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## IMPACT OF INSTITUTIONAL CHANGES ON VEGETABLE PRODUCTION IN BULGARIA

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### Abstract

Bulgaria is still in a period of dynamic institutional changes that actively affect the state and development of agriculture, in particular vegetable production. The presence of favourable soil and climatic conditions, rich practical experience, as well as the development of new technological solutions and market-oriented innovations support the state and development of the agricultural sector, as well as the production of vegetable crops in Bulgaria.

**The aim of this article** is to present the impact and role of institutional changes in Bulgaria, based on which the opportunities for creating conditions for the development of vegetable production and overcoming the crisis in which the sector finds itself can be examined.

**Keywords:** vegetable production, development, opportunities

### INTRODUCTION

Bulgaria is still in a period of dynamic institutional changes that actively affect the state and development of agriculture, in particular vegetable production. The presence of favourable soil and climatic conditions, rich practical experience, as well as the development of new technological solutions and market-oriented innovations support the state and development of the agricultural sector, as well as the production of vegetable crops in Bulgaria.

The aim of this article is to present the impact and role of institutional changes in Bulgaria, on the basis of which the possibilities for creating conditions for the development of vegetable production and overcoming the crisis in which the sector is located can be explored, as well as creating more competitive conditions for local production and development of farms and achieving economic progress in rural areas. In recent decades, Bulgaria is characterized by numerous small agricultural producers who use about 203,930 hectares of agricultural land, or about 5% of the country's total agricultural land. (Dirimanova, V., 2023)

## **MATERIALS AND METHODS**

The methodological framework of the research includes laws and regulations in the field of agriculture, as well as specific regulatory provisions related to the following legislative acts: the Law on Ownership and Use of Agricultural Land; the Law on Leasing in Agriculture; the Law on Support for Agricultural Producers, and others. As we have already noted, the aim of the study includes the impact of institutional changes on the competitiveness of the agricultural sector in Bulgaria, and specifically on vegetable production, outlining the direction related to the proper use of resources and technologies for the accelerated development of Bulgarian agriculture.

## **RESULTS AND DISCUSSION**

As mentioned above, Bulgaria is characterized by small-scale and fragmented vegetable production. The main challenge facing vegetable production in Bulgaria is related to land reform and the return of land to real boundaries, which were implemented without any specific vision. This led to the fragmentation and dispersion of Bulgarian agriculture. It is this unsuccessful land reform that changed the structure of vegetable farms, which are currently not highly technological and, unfortunately, weakly competitive. If we add to the aforementioned reasons the loss of old markets, as well as the weak organization of vegetable production, we could outline the current state and the main problems and challenges facing Bulgarian vegetable production. The average size of agricultural land for small farms is 2.4 ha, compared to 12.1 ha on average for all agricultural producers. Between 2005 and 2010, the land used by small agricultural producers decreased by about 20%. However, the average size of farm land does not increase by more than 1.6 ha to 2.4 ha. The socio-economic changes that occurred after 1990 had a catastrophic impact on vegetable production in Bulgaria. Large-scale, specialized vegetable production turned into small-scale, low-yield, and uncertain production. Bulgaria lost its strong positions as a traditional producer and exporter of vegetables. (Angelov, P., et al., 2018)

Most of the problems in the agricultural sector started when the cooperatives were destroyed and the land was returned to its owners within real boundaries. Unfortunately, this working model was violently destroyed and the big tenants, who constitute about 3%, took over 95% of the arable land in Bulgaria. (Angelov, P., et al., 2018)

The economic, social, and political factors that directly affect the dynamic processes in the agricultural sector, as well as vegetable production in Bulgaria, are in direct symbiosis with the changes occurring in the social environment. The impact of institutional changes on land relations in Bulgaria over the past 30 years is a response to a series of processes and changes that occurred before and after the country's accession to the EU. Some of these changes are historically determined by the way the social model of society was transformed in the 1990s. (Yovchevska, 2016)

After the pivotal year of 1989, the agricultural sector underwent significant reforms related to the implementation of land reform and the restoration of property rights to land in real terms, the dismantling of old production structures (TKZS),

privatization, as well as the lack of targeted state policy and support for Bulgarian agriculture. Unfortunately, the Law on the Return of Land in 'Real Terms' led to the fragmentation of land into small plots depending on the number of owners and heirs, and the land reform was unsuccessful. Additionally, the liquidation of TKZS and other cooperative forms led to the depopulation of the Bulgarian village.

The results of the influence of various factors and processes are that Bulgaria is still in a period of dynamic institutional changes, which actively affect the state of agriculture and, in particular, land relations. The Law on Ownership and Use of Agricultural Land, logically, undergoes the most changes (the Law has been amended more than 70 times until 2020). This dynamism of the law on ownership and use of agricultural land demonstrates the existence of real problems in the socio-economic system of agriculture and the need to address them.

The methodological framework of our study includes a brief overview of the main changes in the new Agricultural Land Act, as well as the degree of land fragmentation, which is directly related to the position of both parties in negotiations. (Dirimanova, V., Yovchevska, Pl., et al, 2019)

The fragmentation and division of the key production resource – land, the inherent dependence of vegetable production on climatic conditions and natural factors, the low degree of mechanization of the production process combined with outdated and worn-out agricultural machinery, the deteriorated condition of irrigation equipment and infrastructure, as well as the low profitability for those employed in vegetable production, represent only part of the current problems facing the sub-sector. Bulgaria is characterized by a large number of small-scale farmers, who produce mainly to meet household needs, while another part of the production is sold on the market. The key reason for the existence of so many small-scale farmers is the land reform in the 1990s. The large numbers of small-scale farmers who are vegetable producers are again in South Central Region of Bulgaria - 41% and Southwest Region - 24%. (Stoeva, T., Dirimanova, V., 2024)

According to statistical data for 2024, published by the 'Agrostatistics' department at the Ministry of Agriculture and Food this year, the total production of vegetable products in 2024 shows a moderate increase of 8.7% compared to the previous year, 2023. The most significant contribution to the increase in total vegetable production in 2024 comes from a significantly better harvest of watermelons – up by 42.8 thousand tons or 53.4%, tomatoes – up by 12.5 thousand tons or 10.8%, and melons – up by 8.1 thousand tons or 27.4%.

Demographic dynamics are a key factor that determines the economic development of the sector, as well as being a result of ongoing social and institutional changes in the societal environment. The demography of the population, its numbers and density in different regions of our country, determine the scale of the workforce and consumption. As a result of institutional changes, in recent decades Bulgaria has faced a serious demographic crisis, manifested in a permanent decline and ageing of the population, migration and a negative natural growth. The labour market in the country is characterised by limited demand for highly qualified labour, which is a basis for structural mismatches between the supply and demand of labour. Another group in the labour market, vulnerable due to low qualifications and advanced age, is becoming difficult to adapt to the new socio-economic conditions. The adverse

demographic trend, typical of most rural areas in our country, has a strong impact on the quality of the workforce in this subsector of the agricultural sector.

For years, the import of vegetable produce has outpaced the production and cultivation of vegetable crops that are traditional for Bulgarians, despite the favourable natural and geographical conditions in our country, as well as the rich experience in the production and cultivation of vegetable crops. Bulgarian vegetable production is under constant pressure from competitive imports of cheap vegetable produce from other European countries.

**Table 1** Production of basic vegetables (tons)  
**Производство на основни зеленчуци (тона)**

	2022	2023	2024	Изм. 2024/2023
<b>Общо, в т. ч.:</b>	<b>629 161</b>	<b>594 045</b>	<b>645 678</b>	<b>8,7%</b>
Домати	126 455	115 650	128 144	10,8%
Пипер (вкл. лют)	46 793	52 005	57 169	9,9%
Краставици	51 025	50 131	50 690	1,1%
Картофи	172 209	119 239	113 935	-4,4%
Главесто зеле	39 590	44 963	32 522	-27,7%
Лук кромид зрял	27 459	38 956	35 816	-8,1%
Ягоди	5 129	5 206	4 727	-9,2%
Дини	79 978	80 130	122 930	53,4%
Пъпеши	21 485	29 487	37 575	27,4%

Източник: Агростатистика, МЗХ

Source: Ministry of Agriculture, Agristatistics, 2025



**Figure 1** Import of fresh vegetables in Bulgaria /tonne/  
Source: National Statistical Institute, 2025

## CONCLUSIONS

Agriculture in Bulgaria, and in particular vegetable production, is characterised by numerous but small-scale farms, whose production mainly aims to meet the household's needs, while some of the produce is offered on the market. The main reason for the existence of so many small agricultural producers is the land reform carried out in the 1990s and the return of land to the owners and their heirs in the real boundaries prior to the collectivisation process that took place in the 1950s. (Dirimanova, V., 2023)

The return of the land, and above all within real limits, took place without a clear vision for the future. The link between science and production was severed, which set our agricultural development back in its developmental age. (Stoeva, T., Dirimanova, V., 2024)

Small semi-market farms in Bulgaria primarily produce for domestic consumption, as well as to supplement the incomes of their households. The majority of the produced output is intended for local and regional markets, and sometimes for personal consumption, which often leads to losses from unsold products. Such types of farms are not particularly developed and it would be beneficial to restructure them to improve their market competitiveness. In Bulgaria, small farms are dominating structures in the number of holding and are an important source of income and local jobs. (Uzunova-Beluhova, R., Hristov, K., Shishkova, M., 2019)

The fragmentation of land, resulting from institutional changes affecting the state of agriculture and in particular land relations, has led to the existence of many small producers, a lack of production planning, and weak sectoral organisations, which are prerequisites that create difficulties for the development of vegetable production in Bulgaria. Improving the condition of the 'Vegetable Production' sector and the conditions for its development are linked to increasing the competitiveness of the vegetable production.

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