

Organic agriculture and research in Hungary

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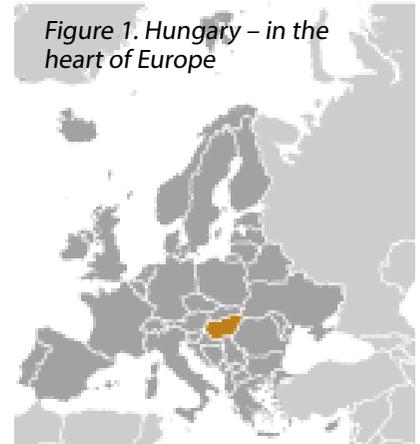
High potential, but current stagnation

Hungary is one of the countries in Central-Eastern Europe (Fig. 1) that became member of the European Union in 2004. The country has a population of about 10 million people, and the agricultural sector is important. About 65 % of the land

area is suitable for agriculture, and out of this, 3/4 is arable land. Hungary offers good conditions for organic production. Its constitution bans the use of GMOs. Many of its low-intensity agricultural areas (mostly pastures, meadows and fallows) have not been impacted by the use of agro-chemicals. There are currently 130,609 hectares of certified organic land, which comprises 2.3 % of the total agricultu-

ral area. More than 1900 enterprises produce certified organic food, with a value approximating € 25 million annually. However, the country's organic sector has not yet reached its potential, and there are numerous unexploited opportunities. While the sector grew quickly between 1996 and 2004, it has since been stagnating (Fig. 2). The percentage of organic land in Hungary is just over half of the European Union average. The stagnation is partly due to a lack of effective policy incentives, such as suitable subsidies or administrative support, a lack of coordination of export marketing initiatives and of any broad awareness-raising campaign for domestic consumers. A large part of organic produce is still sold as conventional. Better cooperation between stakeholders is required for the sector to move forward.

Figure 1. Hungary – in the heart of Europe



National strategy to foster organic agriculture

In 2012, the Hungarian Government approved a

Organic agriculture in Hungary
1988-2012

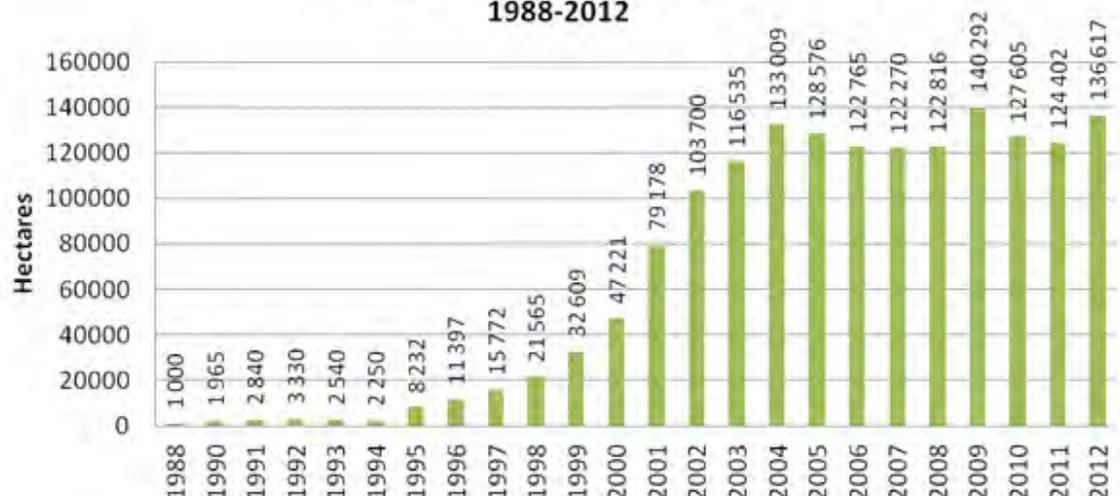


Figure 2. The development of organic agricultural land in Hungary (Bio-kontroll Hungária and Hungária Öko Garancia 2012).

National Rural Strategy that aims to generate demand for high-quality, GMO-free, locally produced food. The document considers organic agriculture as a strategic sector that deserves strong support. The strategy sets very ambitious objectives for the future development of organic agriculture in Hungary. It aims to have 300,000 hectares of certified organic land by 2020, which will imply a 230 % increase of the current area. It is anticipated that subsidies for organic conversion and for annual certification costs will play a major role in achieving this. Organic producers will also receive priority in future calls from the Rural Development Ministry for diverse support programmes, such as the young farmers' initiative. Organic animal husbandry and apiculture will receive particular support, as these are priority areas within the Ministry's agricultural development policy. The National Rural Strategy also foresees the creation of an Organic Action Plan. Work on this document commenced in 2013, and a first draft was published for public debate in late September. The Organic Action Plan aims to set out a detailed programme for the sector's development.

Grassland, but few animals

Grasslands make up the majority of registered organic land in Hungary (52 %), followed by arable crops (40 %), perennial crops (4 %), fallow (2,5 %) and vegetables (1,5 %). Although more than half the organic area is grassland, organic animal husbandry is relatively insignificant compared with crop production. In 2012, less than 10 % of the organic producers, about 100 farms, kept certified organic livestock. Most of the animals grazing on organic fields are not certified, since the farmers consider the certification costs to be too high and the existing regulations allow for non-certified animals to be kept on organic grasslands. As a result, organic grasslands receive substantial subsidies without creating any substantial organic products, showing the inadequate structure of the 2007-2013 support scheme.

Organic for export, and imported organic foods

Today, organic products in Hungary have a small market share. About 85 % of the total production is exported, mostly as raw materials or products with low degree of processing. The main customers for Hungarian organic food are Germany, Austria, the Netherlands and Switzerland. At the same time, the majority of the (modest) organic assortments in Hungarian food stores are processed imports. Some estimates suggest that 90 % of the domestic organic consumption is made up of imports. There is a significant lack of organic processing capacity in Hungary, and this could provide interesting potential market opportunities for organic food processing companies. Hungary's proximity to countries with large organic markets contributes to this opportunity.

Supermarket chains are playing an ever-increasing role as distributors of organic products, selling about 60 % of the organic food consumed in Hungary. Specialized shops sell about 20%, organic markets, fairs and events comprise 6-10%, on-line sales 6-7% and farm sales 2-3%. As elsewhere, it can be assumed that the supermarkets will play a major role in ex-



An organic wheat field in western Hungary.

panding the domestic organic market. However, only few Hungarian organic producers can currently meet the volumes, quality standards and the regularity of deliveries demanded by the supermarket chains. Pilot projects for product development, quality assurance and cooperation in production are needed to help domestic producers tap into this market. The formation of farmers' production and marketing groups, organic farmers' markets and local producer-consumer networks can also be important vehicles for distributing certified local organic products and expanding the domestic market.

Organic consumption for better health

Hungarian consumers show a positive interest in organic products (Fig. 3). They would be willing to pay a premium price of about 30 % for organic products, and the same for products free from GMOs. In contrast to West-European countries, Hungarian consumers are mainly motivated to buy organic by health considerations. Studies have shown that organic products are favoured because they are free from GMOs, toxic chemicals, additives, artificial flavourings and colourings, preservatives, and are perceived as having a higher quality. Taste, nutritional value and price are less important motivating factors, and ecosystem protection plays a minimal role for most Hungarian consumers.



Although demand for organic products is growing, a large percentage of the population, even some of those who regularly purchase organic products, cannot define what organic means, and the difference from non-organic products. Effective outreach programmes and reasoned marketing campaigns are needed to disseminate credible information and to develop consumer awareness. Dissolving the misconceptions about organic production is crucial for increasing domestic consumption.

Future trends

The future development of organic agriculture in Hungary depends a lot on the EU's Common Agriculture Policy and the national implementation, and



Figure 3. Willingness of Hungarian consumers to pay a premium price (0-40 %) for food with different characteristics (Fürediné Kovács, A. 2006).

not least on the realisation of the National Rural Strategy and the Organic Action Plan. Hungarian organic production needs a stronger practice-oriented research basis, there needs to be more dissemination work underpinned by local scientific evidence, and efforts are needed to increase consumer awareness. Cooperation and communication between organic stakeholders is crucial for effective lobbying work. The organic sector has an important role in assisting Hungarian agriculture to face global challenges, such as climate change and water and oil scarcity. It is anticipated that market demand will increase, and that some organic farming methods will soon become mainstream agricultural practice. The development of organic agriculture could play a key role in maintaining Hungary's competitiveness on agricultural markets.

Organic agriculture research

The Hungarian Research Institute of Organic Agriculture (ÖMKi) is a private non-profit research centre, founded by the Swiss Research Institute of Organic Agriculture (FiBL) in 2011. The aim of ÖMKi is to advance science and innovation in organic agriculture in Hungary.

ÖMKi's motivated team works closely with many stakeholders in the Hungarian organic movement, initiating, coordinating and implementing innovative research projects, as well as providing training and extension services. In 2012, ÖMKi started to establish an on-farm experimentation network that has engaged many organic farmers. ÖMKi regularly organises workshops and vocational trainings for farmers and other stakeholders, often in partnership with other organisations. It has also established a popular PhD and Postdoctoral scholarship programme in order to foster the development of a new generation of Hungarian scientists, who will be deeply involved researching organic agriculture and sustainable production methods. Thus, ÖMKi is striving to support the development and competitiveness of Hungarian organic agriculture and food production in the long run.

ÖMKi is acknowledged as consultancy centre by the state. In October 2013, the institute realized the big event of the International Conference on Organic Agriculture Sciences in Hungary (ICOAS 2013), as described in a separate paper in this newsletter. Currently, almost all agricultural universities and state research centres of Hungary are involved in organic agriculture research. However, only two universities have dedicated independent departments to organic agriculture. These are the Corvinus University of Budapest and since 2013 the Szent István University of Gödöllő. There is only one research institution where the focus is entirely on organic farming, namely the Hungarian Research Institute of Organic Agriculture (ÖMKi).

In 2013 ÖMKi was awarded the title of external Department of Agrobiodiversity and Organic Agriculture of the University of Debrecen, which raises the number of organic agriculture university departments to three. So far, Hungary has not been a partner in the CORE Organic ERA net. International cooperation is supported, besides other means, by the close cooperation with FiBL institutes in several countries.



In this beautiful house in Budapest, the Hungarian Institute of Organic Agriculture (ÖMKi) is located.