

Abstract:

Hungarian agriculture has gone under considerable changes for the last twelve years. Farm structure has changed to a great extent, and a huge number of small farms has been established. After the socio-economic transition the average farm size has fallen below 7 hectares. About 71% of farms are smaller than 1 hectare and 90% of them are smaller than 5 hectares. Low profitability causes of small-scale farmers to seek ways of breaking out from this economic situation. There are some opportunities: one of them is to make their production more intensive by increasing the use of fertilizers and other chemicals, but as a consequence environmental matters to be dealt with as well. Another way is that farmers can decrease inputs (artificial materials: fertilizers, chemicals, plastics etc.) to a much lower level and increase the use of labour on farms. The realignment agricultural production from “factory” farming to an organic one has not only advantages but there are also a lot of problems which have to be solved for successful changes. At first, farmers have to change their attitudes. Then, they have to learn the technologies and the methods of organic farming and they have to reform their technical system as well. Organic production has not become popular yet. The number of controlled bio-farms was 1240 in 2001, of which 886 were interested in field crop production and horticultural production. The controlled area was 79 thousand hectares. In our model the changes in the amount of extra profit are analysed according to the number of the realigned farms to organic production, the market demand for organic products and changes in the ability to pay of consumers assuming that their number increases.