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“Industrial versus small farms – competitors or partners”

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Are we ready for the new challenges? The case of the Hungarian agriculture

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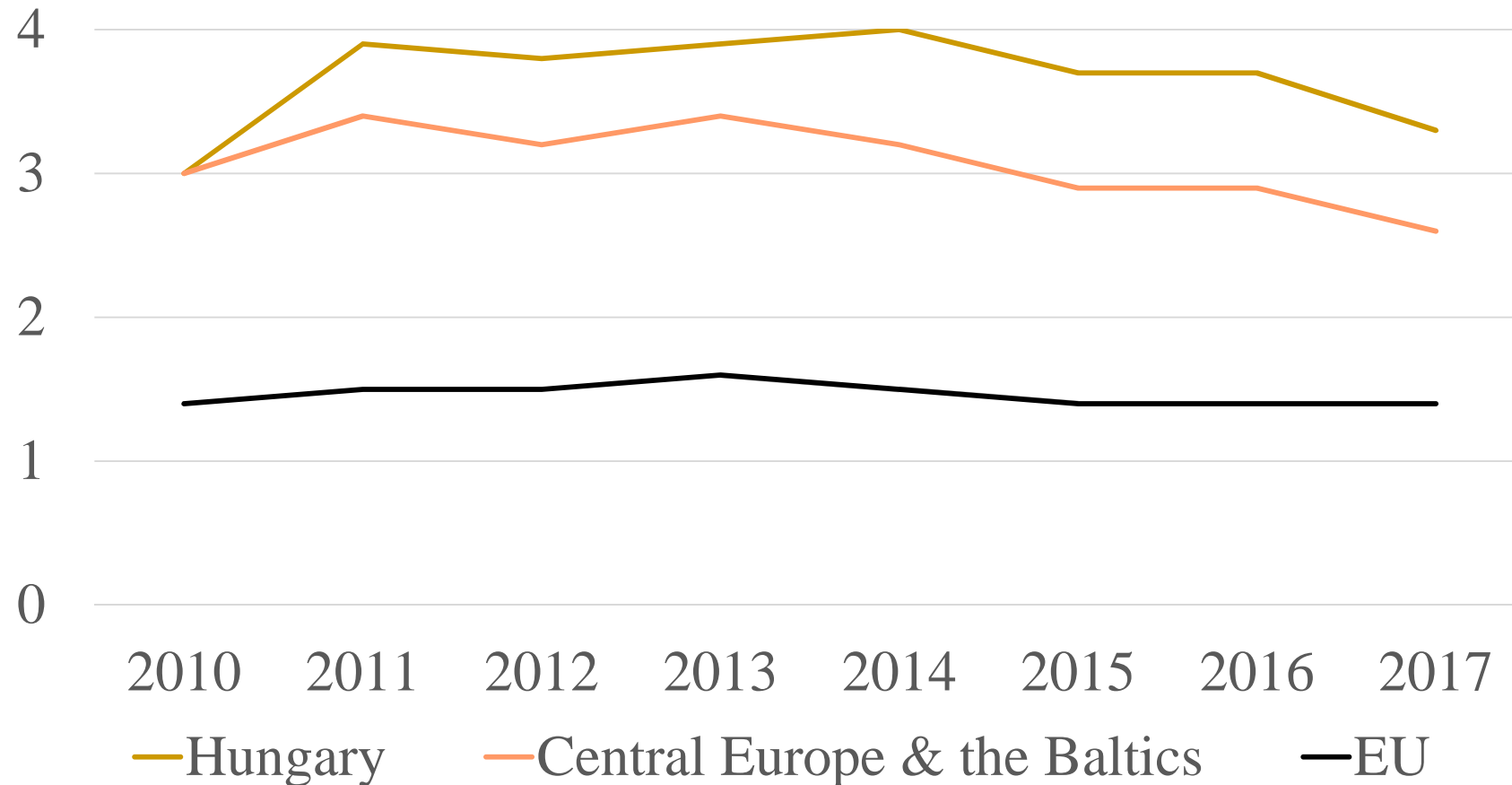
Outline

- Introduction
- Basic agricultural indicators
- Characteristics of the Hungarian agriculture
 - Crops vs animal husbandry
 - Small vs industrial farms
- Summary and conclusions

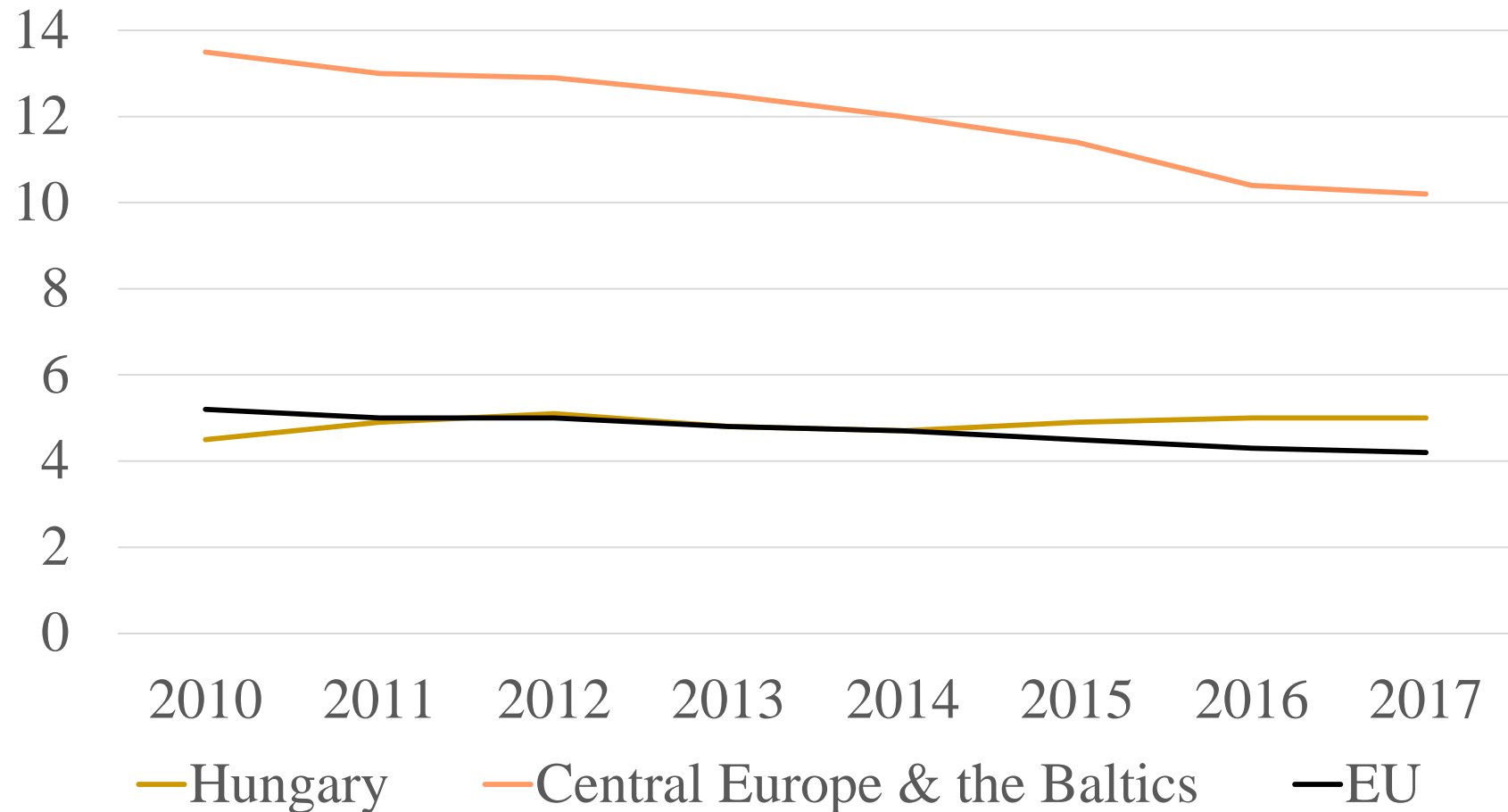
Introduction

- Socialism
 - Russian type of co-operatives
 - Transition – title by compensation, undivided common land
- EU accession
 - Area payment
 - Capping
- New land law (2013)
 - Individuals are still preferred
 - Pre-emption rights

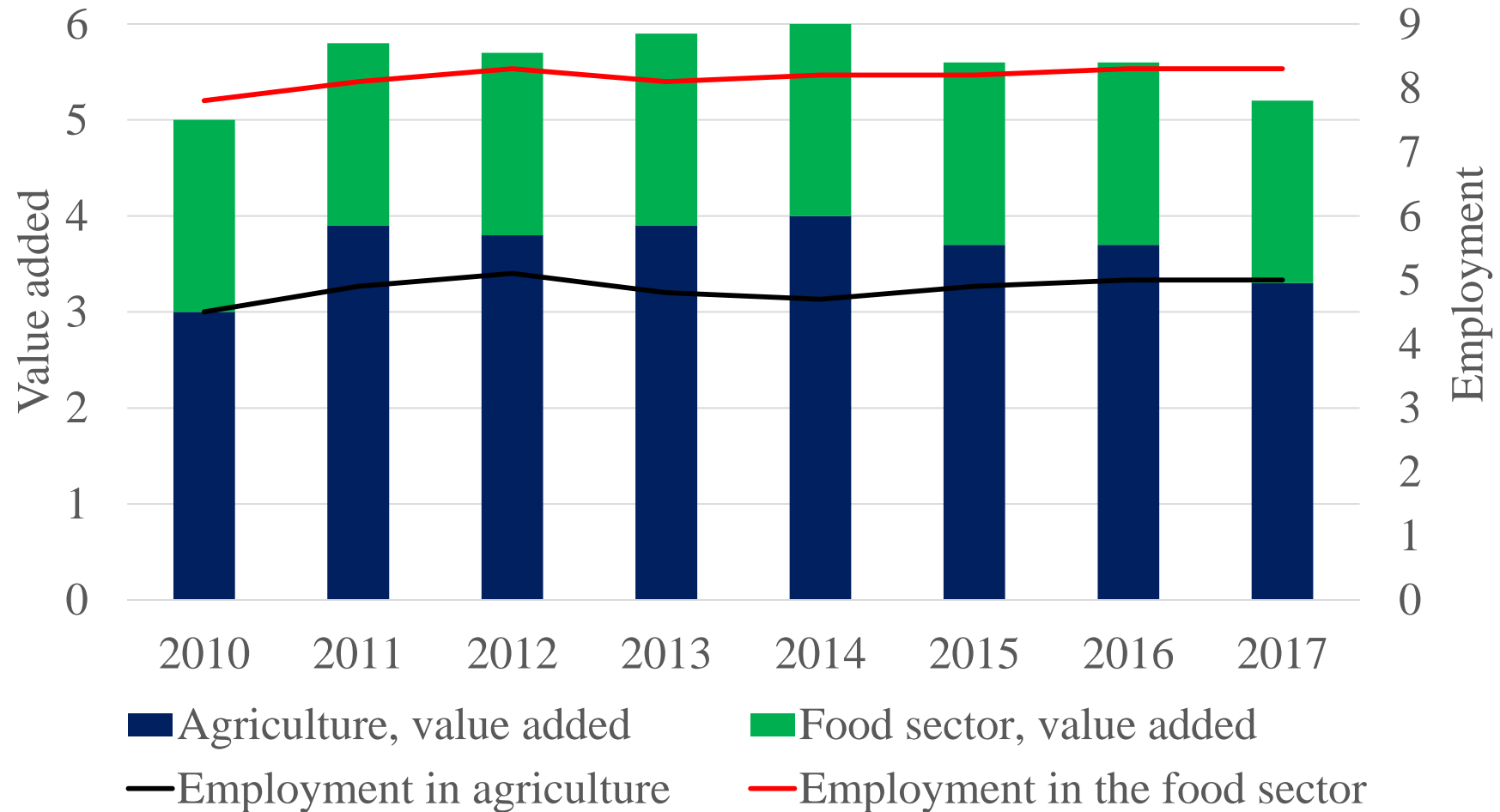
Agricultural value added (% of GDP)



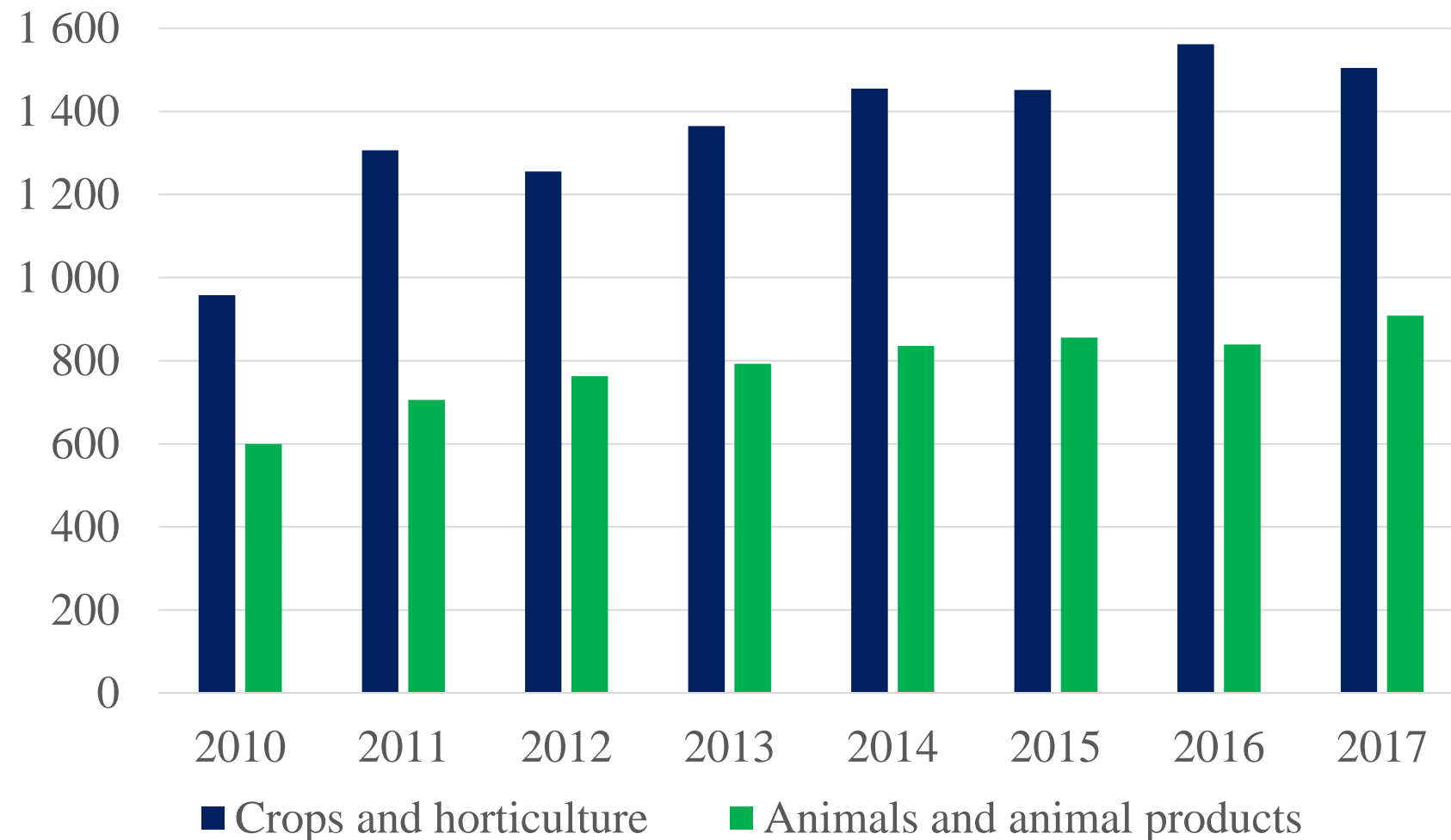
Agricultural employment (% of total employment)



Value added and employment in the Hungarian agribusiness sector (%)



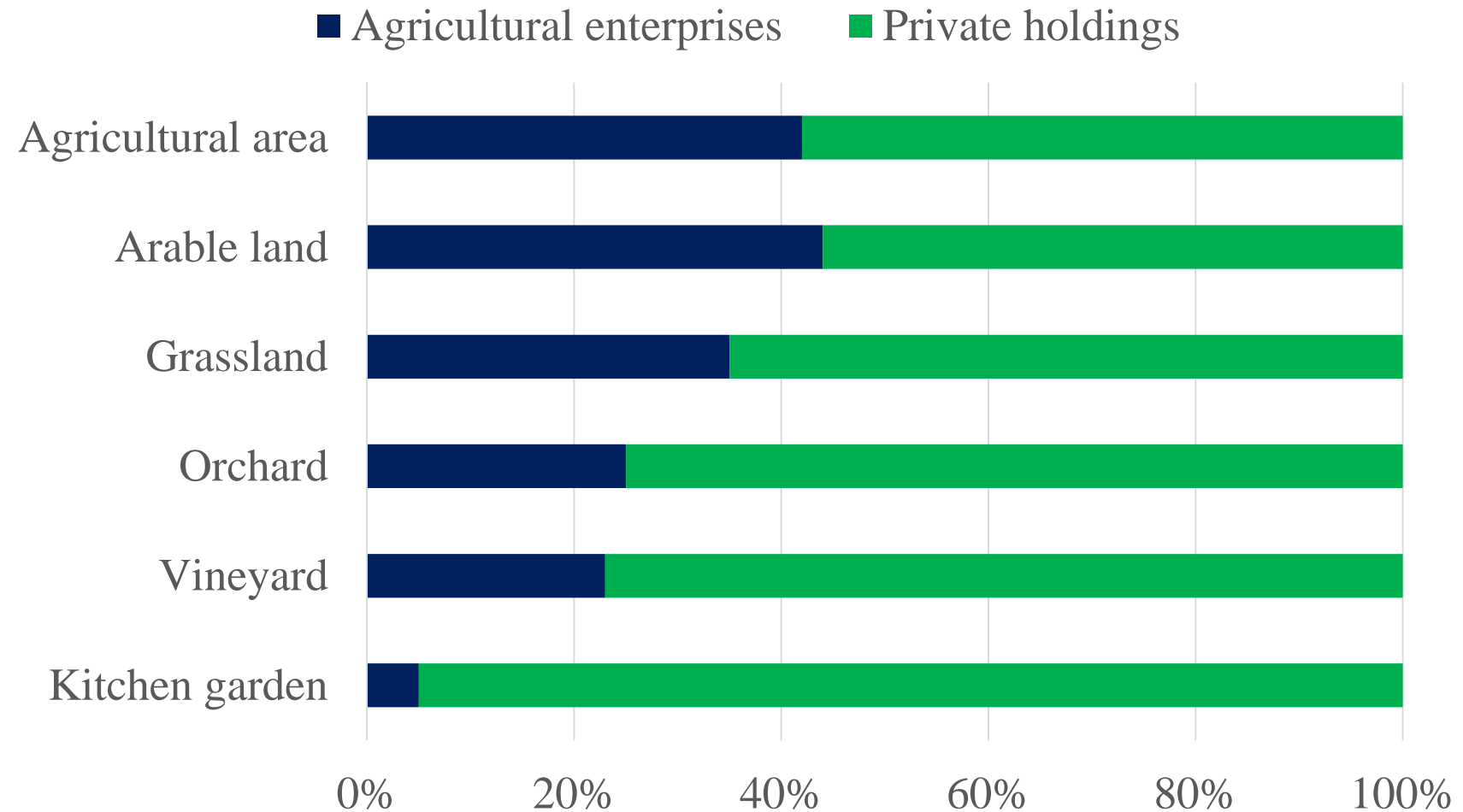
Distribution of the agricultural production (billion HUF)



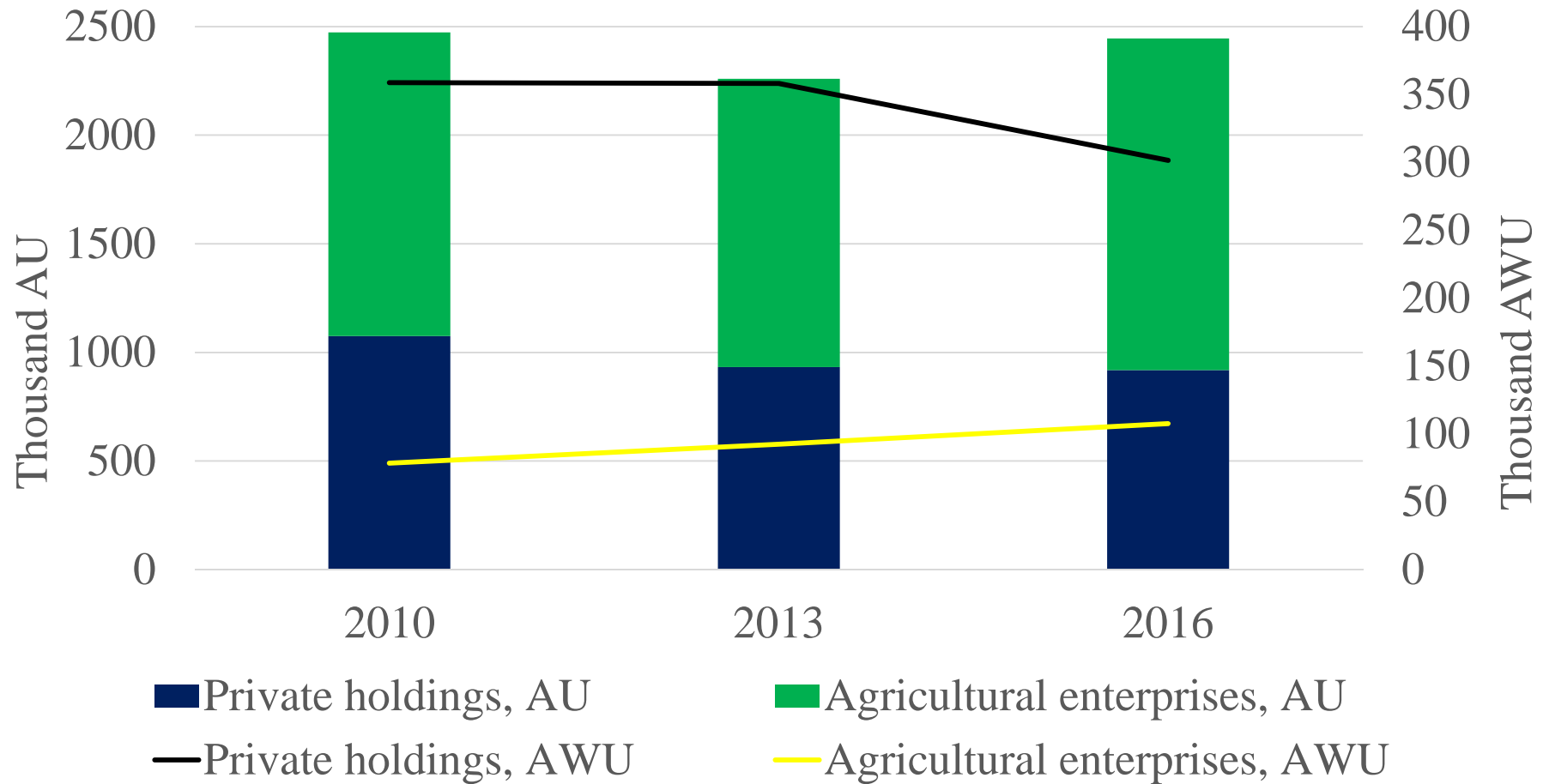
Number and size of agricultural units

	2000	2003	2005	2007	2010	2013	2016
No. of private holdings	958 534	765 608	706 877	618 651	561 030	479 166	421 870
No. of agricultural enterprises	6 954	7813	7 927	7 405	7 970	8 090	9 388
Land use, privates (ha)	2 614 327	2 357 689	2 355 326	2 262 824	2 418 537	2 467 616	2 724 350
Land use, enterprises (ha)	3 833 829	3 472 092	3 800 909	3 740 724	2 191 548	2 121 676	1 945 917
Average land size, privates (ha)	2.73	3.08	3.33	3.66	4.31	5.15	6.46
Average land size, enterprises (ha)	551.31	444.40	479.49	505.16	274.97	262.26	207.28
National average land size (ha)	6.68	7.54	8.61	9.59	8.10	9.42	10.83

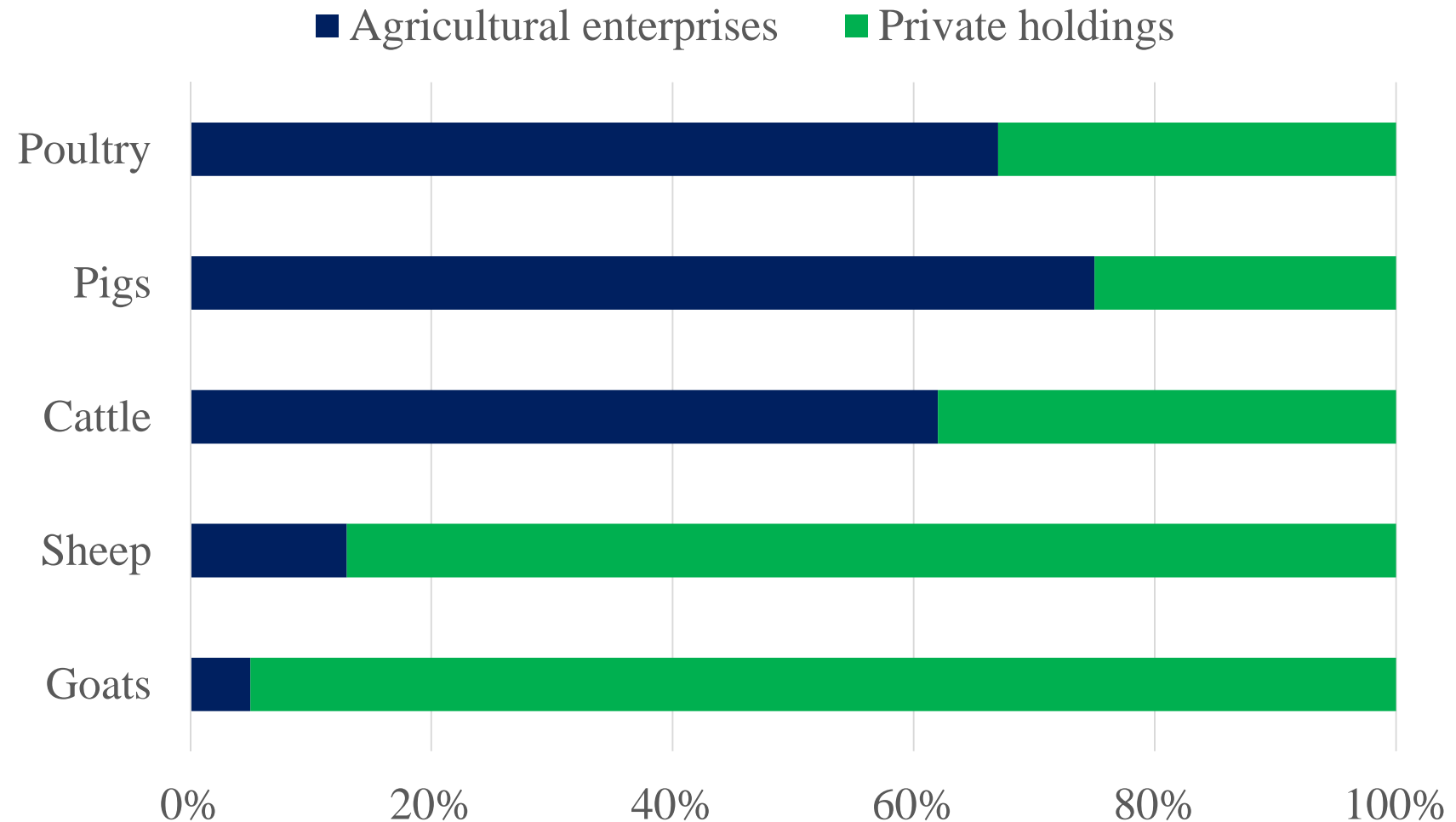
Crop production by the type of farms, 2016



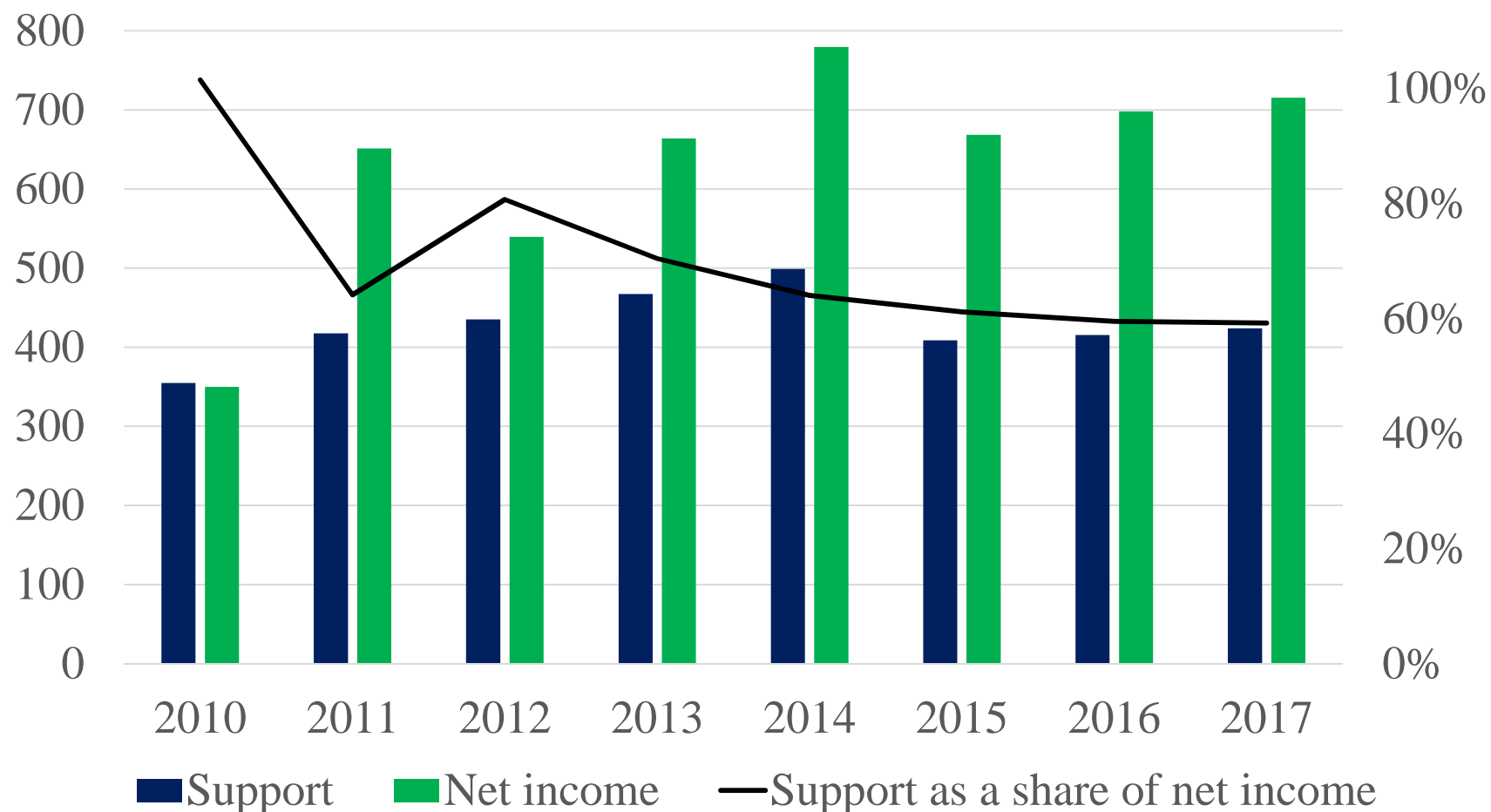
Total animal production and workforce by the type of farms



Animal production by the type of farms, 2016



Agricultural income and support (billion HUF)



Summary and conclusions

- Agriculture plays a significant role
- Production is biased towards crops
- Slow, but continuous land concentration
 - Small vs industrial farms
- Individuals are crops oriented vs enterprises
 - Differences in AU and AWU
- High support dependency

Thank you for your kind attention!