State the Made by the Representative of the United States on 1 July 1976

SITUATION IN THE UNITED STATES

Total United States meat production for 1976 is estimated to be about 22.8 million tons, an increase of 6 per cent over the 1975 level of 21.5 million tons. Of the total meat production for 1976, beef and veal production is estimated to reach 11.8 million tons, a 4.4 per cent increase over the year earlier level of 11.3 million tons. Pork production is forecast to increase 5 per cent to 5.5 million tons and poultry output 10 per cent to 5.3 million tons in 1976.

Total slaughter of cattle began to slip in April and during the last two weeks of the month dropped below year earlier levels. Reduced fed marketings, along with generally favourable spring grazing conditions which have lessened pressure to sell cows have contributed to the decline. Cow slaughter in early April dropped to 150,000 head per week, only half the level of last November and December and about the same as a year earlier.

Summer weather and its effect on the grain crop and pastures have a significant bearing on the cattle market for the balance of 1976. Fed beef production is expected to run 20 to 25 per cent over year earlier levels through the rest of 1976. However, declining non-fed cattle slaughter during the last half of this year is expected to be more than offsetting, reducing total cattle slaughter 5 per cent or more from that of the second half of 1975. A higher proportion of fed cattle in the mix would, however, substantially increase average slaughter weights and hold total beef production near last year's July-December level. Nevertheless, cattle slaughter for the entire year should total near 1975's 41 million head. With increased weights total beef output would then be boosted 3 to 5 per cent over last year's record. If non-fed slaughter rates continue lower as expected, seasonally reduced beef output through the summer could boost fed cattle prices back into the mid-to-upper $40's before slipping seasonally lower in the fall.
In the first four months of 1976 total United States imports of red meats were about 280,000 tons product weight - 7 per cent greater than imports in the same period of 1975. The greatest absolute increase was noted for imports of canned, corned beef and other prepared or preserved beef imports supplied primarily by Argentina and Brazil. During the first four months, beef and veal imports from these two suppliers increased by 30 million pounds over imports in the same period of 1975. Imports of prepared beef and veal were about 3 million pounds greater than in January-April 1975. This category, as distinct from fresh, chilled, or frozen, is not subject to the voluntary restraint programmes being negotiated by the Department of State with principal supplying countries this year.

The Department of State has received signed agreements from five countries as of 14 June out of an expected eleven that have indicated their intent to participate in a programme to limit their exports of fresh, chilled, or frozen beef, veal, mutton and goat meat so that United States imports of these meats will be held to 1,223 million pounds this year. Through May approximately 556.4 million pounds, or 45 per cent of the total, had been imported.