



FÖLDMŰVELÉSÜGYI ÉS
VIDÉKFEJLESZTÉSI
MINISZTERIUM



New Hungary Rural Development Programme 2007-2013

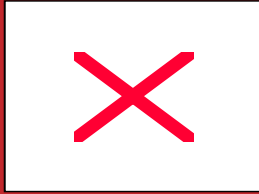
Hungarian renewable energy (bioenergy) policy

Ministry of Agriculture and Rural Development

Hungary

Tamás Biró
main expert

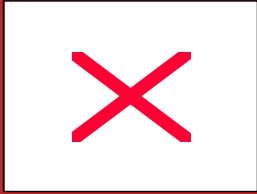
Veronika Erős
junior expert



Biofuel policy of the EU; Strategic goals



- **Enhancement of supply safety** (reduction of import, enhancement of self energy resources)
- **Environment protection** (reduction of CO2 emission, and other contaminate materials)
- **Local and regional development** (furtherance of economical and social development)
- **Rural development** (creation of local job opportunities)
- **Agriculture:** decreasing of the food production surplus with ensuring alternative land-use possibility



Strong EU commitment Goals



Mariann Fischer Boel: „For me personally, this is a top priority”

- **White book**: enhancement of the rate of renewable energy resources from 6% to 12% till 2010
- **2001/77/EC Guideline**: enhancement of the rate of renewable energy resources in energy consumption related to electric energy from 14% to 22,1% till 2010
- **2003/30/EC Guideline**: rate of bio-fuels should reach the rate of 5,75% till 2010, and the rate of 10% till 2020 (Nürnberg)
- **Kyoto convention**: reduction of emission of gases induce Global warming



Hungary

Green Energy Complex



1. Accomplishment of EU expectations

(to anticipate of sanctions, 2001/77/EC, 200330/EC Guidelines, Biomass Action Plan, Biofuels Strategy, Green Paper)

2. Energy Policy

(diverzification of energy supply, mitigation of gas- and oil – dependence)

3. Agriculture, Rural Development

(structural change of production and market, alternatives)

4. Environment – and Natural protection

(reduction of CO2 emission, utilization of energetic wastewater and organic wastage)

5. Domestic economical considerations, complex development of economy

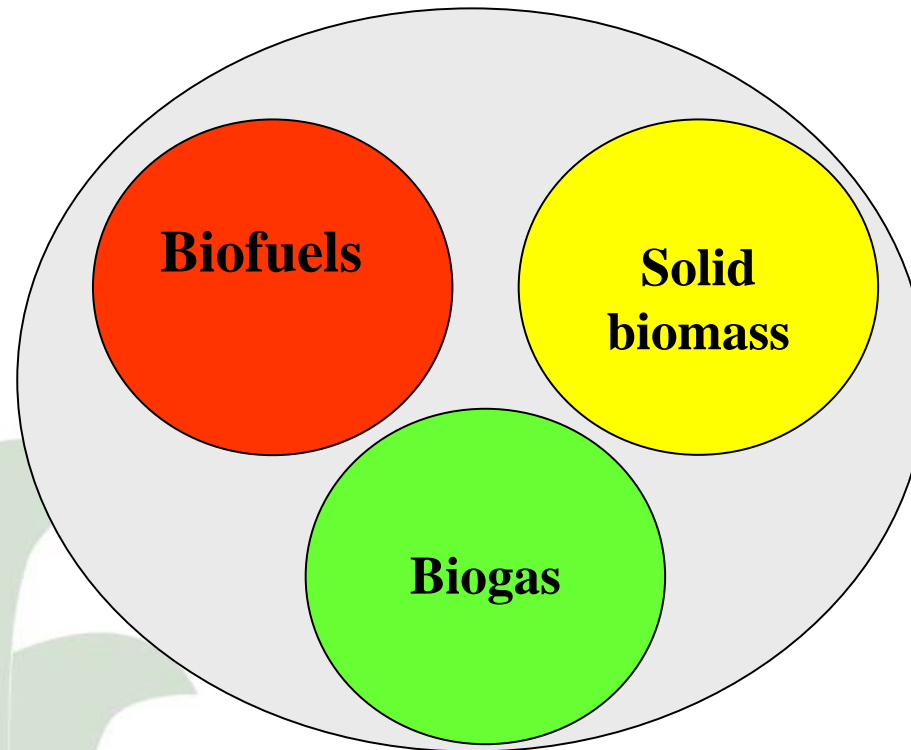
(GDP, balance of payments, budget effects, employment, new and competitive industry, R+D)

Alignment



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Alignment of energy resources originating from agriculture



Main goals in the field of **BIOFUELS**



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- Renewable raw materials (RRM) and production in 2013:
 - 2.5 million tons of cereal processed
 - 800 000 tons of bioethanol
 - 220 000 tons of biodiesel
- Plants composition:
 - Larger: 100-200 ktons capacity (99.9 % -bioethanol)
 - Middle: 40 ktons capacity

Smaller: max 10 ktons capacity (96.2%)

(development assistance: Ministry of Agriculture and Rural Development)

- Involve the farmers in the processing system
- Financial reasons
- Positive R+D effects
- Value added advantages
- Combined with biogas and based on animal breeding

Hungarian potential of raw material



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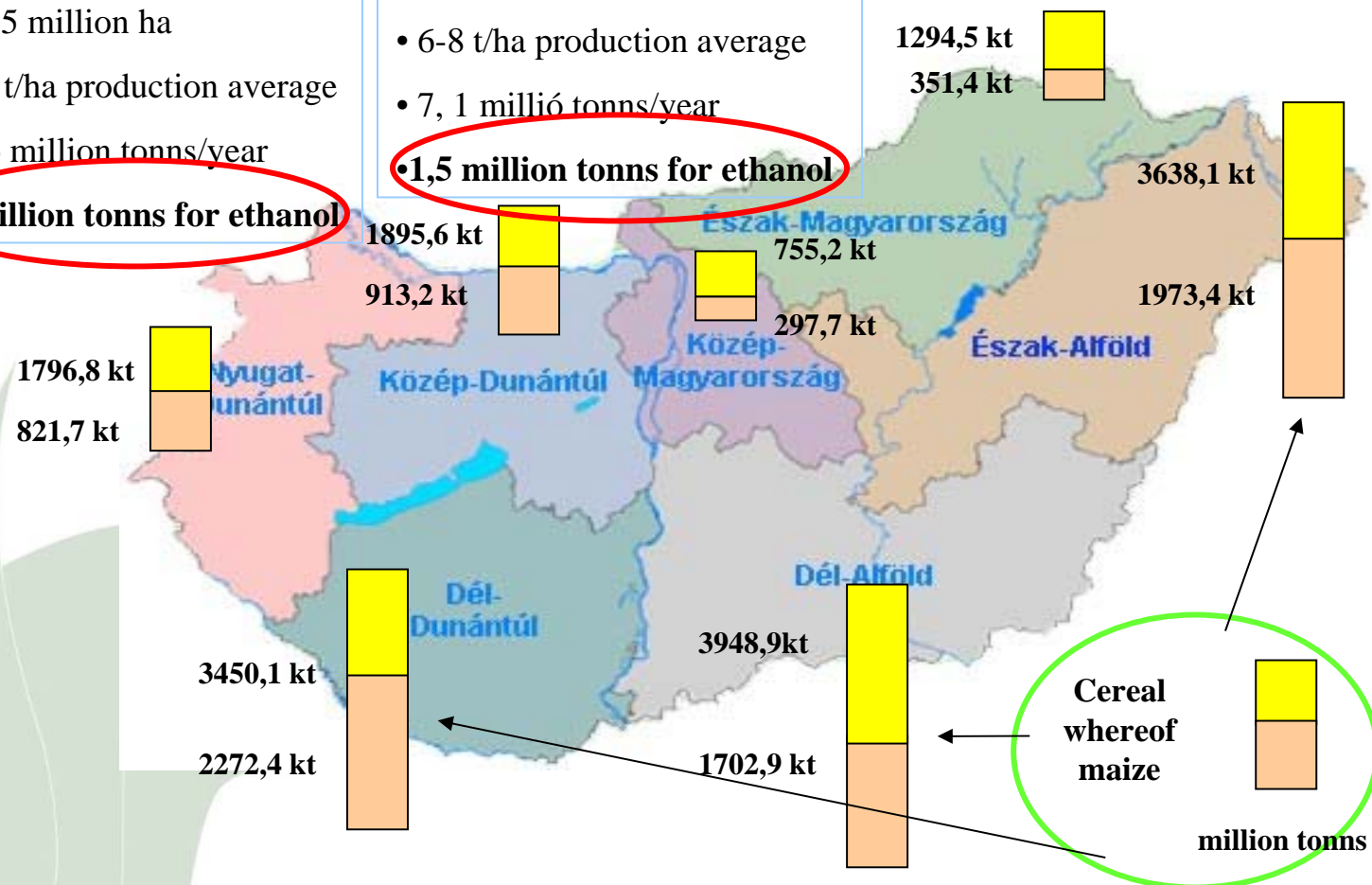
Corn raw material

- 1, 15 million ha
- 4-5 t/ha production average
- 4, 6 million tonns/year
- **1 million tonns for ethanol**

Maize raw material

- 1, 2 million ha
- 6-8 t/ha production average
- 7, 1 millió tonns/year
- **1,5 million tonns for ethanol**

5



Capacity - Investigation



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Denomination	Biodiesel	Bioethanol	Sum
Proposed capacity (kt)	220 kt/year	800 kt/year	
Goals	According to EU expectations	According to EU expectations + export	
Investigation claim (million €)	140	464	604
Claim of support (million €)	48	120	168
Production area (thousand ha)	300	600	900

Bioetanol

150 kt – 5,75 % EU expectation

500 kt export

Biodiesel

220 kt – 5,75 % Expectation

Slim export possibilities

Main goals in the field of **SOLID BIOMASS**



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- RM derives from forests, short rotation coppices (SRC) and agricultural byproducts
- 2 million ha forest areas (41% private, 58% state, 1 % community ownership)
- **Objectives:**
 - 49 000 ha new planted SRC areas
 - Increase the size of afforested areas
 - Using energy from biomass in agriculture (dryers, greenhouses, animal breeding facilities)
 - Improving the conditions of rural employment
 - Better usage of byproducts (agricultural, forest)
 - Better usage of the RE and the energy decentralisation (heating with biomass - ex: pellets, brickets, wood chips - common institutes)

Main goals in the field of **BIOGAS**



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- Modernisation of agricultural holdings
- Focus on:
 - animal husbandry, and other agricultural by- and wasteproducts,
 - fulfil the requirements of the Nitrate-directive (manure handling)
- Target: setting up 150-200 biogas system (150 kW – 1.5MW) above 200 animal unit

Proceeds



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- Thousands of job opportunities for producers in rural areas (100.000 producers, attached 400.000 people)
- Enhancement of added value with participation in primer processing
- Enhancement of quality of life in rural areas
- Advantageous environmental effects
- Structural change of agricultural production
- New agricultural branch
- Energetic utilization of intervention surplus

Attention!



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- The domestic food and fodder demand should be ensured, it shall not create inflation pressure on food (balanced market)
- EU expectations shall be satisfied (2003/30/EC Guideline)
- Importance of realization of by-products
- Crop market, food market and the balance of animal husbandry shall not be in danger
- Over the self demands it is only allowed to produce bioethanol in such amount, which is possible to sell on EU markets - market shall be assured for crop-types with direct export or in form of bioethanol
- Thinking in complex programmes – with positive energybalance-effect: connection of animal husbandry and bioethanol; bioethanol with biogas; according to the food circulation

Message



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„The field of renewable energies is one option to strengthen European cohesion and European dynamism”

Thank you for your attention!