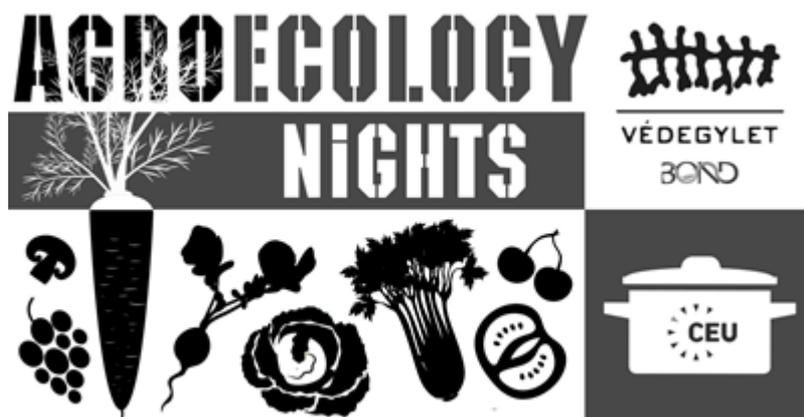


## AGROECOLOGY NIGHTS N° 4

### Socio-economic aspects of Agroecology



The **Agroecology Nights** event series is co-organised by Védegyelet and the Department of Environmental Sciences and Policy at the Central European University. Between November 2018 and March 2019 the four events tackle different fields of agroecology through movie screenings and roundtable discussion with local and international experts. On Thursday, March 21<sup>st</sup> the fourth event of the Agroecology Nights event series took place focusing on the economic aspects of agroecology with presentations of four guest speakers and a roundtable discussion with the audience.

**Péter Kajner** is an economist and rural development professional, currently a professor at the Human Ecology Department of the Eötvös Lóránt Science University. Péter was the project manager for the **Living Tisza Programme** and is now the president of the **Alliance for The Living Tisza**, providing certification and marketing opportunities for producers in the Tisza flood basin. As the first speaker of the evening, he provided a general overview about Hungarian agroecological market initiatives, as well as statistics about the market share of small-scale production.

Peter defined agroecological initiatives as those that are *environmentally friendly and socially beneficial for communities*. The industrial model builds on intensive, industrial production, large quantities of products and a high level of capital investments; on the other side, agroecological initiatives function outside of this mainstream market, with low quantities of high-quality products and no capital to scale up. It is important that the consumer expectations change: turning more towards local and seasonal production and supporting small-scale food producers.

**Short food supply chains** provide opportunities for farmers to connect directly to the consumers, it refers both to a geographic proximity (locality) and the few number of intermediaries in the chain. It can include direct contact between the consumers and the producers, such as direct sales at the farm, selling points at markets and festivals, roadside selling, deliveries, food boxes and online shops. Short retail chains involve some intermediaries, including catering, public catering and food retail shops. There are no data available for the market share of short supply chains, only for farmers markets and market halls. These have a market share of 4-5%, where consumers buy fresh products, such as vegetables, fruits and animal products. The farmers markets are blooming in recent years: more and more pop up each year, the barrier to these is the lack of local, small-scale farmers to sell their products.

An agroecological approach can also **help disadvantaged rural communities**. These initiatives are mostly initiated by the local governments, as the young ambitious people have left the countryside. Small villages can produce goods on land owned by the local government, and subsidised by the state for employment (in the form of “*közmunka*”- *social employment*). **Hernádszentandrás** is a good example, a village that developed an organic brand for its vegetables and provides employment for the local community. Farming can also help provide **employment for disabled individuals**, while contributing to food self-sufficiency of homes/housings for disabled people. The Social Farming Alliance and green care initiatives focus on helping disabled people, people with mental problems or addiction issues to recover and be a useful member of the society. A more complex approach to agroecology, self-sufficiency and green living in Hungary is the **Ecovillage movement**, which has a network of villages. These initiatives are very small in scale, but can provide a good example. Without economic relevance, the **Network of Orchardists** aim to spread adaptive orchard management and heirloom fruit varieties in the Carpathian Basin.

An economically relevant field is organic farming. However, this sector is still very small and produces raw material mostly for the export market, thus not participating in the local short food supply chains. The best way to connect the consumers with the farmers, according to Peter, is through **community supported agriculture (CSA)**, where farmers and consumers share risks and benefits of production together, often on a contractual basis. The number of CSA initiatives is growing in Hungary, but still only 15-20 farms work with this marketing model.

**Zoltán Dezsény** is a CSA farmer of the **Magosvölgy Ökológiai Gazdaság** in Terény, northern Hungary. Zoltán was raised in Budapest with little connection to agriculture; it was his own and his wife’s dream to start farming, and admittedly, romantic dreams do not often align well with real market conditions. 2019 is the fourth season of their CSA scheme that functions on a share model, meaning all produced goods are distributed among the 150 CSA members: making it the largest CSA operation in Hungary.

Between April and December, members can get their shares at three pick-up points in Budapest, usually containing between 8-10 different vegetables and preserves. Regarding production diversity, they currently produce 50 species and 150 varieties of vegetables, from which there are more than 25 varieties of tomatoes. The high diversity is partly to provide products for members they would otherwise not be able to get at the market, it is something that keeps them committed year after year. Seed saving is only performed for special tomato varieties, seed saving otherwise would be too risky. Members of the CSA are mostly urban or peri-urban inhabitants, 25-40 years old, with higher education, higher than average health consciousness and small children.

The biggest challenge financially during the past years was trying to provide employment for the farm workers throughout the year, which almost bankrupted the operation; 2019 will be the first year of breaking even financially. In the end, the goal is to provide a living for Zoltán's family, paying proper salaries to the workers and having backup for infrastructure development. The biggest barrier for CSA farmers is the lack of skills and entrepreneurial spirit of farmers, as well as finding affordable workforce. In the case of a farmer initiated CSA, the farmer has a lot of responsibilities: taking care not only of the production, but managing finances, marketing, logistics and communication with members and so on. TVE (The **Association of Conscious consumers**) organises trainings for newcomers, as well as meeting for experienced CSA farmers.

**Boldizsár Horváth** holds degrees in both environmental resource management and organic agriculture, he is the organic production manager at **Csoroszlya Farm** and a founding member of **Foodhub Budapest**. He started out growing organic potatoes with a *farm-to-table* marketing model, holding close relationships with chefs and restaurants. They are working with 6-7 different varieties of potatoes, that were selected specifically for taste to replace imported French varieties. Now he has a company that helps to connect farmers to restaurants while providing logistical support. Currently the company is working with 20-25 top restaurants in Hungary.

For farmers, providing constant quality and quantity can be a challenge in accessing restaurants with their products. Foodhub not only provides logistical support for small farmers, but also has an important role in educating chefs about seasonal and local products. On the other side, they also help introduce new crops for farmers on a demand-based way. Functioning with a *fair trade attitude*, the farmers get a fair price for their products. Locality is an important aspect, however, enthusiastic farmers are scattered all over the country, so right now the goal could be to source all - Hungarian products for a restaurant. Scattered farms, especially small-scale producers, make logistics more difficult. To strengthen cooperation, Boldizsár has started to organise a farmer cooperative, in order to coordinate production and logistics.

**Váradi Luca** is a pastry chef and the founder of **Czakó Piac**, that takes place every Saturday in a garden of a restaurant in Buda. The market provides fresh produce to urban dwellers, but Luca also sees it as a way to connect farmers to restaurants.

Regulations can cause difficulties for marketing in the case of certain product groups, such as raw milk or meat products. Entering farmers market is also difficult for some small-scale vegetable producers, as their time is in scarcity, so they often leave the market for CSA type marketing channels.

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**Péter Tausz** runs the **Fruccola Restaurant Chain** together with his wife as a family business. The 3 restaurants serve 2000 guests per day with 80 employees. As a value driven company, they focus strongly on having the best Hungarian suppliers and social projects as well. They have close connections with two specific organic farms, **Veresi Biokert** and **Zsámboki Biokert**; coordinating needs and production; while milk and eggs are also sourced from specific producers. Ingredients are often certified organic, but because of the barriers in the supply chain, they cannot communicate it.

The challenge is finding adequate quality and quantity for small-scale, local produce; as well as consumers' attitude. For example, when it comes to chicken, consumers only want to eat the breast, not the legs, which is an expensive part of the animal, while also hard to supply for farmers when processing a whole chicken. To bring new approaches and shift consumer attitudes, mostly the daily menu can offer some opportunities. For the scale of production, Péter emphasises the importance of growing together, relying on each other with producers. The high variety of ingredients would also call for specific producers for specific products.

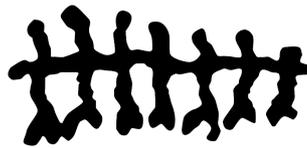
A social project called **Do-ré-mi** is starting in 2019 with the **Kézenfogva Alapítvány**, a food truck will serve 100% Hungarian sourced street food, while employing people living with disabilities.

During the roundtable discussion Péter Kajner pointed out that there is huge demand for organic, locally grown products; but the supply is not growing, which is an economic controversy. The speakers see the source of this controversy in the lack of available human resources - both qualified and non-qualified workforce is missing; so it is hard to enter the market and the number of small farms is declining. The political environment also makes it hard to acquire land and get support for smaller operations, the subsidy system favours mostly the larger actors. An other challenge is the concentration of the demand in Budapest, while farms are often situated in more distant rural areas. At the same time, even working farms are facing a challenge in the unorganised supply chain; especially with logistics and scales of production.

All speakers are devoted to educating consumers: in Fruccola they do this through offering on their daily menus meatless Mondays and having fish days; while Boldizsár is working on a seasonal produce calendar for chefs and takes them to meet farmers

whenever possible. At the CSA farm of Zoltán, open-farm days, newsletters and communication at pick-up days help to raise awareness to important farm issues. At the market, Luca tries to emphasise seasonality by inviting producers of certain seasonal products - such as peaches or pig sausage and encouraging meal planning and ordering meat accordingly.

5 NGOs and different forms of cooperation have a great role in strengthening farmers positions in the supply chain. [Felelős Gasztrohós](#) provides opportunities for farmers to introduce their produce to chefs at organised events. Zoltán mentioned that professional help from financial advisors and marketing specialists is inevitable, as farmers are not trained in these topics and also lack time to get more deeply involved.



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