
IN THE SOUTH PLAIN REGION THE LACK OF HARMONY HAS A NEGATIVE IMPACT ON ECONOMIC EFFICIENCY

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ABSTRACT

Our life and business are changing day by day. Lack of the permanent harmony between the different spheres of economy, or more exactly, of agribusiness has a negative impact on economic efficiency; it hinders increase in the economy. In the present state of our development, we have to create this harmony to avoid conflicts. If we delay doing so, we will impede development of our agribusiness. We try to point at some interesting details and coherences.

1. INTRODUCTION

„Don't be afraid of moving slow but of stopping.” (Chinese phrase)

The region has a typical lowland landscape which determines the aspect of agriculture, too. Food production has had an important role since ancient times. In the agricultural production the lack of cooperation often hinders the efficiency of production itself. Our joining to the EU demands harmony, development in quality. Useful tools for the economy of the region can be cooperation, collaboration, forming of partnership and increase of the inner integration.

To make our region become the south-east gate of the EU in the middle run, there should be much larger openness and competitiveness of higher level. It has to have a re-generated economy both in sectorial and inner structures (Boros, 2003).

2. MATERIALS AND METHODS

We present an essay about nowadays situation. It looks a picture, but background of it is very complicated. It is impossible to find each solution and define easy conclusions. We collected some important articles from different dailies and join them.

3. LACK OF HARMONY HAS A NEGATIVE IMPACT ON ECONOMIC EFFICIENCY

The South Plain is still strong in the agrarian sector, though we do not have a real reason to be satisfied.

In the 90s the majority of the big estates, which existed before the political transformation, became decomposed and after compensation the property was extremely subdivided in the Hungarian agriculture. 7/10 of the individual holdings, even in 2007, farmed on soils smaller than 1 ha, only on the 4% of the total area. These small lands were unsuitable to fulfil the market demands, though the old-new big estates had similar problems, too (Kovács, 2005).

Conditions of soil in the region of Hódmezővásárhely are excellent, in spite of this fact the number of farmers has decreased in the last few years.

It would have a positive effect on the local employment if sectors which demand much living labour became conspicuous, in addition to the large-scale cultivation which needs relatively little labour force.

„Special items of food” have not spread in consumption. They mean a special quality which can originate from traditions, from geographical features in connection with production of these items of food, or from the organic-like production.

The mentioned items of food seem to be very different but they have some characteristics in common which connect them, so they can be classified into an integrated system. Their general feature is that they are produced in small quantities, their production demands a high level of living labour force which then appears in their price, as well, thus they have a much higher price, compared to the items of mass-production. Their other feature is that they are suitable to fill up the slots in the market due to their short run, so the farmer does not depend on demands of the size-economy (Panyor, 2008).

In Hódmezővásárhely, according to the statistics, the number of primary producers is still high, which reaches 3.500, though this number includes both pensioners who complement their living by selling vegetables or fruit from their garden, and farmers who work for the market as professionals. Small estates which give the significant part of the approximately 2.000 agricultural enterprises had 3,2 thousand million of return from sales, while the hardly more than 10 big estates collected ten times more in 2007. 1.096 enterprises applied for support of land found in the examined year, which number is under expectations, though the quality of the soil in the region of Hódmezővásárhely, which reaches a high, 25-30 gold crown value, predicts that agriculture will play an important role in the region in the future, too (Hódmezővásárhelyi Társasági Magazin, 2009).

The South Plain Region has a continental climate. Alternation of longer, drier and wetter periods makes agriculture more and more unforeseeable, the extreme raining regularly test the water conservancy sector. In the driest years there were 290-320 mm of rain in certain areas, while the maximum rain was of 850-900 mm every year.



Figure 1. Picture of water covered fields in Békéssámsón, Hungary
www.origo.hu/0903/20090309betviz1.jpg

Because of the early warm period they started to water the lands as early as April, in 2009. The proportion of irrigable lands is outstanding even in the country's level. Between Makó and Hódmezővásárhely, in the area of 132.000 ha, the third of the county is irrigated. Here, 11.000 ha is irrigable out of which about 5.500 ha is utilized by the farmers (Szabó I. Délvilág, 2009). Those who had the opportunity could benefit from it, but the insurance of the crops would really be worth for them if the cheap import did not arrive to the country.

The other condition of this landscape is the danger of inland waters. In 2010 20.000 ha was covered by inland waters in Csongrád county. In our region there have been twice as much rain as usual since January, and inland waters destroy 8.000 ha of crop lands (Dobkó, 2010).

Inhabitants of the region can say that water is both curse and blessing here. In the first case protection is very expensive and reduction of crops is significant, too. On more than 60% of the arable lands in the South Plain cereals are grown out of which the most important one is autumn wheat (about 291.000 ha) then corn and sunflower. The South Plain gives around 40% of vegetables. 77% of garlic, 50% of pepper and bonnet pepper, 43% of parsley, 39% of onion and 38% of sweet corn production come from here.

80% of the country's ground paprika is grown and produced in the regions of Kalocsa and Szeged. Due to the favourable natural conditions and diligence of local people numerous products, with their special flavour, content value and special processing, raise the reputation of the region as *hungaricum*s. The most outstanding ones are the ground paprika, apricot, peach, onion, garlic and honey which are famous all over the world. Farmers like sour cherry and plum too. In Békés watermelon is preferred.

3/10 of the pig population of the country, 1/4 of the sheep population, 1/5 of the cattle and hen population are raised in this region.

The region is characterized by the prevalence of food industry based on procession of agrarian products. Quick changes Europe-wide have impacts on us. There are many uncertainties we have to face with. With low level of income, it is very difficult to compete with the strongly supported Western markets which have lasting traditions.

After the political transformation agriculture has not really found its position in the economy. The Hungarian small holders have to realise that they cannot survive individually but only in the form of co-operation. For example, corn-farmers should cooperate in 2-3 places with the aim of selling. The same thing is true for vegetable and fruit-farmers, for example in Homokhát, or for hog raisers, too. The EU regulation favours them. There is nothing to do with the complaints of separated farmers. It should be realised that huge mergers of the world buy or sell products. It is not favourable either that even the country's consumption is decreasing, with the exception of poultry, the product is given, prices of the world market are lessening and are stabilised in a low level. However, agriculture should live not on financial supports but on production, on prices. Nowadays farmers cannot afford investments.

The most important change in the European Union is the incredible increase of competition which can be realised in the quick acceleration of concentration, modernisation and in the spread of integration. Only bigger estates can survive and develop, while the Hungarian private small holders get false messages. 96% of the holdings regarded as private ones cannot reach even the lowest level. Even today there is no effort to form optimal plot-sizes, what is more this expression has not spread in Hungary so far.

Remaining standing was heavy for the food industry firms following the political transformation and to be a match for the competitors. There were companies that got ruined duly for this e.g. Sugar Plant in Mezöhegyes (Zsótér, 2010).

Earlier connections between farmers and firms of food industry, after the political transformation, transformed or became less tight, and in certain places they came to an end. They had to adapt themselves to a new market and economic situation. Today it would be much easier if producers of basic materials and processing firms had had more tighter connections. They did not utilize the possibilities of co-operation, so by today agricultural production and food industrial utilization have been separated, in many cases they work without accord. Others problems are the slow, bureaucratic attitude of the state measures, ignorance on behalf of entrepreneurs and lack of qualification.

The food industry processes special raw materials which spoil quickly and which suffer damage in quality very quickly. High degree of productivity and damage in quality both demand the permanent production but for it, it is necessary to ensure both supply of basic materials and reliable services. It is necessary to make persons, goods and services avail-

able in good time, at the given place, in good quality and possibly for a lower price. That is why it is so important in each level of food production that not only the logistical services, but all infrastructural sectors, and their system should be developed (Komarek, 2010). In the future the role of logistics and that of the agrarian logistics, together with controlling will increase. It seems that it becomes one of the most important factors of success.

A Hungary should be aimed that tries to create a more harmonic future for the agrarian sector, after the disharmonic past.

4. CONCLUSION

Lack of the permanent harmony between the different spheres of economy, or more exactly, of agribusiness has a negative impact on economic efficiency; it hinders increase in the economy. In the present state of our development, we have to create this harmony to avoid conflicts. If we delay doing so, we will impede development of our agribusiness.

In the South Plain education and training of experts, professional have a long-lasting tradition, it is of high level and it is ensured in all levels. Training institutions try to adapt themselves to the needs flexibly. The offer in training is large, though the interest shown towards it is hardly suitable. Possibilities are still not taken into consideration in the agrarian sector. It seems that eco-economy, bio-, material-, and environment engineer, and manager trainings should be enlivened. With almost a decade after our joining to the European Union there are still people who are ignorant and misinformed, in most cases farmers are responsible for this situation. It is not general in Hungary that entrepreneurs have any qualifications in agriculture. It is ignored that machine park worth of some millions of forints should not be entrusted to those without training or qualification.

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