

GENERAL AGREEMENT ON  
TARIFFS AND TRADE

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International Dairy Arrangement

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INTERNATIONAL DAIRY PRODUCTS COUNCIL

Reply to Questionnaire 5 Regarding Information on  
Domestic Policies and Trade Measures

HUNGARY

/A/ Production

The milk production in Hungary approaches 2.700 million litres annually. Milk production first of all is intended to comply with home consumption. Exports are generally effected only in order to make use of home produced primary products exceeding domestic demand, except for certain kinds of cheese which are traditionally exported by Hungary.

In the forthcoming years, the current tendencies are supposed to continue: the increase of milk production serves to satisfy the growing internal consumption.

The higher milk production is expected to be attained by a smaller cattle stock, through the increase of pro head yield.

1. /a/ To attain the above objectives appropriate measures are taken. The producers benefit from investment, price and other supports.

Assistance for investments: a subsidy may be granted for the construction of milk-farm installations covering 30 per cent of the investment costs or amounting to 18.000 forints per cow space. /The decree in question is published in the gazette no 7/1982 of the Ministry of Food and Agriculture/

Assistance for small producers: 2.500 forints are granted for the first new milk-producing cow and 6.000 forints for each of the following cows, added to their herd. If milk production is being realised by cows bred by the small producer himself and he is ready to undertake a continuous milk production of 4 years the subsidy in question may be granted in advance in cash.

/b/ Guaranteed prices for milk from 1st of January 1984  
/based on 3,6 per cent milk fat content/

	<u>1.01-30.04 1984</u>	<u>Forints per litre</u> <u>1.05-30.11 1984</u>
a/ Large producers		
1st class	7,25	6,26
2nd a. class	7,15	6,55
2nd b. class	7,05	6,45
3rd class	6,85	6,25
b/ Small producers		
1st class	7,15	6,55
2nd class	6,95	6,35

Classification of quality by numbers of germs in 1 cm<sup>3</sup> milk

1st class	under	0,5	million germs
2nd a. class	between	0,5-1,5	" "
2nd b. class	"	1,5-3,0	" "
3rd class	above	3,0	" "

In the case of divergence from the 3,6 per cent fat content the divergence is calculated at a price of 110 forints per kilogram of milk fat.

Price supplements

In the case of milk and cream produced by large agricultural farms a price supplement of 0,40 forint per litre is given above the basic price. In the case of divergence from the 3,6 per cent fat content 11 forints are granted or discounted for every kilogram of milk fat. In addition agricultural farms are given a further price supplement of 1,60 forint per litre. Large agricultural farms with unfavourable natural endowment receive a 4 per cent price support on the basis of marketed milk and a further price support of 18 per cent for integrating small producers. The large farms support the small producers by supplying them with fodder at favourable prices and providing them with milking-machines.

/B/ Internal Prices and Consumption

The prices and price supplements in force as from 1st of January 1984 are as follows:

Product	Producers Price	Wholesale Price	Consumer Price
Pastorized milk with 2,8 per cent milk fat content, 1 litre	8,40	5,34	6,0
Butter /pastorized butter/ with 80 per cent fat content, 100 gram	11,35	5,34	6,0
Cheese			
- Pannonia	100,78	54,29	61,0
- Trappist	87,57	47,17	53,0
- Edam	85,91	46,28	52,0
Milk powder for human consumption, 1 kilogram	73,82	46,28	52,0

In Hungary the consumption of milk and dairy products amounts to 180 kgs per capita. This is still far from the desirable physiological level. One of the fundamental means of increasing consumption is the broadening of the scope of dairy products with goods, which are characterized by high biological value and long preservation.

C. Measures at the frontier

At present dairy products falling under the International Dairy Arrangement are subject to tariffs between 20 and 30 per cent, except for butter that is subject to a 60 per cent tariff.

In Hungary exports are not subject to duties and other charges.

Sanitary prescriptions in Hungary are issued by the Ministry of Agriculture and Food; in case of exports it is the sanitary requirements of the importer that are taken into consideration.

D. Text of description of bilateral, plurilateral and multilateral agreements

None.