

**3rd meeting of the Thematic Group on
Resource Efficient Rural Economy**

Resource efficiency in the RDP in Hungary – towards a case study

Initial findings – work in progress

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Brussels – 07 March 2017

Key question and information sources

How can the design and delivery of RDPs be improved to address resource efficiency?



5 interviews (farmers, RDP Managing Authority, researchers)



- 1 RDP
- 1 research paper

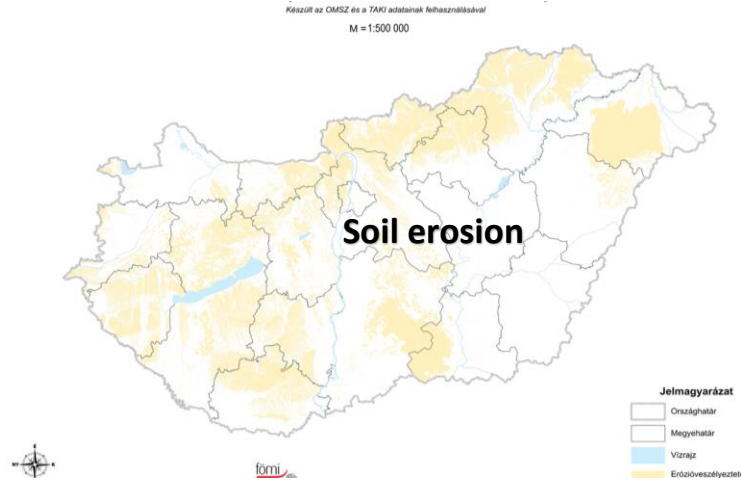
Kalóczkai, Ágnes (MTA ÖK) and Kovács-Krasznai, Eszter (Cambridge University), 'Mezőgazdálkodás AKG nélkül' (Farming without agri-environmental payments), Argeomentum Kft, 2016.
http://natura.2000.hu/hu/filedepot_download/673/903

The RDP territory

Total UAA = 4 656 520 hectares (81.6% arable land)

52.3% of UAA managed at low intensity

538 876 hectares for management contracts under agri-environment-climate

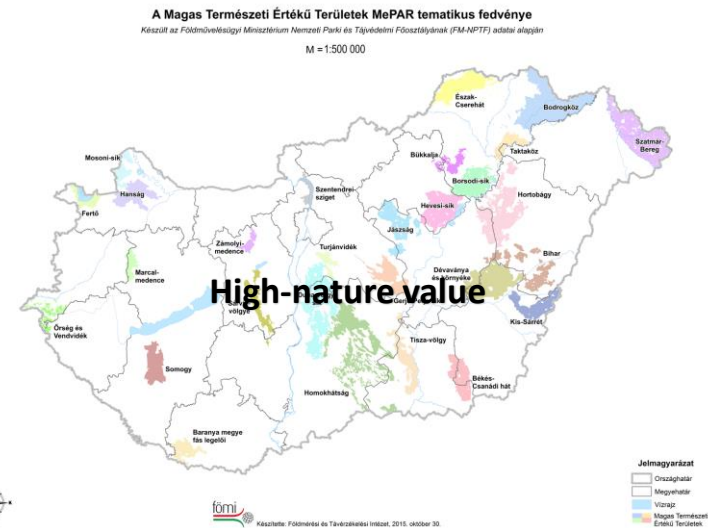


Frequent water imbalances – droughts, floods, inland inundation

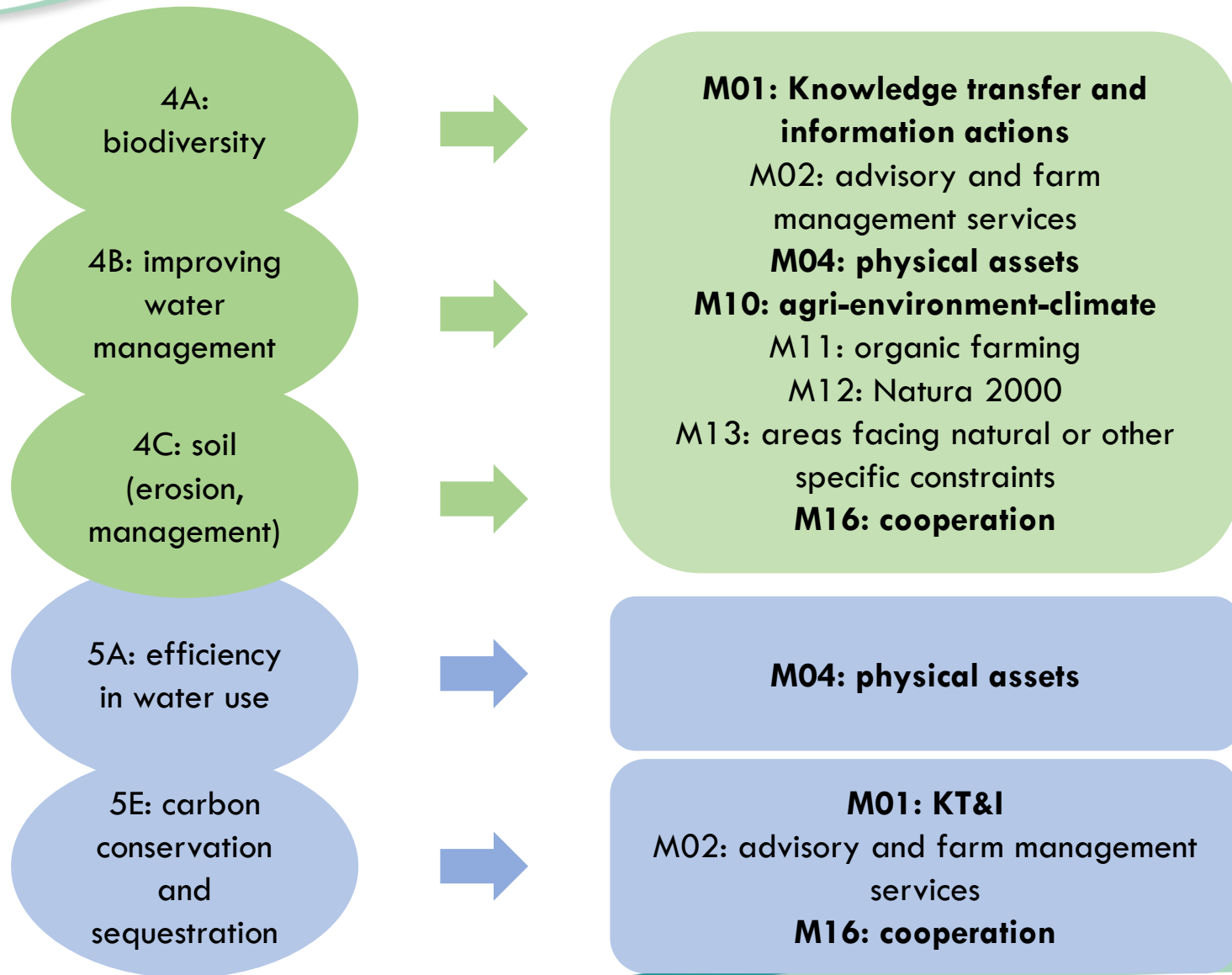
Organic production – on 2.7% of UAA

Average farm size – 8.1 hectares, average age of farmers – 56 years

CO2 emission from agriculture in 2010 was 7 716.4 (1000 tonne CO2 equivalent, 12.1% of total) – carbon capture by forests in Hungary 13% of total



Resource efficiency in the RDP



RDP instruments and targets for improving resource efficiency

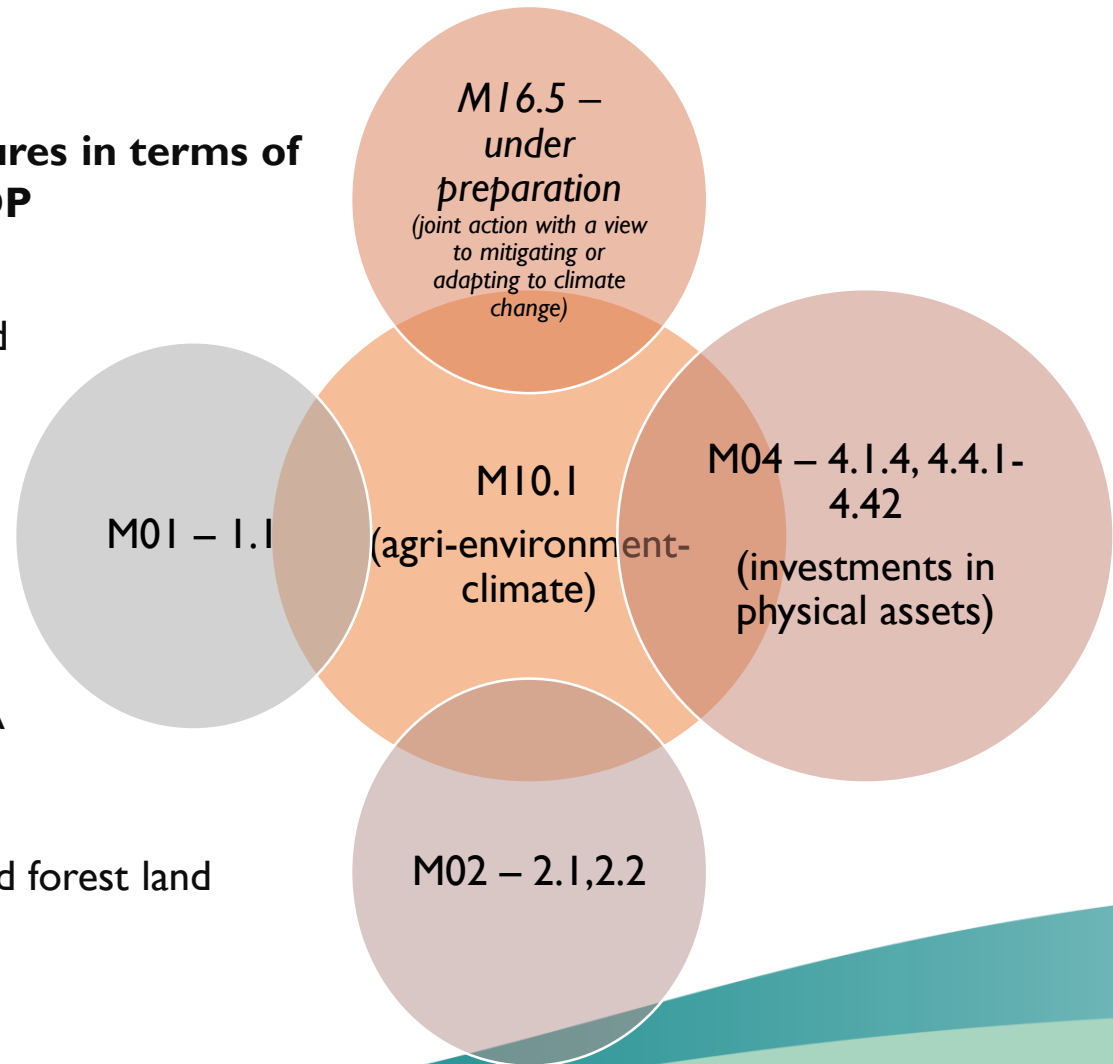
M04 and M10 – the top-2 measures in terms of budget allocation within the RDP

4B (water): 3.57% of agricultural land under management contracts

4C (soil): 8.39% of agricultural land under management contracts

5A (water use): 5.75% irrigated UAA supported

5E (carbon): 0.59% of agricultural and forest land under management contracts



An exceptional farming year – and its consequences ...*

- RDP approved in August 2015
- **No agri-environment-climate payment in 2015 in Hungary**
- Survey of farmers in 3 high-nature value areas
- ~50% ,enter' the scheme for the compensation payment
- >50% of farmers ,gave up on' **full** compliance with agri-environmental farming criteria after the termination of payments (majority of farmers with >300 hectares did not comply)
- Agri-environment payment constitutes 25-38% of incomes of farmers surveyed
- Some reasons for continuation without payments
 - Intention to continue in the next round
 - NP or protected area-rules apply
 - Agrees with the relevant rules

*Based on an interview with and research prepared by: Kalóczkai, Ágnes (MTA ÖK) and Kovács-Krasznai, Eszter (Cambridge University), 'Mezőgazdálkodás AKG nélkül' (Farming without agri-environmental payments), Argeomentum Kft, 2016. http://natura.2000.hu/hu/filedepot_download/673/903

Good practices* – common features

Committed to their local communities, high level of environmental awareness

High level of education, specialised in agriculture

Farming on arable land

Long-term, business thinking

Less than 40 years of age, open to innovation

*5 farmers identified by one of the interviewees

Resource efficiency - some stakeholder perspectives

MOTIVATION GAP

Farmers not motivated by awareness of environmental benefits

agri-environment payments viewed as 'income support'

Conventional methods – high average age of farmers

Farmers with large area under cultivation – not always in direct contact with land

KNOWLEDGE GAP

Nutrient management plan not used for investment planning

Soil samples not properly taken – misinformed plans

Farmers predominantly trust conventional tillage methods

Low environmental awareness – not enough awareness raising

Quality of training and advice

Nutrient management plan not obligatory

Ratio of support to total income and soil quality

Complex requirements - risk of sanctions

POLICY GAP

Soil protection plan sufficient for minimum agri-environment criteria

Biodiversity – not enough 'weight'

From a farmer's perspective – too much control, bureaucracy

Slow, but gradual improvement in environmental awareness of farmers