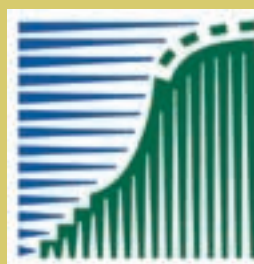




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The Problems of Small and Medium-Sized Milk Producers in Bulgaria



agriculture, nature
and food quality

Preface

“The Problems of Small and Medium-Sized Milk Producers in Bulgaria” aims at focusing the attention of consumers, decision makers and administration on one of the key problematic areas of Bulgarian agriculture, namely the dairy sector, and the future of small and medium-sized farms and the quality of traditional Bulgarian dairy products, in particular. This brochure also urges the entire society to take action in support and stimulation for small and medium-sized milk producers, who are important for the conservation of the traditional agricultural practices as well as the protection of the traditional rural landscape and biodiversity.

The brochure presents the analysis of the legislation in the field of hygienic requirements and recommendations for its improvement as a part of the report “The Problems of Small and Medium-Sized Milk Producers in Bulgaria”. The report includes also an analysis of the economic situation and the development perspectives of small and medium-sized farms based on data from existing farms. The report is available on the website of WWF Danube-Carpathian Programme in Bulgaria.

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List of abbreviations:

GHP – Good Hygiene Practices

HACCP- Hazard Analysis and Critical Control Points

MAF – Ministry of Agriculture and Food

NAAS - National Agriculture Advisory Service)

PSM-F – Premises for Storage of Milk-F

SAPS - Single Area Payment System

Introduction

After Bulgaria's accession to the European Union Bulgarian agriculture and the dairy sector, in particular, have faced new conditions and prospects for integration to the vast European markets. This opportunity is accompanied by a number of requirements that Bulgaria has accepted and needs to comply with within the agreed deadlines. A number of EU support and funding opportunities have been provided in order to meet these deadlines and reach the community standards. The pre-accession programme SAPARD and later the Rural Development Programme have provided for great investment opportunities in agriculture and improvement in the quality of life in rural municipalities.

The condition of agriculture in Bulgaria at that period required a number of changes, a lot of investments, a dialogue between all stakeholders and, mostly, a clear strategy for the future development of the sector to be elaborated by the competent bodies.

Bulgaria has been a full member of the European Union since 2007 but agriculture still has plenty of unsettled issues, uncertain prospects for its survival and serious difficulties for farmers. The dairy sector, in particular, faces serious problems, which demand rapid, adequate and result-oriented policy. Otherwise, the bankruptcy of milk livestock breeding in Bulgaria, together with that part of the population engaged in the sector, is certain.

What is the real situation at 1st of May 2008¹:

- The number of cow breeding farms is 13,8% less in May 2008 than in May 2007;
- The number of cows has dropped by 3%;
- The number of farms breeding 1 or 2 dairy cows is 14,1% less in May 2008 and they breed 102 thousands of dairy cows (representing 30,7% of all dairy cows in the country);
- 0,5% of all farms breed 50 or more dairy cows;
- The number of farms breeding female sheep has dropped by 11,8%, and the number of breeding female sheep has dropped by 6,2% compared to 2007;
- 12.9% of the sheep farms breed 10 or more breeding female sheep. 59.7% of the breeding female sheep are bred in these farms. The situation with goat breeding is similar;
- An increase is observed in the buffalo breeding only.

This data shows the small-sized and fractured structure of the livestock breeding in Bulgaria. The larger part of the farms is located in private yards within the settlements and most of the livestock is bred there. The milk produced by such farms is for self consumption and a part of it is supplied to the market, thus providing the farmers with additional income. The positive trend that is observed is the increase of the number of farms with 3-9 heads.

¹ Data source: Agrostatistics Directorate at the MAF

The large number of those employed in agriculture proves the sector's social role in rural municipalities that face serious problems such as depopulation, aging population and high unemployment rates.

The food quality and safety is one of the priority issues in the European Union policy. The objective is to obtain high level of protection and to guarantee consumers' health from primary production to its release on the market without decreasing the rich diversity of products. All the regulations and directives determine the main aspects in the field of food safety ensuring the necessary flexibility and opportunities to use the traditional methods of production. Bulgaria as an EU member is obliged to guarantee that the products offered on both domestic and export market meet the respective requirements.

Legal frame

The main European regulations concerning the dairy sector are:

- Regulation (EC) No 178/2002 of the European Parliament and of the Council laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety
- Regulation (EC) No 852/2004 of the European Parliament and of the Council on the hygiene of foodstuffs
- Regulation (EC) No 853/2004 of the European Parliament and of the Council laying down specific hygiene rules for food of animal origin
- Regulation (EC) No 854/2004 of the European Parliament and of the Council laying down specific rules for the organization of official controls on products of animal origin intended for human consumption
- Regulation (EC) No 882/2004 of the European Parliament and of the Council on official controls performed to ensure the verification of compliance with feed and food law, animal health and animal welfare rules

Bulgarian legislation is synchronized with the existing European legislation, the necessary regulations and directives are also enacted. The respective secondary legislation to determine the specific requirements for each operator in the food production chain is created:

- Food Act
- Ordinance No 4 of 19.02.2008 of the Minister of Agriculture and Food on the specific requirements for production, conservation and transportation of raw milk and the requirements for trade and release on the market of milk and milk products, published in the State Gazette, issue 23 of 29.02.2008
- Strategy for the development of milk animal breeding and improvement of the raw cow's milk quality for the period 2006-2009
- Action plan for improvement of the raw cow's milk quality for the period 2006-2009.



Milk Quality Requirements

The most important requirement in the dairy sector is meeting the standards for raw milk quality according to Annex III, Section IX, Chapter I (III, 3) of the Regulation 853/2004/EC and particularly as regards to:

- Plate count at 30°C up to 100 000 per ml and Somatic cell count up to 400 000 per ml for raw cow's milk.
- Plate count at 30°C up to 1 500 000 per ml for raw milk from other species.
- Plate count at 30°C up to 500 000 per ml for raw milk from species other than cows intended for the manufacture of products made with raw milk by a process that does not involve any heat treatment.

Bulgaria has agreed a transition period until 01.01.2010, when the entire quantity of produced milk intended for processing and sale is expected to meet these requirements.

However the real situation in the sector does not promise bright future.

A significant part of the milk processing enterprises have had the opportunity to benefit from the pre-accession programme SAPARD. With its support they have built up modern dairies of large capacity, necessary premises and equipment, and introduced the GHP, GMP and HACCP systems. However, this programme has been available only to the large milk processors that have had the possibility to modernize their farms and invest both in premises and herds. Unfortunately, the number of such farmers has remained rather small. The larger part of the milk producers have fought against the low purchase price, the lack of government support and information from the Ministry and they could not provide financial resources for their investments. They have been just surviving without having any possibility to prepare and meet the high requirements brought to their business by the EU membership.

Consequently, the current situation in the branch is such: the larger part of the raw milk produced in Bulgaria does not meet the requirements and can be processed only for the national market (until the end of 2009 when the transition period is over). The lack of quality raw milk makes the milk processors who have invested considerable amount of capital, time and labour in their enterprises work below their capacity and without generating profit, or look for alternatives. Significant part of the dairies has found a solution by using skimmed evaporated milk imported from Germany. Its end price is near the one of the raw milk but it does not have the problem of high count of plate and somatic cells. Its input in the milk products however implies the addition of vegetable fat whose origin is often unknown. The dilemma "low quality Bulgarian milk vs. high quality imported raw material" does not stand for Bulgarian milk processors. As a result milk products with no content of fresh milk are broadly offered on the market and this is not reflected on the label of the product.

Apart from consumers this practice affects yet another part along the chain – the milk producers. Most of the dairies stop purchasing milk from the milk collecting points in the small settlements or they offer very low purchase price. Exactly that part of the farmers breeding small number of livestock in their own yards and selling larger part of the milk in Bulgaria deliver their milk in such milk collecting points. One inconsistent requirement of the Action Plan for Improvement of Raw Milk Quality for the period 2006-2009 should be highlighted here. According to the plan direct sales of raw milk to final consumers can only be done by milk producing farms of group I with Premises for Storage of Milk (PSM) -F /i.e. farms with 5 dairy cattle heads/. Regulation 853 clearly states that its requirements do not apply for: direct supply of small quantities of primary products by the producer to the final consumer or to local retail establishments directly supplying the final consumer and stipulates that the Member States should establish rules regulating the activities within their national legislation. It is not clear why Bulgaria and particularly the Ministry of Agriculture and Food deprived farmers without categorization from the opportunity to sell their milk directly to the consumer since the European regulations allows it.

If the consumer wants to buy milk directly from the farm why the farmer should not have the right to sell it? Why a farmer having the opportunity to sell its production this way should be denied such an alternative? If the farm premises or the farm do not meet the requirements would this mean that the milk produced there does not meet the quality criteria for somatic cells count and standard plate count?

As the farms producing buffalo's, sheep's and goat's milk can't be categorized does it mean that they can't sell their production to the final consumers, too, although they have PSM-F? The decrease in the price levels and the lack of any other alternative to benefit from the livestock breeding for these farmers has logically made them sell the animals and search for jobs and income in other sectors.

In spite of the obvious problems with raw milk which fails to meet the requirements and the necessity of serious investments in milk production, there hasn't been an adequate reaction from the respective ministry, yet. Large part of the livestock breeders have no land but even if they have any its size is too small and the SAPS (single area payment system) cannot be a valid supporting source. The special subsidy granted in the beginning of 2008 for produced and sold quality cow's, buffalo's, sheep's and goat's milk is intended to reach only the Ist category farms, which have already met the standards for milk quality and are unobtainable for IInd and IIIrd category farms, i.e. those that should invest in order to meet these standards. Besides, these subsidies were granted only for three months in 2008.



МЛЕЧНИ ПРОДУКТИ

Цар Калоян, област Разград

The issue of categorization of buffalo-, sheep-, etc. farms is also important. It is done according to Ordinance No 4 of 19.02.2008 on the specific requirements for production, conservation and transportation of raw milk and the trading and marketing requirements for milk and milk

products. Sheep, buffalo's and goat's milk are excluded from the scope of the ordinance, which means that these farms cannot be categorized. There is not a register of these farms on the official website of MAF either. The question why such farms cannot be categorized remains.

The fact that the launch of the special subsidy was accompanied by a decrease in the milk price offered by milk processors i.e. the subsidy was with the milk processors again, should not be disregarded. The additional national payment schemes for cow's milk and for breeding female sheep launched in 2008 are a breath of fresh air for the farmers but are extremely insufficient considering the general situation in the sector. It should be mentioned here that the buffalo and goat breeders received a marginal support from the Ministry. Another fact not to be disregarded is that Regulation 853 explicitly states the requirements to the raw milk other than cow's milk². However, this issue has not been dealt with in any of the MAF ordinances. The farms producing buffalo's, sheep's and goat's milk are not subject to categorization and, therefore, it is not clear whether they can sell their milk directly to the consumer as it is not stated anywhere. The subsidies per head claimed by milk producers are currently impossible to provide as the livestock identification system is still not suitable to guarantee the effective payment of such subsidies. The only opportunities that farmers can take advantage of are the Rural Development Programme measures. However, the exceptional delay in launching the measures, the number of unclear points and the discouraging bureaucracy has made even the biggest enthusiasts to renounce. Farmers cannot rely on banks for credits as the banks consider the livestock breeding sector to be too risky. With regards to the applications under SAPARD Programme banks gave credits to farmers willingly relying on the secure European funds. The blocking of funds under the Programme has to do with the delay in the credit payments or their complete stop. This creates distrust in the farmers' capacity and leads to refusal to credit requests. Furthermore, the world economic crisis also affects the bank sector in Bulgaria. Officially the banks don't refuse to grant investment credits or bank guarantees but the requirements they set are hard to fulfill /interest rates above 10%/.

It turns out that farmers have less than a year to meet the requirements for quality milk and have no financial capacity to do it.

The practice of purchasing the milk per litter regardless to its quality used to make many of the farmers search for ways to increase the quantity and diminish the cost price of the milk instead of increasing the quality of the production. The investments targeted the purchase of more animals, land and machinery for its cultivating, tractor-driven equipment, etc. Just a few of those farmers had the possibility to equip their farms and to introduce breeding systems that guarantee the production of quality raw material. Introducing good hygienic practices, keeping documentation on fodder and animals and on quality and quantity of the sold production are new activities for Bulgarian farmers. The information about all these requirements all of a sudden "flooded" the farmers and raised many doubts on their relevance. They did not have the possibility to think it over and assess the good points, so the requirements were perceived as unnecessary bureaucracy. Certain time is needed to adapt and redefine, and only after that all measures and practices could be effectively applied. Production of quality and safe raw

² See the text here above

material is a philosophy to a certain extent, so becoming aware of this fact requires patience, flexibility and a lot of support.



Requirements for premises

The requirements for premises are set in Ordinance No 44 of 20 April 2006. Before the detailed analysis of Ordinance 44 one thing should be specified – the registration of a livestock breeding site according to the Ordinance 44 and the categorization of the cow farms are two different procedures. The requirements for premises for the purposes of the categorization are drawn up according

to Annex III, Section IX, Chapter I (II) of Regulation 853/2004/EC. The main requirements are:

- Milking facilities and premises, where milk is stored, handled or cooled must be located and constructed so as to limit the risk of contamination of milk;
- Premises for the storage of milk must be protected against vermin, have adequate separation from premises for housing animals and, where necessary, meet the requirements laid down in Part B: premises should have suitable refrigeration equipment;
- Surfaces of equipment that come into contact with milk (utensils, containers, tanks, etc. intended for milking, collection or transport) must be easy to clean and, where necessary, easy to disinfect and maintain in a sound condition. This requires the use of smooth, washable and non-toxic materials.
- After being used such surfaces must be cleaned and, where necessary, disinfected. After each journey or after each series of journeys when the period of time between unloading and the following loading is very short, but in all cases at least once a day, containers and tanks used for the transport of raw milk must be cleaned and disinfected in an appropriate manner before re-use.

Ordinance No 44 regulates the general and specific requirements to the livestock breeding sites. **Art. 4(1) point 4** of the same ordinance states that the animal breeding sites should have an entrance with a checkpoint, which is a unique entrance/exit for the site, and should dispose of:

- a) A room for guard and registration of visitors;
- b) A disinfection site for the vehicles and livestock at least 7 m long and with a tank for the disinfection solution at least 0.3 m high;

c) A disinfection site for people with a disinfection path at least 0.8 m long and a sink equipped with a device for washing and disinfection of hands.

5. A permanent fence at least 150 cm high, guaranteeing the safety of the farm and the health welfare of the animals;

6. Equipment for disinfection of vehicles and people;

7. A structure that does not allow free access of animal and people.

The requirement for an entrance, which is a unique entrance and exit for the site is very difficult to meet and has no logic as far as grazing livestock is concerned. Moreover, passing twice per day through the tank containing a disinfection solution might be risky for the animals' health. This would also generate number of difficulties when organizing the work on the farm. The delivery time to the driver-milk receiver can coincide with the release of the animals for grazing. Besides, from hygienic point of view the use of a single entrance/exit creates conditions for even larger contamination. It is logical that animals have a separate entrance/exit, which is located on another area of the farm (for instance from the walk yard to the pasture). This will not cause unnecessary stress to the animals and will ease the work of the staff. A single entrance/exit can be a requirement for the poultry and pig farms, etc. But this should be indicated in the special requirements for the livestock breeding sites and not in the general ones.

The building of a security and visitor registration room is another controversial point. It is not logical for a farm of 15 cows run by the whole family to engage additional staff as security guard. This is extremely senseless and totally unnecessary. Paragraph 2 of the same article states: "The requirements of paragraph 1, point 4, letters (a) and (b) do not refer to livestock breeding sites having up to 5 livestock units." The stated requirements however show the obvious ignorance with regards to the structure of Bulgarian farms and have been written for the industrial breeding systems for some of the animal species. This generates a lot of trouble for the farmers and aggravates even further the modernization capacity.

The input of resources in unaccountable technological and construction innovations which will not contribute to the improvement of the conditions in the farm by any means should be avoided.

The issue of the fence of the livestock breeding site is also very controversial. The term "permanent" fence can be interpreted in various ways. What actually is meant by "permanent" is nowhere defined. Thus, in some regions of Bulgaria the public employees in charge of the control and registration of the livestock breeding sites interpret the "permanent" fence as a brick or concrete fence etc., while in other regions the wire-net fence is also considered permanent. If the livestock breeding site has an adjacent area of 6 dka (0,6 ha) which should be enclosed by a brick fence of 150 cm high how many farmers in Bulgaria could allow themselves to register their livestock breeding sites? Another point to be discussed is which fence guarantees the health welfare of the animals. If a livestock breeding site is designed, how the designer will interpret this point of the regulation as there are not any parameters or technical data set with regards to the permanent fence that guarantees the health welfare of the

animals? It is also ambiguous how such a fence would prevent the free access of animals. For instance, the problem with rodents cannot be sorted out with any fence whatsoever.

It is not mentioned anywhere what directives or regulations the Ordinance No 44 refers to, but such requirements to the livestock breeding site are set neither in Regulation 852 nor in Regulation 853. It is not clear how many of the farms in Europe have such fences, disinfection sites and security guards at the entrance and why this is necessary after all. If the idea is the prevention and fight against epizooties such requirements would not take effect especially in areas where animals from different farms use same pasture for grazing and the farms themselves are in close proximity to each other.

Section III states the specific veterinary and zoohygenic requirements for the livestock breeding sites.

In **Art. 9(1)** 5 of the requirements for the cattle breeding premises state the following: “should have isolated maternity boxes or an special maternity room, both meeting the requirements of Annex No 2”; for buffaloes - instead of maternity boxes there should be isolated beds with raised floor and adverse grade in the premises where the animals are bred. Annex No 2 specifies the required square surface $/8 \text{ m}^2/$, air circulation



speed, optimum temperatures. The legislator has specified the measurement, control and monitoring procedure for these parameters neither for the farmers nor for the control bodies which makes this requirement controversial. Nevertheless, the controlling bodies should specify the exact parameters to the farmer which makes them refer to zoohygenic books from 1985 written for the former agricultural co-operatives. At that time a higher number of animals was bred and there were separate premises for nonlactating, lactating and calving cows and animals were constantly in a move between the different premises. Such detailed requirements should specify how many days before and after the calving the cows must stay in these premises or boxes as this also matters. The building of the maternity premises eases the work of the veterinarian and prevents the spreading of some diseases. In this sense building these premises is reasonable. The problem arises however with the farms with tied-up breeding of 15 cows, for instance, which is practiced in a number of farms in Bulgaria. In this system the animals have a particular place they are used to and it should be considered that the move to the special maternity box is an additional stress in the pre-maternal period. Another problem related to this requirement is the existing buildings, the internal repartition and the equipment of the farm which not always allows reconstruction. In this sense the building of such premises and boxes should show consideration for the existing breeding system, the number of livestock and the existing premises and equipment.

The same article, paragraph 1, point 7 states that farmers must “have place for temporary storage of manure and disinfection corresponding to the capacity of the livestock breeding site”.

This text does not specify the requirements for the places and the facilities for storage of manure, as well as the necessity for separate storage of solid and liquid manure in Nitrate Vulnerable Zones in Bulgaria. The manure management and the standards to be met are directly linked to the activity of the livestock breeding site and most of the farms in Bulgaria do not dispose of effective systems for manure storage and use. Considering the clear requirements stated in the Nitrate Directive the deadline for meeting these requirements and the manure management practices existing in Bulgaria it is appropriate to amend this text of the regulation and extend or make respective references to the Programme for Limitation and Liquidation of Nitrate Pollution in Vulnerable Zones from Agriculture and to Ordinance No 2 of 16.10.2000 on protection of waters against pollution caused by nitrates from agricultural sources.

Section V “Obligations of livestock breeding sites and incubators owners”, art. 19, paragraph 11(b) states: „should ensure the regular mechanical cleaning, disinfection, deratisation and disinfection of the cold premises or the refrigerator for animal carcasses storage after their release.” However, it is not clear whether this requirement refers to owners of cattle, sheep and goats breeding sites. Neither in the general nor in the specific requirements for such livestock breeding sites there is a requirement for the cold premises or the carcasses collection site. It doesn't become clear from this regulation how the farmer should proceed in case of dead animal, where to store the carcass until the arrival of the incinerator vehicle and what measure should be undertaken.

Last but not least, consideration should be made on whether farms may be operated within the settlements. Ordinance No 44 does not state any requirements with regards to distance from the settlements but Ordinance No 7 of 25 May 1992 on the hygienic requirements for health protection within settlement areas defines a hygienic-protection zone of 100 m for the cattle farms with 50 to 100 heads and sheep farms with 100 to 200 heads i.e. such farms should be located outside of the settlement.



In general, Ordinance No 44 has a lot of drawbacks and shortcomings, and a number of unnecessary aggravations. Farmers are not aware of how they benefit and what they lose from the registration under Ordinance No 44, and what the advantages of the certificate form KZZH 17 are. Therefore the cattle farm owners confine to the categorization of a milk producing farm, which will ensure access to subsidies and possibly would raise the price for their milk. However, the Ordinance explicitly states that: „Owners of existing livestock breeding sites are obliged to put their farms in compliance with the requirements of this Ordinance no later than 1 January

2009. Regarding the sites under Annex III, Section IX, Chapter I, Sub-chapters II and III of Regulation (EC) No 853/2004 the deadline to ensure compliance with the respective requirements of this ordinance is no later than 31 December 2009.”

Conclusions

The conclusion that can be drawn from everything mentioned so far is that Bulgaria disposes of the necessary legal framework. Despite of the imperfections and the obvious “overzealousness” of certain regulations and inconsistency with regards to the real situation, these regulations are fact. However two main questions arise:

- To what extent will these rules ensure the achievement of the general objective, namely guarantee the quality and safety of food for the consumers? Since written rules is one thing but make them work is quite a different matter. How exactly in real time and situation these rules will lead to the necessary effect?
- Are there any possibilities to reach the objectives by other approaches and mechanisms which could be more adequate and applicable to the Bulgarian farmers without being contrary to the European rules in any way?

The adopted programmes and regulations related to the milk quality has led to a number of changes in the sector and affected people engaged in milk production and processing, as well as any individual Bulgarian in his/her capacity of consumer. It should not be forgotten that consumers are the development engine of each business and industry, including milk production and processing. What consumers require is a balance between price and quality and the quality is what disappoints a large part of them. The genuine traditional tastes of Bulgarian yogurt and white brine cheese are already forgotten. Products Bulgaria used to be proud of are now missing from the domestic market and not to mention the export. It cannot be expected that Bulgarian milk products made out of evaporated milk could establish themselves on the vast European market. European consumers would not prefer them considering the large



variety of quality, safe and organic products. Bulgarian consumers, who are more and more interested in imported milk and cheese will also make such an informed choice. So, when the consumption drops down the production will also drop down, and the same will happen with the raw material yield. Activities traditionally practiced in the country for centuries will be closed.

If urgent measures are not undertaken, the disappearance of small family farms is only a matter of time and this would not happen because they cannot produce quality milk but because they were not provided with an alternative. The fact that these small family farms ensure the means

of living of a large part of the villages' population and particularly those in mountain and semi-mountain areas where the livestock breeding is a tradition and its liquidation would lead to the depopulation of large territories must be considered. A targeted approach is required in order to find a solution for the future of these farms.

The destiny of farmers having 20-30 heads of cattle or those with 100-120 sheep or goats is also vague. They are people who have chosen farming as their business and way of life but now find themselves in a dead-end. The milk prices which are their only income are set only by the milk processors and the farmers' choice is either to accept the low purchase prices or to close their farms. Thus, even larger farms are unprofitable, unviable and dependent on constant subsidies.

By creating all these rules MAF aimed at meeting the EU standards but in fact the sector has been brought to bankruptcy. The producers do not get the required purchase prices, the processors do not find the desired quality raw milk and the consumers do not consume quality products. The rules do not work or even if they work they lead to negative results. The Ministry policy must be changed and this must be done with a clear and long-term concept and urgent timely and adequate solutions.

What can be done?

Regulation 853 clearly states that it shall not apply in relation to:

“.....a) Primary production for private domestic use;

b) The domestic preparation, handling or storage of food for private domestic consumption;

c) The direct supply, by the producer, of small quantities of primary products to the final consumer or to local retail establishments directly supplying the final consumer;

d) The direct supply, by the producer, of small quantities of meat from poultry and lagomorphs slaughtered on the farm to the final consumer or to local retail establishments directly supplying such meat to the final consumer as fresh meat;

e) Hunters who supply small quantities of wild game or wild game meat directly to the final consumer or to local retail establishments directly supplying the final consumer.

4. Member States shall establish, according to national law, rules governing the activities and persons referred to in paragraph 3(c), (d) and (e). Such national rules shall ensure the achievement of the objectives of this Regulation.

5.(a) Unless expressly indicated to the contrary, this Regulation shall not apply to retail.”

In order to examine more precisely the text some notions must be clarified. For this purpose the Guidance Document for implementation of certain provisions of Regulation (EC) No 853/2004 on the hygiene of food of animal origin published by the Health & Consumer Protection Directorate-General at the European Commission will be used. This document provides the following definition of retail: “...“retail” means the handling and/ or processing of food and its storage at the point of sale or delivery to the final consumer, and includes

distribution terminals, catering operations, factory canteens, institutional catering, restaurants and other similar food service operations, shops, supermarket distribution centres and wholesale outlets.”

In the context of food hygiene, retail should generally have a more limited meaning, as follows: “activities involving direct sale or supply of food of animal origin to the final consumer”.

The following note is made below: “Regulation (EC) No 853/2004 excludes retail (i.e. the handling and/or processing of food and its storage at the point of sale) from its scope. This means that where cheese is manufactured and sold at a retail premise (e.g. at the farm), these activities can be carried under the respect of the requirements laid down in Regulation (EC) No 852/2004 only, requiring registration but no approval.”

All these texts show that there is a solution to cope with the transition period deadline (31.12.2009) without breaking the European law. Moreover, such a solution would allow farmers to process the raw milk and sell the products on the local market. Thus the milk producing farms would increase their profitability and viability and would turn into profit-making farms. The practice of processing the raw material on the farm has exceptional advantages:

- Clear origin of the raw material input in the dairy products;
- The unification of producer, processor and retailer shortens the chain and guarantees better traceability. Besides, this guarantees better profit for the farmer;
- The direct contact between the farmer and the consumer increases the responsibility and the interest of the farmers with regards to quality and safety of their production – a general principle laid down in all European regulations concerning food safety;
- The consumers have information about the place and the person, who sells them the milk and the milk products. For them this is a quality warrant. Besides, by making their choice consumers stimulate a local enterprise which would lead to improvement of economic environment at local level.



This retail practice broadly exists around Europe and would work successfully in Bulgaria. The requirements for such farm dairies must be very much simplified and the control procedures of the control bodies should be in conformity with the type and size of the production and the delivery places. The inspectors have to be in a constant dialogue with the producers, to provide them with advice and information. All necessary measures for advertising and promotion of such farm products are to be undertaken.

Recommendations

- To define the small and medium-sized farm (other than semi-subsistence farm) at national level with a view to the number of livestock and area of crops and not as just an economic unit.
- The structures of NAAS have to provide assistance to the farmers from this group (and not only to young farmers) in project and business plans development under axis 1 or to ensure technical support for these farmers.
- To keep these families better informed by on-the-spot visits or by organizing meetings in the settlements, since it is difficult for the farmers to disturb themselves from the farm and to participate in information events in the town/municipal centres.
- To introduce less strict financial requirements for the small and medium-sized farms with regards to funding under the RDP (Rural Development Programme), axis 1.
- When defining the conditions for production of final products in the farm, farmers should be given the possibility to sell the unprocessed quantities of raw milk to processors.
- To introduce simplified requirements and control procedures for the small and medium-sized farms with closed production cycle.
- To link the biodiversity and environment conservation to the production of final products on the farm as a warrant for products quality through the introduction of environmental requirements to these farms.

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WWF's mission is to stop the degradation of the planet's natural environment and to build a future in which people live in harmony with nature by:

- **conserving the biological diversity**
- **ensuring that the use of renewable natural resources is sustainable**
- **promoting the reduction of pollution and wasteful consumption**

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