

FÖLDMŰVELÉSÜGYI
MINISZTERIUM

Family farming and short food supply chains in Hungary

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Regulatory background

❖ Regulations

- Act No. CXXII/2013 on agricultural and forestry land turnover.
- Act No. CXXII/2013

These two laws contain the following definitions:

- *Family farming,*
- *Family farmer,*
- *Member of family farm.*
- Government Decree 326/2001 on the establishment, listing, operation and special subsidies of family farms.

The County Government Office is the registering agricultural office which register a family farm if it satisfies the following conditions:

- the members of the family farm conclude an agreement in writing and set forth their assets and their accounting relationship,
- agree to transfer the land and necessary means for cultivation owned or used by the family members at least for five years.

- ### ❖ *Special taxation (őstermelő)– special administration category, app. licensed traditional small-scale producer: a non-entrepreneur private farmer, who conducts activities listed in the relevant law on his/her own farm and holds a registered licence for the activity.*

Some numbers

Currently:

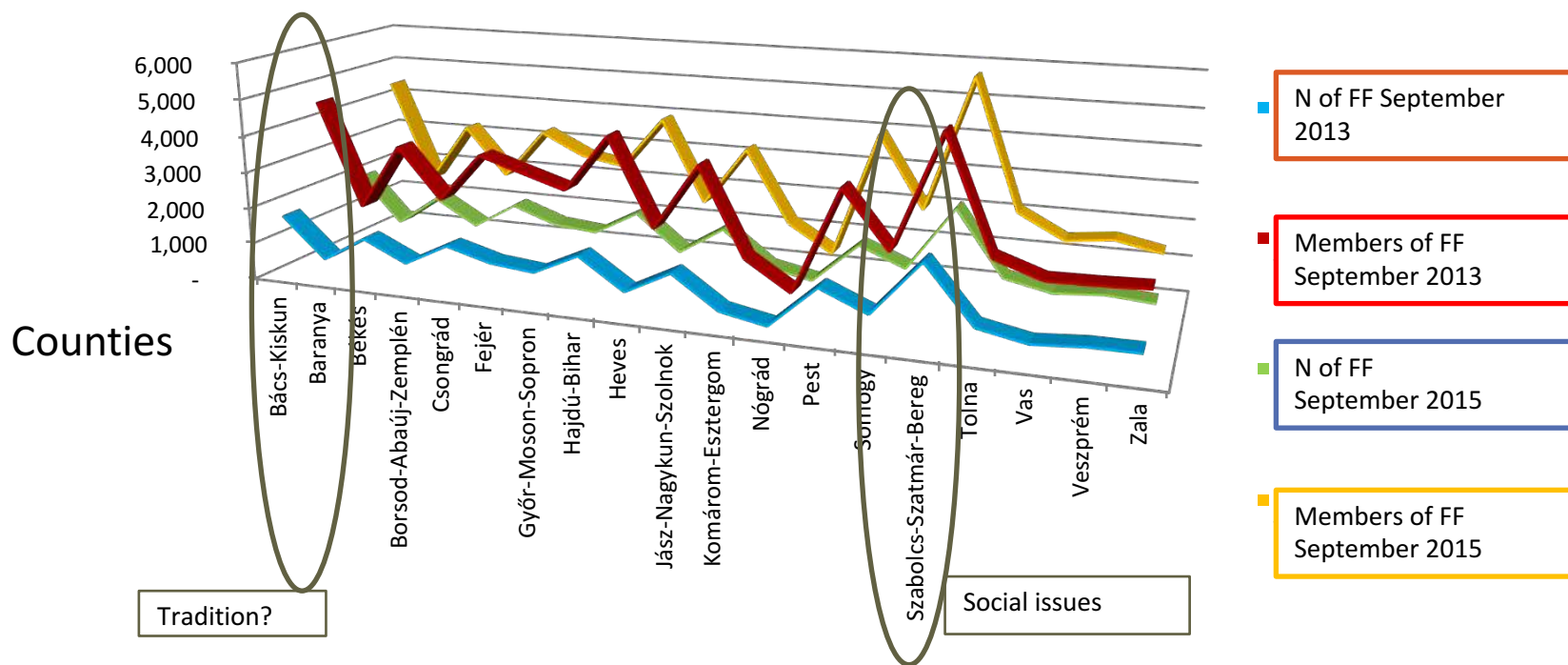
- ❖ *20 300 family farms,*
- ❖ *around 50 000 members,*
- ❖ *1 374 000 ha cultivated land.*



Number of registered family farms

A családi gazdaságok és a hozzátartozó tagok számának megyénkénti alakulása 2013. és 2015. évek között

(Forrás: NÉBIH)

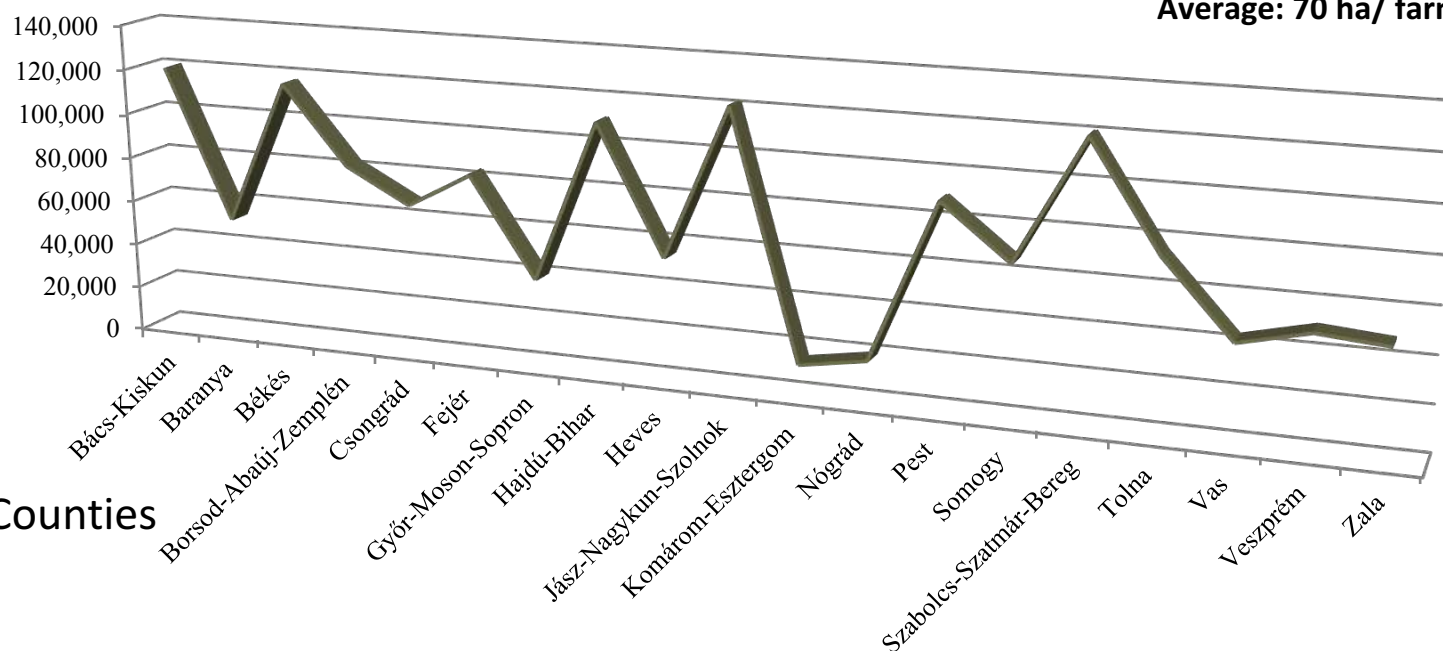


Cultivated land

Total area of cultivated land by family farms by counties

Total: 1 374 00 hectares

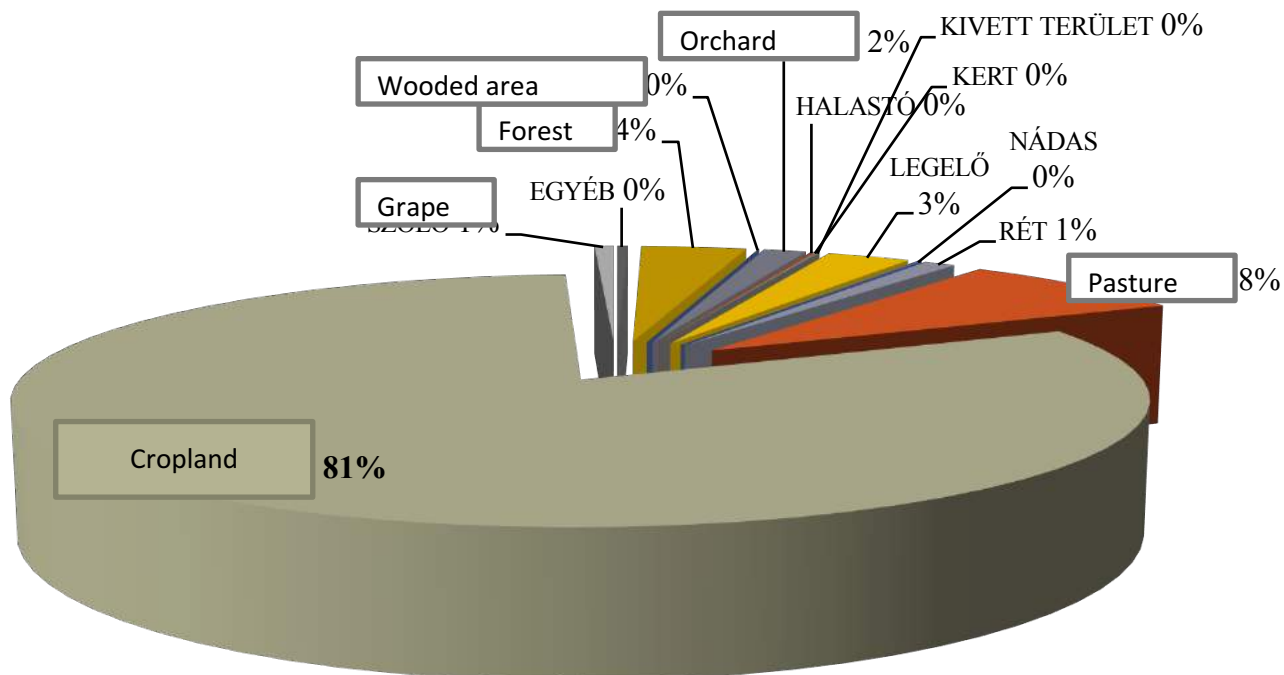
Average: 70 ha/ farm



DEFINITIONS		TOTAL	RATIO(%)
Agricultural purpose lands, hectare		2 420 054	100,0
Categories	< 1,00	84 471,0	3,5
	1,00 – 49,99	1 074 355,0	44,4
	50,00 ≤	1 261 228,0	52,1



Major land uses

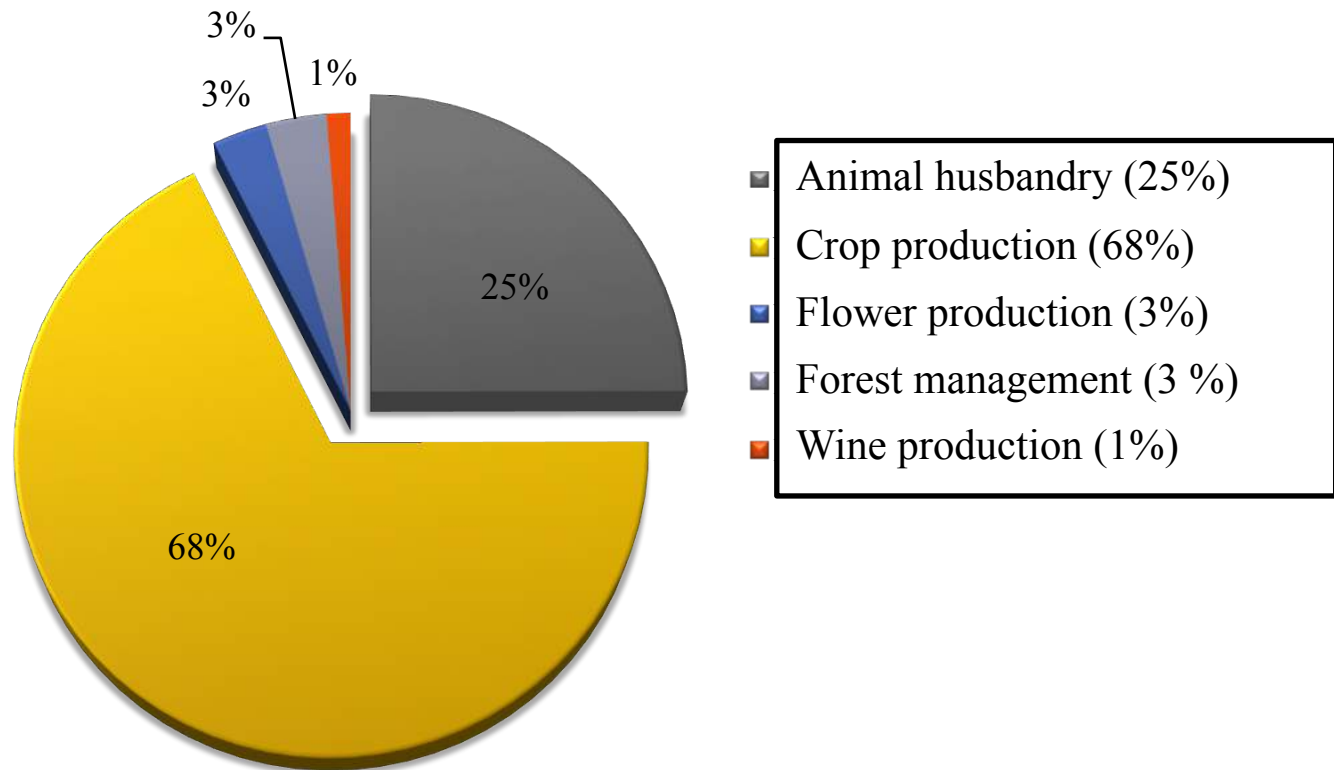


Land use by family farms

Forrás: NÉBIH 2015.

Scope of activities

Activities of the members
(Forrás: NÉBIH felmérés, 2015.)





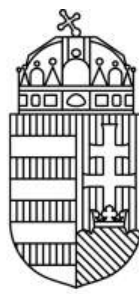
Diversification as a value

- ❖ Labor-intensive cultures
- ❖ Handicraft
- ❖ Food process, local products
- ❖ Tourism and gastronomy



Review of Hungarian family farming regulations

- The whole regulation of family farming is currently under review in Hungary that extends to
 - tax policy,
 - land policy,
 - civil law and
 - support policy.
- The main aim is to strengthen small farmers/family farmers that may contribute to increase their negotiating power: more weight in contract negotiations, ensuring fair terms and conditions, gaining access to public and larger scale markets.
- Possible tools:
 - Detailed and precise data base
 - Specialised supports
 - Diversification



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Market accessibility by short food supply chains



What is Short Food Supply Chains (SFSCs)?

Short supply chain' means a supply chain involving a limited number of economic operators, committed to co-operation, local economic development, and close geographical and social relations between producers, processors and consumers.

- Generating increased **policy interest**, entrepreneurial activity and **civil society** engagement over recent years.
 - Potential to **improve farm incomes, promote sustainable farming systems and contribute to local economic development.**
 - Common characteristic: **reduced numbers of intermediaries between the farmer or food producer, and the consumer.**
-



Direct sale	Methods of individual sale methods	Sale at farms (farmer shop) Sale on local market Roadside sale Mobil shop (van) Home delivery service Sale to a permanent group of regular customers Internet Pick your own Installed food machines
	Collective sale	Shop (common) operated by cooperates or non-profit association Common association production, processing and/or marketing and /or common sale
Short-term sale methods	Sale to retailers in region	Food retailers Regional business chain Bio shops Bio department store Retailers' sale of healthy food Shops selling meal/food specialties Discounts
	Sale to kitchens in region	Restaurants School canteen Workplace canteen

Internal challenges of the modern food supply chain: Special area, SME suppliers

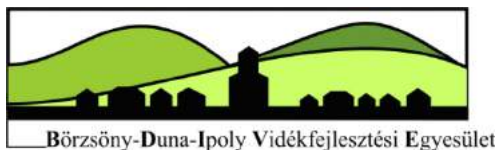
- **Problems:**
 - **They do not have a definite marketing approach, practice or marketing strategy**
 - **They are not able to supply in sufficient quantities**
 - **Transport problems**
 - **Lack of capital**
 - **Chances:**
 - **Niche markets – no universal production**
 - **Special products**
 - **Regional supply**
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Adultes
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ECOSYAL PROJEKT



Enseignement agricole
Formations grandeur nature



n é b i h
Termőföldtől az asztalig



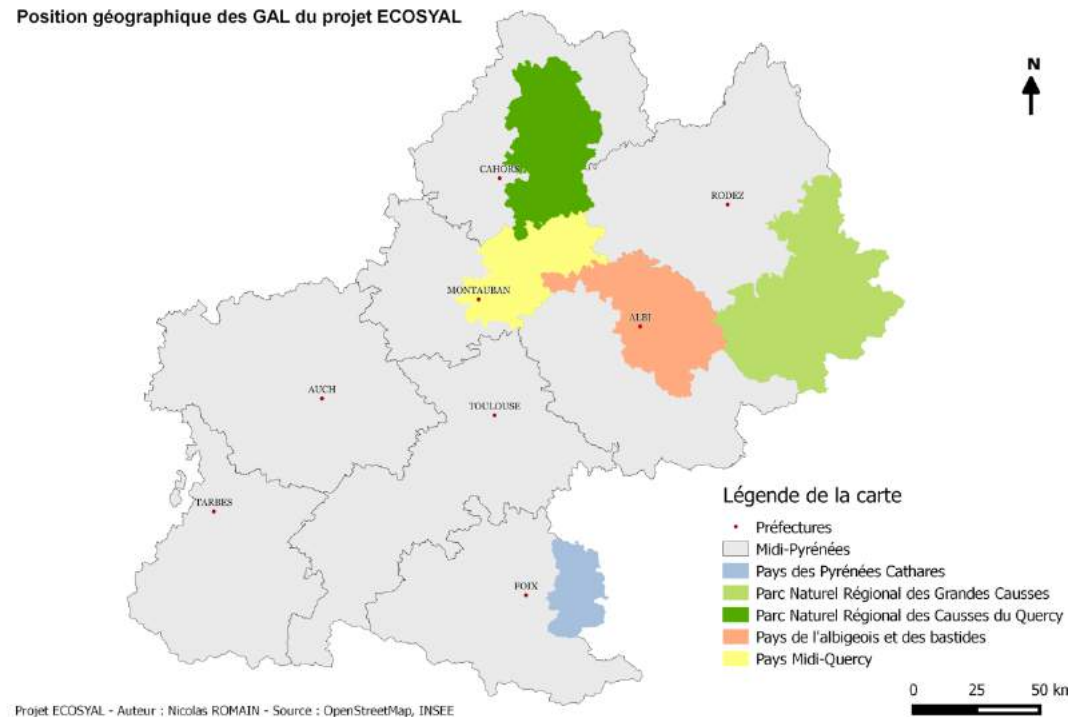
SZENT ISTVÁN
EGYETEM

Objective: Through a project group, **build an initiative to support territories and stakeholders in the territory**, for better understanding and development of local agrifood systems.

Localisation of participants



Position géographique des GAL du projet ECOSYAL



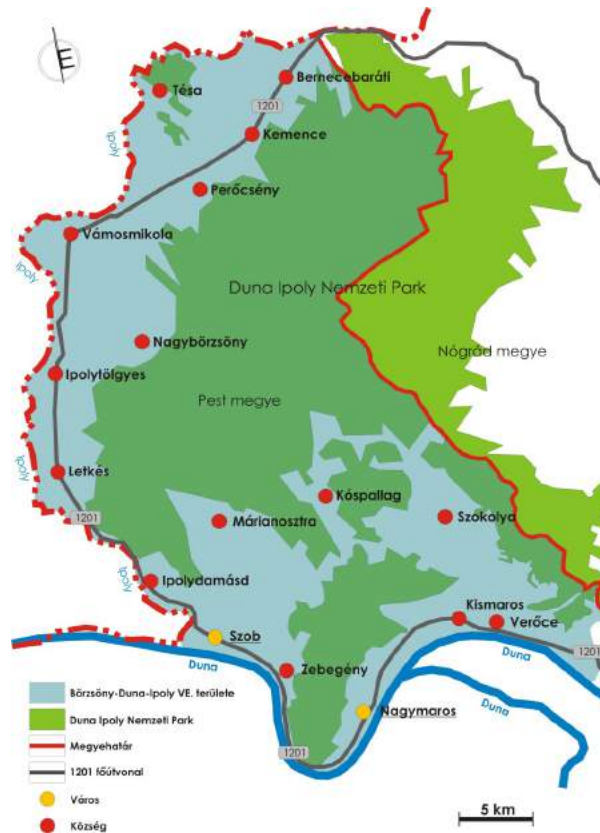
FRANCE - Midi-Pyrénées

Hungary



Zala Termálvíz Egyesület

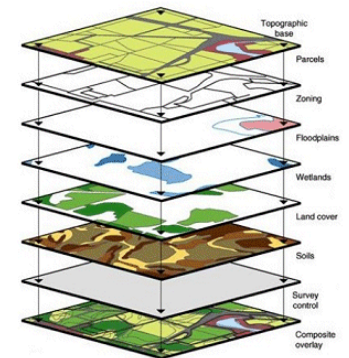
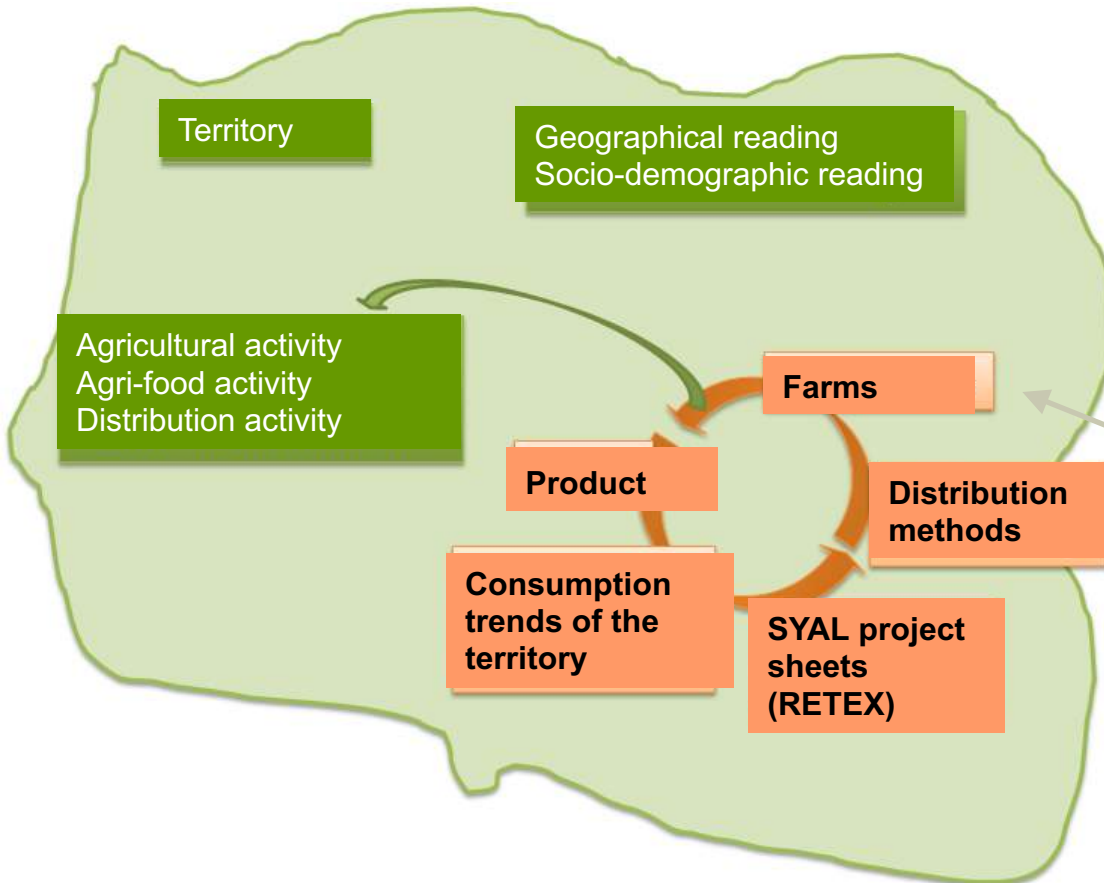
Hévízi és Zalaszentgróti térség



Börzsöny-Duna-Ipoly Egyesület



DIAGSYAL tree structure: mapped data



Sub-trees



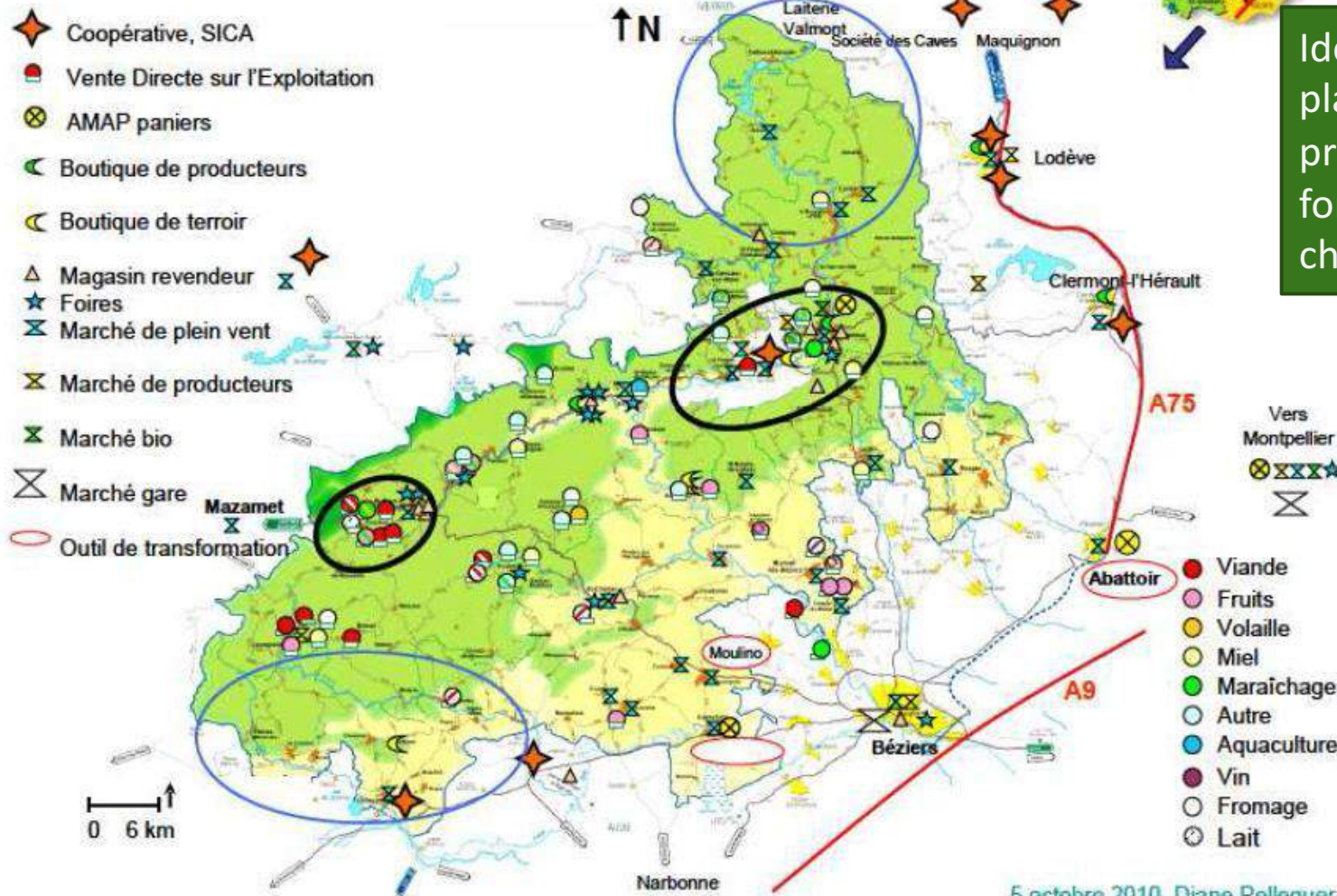
Results: Good practice collection



Results: more layer and cartographie for understanding local development

Layer 5 (level 2): Reading of the distribution activity and of consumption trends

Les outils de commercialisation



Identify and locate places of sale of products intended for local distribution channels

Coxinel project in Haut-Languedoc

Suggestions:

Direct selling development plan

Questions:

- Harmonization of local and private development plans
- Consumers would like to buy from local producers but they need comfort
- After wine-makers who can produce other type of food?

Opportunities:

- „Open farms program” – collaboration to build a local network
- Tourism and gastronomy development
- Common brand building.



Final result: LEADER international collaboration

- Network building and local animator training
- Catering and local products
- Gastronomy and thematic tourism



Lessons to learn

- The main factor of succes is to understand and accept changes!
 - The land, tools, labor are important but even the capital, **market collaborations, innovation and knowledge will determine the future of family farms.**
 - Best practices, active civil sector and bottom-up approach are necessary.
 - For modernisation we need capital and first of all knowledge-transfer to be sustainable.
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Thank you for your kind attention!

