

## **INDIVIDUAL FARMING IN SZABOLCS-SZATMÁR-BEREG COUNTY (HUNGARY)**

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***Abstract:** Szabolcs-Szatmár-Bereg County in the Northern Plains Region of Hungary has unfavourable agricultural potentials (soil quality etc.). It determines the overwhelming proportion of individual farms in agricultural production (78,45 as opposed to the national average of 56,2%).*

*Out of the 99,000 individual farms only 448 cultivates more than hectares of land, whereas the cultivated area does not exceed 1 hectare at 64,000 farms. Mechanization of the small farms is extremely low: they have 10,000 tractors and about 50 combines. The use of fertilizers is also very low.*

*Fewer than 6,000 of the farmers have advanced qualifications, and 66,000 smallholders only have elementary education. This level of qualifications does not ensure efficient agricultural production. A further reduction of the size of the cultivated land in the county is envisaged. It raises the issue of forwarding support to the population of villages from social funds.*

***Key words:** individual farming – farm sizes – efficiency*

Hungary has a very high agro-ecological potential. The country's agricultural and food export possibilities are determined by two factors: a market where the product can be sold, and the competitiveness of Hungarian food in the foreign market. The competitiveness of the products are in close interrelation with the forms and organization of production. From this aspect, large companies are in a much better position than individual farms.

After the change of the political system in Hungary, the country's agricultural policy favoured individual farming. At present approximately 90% of the nation's total of 4,653 thousand hectares of agricultural land is in private proprietorship, and the total area of lands used by individual farmers is 2,614 thousand hectares. The area of arable lands in the Northern Plains Region, a part of which is Szabolcs-Szatmár-Bereg County, is 296,000. While the share of individual farmers in the total area is 56,2% as a national average, in

Szabolcs-Szatmár-Bereg County the proportion is considerably higher: 232,000 hectares, that is, 78,4%.

In connection with the high agro-ecological potential it is to be noted that soil fertility is different in the various regions of the country, and it happens to be one of the lowest in Szabolcs-Szatmár-Bereg County. This factor probably influences the organizational structure of agricultural production. Large companies are only able to achieve low productivity on the relatively poor soil, and many people in the small and remote villages of the county have no other source of income than individual farming.

The constraints of time do not make it possible to deal some special forms of farming such as "original farming" in detail, also because this category is not easy to define for lack of analogies in other countries, it is to be noted that out of the total of 1,157 thousand "original farmers," 181,000 live and work in Szabolcs-Szatmár-Bereg County.

The agricultural companies cultivate 50,000 hectares – 78,1% - of ploughlands out of their total of 64,000 hectare area, the share of plantations is a mere 4,000 hectares with 6,2% and they use 10,000 hectares of meadows, which is 15,7%.

As for individual farmers, they possess a total of 232,00 hectares, out which an area of 186,000 hectares – 80,2% is used as ploughlands, the area of their plantations is 24,000 hectares, that is, 10,3%, and the area of meadows is only 22,000 hectares, which is 9,5%. It indicates that individual farmers primarily favour intensive sectors. It is a result of the individual farmers' relatively low level of mechanization that they prefer corn to other cereals. (80,000 hectares of cornfields as opposed to 49,000 hectares of all other kinds of grain crop). The corresponding statistical figures of large companies are 16,000 and 18,000 hectares respectively.

The efficiency of an individual farm is determined by the size of the land. The county's statistics are not very positive in this respect. Let it suffice to point out that 64,523 individual farms out of the total of 99,077 of the registered farms possess less than 1 hectare of land, and a further 24,887 farms work on less than five hectares. The size of only 448 farms exceeds 50 hectares, and not more than 110 have more than 100 hectares. The farms cultivating more than 50 hectares possess 16,8%, that is, 39,000 hectares of all the lands in the ownership of individual farmers.

In the sector of animal husbandry, a certain degree of centralization is observable in cattle breeding. The total number of animals is 21,390, and 3,045 are owned by farms cultivating more than 50 hectares. the average number of cattle is 20 per farm. The majority of pigs, however, is in the farms below 10 hectares.

The mechanization of agriculture is characterized by the following data: the 99,077 individual farms have 10,388 tractors, 1,527 trucks and 427 combines. One of the most important indicators of the intensivity of agricultural production is the share of irrigated area. A mere 4,819 hectares is the regularly irrigated area in the individual farms. It is also important to note that only 133,000 hectares were fertilized out of the total of 232,000. Organic manure was only used on 38,000 hectares. It therefore appears to be natural that under these circumstances agricultural productivity - yield of crop per hectare and milk output per cow, etc.- are below the average figures achieved by the large companies.

Hungary's accession to the European Union poses new challenges to agriculture. Without discussing the enclosures of the Common Agricultural Policy of the EU in detail, we only wish to point out here that the system of supports gives priority to the concentration of production. The efficiency of the special supports forwarded to family farms is questionable. It is important to note one important factor here: in Western Europe a condition of individual farming is the adequate qualification of the farmer. In Szabolcs-Szatmár-Bereg County, out of the 99,077 individual farmers only 5,778 had advanced qualifications, 37,268 of them secondary, and the remaining 55,306 had only basic qualifications in 2001. It is understandable that intensive agriculture is not able to provide the expected results under these circumstances. It applies to individual and family farms as well.

An unqualified farmer is unable to operate his farm efficiently. A condition for receiving privileged support for the purchase of machinery or a loan with privileged interest rates was a minimum of secondary qualification or several years of experience. Supports granted to individual farms does not encourage the concentration of production. According to the regulations of the European Union, HuF 10,000 of land-based support may be granted per hectare to growers of oil seeds, protein crop or grain crop, or the same sum of live-stock based support per animal may be forwarded to farmers cultivating an area smaller than 3 hectare of ploughland. At the same time, farms larger than the size specified below, may receive a support of HuF 7,000 per hectare, regardless of their size. If the farm is a registered family farm, the support amounts to HuF 9,000, and these farms are entitled to apply for other supports.

Independently of the European Union's special support given to agriculture, it is expected that the importance of agriculture shall diminish in Szabolcs-Szatmár-Bereg County. Only registered farms, certifying the size of their lands and supplying statistical data, are entitled to apply for and receive any support from the Union. Concentration of production may be encouraged by the system converting lands into trust funds, that is, landowners who

cannot or do not wish to cultivate their lands, may offer them to the National Land Fund and receive life-annuity in return. It is also envisaged that more and more land shall be withdrawn from cultivation, and an increasing proportion of the population of village shall need support from social funds.

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