

Analysis of Dairy Sector in Hungary

- András BENKO



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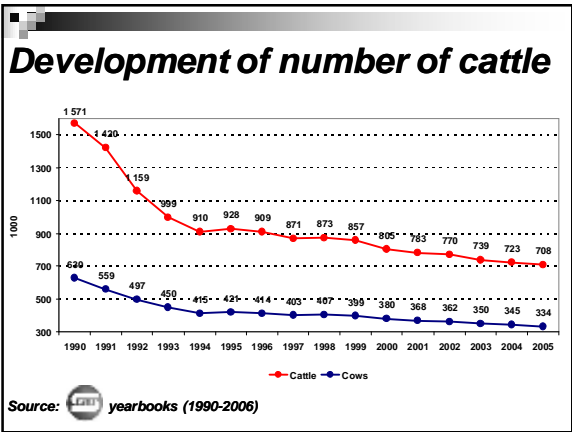
András Benkó
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Outline

1. Introduction
2. Development of number of cattle
3. Farm Structure
4. Amount of raw milk processed
5. Milk quality
6. Development of milk price
7. Development of consumption of dairy products
8. Development of dairy export/import
9. Dairy processing facilities
10. SWOT analysis – strengths and weaknesses
11. SWOT analysis – opportunities and dangers

András Benkó, Agrifutura zRt., Tárnok, Hungary

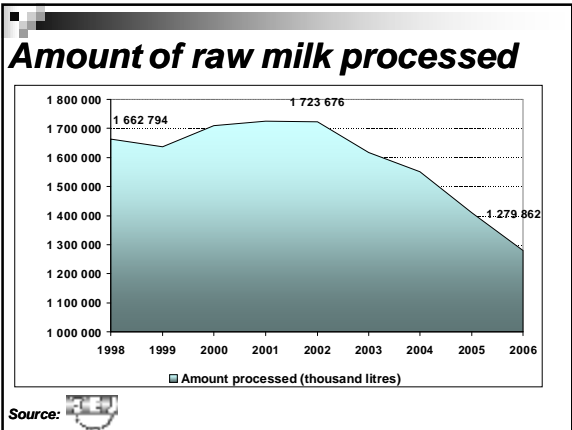
- MSc, University of Agricultural Sciences, Gödöllő, Hungary, 1996.
- Farm Training, North Florida Holsteins, FL, USA, 1997-1999
- Unit supervisor, 900 holsteins, Hungary, 2000
- Dairy manager, 700 holsteins, Hungary, 2001-2002
- Managing director, Agrifutura zRt., 2002-
 - Swiss agricultural investors are shareholders
 - 650 holstein cows
 - 600 holstein heifers
 - 580 ha of arable land, mainly corn, lucerne, barley
 - Feed mill, ca. 1300 tons of feed mixed annually
 - Grain dryer, drying 5-6000 tons of grain annually
 - 33 full time employees



Farm structure

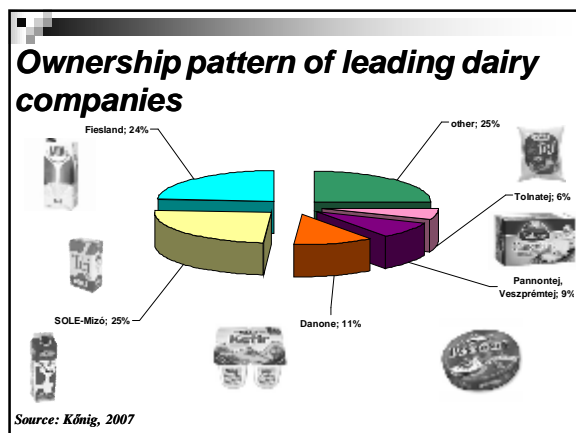
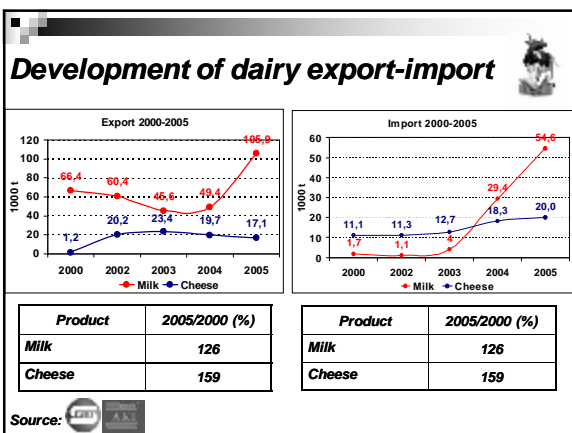
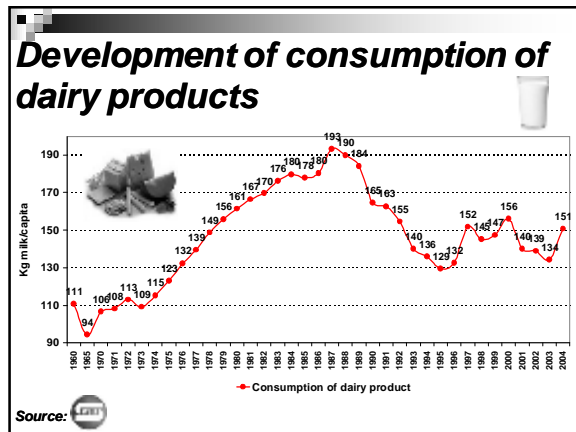
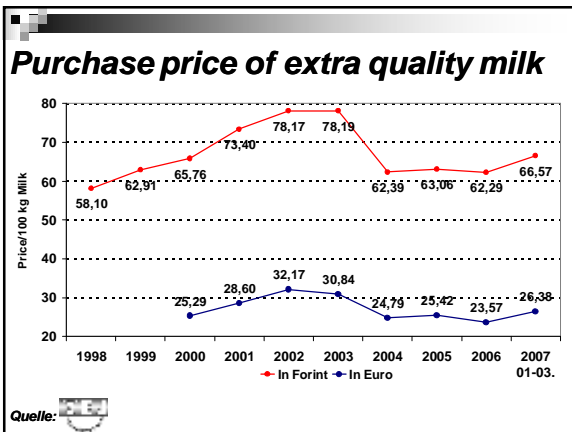
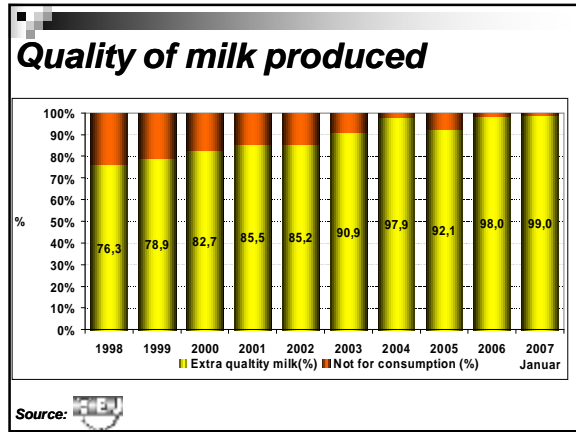
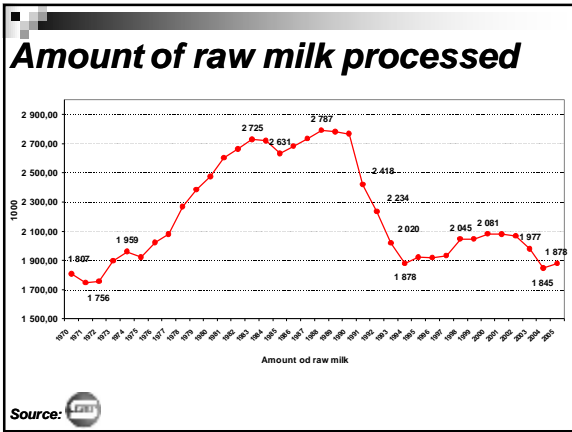
Farm size (number of cows)	Ratio in number of herds (%)	Ratio in milk produced (%)
1-10	83	18
11-100	13	3
101-300	1	9
300 felett	3	70

Source: Stefler, 2003



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SWOT analysis strengths & weaknesses



- ☛ Concentrated production.
- ☛ Favourable breeding backgrounds.
- ☛ Feeding based on corn silage.
- ☛ Relatively cheap (in EU terms) farmland.
- ☛ Good milk quality.



- ☛ High production costs.
- ☛ Low domestic consumption.
- ☛ Sparse producer share in processing sector.
- ☛ Low levels of bulk feed production.
- ☛ Poor management level in quite a few cases.
- ☛ Criss-crossed employment relations.

SWOT analysis opportunities & dangers



- ☛ Growing import.
- ☛ Reliable climatic conditions.
- ☛ Diverse technological backgrounds.



- ☛ Growing milk price.
- ☛ Milk export (Italy), higher milk price.
- ☛ Presence of advanced technology.

Thank you



Questions???