



THE ASSESSMENT OF THE ASPARAGUS GROWN IN THE SOUTH OF THE GREAT PLAIN IN HUNGARY

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SUMMARY

Hungarian experts who are famous in foreign countries as well deal with these branches and they provide excellent products. The rules referring to these products are more liberal in the market places of the European Union and their development is not controlled by strict quota system. In the south part of the Alföld a lot of products of excellent quality are produced. Here in this essay we would like to find the answer how the one of significant product of the south Alföld can provide the families with the income that they could live on. We aim at the economical examination of the asparagus. To do this we will apply the so-called Standard Gross Margin. The agriculture of the states of the European Union is measured with the help of this method. It can also help us in the future to decide whether the different farms belonging to families are economically viable in Hungary.

KEY WORDS:

economic analysis, special processing technology, SGM, agricultural structure

1. PREFACE

The Standard Gross Margin (SGM)

Our calculations were carried out with the help of a method worked out and applied in the European Union. In the European Union the agricultural enterprises have been regularly assessed (since 1996) and comparative data have been given to the decision-making organisations of the Union because of the number and the variations of the enterprises more than one form of measuring was applied such as the territory of the

factory, the number of the employees, the number of the animals bred and the price of the products sold. As it was experienced the achievement of the agriculture in a state could not have been defined by these forms of measuring and by the combination of them. Similar to this they were not sufficient to determine the economic size of an enterprise and to compare the different factories from economic aspect (Kovács, 2001)

The unified classification system was accepted in 1978 that pays attention to two aspects, the type of farming and the size of the economy. In order to define the economic size the SGM was worked out. The natural data referring to the structure of the factory cannot say anything about the achievement of the agriculture of a country and they are not good for economic comparing. The size of farm is defined the best of all by the potential profitable capacity which equals with the total standard gross margin of the particular factory – which is the same as the added value (Agriculture in the European Union 2001, European Commission)

2. THE CALCULATION OF THE SGM

According to the regulations of the European Union, in cultivation of plants the costs of the seeds, the propagation, the artificial fertilizers, the insecticides, the heating, the irrigation, the processing, the classification, the packing, the insurance and other variable costs that are connected with the particular production activity have to be taken into consideration among the direct variable expenses. The indirect variable costs are also defined. The variable expenses in connection with the machines belonging to the factory are listed here (such as fuel, lubricants, repairing costs). These two groups together mean the variable costs of the economy. It does not include the costs of amortization and the rent of the agricultural land. This method takes into consideration every wages and their complementary costs as constant expenses without paying attention to whether they were paid to the owner of the farm or to a family member or to an employee. The amortization costs of the tangible assets, the rent of the agricultural land and the general costs are referred to as constant expenses (Ferenczy, 2002)

3. THE NECESSITY OF LIVE LABOUR

The necessity of live labour has to be determined especially in the harvesting and the selling period. It can be calculated on the basis of detailed producing technology. In this essay we determine the area that a family can cultivate on its own - without employing workers seasonally. If we take a family with four members we calculate with three manpower units.

4. THE ASSESSMENT OF THE ASPARAGUS

The basis of the production is the asparagus plantation, which has a good effect on the farming. After planting there are three or four years without harvest but the field must be cultivated although there is no income and no other plants can be grown meanwhile to utilize the area. The cost of plantation and cultivation is 8340 Euro in the proportion of 85+5+5+5 every year. Besides 1600 working hours are needed. The factor cost of one hectare is 10800-12500 Euro. The length of the period when there is harvest is 6-8 years. The accountable depreciation is 15% a year. During this period the quantity of the yield is not the same: in the first 2-3 years it is growing, then it is stagnating for 2 or 3 years and after that it is decreasing. In this model we calculate with the yield of a stagnating year.

The variable cost of the enterprise is encumbered with almost 225 Euro per hectare. This includes the costs of the materials, the artificial and organic fertilizers, the pesticides, the packing and the processing. The indirect variable cost of the farm is 175 Euro which gives a result of a total 400 Euro variable cost. In the south part of the Alföld we can calculate with a five tonne average yield per hectare. The distribution must be calculated with care with 1,7 Euro average price. The income is 8340 Euro per hectare. The biggest peak of work appears during the harvest.. Taking into consideration the number of working hours 0,97 hectare of asparagus plantation ripening at the same time can be accomplished without employing workers for this season.

$SGM1 = 8340 \text{ Euro income} - 225 \text{ Euro direct variable cost} = 8115 \text{ Euro / year /hectare}$

$SGM2 = 8340 \text{ Euro income} - 225 \text{ Euro direct variable cost} - 175 \text{ Euro indirect variable cost} = 7940 \text{ Euro /year/hectare.}$

5. THE BREAD WINNING CAPACITY OF THE ASPARAGUS

In order to get the income expected the pale asparagus should be grown on a 1.66 big area. On such a big area other workers have to be employed during the harvest period for 469 working hours. The cost of it is 710 Euro. The kinds of the asparagus make it possible for the family to make ends meet. On the basis of the significant export, the market for the asparagus can be said to be steady. The income depends on the Hungarian sale ring. Because of the frost in late spring it is not recommended to base the whole income of the farm on the asparagus. Other recommended products can be the ones the harvesting time of which is not the beginning of April of the middle of June.

5. REFERENCES

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