GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED
IMC/INV/8/Rev.1
4 April 1984

Arrangement Regarding Bovine Meat

Original: English

INTERNATIONAL MEAT COUNCIL

Inventory of Domestic Policies and Trade Measures and Information on Bilateral, Plurilateral or Multilateral Commitments

Reply to Parts G and H of the Questionnaire

HUNGARY

Revision

The participants have agreed to provide information concerning their domestic policies and trade measures including bilateral and plurilateral commitments on the basis of Parts G and H of the Questionnaire (Rule 16 of the Rules of Procedure). The documents containing replies to these parts of the Questionnaire are circulated under the symbol IMC/INV; they will be revised as and when changes are notified.

This set of documents constitutes the inventory of all measures affecting trade in bovine meat, including commitments resulting from bilateral, plurilateral and multilateral negotiations, which the Council has instructed the secretariat to draw up and keep up to date, under the provisions of Article III of the Agreement (Note to Article III of the Arrangement and Rule 18 of the Rules of Procedure).

Note: This document has been revised in accordance with the three-year rule contained in Rule 18 of the Rules of Procedure, and replaces all previous IMC/INV/8/... documents.

84-0623

PART G

Part G.1. Information on Domestic Policies and Trade Measures

I. Production

(a) In the development of the Hungarian agriculture and food industry the establishment of large-scale production has been a determining factor, as well as the replacement of the means of small-scale production by those suitable for large-scale production. In this development, the emphasis has been on selection of the most important sectors in agriculture, and one of these has been and still is animal breeding and meat production. Although cattle numbers in Hungary in the last two decades have remained fairly stable, production showed an appreciable increase when comparing one decade with the other: average production in the 1970s was some 15 per cent higher than in the 1960s. This increase can be fully attributed to considerably higher slaughter weights in the 1970s, resulting from productivity gains to be related with the reforms introduced in the management system in 1968 and the support programmes implemented a few years later. The factors which govern the evolution of the beef industry in Hungary are the full compliance with domestic requirements and the maintenance of traditional exports.

(b),(c) The cattle producers benefit from investment, production, price and other support measures. These measures are implemented by regulations which are reviewed from time to time. The regulations presently in force have been published in the Official Journal of the Ministry of Agriculture and Food, issue No. 51, dated 12 November 1983. According to these regulations, large-scale farms may get the following investment support:

- A 4 per cent interest refund on the investment credit granted for building or modernizing the cattle husbandry.
- The purchase of certain agricultural machinery at a reduced price.
- A special support price when the farm is located in regions where cropland is of very low productivity.

Large-scale farms also get the following cattle breeding support:

- A 5,000 forint payment for each liveborn calf issued from a beef cow.
- A price supplement of 6 forints per kg. per sale of cattle bred on the farm.
- A payment of 20,000 forints per head of beef cow added to the herd, in case of net increase.

Small-scale producers also receive some support in the form of a cash payment of 2,500 forints for the first cow and 6,000 forints for each of the following cows, added to their herd.

II. Internal prices and consumption

(a) Beef cattle producers in Hungary receive a guaranteed price, fixed and published in advance, when marketing their cattle. The prices in force as of 1 January 1984 are contained in the Regulations of Prices and Commercialization published in No. 46 of the Official Journal of the National Office for Material and Prices, and are the following:

	Beef-cattle, excluding Hungaro-friz and pure-bred Holstein-friz Ft/kg.[1]	Hungaro-friz and pure-bred Holstein-friz beef-cattle Ft/kg.[1]
Bull-calves above 450 kgs.		
Superior quality	42.20	41.20
1st class quality	40.20	39.20
2nd class quality	37.70	36.70
3rd class quality	34.70	33.70
Beef-heifers above 430 kgs.		
Superior quality	39.20	38.20
1st class quality	37.20	36.20
Beef-heifers above 400 kgs.		
2nd class quality	34.20	33.20
3rd class quality	31.20	30.20
Adult cattle above 450 kgs.		
1st class quality	39.20	38.20
2nd class quality	34.20	33.20
3rd class quality	31.20	30.20

[1] US$ = Ft 45.4

Additionally, the marketing of calves benefits from the following special support prices:

	Ft/kg.
Calves for breeding purposes between 70 and 200 kgs.	44
Beef and calves between 70 and 200 kgs.	38

There are no statistical data available concerning the average income of the producers. The objectives of the agricultural price policies are to assure that these prices cover the production costs, taking into account the tendencies of the world market prices and an equitable income for the producers.

In Hungary there are no specific measures affecting the consumption of bovine meat. Fifty per cent of the production is domestically consumed and, in 1983, per capita consumption averaged 10 kgs. in carcass weight equivalent, bovine meat products included. The consumption of pork and poultry is traditionally more wide-spread than that of beef (taking into account the consumption of these meats, the per capita meat consumption in Hungary is, on average, above 77 kgs. a year), and this consumer habit is not likely to significantly change in the forthcoming years, although retail prices directly affect it.

III. Measures at the frontier

(a) Live bovine animals and meat imports are subject to an ad valorem tariff rate paid by the importer. The current Commercial Customs Tariff was introduced in 1968 and is based on the Customs Co-operation Council Nomenclature.

Heading No.	Description of goods	Duties in % Ad valorem			
		I	II 1983	I	II 1984
01.02	Live animals of the bovine species:				
01	Live animals of the bovine species for breeding purposes	0	0		0
99	Other		15		15
02.01	Meat and edible offals of the animals falling within heading No. 01.02, fresh, chilled or frozen:				

Heading No.	Description of goods	Duties in % Ad valorem			
		I	II 1983	I	II 1984
02	Meat of animals of the bovine species		15		15
05	Edible offals		15		15
02.06	Meat and edible meat offals, salted, in brine, dried or smoked:				
03	Beef, veal and bovine offals		25		25
16.02	Other prepared or preserved meat or meat offal:				
02	Other prepared or preserved beef, veal and pork	0	20		20

(b) None

(c) The Hungarian export regulation system provides for the refund to the producer of the differential turnover tax in order to ensure the Hungarian exports an equal competitive position to that of third countries. Furthermore agricultural exports may benefit from an export subsidy. Currently, live cattle and bovine meat may be granted an export subsidy of 8 per cent on the basis of the sale price.

(d) Imports of live bovine animals and meat are subject, for health and veterinary reasons, to a health and veterinary certificate issued by the exporting countries' competent authorities. Bovine animals and meat as well as other animals and meat and products of animal origin etc. can only be imported (and exported) via border stations that have veterinary control facilities.

(e) There are no quantitative restrictions on imports of live bovine animals and meat into Hungary.

PART H

Part H. Information on Bilateral or Plurilateral Agreements in the Field of Bovine Animals, Meat and Offals

Hungary has no bilateral or plurilateral agreements in the field of bovine animals, meat and offals.