



OPINION

On the dissertation for the degree of PhD in:

Field of higher education: 3. Social, economic and legal sciences

Professional field: 3.8. Economics

Scientific specialty: organization and management of production (agriculture and sub-sectors)

Author of the thesis: Lela Slave Krastevska - PhD student at the Department of Management and Marketing.

Dissertation topic: 'Strategic risk management in the investment process of agricultural farms'

Reviewer: *Assoc. Prof. Nikolay Ivanov Tsonkov - UNWE, Sofia.*

- **Field of higher education** 3. Social, economic and legal sciences
- **Professional field:** 3.7. Administration and Management
- **Scientific specialty:** regional development

Appointed as a member of the Scientific Jury by Order No. RD - 16-581 of 22.05.2023 of the Rector of the University of Economics and a decision of a meeting of the Scientific Jury.

1. PhD student information.

Lela Slave Krastevska is a PhD student at the Department of Management and Marketing at the Faculty of Economics of Plovdiv Agricultural University. The curriculum of the doctoral study has been completed in full and within the legal deadline. The minimum national requirements for the acquisition of the educational and scientific degree "Doctor" have been fulfilled. The rhythmic and precise implementation of the individual study plan should be noted. All planned activities - examinations in compulsory and elective courses, research work, publications, teaching and learning activities and discussions in the Department have been carried out in accordance with the planned (annual) deadlines of the Plan. This indicates very well focused teaching, clear and well thought out ideas for research work, well planned and realistic timelines for teaching and research activities.

2. Relevance of the problem

The agricultural sector is a structural determinant of any economic system. Its central place is determined by the fact that the onset of climate change is further reinforcing its importance not only for the national economy but also globally. Of course, its important place in the national economy is determined by its function

of providing food for each country. Bulgaria is characterised by a large share of agriculture within the national economy. This is due to the geographical and climatic conditions which give the Bulgarian State comparative advantages.

In this regard, it is very important to manage Bulgarian agriculture in order to provide the necessary agricultural products for the Bulgarian population and, on the other hand, to increase exports to the global market. Given the fact that agricultural policy is central to the European Union, farms are purposefully subsidised, which makes all economic activities in this area highly attractive. The management of the sector and the creation of normal conditions in this sector are a major commitment of the state. On the other hand, the environment created by the State for the activities carried out by agricultural holdings determines and regulates the investment process in the sector.

Farm management is subject to a number of factors such as European and national policy, the market, climatic conditions and high investment risk. Farm management itself therefore requires long-term planning and management. This process is linked to inputs planning. These, in turn, must be properly calculated, following long-term investment objectives. All these circumstances determine the topicality of the studied problem and the need for an adequate model for investment risk assessment in strategic farm management. Having said this, it is clear that the choice of the topic and the research field is timely, and the research is characterized by scientific and practical-applied nature.

3. Aim, objectives, hypotheses and methods of the study

The purpose of the study is very well defined. In accordance with the defined main objective, the PhD student systematizes the known methods for strategic management of the investment process, and on this basis develops and appropiates a model for investment management.

The objectives of the study are precisely and clearly formulated, corresponding fully to the main goal of the dissertation. The research tasks are logically arranged in a sequence that corresponds to the structure of the dissertation. At the same time, the tasks arranged in this way ensure the achievement of the main objective, as their number is optimal.

The thesis of the dissertation is well formulated, and is confirmed in the dissertation. The main thesis fully meets the topic, research field and the main research objective of the dissertation.

The object of the study is precisely defined, which is a prerequisite for achieving the problem field outlined at the beginning, as well as the formulated goal and research objectives.

The methods of the study follow logically well-chosen approaches in farm research and investment management. The research toolkit includes classical and modern methods, including system analysis, economic analysis, decision tree, risk assessment and others, which ensure that the set tasks are solved in their entirety and that the set objective is fully achieved.

Sources of information are contemporary and up-to-date. It is noteworthy that the author uses sources from Albania, North Macedonia and Bulgaria, as well as in other languages, and the bibliography also includes a variety of documents (bulletins, reports and normative acts). Of course, the systematization and analysis of the sources is complemented with the author's proposed model, which has been validated within the author's research. The period of research is sufficient for it to be carried out in full.

4. Visualisation of the results obtained

The dissertation is properly structured. The results are presented in five chapters. The dissertation is enriched and gains comprehensiveness of the research with the use of tabular material. It is properly and well arranged, adequately relating to the exposition and corresponding to the relevant part of the research problem.

5. Discussion of results and literature used

The doctoral dissertation is a modern and original study of the investment process in farms. In this sense, the work is characterized by scientific and practical-applied character. At the beginning of the dissertation the author analyses the agricultural sector in Bulgaria and its specificities. This analysis forms the basis on which the PhD student constructs his modern methodology for the analysis of the sector.

Based on the analyzed methods for risk assessment in agriculture, the author presents a state-of-the-art methodology that can be used for risk management in assessing strategic investment decisions of small farms. The PhD student analyses modern concepts of innovation and knowledge related to agricultural management.

The PhD student focused the research on the need to innovate in rural areas by investing in small farms. The relationship between innovation and decision-making options in terms of their implementation on farms is highlighted. Based on the review and critical analysis of the traditional methods of investment evaluation, their advantages and disadvantages, the author argues the relationship between uncertainty in farm management and investment towards different approaches with risk analysis.

The main contribution of the thesis is the proposed conceptual framework for risk analysis and assessment in the investment process in agriculture. An important practical and applied contribution of the research is the formulated strategy for investment risk management in agriculture based on the real options method.

6. Contributions of the thesis

I accept the statement of the contributions of the thesis as stated by the author, but will group them as follows:

I. Scientific contributions

1. The agricultural sector and its specificities are characterised;
2. The nature of investment risk in agriculture is clarified;
3. A conceptual framework for risk analysis and assessment in the agricultural investment process is developed;

II. Scientific and applied contributions

1. The main methods of risk management in the investment process in agriculture are analyzed and evaluated;
2. A strategy for investment risk management in agriculture based on the real options method is proposed.

7. Critical comments and questions

- Recommendation: the dissertation would benefit from the PhD student applying the proposed conceptual framework for agricultural risk assessment and the formulated strategic risk management strategy.

8. Published articles and citations

The publications made are sufficient and are directly related to the developed problem.

The abstract is developed in accordance with the rules and requirements, corresponding fully to the statement in the dissertation.

CONCLUSION

Based on the results and contributions achieved in the dissertation as a result of the theoretical analysis of risk assessment methods in agriculture, as well as the author's conclusions and recommendations, I believe that the presented dissertation is a well-structured scientific study and fully meets the requirements of the RAADB Act and the AU Regulations for its implementation, which gives me the reason to evaluate it POSITIVE.

I therefore confidently propose to the esteemed Scientific Jury to vote in the affirmative and to award Lela Slave Krastevska with the degree of Doctor of Science in the scientific specialty "Organization and Management of Production" (agriculture and sub-sectors).

25.06.2023

Sofia

Prepared the opinion:

/ Assoc. Prof. Dr. Nikolay Tsonkov/

