Mr. Chairman, this is the third time in 1977 that we are meeting in this forum, and on rereading the statements which we have had the honour to make, we find that today we shall once again be obliged to repeat what we have said before.

Indeed, Mr. Chairman, the fears we expressed in March and July have been borne out. The Community market has still not regained its stability.

The situation remains very difficult in our internal market and we continue to be faced by a very definite imbalance of supply and demand - due, in our opinion, to the unfavourable economic situation in the Community, which is considerably restraining demand and is reflected in intervention purchases amounting to approximately 8,000 tons weekly.

When we stated last July that we were liable to end 1977 with a slight increase in our intervention stocks as compared with those held at the end of 1976, we must confess that we hoped we would be mistaken on that particular point. We are very sorry to have to say that that is not the case: our stocks at the end of 1977 will exceed those held at the end of 1976 by approximately 65,000 tons.

Having said that, Mr. Chairman, we shall now, with your permission, offer a provisional balance sheet for 1977 - subject of course to all the reservations called for by the fact that the year is not over and all the statistical data are not yet available - and tell you about developments in:

- prices
- interventions
- imports.
1. Developments in prices

From January to September 1977, the prices of adult cattle on typical markets of the Community showed a slightly rising trend, which, however, still could not be considered satisfactory since they remained constantly below the intervention price.

Expressed in terms of UA/100 kg live weight, prices rose from 104.5 UA in January to 108.5 UA in September, but following the marketing connected with the return of animals from pasture, they dropped to 106.7 UA in October. As compared to October 1976, prices in 1977 showed an increase of just 0.80 UA, i.e. 105.9 UA in 1976 and 106.7 UA in 1977.

If, now, we care to recall that in 1976 we were just emerging from a serious drought, which had important repercussions on the feed situation and the condition of pastureland, and that in 1977 weather conditions were good and even made it possible to set later dates for bringing in animals from pasture, we find ourselves compelled to state that the way our prices have developed is clearly unsatisfactory and is causing us grave concern.

2. As to developments in intervention purchases, we should like to add, to what we have already said, that stocks now amount to ± 410,000 tons, and we expect to be holding 375,000 tons at the end of the year.

The breakdown of the public stocks held at present is as follows:

410,000 tons (carcass weight)
  of which ± 68,000 tons, preserved
    ± 202,000 tons, bone-in
    ± 140,000 tons, bone-out

The stocks have grown as follows:

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<table>
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<tr>
<td>end of March</td>
<td>302,000 tons</td>
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<tr>
<td>end of June</td>
<td>316,000 tons</td>
</tr>
<tr>
<td>end of October</td>
<td>410,000 tons</td>
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3. Community imports in 1977 may be estimated at: ± 120,000 tons of live animals (quantity expressed in terms of product weight), ± 50,000 tons of fresh and chilled meat, and some 140,000 tons of frozen meat. This shows a slight increase over 1976.

Now as regards future developments in our market, we expect to find ourselves in the following situation for 1978:

production 6,150,000 tons,
consumption 6,575,000 tons,
the difference being 425,000 tons.
That difference will be covered in part by imports benefiting from special arrangements in respect of levy, either total or partial exemption from the levy, or exemption from customs duty.

The volume of imports under special arrangements may be estimated at approximately 175,000 tons (bone-in), including:

- 50,000 tons: GATT quota for frozen meat
- 38,000 tons: ACP quota
- 9,000 tons: quotas of 30,000 head of mountain breeds and 5,000 head of alpine breeds,

as well as:

- + 40,000 tons: manufacturing meat, and
- + 30,000 tons: animals for fattening.

The difference between 125,000 and 175,000 tons, i.e. 250,000 tons, will have to be covered from other sources of supply.

As to prices, we do not think that there can be a significant rise in the Community market by the end of the year, and it is very probable that over the first two or three months of 1978, prices of adult cattle will stay at the level of the end of 1977, with a rising trend starting in April/May 1978, which, however, should not exceed, in extent, the rise that traditionally occurs at that time of the year.