



38th UNITAB EUROPE CONGRESS

European tobacco outlook
regulatory challenges and market opportunities

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HUNGARIAN TOBACCO

2022-2025



CHALLENGES AND RESULTS

CHALLENGES

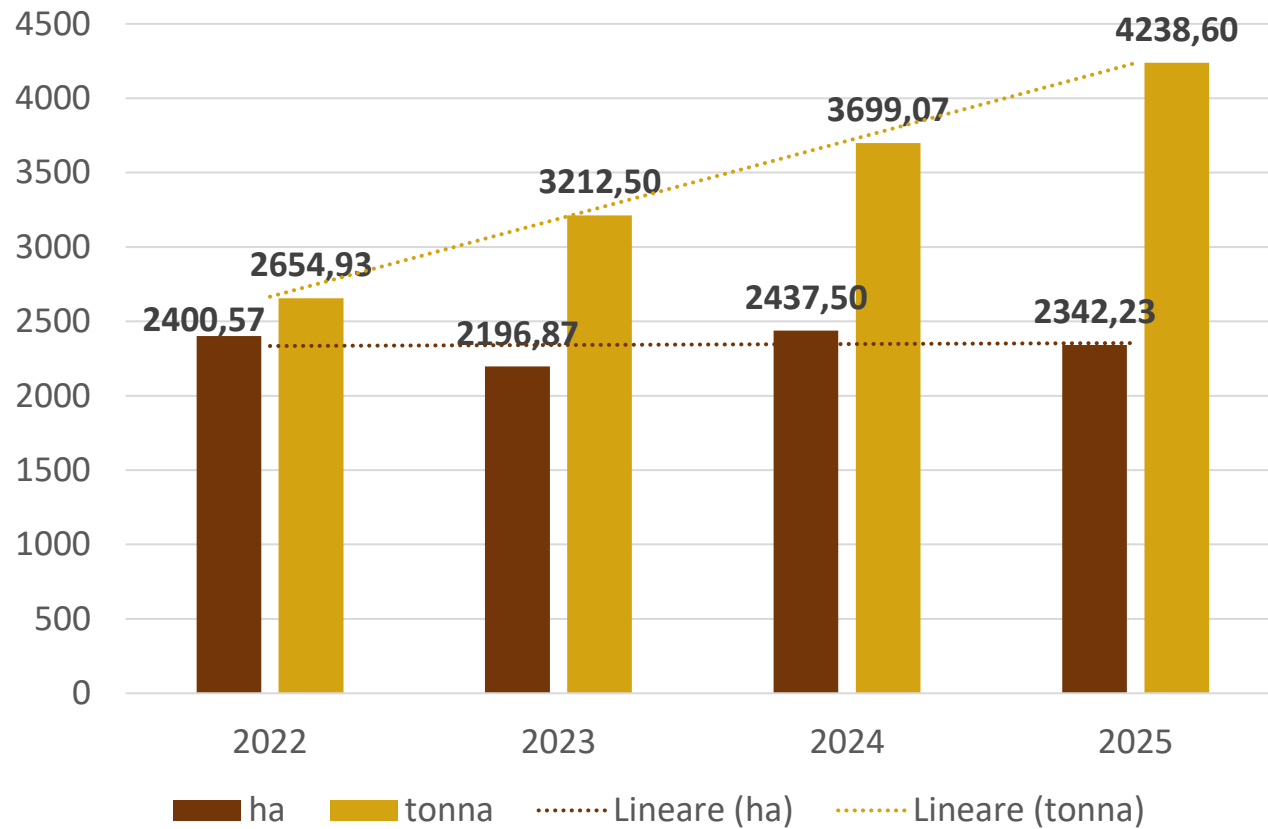
- Reduction of growing area and farmer number - FCV, BLY
- Ageing - BLY
- Lack of labour force - FCV, BLY
- Energy price increase - FCV
- Climate change - FCV, BLY
- Orobanche ramosa - FCV, BLY

RESULTS

- Growing area is stabilized - FCV
- Mechanisation of harvesting - FCV, BLY
- Proportion of irrigated fields increased - FCV
- Farm succession process began -FCV
- Competitive purchase prices - FCV, BLY
- Subsidy provided till 2027



Virginia contracted growing area and purchased volume 2022-2025



CHALLENGES:

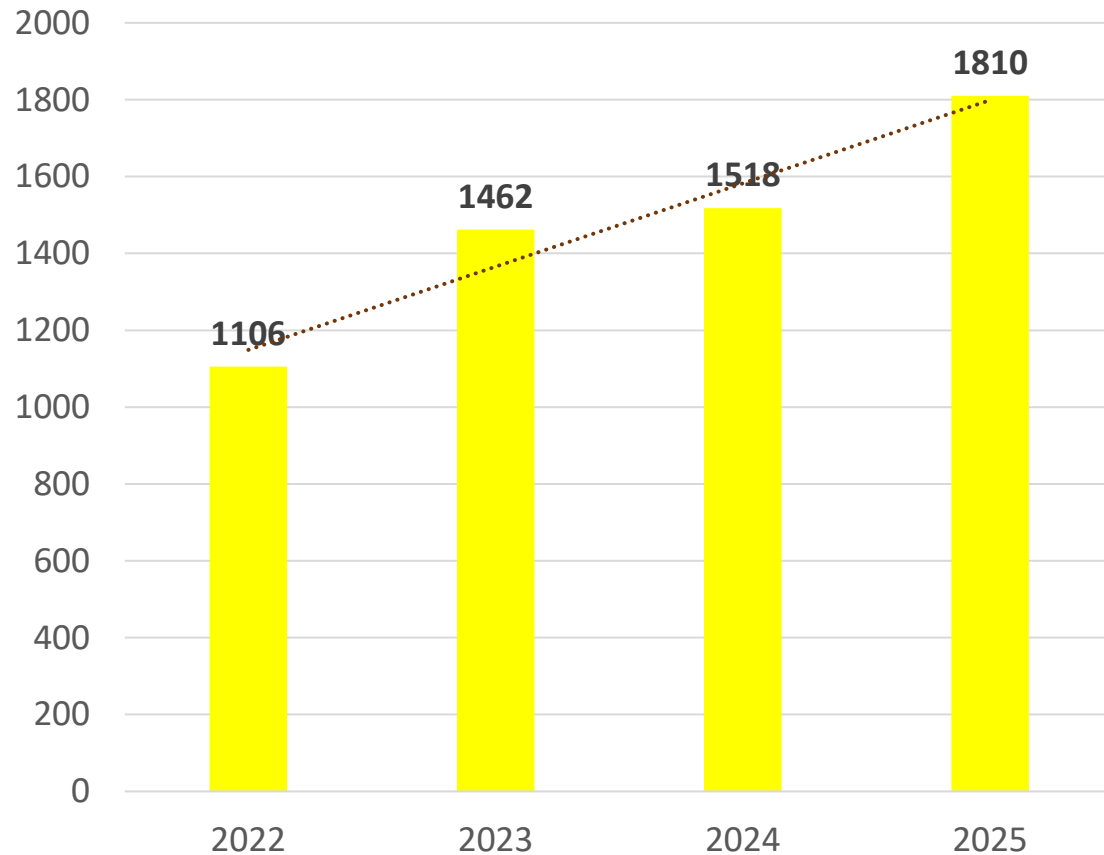
- Decrease in growing area
- Lack of (suitable) labour force
- Energy cost

RESULTS:

- Mechanisation
- Stabilized growing area
- Increasing crop volume



Virginia yield (kg/ha) 2022-2025



CHALLENGES:

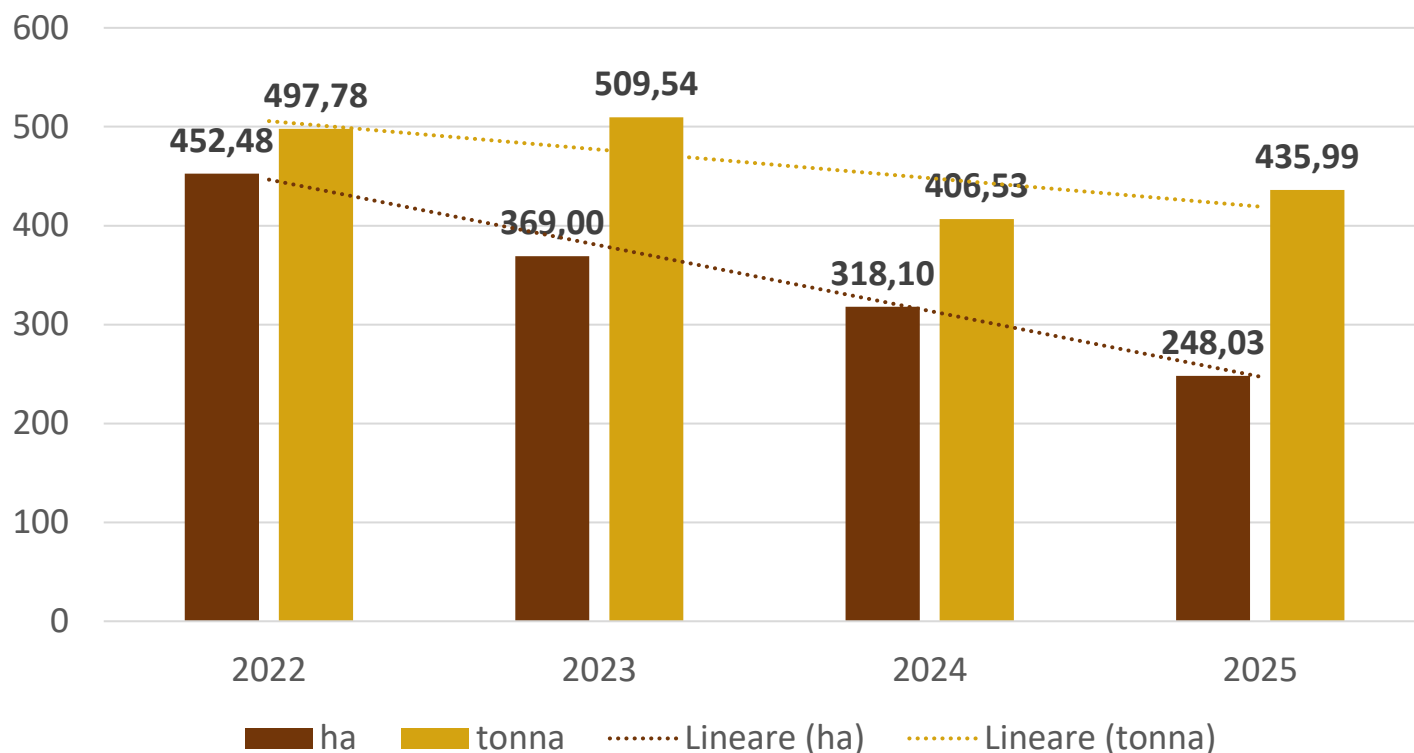
- Increasing crop yields
- Climate change, drought, uneven precipitation distribution
- Lack of (reliable) labour force
- *Orobanche ramosa*

RESULTS:

- Proportion of mechanised harvesting (70-75 %)
- Increase in the proportion of irrigated fields (70-80 %)



Burley contracted growing area and purchased volume 2022-2025



CHALLENGES:

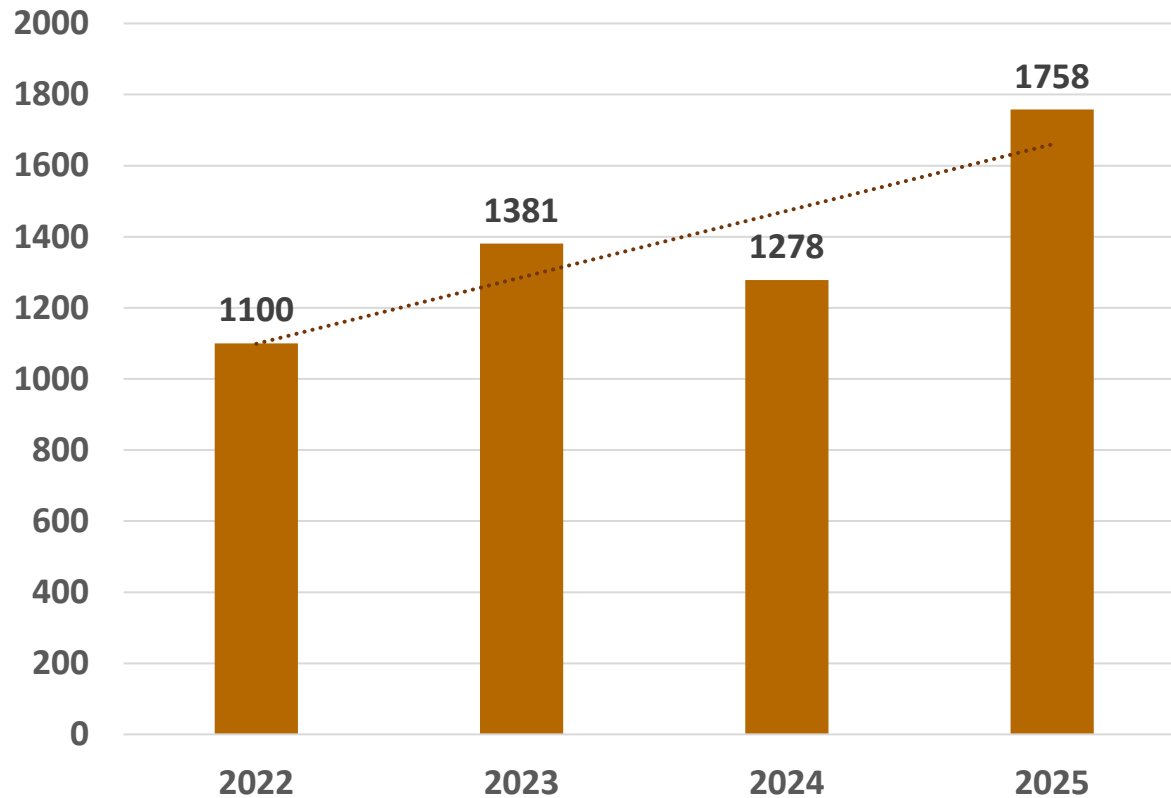
- Reduction of growing area
- Ageing
- Lack of (suitable) labour force
- Not attractive for young people

RESULT:

- Mechanised harvesting



Burley yield (kg/ha) 2022-2025



CHALLENGES:

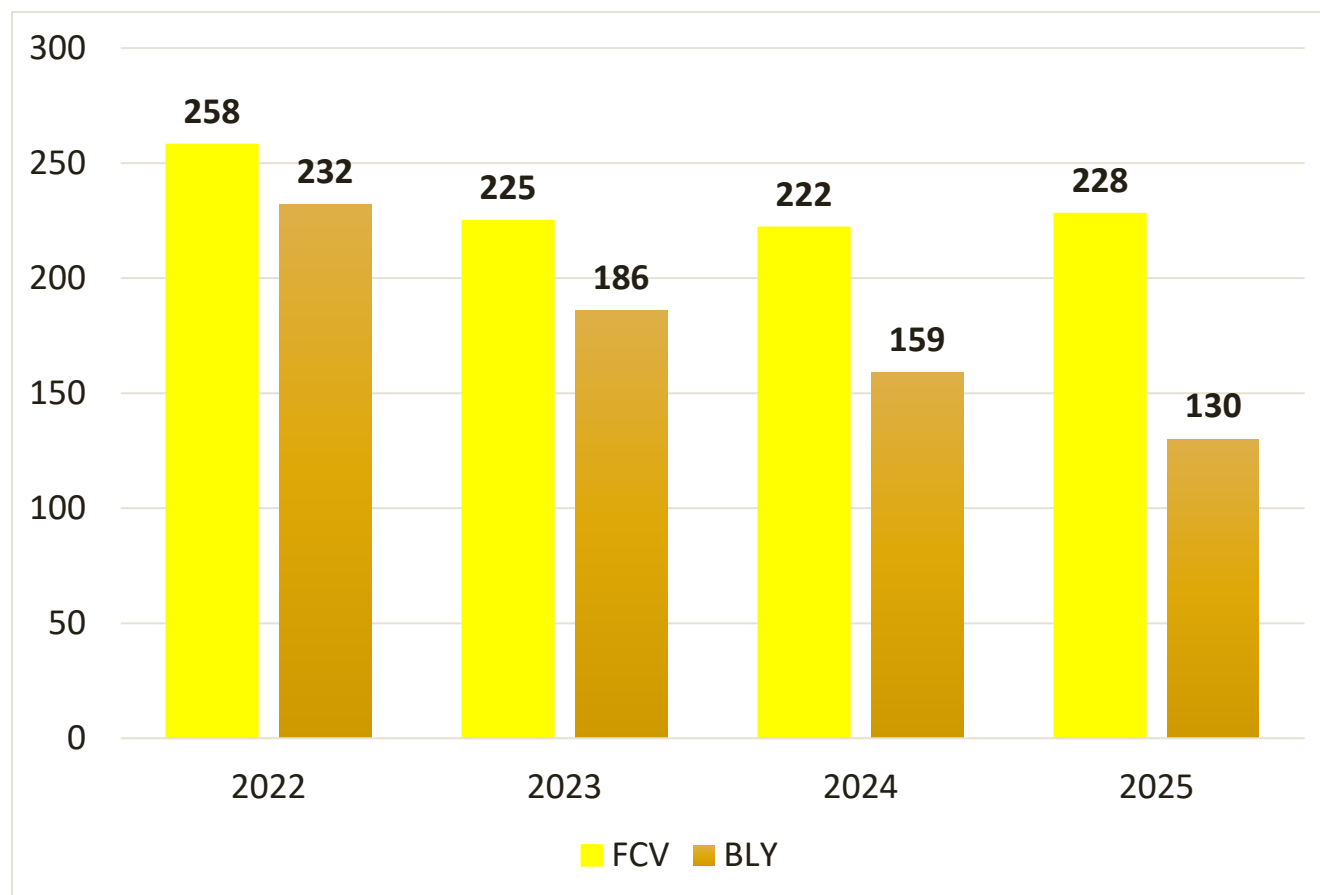
- Fluctuation in crop yields
- Climate change, drought, uneven precipitation distribution
- Lack of labour force

RESULTS:

- Mechanised harvesting on 10 ha
- Appearance of drip irrigation



Virginia and Burley: number of farmers 2022-2025



RESULTS:

- Farm succession process began - FCV
- Governmental subsidy provided till 2027
- Competitive purchase prices
- Profitable and sustainable farming



EXCISE REGULATIONS - HUNGARY

- Strengthening of black market
- Stricter regulations as from 2014:
 - „Each tobacco leaf separated from the stalk falls under the scope of the excise law, but it is not classified as an excise product.”
 - Mandatory farmer registration with annual renewal
 - Registration of growing areas and operational sites
 - The penalty for illegal possession of tobacco leaves is 100,000 HUF/kg (250 EUR/kg)
- Regular inspections of authorities
- Further tightening of regulations as from 2026:
 - Reporting the exact size of growing area
 - The penalty for illegal areas is 30 million HUF/ha (75,000 EUR/ha)
- Close cooperation with authorities



THANK YOU!