

Establishment of regional advisory network to support farms in the decision-making procedure

János Cser, Judit Káldi

*University of West-Hungary,
Mosonmagyaróvár, Hungary*

József Kozári

*Szent István University, Gödöllő,
Hungary*

In the frame of the reform of the Common Agricultural Policy of the EU, a radical change of the support system has been decided in June 2003. One central point of the reform is the decoupling of direct payments from production; on the other hand, premium payments are only given to farmers if environmental, animal welfare, food and fodder safety regulations are considered. This obligation is regulated by the 1782/2003 EC regulation, often referred to as the “Cross compliance” regulation which is obligatory for all farmers applying for direct payments from 01.01.2005. The same regulation includes guidelines for the changes to be made in the agricultural advisory systems of the member states; the objective of these changes is to support farmers in the implementation of the obligatory criteria. Member states had to react to this regulation until 01.01.2007. Similarly to the other member states, Hungary is supposed to provide an advisory system to agricultural enterprises to help them to answer the challenges and adopt constant expectations in the future.

INTRODUCTION

The transformation of the agricultural advisory system in Hungary started in autumn 2005 on basis of the Government measures and after the related EU regulations had come into force in Autumn 2003. The objective of the transformation is to operate an advisory system that meets the farmers’ demands and considers the farmers’ possibilities, stands on several pillars, easy and cheap to reach, guarantees high level services, and meets the requirements of the Farm Advisory System to be established on obligatory basis in the member states after 01.01.2007 and regulated by the 1782/2003/EC, 1698/2005/EC and 1974/2006/EC regulations. In the transformation process of our advisory system, the former experiences and results of the agricultural advisory system were utilised, and we tried to make the transformation process as cost effective and unproblematic as possible.

It was an important point that the agricultural advisory activity – operated by different organisations – should be integrated into one uniform organisational, control and financing structure fully meeting the needs of the target group and taking into consideration the interests of the competent professional organisations. In the new structure, all persons and organisations should have a servicing role with a sufficient advisory capacity and competence, and willing to provide advisory service in connection to the cross compliance regulation.

PRESENT SITUATION

At the moment, in Hungary there are eight well-separated segments in the operating advisory structure (Fig. 1).

The first indicated segment of the advisory structure, the so-called village consultancy network, has been established in

1994 and reorganised in 1998, operated by the county offices of the Ministry of Agriculture and Rural Development (MoARD). However, village consultants are not advisors in classical terms; they transmit valuable and essential information to farmers.

The second segment of the advisory structure includes advisors registered in the official List of Advisors of the Ministry of Agriculture and Rural Development. Advisors can be included into the List of Advisors upon request. The List of Advisors includes the most important data of advisors who have a higher educational degree in a certain topic, working experience, character reference and undertake not to provide any sales or agent activities in the field of agricultural business.

The third segment indicated in the advisory structure is the advisory network of the Hungarian Chamber of Agriculture. The Chamber of Agriculture – based on an agreement signed in 2003 with the Ministry of Agriculture and Rural Development – has undertaken to provide professional consultancy to farmers free of charge, irrespective of their membership in the Chamber. Although the employment status of village consultants and advisors of the Chamber of Agriculture is different, both groups fulfil administrative tasks for the responsible ministry. The division of tasks and responsibilities between the two organisations is not evident or clarified in practice. During a research, it turned out that advisors of the Chamber of Agriculture cannot be considered as advisors in classical terms either in name or in the field of activity.

The fourth segment of the structure includes advisory activity performed by Regional Advisory Centres connected to agricultural educational-vocational institutes. The primer task of the regional advisory centres is to cooperate in the formation and dissemination of sector information. Supported by the theoretical knowledge capacity of agricultural higher educational institutes and experts of certain topics, regional centres contribute to

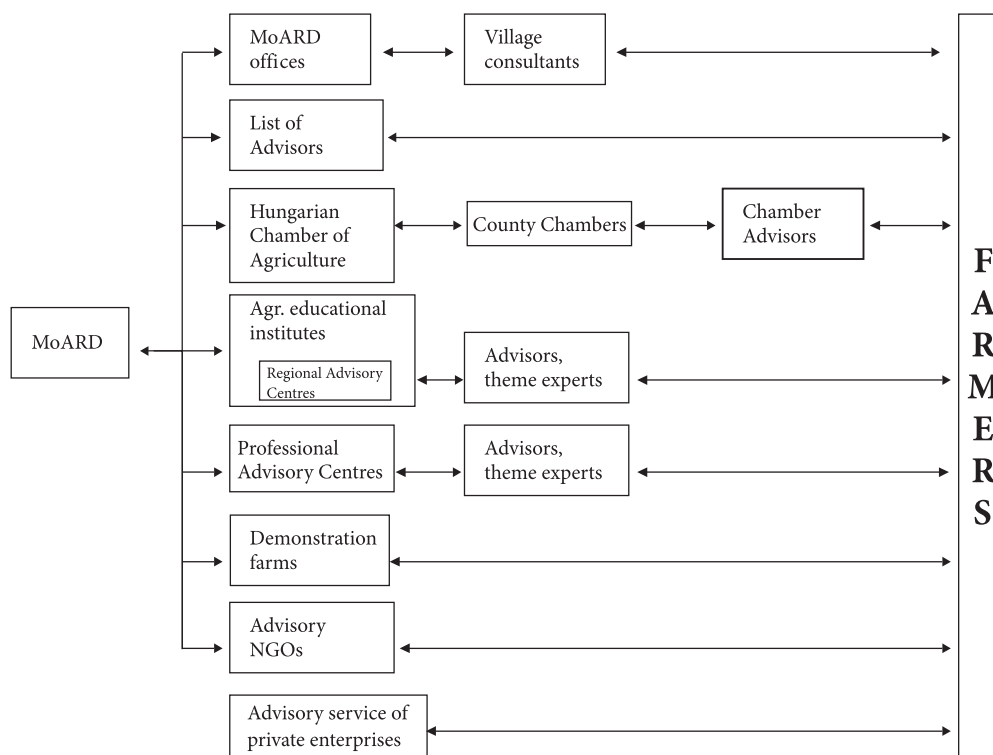


Fig. 1. Structure of agricultural advisory in Hungary

Source: Tóth, Krisztina.

provide professional information and knowledge to farmers of the region. These centres play an important role in the organisation and coordination of group advisory programs that are available free of charge to the farmers.

The fifth segment of the structure consists of the advisory activity carried out within the frames of the Professional Advisory Centres. The centres provide advisory service in certain topics in the area of the whole country, using the expertise and theoretical knowledge, capacity of the research centres.

The sixth segment of the structure refers to advisory activities performed by demonstration or model farms. The establishment and operation of the demonstration farm network could provide significant help to farmers in raising the level of their professional knowledge.

The seventh segment of the structure is the protection of the different interests; this activity is carried out by non-government advisory organisations.

The eighth segment of the structure includes advisory activity performed by enterprises. This advisory service is not connected directly to the advisory structure supported by the Ministry of Agriculture and Rural Development. Advisors of profit-oriented enterprises motivate their clients to buy their products or services. The target group of their services is reached directly by effective marketing tools. This advisory activity is not supported, farmers cannot apply for financial support from the ministry. Nevertheless more and more enterprises offering advisory services operate in Hungary. These enterprises employ advisors depending on the field of activity, size and income of the enterprise; in case of sales activities regional representatives are employed. These advisors are highly educated experts as regards

their methodological and professional knowledge, and they are fully aware of the farmers' needs.

The advisory service supported by the government can be used by agricultural entrepreneurs on the basis of their income. Registered agricultural entrepreneurs with less than 1 million HUF incomes can participate in group advisory programs free of charge. These programs are coordinated by the village consultant network of the county offices of the MoARD, the advisory network of the Hungarian Chamber of Agriculture, and the regional advisory centres of the agricultural educational institutes. Registered farmers with more than 3 million but less than 50 million HUF incomes and applying the "Proper Agricultural and Environmental Condition" and "Proper Farming Practice" regulations of the MoARD on their farm can sign individual advisory contracts with advisors registered in the List of Advisors of the MoARD.

STRUCTURE OF THE PLANNED ADVISORY (CONSULTANCY) SYSTEM

In the transformation process of the former system the different advisory structures are gradually, but evidently separated from the authority-type functions. After the transformation of the structure the advisory activity will be performed in three forms; however, the three forms will be separated organisationally but harmonised in operation:

*in forms and frames of advisory for clients (in office hours),
agricultural advisory (Farm Advisory System),
rural development advisory.*

The basic elements of the above-described advisory system are as follows:

- advisory for clients (in office hours) that is presently performed for public use, free of charge by village consultants and registered advisors will be carried on within new organisational frames;
- the Agricultural advisory meets the requirements of the Farm Advisory System to be obligatorily operated after 01.01.2007. and regulated by the 1782/2003/EC regulation, and also considers the 1698/2005/EC regulation on advisory services, in harmony with the former expectations on the transformation of the advisory system;
- rural development advisory will be performed within the frames of the “National Rural Network” that is obligatory to be established on basis of the 1689/2005/EC regulation, based on the already existing and future LEADER groups. From 2007 rural settlements are allowed to form so-called Local Rural Development Communities consisting of representatives of NGOs and entrepreneurs, based on LEADER principles and bottom-up initiatives. The formation of the organisation will be legally regulated; the organisation will operate an advisory office providing consultancy in rural development issues. The office with its formulating advisory capacity provides general regional development advisory concerning the 3rd and 4th axes of the European Agricultural and Rural Development Fund regulation for potential applicants;
- organisation and operation of the Farm Advisory System.

Organisational and management advisory bodies

The Agricultural-Rural Development Department of the MoARD: controls, coordinates, directs and develops advisory activities belonging to its competence.

The National Advisory Committee: consultancy organisation of the minister of agriculture and rural development; its compo-

sition guarantees that all interests – both of the service providers and users – are considered in the recommendations.

The National Advisory Centre (MoARD Institute of Rural Development, Training and Advisory): cooperates with the Agricultural-Rural Development Departments of the MoARD on operative level in connection with the tasks of the Farm Advisory System: manages and updates the List of Advisors and the List of Regional Advisory Centres, cooperates in the organisation of further trainings, exams and qualifications of advisors, operates the monitoring system that is necessary for the quality insurance of the advisory system and provides data to facilitate the elaboration of reports (Fig. 2).

The Centre is also the central working organisation of the National Rural Network. It provides the participants of the network with the necessary information, initializes cooperation projects, coordinates the National Rural Network based on the work of the Local Rural Development Offices.

Regional Advisory Centres: support the activities of advisory bodies operating in the area of the statistical region. The basis of the Centres is provided by the higher educational institutes on the professional and theoretical background of the so-called “Knowledge-centres”. Besides these tasks, regional centres are also involved in the control and evaluation of the advisory activity.

Professional Centres: mainly established at agricultural research centres. They offer advisory service in the area of the whole country in problems they are specialised in. Consultancy is provided to all the three organisational forms (advisory for clients (in office hours), agricultural advisory (Farm Advisory System), rural development advisory).

Advisory service elements

Sub-regional Advisory Centres (SRAC) are EU-conformed functional elements of the Farm Advisory System providing

The organisation of the Farm Advisory System

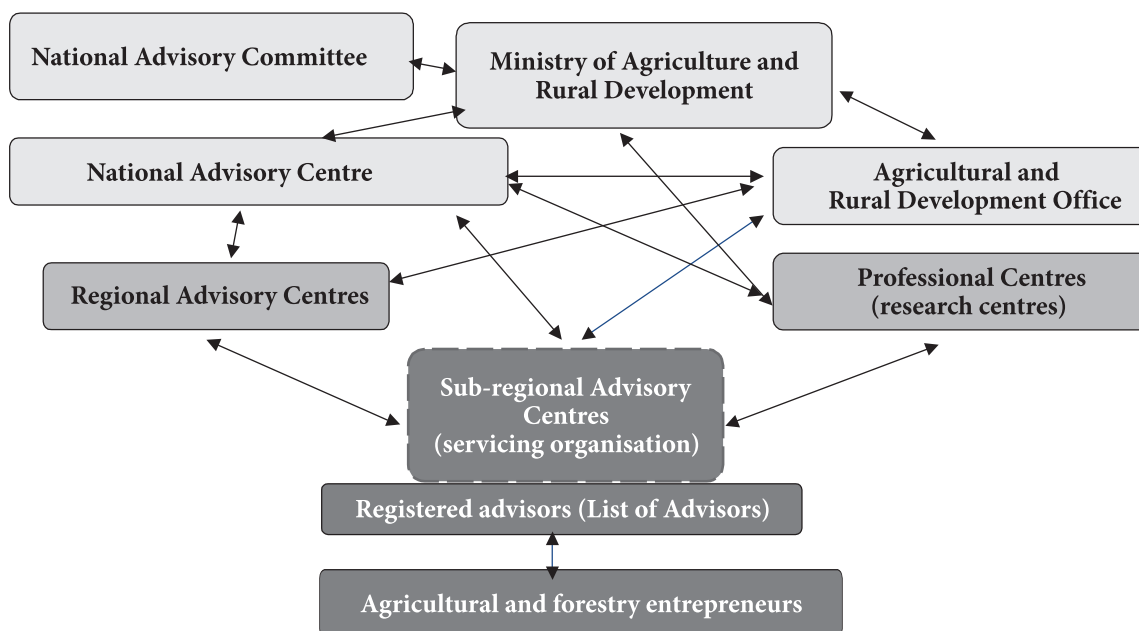


Fig. 2. Structure of the planned advisory (consultancy) system

Source: Wayda, Imre.

professional consultancy to farmers and forestry enterprises on contractual basis. The preliminary registration of sub-regional centres has been announced in December 2006; the accepted 113 applications are currently evaluated. Registered sub-regional centres are accredited by the MoARD and then they will have the right to organise further trainings and exams for advisors in the topics of cross-compliance and work safety. This will probably take place after 01.07.2007. when the MoARD is expected to publish the advisory regulation. The basic task of the Farm Advisory System – to inform farmers on cross-compliance measurements – is provided by the Hungarian Chamber of Agriculture (it operates the National Rural Development Plan advisory system) and the advisors of the Association of Agricultural Advisors in the Transdanubian region; this task is performed by these organisations temporarily between 01.01.2007 and 30.06.2007.

CONCLUSIONS, RECOMMENDATIONS

During the preparatory phase of Hungary's EU accession, different institutional systems – including institutions for the agricultural sector – have been formed either in time or with delay.

The present advisory structure does not fully meet the requirements of an up-to-date system, the challenges of the present day.

The EU urges the application of certain areas of agricultural advisory (cross-compliance).

With the establishment of well-operating regional advisory centres in Hungary the regional characteristics and specialisations can be considered.

There is one very important institution that has not been established yet, namely the regional organisation of agricultural advisory networks – although farmers need these organisations in the present and the future circumstances. These regional organisations could fulfil the tasks that advisory services have been providing for decades in the old EU member states in favour of the farmers. This professional background could guarantee that professional knowledge arrives quickly to the place where it is needed. This kind of advice help people living in rural areas to adapt to the changes of rural life. The topic of the transformation of the advisory system is very important in Hungary as the transformation of the system has been started in autumn 2005, after the corresponding EU regulation came into force in autumn 2003. The objective of the transformation is to operate an advisory system that meets the farmers' demands and considers the farmers' possibilities, stands on several pillars, is easy and cheap to reach, guarantees high level services, and meets the requirements of the Farm Advisory System to be established on obligatory basis in the member states after 01.01.2007. The establishment and practical application of the system defined in different EC regulations is a prerequisite for receiving support from EU rural development funds for advisory activities, therefore the transformation of the present system is a national (and also EU member state) interest.

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János Cser, Judit Káldi, Jozsef Kozari

REGIONINIŲ KONSULTAVIMO TARNYBŲ TINKLO SUKŪRIMAS PARAMAI ŪKIAMS TEIKTI PRIIMANT SPRENDIMUS

Santrauka

2003 m. birželį Europos Sąjungos bendrosios žemės ūkio politikos reformoje buvo numatyta iš esmės pakeisti ūkių rėmimo sistemą. Vienas svarbiausių reformos punktų – tiesioginių išmokų atsisiejimas nuo gamybos; be to, papildomos išmokos mokamos tik tiems ūkininkams, kurie laikosi aplinkosaugos, gyvūnų gerovės, maisto ir pašarų saugumo reikalavimų. Šis išsipareigojimas, reglamentuojamas Tarybos reglamente (EB) Nr. 1782/2003, nustatančiame bendrąsias tiesioginės paramos schemų pagal bendrą žemės ūkio politiką taisykles ir pateikiančiame tam tikras paramos schemas, yra privalomas visiems ūkininkams, besikreipiantiems tiesioginių išmokų nuo 2005 m. sausio 1 d. Minėtame reglamente taip pat numatytos gairės šalių narių konsultavimo sistemos tobulinimui; numatomų pokyčių tikslas – padėti ūkininkams laikytis privalomų kriterijų. Iki 2007 m. sausio 1 d. šalys narės turėjo sureaguoti į šio reglamento nuostatas. Manoma, kad Vengrijos, kaip ir kitų šalių narių, parengta konsultavimo sistema padės žemės ūkio įmonėms rasti atsakymus į iškilusias naujas problemas ir tenkinti jų poreikius ateityje.

Raktažodžiai: bendroji žemės ūkio politika, ūkių rėmimo sistemos pakeitimas, tiesioginės išmokos, paramos ūkininkams schemas, konsultavimo sistema

Янош Чер, Юдит Кальди, Йожеф Козари

СОЗДАНИЕ СЕТИ РЕГИОНАЛЬНЫХ КОНСУЛЬТАЦИОННЫХ СЛУЖБ ДЛЯ ОКАЗАНИЯ ПОМОЩИ ХОЗЯЙСТВАМ В ПРИНЯТИИ РЕШЕНИЙ

Резюме

В июне 2003 г. в реформе общей сельскохозяйственной политики ЕС было намечено существенно изменить систему поддержки хо-

зяйств. Один из важнейших пунктов реформы – отвлечение прямых выплат от производства, а также дополнительные выплаты тем крестьянам, которые соблюдают требования природоохраны, благополучия животных, безопасности продовольствия и кормов. Это требование зафиксировано в регламенте Совета № 1782/2003, который определяет общие правила схем прямых выплат исходя из общей сельскохозяйственной политики, а также соответствующие схемы помощи всем крестьянам, обратившимся по вопросу получения прямых выплат после 1 января 2005 г. В данном регламенте также намечены пути совершенствования системы консультирования в странах-членах ЕС. Цель планируемых из-

менений – оказать помощь крестьянам при соблюдении обязательных критериев. До 1 января 2007 г. страны-члены ЕС должны были оценить положения этого регламента. Думается, что подготовленная система консультаций для крестьян Венгрии, как и других стран-членов ЕС, будет способствовать решению проблем, возникающих перед сельскохозяйственными предприятиями, и в будущем поможет удовлетворению их потребностей.

Ключевые слова: общая сельскохозяйственная политика, изменение системы поддержки хозяйств, прямые выплаты, схемы помощи для крестьян, система консультирования