A NEW LOOK AT CANNED BEEF EXPORT PROSPECTS

As part of their development schemes, most West African countries plan to build up meat processing industries. To help these countries plot their marketing strategy, the International Trade Centre UNCTAD/GATT has just published a 105-page survey of the export prospects for canned beef.

West African meat producers will have to sell their output of fresh, frozen or chilled meat in domestic or nearby markets, but the survey indicates that besides local outlets for canned meat, promising markets also exist abroad for this commodity, particularly in the United Kingdom and the Federal Republic of Germany.

Any large-scale African exporter of canned beef products would have to penetrate at least one of these two markets. They are, respectively, the first and third largest canned beef importers in the world, and between them account for 32 per cent of total world imports.

The United States is the second largest canned beef importer, with an 18 per cent share of world imports. But it does not offer substantial prospects for West African canners, mainly because of its special link with South American canners.

In view of this, Trade Centre researchers confined detailed field work to the markets of the United Kingdom and the Federal Republic of Germany, and most of the report is devoted to their detailed examination. For each of these two markets, the report analyzes the supply-demand situation, and discusses in detail such significant marketing aspects as prices and payment, trade channels, import tariffs and licensing, health and other regulations.

The new publication also gives brief statistical profiles of eighteen other selected markets which could offer significant sales opportunities or could at least serve as trial markets for small lots. Before trying to penetrate the difficult markets in the United Kingdom and the Federal Republic of Germany, the report suggests, producers would find it easier and still profitable to
gain experience in the smaller, less-sophisticated markets in such regions as
the Mediterranean, the West Indies, and even the Far East, if shipping
facilities are conducive.

The major difficulty that any West African exporter has to overcome is the
very stringent health regulations governing the imports of canned meat products
imposed by European countries. As soon as the product and the producing plant
have been granted a visa by any one of the major West European countries, then
penetration of other sophisticated markets, in Europe or in North America, will
become much easier.

The United Kingdom's canned beef imports totalled 53,911 metric tons in
1966 - two thirds of the Western European total - and this market offers the
greatest potential for large-scale canned beef exporters. This is true despite
some apparently negative trends. United Kingdom imports of canned meat,
including beef, have been declining in recent years, and per capita canned meat
consumption has apparently reached saturation point. However, the report points
out that the drop in imports was caused at least in part by the diversion of
Australian beef exports to the United States. Moreover, there is a high degree
of substitution between various types of canned meat, so that even if canned
meat consumption remains stagnant, canned beef sales could grow by increasing
their share of the market through price competition and diversification of
products, and promotion.

One big problem facing exporters in the British market is that consumers
are highly brand-conscious. A few brands dominate the consumer market. Thus,
the Centre study concludes, West African producers who want to enter the
United Kingdom market would best aim at the institutional and catering market,
where price is a decisive element.

In view of the high level of capital investment in production plant needed
to meet the high standards required in such a major market, the report advises
any West African producer not to try to enter the United Kingdom market for
canned beef unless he intends to maintain an output for the United Kingdom
market of 500 tons or more per annum.

The Federal Republic of Germany should be "target number two" for canned
beef exporters, the report says. The Federal Republic's health regulations are
as stringent as the United Kingdom's, but once that hurdle is past, exporters
might find the market more open to newcomers than the United Kingdom particularly
in the consumer sizes. The Federal Republic's canned beef imports doubled
between 1963 and 1966, to 11,350 tons. German consumers are not strongly brand-
conscious, and new exporters should find it relatively easy to carve a place in
the market, if their quality and prices are competitive. But price competition
is fierce.
The new survey is titled: "The Market For Canned Beef In The United Kingdom And The Federal Republic Of Germany". It is available in English, French, or Spanish editions. Requests should be addressed to: International Trade Centre UNCTAD/GATT, Villa Le Bocage, Palais des Nations, 1211 Geneva 10, Switzerland. Like all Centre publications, the survey is free of charge to all government bodies, and to export enterprises in developing countries. The price for private purchasers in developed countries is: US$5.00 or Sw F 21.00.

The International Trade Centre UNCTAD/GATT assists the developing countries in the promotion of their exports. It operates for them a free market information service (of which this study is the latest publication), export promotion training programmes, and a trade promotion advisory service. It also has a publications programme, which includes the journal, International Trade FORUM.