Ornamental plant production and sales in Bulgaria

Production of ornamental plants in Bulgaria
The sector is well represented by the Bulgarian Association of Ornamental Plants Nurseries. All of the larger nurseries are members and most of the small and medium sized companies. The Association represents the sector in the discussions with the government on transposition harmonisation of legislation and to recognise and propose improvements in the present legislation where needed. Furthermore, the association promotes changes that will stimulate production. It is also involved in the process of quality standards implementation and internationally in ENA – the European Nurserystock Association.

Nurseries where well established before the communist era with a high reputation all over southern and central Europe. Nurseries were re-established at the beginning of 21th century following the transitional period of the Bulgarian economy and the new possibilities for setting up a private company. The sector boomed with the construction boom until 2008, declined with the end of this boom and is recovering in recent years, again, mainly based on imports. The Association was established to deal with the more serious problems in the sector: lack of quality standards and lack of market information.

There are two main regions of ornamental plants production in Bulgaria. One in northern Bulgaria in the region of Veliko Tarnovo and one in the central part of the country near Plovdiv. Still a lack of modernization technologies, mechanization and innovative knowledge in the process of production can be observed in most of the nurseries.

Production of roses and lavender, both for oil are well established in Bulgaria and with a long history, nowadays operated mainly by joint ventures with foreign, often Dutch companies.

Production of trees, shrubs, potted plants, annuals and perennials is rather erratic due to limited efforts of the sector in market reviews. Production of seedlings and grafts is limited and they are mostly imported. Some of the nurseries produce cuttings and seedlings for the needs of their own plant production. Over 50% of the plants sold for the retail and institutional market are imported from The Netherlands, Germany, Poland, Hungary, Belgium and (growing) Italy.

On it's website (http://nurserybg.eu/cmsj/index.php?lang=en), the association presents a fairly thorough overview of the nurseries and the production, including trends for the past years.

The markets for ornamental plants in Bulgaria
Consolidated data on the sales of ornamental plants is scattered and with limited differentiation for the institutional market, the retail market and export. The general trend is that the institutional market peaked with the construction boom in 2007, declined since then and is slowly growing again. The retail market followed this trend but less expressed
and is growing slowly but stable. This is mainly notable in the continuous growth of the production area with some 20% - 30% per year.

The institutional market, a mix of government institutions (mainly municipalities, to some extend hospitals and government offices) and private owned, large office buildings and production sites etc. is mainly served via landscaping companies who are contracted for design work. These companies define what plants are included in the landscape design and contract nurseries to provide for delivering the plants (own production or import). The tendering process is very competitive. For most of the governmental and municipality projects the decision is based upon the price, not taking quality in consideration. The association is of the opinion that this does not trigger further grow and development of the sector. The association recognises a gap between the designed planting schemes and the production and imports of the nurseries in Bulgaria and concludes that better market information is needed so the nurseries can better respond to the trends in landscape design, as well as better marketing for own production. Few nurseries have landscape architects in their teams to bid directly for such contracts.

The retail (consumer) market is entirely located in the cities and is served mainly via small scale garden centres and the large DIY stores. The garden centres are fairly low key with a main focus on the institutional market and often specialised with a small variety on offer. DIY stores offer mainly flowering plants according to the season (seldom trees), bulbs and seeds (mainly import). Large scale garden centres as in the Netherlands, offering a full range of plants are absent. The Association recognises the market demand as well as the lack of willingness of the nurseries to invest in such centres. In several cities markets also supply the consumer market, mostly bought via the nurseries. Internet sales appear to be growing but no data is available. The absence of large scale garden centres contributes certainly to this trend. Only a few nurseries have set up web-shops, most of the online sales appear to be from foreign (Dutch, UK) websites.

Complementary materials such as seeds and potting soil, pots and decorative elements are almost entirely imported.

About 50% of plant reproduction material for breeding, propagation, production and trade of seeds, bulbs, tubers, cuttings and young plants (with the exception of roses for rose oil) is imported.

**Funding**

The government has no specific programs to support the sector financially, neither from own budget nor from the ESF or agricultural funds of the EU. Indirectly these EU funds offer opportunities via support for urban development projects, employment and training projects etc. In the new programming period, the funds for urban development have become available for the smaller cities as well. Whether the nursery sector can efficiently benefit from this depends on the individual knowledge of the markets (and the connections with the landscape architects companies).
**Working in Bulgaria**

Several Dutch companies are already active in Bulgaria, mostly via joint ventures established before the EU accession of Bulgaria in 2007 and financially supported with MATRA and similar Dutch funding. Since the accession, legislation is harmonised, the infrastructure and utilities are fairly well developed and the sector has adopted most of the quality standards. Ownership of land (including agricultural land) for non Bulgaria but EU based companies (and individuals) is possible since 2014 and land is available in almost all regions for very competitive prices. Strictly speaking this implies that joint ventures with Bulgarian companies are no longer a necessity. Services such as accounting, legal advise, permitting and licensing services and interpretation services can be contracted, this industry has developed internationally and many employ English speaking staff.

More information:

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