

## EIP-AGRI CONFERENCE Budapest 6th May 2014



### Pannonian 'Household' Swine Program (PHSP)

"From genetics to smoked sausages"

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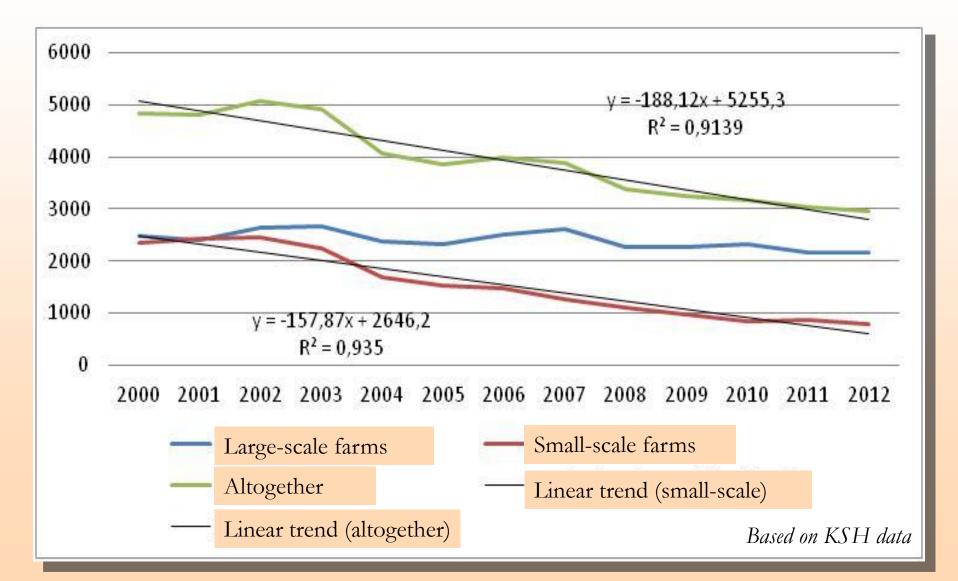


### Background

• Hungarian pig sector has been facing severe problems recently.

• Small-scale and household swine farming had played an important role in the sector before its crisis.

## Number of swine livestock in Hungary 2000-2012



### Importance of small scale and household farming

- It can be (re)started with lower investment costs
- Helps to increase the employment rate in rural areas
- Can increase the added value throughout the more processed regional products
- The regional products can restore confidence through the short supply chain

### Main Problem of the small-scale and household farming is ineffective management, because:

#### **Facts**

They can not afford buying expensive breeding stock

No larger volume at the time of input acquisition

No larger volume at the time of product purchase

They can not exploit the benefits of research and development or advisory activity

#### **Consequences**

Production level decreases

Have to face higher costs

Have to face lower prices

They are in the lack of up to date information on scientific issues or legislations

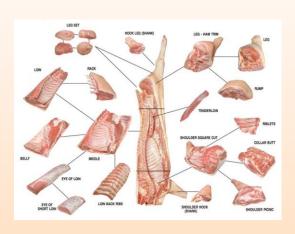
Only solution: Integration

- It has been recognised, that individual small farmers and producers can not revive without collaboration, vertical and horizontal integration, because they can not exploit the benefits of research and development or advisory activity.
- It is impossible to get profitability with the lack of up to date information on scientific issues or legislations in our ever-changing world.
- There is also an important drawback of small producers that they are in price taker position on both input and output side, especially if they have to perform along the long supply chain.

• PHSP as a pilot project is a swine breeding, farming, processing, trading, and pork product developing collaboration.











### **Objectives**

- The aim of the program is to improve the performance of small-scale and household pork producers by using the advantages of a professionally guided and monitored integration, where all partners endeavour a fair profit, while the entire organization operates on a non-profit base.
- The cooperation can guarantee food safety and quality of the household pork products from the genetics of swine, through animal health and welfare, to pork processing hygiene, and can reach consumers directly via the short supply chain.







University of Pannonia, Faculty of Georgikon
Local Government of Nemesvámos
Balaton Uplands Action Group
Hungarian Chamber of Agriculture
Research Institute for Animal Breeding and Nutrition
Farmers

- stock farms under the control of the Hungarian Pure-bred Swine Breeders Association
- small scale farmers and producers
  - •primary producers,
  - •small entrepreneurs,
  - •family-owned farms

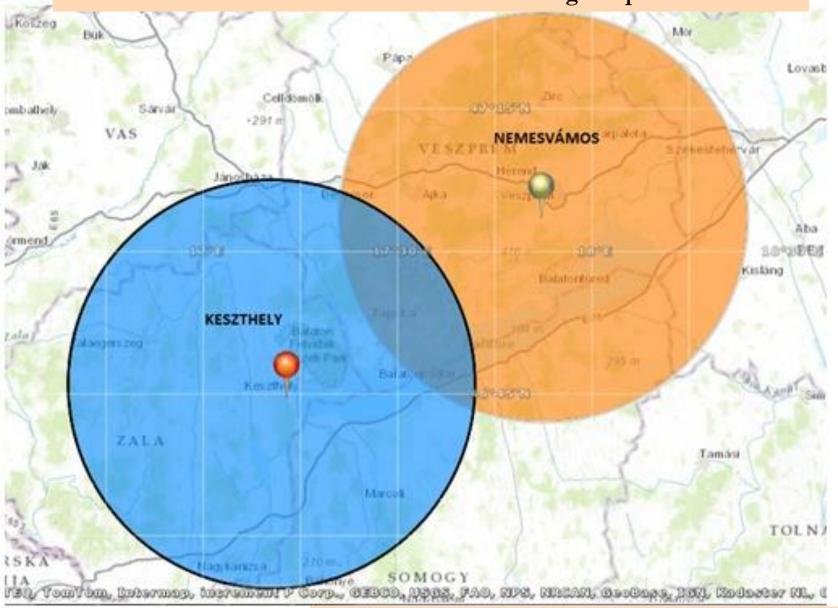


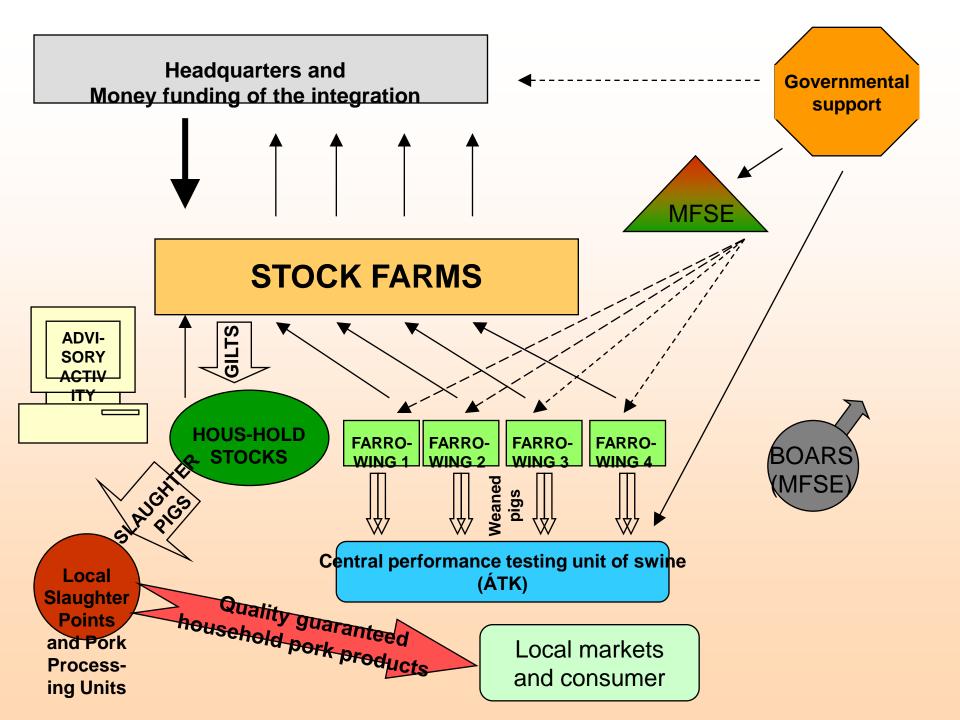






Location of the PHSP pilot project with the two 40 km radius of local slaughter points





#### **Main Activities**

- The main activity of the headquarters of the integration is resource allocation and maintaining the operational board which organizes the logistics, purchases and sales, and provide services to farmers such as veterinary services, inseminations, administrational help, and do the monitoring.
- The research institutes and advisory organizations can provide research results and transfer innovative practices on swine breeding, nutrition, technology and management, and also on trade, marketing and business issues.
- Small-scale farmers and producers can provide evidence based information to research institutes. Genetic value of Hungarian swine breeds and progress in quality of pork products can be improved rapidly by the continuous feedback arriving from farmers through performance testing and short supply chain monitoring.

#### Results and Benefits of PHSP

- Full traceability of breeding to ensure genetic progress, thereby improving quality of livestock
- Full traceability of animal health and food safety by monitoring the implemented short supply chain
- Production of guaranteed Hungarian pork products "from genetics to smoked sausages"
- Full traceability of taxation by individual marking of swine livestock and short supply chain monitoring
- Implementation of vertical and horizontal integration on the base of common interests
- Improving the competitiveness and overall performance of small-scale pork producers by having opportunities to apply innovative practices

# THANK YOU FOR YOUR KIND ATTENTION!

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