

# EFFECTS AND PERSPECTIVES OF THE IMPACT OF COMMON AGRICULTURAL POLICY/CAP/ ON THE DEVELOPMENT OF FARMS IN BULGARIA

## ЕФЕКТИ И ПЕРСПЕКТИВИ НА ВЛИЯНИЕТО НА ОБЩАТА СЕЛСКОСТОПАНСКА ПОЛИТИКА /ОСП/ ВЪРХУ РАЗВИТИЕТО НА ЗЕМЕДЕЛСКИТЕ СТОПАНСТВА В БЪЛГАРИЯ

Emiliya RANCHEVA<sup>1</sup>, Nelly BENCHEVA<sup>2\*</sup>

<sup>1</sup> Department of Accountancy, Finance and Statistics, Faculty of Economics, Agricultural University, Plovdiv, Bulgaria, 12, Mendeleev str., Tel. +35932654461, e-mail:rancheva@au-plovdiv.bg

<sup>2\*</sup> Department of Management and Marketing, Faculty of Economics, Agricultural University, Plovdiv, Bulgaria, 12, Mendeleev str., Tel. +35932654436, e-mail:bencheva@gmail.com

### Abstract

The aim of this paper is to make an expert evaluation of the effects and perspectives of the impact of the Common Agricultural Policy (CAP) on the development of the agricultural sector in Bulgaria, based on the empiric survey, as well as analyzing the measures for improving its influence over the economic, financial, marketing and manufacturing aspects of the development of farms. The method of expert evaluation has been used ranked depending on specific criteria. The required assessment information is achieved with the help of expert evaluations, presented on ranking scale, based on the personal preference to a specific variable of the people that participated in the inquiry. As the main characteristics of the expert evaluation, in the following study, a summarized evaluation is used of the aggregate view, as well as evaluation of the agreement of the experts who took part in the enquiry. Expert's evaluations regarding the relative importance of the measures of the impact of the CAP for developing the farms show that the most significant influence is the manufacturing and managerial efficiency of the farms and their competitiveness. The expert evaluation shows that the improvement in the market infrastructure, the simplification of the procedures and the increase in the national additional payments are of strategic importance for the future development of the farms in the country.

**Keywords:** Bulgarian farms, effects of the CAP, experts' view, perspectives

### Резюме

Целта на статията е въз основа на емпирично изследване да се направи експертно оценяване на ефектите и перспективите на влияние на Общата селскостопанска политика (ОСП) за развитието на аграрния сектор на България, както и на мерките за подобряване на нейното влияние върху икономическите, финансови, маркетингови и производствени аспекти на

развитието на земеделските стопанства. Използван е методът на експертното оценяване, чрез ранжиране по определени правила. Необходимата оценъчна информация е получена чрез експертни оценки, представени на ранговата скала, въз основа на изявеното от анкетирания предпочитание към конкретна наблюдавана променлива. Като основни характеристики на експертното оценяване, в настоящата разработка се прилагат обобщена оценка на съвкупностното мнение за оценяваното влияние, както и оценка на съгласуваността на мненията на анкетираните. Оценките на експертите относно относителната важност на мерките на влиянието на ОСП за развитие на земеделските стопанства показват, че най-значимо е нейното въздействие върху производствената и управленската ефективност на стопанствата и тяхната конкурентноспособност. Експертната оценка показва, че подобряването на пазарната инфраструктура, опростяването на процедурите и повишаването на националните доплащания са от стратегическо значение за бъдещото развитие на земеделските стопанства в страната.

**Ключови думи:** български земеделски стопанства, ефекти на ОСП, експертно мнение, перспективи

## Разширено резюме

От началото на демократичните промени и след приемането на България в Европейския съюз (ЕС) през 2007 г., аграрният сектор продължава да играе важна роля в икономиката на страната. Едно от големите предизвикателства, пред което се изправя аграрния сектор след 2007 г., е съчетаване на общата селскостопанска с националната аграрна политика. Поради това, въпросът за проучване на ефектите от влиянието на ОСП върху земеделските стопанства и перспективите за развитието на аграрния сектор се определя като особено актуален и важен.

В настоящето емпирично изследване е направен анализ и оценка на наблюдаваните променливи, които в най-голяма степен са повлияни от ОСП, а именно: състояние на бизнес климата в аграрния сектор; икономическите резултати и доходите на земеделското стопанството; производствената и управленска ефективност на стопанството; конкурентноспособността на производствената единица; пазарната ориентация на стопанството; равнището на заетост (работни места).

Прави се анализ и оценка на ефекта от влиянието на ОСП върху следните мерки, които са от най-съществено значение за подобряване и развитие на земеделските стопанства: повишаване на директните плащания на единица площ; повишаване на националните доплащания; подкрепа за първи стълб на програмата за развитие на земеделието и селските райони /ПРЗСР/; подкрепа за втори стълб на ПРЗСР; подкрепа за трети стълб на ПРЗСР; преразпределение на средствата между отделните мерки на ПРЗСР; диференцирана подкрепа според размера на стопанствата; опростяване на процедурите; гарантиране на прозрачно разпределение на субсидиите; подобряване на пазарната инфраструктура; подобряване на обучението.

Като основни характеристики на експертното оценяване в настоящата разработка се прилагат обобщена оценка на съвкупностното мнение за оценяваното влияние, както и оценка на съгласуваността на мненията на анкетирания експерти.

Резултатите от индивидуалните експертни оценки изразени чрез коефициента на относителното ранжиране, както и количествената оценка на значимостта на променливите изразена с коефициента на рангова корелация показва, че най-значимо е влиянието на ОСП върху производствената и управленска ефективност ( $R^*=1$ ). Експертите оценяват като особено значим ефектът от влиянието на ОСП върху повишаване на конкурентоспособността на земеделските стопанства ( $R^*=0.962$ ). Коефициент на конкордация (0.899725) показва висока степен на съгласуваност между оценките.

Обобщените оценки на експертите по отношение на мерките, които биха подобрили влиянието на ОСП показват, че подобряването на пазарната инфраструктура, опростяването на процедурите и повишаването на националните доплащания са от стратегическо значение за бъдещото развитие на земеделските стопанства.

## Introduction

From the beginning of the democratic changes in Bulgaria and after its accession in the EU in 2007, the agricultural sector continues to play an important role in the economy of the country. The great challenge that faces the agricultural sector since 2007 is to match the CAP with the national agricultural policy. Achieving harmony in those two politics is the most essential value, so that with the development of strategic priorities and goals it can transform the agricultural sector in highly effective and competitive in the EU. The practical implementation of the aforementioned goals can lead to better market orientation of the farms, drawing more benefits for the employees in the sector and improvement in the quality and the standard of living (Bencheva, 2012). Due to the issue of exploring the effects of the impact of the CAP on the perspectives of the development of the agricultural sector is noted as actual and important by number of researchers (Bashev, 2012).

The aim of this paper is to make an expert evaluation of the effects and perspectives of the impact of the Common Agricultural Policy (CAP) on the development of the agricultural sector in Bulgaria based on the empiric survey, as well as analyzing the measures for improving its influence over the economic, financial, marketing and manufacturing aspects of the development of farms.

## Materials and methods

The methodology of the study involves the following steps: defining the purpose and problems, creating a questionnaire among the expert team, creating a poll and analyzing the results.

As statistical units in the study are included 65 experts. The gathering of information is due to be concluded in the period of January-April 2012. In the chosen method in the poll the questions include several answers from which every expert can choose. The method of the expert evaluation has been used, ranking it by specific principles.

The necessary evaluation information is received with the help of expert evaluations, displayed on the ranking scale, based on the personal preference to the chosen variable of the inquired experts.

An analysis and evaluation of the observed variables has been made for those variables that are mostly influenced by the CAP:

- State of the business climate in the agricultural sector;
- The economic results and incomes of the farms;
- Production and managerial effectiveness of the farms;
- The competitiveness of the produced unit;
- The market orientation of the farm;
- The level of employment.

An assessment and analysis is made of the effect of the CAP on the following measures which are with most significant importance for the improvement and development of farms:

- Increase the direct payments per unit area;
- Increase the national additional payments;
- Support for the first pillar of the Rural development programme /RDP/
- Support for the second pillar of the RDP;
- Support for the third pillar of the RDP;
- Reallocation of the funds between measures of the RDP;
- Differentiated support depending on the size of farms;
- Simplification of the procedures;
- Guarantee of transparent distribution of the subsidies;
- Improvement in the market infrastructure;
- Improvement in training.

Regarding the degree of the impact of the CAP on the examined variables four opportunities have been established: improvement, worsen, without change, and I can't decide. Assigning ranks has been set as the following rules: rank 1 – the influence has improved the situation, rank 2 – the influence doesn't change the situation, rank - 3 the expert can't make estimation, rank 4 – the situation worse. In relevance to the measures for improving the impact of the CAP on the development of farms, the choice possibilities are as follows: significant, insignificant, without change. Rank 1 is set as significant. Rank 2 is without change, rank 3 is insignificant.

As base characteristics of the expert evaluation, in this paper a general evaluation is made of the collective opinions of the evaluated impact, as well as evaluation of the agreement in the opinions of the experts who took part in the inquiry (Todorova, Rancheva, 2011). The suggested algorithm doesn't substitute the methods of cluster and factorial analysis, but it can make an evaluation of the quantity of homogeneity of the population or of separate groups (sub population).

The determination of the level of agreement in separate opinions is related to selective arrangement of the variables at the extent of level of influence. For determining the agreement (the identity in the evaluation), depending on the number of people enquired, the information at disposal, as well as some other prerequisites, in practice different models are executed: coefficient of consensus, coefficient of

variation, Kendal and Spearman coefficient of rank correlation, coefficient of concordance.

In this paper, one of the possible methods of approach has been used for solving similar problems, namely the coefficient of concordance (agreement). The advantages of this coefficient is that when it is calculated, there are no limits set for the character of the distribution of the ranks in the matrix of the ranks, for example the necessity of normal distribution and linearity of the relationship.

The concordance coefficient, suggested by Kendal, characterizes the level of concordance between the opinions of all subjects participating in the inquiry, regarding the possibilities of choosing between the predetermined variables. The true value of the value of the coefficient is determined by the level of variability in the ranked values for the examined variables.

The statistic processing of the expert evaluations include the following algorithm:

- Calculating the average rank and variations by data from the rank matrix;

The average rank of the matrix has the following type:

$$a = \frac{1}{2}m(n + 1)$$

where m and n are number of experts, and number of variables.

The value of the statistical variation is calculated from the following equation:

$$S = \sum_{i=1}^n \left( \sum_{i=1}^m r_i^{k_j} - a \right)^2$$

where  $r_i^{k_j}$  is rank of the i variable, given by the k expert.

In complete agreement in the ranking -  $S \rightarrow \max$ , in complete non agreement of the ranking -  $S \rightarrow \min$ .

- Evaluation of the agreement of the opinions of the experts using Kendal's concordance coefficient. In this specific case, in concordance with the presence of coincide ranks from separate experts, the calculation of the coefficient of concordance is done through this modified formula:

$$W = \frac{12 \sum_{i=1}^n d_i^2}{m^2(n^3 - n) - m \sum_{j=1}^N T_j} \quad (1)$$

where  $T_j$  is adjusted coefficient, calculated from the equation:

$$\sum_{j=1}^N T_j = \frac{1}{12} \sum_{k=1}^K (t^3 - t)$$

where t and K are number of variables with identical ranks, and number of groups with identical ranks.

The values of the coefficient of concordance (W) changes in the ranges from 0 to 1. When  $W=1$  there is complete concordance of the ranked opinions. The value of the variable of W, equal to zero is interpreted as a complete lack of concordance in the opinions. In rest of the cases, the values of the coefficient of concordance fulfill the inequality  $0 \leq W \leq 1$ , which when close to 1, means stronger relevance between the ranked values and more concrete general evaluation. The coefficient of concordance calculated from equation (1) is point estimate of his real value and is a random variable.

- To check its statistical significance, the Pearson  $\chi^2$ -test is performed. It is proven that the value  $\chi^2 = Wm(n-1)$  has  $\chi^2$  – distribution with  $v=(n-1)$  degrees of freedom. The coefficient of concordance is accepted as significantly different from zero, if the computed value on the test statistic is in the critical region:  $\chi_{emp.}^2 > \chi_{crit.}^2$ . In this case, the revealed level of agreement among the enquired experts has non random, objective character. It is assumed that the solution regarding the impact of CAP, as well as the measures for its improvement, can be counted only on the basis of the agreement in the opinions of the experts. For this reason the expert group is excluded in these opinions, which to a significant extend are different to the opinions of the major part of the experts.
- The calculation of general group evaluation (sum ranking) is achieved through the basis of the sum of the ranks, which the examined variables have obtained. In first place comes the variable which possesses the smallest sum. The output information is in matrix mode  $\|a_{ij}\|$  with dimensions  $m \times n$ , where m is the number of experts, n – the number of the evaluated variables,  $a_{ij}$ -rank, which the i-ranked expert has attributed to the j variable. The method can be applied for all cases, when the individual expert evaluations are given by ranking. In addition to this it has another advantage – gives opportunity for quantitative evaluation of the ranked variables. For this purpose the coefficient of relative ranking is used, which is equal to the relation of the sum of the ranks of the separate variable and the general sum of the ranks for all variables:

$$R = \frac{a_{ij}}{\sum_i \sum_j a_{ij}}$$

The calculated in this way coefficient are normalized, in other words  $\sum R_j = 1$ .

- For quantity evaluation of the importance of the variables, the coefficient of importance of the variables can be used in the following pattern:

$$R^* = \frac{\min a_{ij}}{\sum a_{ij}}$$

It is equated to the proportion of the sum of the ranks of the variable, qualified on first position (for it this sum is minimal) and the sum of the ranks of the examined variable. It is clear that the evaluation of the variable, qualified on first position, is equal to 1, and that the other variables will be smaller than it.

## Results and discussion

The enquired experts evaluated the importance of the impact of the CAP on the examined variables with the help of ranking scale. The results of the separate evaluations regarding the ranked variables, in accordance to the level of influence of the CAP, are displayed in a matrix layout of the ranks in Table 1.

Table 1. Rank matrix

Person enquired	Experts evaluation						t	$\Sigma (t^3 - t)$
	1	2	3	4	5	6		
1	1	1	1	1	1	6	5.0	120
2	5.5	2.5	2.5	5.5	2.5	2.5	2.4	66
3	5.5	2.5	5.5	2.5	2.5	2.5	2.4	66
4	5	2.5	1	5	5	2.5	3.2	30
5	1	1	6	1	1	1	5.0	120
6	1	4	4	4	4	4	5.0	120
7	2.5	2.5	2.5	2.5	6	5	4.0	60
8	2	2	2	4.5	6	4.5	3.2	30
9	1	5.5	5.5	3	3	3	2.3	30
10	4	4	4	1.5	1.5	6	3.2	30
11	1	1	1	1	1	1	6.0	210
12	5.5	3	3	5.5	1	3	2.3	30
13	6	2.5	2.5	2.5	2.5	5	4.0	60
14	6	2	2	2	4.5	4.5	3.2	30
15	6	1	1	1	1	1	5.0	120
16	1	1	1	1	1	1	6.0	210
17	3	5.5	3	3	1	5.5	3.2	30
18	1	1	1	1	1	1	6.0	210
19	1	1	1	1	1	1	6.0	210
20	5	2	2	5	5	2	3.3	48
21	5.5	2.5	5.5	2.5	2.5	2.5	2.4	66
22	1	1	1	1	1	1	6.0	210
23	6	2.5	2.5	2.5	5	2.5	4.0	60
24	4	6	4	4	1	2	3.0	24
25	1	1	1	1	1	1	6.0	210
26	1	1	1	1	1	1	6.0	210
27	6	1	1	1	1	1	5.0	120
28	6	1	1	1	1	1	5.0	120
29	2	5	5	5	2	2	3.3	48
30	1	1	1	1	1	1	6.0	210
31	6	1	1	1	1	1	5.0	120
32	1	1	1	1	1	1	6.0	210
33	1	1	1	1	1	1	6.0	210
34	1	4	4	4	4	4	5.0	120
35	6	1	1	1	1	1	5.0	120
36	1	1	1	1	1	1	6.0	210
37	5	2	2	2	5	5	3.3	48
38	1	1	1	1	1	1	6.0	210
39	1	4	4	4	4	4	5.0	120
40	1	1	1	1	1	1	6.0	210

Continuation of Table 1. Rank matrix

Person enquired	Experts evaluation						t	$\Sigma (t^3 - t)$
	1	2	3	4	5	6		
41	1	1	1	1	1	1	6.0	210
42	6	1	1	1	1	1	5.0	120
43	1	1	1	1	1	1	6.0	210
44	1.5	4	1.5	4	6	4	2.3	30
45	2.5	2.5	2.5	2.5	5.5	5.5	4.2	66
46	1.5	1.5	4.5	4.5	4.5	4.5	2.4	66
47	1	1	1	1	1	6	5.0	120
48	1	1	1	1	1	1	6.0	210
49	5.5	1	3	3	3	5.5	2.3	30
50	2.5	2.5	2.5	5.5	2.5	5.5	4.2	66
51	1	1	1	1	1	6	5.0	120
52	1	1	1	1	1	1	6.0	210
53	3.5	6	3.5	3.5	1	3.5	4.0	60
54	2.5	5.5	2.5	2.5	5.5	2.5	4.2	66
55	6	1	1	1	1	1	5.0	120
56	6	2	2	2	4.5	4.5	3.2	30
57	1	1	1	1	1	6	5.0	120
58	2	2	2	5	5	5	3.3	48
59	3	6	3	3	3	3	5.0	120
60	2.5	5.5	2.5	2.5	5.5	2.5	2.4	66
61	1	1	1	1	1	1	6.0	210
62	2	5	2	2	5	5	3.3	48
63	5	5	5	2	2	2	3.3	48
64	1	1	1	1	1	6	5.0	120
65	5.5	2.5	2.5	5.5	2.5	2.5	2.4	66
$\sum_{j=1}^m r_i^{k_j}$	184	148.5	139.5	145	150.5	177.5		28624.5
R	0.225	0.181	0.170	0.177	0.184	0.217		
R*	0.758	0.939	1.000	0.962	0.927	0.786		

Source: Own calculations on the base of experts' attitude

The individual assessments show that larger part of the expert team, evaluates positively the impact of the CAP on the examined variables. The relative share of the experts who conclude that the impact of the CAP is in direction to improve the examined variables is in the range 51-58%. The impact of the CAP on the possibilities of opening new work positions gets lower hierarchical evaluation by the experts. According to 36.9% of the enquired it has positive impact. The quantitative evaluation of the significance of the variables expressed with the coefficient of rank correlation goes to show that the most notable impact of the CAP is on the manufacturing and managerial effectiveness ( $R^*=1$ ). The experts evaluate as especially significant the effect of the impact of the CAP on improving the competitiveness of the farms ( $R^*=0.962$ ). The CAP has influenced significantly on the economic results and incomes of the farms ( $R^*=0.939$ ). The majority of the experts



(56.9%) claim that the economic results and incomes of the farms have increased, as a result of the impact of the CAP. With least significance is the effect of supporting the CAP for improving the business climate in the agricultural sector ( $R^*=0.758$ ), as well as increasing the employment and improving the level of unemployment ( $R^*=0.786$ ). Large part of the experts (63.1%) concludes that, regardless of the expectations, the measures of the CAP to increase the level of employment, hasn't been effective enough. Due to this, a serious problem for developing the agricultural sector is the aging, low level of education and wages, the insufficient qualification and managerial abilities of the work force.

The impact of the CAP on the measures of improving and developing farms is expertly evaluated with the application of the similar approach. In order a general evaluation to be formed, some of the average quantities are used: average rank, median, mode. The concordance of the resulted evaluations is calculated with the help of the coefficient of concordance. The significance can be measured with the coefficient of rank correlation (coefficient of relative importance). The results of the undertaken study are presented in Tables 2 and 3.

Table 2. General characteristics of the expert evaluation of the variables, dependent on the CAP

№	Variables	Average rank	Mode	Median	Coefficient of relative importance
		2	3	4	
1.	Business climate situation in the agricultural sector	2.831	1	2	0.758
2.	Economic results and incomes of Your economy	2.285	1	1.5	0.939
3.	On the manufacturing and management effectiveness of your economy	2.146	1	2	1.000
4.	Competitive power of your economy	2.231	1	2	0.962
5.	Market orientation of your economy	2.315	1	1	0.927
6.	Level of employment (work load)	2.731	1	2.5	0.786

Source: Own calculations on the base of experts' attitude

Expert evaluations regarding the relevant importance of improving the impact of the CAP are shown in Table 2. It is confirmed the conclusion that has been made is correct – the impact of the CAP on the manufacturing and managerial effectiveness of the farms, as well as its competitiveness are of main importance. The enquired experts show that the examined variables, which to a higher extend are influenced of the CAP are the manufacturing and managerial effectiveness of the farm ( $R^*=1$ ), as well as its competitiveness ( $R^*=0.962$ ).

In spite of the positive effects of the CAP on the effectiveness and competitiveness, the result of the agricultural sector over the last years are below its potential levels of effective use of the manufacturing resources for manufacturing high quality and competitive products for the internal and foreign markets. The competitive pressure on Bulgarian agriculture regarding the national and foreign markets with the accession of Bulgaria to the EU is increasing (Bencheva, 2012). Due to this, a large part of the experts (35.4%) do not believe in positive change of the level of competitiveness as a result of the CAP impact.

The calculated coefficient of concordance (1) is equal to 0.899725. It shows high level of agreement between the evaluations. The computed value of the test statistic is equal to  $\chi^2 = 34.2$ , which greater than the critical point, at level of significance  $\alpha=0.01$  and  $\alpha=0.05$  [ $(\chi^2_{0.01} = 16.8119)$ ;  $(\chi^2_{0.05} = 12.5916)$ ]. Due to this it is accepted that the presented high level of agreement between the evaluations has non random character. While ordering the variables in accordance to their significance, the enquired experts have followed similar criteria.

The generalized evaluations of the enquired, regarding the measures which can improve the impact of the CAP show, that the improvement of the market infrastructure, the simplification of the procedures and the increase of national additional payments and direct payments per unit area are of strategic importance for developing the farms (Table 3).

Table 3. General characteristics of the expert evaluation of the measures for improving the impact of the CAP

№	Factors	Average rank	Mode	Median	Coefficient of relative importance
		1	2	3	4
1.	Increase in the direct payments per square unit	3.608	1	3.5	0.953
2.	Increase in national additional payments	3.608	1	3.5	0.953
3.	Support for first rank in RDP	4.638	1	4.5	0.741
4.	Support for second rank in RDP	4.723	1	5	0.728
5.	Support for third rank in RDP	4.731	1	5	0.727
6.	Redistribution of the funds/means/resources of the separate measures of RDP	5.192	1	4.5	0.662
7.	Differential support in concordance with the size of the economies	5.638	1	6.6	0.610

Continuation of Table 3. General characteristics of the expert evaluation of the measures for improving the impact of the CAP

№	Factors	Average rank	Mode	Median	Coefficient of relative importance
8.	Simplification of the procedures	3.592	1	3	0.957
9.	Guarantee of transparent distribution of the subsidies	3.638	1	3	0.945
10.	Improvement of the market infrastructure	3.438	1	2.5	1.000
11.	Improvement in education	3.631	1	3	0.947

Source: Own calculations on the base of experts' attitude

According to the experts the most significant measure is directed to improving the market infrastructure ( $R^*=1$ ). As a serious problem of the implementation of the CAP, the experts evaluate the difficult access to the funds under EU programs and subsidies. Due to this, the measure for simplifying the procedures of access is of great importance ( $R^*=0.957$ ). According to the expert evaluation, equal when it comes to level of importance, are the measures related to increasing the direct payments ( $R^*=0.953$ ) and national additional payments ( $R^*=0.953$ ).

The general consensus is an indicator of agreement among the expert team, regarding the factors which can improve the impact of the CAP for developing the farms. The variable coefficient of concordance has a value of  $W=0.871068$ . This quantity is characterized by high level of concordance between the evaluated variables. The value of test statistic is equal to  $\chi^2 = 566.15$  and is greater than the critical point, using levels of significance are  $\alpha = 0.01$  and  $\alpha = 0.05$  [ $(\chi_{0.01}^2 = 23.2093)$ ;  $(\chi_{0.05}^2 = 8.3070)$ ], due to this it is accepted that the revealed high level of concordance between the values, accurately depicts the influence of the variables included in the study. The undertaken study shows that in this case, the coefficient of relevant importance and mode provides the most reliable expert evaluation of the examined variables.

## Conclusions

The undertaken empiric study gives the possibility of making an objective expert estimation of the effects and perspectives of the impact of the CAP on the development of the agricultural sector in Bulgaria, as well as some of the measures for improving of its influence over the economic, financial, marketing and manufacturing results on the development of the farms. The statistical method applied for the evaluation of the expert opinions goes to show a genuine view of the influence of the CAP on the agricultural economies in the country, regarding: the

status of the business climate, economic results and incomes, the manufacturing and management effectiveness, the level of competitiveness, market orientation and the work load.

The results of the individual expert evaluations measured with the coefficient of relevant ranking, as well as the quantitative evaluation of the significance of the variables, expressed with the coefficient of rank correlation shows that the most significant influence of the CAP is the improvement of the competitiveness levels of the farms ( $R^*=0.962$ ). The coefficient of concordance (0.899725) goes to show high level of agreement between the evaluations.

The generalized evaluations of the experts in relevance to the measures, which will lead to improving the impact of the CAP, show that with improving the market infrastructure, simplifying the procedures and increasing the additional payments are of strategic importance for the future development of the farms. The results from the performed expert evaluation goes to show that despite of all the difficulties and problems, the application of CAP leads to positive changes in the agricultural sector. The evaluations of the experts confirm the necessity to take decision for continuing the structure reform for increasing the effectiveness and the competitiveness of the agricultural manufacture and the processing sector, as well as creating options for its export orientation.

This active policy is necessary for the support and modernization of the agricultural holdings, and especially for the young farmers.

## References

- Bashev, H., (2012) Assessment of impacts of EU CAP implementation on Bulgarian Farms. Economics and management of agriculture, (1), 14-29.
- Bencheva, N., (2012) State, problems and development of the agricultural sector in Bulgaria under the common agricultural policy. Agricultural sciences, IV( 9), 7-17.
- Todorova, S., Rancheva, E., (2011) Expert evaluation of the priorities and problems in the activity of the producer organizations. Agricultural Economics and Management, (6), 14-22.