

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Hungary

**Post:** Berlin

### Russian ban hits Hungarian pork and poultry sector

**Report Categories:**

Trade Policy Incident Report

Poultry and Products

Livestock and Products

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**Report Highlights:**

Russian sanctions are expected to harm USD 100 million in Hungarian agricultural exports. The Hungarian pork and poultry sector will be hit hardest by the Russian ban.

**General Information:**

Hungary is a major exporter of agricultural products. The Russian import sanctions on agricultural products announced on August 6, 2014, which impose an immediate year-long ban on some agricultural imports from the EU and other countries, hit Hungarian agricultural exports significantly. The Russian Federation is by the far most important agricultural export market for Hungary outside the European Union and ranks at number 8 among all destinations.

In 2013, Hungary exported agricultural and food products with a value of nearly US\$ 400 million to Russia. This compares to about 3.5 percent of the total Hungarian agricultural export value of US\$ 10.4 billion. Russia banned "all imports of meat, fish, and fruit, vegetables, milk, and milk products" and it is estimated that Hungarian exports worth over US\$ 100 million will be affected. The Hungarian pork and poultry sector are hit especially hard by the Russian sanctions. Exports of chilled and frozen pork to Russia were worth US\$ 50 million in 2013. That's nearly 14% of the total Hungarian pork exports. Furthermore, Russia is also the most important market for prepared meat products like bacon. The Hungarian poultry sector sent products worth nearly US\$ 20 million which was 3% total poultry exports.

The Hungarian Minister for Agriculture, Sandor Fazekas, declared on August 14, 2014 that losses for farmers are within reasonable limits. He explained that the banned products make up less than 30% of the agricultural exports to Russia and only 1% of all exports from the agricultural sector are affected.

<b>Hungarian Agricultural Exports to Russia</b>						
<b>Agricultural Imports banned on August 6, 2014</b>						
in million US\$						
<b>Commodity</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>Share of total exports for that group in 2013</b>
Pork	0.76	1.05	3.68	15.71	54.36	13.6%
Poultry	7.17	17.02	9.05	13.31	19.22	3.0%
Prepared Meat	10.31	10.43	12.12	12.88	11.21	60.3%
Fruits and Nuts	7.55	11.15	14.03	9.62	6.13	3.4%
Food Preparations						
Nesoi	2.85	3.06	5.91	4.94	5.76	3.2%
Vegetables, edible roots and other tuber crops	2.57	3.18	5.46	4.44	4.64	1.7%
Sausages	1.89	2.58	6.05	2.36	2.25	2.5%
Beef	0.02	0.81	0.95	0.73	0.47	6.2%
Milk and dairy products	0.12	0.10	0.33	0.32	0.38	0.1%
<b>Total Agricultural Exports</b>						
World	6890.44	8026.27	9850.36	10189.39	10370.91	
Russia	208.64	236.59	277.93	285.09	365.75	
Share of Exports to Russia	3.0%	2.9%	2.8%	2.8%	3.5%	

Source: Global Trade Atlas, FAS Berlin