The participants have agreed to provide information concerning their domestic policies and trade measures including bilateral and plurilateral commitments on the basis of Parts G and H of the Questionnaire (Rule 16 of the Rules of Procedure). The documents containing replies to these parts of the Questionnaire are circulated under the symbol IMC/INV; they are partly revised as and when changes are notified.

This set of documents constitutes the inventory of all measures affecting trade in bovine meat, including commitments resulting from bilateral, plurilateral and multilateral negotiations, which the Council has instructed the secretariat to draw up and keep up to date, under the provisions of Article III of the Arrangement (Note to Article III of the Arrangement and Rule 18 of the Rules of Procedure).
Part G.1. Information on Domestic Policies and Trade Measures

Introduction

In the European Economic Community, policy on livestock farming and in particular bovine meat is based on both:

- the market, i.e. the law of supply and demand; and
- support measures which stabilize prices in relation to the cyclical trends in production and prices.

Over the last decade, major changes have taken place in cattle-farming structures:

- there has been a sharp decline in the number of livestock farmers (today about 2.4 million cattle farmers), at an average rate of about -4.2 per cent annually, in particular through the disappearance of small farms; and
- a sharp rise in the number of animals per farm, with an estimated average of 33.5 head per farm in December 1989, an increase of +3.6 per cent annually.

Within the Community, which has expanded to include the new German Federal States, demand for bovine meat has slumped owing in particular to short-term developments that are exogenous to the market.

As a result, production prices have slumped, thus leading to major direct intervention in the market and hence rising stocks of meat withdrawn from the market.

For the future it is planned to find a means of applying common agricultural policy instruments so as to bring about a more equitable income for farmers as well as meat of a quality more in line with consumer preference.

Trade

In addition to the ordinary import régime for bovine meat, the Community has commitments for annual imports of large amounts of bovine meat under multilateral and bilateral agreements.

In 1991, the Community opened an annual import tariff quota of 34,300 tonnes of "high quality" cuts, an annual import tariff quota of frozen meat of 53,000 tonnes expressed in terms of boned meat, and an annual import tariff quota of 2,250 tonnes (without bone) of frozen buffalo meat.
Under the ACP/EEC Convention, as of 1 March 1991 the annual import quotas for bovine meat amount to 49,600 tonnes per year, expressed in terms of boned meat, following the accession of Namibia to the Convention (10,500 tonnes).

Under a trade agreement with Yugoslavia, an annual volume of 50,400 tonnes of baby-beef may be imported with a reduced levy (20 per cent (25,000 tonnes) and 50 per cent (25,400 tonnes) of the base levy).

The estimated supply balances for 1991 have been fixed as follows:

- zero tonnes of frozen bovine meat for processing;
- 198,000 head of young male bovine animals for fattening with partial suspension of the levy, the large majority imported from Yugoslavia, Hungary or Poland with a levy reduced by 75 per cent (65 per cent reduction for the remainder).

Independently, for 1991 it has also been proposed to open an exceptional import tariff quota of 11,430 tonnes of high-quality bovine meat.

With regard to lamb and sheep meat, the Community has signed voluntary restraint agreements with its main sheepmeat suppliers, in particular New Zealand, providing for the total suspension of the levy applicable to imports of such products, for an annual volume of about 276,000 tonnes, together with an import-price surveillance procedure.

Decisions relating to the fixing of agricultural prices and the reform of the common organization of the bovine meat market

For the 1991/92 marketing year, the official prices for animal products have been fixed as follows:

- intervention price for male adult bovine animals: ECU 343.00/100 kg. carcass;
- a base price for pig carcasses: ECU 189.70/100 kg. carcass;
- base price for sheep carcasses: ECU 422.95/100 kg. for the 1992 marketing year; for the 1990 marketing year, the reduction co-efficient applicable under the stabilization system has been fixed at 7 per cent.

With a view in particular to promoting the improvement of the quality of bovine meat placed on the market, the Community has decided to make it compulsory for approved slaughterhouses to grade and identify the carcasses of adult bovine animals in accordance with the Community grading scale for such carcasses.
After the downwards trend in market prices for meat (feed costs, milk quotas) during the period 1984-87, and the subsequent rise in prices during 1988 and 1989, there is now a cyclical downturn in the market prices for bovine meat.

For the 1991/92 marketing year, the Community has adopted measures to manage the domestic market that are more responsive to market prices.

The new price-support system includes in particular:

- setting of purchase prices by tendering; only offers that do not exceed market prices by more than a reasonable margin are eligible;

- the threshold prices for triggering intervention purchases have been set as follows (tendering procedure):

<table>
<thead>
<tr>
<th>Market price as % of intervention price, equals ECU 343/100 kg. carcass</th>
<th>Normal tender</th>
<th>Safety net</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community market price</td>
<td>84%</td>
<td>78%</td>
</tr>
<tr>
<td>Market price/member States</td>
<td>80%</td>
<td>75%</td>
</tr>
</tbody>
</table>

The present system of premiums has been extended pending proposals aimed at further encouraging pasture-based livestock farming in the community:

- the premium for maintenance of suckler cow herds amounts to ECU 40 per cow per year; a supplementary premium of ECU 25 per cow may be granted at national level (of which ECU 20 are financed by the EAGGF in Greece, Ireland and Northern Ireland); this premium is also granted for up to ten nurse cows to cattle farmers producing less than 60,000 kg. of milk;

- the special premium for male bovine animals is ECU 40 per head, subject to a ceiling of ninety eligible male bovine animals per calendar year and per farm; this premium is paid either on slaughter of male bovine animals with a carcass weight of more than 200 kg. or to the farm when they are first marketed for slaughter.