



USDA Foreign Agricultural Service

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## Hungary

### Fresh Deciduous Fruit

## Apple Producers' Demonstration Ends in Hungary 2008

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**Report Highlights:**

After more than a week of siege of processing plants apple producers gained a controversial agreement on prices in the main production area in Hungary. The price increase offered by the major processor and the state support promised by the Minister of Agriculture led to a compromise. At the same time, other apple crushers disagree with the price rise and non-contracted apple producers are anxious about their sales opportunities.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Trade Report  
Budapest [HU1]  
[HU]

**Farmer Demonstrations**

Beginning on August 25, 2008, apple farmers of the main production region of Hungary blocked the gates and access roads to two of the juice concentrate plants of the Austrian Agrana Company (at Vasarosnameny and Anarcs). This company is the largest apple juice manufacturer in Hungary. This blockade was the result of farmer concerns about low apple prices. The farmers claimed that the initial HUF 15-18/kg (€ cent 6-7/kg) purchase price for the crushing apples offered by processors was under the production costs. In addition, the producers complained that Agrana was playing Hungarian farmers off Polish farmers to keep purchase prices low. (Agrana has several processing units in Poland as well). In response, the Hungarian apple farmers coordinated their efforts with their counterparts in Poland where farmers also protested for higher producer prices for crushing apples.

**Controversial Outcome**

The formal negotiations between the representatives of Agrana and the apple producers resulted in an agreement on Tuesday, September 2.

Agrana agreed to pay Hungarian producers € cent 9/kg (HUF 25/kg) for the apples (the original claim of the demonstrators was € cent 12/kg). Hungarian Agricultural Minister Jozsef Graf also promised to make available a HUF 70,000/ha (€300) subsidy (as "de minimis" payment) to cover costs associated with frost damage to orchards that occurred in 2007.

Smaller Hungarian apple processors refused the price agreement. They called the price increase a step of the strong multinational companies to push their domestic competitors out of the market. They also asked the GOH to look for EU measures against the cheap apple juice concentrate imported from China.

This agreement was enough to start the delivery of apples to plants and has calmed for the time being the political unrest.

**Related reports:****HU7006**

Frost Damaged Hungarian Apple Orchards

05/04/2007

<http://www.fas.usda.gov/gainfiles/200705/146281019.pdf>

**HU7010**

Hungary, Fresh Deciduous Report, Annual Report

11/09/2007

<http://www.fas.usda.gov/gainfiles/200711/146293097.pdf>