

ACCESS TO FINANCE AND INVESTMENT TRENDS IN BULGARIAN AGRICULTURE

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Abstract

The paper analyses the evolution of access to finance and investment behaviour in Bulgarian agriculture during 2014–2024, a period spanning two Common Agricultural Policy programming cycles. Using data from national institutions, CAP implementation reports, and the Farm Accountancy Data Network, the study evaluates changes in the structure of finance, investment intensity, and the effectiveness of public financial instruments. A composite Financial Access Index, constructed from micro-data, captures farm-level differences in credit availability, borrowing costs, and participation in support schemes. The results reveal modest overall improvement in financial inclusion but persistent structural and regional asymmetries. Large, capital-intensive farms continue to dominate credit and investment activity, while smaller holdings rely primarily on self-financing and subsidies. Public support under the Rural Development Programme has facilitated modernization, yet has not fundamentally reduced financial exclusion or dependence on grants. Guarantee schemes and new financial instruments have broadened access only marginally due to limited scale and administrative complexity. The paper concludes that enhancing financial literacy, expanding risk-sharing and guarantee mechanisms, and aligning finance with green and digital transformation priorities are critical for improving the competitiveness and resilience of Bulgarian agriculture. Stronger coordination among financial institutions, policymakers, and advisory services remains essential for building an inclusive and sustainable agricultural financial ecosystem.

Keywords

agricultural finance; investment behaviour; CAP; financial inclusion; guarantee schemes

JEL Classification

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