







As an alternative to long globalized food chains, short food supply chains involve shorter physical distances and\or fewer actors between the producer and the consumer. In some contexts this model is now being promoted by the European Union, for the health and environmental advantages that it brings, couples with its potential benefits to small-scale producers and rural areas, especially in underdeveloped regions.

Hygiene regulation is crucial for enabling small-scale producers and retailers to access markets via short food supply chains. To serve consumers and the needs of small-scale producers, the European Commission has introduced flexibility in its hygiene legislation through a hygiene package, which sets out exclusions, derogations and adaptations of the rules. For example, the direct supply or local retailing of primary products is exempt from EU hygiene requirements. As part of this approach, in 2006 all member states were asked to adapt requirements for certain traditional methods and regions.

In Hungary, however- in common with several other member states that joined EU after 2004 – incomplete flexibility in the application of hygiene rules created difficulties for many small-scale actors, some of whom were forced to cease trading as a result. To address this challenge, an association representing smallholder interest launched a process to develop a Good Hygiene Practice (GHP) guide for small-scale producers and processors.

Meanwhile, in 2010 new national legislation in Hungary gave small-scale producers legal status and allowed them to sell small quantities of their own cultivated, produced and processed products within a certain territorial radius under flexible good hygiene rules.

The GHP guide was eventually published in 2017 with the support of the Ministry of Agriculture and the national food safety office. For the first time the manual sets out in clear and detailed terms the regulations that small-scale producers need to follow. This has resulted in a substantial reduction in producers' costs, while helping to preserve Hungarian food product and processing traditions and benefiting rural areas.

### **Sustainable Development Goals**









## Objective

This good practice fact sheet shares an experience in Hungary aimed at making compliance with hygiene regulations easier to understand for small-scale producers and processors. The issue is one that is relevant to all European Union countries, so the Hungarian initiative could be of interest to associations and individuals involved in promoting short food supply chains in other European Union member states, and there is evidence some degree of replication is already under way.



### Stakeholders

- Association for the Living Tisza (SZÖVET), a Hungarian NGO
- Kislépték (national association for smallholder producers and service providers)
- Ministry of Agriculture
- Associations and individuals interested in promoting short food supply chains
- Various international donors

Efforts to develop a hygiene guide for small-scale actors were initiated by the Association for the Living Tisza (SZÖVET), a non-governmental organization (NGO) that provides legal guidance related to smallholder production and sales, including interpreting hygiene regulations. As the plan progressed, various partners came on board from the civil sector, including several foreign NGOs.

Compiling the guide involved hiring a hazard analysis and critical control points (HACCP) professional and a food hygiene specialist, among other experts, as well as consultations with the representatives of small-scale producers from different regions.

In 2013, SZÖVET, together with partner organizations, established Kislépték, the national association for smallholder producers and service providers, which took over the legal aspect of the guide. The Good Hygiene Practice

(GHP) Guide for Small Producers and Sales was finally accepted by the Ministry of Agriculture and published in 2017.



The manual can be used directly by smallholders or associations and provides clear guidance on issues such as which activities may be conducted by small-scale producers, what records they should keep, how they must label their products, and guidance on samples to be provided in the various agrifood categories. The guide also helps government officials to enforce regulations, so, for example, that they only ask for samples when required.



Smallholders who follow the manual acquire clear guidance as to requirements and are therefore able to plan costing. Flexibility of hygiene rules for small-scale producers and processors outlined in the guide often results in cost savings. For example, it is not mandatory for smallholders to have a separate food room for preparation, as long as food processing can be kept separate from other activities in terms of timing. Specific changing facilities for staff are not required if a hallway or corridor can be used as a substitute. In some contexts, small-scale producers can use a household refrigerator for temperature control. For all these reasons, the smallholder is able to avoid setting up a separate plant, making a saving of an average HUF 1 million (USD 3 200) and circumventing the need to supply additional HACCP documents.

Such flexibility also helps to preserve traditional culture, such as cheese and sausage production. It supports dairy farmers in the use of traditional production methods that have historically proved their safety, such as using raw milk and wooden tools, which give cheese a more intense flavour. As a result, food production methods that are part of Hungary's cultural heritage are able to continue, unlike in some other countries without flexibility and clear guidance on small-scale producer hygiene regulation, where such traditions have disappeared.

The flexible hygiene rules – and guidance for their implementation – have dismantled administrative barriers for small-scale producers and opened up new sales channels, breathing new life into rural areas. Between 2010 and 2019, the number of small-scale producers operating in Hungary more than tripled, from 5 000 to 16 000 and the number of farmers' markets linking

producers and consumers doubled. This trend offers strong potential for the horticulture and viticulture sectors, and there is now growing investment in this area within the framework of the country's rural development programme.



The area covered includes the whole of Hungary.\*



Source: OCHA/ReliefWeb

### **Short food supply chains**

The European Commission defines the short food supply chains as follows:

Short food supply chains involve very few intermediaries. In many cases produce only travels a short distance, so producer and consumer can actually talk to each other...

Such supply chains typically involve local producers working together to promote local food markets. These partnerships help boost the rural economy, creating new ways of selling local produce and attracting new types of customer. They also foster cooperation between local farms, the tourist industry and the food sector.







Developing the guide built on recognition of the major role played by small-scale agrifood actors in the national economy, and their importance to preserving Hungary's cultural heritage. In Hungary, more than 58 percent of land is used for agriculture, and the country has a long tradition of producing typical products such as cheese, sausages, dried fruits and conserves.

The manual developed is suitable for small-scale individual food producers and processors, as well as associations, setting out in clear terms their hygiene obligations and how to comply with them.

Experts in a wide range of areas were involved in preparing the guide. It was developed and published in close consultation with the Ministry of Agriculture, lending it greater weight and authority.



## **CONSTRAINTS**

In spite of European Union directives approved in 2006 that allowed less stringent hygiene practices for small-scale food production operations in member states, hygiene flexibility has been limited in Hungary, and there is still a tendency for small businesses to be over-regulated in terms of Hazard Analysis and Critical Control Points requirements – the global food safety management system. Greater awareness-raising for producers and government officials is imperative.

Developing a Good Hygiene Practice guide is a long process that may be further delayed, as was the case in Hungary, by changes in legislation, government and ministry staff.



## **LESSONS LEARNED**

Evidence cited by the European Commission shows that in addition to benefiting smallholder producers and retailers, shorter supply chains also support sustainable development by reducing:

- transport costs,
- carbon dioxide emissions.
- wear and tear on rural roads,
- traffic congestion.

Poor or inadequate information can have far-reaching results. Partly as a result of insufficient awareness and misinterpretation of the flexibility in EU hygiene regulations, Hungary – together with several other member states that joined the EU after 2004 – applied excessively stringent regulations for smaller farms and food-related enterprises, with the result that many of these gave up their activities altogether. For example, many small slaughterhouses were closed due to hygiene regulations, a move that in turn limited the capacity for direct sales between farmers and consumers. Home processed local products such as jams, sausages, dried fruits, mushrooms and cheeses could no longer be sold.

For a long time, there was a glaring gap in Good Hygiene Practice guidance to help smallholders interpret how to comply with laws and regulations, and to help food safety officials understand the appropriate controls and requirements to be enforced.

Financial resources are crucial for developing a national Good Hygiene Practice guide, and may be partially sourced from outside the country, as in the case of Hungary.

Since food safety is a complex topic, developing a guide requires a high level of expertise, with input from many sectors, such as agriculture, European Union and national legislation, and taxation.

# Dairy-based small business thrives on softer hygiene rules

In Lajosmizse, central Hungary, a small-scale dairy farmer was used to selling surplus milk from her cows. But when her two sons József and András Melis and her daughter Eszter attempted to carry on the business in 2007, they discovered that they were not allowed to sell raw milk. That all changed in 2010, when new more flexible hygiene rules were introduced for smallholder producers. Under the trade name Melistverek, the siblings started to make cheese and sour cream. They have now bought three automats in Budapest, where they sell their products, and regularly attend farmers' markets in Budapest and Kecskmet, as well as conducting deliveries.

### More relaxed regulations for smallholders

The European Union's Hygiene Package includes: Regulation 852/2004 on the hygiene of food stuffs; Regulation 853/2004 for food of animal origin; and Regulation 854/2004 on the organization of official controls on products of animal origin. These were adopted in 2004 and came into force in 2006

Of particular interest to smallholder producers are clauses in Regulation 852/2004 and Regulation No 853/2004 that state, inter alia, that these requirements do not apply to "the direct supply, by the farmer, of small quantities of primary products to the final consumer or to local retail establishments directly supplying the final consumer."







Raising awareness about the GHP guide for smallholder producers has emerged as critical for greater adoption of the more flexible measures that it describes and the benefits that these can bring. Many small-scale farmers in the EU - and not just those in Hungary - appear to be misinformed about their obligations, experience has shown. More leaflets, workshops and internet-based communications targeting smallholder farmers are required.



# REPLICABILITY AND/OR UPSCALING

The experience of Hungary is likely to prove valuable for other European Union member states whose Good Hygiene Practices for smallholders are not yet in place or adequately developed. Associations and individuals interested in promoting short food supply chains may find this experience useful for advocating flexible hygiene rules, and critically, for developing Good Hygiene Practice guides to interpret relevant regulations.

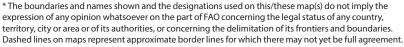
Upscaling the Hungarian experience in developing a GHP guide for smallholder producers is already under way in some other parts of the European Union. Staff from Kisleptek have been invited to several lectures on the topic, where they have provided training and templates, including a recent presentation for audiences from Croatia and Slovakia. As a result, the Government of Croatia, which joined the EU in 2013, has also created legislation and hygiene flexibility for small-scale producers.



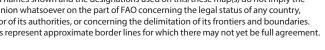
# CONCLUSION

Flexible hygiene rules can greatly affect smallholders' access to markets and the development of a short food supply chain. Due to incomplete flexibility in hygiene rules in Hungary, the association representing smallholder interests initiated a process of developing the Good Hygiene Practice guide for small-scale producers with civil society support. For the first time, the guide detailed regulations that small-scale producers and processors have to follow, greatly reducing their costs, preserving Hungarian traditions of food processing and benefiting small-scale producers and rural areas as a result. In addition, the manual provides clear guidance to officials tasked with conducting appropriate controls and monitoring requirements.

In parallel, Hungary introduced flexible hygiene regulations for smallholder producers, leading to a sharp rise in the number of registered small-scale food processors. Development of the manual, which has been officially approved by the Ministry of Agriculture, has not just benefited small-scale agrifood actors in Hungary, enabling more of them to enter the market. The experience has been the subject of training sessions and presentations to other EU countries interested in creating hygiene flexibility for small-scale producers and ensuring compliance through clearer information for both suppliers and enforcement officials.











Experience capitalization is a systematic, iterative and participatory process through which an experience is analysed and documented. This creates knowledge, which can be shared and used to generate change.

FAO and the Global Forum for Rural Advisory Services (GFRAS) organized an online course on experience capitalization in 2020. The hands-on series of mentoring webinars helped learners to work on their case studies.

What are you going to capitalize upon? Who for? What for? What happened? How and why? What have you learned?

This experience was capitalized by Wenxiu Li, a former intern at the FAO Regional Office for Europe and Central Asia.



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## **EXPERIENCE CAPITALIZATION**

e-learning course on experience capitalization https://elearning.fao.org/course/view.php?id=325

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**FAO Good practice template** http://www.fao.org/3/as547e/as547e.pdf