

**IMPLICAREA  
PARTICIPANȚILOR PIEȚEI  
IN INTERVENȚIILE DE CEREALE  
ALE UE IN UNGARIA**

*Judit NÓGRÁDI, Universitatea din Pannonia,  
Facultatea Georgikon, Școala Doctorală  
de Științe de Management și  
Administrarea Afacerilor, Ungaria*

*On the grain market, the increase of prices is the farmer's interest, while fall in prices favours the traders. Using market intervention for price stabilization mainly privileges the farmers, as the intervention price is known well before planting, but serves also the traders and end users by providing a predictable market environment. Considering that unlike traders, most grain producers don't have storage capacity at their own disposal, and that the administrative burden brought forth by the EU's intervention*

***Cuvinte cheie:** grâu, porumb, intervenție pe piața de cereale, prețul de piață, agricultor, comerciant.*

**Introduction.** The farmers in Hungary follow the changes of grain prices with attention. They are trying to calculate selling and purchase prices by predicting the weather conditions and crop yields. However, in Hungary the price of cereals, primarily maize and wheat depends on the weather and the expected yield only to a certain extent, it is largely influenced by the world market prices, the European prices, as well as by governmental intervention.

The prices of the domestic market could have been affected by Hungary's accession to the European Union, the EU regulations themselves, and also by the interest of protecting the EU.

By introducing the EU's intervention system, the market price of grain became more predictable.

During the operation of the grain market intervention system, it appeared that small farmers could not guarantee the homogeneous quality and the minimum quantity specified in the regulations. In addition, most of the farmers were not able to undertake the huge administrative load generated by the intervention system. Market participants' involvement in grain intervention also depends on the fact whether they have storage capacity or not, and if they can finance the storing period of four months between making their offers and the actual buying-in. Storage capacity owners got their yield transferred in place (in-situ), while participants without storage capacity got their yield transferred via delivery.

Without a detailed analysis of data, I assume that a larger proportion of cereals offerings was made by the traders, rather than the farmers. This assumption will be examined by analyzing the data.

**MARKET  
PARTICIPANTS' INVOLVEMENT  
IN THE EU'S GRAIN INTERVENTION  
IN HUNGARY**

*Judit NÓGRÁDI<sup>1</sup>, University of Pannonia,  
Georgikon Faculty, Doctoral School of  
Management Sciences and  
Business Administration, Hungary*

*on the grain market encumbered the participation in the measure, I presume, that a larger proportion of traders could be involved in the measure. My analysis highlights the fact that farmers were able to adapt to the regulations and sell their grain for intervention. This is proven by the fact that for the intervention buying as of the offerers, 60% of the farmers made a bid for selling their produce. Nevertheless, it can be recommended to lay great emphasis on informing the market participants to make them aware of the changes in time.*

***Key words:** wheat, maize, grain market intervention, market price, farmer, trader.*

*JEL Classification: Q11, Q12, Q13, Q19*

**Literature Review**

It is a longstanding aim of agricultural policy concepts to stabilize the farmers' income by balancing agricultural prices. Agricultural policy aims can be classified from various aspects, including the principles and more common economic policy purposes promoted (Henrichsmeyer–Witzke, 1994). The first, more general aim is to improve the effectiveness of the economy. The second group involves the objectives of distribution (redistribution of income) are. The third substantial objective is price stability (Fertő, 1998). One should always think about strengthening the farmer's bargaining position, when talking about agricultural policy aims.

Article 39. of the Treaty establishing the European Economic Community (EEC) declares, that agricultural prices must be stabilized, and proper income has to be guaranteed to people working in agriculture (Újhelyi, 1991). Most of the OECD-members also made an official declaration regarding the stabilization of agricultural prices and farmers' income (Winters, 1989-1990).

Methods and practices of the developed countries' are taken over by the Hungarian agricultural market regulation as well, which was adopted in 1993, when referring to price and income stabilization in the preamble of the law (Fertő, 1995; 1998). Until Hungary's accession to the EU (2002) fix priced buying-in was the cereal market measure which showed the most similarities to the EU's intervention system. The guaranteed price considering the market conditions was determined by regulation every year. According to Jancsik and Kató (2002) the guaranteed price was set lower than the domestic and global market prices (except in 1998), with no intention to provide extra subsidies for farmers.

<sup>1</sup> © Judit NÓGRÁDI, judit.nogradi@gmail.com

The guaranteed price did not reach 70% of the flat cost of the farmers', producing on average production levels. The buying-in of the produce meeting the required quality standards was carried out at the determined fix price to the extent of the quota.

I agree with several authors (Csillag, 1998; Laczkó - Szőke, 2000; Popp szerk., 2000; Erdész, 2001) declaring that the guaranteed price buying-in system was not able to fully fend off the market failures, as the system in Hungary was unpredictable. The price was announced ad hoc, after the detection of market disturbances, following the harvest. The guaranteed price was varying from year to year, also the buying-in could only be performed to the extent of the quota.

In my opinion, the guaranteed price buying-in, would have been more efficient, if the prices had been set before planting, and not at the time when rough estimates could be made based on the harvested quantity. As a result, farmers' dependence would have decreased by being able to make more precise calculations of their minimum income.

The intervention measures were introduced in Hungary in 2002, by virtue of the government regulation regarding intervention buying-in and subsidised warehousing of the wheat produced in 2002. Without a doubt, these regulations were different from the EU's current intervention system, but they can be considered as a transitional measure. The act on the agricultural market regime made it possible to announce the conditions of the intervention before planting, but this never happened, because the agricultural government announced the regulations after the harvest, thus traders were kept in doubt regarding the harvesting prices. It was usually experienced on the free market that prices fell when there was a good harvest, but did not raise high enough when there were poor yields. Those with a capability to store their crop were in a more advantageous situation (Rieger et al., 2005).

Despite the multiannual preparation for Hungary's EU admission, the domestic market participants were quite unfamiliar with the EU's grain intervention system. The community regulations were well-known before planting, and they have not changed after the harvest, which was something definitely new for the market participants (Rieger et al., 2005).

Compared to the previously existing domestic scheme, the EU's intervention system showed significant difference in leading off the excess grain stocks. Formerly in Hungary it the surplus grain had been sold for exports to lower-priced European countries, whereas after the accession, the surplus was predominantly sold for intervention as well as for exports in an insignificant proportion.

During the adaptation of the EU's intervention system, the ministry made some serious efforts to determine the conditions in a way to enable Hungarian farmers or at least large-scale producers to take part in the intervention system directly. For this reason, 80 tons was established as the minimum quantity of an offer was.

My assumption is that even the conditions were in favour of farmers, most of the cereals sold for intervention was offered by traders.

### Methods of Research

The aim of the analysis is to define the percentage of traders and farmers participating in the grain intervention buying-in.

For the analysis I used the database provided by the Agricultural and Rural Development Agency's (Hungary's paying agency), the organization responsible for the management of grain intervention including buying-in and sales, as well as the support schemes for farmers.

Given the fact, that the intervention buying-in period is between November 1 and May 31, the analysis was conducted on a yearly basis, so thus when indicating economic years, a reference is made to both years at issue.

#### 3.1. The definition of farmers and traders:

According to the legal regulations, direct area payments can be received only by those who are producing crops in the given area. The measures regarding the sales of intervention stocks mainly involved trading firms, which submitted applications for buying the intervention stocks.

Given the above, I am assuming, that the offerer of cereals,

a) who received area-based payment, is a **farmer** (producer)

b) who is a natural person and bought goods over 5000 tons of weight during the sales of grain intervention stocks is a **trader**.

It may also happen, that the grain is produced by the trader itself, therefore, I examined the overlap between the two categories:

a) if the overlap is less than 10%, there is no need for a separate category,

b) is over 10%, there is a need to establish a third category (the farmer-trader).

I also examined the area not fitting into any of the two categories: if the common part

a) is less, than 10%, no separate category is needed for the comparison

b) is over 10%, a fourth category should be created (neither farmer, nor trader).

The participants in a specific measure are registered by their registration numbers in the records kept by the Agricultural and Rural Development Agency. Based on the registration numbers, I determined the categories listed above were determined by using Microsoft Excel. Based on the database of direct area payments and intervention buying-in, I filtered out the market participants whose registration number was included in both data-bases, thus the abovementioned group of farmers was determined. As a first step, from the database of intervention sales from the offerers I filtered out natural persons, and secondly the participants who - during the given financial year - bought cereal intervention stocks of over 5000 tons, thus determining the group of traders established above. Following this, the database of intervention buying-in was complemented by using registration number-based aggregations. I also determined the common and uncommon parts of the aggregated sets of data.

### 3.2. Specifying the involvement of farmers and producers in the intervention buying-in

I was searching for an answer to the question of in what proportion farmers participated in the buying-in of intervention cereals. Regarding the categories specified above, I observed changes in the numbers of participants, as well as the offered quantities for each type of the grain crops. During the headcount it is important to feature a registration number only once, as the applicants were allowed to make several offers, but in terms of the analysis, they are traders, farmers or farmers-traders only once.

The data is represented on charts as well: analysing the number of participants and the offered quantities by financial year, by type of grain crop and in total.

#### Results and its Discussion

In my analysis, to conduct an evaluation of farmers' role in the system of intervention, first I reviewed the process of intervention buying-in. The first step of grain intervention is buyin-in, whereby the offered grain stocks are procured by the paying agency, in accordance with the pertaining legislation.

#### 4.1. Process of the intervention buying-in:

- 1) Submission of the offer
- 2) Administrative control of offers
- 3) Disposition: assigning storage capacity to the offers
- 4) Delivery
- 5) Decision on the takeover of cereals
- 6) Payment of the purchase price

##### 4.1.1 Submission of the offer

###### Rules of involvement in the intervention system:

The conditions of participation in grain intervention are laid down by EU and national legislation.

###### Submission period:

- in case of fixed price buying-in: November 1 – May 31
- in case of tendered buying-in: the period of time is opened by the Commission

###### Cereals eligible for intervention:

- in case of fixed price buying-in: common wheat may be offered to the extent of 3 million tonnes in the EU, at the price of 101,3 EUR/tonne (the monthly increase ends)

in case of tendering: barley, durum wheat, maize, sorghum, paddy rice and common wheat can be offered in quantities over 3 million tons. Tenders are opened by the Commission. For common wheat, any homogeneous lot of not less than 80 tons harvested within the Union can be offered for intervention (10 tons in case of durum wheat).

A security of 20 EUR/ton shall be provided. The offered cereals should meet the EU's quality requirements. The tender can not be varied or revoked, except when an allocation coefficient is applied by the Committee. The cereals offered should be kept separately at the storage place designated in the tender, in a transportable state.

###### Specifying the place of storage:

The tenderer has to specify the place of storage where the cereals will be transported. In case of in-situ storage, the products can only be offered for intervention if the offerer has a storage contract with the Agency at the time of the offer.

##### 4.1.2 Administrative control of the offer

At the Agency offers are evaluated in the order of receiving. Afterwards, a notification is sent to the offerers concerned regarding the approval of their offers.

##### 4.1.3 Disposition

*In case of takeover by delivery:* the storage place is specified in a way so that the transportation costs can be kept the minimum.

*In case of in situ takeover:* the takeover of wheat happens at the same storage place where the stock is at the time of submitting the offer, provided that this storage place meets the EU requirements.

The offerer and the designated storage place are notified of the type of the grain to be transported, as well as of its quantity and the deadline of delivery.

*Deadline of delivery:* transportation should be finished no later than three months from the date of issuing the delivery order, and must be completed by June 30. In case of batch swapping, the deadline is August 31.

##### 4.1.4 Delivery

*Scheduling:* the tenderer and the storage operator agree on the days of delivery and jointly prepare the delivery schedule in consideration of the deadline of delivery. The storage operator shall send back the schedule of delivery (signed by the storage operator and the offerer) to the Agricultural and Rural Development Agency no later than one month from the date of receiving the transportation notification. The transportation of the grain offered for intervention shall be completed by the offerer tenderer, in accordance with the schedule of delivery.

*On-site inspection:* during the on-site inspection, it is checked by the Agency's staff whether the grain stock offered exists. The inspectors also check the quantity (by weighing or volumetric measurement), the quality (rapid check), and whether the offered cereals are kept separately. During the takeover, a member of a quality certification laboratory (designated by the ARDA, and approved by the Grain and Feed Trade Association) takes samples from every 500 tons of the offered grain, and sends the samples to the laboratory for further analysis.

##### 4.1.5 Decision on takeover

###### Date of provisional acceptance:

- In case of transportation: upon receiving the entire lot of grain
- In case of in-situ: the day after the issuance of the delivery order.

The decision regarding the takeover of the grain offered is based on the findings of the on-site inspection and the laboratory tests. In case of acceptance, the list of grain lots taken over the decision of acceptance of the produce, and calculation of the purchase price is prepared by the Agency and sent to the offerer and the storage operator.

The offer will be refused by the Agency, if the tendering process, the quality or the quantity of grain doesn't meet the regulations.

*Determining the purchase price:* after the quality and quantity assessment of the offer, the purchase price gets specified, affected by the following factors:

*Intervention price:* 101,31 €/ton

The basic price is subject to a 0,46 €/ton monthly increment from 1 November to the point of the commencement of transport, not exceeding 31 May (Table 1). This increment is the compensation for storage costs. Since 1 November, 2010 the EU does not provide any storage cost compensation.

Table 1

## Changes of monthly increments

Month	VII.	VIII.	IX.	X.	XI.	XII.	I.	II.	III.	IV.	V.	VI.
Monthly increment EUR/t	-	-	-	-	0,46	0,92	1,38	1,84	2,30	2,76	3,22	3,22

Source: Article 8, paragraph 1, point a) of EC Regulation 1234/2007, own editing.

In accordance with the Commission Regulation, the *quality parameters* can increase or decrease the buying-in prices.

Price can also be altered by *transport cost correction*, which has to be added to or deducted from the buying-in price depending on the distance of transport. The standard for the calculation of the costs of transport is the distance from the intervention centre that is the closest to the place of the offer, as the transportation cost between the two locations is paid by the offerer. If the distance between the storage place of the grain offered and the designated storage exceeds the distance between the place of the offer and the intervention centre, the additional transportation cost is paid by the Agency to the offerer. The settlement of transportation cost correction is based on the flat rates (HUF/t/km) and the reference distances defined by the Agency beforehand. Following 1 November 2010 the determination of transportation cost correction has changed: the role of intervention centers has ceased: the centers are not considered as a factor in determining the costs of delivery. The transportation should be carried out at the lowest price: the distance is measured between the storage place of the offer and the target storage. For a distance less than 100 kilometers, the costs of transportation are paid by the client, whereas for larger distances transportation is paid for by the Agency.

The price to be paid is reduced by fee of the laboratory tests. In case of taking over the lot on the spot, the one-time

removal fee is deducted from the price to be paid.

The implementing regulations determine the prices in EUR, while the payments by the Agency are made in HUF. Until 31 December 2006 the EUR/HUF exchange rate was based on the rate published by the European Central Bank at 14:15 on the last business day preceding the first day of the delivery of grain. Since January 1, 2007 the EUR/HUF exchange rate is based on the rate of the first day of the month prior to the occurrence of the transaction.

Concerning intervention buying-in, the day of receiving the offer – that is the day of receiving the tender application form by the Agency – is considered as the day of the occurrence of the transaction.

#### 4.1.6 Paying the purchase price

The purchase price is paid by Agency, based on the decision accepting the offered grain and under the terms established therein. Until the marketing year 2009/2010, the transfer of the purchase price occurred between 30-35 days from the date of receiving the quality certificate. After 1 November 2010, the payment shall be made within 65 days from the date of conditional acceptance.

Following the review of the buying-in process, I determined the percentage of farmers and traders participating in intervention buying-in.

#### 4.2 Definition of farmers and traders:

Throughout the overall period (between 2004-2011) 5238 operators participated in the intervention buying of grain (Table 2).

Table 2

## Changes in the participation of farmers and traders in the intervention buying-in

	Participants (%)	Quantity (%)
Farmer	52	40
Trader	25	30
Farmer-trader	21	25
Neither a farmer nor a trader	2	5
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Based on ARDA (2011) information, own editing.

An overlap of over 10% showed between the group of farmers and the traders (regarding the number of participants: 21%, and in terms of quantity: 25%). Consequently, the farmer-trader group was also taken into consideration in my analyses.

The operators that could not be classified as members of any groups based on the criteria mentioned in the section on

Materials and Methods, represented only 2% regarding the number of participants and 5% in terms of the quantity of buying-in, therefore this group was ignored in the analysis.

Based on the above, the analyses were carried out considering three categories:

- farmer (producer)
- trader
- farmer-trader

**4.3. Determining the participation of farmers and traders in the buying-in process**

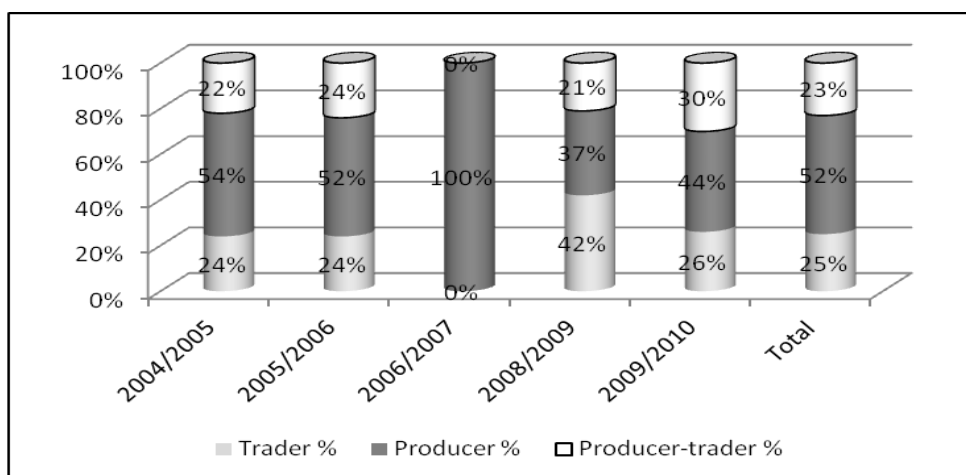
To determine the participation of farmers and traders, first I analyzed the buying-in process based on the number of participants, then the quantity offered, concerning wheat, maize and marketing years respectively.

**4.3.1 The participation of farmers and traders by marketing year**

First, I examine the overall participation rate of farmers and traders in the intervention buying-in by marketing year.

In the first two marketing years examined, the ratio of the three participant categories was very similar to each other. Farmers were represented in the highest proportion

(52-54%), whereas the proportion of traders participating in buying-in was 24% (Figure 1). In marketing year 2006/2007, intervention buying was very limited, with only farmers participating. In marketing year 2007/2008 there was no intervention buying, hence this period will not be discussed. In marketing year 2008/2009, the participation rate increased in favour of the traders: the percentage of traders participating in grain buying-in was 42%, in, while that of the farmers' was 37%. In marketing year 2009/2010 farmers represented a proportion of 18% higher of the buying-ins than traders. Considering the average of the examined five years, the proportion of traders involved in the buying-in process was 25%, while that of the farmers was 52%.



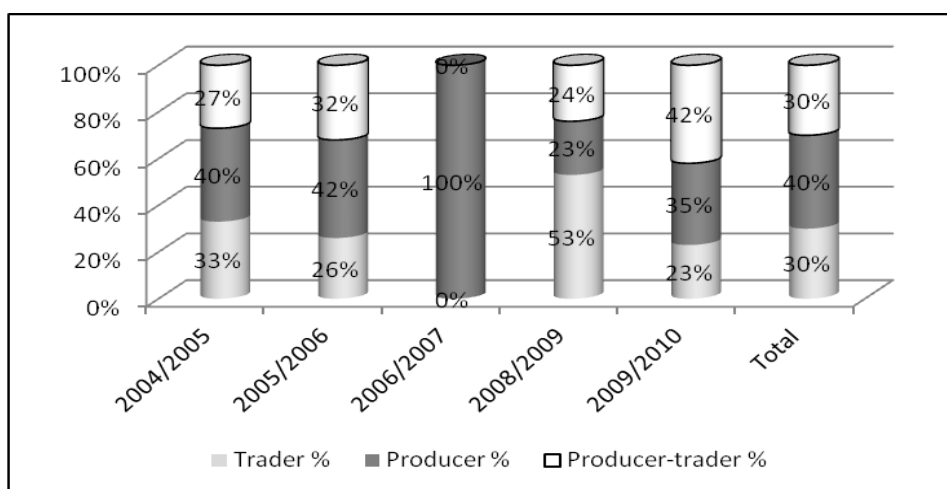
**Fig. 1. Proportion of participants involved in intervention buying-in, by marketing year**

Source: based on ARDA (2010) database, own editing.

Before carrying out the analysis, I assumed that the percentage of traders participating in grain buying-in would be larger. My assumptions were built on the fact, that after the accession to the EU, farmers did not have a proper storage base, and were not able to finance the cost of storage during the 4-month procedure of takeover. Nevertheless, based on the above, it can be concluded that the farmers were represented in a higher proportion considering grain buying-in.

To get an overall picture of the market players' participation in buying-in, it is not sufficient to examine only the proportion of the participants, but we must take a look at the the proportion of the market players in respect of the quantity of grain sold.

In terms of the amount of cereals sold, the proportion of the participation of operators was similar to the one analyzed concerning the participation rates; however, there is a difference proportionally (Figure 2).



**Fig. 2. The rate of participation in intervention buying-in regarding the offered quantities by fiscal year**

Source: based on ARDA (2010) database, own editing.

Four of the five examined years the farmers, in one case (2008/2009 marketing year) the traders sold larger quantities for intervention. In this particular year, traders sold 12% more grain than farmers. In the years, when the farmers sold larger quantities, they sold an average of 7-16% more than the traders.

On the whole, considering the total quantity of grain sold for intervention, 40% of the farmers, while 30% of the traders sold cereals (*Figure 2*). Contrary to my expectations the farmers were involved in buying-in by a 27% higher rate than traders. Although the difference between the participation rates is modest in terms of the quantity (10%), still the larger quantities of grain were sold by the farmers.

My assumption was that although the participation of farmers is larger, given the fact that traders buy grain for sale from farmers, considering the quantities offered for intervention, the traders will participate in a greater proportion in intervention. However, this assumption was contradicted by the results. Nevertheless, the size of offers for intervention per market participant confirmed the aforementioned hypothesis: taking into account the average, in each case the traders offered higher quantities of grain than the producers. Considering the average of the five examined years, the quantity of grain per offerer was nearly

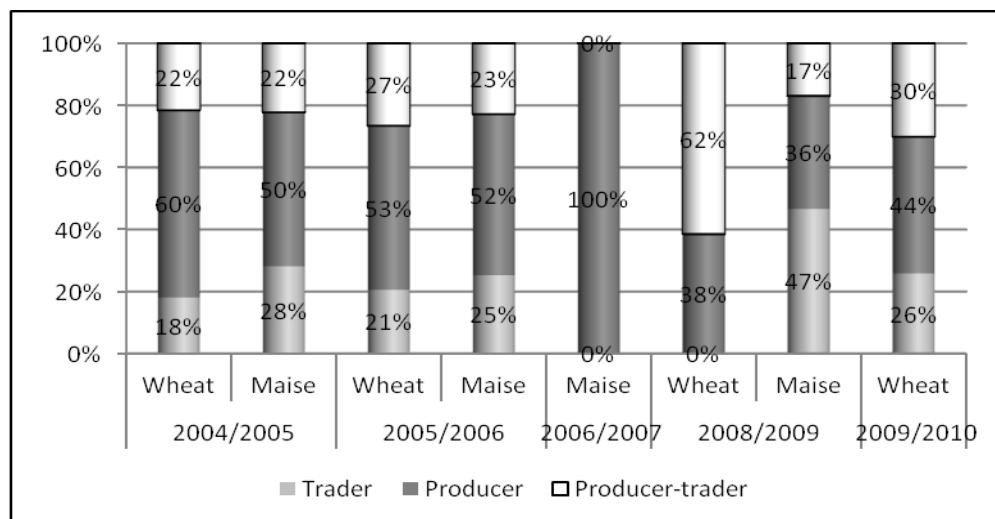
40% more in respect of traders than farmers.

After reviewing the involvement of farmers and traders by marketing year, I examine whether there is a difference in the participation of market players in terms of the type of grain.

#### 4.3.2 Participation rate of farmers and producers in the intervention sales of wheat

Based on the number of participants, the number of traders participating in the intervention buying of wheat was lower than that of the farmers in each marketing year. In the economic years 2006/2007 and 2007/2008 there was no intervention wheat buying-in. In the economic year 2008/2009 the traders did not participate in wheat intervention, only the farmers and the farmers-traders were involved (*Figure 3*). Comparison between marketing years shows that the ratio of traders is between 18-26%, farmers' ratio ranged from 38 to 60%, each marketing year at least a 10% higher proportion of farmers were involved in intervention wheat buying-in as traders.

Considering participation rates in respect of wheat it is clear, that the farmers took part in intervention in a larger proportion. Below, an analysis of the wheat quantities offered is shown.



**Fig. 3. The participation rate of farmers and traders in the intervention buying-in by type of grain**

*Source: Based on ARDA (2010) database, own editing.*

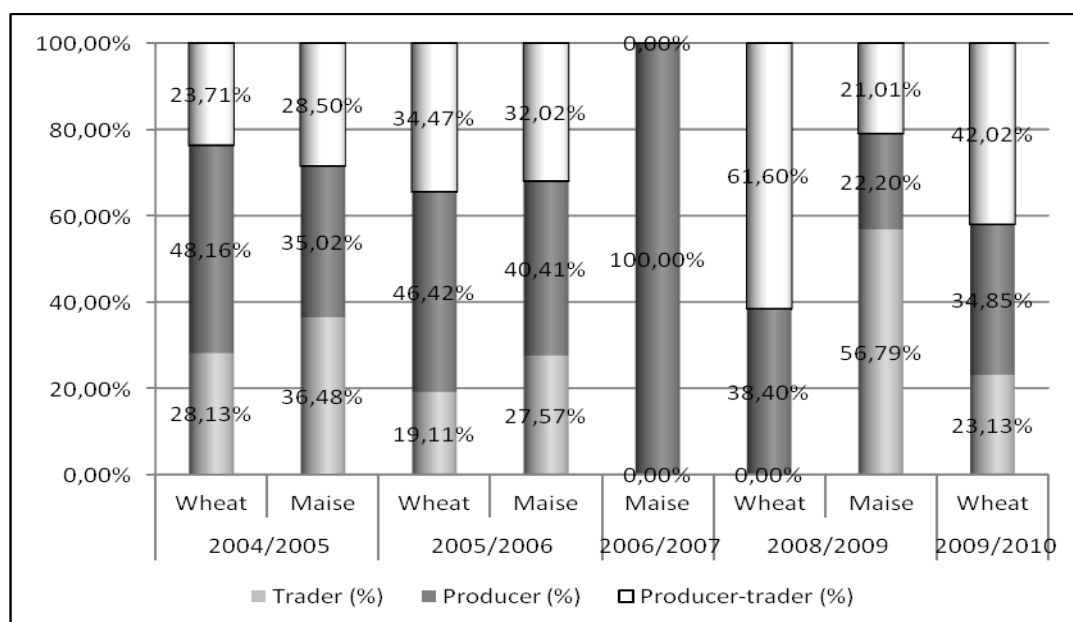
Although smaller numbers of traders participated in the intervention buying of grain, it is still assumed, that regarding wheat they sold larger quantities than the farmers. The analysis, however, revealed that participation rates of traders ranged from 19 to 28%, in terms of the quantity of wheat purchased (*Figure 4*). The results are very similar to the proportion of the number of participants' rate. Farmers' intervention sales ranged from 35 to 48%, except for fiscal year, the 2006/2007 when only farmers could sell their wheat for intervention. The farmer-traders contributed 23 to 62% of the wheat buying-in, in terms of volume.

In the intervention system – in terms of quantity – the quantity of maize procured was by far less than the quantity of wheat bought. Out of the five examined marketing years, significant quantities of wheat were procured for intervention in the first two years.

In the years when the intervention scheme operated, the farmers were represented in a greater proportion.

#### 4.3.3 Participation rate of farmers and producers in the intervention sales of maize

In the first two examined fiscal years, 25-28% of the traders, and 50-52% of the farmers were involved in intervention maize buying-in. In the 2008/2009 fiscal year the rate of participation of traders was 47%, while the farmers represent a 36% share. In the 2006/2007 fiscal year minimal maize buying-in occurred, offered by farmers. In the 2007/2008 and 2009/2010 fiscal years no substantial quantities of maize were bought for intervention (*Figure 3*). In two out of the five fiscal years, maize was not procured for intervention, in two years the farmers, in one year the traders were involved in the measure in a larger proportion.



**Fig. 4. Participation rate of farmers and traders in the intervention buying in, regarding the cereal quantities sold, in terms of cereals**

*Source: Based on ARDA (2010) database, own editing.*

Considering the quantity of maize offered, the results I got for the first year were in accordance with my assumption: although the participation rate of farmers was higher (50%), while the traders were represented only by a share of 28%, in regards of quantity the representation rate is 36% for the traders, and 35% for the farmers, almost an equal share. This is due to the fact that traders offered higher quantities for intervention. In the second fiscal year farmers participated in maize sales in a larger proportion (10%), while 28% of traders were represented. In the 2008/2009 fiscal year 57% of intervention maize was provided by the traders, 22% was provided by the farmers (*Figure 4*).

In the first year of the EU's grain intervention, 2.25 million tons, in the second year 3.1 million tons of maize was bought. In the subsequent marketing year, buying-in was insignificant. It is important to emphasize that in years when significant intervention buying-in took place, the farmers represented a higher proportion in buying-in than traders.

In general, during the years of operating the intervention scheme, the farmers were represented by more than 50%, in both buying wheat and maize. The intervention system guarantees farmers to buy in the intervention grain at a determined intervention price (101,31 EUR/t). This guarantee makes the farmers less vulnerable to traders. Although the intervention system was significantly different from the previous domestic buy-in practices, and laid a significant administrative burden on the market players, the involvement of farmers show that they were able to prepare for the requirements of the EU, and a high proportion of them were able to take part in the measure. It follows from the above that the farmers benefited from intervention.

**Conclusions.** The results showed that my original idea of the traders' larger proportion participating in intervention buying was wrong. Participation of more than 50% of the producers in intervention measures prove that they could take an advantage intervention buying.

This is proven by the fact, that the producers were involved in the buying-in in the highest proportion (50-60%), while the proportion of traders ranged between 18-28%. Contrary to my expectations, I got similar results in terms of the quantity: the farmers themselves represented a higher proportion (35-48%), while the proportion of traders was lower (19-36%). However, it is also clear from the results, that in terms of quantity, the participation rates converged, which was possibly resulted by the fact that the traders sold larger quantities than farmers. The farmers were able to participate in the scheme by offering smaller quantities offerings (over 80 tonnes), and they did participate, which confirms that the intervention scheme protects farmers. It is very important that, contrary to the previous domestic practice, in the EU's intervention system the intervention price is announced prior to planting and it is guaranteed by the EU that grain is bought at this price if market players wish to sell their stock. This guaranteed price makes the market more predictable, reducing the vulnerability of farmers.

From the aspect of the participation of farmers in the intervention scheme, it is of great importance to provide information and training to the market players, because if they are informed of the changes of regulations in time, they can establish their market related decisions adequately.

Besides the above, providing information to the market players, is important for both to the market players themselves and the Agency. Complete and correct application forms allow for more efficient administration, since the number of calls for amendments of applications, rejections and appeals decrease. Exact knowledge of the rules results in faster receipt and faster buying-in: since if the offered product is of a quality meeting the requirements, homogenous and stored separately; in case of transportation an appropriate transport vehicle capacity will be made available; also in case of in situ delivery the placing in

storage is not older than 10 months and the appropriate stock records are available, etc. then there should be no problems during the on-site inspection. The market participants should become aware of all regulatory conditions to be able to successfully apply.

I propose that the government should further invest considerable amounts to develop the dissemination of information (chambers of agriculture, advocacy). The ministry has made serious efforts during the adoption of the EU intervention system, to define a framework that gives

Hungarian farmers, or at least the large-scale companies direct access to the intervention system.

This is the reason for establishing, for example the offered minimum quantity of 80 tones. Providing clear and complete information to market players is crucial, therefore I propose to develop a training system involving the background institutions dealing with agriculture, and the business federations as well. By the development of this information network, the market participants will be aware of the changes first-hand.

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