

Analysis of the Young Farmers' Assistance Initiative among Young Farmers of the Homokhátság

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Abstract: It could be stated of the member states of the European Union that the proportion of workers in agriculture is steadily declining which in addition is also coupled with a low proportion of young farmers. Young farmers are playing a key role in the "Europe 2020: Smart, Sustainable and Inclusive Growth" strategy, because young people are indispensable for the future of agriculture. In my research, I looked at the young farmers of the Homokhátság (Sand Ridge) region seeking an answer to the question: how successful were the Young Farmer' Assistance Initiative programs amongst young agricultural entrepreneurs.

Keywords: young farmers in Hungary, Homokhátság,

1. Introduction

The proportion of the workers in agriculture in the state members of the European Union is said to be decreasing. This process goes together with the low proportion of young smallholders. According to the survey carried out by Eurostat in 2013 smallholders of age 65 or over 65 represent 31% of all the holding managers (Figure 1).

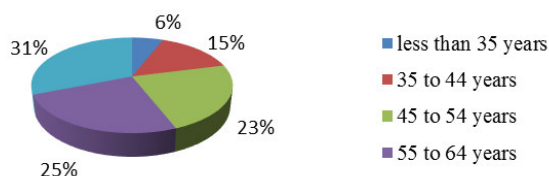


Figure 1.

Distribution of holding managers by age groups in the EU, 2013

Source: Eurostat, 2015.

As far as the age structure of farmers is concerned (Table 1). Hungary gives a similar picture to the EU average. The survey of Eurostat in 2013 showed a proportion of 30,3% of holding managers aged 65 or over and 6,1% of holding managers aged 35 or less. The interviewed farmers are on average 32.1 years old (EU average is 29.4). The needs of young farmers have been identified by interviewing 75 young farmers (max 40 years old) in Hungary and 2 205 across Europe. The farmers have been interviewed about their needs, which have then been confirmed through a focus group in Hungary (EUROPEAN COMMISSION, 2015).

Table 1.
Distribution of holding managers by selected age groups in the EU Member States, 2013
(share of total managers - %)

Country	less than 35 years	35 to 44 years	45 to 54 years	55 to 64 years	65 years over	Country	less than 35 years	35 to 44 years	45 to 54 years	55 to 64 years	65 years over
Austria	10,9	24,4	36,5	19,6	8,6	Latvia	5	14,5	26,2	24,1	30
Belgium	4	15,2	32,9	26,8	21,2	Lithuania	5,6	13,9	25,6	20,9	34
Bulgaria	6,4	13,2	18,5	25,2	36,7	Luxembourg	8,7	17,3	32,2	27,4	14,4
Croatia	4	9,9	21,8	29,1	33,3	Malta	3,8	12,9	24,8	33,4	25,1
Cyprus	1,7	6,9	21,5	30,1	40	Netherlands	3,1	16,3	32,7	26,9	21
Czech Republic	4,6	14,8	23,8	33,9	23	Norway	8	21,2	31,3	26,5	13
Denmark	2,5	14,7	31,2	27,6	24	Poland	12,1	23,7	30,2	24,3	9,6
Estonia	7,5	16,8	23,4	21,8	30,4	Portugal	2,5	7,2	16,6	23,6	50,1
Finland	8,5	22	30,1	29,2	10,2	Romania	4,7	13,9	16,9	23,5	41
France	8,8	19,1	32,7	27	12,4	Slovakia	8,1	15,4	24,9	30	21,6
Germany	6,8	19,7	37,2	29,8	6,5	Slovenia	4,8	14,4	26,4	29,1	25,3
Greece	5,2	14,7	23,9	24,9	31,3	Spain	3,7	12,7	25	25,2	33,3
Hungary	6,1	14,9	19,4	29,2	30,3	Sweden	4,4	12,8	24,8	28	30
Ireland	5,7	15,2	23,7	26,1	29,4	United Kingdom	3,9	11	26,6	27,9	30,6
Italy	4,5	10,8	21,6	23,3	39,7	EU	6	15,2	22,9	24,7	31,1

Improving the age structure of agricultural production, the resilience of rural areas and increasing the ability to generate income is a fundamental objective within the framework of economic and rural development policy. The support of young farmers and the promotion of their activities in the agricultural sector are of the utmost importance since their ability to innovate and their attitude towards the market is already strong and could be further strengthened. The current situation

can only be changed if start-ups have adequate capital facilities and / or receive loans with preferential interest rates. The purpose of the start-up program for young farmers was to help young entrepreneurs establish their businesses. Another objective is to create a change in the structure of farms by improving the age distribution of the agricultural labor force, improving the population retention capacity of rural areas and ensuring long-term sustainability of agricultural activities.

The problem of generational change is being facilitated by the government through the involvement of EU funds and grants (EMBER – MIHÁLOVITS, 2007). Only 5.6% of all European farms are run by farmers younger than 35 while more than 31% of all farmers are older than 65. These figures raise concerns about the future competitiveness of European agriculture and guaranteed food production in the coming decades. Young farmers in the EU can be characterised by: a low proportion in total farm numbers, agricultural land and standard output; average-sized farms; higher levels of professional qualification than older farmers below-average income levels, low capital stocks and land ownership; high levels of net investment, below average levels of liabilities and average debt to-asset ratios; high return on assets ratios. At the beginning of their farming careers, they are thus positioning their farms for the future but may be constrained by lack of access to land and credit (EUROPEAN COMMISSION, 2017).

The main objective of the rural development policy in the EU is to intensify the viability of the countryside with the help of active communities, strong economy and good public services so as people living in the countryside could have a better quality of life (SZÖRÉNYINÉ, 2015.) SZÖRÉNYINÉ (2015.) emphasises even the following: “The rural territories in Europe are highly afflicted by the decreasing role of agriculture, the problem of ageing, the conflict between development and conservation and immigration of people with poor qualification in addition to the highly qualified workforce leaving the countryside. We should react to these challenges with activating the impulsive forces (enterprises, expertise, competition, investments, innovation and knowledge) necessary to modernize rural economy.”

2. Material and method

2.1. Material

I have selected the Homokhátság (Sand Dunes) area because in my opinion, farmers here are facing increasingly worsening specialized problems and challenges. The Homokhátság lies in the plains of the Danube-Tisza interfluvium (Figure 2). It is often listed as part of the Danube-Tisza or Kiskunság regions but it

is not included in the systematic division of Hungary's natural landscapes and thus it is not part of the classical landscaping categories. The area is not clearly defined by the administration either. It mainly covers the county of Bács-Kiskun but also extends to the counties of Pest and Csongrád (KOVÁCS et al., 2017). During my research I used the help of the Hungarian landscape register to delimit the area. The landscape of the Ridges is unique, characterized by excellent climatic and soil conditions for agriculture, a coherent settlement structure and exceptional landscape values (running sand, primordial junipers, salty lakes, etc.). The area is characterized by rainfall dependence, desertification, and a slowly falling behind, depopulating area which leads to population migration and aging.



Figure 2.

The Homokhátság lies in the plains

Source: Kovács et al., 2017.

2.2. Method

I have personally visited the farmers under 40 thus I got to a total of 124 young farmers using the snowball sampling method. The snowball method is a non probability selection procedure which builds on gradual accumulation. Subjects already reached suggest newer people among their acquaintances. This procedure is usually applied for exploratory purposes (BABBIE, 2008, p. 207). The questionnaires or interviews were conducted between October 2016 and March 2017. The data was evaluated with SPSS. I searched for links between questions by cross-table analysis that investigates the relationship between two or more variables. The analysis seeks to find out whether two nominal or ordinal variables are related to each other. Between the two variables, the Pearson Chi-square table shows the answer.

3. Research results

My first question regarding the applications was whether the respondents have heard of the start-up support for young farmers. Of the 124 respondents, only one single person stated that he had not yet heard about the application. Most were familiar with the tenders through acquaintances and friends, or from another young farmers who had prior experience with the application process (Figure 3).

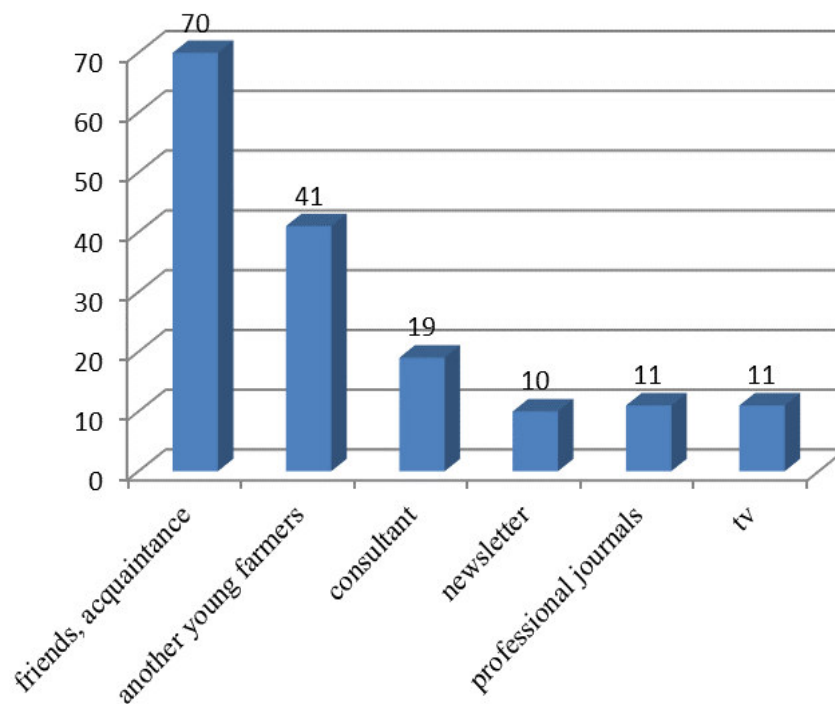


Figure 3.
Distribution of information sources about the Young Farmer's Start-up Support Program
Source: the author's own research and editing, 2017.

Of the farmers participating in my sample, 54 people submitted a tender for the start-up grant for young farmers. 51 people did not apply, while 15 people planned to submit the application in the next cycle. 3 people submitted a bid but failed (Figure 4).

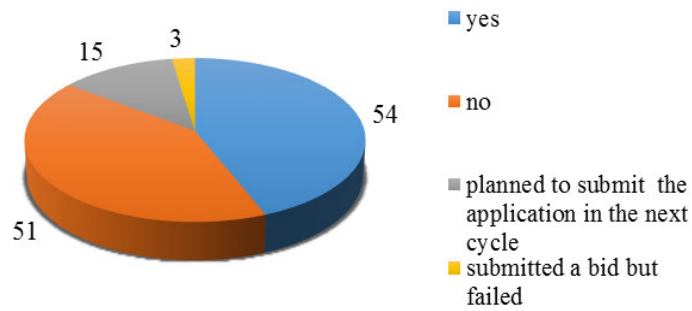


Figure 4.
 Distribution of the submission of applications among respondents
 Source: the author's own research and editing, 2017.

I did a cross-table analysis to see if there is a correlation between the educational level of interviewee and the actual grant writer. I have examined whether young farmers who have a higher education degree have written their own application or have utilized a professional grant writer.

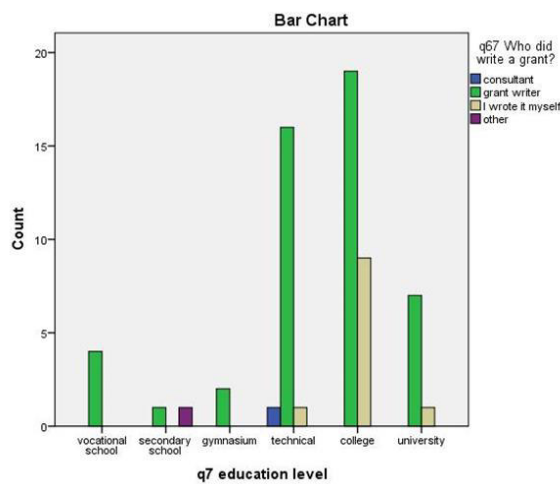


Figure 5.
 Cross-table analysis of correlation between the educational level of interviewee and the actual grant writer

Table 2. Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	40,051 ^a	15	,000
Likelihood Ratio	18,316	15	,246
Linear-by-Linear Association	,662	1	,416
N of Valid Cases	62		

^a 21 cells (87,5%) have expected count less than 5.

The minimum expected count is ,03.

Source: the author's own reasearch and editing, 2017.

Figure 4. shows that most of them have employed a grant preparer, irrespective of their educational qualifications. (62 people in the sample have already had their application prepared because at the time of the survey, the 2016 young farm bid was already published).

Those respondents who prepared the application themselves would not change anything on the application material or business plan (6 people). However, young farmers who did not prepare the applications themselves, but through a grant writer, had negative experiences, and opinions were divided. One respondent said he would expect to receive more information from the application writer, while 10 respondents made a lot of commitment in the application, largely due to the suggestion of the proposal writer, because the proposals would not have been successful without these commitments. 4 people would not submit the application at all, which was mainly explained by administrative difficulties. One of the interviewees in the 2016 call had to take on more obligations than in the previous application, as their previous submission did not win due low commitments.

Young farmers who did not apply for support explained that they did not meet the requirements of the application because they had already applied for area-based support prior to the call (36 people). The second reason was the unacceptable conditions (17 people), followed by "I do not trust the calls for tenders" (7 people). 6 people blamed the lack of education, or missing information (4 people), and 2 people did not apply due to administrative difficulties.

Conclusions

Of the 124 respondents, only one person stated that they had not yet heard about the start-up support for young farmers. Most heard about the program from acquaintances and friends or from another young farmer who previously had experience with the application. Less than half of the farmers involved in the

sample, 54 individuals, applied for a grant for young farmers. 51 people did not apply, while 15 people planned to submit the application during the next cycle. 3 persons have submitted a bid but failed. Young farmers who did not apply for support explained that they did not meet the requirements of the application because they had already applied for area-based support prior to the call (36). The second reason was the unacceptable conditions (17 people). Using the cross-table analysis, I have found that most of them have used the services of a professional grant writer regardless of the educational qualifications of the respondent.

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