

THE ROLE OF ORGANIC FARMING IN RURAL DEVELOPMENT

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Abstract

The basic approach of this article is to access the conditions under which formally organized organic farming might become a factor for rural development. organic farming may improve farmers' social and economic conditions as well as the overall development of areas with a significant organic agricultural sector (proportionally to the local scale). Nowadays, as a result of continuous awareness towards a healthy life and environmentally sound products, more and more people tend to consume healthy /Organic Products. Indeed, Organic agriculture is increasingly gaining greater importance and is being recognized by Consumers, Farmers, Environmentalist and Policy Makers, as one of a number of Possible Models for Environmental, Social and Financial Sustainability in agriculture. More recently, it has been argued that organic farming can provide rural development benefits through enhanced employment and through closer connections with the local economy, reconnecting consumers with producers and stimulating positive economic multipliers.

Introduction

In this era of changing world and increasing production, the necessity of health is somewhere ignored, which in return causes many repercussions like soil pollution, environmental pollution, lost of biological diversity, etc. Thus, the rejuvenation of traditional farming in form of organic farming is adding health to environment and nutrition to the food. Organic Farming is the combine approach of soil management through maintaining the sustainability, soil fertility and biological diversity. This type of farming cause lowering of toxicity, encourages biological cycles of beneficial living organism, maintain soil fertility and many more additional advantages provided by this method shifting the contemporary era towards organic food and organic farming.

The EC Regulation

Organic farming can be defined as a system of management and agricultural production that combines a high level of biodiversity with environmental practices, that preserve organic farming,

does not prohibit the use of pesticides and fertilizers and most farms in organic farming use fertilizers or pesticides. Some pesticides are allowed for example, copper sulfate is a pesticide used in organic farming in the wine industry. In total, there are several hundred pesticides and fertilizers authorized in organic farming which are listed in annex I and II of the EC Regulation n ° 889/2008.

- Rural development includes local population, its way of life, employment characteristics, income structure, dwelling conditions, service levels as well as cultural aspects just as traditional handicrafts, dishes, language, clothing and habits. New rural development policy of EU can be featured by Multi sectoral and integrated approach. Organic farming is based on the definition of ecology as former naming just as ecological biological represent it. Its basic aim is ensuring sustainable development whereas it uses again, from time to time to locally available reserves.
- It can be stated that market demand for organic products is the strongest in Europe, as much as 46% of the world's organic product output is sold in this continent which possibly can be explained by its economic development level. This overall development reached Hungary, too.
- In December 2002 the estimations showed 105.000 ha and within this 54.497 ha had been registered as approved organic area. In case of organic production quality is more important than quantity, since in farms using environment-friendly ecological methods smaller yield can be obtained.
- The gaining of the rural areas is an accelerating process which on the one hand is in connection with the most complex manifestation of rural functions (economic, ecological, community as well as cultural and social functions), on the other hand it comes from the idea stating that rural areas offer indispensable services for the whole society, therefore accepting and developing rural values is an interest of the society.

All this is connected with fact that in the EU the multifunctional Agricultural model is the main stream and agriculture has to have performances:-

1. It has to produce good quality, whole value and safe foods.
2. It is an economic function which has to be regulated by the market and not finance.
3. Since, commodity production is not financed in any other branches of economy.
4. It has to offer concrete eco-social services (they are environmental services which serve the maintenance and protection of the rural area, the natural habitat, waters, topsoil helping the people living there).
5. The intention of the European Union is to assist the accessing countries (among them Hungary) which have employment achievement and environment friendly policy at the same time.

Agricultural Economy in Rural Development:

When Agriculture economy is considered following point should be kept in mind to actually elaborate its significance in rural development.

- ✓ Within national economy sectors it is agricultural economy that has the strongest connection with rural areas mainly because the rural area itself delivers the operation field and labour base of agricultural economy (especially of agriculture and forestry).
- ✓ Agricultural economy ultimately determines the income positions of rural families and communities, therefore it is a settlement forming factor. It has strong and direct connections with living environment, renewable natural resources, so it has an effect on the state of its elements (primarily on soil, surface waters, flora and fauna).
- ✓ Organic farming delivers an ever growing and permanent market background for producers in rural areas.

Some Needs That Required For Organic Farming Mentioned Below:

- ✓ Organic farming has to be concerned as a complex and integrated system.
- ✓ On one hand that the shift to organic farming should include not only the production of organic raw materials but also the processing, packaging and marketing of them.
- ✓ On the other hand it is important to establish the organizational and interest forms and systems which cover the production itself, the equipment and genetic base supply, small and medium size processing facilities, packaging, advisory and marketing management.
- ✓ Regarding growing domestic and foreign consumption trends, good price positions, lack of export restrictions organic farming can turn itself into a new alternative employment segment in many areas of the country.
- ✓ In this way the previously ignored factor of rural development can potentially turn into a dynamizing engine of regional development.

Depending on the economic situation of organic farms, the development of organic Agriculture will especially depend on the three factors:

1. Technical Progress

Technical progress in organic and conventional farming will affect the relative future competitiveness of both types of farming. As organic farming is gaining in importance, one can also expect increased technical progress in this sector, which will have positive a impact on it.

2. Price Development

Even though prices for organically produced food have mostly remained strong in the last years, despite the strong expansions in organic farming, the risk of prices changing is still to be

reckoned with. An EU wide regulation of organic livestock production and similar regulations for plant production can be expected to further strengthen this development.

3. Political Development

The direct support given to organic farming via area payment will continue to have a substantial impact on the economic viability of organic agriculture. Any decision regarding how current schemes within EC Reg. 2078/92 will be handled in the future, and what financial support will be available through them, is thus of major importance. CAP reform and an analysis of its impact on organic farming shows that it tends to improve the competitiveness of this type of farming.

Conclusion

Rural environment covers every aspect of natural environment (biodiversity, living spot and resources protection but also landscape protection) as well as of artificial environment (conserving traditional architecture, archaeological sites and other elements historical heritage). Rural development includes local population, its way of life, employment characteristics, income structure, Dwelling conditions, service levels as well as cultural aspects just as traditional handicrafts, dishes, language, clothing and habits. Since agriculture is a historically determining economic activity in rural areas its effects primarily determines the rural ways. And also provide employment for farmers and rural people which satisfy their financial needs and maintain their living standards.

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