

KRMIVA^o

THE IMPORTANCE OF AGRICULTURAL AND RURAL DEVELOPMENT OPERATIONAL PROGRAMME IN THE SOUTH-TRANSDANUBIAN REGION

VAŽNOST OPERATIVNOG PROGRAMA RAZVOJA POLJOPRIVREDE I SELA U JUŽNOJ PREKODUNAVSKOJ REGIJI

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SUMMARY

The Agricultural and Rural Development Operational Programme from the Operational Programmes implementing the Hungarian National Development Plan is presented in this article. The authors describe the main properties of the agriculture and rural areas of South-Transdanubian Region situated in the south-west part of Hungary. Based on the regional SWOT analysis, the objectives of agriculture and rural development are connected with the national Agricultural and Rural Development Operational Programme.

The expansion of rural income earning opportunities, the modernization of agrarian structure, the establishment of competitive basic material production and the modernisation of food processing are of great importance.

INTRODUCTION

The EU states and new member states have to elaborate their National Development Plan including objects and priorities to be able to get the aid of Structural Funds (SF).

Three main objectives have been defined, that can be realized by sources of the EU.

These are the followings:

- More competitive economy.
- Improved use of human resources.
- Better environment and more balanced regional development.

These objectives are divided into priorities, which can be realized in five operational programmes. The operational programmes concern the economic competitiveness, the agricultural and rural development,

the human resources development, the environment protection and infrastructure and the regional development.

The authors describe the Agricultural and Rural Development Operational Programme (ARDOP) emphasizing the main connecting points for the South-Transdanubian Region.

1. The National Development Plan and the Agricultural and Rural Development Operational Programme

The European Union plans in the seven years development term. The Community regional policy

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and the respective objectives are reviewed at the start of each period. The present planning period started on the 1th of January, 2000 and ends on the 31th of December, 2006.

The main aim of regional policy of the EU is to decrease the differences of development among the EU states using the partner-finance of the Structural Funds. This possibility is ensured only for the states of the EU. However, every state has to prepare its own national development plan to get supports from the Structural Fund to realize the developing plans. This document has to be approved by the EU. All states have to elaborate a new document for the following planning terms.

The European Union according to the negotiations with Hungarian Government elaborates Community Support Framework (CSF). This document involves only the approved development areas financed by the EU. The CSF contains the financial responsibilities of the EU as a Hungarian partner regarding the development areas financed by the SF between 2004-2006.

The above mentioned strategic target of NDP is being executed in the frame work of five Operational Programmes. One of them is the Agricultural and Rural Development Operational Programme. Its target is to make agricultural modernization more active by developing the technologies and food production processing. The other purpose of the program is the rural developing, as well as the developing of the rural infrastructure and services to ensure more income for the inhabitants in the region. Also important is the defence of the cultural inheritance. The priorities of ARDOP are as follows:

- Establishment of competitive basic material production in agriculture.
- Modernization of food processing.
- Development of rural areas.
- Technical assistance.

The priorities contain 11 measures in all. These measures can be supported in the frame work of the ARDOP. The priorities and measures are presented in table 1.

Table 1. Priorities, measures and connecting aims of the Agricultural and Rural Development Operational Programme

Priorities	Measures	Aims of measures in short
1. Establishment of competitive basic material production in agriculture	1.1. Assistance to Investments in Agriculture	The basic aim is to modernise production in agriculture, forestry, and fisheries, more specifically: <ul style="list-style-type: none"> - to reduce specific costs of production and perform a technical / technological renewal; - to increase productivity; - to improve the production structure; - to improve product quality; - to establish a better age structure of agricultural labour force and agricultural entrepreneurs; - to increase occupation skills.
	1.2. Modernisation of Silviculture (only from national resources)	The following aims are involved: <ul style="list-style-type: none"> - forestry investments; - investments to develop the harvesting, processing, and marketing of forestry products; - establishment of forestry owners' associations; - afforestation of non-agricultural areas; - development and maintenance of the ecological stability of protective forests; - restoration of productive capacities damaged by natural disasters.

	1.3. Structural Assistance in the Fisheries Sector	The following aims are involved: <ul style="list-style-type: none"> - to develop the processing, marketing and promotion of fishery products, - to modernise the fish ponds and fish hatcheries of fish farms and their equipment in technical and technological respect, - to construct and reconstruct intensive fish production systems.
	1.4. Setting Up of Young Farmers	The measure encourages young farmers to set up businesses
	1.5. Assistance to Vocational Training and Retraining	The following aims are involved: <ul style="list-style-type: none"> - agriculture-specific vocational further training, - forestry- and fishery-specific vocational training, - special agricultural and farming training for Romany communities working in agriculture, - dissemination knowledge on jobs that provide opportunity for acquiring additional income and can be done by farmers or their family members.
Priorities	Measures	Aims of measures in short
2. Modernisation of Food processing	2.1. Improvement of Processing and Marketing of Agricultural Products	The following aims are involved: <ul style="list-style-type: none"> - development projects serving for restructuring, - development projects serving for improving productivity and efficiency, - development projects aiming at producing new products with higher added value, - development projects aiming at processing organic and ICM products, - development projects promoting a better adaptation to the various sales channels, - development projects related to food safety and quality, - development and modernisation projects within the processing factory for reducing the load imposed on the environment, recycling by-products and collecting and treating wastes and dangerous wastes separately, - development projects improving working conditions.
3. Development of Rural Areas	3.1. Expansion of Rural Income Earning Opportunities	The following aims are involved: <ul style="list-style-type: none"> - to diversify agricultural activities: to develop the production and processing of high-quality local agricultural (food and non-food) products, encourage the production of quality products, - to improve the marketing of quality agricultural products: to develop the marketing instruments and sales channels of local quality agricultural products (food and non-food), - to develop tourist, and craft activities: - to develop craft activities - to develop rural tourism.

	3.2. Development and Improvement of Infrastructure Connected with Agriculture	<p>The following aims are involved:</p> <ul style="list-style-type: none"> - to construct and renovate agricultural roads and related infrastructure, - to establish and develop energy supply to agricultural premises promoting the use of renewable energy sources, - to develop local markets and the possibilities for the access to wholesale markets, - to develop irrigation and drainage systems, - to preserve and to improve fertility of arable land, melioration, - to prevent, reduce or avert damages due to excess surface waters by improving the conditions of the local public water management facilities.
	3.3. Basic services for entrepreneurs and residents in rural areas (only from national resources)	<p>The following aims are involved:</p> <ul style="list-style-type: none"> - to establish services assisting agricultural enterprises and to improve the standards and efficiency of the existing ones; - to establish environmental services; - to expand the range of services to satisfy the basic demands of rural population and enterprises and to increase the standards thereof.
Priorities	Measures	Aims of measures in short
3. Development of Rural Areas	3.4. Renovation and Development of Villages and Protection and Conservation of Rural Heritage	<p>The following aims are involved:</p> <ul style="list-style-type: none"> - to support investments aimed at improving villages and their natural environment, maintaining at the same time the original community and economic functions and creating new ones, - to preserve and improve the condition of the natural and historical landscape and the landscape elements, to form and develop community places,
	3.5. LEADER+	<p>The following aims are involved:</p> <ul style="list-style-type: none"> - to prepare the participants of regional community co-operations for the setting up Local Action Groups and appropriate operation of the LEADER+ approach, and for an active and efficient involvement into the LEADER+ measure, - to formulate and implement rural development strategies of a limited number of appropriately qualified local pilot action groups, - to develop co-operation between rural communities within Hungary and to develop co-operation between rural communities in Hungary other Member States, - to transfer achievements, experiences and expertise and to make information and conclusions available through networking.
Technical Assistance	The aim is to help to finance the application realized in the framework of ARDOP.	

Source: The table is compiled by authors on the base of ARDOP (www.ddrft.hu)

Tablica 1. Prioriteti, mjere i ciljevi koji povezuju operativni program poljoprivrednog i seoskog razvoja

Prioriteti	Mjere	Ciljevi mjera ukratko
1. Utemeljenje konkurentne osnovne materijalne proizvodnje	1.1. Podrška investiranju u poljoprivredi	Osnovni cilj je modernizirati proizvodnju u poljoprivredi, šumarstvu i ribarstvu, točnije: <ul style="list-style-type: none"> - smanjiti određene troškove proizvodnje i provesti tehničko/tehnološku obnovu; - povećati proizvodnost; - poboljšati strukturu proizvodnje; - poboljšati kakvoću proizvoda; - stvoriti bolju dobnu strukturu poljoprivredne radne snage i poduzetnika; - povećati radne vještine.
	1.2. Modernizacija šumarstva (samo nacionalnog)	Obuhvaćeni su sljedeći ciljevi: <ul style="list-style-type: none"> - investiranje u šumarstvu; - investiranje u razvoj sječe, obrade i marketing šumarskih proizvoda; - osnivanje udruga vlasnika šuma; - pošumljavanje nepoljoprivrednih područja; - razvoj i održavanje ekološke stabilnosti zaštićenih šuma; - obnova proizvodnih kapaciteta uništenih prirodnim nepogodama.
	1.3. Strukturna potpora u sektoru ribarstva	Obuhvaćeni su sljedeći ciljevi: <ul style="list-style-type: none"> - razviti preradu, marketing i promoviranje proizvoda ribarstva, - modernizirati ribnjake, mrijestilišta ribljih farmi i njihovu opremu u tehničkom i tehnološkom smislu, - konstruirati i rekonstruirati sustave intenzivne proizvodnje ribe.
	1.4. Stvaranje mlađih farmera	Mjera potiče mlade farmere da pokrenu vlastite poslove
	1.5. Pomoć u školovanju ili doškolovanju	Obuhvaćeni su sljedeći ciljevi: <ul style="list-style-type: none"> - poljoprivredno usavršavanje, - usavršavanje u šumarstvu i ribarstvu, - posebno obučavanje u poljoprivredi i radu na farmi za zajednice Roma, - proširivanje znanja u poslovima koji pružaju priliku za dodatnu zaradu farmerima ili članovima njihovih obitelji.
2. Modernizacija prerade hrane	2.1. Poboljšanje prerade i marketinga u poljoprivredi	Obuhvaćene su sljedeće mjere: <ul style="list-style-type: none"> - razvoj projekata u službi restrukturiranja, - razvoj projekata za poboljšanje proizvodnosti i djelotvornosti, - razvoj projekata za nove proizvode veće dodane vrijednosti, - razvoj projekata za preradu organskih i ICM proizvoda, - razvoj projekata za bolje prilagođavanje različitim kanalima prodaje, - razvoj projekata u vezi sigurnosti i kakvoće hrane, - razvoj i organizacija projekata unutar prerađivačkih tvornica za smanjenje opterećenja na okolinu, recikliranje nusproizvoda te sakupljanja i postupanja s otpadom i odvojeno opasnim otpadom, - razvoj projekata za poboljšanje uvjeta rada,

Prioriteti	Mjere	Ciljevi mjera ukratko
3. Razvoj seoskih područja	3.1. Proširenje mogućnosti zarade na selu	<p>Obuhvaćeni su sljedeći ciljevi:</p> <ul style="list-style-type: none"> - proširiti poljoprivredne aktivnosti - razviti proizvodnju i preradu visoko kvalitetnih lokalnih poljoprivrednih proizvoda (prehranbenih i neprehranbenih) poticati proizvodnju kvalitetnih proizvoda, - poboljšati marketing kvalitetnih poljoprivrednih proizvoda, - razviti instrumente marketinga i prodajne kanale lokalnih kvalitetnih poljoprivrednih proizvoda (prehranbenih i neprehranbenih), - razviti turističke i obrtničke aktivnosti, - razviti obrtničke aktivnosti, - razviti seoski turizam
	3.2. Razvoj i poboljšanje infrastrukture u vezi s poljoprivredom	<p>Obuhvaćeni su sljedeći ciljevi:</p> <ul style="list-style-type: none"> - sagraditi i popraviti poljoprivredne ceste i infrastrukturu, - uspostaviti i razviti opskrbu energijom do poljoprivrednih objekata podupirući korištenje obnovljivih izvora energije, - razviti lokalne tržnice i mogućnosti pristupa tržnicama na veliko, - razviti sustave navodnjavanja i odvodnjavanja, - sačuvati i poboljšati plodnost obradive zemlje, melioracija, - spriječiti, smanjiti ili otkloniti štete nastale prekomjernom površinskom vodom poboljšanjem uvjeta sustava lokalne vodoopskrbe.
	3.3. Glavne uslužne djelatnosti za poduzetnike i stanovnike u seoskim područjima (samo iz nacionalnih izvora)	<p>Obuhvaćeni su sljedeći ciljevi:</p> <ul style="list-style-type: none"> - osnovati usluge (servise) za pomoć poljoprivrednim poduzećima i poboljšati standarde i djelotvornost postojećih, - osnovati okolišne servise - proširiti djelokrug servisa da zadovolje osnovne potrebe seoskog stanovništva i poduzeća te povećati njihove standarde;
	3.4. Obnova i razvoj sela te zaštita i očuvanje seoskog nasljeđa	<p>Obuhvaćeni su sljedeći ciljevi:</p> <ul style="list-style-type: none"> - podržati investicije za poboljšanje sela i njihovog prirodnog okoliša te istodobno održati izvornu zajednicu i ekonomske funkcije i stvarati nove; - sačuvati i poboljšati stanje prirodnog i historijskog krajobraza i elemente krajobraza, oblikovati i razvijati mjesta u zajednici
	3.5 Vođa+	<p>Obuhvaćeni su sljedeći ciljevi:</p> <ul style="list-style-type: none"> - pripremiti sudionike suradnje regionalne zajednice za osnivanje Lokalnih skupina djelovanja i odgovarajućeg djelovanja pristupa Vođa+ te za aktivno i djelotvorno uključivanje u mjeru Vođa+, - formulirati i provoditi strategije seoskog razvoja ograničenog broja odgovarajuće kvalificiranih lokalnih pilot skupina djelovanja, - razviti suradnju između seoskih zajednica u Mađarskoj i suradnju između lokalnih zajednica u Mađarskoj i drugih država članica, prenositi postignuća, iskustva i stručno znanje te učiniti informacije i zaključke dostupnima preko mreže.
Tehnička pomoć	Cilj je pomoći financirati molbe ostvarene u okviru ARDOP-a	

Izvor: Tablicu su sastavili autori na temelju ARDOP-a

Table 2. Sources and shares of the priorities of Agricultural and Rural Development Operational Programme 2004-2006.**Tablica 2. Izvori i podjela prioriteta Operativnog programa razvoja poljoprivrede i sela 2004-2005.**

Priority - Prioritet	Supports of EU with national co-financing Pomoć EU u nacionalnom sufinanciranju		Developments - Razvoj	
	million euros	%	million euros	%
1. Establishment of competitive basic material production in agriculture 1. Osnivanje konkurentne osnovne materijalne proizvodnje u poljoprivredi	240,9	57	571,4	65,4
2. Modernisation of Food processing 2. Modernizacija prerade hrane	59,2	14	148,0	17,0
3. Development of Rural Areas 3. Razvoj seoskih područja	112,1	26,5	144,0	16,4
Technical Assistance - Tehnička pomoć	10,6	2,5	10,6	1,2
Altogether - Sveukupno	422,7	100	873,9	100

Source: The table is compiled by authors on the base of finance table of ARDOP (www.ddrft.hu)

Izvor: Tablicu su sastavili autori na temelju tablice financiranja ARDOP-a

In the framework of the ARDOP, Hungary can obtain 317,2 million euros (calculated on the base prices of 1999), as developing support through structural Funds between 2004-2006. These supports should be complemented by national complementary financing (105,5 million euros). In this way the total resources are 422,7 million euros, thus altogether 873,9 million euros development can be realized.

As the first priority 42,15%, the second 40%, and the third about 78% support could be realized in the implementation of the winner projects. Comparing agriculture with the rural development, the first has priority in the Agricultural and Rural Development Operational Programme. The two agrarian priorities share in 70% of the sources, while the rural development 26.5%. (table 2).

2. The main attributes of agricultural and rural areas of South-Transdanubian Region

The South –Transdanubian Region is situated on the area of 14 000 qkm, between the Rivers Danube, Dráva and Lake Balaton, covering three counties (Somogy, Tolna, Baranya). It has got

about 1 million inhabitants with 70 persons per sq.km population density, meaning the lowest in Hungary. The ratio of rural areas is more than 50%. This region is one of the Hungarian regions with considerable small-village-network.

The population has continually been decreasing, more than the country average due to migration and mortality. The proportion of agriculture reaches 8 % of the gross value added of the South –Transdanubia, which is more than twice of the Hungarian gross value added (4.2 %). The agricultural and silviculture mean the exclusive possibilities for the local employment in the small settlements. In the period following the regime change the employment fell drastically in the region, but the agriculture remained the main possibility for employment: the ratio of the agrarian employees is 4.4% in the region, although the Hungarian average is 8%.

The proprietorial structure has had a significant transformation. It can be described as follows:

- The number of agricultural organizations (principally the farmers) has increased and the size of farms decreased. Extremely divided farm structure features private farms cultivating the 32.4 % of the regional productive area.

- The small plots have low production capacity so farmers prefer to let them out.

- The integrations in to total agriculture is of great importance. It could mean the increase of the market competitiveness of small agrarian entrepreneurs. Nowadays there are difficult and serious tasks in this area, because the above mentioned associations of the farmers had no experience in the last decades.

The structure of agrarian production of the region is determined by basic activities, first of all field production and animal husbandry. Regarding the use of land, the 1.2 million acres of crop-land is 86% of the total land of the area, which is higher than the country average.

The region has high quality vine-growing and viniculture 5 from the 22 vine-growing areas can be found in the region (vine-growing area of South-Balaton, Mecsekalja, Villány-Siklós, Tolna and Szekszárd). The wine production has a significant role, which means ensured export as well.

At present the South-Transdanubian Region has extended forests rich in game and there are favourable possibilities for further afforestation. It is 23.1% of the land surpassing the country's average by 4,1%. In the future it can be one of the alternative uses of the land.

3. Connecting possibilities of the region to the Agricultural and Rural Development Operational Programme

The SWOT analisys of the region

The advantages are the favourable agro-ecological potentials, the high quality vine -growing and viniculture, the extended forests rich in game, possibilities for the further afforestation, the competitiveness of food-industry, the developed agrarian sciences. Regarding the rural development, the abundance of thermal and medicinal waters must be mentioned.

The disadvantages are the low capacity in agriculture to generate added value, the unemployment above national average. The high proportion of areas with multiple disadvantages and of the dead end settlements, and the small-village-network seem to be great problems of rural areas.

The *opportunities* involve the increasing importance of cultural, health, wellness, eco-, wine and gastronomy tourism.

The shortage of capital in agriculture as standard trend has to be mentioned.

The main agricultural and rural development targets in the Regional Action Plan of South-Transdanubian Region

The main aims of the regional action plan made for the National Development Plan are as follows:

The agricultural development

The number of employments in agriculture is high above the national average. The local incomes in agriculture must be increased based on the excellent agrarian capacitys of the region. The rational economic structure can be realized extending the level of processing of agricultural products and expanding the vertical and horizontal integrations. The bio-production as well as the production of area-specific products should be supported. There will be a priority for the regional food-industry companies with capital. The silviculture and hunting are important supporting areas, because more than 23% of the regional land is covered with forests.

Rural development

The diversification of agricultural production and the support of alternative productions are needed to be developed for the increase of income production capacitys in the rural areas (Ormánság, Extern-Somogy, Baranya-Hegyhat, Tolnai-Hegyhat, Völgység) of the South-Transdanubian Region.

4. The demands of South-Transdanubian Region regarding the Agricultural and Rural Development Operational Programme

The associated Hungary can use the supports of the EU for defined objectives. The developing areas have been described in the Agricultural and Rural Development Operational Programme and in

the connecting Agricultural and Rural Development Operational Programme Complete Document. The last mentioned states the application of the sources (amount of money, beneficiaries, etc.) The areas out of these documents have to be financed from national supports.

Regarding the fact, that the demands of the South-Transdanubian Region are built in the ARDOP, there are favourable possibilities in the future to realize these chances. These are as follows:

- Relating to the *Establishment of competitive basic material production in agriculture* priority, the investments for more effectiveness, better equipments, the introduction of environmental technologies and the diversification of different agricultural processes are mentioned.
- Regarding the *Modernisation of Food processing* priority, the establishment and technological development of agricultural plants, and cold stores are determined.
- Connected to the *Development of Rural Areas* priority, the expansion of rural income earning opportunities, and the renovation and development of villages are determined.

The partners of the agricultural and rural development are expecting the potential supports of the EU with great hopes. The preparation are significant in the South-Transdanubia to gain these resources.

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SAŽETAK

U članku je predstavljen operativni program razvoja poljoprivrede i sela iz operativnih programa koji provode plan mađarskog nacionalnog razvoja. Autori opisuju glavne značajke poljoprivrednih i seoskih područja južne predunavske regije smještene u jugozapadnom dijelu Mađarske. Na temelju regionalne SWOT analize ciljevi poljoprivrednog i seoskog razvoja povezani su s nacionalnim operativnim programom razvoja poljoprivrede i sela.

Širenje mogućnosti zarade na selu, modernizacija poljoprivredne strukture, utemeljenje konkurentne osnovne materijalne proizvodnje i modernizacija prerade hrane od velike su važnosti.