STATUS REPORT ON THE PRESENT SITUATION
AND PROBABLE DEVELOPMENTS IN THE
BOVINE MEAT SECTOR

Note by the Secretariat

The present note has been drawn up by the secretariat of the Arrangement in accordance with the terms of Article IV, paragraph 1(a) of the Arrangement. The report presents a summary of the international economic situation, a general summary of the international situation and outlook for bovine meat, and specific elements of the world beef economy on a country-by-country basis. In the preparation of this document the following sources, inter alia, have been used: USDA, Livestock and Meat Situation, various issues for 1982; USDA, Foreign Agriculture Circular, various issues for 1982; Meat and Livestock Commission, European Weekly Market Survey, various issues for 1982; Weekly information bulletin, Junta Nacional de Carnes, various issues for 1982; OECD, Economic Outlook, July 1982; and the replies to the questionnaire received by 10 November, 1982.
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I. INTERNATIONAL ECONOMIC SITUATION AND OUTLOOK

1. Earlier forecasts of a slow recovery in late 1982 and 1983 appear to be still valid although a robust recovery appear to be delayed in many countries. The pattern of recovery will probably differ from one country to another. It is forecast that GNP in the OECD area may grow by 0.5 per cent in 1982 and 2.5 per cent in 1983. It is believed that the forecast recovery will come essentially from an increase in consumption which in turn would be led off by a rise in real incomes and a turnaround in the cycle of stocks. The rate of inflation, as measured by the price index of private consumption, will probably be around 8 per cent in the first half of 1982 and in 1983 it is forecast to decrease to just above 7 per cent. By August, 1982, consumer price rises in the OECD area had, on an annual basis, dropped to 7.8 per cent, the lowest level since early 1978. As concerns unemployment it is forecast that the unemployment rate may reach 9 per cent in the first half of 1983 thereby affecting nearly 32 million people. In most OECD countries, unemployment among the young is twice as high as that among the active population in general.

2. In the United States GNP may decline in 1982 (by between 0.5-1.5 per cent) before increasing by around 2 per cent in 1983. However, recent figures suggest a GNP growth in 1983 of between 3 and 4.4 per cent. The recovery earlier forecast for the second half of 1982, may not get underway until the first quarter of 1983. Consumer price increases have slowed down further in 1982 and stood at an annual rate of 6 per cent in October (compared to 10.4 per cent in 1981 and 13.5 per cent in 1980). Experts do not expect a rise in inflation in 1983, at least not a substantial one. The unemployment rate increased further during 1982, from 8.4 per cent (estimate) in 1981 to 10.4 per cent in October, 1982. Observers believe that the unemployment rate will not descend below double digit levels in the near future because of high gains in productivity, a small increase in hours worked and no more than a small overall economic growth in prospect. One positive element in the US economy lately, has been the decrease in interest rates. However, there is still uncertainty concerning the longevity of the downtrend in interest rates, a necessary prerequisite, it would appear, of a robust recovery.

3. GNP growth in Japan in fiscal year 1981 (April 1981-March 1982) did not live up to earlier expectations of a growth rate of 5.2 per cent. Instead, growth stopped a 2.8 per cent (preliminary) and it is feared that if there is no turn for the better soon the growth rate in fiscal year 1982 may be less than the official estimate of 5.2 per cent (a rate of less than 3 per cent has been advanced). The unemployment level in

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OECD Economic Outlook, July 1982
Japan, low compared to many other industrialized countries, has increased slightly in the last 12 months from 2.2 per cent in 1981 (seasonally adjusted) to 2.48 per cent (1.37 million people) in June, 1982, the highest unemployment rate in more than 25 years. Consumer prices have remained fairly stable, with a rise, on a year-to-year basis, of 2.2 per cent in June, 1982, while wholesale prices rose by 1.3 per cent. Household expenditures increased by 4.9 per cent in nominal terms (3.1 per cent in real terms) in July, 1982, compared to year earlier and it is expected that the economy will recover and expand primarily on the strength of private domestic demand.

4. Economic growth in Canada in 1982 is expected to show, at minus 2.8 per cent, a negative rate compared to year earlier (+ 3 per cent). It is forecast that growth will again pick up in 1983 (+3.1 per cent). It is also expected that consumer spending will show some improvement in the second half of 1982 after a decline in the first. This increase is forecast to continue in 1983. Consumer price increases are expected to decrease somewhat (to 10.7 per cent) compared to 1981 (12.5 per cent in 1981) and are forecast to decrease again in 1983 (to 7.9 per cent). The unemployment situation has worsened appreciably in Canada, reaching 12.2 per cent of the active population in September, 1982, up from 8.6 per cent a year earlier.

5. The recovery of economic growth in the European Economic Community forecast earlier for the second half of 1982, does not appear to be materializing and it is now believed that the Community may enter a fourth consecutive year of recession. It is considered that the current difficult economic situation has been caused by the cumulative effects of the second "oil-shock" (1979-1980) and the exchange and interest rate problems in 1981-82. It is now expected that output growth will be barely over zero in 1982 compared to the earlier forecast of 2 per cent. Unemployment is expected to continue growing and at the end of September, 1982, the level of unemployed reached, with 11.2 million people, 10.1 per cent of the active population. This is the highest level since the second world war. The rate of inflation has been decreasing in the Community, reaching 10.3 per cent in September (12.6 per cent in 1981, annual rate). Current account deficits are expected to decrease from 20.8 billion dollars in 1981 to around 15 billion in 1982. In 1983, it is expected that trading conditions will improve and that current accounts will see substantial improvement.
II. INTERNATIONAL SITUATION AND OUTLOOK IN THE BOVINE MEAT SECTOR

(i) Situation

6. In contrast to the relatively depressed situation which existed on world beef markets during 1980-81, 1982 must be viewed as an improvement. Preliminary indications suggest that the volume of beef trade increased in 1982. While the average price of traded beef, expressed in US dollars, generally declined, when translated into national currencies (given relative exchange rate movements) these prices frequently represented an improvement over 1981. While the imports of most of the "traditional" importing countries (i.e. the United States, the EEC, and Canada) have risen in 1982, they failed to increase in proportion to the increase in export supplies of major exporting countries (imports of major importing countries are estimated to rise by about 3.0 per cent in 1982, compared to an estimated increase of 8.8 per cent of the exports of major exporting countries). Consequently, the importance of "non-traditional" import markets continued to increase in 1982.

7. Notwithstanding the relative improvement of export volume in 1982, the economic recession in major industrial countries continued to overshadow all beef markets. The effects of the recession could be seen in the failure of price increases in some countries to be supported, in the fairly modest rise in beef prices in other countries (despite significant supply adjustments), and in other countries simply by the failure of beef consumption to progress (in the face of decreased supplies of competitive meats and modest increase in beef prices). It might be worth restating that, in many countries, the demand-side of beef markets has exhibited more variability during the past 2-3 years than at any time previously.

8. The effects of the recession manifested themselves most evidently in the North American beef market in 1982. Although a part of the extreme price variability for high grade cattle in North America can be explained by supply changes, the sharp decrease in prices from June to October was inconsistent with the relatively modest rise in fed beef supplies. Notwithstanding the recession, however, and the relatively high levels of domestic non-fed beef supplies, beef imports by both the United States and Canada averaged well-above year-earlier levels during the first nine months of the year. In the United States imports reached such a level that they threatened to pass the "trigger-level" prescribed by the Meat Import Law. Consequently, the United States authorities negotiated voluntary export restraint agreements with its major suppliers for the final three months of the year. The increase in imports, however, relates primarily to the sharply increased value of the US dollar against the currencies of its major suppliers. To a certain extent also it apparently reflected drought conditions in Australia which forced unexpectedly large quantities of beef into the export market. Canadian imports also increased sharply in 1982 but, at the time of writing, no moves (except the announcement that import licences would be required) had been made to restrain imports.
9. The effects of reduced demand were also evident in Japan, where, despite reduced supplies of competitive meats, beef consumption is expected to progress only modestly. Any increase in consumption which occurs is expected to be accounted for by beef of domestic origin. Beef imports by Japan seem likely to average below year-earlier levels in 1982 (despite higher average quota levels). Additionally, apparently, part of the reduction in Japanese imports may be due to an increase in the price of (particularly) chilled beef imports.

10. Imports by the EEC seem likely to total somewhat more in 1982 than in 1981 (roughly 7-8 per cent). However, it would seem unlikely that any increases in imports within quotas would be large since those quotas were largely filled in 1981 and have only been modestly increased since. On the other hand it seems that EEC beef and veal exports to third countries will average significantly below 1981 levels. The chief reasons seem to be reduced beef production and sharply reduced intervention buying and stocking during the first eight months of the year (traditionally, a significant proportion of intervention stocks were exported). The decline in exports (combined with increased Argentinian exports) indicate that the EEC could, for 1982, fall from second to third largest exporter of beef and veal (excluding live cattle) and, depending on Brazil's performance in the final three months, possibly to fourth place. Nonetheless the EEC will undoubtedly remain a net exporter in 1982. It is expected that beef and veal consumption will decrease roughly in proportion to production and that this will tend to brake the decline in exports.

11. The effects, direct or indirect, of the world wide recession have had consequences for the beef situation elsewhere in the world as well. In general imports by countries in Eastern Europe, especially by Romania have declined in 1982. Since late September beef importation has been suspended by Brazil as a part of a general import ban intended to correct an imbalance in trade and to conserve foreign exchange. It also seemed that certain oil-exporting/beef-importing countries of North Africa and the Middle East restrained beef importation somewhat during 1982 in view of reduced export earnings. On the other hand it appears that others (such as Egypt, Iraq and Iran) took advantage of low world prices to increase purchases. Low prices combined with relatively robust economic growth (compared to elsewhere in the world) underlaid the substantial increase in imports by certain Asian countries such as the Republic of Korea, Taiwan, Hong Kong, and Singapore. In fact, the Republic of Korea was Australia's fourth largest market in 1982.

12. While the export sector of the beef industries of beef exporting countries performed well during 1982, not all development can be viewed as positive. In Argentina a sharp decline in beef production commencing in May combined with expansion in exports and major successive devaluations of the peso have led to significant increases in the prices of beef and live cattle. While a positive development for the cattle industry, it has led to a sharp reduction in beef consumption and has made necessary measures to maintain export supplies.
13. In Australia the increase in exports has been linked with an acceleration of cattle herd liquidation. Additionally, the fall in the value of the Australian dollar (from about US$ 1.15 in October 1981 to US$ 0.94 in October 1982) has been significant. The latter factor has been significant in translating relatively static prices for Australian beef (in US$) in the United States into higher prices for beef and cattle domestically. These "advantages" for Australian exports were somewhat offset by the fact that access to the United States' market was restricted as of October and by the fact that there was some difficulty in finding supplies of chilled beef, at reasonable prices, for Japan.

14. The apparent sharp increase in Brazilian exports in 1982 was expected. It is related in part to increased beef production but also to reduced domestic beef demand. In any event Brazil should easily become the world's fourth largest beef exporter in 1982 and, if present trends continue, third largest in 1983. At the time of writing it is not known whether the import measures introduced by Brazil in September apply to the imports under the "drawback" system and, consequently, how re-exports of such beef will be affected.

15. Preliminary indications suggest that in both Uruguay and New Zealand cattle herd liquidation occurred in 1982. In both countries this follows on the deterioration in export returns during recent years and sharp escalations in production costs. Despite the relatively high production level in Uruguay exports are expected to average below 1981 levels in 1982, a fact related both to the reduction in imports by Brazil and the relatively high value of the Uruguayan peso. In New Zealand exports were running well ahead of year-earlier to September but will likely average only at about year-earlier levels as a result of the restrictions into the United States market.
Selected Countries' Trade in Beef and Veal

A. Exports

<table>
<thead>
<tr>
<th>Country</th>
<th>1981 (000 tons)</th>
<th>1982 (000 tons)</th>
<th>Change from Year-earlier (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>486</td>
<td>550</td>
<td>+13.2</td>
</tr>
<tr>
<td>Australia</td>
<td>698</td>
<td>824</td>
<td>+18.1</td>
</tr>
<tr>
<td>Brazil</td>
<td>293</td>
<td>435</td>
<td>+48.5</td>
</tr>
<tr>
<td>EEC</td>
<td>550</td>
<td>460</td>
<td>-16.4</td>
</tr>
<tr>
<td>New Zealand</td>
<td>345</td>
<td>345</td>
<td>0.0</td>
</tr>
<tr>
<td>Uruguay</td>
<td>173</td>
<td>155</td>
<td>-10.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,545</strong></td>
<td><strong>2,769</strong></td>
<td><strong>+8.8</strong></td>
</tr>
</tbody>
</table>

B. Imports

<table>
<thead>
<tr>
<th>Country</th>
<th>1981 (000 tons)</th>
<th>1982 (000 tons)</th>
<th>Change from Year-earlier (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>61</td>
<td>50</td>
<td>-18.0</td>
</tr>
<tr>
<td>Canada</td>
<td>81</td>
<td>90</td>
<td>+11.1</td>
</tr>
<tr>
<td>EEC</td>
<td>307</td>
<td>330</td>
<td>+7.5</td>
</tr>
<tr>
<td>Japan</td>
<td>178</td>
<td>170</td>
<td>-4.5</td>
</tr>
<tr>
<td>United States</td>
<td>791</td>
<td>820</td>
<td>+3.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,418</strong></td>
<td><strong>1,460</strong></td>
<td><strong>+3.0</strong></td>
</tr>
</tbody>
</table>

1 Carcass weight equivalent. Includes fresh, chilled, frozen, and cooked and canned beef and veal, but excludes carcass weight equivalent of live cattle.

2 Estimated.
(ii) Outlook

16. There are probably more uncertainties in the outlook for world beef markets in the following year than there has been for any outlook in any recent year. It seems reasonably certain that the level of beef trade will contract in 1983 (since available supplies in most exporting countries are expected to decline). The uncertainty is in relation to whether this decline will translate into increased prices for exported beef.

17. The biggest single uncertainty, of course, remains the timing and the magnitude of a recovery from current recessionary conditions. In July, the OECD was reasonably optimistic that some degree of recovery would commence in early 1983 and that for the year as a whole reasonably strong growth in consumer income might be expected. Subsequent developments, however, bring those forecasts into question. Additionally, it is by no means certain that, even if relatively robust growth commenced, it would be translated immediately into increased beef demand.

18. Secondly, regardless of demand conditions, increased beef production is expected in many major importing countries. In the United States and Canada, while beef supplies generally may decline, supplies of "non-fed" beef could rise (non-fed beef being closely competitive with imported beef), particularly in view of expected increase in dairy cow slaughter.

19. A third uncertainty relates to the level of production of pork and poultry production in many countries during 1983. Current high prices for these two products combined with depressed feed prices is creating the necessary conditions for a sharp expansion of production. On the other hand, considering the magnitude of recent financial losses for these two products in many countries, an early upturn is rendered uncertain.

20. The continuation of relatively buoyant demand in the "non-traditional" markets is also uncertain. In the Far East, the world recession has began to affect the economies of, for example, the Republic of Korea, Taiwan and Hong Kong. In the Middle East and North Africa reduced oil revenues could reduce imports of certain countries, and war conditions could affect demand for beef in Iran and Iraq. Moreover, if economic conditions were to deteriorate in these regions, one could expect a significant level of substitution of mutton for beef.

21. The exports of certain countries, but in particular of Australia and New Zealand, are dependant in part upon a strong US dollar. It could be noted in this regard that a weakening of the dollar would reduce the United States imports of beef, and reduce producer returns in certain countries.
22. Distinctly, positive factors in the outlook are relatively few. One positive element is the fact that EEC has allocated an additional 8,800 tons (as a result of Greek accession to the Community; 7,500 tons to Argentina, 1,300 tons to Uruguay) under its "high-quality" quota (bringing the total under their quota to 28,500 tons). Additionally, with regard to the EEC, exports levels of beef and veal are forecast to decline further in 1983, although live cattle export levels may decline only modestly.

23. Notwithstanding the relative uncertainties, however, and assuming that major developed economies begin to pull out of the current recession, there appears to be some room to be cautiously optimistic about price conditions on world beef markets for 1983. If there is some improvement in beef demand, and in particular for manufacturing quality beef, the projected decrease in supplies being offered on world markets suggest some degree of price improvement.
III. COUNTRY-BY-COUNTRY ANALYSIS

(1) Cattle Numbers

24. Cattle and calf numbers in the United States at 1 July, 1982, declined relative to year-earlier. Numbers totalled 123,740,000 head, 0.8 per cent less than one year-earlier. Most significantly beef cow numbers declined 3.7 per cent. Moreover, the number of heifers being retained for beef cow replacement declined by 1.8 per cent. This "relapse" into cattle herd liquidation had been expected for some time; financial returns of cattle producer had been declining for over two years. The fact that the number of beef heifers retained for cow herd replacement declined, indicates that cattle producers are pessimistic about future profit levels and that cattle herd liquidation could continue for some time.

25. The 1 July, 1982, cattle inventory report in Canada indicated that cattle numbers declined relative to year-earlier, and expectations are that the 1 January, 1983, report will also indicate a reduction. In fact cattle numbers are projected to decline by 3 per cent to 12,145,400 head. Such a development would place cattle numbers at their lowest level since 1971 and lower than the level recorded in 1979, the previous low point of the cattle cycle. In reality the "build-up" phase of the current cattle cycle was never firmly established. Although liquidation ended in 1979, cattle numbers grew by only 1.6 per cent in the subsequent three years. The basic cause of that feeble growth, and of the recent and anticipated relapse into liquidation, was the progressive weakening of cattle prices (particularly of feeder cattle prices) since 1979, the sharp increase in production costs in 1980-81, and the high level of interest rates in 1981-82. Canadian analysts suggest that it will require a relatively prolonged period of sharply higher levels of feeder cattle prices to arrest the current downturn in cattle numbers.

26. Cattle and calf numbers in Japan totalled 4,485,000 head at 1 February, 1982, 2.3 per cent more than one year-earlier. While this rate of increase is consistent with those which have been occurring since 1976, it was due more to increases in beef cattle numbers whereas past growth had derived mainly from increased dairy cattle numbers. It could be noted that Waggyu cattle producers have been receiving encouragement to expand for several years now. The program (combined with continued firm prices for Waggyu cattle) seems relatively successful in that beef female numbers expanded by 3.2 per cent at 1 February while dairy female numbers declined by a fraction of 1 per cent. Steer numbers, both beef and dairy, totalled 1,364,000 head, up 3.4 per cent.

Note: Paragraphs preceded by an asterisk (*) are taken from the June, 1982, Status report (IMC/W/14). This information is included here, since no other recent information was available at the time of writing, with the expectation that it will be updated at the meeting.
27. During 1981, the downtrend in cattle numbers in South Africa which had been occurring since 1978, was halted. Cattle numbers at 1 August, 1981, totalled 8,580,000 head, 1.0 per cent more than year-earlier. Significantly, beef cow numbers (at 3,243,000 head, being 38 per cent of inventory) increased markedly (by 4.5 per cent). The basic cause of the increase in cattle numbers was the sharp increase in producer returns during 1980-81. It should be noted, however, that cattle numbers at 1 August 1981 were 8.8 per cent, or 824,000 head, less than in 1978. In February, 1982, the uptrend was confirmed, but the increase, at 20,000 head, was only marginal. In 1983, a more substantial increase is expected.

28. Some adjustments have been made to the estimates of cattle and calf numbers in Norway of 20 June 1981. Numbers are now estimated to have totalled 1,017,000 head at that date, 3.2 per cent more than year-earlier. This marked the continuation of a lengthy build-up in cattle numbers in Norway. Rather sharp increases in cattle slaughter during 1981 (particularly during the second half of the year) suggests that growth in cattle numbers may be slowing. It could be noted that a reduction in consumer subsidies during 1981 reduced beef consumption, which may imply some longer-term consequences for cattle numbers. However this may be more than offset by firming of Norway's dairy market.

29. The April, 1982, cattle census in Switzerland did not confirm earlier expectations of an increase in the cattle herd. Thus, for the third consecutive year cattle numbers decreased (by 0.5 per cent to 1,944,500 head). This decrease was entirely due to decreases in the numbers of dairy cows (-1.4 per cent), dairy heifers (-5.1 per cent) and bulls (-0.8 per cent). The bulk of the herd is made up of dairy cattle (80-85 per cent). Since 1979, a certain number of beef heifers are included in the cattle herd. These increased substantially in 1982 (by 16.8 per cent) after a decrease in 1980 and 1981, indicating a renewed interest in intensive beef production. Steers also increased considerably (by 14.4 per cent) while calf numbers rose moderately (by 2.9 per cent). An increase of some 2.2 per cent is forecast for 1983 when it is expected that dairy cows and dairy heifers, in particular, will increase.

30. Because of high slaughter rates, notably of female cattle, the herd liquidation which began in 1980, continued in 1981 in the European Economic Community. In December of that year the cattle herd totalled 77,940,000 head, of which 31,013,000 were cows, a decrease of respectively 0.5 per cent and some 0.3 per cent compared to year earlier. The decrease of cow numbers took place exclusively among dairy cows while beef cows increased (from 6,040,000 head in 1980 to 6,043,000 head in 1981). The number of calves of less than one year increased (by about 0.4 per cent). It is expected that, at the December, 1982, census, the cattle herd will show a 0.3 per cent increase with dairy cow numbers increasing from 24,970,000 head in 1981 to 25,305,000 head in 1982 (+1.3 per cent) and calf numbers from 22,257,000 head to 22,725,000 head (+2.1 per cent).
*31. Cattle and calf numbers in Finland at 15 December 1981 totalled 1,633,700 head, 2.2 per cent less than year-earlier. The decline reflected difficulties in both the beef and the dairy sectors. Dairy cow numbers, at 680,600 head were 2.6 per cent below year-earlier. It should be noted that measures were taken during 1981 to discourage milk production. It is expected that the decline in cattle numbers, led by decreased dairy cow and heifer numbers, is expected to continue for at least the next two years.

*32. The December 1981 census of cattle numbers in Austria indicated a modest increase in cattle numbers (of 0.7 per cent). The increase was due mainly to an increase (of 3.4 per cent) in the number of young cattle aged 3 months to 1 year. Cow numbers were unchanged from year-earlier.

33. At 31 March 1982, cattle and calves were estimated to total 24,490,000 head in Australia, 2 per cent below the level of one year earlier. The report indicates that this was the sixth complete year of herd liquidation and that cattle and calf numbers had declined by about 27 per cent (8,944,000 head) since the commencement of herd liquidation. The decline in cattle numbers this year relates in part to the continued deterioration of producer returns because of declining export prices. However, the major factor causing the decline was the drought conditions which existed in many parts of the country throughout 1981-early 1982. Indeed there has been no improvement in climatic conditions in 1982 and it is feared that the rate of herd liquidation has accelerated. Cattle numbers are not projected to begin increasing until at least 1985 and, it should be noted, that this forecast assumes a fairly strong upturn in United States' imported beef prices during 1983-84. It is projected that cattle numbers could decline to below 24 million head in 1983 and 1984 before beginning to increase.

34. According to the result of the June, 1982 census in New Zealand, and compared to the revised figures for 1981, cattle numbers decreased for the second consecutive year. The herd totalled 7,930,000 head, a decrease of around 1.5 per cent compared to year earlier and a slightly greater decline in numbers than between 1980 and 1981. Around half of the drop is accounted for by a decrease in beef cow numbers. Dairy cows, however, increased slightly. It would appear that the decrease in cattle numbers is due, partly at least, to the impact of high rates of inflation on farm incomes, less favourable weather conditions and a slowdown of development because of difficulty in obtaining suitable development funds.

35. Cattle and calf numbers in Argentina totalled 54,000,000 head at 30 June, 1981, 3.6 per cent less than year-earlier. All categories of cattle declined. In 1982, the downtrend continued and according to recent estimates, at 30 June, cattle and calf numbers had fallen by 3.7 per cent to 52,000,000 head. All categories of cattle, with the exception of dairy heifers which remained stable, have again declined.
The reduction in numbers was in particular due to increasing production costs and the depressed market prices. This was the fifth year of decreased cattle numbers. However, since June, 1982, real producer prices increased sharply. This development in combination with excellent pasture conditions should encourage withholding of cattle. If so, 1982 may mark the end of liquidation.

36. It is estimated that cattle and calf numbers in Uruguay at 30 June, 1982, totalled 11,302,000 head, one per cent lower than one year earlier. The expansion period that begun in 1978 seems to have come to an end. Such a decline had been expected for some time as Uruguayan cattle producers have faced difficult economic conditions since 1980.

37. Cattle and calf numbers in Hungary at 1 January, 1982, totalled 1,945,000 head, 1.4 per cent higher than year-earlier. This increase follows a two years reduction in cattle numbers.

*38. The number of cattle and calves in Poland declined sharply relative to year earlier according to the June, 1981, census. They are estimated to have totalled 11,797,000 head, 6.7 per cent less than in 1980. It could be noted that this was the third year of reduced cattle and calf numbers. Roughly 60 per cent of inventory are dairy cows and heifers. It is believed, however, that cattle numbers began to trend upward in the latter half of 1981 and early 1982 and are expected to show an increase of about 1.7 per cent in the forthcoming inventory report. This is expected to be due mainly to increases in private sector inventories resulting from increased producer prices for cattle and to improved feed supplies.

39. Cattle numbers on state, collective and private farms in the USSR on 1 January, 1982, totalled 115,700,000 head, an increase of some 200,000 head on year earlier. Of total cattle numbers, some 23,300,000 head were raised on private farms. The 1 June, 1982, census indicates a further increase in numbers on state and collective farms compared to year earlier. Cattle numbers showed an increase of some 600,000 head, totalling 95.4 million head. Part of the increase was due to an increase in cow numbers from 29.9 million head on 1 June, 1981, to 30 million head a year later.

(ii) Cattle Slaughter

40. Cattle and calf slaughter in the United States during the first six months of 1982 totalled 18,754,000 head (of which 17,310,000 head were cattle and 1,444,000 head were calves) 2.1 per cent more than during the first six months of 1981 (cattle slaughter increased 1.3 per cent, calf slaughter increased 12.7 per cent). The major cause of the increased cattle slaughter was increased cow slaughter (+11 per cent). Since June it is believed that fed cattle slaughter has increased sharply, mainly because of increased fed heifer slaughter. As a consequence, female cattle will account for a substantially higher proportion of slaughter in 1982 (during the first six months they accounted for 46.8 per cent of
total slaughter versus 45.9 per cent one year-earlier). It could also be noted that dairy cow slaughter is believed to have increased sharply in 1982 because of restraint in dairy price support programs. During the first six months of 1982 the largest increase in cow slaughter occurred in the major dairy producing states. For 1983, cattle slaughter is forecast to decline, perhaps by 2-3 per cent. This decline will depend, however, on no further worsening of the financial situation of cattle producers.

41. Inspected cattle slaughter in Canada during the first six months of 1982 totalled 1,833,600 head, 1.6 per cent more than the same period of 1981. The increase was 6 per cent, however, for cattle of Canadian origin (i.e. if imported cattle are subtracted). The increase was due to increased female cattle slaughter (+8.3 per cent). Cows and heifers accounted for 44.9 per cent of slaughter during the first half of 1982, compared to 42 per cent a year ago. For the year 1982 inspected slaughter is estimated to total 3,691,000 head (4,429,200 head including uninspected slaughter), 3.7 per cent above year-earlier. In addition to the commencement of beef cattle herd liquidation, the increase in cow slaughter apparently also relates to increased dairy cow slaughter as a result of attempts to slow the rate of increase of milk price support levels. It was believed that cattle slaughter levels in the second half of 1982 would be relatively high, and would include a large proportion of live cattle from the United States. For 1983, inspected cattle and calf slaughter is projected to decline by 3 per cent to 3,575,000 head. It is assumed that this will reflect the reduced productive capacity incurred in 1982 and that there will be no acceleration of the rate of liquidation.

42. Cattle and calf slaughter in Japan for the first seven months of 1982 totalled 755,777 head, 3 per cent more than for the same period of 1981. Cattle slaughter totalled 731,573 head (+3.1 per cent) and calf slaughter totalled 24,204 head (-0.7 per cent). In contrast to the trend of recent years, where the rate of increase of dairy cattle slaughter exceeded that of Waggyu cattle slaughter, Waggyu cattle slaughter so far in 1982 increased much more rapidly than that of dairy cattle (6.7 per cent versus 1.8 per cent). It would appear that efforts to increase Waggyu cattle production have met with some success. The increase in cattle numbers in 1982 combined with the fact that calf slaughter continues to decline may suggest that cattle slaughter will increase again in 1983.

*43. Cattle and calf slaughter in South Africa declined sharply in 1981, reflecting the commencement of rebuilding of herds. It could be noted, however, that the decrease (of 17.4 per cent, to 2,104,000 head) was not as great as had been feared despite a significant reduction in live cattle imports. While slaughter of all cattle declined the decrease in female slaughter (of 35 per cent) exceeded that of other classes. Calf slaughter totalled 89,000 head, a decrease of 35 per cent as well. The stabilization of cattle numbers during 1981 is expected to lead to a modest increase in slaughter in 1982, of about 2 per cent, to 2,150,000 head.
44. Cattle and calf slaughter totalled 360,000 head in Norway in 1981, 5.9 per cent more than in 1980. Cattle slaughter increased 7.4 per cent while calf slaughter declined 6.7 per cent. The increase in cattle slaughter can, in part, be attributed to the upturn in cattle numbers which has taken place for a number of years combined with a progressive downturn in calf slaughter in recent years (suggesting increased holding of calves for slaughter at more mature weights). It is uncertain whether part of the increase in 1981 was due to herd liquidation. It seems likely that slaughter levels will increase again during 1982.

45. Cattle and calf slaughter (inspected) in Switzerland is estimated to have increased by some 2.6 per cent in 1982. Slaughter in the first half of the year increased by some 4.5 per cent compared to year-earlier. Slaughter of all categories of cattle appears to have increased: female cattle slaughter by around 7.3 per cent; male cattle by around 5.9 per cent; while calf slaughter increased only marginally. For the year as a whole inspected slaughter is expected to total 840,000 head of which 340,000 head are that of cows and 380,000 head that of calves. For 1983 a further increase of 1.2 per cent is forecast.

46. Cattle slaughter in the European Economic Community decreased by around 9 per cent in the first half of 1982 compared to year-earlier. Cow slaughter also decreased by around 9 per cent in the same period while calf slaughter increased (by around 2 per cent) for the first time in several years. For the year as a whole it is expected that adult cattle marketings will show a decrease of around 4 per cent on year-earlier. Female slaughter (cows and heifers) is expected to continue decreasing in the second half of the year compared to year-earlier.

47. Cattle and calf slaughter in Finland increased by 4.8 per cent in 1981 to 679,400 head (including estimated on-farm slaughter). Cattle slaughter increased 6.4 per cent to 579,000 head, while calf slaughter declined 3.4 per cent to 100,400 head. Both male and female cattle slaughter increased. The increase in male cattle slaughter may, in part, reflect the decline in calf slaughter in both 1980 and 1981. The increase in female slaughter reflects the herd liquidation which occurred during 1981.

48. Cattle slaughter in Sweden increased marginally (less than 1 per cent) in the first six months of 1982 totalling 335,000 head. For the second half of the year a decrease of some 2.5 per cent is forecast with both adult cattle slaughter and calf slaughter declining. At the end of the year cattle slaughterings are expected to total some 689,000 head. For 1983 a further decrease is projected.

49. Cattle and calf slaughter in Austria declined in 1981 compared to year earlier. However, average slaughter weights increased. Cow and heifer slaughter showed the biggest drop by 20,000 head to 207,000 head (-8.8 per cent), calf slaughter declined by 10,000 head to 190,000 head (-5 per cent) while that of adult male cattle decreased by 4,000 head to 352,000 head (-1.2 per cent). At the end of the year 752,000 head had been slaughtered, compared to 785,000 head a year earlier (-4.2 per cent).
50. Cattle and calf slaughter in Australia for the first eight months of 1982 totalled 6,272,600 head (1,056,300 calves and 5,216,300 adult cattle), roughly 14 per cent more than for the same period of 1981. For the year as a whole slaughter is estimated to total 9,050,000 head (up 11 per cent). Such an increase after six years of cattle herd liquidation is unusual; it appears to reflect mainly the deteriorated climatic conditions in major regions of the country and the continued low cattle prices. Slaughter in the state of Queensland, where drought conditions have been particularly serious, increased by 25 per cent (to the end of August). The proportion of cows and heifers in the slaughter mix averaged 44.2 per cent during the first eight months of 1982, compared to 42.8 per cent in 1981. It is expected that cattle and calf slaughter will resume its downward trend in 1983, in fact the decrease is expected to be quite sharp (12 per cent to 8,000,000 head).

51. Cattle and calf slaughterings in New Zealand for the year ended 30 September, 1982, totalled 3,318,000 head, around 24 per cent more than year-earlier, and the highest slaughter rate since 1978. Slaughter of all categories increased substantially compared to year-earlier. However, average carcass weights decreased for all cattle classes except for vealers and calves. Forecasts for the year ended 30 September, 1983, suggest a 6-7 per cent decrease on 1982 slaughter levels.

52. Cattle and calf slaughter in Argentina for 1982 as a whole is forecast at 12,400,000 head, a 15.5 per cent drop from year-earlier. This fall in slaughter numbers seem to indicate that the liquidation phase of the cycle is over and should be related to the dramatic recovery of real market prices since June 1982. A further reduction of slaughter in 1983 (forecast at 10,700,000 head), should allow herd rebuilding from next year.

53. In 1981, cattle slaughter in Uruguay increased by 27 per cent, reaching 2,017,000 head. This significant increase, which followed a 16 per cent increase in 1980, was the result of, on the one hand the uptrend in cattle numbers since 1978 and, on the other, the commencement of herd liquidation. Indicating this commencement of herd liquidation was the sharp increase in cow and heifer slaughter which increased by 67 per cent in 1980 and by a further 39 per cent in 1981. Estimates for 1982 suggest that cow and heifer slaughter should increase again by about 29 per cent (total slaughter should reach 2,059,000 head, 2 per cent above 1981's level).

54. Cattle and calf slaughter in Hungary totalled 431,600 head in 1981, down 6.4 per cent from 1980. For the first three quarters of 1982, cattle and calf slaughter decreased by 4.5 per cent from the same period of 1981, totalling 192,000 head. For the year as a whole, cattle and calf slaughter is forecast to total 418,900 head, a decrease of about 3 per cent. The reduction of cattle slaughter in Hungary appears to be related to the rebuilding of cattle numbers, the strong fall of beef production in 1981 and stabilization in 1982, and the important increase in 1981 and 1982 of live cattle exports.

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¹Preliminary
*55. Cattle and calf slaughter in Poland is estimated to have totalled 4,254,000 head in 1981, 12.4 per cent below the 1980 level. However, calf slaughter, estimated at 1,725,000 head, was 19.4 per cent above year-earlier, while cattle slaughter declined 25.8 per cent. Calves constituted an unusually large proportion of slaughter in 1981: 41 per cent, versus 30 per cent in 1980 and 27 per cent in 1979. Cattle and calf slaughter are expected to decline in 1982, which must occur if the projected increase in herds is to take place.

56. Cattle and calf slaughter in Yugoslavia decreased for the fourth consecutive year in 1981, totalling some 2,335,000 head. Total calf slaughter, which represents almost half of total slaughterings, decreased somewhat less than adult slaughterings. It would appear that the explanation of the decrease is that the cattle herd, after several years of liquidation, started rebuilding in 1981. If that is the case it can be expected that slaughterings continue decreasing in 1982.

(iii) Production

57. Beef and veal production in the United States totalled 4,997,732 tons during the first six months of 1982, 1.6 per cent less than during the same period of 1981. This decline occurred despite a 2.1 per cent increase in cattle and calf slaughter. It reflects a decline of 9.1 kgs in the average beef carcass weight (3.1 per cent). The decline in carcass weight reflects mainly the increased proportion of cows slaughtered. Estimates suggest that production of non-fed, or manufacturing quality, beef (i.e. that derived from cows, bulls, and non-fed steers and heifers) increased by some 4-5 per cent during the period, while that of fed beef roughly equalled that of a year-earlier. During the second half of 1982 it is believed that fed beef production increased sharply while that of non-fed beef changed little. During 1983 it is expected that beef and veal production will decline by some 2-3 per cent as the number of cattle for slaughter declines.

58. Corresponding to the expected higher level of cattle slaughter in Canada during 1982, beef and veal production is expected to rise. However, while the slaughter is projected to rise 3.7 per cent, beef and veal production is projected to increase by only a fraction of 1 per cent, to 1,017,000 tons. The main cause of the reduced average carcass weight has been the greater number of cows slaughtered. In fact it is projected that beef production alone will remain unchanged in 1982, at 980,000 tons while veal production will increase by 3.9 per cent to 37,000 tons. A greater share of beef production in 1982 has been of manufacturing quality. This is suggested not only by the higher level of cow slaughter but because of lower level of imports of fed steers and heifers from the United States. For 1983 beef and veal production is projected to decline by 2 per cent to 995,000 tons. This forecast, however, assumes no acceleration in the rate of herd liquidation, and no major increase in live cattle imports.

Note: When not otherwise stated, "tons" refers to metric tons, carcass weight equivalent.
59. Beef and veal production in Japan during the first seven months of 1982 totalled 260,083 tons, up 2.6 per cent from the same period of 1981. (Beef production totalled 258,821 tons, veal production 1,162 tons.) The increase in production was roughly proportional to the increase in cattle and calf slaughter. Waggyu beef production accounted for 28.4 per cent of total beef production during this period, compared to 27.6 per cent a year ago. The proportion of Waggyu beef production is projected to increase further in 1983.

*60. As with cattle and calf slaughter, beef and veal production decreased sharply in South Africa during 1981. Production, at 421,300 tons, was 16.7 per cent below the level of 1980. It is believed, however, that 1981 was the "low year" of the current cycle; increased production is anticipated in 1982 (of about 2 per cent) and 1983.

*61. Beef production in Norway totalled 73,500 tons in 1981, 9.5 per cent more than in 1980. Veal production declined 10.5 per cent to 1,700 tons. The increase in slaughter (of 7.4 per cent) was augmented by a 2.1 per cent rise in average cattle carcass weights.

62. Beef and veal production in Switzerland in 1982 is estimated to have increased around 7.5 per cent, some 3 per cent more than the increase in slaughter. The "extra" 3 per cent increase is explained by the higher slaughter weights compared to a year-earlier. In the first half of the year, total beef and veal production increased by some 7 per cent, beef production totalling 60,000 tons and that of veal 20,700 tons (compared to 57,500 tons and 19,800 tons respectively a year-earlier). For the year as a whole a production of 166,800 tons is expected compared to 154,300 tons in 1981. For 1983, a marginal decrease to 165,900 tons is forecast.

63. Production of bovine meat in the European Economic Community has continuously decreased since 1980, when a cyclical peak was reported. In 1981, production diminished by some 3.8 per cent compared to 1980. Production from adult cattle decreased by 3.6 per cent and that of veal by 5.4 per cent. Veal production decreased partly because of a decrease in slaughter and partly due to a decrease in slaughter weights. Production of total bovine meat continued decreasing in the first half of 1982 (by 8 per cent) while veal production increased by nearly 3 per cent compared to the same period a year-earlier. For the year as a whole, it is expected that bovine meat production will show a decrease of around 3 per cent compared to year-earlier, totalling 6.7 to 6.8 million tons. For 1983, an increase of bovine meat production in the order of 1-2 per cent is projected.

*64 Beef and veal production in Finland is estimated to have totalled 121,830 tons in 1981, up 7 per cent from year-earlier. Heavier average carcass weights were recorded for both cattle and calves. The decline in cattle herds during 1981 is expected to lead to reduced slaughter and beef production in 1982. Production is forecast to total 115,000 tons, down 5.5 per cent. The extent of the decrease will depend largely on developments in the dairy industry and the extent to which the retention of calves to mature weight continues.
65. Beef and veal production in Sweden in the first six months of the year remained at the same level as year before, i.e. 76,000 tons. Veal production decreased somewhat (by around 1,000 tons) while that of beef increased. For the year as a whole beef and veal production is expected to increase marginally to 158,000 tons. In 1983 bovine meat production is projected to decrease by around 3,000 tons, thus starting the adjustment process towards equilibrium with consumption.

66. Bovine meat production in Austria declined by 2 per cent in 1981 to 196,000 tons. Because of higher slaughter weights the decrease in production was less than that of slaughter. Most of the decrease took place in the production of beef (from 183,000 tons in 1980 to 180,000 tons in 1981).

67. Beef and veal production in Australia for the first eight months of 1982 totalled 1,139,800 tons, 20 per cent higher than during the same period in 1981. The increase exceeded the rate of increase of cattle slaughter indicating higher average carcass weights. This development is difficult to understand in view of the larger proportion of cows slaughtered in 1982. The increase in production is greatest for "export quality" beef and the production increase have been largest in the state of Queensland. It would seem that, regardless of whether drought conditions persist or not, beef and veal production will decline in 1983. Sufficient liquidation has already occurred to ensure that there will be insufficient cattle available to maintain production levels. While production for 1982 as a whole is expected to total about 1,600,000 tons, it is expected to decrease 12 per cent to 1,400,000 tons in 1983.

68. Total production of beef and veal in New Zealand for the year ended 30 September, 1982, was, at 500,000 tons, up marginally from year-earlier. The increase appears to be entirely due to a rise in veal production. For the same period production for exports is estimated at 216,000 tons (shipped weight). Thus, despite a considerable increase in slaughter levels, production remained much the same in 1981 and 1982 because of the lower average carcass weights and increased proportion of females in the slaughter mix. For 1983, a 4 per cent decrease in beef production is forecast.

69. In line with the sharp decline in cattle slaughter, beef and veal production in Argentina during the first nine months of 1982 fell by about 14 per cent when compared to the same period of 1981. For the whole year, production should fall by about 15 per cent to 2,500,000 tons, its greatest fall since 1971. Corresponding to the anticipated fall in slaughter for 1983, production should drop again.

70. Beef and veal production in Uruguay increased by 26 per cent in 1981, reaching 405,000 tons. It is expected that the estimated slow down in the rate of cattle slaughter during 1982 will bring beef production down. Thus, beef production in 1982 should fall by about 5 per cent to 383,000 tons.
71. Beef and veal production in Hungary totalled 123,200 tons in 1981, a decline of 7.5 per cent from 1980. In 1982, production is expected to increase slightly to 123,800 tons. The stronger fall in production than in slaughter in 1981 was due to lower average carcass weights than in the preceding year. In 1982 slaughter weights should increase, due to a fall in the number of cows and heifers slaughtered and an increase in slaughtered adult male cattle, thus explaining the slight increase in production in spite of decreasing numbers slaughtered.

*72. Beef production in Poland is believed to have dropped sharply in 1981. Production from cattle slaughtered in abattoirs is estimated to have totalled 446,000 tons, 28.7 per cent below year-earlier. No estimate of veal production is available; however, it probably increased, considering the sharp increase in calf slaughter and that there was little latitude for decreases in carcass weights.

73. Meat production on state and collective farms in the USSR, for the first five months of 1982, decreased by 1 per cent compared to year-earlier, to 5.9 million tons. Beef production, at 3.6 million tons, was down 3 per cent, while pork production decreased by 4 per cent (to 1.4 million tons) and that of poultry, sheep and goat meat increased by 10 per cent. The decrease in production of beef appears to be due entirely to decreases in slaughter weights. It is considered that meat production on private farms currently represents around 30 per cent of total meat output, indicating a decrease from the 31 per cent reported a few years earlier. For 1982 as a whole it is expected that meat production will be several percentage points below that of 1981 unless there is a substantial change in the precarious feed situation in the second half of the year. However, estimates for 1982 seem to suggest that for the fourth consecutive year the harvest will be below expectations. According to the special food programme adopted in May, 1982, it is planned to increase meat production to 17-17.5 million tons in the five year period 1981-1985 and in the next five year period to 20-20.5 million tons. Around 43 per cent of targeted amounts should be beef.

(iv) Prices

74. Fed cattle and fed beef prices in the United States were extremely volatile during 1982. From January to May the price of choice steers at Omaha rose by US$ 25 per 100 kgs (18.8 per cent). Subsequently from May to October prices declined continually, more than off-setting the previous increase. Choice steer prices declined by about US$ 28-29 per 100 kgs during this period. Prices for feeder cattle and for non-fed cattle (cows, bulls and non-fed steers and heifers) were relatively stable throughout 1982. Utility cow prices (Omaha) generally averaged between US$ 85-90 per 100 kgs, while feeder cattle prices changed by no more than US$ 8-10 per 100 kgs. The sharp increase in fed cattle prices from January to May appeared to relate mainly to increased beef demand arising from sharply higher pork prices and to a slight reduction in fed beef production. The subsequent decline in fed cattle prices appears to relate mainly to the sharp increase in fed beef production. The fact
that feeder cattle prices failed to respond to the changes in fed cattle prices indicate that cattle producers generally remained pessimistic about the durability of the fed cattle price increases. Analysts in the United States are generally optimistic that cattle prices will average above 1982 levels during 1983. The basis of this belief is the anticipated decline in beef production, the expected strengthening of the United States economy, and the belief that pork prices will remain high throughout the year.

75. Cattle and beef prices in Canada exhibited a trend identical to that in the United States during 1982. That is to say, the prices of fed steers and heifers increased rapidly from January to May, then declined equally rapidly to October. Prices for Al.2 steers at Toronto increased from about Can$ 1.80 per kg in January to in excess of Can$ 2.00 per kg. By October they had fallen below Can$ 1.80 per kg. The prices of non-fed slaughter cattle and of feeder cattle and calves remained relatively stable throughout 1982, again reflecting the pattern of prices in the United States. Retail prices of high grade beef rose continuously through the first half of 1982, but it was not until the third quarter that they reflected the full extent of the preceding rise in price of fed cattle. It is not expected that retail prices will reflect the full decline of fed cattle prices. In 1983 cattle and beef prices in Canada will again reflect the price experience of the United States; consequently for the year as a whole prices of all classes of cattle will average above those experienced in 1982.

76. Stabilization prices for Waggyu and dairy steer prices in Japan were increased only modestly for the 1982-83 fiscal year. For Waggyu steer carcasses the prices were increased by 1 Yen per kg to 1,820 Yen per kg (upper price) and 1,400 Yen per kg (lower price). Dairy steer carcass stabilization prices were increased by 3 Yen per kg to 1,455 Yen (upper price) and 1,120 Yen (lower price). Throughout 1982 Waggyu steer carcass prices (second grade) have averaged near or above the upper stabilization price, while dairy steer carcass (second grade) prices have averaged above the mid-point of the stabilization band. Both prices averaged above year-earlier. Notwithstanding relatively weak consumer demand arising from slower rates of growth of consumer income, cattle prices were aided by higher pork prices and by higher prices of imported chilled beef. For several years now dairy steer prices have been relatively more restrained than those of other types of cattle due to the rapid escalation of dairy steer slaughter. It would appear that dairy steer slaughter may have reached a peak in 1982. If so, it could be expected that these prices may strengthen relative to those for Waggyu steers over the next year.

*77. Cattle and beef prices in South Africa increased sharply at all levels during 1981. Prices rose progressively throughout the year and averaged well above 1980 levels. Decreased production was the main cause. It should be noted that year-to-year comparisons of prices of specific grades of cattle in South Africa for 1981 are somewhat meaningless since the beef industry underwent a change in grading standards during the year. At the retail level, choice beef prices averaged about 35-40 per cent above year-earlier.
Despite the increase in beef production in Norway during 1981, cattle and beef prices at all market levels averaged above year-earlier. This may in part reflect the sharp reduction in beef imports and also the increase in beef stocks. The price of manufacturing grade carcasses, during 1981, averaged NKR22.13 per kg, 33 per cent higher than in 1980. It should be also noted that consumer subsidies on beef were reduced in 1981. The subsidies had been significant, averaging as much as 30 per cent of the wholesale value of Class I beef.

The lower level of the indicative price band in Switzerland was set at Fr.s. 530 per 100 kgs from 1 July 1981 for "genisses and boeuf IA" and this price has not been changed since. However, the average price received has been somewhat higher, averaging Fr.s. 533 in 1981, Fr.s. 538 in the first quarter of 1982, and Fr.s. 531 in the second quarter. The average retail price for beef1 which continued increasing during all of 1981 and the first quarter of 1982 (by Fr.s. 140 per 100 kgs, from Fr.s. 1,572 to Fr.s. 1,718), decreased somewhat in the second quarter of 1982 (averaging Fr.s. 1,699 per 100 kgs). With higher production levels and decreased consumption expected for 1982 as a whole, it is possible the price may decrease somewhat more before the end of the year.

After a period of three years of relatively stable prices in the European Economic Community, the market price of adult cattle (in Ecu) has increased regularly from 130 Ecu per 100 kgs liveweight in the autumn of 1980 to more than 160 Ecu per 100 kgs liveweight in the autumn of 1982. The average community market price for adult cattle increased by 10.6 per cent in 1981, about the same as the rate of inflation. The average price in 1981 represented around 85.1 per cent of the guide price, well below the intervention price. In September, 1982, the Community market prices for all qualities of adult cattle stood at around 161.6 Ecu per 100 kgs liveweight, i.e. at 84.2 per cent of the guide price. It is expected that the market prices for adult cattle will continue to increase over the next year or so. Retail prices for bovine meat has risen at about the same rate as that of inflation in the last few years. In 1981 the increase averaged around 12 per cent expressed in national currencies. The guide price for the 1982/1983 season for adult cattle was fixed at 191.87 Ecu for 100 kgs liveweight between 20 May and 5 December 1982. As from 6 December 1982, the guide price will increase to 196.29 Ecu per 100 kgs liveweight.

The average price received by producers for slaughter cattle in Austria increased by some 10 per cent in 1981, from 2,085 AS per 100 kgs to 2,293 AS. The average retail price for beef (striploin) also increased, from 11,800 AS per 100 kgs to 13,200 AS (+12 per cent). These increases were slightly less than the general increase in the consumer price index.

1"Bouillie" and "ragoût"
2Around 12 per cent in national currencies.
82. Export beef prices in Australia expressed in Australian dollars averaged above 1981 levels throughout 1982, and during August-September they moved well-above year-earlier levels. The major cause of the rise, however, was the lower value of the Australian dollar. Moreover, these higher export values were not necessarily reflected in live cattle prices. The downtrend of live cattle prices was halted, however. Although export values were higher, the significant rise in cattle slaughter and beef production maintained pressure on domestic prices. It is evident that higher grade cattle prices (destined for the domestic market) strengthened more than those of export quality cattle. For 1983, it is expected that reduced cattle marketings and further improved export prices will result in general improvement of farm level prices.

83. The average minimum price guaranteed to producers in New Zealand was raised in the fourth quarter of 1981 to US$ 125 per 100 kgs and has since remained at that level. Nor is any change expected for the first three quarters of 1983. Because of the slump in the United States imported beef market it has been necessary to support producer payments by further drawings from the Meat Income Stabilization Account. Supplementary payments for beef (including payments under the SMP scheme) for the season to the end of July, 1982, stood at NZ$ 55.10 million of which NZ$ 36.7 million was paid for boneless beef. Of total payments NZ$ 50.90 million was paid under the SMP scheme.

84. The average price of Argentinian beef exports, in US$ terms, declined during 1981. The price (f.o.b.) of frozen boneless beef averaged US$ 1,830 per ton compared to US$ 2,070 in 1980. During the first three quarters of 1982 the average was US$ 1,403, the price having fallen from US$ 1,465 in the first quarter to US$ 1,328 in the third quarter. This decline in the dollar value of exports appears to relate in part to the dramatic devaluations of the peso, since the beginning of the year, and in part to price weakness on world markets. In contrast, prices on the internal market have been strengthening during 1982 and, by the end of September, they had reached in real terms their highest level since October 1979. This increase in prices should continue in the near future as it is estimated that production will decline further, while exports are expected to rise by about 13 per cent for the whole of 1982.

85. The average minimum guaranteed price for cattle producers in Hungary in 1981, at US$ 122.7 per 100 kgs, was 2 per cent higher than that of 1980. Retail beef prices increased by about 7.4 per cent to US$ 157.4 per 100 kgs. In 1982, both prices, expressed in United States dollars, decreased: to US$ 110.6 for producer price and US$ 146.5 for retail prices. This decrease is in fact due to the devaluation of the forint, and prices in real terms probably increased somewhat. Average export prices in 1981 decreased by 5.3 per cent to US$ 205.6 per 100 kgs and by 20.2 per cent to US$ 164.0 in 1982.

*86. Retail prices for beef (bone-in roastbeef and boneless beef) in Poland were not changed during 1981 (56 zloty per kg and 80 zloty per kg respectively), while producer prices for live cattle were increased by 22.86 zloty per kg (71 per cent to 54.86 zloty per kg).
87. In real terms, cattle prices in Uruguay declined sharply from 1980 levels during 1981. In terms of 1975 (new) pesos, the average price of slaughter steers declined from 1.24 pesos to 0.94 new pesos per kg, liveweight. The sharp increase in cattle slaughter combined with weaker export demand was the main cause of depressed market prices. Export prices averaged below year-earlier levels (US$ 1,450 per ton for compensated steer quarters). In 1982, although the cattle slaughter rate slowed down, export demand fell dramatically and the already depressed market conditions worsened. By the end of the year both cattle prices and export prices should fall again.

(v) Imports

88. For the first seven months of 1982 the United States' imports of meat subject to the Meat Import Law (most of which is fresh, chilled, and frozen beef and veal) totalled 324,721 tonnes, product weight, 5.4 per cent more than one year-earlier. Decreased imports from most Central American suppliers (except the Dominican Republic) and the EEC were more than offset by increased imports from Australia, New Zealand, and Canada (the sharp decline in imports from the EEC related to the ban on imports from Denmark due to the outbreak of foot-and-mouth disease in that country). In September, 1982, the United States authorities announced that according to their estimates beef imports, unless restrained, would exceed the "trigger level" of the US Meat Import Law (567,000 tonnes). The United States reached agreement with its major suppliers whereby those suppliers would voluntarily restrain their exports of the relevant products to the United States to agreed levels during the balance of 1982. For Australia this meant that its total exports to the United States during 1982 would be constrained to 307,065 tons, New Zealand's exports would be constrained to 154,223 tons, and those of Canada to 55,000 tons. It could be noted that the quota and trigger levels under the Meat Import Law declined in 1982 relative to 1981 because of the unexpected increase in cow slaughter. It could also be noted that the minimum access level undertaken by the United States in the MTN's is 567,000 tons.

89. During the first six months of 1982 Canada imported 38,800 tons, carcass weight equivalent, of all types of beef and veal, 5 per cent more than in the same period of 1981. Frozen boneless beef constituted 77 per cent of these imports. Live cattle and calf imports during the first 6 months of 1982 totalled 27,100 head compared to 101,000 head one year earlier. Imports from all major suppliers increased, while imports from the EEC declined (because of the ban placed on imports from Denmark). The quota level for imports of fresh, chilled, and frozen beef and veal for 1982 (as calculated by the Meat Import Act) amounts to approximately 64,400 tons, product weight. As of mid-October major supplying countries had not been asked to voluntarily restrain exports, but import licensing requirements had been re-introduced. The increase in imports during 1982 occurred despite the fact that domestic supplies of manufacturing beef were above year-earlier levels and that beef demand (especially in the fast-food business) was weak. The increase seems to be explained by the fact that imported beef prices were well
below year-earlier levels and even fell relative to domestic wholesale manufacturing beef prices. It should be noted that Canada's import quota level for 1982 was at the minimum level as prescribed by Canada's MTN undertaking. Given the factors which determine import levels, as described in Canada's Meat Import Act, it is unlikely that import quotas will rise above the minimum level in 1983. However, the minimum level will rise in proportion to the increase in Canadian population projected at roughly 1.4 per cent.

90. Rising domestic beef production levels combined with slower growth of consumer demand have restrained growth of beef imports by Japan during the past three years. For the first six months of 1982 imports of fresh, chilled and frozen beef and veal totalled 78,000 tons (carcass weight equivalent), down 6,000 tons (7.1 per cent) from the same period of 1981. The United States further increased its share of Japanese imports, to 27.3 per cent from 21.8 per cent year ago. Although Australia remained the major supplier of Japanese beef imports, its share declined from 72.5 per cent during the first six months of 1981 to 69.3 per cent in 1982. Australia's reduced share seems to be due mainly to reduced chilled beef imports. During the second half of 1982 it was expected that Japanese import demand would remain weak in view of the high level of imported beef stocks. These stocks had reached a level of 36,000 tons in June. Japan's global import quota for the first six months of Japanese fiscal year 1982-83 (April-March) totalled 70,000 tons, product weight. It was comprised of 62,000 tons of general quota and 8,000 tons of special quota. The quota was 2,000 tons higher than that of the first half of the 1981-82 year. Japan's MTN undertaking to have the quota level equal 135,000 tons for the fiscal year 1982-83 would suggest that the global quota for the second half of this year would total at least 65,000 tons.

*91. Reduced imports of live cattle and increased imports of fresh, chilled and frozen beef characterized South Africa's import situation in 1981. Live cattle imports, at 97,000 head (virtually all of which were from South West Africa), was 37,000 head less than in 1980. Fresh chilled and frozen imports, at 16,600 tons, were 55 per cent more than in 1980. The reduction of live cattle imports was surprising in view of the high level of beef prices and may relate to decreased availabilities in South West Africa. It is expected that imports of live cattle will increase in 1982 while dressed beef imports will decline.

*92. The sharp decline in Norwegian imports in 1981 reflects in part the increase in domestic beef production and, consequently, the desire to support domestic beef prices. Imports totalled only 3,800 tons compared to 12,500 tons in 1980. The biggest reduction occurred in imports of fresh and chilled beef, down to 2,100 tons from 10,000 tons in 1980. The major supplier had traditionally been the EEC (Denmark), and it again supplied the bulk of imports in 1981.

93. Imports of beef and veal into Switzerland in 1982 are forecast to decrease compared to year earlier, the explanation being the higher level of domestic production. Total imports of beef and veal should be around 10,300 tons compared to 13,230 tons in 1981. More than 60 per cent would be imported fresh and chilled while a little less than 20 per cent would be frozen. No change in imports are forecast for 1983.
94. The European Economic Community imported 364,000 tons of bovine meat (including live animals) in 1981, an increase of some 8,000 tons compared to year earlier. Some 38 per cent (138,000 tons) of total imports was that of canned meat and around 33 per cent (121,000 tons) that of frozen meat. Imports of live animals and fresh and chilled meat decreased somewhat compared to year earlier while that of frozen and canned meat increased. Around 40 per cent of total imports came from countries in Latin America but these provided more than 60 per cent of total frozen beef imports. East European countries supplied more than 20 per cent of total beef imports and nearly half of live animals imported. Australia and New Zealand supplied around 7 per cent of total imports and ACP countries 3 per cent. Around 20 per cent of live animals, fresh and chilled beef came from Yugoslavia while Austria provided around 25 per cent of the live animals and round 30 per cent of the fresh meat. Most of this meat was imported under the various concessionary schemes. In 1982, it is expected that total imports of bovine meat and animals will show an increase of 7-8 per cent (to 415,000 tons). It has been projected that imports of live animals, fresh, chilled and frozen meat will increase while that of canned meat will decrease. Imports in the first six months of the year totalled some 225,400 tons. Imports into all major importing members of the Community appear to have increased. As a result of the adherence of Greece to the Community, tariff quotas for high quality beef from Argentina and Uruguay have been increased recently, totalling now 12,500 tons and 2,300 tons respectively. Yugoslavia's quota for fresh or chilled "Baby-beef" has also been increased (to 50,400 tons annually). Total 1983 imports are forecast to increase further (to 430,000 tons).

95. After a considerable decrease of bovine meat imports in Sweden in 1981, it is expected that imports will increase somewhat in 1982. In the first half of the year imports increased by some 300 tons. This was due entirely to an increase of imports of frozen beef in the first quarter of the year while that of fresh and chilled beef imports decreased in both first and second quarter. For the year as a whole an increase of some 700 tons is forecast and another increase of some 500 tons is projected for 1983.

96. Imports of beef and veal in Austria showed a 20 per cent increase in 1981 compared to year earlier (12,000 tons and 10,000 tons respectively). All of the increase took place in imports of fresh and chilled beef and veal (+5,000 tons) while that of frozen bovine meat actually declined (-3,000 tons). More than half of the meat was imported from the Federal Republic of Germany.

97. Poland's beef and veal imports, in 1981, totalled 89,000 tons, compared to 35,500 tons in 1980. Virtually all imports were of frozen beef. At least 30,400 tons of imports were from the EEC (the main source being France) under special terms granted by the EEC.
98. In 1981, Brazil imported 61,000 tons of beef and veal, virtually all from Uruguay. For the first six months of 1982, imports from Uruguay totalled about 8,600 tons, a decline of about 80 per cent from the same period of 1981. Import licences for all kinds of meats have been suspended since the 24th of September, 1982. This measure is viewed as temporary.

99. In 1981, Hungary imported 14,800 tons of beef and veal (including 1,700 tons of carcass weight equivalent of live cattle), an increase of 31 per cent from year-earlier. Imports of fresh and chilled beef represented 87 per cent of the total. During the first nine months of 1982, imports of beef and veal totalled 6,800 tons, a decline of 40 per cent from the same period of 1981. For the year as a whole, it is estimated that imports will total 10,000 tons (7,000 tons from West Germany and 3,000 tons from the United Kingdom of exclusively fresh and chilled beef and veal), 23.7 per cent down from year-earlier.

(vii) Consumption

100. Beef and veal consumption in the United States totalled 5,386,555 tons during the first six months of 1982, only 0.7 per cent less than for the same period of 1981. In per capita terms this averaged about 23.5 kg compared to 23.8 kg one year earlier. Consumption declined proportionately less than beef and veal production indicating increased imports and reduced beef stocks. This situation indicates that beef demand probably benefited, during the first half of 1982, from higher pork prices. In essence, beef consumption declined only modestly in the face of a 5.5 per cent increase in retail beef prices in the second quarter of 1982 and virtually static consumer income. During the second half of 1982 it is believed that beef consumption will be affected, on the one hand, by further increases in retail beef prices, by continued stagnation of consumer income and, on the other hand, continued high prices for competitive meats. It is believed that, on balance, these factors will result in beef consumption slightly below that of the second half of 1981. The outlook for beef and veal consumption in 1983 is uncertain: consumer incomes (and other elements of the general economic situation) are expected to improve and pork prices are expected to remain high; however, the projected decline in beef supplies would cause further increased retail prices; moreover the access levels under the Meat Import Law will probably continue to be relatively low.

101. Beef and veal consumption in Canada is expected to increase by 1.2 per cent in 1982 to 1,040,000 tons. This level would be equivalent to 42.2 kgs. per capita, compared to 42.5 kgs. in 1981. Consequently the overall growth in consumption relates solely to the population increase. Beef demand in Canada has benefited from an improvement in beef's competitive position relative to other meats (particularly pork), but that advantage was more than offset by the deterioration of general economic conditions. For 1982 as a whole it is expected that real consumer disposable income will decline. (For the first six months of 1982 it declined by 3 per cent). The unemployment rate in Canada exceeded 12 per cent (seasonally adjusted) in September, 1982, compared
to 8.6 per cent one year earlier. During the first six months of 1982 beef consumption was also discouraged by a sharp increase in the price of high-quality fed beef. It is believed that those levels of retail prices would be maintained throughout the second half of 1982. For 1983 beef consumption is expected to decline further, perhaps by 2-3 per cent. The major factors influencing consumption are expected to be only modest rise in consumer incomes, continuing high unemployment and increased beef prices (originating from increases in the United States). Although it is expected that pork prices will remain at their relatively high levels of 1982 throughout most of 1983 it should be noted that high-grade beef prices continue to exceed pork prices at the retail level.

102. Beef and veal consumption in Japan during the first six months of 1982 totalled 300,000 tons, 0.7 per cent more than for the same period of 1981. Per capita consumption for this period amounted to 2.6 kg, compared to 2.5 kg a year ago. This relative slowing of beef consumption compared to past years can be attributed mainly to the slowed growth of consumer income since retail beef prices in Japan averaged only slightly above year-earlier during the first six months of 1982. Forecasts suggested that disposable income and consumer expenditure in Japan would increase more rapidly during the second half of 1982 and in 1983.

103. The sharp decrease in beef production in South Africa during 1981 induced correspondingly sharp increases in beef prices and, consequently, reduced beef consumption. At 585,000 tons (or 21.7 kg per capita) consumption was about 21 per cent below the 1980 level and at its lowest level in a number of years. It could be noted that retail beef prices (in terms of Rand) increased steadily through the year, and (for choice beef) averaged 35-40 per cent above 1980 levels. Prices of competitive meat (pork) also rose sharply during 1981 although the spread between beef and pork prices widened. The turn-around in production during 1982 plus continued high prices for competing meat is expected to stimulate consumption. Consumption of about 600,000 tons is expected.

104. Although official figures for beef and veal consumption in Norway in 1981 are not yet available, it seems certain that it declined. The decrease in consumer subsidies, the reduction in imports, the increase in retail prices, and the increase in cold storage stocks would all seem to suggest this. In 1980 consumption totalled 81,300 tons, or 19.9 kgs per capita. The reduction in consumer subsidies is believed to have had a major influence on consumption. In addition to direct consumer subsidies, it could be noted that Norwegian consumers have benefited as well from compensation for value added tax (of 20 per cent).

105. Consumption of beef and veal in Switzerland is expected to decrease some 2 per cent in spite of the production increase expected. This decrease would be due to a rise in the retail price of beef. In the first 6 months of the year consumption totalled 85,800 tons1 compared to

1Preliminary
89,300 tons a year earlier. For the year as a whole a total consumption of 176,000 tons (compared to 179,400 tons in 1981) is expected while per capita consumption is expected to decrease from 27.6 kgs in 1981 to 27.3 kgs in 1982. In 1983 a moderate recovery in consumption is forecast.

106. Bovine meat consumption in the European Economic Community decreased by 3.4 per cent to around 6.7 million tons in 1981. This was due inter alia to the difficult economic situation and the rising unemployment rate. Per capita consumption was 24.8 kgs, the lowest level in a number of years. No big changes in consumption levels is expected in the near future. Until 1973 per capita consumption in the Community increased by around 1 per cent per year. Because of the economic difficulties that have occurred since then the increase has been well below 1 per cent per year, on average.

*107. Despite the increase in beef production in Finland in 1981, total beef and veal consumption declined. Consumption totalled 106,300 tons (22.1 kg per capita) 4.4 per cent less than in 1980. Despite reduced producer cattle prices, retail beef prices increased. Beef demand may also have been affected by increased availability of other meats. The downtrend in consumption is expected to continue in 1982, although at a slower rate.

108. First quarter (1982) consumption of beef in Sweden increased by around 12 per cent compared to year earlier. This, it would appear, was entirely due to the beef sales at greatly reduced prices that were arranged in March in order to stimulate consumption. However, second quarter consumption was the same as a year earlier, i.e. 35,000 tons. For the year as a whole consumption is expected to decrease some 3 per cent to 140,000. Since 1976 consumption has decreased by around 15.5 per cent. Per capita consumption is also expected to have continued to decrease in 1982 and it is forecast that it will total 16.8 kgs compared to 18 kgs in 1981. This decrease appears to be due to, at least in part, to the competitiveness of other meats in particular that of pork, and to decreases in consumer subsidies made since January 1981. A continued decrease of beef consumption, both total and per capita, is projected for 1983.

*109. Consumption of bovine meat in Austria increased marginally in 1981 after a slight decline in 1980. Consumption totalled 189,000 tons (25.1 kgs per capita) compared to 187,500 tons (24.9 kgs per capita) in 1980. No forecast for 1982 is as yet available.

110. Beef and veal consumption in New Zealand for the year ended 30 September, 1982, totalled 147,000 tons, marginally lower than year before and the lowest level since 1974. Per capita consumption increased marginally from 46.28 kgs in 1981 to 46.55 kgs per capita in 1982. For 1982/1983 it is forecast that total beef and veal consumption will remain at year earlier level and that per capita consumption will decrease marginally to 46.14 kgs. It is estimated that consumption of other meats in 1982 are up slightly from year earlier levels with pigmeat consumption expected to show the largest increase (by 2,000 tons to 34,000 tons). Consumption of other meats in 1983 are forecast to remain the same as year earlier except for mutton consumption which is expected to increase from 64,000 tons to 65,000 tons.
111. Consumption of beef and veal in Argentina declined by about 19 per cent during the first three quarters of 1982, amounting to 1,503,000 tons (down 350,000 tons from the same period of 1981). For the year as a whole it is estimated that total consumption will be 1,950,000 tons, 20 per cent down from year earlier. Per capita consumption will probably fall to 68 kg per head, against 86 kg in 1981. Total and per capita consumption would thus reach their lowest level since 1974. The sharp reduction in production, the important increase in exports and corresponding strong rise in retail prices in real terms are, along with governmental measures to reduce consumption, the principal factors responsible for this impressing downturn in consumption. In 1983 it is forecast that total consumption of bovine meat will decline by a further 10 per cent.

112. As a result of increasing production and falling prices, consumption of beef and veal in Uruguay increased by 13 per cent in 1981 reaching a record level of 232,000 tons. Per capita consumption - the highest in the world after Argentina - reached 79 kg. It is estimated that both total and per capita consumption will stay relatively stable in 1982 with 220,000 tons and 78 kg respectively.

113. Total and per capita consumption of beef and veal in Hungary appears to be remarkably stable since 1979: 97,400 tons and 9.1 kgs respectively. In 1982, it is expected that consumption will again reach these levels. In 1981, due to the reduced production, the levels of consumption were kept by way of an increase of fresh and chilled beef and veal imports and a decrease in exports. In 1982, the slight increase in production and a new reduction in the exports of this type of meat kept the levels of consumption stable and permitted a reduction in imports.

*114. A sharp increase in beef and veal imports and decreased exports prevented beef and veal consumption in Poland from declining proportionally to the decline in beef production. While production is estimated to have declined by about 28 per cent, consumption declined by about 13.3 per cent, to 563,000 tons. Per capita consumption, at 15.6 kgs, was 14 per cent less than the average per capita consumption for the years 1977-80.

(viii) Exports

115. The United States exported 41,814 tons, product weight, of beef and veal during the period of January-June 1982, 12 per cent more than in the same period of 1981. Exports to Japan, which accounted for 59 per cent (24,766 tons) of total exports, increased by 19 per cent. Exports to Saudi Arabia accounted for 6.3 per cent of total exports and were 13 per cent more than a year earlier. The United States exported a total of 2,160 tons to 4 markets (Bermuda, Hong Kong, Singapore, and Taiwan); and apparently, the majority of this beef is destined to hotels. During the same period the United States exported a total of 77,976 tons (valued at US$ 132,571,000) of beef offals. Most of these exports were to the EEC (46 per cent) with Japan being the second major market (23 per cent).
*116. South African exports of beef and veal declined to less than 1,000 tons in 1981 compared to 7,400 tons in 1980 and 10,700 tons in 1979. The sharp decline in domestic cattle marketings and increase in domestic beef prices is held to be responsible.

117. Exports of bovine meat from the European Economic Community totalled around 663,000 tons in 1981, indicating a net export of some 300,000 tons. Of total bovine meat exports, more than half of which was that of frozen beef, more than 36 per cent was sold to East European countries, including the USSR; some 10 per cent to Mediterranean, European countries; African countries (in particular the Maghreb and Libya) took around 15 per cent of Community exports (in particular live animals); and the Middle Eastern countries bought around 20 per cent of Community exports (of which 10 per cent approximately went to Egypt). In the first half of 1982, the Community exported 257,400 tons of bovine meat, more than half of which was that of frozen beef. The export figure for the first six months of 1982 indicates a marked decline in exports compared to the same period a year earlier. It is projected that total bovine meat exports for the year as a whole may decline by around 100,000 tons. A further decline is expected in 1983 (to 440,000 tons).

*118. Finland exported about 15,000 tons of beef and veal in 1981 compared to only about 1,000 tons in 1980. Increased production and weak beef demand were responsible for creating the export surplus. Virtually all (14,000 tons) exports were to the Soviet Union. Exports in 1982 are expected to drop by about one-half in line with an expected improvement in demand and an expected decrease in production.

119. Sweden exported some 16,700 tons of beef in the first half of 1982. Some 65 per cent of the beef exported was frozen, about half of which was shipped to the USSR and around 10 per cent to Venezuela. For the year as a whole exports of beef are projected at 29,500 tons, more than twice the amount exported in 1981. The major reason for this rise in exports is the decrease in domestic consumption.

*120. Austria's exports of beef and veal in 1981 remained stable at the same level as year before (19,000 tons), while exports of live cattle declined by some 8,000 head (-23.6 per cent) to 26,000 head. Most of the beef and veal was exported to Italy, while the cattle was mostly shipped to Libya.

121. Australia's beef and veal exports for the first 8 months of 1982 totalled 409,981 tons, shipped weight, 37.1 per cent higher than for the same period of 1981. Exports to the United States (239,291 tons) were 48.8 per cent above year-earlier and accounted for 58.4 per cent of total exports. Major increases also occurred in exports to Canada (+42.8 per cent to 16,809 tons) and Korea (+140 per cent to 38,289 tons). While exports to Japan declined, combined exports to the United States, Canada, Japan and Korea accounted for 84.7 per cent of Australia's exports compared to 82.4 per cent in 1981. The increase in exports in 1982 relates mainly to the decline in the value of the
Australian dollar against major currencies, particularly against the US dollar. From October 1981 to October 1982 the value of the Australian dollar declined from US$1.16 to US$0.944, a depreciation of roughly 20 per cent. In addition the sharp increase in beef production made greater quantities of beef available for export. Australian exports have been aided in 1981-82 by the re-emergence of the Republic of Korea as a major beef importer. Korea imported more beef during the first eight months of 1982 than it did in all of 1981. Korea is now Australia's third most important market. Australia agreed to restrain its shipments of beef and veal to the United States during the fourth quarter of 1982, such that its exports for the year as a whole would not exceed 307,040 tons (the United States negotiated similar agreements with all its major suppliers). It is understood that this limit had been reached by mid-October. Shipments continued, however, but that meat will be held in storage in the United States till 1 January 1983. For 1982 as a whole Australian exports are forecast to total 880,000 tons (CWE) (up 26 per cent on 1981), but are forecast to decline 16 per cent (to 749,000 tons) in 1983.

122. New Zealand is estimated to have exported some 225,000 tons (product weight) of beef and veal in the year ended 30 September, 1982, same as year earlier. All of the bovine meat shipped was fresh or chilled. As usual United States was New Zealand's biggest customer taking around 68.5 per cent of total shipments, some 4 per cent less than year earlier. In the first three quarters of the 1981/1982 season shipments to the United States amounted to around 130,900 tons (product weight) compared to 123,700 tons a year-earlier. By early September 1982, it is estimated that shipments to the United States amounted to some 154,000 tons, the voluntary restraint level agreed upon for 1982. Exports in the 1982/1983 season are forecast to decrease by around 6 per cent to 212,000 tons (product weight).

123. Argentina's exports of beef and veal reached 410,000 tons during the first nine months of 1982, an increase of about 17 per cent from the same period in 1981. For the year as a whole, it is estimated that total exports will reach 550,000 tons, an increase of 13 per cent. Although the EC remains the largest market for Argentinian exports, during the first nine months of 1982 exports to the Community fell by 11.5 per cent, to 96,500 tons against 109,000 tons in the same period of 1981. Exports to the Soviet Union at the same time also fell from 101,300 tons in 1981 to 87,200 tons in 1982. The sharp decline in production and the downturn of exports to these markets indicate that the increase in total exports is related to the devaluations of the peso and the supply agreements that Argentina has negotiated, notably with Egypt, a country to which exports in September, 1982, had already passed the total 1981 level by about 16,500 tons, reaching 59,300 tons. Argentina's other supply agreements were signed with the Soviet Union (the yearly minimum import level of 60,000 tons of frozen boneless beef had already been surpassed in September 1982), Israel (12,700 tons exported from January to October 1982) and Algeria (a first agreement for export of 4,000 tons having been filled, a second agreement for a total export of 6,500 tons was signed in May 1982. Shipments begun in August).
124. In 1981, Uruguay's beef exports increased dramatically, totalling 173,000 tons, 48 per cent more than in 1980. Brazil, Egypt, and the EEC accounted for 82 per cent of total exports. In the first six months of 1982, beef exports dropped by 7,400 tons, 29 per cent less than in the same period of the preceding year. Exports to Brazil, Uruguay's major market since 1976, fell sharply from 42,000 tons (product weight) in the first half of 1981 to 8,600 tons in the same period of 1982. Exports to Egypt fell from 27,000 tons to 10,100 tons, but, according to the agreement between the two countries, should reach 40,000 tons (a 21 per cent increase compared to 1981) for the year as a whole. Exports to the EEC as at June, 1982, increased by 15 per cent, reaching 13,000 tons. For the first time in 11 years, Uruguay exported bovine meat to the USSR: 3,000 tons (product weight) in the first half of the year. During the same period, exports to Iran reached 2,400 tons. Under an agreement that was reportedly recently signed between the two countries, Uruguay might ship this year 12,000 tons of boneless beef to this country. Although production of bovine meat is estimated to fall by about 5 per cent in 1982, and consumption to stay relatively stable after the important rise of 1981, the decline of Uruguay's beef exports would appear attributable to the reduction of Brazilian imports.

125. In 1981, Hungary exported 51,400 tons of dressed beef and veal (compared to 52,200 tons in 1980) and 146,300 head of live cattle and calves (compared to 132,000 head in 1980). During the first three quarters of 1982, Hungary exported 35,800 tons of dressed beef and veal, a decline of about 24 per cent from the same period of 1981 (due to the fall of exports of frozen beef and veal during the first quarter of the year). However, for the year as a whole the exports of dressed beef and veal should reach 51,300 tons, roughly the same level as in 1981, since it is expected that during the last quarter of 1982 exports of frozen beef and veal will increase sharply. Exports of live cattle and calves in 1982 should total 168,000 head, a 14.8 per cent increase from year-earlier. The Soviet Union is the major market for Hungary's exports of live cattle (probably 62 per cent of total in 1982) and frozen beef and veal (expected 33,500 tons out of 40,000 tons in 1982). Italy is the major market for Hungary's exports of fresh and chilled beef and veal.

*126. Although Poland's exports of live cattle, beef and veal decreased sharply in 1981, they were still significant. Exports of live cattle and calves totalled 144,000 head, 116,000 head less than in 1980. The principal destinations of these exports were Italy, the Federal Republic of Germany, and Lebanon (these three destinations accounted for 81 per cent of exports). Exports of dressed beef and veal totalled only 6,900 tons (compared to 28,400 tons in 1980 and 33,500 tons in 1979) with the major destination being Italy.