



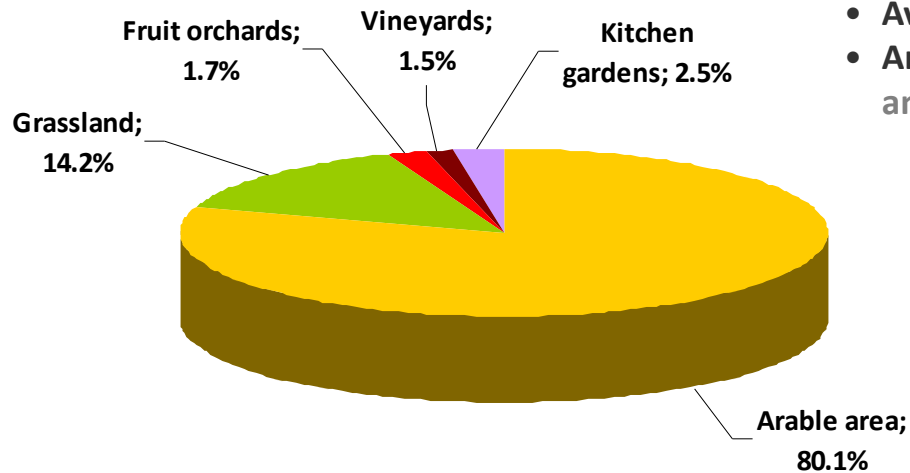
# ***General Introduction to the Seminar on Agriculture in Hungary and Poland***



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**IERIGZ – AKI Seminar, Warsaw, 19 June 2013**

# Land Use in Hungary, 2011



- EU DP eligible area: 4.96 million hectares (-0.8% over 2004)
- EU DP beneficiaries: 176.3 thousand (-15.5% over 2004)
- Average farm size: 28.1 hectares (+17.1% over 2004)
- Around 600 DP beneficiaries getting 25% of the area payments and 33% of the livestock aids

## AG Census 2010

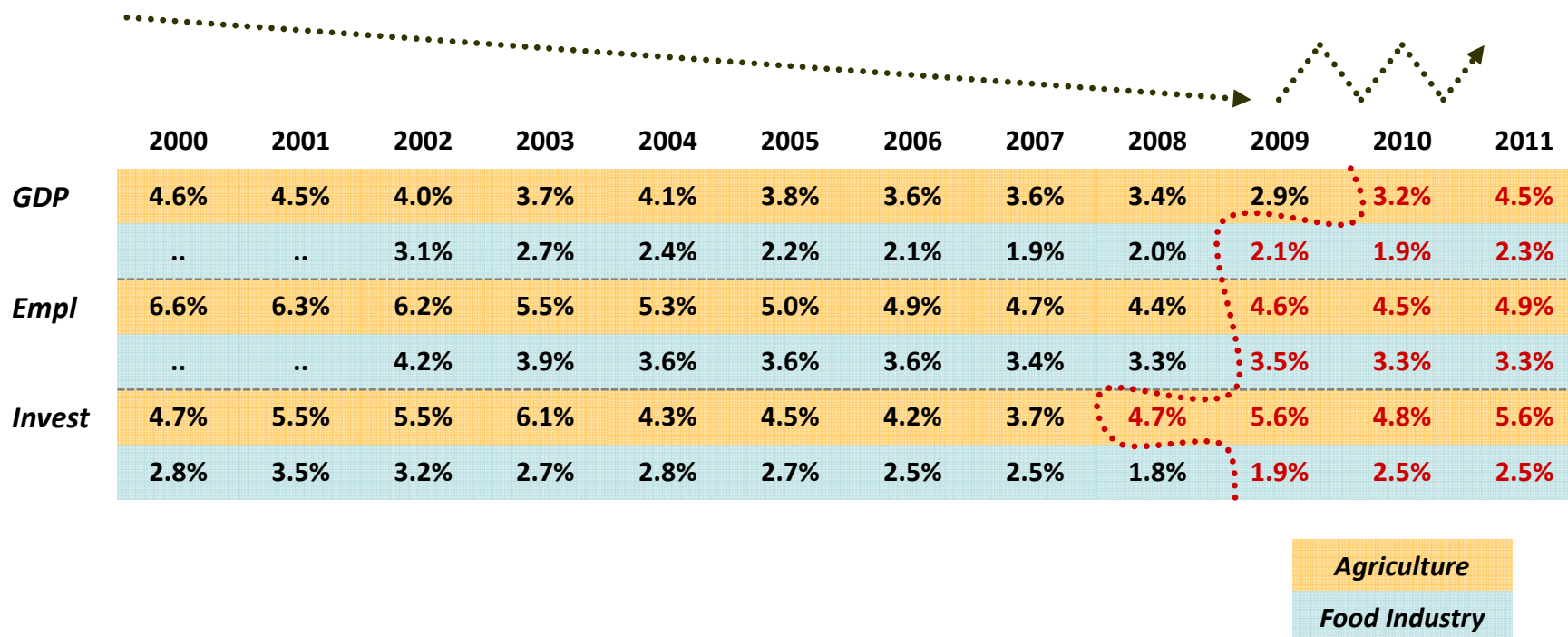
- Private holdings: 566.7 thousand (-40.9% over 2000)
- Legal entities: 8.8 thousand (+4.8% over 2000)
- Tax paying farms: 81.9 thousand
- Farm managers over 55 years of age: 43%
- Farmers using UAA with an AG education: 43%

- Total UAA: 5.34 million hectares
- Irrigated area: 79.4 thousand hectares (-31.4% over 2000)
- Protected area: 3.9 thousand hectares (-37.1% over 2000)

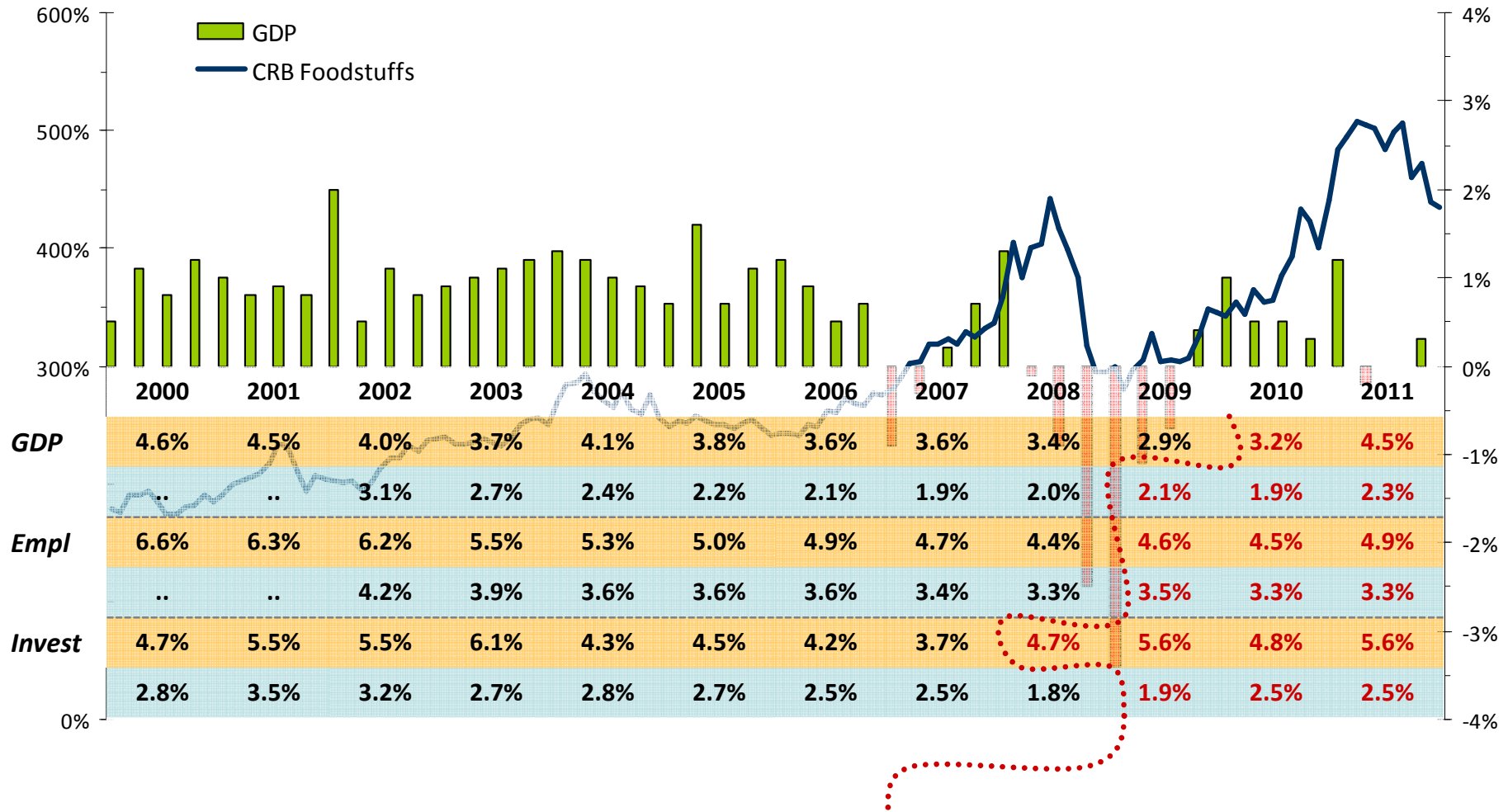


# The Share of Agriculture and Food Industry in the GDP, Employment, and Investment in Hungary

- Unprecedented price hikes and price volatility
- Weather extremes
- Global financial and economic crises
- Downturn of the national economy

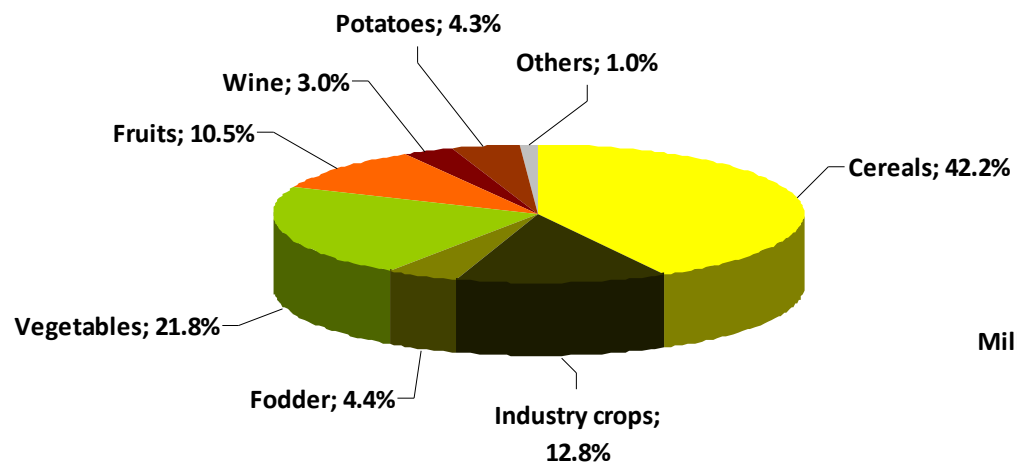


# The Share of Agriculture and Food Industry in the GDP, Employment, and Investment in Hungary

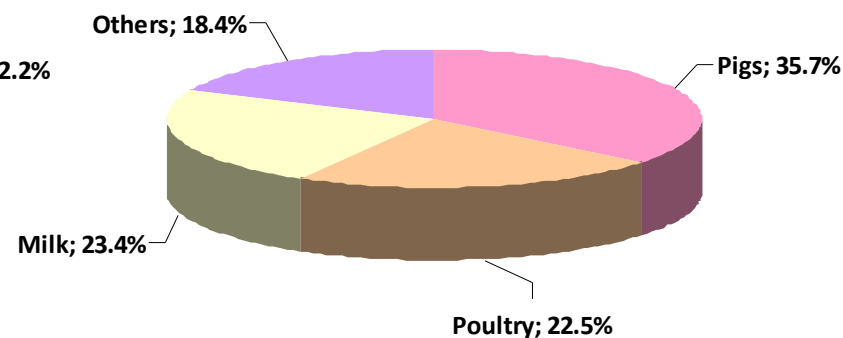


# Share of Crop and Livestock Sectors in the Value of Crop Production and Livestock Farming in Hungary

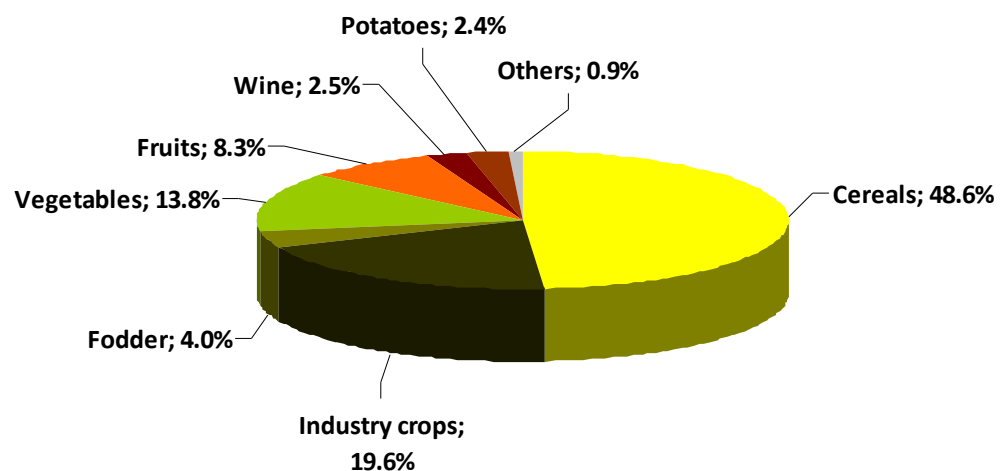
*Crops, 2000-2002*



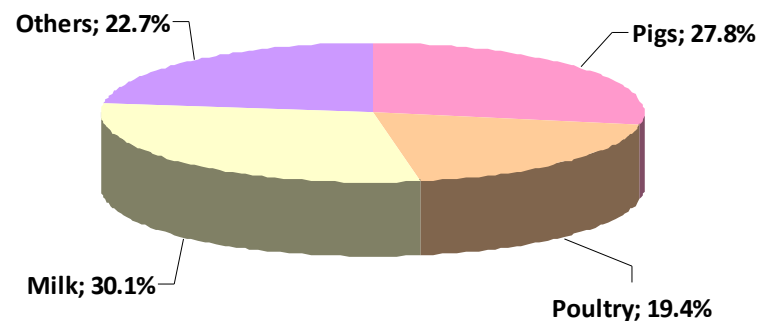
*Livestock, 2000-2002*



*Crops, 2009-2011*



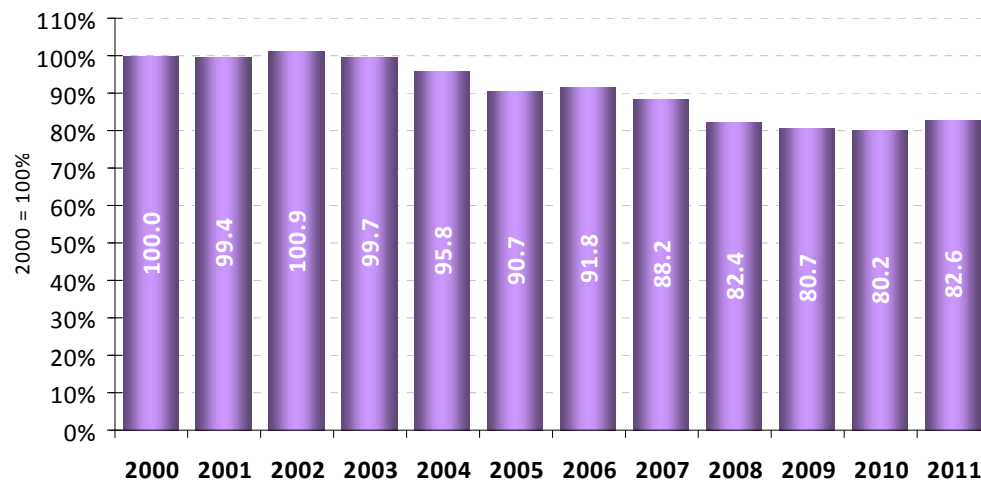
*Livestock, 2009-2011*



## **Share of Crop production and Livestock Farming in the Gross Output of Agriculture in Hungary, 2000-2011**



## **Production Index of Food Processing in Hungary, 2000-2011**



# Comparison of the Value of Production and Factor Incomes of Hungarian Agriculture, 2011

## Value of agricultural production

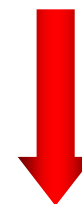
- ◆ EUR 1.4 thousand/UAA ☞ 109.6% of the EU-12  
☞ 56.6% of the EU-15
- ◆ EUR 16.7 thousand/AWU ☞ 126.4% of the EU-12  
☞ 28.5% of the EU-15

## Factor incomes\* in agriculture

- ◆ EUR 650/UAA ☞ 117.8% of the EU-12  
☞ 70.8% of the EU-15
- ◆ EUR 8.0 thousand/AWU ☞ 145.8% of the EU-12  
☞ 35.6% of the EU-15

## Total value of agricultural production

- ◆ EUR 7.21 billion ☞ 2.0% of the EU-27  
#12
- ☞ 11.7% of the EU-12  
#3



Share of total CAP funds, 2013: 3.2%

Share of total DP funds, 2013: 2.9%

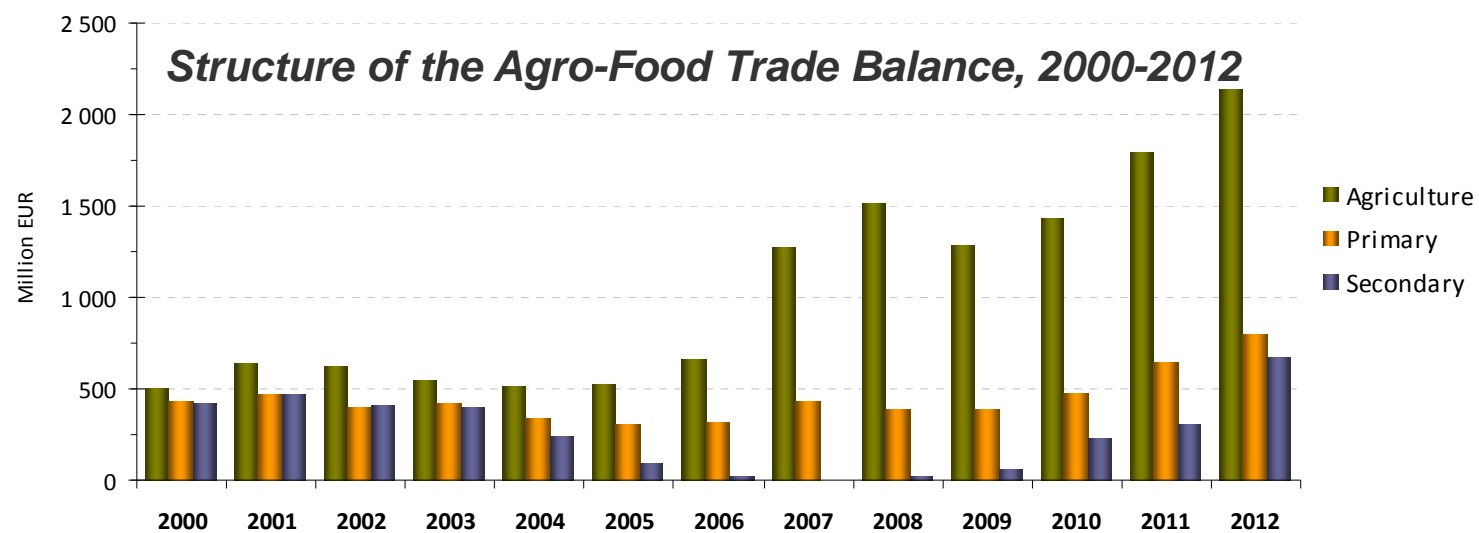
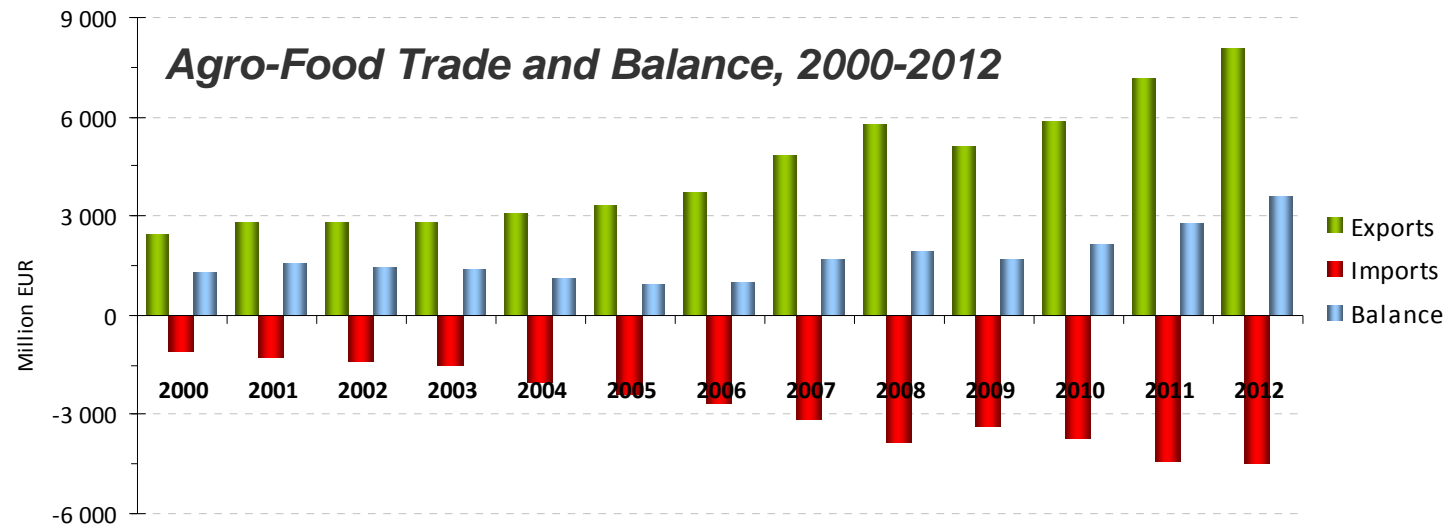
Share of total RD funds, 2013: 4.0%



Relative inefficiency of production technologies

\* Comprising compensation of employees by, and operating surplus of, producers (OECD).

# Development of the Agro-Food Trade of Hungary





# Agro-Food Trade of Hungary with Poland

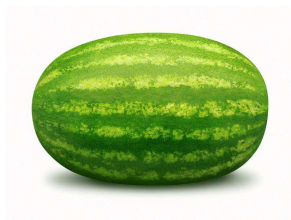
## Hungary

<i>Exports, 2010-2012</i>		<i>Imports, 2010-2012</i>	
<i>MIn EUR</i>		<i>MIn EUR</i>	
<i>Germany</i>	<i>959.8</i>	<i>Germany</i>	<i>869.0</i>
<i>Romania</i>	<i>865.1</i>	<i>Poland #2</i>	<i>506.7</i>
<i>Slovakia</i>	<i>778.2</i>	<i>Slovakia</i>	<i>430.8</i>
<i>Italy</i>	<i>620.0</i>	<i>Netherlands</i>	<i>409.3</i>
<i>Austria</i>	<i>614.9</i>	<i>Austria</i>	<i>358.1</i>
<i>Netherlands</i>	<i>385.8</i>	<i>Italy</i>	<i>218.4</i>
<i>Poland #7</i>	<i>300.7</i>		

- Among all of its trade partners, Hungary had the largest agro-food trade deficit with Poland during 2010-2012, amounting to EUR 206.1 million a year on average

## Hungary

<i>Export destination Poland, 2010-2012</i>		<i>Import supplier Poland, 2010-2012</i>	
<i>Watermelons</i>	<i>#1</i>	<i>Chicken eggs</i>	<i>#1</i>
<i>Onions</i>	<i>#2</i>	<i>Live pigs</i>	<i>#1</i>
<i>Sweet maize, canned</i>	<i>#3</i>	<i>Pigmeat</i>	<i>#2</i>
<i>Sweet maize, frozen</i>	<i>#4</i>	<i>Cheese and quark</i>	<i>#2</i>
<i>Grain maize</i>	<i>#7</i>	<i>Edible fungi</i>	<i>#2</i>
		<i>Poultry meat</i>	<i>#3</i>



# 'Black' and 'Grey' Economy

- 20 to 30 % in most agricultural branches and in the downstream industries
- Tax burdens are relatively high, legal security is weak, unemployment is widespread
- Lack of transparency in the taxation system corrupts above all the tax morality of smaller enterprises, and forces larger processors into the 'grey zone'

⇒ Tax avoidance

∅ *integration*

∅ *concentration*

∅ *market transparency*

∅ *efficient representation and assertion of interests*



*Example of rape seed trade between Hungary and Slovakia, 2011*

	HU		SK
Exports	~ 165,000 tonnes	↗	~ 180,000 tonnes
Imports	~ 10,000 tonnes	↘	~ 100,000 tonnes



**Dziękuję za uwagę!**