



Implementation of the Common Agricultural Policy in previous period and readiness in the future period 2023-2027

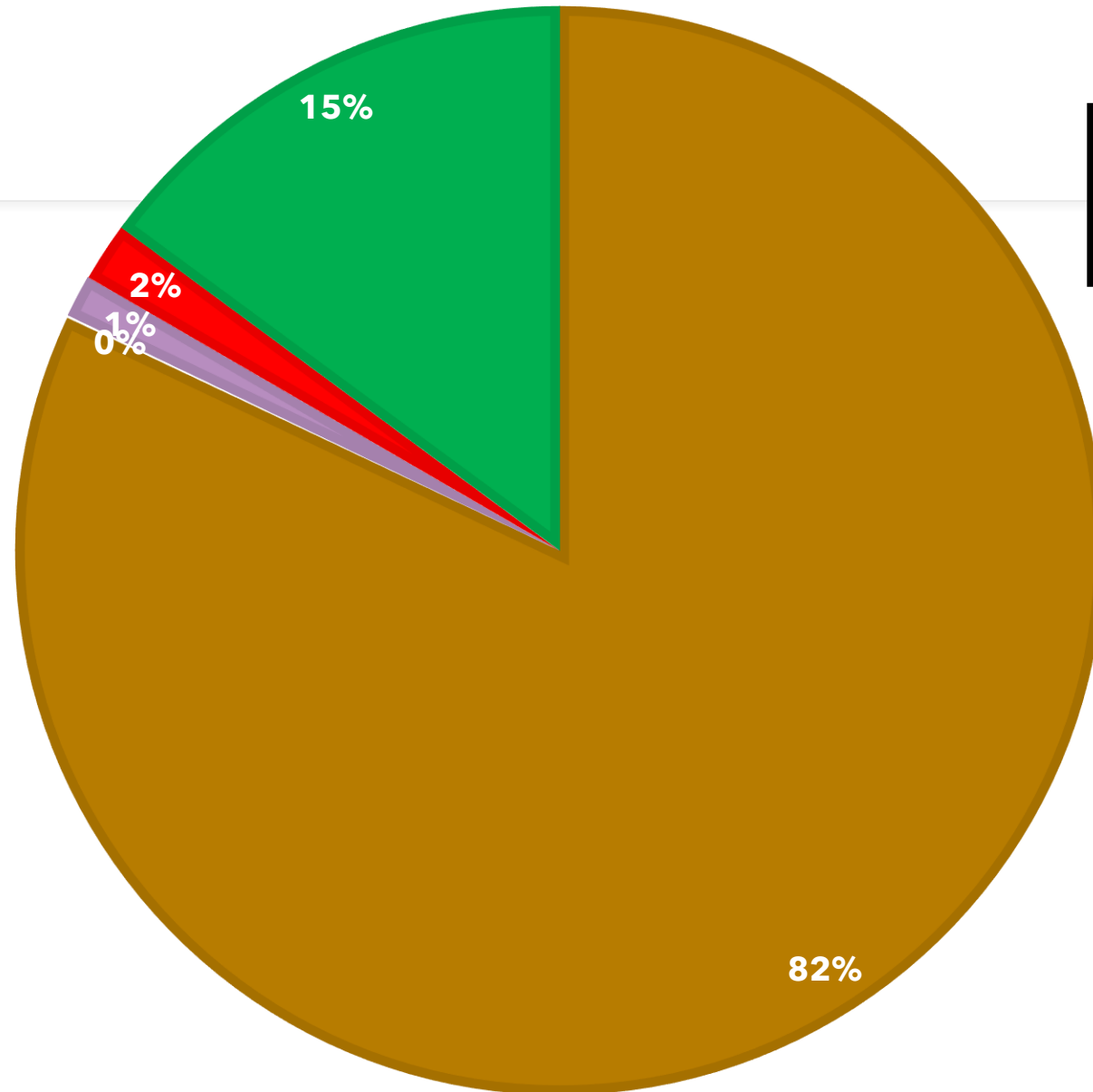
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HUNGARY

Nitra, June 17-18, 2022

UAA DISTRIBUTION BY LAND CULTIVATION

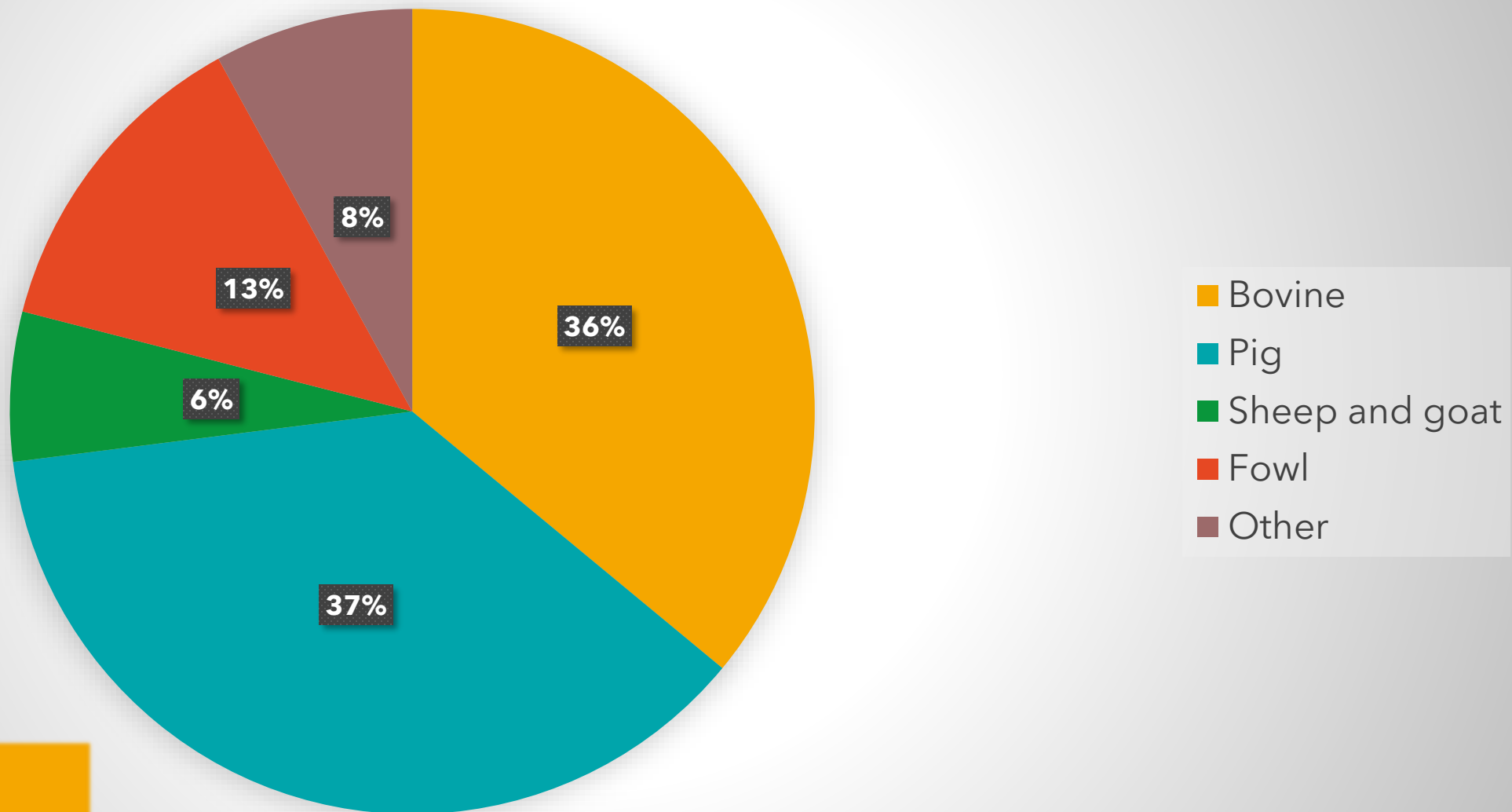
■ Arable land ■ Kitchen garden ■ Vineyard ■ Orchard ■ Grassland



5 million hectares

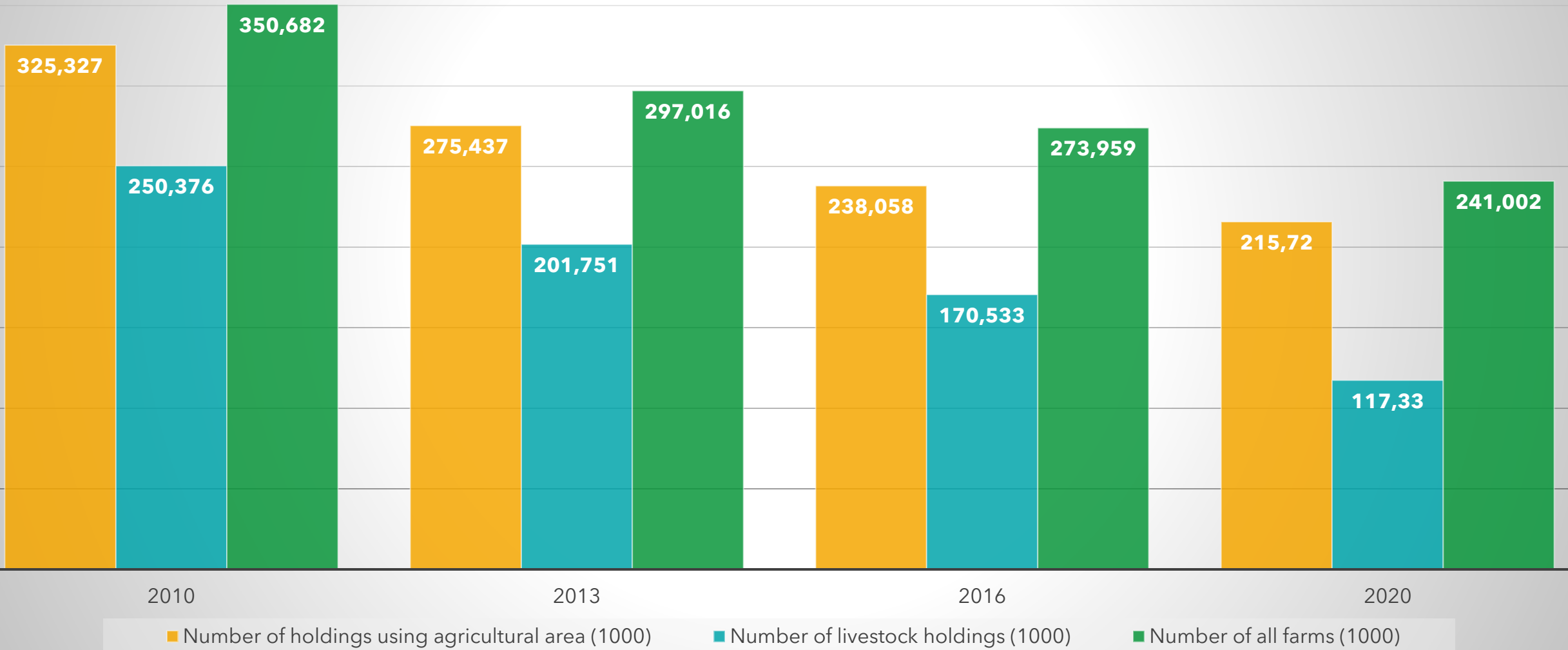
Source: HCSO

Livestock LSU% by species in Hungary, 2020



Source: HCSO

Number of farms between 2010-2020 in Hungary (1000 pcs)



Source: HCSO

Copenhagen should provide roadmap for CAP reform

By **SHARON SPITERI**

7. JUN 2002, 09:32

The Dutch Minister of Agriculture, Nature Management and Fisheries Laurens Jan Brinkhorst said that a clear roadmap for CAP reform after 2006 should be presented at the Copenhagen summit in December. Although he said that such a plan is not yet ready, he said it is nevertheless essential. The minister said that a deal about refuting direct payments and a new agreement could be reached by the end of the year, though he admitted that it is not yet clear.

Germany and enlargement

During a discussion in the Council, the EU 15 should start CAP reform. Brinkhorst said that the present CAP is extended to 2013, but the situation could become untenable if the present CAP is extended. "I believe there is a link," Brinkhorst said, "between some principles outlined for the CAP reform."

Martin Wille, a state-secretary in the German agricultural ministry, said that waiting 10 or 15 years to discuss CAP reform is too long. "I believe we should start now in the context of the mid-term review." He said that the candidate countries should be adopting a reformed acquis and not the present CAP, which will inevitably change in the future.



MEPs vote down EU climate laws in dramatic upset

8. JUN, 17:30

MEPs rejected three major climate laws in a plenary vote on Monday, under pressure from industry groups.

„A fair and tailor-made package which benefits farmers in accession countries”



How industry watered-down new EU supply chain rules

9. JUN, 16:08

The Commission fell hook, line, and sinker for the arguments of big business on the corporate due diligence directive — conflating rules and regulations with so-called 'red tape' and rebranding regulations as 'burden' on business.

How it started?

- Agricultural negotiation results (included in the Accession Treaty)
- Grape marc or grape marc spirit may be replaced by the designation of Pálinka solely for the spirit drink produced in Hungary (fruit spirit is a bit different story if includes apricot).
- Geographical designations for Hungary.



CAP parameters for Hungary in the Copenhagen Agreement (Crop production)

- **GOP plants regional yield (t/ha): 4,73** (second highest among the 10 NMS)
- **GOP plants base area (ha) 3 487 792** (Established on 1997-2001 averages. Excluded (December 31, 2000): permanent pastures, permanent crops or trees, or was used for non-agricultural purposes)
- Durum wheat traditional area: (ha) 2 500 (0,07%) - supplement payment
- Durum wheat non traditional area (ha) 4 035 - special aid
- Legumes (ha) 1 954
- Tobacco total (t) 12 355
- Sowing seeds (t) 7 235
- Rice: support 163,215 EUR/ha (lowest); Base area: 3 222 ha (0,74%)
- Fruit net weights fresh fruit processing threshold: Tomatoes: 130 790 tonnes (1,5%); Peaches: 1 616 tonnes (0,29%); Pears: 1 031 tonnes (0,98%)

CAP parameters for Hungary in the Copenhagen Agreement (Livestock production)

- Slaughter premium
 - Bulls, steers, cows and heifers: 141 559
 - Calves (1-7 months old): 94 439
- Special beef premium: 94 620
- Suckler cow premium: 117 000
- Ewe premium: 1 146 000
- Milk
 - 1 782 650,000 tonnes - deliveries (1,31%)
 - 164 630,000 tonnes - direct sales (5,96%)
 - Restructuring reserves to be applied from 2006 - 42 780 tonnes

Derogations for all

- Total amount of support for investment in agricultural holdings, expressed as a percentage of the volume of eligible investment, shall be limited to a maximum of 50 % and, in less favoured areas, 60 %. Where investments are undertaken by young farmers, these percentages may reach a maximum of 55 % and, in less-favoured areas, 65 %.

Derogations for all

- Support for investment shall be granted to enterprises which have been granted a transitional period after accession in order to meet the minimum standards regarding the environment, hygiene and animal welfare.
- Areas at risk of forest fires in the rural development plans

Derogations for Hungary

- RD plan covering a 3 year period (starting from January 1, 2004).
- Direct payment schedule of increments (percentage of applicable level):
 - 25% in 2004
 - 30% in 2005
 - 35% in 2006
 - 40% in 2007
 - 50% in 2008
 -
 - 100% from 2013

Complementary national direct payments

- Up to 55% of the level of direct payments in 2004 financed from the RD funds and national funds
- 2005: 60%
- 2006: 65%
- From 2007: 30% (only from national funds)

SAPS at the start

- Minimum size: 0,3 ha
- No obligation to produce
- Good agricultural condition to be maintained
- Original intention: 2008 would be the last year of Single Area Payment Scheme application.



Investigating the present situation...

Income support details, EU-27 (2019)

- 6 064 820 farmers receive CAP income support
- The average income support per beneficiary: 6 610 EUR
- Ratio of holdings not benefiting: 41%

- (source: European Commission)



Income support details, Hungary (2019)

- 168 380 farmers receive CAP income support
- The average income support per beneficiary: 7 450 EUR
- Ratio of holdings not benefiting: 60,8%

Source: European Commission



Speed of transition toward a flat rate payment



Source: EP-DG-IP

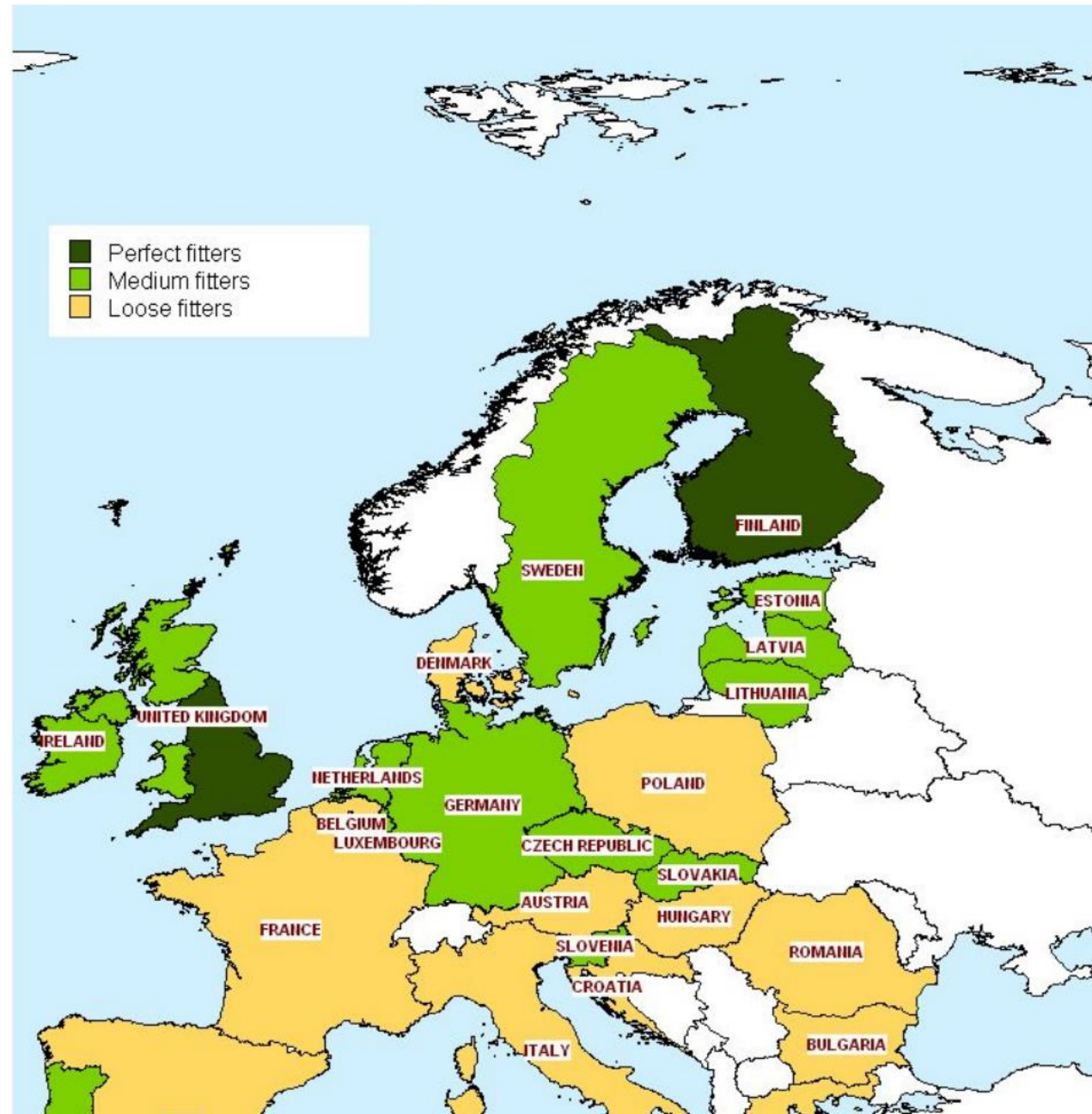
Selectiveness of beneficiaries



Source: EP-DG-IP

National CAP tailoring

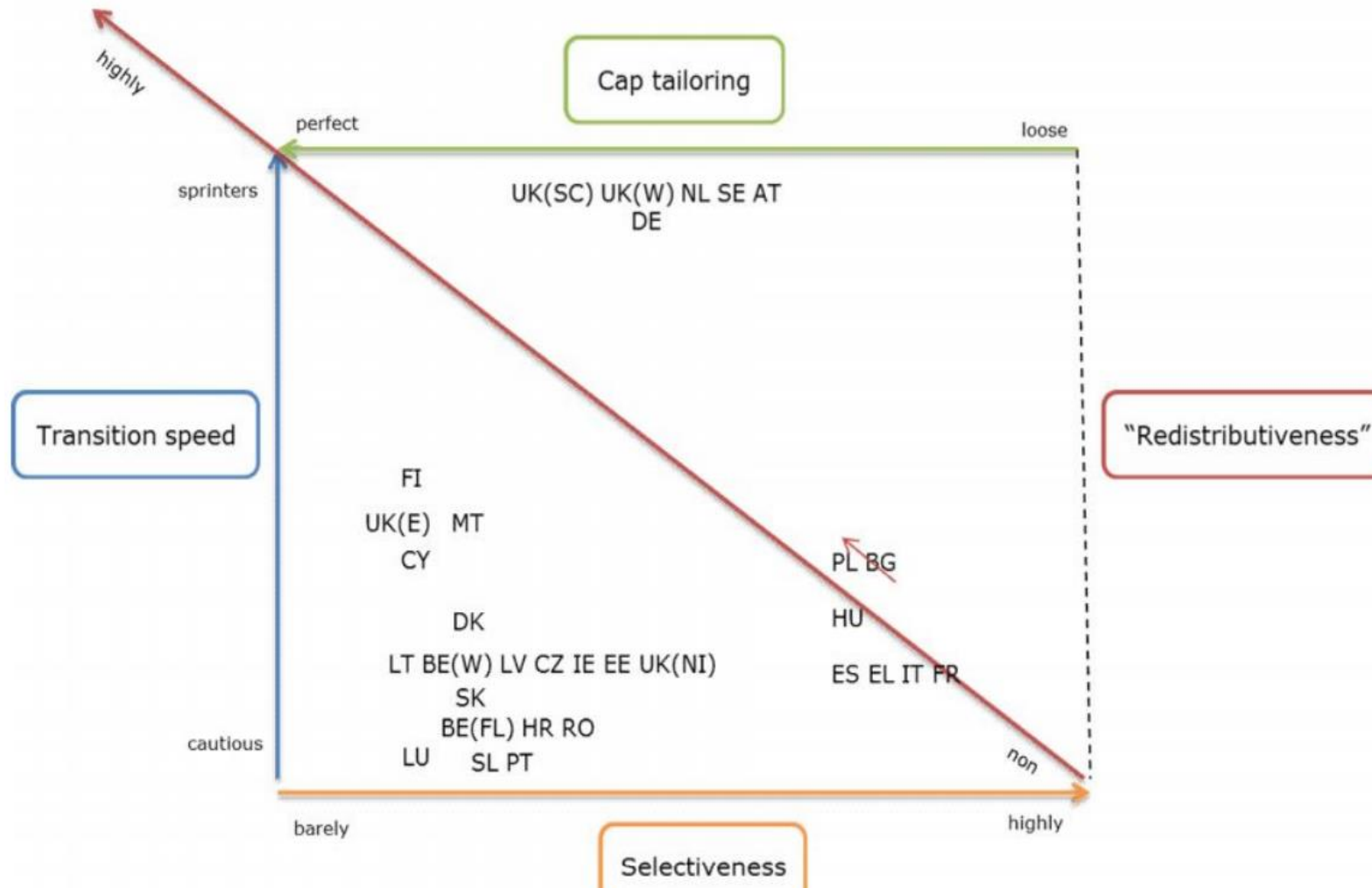
Map 2.4: "National CAP tailoring"



Source: EP-DG-IP

EU member states - comparison

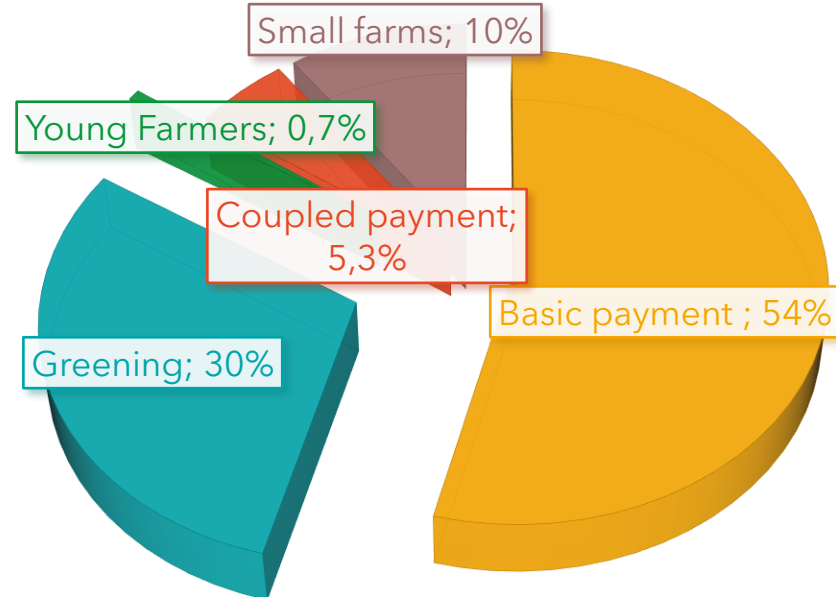
Map 2.5: Graphic map displaying similarities and differences



Source: EP-DG-IP

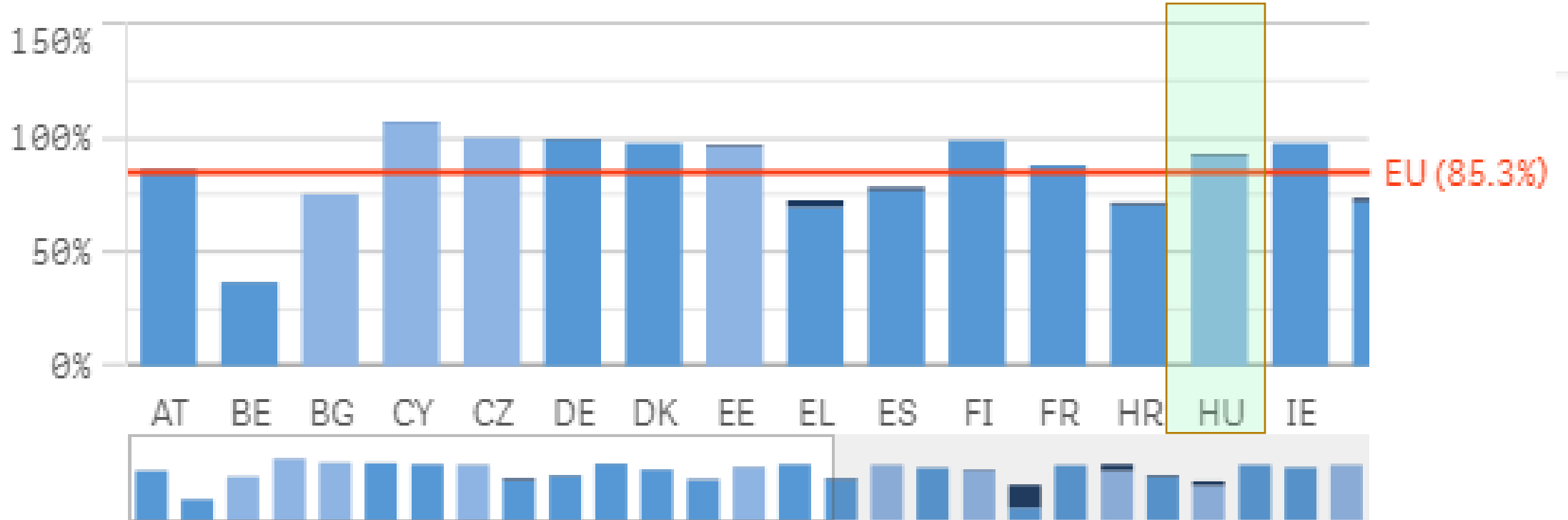
CAP payments in Hungary in the 2014-2020 period

- 3,2% of the EU CAP budget.
- 12,3 billion EUR



Share of supported hectares in UAA (%)

In 2019



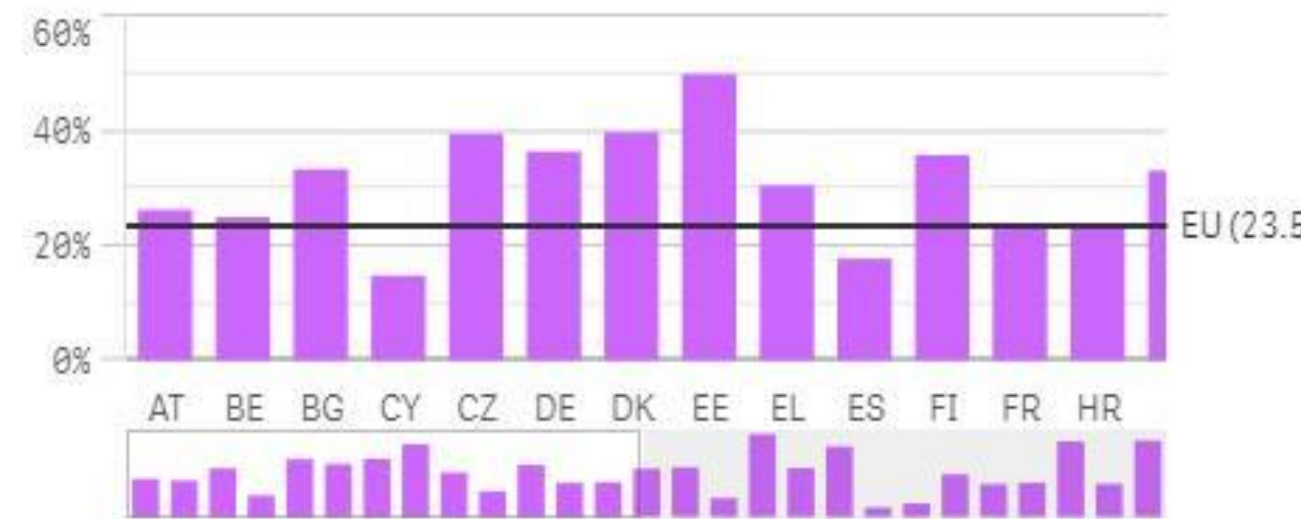
Source: European Commission

https://ec.europa.eu/info/food-farming-fisheries/farming/facts-and-figures/farms-farming-and-innovation/structures-and-economics/economics_en

Let's compare

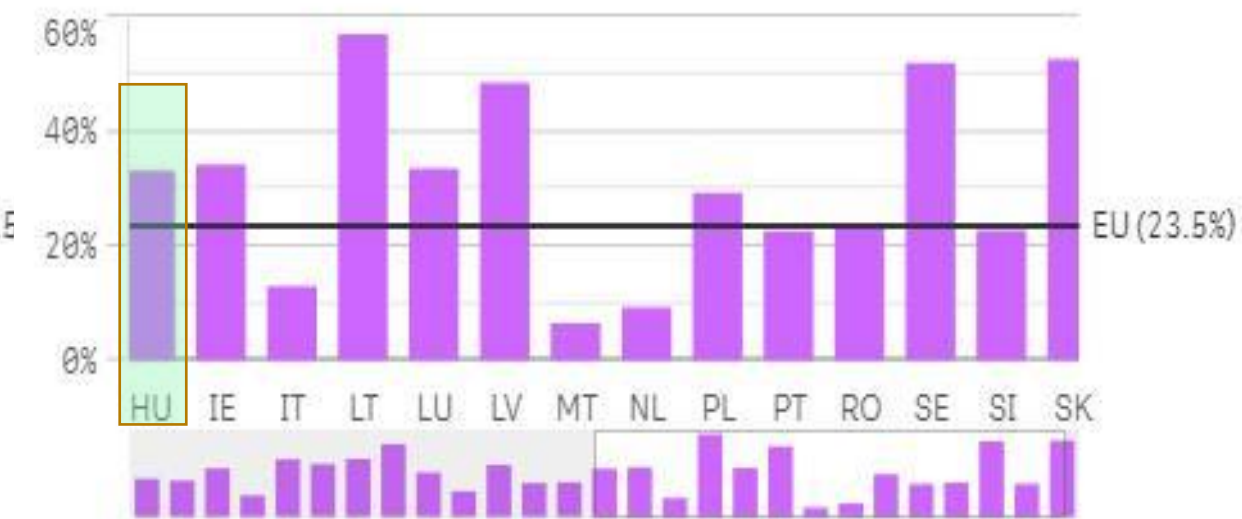
Share of direct support in agricultural factor income (%)

In 2018



Share of direct support in agricultural factor income (%)

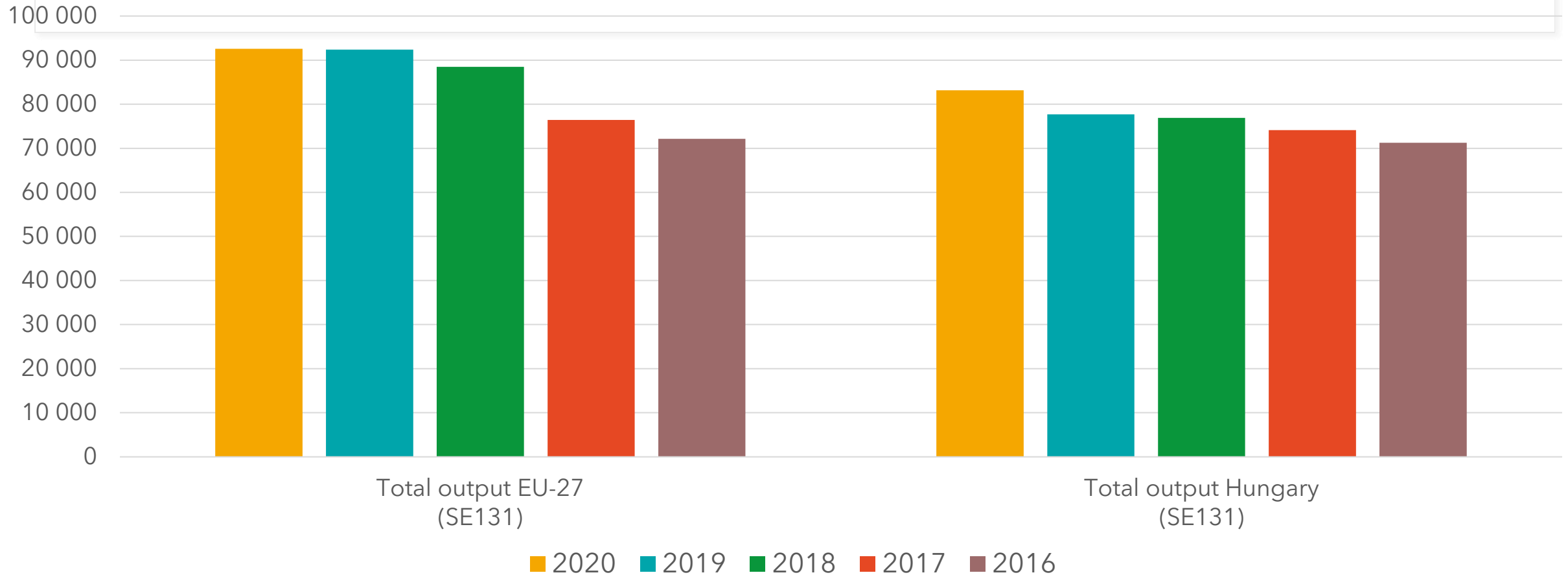
In 2018



Source: European Commission

https://ec.europa.eu/info/food-farming-fisheries/farming/facts-and-figures/farms-farming-and-innovation/structures-and-economics/economics_en

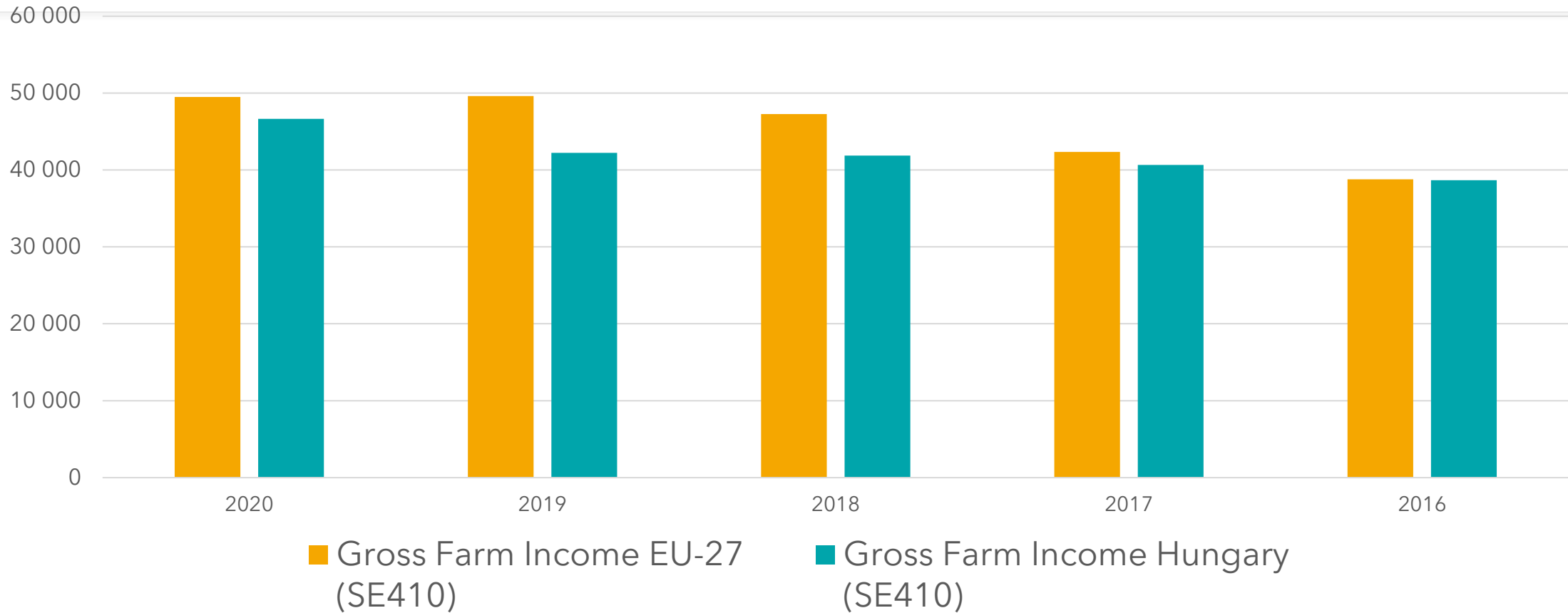
Total output per farm in the EU-27 and in Hungary between 2016-2020, FADN (EUR)



Source: European Commission

https://ec.europa.eu/info/food-farming-fisheries/farming/facts-and-figures/farms-farming-and-innovation/structures-and-economics/economics_en

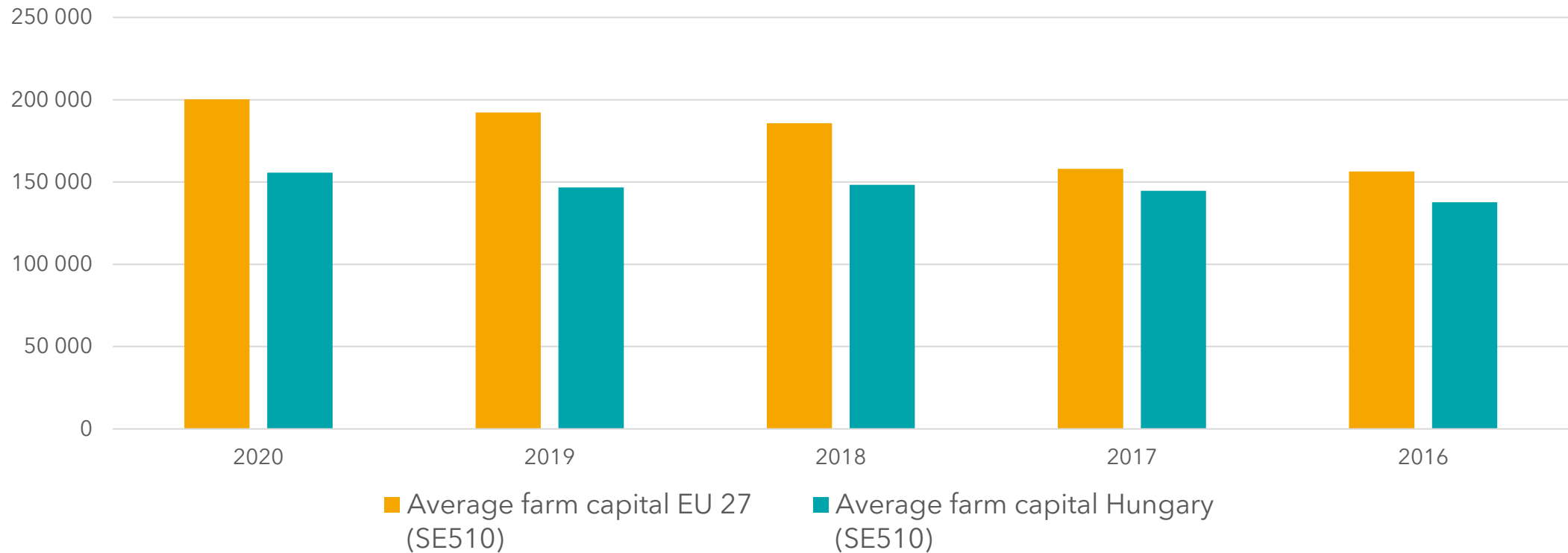
Comparing EU-27 average gross farm income to that of Hungary, 2016-2020, FADN (EUR)



Source: European Commission

https://ec.europa.eu/info/food-farming-fisheries/farming/facts-and-figures/farms-farming-and-innovation/structures-and-economics/economics_en

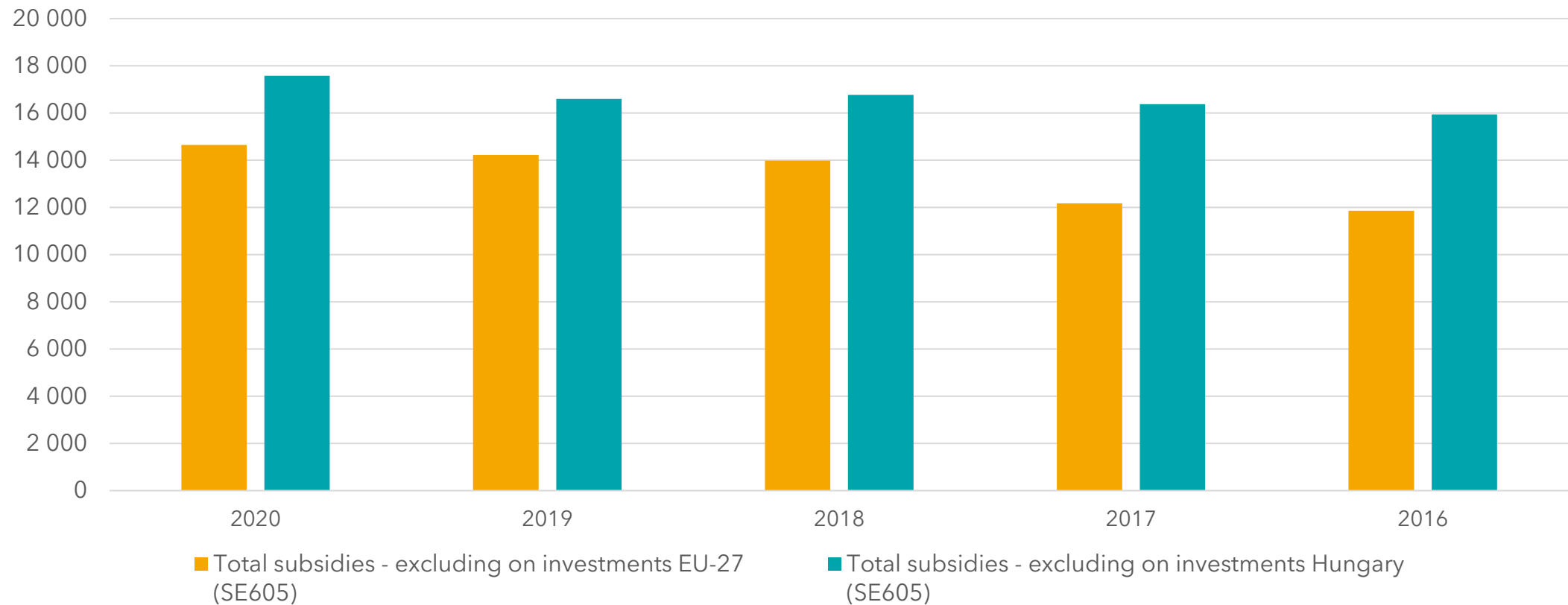
Average farm capital value in the EU-27 and in Hungary between 2016-2020, FADN (EUR)



Source: European Commission

https://ec.europa.eu/info/food-farming-fisheries/farming/facts-and-figures/farms-farming-and-innovation/structures-and-economics/economics_en

Total subsidy farm average value in the EU-27 and in Hungary between 2016-2020, FADN (EUR)



Source: European Commission

https://ec.europa.eu/info/food-farming-fisheries/farming/facts-and-figures/farms-farming-and-innovation/structures-and-economics/economics_en

Single area payment - applications in 2021

Item	EUR/ha	HUF/ha (360,19 HUF/EUR rate)
SAPS - Basic payment	140,68	50 671
Greening	78,65	28 331
Basic payment + greening	219,33	79 002
Young farmer scheme	67,9	24 457

163 343 applicants

4,98 million hectar eligible area for the SAPS basic payment

Source: Ministry of Agriculture

Coupled payments in 2021 (applications)

ITEM	Number of applications	Claimed area, ha	Unit support (HUF, 360,19 HUF/EUR)
Beets	432	12120	230673
Rice	55	2717	257268
Vegetables for processing	3162	56867	70535
Vegetables	4006	2033	88191
Industrial oil crops	518	6757	73121

Source: Ministry of Agriculture

Coupled payments in 2021 (applications)

ITEM	Number of applications	Claimed area, ha	Unit support (HUF, 360,19 HUF/EUR)
Fruit, extensive	7237	38017	89869
Fruit, intensive	3626	17816	131894
Legume seeds	3426	68548	68610
Forage legumes	15545	171190	27473

Source: Ministry of Agriculture

Coupled payments in 2021 (applications)

ITEM	Number of applications	Claimed heads	Unit support (HUF, 360,19 HUF/EUR)
Ewes	6918	765930	10038
Sucler cows	8388	247455	49430
Bulls	5413	93122	16888
Milking cows	3384	215383	111958

Source: Ministry of Agriculture

TRANSITIONAL NATIONAL AID (2021 APPLICATIONS)

Item	Unit support (HUF, 360,19 HUF/EUR) FT/head or Ft/ PBHE
Beef	22 000
Milk	5,33
Suckler cow	21 384
Cattle extensification	22 000
Ewe (coupled)	14,4/18
Ewe (decoupled)	3 462
Tobacco (decoupled) - Burley	158 547
Tobacco (decoupled - Virginia	424 009

Institutional involvement

- Hungarian State Treasury as Paying Agency (legal successor of the former Agricultural and Rural Development Office).
- County or district government agencies.
- County Directorates of the National Directorate General for Disaster Management.

CAP in Hungary between 2023-2027

- 5 million hectares UAA
- Objectives for the Hungarian agriculture:
 - Double the size of irrigated area (from 2 to 4 per cent)
 - Adding 28 000 new jobs (?)
 - Increase agricultural export (10,624 billion euro in 2021) value by higher value added products
 - Increasing the share of the food sector in the GDP (?)
 - Increasing the competitiveness of Hungarian enterprises.
 - Encouraging producers' integration and cooperation.
 - Innovation.





Facts

- December, 2020: Official Journal -Regulation of the EP and the Council (2020/2093).
- KAP ratio decreases, but remains over 30% of the budget.
- 336,374 billion EUR (on 2018 prices).
- 40% of CAP resources is to allocated to environment and climate protection goals, biodiversity goals (2024 - 7,5%, 2026 - 10%)

Financing 2023-2027 - HUNGARY

- I. Pillar: 8,702 billion euro
- II. Pillar: 3,010 billion euro
- II. Pillar + NGEU: 3,308 billion euro
- CAP TOTAL: 11,938 billion euro
- CAP TOTAL+NGEU: 12,237 billion euro

Changes compared to 2014-2020?

- Yes.
- Direct payments and market measures: - 2,13%
- Rural development: -12,88%
- Rural Development + NGEU: -4,24%
- CAP TOTAL: -5,11%
- CAP TOTAL+NGEU: -2,74
- (worse if calculated on 2018 prices)



Reaction

- National complementary aid allocated through the RD pillar has been raised significantly to 80%, starting in 2021.
- 4 265 billion HUF.

HUNGARY CAP STRATEGIC PLAN

- Allocation plan in the first pillar:
 - **BISS**: 3,886 billion euro (1418 billion HUF); 157,94 euro/ha
 - **CRISS**: 663,43 million euro (242 billion HUF); possible argument on the insufficient capping!
 - **CISYF**: 93,5 million euro (34,11 billion HUF); 157,33 euro/ha and up to 300 ha (118 000 ha/year)
 - **Eco-Schemes**: 995 million euro (363,1 billion HUF); 80,85 euro/ha

65%

New measures in the RD pillar

- Generational turnover focused new measures
- New agri-ecological measures
- Small holding focused new measures....



Thank you for your attention.