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THE YOUNG FARMERS' WILLINGNESS TO COOPERATE AND THEIR CHANCES TO GET A PROPERTY OF LAND. THE CASE OF HOMOKHÁTSÁG

CHĘCI MŁODYCH ROLNIKÓW DO WSPÓŁPRACY I ICH SZANSE DO UZYSKANIA WŁASNOŚĆ GRUNTU NA PRZYKŁADZIE HOMOKHÁTSÁG

Key words: young farmers, Homokhátság, new land law, machinery rings, cooperation

Key word: młodzi rolnicy, Homokhátság, nowe prawo rolne, kółka rolnicze, współpraca

JEL codes: Q12

Abstract. As far as the member states of the European Union are concerned, it can be said that besides the declining proportion of agricultural workers, even the number of young farmers is constantly decreasing. In the strategy of Europe 2020: The intelligent, sustainable and inclusive growth, young agricultural growers are devoted a prominent role as taking the future of agriculture into consideration, this role is essential. In my research I am investigating the young smallholders of the southern region of the Great Hungarian Plain focusing on the young farmers of Homokhátság, as a significant section where there are agricultural properties of land of really poor quality. The farmers in Homokhátság dealing with fruit-and vine-growing or arable vegetable growing have tried to find the most suitable forms of agriculture. These characteristics cannot be found in other territories with poor fertility properties so Homokhátság can be considered as a good example. Having the results, I would like to find answers to questions like what motivated the young farmers to start dealing with agriculture, how they see their prospects for the future and what sorts of challenges they face in our age. According to the opinion of the young farmers, the new land law which came into force on 1st May 2014 did not have a positive influence on the chances of their getting a property of land. Due to the arable prices risen recently only farmers with more capital are able to buy properties. Cooperation is less popular among the youngsters and only some of the respondents were aware of the concept of machinery rings.

Introduction

Having the results, I would like to find answers to questions like what motivated the young farmers to start dealing with agriculture, how they see their prospects for the future and what sorts of challenges they face in our age. 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 (Fig. 1).



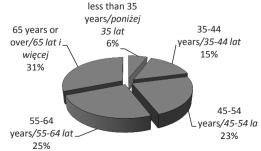


Table 1. Distribution of holding managers by selected age groups in the EU Member States, 2013 (share of total managers)

Tabela 1. Struktura zarz	zadzających gospodarstw	vami według grup wieko	wvch w UE, 2013 (udział w ogólnei populacii)

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Country/	Age groups/Grupa wiekowa [%]			Country/	Age groups/Grupa wiekowa [%]				[%]		
Kraj	< 35	35-44	45-54	55-64	≥ 65	Kraj	< 35	35-44	45-54	55-64	≥ 65
Austria/AU	10,9	24,4	36,5	19,6	8,6	Latvia/LT	5	14,5	26,2	24,1	30
Belgium/BL	4	15,2	32,9	26,8	21,2	Lithuania/LV	5,6	13,9	25,6	20,9	34
Bulgaria/BG	6,4	13,2	18,5	25,2	36,7	Luxembourg/LU	8,7	17,3	32,2	27,4	14,4
Croatia/HR	4	9,9	21,8	29,1	33,3	Malta/MT	3,8	12,9	24,8	33,4	25,1
Cyprus/CY	1,7	6,9	21,5	30,1	40	Netherlands/NL	3,1	16,3	32,7	26,9	21
Czech Republic/CZ	4,6	14,8	23,8	33,9	23	Norway/NO	8	21,2	31,3	26,5	13
Denmark/DK	2,5	14,7	31,2	27,6	24	Poland/PL	12,1	23,7	30,2	24,3	9,6
Estonia/EE	7,5	16,8	23,4	21,8	30,4	Portugal/PT	2,5	7,2	16,6	23,6	50,1
Finland/FI	8,5	22	30,1	29,2	10,2	Romania/RO	4,7	13,9	16,9	23,5	41
France/FR	8,8	19,1	32,7	27	12,4	Slovakia/SK	8,1	15,4	24,9	30	21,6
Germany/DE	6,8	19,7	37,2	29,8	6,5	Slovenia/SI	4,8	14,4	26,4	29,1	25,3
Greece/GR	5,2	14,7	23,9	24,9	31,3	Spain/ES	3,7	12,7	25	25,2	33,3
Hungary/HU	6,1	14,9	19,4	29,2	30,3	Sweden/SE	4,4	12,8	24,8	28	30
Ireland/IE	5,7	15,2	23,7	26,1	29,4	United Kingdom/ <i>UK</i>	3,9	11	26,6	27,9	30,6
Italy/IT	4,5	10,8	21,6	23,3	39,7	EU/UE	6	15,2	22,9	24,7	31,1
a 14 1 11											

Source/Źródło: [EUROSTAT 2015]

As far as the age structure of farmers is concerned (Tab. 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 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 Kukorelli 2015]. Irén Szörényiné Kukorelli [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".

The present-day status of agriculture in Hungary is rather unfavourable. Due to recompensing the ownership structure of arable land is characterised by being frittered. The new land law, which came into force in May 2014, set out objectives like improving the frittered property structure, merging the small-sized, frittered plots of land, sorting out the problematic property relations and shaping good-sized plots of land with suitable viability [law CCXII of 2013]. The present-day problems of agriculture can also be explained by reasons such as the lack of willingness to cooperate, the lack of trust between the market participants, the lack of bargaining position of farmers furthermore the badly-informed and poorly-qualified smallholders. If the smallholders' power of bargaining and preparation strengthened, a more balanced income sharing could be formed within a given range of products, and this would have an effect on the ageing structure in the long run and beyond the present-day agricultural situation it could offer more promising chances to the youngsters wishing to work in the field of agriculture [Csizmásné et al. 2015].

There used to be cooperative initiatives in Hungary to create so-called machinery rings. The Technological Institute of the Ministry of Agriculture with the assistance of the Association of

Table 2. The number of smallholders on individual farmlands according to agricultural qualification 2010 (individuals)

Tabela 2. Wykształcenie kierunkowe w zakresie rolnictwa właścicieli drobnotowarowych gospodarstw w 2010 (liczba osób)

Hungary/	The highest agricultural qualification/Wykształcenie kierunkowe w zakresie rolnictwa								
Węgry	no qualification/ bez kwalifikacji	practical experience/ doświadczenia praktyczne	basic level/ podsta- wowe	intermediate level/ średnie	advanced level/ zaawansowane	total/ ogółem			
Total/Ogółem	44 632	445 340	28 356	34 087	15 031	567 446			

Source/Źródło: [KSH 2010]

the Hungarian Machinery Rings formulated a proposal in 1995 to set up machinery rings on the basis of the German and Austrian experience. The machinery rings used to be the means of peasant solidarity and mutual help giving. Their goals were to help the economy and give machinery help. The machinery help made up for the missing capacity, helping the economy assisted the farmers or their families in need in case of troubles, illnesses or death. Entering the machinery rings was useful for a farmer as well because in this way the unnecessary capacities were more exploited. The services of the machinery rings were charged at cost price. Thus income declaration from tax viewpoint was not compulsory in Austria [Takács et al. 1996]. István Takács and Zsolt Baranyai [2010] mention Larsen's research [2008] according to which 70-80% of farmers in Swedish agriculture belong to at least one cooperative association of farmers. Interdependence is a characteristic feature in Scandinavian countries which appears even in the relations between farmers. Tóth Csizmás and her counterparts [2015] explain the current absence of cooperative skill in Hungary with the following. "The lack of cooperative skill is the Hungarians' national characteristic feature and it can be attributed to the bad experience obtained on the former cooperative farms". This statement is supported by I. Takács and Z. Baranyai [2010], too saying that self-dependence is typical in Hungary in contrast to the Swedish. To form farmer cooperatives the development of trust is also significant. In the course of researching Davide Torsello [2004] stated that distrust can also be attributed to the difficult economic situation, which hinders the unconditioned and absolute trust. Another possible reason is also mentioned: integration is considered less important by entrepreneurs with poorer qualification than by the more qualified entrepreneurs [Csizmásné et al. 2015]. Poor qualification is typical among the Hungarian farmers as the number of farmers with only practical experience or with no agricultural experience at all is extremely high (Tab. 2).

These kinds of cooperation like the machinery rings would be needed even these days [Székely 2016]. Z. Baranyai and counterparts [2011] in his work also draws attention to the importance of cooperation since this could contribute to the success of the Hungarian families. Among the young smallholders the acceptance of cooperation is easier because they did not suffer after the change of regime so they are more open to cooperate [Takács-Baranyai 2010].

The General Agricultural Census in 2010 showed that there were 567 446 individual smallholders in Hungary. According to the Economic Structure Census in 2013 this number lowered to 485 000 (Tab. 3). I think it is likely that the number of smallholders under the age of 44 has decreased for the advantage of older farmers (the Central Office of Statistics is going to carry out a new general agricultural census in 2016).

Table 3. The number of farmland 2000, 2010, 2013

Tabela 3. Liczba podmiotów prowadzących produkcje rolną w 2000, 2010, 2013

Hungary/Węgry	Economic organisations/ Organizacje		Individual farms/Gospodarstwa indywidualne			
	2000	2010	2013	2000	2010	2013
Total (country)/Ogółem (wieś)	6 954	8 606	8 442	958 534	567 446	485 000

Source/*Źródło:* [KSH 2010, 2013]

In 2014 the prices of agricultural land – after the growth of 12.8% and 8.2% in the previous two years were 15% higher on average than in the previous year. The price of the most significant cultivation land – the arable land became 16 % higher so the average price of one acre of arable land was 884 600 nationwide.

The price of agricultural land is influenced by many factors, so it differed considerably from the average in some regions of the country [KSH 2015]. The extension of Homokhátság is approximately 10,000 km. It means mainly the small regions of the plain territory between the two rivers, Danube and Tisza. It is often referred to as a region between Danube and Tisza or as a part of Kiskunság but Homokhátság cannot be fitted in either of these regions. The region cannot be clearly marked administratively either, as although its bigger parts can be found in the county of Bács-Kiskun, its substantial parts stretch over to Pest and Csongrád counties, too [Glatz, Csatári 2004]. My study covers two counties: Bács-Kiskun and Csongrád. In this region there are arable lands of definitely poor quality. Despite this people living there have tried to find the most suitable forms of agriculture. They dealt with fruit-and vine-growing or arable vegetable growing and grew early fruits and vegetables. These characteristics cannot be found in other territories with poor fertility properties so Homokhátság can be considered as a good example [Kovács 1996]. My study refers to 61 settlements in Bács-Kiskun, 22 in Csongrád, 21 in Pest counties that is 104 settlements altogether. In my research I focus specifically on young farmers of Homokhátság assuming that they have to deal with particular problems characteristic especially to this region.

The objective of my study is to research the willingness of young farmers in a small region (the region of Homokhátság, Hungary) to show cooperation and to reveal whether they have bought arable land since May 2014 when the land law came into force or whether they are planning to buy a property of land in the near future. The following hypothesis were stated:

- H1 the new land law which came into force on 1st May 2014 did not have a positive influence on the chances of becoming owners of land among the young farmers, due to the arable prices risen recently only farmers with more capital are able to buy properties,
- H2 cooperation is less popular among the youngsters and my based on results only some of the respondents were aware of the concept of machinery rings.

Material and methods

The young farmers of the region in the southern part of the Great Hungarian Plain are in the centre of my primary study. Although in the region researched the change of the regime took back the output of the agricultural production, the agricultural potential is still above average which comes together with the age-long production experience of this region. To carry out the task of research and to reach the goals I applied the method of primary data collection. To ask farmers I used questionnaires. I have used the snowball method, which can be classified among the non-random sampling methods. The point is that the respondent provide an alternative respondent contact information, because the study group is not available register or list. Samples were collected as the snowball increases. Filling in the questionnaires took place from March to May 2016. 43 questionnaires in total were assessable. I asked the young farmers via email and personally. The most important questions gave an answer to questions like what motivation the young farmers had to start doing agricultural activities, how they see their future prospects, what challenges they have to face nowadays, moreover what influence the new land law has on the young farmers' chances to obtain a plot of land and whether they are willing to cooperate with other farmers, family members or possibly with friends.

Results and Discussion

42 out of the young farmers asked (98%) have some kind of specific agricultural qualification. Only one person (2%) of the sample studied has not got this kind of qualification, which he is planning to get in the next five years. Although my research cannot be regarded as a representative study, I think it can give a prognosis on the young farmers' more favourable qualification.

Out of the people who gave answers 16% (7 people) have basic, 40% (17 people) intermediate and 44% (19 people) advanced agricultural qualification and this could give a positive picture of the young farmers' academic qualification.

In my study I researched their willingness to move away from their place of living. This point is closely connected to the question if they would like to continue agricultural activities in the future. 73% of the young farmers (32 people) would not like to move away from their present place of living. 15% (6 people) would move if it were possible, but the present circumstances are not appropriate. 12% (5 people) are thinking about whether to move or not. Those farmers who would not like to continue living in the future where they are now, give the following reasons

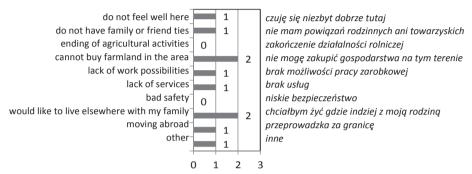


Figure 2. The answers according to what reasons are behind the want to move (person) *Rysunek 2. Odpowiedzi na pytania dotyczące powodów wyprowadzki (liczba osób)*

Source: own research

Źródło: opracowanie własne

(Fig. 2). According to the given reasons: possibility of moving abroad (1 person), lack of services (1 person), lack of work possibilities (1 person), does not have family or friend ties (1 person), does not feel well here. 2 people would choose a different settlement for their families, and 2 people said the lack of farmland is why they would move. A positive aspect is that no one said they would end their agricultural activities. It was important to me to find out why the questioned young farmers chose agriculture as their occupation.

22 people, more than 50% of those asked grew up in agriculture and took it over from their parents. In my opinion, I can say it is positive that those young farmers who were taught to love agriculture continue the tradition and their family's farm (30%). It can be said that 35 people do not lack the knowledge carried on throughout the generations. 7 people (16%) began to work with agriculture due to their love of nature. 1 person (2%) chose other as the reason for working with agriculture. I believe this may have been inheritance. It is positive to say that no one chose no other possibilities (Fig. 3).

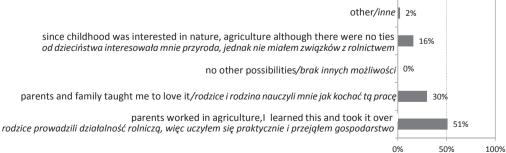


Figure 3. The answers according to what reasons agricultural activities began

Rysunek 3. Odpowiedzi na pytania dotyczące powodów rozpoczęcia działalności rolniczej

Source: own research

Źródło: opracowanie własne

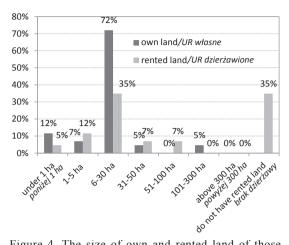


Figure 4. The size of own and rented land of those questioned (people)

Rysunek 4. Powierzchnia użytków własnych i dzierżawionych

Source: own research Źródło: opracowanie własne The majority of the young farmers' land is between 6-30 hectares (31 people; 72%). 5 people have less than 1 hectare (12%). They mainly deal with gardening cultures and foil growing. 2 people have their own land between 31-50 hectares and 2 people have land between 101-300 hectares (5-5%). The majority size of rented land is between 6-30 hectares. 15 young farmers said they did not have rented land (35%) (Fig. 4).

In 2014 the land law became valid, its goal was to improve the structure of possession as well as to pull together the too detailed and small plots. 58% of the young farmers I asked have not bought land since 2014 May 1, while 42% have done so.

Most of the young farmers would not like to extend their amount of land (73%) for some reason. Most said that due to the

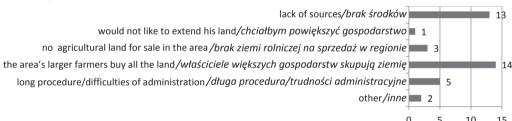


Figure 5. The possible reasons for not buying farming land according to the opinion of those asked (people) Rysunek 5. Powody dla których niemożliwy był zakup ziemi

Source: own research Źródło: opracowanie własne

lack of sources (13 people; 34%) and that the larger farmers in the area have an advantage in getting land (14 people; 37%) would not like to gain more land in the following 5 years. The long procedure of administration work was also emphasized (5 people; 13%) which has increased with the new land law. 1 person (3%) said he would not extend his land no matter what circumstances there would be. 3 people (8%) said that there is no more available land and possiblities in the area (Fig. 5).

I also asked the young farmers of their opinions in regards with how the new land law will influence the possibilities given to young farmers in obtaining farming land. There were different opinions. Most said that the price of land has gone up since the new land law, and this is why, due to the lack of money, that young farmers are not able to buy land. It is easier for the wealthier farmers having larger farming lands and more money to buy land. The new land law helps pull together the smaller plots but this is not much help for the young farmers.

The willingness of the young farmers to work together, how and with what machines they work and what are the necessary needs, what machines to buy, with other farmers is quite negative (76%) 33 people out of 43. Of those asked only 10 people said they were willing to work with others. Most of these can only imagine working with their parents, siblings or close family (7 people) and 3 people could imagine working with a partner (Fig. 6).

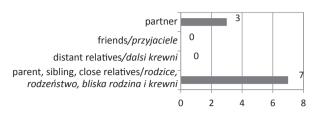


Figure 6. The answers according to who would be willing to work with another (people)

Rysunek 6. Odpowiedzi na pytania dotyczące możliwości współpracy

Source: own research Źródło: opracowanie własne

Working together, for example as the machinery ring, is almost unknown amongst the young farmers. 35 of the 43 asked said they had not heard of the machinery ring. The machinery ring would be important to help improve the profit of the farms and in decreasing the costs [Baranyai 2010]. In the case of illness or death it would give help to the farmers and family members [Takács et al. 1996].

Conclusions

It can be stated according to the results, that of those questioned by me (43 people) all have agricultural education except for 1 person. The majority have higher education and secondary education. This result may present us a positive picture, since there are many farmers in Hungary who either do not have agricultural experience or do not have basic education. The majority of those asked (73%) do not wish to move away from their present place of living. Those who would leave their present place of living would not do so because of wanting to give up agriculture. Most of the young farmers (22 people) grew up in agriculture and this is why he has taken over the family's land. Even more, 13 people continue with the tradition because they have come to love agriculture. 7 people chose to work with agriculture as an occupation because they love nature. I believe it is a positive aspect that no farmer chose agriculture due to the lack of any other possibility. According to those asked, the new land law has turned the young farmers in a rather negative direction as to gaining more land, since the price of farming land has gone up making it difficult for young farmers to buy land. The willingness of young farmers to cooperate with others is quite negative even though the majority have higher education. This opposes the opinion of Csizmásné and other [2015] who believe it is the farmers who have only a basic education that find integration less important. The young farmers asked were not familiar with the integration of machinery rings. My research has not yet proven that the willingness of young farmers to cooperate is stronger than those farmers who have worked through the change of the regime. Although my research cannot be regarded as a representative study, I think it can give a prognosis on the young farmers' opinion. I would like to expand the scope of the responders in the near future.

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Streszczenie

Celem pracy jest próba oceny chęci młodych rolników do współpracy i motywacji do prowadzenia produkcji rolnej na południowych terenach Wielkiej Równiny Węgierskiej w Homokhátság. Stwierdzono, że młodzi rolnicy dysponują niedużym kapitałem na zakup ziemi produkcyjnej, a barierą w rozwoju ich gospodarstw jest organiczona wiedza na temat możliwości współpracy.

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