VII

Developments in Production and Consumption

In reviewing development of world beef and veal production since the early 1950's, it is necessary to consider particularly developments in Western Europe, the United States and in the main overseas exporting countries (see Table 7). In Western Europe, in the period 1954/55 to 1960/61, national movements in production differed from country to country until 1959/60. Production in France, for example, decreased from 1955/56 and increased again notably since 1959; production in Germany shows a continuously increasing trend with only a small decrease in 1958; production in the United Kingdom until 1960 shows no substantial variation except for a fall in 1959. In 1961, however, United Kingdom production increased considerably. Italian production continuously increased over this period. While it is difficult to discern a definite trend on a country-by-country basis, as shown by the countries covered in Table 7, total production in Western Europe, during the period 1954/55 to 1959/60, had only a slightly increasing tendency, but started to increase rapidly in 1960 and 1961, to the extent that it met a substantial part of and in some cases surpassed the increase in the level of apparent consumption in that area. In the United States, which is the largest producer of beef, a peak in production was reached in 1956 and, after a trough in 1958 and 1959, production reached new peaks in 1960 and in 1961.

In the main overseas exporting countries Argentinian production increased from 1954 to 1958, but then declined considerably until the recovery in 1961 without, however, reaching the former level. The trend in production in New Zealand and Uruguay over the period 1954 to 1960 was comparatively stable. Australia on the other hand had a peak production in 1958/59, but because of drought conditions in the beef export producing areas in 1959/60 1960/61, production declined considerably. An appreciable recovery is noted in Australian production for the current year 1961/62. In this same period, the Uruguayan livestock industry produced an exceptionally large number of cattle for export.

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These divergent production movements in importing and exporting areas were accompanied by an upsurge in demand from 1957 at the same time as domestic production in the United States was falling. The supply situation became more serious in 1959 when production of overseas exporters started to decline. In 1961, however, there was a simultaneous trend towards increased production in the United States, Western Europe and the major exporting countries in the southern hemisphere. According to information given to the Group this trend continued in 1962.

The general trend of increasing production, while due in part to technical improvements in cattle breeding, is in some instances the result of deliberate government action to expand beef production as part of their agricultural policies. Production has also been affected by climatic factors, for example in the United Kingdom where in 1961 a very favourable spring resulted in abnormal marketings of fatstock. On the other hand, the decreases in production referred to, notably in Australia and the Argentine, were to a large extent the result of serious drought conditions.

The effects on production of changes in prices to producers raises fundamental issues. In many importing countries farm resources have been transferred to meat raising, often because of difficulty in marketing of other farm products, and in some countries governments have deliberately fostered such a transfer by measures aiming at increasing the level of prices paid to producers or by maintaining prices at a level considered sufficiently remunerative. These measures have contributed to bringing about increased production. The extent to which they have done so is a difficult question to answer with complete accuracy as the effect of price changes in other sectors of agriculture and the effects of technological progress would also have to be taken into account. The Group considered that this problem should be studied further.