Arrangement Regarding Bovine Meat

INTERNATIONAL MEAT COUNCIL

For discussion under agenda item No. 6 of the draft agenda, the following questions have been submitted by New Zealand:

EUROPEAN ECONOMIC COMMUNITY

Question 1

Is consideration being given to increasing the geographic application of export restitutions for beef? New Zealand would be concerned at such a development, particularly so if any extension were to include Pacific basin markets.

Question 2

New Zealand views with concern the level of subsidized beef exports by the Community and the detrimental effects of such exports on sales by efficient agricultural producers including New Zealand. In this regard New Zealand notes the rising proportion of expenditure on the EC beef and veal régime taken up by export refund payments and asks if the EC expects proposals put forward in the context of the current examination of CAP expenditure to lead to an appreciable reduction in surplus production in the medium to long term. If so we would hope there would be consequent modification in the application of export refunds by the Community.

UNITED STATES

Question

What effect will the recently passed United States Dairy Support Bill encouraging the culling of the United States herd have on United States beef supplies? The United States Department of Agriculture has estimated that the Bill could result in a possible cull of 500,000-750,000 dairy cows, with higher estimates from some other sources. New Zealand is concerned that an increase of this magnitude in the availability of domestic beef on the market is likely to further depress the price of manufactured beef in the United States. This could also result in the lowering of the trigger level through the operation of the countercyclical formula under the United States Import Act.