

Tam s ANDR KA* – Krisztina B NYAI – Istv n OLAJOS*****
**The most changes of the Hungarian Agricultural Market Policy after the 2013th
CAP reform**

1. Agricultural Policy

1.1. The social and political acceptance of market management instruments and agricultural aid in Hungary

From the 1960s the Hungarian society is accustomed to the fact that agriculture is among the supported economic sectors. Until the changing of the regime in 1989, the support system based on big factories worked well, and the on-time financial supports nearly tripled the proportion of agricultural goods in the country. Hungary was taken a particular agricultural country within the Mutual Assistance Group (KGST) and it supplied a regular and large amount of exports to the former Soviet Union, to the GDR and to Poland. Between 1990-1994 the traditional socialist types of cooperatives disbanded and became the property of the former leaders in the transformed forms (new economical legal forms) of Limited. and Incorporated. These companies employed less than 1% of the former cooperative employees. These companies dealt mainly with mechanized grain production. Besides, an intensive agriculture based on family ownership and family employment began to appear around 2000, with determining role of organic gardening and livestock breeding. During accession negotiations these organisations with intensive agriculture were preferred in gaining top up supports and state supports. (sheep, sire animals, flesh-purpose cattle breeding appeared.) In Hungary even from 1999 there was an unified agricultural market regulation which was replaced by the regulation of the recognized market organizations of/in 2009. Until 2013 there was a particular 'sui generis' contract type in the Hungarian Civil Code that helped the sale of agricultural products. The autonomy of this contracting form ceased from 2013, but its special rules remained a significant part of the purchase contract as a special subtype. The area based payment scheme (SAPS) in Hungary in the 2007-2013 period was not replaced by the Single Payment Scheme (SPS) so the working-up of that new types of supports relates to this period. In the Hungarian society there is a high prestige of agricultural activities and agricultural property. From 2013 only a farmer can obtain area bigger than one hectare so from 2013 continuously grows the number of the rural educated population.

* Head Department of Legislation in Hungarian Agricultural Ministry

** Public prosecutor, Public Prosecutor's Office, Borsod-Aba j-Zempl n County

*** PhD. LL.M, associate professor, University of Miskolc, Faculty of Law, Institute of Civil Sciences, Department of Agricultural and Labour Law e-mail: civoliga@uni-miskolc.hu

This research was (partially) carried out in the framework of the Center of Excellence of Mechatronics and Logistics at the University of Miskolc.

1.2. The CAP reform of 2013 perceived in terms of agricultural policy

The most important innovations of the reform of the CAP is not yet perceived in agricultural society. The years of 2014 and 2015 can be regarded as transition years and the institutions and their direct effect on agricultural income arise in the respect of 2015 support applications.

1.3. The consequences of the CAP reform of on the income structure of farmers in our country

The income ratio of those who live from agriculture stabilizes and the farmers can count the income coming from the territorial and unified supports year after year. Many farmers still do not feel the impact of the fact that from 2013 the proportion of uniform support for agriculture has not increased and the income of the coming years, in many cases, depends on the revenue of basis years. It will be showed up in the support of young farmers' income.

1.4. The views in our country on the further development of the CAP

The medium-term development plan for agriculture will appear still in the consistently treated National Rural Development Strategy. The development can be divided into 3 parts:¹ Natural resources and environment, rural economy and rural communities and the agricultural and food economy. The latter belongs to the I. pillar. The agricultural and food industry have emphasized areas of land and land policy, the sustainable agricultural structures and production policies, as well as the safe food supply and safe market. The realization of land and land policy are implemented in two cardinal laws: on Land traffic and on agricultural plant. The sustainable agricultural structure would be also protected by two other cardinal acts which are on integrator organizations and agricultural inheritance/succession besides the agricultural plant act. The National Food Chain Safety Strategy (2013-2022) was created for the development of safe food supply. The strategy is based on four main pillars. The information pillar has subpillars like single information management, transparent risk assessment and reorganization of the laboratory system. The educational and research pillar has sustance like the building of a knowledge network, modern education, partnership in research, vivid public relations. The official function pillar has components like the authentic authority and the extensive risk reduction. The defensive function has subpillars like defense against abuses and protection of critical infrastructures.²

¹ See: National Rural Strategy 2002-2020, Diagram 6, The goal system and the areas of the strategy.

² See: Foods Chain Safety, in: http://elbs.hu/wp-content/uploads/2014/06/strategia_kiadvany_eng.pdf (02.07.2015)

2. Legal structure

2.1. The legal acts implement the CAP reform of 2013 in Hungary

The Hungarian legislators started to implement the results of the 2013 agrarian reform at the beginning of 2015. To do this, a new law was passed³ and some government regulations were modified,⁴ however the most important part of the reforms have been integrated into ministerial level regulations.⁵

2.2. The national definition of ‘active farmer’

First we have to deal with the new conditions of the rights to direct supports for farmers. Compared to the past now below a certain territorial size or people with determined activities are excluded from the eligibility circle. The farmers can receive direct support, if on the 9th of June at the current year he is the legitimate land user of a minimum 1 hectare land. If the land consists of several registered tables, each table should be at least 0,25 hectare. The only exception to this rule is when the farmer who doesn’t have the minimum size of land on the 9th of June but he has at least 100 euro animals related, headcount-based, production-linked direct payments claimed or received in the calendar year before any deductions.⁶

³ Act XC VII of 2015 on questions of organizing agricultural product markets and producers and interbranch organizations

⁴ Governmental Regulation no. 540/2013. (XII.30.) on identification, designation and protection of Critical components and establishments of agriculture, modified by Section 242 of Governmental Regulation no. 70/2015. (III.30.); Governmental Regulation no. 168/2014. (VII.18.) on the designation of certain organizations with duties of enforcement of Common Agricultural Policy in the Member States, here are the organizations named that take on duties from the Agricultural and Rural Development Office, and in relation to the milk quota the authorities have been modified.; Governmental Regulation no. 68/2015. (III.30.) on definition of the agricultural functions of the county government offices. The former independent and self-administration bodies were implemented to the county government office as a main department that is a part of the independent mid-level professional administrative body.

⁵ Agricultural Ministry Regulation no. 5/2015. (II.19.) on Single Area Payment scheme financed by the European Agricultural Guarantee Fund and on certain issues relating to the associated transitional national support schemes; Agricultural Ministry Regulation no. 8/2015. (III.13.) on rules for the use of direct support provided to the farmers; Agricultural Ministry Regulation no. 9/2015. (III.13.) on rules for the use of direct subsidies linked to production; Agricultural Ministry Regulation no. 10/2015. (III.13.) on the use of supports for agricultural practices beneficial to the climate and on conditions of keeping arable land, permanent grassland and permanent crops suitable for crop production and livestock breeding; Agricultural Ministry Regulation no. 11/2015. (III.13.) on the support for young farmers; Agricultural Ministry Regulation no. 12/2015. (III.30.) on rules for particular supports financed by European Agricultural Guarantee Fund and by the central budget in 2015; Agricultural Ministry Regulation no. 16/2015. (IV.09.) on support for small farmers.

⁶ Agricultural Ministry Regulation no. 8/2015. (III.13.) 2-3.  

Direct support cannot be gained on the basis of applications submitted prior to the application year for direct subsidies in excess of five thousand euros received by the farmer who is a permanent sports and recreational area manager, real estate company operator, airport operator, railway company operator or waterworks operator. As an exception, however, excluded farmers still can receive direct aid if (a) in the last completed fiscal year the amount of direct supports reaches the 5% of the amount of total revenue coming from non-agricultural activities calculated without reductions and deductions, or (b) he declares the legitimate use of at least 20 hectares of agricultural land on the application form, or (c) his primary business is agricultural activity.

Verifying the conditions under point (a) the farmer concerned should detail the inventory (accounting) system in such a way that, all data of all income from agricultural and non-agricultural activities could be available.⁷

2.3. National rules of ‘degressivity’⁸/‘capping’⁹

EU rules oblige the Member States to reduce the amount of basic support granted for a specific farmer in a given calendar year in respect of the part exceeding 150.000 euros with at least 5 %. Hungary implements this rule in such a way that the maximum amount of unified territorial support for a farmer in a given year may be 176.000 euros and if the amount of a single area-based support for a given year exceeds 150.000 euros, the part that exceeds 150.000 euros should be reduced with 5%. In summary, above 150.000 euros (this amount is due on approximately 1,037 hectares) up to 176. 000 euros support (this amount is due on about 1,200 hectares) the withdrawal is of 5% and above 176.000 euros the 100% of exceeding part is deprived.

The withdrawal only applies to the basic amount of support, and not to the other elements (such as support for greening, payments subject to production) of direct support.

⁷ Andr ka Tam s: A K z s Agr rpolitika reformja nyom n 2014-2020.  vekre bevezetett  j k zvetlen t mogat si rendszer, in: *Agrof rum: a n v nyv d k  s n v nytermesz t k havilapja*, 2015/5, 6-12.

⁸ Degressivity: The 2013 reform of the Common Agricultural Policy stipulated that the direct support (basic payment scheme and single area payment scheme) that any farmer is entitled to receive is to be reduced by at least 5% of the amount of the payment above EUR 150 000. In order to take employment into account, the farmer can deduct the costs of salaries in the previous year (including taxes & social security contributions) before this reduction is applied. Member states using more than 5% of their annual national ceiling to grant a redistributive payment are not required to apply this reduction, in : http://ec.europa.eu/agriculture/glossary/index_en.htm (23.06.2015)

⁹ Capping The 2013 reform of the Common Agricultural Policy granted member states the option to ‘cap’, i.e. to limit, the amount of the Basic Payment that any farmer receives. Capping is voluntary for member states and is a specific application of degressivity, in: http://ec.europa.eu/agriculture/glossary/index_en.htm (23.06.2015)

The reductions in supports to the preliminary estimates, affect about 500 farmers in the amount of approximately 69 million EUR or the amount of 20.7 billion HUF. However, the deprived amounts however are not lost, they are to be used in the frame of rural development, further, so it won't increase the other ones' per-unit subsidy per hectare.¹⁰

2.4. The young farmers supported in Hungary

Young farmer is defined as a natural person who (a) as the head creates an agricultural plant/holding for the first time in 2015, or who did this in the last five years preceding the submission of the single application in 2015, and (b) who is not older than 40 in the year of the submission of the single application.

The support for each young farmer can be given for a maximum period of five years. This maximum term shall be reduced by period between the start of farming (when the farmer first applied for a single area support to the Agricultural Office) and the first application for support for young farmers. (That is, who applied for a support in 2013, he can get it from 2015 to 2017, who submits an application in 2015 for the first time, he can get it for five years till 2020, and who starts farming only in 2017 the support only can be given for three years till 2020).

The support can be required by the young farmer himself, or by a legal entity which is under a young farmer's (or more young farmers') effective and long-term control. The latter case can be considered when the young farmer as the chief has got authority or power to decide in managing questions or regarding commercial and financial risks, which is provided by the majority of the voting rights, which included (a) the young farmer's own vote as well, in addition (b) votes besides those involved in point a); (ba) votes of natural person/s in a legal person that is not a cooperative who is a senior officer, who has got more votes than the young farmer has, but who is qualified as a farmer as well and entitled to direct support, or (bb) votes of the senior officer members in a cooperative with personal assistance in agricultural production activity, and (c) the votes of the natural person or persons who have may also qualify as a senior officer in a legal person, but who doesn't have more votes than the young farmer has and they are senior officers in a legal company that is entitled to direct support and has got effective and long-term control.

After the agricultural area taken to a family farm - where a single application is submitted by the young farmer - the family farmer can require for the support who is qualifying as a young farmer.

A support can be given up to 90 hectares. The 25 per cent of the average Member State support can be given that is about 67.5 euros per hectare. It is estimated that approximately 9000 young farmers will require for support on this title.¹¹

¹⁰ Agricultural Ministry Regulation no. 5/2015. (II.19.) 1-5. §

¹¹ Agricultural Ministry Regulation no. 11/2015. (III.13.) 2-5. §

2.5. The funds for direct payments used for coupled support

There is no such a fund. The *de minimis* and other national area-related supports are included in the national budget law. The rural development supports are in the chapter on the Minister of Presidency while the SAPS-based supports are laid in the chapter on Ministry of Agriculture.

2.6. The small farmers scheme being implemented in our country?

The alternative and fairly simplified way of getting land-based and production-linked supports are ensured by the EU law for those farmers who announce their claims for it until 15th of August 2015 to the Agricultural Office. It is worth to use this simplified system by those whose all direct support does not exceed EUR 1,250. The essence of simplified system is that the small producer support triggers the area-based and production-linked supports, and the farmer should not have to complete the conditions of greening, however, the amount of per hectare support equals the national average subsidy amount, but the applicant is entitled to 500 euros if this amount would not be reached based on the size of the area.

To ensure that the affected persons would have all the information to be able to make a decision whether to choose this system, from the 1st of July 2015 a support calculator made by ARDA. The website will be available to ARDA, the Hungarian Agricultural and Food Economics and Rural Development Chamber and the Agricultural Economics Support Calculator powered by Research Institute will operate, which will provide knowable amount of estimated eligible under the aid scheme for small support.

The small farmers scheme shall be entitled to attend who (a) for the year 2015 requires GES area payments; (b) their intention to participate in the small farmers scheme – to ARDA through e-government portal interface for the submission of a single application at the latest by 15 August 2015 announcing and – for the whole period; (c) each year of the grant period in 2015, the year the single area payments required in respect of eligible area of not using a smaller area, and carry on farming activities.

Login to the system covers the full term to 2020, but in any one year is possible – in the other scheme back step by small farmers scheme only once, 15 August 2015 – in the current year in the single application to be administered mark is possible.¹² Producing about 80 thousand, ie direct subsidies benefiting all producers receive almost 50% according to preliminary calculations support the simplified small farmers' scheme.

¹² See Agricultural Ministry Regulation no. 16/2015. (IV.09.) 2-3. §

2.7. The phasing-out of the milk quota system have in our country, with particular reference to producer organisations and interbranch organisations

There were supports attached to to milk quota in 2013¹³ and in 2014¹⁴ also. These subsidies ceased to exist in 2015 creating a difficult situation in the sector for the participants. Farmers under the production quota regulation have to confirm the amount and the fat content of the produced and sold milk, such as the ENAR code of the bred cattle and the location of the production of milk, which had to be an economically or naturally handicapped area. The production support in 2014 was 8.91 HUF per litre. The Dairy Council is among th ethree recognized inter-professional organizations in Hungary. The Dairy Milk Interprofessional Organisation maintains a Dairy Community Marketing Fund¹⁵ which was created to finance the non-specific community marketing of the dairy products. The marketing of milk fund is financed by contributions by large and small retailers¹⁶ and trademark charges.

2.8. The capping andthis considered to be reasonable in terms of agricultural policy

Shifting of amounts from different funds is possible only within the framework of capping according to the Hungarian implementing rules. The transfer under the capping affects nearly 500 entrepreneurs and is related to the Hungarian land traffic rules, that say the maximum size of a property can not exceed 1,200 hectares. After properties over 1,200 hectares the SAPS cannot be claimed. The supports after these areas are transferred to the rural development. This seems a logical step because besides the significant increase in direct payments the amounts for rural development are reduced with 400 million Euros.

¹³ Rural Development Ministry Regulation no. 12/2013. (III.05.) 2-9.  

¹⁴ Agricultural Ministry Regulation no. 16/2014. (X.15.) 2.  

¹⁵ Goals: to encourage consumers for consumption of milk and dairy products in a more frequent and more particularly conscious way, to help the motivating education of the youth to consumpt milk and dairy product, assistance for health-conscious diet formulation by getting the consumption of milk and dairy products to be loved, and to introduce the diversity of dairy products and their roles in healthy nurture.

¹⁶ The merchants over yearly revenue of 50 million HUF pay their 0,05% of their last year revenue to the marketing fund.

3. Greening¹⁷

3.1. The greening component and the ‘equivalent practices’

The greening means climate and environmentally beneficial farming practices which aim that the agricultural business entities shall contribute more to preserve the environmental and natural resources. The Member State must use the 30% of its support framework to instruments helping to achieve these goals, which aim to preserve the quality of water and land, biodiversity, and to preserve the countryside and to prevent the climate change and to adapt to it.

The greening consists of three distinct practices: (a) Diversification of production (making the production diversified) a farmer in an arable land in excess of 10 hectares should produce at least two kinds of culture and the culture that is produced on the larger area should be up to 75% of the arable land. While areas more than 30 hectares a farmer should produce at least three kinds of culture and what is grown on the largest area of arable land should be within a maximum of 75%, and together the two largest areas of culture produced should be presented on the maximum 95% of the arable land,¹⁸ (b) Preservation of permanent grassland,¹⁹ (c) The establishment and maintenance of areas with ecological significance: the arable land farmers with more than 15 hectares of arable land shall establish or maintain an area of at least 5% of the land (by applying certain multiplying numbers) with ecological significance.²⁰

Each practice should be fulfilled not by parcels but at operating levels (plants) concerning the total area of farmer’s arable land. To the total area those areas should be counted that do not reach the 0.25 hectare supportable parcel size, but was involved in a single application.

The amount of greening support is likely to be 81 euros per hectare. This amount awarded after all areas entitled to basic support not only permanent greening grassland, or areas affected by diversity of production or ecological target areas, but also after the areas where the greening requirements are not adhered to (eg, permanent crops or cultures).

¹⁷ Greening: The 2013 reform of the Common Agricultural Policy to Introduce Several instruments promoter of environmental sustainability and combat climate change. These instruments compris the green direct payment, enhanced cross-compliance Obligations, an Obligation to allocate 30% of the Rural Development budget to projects and measures are Beneficial harm for the environment and climate change. The 2013 CAP reform introduced a number of tools that promote environmental sustainability and that takes up the fight against climate change. These tools include a green direct payment, enhanced cross compliance obligation, which means that the 30% of the Rural Development budget should be turned to projects and measures that have beneficial effect to the environment and the climate change, in: http://ec.europa.eu/agriculture/glossary/index_en.htm (23.06.2015)

¹⁸ Agricultural Ministry Regulation no. 10/2015. (III.13.) 7-9. §

¹⁹ Agricultural Ministry Regulation no. 10/2015. (III.13.) 10-12. §

²⁰ Agricultural Ministry Regulation no. 10/2015. (III.13.) 13-17. §

Areas involved in ecological production will be excepted from greening that are certified by a certification body (Biokontroll Nonprofit Kft., Or Hung ria  ko Garancia Ltd.), or areas utilized under the rules of Rural Ministry Regulation 34 of 2013 on certification, production, marketing, labeling and inspection of agricultural products and foodstuffs under ecological management requirements.²¹

3.2. The additional payments for areas with natural constraints

It is the most complicated element of greening system, designed primarily for biodiversity conservation and to display the environment of the production as a cultural area.

If the size of the arable land is more than 15 hectares the 5% of the total area should be ecologically significant area, which does not necessarily have to be on the arable land, but also in other areas of the plant. Under EU rules, the European Commission is preparing an impact study until 31st of March 2017, upon which the ecological focus areas may increase up to 7%.

There are exemptions from the requirements for areas with ecological significance, if (a) more than 75% of the arable land is fallow land, temporary grassland or sown with leguminous plants and the remaining area of arable land does not exceed thirty hectares; or (b) more than 75% of the arable land, permanent grassland and areas with permanent crops are permanent grassland, temporary grassland or under water culture sown area, and the remaining arable land does not exceed thirty hectares.

Areas with ecological significance should be located on the arable land reported by the farmer in the single application or directly adjacent, except for short-rotation woody energetic plantation and wooded area, which may be located on the arable land declared in the single application either on other cultivation pronged land. Landscapes located on non-SAPS-supportable areas can be taken as ecologically significant area taken, which directly borders with the arable land, after which greening support is claimed, and the owner or trustee has not applied at the Agricultural Office (MVH) for that area not be recognized as an ecologically significant area. In case client who receives support after the ecologically significant area are obliged to do some actions that are required by the owner or property manager of the area for the duration of the support given and in the ecological area: (a) to carry out protection against ragweed and other dangerous weeds according to the law, (b) to remove the solid waste, and (c) to carry out the defense against rodents and other pests.

In the given year only one ecologically significant area can be considered on the same land.

If two or more farmers declare the same available land as ecologically significant area in a single application, the Office primarily examines data on land use records in order to establish which farmer has the right for it. If this can not be determined on the basis of the land use register, the Office explore the details of the land register. If it cannot be established on the basis of these data, which farmer is entitled, the Office divides the district apportioning the land among farmers who have reported it. With this district scaling the farmer may take into account the proportion of

²¹ Agricultural Ministry Regulation no. 10/2015. (III.13.) 23.  

the ecologically significant area involved multiple application as a ratio how their arable land contacts with ecologically significant area.²²

4. Enforcement and Transparency

4.1. Specific enforcement problems in Hungary concerning the control of agricultural aid

One of the most important and constantly recurring problem is a matter of legitimate land use. The Hungarian law considered this issue even more strictly than it is regulated in the corresponding EU regulation,²³ Section 9 point 1/e. of Agricultural Ministry Regulation eased, and according which both the land owner and the land user justifying his rights with other documents who apply for support should be taken legitimate customers considering the 9th of June in the current year. The condition of supports from 2015 that applicant should cultivate the land on the 9th of June on the ground of any right. The client should be regarded as a legitimate land user of the areas noted in the application until doubts arise or documents justify his rights by the verification procedure conducted by the Office. If a doubt arises in the respect of the client's legality of land use; especially if more applicants demand for area-based support for the same land at the same time; the counterparties are called for data reconciliation with a reasonable deadline. The client should justify the legality of land use if this fails or the Office calls for it. For justifying this fact the documents below can be used in the following sequence: (a) land-use board; (b) In case of family farmer clients the agreement on establishing a family farm; (c) lease contract; (d) other documents justifying the use of jointly owned, subleased for the aim of production integration or voluntarily exchanged land; or the client whose legitimate right for the use of the land were not registered in the land use registry outside his responsibility.

Although registration to the land use registry is not the condition of the support but in case of any problem it gets priority. It is important to point out that the leasing, rental, and a half share farming agreement shall become effective only with the consent of the Land Office that is necessary, therefore not approved contracts are not suitable to justify the legitimate land use because it is ineffective. You do not need the approval of the Land Office to agreements between the co-owners, to sub-lease contracts and to the courtesy of land-use. With these cases²⁴ the Office has got an established practice that if the conditions of the support were not realized in 2012, the Office revoked its decisions allocated and disbursed in 2013 decisions as unlawful ones, reclaimed for the amount already paid as a territorial support. Whoever appealed to this judgment, and undertook the legal proceedings, and court proceedings were in progress until April 2014 they were concerned under the effect of Section 81/A of Agricultural Ministry

²² Agricultural Ministry Regulation no. 10/2015. (III.13.) 26. §

²³ Until 2013 those landusers were taken as lawful land users who were registered in the land use register. So, a land lease contract concerning the given area was not equivalent with lawful land use. Rural Development Ministry Regulation no. 29/2012. (III.24.) 1. § Point 8.

²⁴ Act XVIII of 2007 on certain aspects of agriculture, rural development and fisheries-related subsidies and other measures 44. § (4)-(7)

Regulation 61 of 2009/25. Accordingly, the eased national rules based on EU rules concern not only the simplified SAPS rules but the production-linked and non-production-linked supports either. In case of those farmers for example who cultivated on NATURA 2000 or protected nature reserved areas, it meant that they could get agricultural-environment-cultivating supports not only in 2007-2013 period legally but eligible to apply for this item in the 2014-2020 period either. The Hungarian legal system, however, did not compensate the damages emerged by the withdrawal of final support decisions.

4.2. The information on beneficiaries of agricultural aid being published

Information on SAPS, texts and extracts of legislation, and the tasks to make by the producers can be found on the government portal.²⁶ More information for farmers can be found on the National Chamber of Agricultural Economics website. This organization in Hungary maintains a network of village economists; every major district has got such an economist living in a village, who can help farmers with information got from the chamber and with internet access providing assistance to fill and submit an application.

4.3. Provides advice for farmers on the legal framework governing market organisations

Advice on legal issues is a part of the services of National Chamber of Agricultural Economics which provides it for its members. Besides the Chamber maintains a legal aid in every district and where advocates help to manage the conflicts emerged.

5. Summary

The system of market regulation after 2013 was based on area-based EU regulations, on the Hungarian unified agricultural market traditions,²⁷ and on the sectoral development plans defining agricultural market rules.

The market supports are increasingly integrated into the income of those who are dealing with agriculture as a life profession for several years and become less and less dependent from the prices of market products. Separation (decoupling) and compulsory transfer (modulation) are realized and the some parts of the related grants

²⁵ The Section 5. § (6) point a) of this Regulation determined by the Rural Ministry Regulation no. 11/2014. (II.17.) should be used in cases under process at the time when the latter Regulation came into effect.

²⁶ Ministry of Agriculture Secretary of State, in: <http://www.kormany.hu/hu/foldmuvelesugyi-miniszterium/agrargazdasagert-felelos-allamtitkarsag/hirek/kap-kozvetlen-tamogatasok-2015-2020> (23.06.2015)

²⁷ Prugberger Tamás: *Érdek és érdekegyeztetés a jogban*, Miskolc, Bíbor Kiadó, 2002; Szilágyi János Ede: A bor termékpálya, mint az egységes közös piacszerkezet eleme, in: Csák Csilla (szerk.): *Agrárjog: A magyar agrárjog fejlődése az EU keretei között*, Miskolc, Novotni Alapítvány, 2010, 403-423.

depend on the production, other parts depend on keeping the rules of environmental and agrominimum rules for the area.²⁸ The market supports can be realized from two important sources. From the CAP market aids that can be market measures in case when certain disturbances of product lines may occur or direct producer subsidies in the form of SAPS supports in Hungary.²⁹ In addition, greening and support for young farmers are the new titles of direct producer supports. The form of voluntary contributions introduced in Hungary are the support of small farmers and some production-linked subsidies. The transitional national titles can be applied without the breach of EU competition rules (1307/2013 article 39). However, besides these titles further supports can be applied only in accordance with EU competition rules (TFEU 107-108).³⁰

New elements of the support system: Supports with rearrangement (article 42), supports for naturally handicapped areas, supports for young farmers, production-dependent voluntary supports and greening. There are two types of matching criteria for supporting types: production requirements based on Law (*statutory management requirements*) and keeping the good agricultural and environmental status (*standards for good agricultural and environmental condition of land*). Besides the matching criteria the further condition of getting the support is being an active farmer³¹ and the specified minimum area of land, usually 1 hectare.

The transitional national aid is granted only for specified products. In case of some of these products the production should not necessary been continued (tobacco, dairy), while in case of others the production should continue (keeping suckler cow or ewe). Some of these can be financed from the EU budget, as coupled support, so these two supports and their conditions should be harmonized.

There are three main forms of greening: the product diversification, maintenance of permanent pasture and ecological target area. For realizing this latter, the organic farming supported from rural development and agri-environmental programs are suitable. The condition of support for young farmers is that one should be under 40 years of age, be eligible for SAPS support no more than 4 years as an individual farmer or a leader of an agricultural company.

²⁸ Szilágyi János Ede: A KAP első pillére: a piacsabályozás, in: Csák Csilla (szerk.): *Agrárjog: A magyar agrárjog fejlődése az EU keretei között*, Miskolc, Novotni Alapítvány, 2010, 385-403.

²⁹ Szilágyi János Ede: A KAP piacsabályozási pillére, in: Csák Csilla (szerk.): *Agrárjog: A Közös Agrárpolitika megvalósulása Magyarországon*, Miskolc, Novotni Alapítvány, 2008, 372-386.

³⁰ Szilágyi János Ede: Versenyjog és vidékfejlesztési támogatások, in: Olajos István (szerk.): *Videkfejlesztési politika támogatásának joga: tananyag a Miskolci Egyetem Állam- és Jogtudományi Kar munkaiügyi és társadalombiztosítási igazgatás szakos hallgatói részére*, Miskolc, Novotni Alapítvány, 2008, 52-62.; Szilágyi János Ede: Feljegyzések az EU új agrár-versenyjogi rendeletéhez, in: Csák Csilla (szerk.): *Ünnepi tanulmányok Prugberger Tamás professzor 70. születésnapjára*, Miskolc: Novotni Alapítvány, 2007, 387-395.; Olajos István – Szilágyi János Ede: Agricultural Competition Law of Hungary, *European Integration Studies*, 2014/1, 45-56.

³¹ Csák Csilla: A mezőgazdasági tevékenység végzésének szervezeti és funkcionális keretei, in: Jakubinyi László (edit.): *Szociális farmok létrehozása Magyarországon*, Miskolc, Szimbiózis Alapítvány, Nyitott Könyv Kiadó, 2015, 162-171.

The producer, instead of all these supports, can choose the support for small farmers,³² which is not related to greening requirements and keeping matching criteria. To enter this type of support is possible only in 2015 and then the farmers can get area-based support proportionally € 500-1250 per year. If it would be less than € 500, the support is € 500. All supportable parcels must be at least one hectare and the small producers should continue agricultural activity.

³² Hornyák Zsófia – Csák Csilla: Igényérvényesítés lehetőségei és határai a mezőgazdasági földforgalom körében – bírósági keretek, in: Szabó Miklós (edit.): *Studia Iurisprudentiae Doctorandorum Miskolciensium Miskolci Doktoranduszok Jogtudományi Tanulmányai*, Tomus: 14., Miskolc, Gazdász Elasztik Kft., 2014, 139-158.; Nagy Zoltán: Az agrárium adójogi szabályozása, in: Csák Csilla (edit.): *Agrárjog: A magyar agrárjog fejlődése az EU keretei között*, Miskolc, Novotni Alapítvány, 2010, 315-334.