CONSEQUENCES OF THE TWO RECORD YEARS OF CEREAL INTERVENTION IN HUNGARY

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ABSTRACT

In this paper, problems connected to the adaptation of EU cereal intervention in Hungary are discussed. Statistical evidence is provided about the two record years of intervention in Hungary proving that farmers did not take part in intervention though the system was sought to be tailored to farmers' needs. Intervention purchases took place at the wholesale level and traders were the most active participants in both intervention periods. This dynamic intervention activity of traders will significantly alter the Hungarian trade sector by bringing it closer to the physical processes of the cereal chain. As to the size of intervention, the great volume of the purchase of maize has resulted in an exceptionally severe problem considering the large surplus of Hungarian cereals. Recently, the Commission hampered maize intervention in Hungary by excluding this crop from cereals eligible for intervention. This measure is criticised in the paper, as we deem it unnecessary in recent market conditions, and in our view it doesn't make up the compulsory need for a complex reconsideration of recent EU cereal policy on the long term.

Keywords: EU cereal policy, cereal intervention, maize intervention, Hungary.

1 INTRODUCTION

Cereal intervention as a market measure was already known in the Hungarian cereal sector prior to accession. However, this market scheme had not been used before accession. Prior to Hungary's accession to the EU, ad hoc policy measures were applied on the country's cereal market (mainly with the aim of damping the defeating effects of the very frequent oversupply on the domestic market) instead of the EU conform market intervention.

Therefore, the adaptation of EU cereal intervention on the cereal market in Hungary was a new task for both, for the agricultural administration and, for the market participants, as well. This task involved two types of duties. First a rather general undertaking, the establishment of a paying agency certified by the EU (implementing cereal intervention - among many CAP schemes) and secondly, the national adaptation of basic EU cereal CMO regulations (No. 1784/2003/93/EC and No. 824/2000/EC). This paper discusses the latter, only the adaptation process and than checks the effectiveness of the system on the two record large Hungarian cereal intervention in the seasons 2004/05 and 2005/06. (The process of setting up the Hungarian paying agency is analysed in another study (RIEGER – TÖRÖK, 2000). [1]

2 ADAPTATION OF CAP CEREAL INTERVENTION IN HUNGARY

This adaptation incorporated three important decisions for Hungarian authorities: (a) resolving the minimum quantity eligible for intervention; (b) designation of the

[1] For this paper it is important that according to relevant EU regulations cereal intervention can be implemented only by an accredited paying agency. In recent EU practice there can be more than one paying agency in a member state, but Hungary decided for one paying agency which implements all CAP measures, include intervention. This institution is the Agricultural and Rural Development Agency (ARDA). Hereinafter when we use in the text phrases "intervention agency", "cereal intervention agency" or "paying agency", is all cases we refer to ARDA.

intervention centres; and finally, (c) the determination of minimum requirements for cereal warehouses storing intervention stocks.

a.) Resolution of the minimum quantity for intervention. According to the pertaining regulations: "any holder of a homogeneous batch of not less than 80 tons of common wheat, barley, maize …. harvested within the Community, shall be entitled to offer the batch to the intervention agency" (No. 824/2000/EC, article 1). Consequently, the member state may apply a higher quantity for minimum, as many countries – based on the characteristics of their cereal sector – in effect do.

Hungarian decision makers aimed to guarantee a relatively good access to intervention for Hungarian market participants. Therefore, the lowest allowable batch – 80 tons – was established as the minimum. Basic consideration behind this decision was that the 80 tons minimum would favour direct participation of farmers (cereal producers), and in this case the price defending effect of intervention wouldn't appear at the wholesale price level but instead, directly at the producers' price level.[2] On the other side, decision makers having chosen the minimum set in the Regulation were aware of the fact that as a consequence of this decision producers would gain on the costs of the state budget because the low minimum increases the number of intervention offers and makes intervention more expensive for the member state.

b.) Designation of the intervention centres. Alike the determination of intervention minimum, the designation of intervention centres basically influences the intervention process. Intervention centres as a matter of fact are reference points for the calculation of delivery costs. Concerning delivery costs, relevant EU regulation enacts as follows: "Transport costs from the place where the goods are stored when the offer is made to the intervention centre to which they can be transported at least expense shall be borne by the offerer" (Article 2, Points 2, Paragraph 2, EEC. Reg. No. 824/2000).

The above regulation also incorporates a method for the calculation of delivery costs which the offerer of the cereal batch has to pay. Accordingly, the offerer should pay in all cases for the distance between his or her storehouse and the nearest designated intervention centre, without reference to which intervention storehouse the cereal is delivered. In cases when this effective delivery distance is shorter than the above distance the delivery cost-difference will be deducted from the paid intervention price. In contrast, when this distance is longer the cost surplus connected to the delivery of offered cereal will be added to the paid intervention price.[3]

Consequently, the actual intervention price paid to offerers will be influenced by the average delivery distance of cereal lots, as the average distance will be determined by the number and geographical distribution of intervention centres in the member state.[4]

Since the balance of delivery costs connected to the intervention purchase of cereals should be financed from the Community budget, the minimum requirements for the designation of intervention centres are resolved in the pertaining Community regulations.

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[2] Calculating with an average yield of 5 tons for cereals the eligible 80 tons quantity can be produced on an area not more than 16 hectares (or 39,54 acres) which size, taking into account sizes of Hungarian cereal producing farms, would make a direct sell for intervention possible for many farmers.

[3] The purpose of this rule is to secure unchanged delivery conditions for cereal offerers, independent from the storehouse supply (capacity) of the national paying agency.

[4] For Hungary in our estimation ±10 kilometres (6,21 miles) difference in average delivery distance evokes ±0,5 percent price deviation in paid intervention price.

These reference points should be located in regions with a significant oversupply of cereals and abundant number of cereal warehouses. Reference point should also have "special importance as a market inside and outside the Community" (EEC. Reg. 2273/93, article 1). In a geographical region fulfilling the said requirements, warehouses can be designated to intervention centres provided that this particular warehouse is technically well equipped (permitting the taking over, handling and discharge of a sufficiently large quantity of cereals) and has favourable transport connections to the taking over – and, which is more important – to discharge of cereals (article 2, EEC. Reg. No. 2273/93).

Hungary's proposal for the designation of her cereal intervention centres submitted to the Commission was prepared on the grounds of a paper based on very detailed Hungarian cereal statistics (AKII 2002). The priority of the Hungarian nomination was taking into account the connection between nominated intervention centres on one side and cost of intervention on the other side to set up a cheap intervention system. Therefore Hungary aimed to have accepted by the Commission as many intervention centres as she could. The Commission accepted all of the 75 Hungarian proposals and published them in the OJ on 19th October 2004. (see *Annex 1:* "The geographical distribution of the 75 Hungarian intervention centres")[5].

c.) Requirements for intervention storehouses. Warehouses in intervention centres are not automatically intervention storehouses, only if the owner is ready to rent storage to the intervention agency, and the intervention agency – taking into account the cereal market situation – considers, that it is necessary to hire warehouse capacity in the specific region. Otherwise the EU doesn't determine any specific requirements for storehouse capacities in which intervention stocks can be stored. Decisions concerning this issue fall within national jurisdiction. However, there are two general principles which indirectly regulating the requirements for intervention storehouses. The first principle is that the quantity and quality of intervention stocks can not be endangered during the storage period by insufficient storage conditions. The second principle resulting from the first issue is that: the member state bears full and indirect financial responsibility for the preservation of intervention stocks. (Practically, the EU settles such losses not against individual storekeepers in the member state, but the member state pays for losses and then the member state has to clear these debts with storage keepers.)

As a result, the member state has three different priorities at hiring intervention capacities. First of all, the risk of preserving intervention stocks has to be minimized. Secondly, sufficient capacity should be available for the intervention buying in during the specific intervention period. The third considerable issue is the price of the hired capacity, given that if the member state pays higher price than the EU reimbursement unit for warehouse, the difference should be borne by the member state's budget. Among the three aforementioned issues, decisions makers in Hungary have given absolute priority to the first one, and even to the first one (risk minimizing) very one-sided, so that they minimized (only) technical requirements for hired intervention capacities. This concept – given the record number of intervention offers – has resulted in a severe shortage of intervention capacity, which practically blocked the start of intervention buying-in for

[5]In our calculations in Hungary less than 40 thousands hectares cereal area belongs to one intervention centre, and the average paid distance of offers was less than 20 kilometres from which means that in the two intervention periods the cereal offerers had to pay in average approximately 300 HUF/ton (1,2€/t) delivery cost, which sum is about 1,2% of the intervention price.

several months and endangered the successful implementation of intervention in the first intervention period. In the subsequent months, under an increasing political pressure by various farmers' organisations (!) the government was forced to reduce requirements for storehouses in many stages to near storage supply to the capacity demand of intervention buying in.

3 MAIN FIGURES OF THE TWO RECORD YEARS OF CEREAL INTERVENTION IN HUNGARY, IN 2004/05 AND 2005/06

It was well known before starting the intervention that Hungary is a country with significant oversupply on the cereal market as compared to the domestic demand. As a consequence of this unbalanced domestic cereal market, Hungary became a very big player especially with the dramatic decrease of her husbandry production in the European cereal market in the nineties. In this pre-accession period, main destinations for Hungarian cereal exports were first of all the Balkans' region, Poland and Northern African countries, the low price regions of the European cereal market.

Under such circumstances, it was not surprising that after the accession intervention substituted low-priced exports in the Hungarian cereal sector.[6] That stands behind the first two period size buying up – in the intervention periods 2004/05 and 2005/06 – when there was exceptionally good cereal harvest in the country. During these two intervention periods, Hungary bought in more than 8 million tons of cereals for intervention, and at that time – in the Spring 2006 – it seemed that this trend would continue for many years. But due to various factors, conditions in the world cereal market dramatically changed during the harvest of the 2006 year's cereal production when prices went up so high that intervention buying-up neared to zero even in the "land-locked" Hungarian cereal market.[7]

In the first intervention period 2004/05 buying-up was considerably delayed in Hungary. There was an acute risk that the Hungarian intervention agency would not be able to buy up all valid offers only by the end of August with effective support from the Commission. To avoid this failure, the Commission extended the deadline for the delivery of intervention offers to intervention warehouses from 31st July to 31st August for the ten new member countries, and prolonged the length of the submission of valid intervention offers from four to seven months in the intervention period 2004/05. It was also part of the relevant Community regulation that the commission reimbursed extra storage costs of intervention offers from the EU budget. The offerers got the monthly EU storage reimbursement from the EU budget, if the length of the offer exceeded four months (EEC Reg. No. 49/2005.).

Apart from the above support form the EU, the Hungarian paying agency enlarged its capacity by other measures as well to be able to buy up all valid intervention offers. In

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[6] The size of the Hungarian cereal export prior to accession was, depending on weather conditions, from 1 up to 3 million tons, yearly.

[7] These very hectically movements in the Hungarian cereal market caused economic and political tensions in both relations, within Hungary and between the Commission and Hungary as well. The conflict within the country was between participants on one side and the Hungarian paying agency on the other side. Businesses blamed the Hungarian authorities that it misled the market. It evoked a boom in the Hungarian storage sector which turned out to be sufficient in the altered market conditions. Concerning the Commission – member state relations this tension came to light in the dispute about the future (abolishment) of maize intervention.

addition to the aforementioned reduction of requirements for storage capacities and the support from the EU the paying agency enlarged its control capacity at buying up by involving the control capacity of the public warehouses into the intervention' buying-in process. The take-over of offers was significantly speeded up by the fact that the agency introduced take-over "on-the-spot": if the warehouse of the offerer fulfilled the minimum requirements than the agency bought up the cereal and hired the storage capacity at the same time. In this manner, the batch of cereals was stored in the same storage space without moving the crop. Due to these measures, the intervention agency was able to buy up all valid offers in the first intervention period, which had been closed with a record quantity of 3.89 million tons, out of which 2.25 million tons were maize and 1.53 million tons were wheat. – Barley intervention is not significant in Hungary compared to other European member states, it was not more than 0.11 million tons in the intervention period 2004/05.

In the second intervention period 2005/06, implementation of the record intervention buying in caused less problems as compared to the previous year. In 2005/2006, Hungary bought in 4,22 million tons, of which the quantity of wheat was less than in the previous year ("only" 0,93 million tons), and the quantity of maize was 3,2 million tons. The large volume of maize bought in shocked not only the Hungarian authorities, but even more the Commission. Development of the system is shown by the fact that in 2005/06 the percentage of "on the spot buying-up" decreased from 88% in the previous period to 73%.

In the third intervention period, by the time when Hungary had acquired all conditions (including well equipped storage capacities), market conditions changed in whole Europe (including Hungary), and cereal intervention buying up was less than 10 thousands tons in EU-27. (In Hungary 1,5 thousand tons of maize were bought up during this period. – (s*ee Annex 2. - Detailed figures for all there intervention periods*)

3.1 The two record years of cereal intervention in Hungary in comparison to the EU, and the consequences thereof

Hungary implemented the ever-largest intervention in the history of CAP in intervention periods 2004/05 and 2005/06. In average, Hungarian authorities had to buy-in 26,2% (!) of the production of the main intervention crops during the two intervention periods, compared to the average ratio of 2,7% in the other member states.

Table 1: Hungarian cereal intervention in comparison to the EU

(EU-25=100)

	Wheat	Maize	Barley	Total
Intervention period 2004/05				
Cereal production in 2004	5,0%	18,7%	2,3%	7,0%
Intervention buying in	22,7%	93,0%	5,5%	34,9%
Intervention period 2005/06				
Cereal production in 2005	4,6%	23,1%	2,3%	7,6%
Intervention buying in	33,7%	84,9%	4,6%	49,3%
Average for the two periods				
Cereal production in 2005	4,8%	20,8%	2,3%	7,3%
Intervention buying in	25,9%	88,1%	5,0%	41,2%

Source: Annex 2

In an other comparison, the Hungarian production of the selected main intervention crops totalled up to only 7,3 percent of the production of the EU-25, whereas the same ratio for intervention buying up is 41,2%. Concerning Hungarian intervention, not only the size of intervention but its crop-structure was even a bigger problem for the Commission. Namely, Hungary bought-in 31,3% of her maize production for intervention in the average of the two intervention periods 2004/05 and 2005/06 as compared to 0,9% in the EU-24. As a consequence, the ratio of the buying-up of maize in Hungary amounted to 88,1% of the total quantity of the enlarged EU.

This was the first time in the history of the EU, when she had to confront with significant maize intervention stocks. The "maize problem" seemed to be insolvable for the Commission before the harvest of 2006. Prior to Hungary's accession, the EU was a net importer of maize, and her cereal policy suited to this condition. Therefore, at that time it appeared that the EU cereal policy had to be changed to enable the EU to handle the huge Hungarian maize surplus. Instead of changing the cereal policy, a more effortless way was chosen by the EU, namely, a regulation limiting maize intervention for two years and eliminating it up to the third year was issued (Council Reg. 735/2007).[8]

Another important consequence of the first two record years of Hungarian intervention buying in was that it revealed for European decision makers that the production capacity (oversupply) of the Hungarian cereal sector had been underestimated to a great extent prior to the accession. These problems connected to the size and crop-structure of the Hungarian cereal intervention stocks will force the Commission to reconsider recent CAP cereal policy on the long term, and these reconsiderations should cover a much more comprehensive issue than that of the problem of maize, or even the cereal policy.[9]

3.2 The participation of cereal farmers in the intervention system "tailored to farmers' needs"

As stated above, during the adaptation of the EU cereal intervention in Hungary the priorities were to create a system which makes it possible for farmers to participate in intervention directly (80 tons minimum eligible quantity), and to establish a relatively cheap intervention system (applying a dense network of intervention centres).

Hereinafter, we will analyse the data of intervention purchases to get a realistic idea of its features.

For this purpose we classified offerers into three categories. The first category involves offerers submitting less than one thousand tons for intervention (these are – most probably – farmers). In the next category, there are businesses which sold a volume between one thousand and ten thousand tons for intervention (these businesses may be both farmers and traders). Finally, in the third group involves offerers having sold a volume over ten thousand tons for intervention (these are – most probably – traders).

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[8] It demonstrates only the lowliness of the decision-making because by the time when this regulation had been published (11th of June, 2007) the world and European cereal market with big price increase superseded EU intervention up to the due CAP supervision, the "health check".

[9] This big Hungarian overproduction in the cereal sector first reveals the recent low integration level of the enlarged "single market" and secondly, if the CAP in the future would like to preserve any efficiency character, then on the long term it should force a geographical redistribution of the whole European agricultural production on the basis of effective use of capacities.

During the intervention period 2004/05, a total quantity of 3 896,8 thousand tons of cereals were bought up by the Hungarian intervention Agency. This quantity was offered by 983 market participants, and the size of the average offer was 4 thousand tons. These are the most general figures for this intervention period.

Analysing intervention by the different categories, in 2004/05 there were 504 offerers (51,3%) who sold less than 1000 tons for intervention. The total quantity of offers in this category was 112 thousands tons. This quantity is 2,9 percent of the total intervention in that period and 0,7 percent of the yearly production.

The number of offerers in the next category – between one thousand and 10 thousand tons – is 411 (41,8%). These businesses sold 1,4 million tons of cereals for intervention (35,8 percent of the total purchase in 2004/05 and 8,9 percent of the year's production.

Table 2: Main categories of offerers participating in cereal intervention in Hungary during the intervention period 2004/05

Categories*	Offerers		Total quantity offered	
Tons	Number	Total=100	Thousand tons	Total=100
Oq< 1 000	504	51,3	112,0	2,9
1 000<Oq< 10 000	411	41,8	1 400,0	35,9
10 000<Oq	68	6,9	2 383,8	61,2
Total	983	100,0	3 895,8	100,0

**Oq = quantity offered*

Source: Own calculations.

Finally in the last category of sales over 10 thousand tons per offerer, the relevant number was 68 (6,9%). These offerers – most probably traders –sold 2,4 million tons (61,3%) of cereals for intervention which was quantity 13,2% of the annual production.

Evaluating the volume of intervention sales in 2004/05, we can conclude that wholesalers' participation was dominant whereas direct involvement of farmers was insignificant in the Hungarian cereal intervention in 2004/05. Concerning the number of farmers taking part in intervention was relatively high (over 50%) in 2004/05, although, in comparison with the number of producers who took part in the area based direct payments scheme in 2004 there is a different scenario. In this context, the ratio was much lower: only 0,5 %. We can arrive at the conclusion that only 0.5% of the cereal farmers could enjoy a direct price protection effect of cereal intervention in the marketing season 2004/05 in Hungary. In Annex 5, it is revealed in a more detailed categorisation of intervention sales that if the eligible minimum had been 100 tons instead of 80, only 127 offerers (farmers) would have dropped out from intervention since the intervention period of 2004/05.

The same data for the subsequent intervention periods are summarized in Table 3. In 2005/06 the total Hungarian cereal intervention was 4 207,4 thousand tons, 8,3 percent more than in the previous period, but even with a significant increase of intervention purchase, the number of businesses taking part in intervention decreased by 4,7 percent to 937. From this comes that the average size of intervention purchase increased by 12,5 percent from 4 thousands tons to 4,5 thousand tons in this intervention.

Table 3: Main categories of offerers taking part in cereal intervention in Hungary in the intervention period 2005/06

Categories	Offerers		Total quantity offered	
Tons	Number	Total=100	Thousand tons	Total=100
Oq< 1 000	413	44,1	107,4	2,5
1 000<Oq< 10 000	438	46,7	1 600,0	37,9
10 000<Oq	86	9,2	2 510,6	59,5
Total	937	100,0	4 218,0	100,0

**Oq = quantity offered*

Source: Own calculations.

When analysing figures in Table 3, it turns out that the importance of the category of offerers with sales less than 1000 tons (farmers) dropped down proportionally. The number of sellers in this category decreased by 18%, while the quantity they sold decreased by 4 percent. (Even in the situation when the total quantity purchased increased by 8.3 percent!)

Concerning the category of offerers selling quantities between one thousand and 10 thousand tons, both the number of businesses and the volume they sold for intervention increased. The number of market participants in this group increased by 7 % in 2005/06 and the volume they sold raised by 14 percent as compared to the previous intervention period.

Finally, in view of the third category of offerers with intervention sales over 10 thousand tons (traders) the number of sellers remained unchanged as compared to the previous year, whereas the volume of sales by these participants increased by 5 % in 2005/06.

4 CONCLUSIONS

After assessing the two Hungarian intervention periods, it can be concluded that an intervention scheme “tailored to farmer’ needs” does not exist. Intervention took place in both periods at the level of wholesale traders, even though the sizes of cereal farms are relatively large in Hungary, and the possible lowest minimum for the quantity eligible for intervention was established. Based on the Hungarian experiences, the following statement can be made: setting a too low minimum quantity eligible for intervention does not influence significantly either the volume or the composition of market participants in intervention.

We did not study the impact of intervention on producer prices in the Hungarian domestic market. Apart from this result, another important outcome of cereal intervention could be observed in the two records year in Hungary. Namely, there was a considerable development in traders’ post-harvest activities. As a result of participating in the process of intervention, traders – not having involved in the physical processes of the cereal chain before – have built new storehouses and they had to supervise the preservation of intervention stocks.

It is also very important to observe, that this large Hungarian surplus showed us how low the level of integration of the enlarged agricultural single market was, when the impact of measures aiming at price equalisation in the cereal market could not been discovered even though there was severe drought in the Iberian Peninsula.

As to the dimensions of the two record years of Hungarian cereal intervention, the potential capacity of the Hungarian cereal sector was revealed. During these periods, it turned out that the EU cereal policy is very sensitive to maize surplus because it was originally created for an import market of feed, and by the autumn of 2006 there was an acute danger that the Commission would not be able to handle Hungarian maize surplus with the available measures of the EU cereal policy. The restriction and after that the abolishment of EU maize intervention doesn't seem to be a sufficient solution. Minor mistake in this decision is to take these unnecessary measures before due assessment in a situation when the European and world market prices of cereals, including maize are 20-30% above the EU intervention price. The Authors consider that it caused unnecessary tensions in the relationship of a new member state (Hungary) and the Commission.

We are afraid that a more severe mistake is that this measure distracts the attention from the fact that the Hungarian maize-surplus should be handled as an indicator of the insufficient use of European agricultural capacity which makes it necessary to redistribute the European agricultural production.

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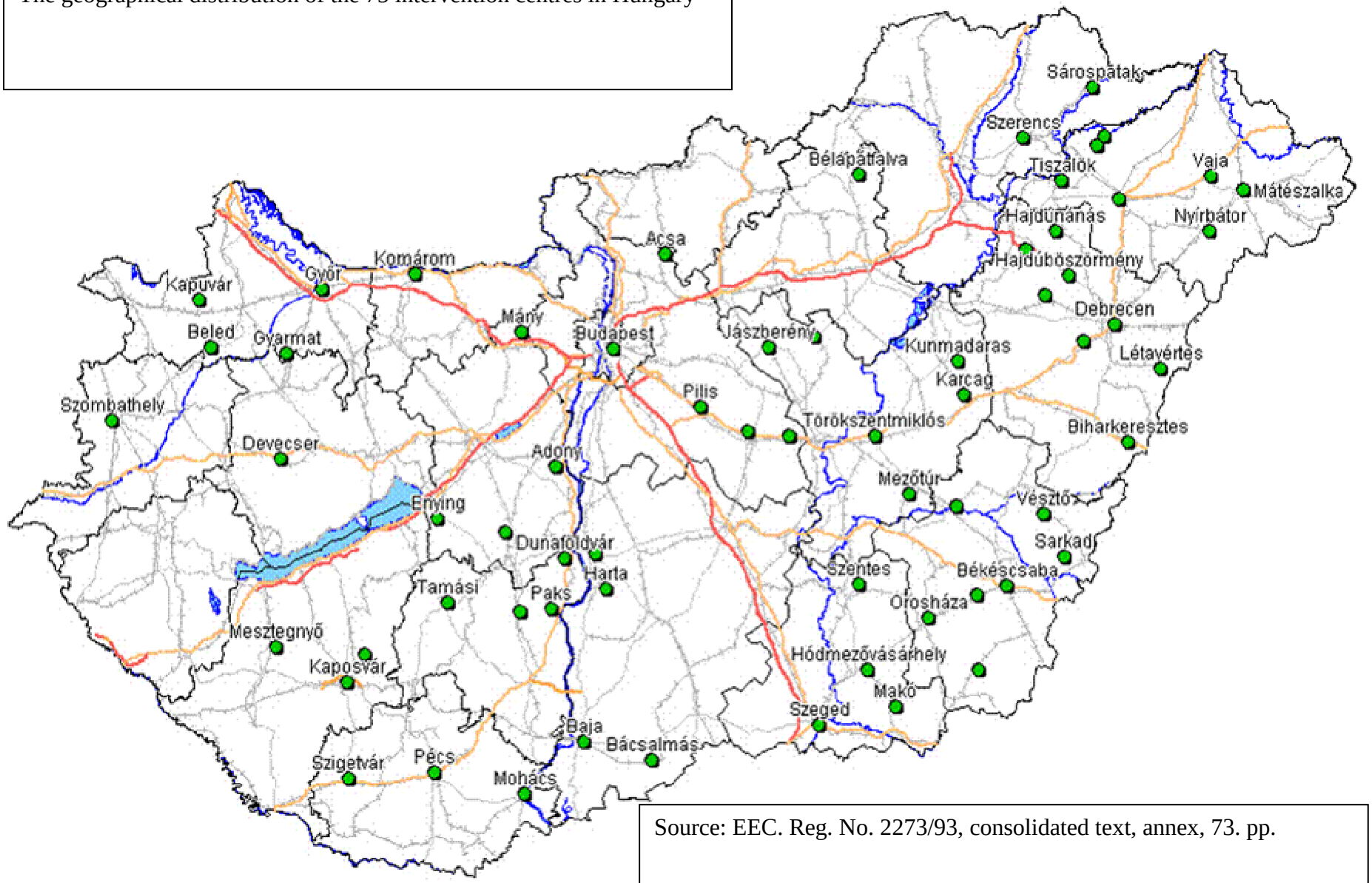
ANNEXES

Code	Table
Annex 1	The geographical distribution of the 75 intervention centres in Hungary
Annex 2	Summarizing figures of the Hungarian cereal interventions, 2004/05, 2005/06 and 2006/07
Annex 3	The quantity of cereal intervention buying-up compared to the cereal production, in Hungary and in the remaining member state (EU-24), intervention period 2004/05 and 2005/06
Annex 4	Geographical distribution ot the Hungarian cereal production (2004 and 2005) and cereal intervention (2004/05 and 2005/06)
Annex 5	Categories of intervention purchases in the intervention period 2004/05 and 2005/06

The geographical distribution of the 75 intervention centres in Hungary



Source: EEC. Reg. No. 2273/93, consolidated text, annex, 73. pp.

ANNEX 2

Summarizing figures of the Hungarian cereal interventions, 2004/05, 2005/06 and 2006/07

Date	*Storage capacity*				*G A B O N A*													*Storehouses*			
	Contracted				**Offered**	**Purchased**				**Sold**					**Stocks**				**Áttárolás**			
	Long-term	Short-term	Total	Paid fees for storage capacities	Net quantity	On the spot	Devlivered	Total	Value of purchased cereals	Tendered quantity	Decided	Losses	Removed	Value of soled cereals	EU gross stock	Not removed		Physical Gross stock	Restored	Planned	Finished	Fee of restoring
																Within 30 days	Over 30 days					
	1 000t.	1 000t.	1 000t.	mrd.	1 000t.	1 000t.	1 000t.	1 000t.	mrd Ft.	1 000t.	1 000t.	1 000t.	1 000t.	mrd Ft.	1 000t.	1 000t.	1 000t.	1 000t.	1 000t.	1 000t.	1 000t.	mrd Ft.
2004-2005	**2 570,5**	**2 361,0**	**4 931,5**	**3,8**	**3 895,8**	**3 430,1**	**462,6**	**3 895,8**	**113,5**	**320,0**	**134,6**	**0,0**	**71,9**	**1,7**	**3 511,0**		**62,7**	**3 573,7**	**-**	**-**	**-**	**-**
2005-2006	**7 836,8**	**2 015,0**	**9 851,8**	**26,4**	**4 218,0**	**3 087,4**	**1 130,6**	**4 218,0**	**126,5**	**1 356,8**	**995,8**	**2,6**	**758,9**	**21,2**	**6 848,3**		**236,8**	**7 085,2**	**545,5**	**2 158,4**	**1 358,9**	**2,9**
2006-2007	**3 093,7**	**4 760,9**	**7 854,5**	**67,2**	**14,0**	**0,0**	**1,5**	**1,5**	**0,0**	**4 311,2**	**4 638,1**	**203,0**	**3 710,5**	**139,1**	**2 341,4**	**664,3**	**230,0**	**3 235,6**	**108,8**	**1 704,6**	**1 570,1**	**4,1**

Source: Agricultural and Rural and Rural Development Office

ANNEX 3

The quantity of cereal intervention buying in Hungary and the remaining member state (EU-24) in the intervention period 2004/05 and 2005/06

Million tons

Denomination	Wheat	Maize	Barley	Total
Hungary				
Intervention period 2004/05				
Cereal production in 2004	5,95	8,33	1,41	15,70
Intervention buying in	1,53	2,25	0,11	3,89
Buying-in % of production	25,7%	27,1%	7,7%	24,8%
Intervention period 2005/06				
Cereal production in 2005	5,08	9,02	1,19	15,29
Intervention buying in	0,93	3,20	0,09	4,22
Buying-in % of production	18,3%	35,5%	7,8%	27,6%
Average for the two periods				
Cereal production in 2005	5,52	8,67	1,30	15,49
Intervention buying in	1,23	2,73	0,10	4,06
Buying-in % of production	22,0%	31,3%	7,8%	26,2%
EU-24				
Intervention period 2004/05				
Cereal production in 2004	118,50	44,60	60,40	223,50
Intervention buying in	5,22	0,17	1,86	7,25
Buying-in % of production	4,4%	0,4%	3,1%	3,2%
Intervention period 2005/06				
Cereal production in 2004	109,70	39,00	51,60	200,30
Intervention buying in	1,82	0,57	1,95	4,34
Buying-in % of production	1,7%	1,5%	3,8%	2,2%
Average for the two periods				
Cereal production in 2004	114,10	41,80	56,00	211,90
Intervention buying in	3,52	0,37	1,90	5,80
Buying-in % of production	3,0%	0,9%	3,4%	2,7%

Source: Hungarian Central Statistical Office, Agricultural and Rural Development Office, Commission

Geographical distribution ot the Hungarian cereal production (2004 and 2005) and cereal intervention (2004/05 and 2005/06)

	INTERVENCIÓ A 2004. ÉVI TERMÉSBŐL			INTERVENCIÓ A 2005. ÉVI TERMÉSBŐL			A KÉT ÉV INTERVENCIÓJA ÖSSZESEN		
MEGNEVEZÉS	Termésmennyiség (t)	Intervencióra felvásárolt mennyiség (t)	Intervenció a termés százalékában	Termésmennyiség (t)	Intervencióra felvásárolt mennyiség (t)	Intervenció a termés százalékában	Termésmennyiség (t)	Intervencióra felvásárolt mennyiség (t)	Intervenció a termés százalékában
Bács-Kiskun	1 366 881	205 151	15,0%	1 360 783	376 016	27,6%	2 727 664	581 167	21,3%
Békés	1 645 076	477 590	29,0%	1 396 640	416 892	29,8%	3 041 716	894 482	29,4%
Csongrád	936 968	181 960	19,4%	795 702	154 712	19,4%	1 732 670	336 672	19,4%
Hajdú-Bihar	1 503 248	505 049	33,6%	1 247 604	446 458	35,8%	2 750 852	951 507	34,6%
Jász-Nagykun-Szolnok	1 099 099	376 796	34,3%	911 213	370 033	40,6%	2 010 312	746 829	37,1%
Dél-Alföld Összesen	**6 551 272**	**1 746 546**	**26,7%**	**5 711 942**	**1 764 111**	**30,9%**	**12 263 214**	**3 510 657**	**28,6%**
Baranya	1 104 403	254 138	23,0%	1 082 980	288 502	26,6%	2 187 383	542 640	24,8%
Somogy	1 157 124	266 170	23,0%	1 232 795	262 138	21,3%	2 389 919	528 308	22,1%
Tolna	1 188 605	295 869	24,9%	1 310 273	357 047	27,2%	2 498 878	652 916	26,1%
Zala	544 226	67 968	12,5%	510 985	44 254	8,7%	1 055 211	112 222	10,6%
Dél-Dunántúl Összesen	**3 994 358**	**884 145**	**22,1%**	**4 137 033**	**951 940**	**23,0%**	**8 131 391**	**1 836 085**	**22,6%**
Fejér	1 113 779	216 806	19,5%	1 258 459	280 911	22,3%	2 372 238	497 717	21,0%
Győr-Moson-Sopron	791 834	101 639	12,8%	799 532	149 331	18,7%	1 591 366	250 970	15,8%
Komárom-Esztergom	376 195	40 150	10,7%	448 061	96 154	21,5%	824 256	136 305	16,5%
Vas	460 713	73 632	16,0%	513 798	65 404	12,7%	974 511	139 037	14,3%
Veszprém	405 661	72 899	18,0%	430 057	62 532	14,5%	835 718	135 432	16,2%

Continue annex 4									
Észak-Dunántúl Összesen	**3 148 182**	**505 127**	**16,0%**	**3 449 907**	**654 333**	**19,0%**	**6 598 089**	**1 159 460**	**17,6%**
Borsod-Abaúj-Zemplén	749 367	176 984	23,6%	707 792	193 738	27,4%	1 457 159	370 722	25,4%
Heves	394 560	100 455	25,5%	363 716	107 295	29,5%	758 276	207 750	27,4%
Nógrád	150 575	15 438	10,3%	135 979	26 921	19,8%	286 554	42 359	14,8%
Pest	755 228	120 409	15,9%	783 354	178 591	22,8%	1 538 582	298 999	19,4%
Szabolcs-Szatmár-Bereg	1 035 791	347 332	33,5%	922 740	341 655	37,0%	1 958 531	688 987	35,2%
Észak-Magyarország Összesen	**3 085 521**	**760 618**	**24,7%**	**2 913 581**	**848 199**	**29,1%**	**5 999 102**	**1 608 817**	**26,8%**
Mindösszesen	**16 779 333**	**3 896 435**	**23,2%**	**16 212 463**	**4 218 584**	**26,0%**	**32 991 796**	**8 115 019**	**24,6%**

Source: Agricultural and Rural Development Agency

CATEGORIES OF INTERVENTION PURCHASES IN THE INTERVENTION PERIOD 2004/05 AND 2005/06

Categories	Offerers		Total offered quantity	
1 000 Tons	Number	Total=100	Tons	Total=100
Intervention period 2004/05				
100 >	4	0,4%	0,8	20%
10 -100	64	6,5%	1,6	41%
5 - 10	91	9,3%	0,6	15%
1 - 5	320	32,6%	0,8	20%
0,1 - 1	375	38,1%	0,1	3%
< 0,1	129	13,1%	0,0	0%
Total	983	100,0%	3,9	100%
Intervention period 2005/06				
100 >	4	0,4%	0,8	19%
10 -100	82	8,8%	1,7	40%
5 - 10	94	10,0%	0,7	17%
1 - 5	344	36,7%	0,9	21%
0,1 - 1	339	36,2%	0,1	2%
< 0,1	74	7,9%	0,0	0%
Total	937	100,0%	4,2	100%

Source: Agricultural and Rural Development Agency