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Report Highlights:

In 2023, U.S. agricultural exports to Bulgaria surpassed the \$100 million mark for the first time. The growth was due to a substantial increase in U.S. exports of beef, tree and ground nuts, food preparations, whiskies, animal feed, and wood. The U.S. Census Bureau's bulk, intermediate, and consumer oriented (BICO) export data tracks U.S. food and agriculture trade shipped directly to Bulgaria. However, it does not measure the substantial levels of U.S. agricultural trade to Bulgaria routed through Western European ports of entry. According to BICO, U.S. suppliers exported \$41.5 million of U.S. food, beverages, and agriculture to Bulgaria in 2023, a growth of 20 percent compared to 2022. However, when including indirect shipments, the total number rises above \$100 million.

Overview

The United States is Bulgaria's 27th largest supplier of food, drinks, and agricultural products. U.S. goods flow into Bulgaria either directly from the United States (mainly bulk and intermediate products) or are transshipped through the other western European Union (EU) ports of entry in the Netherlands, Germany, or Greece. Because the U.S. Census Bureau's bulk, intermediate, and consumer-oriented products export data (BICO) only reflects direct U.S. trade with Bulgaria, it does not include significant volumes of U.S. products routed through distributors in Western European port cities. As a result, Foreign Agricultural Service (FAS)/Sofia views Bulgaria's National Institute of Statistics (NSI/Intrastat) data, which includes both direct and indirect trade, as a more accurate reflection of Bulgarian demand for U.S. food and agricultural products. Data about indirect trade (NSI/Intrastat) is provided by NSI upon a request by FAS/Sofia and available only on annual basis. FAS/Sofia encourages USDA cooperators and other U.S. food and agricultural exporters and stakeholders to review different data sources when considering resource allocation and market development strategies for Bulgaria.

According to NSI/Intrastat data, Bulgarian importers sourced \$101.3 million worth of U.S. food, beverages, and agricultural products in 2023, about 10 percent more than in 2022. Beef (\$4.2 million), edible fruits and nuts (\$14.0 million), oilseeds (\$10.6 million), cocoa preparation (\$1.6 million), edible and food preparations (\$16.5 million), beverages and distilled spirits (\$16.5 million), animal feed (\$2.0 million), essential oils (\$13.6 million), rubber (\$9.6 million), wood (\$4.6 million) and wool (\$1.2 million) were the largest categories, and accounted for 94 percent of total U.S. food and agricultural trade to Bulgaria (Tables 1 and 2). This data includes both direct and indirect trade with U.S. origin agricultural and related products.

In 2023, direct U.S. exports to Bulgaria alone grew by 20 percent to a new record of \$41.5 million compared to 2022 (source: Trade Data Monitor/TDM). The growth was significant, and it was due to Bulgaria's economic recovery and improved market demand as well as better competitiveness of U.S. agricultural exports. The increase in direct U.S. agricultural exports to Bulgaria was in contrast with the overall decline of 11 percent of total agricultural imports of the country. Among all non-EU trading partners of Bulgaria, only 3 countries increased their agricultural exports to the market in 2023 at a comparable rate with the United States.: the United Kingdom by 23 percent and Turkey by 17 percent.

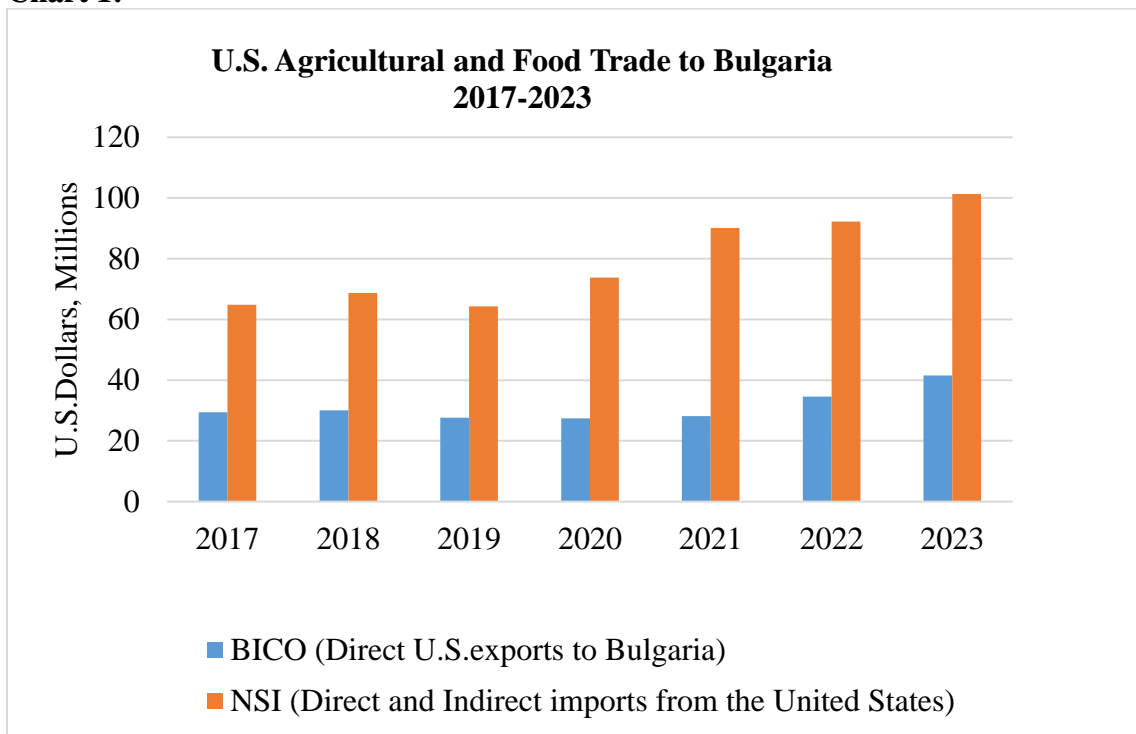
Table 1. U.S. Food and Agricultural Trade to Bulgaria 2017-2023 (\$ million)

Source of Data	2017	2018	2019	2020	2021	2022	2023
BICO (Direct U.S. exports to Bulgaria)	29.4	30.1	27.6	27.4	28.1	34.6	41.5
NSI* (Direct and Indirect imports from the United States)	64.8	68.7	64.3	73.8	80.1	92.2	101.3
Difference (Indirect exports)	35.4	38.6	36.7	46.4	52.0	57.6	59.8
<i>Percentage of indirect exports</i>	54.6	56.2	57.1	62.9	64.9	62.4	59.1

*Data on direct imports published by Trade Data Monitor (TDM)

*Data on direct and indirect imports provided by the Bulgarian National Statistical Institute (Intrastat)

Chart 1:



**Data on direct and indirect imports provided by the Bulgarian National Statistical Institute (Intrastat)*

U.S. Food and Agricultural Trade to Bulgaria by Category

Direct U.S. agricultural trade to Bulgaria generally consists of bulk commodities shipped as sea freight, including wool, wood, soybean meal, corn, planting seeds, and peanuts. The trade data for these categories is usually captured by both BICO and NSI/Intrastat data. For example, U.S. exports of corn and wool to Bulgaria in 2023 were mainly direct trade and were correctly reflected by both sets of data. Despite the growth in 2023, however, direct trade continued to be impacted by supply chain challenges; food inflation, especially in the first half of the year; and consumer income. Although incomes did increase, they were still lagging behind prices, which affected importers' ability to import large shipments. The overall situation, however, improved considerably compared to 2022.

Indirect trade tends to be products that are shipped in smaller quantities, of higher value, and/or new to market, and are usually destined for direct consumption. These products may require more flexible terms of trade than U.S. suppliers are able to provide. In other cases, Western European distributors can offer U.S. shippers sales volumes and/or payment terms that would be difficult for Bulgarian importers to match. Many U.S. exporters also find it more efficient to ship large volumes to well-established distribution hubs in Western Europe and rely on those channels to supply other EU markets. Despite considerable improvement in the supply chain issues in 2023 compared to 2022, the shipping time from the United States to Bulgaria was still a challenge and made sourcing of U.S. products from Western Europe, especially more expensive and higher-end categories, much more efficient for local importers and distributors.

Some Bulgarian importers prefer to work through European distributors and find it convenient for intermediaries to handle EU customs clearance for U.S. products. The same applies for U.S. products

that are subject to Tariff Rate Quotas (TRQs) for imports in the EU, where licensing for imports is subject to history of experience. For new-to-market products, most Bulgarian importers prefer to purchase smaller volumes to test consumer demand and to build distribution channels. Finally, European distributors may incentivize Bulgarian importers with favorable terms of payments or advertising, particularly if there are longstanding commercial relationships. Pressured by inflation and long shipping time in most of 2023, many local importers preferred to avoid direct imports due to the usual requirements of U.S. exporters for advance payments.

In 2023, indirect trade reached a new high of \$59.8 million (\$57.6 million in 2022) and was 44 percent more than direct trade. The share of indirect trade to total continued to decrease to 59 percent compared to 2022 (62 percent) and 2021 (65 percent), however, still more categories of agricultural and food products were imported both directly and indirectly. This reveals the consistency of indirect trade due to growing consumer demand for intermediate and higher value products. On the other hand, although the market is not matured enough to absorb larger imported volumes due to fluctuating and not yet stable demand, the declining trend of indirect trade shows stronger demand, demonstrates better market establishment of U.S. products, and confirms improvement of the U.S. export competitiveness of some U.S. products.

Table 2 below shows BICO and NSI/Intrastat data for U.S. agricultural trade to Bulgaria in 2023. FAS/Sofia meetings with trade sources in 2023 and 2024 indicate that the share of indirect trade will likely continue to fluctuate and decline gradually over time. Currently, an additional factor contributing to the sizable share of indirect trade is the more complicated and costly logistics for shipments destined to Black Sea ports due to the military conflicts in the region.

Table 2. 2023 Direct and Indirect U.S. Food and Agricultural Trade to Bulgaria (\$)

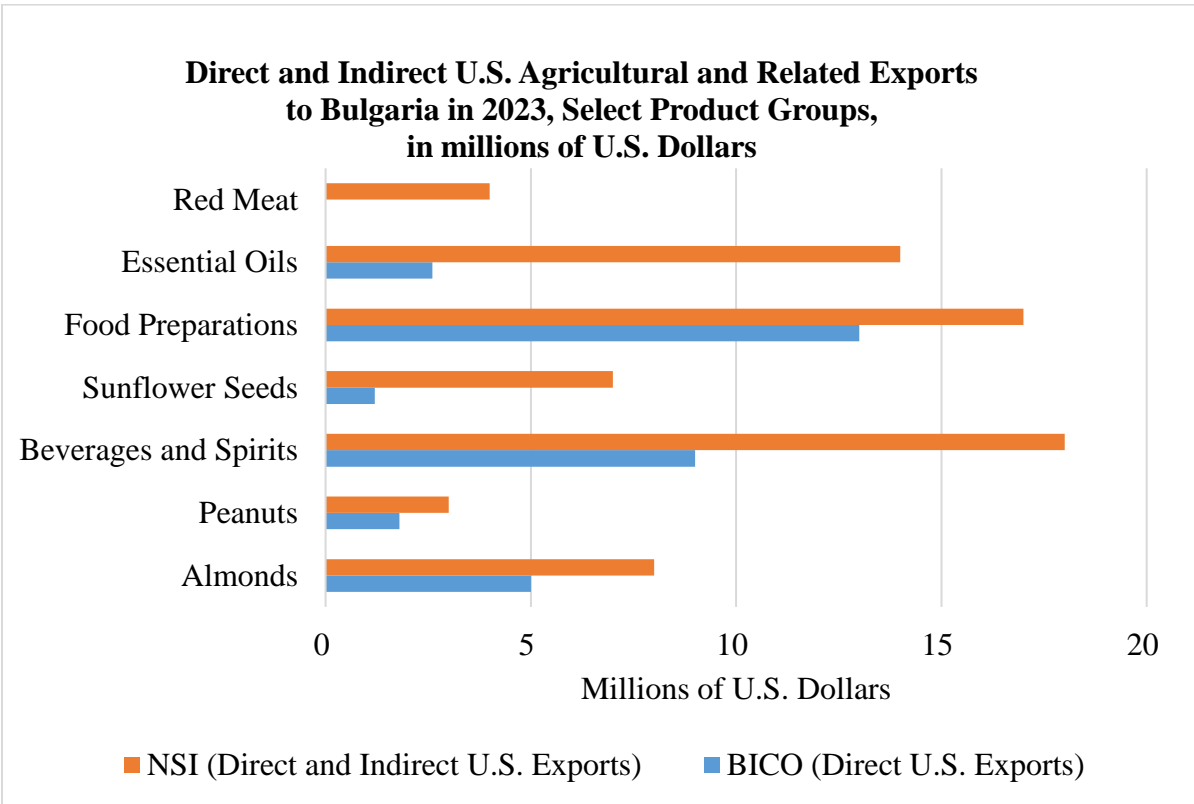
HS Code	Description	NSI* (Direct and Indirect imports from the United States) in USD	BICO (Direct U.S. Trade to Bulgaria) in USD	Difference (Indirect U.S. Trade to Bulgaria) in USD	% of Difference Between Databases (Transshipments)
Agricultural and Related Products		101,292,436	41,472,930	59,819,506	59.1
0201 and 0202	Beef and beef products	4,145,653	0	4,145,653	100
03	Fishery Products	209,576	178,681	30,895	14.7
04	Dairy Products	67,136	64,167	2,969	4.4
05	Products of animal origin (bovine genetics)	561,089	358,194	202,895	36.2
07	Edible vegetables and certain roots and tubers	556,771	27	556,744	99.9
08	Edible fruits and nuts	13,996,054	8,590,898	5,405,156	38.6
-080211	Fresh or dried almonds in shell	344,468	0	344,468	100
-080212	Fresh or dried almonds, shelled	7,182,221	5,445,785	1,736,436	24.2

-080251	Fresh or dried pistachios, in shell	5,141,201	2,870,105	2,271,096	44.2
-080252	Fresh or dried pistachios, shelled	407,277	0	407,277	100
1005	Corn	109,366	109,366	0	0
1008	Buckwheat, millet, canary seeds etc.	84,568	0	84,568	100
12	Oilseeds and Oleaginous fruits	10,564,850	3,624,636	6,940,214	65.7
-120242	Peanuts Shelled	3,050,120	2,555,477	494,643	16.2
-120600	Sunflower seeds	6,692,454	1,055,456	5,636,998	84.2
-1208	Flours and Meals from Oilseeds	628,796	0	628,796	100
-1209	Clover and Vegetable Planting Seeds	182,129	7,829	174,300	95.7
13	Lac, gums, raisins and other vegetable saps and extracts	158,570	115,067	43,503	27.4
15	Animal, vegetable or microbial fats and oils	131,248	9,789	121,459	92.5
17	Sugar and sugar confectionary	708,001	34,905	673,096	95.0
18	Cocoa and Cocoa Preparations	1,590,525	844,758	745,767	46.8
19	Preparations of cereals, Pastrycook products	231,440	3,157	228,283	98.6
20	Preparations of vegetables, fruit, nuts or other parts of plants	906,828	549	906,279	99.9
-2008	Fruits and nuts, prepared or preserved	775,889	3	775,886	99.9
21	Miscellaneous edible preparations	16,521,321	12,325,447	4,195,874	25.4
-2103	Sauce and Condiments	182,686	152,549	30,137	16.4
-2106	Food Preparations	16,205,776	12,066,710	4,139,066	25.5
22	Beverages, spirits and vinegar	17,783,016	8,561,802	9,221,214	51.9
-2202	Non-alcoholic beverages, waters	1,083,902	352,380	731,522	67.5
-2204	Wine	199,567	125,959	73,608	36.9
-2208	Undenatured ethyl alcohol and spirits	16,495,945	8,080,270	8,415,675	51.0
-220830	Whiskies	15,180,592	8,080,208	7,100,384	46.8

-220840	Rum	785,723	17	785,706	99.9
-220860	Vodka	394,686	0	394,686	100
-220870	Liquors and Cordials	83,587	0	83,587	100
23	Residues from the Food Industry	2,066,705	452,052	1,614,653	78.1
-2304	Oilcakes from soybeans, in pellets	822,757	165	822,592	99.9
-2309	Preparations for Animal Feed (pet food)	975,324	183,253	792,071	81.2
24	Tobacco	80,493	73,901	6,592	8.1
33	Essential Oils	13,619,660	3,367,155	10,252,505	75.3
35	Albuminoidal substances, modified starches, enzymes	1,169,574	371,124	798,450	68.2
40	Rubber	9,630,727	1,180,710	8,450,017	87.7
42	Articles of leather	432,556	270,491	162,065	37.5
44	Wood	4,565,868	4,203,007	362,861	7.9
51	Wool	1,184,073	1,183,579	494	0

**Data on direct and indirect imports provided by the Bulgarian National Statistical Institute (Intrastat)*

Chart 2.



**Data on direct and indirect imports provided by the Bulgarian National Statistical Institute (Intrastat)*

BICO data shows no direct U.S. beef trade (HS Code 02) to Bulgaria in 2023, while NSI data shows that U.S. beef trade reached a record high of \$4.1 million, an increase of 226 percent over 2022. This trade is dominated by imports of fresh/chilled U.S. beef steaks for retail or food service use (\$3.0 million) compared to \$1.2 million for frozen beef. U.S. beef arrives in Bulgaria mainly through the Netherlands (72 percent in 2023) and Italy (24 percent) because of volume flexibility and TRQ licensing requirements. In 2023, FAS/Sofia assisted the leading Bulgarian beef importer to apply for licensing under the TRQ for direct imports of U.S. beef.

For 2023, imports of U.S. fish and seafood declined by 18 percent compared to 2022, however, the share of direct U.S. exports to the Bulgarian market increased. NSI data indicates that about 15 percent of U.S.-origin fish and seafood were traded indirectly to Bulgaria, mainly through Belgium and Romania, while 85 percent of U.S. exports were shipped directly to the country. Thus, the indirect trade had a considerable decline from 38 percent in 2022. Still, some local seafood importers prefer European distributors, especially for higher-end products such as fish fillets and shellfish. Traders report that Canada is a strong competitor for many U.S. fishery and seafood products due to preferential trade regime (import duties) with the EU compared to the United States.

U.S. bovine genetics are in high demand on the Bulgarian market (HS Code 05). In 2023, these imports increased by 9 percent compared to 2022 to \$560,000; 32 percent of this trade was done via transshipments, mainly from the Netherlands and small amounts from the United Kingdom. Local importers and distributors usually work with several suppliers, often combining U.S. origin with European. Shipments are usually consolidated, containing more than one origin product and making sourcing of U.S. product from other EU countries more efficient for local importers.

For edible vegetables (mainly potatoes and roots/tubers of manioc) (HS Code 07), U.S. exports to Bulgaria increased by 10 percent in 2023 to \$557,000. BICO data shows that only about \$27,000 of U.S. trade to Bulgaria was direct while NSI data shows that over \$500,000 of these products were shipped indirectly. Most shipments entered Bulgaria through the Netherlands (68 percent), followed by Hungary (29 percent). Thus, the indirect trade with these products accounted for almost 99 percent of that total in 2023.

Edible fruits and nuts (HS Code 08) are a significant trade category where imports grew by 12 percent in 2023 compared with 2022 to \$14 million. The share of indirect trade increased from 27 percent in 2022 to 39 percent in 2023. Countries for transshipments were Greece (13 percent), Spain (5 percent) and Turkey (5 percent). Data shows that imports of U.S. almonds in shell were entirely indirect via the Netherlands, Greece, and Spain. Direct U.S. almond (shelled) trade to Bulgaria in 2023 was valued at \$5.4 million and accounted for 75 percent of total trade. Exports of U.S. pistachios to the market skyrocketed in 2023. Trade with U.S. pistachios (in shell) grew by 219 percent from 2022 to \$5.1 million, with direct trade accounting for 55 percent. The rest was shipped through Greece, Belgium, and Turkey. Trade with shelled pistachios also increased by 382 percent to over \$400,000, all indirect, mainly via Greece and Spain. U.S. walnuts in shell (\$202,000) enter the market mainly directly (85 percent) while for shelled walnuts (\$170,000), were shipped only indirectly, imported via Canada, Greece, Croatia, and the Netherlands. Imports of pecans grew by 14 percent (\$484,000) with direct trade accounting for 21 percent while indirect shipments come mainly from the Netherlands (61 percent).

Imports of U.S. shelled peanuts (HS Code 12) have been consistently growing in recent years. In 2023 NSI data shows that these imports reached a new record of over \$3.0 million, growing by 64 percent from 2022. The market is already matured with stable demand and direct trade accounted for 84 percent. This allows the importers to close bigger import deals and carry larger volumes due to reduced risk for sales. Transshipments in 2023 accounted for 16 percent, mainly via Germany and the Netherlands.

Bulgaria is a large sunflower producer and a large consumer of U.S. sunflower seeds for planting (HS Code 1206). However, due to challenges with extra high local stocks and other issues, imports of U.S. sunflower seeds declined from almost \$14 million in 2022 to about \$7.0 million in 2023. For logistical and commercial reasons, about 90 percent of U.S.-origin sunflower planting seeds traded to Bulgaria in 2023 valued at \$6.7 million, were shipped through Romania (31 percent), Italy (33 percent) and Austria (15 percent) while the direct trade was at 16 percent.

An example of a new U.S. product category entering the market in 2023 is flours and meals from oilseeds (HS Code 1208) at over \$620,000. The product came only indirectly via Romania and Greece, and industry sources report that the product is likely soybean flour for food use.

Another category of U.S. products with a significant growth in exports of 63 percent in 2023 from 2022 were lac, gums raisins and other vegetable saps and extracts (HS Code 13). This trade reached \$160,000 and most of it was direct at 73 percent and the rest entering the market via the United Kingdom, Belgium, and China.

Sugar and sugar confectionary exports from the United States to the country witnessed a significant growth in 2023 of 514 percent to over \$700,000. Almost all trade was indirect (95 percent). Similarly, U.S. exports of cocoa preparations (HS Code 1800) to the market almost doubled (93 percent increase) to \$1.6 million. The indirect trade accounted 47 percent with the main transshipments coming via the Netherlands. Finally, U.S. exports of pastrycooks' products also grew in 2023 by 291 percent to \$230,000 with almost all trade (99 percent) being indirect through the Netherlands and Hungary. According to trade sources, the growth in these three categories of products is due to intensified trade of two U.S. companies which have investments in manufacturing and distribution of confectionary products in Bulgaria.

U.S. exports of preparations of vegetable and fruits (HS Code 20) increased by 9 percent in 2023 from 2022 to over \$900,000 and almost all trade was indirect via the Netherlands (55 percent), Spain (25 percent) and Poland (11 percent).

U.S. exports of miscellaneous edible preparations (HS Code 21, yeasts, sauces, condiments, protein concentrates, and other), are a large category which had a significant growth in 2023 of 33 percent compared to 2022 to \$16.5 million. BICO reflects \$12.3 million direct trade of miscellaneous food preparations while NSI reports this trade at \$16.5 million. The share of indirect trade in this category was at 25 percent (\$4.2 million), with most of these products transshipped to Bulgaria via the Netherlands (11 percent), Cyprus (6 percent), and Hungary (5 percent). These U.S. exports to Bulgaria grew in 2023 by 33 percent over 2022.

U.S. beverages and distilled spirits exports to Bulgaria in 2023 had a substantial growth of 47 percent to \$17.8 million compared to 2022. Trade with non-alcoholic beverages (waters) (HS#2202) registered a

28 percent increase from 2022 with 68 percent of this trade being transshipped, mainly via the Netherlands. Imports of U.S. wine grew by 43 percent to about \$200,000, with indirect trade accounting for 37 percent of this trade. Most wine transshipments come through Italy and Switzerland. For distilled spirits (HS Code 2208), BICO data reflects \$8.0 million of direct U.S. trade to Bulgaria in 2023, a sharp increase by 76 percent from \$4.6 million in 2022. This growth surpasses the increase in total distilled spirits import of the country which was at 26 percent for 2023 over 2022. Moreover, NSI data indicates \$16.5 total U.S. distilled spirits trade to the market, 44 percent higher than in 2022. The indirect trade of this category is declining from 60 percent in 2022 to 51 percent in 2023 due to improving maturity of the market.

BICO data for 2023 shows no U.S. trade of rum, gin, vodka, liqueurs, and cordials while NSI data shows over \$1.26 million of U.S. trade to Bulgaria for these products. For whiskies, the share of indirect trade was at 47 percent. Most U.S. distilled spirits are shipped to Bulgaria through Spain (26 percent), Germany (9 percent), the Netherlands (5 percent) and Italy (5 percent). See Table 3 below for the primary categories of U.S. distilled spirits traded to Bulgaria.

NSI data shows that U.S. exports of residues from the food industry/animal feed (HS Code 23) to the market in 2023 increased considerably by 71 percent to over \$2.0 million. Most of this trade was transshipped (78 percent) via Romania, Belgium, and Hungary. Imports of U.S. soybean meal (HS Code 2304) also increased to over \$800,000 compared to zero in 2022 and all the quantity was shipped from Romania. Bulgaria is a net importer of soybean meal and soy flour, and imports are traditionally coming via Greece and Romania.

U.S. exports of animal feed including pet food (HS Code 2309) to Bulgaria grew by 13 percent in 2023 compared to 2022 to \$975,000. This trade is carried out mainly via transshipments. In 2023, the share of indirect trade was at 81 percent. The main countries for routing are Belgium (41 percent) and Romania (17 percent). NSI data indicates imports in 2023 at \$975,000, at 13 percent increase compared to 2022.

In the case of essential oils (HS code 33), U.S. exports to Bulgaria are traditionally high but in 2023 it declined by 68 percent to \$3.4 million due to reportedly high stocks, along with logistical and price challenges. BICO data shows that \$3.4 million of U.S.-origin essential oils were traded to Bulgaria in 2023, 31 percent more than in 2022 (\$2.6 million). NSI reflects \$13.6 million, 30 percent higher than in 2022. The indirect trade accounted for 75 percent. Most U.S. essential oils enter Bulgarian via the Romania (18 percent), the Netherlands (13 percent), Spain (7 percent), and Italy (6 percent).

Bulgarian imports of U.S. origin rubber (HS Code 40) in 2023 declined by 20 percent from 2022 to \$9.6 million. Per NSI data 88 percent of this trade was indirect, shipped mainly through Belgium (48 percent) and Romania (13 percent).

Imports of U.S. leather products (HS Code 42) also declined by 32 percent to over \$430,000 with indirect trade accounting for 38 percent via Romania, Hungary, and Germany.

For U.S. wood products, exports (HS Code 44) reached \$4.6 million, 68 percent more than in 2022. BICO data shows direct exports of \$4.2 million, a significant increase of 210 percent compared to 2022 (\$2.0 million). Indirect trade contracted to only 8 percent in 2023 compared to 24 percent in the previous year. Indirect trade of these products occurs mainly through the Netherlands (7 percent).

Bulgarian imports of U.S. wool (HS Code 51) have been growing in recent years but in 2023 it declined by 61 percent from 2022 to \$1.2 million. This trade is only direct.

Table 3. U.S. Undenatured Ethyl Alcohol, Spirits, Liqueurs to Bulgaria 2019-2023 (\$)

HS Code	Description		2019 (\$)	2020 (\$)	2021(\$)	2022(\$)	2023 (\$)
220830	Whiskies	BICO	5,227,732	3,241,036	3,380,769	4,529,365	8,061,339
		NSI	10,209,786	7,418,571	8,729,594	10,528,294	15,180,592
220840	Rum and other spirits	BICO	-	-	-	-	-
		NSI	902,777	599,921	757,375	663,223	785,723
220850	Gin and Geneva	BICO	-	-	-	-	-
		NSI	13,190	1,251	107,497	619	710
220860	Vodka	BICO	-	-	-	48,347	0
		NSI	1,290,357	1,622,836	8,167	85,888	394,686
220870	Liqueurs and cordials	BICO	7,791	50,464	8,695	-	-
		NSI	205,048	160,104	130,029	117,271	83,587
220890	Ethyl alcohol of an alcoholic strength of < 80% vol.	BICO	2,762	21,164	32,401	-	7,820
		NSI	69,058	52,420	32,848	91,514	50,602
		BICO	5,238,285	3,312,664	3,421,865	4,577,712	8,069,249
		NSI	12,690,216	9,855,103	9,765,510	11,487,409	16,495,945

FAS/Sofia's Marketing Support for U.S. Agricultural and Food Exports

One of FAS/Sofia's core missions is to continuously support the promotion and expansion of U.S. agricultural products in Bulgaria. FAS/Sofia carefully monitors and analyzes the transshipment data to identify products with best prospects and tailors its marketing activities and efforts to support their growth on the Bulgarian market. These activities may vary from promotions targeting specific or broader groups such as importers, distributors, retailers, food service specialists, opinion leaders, and end consumers, to participation in leading domestic trade shows, attendance, and recruitment of buyers at international trade shows, commodity-specific buyer missions in the United States, and others.

Attachments:

No Attachments.