

How value chains can enable businesses, particularly producers to be more profitable

AGRÁRMINISZTÉRIUM

Attila Nagy

Head of department

State Secretariat for Agriculture and Rural
Development



Forum on Best Practices in the
Agri-Food Supply Chain

9, October 2024.
Brussels, Belgium



- Aim: to regulate the EU agri-food industry supply chain, strengthening the position of agricultural producers in the supply chain.
- Hungarian agriculture (agriculture, water management and forestry) structurally shows a great similarity to the agriculture of the European Union. HU agricultural enterprises and farms account for 1.4% of EU agricultural enterprises and farms.
- Hungarian economic data exceed the EU average: the share of turnover per farm is 1.6%, the share of added value is 1.8%, while the share of the number of employees is 2.1%.
- Concerning the performance indicators, Hungary do not have significant structural disadvantages compared to the European Union.





- Hungary's CAP strategic plan for the period 2023-2027 was adopted in Brussels on November 7, 2022.
- Hungary's strategy is aimed at supporting the economy of its rural areas and putting them on a path of sustainable development, while taking advantage of the opportunities offered by modern technologies.
- The support source of the CAP Strategy Plan totals more than HUF 5,300 billion.
- The Hungarian Government allocates 80% additional national funds, as a top-up for the rural development subsidies.
- Increasing the share of renewable energy use and application in the agricultural sector, increasing energy efficiency,
- The contribution of a biomass-based economy to the achievement of energy efficiency and climate protection goals.



Support the added value of agricultural products - RD04a_E02_FON_73 - Agricultural products with added value



- Aim: support investments for technological development that help increase the value of agricultural products and access to the market, in order to increase the corporate efficiency of food processing and produce higher added value products.
- Eligible costs:
 - construction, development, and modernization of buildings and structures directly related to the technology and the infrastructure serving the operation of the plant.
 - purchase of new machines and devices, technologies, modernization of existing machines and devices, including information and communication technologies.



Support for energy efficiency - RD04b_E03_FOF_73 - Support for green investments related to agricultural products with added value



- Aim: to **increase the energy self-sufficiency** of agricultural and food processing holdings and to **reduce energy dependence**, in the framework of which, through the **improvement of energy efficiency and the support of renewable energy sources** - including biomass-based energy sources - it is intended to support the reduction of carbon dioxide emissions in agricultural plants, as well as reduction of energy consumption.
- The interventions also encourages the implementation of projects following a **circular biomass-based economy model**, which are based on the non-food use of local biomass sources and the utilization of by-products is also an important aspect (e.g.: soil improvement, fiber extraction, biorefining, replacement of fossil raw materials).
- Based on the country's geological features, the goal is to **exploit the geothermal heat energy potential**, for example in connection with the heating of greenhouses.
- The interventions covers the **reduction of energy consumption** in agricultural and food processing.

Strengthening the position of the farmers - RD44_R03_POG_77

- Support of producer groups, producer organizations



- Aim: to **encourage the establishment and operation** of producer groups, producer organizations and producer integration organizations to stabilize and strengthen the income position of producers.
- Cooperation is also necessary to **strengthen the bargaining power of producers** in the supply chain.
- Cooperations can also play a significant role in strengthening smaller farms by mediating innovation related to production. The intervention also promotes the creation of a uniform quality and **higher processed products**.
- Producer organizations also help to **achieve climate protection goals**, as they implement a significant increase in efficiency at the level of the activities of individual producers, as well as during preparation, processing and access to the market.
- Support can be provided to newly established producer groups and producer organizations, which can be given on a degressive basis for a maximum of 5 years.



- **Short Supply Chain**
 - Shortens the length of the supply chain
 - Small producers
 - Local producers with special products
- **Cooperation interventions**
 - Active and ecological tourism
 - Biomass cooperation
 - Social enterprises
- **LEADER**
 - Many LAGS plan value added supports
 - Short Supply chains (micro chains at local level)

Thank you for you attention!



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Other interventions to support agri food supply chain

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Thank you for you attention!





Round 1

14:35 – 15:15 CET

Room: Elm

**How have you worked
with others to achieve
your objectives?
Share your
experiences.**





Round 2

15:15 – 15:45 CET

Room: Elm

How can we ensure that value chains can be resilient, in the context of continued socio-economic and environmental change?





Round 3

15:45 – 16:15 CET

Room: Elm

Do strategic relationships across the value chain need to be further supported by public policy (including the CAP)?



Blue Group



Thank you for your

