



## **Grain Producer's Association-Hungary (GOSZ)**

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### **Grain Producer's Association – Hungary Standpoint about the CAP Health Check**

#### **Decoupling**

Basically we agree with the process because we think that agricultural producers can answer better and faster for the market changing than the EU decision-maker institutions. But of course it is realizable when the EU will not erase permanently the market regulation mechanisms like intervention, rather keep these in the background like a final possibility.

Europe and Hungary need to improve their agricultural production when food demand is growing and agricultural products better and better become a strategic resource in the world.

#### **Cross compliance**

We think it is necessary to significantly reduce the requirements of cross compliance because the present and planned environmental, animal welfare rules make a huge competitive disadvantage for the European agricultural producers.

#### **Modulation**

This is the most harmful proposition of the Commission's planned CAP changes. The reduction of the bigger farm's or company's subsidies make a serious competitive disadvantage and negative consequences in the Hungary's public and social sectors.

In Hungary there is more than 2 million of landowners and only 120-150 thousand of registered real agricultural producers. In our country the rented land cultivation has a decisive role. The bigger agricultural companies are working rented fields in a proportion of more than 90 %. If subsidies for them were reduced only because they are bigger, they would have to reduce the rental fees for landowners. Rental fees in Hungary are as much as direct subsidy of 1 hectare. It gives a sure income for 2 million of landowners every year.

The goods producer companies, farmers who are working on more than 1000-2000 ha, they still have significant function in the local employment. They pay a lot of regional and state taxes, and support a lot of local civil, cultural, regional and social programs.

Generally cooperatives and ex cooperatives companies with big cultivated area have many owners, it is not their mistake that they are bigger than the average European farmsize. They have another historical background, than West European farmers. That's why we think modulation will hurt so many people's interest.

The competitive farm size – when somebody is a grain grower – is constantly rising in the world. Nowadays it's over 1000 ha/family by grain producers. This is a tendency all over the world. We can't understand the EU's agricultural policy. It makes steps to generate huge competitive disadvantages and at the same time in long term takes aim to rise the competitiveness.

### **Using of pesticides**

We raise objection against the planned dramatical reduction of the permitted pesticides. It will be impossible to be able to produce controllable, traceable, enough, and high quality food to a competitive price for european and the world consumers.

Budapest, the 9th June 2008.

Vancsura József  
president

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