcome if the proper measures are undertaken to use the strengths and opportunities. The analyses formulate the following: Strengths - natural and climatic conditions, traditions and image, legislative and strategic framework, network of protected areas, rich biodiversity, natural and cultural heritage, conserved identity of regions, education and training, macroeconomic stability, human resources, natural and anthropogenic tourist resources, EU programs participation, comparatively good infrastructure and key position of the country; Weaknesses - negative demographic processes, high export of raw materials, uneven distribution of towns in the regions, significant differences in social and economic development of the municipalities in the regions, old production technologies, low local and foreign investments, bad connection science-business, low level of motivation, low development of processing industry, high fragmentariness of arable agricultural land; Opportunities - funding priorities in the new program period, regional collaboration programs, construction of new transport corridors, support for clusters, tourism development, demand for healthy products, access to new knowledge and innovative technology, achievement of sustainable development, connecting urban demand with rural areas development, entering new markets; Threats - continuing negative impacts of the financial and economic crisis, politic instability and decreased attractiveness for investments, increased competitive pressure, low level of development of rural areas, abandonment of rural areas, negative impacts of globalization and climatic changes, improper implementation of strategic and program documents, ineffective use of eu funding, industrial and other wastes pollution, improper use of natural resources. The main problems could be formulated as follows: current strategic documents and key structures in private, state and non-governmental sectors

---

lack coordination. Furthermore they are far away from the problems of organic producers, processors and traders and all this results in all the inadequate measures of support. First, organic stakeholders should unite and collaborate by networking – something that is not well understood in the country and underestimated for now (Arabska, 2013). Organic farming is more profitable than conventional one if there is a high knowledge of growing organically, cost controlled and commercialization on the shortest possible way (Enamorado, 2012). One of the main obstacles for further growth of the market for organic products appears to be the high consumer price (Enamorado, 2012). Besides increasing popularity of organic products, especially food, and increase in arable organic land, the ‘organic’ consumption in many countries is still at a very low level. Society in Western European countries realizes the advantages of organic agriculture for sustainable development. Nowadays, most consumers want to know origin, production methods, etc. of food and to contribute to environmental protection and rural development. Thus, the usual explanation of the low consumption is connected to low standard of living, economic crisis, decrease in investments, decrease in purchasing power, etc. and the higher prices of organic products. Open European market however provides opportunities to overcome national or regional market and consumer behavior limitations. Organic production is examined as a successful entrepreneurship strategy (Nikolova, 2012). But is it really profitable to be organic? Are organic products’ prices higher enough for producers and good enough for consumers? All these questions are difficult to be answered because of the lack of primary financial and market information to be analyzed as well as the scarce literature and investigations in the country. The study presented below tries to explain the situation in organic sector and market development in Bulgaria using the information collected through the work with farmers applying for or already receiving financial support the most popular measure of the national rural development program – measure 112 “Setting up of holdings of young farmers”.

Material and methods

This exploratory study is based on the author’s work at the extended services center at the University of agribusiness and rural development as an expert consulting agricultural producers on issues concerning business planning, applying for support from the measure 112 “Setting up of holdings of young farmers” of the Rural development program of the Republic of Bulgaria 2007 – 2013, supported by the European agricultural fund for rural development: Europe investing in rural areas, as well as projects in implementation. For the period of September 2011 – September 2013 156 consultations were given to 74 agricultural producers from the region of Plovdiv, 75% of them considering organic production or conversion (117 consultations to 36 agricultural producers). The data from the business plans considering organic production or conversion and provided advice of approved projects were summarized and analyzed considering some of the most significant issues as: size of the farm, type of production and diversification, motivation for ‘organic’, pricing (price-formation), sales, competitors' recognition, clients and consumers' recognition, advertisement, farm management, strategy formulation, financial planning, incomes and expenditure analyses, etc. The business plan form is described and discussed as well. In addition a roundtable discussion with experts from the University of agribusiness and rural development working with organic agricultural producers providing qualifications and extended services. Those experts have a lot of experience and information about the examined sector’s development. The discussion was organized in December 2013 for which a table of criteria for assessment was prepared for collecting expert opinion about organic marketing issues in the country. The scale used for all the criteria is from 1 to 5: from very unsatisfactory to very satisfactory level.

Results

In order to apply for support from the measure 112 of the Rural development program of the Republic of Bulgaria “Setting up of holdings of young farmers”, agricultural producers should respond to specific requirements and fill in a business plan form provided by the State Fund “Agriculture”. Organic producers or producers intending organic conversion have a specific advantage in the projects’ ranking. That fact made many farmers (75% as stated above) to choose organic when applying for support although it is not so easy and somehow scaring for most of the farmers because of the strong requirements and additional expenses for certification and others. And that appears to be the first main problem in the motivation and sustainability assurance of the farm. The decision for ‘organic’ is not based on any market or other analyses. The structure of the business plan form predispose to provision of too much general and non-precise information concerning marketing analyses because it concentrates on specific investment requirements and farm’s economical size calculations. In its first part, besides personal and other common data, the business plan form contains the following information: staff in the farm, economical size units (ESU) of the agricultural holding, current situation – information...
about the owner, available land, animals, buildings, facilities and equipment, transport means, level of conformity to the standards of the Community, etc. The second part is a short marketing investigation and state-of-art of the market current state and future trends – prices of the produce on local and national level, local competitors, raw material suppliers, clients and consumers, etc. The third part describes the goals of the agricultural holding in short and long term, strategy, activities, etc. The fourth section is a program for development – investments and activities, incl. qualification of the candidate. The fifth part considers the production program of the farm in plant or animal breeding.

Created in such a way that business plan serves only the needs of the projects documentation. In most cases information provided in it by candidates is made in such a way that to answer the requirements of the measure and the program and to get the money. For the most part of the projects in implementation, the business plans were made by experts in a state agency subcontracted for servicing and advising in business planning or by private consulting companies. In both cases, at those first stages consultants and candidates usually do not think about the implementation of what is written down in business plans. That leads to next problems during next check-ups during project implementation from the responsible authorities and reporting of the projects as well as on financing. This paper however was not intended to go in deep in this issue as alone. It is closely connected to the questions of farms’ viability and sustainability during the project implementation (financing by the EU and state) and next (self-financing). Thus, some specific questions were analyzed from the data in the business plans, as presented below.

Ninety-eight percent (98%) of the studied agricultural farms are in the plant production – vegetables growing, essential oil plants, nuts, etc. which is characteristic for the region. 95% of them have initial size of up to 0.10 ha and do not hire staff permanently. Diversification is very low – 2 crops / animals at the most per farm. The prices are formed on the bases of the competitive products’ prices on the market, and in case of a bulk of produce, it is sold on prices offered by the traders. Farmers are not used to calculate expenditures and incomes periodically and make some analyses. Many of the sales are made accidentally. In 98% of agricultural holdings investments are made in transport means and some facilities and equipment. Farmers avoid investing in building or land because when reporting projects implementation the real value of those expenditures is impossible to prove. They are verified on the bases of the tax estimations. That way those agricultural holdings do not usually have warehouses and are forced to sell at the moment of harvesting which reflects on the price.

Organic producers know very well their competitors on local and national level but they do not recognize the customers’ needs. The level of advertising is missing or very slow. None of the organic farmers embraced in this study pays for that. The use of Internet and social media is very low too – only 10% try to do something on that. In most cases candidates don’t have any qualification in the agricultural sector as a whole, including organic (93%) and any knowledge and skills in farm management (97%). Usually they do not make any planning or strategies, unless the obligation posed in the business plan form. The last is made by the consultants and usually farmers do not realize the significance of those and what to do as well.

However, it is important to underline that measure 112 is for ‘young farmers’ being registered as agricultural producers no more than 14 month before applying for support. It is a measure with the general objective of improving and increasing competitiveness and management of farms and a specific one – increasing incomes of the holdings managed by young farmers, but in practice it is used to get some money with the presumption to use it in the farm no matter for what. That way, agricultural producers rely on the financial support of the measure 112 and they have no a clear vision how they will proceed following the end of that financing. Organic producers are in a more favorable situation because of the bigger opportunities for sales abroad. In contrast to conventional farmers, they make and participate in some kinds of marketing cooperatives and are strongly supported by some non-governmental organizations, although these are at the very beginning. As a whole, during the 5-year period of projects implementation the measure’s goals are achieved by the approved candidates that included organic conversion in the business plan. The support is welcome because of first years’ low yields of organic produce and additional expenses on certification and others.

In addition to the analyses of the results of the conducted consultations on the business plans, a roundtable discussion of experts in the field was organized for assessment of some of the most important criteria in organic marketing (table 1). Results show good levels for motivation, sales size and competitors’ recognition in organic sector and very low for product diversification in a farm, reality of pricing, clients’ recognition, advertising, farm management, strategy formulation and financial planning (table 1). The need of pricing, sales and promotion strategies formulation is very prominent as well as of a good management.

The main question is the following: Is it reasonable to invest in organic and when? The conversion to organic provides some advantages: answering the ecological requirements of the EU, competitive marketing advantage – higher purchase / delivery prices, a specific market niche, etc. In the case of organic production it is used to say that both incomes and expenditures are at higher levels in comparison to conventional production. The main limitation for organic sector growth is accepted to be the high price for organic. But is it possible to make clear the connection of the higher expenses with the higher prices of organic products? Furthermore, the types of expenses in organic farms are the same.
as in the conventional ones: land - purchase or rent, taxes; facilities and equipments, maintenance, rent, efficiency, fuel expenses, loans and interests; administrative expenditure; production expenses - seeds and seedlings, soil cultivation, pest and weed control, labor, irrigation, animal welfare, storing houses, packaging, transport, etc. Reasons for higher prices in trade are explained as: higher prices of raw materials – low suppliers' availability and higher prices, higher expenses for delivery – because of small and medium size producers, small farms, seasonable supply, expenses for storing and processing apart from conventional products, certification expenses, more rejects, etc.; in farms – low productivity / yields, higher production expenses, additional labor expenses, certification expenses, etc. (Vitturi, 2011) Organic farmers usually seek ways for lowering the production expenses without interfering the quality – i.e. observing organic standards. One of the most important tasks of the farm management is to measure the profitableness of the farm. It is commonly accepted by the farmers that organic farms are profitable even in case of higher expenditures and lower yields because the purchase prices are higher. In addition is the support form the EU programs and national government organic development plans – organic sector has a specific support for financing, extended services, scientific research and training in comparison to conventional. Furthermore, in many cases organic products are sold on conventional prices. However, in the case of a lack of real financial and accounting information and analyses in the farms, it is difficult and ungrounded to discuss those questions. Sales through direct connection farmers – consumers are widely distributed in organic sector because of the avoidance of traders and that way products are sold at lower prices but those are for very low quantities of the produce in the country. The main reason for that turned to be the low level of information (Arabska, 2013). Organic agriculture, processing industry and trade are based on the consumers' trust – safe and healthy environmentally friendly food. The acceptance of the EU organic logo (obligatory from 1 July 2012) as 'a mark of trust' was a step towards organic products identification on the market and avoidance of misunderstanding of organic and ecological in customers. There are many producers stating the ecological origin of their produce on the market but do not undergo the certification procedure because of the additional expenses, bigger requirements or other. Undoubtedly organic agriculture is ecologically (environmentally) effective, but what about economic effectiveness and the broader expansion of organic production methods. If organic producers, processors or traders could not make a profit at competitive prices to conventional products, organic farming will continue to be a luxury production accessed only by a low number of consumers. Increasing organic areas is not the only one criterion for the sector’s expansion. Organic market world wide is growing too but looking at the regional distribution the situation is very complicated. If the first one (organic land and production) is an indicator of supply and the second one (sales) for demand, a conclusion could be made that the balance between both is disturbed which influences the viability of organic production at the regional level. Otherwise the increase in production would lead to decrease in price. International trade provides many opportunities but the additional transport, packaging and storing expenses should be covered. At some places, as is Bulgaria, ecological conditions and environment provide good opportunities for organic produce but it is destined for export as it was discussed in the introduction. Regional characteristics have a great impact on the type of production although the lack of regional markets for the produce because producers succeed to find alternative marketing channels and export in countries with ‘organic’ consumer behavior and greater demand. Local organic products are not advertised enough in the country as a green or a sustainable initiative. Instead, imported processed

---


<table>
<thead>
<tr>
<th>No</th>
<th>Criteria</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Motivation for ‘organic’</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Product diversification</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Reality of pricing</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Sales</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Competitors' recognition</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Clients' recognition</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Advertising</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Farm management</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Strategy formulation</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Financial planning</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

Scale 1 to 5 – from very unsatisfactory to very satisfactory level

Table 1. Assessment of the 10 criteria made in the roundtable discussion
organic products (on many-time higher prices) are very popular and demanded although the low standard of living as it is usually used to explain the consumer behavior. Thus, there is a sense in organic trade marks in order the quality to replace the price at the first place of the decision to buy something. Local producers and processors should carefully think on that. That way the investments in organic would be reasonable to be made in order not to be in a situation to sell on ‘conventional’ prices. A change of customers’ attitude is needed – for demand of certified organic products. At the moment many non-certified ‘organic’ (called ecological) products at lower prices (in comparison to pure organic) are sold on local markets because on the good taste and the consumer trust in the origin based on the trader by word of mouth assurance or simply an ‘ecological’ name on the label. The changes in the organic supply and demand proportion in the country are closely connected to the sector development as a whole (European and state policies, production, processing, trade, research and innovation, training, information campaigns, etc.).

Based on the investigation a proposal for making marketing strategies in organic production is made considering the four elements of the marketing mix – product, price, place and promotion (fig. 1). The model considers the importance of preliminary analyses of environment and doing market research for setting up the objectives – market, financial or competitive. It underlies the significance of policy and strategy making and the feedback during their implementation for doing preventive and corrective actions. The strategy is proposed to embrace the following issues and elements: product (positioning, improvement or innovation), price (cost-based, demand-based or competitive based), place – sales and distribution (trade mark, consumer demand, convenience), and promotion (communication, advertisement, direct sales) (figure 1). The model expects a good level of knowledge in organic production and management, as well as marketing.

DISCUSSION

The literature and analyses made under different projects in the EU and the examined country treating organic farming usually consider it as a way of achieving sustainable growth in the different aspects of sustainable development: economic sustainability – raise in competitiveness, strong market orientation, more incomes; social sustainability – bigger responsibility to consumers needs, improvement in food quality and safety, increase in working places, regional development; ecologic sustainability – a common framework of standards in the field of environmental protection and planet welfare (incl. animal and human health), effective implementation and control. The current study underlines the importance of different types of studies starting from the very beginning of the food chain till the end-consumers and the need of using integrated approaches. Beyond all questions, among the positive trends in organic sector development, there are a number of problems threatening the sector: administrative – lack of coordination between key stakeholders, lack of a really implemented strategy, insufficient administrative capacity in state and local authorities; marketing – low demand of organic products in the country, lack of connections to processors and traders; production – low number of certified organic producers and low volumes of produce; experience and know-how – lack of knowledge and effective motivation, ineffective relations to scientific and research organizations; insufficient capacity of advisory services.

Reaching financial independence by agricultural producers and holdings is the most significant issue for organic sector development in the country, instead of relying on state and EU support schemes. The main role of the state should be a decrease in administrative burden and creation of favorable business environment. The policies should be directed towards encouragement and motivation – not control strengthening. A strategy for organic sector development is needed based on profound analyses of current state-of-art and periodically actualized, directed not only towards financial measures for support but towards raising the information levels, effectiveness of trainings, scientific and research activities and innovation transfer. Bearing in mind the increasing importance of quality assurance an effective system for administrative and advisory services for producers, processors and traders is needed. The control of production, distribution and labeling should put the accent on risk management and prevention. Because the lack of information turns to be one of the major impeding factors for sector development, the organization of information campaigns for consumers on one hand, and producers, processors and traders, on the other, about the advantages of organic production is necessary. Big supermarkets chains, being the main place of visit and purchase by the biggest part of consumers and dominating over specialized stores in the country, could expand their assortment towards more organic products and to attract consumers’ attention with their advertisement campaigns and raise the motivation level for organic demand and purchase. The other opportunities are restaurants, kindergartens, canteens and tourism sector (especially for foreign tourists).

The need of qualified personal is very prominent in the sector and training and motivation activities should start from the kinder gardens and primary schools till the university level. Visits to farms are a good practice, as well as taking part in different types of farm activities. Training activities should be oriented towards practice and trainees’ needs based on specific competencies. In this connection, the provision of specialized literature is of great importance. The use of modern information and communication technology should be encouraged for making easier the access to innovations,
good practices’ exchange, networking, etc. The connection science-innovation-business should not be just in one direction. The close connection of scientific and research organizations to the real ‘life’ is missing in most cases. Networking of producers for marketing and processing activities is the key moment, as well as combining organic farming with tourist activities. The e-trade should be used more actively in the sector because of its greater opportunities to reach more motivated and solvent clients.

Organic managers should get acquainted and put into their practice the most recent research and good experience –
alternative food networks and the opportunities of the innovative concept of Community supported agriculture for example – as a way of providing the necessary financing of activities in the farms and development of small and medium size holdings in rural regions in the vicinity of the urban ones. Because of the leading role of the price in purchase decision taking, it is very important to underline the differences between organic and conventional products and the advantages of the first – namely the quality and safety for health and environment.

The structures involved in organic activities in the three sectors (private, state and non-profit) at the moment have no coordination between each other. But the bigger problem is that they are in distance of the problems of organic producers, processors and traders. The creation of a better medium for organic sector development could be achieved by popularization of ‘ecosystem services’ – the real price of saved nature, sustainable use of resources, and making marketing strategies (especially for the inner market).

CONCLUSION and RECOMMENDATIONS

The paper investigating organic sector and market development in Bulgaria poses the important question of motivation for ‘organic’ and marketing planning. The compliance of organic production to sustainable development and the change of consumer behavior and demand towards healthy and safe food are not enough. Market prices are a key element in the purchase decision made by customers on one hand, and in the production decision made by producers on the other. The easy access to international markets and good purchase prices of raw materials make the sector in the country export-oriented. The priorities in and the availability of the European and state support (financial and other) to organic production put it in favorable conditions and lead to its expansive growth in last years in Bulgaria although the local demand and purchase level are too low for local organic produce. At the same time imported processed produce is highly welcome on the local market although higher prices. The paper underlines the main problem to be the approach in the provided financial support from the European and national programs and the lack of a real marketing planning and strategy making. The need of providing knowledge and information in organic production (customer value of organic products) and farm management, expenditures control, price-making, risk management, add value initiatives, sales, distribution and promotion is obvious. Thus, it proposes a model for making strategies in organic farms putting the accent on preliminary environment and market analyses, the elements of marketing mix and feedback in the process of strategy implementation.

Acknowledgements

The author would like to thank the experts from the University of Agribusiness and Rural Development – Plovdiv, Bulgaria: Eva Velcheva (National and International Projects Department), Haida Hristeva & Evgenia Velichkova (Research Activities, Extended Services and Vocational Training Center) who have taken part in the round table discussion.

References


State fund "Agriculture” of the Republic of Bulgaria’s official web-site: http://dfz.bg
Rural development program 2007-2013 of the Republic of Bulgaria’s official web-site: http://prsr.bg
Vittuari M. Organic Balkans. Stakeholders, policies, and institutions: a regional perspective (2011) Osservatorio Balcani e Caucaso, Project of the Peace Bell Foundation, promoted by the Trentino Forum for Peace and Human Rights