YOUNG FARMERS’ SUSTAINABILITY PERSPECTIVE IN HUNGARY

PERSPEKTYWA ZRÓWNOWAŻONEGO ROZWOJU MŁODYCH ROLNIKÓW NA WĘGRZECH

Key words: young farmers, sustainable agricultural, Hungary

Słowa kluczowe: młodzi rolnicy, zrównoważone rolnictwo, Węgry

Abstract. In the European Union, the proportion of people employed in agriculture is continuously decreasing. In Poland, nearly 15% of the actively employed population work in the sectors of agriculture, forestry and fishery, which is well above the European average of around 5%. This ratio is 5.1% in Hungary. Besides the decrease of the percentage of people employed in agriculture, a low proportion of young farmers can also be observed. In order to ensure alignment with the strategy Europe 2020: smart, sustainable and inclusive growth, the pillar of rural development of the Common Agricultural Policy will be based on six priorities in the fields of agriculture, forestry and food processing. Apart from achieving these goals, young agricultural producers will be performing a prominent role as the engagement of young people in the agrarian sector is indispensable for the future of the sector. In my study, I examined the various reasons why young agricultural producers had started agricultural activities, and to what extent they consider it their key task to make agriculture sustainable and to protect the land and their environment.

Introduction

The agrarian sector within the European Union is undergoing a demographic shift. The number of farmers is decreasing while the average age of people employed in agriculture is increasing. Agriculture continues to be an important societal, economic and environmental factor, still playing a major role in employment and food production. The sector has a turnover of nearly 900 billion EUR and employs 20 million people. Agriculture is still the most important method of land usage, and it plays an essential role in preserving the quality of life of the rural population. The issue of ageing within the rural agricultural population cannot be examined separately from the agricultural and market trends of the EU and the world. These demographic shifts need to be analysed against world economic tendencies. The UN report of January 2010 explains that ageing affects all the countries of the world; also, the presence of young people will be diminishing in the 21st century [Hantos 2010]. The V4, or Visegrád, countries (The Czech Republic, Slovakia, Hungary and Poland) have many distinct similarities because of their shared history, their geographical situation and similar sociological features; their joining of the EU together has established further links [Nyikos 2003]. They also share a high number of similarities in their agriculture. Compared to other EU countries, the proportion of agricultural areas and the population employed within agriculture is higher in the V4 countries, thus also in Hungary and Poland.

Polish agriculture is still considered to have a prominent role, and creating value. According to the 2010 census, 88.1% of the cultivated areas of the country were owned by the private sector (13.7 million hectares). These are so-called family farms. The decrease in the number of farms affected mostly farms smaller than 5 hectares; the largest growth in the number of farms was observed for farms over 50 hectares. These changes mean that agricultural production is becoming more and more specialised, and the structure of agriculture is undergoing a favourable change – which supports the fact that the solutions for implementing the Polish Rural Development Program can be considered appropriate. The programs “Early Retirement” and “Support for young farmers” accelerate the generation change, and also the changes affecting the size and...
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Also great problem is the gender question. There are communes in Poland where the female unemployment is so high, but there are no good solutions from local authorities to implement them into agricultural activities [Rakowska 2014].

The changes observed in Hungary are similar to those in Poland. According to the data of the General Agricultural Census of 2010 in Hungary, the number of farming organisations has increased between 2000 and 2010. However, the number of independent farms has considerably decreased as well in the Southern Great Plain region as in the whole country. The number of independent farms in the country has decreased by 59.19% (Tab. 1).

Besides striving to modernise production in order to supply competitive products, agricultural production also must ensure the possibility of sustainable development. Sustainability within the agriculture can be achieved if production is modernised and the satisfaction of the population’s demand for food is linked with the protection of the environment and the remediation of the damages caused by production [Végh 2008]. The European Union considers it a priority to improve the quality of life of its citizens through sustainable communities which make use of resources effectively, detect the opportunities for ecological and social innovation within the economy, and so ensure welfare, the protection of the environment and social cohesion. One of the foremost difficulties of the agriculture of the EU (and within it, of Hungary and Poland) is the unfavourable age structure of agricultural producers and the low proportion of young farmers. In EU statistics persons under 35 years are classified as young farmers, while in Hungary persons under 40. Based on the joint survey of the Central Statistical Office and the Association of Young Hungarian Farmers (AGRYA), the conclusion can be drawn that the ratio of young farmers was decreasing in Hungary somewhat faster than the EU average between 2000 and 2010. The ratio of young farmers in the European Union in 2009 is shown in Figure 1.

**Table 1. The number of farming organisations and independent farms in Hungary in 2000 and 2010**

<table>
<thead>
<tr>
<th>Region/Region</th>
<th>The number [thous.]</th>
<th>independent farms/organisation</th>
<th>organisation rolnicze</th>
<th>gospodarstwa rolnicze</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southern Great Plain Region</td>
<td>1.219</td>
<td>209.143</td>
<td>122.463</td>
<td></td>
</tr>
<tr>
<td>Hungary</td>
<td>6.954</td>
<td>958.534</td>
<td>567.446</td>
<td></td>
</tr>
</tbody>
</table>

Source/Źródło: [General Agricultural..., 2010]

![0-4% – Italy/IT, United Kingdom/UK, Portugal/PT, The Netherlands/NL, Cyprus/CY
4-6% – Belgium/BE, Spain/ES, Romania/RO, Slovenia/SL, Sweden/SE, Denmark/DK, Estonia/EE, Lithuania/LT, Malta/MT, Bulgaria/BG
6-8% – Germany/DE, Latvia/LV, Greece/GR, Hungary/HU, Slovakia/SK, Luxembourg/LU
8-10% – France/FR, Finland/FI
10-12% – Austria/AT, Czech Republic/CZ
>16% – Poland/PL](image-url)
The ratio of young farmers is 6-8% in Hungary while it is estimated to exceed 16% in Poland. Due to young people migrating away from rural areas, support for the change in the age structure was treated as a priority in the years 2007-2013, and will remain a priority between 2014 and 2020 as well. According to the survey of the European Centre of Young Farmers, one third of producers is over 65 years of age and only 6% is under 35.

It can be observed for both Hungary and Poland that the number of young farmers is decreasing (Tab. 1). The ratio of the population involved in agricultural activities has been shrinking in Hungary since 2000. In 2010, Hungary ranked no. 7 in the list of countries with the highest number of farms owned by persons under 35; in 2000, the country was ranked 3rd. The decrease in the number of farms has at the same time had a beneficial effect on the concentration of estates. In 2010, persons under 35 used an average of 11 hectares of agricultural areas, which was below the EU average (14 hectares). The largest proportion of the 1240 agricultural organisations employing less than 10 persons managed by a young person was in Bács-Kiskun County (9.6%), followed by Borsod-Abaúj-Zemplén County (7.5%). The smallest proportion of these farms was in Nógrád County (1.8%). The decline in the number of independent farms is even more pronounced for farmers under 40. There has been a very noticeable decline between 2000 and 2010; in 2010 there were 76,400 persons engaged in agricultural activities, which is 50% less than 10 years before. When comparing the agricultural education of young farm managers (Fig. 2) with the agricultural education of persons working in independent farms, we can observe that the proportion of young farm managers with secondary and tertiary education is above the national and regional averages.

The data of Table 2 show that the proportion of persons without agricultural education is the 2nd highest in the Southern Great Plain region, but at the same this is the region with the highest number of individuals with tertiary education as well. We can state for this region that agriculture

<table>
<thead>
<tr>
<th>Country/Kraj</th>
<th>Number of farmers [thous. person]</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2000</td>
</tr>
<tr>
<td>Hungary/Węgry</td>
<td>87.68</td>
</tr>
<tr>
<td>Poland/Polska</td>
<td>-</td>
</tr>
</tbody>
</table>

Source/Źródło: [Eurostat Tables 2010, General Agricultural..., 2010]

Figure 2. Agricultural education of young farm managers per county in 2010
Rysunek 2. Wykształcenie rolnicze młodych menedżerów rolnych w powiatach w 2010 roku
Source/Źródło: [Laczka 2013]
still plays a very prominent role in the economy of the area. The structure of the sector is characterised by fragmentation, and a relatively high proportion of small organisations.

**Material and methods**

My primary investigations focus on the young farmers of the southern region of the Great Plain. In order to achieve the research goals and complete the research task, I have applied the method of primary data collection, where I conducted in-depth interviews with the farmers. Eleven farmers were interviewed in the first quarter of 2014. I have used a draft of the interview questions in order to get a response for all queries I considered relevant. I have chosen the Southern Great Plain region as it plays an essential role in agricultural production. The change of regime has set back the output of agricultural production, however, the potential of the agriculture is still above the average, and it is supported by the centuries-old production experience preserved in the region.

**Results and Discussion**

As regards the education of the interviewed persons, 4 of them have completed tertiary education, 6 secondary education and 1 person has only practical experience. The education of the interviewed persons is shown in Figure 3. Except for one individual, all farmers farm in the dwelling where they were born. This is closely related to the fact that each and every person is farming in the family farm they inherited from their parents, or even from more generations. In my view it is important to examine where the young farmers of today come from, and where they sourced their land from. The reasons can be traced back to the land distributions following the change of regime. The Hungarian agriculture had witnessed significant change procedures after the change of regime in the 1990s. The author of the present study has to agree with the views of Lovas Kiss, that is, that the Hungarian agrarian reform had assumed that the heirs of the former owners are the potential farmers of the present day [Lovas-Kiss 2006].
The examined farms may contribute to saving the farmsteads (“tanya”), which are considered a unique Hungarian phenomenon, as six out of the farmers taking part in my survey lived in a farmstead together with their families, and one more person was planning to build a farmstead and live there in the near future. None of the interviewees plan on quitting agricultural activities.

I have also asked the farmers to explain what the below statement means for them: The Earth has been borrowed to us by our grandchildren.

One of the interviewees has explained that they have difficulties with the removal of selectively collected waste. Households may be collecting waste selectively; however, waste is not removed in the outlying areas, so they have to solve this problem by themselves. They are trying to live in an environmentally conscious way, but the conditions of a life like that are not provided for them.

As per another approach, people who make a living in agriculture are now focused on mass production, and the production of industrial plants (sunflower and maize) is taking precedence over plants requiring hoeing. The main goal of the farmers is to own an area of land as large as possible; they are always targeting growing their lands and they compete each other. It is common for large farms to have a “hunger for land”; therefore, they aim to swallow smaller farming units.

Others place the emphasis on the protection of land, and try to use as little chemicals and fertilisers as possible in production. As far as their possibilities allow, they try to replenish nutritives through organic manure. Two of the farmers are planning to completely change over to ecological farming at their farms. The Kecel farmer uses pesticides that can be applied in ecological farming, although his crops are not classified as organic.

All interviewees are familiar with the agri-environmental economic support, and six farmers use this type of subsidy, which they utilise for lawn areas, orchards and vineyards. The goal of agri-environmental economic measures is to foster the appropriate production structure based on features of the production land, environmentally conscious farming and the creation of a sustainable agricultural practice, and related to this the improvement of the state of the environment, the production of quality food as well as the viability of farming units and the enhancement of their economic efficiency.

They have heard about the concept of preserving green areas, or “zöldítés”, but they needed more clarifications regarding its introduction and application. In accordance with the above, and in order to increase the ecological sustainability of the agricultural sector and foster the environmental consciousness of the producers, the Committee has recommended that 30% of the direct payments should be subject to activities that preserve natural resources, such as the diversification of crop production, the retention of permanent pastures and the preservation of natural reserves.

Producers need to fulfil the below criteria in order to apply for additional subsidies:

- if the arable lands of the farm exceed 3 hectares, at least 3 different plants need to be sown in this area (except for lawn farming and crops temporarily covered in water), over minimum 5% and maximum 70% of the area per crop,
- the permanent lawn areas reported in the year when the farm transfers to the new subsidy system must be retained; their size may only decrease by 5% compared to the base period of 2014,
- at least 7% of the area used by the farm and entitled for the basic subsidy (excluding permanent lawn areas) must be utilised for ecological purposes (such as landscape protection, the creation of terraces and protection zones, forestation or set-aside).

The farms whose area is governed by the Natura 2000 measures also need to comply with these three conditions in order to qualify for the green component. On the other hand, farms doing ecological (organic) farming automatically qualify for this additional support. The green component amounts to around 390 million EUR p.a. in the case of Hungary, that is, the support amount per hectare is expected to be around 80 EUR [Common Agricultural... 2013].

All farmers use the area-based support, where the per hectare average payment was around HUF 69 000 in 2013. This may be one of the reasons why there were bitter fights for the purchase of land after Hungary joined the European Union. It had already been visible before joining the EU that the agricultural support provided by the union will shift the focus of the Hungarian agricultural production. The changes expected after the joining of the union had led to significant
re-structuring even before the joining. The area-based support of the EU, the amount of which was increased to several times of the original amount had given a boost to the land market. Owing to the invigorating effect of significant land purchases, the former economic mentality of waiting for the opportunities had also changed. After the change of regime, land owners could apply for HUF 2 000 of area-based support. Later on, the amount and form of the subsidy had changed almost every year or at least with every change of government. The amount of the subsidy in 2002 (8,000-12,000 HUF) was higher than in 2003, but it was available only for farmers farming on under 300 hectares. In 2003, area-based support was provided for areas larger than 1 hectare. If farmers selected a plant variety out of 30 plants listed by the state, they could apply for 7 000 HUF per hectare. The subsidy had no upper limit in terms of area size in 2003. If farmers had committed to family farming forms, they could receive as much as 16 000 HUF area-based support. Public interest in land purchases and farming had significantly intensified already in 2003 by the news of the area-based support, which was going to increase by a large extent with Hungary’s joining to the European Union, to 35 000-40 000 HUF per hectare [Lovas-Kiss 2006]. Every interviewee owned their own land, and five persons were leasing further areas (Tab. 4).

All farmers are planning to extend their family farms; however, it will be exceedingly difficult to acquire land in the future once the new land law is in force. Permits from the authorities and the creation of local land committees are a new element. Local farmers who live in a certain dwelling may have a say in the sale and purchase of land in their place of residence. These land committees may exclude outsiders - for example foreigners or speculators – from land purchase in the dwelling; on the other hand, tension may be created among the farmers within the dwelling – this was also confirmed by the farmers interviewed by the author. A land committee may further deepen the tensions already present. In my view, a local land committee does not provide any guarantees against subjective opinions being taken into account at the sale or assignment of a certain piece of land.

At present two of the farmers are looking to acquire a relatively larger area in the near future. The farmer from Petőfiszállás has submitted his application for the lease tenders published by the National Land Fund Managing Organization (Nemzeti Földalapkezelő Szervezet, NFA); he will be notified of the outcome shortly. He is planning on taking out a larger loan, which he will fully use for purchasing land.

The farm producing pheasants sells the full-grown animals to hunting companies. They would like to further extend their activities; and also consider it important to widen the scope of their hospitality services, especially in the hunting season.

It can also be observed that the growth in the proportion of the sowing area of various plant cultures was mostly related to the introduction of a certain subsidy system. Swine farming is completed at only one farm, which in my opinion may be due to the fact that the European Union does not provide direct subsidies for swine farming. The farmer who is engaged in swine farming sells his meat products after processing them.

All farms keep animals in order to cater for their needs and the needs of their family, in order to be self-sufficient. The author agrees with the views of Harangi-Rákosi et al. [2013] that products produced for own consumption may indirectly contribute to the increase of commodity export, the reduction of food import, and so strengthen the security of domestic food supply and create workplaces for rural areas.
Table 5. Cultivated crops and farmed animals at the farms

<table>
<thead>
<tr>
<th>Farm location/ Położenie gospodarstwa</th>
<th>Cultivated crops/Uprawy rolnicze</th>
<th>Farmed animals/ Zwierzęta hodowlane</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kecskemét-Borbás</td>
<td>wheat, sunflower, maize, orchard, fruit tree nursery/ pszenica, słonecznik, kukurydza, sad, szkółka drzew owocowych</td>
<td>sheep/owce</td>
</tr>
<tr>
<td>Akasztó</td>
<td>wheat, alfalfa/pszenica, lucerna</td>
<td>pheasant, horses/ bażanty, konie</td>
</tr>
<tr>
<td>Kecel</td>
<td>orchard/sad</td>
<td></td>
</tr>
<tr>
<td>Petőfisszállás</td>
<td>rye, oat/żyto, owies</td>
<td></td>
</tr>
<tr>
<td>Szabadszállás 1</td>
<td>wheat, sunflower, maize/pszenica, słonecznik, kukurydza</td>
<td></td>
</tr>
<tr>
<td>Szabadszállás 2</td>
<td>wheat, sunflower, maize/pszenica, słonecznik, kukurydza</td>
<td>broilers/brojery</td>
</tr>
<tr>
<td>Szabadszállás 3</td>
<td>wheat, sunflower, maize, chilli pepper/pszenica, słonecznik, kukurydza, papryka chili</td>
<td>broilers, “magyartarka” cattle/brojery, bydło magyartarka</td>
</tr>
<tr>
<td>Apostag</td>
<td>wheat, sunflower, maize, oilseed rape, barley/ pszenica, słonecznik, kukurydza, rzepak, jęczmien</td>
<td>-</td>
</tr>
<tr>
<td>Dombegyház</td>
<td>alfalfa/lucerna</td>
<td>cattle/bydło</td>
</tr>
<tr>
<td>Kiskunfélegyháza</td>
<td>barley, wheat, maize/jęczmien, pszenica, kukurydza</td>
<td>broilers, swine/brojery, trzoda chlewna</td>
</tr>
<tr>
<td>Domaszék</td>
<td>vegetables (foil tunnel cultivation)/warzywa (uprawy pod osłonami)</td>
<td>horses/ Konie</td>
</tr>
</tbody>
</table>

Source: own study

Zdroje: opracowanie własne

At the majority of the examined farms (six) only the family members of the farmers share in the works around the farm, although in the summer they employ external manpower on a seasonal basis. The Apostag and Kecskemét farms are exceptions to this. In the Kecskemét farm, the fruit tree nursery, orchard, crops cultivation and animal farming jointly require external manpower all year round. This farmstead currently employs 12 permanent workers. They also use seasonal
workers for harvesting and fruit picking. The Apostag farmer uses the manpower of 3 persons throughout the year. All farmers mentioned that the available manpower, i.e. people willing to work is very little, and this poses a difficulty for them. It is not uncommon that workers spend only one day working, especially in the fruit picking season, and the next day they do not report for work. Despite the high unemployment rate, many people are unwilling to do manual agricultural labour, and appropriate and reliable workers are more and more difficult to find. In the interviewed sample, one person said that they employ the same workers for seasonal work.

Out of the examined farms, two do not own their own machines – they use contracted companies to cultivate their land. They are considering the purchase of tractors and machinery, as being dependent on entrepreneurs who offer services with machinery is a common situation for small producers; they also find it more and more difficult to afford the increasing prices of these machinery services. Only two farms process raw materials; they produce dairy and meat products. Two more farms are planning processing activities in the future. In my view, the growth in the number of processing units may contribute to strengthening the power of the country to retain population, and to creating several jobs which could employ the unemployed population living in the country.

Conclusions

The Common Agricultural Policy of the European Union considers rural development, the creation of a liveable countryside and the increase of the employment power of the country to be its key objectives. In order to reach these goals, an agriculture respecting the principles of sustainability, the development of environment and land management as well as an environment protection that acknowledges farming interests, are all essential factors. The change of regime has brought about radical changes, both in Hungary and in Poland, in terms of agricultural land ownership, land usage methods and the form of processing plants. Private property became more widespread in agriculture owing to state compensations, the allocation of lots to members of cooperatives, the re-structuring of cooperatives and the privatisation of state farming units. However, nowadays the number of individual farms is decreasing, and more and more people quit agricultural activities. In the Hungarian area examined in this study, young farmers engaging in agricultural activities generally continue the management of family farms. Interviewees have parents who were also involved in agricultural activities; therefore, these young persons do not lack the wisdom of the generations. I consider it a positive factor that all interviewees like living in their place of residence, and do not plan to stop their agricultural activities. This aspect is similar to the observations in Poland, where owing to historical traditions and the development of agriculture, farming based on family organisation is a characteristic model. The Hungarian land law, although it protects Hungarian agricultural land, will eventually make it more difficult to procure land for farming. The administrative burden will increase and bureaucracy is expected to be more present. With prices on the rise, only people with larger capitals will have the opportunity to purchase new lots. In my opinion, young agricultural producers need more extensive support in procuring land. The producers interviewed consider it a key task to create a sustainable agriculture, to protect the land, and they try to use as little chemicals and fertilisers as possible. Increasing the number of processing facilities shall also be a priority since it could provide employment for the population of the countryside, and reduce the depopulation of the villages. Employment and sustainable farming are the conditions for economic growth, and together they can ensure a higher competitiveness. The interviewed farmers in general own old and ageing machinery. Out of the farmers I have questioned, seven persons have secondary, and four tertiary agricultural education, and the necessary professional knowledge. It is however a known factor of agricultural production that when done without the necessary know-how, it may harm the environment; therefore, the retention of the knowledge should also be treated as a priority.
Between 2014 and 2020, young agricultural producers will be in the main focus in the European Union: on the one hand they will be entitled to an additional 25% of supplementary subsidy besides the area-based subsidies, and on the other hand the young farmers sub-program as part of the rural development measures will also be dedicated to them. Based on the above, the age structure of agricultural producers will hopefully improve in the future. It is on the other hand a less favourable fact that in the order of preference for pre-emption and pre-lease, young and newly starting farmers are not ranked at a particularly good position. The examined farms mainly produce cereals and oil seed crops; plants requiring hoeing are less prominent. Biofuel production – which is on the rise all over the world – has also contributed to the increasing prices of cereals and oil seed crops. The majority of farms cultivating crops can be observed among all farms – the number of crop cultivating units is rising since joining the European Union. This is due to the fact that the CAP primarily supports the production of cereals, oil seeds, protein and fibre plants [Harangi-Rákos et al. 2013].

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Streszczenie

Celem badań było określenie różnych przyczyn, dla których młodzi producenci rolni rozpoczęli działaność rolną i w jakim stopniu uważają oni za swoje główne zadanie wprowadzenie rolnictwa zrównoważonego oraz ochronę ziemi i jej otożenia. W Unii Europejskiej liczba zatrudnionych w sektorze rolnym nieprzerwanie maleje. W Polsce prawie 15% aktywnie zatrudnionej populacji pracuje w sektorze rolnym, leśnym i w rybołówstwie. Odsetek ten jest znacznie wyższy od średniej europejskiej, która wynosi około 5%, a na Węgrzech 5.1%. Poza zmniejszaniem się udziału ludzi zatrudnionych w sektorze rolnym, obserwuje się również niski odsetek młodych rolników. W celu zapewnienia wyrównania tego procesu filar rozwoju rolnego wspólnej polityki rolnej UE – strategia „Europa 2020: Inteligentny, zrównoważony wzrost sprzyjający włączeniu społecznemu”, będzie oparty na sześciu priorytetach w obszarach agroksztury, leśnictwa i przetwarzania żywności. Młodzi producenci rolni będą odgrywali ogromną rolę, gdyż ich zaangażowanie w sektor rolny jest konieczne dla przyszłości tego sektora.

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