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Studies in Agricultural Economics

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Manuscripts should be prepared in English and sent via e-mail to the Editor-in-Chief at studies@aki.gov.hu.

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Foreword

When is 'new' no longer 'new'? The term 'New Member States' (NMS) continues to be widely used as a collective name for those countries that joined the European Union (EU) in 2004 and since but, after ten years, the passing of a complete EU programming period (2007-2013) and the ending of a number of transitional arrangements, it is doubtful whether the term is any longer appropriate. Two so-called 'NMS', namely Malta and Cyprus, surely have more in common with other Mediterranean countries such as Greece, Italy, Portugal and Spain, at least with respect to their agricultural production. In *Studies in Agricultural Economics* we prefer to use the terms 'post-socialist Member States' or 'Eastern EU Member States' when referring to the countries in our region.

Following our own celebration of 60 years of the Agrár-gazdasági Kutató Intézet (AKI) in *Studies in Agricultural Economics* volume 116 number 2, AKI itself organised a 60th anniversary conference in October 2014, as briefly described on page xviii of this issue. The theme, as with many conferences organised this year, was 'One Decade of EU Membership'. This year has been an opportunity to assess the changes that have occurred in the region since EU accession, and over the 25 year period since the start of political and economic transition. Several of the papers in this issue of *Studies in Agricultural Economics* have a similar theme.

Augustyn and Nemes critically review the post-socialist transformation concerning rural development in the eastern EU with a particular focus on Poland and Hungary. They show that Europeanisation in rural development has been mostly a one-way process of transferring the EU-15 policy models into the post-socialist realm. The opportunity to develop a novel approach to rural development tailored to the specific needs of the region has not (yet) been taken.

Another phenomenon that has become more evident since the political and economic changes is rural peripheralisation. Pociūtė-Sereikienė, Kriaučiūnas and Ubarevičienė describe this process in Lithuania, which is occurring on top of an overall population decline in the country. While accessible rural areas may develop as residential quarters for city workers, other areas may simply become summer residential settlements while those in the periphery will suffer continuing population decline.

The Lithuanian experience of substantial job losses in rural areas in recent years is one that is also familiar to Hun-

gary. A new public employment programme was introduced in Hungary in January 2011 and Oláh assesses its impact on the labour market prospects of programme participants in Hajdúböszörmény micro-region. She found big differences in the attitudes of the programme participants according to their educational levels but concludes that, overall, the programme is making a positive contribution to the micro-region.

Sulewski and Kłoczko-Gajewska note that, for several reasons, increasing attention will be paid to risk management at the farm level in future. Their study of almost 600 Polish farms integrates farmers' risk perception and risk aversion with the implementation of risk management strategies. Drought is perceived as the main risk factor, Polish farmers are rather risk averse, and crop insurance was the most important risk-coping strategy.

Hedging is a risk management strategy used in limiting or offsetting probability of loss from fluctuations in the prices of commodities such as grain. Potori and Józsa show that FOB maize prices in the Black Sea Region, which is of increasing importance as a major world grain exporter region, had little or no influence on maize futures price discovery in Hungary and discuss the possible reasons for this.

The determinants of food security are analysed by Adom using the example of Ghana. Both demand-side and supply-side variables are important in explaining both physical availability and economic access to food. Human capital development, increasing crop yields and making more land available for agriculture are among the factors that can significantly increase national food security.

The short communication by Gitea and Pocol shows that policy incentives have not yet produced any positive effects on the Total Factor Productivity index of Romanian agriculture and points to the low share of value-added products in total agricultural production.

Finally, I should record one other milestone, the retirement in December 2014 of AKI's General Director, Dr. Kapronczai István. Dr. Kapronczai has worked for AKI for 30 years and has always been an enthusiastic supporter of *Studies in Agricultural Economics*. I am sure that I speak for the entire Editorial Board when I wish him a long and happy retirement.

Andrew Fieldsend

Budapest, November 2014

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Conference report

One Decade of EU Membership: Lessons Learned and the Road Ahead for the Agro-Food Sector in Central and Eastern European Economies

7 October 2014

This international scientific conference in Budapest was organised to mark 60 years of the Research Institute of Agricultural Economics (AKI). It was attended by more than 200 academics, policy makers and practitioners from Hungary, and twelve other countries in eastern central Europe and beyond. This participation reflects the fact that international research cooperation is an important part of AKI's work. Simultaneous English and Hungarian translation was provided.

The topic of the conference was very appropriate, as Hungary was one of the ten countries that joined the European Union (EU) in 2004, since when far-reaching changes in agriculture across Europe have created both challenges and opportunities. The work of AKI has made a major contribution to helping Hungarian agriculture adapt to the new circumstances. The event was a timely opportunity to compare the progress of several agricultural sectors in Hungary with those of other EU Member States over the last ten years.

The welcome speech was given by Czerván György, Secretary of State for the Ministry of Agriculture of Hungary, who emphasised the value to the Ministry of the policy support provided by AKI. He expressed his hope that this cooperation will continue for many years and further contribute to the development of Hungary's agriculture.

Next, in his presentation entitled *The focus of research at AKI during the past 60 years*, the General Director of AKI, Kapronczai István, introduced the topic of the conference by comparing the economic, social and technological situation of 60 years ago with that of today. Although the world has changed considerably over the past 60 years the Institute has always been able to adapt to the new circumstances.

The conference itself was divided into three sections. Each of the first two sections was composed of presentations on three different topics by Hungarian and non-Hungarian speakers. In the third section, after three presentations given by invited experts, three panellists offered their opinions on agribusiness issues. At the end of each session a set of questions was posed, which the audience answered using electronic polling devices. The results were projected on screen, prompting debate between the audience and the speakers.

The first section had the title *Agricultural production*. Presentations on the topic of *Competitiveness of milk production* were made by Hans Vrolijk of Wageningen University and Vőneki Éva of AKI, who compared the situations of the Dutch and Hungarian dairy sectors. For the next topic, *Pig farming on the edge*, Ivan Masár of the Slovak Research Institute of Agricultural and Food Economics and Potori Norbert of AKI described the development of the pig sectors in Slovakia and Hungary. The final topic of this section was *Investments and incomes in agriculture*, which was covered

by Sophia Davidova of the University of Kent and Keszthelyi Szilárd of AKI, who referred to the United Kingdom and Hungary respectively.

In the second section the presenters shared their experiences of the development of *Agro-food value chains*. The first two presentations, about *Land policy, farm structures and land markets*, by Luca Lucian of the Institute of Agricultural Economics – Romanian Academy and Biró Szabolcs of AKI, looked at the situations in Romania and Hungary. Then, Marek Wigier of the Polish Institute of Agricultural and Food Economics and Dudás Gyula of AKI compared the *Developments in food processing* in their two countries. For the third topic, *Structural changes in food retailing*, Jansik Csaba of Agrifood Research Finland and Kürthy Gyöngyi of AKI summarised the trends in food retailing in Finland and Hungary.

The title of the third section was *The future of the agro-food sector in Central and Eastern European economies*. Possible future developments in the agro-food sectors in the Netherlands, the EU and Hungary were described by Krijn Poppe of Wageningen University, Tóth Bence, Economic and Political Analyst for DG AGRI at the European Commission, and Feldman Zsolt, Deputy Secretary of State for the Ministry of Agriculture of Hungary. The invited panellists, Stefan Buday, Director of the Slovak Research Institute of Agricultural and Food Economics, Tomas Doucha, Deputy Director of the Czech Institute of Agricultural Economics and Information, and Włodzimierz Rembisz, Deputy Director of the Polish Institute of Agricultural and Food Economics, were then asked to share their thoughts on this very important topic. In the concluding panel discussion the speakers summarised future opportunities and threats for the sector and drew attention to the importance of innovation and education.

Among the electronic polling results, 43 per cent of participants thought that after quota abolition Hungarian milk exports will decrease and imports will increase, 48 per cent believed that farm incomes will stagnate in the next five years, 46 per cent felt that the future success of agricultural enterprises in the CEE region depends on investment in human capital, and 44 per cent considered that it will not be necessary to retain CAP direct payments after 2020.

The closing speech was given by Kapronczai István, who summarised the conclusions of the conference, and thanked the speakers for their presentations and the audience for participating. He expressed the view, shared by all, that this event had fittingly celebrated 60 years of AKI.

The conference PowerPoint™ presentations can be downloaded from <https://www.aki.gov.hu/publikaciok/publikacio/a:677/60th+Anniversary+Conference>

Book review

Andrew K. COPUS and Philomena DE LIMA (eds)

Territorial Cohesion in Rural Europe – The relational turn in rural development*

* Routledge, London, 254 pp. ISBN 978-0-415-85950-9

The fascinating book is the 76th in the Regions and Cities series published by Routledge. Bringing together international and interdisciplinary research on changing rural areas of Europe, the book is written for both scholars and policy makers involved in regional and urban development.

The editors organised 12 chapters in three parts namely *Contemporary rural change and the concept of territorial cohesion*, *The changes taking place in rural Europe* and *Impacts and opportunities for intervention*. It is a well-structured, very complex volume of 254 pages, with 16 Tables and 24 Figures illustrating the text, and a myriad of contemporary references. The book, the conception of which came from the ESPON 2013 programme, contains the personal views of 18 contributors, i.e. not those of the programme or their employers. The authors, among whom there are associate professors and full professors, heads of departments and researchers, revealed the economic and social characteristics of European rural areas in both the local and global contexts while debunking all the usual stereotypes associated with ways of life in rural areas.

The concept of the New Rural Economy (NRE) helps to typologise the regions, and explain demographic changes, migration, agricultural restructuring, business networks, equality, social exclusion and some improvements in the field of governance. In summary, the authors argue that rural Europe has become very polarised, has failed to address recent challenges in spite of territorial approaches, funding or the OECD's New Rural Paradigm and set out the principles of the so-called 'Rural Cohesion Policy' while calling for more decentralised approaches.

In the *Foreword*, Dirk Ahner, former Director-General in DG Regional Policy (European Commission), emphasising the increased diversity of rural realities, stated the following: "this book presents both an excellent analysis of where we are, as well as fresh and challenging thoughts about the future" (p.xxiii). Potential readers are expected to share this opinion. The first part starts with *Introduction: from rural change and the concept of territorial cohesion* written by the editors. In Chapter 2 Andrew K. Copus focuses on *The New Rural Economy and macro-scale patterns*. Thomas Dax describes *The evolution of European Rural Policy* in Chapter 3. The fourth chapter, the authors of which are Copus and Lisa van Well, is entitled *Parallel worlds? Comparing the perspectives and rationales of EU Rural Development and Cohesion Policy*. The final chapter in this part, *Territorial Cohesion: US and Canadian perspectives on the concept*, by Pamela Kelrick, Thomas G. Johnson and Judith I. Stallmann, analyses US and Canadian perspectives on territorial cohesion.

The second part, comprising four chapters, scrutinises various aspects of the changes taking place in rural areas.

Demographic trends in rural Europe are analysed in chapter 6 by Mats Johansson. In chapter 7, Philomena de Lima covers the topic of *Reconciling labour mobility and cohesion policies – The rural experience*. Dimitris Skuras and Alexandre Dubois explore *Business networks, translocal linkages and the way to the New Rural Economy* in chapter 8. The last chapter in this part, *Agricultural restructuring in the EU – an Irish case study* was written by Caroline Crowley and David Meredith.

In the third part of the book the reader encounters some impacts and opportunities for intervention. Bettina Bock, Kovács Katalin and Mark Shucksmith interpret the topic *Changing social characteristics, patterns of inequality and exclusion*. In chapter 11 Nemes Gusztáv, Chris High and Anna Augustyn navigate us *Beyond the New Rural Paradigm, project state and collective reflexive agency*. In the *Epilogue: Rural Cohesion Policy as the appropriate response to current rural trends*, as chapter 12, A.K. Copus, T. Dax and P. de Lima sum up the principles of Rural Cohesion Policy (RCP). They highlight the role of scale, place, space and proximity in RCP and answer the following question: to what extent can RCP be realised within the new Structural and Investment Funds framework?

The 'journey to the centre of territorial cohesion in rural Europe' starts with explaining the term *New Rural Economy*, its geography, economic theories relating to changes in the rural economy, typologies such as the Dijkstra-Poelman typology, the ways how we can describe the progress of restructuring, the indicators used to measure the comparisons of economic activity in urban and rural regions, recent trends in employment and gross domestic product, and patterns of social and economic 'performance' in rural Europe. The broad-brush macro-level generalisation derived from the typologies is followed by a comprehensive summary specifying each phase of the evolution of the Cohesion Policy and Rural Policy in the European Union (EU). The main message reveals the high path dependency of actors and policy development characterising rural development, the delayed realisation of territorial differentiation and the need for specific attention to multilevel governance.

As a next step, rural development is approached from a Cohesion Policy perspective. Territorial cohesion has become a more mainstream concept, the 'place-based' approach has been increasingly popular and for the 2014-2020 period overarching strategies have been created for EU policies. "Europe 2020 (CEC 2010c) is a European vision for 'smart, sustainable and inclusive growth'. As such, the strategy is not solely directed towards territorial or development matters, but addresses a broader array of challenges to the EU, brought about by the current financial crisis but

also by long-term trends such as globalisation, pressure on the environment and an ageing society” (p.63). By now the terms territorial capital (including geographic location, size, climate, natural resources, quality of life and agglomeration economies) and balanced regional development have become frequently used and debated concepts. Urban-rural linkages and cooperation or multilevel and territorial governance – by means of which endogenous territorial development can be achieved – are of growing importance as well. In the meantime, emphasis has been put on coherence, whether it be internal or external, vertical or horizontal. (The coherence between Pillar II of the Common Agricultural Policy and Cohesion Policy is horizontal and external).

According to the European Commission “the concept of territorial cohesion extends beyond the notion of economic and social cohesion by both adding to this and reinforcing it. In policy terms, the objective is to help achieve a more balanced development by reducing existing disparities, avoiding territorial imbalances and by making both sectoral policies which have a spatial impact and regional policy more coherent. The concern is also to improve territorial integration and encourages cooperation between regions” (p.79). The question, however, arises what Europe could learn from other countries and whether Europe shares more similarities with others or shows apparent differences. A ‘trans-Atlantic’ comparison provides the answers. The US, Canada and the EU share certain values but the implications for governance in these countries are different. The EU intends and actively seeks to unify Europe by balancing all different kinds of often competing values through Cohesion Policy. In the US the government has a less centralised role, the power is shared among multiple levels and cohesion is supported through freedom of movement of citizens, delegation of rights to states and an emphasis on prohibition regulation. In Canada there is a strong central government leadership with great decentralisation and cohesion is supported by interregional transfers, interregional coalition-building and accommodation of diverse cultures and traditions. That is why Canada could be considered a useful model for the EU.

The second part of the book draws our attention at first towards demographic structures and regional disparities, both of which are an element of territorial capital. Key components of population change (natural change and migratory movements), trends in the distribution of young people, and patterns of ageing are analysed and the following is emphasised: “The NRE is, thus, both an effect of the structural transformation of the rural areas and a renewal of the population by in-migration of people who are often urbanised in a behavioural or mental sense – ‘mental urbanisation’ (p.102). Also “The ‘rural exodus’ is now restricted to the remoter and less prosperous regions ...” (p.103). As a general conclusion the authors highlighted – among other points – that many rural areas have much in common with urban areas (neither of them being a homogenous aggregate) and the stagnating or lagging regions are most frequently located in the ‘new’ EU Member States.

The next crucial issue is intra-EU labour mobility including the regulation of labour migration and even demands for a ‘managed migration’ strategy. Although the focus is

on the freedom to move and work in another EU Member State it should be mentioned that there is a coexisting regulatory regime in the governance of migration, namely that of non-EU migration. Besides migration it is very important and interesting to be faced with the impacts of globalisation on the pattern of local development in rural areas on the relational positioning of local actors in webs of economic interactions. The authors analysing this topic define the rural business network paradigm and the relationship between business networks and the NRE. Furthermore they describe the rural way of networking, characterise the business networks in rural development programmes and come to the conclusion that networks enhance social capital and “also act as ‘reflective agencies’ that mediate the inclusion and engagement of society groups in decision-making participatory mechanism” (p.167). The last topic in this part of the book is the productivist model of agriculture and agricultural restructuring through an Irish lens.

The third part firstly addresses the issues of Europe-wide poverty and social exclusion based on the results of the European Quality of Life Survey. Patterns of inequality and new ways of understanding social inequality are described and the authors draw the reader’s attention to the following point, among others: “Exclusion of social groups interacts with territorial exclusion, each exacerbating the other through a process of cumulative social and territorial stigmatisation” (p.205). Furthermore “More research is needed to understand better how the ongoing crisis affects the vulnerability of people and places, alters their relative peripherality (partly by encouraging mobility and displacement) and reframes socio-economic and political relations within Europe” (p.206). The second chapter in this part raises and answers certain conceptual questions related to Rural Development Policy implementation in the EU. It identifies the elements and critiques of the New Rural Paradigm, explains the concept of multilevel governance, characterises the subsystems, world-views and disintegration in rural governance and states that there is a lack of genuine decentralisation, the institutional capacities are insufficient and projects come before actors, objectives and activities and there is path dependence.

The authors devote a few sentences to the new development agenda for 2014-2020 in which Community-Led Local Development, as a central feature, is supposed to deliver development aid. They suggest two ideas for further research: a comparative analysis of project state institutions and the role of collective reflexive agency, and an analysis of the changes in the multilevel governance system. Finally, the Epilogue summarises the lessons learned throughout the book.

Territorial Cohesion in Rural Europe – The relational turn in rural development *can be purchased at* <http://www.routledge.com/books/details/9780415859509/>, price USD 155.

Reviewed by Vászary Viktória, Budapesti Gazdasági Főiskola, Hungary. vasary.viktoria@aki.gov.hu

Abstracts of AKI publications

The results of AKI's research work are presented in detail in a series of Hungarian language publications. English language abstracts are reproduced below. The publications may be downloaded from the AKI website (www.aki.gov.hu) or requested in printed form from aki@aki.gov.hu.

BÉLÁDI Katalin and KERTÉSZ Róbert

The cost and income situation of the major Hungarian agricultural products in 2012

Agroeconomic Information, published 2014

This publication examines the cost and income situation of the major agricultural products in 2012 on the basis of data from the farms of the Hungarian FADN system. The processed data concerns the so-called 'determinant producer farms' that provide the dominant part of domestic production. The changes in the cost and income situation of arable crops, horticultural products (fruit and vegetables) and livestock products are analysed in separate chapters. At the beginning of 2012 the weather was consolidated. Later during the year severe drought caused serious damage to the farmers. As a consequence the average yield of arable crops

and horticultural products generally decreased. In the case of arable crops the higher price mostly compensated for the increased unit cost that resulted from the yield losses. Owing to subsidies, the per-hectare profit of the enterprises continued to increase in case of all crops – compared to 2011. The fruit and vegetable products show the similar situation as all of them realised an increased profit. Amongst the livestock products only the price of hens' eggs and chickens for slaughter did not provide an income greater than the costs of production, in contrast with the other major livestock products.

ALICZKI Katalin

Development of the Hungarian turkey sector in the last decade

Agroeconomic Study, published 2014

Among the actors in the poultry meat production chain, input producers have lost their position in terms of income. Purchase prices have increased, but this did not compensate for the increases in energy costs and feed prices. In the period 2006-2013 feed prices have doubled but purchase prices have only increased by 30 per cent. Despite the increase in costs, those enterprises which have invested in technological developments such as improved ventilation, watering and feeding technologies have managed to maintain the same

cost level even with the significant increase in feed costs. The Hungarian turkey product chain is a good example of concentrated processing. Nevertheless there is significant fluctuation in demand and supply which may originate from the weak capital base of stock production. Hungary is able to transport fresh products to the western markets due to its geographical location but it needs to offer competitive prices in order to keep its traditional markets, the number of which is currently still high by international standards.

FEKETE Géza and KISS György† (eds)

Production data for the major Hungarian food products in 2012

Agroeconomic Information, published 2013

The publication provides information on trends in production costs and sales incomes of key food items in 2012 in comparison to the previous year. Firstly, a brief summary of the main factors affecting the food product groups is given and, secondly, tabulated data on individual food products are presented. These data show that the production costs of most meat products increased in 2012. In general, producers have tried to compensate for this trend by increasing their selling prices. For a number of meat products the increase in the sales price did not compensate for the increase in the production cost in 2012, so the profits were lower. In the

poultry, dairy, and milling and baking industries, as well as in the production of pasta products, variable increases in raw material costs are observed, and the total costs are higher compared to the previous period. The results usually varied between products within a sector, but there are exceptions to this rule, for example, the milling industry, where for all presented products the results were affected. The performance of baked goods deteriorated in 2012, while the pasta making - as in previous years - was once again able to show a profit for all products contained in this publication.

NÉMETH Szilvia, EHRETHNÉ BERCZI Ildikó, ISÉPY Anett and VARGA Viktória

An analysis of greenhouse tomato production in Hungary

Agroeconomic Book, published 2014

The book provides an overview of situation of tomato greenhouse sector, in the case of problems, risks, employment, costs and income ratio. It also shows the trade of fresh tomato. Out of 450 hectares of greenhouse tomato area, only 100-120 hectares are using high technology greenhouses. Greenhouse investments are extremely costly, therefore they can only be built from subsidies. The starting capital is 30 per cent of total investment, which is difficult to raise. Tomato production costs depend on the type of greenhouse (e.g. high-tech glasshouse or medium technology level greenhouses covered with polyethylene film). Production in the first type is the most expensive, however, the yields are the highest. Reducing heating costs can be achieved by building on renewable energy sources. Hungary has a lot of

geothermal wells which are used as relatively inexpensive heat sources in greenhouses. Hungary is a net importer of fresh tomatoes, foreign trade balance improved during the period 2007-2012. The most important export bases were Austria, Romania and Germany. Most domestically grown tomatoes are sold in Hungary so the domestic market determines opportunities for producers. The wholesale price of imported goods is substantially lower compared to the year-round domestic product price on the Budapest Wholesale Market. In international comparison the Hungarian truss and cherry tomato type producer prices exceeded the average of the European Union Member States, unlike the round tomato producer prices which reached a lower level compared to the average of other countries.

DARVASNÉ ÖRDÖG Edit (ed.)

The European Union's and national food quality systems in Hungary

Agroeconomic Book, published 2014

In Hungary geographical indications (GIs) and designations of origin have no tradition so Hungarian producers do not utilise their potentials. Most geographical indications known by consumers are related to traditional food industry companies so the reason for their reputation is the reputation of the firm, not their GI. The success of a trademark depends on its reputation which is why it is worth selling those products with trademarks which reach consumers directly. The low reputation derives from the huge number of trademarks and their inadequate communication. Consumers cannot distinguish the different trademarks, or only with difficulty. The extent to which a product with a trademark offers a quality surplus is not obvious compared to products without trademarks. The future should be evaluated from the point of view

of the different sides. For the food industry actors, besides programmes focusing on technological developments and innovations, other programmes should be supported to help firms fulfil quality requirements. It is important that producers get to know protection forms, conditions and the regulations in connection with enforcing their rights. Owners of GIs should be informed about how to word messages to consumers, and what product features to emphasise in order to motivate potential buyers. Clear messages to consumers have a key role because the success of trademarks and designations of origin depends on the consumers' evaluation of the product's value. Reputations should be increased with well-targeted marketing. As the number of trademarks cannot be controlled more attention should be paid to developing existing systems.

TANITÓ Dezső and LÁMFALUSI Ibolya (eds)

The use of financial instruments for financing agri-food industry

Agroeconomic Book, published 2014

In the research *The use of financial instruments for financing agri-food industry* the authors examined that financial instruments in which segments of agriculture, fisheries and food industry and in what form can help the operation of producers. The gap analyses that aimed to investigate the necessity of financial instruments showed that in agriculture the small and medium size enterprises (SMEs) and individual farmers, in the food industry also the SMEs, and in the fishery industry also the SMEs are identified as business groups who are not able to or hardly able to be financed by market sources of funding.

Taking into account the sectoral specificities, the former special funding of agricultural and other non-repayable grants have been used out of agri-food areas, three financial instruments were developed for the target segments. In each segment, we propose the introduction of a combined instrument, which would make possible the common use of repayable and non-repayable supports, as well as micro-credit, which is low-interest loan available without non-refundable source. Add to this in the food industry we also advise to apply public capital investments.

VÓNEKI Éva and MÁNDI-NAGY Dániel

The prospects for the milk sector after the abolition of the milk quota

Agroeconomic Book, published 2014

The study determines the competitive positions of the European Union (EU) Member States and the Hungarian dairy sector in the light of the abolition of the milk quota. We analysed the recent trends in milk production in the phasing out period of the quota system, the medium-term forecasts on the international markets for milk and milk products, the changes in relationships between the global, EU and Hungarian milk procurement prices and the results of our own model. In the last quota year, milk production has not reached the quota level in most EU Member States, while the most competitive countries will pay a substantial penalty for excess production. The medium-term projections and the relationships between the prices underline the fact that, due to the milk market liberalisation and the rapid rise in global demand, the impact of world market developments in the EU

will be further enhanced. Owing to sustained international demand, the export opportunities of the EU will improve, reducing the pressure on the domestic market, which will have a spill over effect on Hungarian milk prices. Although in terms of trade balance and quota utilisation Hungary is one of the least competitive countries, the changes in recent years suggest that the concentration, modernisation and selection processes in the country's dairy sector can, taking into account the favourable medium-term market forecasts, result in a slight increase in milk production levels. While the European Commission projected for Hungary the greatest decline in production between the Member States, according to our model projection the Hungarian dairy herd and milk production is expected to increase slightly over the period 2006-2020.

STUMMER Ildikó (ed.)

The market developments of the most important commodities in 2013

Agroeconomic Information, Published 2014

This publication describes the market developments of the most important commodities in 2013, mainly by presenting price trends. The material is based on the price information and data of the Market Price Information System of the Research Institute of Agricultural Economics and from various Hungarian and international sources. Milling wheat producer prices decreased by almost 20 per cent, and feed wheat and maize prices increased by 24 per cent and 17 per cent respectively. The producer price of sunflower seed decreased by 24 per cent to HUF 97 thousand per tonne. The price of rapeseed was HUF 112 thousand per tonne, a 20 per cent decrease over the previous year. The only sugar factory in Hungary purchased 830 thousand tonnes of sugar beet in

2013, from which 115 thousand tonnes of sugar were produced. As in previous years, Hungarian pork prices followed the trends of prices in the European Union. Pig producer prices were 4 per cent higher than one year earlier. Producer prices of slaughter chickens increased by 10 per cent, while cattle and light lamb producer prices decreased by 4.6 per cent and 3.6 per cent respectively. The producer price of raw milk increased by 11 per cent compared to the previous year. The production of vegetables increased in 2013 but because of the lower apple production the production of fruit decreased. The processors' selling prices of wines without geographical indication and wines with protected geographical indication increased by 17 per cent compared to the previous year.

VÁGÓ Szabolcs (ed.)

Hungarian Food and Agricultural Statistics 2013

Agroeconomic Information, published 2014

The publication provides information on the results achieved in 2013 in agriculture, forestry and food industry. We assured the comparability of time-series in connection with the pocketbooks published in the recent years. Besides the national and branch indicators and data, the principal agricultural data are also given in details by counties. The

international data are suitable to demonstrate the main trends. The published data are compiled on the basis of the publications of the Central Statistical Office, EUROSTAT, the Food and Agricultural Organization (FAO) and the Research Institute of Agricultural Economics.

Studies in Agricultural Economics

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