For discussion under agenda item No. 7 of the draft agenda, the following questions have been submitted by Australia:

EUROPEAN COMMUNITIES

Question 1

At the last Council meeting Australia sought clarification of measures being taken to deal with the divergence between supply and demand in the Community beef sector. In response (paragraph 34 Spec(83)8 of 18 February 1983) the Community noted that this divergence was partly due to the cyclical nature of beef production, in particular the herd liquidation phase. What measures or policies have been considered by the EEC to prevent a reoccurrence of this source in production caused by cyclical factors?

Question 2

We note that "Eat Beef" type promotional campaigns are common in several of the major importing and exporting countries (eg., Sweden, Australia, New Zealand, United States, Japan etc.). Has consideration been given by the Community to similar measures designed to encourage domestic consumption? Do any measures currently exist to encourage consumption Community-wide?

JAPAN

Question 1

Prior to August 1978 all Japanese chilled beef imports outside of the private quota were handled through the "one touch" system. At present only about one third of imports are handled in this manner, the remainder being through the chilled tender system. The previous system enabled exporters to the Japanese market to benefit from premiums for quality. Can Japan provide evidence that the current chilled tender system provides the same opportunity for premiums to be paid to exporters for quality?
Question 2

Japanese authorities have recently decided to increase the number of designated retail outlets which previously have been permitted to handle chilled and frozen beef. It is understood the new outlets will only be permitted to handle frozen beef. Why will they not be permitted to handle chilled beef?

Question 3

In January this year the Japanese Agricultural Policy Council recommended that Japan's beef herd be increased by 70 per cent by 1990 and that Japanese beef prices be reduced to EC levels. We understand that the recommendation to increase beef cattle numbers was endorsed by the Japanese Upper House of Parliament in May. Can the Japanese delegation explain what measures are envisaged to implement both of these recommendations? If implemented, what effect will these recommendations have on future levels of Japanese production and consumption? Are there any plans to update the production and consumption forecasts published in 1980 by the Ministry of Agriculture, Forestry and Fisheries? At a time when Japan is being pressed to liberalize beef imports, what is the justification for seeking to increase subsidized production by such a budget to bring about this increase in beef output?

Question 4

Japanese beef consumption on a per capita basis is the lowest of all developed countries (5 kg./year), while retail beef prices are among the highest in the world. Japan has recently announced interim measures to increase domestic consumption. What measures are the Japanese authorities considering to increase consumption levels in the longer term?

SWEDEN

Question 1

In document IMC/INV/6/Rev.2/Add.1 of 19 January 1983, it is stated that "the costs of Swedish beef exports are borne by the producers themselves". Could the Swedish delegation explain how their export subsidies are calculated and the role of the "Market Regulation Association for Meat"? Could they also explain how the cost of these subsidies is borne by producers?

Question 2

We understand from the above IMC document that the price level for imported protein feeds was raised twice in 1982 in order to discourage Swedish beef production. What was the magnitude of these increases in 1982 and what proportion of Swedish feed requirements is imported? What other measures, if any, are being taken to reduce Swedish beef production?
United States

Question 1

In order to bring about a better balance of several agricultural products, particularly grains, the United States recently introduced a payment in kind (PIK) programme. What impact is the PIK programme expected to have on feed prices? What effect, if any, is the programme likely to have on beef production?

Question 2

The United States last year initiated a dairy cow cull programme. What impact has the programme had so far on manufacturing beef production in the United States?