

Hungary is actively modernising and updating its pork sector as it prepares for EU accession next May, 2004.

By Roger Abbott

# Hungary takes charge

**H**ungarian pig farmers are being encouraged to work together and form co-operatives to give them more muscle to help them improve standards and negotiate better deals when the country accedes to the European Union (EU) in May next year. The government is also hoping to make use of special EU grants to set up at least one demonstration farm to help its farmers adopt the latest methods and technologies they will need to achieve best practice and increase their competitiveness against other EU producers. This was revealed by Hungary's deputy secretary of state at the Ministry of Agriculture and Regional Development, Professor Peter Biacs, at the World Pork Congress held in Britain in June this year.

## Hungary adapts to EU

Prof Biacs told congress delegates that pig farmers in Hungary had managed to catch up with modern technology to a large extent over the past few years and had also

recently acted to improve the welfare of pigs, but he admitted that there was still some way to go. "We believe it will help enormously if our farmers can go to a demonstration pig unit in Hungary and actually see how things should be done. "That knowledge and practical know-how will spread rapidly around all the farms and help keep everybody up-to-date."

He said that the government was particularly keen to encourage the small to medium-sized farmers, who kept between 100 and 1,000 pigs, to form co-operatives to help them sell their pork. "They are not big enough to compete properly in the bigger EU market by themselves."

As co-operatives, they would also be able to apply for the special EU subsidies that were available for marketing pork, as well as grants for projects to improve food safety, animal welfare and to protect the environment. This would help provide a stable market for an



*Prof Peter Biacs, deputy secretary of state at the Hungarian Ministry of Agriculture and Regional Development: "We are now looking forward to EU accession, because it will provide all our pig farmers with good conditions for sustainable development."*

*Photo source: MLC.*

industry that had been beset by over-production problems that had caused political tensions between farmers and manufacturers since the 1990s when Hungary was also hit by the loss of export markets in the former Soviet Union.

Some of these "tensions" had proved so serious that the government had been forced to step in to negotiate between the two sides, said Prof Biacs.

Pig production was at its peak in the 1980s, when about 12 million pigs were slaughtered every year. That has now fallen back to six million a year, following some radical rationalisations after the loss of the lucrative export market

to the former Soviet Union.

Hungary's former state-run pig farms, which include their own slaughter houses and feed mills, still account for about 85% of the production, but the number of individual, private farmers is growing and they now own about one million pigs.

### Pork production and exports

In 2000 the country was ranked 26<sup>th</sup> in world pigmeat production, with a breeding herd of 400,000 sows and slaughterings of more than six million pigs a year, and it has been more than 100% self-sufficient in pigmeat. It is, therefore, reliant on export markets to maintain its pigmeat production. In recent years, it has developed new export markets in the Far East. It has also been exporting live pigs to the EU.

The country's key export markets include Japan, South Korea, Germany and Russia. "We are now looking forward to EU accession, because the payments and regulations for registered products and farms, and increasing support for rural areas, will provide all our pig farmers with good conditions for sustainable development," said Prof Biacs. "It should also help our cereal producers and hopefully ensure good production in that sector to help our home-mixers provide their animals with cheaper feed. Free trade on an extended market of between 450 million and 500 million people will also help provide more security for the pork sector."

### Progress in the pig sector

Professor Biacs pointed out that Hungary's pig farmers had already travelled some distance down the food safety and animal welfare road, with the quality of the living conditions for pigs becoming more important to both producers and consumers.

Animal density has dropped over



Producers will be able to use marketing techniques and market information to develop their products in both quality and assurance.

Photo source: Meat International.

the past 10 years and the government has recently set up new "legal instruments" to control the breeding and keeping of pigs and other livestock."

Traceability is also becoming very important, and not only for the end consumers. Prof Biacs said that farmers wanted to know where their feed came from, for instance, so that they could consider what lay behind the prices and judge the influence of quality on costs.

### Adaptation to the EU

Observers say that Hungary is better placed than Poland to adapt to the EU regulations and structures. This is because the structure of Hungarian agriculture is similar to other EU member states and farms are, in general, large enough to be economically viable businesses, especially if the smaller ones are encouraged to form co-ops.

There is also more co-ordination between government bodies and trade associations and the more sophisticated marketing techniques and market information, which producers are able to use to develop their products in both the quality and assurance fields.

It has also already started to integrate into Western economic and political structures. For example, it banned meat and bone meal in feeds in 2001 and although growth promoters, which are gradually being excluded from diets in the EU, are not banned in Hungary, producers must obtain permission from the district veterinary service before they are included in feeds.

On the animal health side, Prof Biacs was keen to stress that the government had already established a network of 20 veterinary medical stations in each county, or region, to help farmers improve conditions.

Quizzed about the distribution methods within Hungary and the presence of a foreign supermarket giant in the country, Prof Biacs admitted that the retailer, Tesco, was already operating in the country and formed a strong segment of the Hungarian meat market and he was sure it would increase its network in future. But, he said: "We are not upset about this in general, because we believe it will help us build up the modern marketing techniques we need to compete effectively within the EU and world markets." **MI**