

# ECONOMIC EFFECTS OF ENVIRONMENTAL CHANGE ON THE RURAL AREAS

**Árpád Ferencz<sup>1</sup>, Levente Komarek<sup>1</sup>, Anita Csiba<sup>1</sup> Zuzsanna Deák<sup>2</sup>**

<sup>1</sup>University of Szeged Faculty of Agriculture, Institute of Economics and Rural Development

<sup>2</sup>Óbuda University, Department of Business Development and Infocommunications

In our work, we examine climate change in Hungary, projecting it into agriculture where extreme weather conditions are most noticeable. As a testing area, we chose the Hungarian Sand Dunes area because of the diversified agricultural production here and because this part of the country is most affected by climate change. The Homokhátság occupies a significant part of Hungary and has always been a major agricultural production center. The homestead farms established here define the image of the Hungarian Great Plain. Interviews with local farmers provide an overview of the local impacts of climate change and measures to mitigate the expected and future damages in the farms surveyed. Each of the surveyed farmers is aware of climate change and is monitoring its effects. As to the impact of climate change on agriculture, they are mainly focusing on short-term losses. Quantitative and qualitative deterioration of yields has come to the forefront as a result of the degradation of the soil or the decline in water resources. Water conservation, the use of water retention techniques, and sustainable use of water wells could improve the situation. Farmers' livelihoods depend to a large extent on the extreme weather conditions that are becoming more and more commonplace due to climate change. The losses generated by extreme weather conditions are so high that they already threaten the operations of farms. As far as subsidies are concerned, the producers are well aware of the opportunities and take advantage of them. They are primarily in need of specific financial support, but there is also a growing demand for knowledge transfer of new methods to mitigate risks.

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