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Report Highlights:

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 the U.S. agricultural trade to Bulgaria routed through Western European ports of entry. According to BICO, U.S. suppliers exported \$34.6 million of U.S. food and agriculture to Bulgaria in 2022, a growth of 23 percent compared to 2021. However, when including indirect shipments, the total number rises above \$90 million. 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.

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 [BICO](#) data 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 by the end of the following year.

According to NSI/Intrastat data, Bulgarian importers sourced \$92.2 million worth of U.S. food and agricultural products in 2022, 15 percent more than in 2021. Sunflower seeds, edible fruits and nuts, edible and food preparations, distilled spirits, essential oils and rubber were the largest categories, and accounted for 78 percent of total U.S. food and agricultural trade to Bulgaria (Tables 1 and 2).

In 2022, direct U.S. exports to Bulgaria grew by 23 percent to a new record of \$34.6 million compared to 2021 (source: Trade Data Monitor/TDM). The growth was significant, and this was due to the economic recovery after pandemic and improved market demand. When combining direct and indirect trade, the value increased by 15 percent.

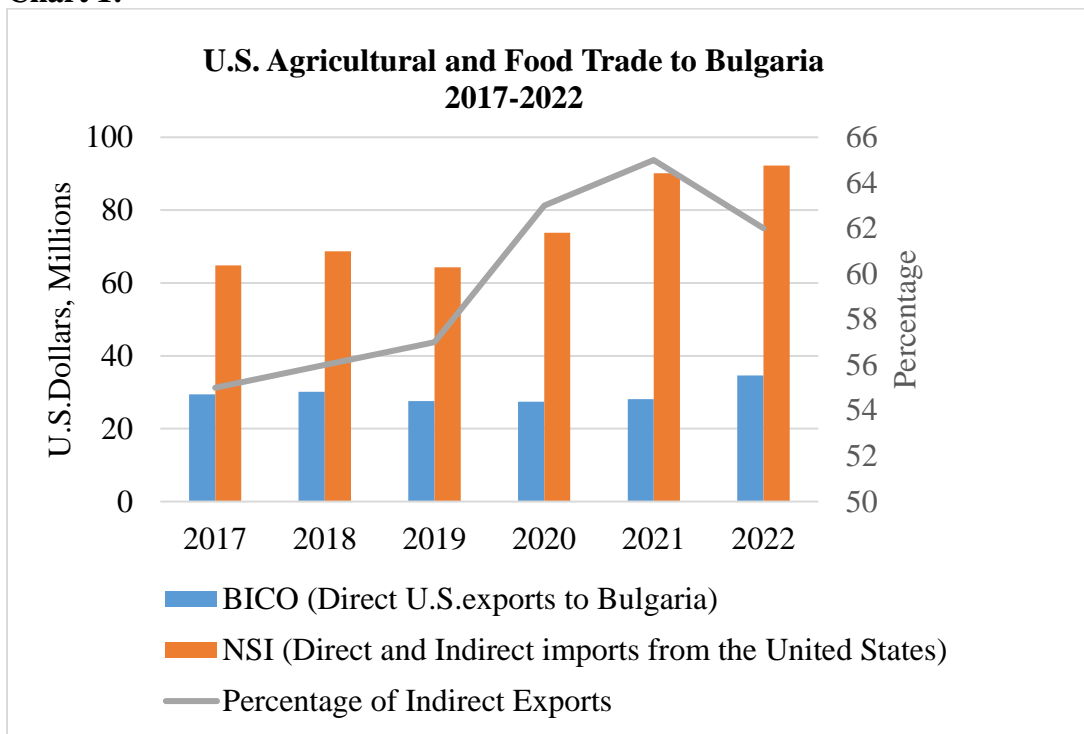
Table 1. U.S. Food and Agricultural Trade to Bulgaria 2017-2022 (\$ million)

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

**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 shelled peanuts to Bulgaria in 2022 were mainly direct trade and were correctly reflected by both sets of data. Despite the growth in 2022, however, direct trade was continued to be impacted by supply chain challenges, high food inflation (25 percent) and consumer income lagging behind prices, which affected importers' ability to import large shipments.

Indirect trade tends to be products that are shipped in smaller quantities, of higher value, 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. The challenges related to the supply chain in 2022 increased the shipping time from the United States to Bulgaria, 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. This trend was more pronounced in 2022 due to the inflation pressure. Finally, European distributors may incentivize Bulgarian importers with favorable terms of payments or advertising, particularly if there are longstanding commercial relationships. With high inflation and longer shipping time in 2022, many local importers preferred to avoid direct imports due to the usual requirements of U.S. exporters for advance payments.

In 2022, indirect trade reached \$57.6 million and was 66 percent more than direct trade. Although the share of indirect trade to total slightly decreased compared to 2021, 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, but it also shows that the market is not matured enough to absorb larger imported volumes due to fluctuating and not yet stable demand.

Table 2 below shows BICO and NSI/Intrastat data for U.S. agricultural trade to Bulgaria in 2022. Post interviews with trade sources in 2022 and 2023 indicate that the share of indirect trade will likely continue to grow. An additional factor contributing to this trend is the more complicated and costly logistics for shipments destined to Black Sea ports due to the military conflicts in the region.

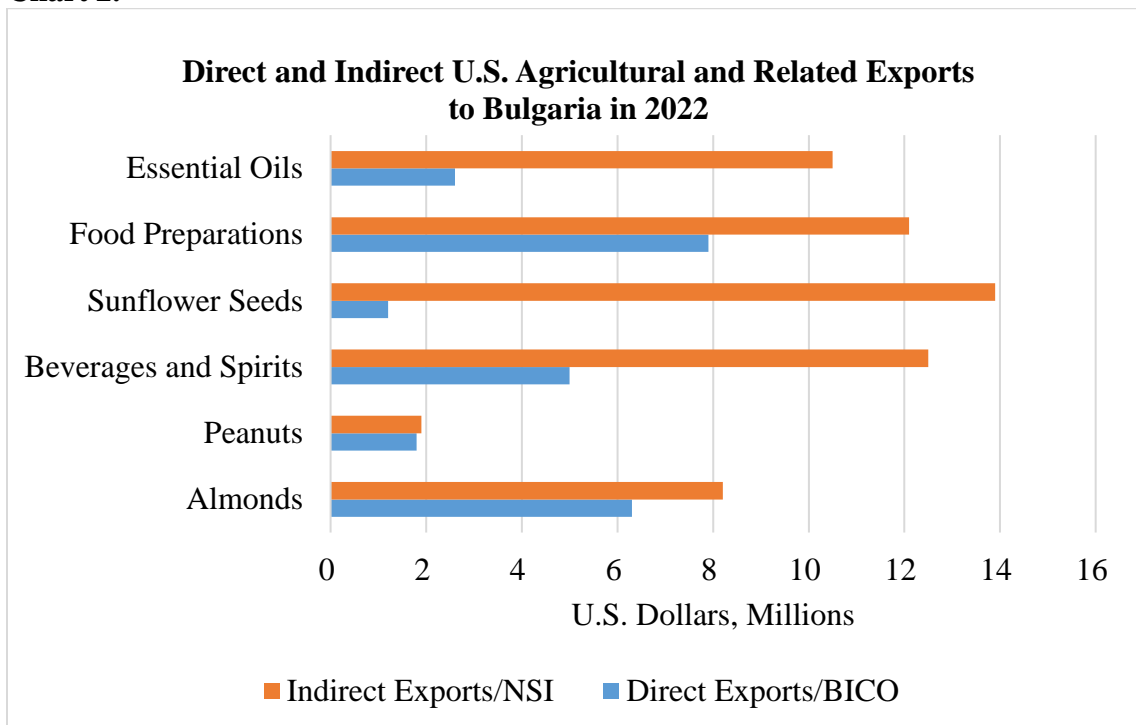
Table 2. 2022 Direct and Indirect U.S. Food and Agricultural Trade to Bulgaria (\$)

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		92,211,436	34,636,770	57,574,230	62.4
01	Live Animals	70,013	47,164	22,849	32.6
0201 and 0202	Beef and beef products	1,807,214	0	1,807,214	100
0300	Fishery Products	256,438	158,545	97,893	38.2
0500	Products of animal origin (bovine genetics)	524,315	401,395	122,920	23.4
0700	Edible vegetables and certain roots and tubers	504,651	11,819	492,832	97.7
0800	Edible fruits and nuts	12,466,273	9,091,618	3,374,655	27.0
-080212	Fresh or dried almonds, shelled	7,462,058	6,262,933	1,199,125	16.0
-080251	Fresh or dried pistachios, in shell	2,351,374	1,758,562	592,812	25.2
1005	Corn	58,789	58,024	765	1.3
1200	Oilseeds and Oleaginous fruits	17,495,214	4,277,412	13,217,802	75.5

-120242	Peanuts Shelled	1,717,264	1,681,721	35,543	2.0
-120600	Sunflower seeds	13,971,331	1,208,704	12,762,627	91.3
-1209	Clover and Vegetable Planting Seeds	425,203	10,095	415,108	97.6
1500	Animal, vegetable or microbial fats and oils	146,387	106,753	39,634	27.1
1700	Sugar and sugar confectionary	137,534	60,054	77,480	56.3
1800	Cocoa and Cocoa Preparations	823,081	413,372	409,709	49.8
2000	Preparations of vegetables, fruit, nuts or other parts of plants	833,723	5,361	828,362	99.3
2100	Miscellaneous edible preparations	12,413,713	8,191,306	4,222,407	34.0
-2103	Sauce and Condiments	154,989	104,732	50,257	32.4
-2106	Food Preparations	12,130,168	7,997,073	4,133,095	34.0
2200	Beverages, spirits and vinegar	12,478,267	5,017,754	7,460,513	59.8
-2202	Non-alcoholic beverages	847,650	352,470	495,180	58.4
-2204	Wine	139,771	84,054	55,717	39.9
-220830	Whiskies	10,528,294	4,529,365	5,998,929	57.0
-220840	Rum	663,223	0	663,223	100
-220870	Liquors and Cordials	117,271	0	117,271	100
2300	Residues from the Food Industry	1,211,473	592,399	619,074	51.1
-2309	Preparations for Animal Feed (pet food)	866,833	247,759	619,074	71.4
3300	Essential Oils	10,449,337	2,651,727	7,797,610	74.6
3500	Albuminoidal substances, modified starches, enzymes	1,629,710	622,123	1,007,587	61.8
4000	Rubber	12,039,964	2,379,622	9,660,342	80.2
4200	Articles of leather	599,930	368,098	231,832	38.6
4400	Wood	2,721,281	2,056,817	664,464	24.4
5100	Wool	3,012,207	2,707,989	304,218	10.0

**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)*

Trade data about live animals (HS Code 01) shows that in 2022 imports increased by 24 percent compared to 2021, and about a third of this trade was carried out through indirect channels. This includes U.S. live duck genetics and horses. France was the most frequently used transshipment route for horses while live duck genetics came to the country mainly directly.

BICO data shows no U.S. beef trade (HS Code 02) to Bulgaria in 2022, while NSI data shows that U.S. beef trade reached a record high of \$1.8 million, an increase of 364 percent over 2021. U.S. beef arrives in Bulgaria mainly through the Netherlands (93 percent in 2022) and Italy because of volume flexibility and TRQ licensing requirements. In 2022 and in 2023, FAS/Sofia assisted the leading Bulgarian beef importer to apply for licensing under the TRQ for direct imports of U.S. beef.

In 2022, BICO accounted for over \$250,000 of U.S. fishery trade (HS Code 03) to Bulgaria, 55 percent more than in 2021. For 2022, NSI data indicates that 38 percent of U.S.-origin fish and seafood were traded to Bulgaria, mainly through Canada, Belgium, and Romania. Some local seafood importers prefer European distributors, especially for higher-end products such as fish fillets and shellfish. Traders report that Canada is a preferred origin for many U.S. fishery and seafood products due to preferential trade regime (import duties) with the EU compared to the United States. This led to an increase of the share of indirect trade from 29 percent in 2021 to 38 percent in 2022.

U.S. bovine genetics is in high demand on the Bulgarian market (HS Code 05). In 2022, these imports increased by 17 percent compared to 2021 to \$524,000; 23 percent of this trade was done via transshipments, mainly from the Netherlands and small amounts from Germany. 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), BICO data shows about only about \$12,000 of direct U.S. trade to Bulgaria, while NSI data shows over \$500,000. Most of these products entered Bulgaria through the Netherlands (60 percent), followed by Hungary (25 percent). Thus, the indirect trade with these products accounted for almost 98 percent in 2022.

Edible fruits and nuts (HS Code 08) are a significant trade category where indirect trade is usually around 30 percent (27 percent in 2022). Imports grew by 10 percent in 2022 compared with 2021. Countries for transshipments are the Netherlands (9 percent), Greece (8 percent), and Spain (6 percent). According to BICO, direct U.S. almond (shelled) trade to Bulgaria in 2022 was valued at \$6.2 million or an increase of 11 percent over 2021, while pistachios (in shell) trade was valued at over \$1.7 million. Conversely, NSI data reflects \$7.5 million and \$2.3 million, respectively, indicating indirect trade of 16 percent and 25 percent, respectively. U.S. almonds in shell (\$760,000) are imported only indirectly, mainly via Spain (70 percent) and via the Netherlands while shelled almonds (\$7.5 million) are imported mainly directly with indirect trade (via the Netherlands, Greece and Turkey). U.S. walnuts in shell (\$850,000) enter the market only directly while for shelled walnuts (\$370,0000), direct trade is at 60 percent and the other 40 percent are imported via Canada and Croatia. For pistachios in shell, 25 percent of trade is indirect through Greece and the Netherlands, and all imports of shelled pistachios (\$370,000) are indirect via the same countries. Imports of pecans (\$425,000) are all indirect, mainly from the Netherlands.

Imports of U.S. shelled peanuts (HS Code 12) have been consistently growing in recent years and NSI data shows over \$1.7 million traded to Bulgaria in 2022 or 47 percent higher than in 2021. This is a category which demonstrates that almost all trade is direct due to already matured market with stable demand. This allows the importers to close bigger import deals and carry larger volumes due to reduced risk for sales. Transshipments in 2022 accounted for only two percent compared to 10 percent of this trade in 2021.

Bulgaria is a large sunflower producer and a large consumer of U.S. sunflower seeds for planting (HS Code 1206). However, for logistical and commercial reasons, about 90 percent of U.S.-origin sunflower planting seeds traded to Bulgaria in 2022 valued at \$14 million, were shipped through Romania (26 percent), Italy (25 percent) and Austria (20 percent),

In 2022, BICO data indicates only \$5,000 of preparations of vegetable, fruits, nuts or other parts of plants (HS Code 20) trade, while NSI values U.S. trade of these products at over \$830,000, with indirect trade accounting for almost 100 percent. Most of these U.S. products shipped to Bulgaria were routed through the Netherlands (75 percent) and Spain (19 percent).

BICO reflects \$8.2 million trade of miscellaneous food preparations (HS Code 21, yeasts, sauces, condiments, protein concentrates, and other), while NSI reports this trade at \$12.4 million. Most of these products are transshipped to Bulgaria via the Netherlands (15 percent), Poland (6 percent), and Hungary (5 percent). Indirect trade of these products totaled 34 percent in 2022.

For distilled spirits (HS Code 2208), BICO data reflects \$5.0 million of direct U.S. trade to Bulgaria in 2022, a sharp increase from \$3.4 million in 2021, while NSI data indicates \$12.5 total trade to the market, 27 percent more than in 2021, with indirect trade at 60 percent compared to 65 percent in 2021. BICO data for 2022 shows no U.S. trade of rum, gin, liqueurs and cordials, and ethyl alcohol of lower alcohol strength while NSI data shows over \$873,000 of U.S. trade to Bulgaria for these products. Most U.S. distilled spirits are shipped to Bulgaria through Spain (30 percent), the Netherlands (10 percent), and Germany (9 percent). See Table 3 below for the primary categories of U.S. distilled spirits traded to Bulgaria.

Table 3. U.S. Undenatured Ethyl Alcohol, Spirits, Liqueurs to Bulgaria 2017-2022 (\$)

HS Code	Description		2018 (\$)	2019 (\$)	2020 (\$)	2021(\$)	2022(\$)
220830	Whiskies	BICO	6,820,171	5,227,732	3,241,036	3,380,769	4,529,365
		NSI	11,949,659	10,209,786	7,418,571	8,729,594	10,528,294
220840	Rum and other spirits	BICO	-	-	-	-	-
		NSI	354,688	902,777	599,921	757,375	663,223
220850	Gin and Geneva	BICO	-	-	-	-	-
		NSI	16,355	13,190	1,251	107,497	619
220860	Vodka	BICO	-	-	-	-	48,347
		NSI	3,170	1,290,357	1,622,836	8,167	85,888
220870	Liqueurs and cordials	BICO	28,932	7,791	50,464	8,695	-
		NSI	294,731	205,048	160,104	130,029	117,271
220890	Ethyl alcohol of an alcoholic strength of < 80% vol.	BICO	3,440	2,762	21,164	32,401	-
		NSI	30,401	69,058	52,420	32,848	91,514
	Total:	BICO	6,852,543	5,238,285	3,312,664	3,421,865	4,577,712
		NSI	12,649,004	12,690,216	9,855,103	9,765,510	11,487,409

Pet food trade (HS 2309) is carried out mainly via transshipments. In 2022, the share of indirect trade was at 71 percent. The main countries for routing are Belgium (35 percent) and Poland (16 percent). NSI data indicates imports in 2022 at \$867,000, at 40 percent increase compared to 2021.

In the case of essential oils (HS code 33), BICO data shows \$2.6 of U.S.-origin essential oils were traded to Bulgaria in 2022, while NSI reflects \$10.5 million, 22 percent higher than in 2021. The indirect trade accounted for almost 75 percent. Most U.S. essential oils enter Bulgarian via the Czech Republic (19 percent), the Netherlands (15 percent), Germany (6 percent), France (5 percent), and Spain (5 percent).

For U.S. wood products (HS Code 44), BICO data shows \$2.0 million, a significant increase of 700 percent compared to 2021 while total, direct and indirect trade reached \$2.7 million, 350 percent more than in 2021. Indirect trade contracted to 24 percent in 2022 compared to 61 percent in the previous year. Indirect trade of these products occurs mainly through Austria (15 percent) and the Netherlands (8 percent).

Bulgarian imports of U.S. wool have been growing in recent years to reach over \$3.0 million in 2022, 190 percent higher than in 2021. Imports are mainly direct at 90 percent with the remaining 10 percent entering the market from Italy.

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.