THE PRESENT STATE AND PROSPECTS OF HUNGARIAN GOOSE FARMS AFTER EU ACCESSION

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SUMMARY

Hungary has centuries-old goose-breeding traditions. Fat goose-liver takes a high-ranking place in the line of so-called „Hungaricums" (i.e. typically Hungarian products). Its meat is particularly favoured on Márton's-day especially in the countryside. Hungary produces 1,800-1,900 tons of fat goose-liver every year. About 75% of the production is exported generating an income of 30-35 million USD per year.

Several goose-products (such as breast and thigh) represent an increasing proportion of exported poultry products in the last few years. The future production of Hungarian goose-liver will be determined by export-prices, but the Animal Protection Act in the EU will also have some influence on the operations of this sector. Typically in Europe there is a growing antagonism against forced feeding of animals. The report of the Animal Protection Scientific Committee of the EU disapproves the practise of forced feeding in goose keeping. According to „The draft recommendation to goose-keeping" the practise of the forced feeding is to be banned within 15 years. Our main objective was to develop and propose a variety of solutions to this problem to the people engaged in producing fat goose-liver. As the export market of fat goose-liver may be restricted in future, the widening of Hungarian market opportunities for the products of goose farms should be considered. In addition to stimulating domestic consumption it would be useful to promote the sale of goose-products, which have been popular in the past.

INTRODUCTION

We keep geese for their meat, feather and fattened-liver. All these products are in demand on world markets. Goose's meat differs significantly from that of other poultry due to its special characteristics such as the taste, which is well liked by consumers and meets some requirements better than other poultry species. Roasting goose is popular on markets but there is strong demand also for other goose products, which have been well known specialities in the past and their price has been increasing in the past few years. Goose down has returned to the forefront as demand for synthetic insulations has been fading. Fat goose-liver or foie gras is a luxury product in Hungary satisfying a speciality demand. The quantity of its consumption varies with regions. Other special goose products are goose pelts, the skin of goose stripped off in one piece together with feather and prepared. The goose-tongue and goose-legs are popular in the Far East. Imitation snakeskin is prepared from the leg-corneum (11).

About 4.5 millions tons of fat palmipeds liver is produced worldwide per annum from about 200 (?) million

tons of geese. Although with a livestock of 2 million(?) geese Hungary has a distinguished position in Europe as far as goose production is concerned, her production on a world scale is not considerable (11). Still, goose is a special poultry product of this country. Of all Hungary's agricultural products poultry exports produce the most export earnings (17).

THE PRESENT STATE OF HUNGARIAN GOOSE-KEEPING

In the last 15 years conditions in the goose keeping trade were variable as far as livestock and output is concerned.

In 1989 goose-livestock in Hungary was at about 1.5 million birds. By 1992 this has declined to 672,000, which is about 45% of the 1989 stock. In the following years livestock increase somewhat, but it only reached the 1989 level in 2003. The present number of livestock exceeds that of 1989. Because of unfavourable conditions the size of pedigree goose flock also fluctuated reaching the lowest point at 745,000 in 1999 (Table 1).

Though the number of fat geese sales fluctuated from year to year (Table 1), it ranged between 3 and 4 million during the 9 years period of the survey. The 1994 French "fat goose-liver crisis" hindered the production of the sector for years; it could only recover its 1994 level in 2000.

From the standpoint of fat goose-liver production and export, the year 1994 was outstanding. In that year Hungary produced 2,115.7 tons of fat goose-liver. The quantity exported in 1994 (1,779 tons) has not been surpassed or even reached again since that time (Table 2).

Goose-fattening and animal production is a significant business only in a few countries. Among these Hungary may be said to be a traditional goose breeding country. Favourable geographical conditions help to meet the needs of these bird species. Available grazing lands, the profusion of still and running water provides an ideal habitat for the spread of the species (10).

The fat goose-liver and goose-feathers are goods of steady export for Hungary that provides secure jobs for many people. More than 20,000 farmers' livelihood depends directly on these two activities. If we add the people who work in associated fodder and food processing industry, the above number is even greater.

Our greatest fat goose-liver customer is France; 65% of Hungary's export goes to that market. On the fat goose-liver international market Hungary and Israel are the main supplier countries. Hungary's main competitors as far as goose-liver production and export is concerned are France, Bulgaria and Israel. Thus the goose-liver production of Hungary is internationally notable even though consumption in this country is scanty.

Table 1

The development of goose-livestock

	Year									
	1994	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**
Goose-livestock, thousand pieces	1163	888	899	1263	907	745	955	1439	959	1599
Buying up of fatted geese, thousand pieces	3974	3473	3156	3367	3664	3662	3834	3655	3785	3658

Source: "A Baromfi" and KSH annual books

Table 2

The production of the meat and fatted goose-liver

Year	Buying up of fatted geese	Produced fatted goose-liver	Exported fatted goose-liver
1994	30550	2115,7	1779,0
1995	26019	1848,5	1320,4
1996	22733	1563,5	1257,2
1997	24557	1655,4	1236,4
1998	26950	1890,6	1286,4
1999	27021	1832,4	1371,9
2000	28059	1807,3	1362,3
2001	26267	1783,9	1491,6
2002	27078	1934,3	1526,5
2003	25787	1880,3	1483,2
2004. I-XI.	20908	1680,0	1244,8

Source: Magyar Lúdszövetség, 2005.

The future of Hungarian goose-liver production will be determined by export prices and the strict restrictions of animal keeping, due to the growing antagonism against forced feeding the birds that occurs typically in Europe. We hope that the role and importance of this typically Hungarian product or a "Hungaricum" will survive EU accession, provided a way can be found to fully satisfy EU restrictions on animal keeping.

A relatively new development is that the Israeli Supreme Court has found that forced feeding of geese is against the law, because it breaches Israeli animal protection laws. The Court gave the farmers an extension until March 2005 to halt the forced feeding of geese. Poland, one of the main fat goose-liver producers in Central Eastern Europe was the first to prohibit forced feeding. In the last few years when the relevant legislation was passed Polish societies for animal protection had to stand up firm for the restrictions against the economic lobby (18).

There is wide disagreement in Hungary about what is proper animal protection. Most people identify animal protection with the love of animals but it has also moral and judicial implications (9). However, Hungary's conforming to EU laws was an essential part of the process of EU-law harmonization. Therefore it was necessary to modify the law about animal welfare of the year 1995, or the XXVIII. law about animal protection of the year 1998. In the past and still at present people apply forced feeding in the production of fat goose-liver. To attain the desired quality and profitability it was necessary to change to modern species, convenient food, correct preparation and appropriate feeding technology. This would not change even in the future.

The year 2003 was very hard year for the poultry processing industry. The demand for fat goose-liver produced by forced feeding declined significantly. Hopefully at the same time the demand for fat goose-liver without forced feeding will grow quickly.

In the last few years there were many attempts to produce fat goose-liver without forced feeding. With forced feeding a 600-700g liver can be obtained in 11 weeks, while with any alternative

method (without forced feeding) only 250-300g liver can be produced in 16 weeks, involving the portioning of a special preparatory fodder for forced feeding. In comparison with traditional forced feeding this involves additional costs. Why is it worth producing liver this way for higher prices?

In Europe, especially in Switzerland, there is a general aversion to fat goose-liver produced conventionally. It is a matter of principle that consumers in these countries do not buy fat goose-liver, which has been produced by forced feeding. The sale price of fat goose-liver produced without using conventional forced feeding technology is many times the price of conventionally produced product. This form of consumer consciousness is expected to become general practice in the whole EU region after the "Draft recommendation to the goose-keeping" of the European Union. The draft aims at the development of methods like above and it means that on the long run this can be the only solution for the survival of Hungarian farms producing fat goose-liver.

AND THE RESULTS TO BE EXPECTED?

In the European Union the general requirements of animal protection for goose-husbandry are recorded by the „European Agreement about the animal protection of stock farming" and the „Modified report to the European Agreement of the animal protection of stock farming" (9). The second version of the special regulation draft for goose species was made in 1996 with the title of „Draft Recommendation for goose-husbandry". The 10th paragraph of the Recommendation orders to ensure such kind of bathing facility, which makes possible the practice of different behaviour models from the characteristic of goose species. Among several recommendations regulating the conditions of goose-husbandry special attention is given to further regulations of paragraph 16. According to the paragraph „Such kind of feeding methods and admixtures - which can cause pain, injury or disease, and can seriously damage the physical and physiological health of the geese - are not allowed to be used." The forced feeding will result in abnormal liver fattening, which is damaging to their health. The recommendation says that the practice of forced feeding must be halted within 15 years. In countries where forced feeding is not banned, they have to perform experiments for improving methods, which do not require using force and do not result in abnormal liver fattening.

During the transitional period, the production of goose-liver by forced feeding is only allowed in those regions and countries, where it is a traditional practice. However even there they have to keep to the local directions of the Law.

The report of the Committee of Animal Protection Sciences is against the practice of forced feeding as the method of producing goose-liver paste. The final conclusion of the report is that actual forced feeding does not meet the requirements of animal protection, as it causes liver damage. The report also mentions the problems issuing from various keeping conditions, as animals often cannot stand up in the cage and spread their wings. The report recommends keeping geese in groups, instead of using cramped individual cages and also to provide for them an open water table.

One expert, who participated in making the report says, the only solution for animal protection problems would be to ban forced feeding altogether.

HOW TO RETAIN THE MARKET LEADER POSITION

Internationally, Hungary has been producing the largest volume of goose-liver for a long time. By the export of a predominant proportion of 1,900 tons of fat goose-liver per annum, this country provides 70% of goose-liver export in the world. France and Israel share the rest of the volume.

The basic issue is how to hang on to previously achieved market leader position in the face of continuously growing competition in the poultry market of the world, for a country, such as Hungary, with some very specific facilities.

The decrease of profitability is significant from the comparison of the costs and market prices of goose-liver export. While costs have been continuously increasing, marketing prices of goose-liver have been showing a regressive tendency for years. After a bedrock minimum in 2003 the average export price recovered to 3969HUF/kg at present (Fig. 1).

Decline of the world market position of fat goose-liver obviously did not happen over night. For an economic period in the beginning of 1990's goose liver exports increased significantly. Record volume of production and export was achieved in 1994. This year Hungary sold the largest volume of goose-liver to France (Fig. 2). The reaction of the French consumer market to this was a discount in pricing and French farmers demonstrated by blockading the trucks delivering Hungarian goose-liver. Low export prices caused a huge damage and was responsible for the bankruptcy of several plants in the sector already facing difficult times.

Research into changes in revenues and costs of raw material confirms the decline in the profitability of fat goose-liver production in the past few years (Fig. 3). In fact profitability has continuously declined since 1997, but after 2000 the decline was quite dramatic. Although the development of average costs and revenues in 2004 was favourable compared with 2003, but next year we are expecting the declining trend to continue.

To overcome declining profitability and to regain the market leader position of previous years the implementation of new husbandry technology is required. A way forward is to keep livestock in "ecological farming conditions". This would involve extra effort for extensive husbandry. The operating costs of an organic farm are usually lower than those of a traditional one. An essential difference between an organic farm and a traditional farm is the level of input costs. One of the variable costs of livestock husbandry is veterinary medicine that are lower on organic farms than on conventional farms, because there is more space to each animal and consequently less stress (15).

RESULTS, CONCLUSIONS

The prospective methods of goose-liver production are controversial; the need is conspicuous for introducing up-to-date technologies. France is both a producer and consumer of fat goose-liver and will be blocking a dramatic change inside the EU for a long time. This helps our situation. The reliability and guarantee of the production process will come increasingly to the forefront, the quality of the product apart. The above described circumstances would highlight the need for eco-production, which is still unique.

A meticulous care needs to be taken in producing animal products (generally in the agricultural production) within the framework of agricultural-environmental protection, that is, in eco-(bio-) conditions (16). The demand is growing worldwide for eco-friendly animal products or at least for environmentally friendly production, which meets animal protection requirements.

In considering the above points it would be advisable for goose-sector entrepreneurs to think about the technology they choose and look for solutions for the problems surrounding fat goose-liver production, solutions that do not involve forced feeding or overfeeding the birds. They should not wait to the bitter end of the period of grace, as the development of a complex, new system affecting the entire verticum requires meticulous planning and lots of time to accomplish.

Figure 1

Changes in the producer's price of fattened goose-, and the export average price of fattened goose-liver

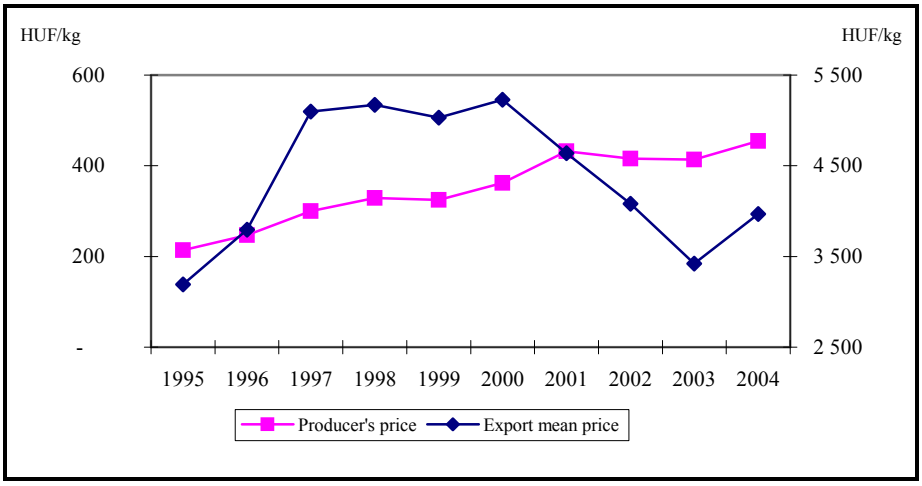


Figure 2

Changes in the purchase price of fattened goose and the goose-liver export volume

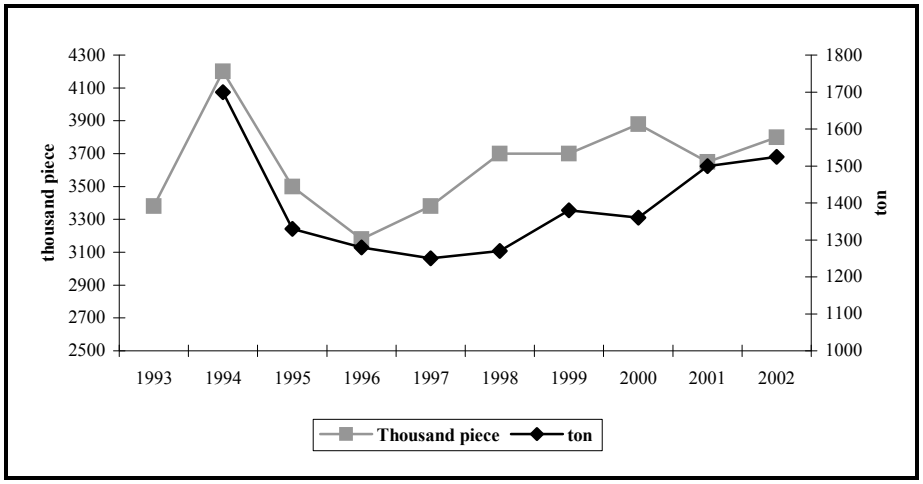
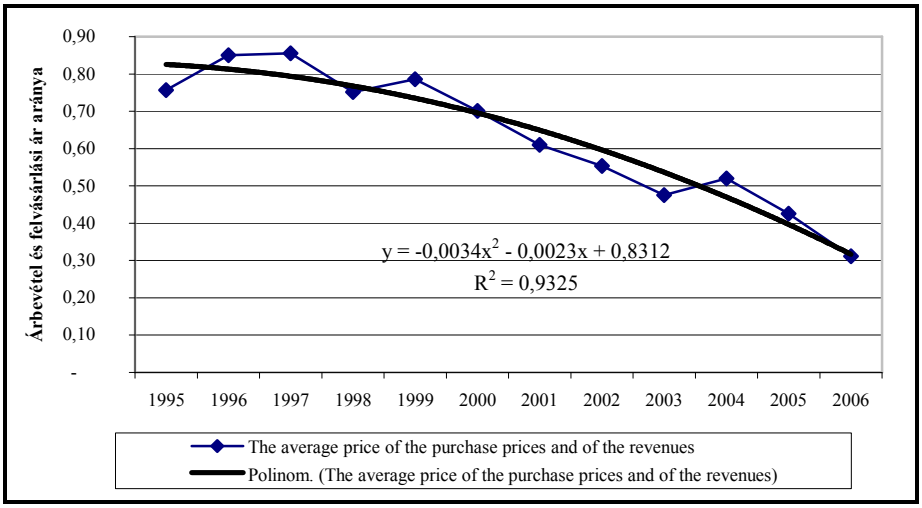


Figure 3

The tendency of goose-liver yield between 1995-2004 (prognosticated to the years 2005 and 2006)



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