I. Trade in beef and veal

World trade in carcass beef and veal expanded during 1962 for the second consecutive year. Whereas in 1961 the expansion was almost exclusively accounted for by the strong rise in exports from European countries, in 1962 larger quantities were exported both by the European and the overseas exporting countries. In particular, exports from the latter group of countries, which declined continuously, by about one fifth, between 1958 and 1961, recovered in 1962 from their low level of the previous year, reflecting inter alia the higher levels of production, stagnant domestic supplies in the United States and a slowing down in the rate of growth of production in Western Europe.

A main feature of the world market in 1962 was the continued strong expansion of imports, consisting mainly of frozen boneless beef, into the United States, which became the most important market for carcass beef and veal. As domestic production remained at about the previous year's level while demand, especially for manufacturing beef, continued to expand greatly, imports of beef and veal rose by about 50 per cent above their previous peak of 1961 to a level only slightly below the 400,000 tons mark, absorbing more than half of world exports from non-European countries. The great bulk of the United States increased beef requirements were supplied by Australia, imports from that country being about twice as great as in 1961 and accounting for more than half of the total. Imports from New Zealand also expanded substantially, by about 40 per cent, and their share in total imports rose to nearly one quarter. Among the smaller suppliers, imports from Mexico were also heavier than in 1961, while those from Ireland did not show any increase and those from Canada declined.

During the first three months of 1963 imports of beef and veal into the United States continued to rise and, largely due to heavy shipments from Australia, were by 18 per cent above the corresponding period of 1962.

1At the same time imports of live cattle also reached a record level of nearly 1,300,000 head, an increase of more than one fifth over 1961. The increase was entirely accounted for by larger imports from Mexico, which accounted for about 60 per cent of the total, while those from Canada remained at about their 1961 level.
In the United Kingdom domestic production, which had increased by as much as 10 per cent in each of the two preceding years, showed only a slight further expansion, of about 2 per cent, in 1962, when imports of carcase beef and veal, which were continuously declining between 1957 and 1961, recovered to a level of about 330,000 tons, an increase of 14 per cent over 1961, but still well below the average of earlier years. The increase in imports was essentially due to larger supplies - especially of chilled beef - from Argentina which recovered from their very low level of 1961, their share of total imports rising to about 54 per cent, and from Yugoslavia which in 1962 increased its share in this market to 11 per cent, about the same as that of shipments from Australia. Among suppliers of minor importance, imports from Ireland, Uruguay and New Zealand declined in 1962.

In January-April of this year imports of beef and veal were considerably, by about 35 per cent, above the corresponding 1962 figure, due especially to a large increase in supplies - mainly chilled beef - from Argentina which amounted to nearly 100,000 tons, about two thirds of the total, while imports from Yugoslavia were only slightly, and those from Australia substantially, below the corresponding period of 1962.

In Western Germany demand for beef continued to rise substantially in 1962 and although domestic supplies were by some 8 per cent larger than in 1961, imports of carcase beef and veal continued their upward movement and exceeded 100,000 tons, an increase of nearly one quarter as compared with 1961. The most pronounced increases were in receipts from France and Argentina, the two main suppliers, which in 1962 accounted for 47 and 20 per cent, respectively, of total imports. Another 20 per cent were accounted for by the combined imports from Denmark, which rose sharply, and those of Netherlands, which showed only a slight increase, while shipments from Uruguay and Ireland were below their 1961 level.

In Italy, where in 1961 domestic production had increased by as much as 20 per cent and imports of beef and veal fallen by 60 per cent as compared with the previous year, the rise in demand in 1962 exceeded that of domestic supplies and imports of beef rose substantially above their exceptionally low level of the previous year, but were still below the average of 1958-1960. The most pronounced increases were in receipts from Argentina, the chief source, which accounted for 47 per cent, and from Denmark, which accounted for nearly one fifth, of the total.

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1 By contrast, live cattle imports, mostly from Ireland, declined by some 18 per cent to about 570,000 head. The whole decline was accounted for by smaller entries of fat cattle, while imports of store cattle were maintained at about their 1961 level.

2 Imports of cattle and calves, however, declined, for the second consecutive year, to 375,000 head, their lowest level since 1957.

3 Imports of live cattle, which were constantly increasing in recent years, declined in 1962 to a level slightly below 295,000 head.
Imports of beef of Eastern European countries, which in the preceding years did not exceed 20,000 tons per year, showed a sudden sharp rise in 1962, when they amounted to about 100,000 tons, of which nearly three quarters were imported by the Soviet Union.

In Australia, where production increased by about one quarter in 1961/62 as compared with the previous season, exports of carcass beef and veal increased substantially during 1962 when they were more than 50 per cent higher than in the preceding year. This increase was exclusively due to the rapid rise in shipments to the United States, which were twice as high as in 1961, while those to most other markets declined. During July-March of the current season 80 per cent of exports from Australia went to the United States, as against 50 per cent in the corresponding period of 1960/61.

The increase of about one fifth in New Zealand's exports of carcass beef and veal was also exclusively due to the strong expansion of supplies to the United States, which absorbed in 1962 more than three quarters of the total, while exports to the smaller markets, including the United Kingdom, were below their 1961 level.

In Argentina, where production had declined sharply, by about one quarter, between 1958 and 1960, for the second consecutive year slaughters increased in 1962, partly as a result of a severe drought during the second half of the year. After a continuous decline between 1958 and 1961, exports of beef and veal were in 1962 substantially above their low level of the previous year. The increase was due to heavier shipments both to the main market, the United Kingdom, which took about 60 per cent of the total, and to Italy, Western Germany and other Western European countries.

Exports of beef and veal from Uruguay increased by more than 40 per cent over 1961, but were only slightly above the level of 1960. This increase was mainly due to the development of exports to the Soviet Union which accounted for nearly 30 per cent of the total export. By contrast, exports to the main two markets of the previous years, the United Kingdom and Western Germany, were smaller than in 1961.

A salient feature of developments in the main net exporting countries of Western Europe during 1962 was the large increase of about 50 per cent in exports of carcass beef from France, which became for the first time the most important exporter of beef (including live cattle) in Europe. The bulk of the increase was accounted for by exports to the Soviet Union, which exceeded 40,000 tons (only slightly less than exports to the main market, Western Germany), to other Eastern European countries and to Spain. In Denmark the increase in exports of carcass beef and veal during 1962 was to a large extent offset by smaller deliveries of live cattle, while in Ireland exports of both carcass beef and live cattle declined.

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1 Exports of live cattle, however, declined from 122,000 to 90,000 head between 1961 and 1962.
From the fragmentary information available on price movements it appears that prices of chilled and frozen beef for the second consecutive year declined in 1962 in the main importing countries, with the exception of the United Kingdom, where there was a slight recovery from the depressed level of the previous year.

In the United States average unit values of frozen boneless beef from Australia and New Zealand, which had increased by about 50 per cent between 1956-57 and 1959-60, and were declining since then, were in 1962 nearly 10 per cent below their 1961 level, but still about 30 per cent higher than in 1956-57.

Price quotations for chilled beef from Argentina, in the United Kingdom which in 1961 declined by nearly 10 per cent as compared with the previous year, recovered during 1962 when they were, on average, about one fifth higher than in 1956-57. By contrast, average unit values of beef imported from Argentina into Germany and Italy declined for the second consecutive year and were in 1962 not only about 15-20 per cent lower than in 1960, but also below their level of 1956-57.

II. Trade in mutton and lamb

In the United Kingdom, output of mutton and lamb, following a sharp rise in 1961, declined by 5 per cent in 1962. Imports into this country, which represent about 80 per cent of the world total, were some 2 per cent heavier than in the previous year, but remained considerably lower than their high 1960 level. Exports from New Zealand, for the second consecutive year, were slightly smaller due mainly to reduced exports to the United Kingdom, which takes more than 80 per cent of the total. Average prices of lamb on the Smithfield market recovered in 1962 from their low level of the previous year but were still below the average of 1960.

During the first four months of this year imports of mutton and lamb into the United Kingdom were by about 10 per cent higher than in the corresponding period of 1962, due mainly to larger receipts from New Zealand. Exports from Australia have also been increasing in recent months on account of larger shipments both to the United Kingdom and the United States.