The main elements of food policy in Hungary

Hlavní prvky maďarské potravinové politiky

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Abstract: Hungary has recently become a member of the European Economic Union (EU) and most of the economic benefits are expected to come from expanded trade with other EU nations. While some variation in agricultural policy continues to exist between EU members, all countries generally, benefit from lower tariffs and expanded trade opportunities. However, Hungary must also be able to compete on the basis of quality and price in order to maintain current domestic markets and sell more to other EU countries. In order for the Hungarian agriculture and food industry to contribute to economic development it must continue to focus on efficiency and competitiveness. Hungary benefits from many natural features, which provide favourable conditions for agriculture: fertile plains, an advantageous climate and production experience, which makes possible a total yearly agricultural and food products trade surplus fluctuating between 1.5 and 2 billion US $ for the last 12 years. However, after the EU accession, the Hungarian internal market has become fully open and domestic products have to compete with the products of other EU members. This is why the renewal of food regulation and policy was indispensable. This article examines the Hungarian food policy (1) before the transformation to a market oriented system, when the policy was quantity orientated, (2) during the pre-accession period, when quality policy became more important, and (3) after accession to the EU where food safety has become more important.

Key words: food policy, food safety, EU accession, quality, food consumption, privatisation, food industry, foreign trade

Abstrakt: Maďarsko se nedávno stalo členem Evropské ie (EU) a předpokládá výrazný ekonomický prospěch plynoucí z rozšíření zahraničního obchodu se zeměmi EU. I když mezi členskými zeměmi EU existují určité rozdíly v zemědělské politice, všechny země obecně mají prospěch z nižších celních tarifů a širších tržních možností. Maďarsko nicméně musí být rovněž konkurenceschopné, pokud jde o kvalitu a cenu, aby si udrželo stávající vnitřní trh a bylo schopno rostoucího exportu do ostatních zemí EU. Aby maďarské zemědělství a potravinářský průmysl úspěšně přispívaly k celkovému hospodářskému růstu, musí se i nadále soustřeďovat na ekonomickou efektivnost a kvalitu. Maďarsko má řadu výhod v oblasti přírodních podmínek, jež mu poskytují výhodné předpoklady pro zemědělství: úrodné nížiny, příhodné klima a produkční zkušenosti, jež umožňovaly v posledních 12 letech celkový roční přebytek zemědělské a potravinářské produkce v objemu mezi 1,5 a 2 miliardami USD. Po vstupu do EU se však maďarský trh stal plně otevřeným a domácí produkce musí tudíž čelit konkurenci produktů z ostaních zemí EU. Obnovená regulace kvality potravin a potravinová politika jsou proto nezbytné. Příspěvek je zaměřen na analýzu maďarské potravinové politiky (1) před transformací na tržně orientovaný ekonomický mechanismus, kdy potravinová politika byla orientována na kvantitu, (2) v průběhu předvstupního období, kdy významu postupně nabývala orientace na kvalitu a (3) na období po vstupu do EU, kdy se nejvýznamnějším prvkem stává potravinová bezpečnost.

Klíčová slova: potravinová politika, potravinová bezpečnost, vstup do EU, kvalita, spotřeba potravin, potravinářský průmysl, zahraniční obchod

THE EFFECT OF TRANSFORMATION ON THE HUNGARIAN FOOD INDUSTRY

The Hungarian food industry plays an important role in foreign trade. Agriculture and food policy prior to the transformation to a market oriented economy in 1990 consisted of high levels of state subsidies and protection from import competition. The rapid collapse of traditional agricultural and food policy in 1990 led to a sharp decline in domestic purchasing power and a sharp increase in competition from the imported agricultural products. As a result, a number

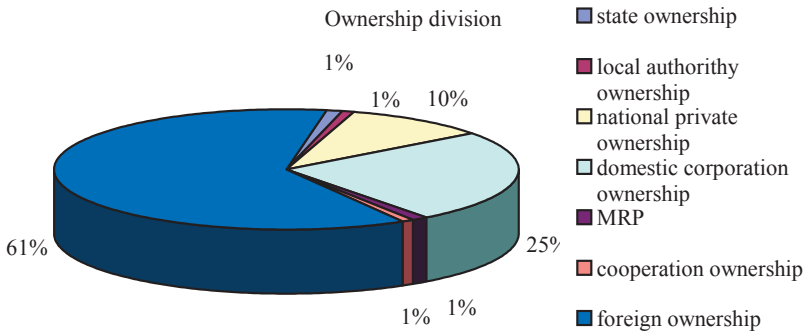

Figure 1. Ownership division within called up share (1st January, 2000)

Source: Central Statistical Office

of traditional food producing and processing companies were placed in a difficult financial position.

The transformation resulted in two radical changes in the food sector: privatisation started and the number of small enterprises operating in the food industry increased from several hundred to more than ten thousand.

Transformation to a market oriented economy allowed for privatization of firms within the agricultural and food system. This allowed agricultural producers to obtain ownership shares in food processing companies. This was intended to reconcile the interests of agricultural producers and food processors, much like the Danish cooperative model. In practice, this goal was not achieved, because the agricultural producers were not financially capable of improving the economic position of food industry plants, so the buying of the shares in food industry plants for vouchers did not lead to a capital inflow into the food industry. As mentioned above, the majority of Hungarian food processors were rather unfavourably placed, and so the ownership change would have made the economic situation of agricultural producers even worse (Buday-Sántha 2001).

Hungarian privatisation was unique in Central and Eastern Europe. Since 1989 a significant change has occurred in the structure of Hungarian agriculture that will impact future production and trade. Privatisation brought real owners to Hungary, those who invest, which brings the necessary financial means for restructuring. In addition, approximately half of the foreign direct investment to Central and Eastern Europe is in Hungary, and those are mostly the medium or long-term investments. So the foreign direct investment (FDI) has increased substantially, and state ownership of businesses has declined to approximately two per cent. International companies that have acquired stakes in the Hungarian food sector during the privatization have brought with them modern practices in production and processing. Just as significant is the superior expertise they have brought in marketing and new product development. Foreign direct investment has also stabilized many companies that were in bad financial shape and helped to regain the export share that was lost in the early 1990's.

In 1998, the share of companies with majority foreign ownership accounted for 51% of the total food sales, and 68% of equity in the industry. These firms only accounted for 14% of the firms in the industry. Firms with the majority foreign ownership control production and processing of vegetable oil, sugar,

Table 1. Size structure of food industry

Amount of income (billion)	Number of enterprises	%	Net income billion HUF	%
Over 20 bn.	18	0.6	541.3	28.8
Between 10–20 bn.	33	1.1	469.2	25.0
Between 5–10 bn.	29	1.0	204.4	10.9
Between 3–5 bn.	47	1.6	99.6	5.3
Between 1–3 bn.	136	4.6	400.5	21.3
Under 1 bn.	1 696	91.1	165.0	9.7
Total	2 959	100.0	1880.0	100.0

Source: Central Statistical Office

beer and tobacco. Foreign ownership is insignificant in the milling and wine industries. Countries with the largest direct investment are the Netherlands with 58 billion Hungarian Forints (58 bn HUF), Austria (24 bn HUF), Germany (23 bn HUF), Switzerland (18 bn HUF), USA (15 bn HUF) and the UK (14 bn HUF).

In 2000, Hungarian investors owned one third of the firms with the remainder being owned by foreign investors outside the EU. The firms remaining in Hungarian hands tend to be smaller and more inefficient. In 2000, foreign ownership accounted for 61% and state ownership of businesses has declined to approximately two per cent (Figure 1).

The number of enterprises operating in the food industry was 9 300 in 1999, and 8 070 in 2002. But 80% of the added value was produced by 180 major companies. Small and medium sized food producers struggle with weak financial status, insufficient development resources and structural difficulties. The number of medium sized companies shows a decresing tendency.

The structure of the food industry according to income generated is as follows (Table 1).

CHARACTERISTICS OF FOOD POLICY BEFORE TRANSFORMATION

The most important aim of food policy is to provide the Hungariancitizens with a sufficient amount of food. Contrary to the situation in most Central and Eastern European countries, the food shortage in Hungary was eliminated from the beginning of the sixties. Because of good production conditions, Hungary developed a food surplus, which went to the Eastern European markets. Hungary became a major supplier of processed foodstuffs to the socialist countries before 1989 and developed a well established food industry. A very little competition from the non-Soviet Bloc nations was permited, so a general and continuous development in food quality was not required. Companies were involved in quality selection instead of quality assurance. For example, the best quality products went to the Western markets, products with medium quality stayed in the internal market, and the rest went to the Eastern markets.

Enterprises exporting outside of the Eastern Bloc were subsidised to earn hard currency. Therefore, even before the end of Communism, many companies were used to meeting the Western quality standards.

During the period between 1989 and 1992, Hungarian companies switched their foreign trade from the depressed Central and Eastern European countries to the Western European markets (Rácz et al. 1996). This changed the entire orientation of the Hungarian economy in the long run. Today, developed market economies play a dominant role in Hungarian foreign trade. The volume of trade, including exports, grew during this period which stabilised the Hungarian presence in the newly acquired markets and caused strong trade relations with the West to become a permanent feature of the economy (Keleti, Rácz 1999).

Quality as the main factor of competitiveness

Quality control and quality assurance in the Hungarian agriculture and food industry was considered adequate for more than one hundred years. But since Hungary joined the EU the issues of quality have come into prominence. For the Hungarian food industry, improvements in the level of product quality are important in order to maintain both domestic and international markets (Bánáti 1998).

In 1991, Hungary began the process of bringing food safety and quality control programs in line with the EU requirements. Prior to 1989, most Hungarian exports were shipped to other former Soviet Union countries that did not always impose the more stringent quality and safety standards of the EU. Another concern of the Hungarian food industry was the increased competition from the EU imports after Hungary joined the EU. The opportunity for domestic consumers to purchase a wider variety of high quality foods at competitive prices could have a serious impact upon the ability of the traditional Hungarian firms to survive (Tomcsányi 1998).

In terms of the Hungary's accession, it is significant that the enterprises operating in the food industry meet the requirements of the food law, food trade and consumer needs. To meet the strict food safety rules is not just a question of the government control. It is the main condition for maintaining competitiveness and the growing market share.

Competitiveness involves a number of important elements, such as: the development of quality, the improvement of the regulating environment, the development of education and training, and the redistribution of research and development resources. Accordingly, it is essential for the small- and medium sized enterprises to apply food safety and quality systems, which meet strict requirements of food safety and hygiene. Beyond that, applying quality management systems and following quality strategies is necessary in order to improve profitability (Bánáti 2003).

So the majority of food processing companies in Hungary have implemented the up-to-date systems

of quality assurance in order to ensure the uniform food quality. By the end of 1997, more than 122 food processing companies applied the ISO quality management system. With the growing importance of food safety, in 1996 more than 50 companies applied several elements of the Hazard Analysis and Critical Control Points (HACCP). This is especially true for food likely to deteriorate.

Quality policy before the EU accession

The Hungarian food industry has become economically fully integrated into the EU food industry. Investors from the EU hold more than half of the food industry registered capital, and in the EU is the destination of around 80% of the exports of companies with a majority foreign ownership.

In the pre-accession period, the primary aim of the food industry was to comply with the European Union regulations. This involved establishing the technical conditions required for compliance with food safety and hygiene regulations; the modernisation of environmental protection and waste management; implementing the provisions of the EU animal welfare regulations; technological development; and improvements in the level of product quality.

The renewal of food regulation was indispensable not only because of the country's entry into the European Union, but also because of the necessity of adaptation to the technical and economic development, and for the sake of improving the competitiveness of Hungarian food industry (Tomcsányi 1998). Without successful quality oriented development, Hungary could not have been integrated successfully into the European Union (Láng, Csete 1999).

In order to assist and orient those companies which apply the ISO systems, the Ministry of Agriculture started to work out quality policy for the agri-food sector in 1997. This document listed all necessary measures of quality improvement essential to assure maintaining the good position of Hungarian products in the Single Market.

The quality policy is defined as:
– the establishment of the framework of harmonisation and declaration of the methods of harmonisation;
– those quality assurance principles and methods which can help food producers to meet the new quality requirements;
– those continuous measures which ensure that these methods are used in the food sector;
– tasks and methods of food control.

The main aims of quality policy are the following:
– quality policy should be built on the basic principles and food policy of the EU;
– to give a helping hand to the agri-food sector to develop its own quality control systems;
– to set an examples for food producers and profesional associations to work out their own quality policy;
– to assist and improve the competitiveness of the food industry;
– to harmonise with the principles of consumer protection (Bánáti, Fehér 1999).

Tasks of the implementing food policy

The tasks of the implementing food policy can be divided into two groups: one of them is the group of direct, the other one is the group of indirect state tasks.

Direct state tasks in the short run (in the middle of 1990's):
– to implement the Regulations of the Act XC of 1995 on Foods;
– to adopt technical regulation of the EU into the Volume I. of the Hungarian Food Codex (Codex Alimentarius Hungaricus);
– to work out the Volume II. and III. of the Hungarian Food Codex;
– to work out special quality infrastructure alignment with other national systems.

Direct state tasks in the middle run:
– revision of those Hungarian rules, which are not in the same as the EU food rules;
– to promote the application of the Good Hygiene Practice in the agri-food sector;
– to involve several representatives of the economy and society (consumer protection associations, chambers) in the preparatory work.

Continuous state tasks:
– to keep up with the changing EU regulations;
– to prepare for an active role in the EU legislation.

Tasks of the administrative control:
– to work out common regulations and tariffs according to the Food Law;
– to insure that companies apply the HACCP food safety and the ISO 9000 quality management systems;
– authorities have to use risk analysis;

– to fulfill the accreditation of laboratories;
– to pay more attention to risk management and risk communication;
– to join the administrative control system of the EU and its Member States;
– risk communication: to prepare national statistics on the data of authorities and to inform the inhabitants.

Indirect state tasks:
– to assist the preparation of methodological books for establishing and applying quality assurance systems;
– to organize technical assistance campains to disseminate information on the implementation of quality assurances systems and tools of the ISO 9000, the HACCP and the TQM systems;
– these campaigns have to target at the representatives of agricultural producers, and food companies, with special regard to SME's in the vertial products chain;
– to assist the principles and methods of the TQM
– to give a direct state support to the implementation of quality assurance systems.

Results and principles of implementation of food policy

In 1991, Hungary started its EU harmonisation programs for food safety and quality control (Szabó 1999). The following steps were made: to become acquainted with the mechanism of the EU, collection and analysis of the EU food legislation, studying the EU regulatory system, the establishment of the framework of harmonization and declaration of the methods of harmonisation. The purposes of harmonization were first to improve the competitiveness of Hungarian foodstuffs in the market-place. The second step was to prepare the industry for the EU accession, giving sufficient time for the economy to study and apply the necessary regulations and changes.

In these tasks, the main ministerial responsibilities were to prepare and publish the Parlimentary and Ministries Acts. Furthermore, three ministries (Agricultural and Rural Development, Public Welfare, and Economy) had the duties of implementing the regulations. In fact, the Hungarian Office of Standardization had the full responsibility in the field of food standardization. Furthermore, the different civil organisations were involved in the work of the Food Safety Advisory Board, managed by the Ministry of Public Welfare who organised the National Food Safety Program (Hungarian Food Codex 1999; Act XC on Foods 1996).

The third Food Act, came into force on 1st January 1996. This is the most recent Act and the most important one. It determined the conditions for the production and marketing of raw, semi-processed and processed food intended for public consumption. The Act has the following aims: to protect consumers health interests, to develop fair market competition and to promote the free movement of goods. The Food Act was established as a framework for the further harmonization with the EU food legislation and it time incorporated a number of EU documents. For example, the labeling and official control of foodstuffs (White Paper on the Food Safety 2000). The legal framework has three levels: law, regulations and the Hungarian Food Codex.

The Hungarian Food Codex (Codex Alimentarius Hungaricus) is a collection of the obligatory provisions and recommended guidelines concerning raw and processed foods. Volume One of the Hungarian Food Codex adopts about 130 detailed (technical) regulations of the EU. The provisions of Volume One are mandatory. Volume Two of the Codex sets out guidelines for various foods and groups of products, which are not regulated by the EU but which are important for Hungarian producers or customers. Application of the guidelines is voluntary – but if the product is sold under the name indicated in the Hungarian Food Codex, it should be in accordance with the description contained in the Food Codex. Volume Three of the Codex – the Official Food Testing Methods – contains the methodology to be used by inspectors in enforcing the rules set out in the first two volumes. This methodology can be adopted from the EU rules, Hungarian inspection regulation or it can be independently drafted.

Adoption of the EU food legislation was completed in Hungary by the end of 1998, but the task remains to keep up with the changing EU regulations. The EU Commission evaluates how well Hungary complies with the EU food legislation (Fehér 2002).

The Joint Decrees on administrative control, 35/1996 FM-NM-IKIM and 45/1999 FVM-EüM-GM are in force.

The effects of the legislation show that the quality management in the food chain has improved in more than 4 000 food companies. The Hungarian government has partially financed the implementation of the HACCP in more than 400 companies and the ISO in 300 companies.

In 1998, the Ministry of Agriculture and Rural Development launched an application system for the "High Quality Hungarian Food" trademark, to support Hungarian producers offering quality products. The trademark indicates not only the Hungarian

origin of the products, but also that it complies with the EU norms, has been regularly inspected during the production process, and possesses at least one outstanding characteristic in comparison with other similar products. At present, about 200 products of 73 companies have the right to use the trademark, and these numbers are expected to grow yearly.

It is widly known that the impact of food quality and safety improvement in the Hungarian economy has an important role to play because the cost of public health care and absenteeism from work decreases, as the health of population improves. The production and efficiency within the country will improve and will show positive benifits to Hungarian society. Thankfully, in the food industry, the loss caused by bad food is decreasing and employment, revenue and welfare are increasing. Much of this improvement in quality can be traced directly to those steps required to comply with membership in the European Union (Payne, Fehér 2003).

FOOD POLICY AFTER THE EU ACCESSION

Hungary joined to the European Union on 1st May, 2004. Since that time, Hungarian food policy has been determined by the EU food policy and legislation. The EU rules and regulations that have been put into force are more stringent than the previous Hungarian Food Acts. The EU food law aims at ensuring a high level of protection of human life and health, taking into account the protection of animal health and welfare, plant health and the environment. This integrated "farm to fork" approach is now considered a general principle for the EU food safety policy. Food law, at both the national and EU levels, establishes the rights of consumers to safe food and to accurate and honest information. The EU food law aims to harmonise the existing national requirements in order to ensure the free movement of food and feed in the EU. Hungary as a Member State has followed the EU legislation from the time of accession.

FOOD POLICY OF THE EUROPEAN UNION

The agro-food sector is of major importance to the European economy. The food and drink industry is a leading industrial sector in the EU, with an annual production worth almost 600 billion EUR, or about 15% of total manufacturing output. An international comparison shows the EU as the world's largest producer of food and drink products. The food and drink industry is the third-largest industrial employer of the EU with over 2.6 million employees, of which 30% are in small and medium enterprises. On the other hand, the agricultural sector has an annual production of about 220 billion EUR and provides the equivalent of 7.5 million full-time jobs. Exports of agricultural and food and drink products are worth about 50 billion EUR a year. The economic importance and the ubiquity of food in our life suggest that there must be a prime interest in food safety in society as a whole, and in particularly by public authorities and producers.

The main aim of processing and marketing food products is to create conditions for the adequate and healthy human nutrition. Marketability and market competitiveness of foodstuffs are determined by the quality of products. But the lack of hygiene or safety of products set a limit to marketability. According to the Codex Alimentarius Commission of the FAO/WHO:

"Food safety means the assurance that food will not cause harm chemically, microbiologically or physically to the consumer when prepared or eaten according to its intended use."

During the last years, several food safety problems have been connected to foodstuff produced and marketed in the EU. This has resulted in a shock to consumer confidence. These emergencies have exposed weaknesses which call for action by the responsible authorities (Commission, Member States and the Parliament), to re-enforce, improve and further develop the existing systems. Food safety needs to be organised in a more co-ordinated and integrated way. This will allow the existing weaknesses to be addressed, whilst at the same time to create a genuinely world-leading food safety framework, which can deliver a high level of public health and consumer protection in accordance with the requirements of the EC Treaty (Payne, Fehér 2004).

However, the most comprehensive system cannot function without the full collaboration of all parties involved. The proper functioning of any system depends on the commitment of the Member States and operators, as well as third countries. Consumers should be offered a wide range of safe and high quality products coming from all Member States. This is the essential role of the Internal Market.

An effective food safety policy must recognise the inter-linked nature of food production. It requires assessment and monitoring of the risks to consumer health associated with raw materials, farming practices and food processing activities; it requires an effective regulatory action to manage this risk; and it requires the establishment and operation of control systems to monitor and enforce the operation of these regulations.

Each element forms a part of a cycle: thus, developments in food processing can require changes to the existing regulations, whilst the feedback from the control systems can help to identify and manage both existing and emerging risks. Each part of the cycle must work if the highest possible food safety standards are to be enforced.

These facts therefore demand a comprehensive and integrated approach to food safety. This does not mean that the EU should be exclusively responsible for all aspects of food safety. However, it demands that all aspects of food safety are addressed at the EU level. For example, the EU legislation has to be enforceable in an efficient way in the Member States in line with the principle of subsidiarity. The responsibility for enforcement above all should remain primarily a national, regional and local responsibility. However, the Internal Market means that these are not exclusively national responsibilities: each Member State has a duty towards not only its own citizens but to all citizens of the EU and third countries for the food produced on their territory.

Consumers are greatly concerned by the risk of chemicals in food. In particular, they are concerned with pollutants, chemical additives, agrochemicals and veterinary drugs. The EU introduced its new and improved food safety policy a few years ago through the EC White Paper on Food Safety (12 January 2000 Commission (1999) 719 Final). The White Paper contained a list of risky chemicals and an improved risk assessment procedure, together with the establishment of the European Food Safety Authority. The Regulation EC 178/2002 made the White Paper compulsory. This Authority was entrusted with a number of key tasks embracing independent scientific advice on all aspects relating to food safety, operation of rapid alert systems, communication and dialogue with consumers on food safety and health issues as well as networking with national agencies and scientific bodies.

The Hungarian Government issued the Decree No. 66/2003 on the establishment of the Hungarian Food Safety Office (hereinafter referred as Office) on 15 May 2003. The Office began functioning on 30ies of May 2003, under the supervision of the Minister for Agriculture and Regional Development, and the Minister for Health, Social and Family Affairs (MHSFA).

The Office is helping to make the operation of the institutions and authorities in the food safety process more efficient. Among other professional tasks, the Office is responsible for collecting, analysing and, if necessary, publishing the results of food and feed safety-monitoring tests carried out by the authorised laboratories. The Regulation EC 178/2002 establishes the principles of risk analysis in relation to food and establishes the structures and mechanisms for the scientific and technical evaluations, which are undertaken by the European Food Safety Authority (EFSA).

Depending on the nature of the measure, food law, and in particular measures relating to food safety must be underpinned by strong science. The EU has been at the forefront of the development of the risk analysis principles and their subsequent international acceptance. The regulation EC 178/2002 establishes in the EU law that the three inter-related components of risk analysis (risk assessment, risk management and risk communication) provide the basis for food law as appropriate to the measure under consideration.

The guiding principle throughout this White Paper is that food safety policy must be based on a comprehensive, integrated approach. This means throughout the food chain ('farm to table'); across all food sectors; between the Member States; at the EU external frontier and within the EU; in international and the EU decision-making fora, and at all stages of the policy-making cycle. The pillars of food safety contained in this White Paper (scientific advice, data collection and analysis, regulatory and control aspects as well as consumer information) must form a seamless whole to achieve this integrated approach.

The roles of all stakeholders in the food chain (feed manufacturers, farmers and food manufacturers/operators; the competent authorities in the Member States and third countries; the Commission; consumers) must be clearly defined: feed manufacturers, farmers and food operators have the primary responsibility for food safety; competent authorities monitor and enforce this responsibility through the operation of national surveillance and control systems; and the Commission concentrates on evaluating the ability of competent authorities to deliver these systems through audits and inspections at the national level.

The EU integrated approach to food safety aims to assure a high level of food safety, animal health, animal welfare and plant health within the European Union through coherent farm-to-table measures and adequate monitoring, while ensuring the effective functioning of the internal market.

The implementation of this approach involves the development of legislative and other actions:

– to assure effective control systems and evaluate compliance with the EU standards in the food safety and quality, animal health, animal welfare, animal nutrition and plant health sectors within the EU

and in third countries in relation to their exports to the EU;
– to manage international relations with third countries and international organisations concerning food safety, animal health, animal welfare, animal nutrition and plant health;
– to manage relations with the European Food Safety Authority (EFSA) and to ensure science-based risk management.

A successful food policy demands the traceability of feed and food and their ingredients. Adequate procedures to facilitate such traceability must be introduced. These include the obligation for feed and food businesses to ensure that adequate procedures are in place to withdraw feed and food from the market where a risk to the health of the consumer is posed.

Operators should also keep adequate records of suppliers of raw materials and ingredients so that the source of a problem can be identified. It must be emphasised however that unambiguous tracing of feed and food and their ingredients is a complex issue and must take into account the specificity of different sectors and commodities. The implementation of all the measures proposed in the White Paper will enable the Food Safety to be organised in a more co-ordinated and integrated manner with a view to achieving the highest possible level of health protection (White Paper on Food Safety 2002).

REASONS FOR THE IMPLEMENTATION OF THE HUNGARIAN NATIONAL FOOD POLICY

Protection of consumers' health is above all in the political and economical interests. The right of consumer health is declared in the Constitution of the Hungarian Republic as well as in the Amsterdam Treaty of 1997. Nutrients and other biologically active substances contained in food determine the quality of nutrition and safety of food. The results can be measured and observed by monitoring the health condition of the population. The quality and safety of food basically depends on materials used for food manufacturing, plant protection, animal breeding, feed, environment and so on. The traceability of feed and food and their ingredients are important for the sake of food safety and quality, which have to be trace during the whole food chain. The food production chain is becoming increasingly complex. Every link in this chain must be as strong as the others if the health of consumers is to be adequately protected. This principle must apply whether the food is produced within the European Community or imported from third countries.

This comprehensive, integrated, approach leads to a more coherent, effective and dynamic food policy, which is the aim of Hungary. It needs to address the shortcomings, which issue from the current sectoral, rigid approach, which has limited its ability to deal rapidly and flexibly with risks to human health. The policy needs to be kept under a constant review and, where necessary, to be adapted to respond to shortcomings, to deal with the emerging risks, and to recognise new developments in the production chain. At the same time, the development of this approach needs to be transparent, involving all the stakeholders and allowing them to make effective contributions to new developments.

By implementing the aims and basic principles of national food policy, which is built around high food safety standards, the production and consumption of food has economic and social consequences. It results in improving the competitiveness of the Hungarian food industry. It also strenghtens the good reputation of foods and improves international trade. In addition, the state and quality of the environment, in particular the ecosystems, may affect different stages of the food chain. Environment policy therefore plays an important role in ensuring safe food for the consumer (Payne, Fehér 2004).

Basic principles of the Hungarian National Food Policy

1. Traceability: comprehensive food safety from the farm to the table

The traceability of feed and food and their ingredients are important for the safety of food products. This principle is parallel with the principle of "from the farm to the table".

Food safety has a high priority in the European Union and has played an important role in the accession preparations. The new Member States need to ensure that they apply all food safety rules and that they have the appropriate control mechanisms in place. Consumers must have the guarantee that only safe food will circulate freely in the enlarged Union.

2. Focal point is on the consumer

Food production is a profit oriented activity, which can lead to conflicting goals between producers and consumers. But, the primary concern must always be the protection of the consumers' health.

3. Transparency

Food safety and the protection of consumer interests are of increasing concern to the general public,

non-governmental organisations, professional associations, international trading partners and trade organisations. Therefore, the Regulation establishes a framework for the greater involvement of stakeholders at all stages in the development of food law and establishes the mechanisms necessary to increase the consumer confidence in food law.

This consumer confidence is an essential outcome of a successful food policy and is therefore a primary goal of the EU action related to food. Transparency of legislation and effective public consultation are essential elements of building this greater confidence. A better communication about food safety and the evaluation and explanation of potential risks, including full transparency of scientific opinions, are of key importance.

4. Risk analysis

Risk analysis (risk assessment, risk management and risk communication) provides the basis for food law as appropriate to the measure under consideration. Scientific assessment of risk must be undertaken in an independent, objective and transparent manner based on the best available science.

Risk management is the process of weighing policy alternatives and, if required, selecting the appropriate actions necessary to prevent, reduce or eliminate the risk to ensure the high level of health protection determined as appropriate in the EU. In the risk management phase, the decision makers need to consider a range of information in addition to the scientific risk assessment. These include, for example, the feasibility of controlling a risk, the most effective risk reduction actions depending on the part of the food supply chain where the problem occurs, the practical arrangements needed, the socio-economic effects and the environmental impact.

5. Integrated multisectoral approach

The issue of food safety is affected by science and technology. Agricultural and food production and distribution is directly connected with the environmental and agrarian branches of science, plant and animal hygiene, food technology, microbiology, veterinary science and public health. It has connection with the economic science, monetary and social policy, lobbies and governmental and non-governmental organisations.

6. Consumers and producers responsibilities

Consumers must also recognise that they are responsible for the proper storage, handling and cooking of food. In this way, the farm to table policy covering all sectors of the food chain, including feed production, primary production, food processing, storage, transport and retail sale, will be implemented systematically and in a consistent manner.

Hungarian National Food Safety Program

The World Health Organisation (WHO) and the EU urge the working out and implementation of the national food safety programs. The WHO and FAO continuously draw the attention to the importance of food safety. In the USA the new national food safety program has started in 1997, it was the "Food Safety from Farm to Table: a new strategy for the 21st century".

According to the international recommendations, Hungary has started the implemenation of its own national program. On the issue of food safety almost in every field of science has very useful research results. The Food Science Committee of the Hungarian Academy of Sciences started to work out the study of the "Recommendation for the implementation of Hungarian food and nutrition policy" in 1993.

Based upon international examples, the Joint Safety Advisory Board of Agriculture and Rural Development and Ministry of Health was established in 1997. The 14 members are the representatives of ministries, specialist of national institutes, the Hungarian Academy of Sciences, food control authorities, food R&D organisations and products councils (Fehér, 2002).

The main tasks of this Board were the following:
– to analyze the food safety status in Hungary
– to develop food safety strategy
– to define basic principles and aims of food policy
– to give scientific advise to the government.

Priorities and fields of the Hungarian National Food Safety Program

1. Development of microbiological food safety.
2. Development of chemical food safety.
3. Application of new technologies.
4. Coordinated operation of monitoring and surveillance systems.
5. Assistance of food R&D activities.
6. Modernization of legislation and institutional development.
7. Improvement of administrative control.
8. Improvement of education about food safety.
9. Effective application of food safety and quality assurance systems.
10. Controlling of special food products.

11. Decreasing the manifestation of food allergy.
12. Maintenance of good quality and safety of drinking water in Hungary (Hungarian National Food Safety Program).

There were significant changes in the Hungarian Food Policy during the last decades. Before the 1990's quantity, policy was the top priority for the nations. In the pre-accession period it was obvious that without succesful quality oriented development Hungary could not be integrated succesfully into the European Union. So, quality policy came into prominence. With the EU-membership, adopting the relevant EU rules for food safety as a condition of market presence and competitiveness has come into the front. Two things have been important throughout the history of Hungarian food policy: to ensure consumers' health and to preserve the good reputation and trademarks of Hungarian foods.

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Acts and directives

Act XC of 1995 on Foods and Joint Decree No. 1/1996 (I.9.) FM-NM-IKM on the execution of theabove Act as amended by Joint decrees No. 35/1996. (XI.30) FM-NM-IKIM and 45/1999. (IV.30) FVM-EüM-GM in consolidate structure.

Decree No. 66/2003 on the establishment of the Hungarian Food Safety Office, 15th May 2003.

White paper on food safety and The Regulation EC 178/2002 which has established the instruction of the White Paper in compulsory form, Brussels, 12th January 2002.

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