

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Voluntary _ Public

Date: 4/16/2013 GAIN Report Number: HU3002

Hungary

Post: Budapest

After Drought in 2012 Hungarian Farm Sector Suffers of Flood This Sp

Report Categories: Agricultural Situation Approved By: Paul Spencer Prepared By: Ferenc Nemes

Report Highlights:

Hungary received 50-120% above normal precipitation between January and March. As a result, there has been some flood damage to winter crops and delays to spring crop planting.

General Information:

In late winter and early spring Hungary was hit by prolonged cold weather and above average precipitation. The country lies at the bottom of Europe's Carpathian basin and is mainly lowland and rolling hills. Major river systems, such as the Tisza and the Danube, flow into Hungary from neighboring mountainous countries. Floods come fast and can be long lasting, driven by both local conditions as well as distant mountain melt off.

This year Hungary received precipitation from January-March that was 50-120% above the 30 year baseline average. This led to flooding, particularly in the west and north-east.

The agricultural sector has been hit to varying degrees:

- The condition of winter crops (estimated at 1.1 million hectares (ha) for winter wheat, 0.2 million ha winter barley, 0.2 million ha rapeseed) was good until early March. Since then, continuous rain and snow hampered farmer effort to fertilize and spray against fungus and weeds. According to county agricultural offices, only half of the fertilizing and less than ten percent of planned pesticide/herbicide/fungicide applications have been completed. About 200,000 ha land is covered by water, of which the half is planted or non-planted arable land. Although the arable land covered by water is in itself not much above normal, generally poor field drainage may still cause a reduction in normal harvested area.
- Muddy fields may delay seeding of spring crops for a period of weeks. Spring barley, peas and sugar beet are currently only 10-25% sown and may see overall reductions in sown area this year. Regular area devoted to these crops is 100,000 ha, 33,000 ha and 17,000 ha respectively.
- Area that is currently not yet seeded will increasingly be seeded to corn, silage corn and sunflowers. The usual production area for these crops is 1.2 million ha, 80,000ha and 550,000 ha, respectively. However, cultivation, planting, and fertilizing for these crops will also likely be somewhat delayed. Normally, the planting season for corn, sunflowers and other later spring crops starts about April 10-15, depending on the soil temperatures, and must be completed by early May.

Farms may claim (partial) water damage compensation, as set by the Agricultural Disaster Management Act, if crop losses are greater than 30 percent. The source of the payment is from a funding pool paid into by farms and the government.

According to the report of the National Water Office (OVF) flood alerts to vary degrees are in place for nearly 2,500 kilometers along rivers. Staff and equipment from the National Disaster Management

Authority, military, firemen and local volunteers and about 3,500 people have participated in mitigation efforts that cost an estimated HUF 100 million (USD 439,000) per day.

Barge traffic on the Danube, a main bulk product trade route, has not been significantly impacted by the flooding.