INTRODUCTION

Trust between economic agents is the basis of social capital strong pillar of cooperation between partners in the vertical chain.

The level of social capital was higher in Denmark than in Poland after radical reforms, however, that was at similar level in both countries before World War II. (Chloupkova et al., 2003)

Forgacs (2006): one has to be careful to give broader basis for this finding and making general statement on social capital situation in former socialist countries because of strong influence of their national character (E.g. national agricultural policy, farm structure etc.). Social capital in Hungarian agriculture was higher in socialist era compared with that of post reform period.

In view of lower transaction costs and effective capacity transfer, private companies prefer to work with organised farmers, rather than individuals. This way the collective thinking remains an important strategy for small-scale producer participations in dynamic markets. (Vorley-Proctor, 2007)

RESULTS – USING CAM ACTIONS

More than two-third of the food industry agents have already participated in the programs of CAM.

Agents mostly have claimed for the CAM support only occasionally and, only one in every 5 companies uses the CAM as part of its own corporate strategy.

RESULTS – DECISION MAKING

The food industrial companies in return of their financial contribution expect to get a more active representation in the decision-making process.

The CAM would be more efficient if the affected companies would have wider facilities influencing the programs from the starting point (planning) through decision-making up to program implementation.

With this procedure the CAM organisation would not break off but its tasks would change significantly. The organisation would have a much more coordinating function supervising the execution of programs and reaching the goals of the CAM strategy.

Goals should be fulfilled step-by-step with clearly defining and assigning the tasks, competency and responsibility.

RESULTS – CONTRIBUTION TO CAM

In Germany the sector’s contribution to the Absatzfonds amounts to 0.4 per cent of the total turnover. This level of the support depends on their economic output. In Austria a fix amount of money has to be paid by actors under the name of “agri-marketing-contribution”. Usually the public support is completed with the paid services given by the collective agricultural marketing company and the contributions of the companies, producers etc. In Great Britain the public support is about 70 per cent, in France only 20 per cent of the whole budget. In Australia only companies are involved in the program. E.g. the wine producers organise and finance the collective wine marketing.

RESULTS – CONCLUSIONS

• Much of the companies are content to take part in financing a collective agricultural marketing fund.
• The food industrial companies in return of their financial contribution expect to get a more active representation in the decision-making process.
• By developing cooperation supported companies place trust in each other, learn to entertain their interests, so they will be able to ensure the competitiveness of the food industry and, the protection of the food markets helps to plans of organise the CAM activities inspiring quality production and rising competitive power of food products.

SELECTED REFERENCES

2. Csaba Forgacs: Leadership may have decisive influence on successful transition of production type cooperative - Case study, Hungary. DBM Project, WP 3, project under the EU 5th framework programme. Contract number: QLK5-CT-2002-02718. Coordinated by Humboldt University, 2006.

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