

# [Hungary there are currently 127,000 hectares of certified](https://assignbuster.com/hungary-there-are-currently-127000-hectares-of-certified/)

Hungarywas chosen as the study area because it has enough dynamics to reach the goalsof this research.

Further, Hungary is a challenging area regarding land coverchanges (urban sprawl) and, hopefully, the results of this research willprovide valuable information for land use for organic agriculture policymakers. Hungary offers good conditions for organic production. Itsconstitution bans the use of GMOs.

Many of its low-intensityG1 agricultural areas (mostly pastures, meadows, fallows) are free from theeffects of agro-chemicals. There are currently 127, 000 hectares of certifiedorganic land (about 2. 5% of the total agricultural area). More than 1500enterprises produce approximately € 25 million (equivalent) of organicallycertified food. Yet it is also clear that the country’s organic sector has notyet reached its potential and that there are numerous unexploitedopportunities.

Organicproducts in Hungary have only a small market share (less than 1%). Exportsand imports: About 85 % of the organic production is exported. Most of theproducts leave the country as raw materials or as products with lowadded-value. Most of the (modest) organic assortments in Hungarian food storesare imported processed products.

Some estimates suggest that 90 % of domesticorganic consumption is made up of imports. Themain customers for Hungarian organic food are Germany, Austria, the Netherlands, and SwiG2 tzerland. At the same time, the majority of the (modest) organic assortments in Hungarian food stores areprocessed imports. Some estimates suggest that 90 % of the domestic organic consumptionis made up of imports. There is a significant lack of organic processingcapacity in Hungary, and this could provide interesting potential market opportunitiesfor organic food processing companies. Hungary’s proximity to countries withlarge organic markets contributes to this opportunity.

Supermarketchains are playing an ever-increasing role as distributors of organic products, selling aboutG3 G4 60 %of the organic food consumed in Hungary. Specialized shops sell about 20%, organic markets, fairsandevents comprise6-10%, online sales 6-7% and farm sales 2-3%. As elsewhere, it can beassumedG5 thatthe supermarkets will play a major role in expanding the domesticorganic market.

However, only a few Hungarian organic producers can currentlymeet the volumes, quality standards and the regularity of deliveries demandedby the supermarket chains. Pilot projects for product development, qualityassurance, and cooperation in production are needed to help domestic producerstap into this market. The formation of farmers’ production and marketinggroups, organic farmers’ markets and local G6 G7 producer-consumerG8 networks can also be important vehicles for distributing certified localorganic products and expanding the domestic market. Hungary’sleading agricultural products are a combination of staple crops, famousspecialty items such as wine and livestock products, and basic livestock. Hungary’s most important crops include corn, wheat, sugar beets, barley, potatoes, and sunflower seeds. It also produces grapes and wine, includingseveral famous wines such as those from the Tokaj region. Other well-knownspecialty items include salami, goose liver, and paprika.

Livestock productionis also important in Hungary, including cattle, pigs, sheep, horses, andpoultry. Important livestock products include milk, meat, butter, eggs, andwool. Finally, Hungary has some important freshwater fisheries, mostly locatedon the Danube and Tisza rivers, and on Lake Balaton. The commercial fish catchconsists mainly of carp, pike, perch, sheatfish, and shad. Hungaryalso has important forestry resources, although poor forestry managementreduced Hungary’s forestry resources under communism.

The expansion ofagriculture, a high rate of exploitation, and inadequate re-planting of treescontributed to a significant decline in the period following World War II. Inresponse, the government reduced timber cutting and launched an extensivereforestation program in the 1960s. The timber cut in 1998 was 3.

88 millioncubic meters (137 million cubic feet). Hungarianconsumers show a positive interest in organic products. They would be willingto pay a premium price of about 30 % for organic products, and the same forproducts free from GMOs. In contrast to West-European countries, Hungarian consumersare mainly motivated to buy organic by health considerations. Studies haveshown that organic products are favored because they are free from GMOs, toxic chemicals, additives, artificial flavorings and colorings, preservatives, and are perceived ashaving a higher quality. Taste, nutritional value, and price are lesG9 s important motivatingfactors, and ecosystem protection plays a minimal role for most Hungarianconsumers.

G10 G11 G12 Althoughdemand for organic products is growing, a large percentage of the population, even some of those who regularly purchase organic products, cannot define whatorganic means, and the difference from non-organic products. Effective outreachprogrammes and reasoned marketing campaigns are needed to disseminate credibleinformation and to develop consumer awareness. Dissolving the misconceptionsabout the organic productG13 ion is crucial for increasing domestic consumption. Hungarian organic production needs more strongly practice-orientedresearch. Furthermore, more dissemination work is needed, underpinned by localscientific evidence, and efforts are required to increase consumer awareness inorder to establish a stable and growing organic sector. Cooperation and bettercommunication between organic stakeholders (producers, traders, umbrella organizations, certifiers and research institutions) are crucial.