



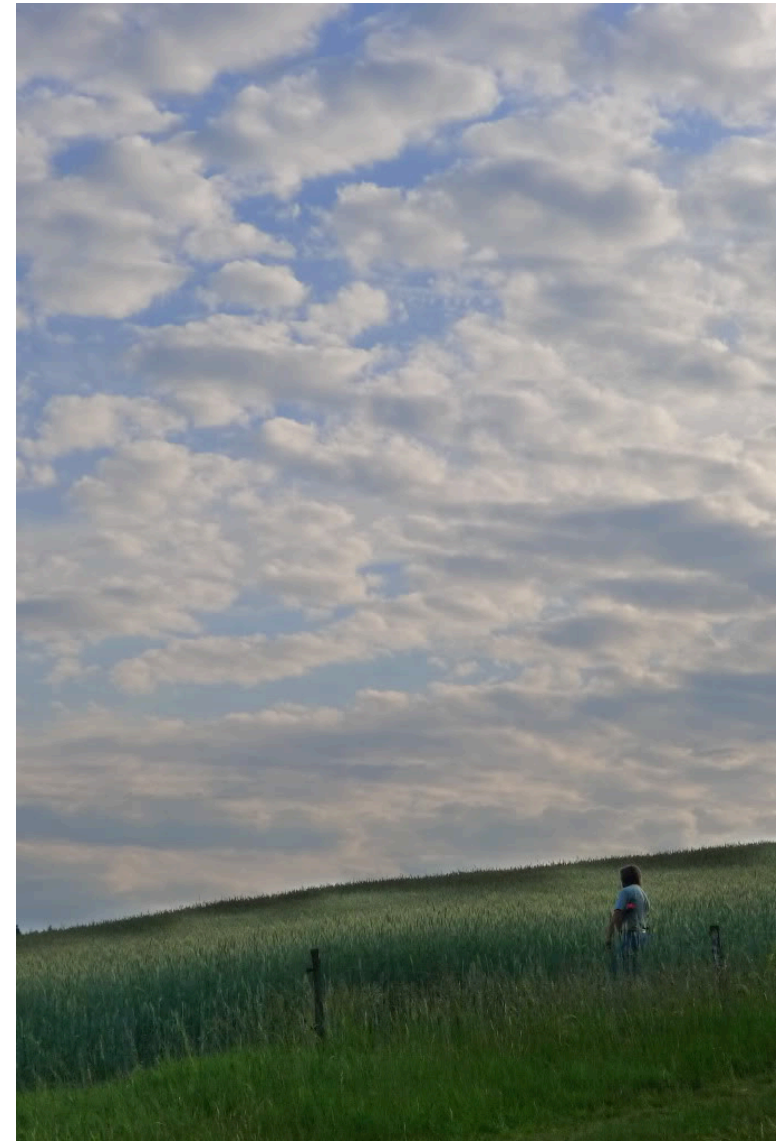
Agri-environment in the Rural Economy in Hungary

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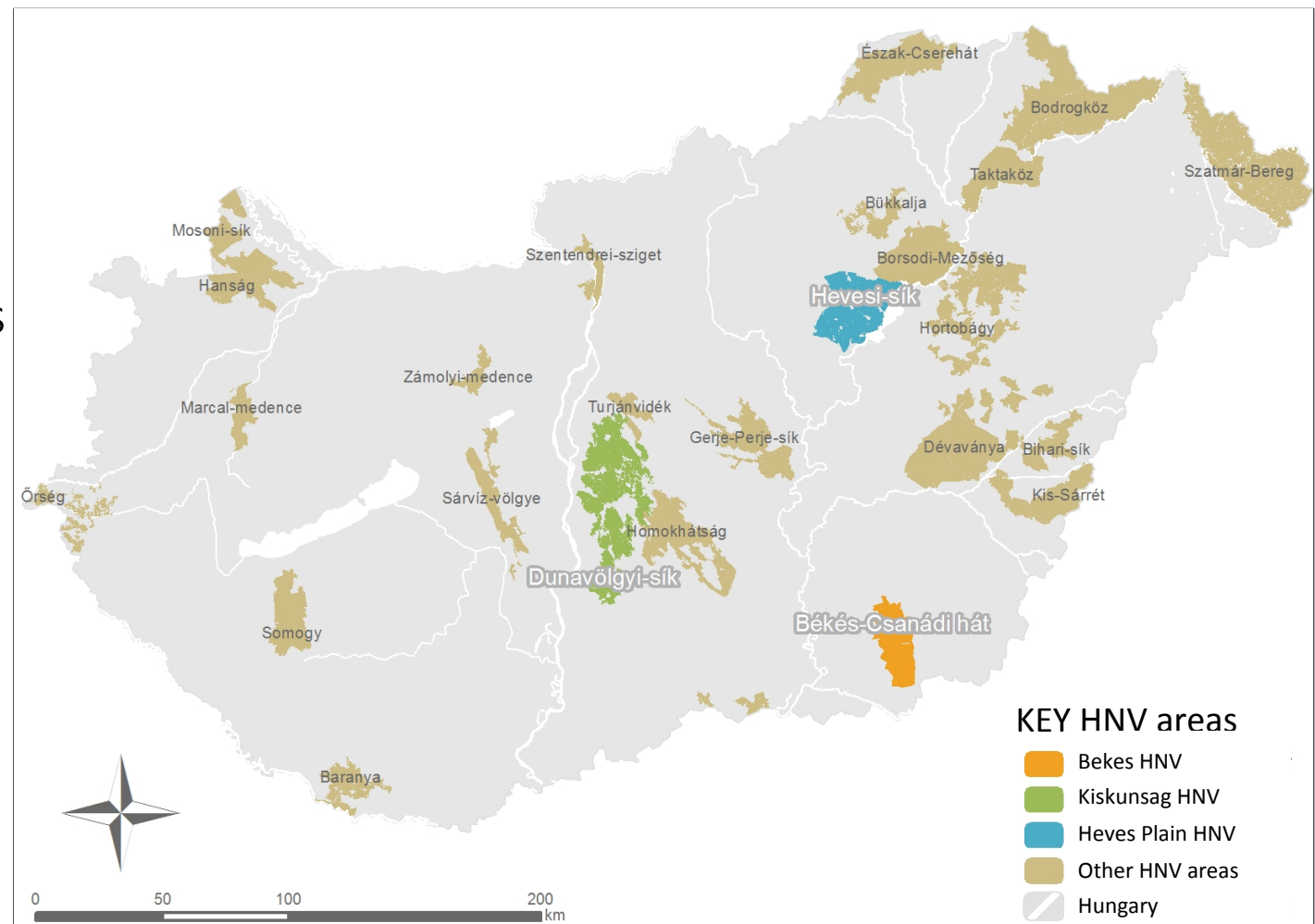
Outline

- Agri-environment in Hungary
 - Our approach and the 2014-5 hiatus
- Environmental impact: land use change
- Financial role of payments
- Motivations for participating
- Farming Futures



Agri-environment in Hungary

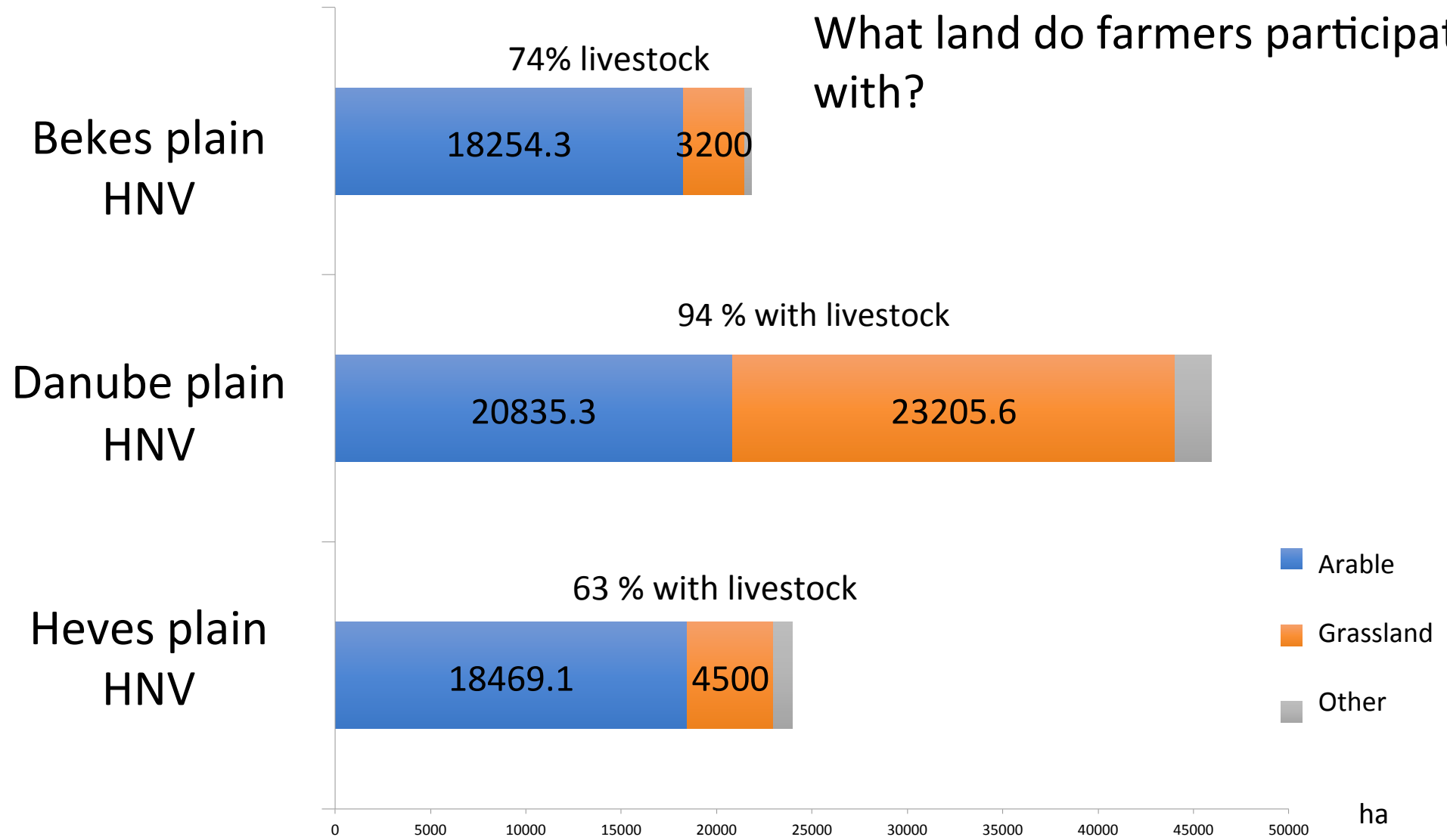
- 25 High Nature Value areas
- Operational for >10yrs
- 270 000 applicants in 2016
- Rules encourage “environmentally-sensitive” farming



Our research questions

- In 2014, the Hungarian government announced that there would be no agri-environment payments for the following farming year
- We then asked and evaluated 300 farmers for
 - what they did differently?
 - what they kept the same?
 - What was their opinion and experience of conservation-oriented subsidy programmes?
 - Where did agri-environment payments “go”?
 - What were their future plans?

What land do farmers participate with?



1. Environmental impact

In 2014-5, the number of farmers that farmed more intensively to HNV requirements were high across all three sites

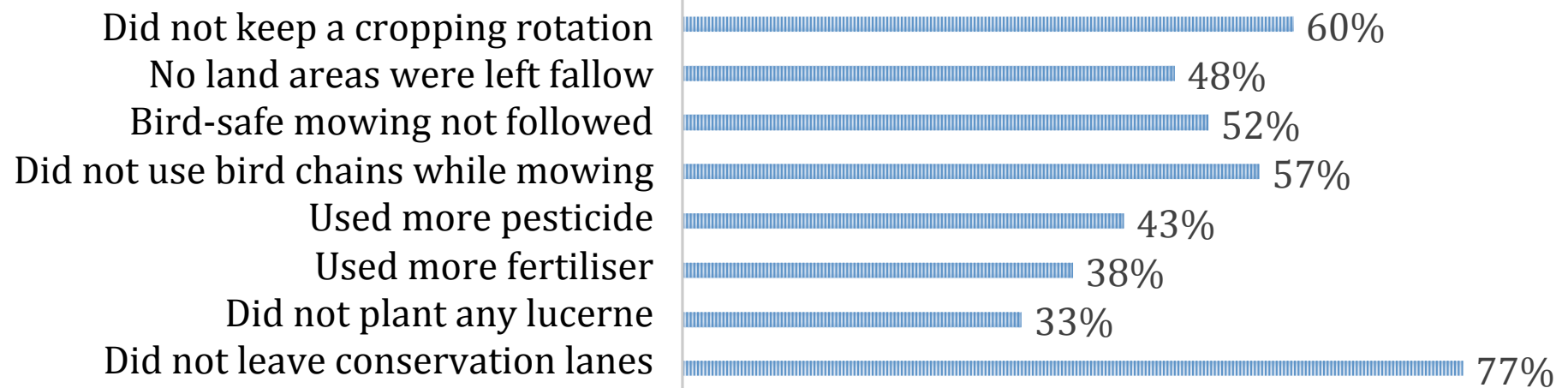
Heves-plain HNV: 60%

Danube-plains HNV: 47%

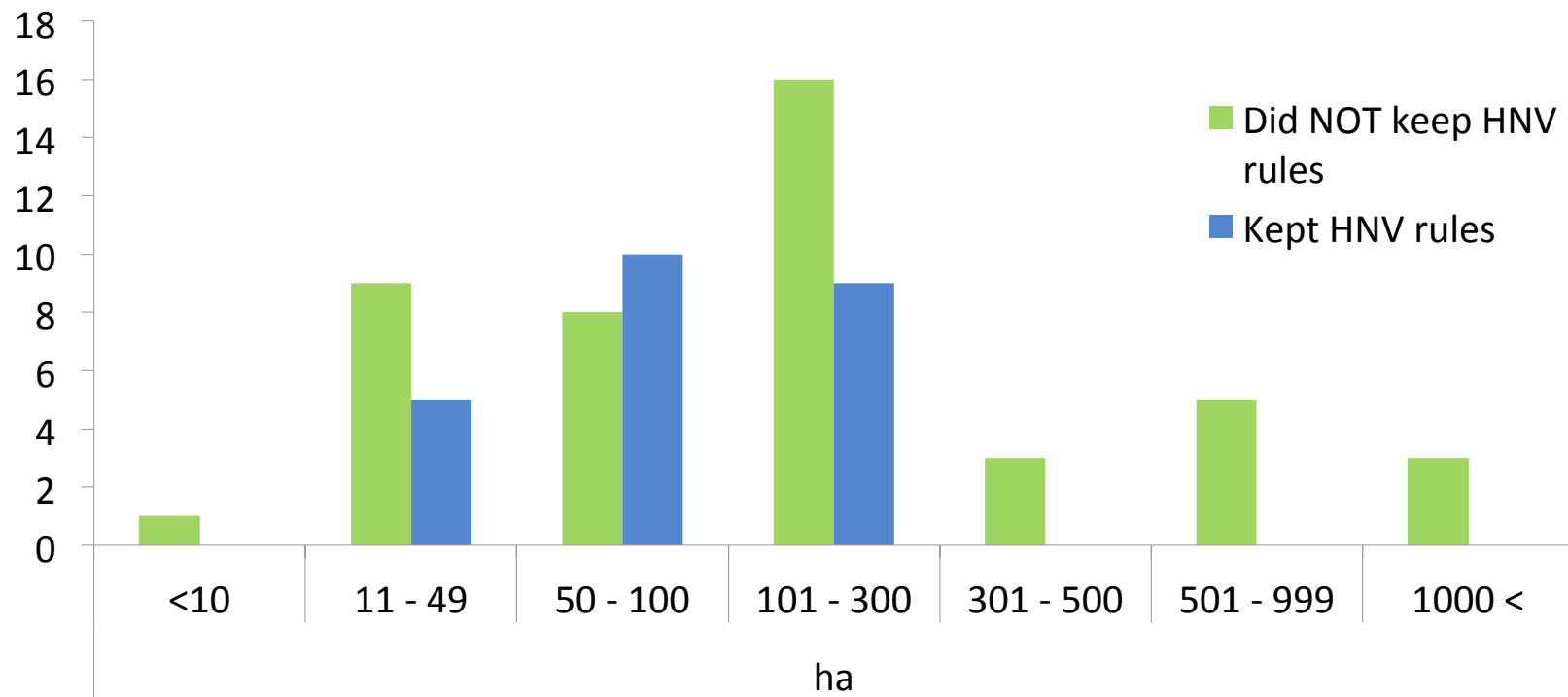
Békés-Csanádi plain HNV: 67%

What rules were kept to and why?

- Over 60% of farmers decided that they were going to “actually farm”
- Conservation rules were largely ignored



Relationship between farm size and rule-keeping



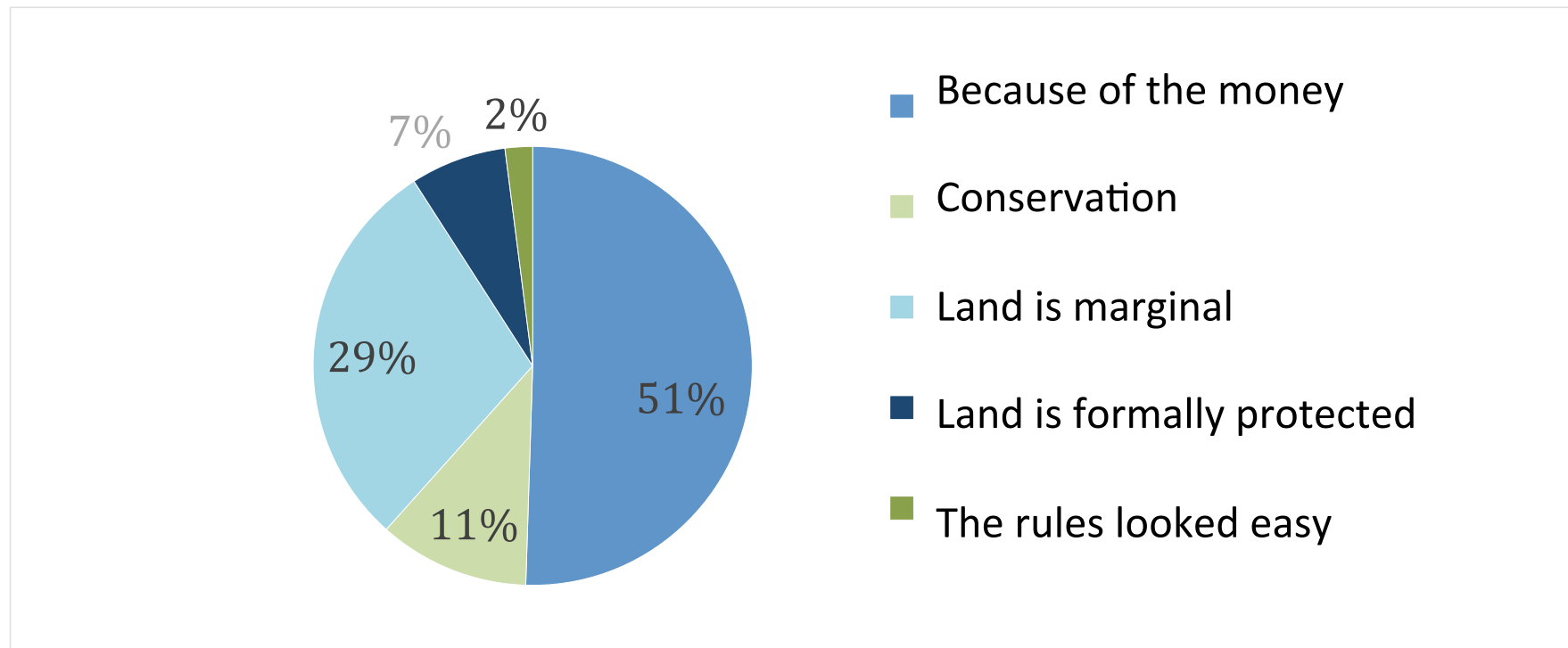
2. Financial impact: agri-environment's part

- On average, 33% of farmers did not “develop” their farm in any way during 2014-5:

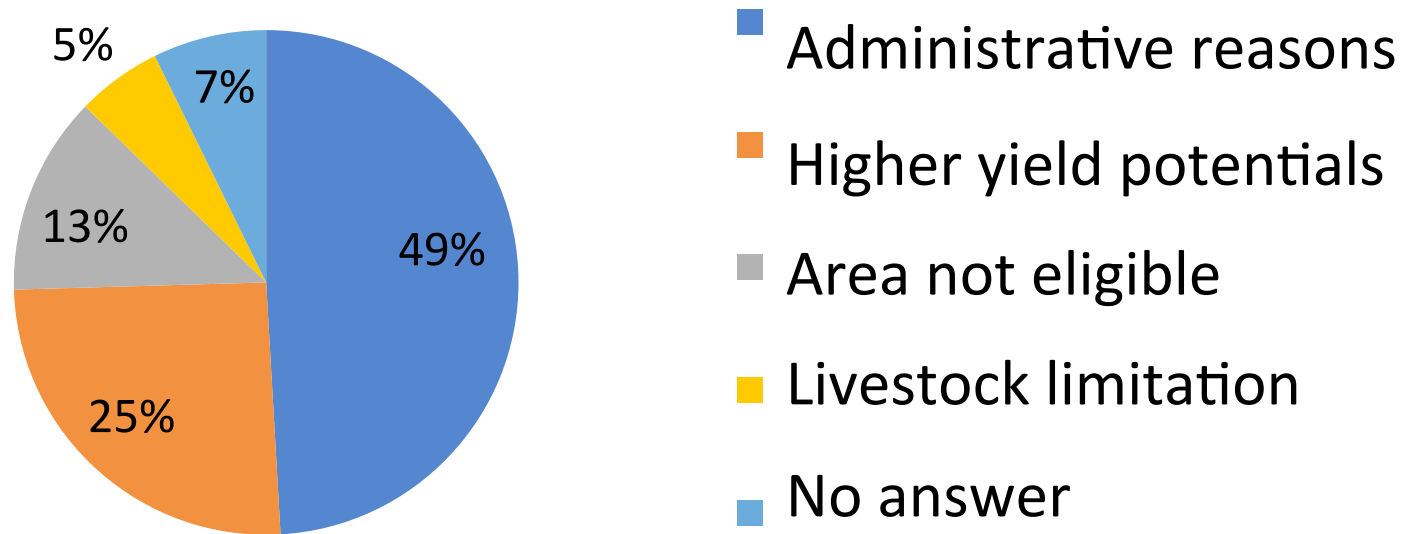
“This year, we sold and lived off what we cropped, and nothing got saved. In others years, with agri-environment, we lived and planned with the subsidy,” (Farmer, Heves plain, 2016).

- Subsidies were stated to provide for farm renovations and to enable further mechanisation: **labour crucial**
- Impact of land size: larger farms stated a preference to “outgrow” agri-environment “dependence”

3. Participation: motivations

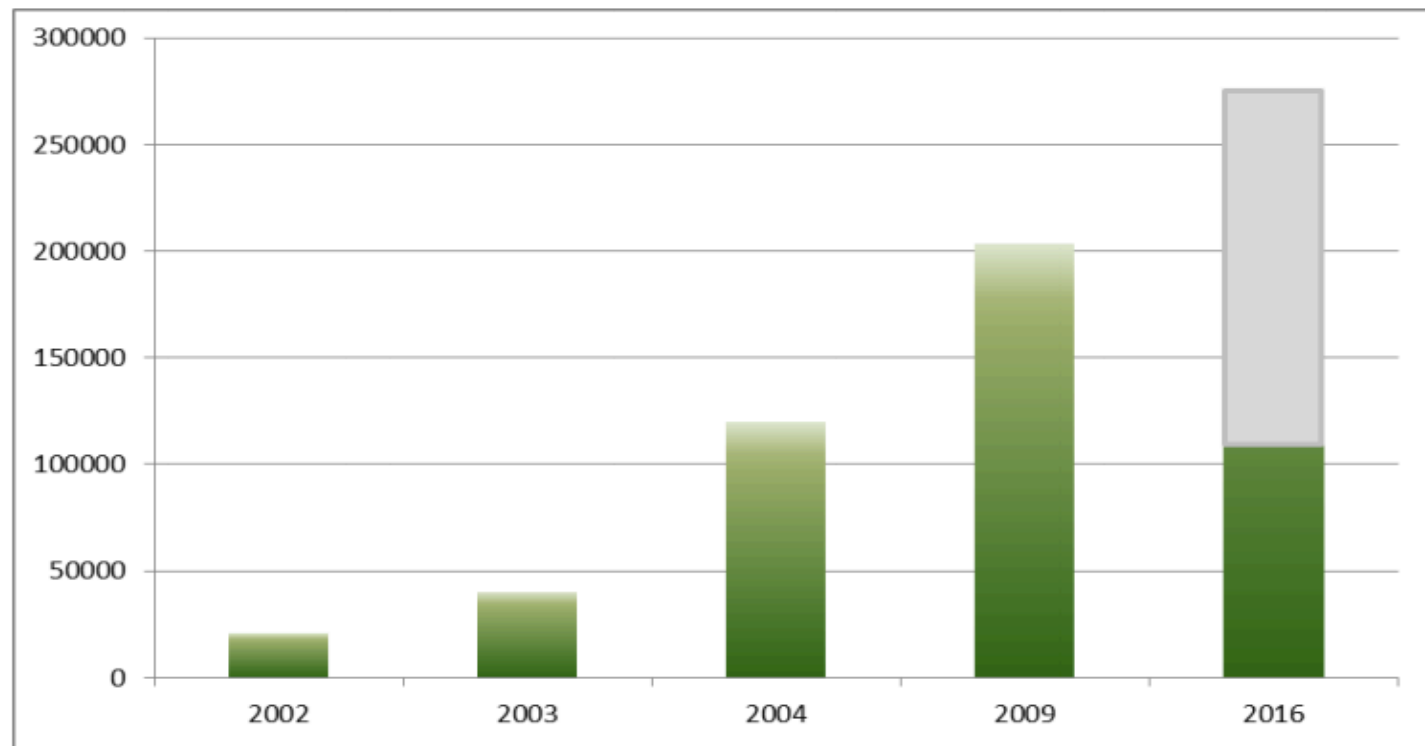


3. Participation: highly selective



4. Futures

- 82% of farmers re-applied in 2016
- However:



Conclusions

- Agri-environment payments led to observable conservation improvements as perceived by farmers over the past decade
- **Halting payments stopped HNV land use practices**
- Farm size, livestock influences participation
- Participation in agri-environment highly selective: yield potential and wider support structures are key
- **A more holistic approach to understanding agri-environment's wider place in the rural economy is required**



Thank you

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