

# Report

on the Hungarian National Rural Network activities  
related to the public debate of the  
**Common Agricultural Policy**



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## Introduction

This Report has been prepared by the Permanent Secretariat of the Hungarian National Rural Network with valuable input from various departments of the Ministry of Agriculture and Rural Development to contribute to the public debate of the Common Agricultural Policy launched on 12 April 2010.

## Structure of the Report

**The Executive Summary** presents the most important results of the campaign in 3 pages.

**The Chapters** provide more detailed information on the public debate and the tools we used to find out about stakeholder preferences related to the changing CAP.

**The Annexes** present the full details of questionnaires, e-mails submitted to the HNRN, and various summary tables on events and other public debate related activities.

## Executive Summary

The Hungarian National Rural Network (HNRN) has been active **in publicising the CAP reform process since 2009**. The series of events started with a **national conference**, “The future of the Common Agricultural Policy” organised by the Presidency of the HNRN in December 2009 to discuss the various CAP scenarios.

The **future of the CAP** was also a key topic at the **meeting of HNRN thematic field representatives** in February 2010. The meeting raised the representatives’ awareness of the CAP process and was useful in getting initial input for the regional events planned for April-May 2010. The regional events took place at seven locations in Hungary with more than 500 participants.

Both meetings ended with **two key conclusions**. First, Hungary should aim to **maintain Pillar I** within the CAP based on its endowments that make it, and equally important is that the **measures of the new Common Agricultural Policy** should be comprehensive to deal with the diversity of rural areas.

The **extra meeting of the AGRI-ENRD-Coordination Committee** (14.04.2010) was organised to launch a joint debate in member states on rural development policy, and to discuss the process to achieve a timely and structured contribution to the broader public debate on the CAP.

After the meeting, HNRN Permanent Secretariat staff prepared **a work plan for the public debate**. Due to the time constraint (deadline for submission of NRN report: 3 June), the **primary tools for the campaign** were internet based, supplemented with a number of regional and HNRN thematic field representative meetings. We prepared the contents of the online campaign in close cooperation with various departments in the Ministry of Agriculture and Rural Development.

The HNRN has made the following channels of **direct communication** available for stakeholders to voice their opinion on the CAP.

1. Main website: <http://www.mnvh.eu/kapreform>
2. Questionnaire: <http://www.mnvh.eu/kapreform/kerdoiv>
3. Vote on CAP objectives: <http://www.mnvh.eu/kapreform>
4. Vote on CAP objectives: <http://www.umvp.eu>
5. E-mail to the HNRN from the main CAP website

In addition to the above direct links, **the HNRN has informed rural stakeholders** about the CAP public debate through the E-Hungary points (link: <http://www.emagyarorszag.hu/object.a3b9fc5c-0984-4684-9372-aa4ee95c13f8.ivy>), by **e-mail to every registered HNRN member** (7300 members) and the members of the HNRN Council, as well as informing **professional associations and non-governmental organizations** including the Federation of Hungarian Municipalities, Hungarian Farmers’ Association, a National Society of Conservationists, National Federation of Agricultural Cooperators and Producers, National Association of Hungarian Farmers’ Societies, the Hungarian Chamber of Agriculture, and the HANGYA Association of Hungarian Producer’s Sales and Service

Organisations and Co-operatives. Local Rural Development Offices and LEADER Action Groups have also been informed of the public debate.

The results of the campaign are summarised below:

- |   |                  |
|---|------------------|
| 1. IPSOS survey:                          | 6400 respondents |
| 2. Online questionnaires completed:       | 283              |
| 3. Vote on CAP objectives (total):        | 271              |
| 4. E-mails to HNRN Permanent Secretariat: | 17               |
| 5. Statements from various stakeholders   |                  |

**The IPSOS survey** was commissioned by the Managing Authority of the New Hungary Rural Development Programme to complement the mid-term progress report. The survey of 6400 NHRDP beneficiaries included questions on the CAP related to problems with the current CAP and the possible objectives of a future European agricultural and rural development policy. The survey results are described in section 2.2.

**The online questionnaire** was filled in by a total of 283 respondents **on the HNRN website**. The survey was based on the themes that the Commissioner for Agriculture and Rural Development raised at the launch of EU public debate.

#### *Why do we need a Common Agricultural Policy?*

Considering the rationale of **maintaining the CAP** the majority of respondents agree that is very important, in particular to ensure the production of safe and healthy agricultural products and food production.

#### *What are society's objectives for agriculture in all its diversity?*

Respondents expect the EU to achieve through the CAP measures the production of **safe, healthy, and good quality food**, a **fair standard of living for farmers** and the **development of rural areas** and the **conservation of the countryside**.

With regard to **rural development** specific CAP objectives **after 2013**, the themes of supporting **local products**, **sustainable water management** and **environmental friendly agricultural production** were predominant. Regarding **the impact of the CAP after 2013**, the strongest expectation concerns the application of **EU quality standards** for imported agricultural and food products.

Respondents clearly expect the EU to act to **mitigate the extreme fluctuation of prices on primary produce markets** and strengthen measures to **ensure a fair standard of living for farmers**. 86% of respondents recognise the need to **deal with climate change within the CAP**.

#### *Why should we reform the current CAP and how can we make it meet society's expectations?*

According to the survey results, people's perception is that the **current CAP does not contribute to ensuring a fair standard of living for farmers**, while it is deemed **successful in securing food supply** in the EU. "Substantial **differences in support to the old and new member states**" was identified as the biggest **problem** with the current CAP. The proposals related to **making the CAP more effective** focus on **eliminating the differences in support** to old and new member states and **simplifying regulations**.

### *What tools do we need for tomorrow's CAP?*

In order to ensure a minimum level of stability of agricultural incomes (a theme related to the fair standard of living for farmers) the future CAP should include **measures to deal with market anomalies and strengthening the support for cooperation among farmers**. Economic cooperation of agricultural producers through producers' and sales organisation can also contribute to achieving a more balanced distribution of incomes within the agri-food value chain. In the future **farmers are expected to maintain the fertility of the land and produce healthier food with less chemicals** in exchange for the support they receive.

Finally, we asked respondents about the level at which various rural development related themes should be dealt with (European, national, regional, local). For all of the statements concerning climate change, food supply and quality, farmers' standard of living and food prices, and the development of rural areas, the "local" was chosen by relatively the lowest number of respondents. At the other extreme, **solutions are predominantly expected from the European and national level**. Climate change is clearly a theme that requires EU level action and coordination according to the respondents.

A more detailed description of results is presented in **section 2.2**. The full questionnaire and results are shown in **Annex 1**.

In total 271 **votes** have been submitted for the CAP objectives after 2014. The question we asked on this vote was "What should be the main objective of the CAP from 2014?". Nine objectives have been put to vote. A fair standard of living for farmers, creating jobs in rural areas, and ensuring safe and good quality agricultural products are considered the most important objectives that in total received 63% of the votes. The detailed description of the voting is presented in the relevant chapter. More detailed results and the summary table is presented in section 2.3.

**17 e-mail messages** by 14 respondents were sent **to the HNRN CAP mail address**. These are presented in full in Annex 4. The HNRN received **statements** from the HNRN thematic field representatives, the HANGYA Association, and the Climate Advocates (a British Council funded programme) relating to the CAP. These are presented in **Annexes 5-7**.

To provide an **overall summary of the public debate on the CAP in Hungary**, we can state that the general opinion supports the continuation of Pillar I support mechanisms with the differences between old and new member states eliminated, and acknowledges the crucial role of the CAP in securing food supply in the EU, and its potential role in dealing with climate change. Areas to improve include market coordination to ensure a fair standard of living for farmers and reasonable price for consumers, and enhanced support for local products, diversification of the economy more closely related to local characteristics (potential enhancement of the LEADER approach), and increased support for organic and environmental friendly agricultural production. Solutions are predominantly expected from the national and European levels.

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## 1. Activities

The Hungarian National Rural Network (HNRN) has been active in publicising the CAP reform process since 2009.

The series of events started with a national conference, in Domonyvölgy, titled “The future of the Common Agricultural Policy” organised by the Presidency of the HNRN in December 2009 to discuss the various CAP scenarios.

The future of the CAP was also a key topic at the meeting of HNRN thematic field representatives in February 2010. The meeting raised the representatives’ awareness of the CAP process and was useful in getting initial input for the regional events planned for April-May 2010. Both meetings ended with two key conclusions. First, Hungary should aim to maintain Pillar I within the CAP based on its endowments that make it, and equally important is that the measures of the new Common Agricultural Policy should be comprehensive to deal with the diversity of rural areas. It was also noted that the CAP should be examined in the framework of the EU2020 strategy, and not as a stand-alone policy.

The HNRN Permanent Secretariat organised series of regional events in Hungary with the title “The CAP reform from a Hungarian perspective”. The events were held in April-May 2010, and attracted more than 400 participants. Introductory lectures were held by representatives of the Ministry of Agriculture and Rural Development and the Research Institute of Agricultural Economics.

The extra meeting of the AGRI-ENRD-Coordination Committee (14.04.2010) was organised to launch a joint debate in member states on rural development policy, and to discuss the process to achieve a timely and structured contribution to the broader public debate on the CAP.

After the meeting, HNRN Permanent Secretariat staff prepared a work plan for the public debate. Due to the time constraint (deadline for submission of NRN report: 3 June), the primary tools for the campaign were internet based, supplemented with a number of regional and HNRN thematic field representative meetings. We prepared the contents of the online campaign in close cooperation with various departments in the Ministry of Agriculture and Rural Development.

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Federation of Agricultural Cooperators and Producers, National Association of Hungarian Farmers' Societies, the Hungarian Chamber of Agriculture, and the HANGYA Association of Hungarian Producer's Sales and Service Organisations and Co-operatives. Local Rural Development Offices and LEADER Action Groups have also been informed of the public debate.

## 2. Results

This section provides brief summaries of the results of public forums, the online and telephone surveys, the e-mail messages received, the voting on two websites, and contributions submitted by thematic field representations and other interested stakeholders. More detailed information is provided in the relevant annexes.

### 2.1 Public forums

The **summary table on public forums** is presented in **Annex 3**.

The HNRN Permanent Secretariat launched the series of events titled “The CAP reform from Hungary’s perspective” in April, 2010. Events were held at 7 locations, with presentations by representatives of the Department for Strategy within the Ministry of Agriculture and Rural Development, and the Agricultural Research Institute.

The total **number of participants** exceeded **400**. Participants agreed in the need to **maintain the CAP and the importance of Pillar I support** to Hungary.

Contributions have focused on **three broad topics**.

The first concerned the need to **maintain the common EU market** to ensure a **fair standard of living for farmers** as well as **reasonable food prices**. Its functionality is closely linked with the **efficiency of the CAP**, and the emphasis on **simplifying CAP procedures** to the common market more effective. Most participants also agreed that a shared vision is needed for elaborating a **common strategy** that **should include the analysis of agriculture and food industry** relationships and the development of a food strategy.

The second main theme is **local production and local markets**, including topics such as strengthening the cooperation among small farmers, local production of renewable energy, and enhancing the potentials of more diverse local economies in creating jobs.

The third important cluster of themes dealt with the imbalances of support to small- and large farms, **the unequal and disproportionate distribution of income along the value-chain from farmer to the shelves of multinational companies**. Participants emphasised the role of **controlled product paths and full information provision** to deal with the problems identified above.

There was also agreement at most events that the **imbalances in animal breeding, crop production and food production** are closely related with the elimination and closure of family farms and animal husbandry **in Hungary**.

### 2.2 Questionnaires

#### IPSOS survey

The survey was **commissioned by the Managing Authority of the New Hungary Rural Development Programme**. It was carried out by Ipsos Zrt on a sample of 6400 respondents containing sub-samples of beneficiaries representing 18 measures of the NHRDP between 6-24 May 2010. The methodology applied was **telephone survey (CATI)**.

The respondents were **randomly selected** from a public database of 24000 NHRDP beneficiaries.

**Topics** included the NHRDP support measures and their management and accessibility, the activities and economic status of economic groups in the sub-samples, **opinions on the current and changing CAP**, the communication activities related to the NHRDP, and the Hungarian National Rural Network.

The survey contained the following CAP related questions:

1. Are you aware that from 2014 major changes are expected in the Common Agricultural Policy of the European Union?
2. A number of problems and difficulties related to the Common Agricultural Policy will be listed. Please mark according to 1= reform is not important at all to 5 = reform is very important.
3. Please rate the statements – related to the Agricultural and Rural Development Policy of the European Union – according to grades 1-5 (1 = not important at all, 5 = very important).

The options given were: Ensure high quality and health standards for agricultural products, Affordable consumer prices, Fair living standards for agricultural producers, Environmental protection and reduce negative effects caused by climate change, Preservation and development of rural areas, Maintaining self-sufficiency within food production of the EU

According to the results (details presented in Annex 2) 73% of respondents knew about the possible changes in the Common Agricultural Policy. With regard to the problems and difficulties with the current CAP, the first three “reform is very important” themes included too much bureaucracy and the need to simplify the CAP (77% ranked it “5”), the slowness of the payments (66%), and the difficulties in implementing EU rules (58%).

As for the objectives of agricultural and rural development policy in the EU, every objective listed was marked “5” (very important by more than 70% of the respondents).

### HNRN online survey

The online survey of the HNRN was available to the public on **the official HNRN site** at [www.mnvh.eu/kapreform](http://www.mnvh.eu/kapreform) directly, and links indicated the survey from the **official site of the New Hungary Rural Development Programme** ([www.umvp.eu](http://www.umvp.eu)) and **the Ministry of Agriculture and Rural Development homepage**.

The subsets of questions address the four key questions that the EU Commissioner for Agriculture and Rural Development, Dacian Cioloș asked in his speech opening the public debate on the Common Agricultural Policy.

In **preparing the questionnaire**, we drew on the **Eurobarometer survey on the CAP** and the **expertise** of various departments of the **Ministry of Agriculture and Rural Development**. These included the Department for Rural Development, the Department for Agricultural Regulations, the Department for Strategy, the

Department for Agriculture, the Department for Agricultural Market Coordination, the Department for EU and International Relations, as well as the Department for Public Relations of the Rural Development, Educational and Advisory Institute of the Ministry of Agriculture and Rural Development.

The **key findings** of the survey are described **below**. The detailed questionnaire results are presented in **Annex 1**.

**The total number of responses to the online survey was 283.**

#### Why do we need a Common Agricultural Policy? (2 questions)

1. Not everyone is of the same opinion about the role of agriculture and rural areas in Hungary and in the EU. Do you think this topic is .... \* :

Out of 283 respondents, 249 considered the topic “very important”, with only 1 „not important at all” answer.

2. How would you rate the importance of the following functions of agriculture and rural development?:

According to 232 respondents, the most important function of agriculture is “producing safe agricultural products and food production for the people”.

#### What are society’s objectives for agriculture in all its diversity? (4 questions)

3. In your view, which of the following are the most important among the agriculture and rural development goals of the EU?

Out of the possible ranks ranging from 1=very important to 4=not important, „very important” was chosen by 212 respondents for the goal „to ensure that agricultural products are of good quality, healthy, and safe”, followed by the need for a fair standard of living for farmers (176), and developing rural areas while preserving the countryside (145).

4. In your opinion, which of the following should be the goals of rural development policy after 2013?:

According to 187 respondents it is “very important” to provide support for production and marketing of local products within the CAP after 2013. This is followed by the need to support sustainable water management and environmental friendly agricultural production.

5. What impacts do you expect the CAP to have after 2013?: \*

More than 70% of respondents considered that it is very important to apply the same quality and production standards to imported products as the ones that apply to the ones produced within EU member states.

It is also apparent from the answers that respondents clearly expect the EU to act to mitigate the extreme fluctuation of prices on primary produce markets (66%). Another closely related issue is the need for a fair standard of living for farmers (65% considered this very important).

**6. In your opinion is it important that dealing with climate change becomes an integral part of the CAP? :**

The fact that 86% of respondents selected either “very” or “fairly” important in their answers indicates that stakeholders recognise the need to deal with climate challenges within the CAP. Only 6% of respondents thought that this issue should be part of another EU policy.

Why should we reform the current CAP and how can we make it meet society's expectations? (3 questions)

**7. In your opinion, does the CAP currently fulfill its role in the following areas?: \***

74% of respondents do not think that the CAP contributes to ensuring a fair standard of living for farmers, while according to 73% of them it is successful in securing food supply in the EU.

The second rank among the „Yes” answers – „Developing rural areas while preserving the countryside” – lags far behind the first. It is noteworthy that an almost equal number of respondents think that the CAP is unsuccessful in achieving this objective.

**8. In your opinion, what is the biggest problem with the current CAP? : \***

154 out of 283 respondents selected „substantial differences in support to the old and new member states” as the biggest problem of the current CAP. This may be misleading, however, the rest of the choices have been divided among 6 other options. The second largest group (50 respondents) considered that complicated procedures are a serious obstacle to the successful utilisation of the CAP. These two groups constitute 72% of the total number of respondents.

**9. In your opinion, how could the CAP be changed to be more effective? (Please select the three most important options, and rank them according to importance. Number 1 designates the most important option.)**

Respondents had 9 statements to select from and rank according to importance. The answers selected as “most important” for this question clearly establish the link to the previous question as 63% of the total number of respondents thought that either eliminating the differences in the support to old and new member states, or simplifying regulations and procedures could make the CAP more effective.

It is worth noting that “increasing the support of small- and medium-sized family farms” was selected as second most important by 26% of the respondents.

## What tools do we need for tomorrow's CAP? (4 questions)

**10.** How could a minimum level of stability of agricultural incomes be guaranteed?: \*  
(Please rate the importance of the option on a scale of 1 to 4: 1 = very important, 4 = not important at all)

An overwhelming majority of respondents (85%) gave the „very important” rating to special support funds for dealing with market anomalies (e.g. significant price drops) and advisory services, training, and support for cooperation among farmers.

**11.** How can we achieve a more balanced relationship among the stakeholders in the agrifood industry, at the same time ensuring that consumers pay a reasonable price and producers also receive a fair income? (Please select the three most important options.)

Respondents had 7 statements to choose from and rank. The list of measures based on the ranks 1-3 with the highest number of selections is the following:

- 1) Supporting economic cooperation of agricultural producers, and setting up producers' and sales organisations (134)
- 2) Supporting the production and marketing of special local products (94)
- 3) Supporting direct links between consumers and small producers (87)

**12.** What services do you expect from farmers in exchange for the support they receive? : \*

Respondents had to mark the importance of the relevant service/statement from 1 to 4 (1=very important, 4=not important).

Considering only the rank 1, according to 77% of respondents farmers should maintain the fertility of the land in exchange for support they receive. 64% think that it is very important that they use less chemicals and produce healthier food.

**13.** In your opinion, should the following issues related to agriculture and rural development be dealt with at the European, national, regional, or local level (including their funding as well)? You may mark more than one option.

The answers that were selected by the largest number of respondents are presented below. With the exception of 13.5, the second largest number belonged to the “European” level. For 13.5 the regional level was second and the European third. However, for all of the statements the “local” was chosen by relatively the lowest number of respondents, which indicates that solutions are still expected mostly from regional or higher levels. This indicates the need to strengthen rural communities at the local level. Predominantly, the first and second ranks belong to the national and European level (4 themes out of 5).

- 13.1 To protect the environment and deal with climate change: European (237)
- 13.2 To secure food supply: national (187)

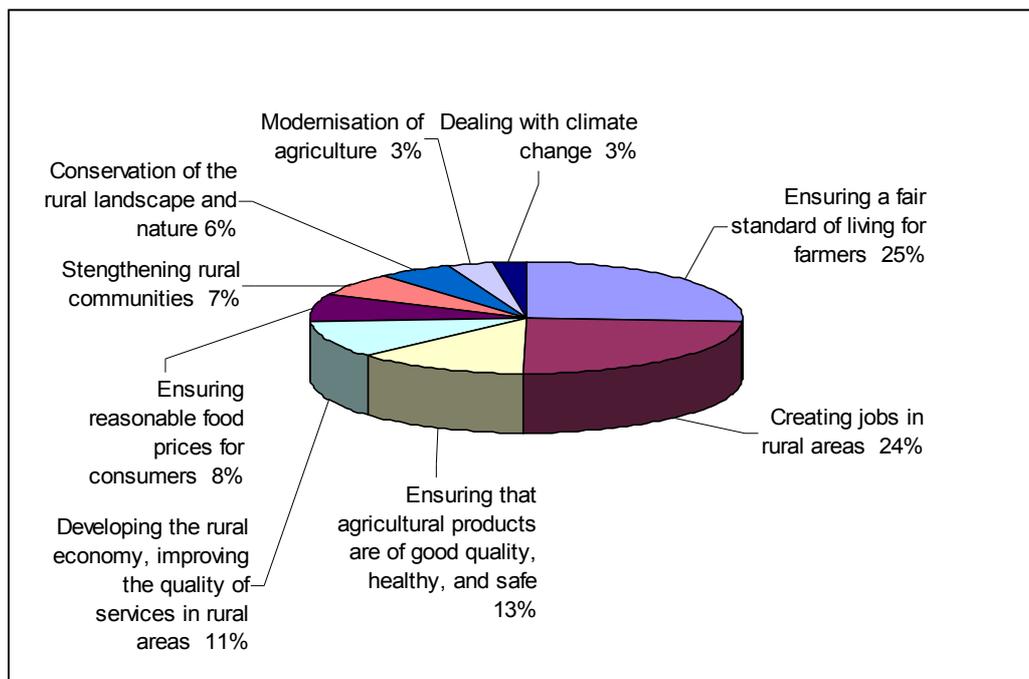
- 13.3 To ensure that agricultural products are of good quality, healthy, and safe: national (177)
- 13.4 To ensure a fair standard of living for farmers: national (168)
- 13.4 To ensure reasonable food prices for consumers: national (198)
- 13.5 To develop rural areas while preserving the countryside: national (134)

### 2.3 Votes for CAP priorities

In total 271 votes have been submitted for the CAP objectives after 2014. The question we asked on this vote was “What should be the main objective of the CAP from 2014?”. The following nine objectives have been put to vote.

1. Modernisation of agriculture
2. Ensuring that agricultural products are of good quality, healthy, and safe
3. Ensuring reasonable food prices for consumers
4. Ensuring a fair standard of living for farmers
5. Conservation of the rural landscape and nature
6. Dealing with climate change
7. Creating jobs in rural areas
8. Developing the rural economy, improving the quality of services in rural areas
9. Stengthening rural communities

The diagram shows the ratio of votes received for each objective:



At the top end of the ranks, the objective “**Ensuring a fair standard of living for farmers**” received **71 votes** (26%), while the **low end** of the ranks is represented by “**Modernisation of agriculture**” (9 votes) and “**Dealing with climate change**” (7 votes).

A fair standard of living for farmers, creating jobs in rural areas, and ensuring safe and good quality agricultural products are considered **the most important objectives** that in total received **63%** of the votes.

It is noteworthy that **only 2% of the votes** were cast for the objective “**Dealing with climate change**”, which indicates that the respondents do not consider the links between climate change and agricultural policy as important. The key results of the vote on the CAP objectives after 2014 are shown below.

What should be the main objective of the CAP from 2014??	Total number	Total %
1 Ensuring a fair standard of living for farmers	71	26,18%
2 Creating jobs in rural areas	65	23,99%
3 Ensuring that agricultural products are of good quality, healthy, and safe	35	12,92%
4 Developing the rural economy, improving the quality of services in rural areas	29	10,70%
5 Ensuring reasonable food prices for consumers	21	7,75%
6 Stengthening rural communities	19	7,01%
7 Conservation of the rural landscape and nature	15	5,54%
8 Modernisation of agriculture	9	3,32%
9 Dealing with climate change	7	2,58%
TOTAL	<b>271</b>	<b>100,00%</b>

## 2.4 E-mails

The translation of the **full text of the e-mail** messages is presented in **Annex 4**.

In total 17 e-mail messages have been sent by 14 respondents to the [kapreform@mnvh.eu](mailto:kapreform@mnvh.eu) mailbox, specially created for this purpose.

The current policy does not take into account the potential consequences of the energy crisis related to the depletion of oil reserves and the need for a **transformation to a low-carbon economy**. This should be part of the agenda for change. The CAP reform can only bring success to Hungary if it is prepared to adapt to policy changes with a national agricultural and rural development strategy and professionals at the local level to support its implementation.

**Direct payments** should be maintained, because market anomalies have proven the need for them and for the regulation of markets at the EU level. The acknowledgment at policy level that **the distance from market** is as much a **handicap** as the unfavourable climate or terrain is a valid social demand. This can bring about the improvement of new market intervention instruments. Another important demand **related to markets** concerns the **quality standards** of food products.

**EU standards should be strictly applied** to any imported goods and the authorities should focus on preventing activities such as re-packaging imported goods to be sold with an EU label. **New systems** should be developed **to manage and minimise risks** related to market fluctuations and climate change.

With regard to **rural development**, the current Axes of the New Hungary Rural Development Programme should be maintained, but their relative weight should be modified to strengthen Axis III-IV. The **simplification of current bureaucratic procedures** is another recurring theme.

The **rural economy – managed as an integrated unit at the microregional level** (including village services) – has substantial reserves to develop. This development path contains various elements ranging from food supply to local markets, social services and cooperation in social farming. Further **strengthening of the local level** has the potential to create more jobs in rural areas. Related activities should be managed in the framework of the LEADER approach.

The **agri-environmental measures of the CAP** should be **upgraded** into a broader system of measures that supports agriculture with landscape conservation, and ecological production. Farmstead-type settlements can play an important role in the implementation of this in Hungary. The construction of **rural roads, water management and irrigation systems**, and **renewable energy production** should be eligible for support under Pillar II measures.

## 2.5 Other

The HNRN received statements from the HNRN thematic field representatives, the HANGYA Association, and the Climate Advocates (a British Council funded programme) relating to the CAP. These are presented in the relevant annexes.

## 3. Further actions

After being submitted to the EU, the Report will be uploaded to the Hungarian National Rural Network website in English. Major findings and the original (Hungarian language version) analysis of the questionnaires will also be made available to the public. In addition to the above, the results of the public debate and this Report will be forwarded by the Managing Authority of the Rural Development Programme to the hierarchy of the Ministry and to the responsible unit preparing the post-2014 rural development of Hungary for further utilisation in the formulation of the official position of Hungary in the CAP policy debate.

## 4. Annexes

### **Annex 1: CAP Questionnaire (published on the HNRN website, results)**

Note:

English version, original in Hungarian, translation by HNRN

Highest ranking results in ***Bold-Italics type***.

### **QUESTIONNAIRE FOR THE PUBLIC DEBATE ON THE COMMON AGRICULTURAL POLICY**

<b>Why do we need a Common Agricultural Policy? (2 questions)</b>				
<b>1. Not everyone is of the same opinion about the role of agriculture and rural areas in Hungary and in the EU. Do you think this topic is .... *</b>				
not important at all				1
Important				31
not so important				2
very important				249
<b>2. How would you rate the importance of the following functions of agriculture and rural development?</b>				
(Please rate the importance of the option on a scale of 1 to 4: 1 = very important, 4 = not important at all)	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
Producing safe agricultural products and food production for the people	<b>232</b>	13	3	<b>35</b>
It is a part of our culture and history	111	<b>101</b>	<b>53</b>	18
It contributes to the conservation of the rural landscape	150	89	28	16
It is part of the rural economy	183	56	12	32
It contributes to the protection of the environment	151	84	26	22
It creates jobs in rural areas	<b>200</b>	<b>42</b>	9	<b>32</b>
<b>What are society's objectives for agriculture in all its diversity? (4 questions)</b>				
<b>3. In your view, which of the following are the most important among the agriculture and rural development goals of the EU?</b>				
(Please rate the importance of the option on a scale of 1 to 4: 1 = very important, 4 = not important at all)	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
To ensure that agricultural products are of good quality, healthy, and safe	<b>212</b>	32	11	<b>28</b>
To ensure reasonable food prices for consumers	123	<b>108</b>	31	21
To ensure a fair standard of living for farmers	176	63	16	<b>28</b>
To protect the environment and deal with climate change	142	91	33	17
To develop rural areas while preserving the countryside	145	90	28	20
To maintain self-sufficiency of food supply in the EU	114	101	<b>41</b>	27

**4. In your opinion, which of the following should be the goals of rural development policy after 2013?:**

(Please rate the importance of the option on a scale of 1 to 4: 1 = very important, 4 = not important at all)	1	2	3	4
Development of technology, modernisation of agricultural production	110	94	55	24
Support for rural small- and medium enterprises (village tourism, services, other non-agricultural enterprises)	138	76	44	25
Support to cooperation of farmers	140	90	36	17
Support to young farmers	143	78	43	19
Support to environmentally sustainable agricultural production	155	88	20	20
Dealing with climate change	114	103	46	20
Sustainable water management	161	82	22	18
Renewable energy production and utilisation	148	87	32	16
Development of villages, conservation of the rural heritage, improving the services in rural areas	133	100	33	17
Support for production and marketing of local products	<b>187</b>	56	17	23
Enhancing the role of rural communities (LEADER Action Groups)	88	108	<b>56</b>	<b>31</b>
Training and advisory services for rural stakeholders	96	<b>119</b>	51	17
<b>Other</b>				
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User entered value				50

**5. What impacts do you expect the CAP to have after 2013?: \***

	1	2	3	4
Ensuring strict compliance with plant health regulations	95	<b>113</b>	<b>61</b>	14
Ensuring strict compliance with animal health regulations	99	108	60	16
Ensuring that products imported from outside the EU comply with the same quality and production standards as those produced within the EU member states	<b>206</b>	34	16	<b>27</b>
Markets for producers – common European action to mitigate the extreme fluctuation of prices on primary produce markets	188	51	20	24
A fair standard of living for farmers	187	57	12	<b>27</b>
<b>Other</b>				
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User entered value				43

**6. In your opinion is it important that dealing with climate change becomes an integral part of the CAP? :**

Fairly important.	<b>135</b>
Yes, very important.	109
It should be part of another public policy, for instance	19
Not important	18
<b>For instance</b>	
Left Blank	243
User entered value	40

## Why should we reform the current CAP and how can we make it meet society's expectations? (3 questions)

### 7. In your opinion, does the CAP currently fulfill its role in the following areas?: \*

	Yes	No
Securing food supply in the EU	<b>209</b>	73
Ensuring that agricultural products are of good quality, healthy, and safe	128	154
Enhanced support for organic production	109	172
Ensuring reasonable food prices for consumers	137	145
Ensuring a fair standard of living for farmers	71	211
Protecting the environment and nature, and dealing with climate change	121	161
Developing rural areas while preserving the countryside	144	138
Strengthening rural communities and conservation of the rural heritage	139	143
Developing the rural economy, improving the quality of services in rural areas	111	171
Enhanced support for family and smallholdings	70	212

### 8. In your opinion, what is the biggest problem with the current CAP? : \*

Too much support for large holdings and farms	37
Substantial differences in support to the old and new member states	<b>154</b>
It is a disproportionately large share of the EU budget, reducing the budget of other EU public policies	6
Complicated, difficult criteria	50
Other	5
The market distortion effect of some forms of support in the CAP	29

### 9. In your opinion, how could the CAP be changed to be more effective? (Please select the three most important options, and rank them according to importance. Number 1 designates the most important option.)

#### Ranked no.1 = most important

a. Maintaining the current system and simplifying the regulations and procedures	<b>83</b>
b. Elimination of the differences in the degree of support available for different member states	<b>98</b>
c. Elimination of direct aid to farmers and producers	4
d. Elaboration of a new common agricultural support mechanism	28
e. Increasing the support of small- and medium-sized family farms	45
f. Enhancing the measures related to the mitigation of the effects of climate change while maintaining support for rural development	4
g. Giving more decision rights to rural communities (LEADER Action Groups) in relation to providing support	7
h. Reducing the support in measures within Pillar I, transferring the funds to rural development	12
i. Other	2

#### Ranked no.2.

a. Maintaining the current system and simplifying the regulations and procedures	43
b. Elimination of the differences in the degree of support available for different member states	<b>56</b>
c. Elimination of direct aid to farmers and producers	11
d. Elaboration of a new common agricultural support mechanism	30
e. Increasing the support of small- and medium-sized family farms	<b>76</b>

f. Enhancing the measures related to the mitigation of the effects of climate change while maintaining support for rural development	22
g. Giving more decision rights to rural communities (LEADER Action Groups) in relation to providing support	31
h. Reducing the support in measures within Pillar I, transferring the funds to rural development	13
i. Other	1
<b>Ranked no.3.</b>	
a. Maintaining the current system and simplifying the regulations and procedures	<b>55</b>
b. Elimination of the differences in the degree of support available for different member states	30
c. Elimination of direct aid to farmers and producers	9
d. Elaboration of a new common agricultural support mechanism	20
e. Increasing the support of small- and medium-sized family farms	52
f. Enhancing the measures related to the mitigation of the effects of climate change while maintaining support for rural development	34
g. Giving more decision rights to rural communities (LEADER Action Groups) in relation to providing support	29
h. Reducing the support in measures within Pillar I, transferring the funds to rural development	44
i. Other	8
<b>Other</b>	
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User entered value	29

### What tools do we need for tomorrow's CAP? (4 questions)

**10. How could a minimum level of stability of agricultural incomes be guaranteed?: \* (Please rate the importance of the option on a scale of 1 to 4: 1 = very important, 4 = not important at all)**

	1	2	3	4
	1	2	3	4
a, All forms of support to be decoupled from production	83	71	72	<b>56</b>
b, Export subsidies	72	89	<b>90</b>	31
c, Market support (intervention, private storage, etc.)	93	94	74	21
d, Special support funds focused on dealing with market anomalies (e.g. significant price drops)	116	<b>100</b>	43	24
e, Income guarantee (contingency fund) to mitigate damages related to extreme weather conditions (frost, drought, inland inundation, etc.)	124	99	38	22
f, Advisory services, training, and support for cooperation among farmers and other rural stakeholders	<b>127</b>	<b>100</b>	41	15
<b>By a combination of the above (a-f)</b>				
Left Blank				219
User entered value				64

**11. How can we achieve a more balanced relationship among the stakeholders in the agrifood industry, at the same time ensuring that consumers pay a reasonable price and producers also receive a fair income? (Please select the three most important options and rank them (number 1 designates the first and most important option).**

<b>Ranked no.1. = the most important</b>	
a. Supporting economic cooperation of agricultural producers, and setting up producers' and sales organisations	<b>134</b>

b. Specific competition rules in favour of agricultural producers	41
c. Continuous provision of information to consumers on producer's/processing industry/retail prices („price monitoring system“)	16
d. Supporting the production and marketing of special local products.	44
e. Supporting direct links between consumers and small producers	41
f. Don't know	1
g. Other	6
<b>Ranked no.2.</b>	
a. Supporting economic cooperation of agricultural producers, and setting up producers' and sales organisations	48
b. Specific competition rules in favour of agricultural producers	39
c. Continuous provision of information to consumers on producer's/processing industry/retail prices („price monitoring system“)	29
d. Supporting the production and marketing of special local products.	<b>94</b>
e. Supporting direct links between consumers and small producers	72
g. Other	1
<b>Ranked no.3.</b>	
a. Supporting economic cooperation of agricultural producers, and setting up producers' and sales organisations	56
b. Specific competition rules in favour of agricultural producers	29
c. Continuous provision of information to consumers on producer's/processing industry/retail prices („price monitoring system“)	43
d. Supporting the production and marketing of special local products.	46
e. Supporting direct links between consumers and small producers	<b>87</b>
f. Don't know	6
g. Other	16
<b>Other</b>	
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User entered value	37

<b>12. What services do you expect from farmers in exchange for the support they receive? : *</b>				
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
Use less chemicals – produce healthier food	182	58	24	19
Ensure animal welfare at the animal farms	96	<b>119</b>	51	17
Apply new, water-saving irrigation technology	136	94	33	20
Contribute to the preservation of the rural landscape	115	105	50	13
Provide agro-tourism services (e.g. farm tourism, village tourism, farmstead tourism, etc.)	64	94	<b>83</b>	<b>42</b>
Provide adequate product information on contents, producer, etc. (labelling with origin, quality, and composition)	141	84	34	24
Protect the landscape and the environment, maintain biodiversity	150	78	36	19
Contribute to the fight against climate change and effective adaptation to its impacts	107	105	51	20
Preserving and maintaining indigenous animal and plant species	127	95	41	20
Maintain the fertility of the land	<b>219</b>	30	8	26
<b>Other</b>				
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User entered value				27

**13. In your opinion, should the following issues related to agriculture and rural development be dealt with at the European, national, regional, or local level (including their funding as well)? You may mark more than one option.**

<b>13.1 To protect the environment and deal with climate change:</b>	
1: European	<b>23</b>
	<b>7</b>
2: national	88
3: regional	39
4: local, municipal	27
<b>13.2 To secure food supply</b>	
1: European	101
2: national	<b>18</b>
	<b>7</b>
3: regional	52
4: local, municipal	39
<b>13.3 To ensure that agricultural products are of good quality, healthy, and safe: *</b>	
1: European	145
2: national	<b>17</b>
	<b>7</b>
3: regional	53
4: local, municipal	45
<b>13.4 To ensure a fair standard of living for farmers: *</b>	
1: European	160
2: national	<b>16</b>
	<b>8</b>
3: regional	54
4: local, municipal	30
<b>13.4 To ensure reasonable food prices for consumers: *</b>	
1: European	104
2: national	<b>19</b>
	<b>8</b>
3: regional	45
4: local, municipal	26
<b>13.5 To develop rural areas while preserving the countryside: *</b>	
1: European	107
2: national	<b>13</b>
	<b>4</b>
3: regional	120
4: local, municipal	89

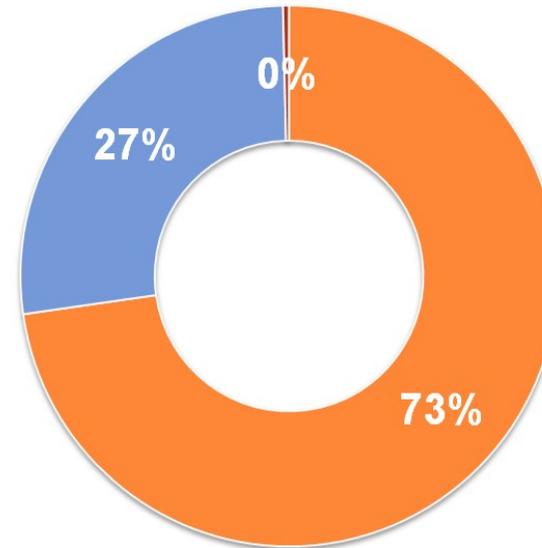


**Annex 2: CAP related questions from the IPSOS survey**

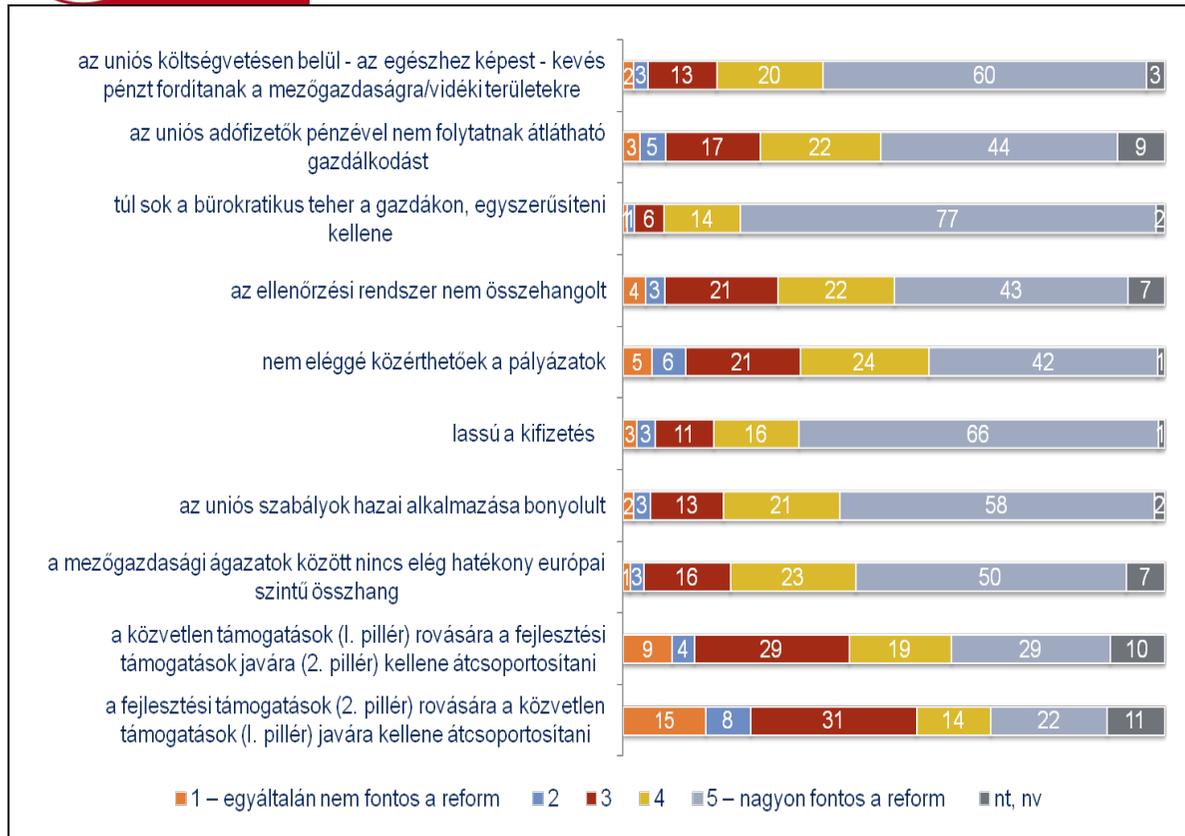
**Note: original evaluation slides in Hungarian as submitted by IPSOS (translation: HNRN)**

**Are you aware that from 2014 major changes are expected in the Common Agricultural Policy of the European Union?**

(73% = YES)



- hallott róla
- nem hallott róla
- nem tudja, nem válaszol



Within the EU budget there is less money spent on agriculture and rural development

EU taxpayers do not contribute to a transparent economy

Too much bureaucracy levied on farmers, the CAP needs simplification

Controlling system is not harmonized

Measures for applications are not clearly defined

Payment system is slow

It is difficult to implement rules of the EU

There is not enough European harmonization within agricultural sectors

Direct payments should be restructured in favour of development supports

Development supports should be restructured in favour of direct payments

**A number of problems and difficulties related to the CAP will be listed. Please rate them according to 1 = not important at all to 5 = very important, marks.**

Please rate the statements - related to Agricultural and Rural Development policy objectives of the EU - according to grades 1-5 (1 = not important at all, 5 = very important).

Ensure high quality and health standards for agricultural products

Affordable consumer prices

Fair living standards for agricultural producers

Environmental protection and reduce negative effects caused by climate change

Preservation and development of rural areas

Maintaining self-sufficiency within food production of the



### Annex 3: Regional CAP events – Summary

Location	Date	Lecturers	Number of participants	Summary of contributions
Károly Róbert College, Gyöngyös	22.04.2010..	<ul style="list-style-type: none"> <li>▪ Pásztohy András, Secretary General of HNRN</li> <li>▪ Eperjesi Tamás, Director, VKSZI</li> <li>▪ Dr. Wachtler István, Deputy of vice chancellor (Károly Róbert College)</li> <li>▪ Schütz Nándor (Ministry of Agriculture and Rural Development)</li> </ul>	55 participants	<ul style="list-style-type: none"> <li>▪ Key question: competitive food production, common EU market, reasonable prices and income</li> <li>▪ Lack of trust that hinders <b>cooperation among farmers</b></li> <li>▪ Significance of Local production of bio energy from rural development aspect</li> <li>▪ Too difficult, and hardly achievable rules in the EU</li> <li>▪ Cooperation among farmers is top priority</li> </ul>
Pannon University, Veszprém	27.04.2010...	<ul style="list-style-type: none"> <li>▪ Pásztohy András, Secretary General of HNRN</li> <li>▪ Dr. Nyújtó Ferenc, Head of Department , Ministry of Agriculture and Rural development</li> </ul>	37	<ul style="list-style-type: none"> <li>▪ Abolishment of sector specific payments</li> <li>▪ Supposed or real opposition among farmers and society regarding payments</li> <li>▪ Problem: <b>low prices of multinational companies as well as from health safety and local producers aspect</b></li> </ul>
Takács Ferenc Institute for Training, Hódmezővásárhely	2010.05.04.	<ul style="list-style-type: none"> <li>▪ Pásztohy András, Secretary General of HNRN</li> <li>▪ Dr. Nyújtó Ferenc, Head of Department , Ministry of Agriculture and Rural development</li> </ul>	78 fő	<ul style="list-style-type: none"> <li>▪ Important issues: <b>agriculture and food industry shall be examined together</b> with regards their role in national economy</li> <li>▪ Strengthening relationships between agriculture and climate change</li> <li>▪ Regional positioning and importance</li> </ul>

Location	Date	Lecturers	Number of participants	Summary of contributions
				<ul style="list-style-type: none"> <li>of supporting population growth</li> <li>Water management</li> </ul>
Nyugat-Magyarországi University Center of the Agricultural and Food Science Advisory Institute, Mosonmagyaróvár	2010.05.06.	<ul style="list-style-type: none"> <li>Pásztóhy András, Secretary General of HNRN</li> <li>Papp Gergely, Research Institute of Agricultural Economics</li> </ul>	80 fő	<ul style="list-style-type: none"> <li><b>Significant difference in support among small and large farms</b></li> <li>Knowledge sharing should be more effective for smallholders</li> <li>Harmonization of agriculture and rural development</li> <li><b>Maintaining support is the interest of rural areas</b></li> <li>It is important to organize product paths and control them, because the share of trade is excessive in realized incomes</li> <li><b>Top priorities are production and sale safety for producers</b></li> </ul>
Debreceni University, Centre for Agricultural and Economic Sciences	2010.05.10.	<ul style="list-style-type: none"> <li>Pásztóhy András, Secretary General of HNRN</li> <li>Papp Gergely, Research Institute of Agricultural Economics</li> </ul>	58 fő	<ul style="list-style-type: none"> <li><b>Refresh surface charts according to the capability of surfaces, an ecological – regional system for direct payments could be established</b></li> <li>Food production is as important as agricultural production</li> <li>Determine the highest amount of direct payments that can be entitled to one farmer</li> <li>Imbalances in animal breeding, crop production and food</li> </ul>

Location	Date	Lecturers	Number of participants	Summary of contributions
				<p>production</p> <ul style="list-style-type: none"> <li>▪ Development of land policy, food strategy</li> <li>▪ <b>Divided structure of agricultural production (family owned businesses and large farms)</b></li> <li>▪ The weakest point is the post-financing structure</li> </ul>
Szent István University, Gödöllő, Páter Károly u.1.	2010.05.12.	<ul style="list-style-type: none"> <li>▪ Dr. Kozári József, Center for Research and Advisory</li> <li>▪ Dr. Potori Norbert, Research Institute of Agricultural Economics</li> <li>▪ Dr. Fogarassy Csaba, Research Institute Climate Economics and Policy Analysis Research Center</li> </ul>		<ul style="list-style-type: none"> <li>▪ Harmonized production with the environment</li> <li>▪ High quality products</li> <li>▪ Ensure quality control</li> <li>▪ Revision of criteria and integration of agriculture from a social aspect, especially paying attention to new challenges of climate change and differences in support achievable for agricultural and other sectors .</li> </ul>
Kaposvári University	2010.04.30	<ul style="list-style-type: none"> <li>▪ Pásztohy András, Secretary General of HNRN</li> <li>▪ Dr. Udovecz Gábor , Research Institute of Agricultural Economics</li> </ul>	52 fő	<p>Participants proposed eight new themes: here is the following summary of this:</p> <ol style="list-style-type: none"> <li>1) Increasing world population – possible food shortages – WTO pressure on the EU</li> <li>2) Low level of public awareness of the importance of the CAP in Hungary – a serious challenge</li> </ol>

Location	Date	Lecturers	Number of participants	Summary of contributions
				<p>3) Various topics:</p> <ul style="list-style-type: none"> <li>▪ <b>Allocation of funding among landowners and actual farmers: only about 50% of support funding reaches the actual farmer</b></li> <li>▪ Administration and diversification: the procedures related to the CAP need to be simplified without sacrificing appropriate information provision on the utilisation of funds.</li> <li>▪ National support: e.g. tax benefits to farmers should be considered</li> <li>▪ Intervention, grains production and market access for grains producers to be improved</li> </ul> <p>4) Major challenges:</p> <ul style="list-style-type: none"> <li>▪ improving the cooperation of farmers</li> <li>▪ the correlation between the elimination, closure of family farms and animal husbandry</li> <li>▪ “over-mechanisation”: too many pieces of agricultural machinery and equipment purchased with</li> </ul>

Location	Date	Lecturers	Number of participants	Summary of contributions
				<p>credit in Hungary. In Austria, farmers share certain types of machinery and it is a very efficient means of cooperation.</p> <p>5) Diversification, local processing of local products, local marketing of local products, and village tourism are hindered due to the lack of cooperation at local levels and the complicated procedures of the Paying Agency (MVH). This makes LEADER hardly viable.</p> <p>6) A shared vision is needed for elaborating a common strategy. Important elements of this include: agricultural potential, provision of public goods, job creation, diversification of the economy.</p> <p>7) Protecting water resources as well as more efficiently utilising them for irrigation purposes could be a part of adaptation to climate change.</p> <p>8) The efficiency of utilising EU funds should be improved. Diversification of the rural economy could be a means of creating jobs to replace the</p>

Location	Date	Lecturers	Number of participants	Summary of contributions
				ones lost in agriculture due to the high level of mechanisation

#### Annex 4: E-mail messages received by HNRN

Serial	SID	Date	IP Address	Name	Email	Subject	Message
1	216	4 May 2010	84.224.29.196	Neumann István	ujember@kajata.hu	Other	<b>In my opinion, the major weakness of the current policy is that it does not focus on the potential consequences of the coming energy crisis</b> as they relate to agriculture and the national economy. This should be put at the top of the agenda – more important than climate change as it will happen earlier – and a timely shift away from a carbon and oil based economy would also moderate the impacts of climate change.
2	239	6 May 2010.	193.224.110.2	Dr. Bálint	Csatári <a href="mailto:csatbal@rkk.hu">csatbal@rkk.hu</a>	Rural communities	The CAP reform can only be a success for Hungary if strong rural communities „manned” by rural development professionals not only adapt to policy change, but also take part in influencing it through developing a <b>Hungarian national agri-rural development strategy</b> .
3	240	6 May 2010.	193.224.110.2	Dr. Bálint	Csatári <a href="mailto:csatbal@rkk.hu">csatbal@rkk.hu</a>	Landscape and natural resource conservation	Considering the fact that natural resources are part of the landscape, just as the local communities are, it would be expedient to upgrade the current agri-environmental measures of the CAP to a broader set of measures providing comprehensive support for agricultural production with landscape conservation. Int he implementation of such measures, homestead or famrstead type settlements could play an important role.
4	241	6 May 2010	193.224.110.2	Dr. Bálint	Csatári <a href="mailto:csatbal@rkk.hu">csatbal@rkk.hu</a>	Job creation in rural areas	In a local economy – coordinated at the micro-regional level - (including village services) , there are substantial reserves for development, in which mutual support, cooperation, social farming, local food for local markets, and social services can also be a part.

Seri al	SI D	Date	IP Address	Name	Email	Subject	Message
5	24	6 May 2010	193.224.110.2	Dr. Csatóri Bálint	csatbal@rkk.hu	Development of the local economy and services	Such a local economy can provide a solid basis for creating jobs. Local ideas and initiatives should be supported to contribute to the process. This kind of activity should be part of the LEADER measures.
6	26	7 May 2010	62.201.115.66	Mudri Barnabás	mudrib@freemail.hu	Ensuring a fair standard of living for farmers	More jobs and better living standards are important. Clear and better opportunities for producers in the future would be realized, and for this reason communities would become stronger and less people would leave villages in order to settle down in cities.
7	27	9 May 2010	88.132.33.248	Varga Károlyné	polipor@pr.hu	Landscape and natural resource conservation	<p>Many thanks for the opportunity and I think it is very important. I would like to emphasize the following:</p> <ul style="list-style-type: none"> <li>- Produce what the population needs</li> <li>- Create fair system for workers in the agriculture and fair living standard as well as working conditions</li> <li>- give greater support to ecological and bio economies and ensure knowledge sharing</li> </ul> <p>- financial and intellectual support and infrastructure are needed for better living conditions in villages</p> <p>- cooperatives should be promoted in order to strengthen communities in rural areas</p>



Seri al	SI D	Date	IP Address	Name	Email	Subject	Message
8	29	11 6 May 2010	94.27.202.14	Dragon Mónika	dragon.monika@gmail.com	Ensuring a fair standard of living for farmers	My opinion is that producers should not let wholesalers sell fruit and vegetables coming from non-EU countries as Hungarian products. Last year in Csongrad county none of the producers could sell Chinese leaf, but imported vegetables were repacked and exported later as Hungarian products. If we could avoid this, producers could have a better living standard. My parents have been working as producers for 30 years as selling products in markets. I tried to convince them about the possibilities of clusters but they said the fees are too high. Export products are sold only on demand. If there is a surplus, they do not care. Thanks for reading my opinion/experience.
I	35	18 7 May 2010	62.77.221.218	Hummel Rudolf	esztergomi@vkszi.hu	Other	I think it is important to maintain axis of new Hungarian Rural Development Program in 2013-2020, and redistribution of resources. At the expense of axis 1-2 we propose an increase in resources for axis 3-4, and also reduce administrative costs and efforts when calling for tenders.
10	37	19 3 May 2010	78.92.212.251	Kalmár Sándor	skalmar@bacskateszov.hu	Other	Direct payments could only ensure meeting the requirements of the whole society both hat national and EU level. Moreover the retention and development of population could be supported this way as well. After all this we can talk about other issues that matter.

Seri al	SI D	Date	IP Address	Name	Email	Subject	Message
11	43 6	26 May 2010	195.56.3.186	MOSZ	mosztit@mosz.agrar.hu	Job creation in rural areas	According to our opinion, maintaining direct payments would contribute to preserving rural employment. It is a problem in many other European countries as well, so payments should be based on employment. It is also important to see another alternative in which employment and social security of actors in agriculture are in correlation. In this case payments based on employment would provide the compulsory health contribution and retirement.
12	43 7	26 May 2010	195.56.3.186	MOSZ	mosztit@mosz.agrar.hu	Development of the local economy and services	Development programs in the second pillar should stick to their current aim which is boosting competitiveness but has to provide stable economic background for rural areas as well. <b>Initiatives like infrastructure or water management, alternative energy production should be supported from this pillar as well.</b>
13	43 8	26 May 2010	195.56.3.186	MOSZ	mosztit@mosz.agrar.hu	Dealing with climate change	A new system aimed at managing natural and market risks, furthermore promoting institutions and traditional procedures that are able to handle these difficulties are indispensable. We suggest reallocating resources from the 3rd and 4th axis of European Agriculture and Rural development Funds.

Seri al	SI D	Date	IP Address	Name	Email	Subject	Message
14	43	26 9 May 2010	195.56.3.186	MOSZ	mosztit@mosz.agrar.hu	Ensuring a fair standard of living for farmers	The market fluctuations that foillowed various reforms of the CAP have proven that dismantling the agricultural market regulations is not a viable path for the future of the European agriculture. In our opinion, operating and improving upon the current institutional and instrumental framework for regulating the market and production is a rational choice. The discrepancies in the „common” market require that the feasibility of regional regulatory mechanisms be also examined. Distance from the market is no less a disadvantage than disadvantages related climatic or geogrpahical conditions, and society’s demand for itt o be acknowledged is a valid one.
15	45	27 0 May 2010	84.206.48.248	Tóth Balázs / Climate Ambassador for the British Council	balazstoth2004@fvm.gov.hu	Dealing with climate change	<b>The CAP can be one of the key instruments in dealing with global climate change.</b> Surplus costs resulting from the demand to protect natural resources must be compensated for to the farmers. The CAP should contribute to a high level of environmental protection and the conservation of natural resources. Agriculture should be part of the solution to mitigate the harmful impacts of climate change, the reduction of greenhouse gas emissions, the conservation of biodiversity, and the increased use of renewable energy. Further „greening” of the CAP is unavoidable. <b>The new CAP must lay emphasis on CO2 emission reductions.</b>

Seri al	SI D	Date	IP Address	Name	Email	Subject	Message
16	47	29 2 May 2010	145.236.151.2	Gyenes Béla	gyenes61@citromail.hu	Safe and healthy food	By producing and selling special local products „Hungaricum” local communities become more sustainable. Local products for local markets must be strengthened by the central agri-administration. The special tax file number system introduced for registered primary producers may not have been the best policy tool. Plant and animal health authorities should operate more effectively. In my opinion, it is rather ridiculous that the media draws the attention of the national chief veterinary to unhealthy products sold by multinational companies.
17	48	31 8 May 2010	85.66.96.94	Vida Balázs	Sellyei @vkszi.hu	Job creation in rural areas	The Sellye micro-region is characterized mainly by agriculture, therefore, the reduction of the sector has caused job losses and out-migration. I suggest that the <b>funding for micro-enterprises and other income generating activities should be increased within the diversification of the rural economy.</b>

## **Annex 5: Statement of the Hungarian Climate Advocates**



*Challenge Europe advocates in Hungary have been asked to express their opinion about the new EU Common Agricultural Policy. Here is their statement – already sent to the Hungarian Ministry of Agriculture and will be uploaded on the EU's relevant website.*

Hungarian climate advocates' opinion about the future of Common Agricultural Policy

### **Why do we need a European common agricultural policy?**

- The common agricultural policy (CAP) is a cornerstone of the European Union's integrity on environmental matters. Through subsidising agricultural producers, it helps the **economic and social development of rural areas**.
- The CAP contains the possible and essential answers that the EU can offer to deal with global challenges (climate change, renewable energy resources, water management, biodiversity). The CAP could be a key element in the fight against **global climate change**. Farmers should receive compensation for their extra costs deriving from regulating the **protection of natural resources** (land, water, forest, air).
- The effects of both agricultural activity and climate change on the natural environment are considerable and undeniable. The common agricultural policy should promote high-level **environmental management, protection of natural values, security of a healthy food supply, and sustainable agricultural production** and development.
- On this basis, we believe it is important to maintain and reinforce the CAP, which should remain a strategic political area even after 2013.

### **What do citizens expect from agriculture?**

- We think that it is essential for European agricultural and silviculture methods to be **sustainable**, to use **environmentally sound technologies** and to **protect and ameliorate the condition and quality of the environment and its landscapes**.

- The agricultural sector must promote the mitigation of greenhouse gas emissions and the adverse effects of **climate change**. It must work towards the preservation of **biodiversity** and sanction the reduction of the use of pollutants, such as fertilizers and pesticides. The sector must support the **protection** and sustainable use of **natural resources and encourage the exploitation and dissemination of renewable energy resources** (biomass, sun, wind, water energy).
- Beyond the production of **safe and GMO free food products**, we believe it is also important to **reduce the distance** of an agricultural product **between the producer and the consumer**. In order to achieve this goal **local processing and sales** must be invigorated. Furthermore, the sound and **safe treatment and disposal of the waste** and by-products of agricultural activity is crucial.

### Why reform the CAP?

- In addition to the previous reforms of the CAP we believe further alterations are required in order to encourage competitive **agricultural production**, that is **less harmful for the environment**, through the efficient and fair use of financial resources. Further **greening of the common agricultural policy** is vital. After these additional reforms, the CAP should emphasise the attainment of **CO<sub>2</sub> emissions reduction**.
- **Modern and efficient responses** are required to meet the new challenges that are faced (climate change, renewable resources, biodiversity, water management). Legal instruments and measures, designed to fight the above-mentioned new challenges, have to be strengthened and developed and **long term and sustainable solutions** must be found. This is necessary so as to maintain and enhance the agro-environment and forest-environment measures.
- As a consequence of the strong relations between the agricultural, energy and environmental sectors it is crucial that a coherent, cross-sector legal framework is created in the EU. Along with the harmonization of these policy areas, the integration of the **EU's adaptation strategy** in the CAP should be a key objective.

### What tools do we need for the CAP of tomorrow?

- The **rural development pillar** of the CAP should be reinforced
- Under the framework of CAP a support mechanism for agriculture is

necessary, in which

- **compensation** is provided to farmers for their extra costs in meeting the new challenges,
  - the instruments, subsidising **environmental protection** and **energy efficient** agriculture and forest management is included,
  - the promotion of **innovation, research and development** is priority,
  - the programmes supporting the **restoration of forestry potential** are continued,
  - the supporting of **organic farming and grazing** is made a priority,
  - investments applying solely to **environmentally sound technologies** are preferred.
- The clear definition of the regulatory framework on import, distribution and labeling of materials, produced in third country with harmful environmental impact, should be a priority. Introducing **environmentally sound labelling** and **carbon footprinting** for food products is an important instrument to strengthen the environmentally conscious consumer group.

Budapest, May 25, 2010

## ***Annex 6: Statement from HANGYA Association of Hungarian Producer's Sales and Service Organisations and Co-operatives***

### **CAP Reform after 2013**

*Based on the Contribution made by HANGYA Association, dr. Zoltán Szabó Secretary-Manager and Vice-President of COGECA 2004-2008.*

**Dacian Ciolos** was setting out the parameters for reform of the CAP, as he opened up a public debate on what the CAP should provide and what tools are needed for the future.

The four questions intended to orient the debate are:

- *Why do we need a European Common Agricultural Policy*
- *What are society's objectives for agriculture in all its diversity?*
- *Why should we reform the CAP and how can we make it meet society's expectations?*
- *What tools do we need for tomorrow's CAP?*

1. The CAP is a basic part of Treaty of the EU and an important part of European identity. Its main aim is to ensure continuous facilities for producers and consumers at the same time, hence creating a CAP that does not distort market values and operate efficiently is a core interest of farmers as well as all European citizens. It should also meet requirements of food security while minimizing the expenses of public money.

2. The main function of agriculture is food production that is in accordance with the biological and social environment. In case any element of this complex process works inefficiently, it will definitely do so at the expense of public money. Besides the roles of agriculture, preservation and development of rural areas and communities play a significant function as well in order to provide public goods for them as well as for the whole society.

3. The reform of CAP is necessary because on one hand global effects have extended and the regulations of international trade do not make the sustainability of current tolls possible, on the other hand the social approval of agricultural expenses has declined greatly. The CAP reform is urgent, since the resources of EU budget has become restricted because of global financial crisis. The Reform has to take into consideration the basic principles of the Rome Treaty and also to make sure that financing public expenses are sustainable for both European citizens and at international level. In case of expenses the agricultural model should be changed in the following ways:

- resources aimed at compensation of public goods that are not directly rewarded by the market should be increased,
- Farmers must receive initiatives that will make them able to respond to the effects of climate changes and prepare them to economize on water- and energy management
  
- Knowledge-transfer and innovation are top priorities while reforming market conditions
- Besides modulation, joint actions and payments based on democratic control should be more emphasized

4. Tools of CAP in the future should be built on solidarity, in other words partly or entirely renationalization cannot be considered as a solution. Structural changes mentioned in the 3<sup>rd</sup> paragraph could be the main directions of CAP in the next years. The largest amount of money is spent on direct payments. As payments are independent from production, this measure, that is actually originated from market intervention) has been serving as a tool for ensuring income. The amount and validity of this issue are quite controversial nowadays. Other problem is the payment system that does not initiate diversity of agricultural sector and cause imbalances. There is a social agreement that direct payments are indispensable because of decreasing market intervention and low profitability, but making it dependent on historical references can trigger social outcry sooner or later. The disproportion among member states cannot be avoided, but cohesion within the EU and reasonable ecological burdens should be strengthened, paying less attention to competitive advantages. Abounding market intervention sets advantages for those international competitors who implement other tools of support. Hence, the tools for struggling market risks must be applied in the next program period, using them as an asset to ensure minimum income level. So far, all CAP Reforms have focused on producers' income which should be derived from market revenues and not from public money. That is why it is significant to emphasize the effectiveness of public money that is spent on measures aimed at strengthening market positions. Another reason for promoting communities of producers within the food chain is to improve market positions and enhance added value with regulations and resources that can contribute to the abatement of market fluctuation, default in payment and defencelessness. Within communities it is easier as well as more favourable to adjust to market challenges concerning structural changes and rural development.

## **Annex 7: Statement from HNRN thematic field representatives**

Dear Secretariat,

In connection with the reform of the CAP, I would like to draw up some recommendations:

1. The reform of the CAP has already been under way since 2003, the results of the WTO negotiations should be taken into account.
2. Hungary formulates general suggestions without thorough impact assessments, so Hungary will not be able to influence its national agricultural policy. Hungary needs a clear agro-strategy.
3. The impact of every potential CAP alternative should be examined (until 2025).
4. An act has been drafted to initiate SPS on historical basis but later it was withdrawn. It is a losing strategy because of the land owning fees leave the sector.
5. Hungarian national decoupling must be fitted to the growing strategy.
6. The Hungarian position must be concentrated on the economic relation between the SPS flat rate and the 2<sup>nd</sup> pillar. If national decoupling starts, the volume on historical basis must be kept. The funds releasing from national decoupling must be allocated to the 2<sup>nd</sup> pillar.
7. Funds aiming at agro-investments are currently low. The promotional strategy and business model for sales are lacking, as well as adequate research and investment funding. International benchmarkings should be studied and used for infrastructure projects in the 2<sup>nd</sup> pillar. By doing this funds will not be means of social policy, nor will be allocated to other sectors.

Sincerely,

Dr. Mathiász Gábor, Bukosza Gábor

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## **Proposals for CAP Reform of the EU after 2013** *Contribution made by Hungarian Society for Urban Planning*

We all agreed that Common Agriculture Policy is needed but it demands a comprehensive reform according to national, especially rural, experiences. The following paragraphs will demonstrate how we imagine the CAP Reform after 2013:

### **Territorial cohesion, Rural Development policy**

Within the reform relations between agriculture policy and rural development, the elements and aims of first and second pillar of CAP, their correlation with regional policy as well as structural and cohesion funds, should be reconsidered.

The country consists of different economies such as field and forestry, local population and households. Measures in the first pillar aimed at 80% of rural areas and 5% of rural population. Rural villages amount for 20% of the total area, where 95% of the population are not involved in agricultural sector.

If rural development is considered as a complex development of rural territories this process is meant to be different and more complex than agriculture policy. In sum, it is about development of rural entities. Nonetheless, development of urban areas is complex, representing an activity that involves social, economic, environmental, mechanic-and physical conditions which are only a small part of rural development policy in the CAP.

**What we need is :**

- Rural development policy should entirely take responsibility for solving difficulties in rural areas,
- Or a harmonization of CAP and regional policy is necessary in order to ensure synergy in the context of development in rural areas.

### **Quality of the environment**

The new CAP reform has to strengthen national, regional initiatives that are trying to establish agriculture and rural development policy with maintaining land- and biological diversity. This is in contrast with those initiatives that are aimed at reducing diversity i.e. maintaining GMO-immunity. Hence, we consider the support for creating Institutions for Landscape management as a top priority, which would promote local values as well as utilization of local identities from scientific and technological point of view.

### **Employment and Generation problems**

If rural development is sustainable, then it is able to create more and more are jobs that serve the retention of population. This cannot be provided neither by the tourism nor by the service and industry sector. Hence we suggest that the EU should realize a support system within agriculture that takes into consideration strengthening ecological and sustainable landscape management and production methods, furthermore pays more attention to those sectors that require higher level of employment, and serves the processing and consumption of local production.

Sustainability as a core element of today's policy should not be seen as a tool for providing and ensuring services for the next generation but to promote people living at present. In order to ensure smooth shifts between generations, early retirement seems to be an essential and potential asset. This could contribute to preserving family owned businesses as well as to conducting their reforms.

### **Efficiency, effectiveness**

Agriculture and rural areas, difficulties and opportunities of villages diverse a lot within Europe. That is why we promote regionalism and subsidiarity within the CAP at a higher level.

The upcoming reform should be able to reveal those bottlenecks in payment system that do not let form a common agricultural policy and leaves many problematic issues concerning a successful rural development.

- Conditions of maintaining rural areas are based on a balanced village- urban relationship. For this reason local and regional actors have to be treated in a different way.
- Although most policy makers in Europe agree that they want to promote "family farms" and smaller scale production, the CAP in fact rewards larger producers. Because the CAP has traditionally rewarded farmers who produce more, larger farms have benefited much more from subsidies than smaller farms. The CAP reform has to restructure priorities regarding land property. Instead of investing in large farms, clusters and a self-employed sector should be maintained while at the same time the role of trade unions should receive more attention as well.

**Not all investments taking place in rural areas result in rural development. As a result of the CAP reform we must be able to find out how the utilization of rural resources could remain at local level. The reform has to promote mainly those production methods and tools that are owned by local citizens and contribute to a high employment rate. Moreover, it should realize added value coming from local products and services offered and sold in local or regional markets.**