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The organic food sector in the South Transdanubian region (Perspectives)

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ABSTRACT

The organic food sector changes dinamicaly to the advantage of the organic foods all over the world. The organic food production needs more extensive technologies and the products have higher prices. The South-Transdanubian region has a good chance (good soil and climate, sufficient production factors) inthis field. In our paper we try to present how to organise the organic production in the region, what was the share of the different organic products in the past few years, what is the tendency, where and how many products will sell and on which market.
(Keywords: organic production, SWOT, Hungary, perspectives)

INTRODUCTION

Hungary is poor in industrial raw materials, but 60 percent of its land is usable for agricultural production. The agricultural products directly (crops, fruit and vegetable) or indirectly (animal feed) are the basis of the human food. It is getting more important for the consumers that the good quality of the food is guaranteed. One of the most important features of the organic food production is that the whole foodchain is monitored and the high quality is warranted. The demand for these warranted high quality products is increasing all over the world. In addition these products can be sold at a higher price.

We considered the following questions: Out of the Hungarian regions, is the South Transdanubian region suitable for organic animal and human food production in ecological and economic point of view?

MATERIALS AND METHODS

The frame of our study was based on a work conducted by GATE-KTI and MTA-TAKI, whom the Agricultural Ministry comissioned to elaborate the agricultural land zone system. Also agricultural statistics, periodicals and papers and the rules of subsidies were used as references.

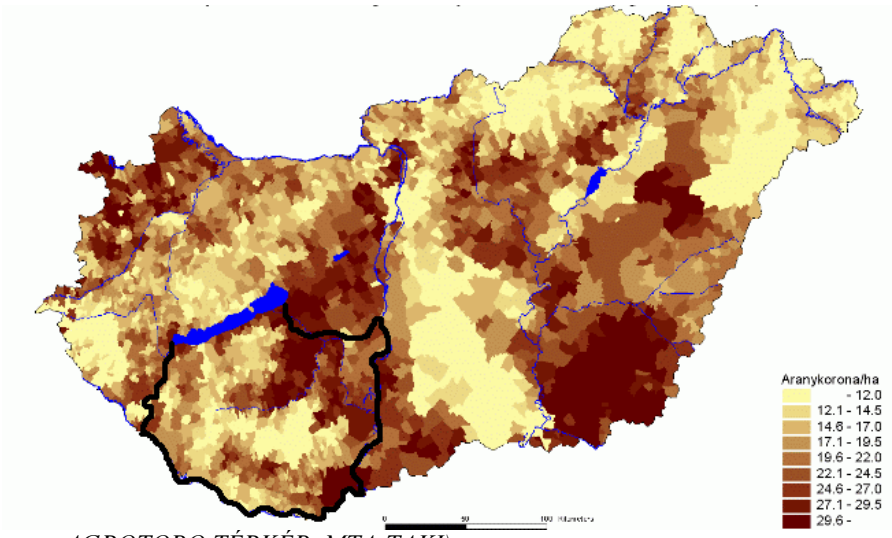
The authors consulted with experts in organic production, and made the SWOT analysis of the region.

RESULTS

Figure 1 shows the map of different productivity of land in Hungary. The South Transdanubian region represent the mid level of the country with small differences between the eastern and western parts.

Figure 1

Average productivity of the land in different regions

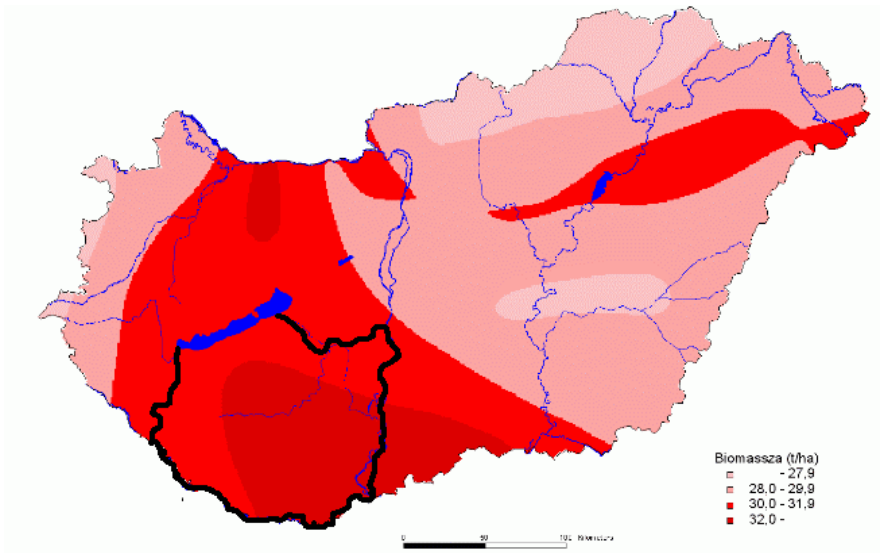


(Source: AGROTOPO TÉRKÉP, MTA-TAKI)

The favourable climate conditions in the South Trandanubian region enable the best usage of the land conditions, thus rich combination and great amount of plant production.

Figure 2

Climatic agricultural potential

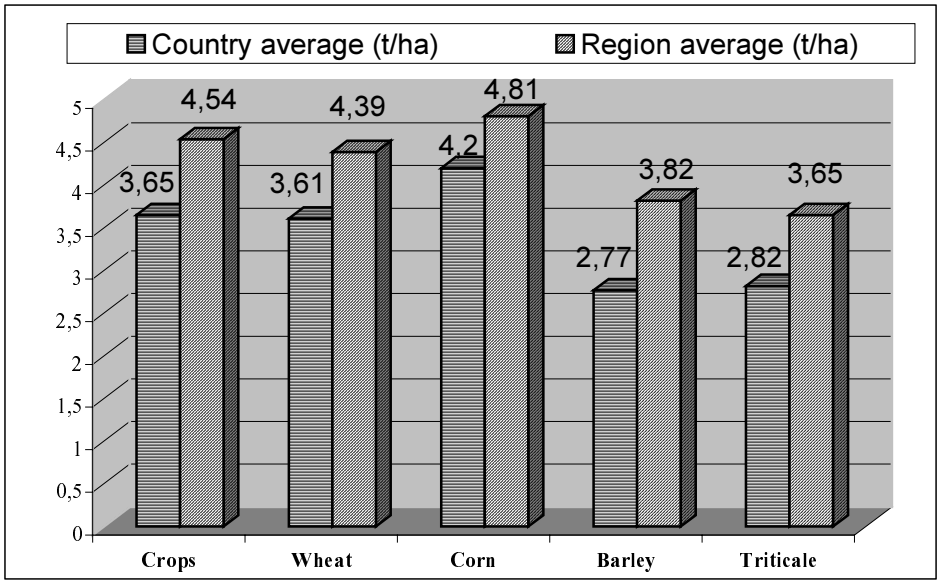


(Source: AGROTOPO TÉRKÉP, MTA-TAKI)

In analysing the ecological potention of the region, the average crop yields show that the productivity in the region is higher than the average of the country. (Source: KSH, 2000). *Figure 3* shows the average crop yields in Hungary and in the South Transdanubian region.

Figure 3

Average crop yields in Hungary and in the South Transdanubian region



The crop production is directly related to the size of animal herds in the region. The statitics show that cattle and fowl are kept in a smaller number per hectare than the country average, but in the case of swine the density is somewhat higher than the country average. According to these data, the organic crop production has a scope in the region, providing the basis for the organic animal production that can satisfy the existing demand for organic food.

Table 1

Number of animals per hectare

	Cattle	**Swine**	**Fowl**
Hungary	18.3	108.4	911.7
South Transdanubian region	15.9	117.3	774.3

The intensive agricultural production causes several problems in the quality of the soil, natural waters and life places, in general, it decreases the biodiversity. In Hungary, these problems are smaller than in industrial or other countries with industrialised agriculture. Therefore, Hungary has a very good basis for organic production.

Taking our environmental and natural conditions into consideration, development of three types of land usage is suitable:

- land usage in protective way (quality of water and soil, enviroment protection),
- extensive land usage (in regions with unfavourable conditions) and
- intensive production (taking the good ecological potential and environment protection into account).

Organic production is an extensive way of farming that is suitable for the subsidies of EU and WTO; therefore it can play a significant role in protecting the nature, biodiversity and transforming the technologies (Source: www.ktg.gau.hu).

The main problem is the lack of organising, control and monitoring along the foodchain, giving no warrantee for the quality of the products. It causes problems in the competitiveness and the market situations of the products.

It is favourable that the organic production and other controlled ways of production are spreading gradually. These considerably take the environmental, the animal and human health and hygienic requirements into account.

Figure 4

Total size of lands with organic production (ha)

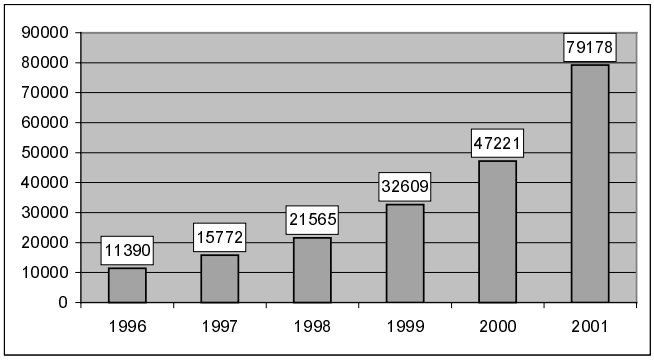


Figure 5

Number of organics farms

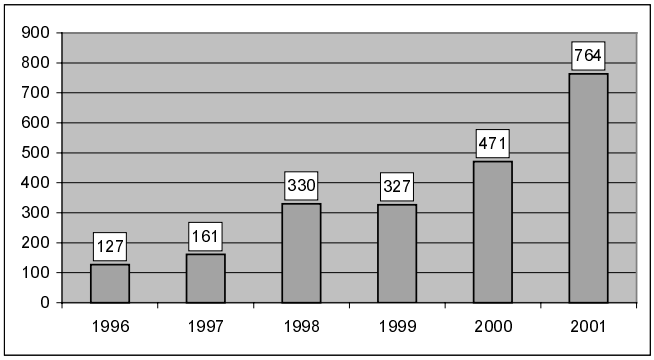
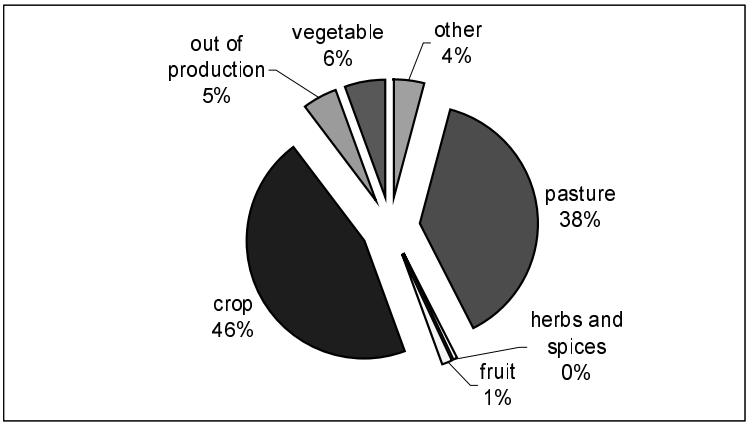


Figure 6

Types of organic production on monitored farms in 2001



According to the data of 2001, the total organic land (both transforming and producing farms) is 79,178 hectare. The production is monitored and the products are qualified by Biokontroll Hungária Kht. However, there is not exact information what extent the South Transdanubian region has share in the total organic land.

Having seen the importance and perspectives of the organic production in Hungary and in the EU, the Agricultural Ministry is supporting the Hungarian organic production. The declaration on the agricultural subsidies (102/2001. XII. 16.) deals with the direct payments for the protection of the environnment. Farms over the transformation period are supported from that year.

Table 2

SWOT analysis of the organic production in the South Transdanubian region

Strenghts	Weeknesses
☺ lot of good quality land (high yields)	☹ Information
☺ low rental fees	☹ Lack of integrity
☺ low price of labour	☹ Varying yields
☺ good natural endowments	☹ Infrastructure (roads)
	☹ Relatively low number of animals
	☹ Low level of processing of the products
Opportunities	Treaths
☺ Export	
☺ Improving domestic market	☹ Changes in the consumers' views
☺ State subsidies	☹ Higher production cost
☺ Better profitability	☹ Lower yields
☺ Modifying the view of consumers	☹ More strickt regulation

CONCLUSIONS

- Summarising, we can say that the South Transdanubian region's potential is suitable for the extention of the organic production.
- Outstanding attention should be drawn to the organic feed production providing the basis for the organic animal production. The higher added value realised in higher achieveable price gives the reason to increae the production.
- It would be necessary to establish processing capacity for this greater amount of organic product in the region. Thus the demand of the region could be satisfied, and other rmarkets could be targeted from here.
- In the organic production, the yields are lower, but higher specific returns could be achived. This type of production is only reasonable if the loss due to the lower yields in the income can be compensated by the added (and stable!) price.
- Both transforming and producing farms are supported by the subsidy policy improving their profitability. This tendency is favourable, though it would be necessary to make the subsidies reachable for more farmers and to increase the amount of the direct payments.
- Establishing and widening the information system is important in order to monitor and control the entire foodchain.
- It would be important to mark these product with standard trade marks, even with regional trade marks in order to enforce the advantages of the organic products and make the consumers trust.

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