

**The CAP and national priorities  
within the EU budget  
after 2020**





INSTITUTE OF AGRICULTURAL  
AND FOOD ECONOMICS  
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# The CAP and national priorities within the EU budget after 2020

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## 13. The role of organic farming in the CAP, the rural development programme, with particular regard to subsidies

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### **Abstract**

Sustainability is a central target of rural development and common agriculture policy. For ages organic farming has seemed to be the main answer to the question. The article wants to introduce organic farming's characteristics and development in the last decades and the role of CAP in this question. The lack of capital, wrong working and the lack of market knowledge are the main problems and transferring to organic cultivation and waiting for the subsidies do not solve the base problems. Despite this questions CAP can pay huge attention to the support of organic farmers but this only is help for them if they can work successfully in the traditional method.

**Keywords:** CAP, organic farming, subsidies, regional development

**JEL codes:** Q13, P48, R11

### **13.1. Introduction**

Organic farming builds on the natural systems, and manages to work in harmony with natural systems. Organic farming is a farming, food production and production system that aims at prohibiting at least the different chemicals, fertilizers, artificial yield enhancers beyond the protection of wildlife, in some directions to the healing of nature. It originally stems from the fact that biodynamic farming, production farms, unity as a whole, in which a dynamic balance between the life and the interaction of living beings can be observed. It tries to make this unit the best possible way through its preparations, while crop yields allow the production unit to survive in the economic life. Biodynamic farming has evolved from different trends and from different alliances and organizations. One of the many features of organic farming is that it attaches great importance to the keeping of animals, including the circumstances.

### **13.2. Organic farming's characteristics**

The concept of so sophisticated and fashionable sustainability is closely linked to organic agriculture. This includes the fact that the living area and the area of the farm are used in such a way that their condition does not deteriorate or even improve circumstances. The well-being of the animals is an important aspect for the farmer, because they are able to rely on higher yields on the one hand, and on the other hand it is compatible with the principles of organic farming. In order to demonstrate compliance with the principles of organic farming, they are subject to compliance. Of course, the question arises as to how rigorous, consistent and playable is this? According to the basic condition system, everyone who wants to produce and sell organic food, feed, and seed for organic farming is obliged to comply with the organic legislation that applies to it and to conduct its activity in a control system. Those who do this as verified partners of any official inspection body are compelled to comply with the Fund Criterion and those who want mass-making and organic-cosmetics. So they have to comply with all the requirements of the basic condition system. Let us see what these are.

The products produced must be GMOs free and use the list of authorized substances on the list during production. Organic propagating material must be produced in the same way, with the difference that cultivation can take place from conventional raw materials. There is a well-established organic and conventional unit within a farm but it cannot be the same in livestock farming (apart from fish), and crops should be easy to differentiate. It is prohibited to store materials or devices in the organic-farming or unit. It is important to authenticate all procedures, materials and movements. From the specifications, it already appears that documenting plays an important role. The audit is also documentation-based, based on this. Obviously, the specifications detail the specific requirements and rules of each production branch, living organisms. If the product is produced in accordance with the organic specifications, it shall be labelled with a logo indicating that this product is organic. This logo allows distinctive distinction to be applied to the logo for the product. The logo is a unique identifier that is issued when the conditions of a particular specification are met. The logo already recognized by consumers helps to see the quality, message and image of the product as a result of the already established trust. This is definitely a strong marketing advantage and getting such a logo is based on conditionals.

When manufacturing the product, it is necessary to separate it from other products either in space or time. That is, either in space or in another plant, the organic product should appear or there may be, but at any other production time it is necessary to run the production or the packaging. It is a basic requirement that the components of the product must be fully biologically, but if it is not pos-

sible to obtain all ingredients from organic sources and the ingredient is included in the positive list of the EU Regulation, up to 5% non-organic ingredients are possible. The range of substances that may be used in the law, even in the case of baby food. Ionizing radiation, genetically modified materials, preservatives, flavour enhancers, stock enhancers, are not permitted, i.e. prohibited (Rules from References).

In addition, the specification defines the terms that can be used on the label of the product. For example, a transition product is the product where the conversion of the production area into organic has begun, for a product of plant origin for a year. As we have said before, the proportion of organic ingredients must be at least 95%, and that should not be on the positive list. These standards shall apply to seeds and propagating material. And in addition, many requirements regulate the necessary conditions. They prefer species that are resistant to GMOs, which means that efforts should be made to use the old varieties that have once had a good bearing on the trials and are now well placed to fight the pathogens. In addition, there is a separate section on animal husbandry. As a statute, an animal of organic origin is needed in the stocking, but in some cases a non-organic animal is involved in the breeding. During retention, efforts must be made to maintain conditions in which animals are presumed or proven to be kept in good conditions. Ventilation, lighting, and space should be such as to satisfy the needs of a particular species and individual. Efforts should be made to live on natural pastures, and if this cannot be guaranteed, at least the maximum possible time should be sought. Other interference can only be used if justified. The feed must also be organic and the greater the proportion of its own pastures. Fodder from conversion areas can also be coated after a certain period of time. In the field of healing, the focus is on prevention. Thus, by providing conditions, resistant and powerful individuals are raised that are more tolerant of the difficulties. Under certain conditions, the animals can be cured by medical and pharmacological methods, but then, once certain conditions are met, the subject can be changed again. That is, it can be downgraded when too many veterinary interventions exist [biokontroll, 2018; öko garancia, 2018].

It is clear from the tables that, as in Hungary, Poland, but also in most European countries, the size of the areas under organic farming is constantly growing, both in absolute terms and in proportion. As the total area of cultivated land in Europe is largely constant in most countries, it can be said that the share of organic cultivated areas is growing steadily. While in Hungary in 1995, it was approx. 8000 hectares of organic farming, in 2009 it has reached 140,000 hectares and in 2017 it is 129,000 hectares.

Table 1-2. The share of organic cultivation per country 2000-2007

geo\time	2000	2001	2002	2003	2004	2005	2006	2007
EU (28 countries)	:	:	:	:	:	:	:	:
EU (27 countries)	:	:	:	:	:	3.6	3.7	4
Belgium	1.5	1.6	2.1	1.7	1.7	1.7	2.1	2.4
Bulgaria	:	:	:	:	:	0.2	0.1	0.3
Czech Republic	:	:	:	7	7.2	7.1	7.2	8.2
Denmark	5.9	6.3	6.5	6.3	5.8	4.9	5.1	5
Germany	3.2	3.7	4.1	4.3	4.5	4.7	4.9	5.1
Estonia	:	:	:	:	7.2	7.2	9.6	8.7
Ireland	0.6	0.7	0.7	0.7	0.7	0.8	0.9	1
Greece	0.7	0.7	2	6.4	6.5	7.6	7.6	7
Spain	1.5	1.9	2.6	2.9	2.9	3.1	3.7	4
France	1.2	1.4	1.7	1.9	1.8	1.9	1.7	1.9
Croatia	:	:	:	:	:	:	:	:
Italy	6.7	8	7.6	7	6.4	7.3	7.9	7.9
Cyprus	:	:	:	:	0.6	1	1.2	1.5
Latvia	:	:	:	:	1.6	6.8	9.4	8.1
Lithuania	:	:	:	:	1.4	2.3	3.5	4.5
Luxembourg	0.8	1.6	2.2	2.3	2.5	2.4	2.4	2.6
Hungary	:	:	1.6	2	2.3	2.2	2.1	1.8
Malta	:	:	:	:	0	0.1	0.2	0.3
Netherlands	1.6	1.9	2.2	2.2	2.5	2.5	2.5	2.5
Austria	13.8	14	14.5	15.4	16	16.7	16.7	17
Poland	:	:	:	0.2	0.5	1	1	1.8
Portugal	1.2	2	2.1	3.2	5.6	6.2	7.2	6.3
Romania	:	:	:	:	:	0.7	0.8	1
Slovenia	:	:	:	:	4.6	4.6	5.5	5.9
Slovakia	:	:	:	2.2	2.6	4.6	6.2	6.1
Finland	6.7	6.7	7.6	7.1	7.2	6.5	6.3	6.6
Sweden	5.9	6.6	6.8	7.2	7	7	7.2	9.9
United Kingdom	3.3	3.8	4.2	3.9	3.9	3.5	3.4	3.7
Iceland	:	:	:	:	:	:	:	:
Norway	2	2.6	3.1	3.7	3.9	4.2	4.3	4.7
Switzerland	:	:	:	:	:	11	:	:

Source: Eurostat.

Table 1-2. The share of organic cultivation per country 2008-2016

geo\time	2008	2009	2010	2011	2012	2013	2014	2015	2016
EU (28 countries)	:	:	:	:	5.64	5.65	5.78	6.2	6.67
EU (27 countries)	4.4	4.7	5.2	5.5	:	:	:	:	:
Belgium	2.6	3	3.6	4.1	4.48	4.67	5	5.17	5.8
Bulgaria	0.3	0.2	0.5	0.5	0.76	1.13	0.96	2.37	3.2
Czech Republic	9	10.6	12.4	13.1	13.29	13.47	13.44	13.68	14
Denmark	5.6	5.9	6.1	6.1	7.31	6.44	6.25	6.33	7.67
Germany	5.4	5.6	5.9	6.1	5.76	6.04	6.18	6.34	6.82
Estonia	9.6	11	12.8	14.1	14.86	15.65	15.96	15.68	18.02
Ireland	1	1.1	1.1	1.1	1.16	1.2	1.16	1.65	1.72
Greece	7.8	8.5	8.4	5.2	9.01	7.36	6.72	7.7	6.5
Spain	5.3	6.6	6.7	7.5	7.49	6.85	7.26	8.24	8.48
France	2	1.9	2.9	3.4	3.55	3.66	3.87	4.54	5.29
Croatia	:	:	:	:	2.4	3.13	4.03	4.94	6.05
Italy	7.5	8.1	8.6	8.4	9.3	10.6	10.91	11.79	13.99
Cyprus	1.6	2.6	2.8	2.9	3.38	4.03	3.63	3.72	4.94
Latvia	8.9	8.7	9.2	10.1	10.63	9.89	10.86	12.29	13.42
Lithuania	4.6	4.8	5.2	5.4	5.51	5.74	5.57	7.11	7.5
Luxembourg	2.7	2.7	2.8	2.8	3.14	3.39	3.43	3.21	3.47
Hungary	2.1	2.4	2.4	2.3	2.45	2.45	2.34	2.43	3.48
Malta	0.4	0.5	0.2	0.2	0.32	0.06	0.29	0.25	0.21
Netherlands	2.6	2.6	2.5	2.5	2.61	2.65	2.67	2.67	2.91
Austria	17.4	18.5	19.5	19.6	18.62	18.4	19.35	20.3	21.25
Poland	2	2.3	3.3	4.1	4.51	4.65	4.56	4.03	3.72
Portugal	5.7	4.3	5.8	6.1	5.48	5.31	5.74	6.52	6.75
Romania	1	1.2	1.3	1.6	2.1	2.06	2.09	1.77	1.67
Slovenia	6.1	6.3	6.4	7	7.32	8.07	8.55	8.85	9.12
Slovakia	7.3	7.5	9.1	8.6	8.53	8.18	9.37	9.47	9.75
Finland	6.5	7.2	7.4	8.2	8.65	9.07	9.29	9.91	10.47
Sweden	10.9	12.8	14.3	15.7	15.76	16.5	16.53	17.14	18.3
United Kingdom	4.1	4.2	4.1	3.7	3.41	3.24	3.02	2.89	2.82
Iceland	:	:	:	:	:	0.49	:	1.41	:
Norway	5.1	5.5	:	:	:	:	5.05	4.83	4.85
Switzerland	:	:	:	:	11.56	12.17	12.7	13.04	13.53
Former Yugoslav states	:	:	:	:	:	0.82	0.79	0.17	0.26
Serbia	:	:	:	:	:	0.23	0.27	0.44	0.41
Turkey	:	:	:	:	:	:	1.34	1.34	1.39

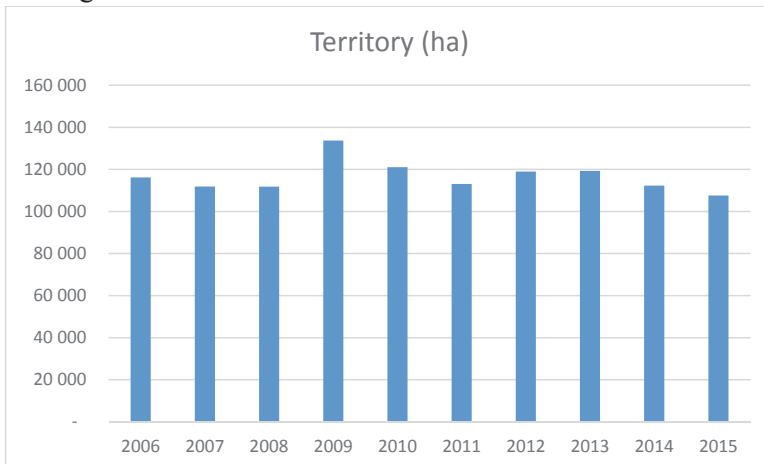
Source: Eurostat.

Table 3. Biokontroll controlled farms 2006-2015

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Territory (ha)	116 197	111 873	111 800	133 720	121 071	113 070	118 990	119 275	112 285	107 605
firms	1 249	1 203	1 171	1 541	1 493	1 345	1 282	1 339	1 327	1 411

Source: Biokontroll.

Figure 1. Change of Biokontroll controlled areas 2006-2015

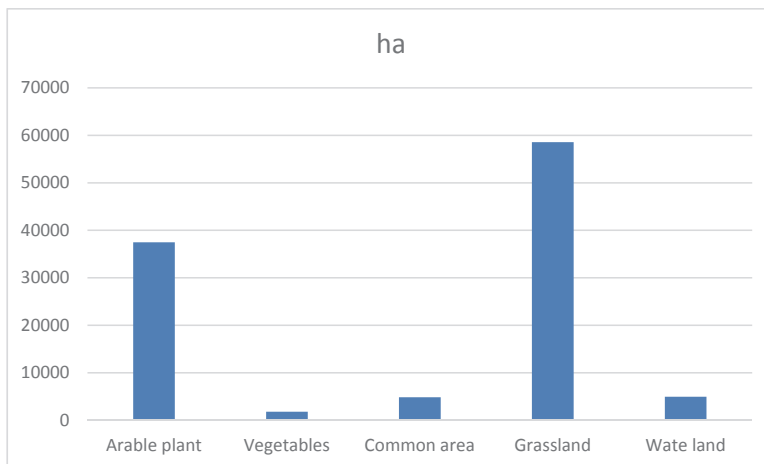


Source: Biokontroll.

At present, there are no data on the areas controlled by Hungária Ökogarancia, but according to the experience of the former period, 10% of entrepreneurs and areas are controlled, so if this is correct, then the data on Biokontroll will concern approx. 10% higher values showing the total Hungarian reality.

In terms of the composition of the cultivation, pastures make up the largest area. Then this is followed by arable crops and vegetables. So it is characteristic of animal husbandry, plant cultivation, and horticultural cultivation.

Figure 2. Land Use in 2015

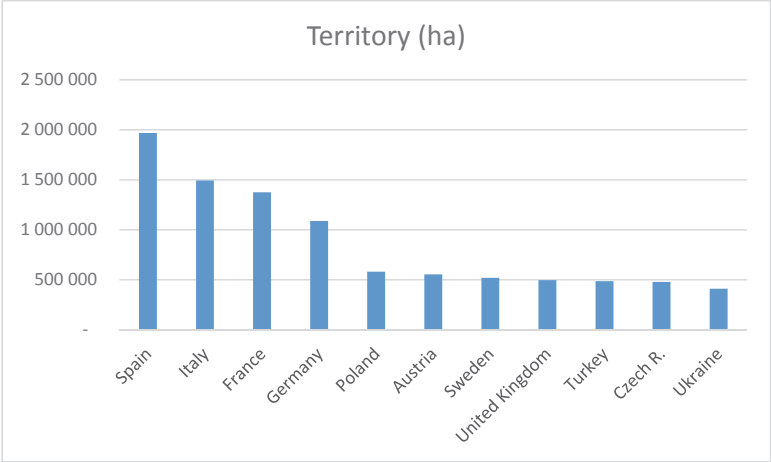


Source: Biokontroll.



This is similar to that of conventional farming. Poland has a fairly large share of European organic farming. Polish territories account for 5% of all 12.7 million European cultivation areas. That is, more than 580 thousand hectares are cultivated. This represents 3.8% of all agricultural land. Contrary to Hungary, where it measures 2.4%.

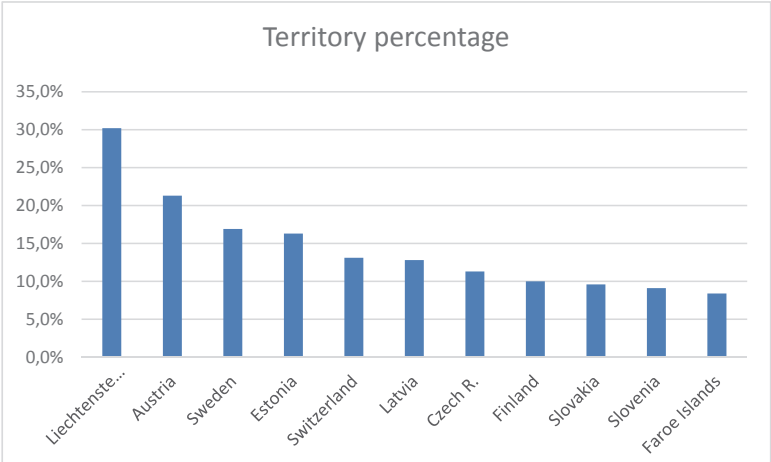
Figure 3. Countries with the highest European organic status



Source: FiBL.

Yet the organic proportions of these countries are far below the European average.

Figure 4. The share of organic cultivation in the countries with the largest share in 2015



Source: FiBL.

The development of organic production started in the 1920s by Rudolf Steiner. In agriculture, after World War I, motives and signs of industrialization appeared in Europe (earlier in the USA). Because of increased food demand, due to increased production, fertilizers were increasingly being used to protect the growing amount of crops (which are the causes of this, as well as the pests, insects and mushrooms imported from agricultural products from the Americas), chemicals were used by the chemical industry and mechanization (for example: mechanization of harvesting, threshing and ploughing), the work of a large number of animals and people doing work became redundant. (For example, in 1938 fertilizers used per 1 hectare in the Netherlands were 310 kg, 100 kg in Germany and 2 kg in Hungary.) This caused changes to the purpose of production. In the first instance, the self-supply, and only the secondary production of the market during which the surplus was sold, has begun to come to a standstill. In this agricultural model, the producer relied mainly on his internal resources, forming a closed agricultural system. This location was replaced by the new model, which was increasingly relying on external, industrial-based resources, a product-producing agricultural model. In this change, the work of a large number of people in agriculture has become redundant. And because of the fact that the former communities had this (close working relationship), they started to break up. The closed relationship between the village, the individual and the earth has ceased. As the number of producers declined, land became less and less the village and individual's subsistence base. At the start of organic farming, this would have wanted to bring this disintegrated role, that is, the implementation of a close-to-nature closed system relying on internal resources, which would preserve the rural form of existence and community. Thereafter several organic trends evolved, mostly in the German language, but the role of organic production was negligible. The change occurred when the adverse effects of excessive chemization became known in the 1960s and 1970s, and at the same time, with the burst of energy prices, the basic costs of industrial production increased considerably. At the same time, the other change was that agricultural commodity prices dropped considerably due to market oversupply. There were very big problems, uncontrolled use of chemicals and improper treatment of environmental damage, manure, animal carcasses, impoverishment of the wildlife, food shortages or high food prices. At this point, two trends emerged. One of the already mentioned organic agriculture, which completely excludes chemical use, and the other is the integrated production that allows the use of chemicals based on moderate scientific calculations. One of the trends was the organic production which completely rejected the use of organic chemical compounds that caused loss of confidence in agricultural products and the other was

their scientifically based, rational use of integrated production. As organic production has solved many of the problems that have arisen in the 1970s with persistent overproduction of food, the West, which has been plagued by environmental degradation, has begun to support this trend [Buday-Sántha, 2007].

Why is it necessary to support agricultural production? Support may be required for two reasons. In the first case, it helps to move to organic farming. For yields, we can expect lower returns during and after conversion. Organic production renounces the use of the most powerful yield enhancers known today. By doing this, you take a greater risk of compensating for prices [Buday-Sántha, 2002]. The yields of this mode of production are uncertain states Solti [1999] and Loch and Nosticzius [1992]. Kürthy [1997] also notes that organic agriculture with lower yields does not solve the problem of hunger in the world. Reduction in yield is shown by several other authors [Radics, 2002; Illés, 1995; Kim, 2003]. There were also experiments where higher yields were achieved in organic production [Liebhardt, 2003]. Countrywide and local studies conducted by Gyarmati in 2007 also show that yields on organic production are behind traditional cultivation.

Table 4. National yields, traditional vs. organic production

Traditional	1999	2000	2001	2002	2003	Average 1999-2003	Traditional/organic
Barley	3 120	2 770	3 530	2 820	2 380	2 932	1.70
Potato	18 390	15 290	21 280	18 280	15 660	17 740	3.32
Wheat	3 590	3 600	4 310	3 510	2 640	3 538	1.01
Corn	6 380	4 150	6 220	5 050	3 950	5 155	1.52
Sunflower	1 520	1 620	1 960	1 860	1 900	1 766	1.03
Rye	2 030	2 000	2 370	1 960	1 460	1 971	1.14
Oat	2 540	1 670	2 450	2 160	1 490	2 068	1.72
Barley	1 080	1 841	3 055	1 329	3 177	1 729	0.59
Potato	12 403	9 808	8 581	3 459	2 701	5 337	0.30
Wheat	3 980	3 816	4 244	3 757	2 247	3 518	0.99
Corn	5 228	3 650	3 454	2 607	2 906	3 387	0.66
Sunflower	1 084	1 977	3 562	1 332	1 386	1 710	0.97
Rye	4 262	1 205	590	2 057	1 904	1 734	0.88
Oat	650	1 923	2 370	1 065	414	1 200	0.58

Source: Gyarmati 2007.

While 15 years ago it was true that organic consumption in organic production was over, this is no longer true today. Organic cultivation takes place at 4-5% of the world's production areas, while 5% of the world's food consumption is now sold by this product range. At the same time, we can see that there are countries that are more productive and exporter (Argentina, Australia, China, etc.) and are both producing and consuming (Germany, USA, Austria, etc.) and there are those that they prefer to import, they cannot produce to meet their needs (Switzerland, Japan).

Despite the rapid development of domestic organic production, it was not able to achieve a share of more than 2-3% in both production and exports, but the consumption of domestic organic-products is somewhere below the world average and far behind the Western European countries. The latter is linked to the fact that at least 90% of the produced organic products are directly or indirectly sold to foreign markets in the form of raw plants (about 80%) and animal products and processed products. The analysis of domestic production points out that more than 50% of Hungarian organic-farms are grasslands, which – taking into account their neglect – were easy to convert to organic production. However, the utilization of grasslands is low in terms of the number of livestock, and the number of cattle and sheep kept in organic farming is little more than 2% of the number of livestock, and the ratio is even worse for other animal species. The situation of domestic organic-farming is determined by market opportunities. The domestic market is extremely narrow. This is related to the fact that the domestic purchasing power is low and the prices are far above the quality. Unfortunately, rapid change is not expected in this area. At present, however, they cannot afford the greater consumption of organic products for which it would be justified. The large-scale production plants of domestic organic-products are mainly destined for fattening cereals and oilseeds with low labour costs, as well as extensive beef cattle (Hungarian grey) and sheep and mangalica fattening. Thus, there is inadequate supply of organic produced fruit and vegetables that consumers are primarily looking for. These small producers are producing, the country is about 10 or directly via traders on a very high Western level (or even exceeding) price level, often at 100 to 200% higher than normal products. Of course, this affects the circle of consumers, especially since the guarantee behind the products is often incomplete. In Hungary, most of the retail distribution of organic products is dealt with by large chains of goods, which mainly sell, to a greater extent, dry goods and to some extent processed dry goods.

Due to limited supply and demand, the conditions for the marketing of organic vegetables and fruits do not deserve them, so their price control role does not apply to fresh products most important for consumption. Thus, in fact, there

is nowhere to be found a wide range of affordable, guaranteed quality products. Hungarian organic production is specifically export-oriented. Organic farming, in accordance with its domestic conditions, has planted cereal and oil plants (sunflower, soybean, rape, oil) and feed (which occupy 98% of the arable land), from vegetables to mushrooms, frozen and potato pummel, sweet corn, and meat products and eggs from animal products played a greater role. Observing the ten-year development of exports, it can be concluded that the export base is made up of simply produced, stored and transported unprocessed mass products exposed to very sharp competition. They did not play a decisive role on a single market, but their role in meeting the raw material needs of the Western European food industry was to improve partial supply, supply and demand. In processed form (flour, pasta, tares, canned, frozen vegetables, salami), therefore, a very small part of organic products will be exported. However, the export prospects of feed maize (e.g. maize, barley, etc.) and other fodder are improved by the fact that Western countries are unable to produce the necessary quantities of feed for the livestock, and the importer's German-speaking countries are located next door, so transport costs are also high. Since Hungarian organic-products are not decisive in the markets, their import demand depends essentially on the annual yield of the importing country. Their market stability is also undermined by the fact that Hungarian products are mainly processed and re-exported together with domestic products and can therefore be relatively easily replaced by cheaper, but cheaper Asian (e.g. Chinese honey) and Eastern European products (e.g. oil plants, cereals). Because of this, Hungarian products are sold at relatively low prices and are gradually excluded from Western European (English, Danish, Dutch, French) markets as a result of rising transport costs and simultaneously increasing market competition and the export trend is the traditional Hungarian Central European agricultural products countries, especially to Austria, Germany and Switzerland. The French and Dutch markets still represent a smaller share.

In unprocessed form, bulk merchandise is still not to be delivered to demand markets (for example, USA). Hungarian organic production – like the Hungarian agriculture – did not succeed in achieving a market share with specific products. Which is no wonder, because they are only lasting for processed and market-adjusted products. New seed sprouts or maize seed production was only significant until importers could meet the demand with domestic products. The situation of domestic organic-production is hampered by the spontaneous nature of both production and sales. There are no stable market relationships that regulate production, there is a lack of logistical background that can adapt to market needs, so depending on weather influenced yields there is over-supply of certain

products and where we cannot meet demand. We do not export because of the inorganic nature of the trade and its underdevelopment, but at the time of harvest, foreign merchants will select the required quantity of imports from Hungarian produce. Hungarian organic products can only stay on the market if the efficiency of production improves and the quality of the products and the organic guarantee level exceeds our new market competitors who are cheap mass production. This quality surplus is demanded and appreciated by German-speaking countries, and if it does not appear in higher commodities, but in the more stable markets [Buday-Sántha, 2007].

Organic farming is supported within the framework of the Rural Development Program. Separate regulation of the areas already underway and in transition. However, the organic regulations must also be observed in areas undergoing conversion.

During the transition period, additional costs are generated or yields drop, resulting in a loss of revenue. Producers receive additional support for this. Total with the switchover time is 5 years of commitment period. There was a change compared to the old support period because only support was granted in compliance with the rules that go beyond the requirements of the certification, while in the new period sufficient compliance with the basic EC Regulations is sufficient. The inspection body issues a certificate every year.

By 2020, an amount equivalent to EUR 207.5 million will be available. From 2016, 80% of this can be used. The aid intensity is in each case 100%. Degression is not used. The amount of the grant may be claimed for a five-year annual payment request within the framework of the single application. A sponsorship document issued after the successful submission of a successful application does not automatically entitle the grant to the grant, only entitles it to participate in the grant. You may submit a payment claim with a supporting document, but you do not yet have the final grant decision. The aid is in the form of area-based, non-refundable subsidies. The aid serves the additional costs associated with the fulfilment of the quality system requirements and the remuneration of lost revenue. To qualify for the subsidy, the requirements of the certification system must be respected, paid only after the receipt of the webGN containing the particulars of the checks and the management log. The fee for participating in the certification system for the calculation of the subsidy amounts has been offset and no specific support is available. The status of the area affected by the aid will be established as of 1 January each year during the commitment period and the amount of aid will be determined on that basis. If the requesting subsidy is requested for a shortening period for the area affected by the commitment, the amendment will take place the year following the change of status. The level of

the euro exchange rate is determined on the basis of the central rate of the European Central Bank on 1 January of the year of the payment request.

Table 5. Aid amounts by cultivation branches 2014-2020

	Status in process (euro/ha/year)	Status organic (euro/ha/year)
Field	242	172
Vegetables	516	366
Apple	1 040	802
Vine	873	674
Other Fruit	734	568
Reaping	84	84
Pasture	147	147

Source: *Ökológiai gazdálkodás 2018*.

It is important to know that, during the commitment period, the applicant has the opportunity to apply for arable crops for one year in the case of a given table and the amount of aid for growing vegetables in the other year, taking into account the cultivated crop. The same is true for lawn areas where mushrooming or grazing can be added. For plantations, support may be required for installation after grubbing, but only with the lower amount.

The areas under organic farming are automatically eligible for greening. Its goal is to achieve sustainable farming. The two systems aim to achieve the two goals by different means. Since the common goal of the EU is to rule out the two areas, it is not possible to allocate both grants to the same area [Ökológiai gazdálkodás, 2018].

Table 6. Changes in the subsidy procedure

	Old one	New one
The base of process	The law governing administrative procedure	Government regulation
Support	Title	Competition
Declaring of support	Item in the decree	Call for proposal
Submission of claim	Electronic surface	Electronic surface
Notification of the support decision	Resolution	Supporting document
Application of support	Payment request	Payment claim

Source: *Ökológiai gazdálkodás 2018*.

In summary, it can be stated that the promotion of organic production is implemented in both a separate support package and a basic support. The extent to which ecological producers can use it depends on how well they are able to meet the basic management conditions, to improve them and to acquire and market them.

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