

Case Study: Rules on the Organization of the Market for Drinking Milk in Hungary in the Context of Eu Harmonization

EU regulation before accession of Hungary: Council Regulation (EC) No 2597/97 of 18 December 1997 laying down additional rules on the common organization of the market in milk and milk products for drinking milk

This Regulation laid down standards for products falling within CN code 0401 (milk and cream, not concentrated nor containing added sugar or other sweetening matter) intended for human consumption within the Community.

The aim of this regulation was to increase the market for products falling within CN code 0401 as much as possible by providing a guarantee of quality and products which fulfil consumers' needs and wishes. It was also supposed to help to stabilize the market and therefore to ensure a fair standard of living for farmers by the establishment of marketing standards for milk products.

According to the Regulation the following products were considered as drinking milk:

- a. raw milk: milk which has not been heated above 40 °C;
- b. whole milk: heat-treated milk with fat content not less than 3.50 % (m/m);
- c. semi-skimmed milk: heat-treated milk whose fat content has been reduced to at least 1.50 % (m/m) and at most 1.80 % (m/m);
- d. skimmed-milk: heat-treated milk whose fat content has been reduced to not more than 0.50 % (m/m).

Only milk complying with the above requirements could be delivered or sold to the final consumer, either directly or through the intermediary of restaurants, hospitals, canteens or other similar mass caterers.

Market for drinking milk in Hungary before accession

Before accession, two-thirds of the population in Hungary was buying milk with 2.8% fat. Most of them preferred it as it was creamy enough but not as expensive as whole milk (3.5% and higher). The idea of removing this kind of milk from the stores from the day of accession would be hard to accept for the citizens and they would be forced to make a serious decision: should they buy the whole milk, which is much more expensive, or the cheaper milk, which they really do not like?

Additionally, milk and milk products are of vital importance to growing organisms. The fat content of cow milk includes those fat types of low carbon atom numbers that contain growth factors. This is why it is good for children to consume milk of high fat content (3.6/2.8%) as much as possible.

The removal of the usual milk from stores would require families with children to switch to 3.5% milk. For a family with two children this could mean a difference of 1.000 HUF a month, which would equate to 1% of the salary of an above-average paid employee.