



The Hungarian Horticulture Sector: Market overview and analysis of outdoor and greenhouse farms



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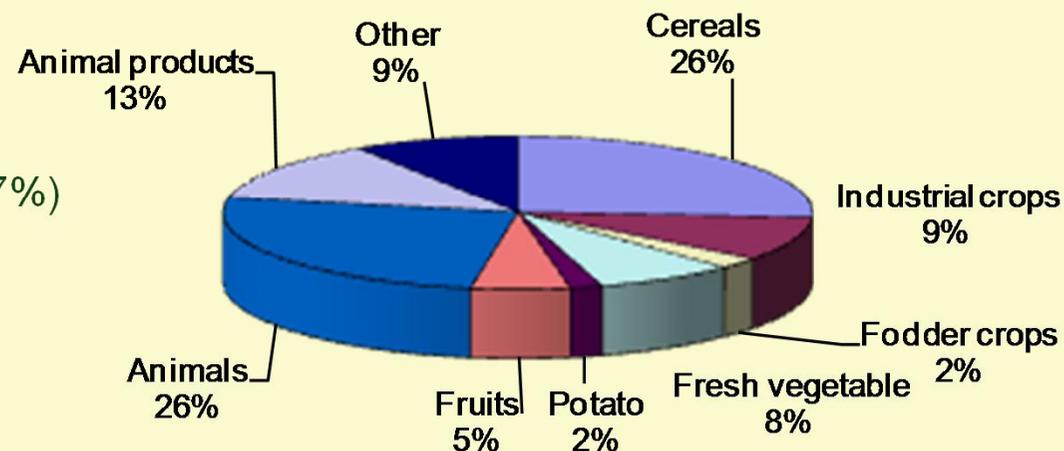
Ciechocinek, 10-12 December 2012

The Hungarian agriculture's place in the EU

- Total agricultural output in the EU:
347.448 millions of euro*
- Hungary's share:
 - Before becoming an EU member:
1,6% (15th)
 - After joining the EU: 1,9% (12th)
 - Slowly rising tendency
- Fresh vegetable production:
 - in the EU: 27.171 m EUR
 - in Hungary: 466,07 m EUR (1,7%)

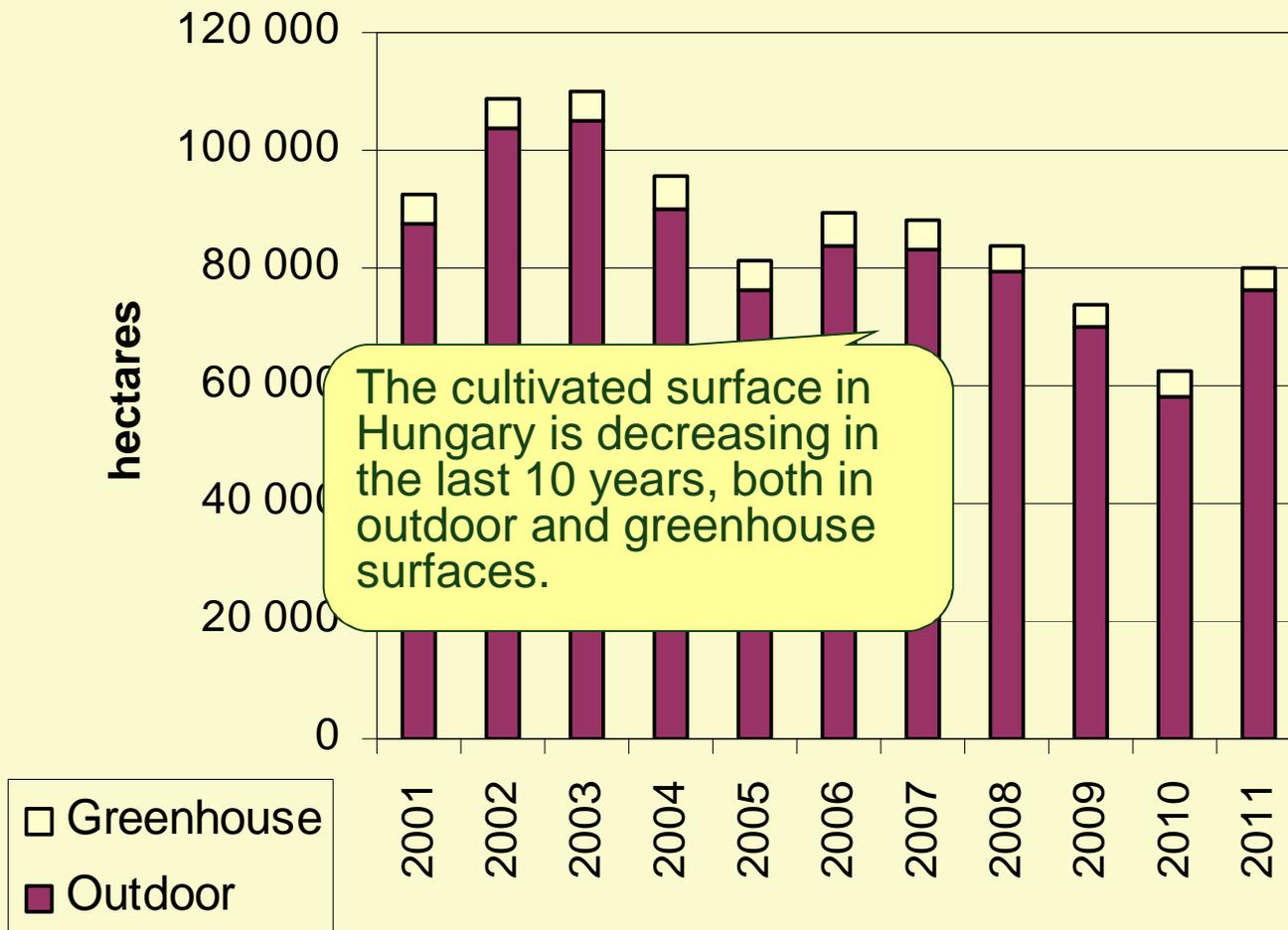
* average yearly data over the 2001-2011 period

Division of the Hungarian agricultural output



Source: Central Statistical Office

Vegetable territory (outdoor and greenhouse farms)



Source: FruitVeb

Vegetable territory (outdoor and greenhouse farms, hectare)

Year	Outdoor	Greenhouse	Total
2001	87 357	5145	92 502
2002	103 445	5170	108 615
2003	105077	5185	110 262
2004	89973	5764	95 737
2005	76159	5260	81 419
2006	83958	5385	89 343
2007	83030	5270	88 300
2008	79485	4528	84 013
2009	69769	4243	74 012
2010	58200	4075	62 275
2011	76 012	3920	79932

Source: FruitVeb



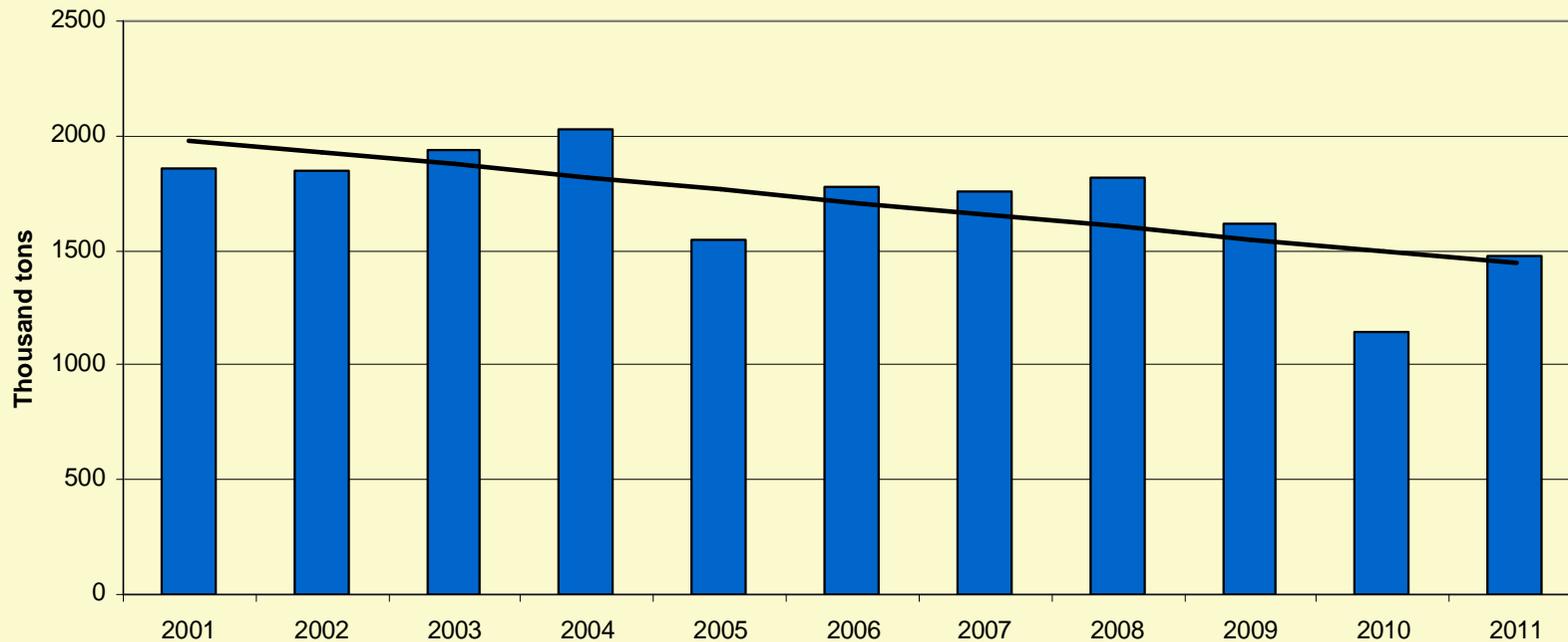
Vegetable territory (outdoor and greenhouse farms)

The variation of the cultivated outdoor surfaces (-14%) is due to **natural disasters**, the **decrease of profitability** and of the **sales possibilities**.

The surface of the greenhouses was reduced by 24% between 2001 and 2011, mainly due to the **rise of energy costs** and the **lack of capital**. The usage of **renewable energy** (geothermic energy) could help the implementation of greenhouses.

Vegetable production (2001-2011)

- Decreasing quantity after the EU membership



Source: Central Statistical Office

The worst year: 2010

"Decrease of the territory

"Floods

"Inland inundation

"Heavy storms

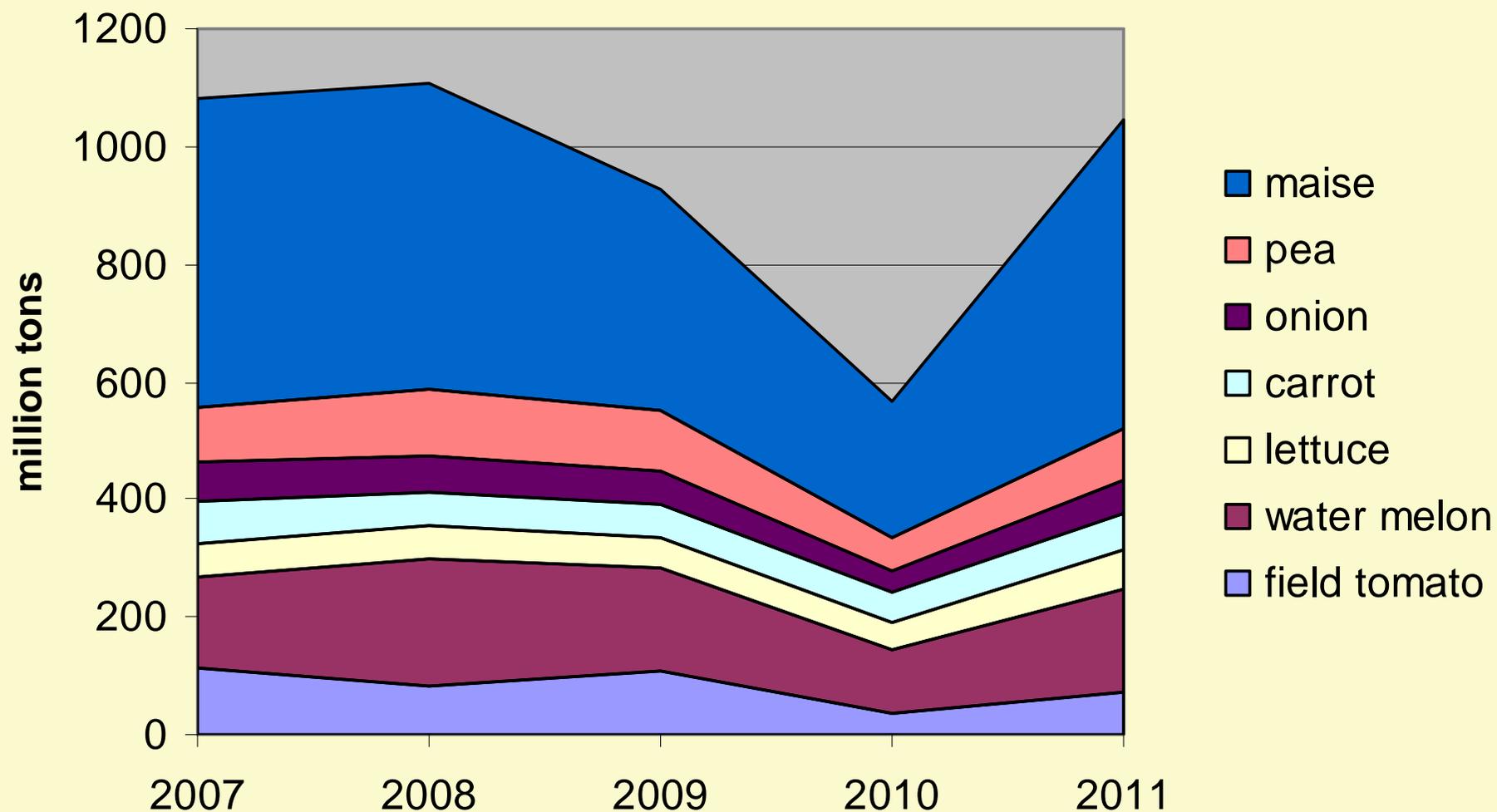
"Hail

Vegetable production, 2001-2011

(thousand tons)

Year	Outdoor	Greenhouse	Total
2001	1 328	449	1 777
2002	1 511	439	1 950
2003	1 595	417	2 013
2004	1 454	418	1 873
2005	1 072	382	1 454
2006	1 289	392	1 703
2007	1 322	422	1 766
2008	1 349	380	1 752
2009	1 176	355	1 551
2010	748	313	1 084
2011	1 287	353	1 665

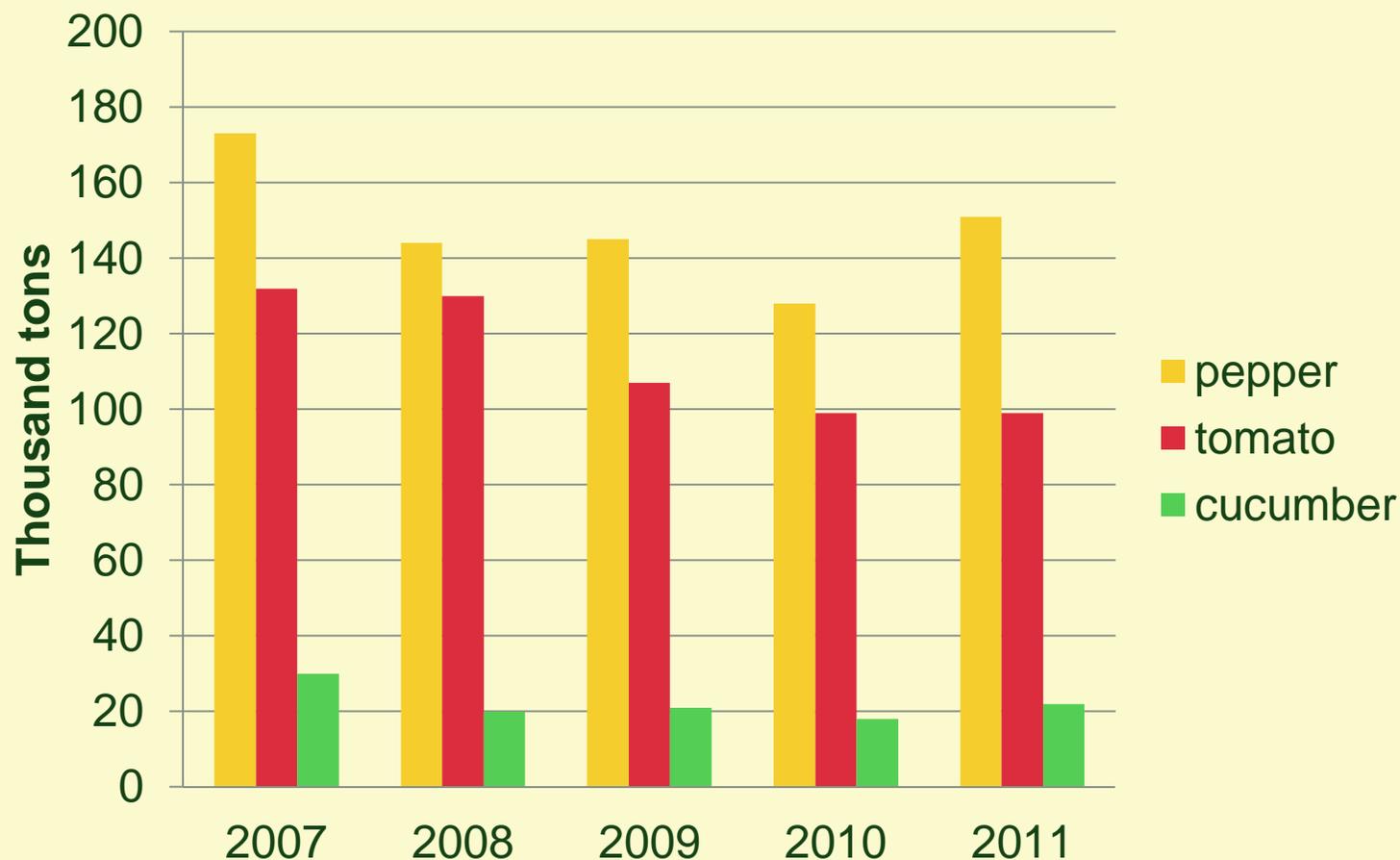
The most important vegetable species outdoors



Source: FruitVeb

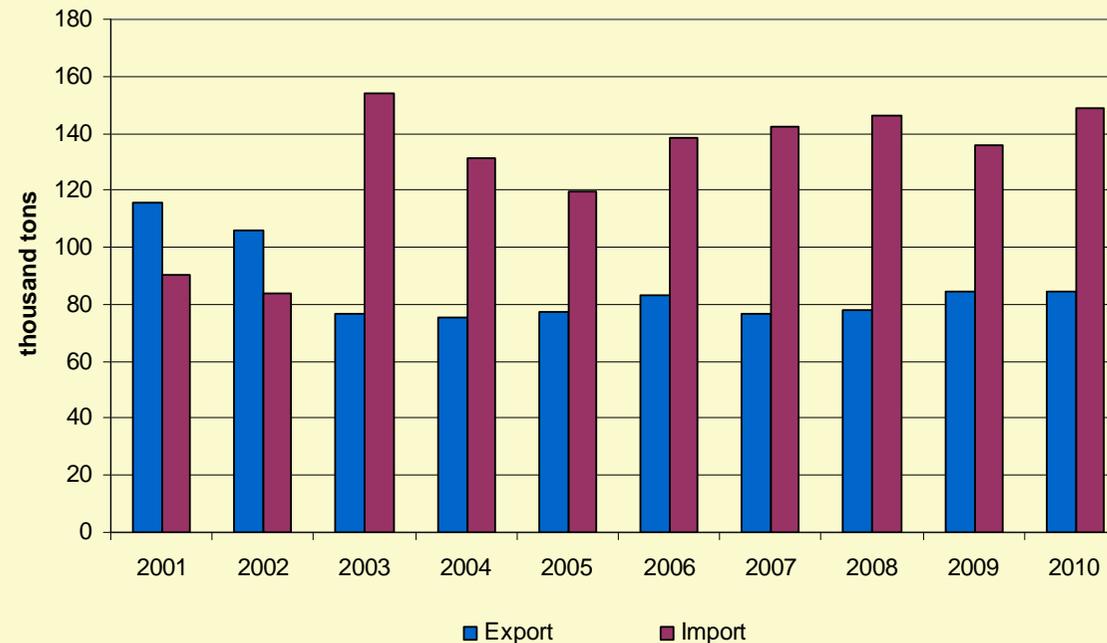


The most important vegetable species in the greenhouse (2011)



Export-import

- Onions, potato, tomato, cauliflower, cucumber, lettuce net importer!
- Hungary is the home of the pepper+
 - . Before EU 6:1 export:import ratio
 - . After EU joint 2:1 export:import ratio



Source: Central Statistical Office

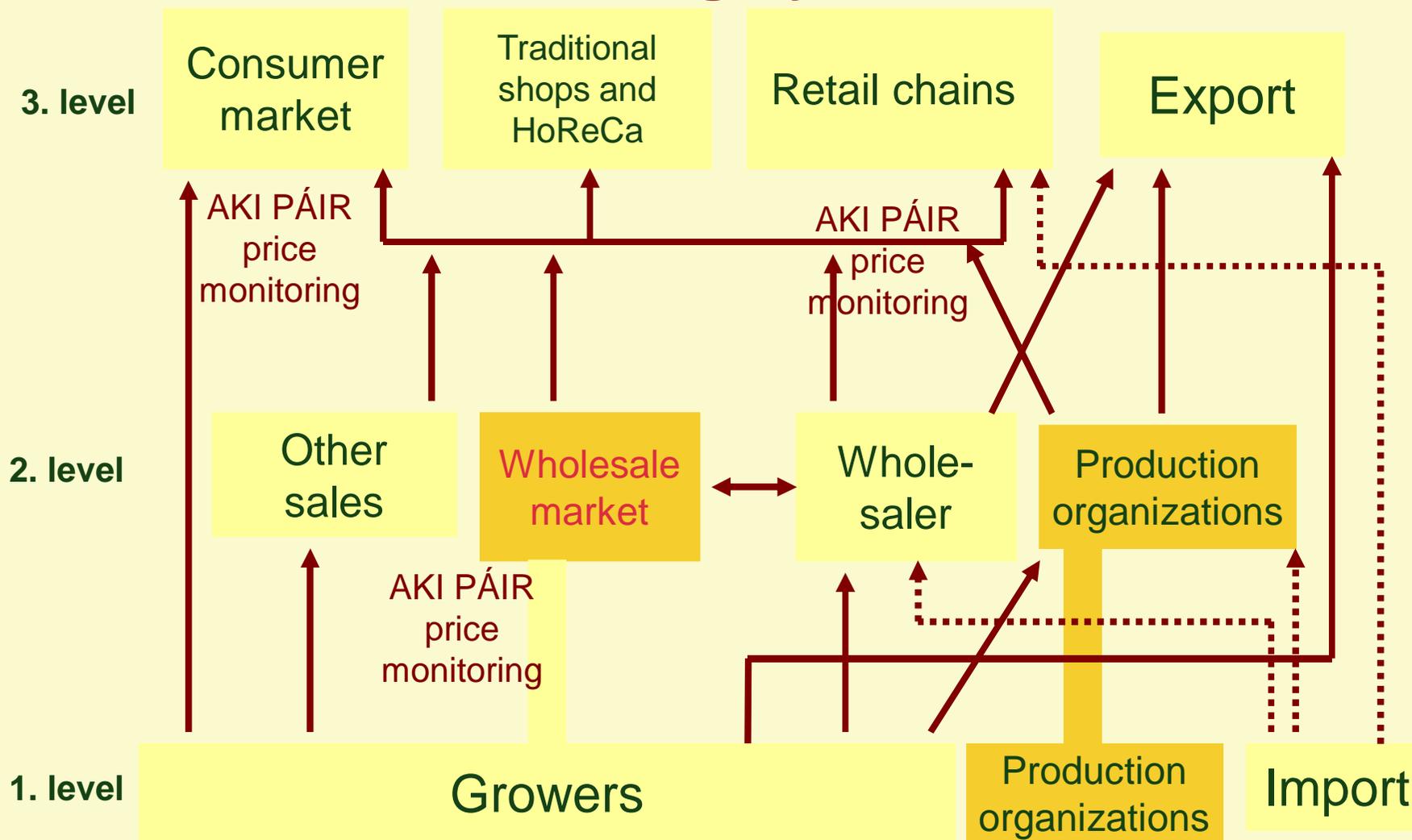
The impact of 2010 on the import

- Water melon: +35%
- Cabbage: +27% (Serbia, Macedonia, Czech Republic)
- Carrot: +11%
- Cucumber: +6%
- Tomato: +4% (Spain, France, Turkey)
- Green pepper: -2% (greenhouse effect!)
- Onion: -18%

Sales possibilities



Sales possibilities of fruits and vegetables in Hungary



Features influencing the market

- Good beginning in the greenhouse market (2011) EHEC crisis 25 milliard HUF loss in the sector
- EHEC crisis declining demand
- Health problems decline in consumer confidence
- **Removal of goods:** cucumber, tomato, salad crops, pepper
- - 4,5 thousand tons vegetable
- Support needed: 1,52 million euro



Features influencing the market, water melon



- Past: world 4th exporter now: declining market position
- Reasons:
 - lack of modern technology
 - shrinking supply
 - decreasing produced quantity
 - increasing import
- For better market position promotional campaign (tv; radio) and tasting increasing indigenous market

Challenges

- Lack of development resources
- Lack of capital
- Challenging national legislation (thermal water reinjection, contributions, taxes)

- Black market

- Producer organizations (TÉSZ) competitiveness problems
- 27% VAT very high
- Lack of professional advise.

Sector-specific challenges

- Weather
- Pressure from retail chains
- Regression of the manufacturing industry
- Profitability
- Lack of innovation
- Maintain the consumer confidence





Thank you for your attention!