GENERAL AGREEMENT ON
TARIFFS AND TRADE

INTERNATIONAL MEAT CONSULTATIVE GROUP

Statement made by the Representative of the European Communities on 2 October 1975

I would like to make a short statement in regard to the present situation in the Community's bovine meat market and I shall begin, if I may, with the price trend on this market.

At our previous meeting about mid-June, I told you that a certain decline in prices had been recorded in several States Members of the Community, whereas over the three previous months there had been an increase of about 10 per cent in prices.

Since we last met, the trend in prices has been as follows.

In May, the prices for adult bovine animals on the Community market were approximately 99 units of account per 100 kgs. live weight. Prices fell to 97.8 units in June and to 94.5 units in July.

The decline was even more rapid during the first three weeks of August, the average for the month being 92.6 units.

With the start of the "new term" there was a slight improvement in the situation in September. Over the last week of the month, the price recorded was 94.3 units.

During the next three months, when the grazing period is over, there will presumably be a further decline in prices for adult bovine animals on the Community market. After this difficult period, towards the end of December, prices should recover and it seems likely that the upward movement will continue through 1976.
Turning to the question of intervention purchases and sales of bovine meat, up to 31 December 1974 we purchased 487,500 tons, and from 1 January 1975 to date more or less, we have purchased a further 291,000 tons or since the intervention measures began, a total of 779,000 tons of bone-in meat.

At present, our stocks amount to 250,000 tons: 71,000 tons of preserved meat, 82,000 tons of bone-in meat and 97,000 tons of bone-out meat.

Sales figures are 381,000 tons of bone-in meat and 53,000 tons of bone-out meat since the intervention campaign began.

The rate of intervention purchases at the beginning of 1975 was between 7,000 and 8,000 tons a week. In June I informed you that intervention purchases had declined to about 2,000 to 2,500 tons per week, but the volume has increased slightly over the latter part of September and is now 3,000 tons.

There you have both the price situation and the trend in our intervention measures.

I can also confirm the provisional figures I gave you at our last meeting for trade, consumption and production.

Trade, in the sense of imports from and exports to third countries, amounted in 1974 to 400,000 tons and rather less than 200,000 tons respectively; in fact the figure available at present is 173,000 tons.

I am quoting you this figure, and I would like to confirm it, because I have had occasion to look at the FAO report for 1975/1976, and studying some of the tables concerning meat, I was astonished to read that exports from the Community in 1974 amounted to 900,000 tons. I would like to reassure you here and now. As I told you at our last meeting, exports from the Community in 1974 were 178,000 tons. If we compare this figure with the exports for the years 1972 and 1973, namely 58,000 tons and 75,000 tons respectively, obviously we do not arrive at percentage increases such as those recorded in the FAO report.

For 1975, we estimate that the consumption of bovine meat is likely to be more or less the same pattern as in 1974. If I told you in June that per capita consumption was about 25.3kgs, I can now confirm that figure. This means that in 1974 the figure regained the level it had around 1970.

Consumer prices for bovine meat in 1974 showed only a relatively moderate rise of about 5 per cent, compared of course with the general inflation rate, which has been running at an average of approximately 14.5 to 15 per cent.
As regards production, according to the statistical survey conducted in December 1974, the bovine cattle herd numbered 79 million head, an increase of 0.5 per cent over the December 1973 census figures, or a real increase of about 400,000 head.

On the other hand, in 1974 we found that the number of calves (young bovine animals less than one year old) had fallen by 1.3 per cent.

In 1975 there will be a slight increase in the rate of off-take and, as in the United States, a decline in the average weight of animals slaughtered. An increase in off-take of some 2 to 3 per cent is expected for 1975 as a whole, so that slaughterings should amount to 21.5 million head for adult animals and rather more than 7 million head for calves.

Thus meat production in 1975 is likely to amount to approximately 6,650,000 tons, the figure I suggested when I spoke at our last meeting. Of this total of 6,650,000 tons, adult animal meat production represents 5,990,000 tons and veal production 690,000 tons.

In his statement, the distinguished representative of Australia has referred just now to the measures taken recently by the Community in regard to imports. I would like to point out in this respect that a decision was taken by the Commission of the Communities at its penultimate meeting at the end of September.

This decision covers three points:

- It makes provision for possible supplementary imports of 30,000 calves and young bovine animals for fattening;

- It extends the special import system set up in April for young bovine animals of alpine stock intended also for fattening;

- It provides for a procedure designed to make our EXIM system more flexible. The first instalment, if I may call it that, of EXIM covered imports of approximately 20,000 tons. The flexibility introduced consists in encouraging imports by changing the export-import ratio of 1:1 to a ratio of 1:2. This of course means that from now onwards, for every ton exported two tons can be imported.

We feel that the three decisions adopted and implemented by the Community will bring about an improvement in the import régime.
These are the comments I wanted to make on the overall situation in the bovine meat sector and the trends in the meat market in the Community, and on the decisions taken by the Commission at the end of last month.

I am of course ready, in the discussion which presumably will follow the various statements, to try to answer any questions which may be put.