

Hungary there are
currently 127,000
hectares of certified



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Hungary was chosen as the study area because it has enough dynamics to reach the goals of this research.

Further, Hungary is a challenging area regarding land cover changes (urban sprawl) and, hopefully, the results of this research will provide valuable information for land use for organic agriculture policymakers. Hungary offers good conditions for organic production. Its constitution bans the use of GMOs.

Many of its low-intensity agricultural areas (mostly pastures, meadows, fallows) are free from the effects of agro-chemicals. There are currently 127,000 hectares of certified organic land (about 2.5% of the total agricultural area). More than 1500 enterprises produce approximately € 25 million (equivalent) of organically certified food. Yet it is also clear that the country's organic sector has not yet reached its potential and that there are numerous unexploited opportunities.

Organic products in Hungary have only a small market share (less than 1%). Exports and imports: About 85% of the organic production is exported. Most of the products leave the country as raw materials or as products with low added-value. Most of the (modest) organic assortments in Hungarian food stores are imported processed products.

Some estimates suggest that 90% of domestic organic consumption is made up of imports. The main customers for Hungarian organic food are Germany, Austria, the Netherlands, and Switzerland. At the same time, the majority of the (modest) organic assortments in Hungarian food stores are processed imports. Some estimates suggest that 90% of the domestic organic consumption is made up of imports. There is a significant lack of organic

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processing capacity in Hungary, and this could provide interesting potential market opportunities for organic food processing companies. Hungary's proximity to countries with large organic markets contributes to this opportunity.

Supermarket chains are playing an ever-increasing role as distributors of organic products, selling about 60% of the organic food consumed in Hungary. Specialized shops sell about 20%, organic markets, fairs and events comprise 6-10%, online sales 6-7% and farm sales 2-3%. As elsewhere, it can be assumed that the supermarkets will play a major role in expanding the domestic organic market.

However, only a few Hungarian organic producers can currently meet the volumes, quality standards and the regularity of deliveries demanded by the supermarket chains. Pilot projects for product development, quality assurance, and cooperation in production are needed to help domestic producers step into this market. The formation of farmers' production and marketing groups, organic farmers' markets and local producer-consumer networks can also be important vehicles for distributing certified local organic products and expanding the domestic market. Hungary's leading agricultural products are a combination of staple crops, famous specialty 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, including several famous wines such as those from the Tokaj region. Other well-known specialty items include salami, goose liver, and paprika.

Livestock production is also important in Hungary, including cattle, pigs, sheep, horses, and poultry. Important livestock products include milk, meat, butter, eggs, and wool. Finally, Hungary has some important freshwater fisheries, mostly located on the Danube and Tisza rivers, and on Lake Balaton. The commercial fish catch consists mainly of carp, pike, perch, sheatfish, and shad. Hungary also has important forestry resources, although poor forestry management reduced Hungary's forestry resources under communism.

The expansion of agriculture, a high rate of exploitation, and inadequate re-planting of trees contributed to a significant decline in the period following World War II. In response, the government reduced timber cutting and launched an extensive reforestation program in the 1960s. The timber cut in 1998 was 3.

88 million cubic meters (137 million cubic feet). Hungarian consumers show a positive interest in organic products. They would be willing to pay a premium price of about 30 % for organic products, and the same for products free from GMOs. In contrast to West-European countries, Hungarian consumers are mainly motivated to buy organic by health considerations. Studies have shown that organic products are favored because they are free from GMOs, toxic chemicals, additives, artificial flavorings and colorings, preservatives, and are perceived as having a higher quality. Taste, nutritional value, and price are less important motivating factors, and ecosystem protection plays a minimal role for most Hungarian consumers.

G10 G11 G12 Although demand for organic products is growing, a large percentage of the population, even some of those who regularly purchase organic products, cannot define what organic means, and the difference from non-organic products. Effective outreach programmes and reasoned marketing campaigns are needed to disseminate credible information and to develop consumer awareness. Dissolving the misconceptions about the organic product G13 ion is crucial for increasing domestic consumption. Hungarian organic production needs more strongly practice-oriented research. Furthermore, more dissemination work is needed, underpinned by local scientific evidence, and efforts are required to increase consumer awareness in order to establish a stable and growing organic sector. Cooperation and better communication between organic stakeholders (producers, traders, umbrella organizations, certifiers and research institutions) are crucial.