New Zealand believes that to give full effect to the May 1963 Ministerial Decision on the creation of acceptable conditions of access for agricultural products, meat and other agricultural products must be integrated into the Kennedy Round of tariff negotiations. There are problems - mainly in the methods by which industrial countries protect their agriculture against imports - which will call for more complex techniques than the straight linear cut, if agricultural exporters are to obtain any benefits from the negotiations. The aim must, however, be to provide for a diminution of protective measures which will create improved conditions of access.

BACKGROUND

International trade in meat is largely confined to exports from Argentina, Uruguay, Australia, New Zealand and Denmark to Britain, North America, Europe, Japan, the Middle East and the USSR.

Except for certain restrictions relating to protection of animal health, Canada and Britain admit meat free of any quantitative restriction. The United States controls imports of beef and veal (and in one case of mutton) by formal agreements recently concluded with certain suppliers. Tariffs are imposed on imports into the United States and on some types of meat entering Britain from non-Commonwealth sources. In Europe, there are much more elaborate restrictions on the importation of meat, and although these vary in intensity from country to country, the general effect is to limit imports to amounts required to meet any gaps between domestic consumption and production. In addition, these "gaps" tend to be limited by policies which result in high consumer prices and thus a lower level of consumption than would be the case if more liberal policies were followed. In the EEC the development of the common agricultural policy on meats is replacing the individual policies of the member countries and in some cases will add to the restrictions on trade in meat.
Japan is becoming increasingly significant as a market for meat, but maintains fairly strict controls. Import licences are issued freely for mutton, but for beef are issued only within the limits of a fixed allocation of funds. Imports of meat by the USSR fluctuate.

**POTENTIAL FOR INCREASED CONSUMPTION**

The main question relevant to future world trade in meat is whether production is likely to outstrip consumption. At the present time, as distinct from the situation regarding cereals and dairy produce, there are no surpluses. In fact, strong consumer demand for meat in Europe as well as in the Middle East and Japan, combined with a shortfall in production in Eastern Europe and Argentina, has brought about - at least for the months immediately ahead - a temporary relaxation of import restrictions by a number of countries, particularly the EEC countries and Japan. It should be possible to dispose of likely immediate increases in meat production through normal commercial channels, provided importing countries maintain reasonable market opportunities for imports.

In the longer term rising consumption will require continued and expanded world trade in meat. This view is supported by the EEC representative who at the last meeting of the Meat Group said that beef consumption in the Community was likely to increase by more than 50 per cent between 1958 and 1970 and that imports would increase by over 30 per cent to 339,000 tons in 1970.

**PROBLEMS OF TRADE IN MEAT**

The above analysis, while suggesting that the problems in respect of meat are less serious than in the case of some other commodities, does not mean however that trade in meat is without problems. Present restrictions not only have an inhibiting effect on trade but also involve uncertainty which hampers long-term planning. These restrictions are important in the context of the Kennedy Round, the aim of which is to liberalize trade and create acceptable conditions of access.

In Europe and Britain, because of protectionist practices, meat production has increased to an extent where domestic production has supplanted in some measure imports from the major exporting countries. A free market does operate in Britain however; consumption is therefore given an opportunity to expand. In Europe on the other hand, the maintenance of high prices for domestic production is a major factor limiting expansion in consumption.
The problem of expanding world trade in meat is complex; it is therefore misleading to generalize either about the type of problem or about the type of solution. A comprehensive plan or arrangement embracing prices, production, levels of support and disposal of surpluses for all meats traded internationally (or even all the main types of meat), and all major exporters and importers would hardly be practicable. In addition to the difficulties arising from the use of different methods of protection in different countries and for different types of meat, the inherent nature of the meat trade is such that it does not readily lend itself to a comprehensive international arrangement of this type. Trade in meat is very complex because of the wide variety of types and grades of meat. Furthermore, it is currently undergoing a major change in character, and becoming even more complex. Increasing emphasis is being placed upon the export and retail distribution of meat in pre-cut form. This is largely a reflection of the development of supermarkets, a trend which is increasing in Western countries. Meat is a perishable commodity and difficult and costly to store (except to a very limited extent for some types of canned meat). Again, the economics of meat production and processing depend to a very large extent on returns from a wide variety of by-products.

PROPOSED ACTION BY THE MEAT GROUP

The above brief analysis indicates that meat, because of its characteristics, is not a commodity suited to comprehensive international arrangements. Neither in the New Zealand view are such arrangements necessary. In the context of the trade negotiations as a whole and in terms of the ministerial resolution of May 1963 the task of the Meat Group, as the New Zealand delegation sees it, is to devise ways of providing for improved access for imports of meat now, and for a share of increasing consumption to be met by imports. In the New Zealand view the Group can best do this by examining in respect of each country the protective systems for various types of meat; and then by identifying those elements which are negotiable. It would of course be borne in mind that improved opportunities for access are the objective of negotiations in the Group on these elements.

The New Zealand delegation would therefore envisage the Group examining each product within its terms of reference with a view to:

(i) making a full linear tariff reduction where protection is accorded wholly or partly by the tariff;

(ii) ensuring that such reductions are not impaired or nullified by new or existing non-tariff barriers;

(iii) where protective or support techniques other than, or in addition to, tariffs are employed (e.g. variable levies), devising means which will permit acceptable conditions of access in furtherance of an expansion of trade;

(iv) eliminating non-tariff barriers at present maintained in breach of GATT rules.
After such an examination, importing countries should indicate the extent to which they will be prepared to negotiate their import and production policies, in furtherance of the objectives of the trade negotiations. Offers should be made product-by-product by importing countries, and should endeavour to meet as closely as possible the four points listed above. It would be expected that any such offers would not only provide for access into markets now protected but also allow for imports to share in the expanding meat consumption of importing countries.