GENERAL AGREEMENT ON
TARIFFS AND TRADE

STATUS REPORT ON THE PRESENT SITUATION
AND PROBABLE DEVELOPMENTS IN THE BOVINE MEAT SECTOR

Note by the Secretariat

The present note has been drawn up by the secretariat of the Arrangement in accordance with the terms of Article IV, paragraph 1(a), of the Arrangement. The report presents a summary of the international economic situation, a general summary of the international situation and outlook for bovine meat, and specific elements of the world beef economy on a country-by-country basis. In the preparation of this document the following sources, inter alia, have been used: OECD, Economic Outlook, December 1982; United States Department of Agriculture, Livestock and Meat Situation, various issues for 1982 and 1983; United States Department of Agriculture, Foreign Agriculture Circular, various issues for 1982 and 1983; In Brief, various issues, 1983; Australian Meat and Livestock Corporation, Market Notes for Livestock and Meat, various issues for 1982 and 1983; Meat and Livestock Commission, European Weekly Market Survey, various issues for 1983; Weekly information bulletin, Junta Nacional de Carnes; New Zealand Meat Producers' Board, The New Zealand Meat Producer; Federal Reserve Bulletin, March 1983; and replies to the questionnaire received by 16 May.
CONTENTS

I. INTERNATIONAL ECONOMIC SITUATION AND OUTLOOK 3

II. INTERNATIONAL SITUATION AND OUTLOOK IN THE BOVINE MEAT SECTOR 5

   (i) Situation 5

   (ii) Outlook 8

III. COUNTRY-BY-COUNTRY ANALYSIS 11

   (i) Cattle numbers 11

   (ii) Cattle slaughter 16

   (iii) Production 21

   (iv) Prices 26

   (v) Imports 30

   (vi) Consumption 34

   (vii) Exports 38

IV. SUMMARIES OF SITUATION IN CERTAIN NORTH AFRICAN, MIDDLE EASTERN AND FAR EASTERN BOVINE MEAT IMPORTING COUNTRIES. 43
I. INTERNATIONAL ECONOMIC SITUATION AND OUTLOOK

1. In its most recent forecast, some improvements in the economic situation are anticipated by OECD for its member countries as a whole in the time up to the middle of 1984. It has been forecast that real GNP growth will be in the order of 1.5 per cent in 1983 compared to minus 0.5 per cent in 1982. However, there are likely to be fairly wide disparities between the different OECD areas. Domestic demand is also expected to improve by 1.75 per cent in 1983 compared to stagnant demand the year before. A further improvement of the inflation rates are also forecast where rates of price increases should be around 6.75 per cent compared to 7.5 per cent in 1982. OECD furthermore forecasts an increase in unemployment by the end of 1983 - beginning 1984 compared to year earlier, by one per cent to 9.5 per cent of the work force. It is anticipated that youth unemployment rates may reach around 19 per cent in the first half of 1984.

2. In the United States there are encouraging signs that a recovery of economic activity is underway. It is believed that such a recovery will be less strong than the average postwar one but it is hoped that it will be a long lasting one, in particular in view of the progress made in the battle against inflation. It has been forecast that real GNP growth from the fourth quarter of 1982 to the fourth quarter of 1983 will be in the range of 3.5 - 4 per cent compared to -1.7 per cent in 1982. Inflation rates, as measured by the consumer price index, are expected to decrease further from the already much improved level of 3.9 per cent registered in 1982. It is expected that interest rates which, in spite of considerable decreases in 1982, are still considered to be high in view of the relatively low rate of inflation, will decrease further in 1983. The unemployment level is not expected to decrease rapidly in view of uncertainties in the business environment and structural changes in the US economy.

3. Canada is expecting that economic growth will pick up in 1983, at a rate of 3.1 per cent compared to a negative rate of around 2.8 per cent in 1982. Real consumer expenditure is forecast to show a further slowdown (-0.75 per cent) before recovering in 1984 (+1.0 per cent). Consumer price increases in 1983 are forecast, at 8.0 per cent, to be somewhat lower than year before (+10.8 per cent) indicating that the battle against inflation is gaining some ground. The Canadian unemployment situation, however, which worsened appreciably in 1982, is not likely to brighten rapidly.

4. Economic growth in Japan continued in fiscal year 1982 (1 April-31 March) to slow down and showed a rate of real increase of some 3 per cent compared to 3.8 per cent in 1981 and 4.8 per cent in 1980. Contrary to previous years, the economic growth in 1982 started to be consumer led and not only export led. In 1983 GNP is expected to grow at a slightly higher rate than in 1982. Consumer price increases in Japan are low compared to many other industrialized countries and the

---

1 OECD, Economic Outlook, December 1982
inflation rate in 1982 (fiscal year) is likely to have been less than 2.7 per cent. For 1983 an inflation rate of around 2.5 per cent has been forecast. To stimulate further growth the Japanese Government is said to consider an income tax cutdown as well as concentrating public works projects to the first half of the fiscal year.

5. Economic growth in the European Economic Community in 1983 is forecast by the Commission at 0.4 per cent, up slightly from an estimated 0.2 per cent in 1982. This would be due to a carry over from last year of declining fixed investment, near-stagnation of real incomes and weaker trends in private consumption. However, a slow recovery is expected for the second half of the year, a recovery that could be accentuated by favourable oil prices. Private consumption is expected to show only a weak growth rate (+0.1 per cent), not higher than last year, in view of stagnant disposable incomes. Public consumption is expected to be slightly higher (+0.6 per cent). It is likely that there will, for the third year in a row, be a reduction in employment since the active population is increasing at a relatively high rate. The unemployed are expected to increase by a million persons in 1983 to some 12 million, 10.6 per cent of the active population, up from 9.6 per cent in 1982. It is expected that the rate of inflation will decrease by 2 points to around 8.6 per cent, annual rate.
II. INTERNATIONAL SITUATION AND OUTLOOK IN THE BOVINE MEAT SECTOR

(i) Situation

6. Preliminary indications suggest that weakness of beef demand which plagued world beef markets throughout 1981 and 1982 continued during the first few months of 1983. Moreover, in some countries beef supplies continued to increase relative to year-earlier. As a consequence cattle and beef prices in many beef producing/consuming countries continued to average at or below levels of a year-earlier. Cattle and beef prices in certain beef exporting countries averaged above year-earlier levels but this related mainly to adjustments in those countries' currencies relative to currency values in major export markets.

7. The weakness of cattle prices since 1981 combined with higher production costs resulted in a resumption or continuation of cattle herd liquidation in a number of countries during 1982. There were a number of notable exceptions to this trend, particularly Argentina and the EC, but of the 21 countries reporting cattle numbers, 12 experienced cattle herd liquidation in 1982. Moreover, of these 12 countries, 10 expected liquidation to continue in 1983. Additionally, of the countries reporting increased cattle numbers in 1982, the increase was generally due to increased dairy cattle numbers not increased beef cattle numbers.

8. It was largely because of the resumption or continuation of herd liquidation in some countries that world trade levels of bovine meat increased in 1982. Australia's increase in exports was particularly significant in this regard, while increased exports by a number of smaller exporters such as the United States and Canada resulted from similar internal supply pressure. In total the exports of fresh, chilled and frozen and cooked and canned beef and veal of countries participating in the Arrangement Regarding Bovine Meat are estimated to have totalled 3,160,000 tons in 1982, 7.9 per cent more than in 1981. Exports of live cattle and calves by participating countries are estimated to have totalled slightly over 1,000,000 head in 1982, roughly the same level as in 1981 (although the relative proportions of animals exported for slaughter versus those exported for further feeding are not known).

9. The concurrence of increased beef supplies, due to commencement of herd liquidation, and weak beef demand was most evident in North America during 1982. Although cattle prices were highly variable throughout the year in both Canada and the United States, they averaged under 1981 levels in both countries. Although imports by both countries were higher than year-earlier this was due to factors unrelated to demand. In large measure it reflected the level of beef on offer from Australia and the fact that both New Zealand and Australia dollar values declined relative to those for the Canadian and United States' dollars. Reduced prices for exported meat were required to effect the increase in imports, imported beef values (CIF) averaged about US$2000 per ton in both countries compared to about US$2300 per ton in 1981. During the first half of 1983 beef imports were restrained by neither the United States nor Canada. The first two quarterly estimates of beef imports by the United States indicated that imports would not pass the "trigger level". On the other hand the "trigger level" is lower in 1983 than in 1982 owing to the increase in cow slaughter in 1982. Canadian beef imports were freed from individual licensing requirements as of 1 January, 1983 as imports were not expected to surpass quota levels.
10. A similar combination of factors to those existing in North America, namely increased domestic beef production and weakened demand, were claimed to be responsible for the stagnation of beef imports by Japan in 1982, despite increased import quota levels. It is difficult to understand, however, why quota levels were not filled and why imported beef stocks accumulated to near record levels in view of the fact that wholesale beef carcass prices (both dairy and Wagyu) averaged in the upper range of the price band. Normally with prices at such levels imported beef is more readily absorbed into the system. It could be noted that Japanese authorities announced during early 1983 that measures would be introduced to modify the beef import and distribution system. These measures are expected to increase sales of imported beef.

11. Although beef demand in the EC suffered as much as it did elsewhere, beef and veal production is estimated to have declined by more than consumption. This improvement in the internal supply/demand balance is believed to have resulted in an increase in beef imports and caused export levels, particularly of chilled and frozen exports, to decline. It is believed that live cattle and calf exports averaged near year-earlier levels. The sharp decrease in the amount of beef purchased by intervention agencies, and therefore the unusually sharp decrease in beef stocks, was probably the major consequence of the improved supply-demand balance in the EC and the major cause of the reduced exports.

12. Beef exports of all the major "traditional" beef exporting countries benefited during 1982 and early 1983 from the depreciation of these countries currencies relative to the US dollar. The devaluations ranged from relatively minor ones as in the case of New Zealand (roughly 6 per cent during 1982) to relatively large ones as in the cases of Argentina, Brazil and Uruguay. Uruguay officially unpegged its currency in November and it immediately depreciated by 80 per cent. Argentina devalued its peso progressively throughout 1982 with the net depreciation totalling almost 100 per cent. Brazil's currency was also progressively devalued throughout 1982 and early 1983. The Australian dollar lost roughly 14 per cent in value against the US dollar throughout 1982, then it was officially devalued by 10 per cent in March 1983. It is worth noting that other smaller exporting countries benefited from "low" currency values in 1982 or 1983, of particular note in this regard were Canada and Hungary.

13. It is probable that these currency depreciations aided the exports of most of these countries. The most notable however would appear to be the case of Uruguay. Whilst other factors are undoubtedly responsible (most notably increased domestic beef production), the increase in exports since the currency devaluation in November has been large. For the first three months of 1983 exports totalled roughly twice as much as the level of the first quarter of 1982. In Argentina depreciation of the peso probably prevented exports from falling at a faster rate than they actually did. Beef production in Argentina declined rapidly
through the latter half of 1982 and during early 1983. As a consequence supplies available for export have been sharply reduced. In Australia the depreciated value of the dollar was probably a factor of lesser importance than the increase in internal beef production in causing the sharp increase in exports.

14. It could be noted that early indications suggest that growth in demand for beef outside the "traditional" beef import markets (EC, United States, Japan, Canada) was perhaps not as strong as it had been in previous years, although there were notable exceptions. In all markets world-wide recession could be held partly responsible for such a slowing. In Middle Eastern and certain North African markets the recession of course manifested itself in lower revenues from oil exports. In Middle Eastern and certain Far Eastern markets intensified competition from poultry imports was also partly responsible. Exceptions to the apparent slowing of imports were such countries as the Republic of Korea, and certain other Far Eastern markets and Iran and Iraq in the Middle East. Increased imports by these countries probably more than offset decreased imports of beef and live cattle by such countries as Libya, Saudia Arabia and certain countries of Eastern Europe (notably Poland and Romania).

(ii) Outlook

15. Although a number of factors have appeared during the last six months which may eventually prove beneficial for world beef markets, there does not seem to be any reason to alter the essentially neutral outlook presented in December 1982 (see IMC/W/17). While some particularly favourable developments have occurred or seem to be underway there is no reason to expect them to impact favourably on world bovine meat markets before the end of 1983.

16. The most significant development since December, 1982, has been the change in the outlook for general economic conditions for 1983. While forecasts of income growth rates for major world economies in 1983 were unanimously pessimistic in late 1982, there were distinct signs of recovery in many countries during early 1983. Indeed the strength of growth rates was surprising. There now seems to be a growing belief that significant growth of consumer income in many economies can be expected in 1983 and beyond. That being said it would seem that it may be unduly optimistic to expect this growth to translate into growing demand for bovine meat. Firstly, it is quite possible that consumers will either attempt to consolidate their financial positions before increasing spending on meat or will purchase other goods and services before increasing meat intake. Secondly, the more favourable outlook for world economies does not include an expectation of a significant decrease in unemployment rates for 1983. Thirdly, the favourable outlook does not extend to all economies, currently the optimism is largely confined to North America, Japan, and to certain countries of Western Europe. Fourthly, it does not seem likely that the increased growth rates and industrial activity will soon translate into higher oil prices, increased oil revenues in North Africa and the Middle East and, therefore, a re-acceleration of beef demand in these regions.
17. It is expected that beef supplies in a number of beef importing countries, but notably in the United States and Canada, will recommence a downtrend from mid-1983. While this will undoubtedly be a favourable development for imported beef it should be kept in mind that, initially, the decrease in beef supplies will largely be due to decreased supplies of fed beef. Recent high levels of fed beef production have been due to high levels of heifer slaughter because of recommencement of cattle herd liquidation. Although cow slaughter, and therefore manufacturing-beef production, will likely be trending downward as well, the decrease could be relatively slow if the level of dairy cow slaughter increases as expected. Consequently, while imported beef may benefit from the downtrend in North American beef supplies, in price terms, the benefits in 1983 may be relatively moderate. On the other hand the anticipated increases in beef supplies in the EC in 1983 may not be as upsetting to the internal supply-demand balance as was the previous increase in the late 1970's. Part of the reason is that the increased production and increase in intervention stocks, at least in early 1983, have not been in the major beef-producing members of the EC. In fact, the largest increase in intervention stocks has been in Italy (one of the major bovine meat importing countries of the EC). Moreover, roughly half of EC intervention stocks at the end of March 1983 were held in Italy. Beef and veal production in major producing countries of the EC, for example in France, is only expected to increase modestly in 1983. At the same time the EC's import/export position in the latter half of 1983 will be significantly affected by the level of the guide price for the 1983-84 production year. At the time of writing this price had not yet been set, but the Commission proposal (5.5 per cent) is modest in relation to previous years' increases.

18. Several developments which occurred during the first half of 1983 may have lesser, but nonetheless significant, influences on world bovine meat trade: (a) During early 1983 the United States government introduced an acreage set-aside programme to reduce production and stock levels of grains. The programme has already had a positive, though to date largely speculative, influence on grain prices. If the programme is successful in further boosting grain prices there could be two effects: (1) It could forestall the anticipated upswing of pork production in the United States in the latter half of 1983 (2) It could stimulate further liquidation of cattle herds (which in the short term would increase beef production levels). While these influences are to a certain extent conflicting, the net effect is likely to be favourable for imported beef; (b) The Japanese Government has introduced measures to improve the import and marketing systems for beef (see section (iv) ), this should prove beneficial to imported beef sales; (c) Certain Middle Eastern countries, particularly Saudia Arabia are believed to have instituted a ban on imports of live cattle and bovine meat from India because of an outbreak of a certain cattle disease in that country. India has been, for a number of years, the principal supplier of beef and live cattle to a number of Middle Eastern countries; (d) Finally, it is believed that there was significant relief from drought conditions in Australia in March 1983. If conditions there improve further it is possible that beef production would decline progressively and sharply in 1983.
III. COUNTRY-BY-COUNTRY ANALYSIS

(1) Cattle numbers

19. Cattle and calf numbers in the United States at 1 January 1983 totalled 115,201,000 head, only 0.3 per cent below the level of a year-earlier. In fact, however, this figure hides a considerable contraction of the beef breeding herd: beef cow numbers declined by 3.1 per cent and heifers retained for beef cow replacement decreased by 4.1 per cent. The fact that the decrease in total numbers was so modest was due primarily to a "carry-over" or accumulation of steers and heifers in feedlots. The number of heifers "on-feed" was up by 11 per cent and the number of steers by 5 per cent. It could also be noted that dairy cattle numbers remained relatively stable. As a significant proportion of the steers and heifers "on-feed" at 1 January will have been marketed during the first half of 1983 it is likely that 1 July cattle numbers will also be lower than year-earlier. With regard to 1 January, 1984 cattle numbers, it is believed that higher feeder cattle prices and weak grain markets (combined with so-called acreage "set-aside" programmes) may encourage some retention of cows and heifers during 1983. This development, however, may be offset to a certain degree by an anticipated decrease in dairy cow numbers. Further, fed steer and heifer numbers will likely be lower. Total cattle numbers therefore at 1 January 1984 are likely to be lower than year-earlier.

20. Quite clearly the Canadian cattle herd has relapsed into liquidation after only 3 years of rebuilding, one of the shortest rebuilding phases of the cattle cycle in Canadian history. At 1 January, 1983, cattle and calves totalled 11,598,400 head, 4.1 per cent less than year-earlier. This decrease means that the Canadian cattle herd is now smaller than it was at the previous low point in the cattle cycle in 1979 and is at its lowest level since 1969. Beef cattle numbers declined much more sharply than dairy cattle numbers. (Beef cow numbers decreased by 5.4 per cent, dairy cow numbers by 1.9 per cent; beef cows now compose 65 per cent of total cow numbers.) The causes of the reduction in cattle numbers are quite clear: a 3-year downtrend in market prices for "feeder" cattle and calves (the product of the "cow-calf" producers, the owners of the beef cows), combined with a sharp increase in production costs, notably of interest rates. The fact that the number of heifers intended for beef cow replacement also declined sharply, suggests that herd growth should not be soon anticipated. In fact total cattle and calf numbers are forecast to decline a further 2 per cent during 1983.

21. According to recently revised figures the cattle herd in South Africa totalled 8,445,000 head in August, 1982, one per cent more than year earlier and the second year in a row with an increase. The cause of the increase is the rise in producer returns in 1981. Dairy and beef heifer numbers showed the largest increase (by 18 and 9 per cent respectively) while that of bulls and calves decreased (by 14 and 7 per cent respectively). A further increase in total numbers is expected for the August, 1983, census.

22. It is estimated that cattle and calf numbers in Norway totalled 1,009,000 head at 20 June 1982, 0.5 per cent less than year-earlier. This decrease ended a lengthy period of cattle herd build-up. The decrease does not reflect a slow-down of the increase of the breeding
herd: cow numbers increased by 1.6 per cent, heifer numbers by 1.4 per cent. The decrease was due entirely to reduced male cattle numbers (down 15 per cent) resulting principally from the sharp increase in calf slaughter. In 1983, however, it is believed that cow numbers will begin to decrease as well, reflecting efforts to stabilize milk production.

23. Cattle and calf numbers in Tunisia totalled 633,600 head in 1982, a 1.4 per cent increase relative to year-earlier and 12 per cent more than the previous "low" of cattle numbers in 1979. Favourable weather conditions combined with significant increases in producer support prices seem to be the main factors responsible for this growth. Roughly 56 per cent of cattle and calf numbers in Tunisia are dairy cows while 23 per cent are calves. It is believed that the cattle herd will continue to expand for at least the next two years. Numbers for 1983 are projected to total 635,400 head (+0.3 per cent) and 644,400 head in 1984 (+1.4 per cent).

24. Cattle and calf numbers in Egypt were estimated to have totalled 2,300,000 head in 1981 compared to 2,128,000 head in 1980, an increase of 8 per cent. It could be noted that buffalo numbers are believed to exceed the number of cattle.

25. The downtrend of cattle and calf numbers in the European Economic Community, which had been experienced since 1980, ceased in 1982. Numbers totalled 78,250,000 head at 1 December, 1982, 0.5 per cent more than in 1981. It is believed that much of the increase was due to increased dairy cow numbers (cow numbers, beef and dairy, totalled 31,120,000 head, 0.4 per cent more than in 1981, but it is believed that beef cow numbers declined). The changes in cattle numbers were not consistent among EC member states: relatively strong growth was experienced in the Netherlands and Ireland, while a significant decrease occurred in France. Forecasts suggest a further increase in numbers for 1983.

26. Cattle and calf numbers in Finland at 15 December, 1982, totalled 1,632,600 head, a 0.1 per cent decrease relative to year-earlier. The decrease was much less than had been expected. Dairy cow numbers, which accounted for 41.4 per cent of total numbers, declined by 0.6 per cent, while beef cow numbers which constituted 3.7 per cent of inventory decreased by 25 per cent. A further decrease of cattle numbers is forecast for 15 December 1983, but it should be noted that dairy heifer numbers at 15 December 1982 totalled 195,400 head, 10.1 per cent more than year-earlier. This does bring into question the forecast decline in total numbers.

27. Cattle and calf numbers in Austria totalled 2,546,000 head at 3 December 1982, 0.6 per cent more than year-earlier. Over half the number of cattle and calves were dairy cows and heifers (54 per cent), while the number of cows and heifers raised for beef purposes composed 9 per cent of inventory. Although the number of dairy cows decreased by 0.4 per cent (the only category to do so), the number of dairy heifers increased by 2.3 per cent suggesting that dairy cow numbers may resume their uptrend in 1983.
28. Cattle numbers are expected to have shown an increase of some 1.8 per cent at the April 1983 census in Switzerland, the first increase since 1979. It is expected that all categories increased compared to year earlier except steer and beef heifer numbers, which are believed to have declined by some 12.6 per cent and 4.6 per cent respectively. Dairy heifers increased by some 5.2 per cent and dairy cows by 2.5 per cent. The herd is expected to have totalled some 1,990,000 head in April 1983 compared to some 1,944,500 head the year before.

29. Due to the worsening of drought conditions in most areas of eastern Australia up to March, 1983, it is believed that cattle and calf numbers will be lower than previously forecast. It is believed that numbers could be as low as 22,000,000 head. This would be a 10.4 per cent decrease on 1982 and would signal the seventh complete year of herd liquidation. It would seem that in part as well, the decline was due to a continued deterioration of producer returns throughout 1982. The possible improvement of climatic conditions in March-April 1983, and the apparent improvement of cattle market prices suggest that cattle herd liquidation will be slow during 1983. However growth is not likely to occur until 1985. Tentatively a level of 21.4 million head is forecast for 31 March 1984.

30. Total cattle and calf numbers (beef and dairy cattle) in New Zealand at 30 June, 1982 totalled 7,930,000 head, 1.3 per cent less than in 1981. The decline was due entirely to reduced beef cattle numbers, beef cow numbers decreased by over 10 per cent. Dairy cow numbers actually increased by 0.9 per cent. The decrease in beef cattle numbers (the second consecutive decrease) was largely related to the continued erosion of beef producers' returns as a result of depressed prices (due largely to the depressed situation on world beef markets) combined with a rapid escalation of production costs. It may also in part relate to increased returns from sheepmeat production in recent years, reflecting the fact that sheep and cattle are grazed on the same pastures. The decrease in overall cattle numbers means that the New Zealand cattle herd is the smallest since 1967. It is believed that the June, 1983, census will indicate a further decline of beef cattle numbers. Total cattle numbers are forecast to decrease by a further 1.4 per cent to 7,820,000 head. The decrease is not expected to cease in 1984; a further decrease of 1.5 per cent is forecast.

31. Beef cattle and calf numbers in Paraguay in 1981 totalled 6,341,384 head. This represents a 14 per cent increase in numbers relative to those in 1976, the previous "low" year in numbers. Of total numbers 62 per cent were in the Eastern region while 38 per cent were in the Western (Chaco) region. This level of cattle numbers means that there is approximately two head of beef cattle per inhabitant in Paraguay. Roughly 53 per cent of Paraguay's agricultural land is dedicated to livestock production, the majority of such livestock being beef cattle.

32. Cattle and calf numbers in Uruguay at 30 June, 1982, are estimated to have totalled 11,302,000 head, 1 per cent less than in 1981. This ended a four-year build-up phase of the cattle cycle. This had been anticipated as cattle producers had been experiencing reduced market prices and major increases in production costs since late 1980. The reduction in cattle numbers is expected to accelerate in 1983 with numbers at 30 June expected to total 10,250,000 head, down 9.3 per cent from 1982.
33. Cattle and calf numbers in Romania totalled 6,302,900 head at 1 January, 1982, 2.8 per cent less than year-earlier. This was the second year of reduced cattle and calf numbers. The decrease was almost entirely due to a reduction in dairy cow numbers (down 3.1 per cent).

34. Cattle and calf numbers in Hungary are estimated to have totalled 1,922,000 head at 1 January, 1983, 1.2 per cent less than year-earlier. Except for a small increase in 1981, cattle numbers in Hungary have been tending downward since 1979. The downturn has mainly been the result of a downturn in dairy cow numbers. At 1 January, 1983, dairy cows constituted 39 per cent of total cattle and calf numbers in Hungary.

35. Cattle numbers in the Soviet Union totalled 91.6 million head on 1 March, 1983, some 1.1 per cent more than year earlier. The number of cows totalled 29.6 million head, a decline of some 100,000 head on year earlier.
(ii) Cattle slaughter

36. Commercial cattle and calf slaughter in the United States totalled 38,864,200 head in 1982, 4 per cent more than in 1981 (cattle slaughter alone increased 3 per cent, calf slaughter increased by 10 per cent). The cause of the increase in cattle slaughter was the increased rate of marketing of cows and heifers consistent with the cessation of cattle herd rebuilding. Cow slaughter in 1982 was 11.5 per cent higher than in 1981 and heifer slaughter was 4.4 per cent higher. It is believed that this high rate of heifer slaughter continued during the first half of 1983 (contributing to the high level of fed cattle slaughter) but that the rate of increase of cow slaughter slowed down. During the second half of 1983 the proportion of females in total slaughter is expected to decline further. Combining this development with the known decline of the calf crop in 1982 suggests that slaughter levels could decline relative to year-earlier in the second half of 1983. For the year as a whole slaughter may therefore increase by only 1-2 per cent.

37. Cattle and calf slaughter in Japan in 1982 increased by 2.4 per cent relative to 1981 to 1,399,000 head (1,356,000 head of adult cattle, up 2.6 per cent; and 43,189 head of calves, down 2 per cent). The slowing of the rate of increase of cattle slaughter (in 1981 it increased by 11.5 per cent) was largely due to that of cattle of dairy origin. Dairy cow and dairy steer slaughter increased by only 0.3 and 0.8 per cent, respectively. On the other hand, Wagyu female and Wagyu steer slaughter increased by 7.8 per cent and 4.3 per cent respectively. It is believed that the near stagnation of slaughter of animals of dairy origin reflects the stagnation of dairy cattle numbers (dairy female numbers declined in 1982). This development, in turn, may in part reflect the Japanese government's efforts to encourage dairy cow slaughter prior to 1982. It could be noted, however, that the dairy cow slaughter subsidy scheme was discontinued in late 1982. The increase in Wagyu cattle slaughter reflects the increase in Wagyu cattle numbers in recent years. The decline in dairy cattle numbers experienced in 1982 suggests that dairy cattle slaughter will decline in 1983. This decrease may, however, be totally offset by increased Wagyu slaughter.

38. Inspected cattle slaughter in Canada totalled 3,361,400 head in 1982, 2.1 per cent more than in 1981. Not counting imported cattle, however, the slaughter of cattle of Canadian origin increased by 4.8 per cent. The increase in slaughter was primarily a reflection of increased cow and heifer slaughter as producers reduced the size of their beef cow herds (cow and heifer slaughter increased by 10.3 per cent while male cattle slaughter decreased 3.3 per cent). At the same time it is evident that a significant proportion of the increase in cow slaughter was due to increased dairy cow slaughter as attempts were made to slow the rise in milk price support levels. In total, slaughter of cows and heifers accounted for over 50 per cent of cattle slaughter compared to 43 per cent in 1981. Reduced cattle slaughter in 1983 is expected, although marketings of dairy cows may remain high, the anticipated decrease in beef cow and heifer slaughter should more than offset the increase. Indeed, slaughter for the first two months of the year, of domestic origin, was down by 1.2 per cent. A decrease of about 2 per cent in total slaughter is anticipated.
39. In 1982 cattle slaughtered in South Africa totalled 2,310,000 head, some 9.8 per cent more than year earlier. Slaughter of all categories of cattle increased, i.e. cow and heifer slaughter by 12.7 per cent, adult male cattle slaughter by 8.8 per cent and calf slaughter by 6.7 per cent. This rise in slaughter was due, at least partly, to the drought conditions prevalent during 1982 and to the cash flow problems experienced by the farmers. A further rise of around 2 per cent in slaughter levels is forecast for 1983. This increase is expected to take place entirely in slaughter of adult male cattle (+4.6 per cent) while that of cows and heifers, and calves will decrease (by -2.5 per cent and 5.3 per cent respectively).

40. In Norway cattle and calf slaughter totalled 413,000 head in 1982, 14.7 per cent more than in 1981: calf slaughter increased by 92.9 per cent to 54,000 head, and adult cattle slaughter by 8.1 per cent to 359,000 head. The increase in calf slaughter is attributed mainly to the introduction of a temporary slaughter premium for calves in the summer of 1982. The premium amounts to 700 NKr per calf slaughtered at a weight of less than 30 kg. This measure was introduced in an attempt to stabilize both meat and milk production.

41. Notwithstanding the rebuilding of the cattle herd which occurred in Tunisia during 1982, cattle slaughter is estimated to have increased sharply (by 23 per cent to 231,800 head). This is entirely due to an increase of estimated "uninspected" slaughter. It could be noted that roughly 20 per cent of the cattle slaughtered in Tunisia in 1982 were imported. The level of total slaughter is expected to decrease by 3.5 per cent in 1983, but inspected slaughter is expected to increase.

42. Cattle and calf slaughter in Finland totalled 648,100 head in 1982, a 4.6 per cent decrease from 1981. In general terms this decrease is consistent with the slow decreases in cattle numbers which have been occurring since 1980. Cow and heifer slaughter continued to constitute a relatively high proportion of total slaughter, 40.7 per cent versus 40.2 per cent in 1981 and 37.7 per cent in 1979. This reflects, in part, efforts to reduce milk production and therefore, dairy cow numbers in Finland. It could be noted that Finnish authorities have as a goal the reduction of dairy cow numbers to below 600,000 head.

43. Cattle and calf slaughter totalled 756,000 head in Austria in 1982, 7.6 per cent less than in 1981. Adult cattle slaughter decreased by 10 per cent while calf slaughter increased by 1.6 per cent. The increase in cattle numbers during the last two years may suggest that slaughter will decrease in 1983.

44. Inspected cattle and calf slaughter in Switzerland is forecast to increase some 2 per cent in 1983, totalling 850,000 head compared to 833,300 head in 1982. However, slaughter of male adult cattle is expected to decrease by some 4 per cent while calf slaughter is forecast to rise by 3.9 per cent and that of cows, heifers and bulls by 4.8 per cent, indicating that the estimated cattle herd increase may be quite short lived. Average slaughter weights are expected to decline from the 192 kg in 1982 to 187 in 1983 (-2.6 per cent).
45. Cattle and calf slaughter in Australia totalled 9,461,100 head in 1982, 16.1 per cent more than in 1981. Calf slaughter, at 1,651,200 head, was 14 per cent higher, and adult cattle slaughter, at 7,794,800 head, was 16 per cent higher. The widespread and intense drought conditions throughout the eastern half of the country were the principal cause of the increase in slaughter. The increase is even more impressive when it is realized that this represented the seventh year of cattle herd liquidation in Australia. Further deterioration of market returns throughout much of 1982 also contributed to the acceleration of slaughter rates. In this regard, weaker export demand (in terms of price) and increased domestic supply contributed to the reduction of producer returns. With reversal of both weather conditions and market prices in March-April 1983 slaughter levels could decline sharply during the remainder of the year, if cattle herd rebuilding is encouraged. Further, even a return to a more modest rate of liquidation would result in sharply reduced slaughter because of the preceding downturn in cattle numbers.

46. Following a 23 per cent increase in total cattle and calf slaughter in New Zealand for the season ended 30 September 1982, slaughter declined by 1.5 per cent during the first 4 and a half months of the 1982-83 season. The decrease, however, was entirely due to a decrease in calf slaughter (down 20 per cent). Adult cattle slaughter actually increased by 3.5 per cent to 643,800 head. It would seem that part of the reason for the decline in calf slaughter is that calves are being retained for slaughter at more mature weights, since steer slaughter increased by 10 per cent during the first four and a half months of 1982-83. For the entire 1982-83 season slaughter is forecast to decrease by 6.7 per cent to 3,040,000 head.

47. In line with the commencement of cattle herd liquidation in Uruguay in 1982, cattle and calf slaughter increased sharply. It is estimated to have totalled 2,214,000 head, 11.7 per cent more than year-earlier. The major cause of the increase was increased cow and heifer slaughter (up 35.5 per cent). As cattle numbers have already decreased somewhat, cattle slaughter may begin trending downward in 1983. The magnitude of the decrease will depend on the rate of cattle herd liquidation particularly in the latter half of the year. Currently, slaughter is forecast to total 2,070,000 head, 6.5 per cent less than in 1982.

48. The most recent data regarding cattle and calf slaughter (inspected) in Romania is that for 1981. In that year slaughter totalled 1,365,000 head, a 3.7 per cent decrease from year earlier. Calf slaughter totalled 53,200 head (up 4 per cent), and cattle slaughter totalled 1,311,800 head (down 4 per cent). In view of the decline in cattle numbers which occurred in 1982 it is believed that slaughter decreased further in 1982.

49. Notwithstanding the recommencement of herd liquidation in Hungary during 1982, total cattle and calf slaughter decreased. Slaughter totalled 430,300 head, 0.3 per cent less than in 1981. This decrease in slaughter, when one would have expected a modest increase, is probably explained by a 40,000 head (28 per cent) increase in live cattle exports. Of total slaughter only 3,400 head were calves. Adult male cattle slaughter increased by 7.8 per cent, female slaughter decreased by 45.0 per cent. A further, more significant decrease in slaughter is projected for 1983. Slaughter is forecast to total 393,000 head, 9.0 per cent less than in 1982.
(iii) Production*

50. Commercial beef and veal production in the United States totalled 10,337,023 tons in 1982, 0.7 per cent more than in 1981; beef production increased by 0.6 per cent, veal production by 2.0 per cent. The increase in production was proportionately less than the increase in slaughter, indicating lower average carcass weights (average carcass weights of cattle declined by 6 kg). The decline in carcass weights resulted primarily from less intensive feeding of fed cattle. Carcass weights are not expected to change greatly in 1983; consequently changes in beef and veal production should largely reflect changes in cattle and calf slaughter. Therefore, for 1983, an increase of 1-2 per cent in production is expected.

51. Beef and veal production in Japan totalled 481,000 tons in 1982, 2.1 per cent more than in 1981. The increase was roughly proportional to the increase in slaughter. Beef production totalled 475,987 tons, veal productions 2,254 tons. So-called "higher quality" beef, i.e Wagyu steer and dairy steer beef production totalled 258,288 tons, 1.6 per cent more than in 1981.

52. Canada's beef and veal output in 1982 totalled 1,029,300 tons, 1.2 per cent above the 1981 level. Although slaughter increased by over 2 per cent, it was offset by a decrease in average carcass weights. The decrease in carcass weights mainly reflected the increased proportion of cows and heifers in slaughter. It is worth noting that with the sharp increase in dairy cow slaughter in Canada the proportion of manufacturing-quality beef production will have increased. This is important with regard to the demand for imported beef. Although cattle slaughter is expected to decrease in 1983, the decrease in beef production may be more modest, as carcass weights, particularly of fed cattle rise. Currently beef output is expected to decrease by about 1.5 per cent to 1,014,000 tons.

53. Beef and veal production in South Africa in 1982 was, at 462,300 tons, the lowest since 1976 and 10.6 per cent lower than in 1981. Some of the decrease in production in spite of an increase in slaughter is explained by higher slaughter weights in 1981 than in 1982. It is expected that production will pick up some 4.6 per cent in 1983 in response to the expected higher slaughter level and presumably higher average slaughter weights since more male cattle is expected to be slaughtered.

54. Beef and veal production in Norway totalled 80,000 tons in 1982, 6.2 per cent more than in 1981. The increase in veal production, arising from the calf slaughter premium system, was large (65 per cent to 2,800 tons) but average carcass weights decreased. Beef production, at 77,200 tons was 5 per cent more than in 1981. Measures were introduced in 1982 to reduce future cattle slaughter and beef production in view of excess production in recent years. Target prices were only modestly increased, marketing fees were increased, credit availability for investment in livestock production was reduced, and slaughter premiums for calves were introduced. It is believed that these measures will reduce beef production in 1983 but the magnitude of the decrease is uncertain.

*"Tons" refer to metric tons, carcass weight when not otherwise stated.
55. Production of "inspected" beef in Tunisia in 1982 totalled 33,020 tons, virtually the same amount as in 1981. Production is forecast to increase by 13.6 per cent in 1983 to 37,500 tons.

56. Beef and veal production in the European Economic Communities is estimated to have decreased by 5.2 per cent in 1982 to about 6,623,000 tons. This is 9.6 per cent less than the record production experienced in 1980. All countries of the EC experienced decreased production in 1982, with the largest decrease being experienced in the United Kingdom and the Netherlands. Production is expected to increase in 1983, by about 2 per cent.

57. An increase in the average carcass weight of cattle and calves in Finland proved insufficient to prevent a decrease in beef and veal production in 1982. Production totalled 116,700 tons (including on-farm production) 4.2 per cent less than in 1981. Beef production totalled 115,270 tons, veal production totalled 1,430 tons. A 2 per cent increase (to 119,000 tons) is forecast for production in 1983, and a further increase to 120,000 tons is forecast for 1984.

58. Beef and veal production in Austria totalled 199,500 tons in 1982, 3.0 per cent less than year earlier. Beef production totalled 183,500 tons, veal production 16,000 tons. The decrease in production was considerably less than that in slaughter reflecting an approximately 4 per cent increase in average carcass weights.

59. Switzerland is forecasting a further increase of beef and veal production in 1983 of some 3.7 per cent. Production of beef is expected to increase by some 2.6 per cent to 125,000 tons, and that of veal by some 3.4 per cent to 39,500 tons. Production of beef and veal is forecast to total 165,900 tons compared to 160,000 tons in 1982.

60. Australian beef and veal production totalled 1,679,000 tons in 1982, an 18.2 per cent increase relative to 1981. The increase exceeded the rate of increase of cattle slaughter, reflecting a greater proportion of export-quality male animals in the slaughter mix. Increased production was general throughout the country but was greatest in the eastern, particularly south-eastern, regions of the country, where drought conditions were particularly intense. Even without a cessation of herd liquidation production levels could fall significantly in 1983. However some degree of herd rebuilding is likely which would accentuate the production decline. Tentatively a production level of 1,370,000 tons is forecast for 1983, an 18 per cent decrease from 1982.

61. Argentinian beef and veal production decreased by 13.4 per cent in 1982 relative to 1981 to 2,561,800 tons. This decrease was not as sharp as the decrease in slaughter which fell by about 6 per cent, but reduced beef and veal production to its lowest level since 1975. The decrease relates primarily to the apparent commencement of cattle herd rebuilding following a sharp increase in cattle prices during 1982 and the advent of favourable weather conditions. Production is expected to average below that of 1982 during 1983. Preliminary forecasts suggest a decrease of about 14 per cent again in 1983 to 10,700,000 tons.
62. New Zealand's beef and veal production for the year ended 30 September, 1982, totalled 516,000 tons, 3.6 per cent more than in the previous season; beef production totalled 496,000 tons and veal production 20,000 tons. For the current season (1982/83) production is expected to decrease by 8.9 per cent to 471,000 tons. This decrease would be consistent with the anticipated decrease in slaughter levels. It could be noted that roughly 55 per cent of New Zealand's manufacturing beef supplies come from culled cattle from the dairy sector. Developments within the dairy sector for 1983 are not clear, but generally a weakening of export returns is expected. This may slow the rate of cow herd growth and maintain manufacturing beef production.

63. The sharp decline in the average carcass weight of cattle and calves slaughtered in Uruguay in 1982 (down 10.7 per cent) largely offset the increase in slaughter (up 11.7 per cent). As a result beef and veal production increased by only 1 per cent (to 401,000 tons). The increased proportion of cows and heifers in the slaughter mix (51 per cent in 1982 versus 42 per cent in 1981) was a major contributor to the reduction of carcass weights. Conversely, an increase in average carcass weights in 1983 is expected to partially offset reduced slaughter. Production is forecast at 376,000 tons, 6 per cent less than in 1982.

64. A sharp drop in the average carcass weight of cattle slaughtered in Romania in 1981 was the principal cause of the major decrease in beef and veal production in that year. Production decreased 17.1 per cent (to 222,500 tons, of which only 1,400 tons was veal) compared to a 4 per cent decrease in slaughter. Carcass weights averaged 163 kg compared to 172.5 kg in 1980.

65. A 0.6 per cent increase in the average carcass weight of cattle slaughtered in Hungary, offset the decline in slaughter. As a result beef production increased to 124,300 tons or by 0.9 per cent. Notwithstanding an expected further increase in average carcass weights in 1983, production is expected to decrease significantly, by 6 per cent to 117,100 tons.

66. In the Soviet Union it is expected that meat production will rise some 1.7 per cent from 15.24 million tons in 1982 to 15.5 million tons in 1983. This is still well below the target level of 17-17.5 million tons announced in May 1982 and possibly adjusted later to 16.2 million tons. Beef production was also expected to rise slightly in 1983 from its estimated level of 6.60 million tons in 1982. On state farms meat production increased by 5 per cent in the period January-February 1983 compared to year earlier. It is said that this increase is due mainly to a better feed supply situation in the second half of 1982, especially non-grain feeds, and thus higher slaughter weights.
(iv) Prices

67. Prices of all classes of cattle in the United States trended slowly but steadily upward during the first four months of 1983. Of particular note was the strengthening of cow prices and of manufacturing beef prices. In large measure this strengthening of prices simply reflected the normal seasonal contraction in beef supplies. In fact, despite their increase, relative to January levels prices of fed cattle were only at about year-earlier levels. On the other hand prices of cows were US$4-5 per 100 kg above year-earlier in mid-April. The expected decline in beef supplies in the second half of 1983 and the expected improvement in beef demand, suggest continued firmness of beef prices in the United States during the balance of the year.

68. Cattle prices were relatively strong throughout 1982 in Japan. Wagyu steer carcass prices (2nd grade, Tokyo) averaged near or above the upper stabilization price (1,820 Yen per kg) throughout the year. Dairy steer carcass prices (2nd grade Tokyo) averaged near the mid-point of its stabilization band until mid-year then moved up sharply to the upper price (1455 Yen per kg). In January, 1983, dairy steer carcasses at Tokyo averaged 1,378 Yen per kg. The strengthening of dairy steer prices after several years of weakness vis-à-vis Wagyu steer prices reflects the slowing of dairy steer slaughter. At the time of writing the stabilization prices for the 1983 Japanese fiscal year had not yet been announced.

69. The performance of prices of different classes of cattle in Canada varied during 1982 but overall were weak relative to 1981. Those for fed cattle performed best, averaging at about year-earlier levels, despite major fluctuations during the year, while prices for cows and feeder stock averaged below year-earlier. In addition to the increase in supplies of cattle offered on markets in 1982 the relative weakness of prices reflected the weakness of demand (despite sharply higher pork prices) and the weakness of cattle prices in the United States. Prices of A1, 2 (choice quality) steers at Toronto averaged Can$177.56 per 100 kg (liveweight) in 1982 compared to Can$176.37 in 1981. D3-5 cow prices averaged Can$94.20 per 100 kg vs. Can$99.00 in 1981. In 1983 prices are expected to average above year-earlier. This expectation is based principally on an anticipated decrease in beef supplies and on a modest strengthening of demand. However, prices are not expected to experience any major increase.

70. Imports of live cattle into South Africa in 1982 declined compared to year earlier and totalled 191,000 head, 44.3 per cent less than in 1981. However, it should be noted that imports of live cattle were exceptionally high in 1981. In 1983 live cattle imports are expected to decrease by some 8.4 per cent to 175,000 head. Imports of beef and veal also declined in 1982, totalling 19,600 tons compared to 19,900 tons in 1981. A further decrease of 3 per cent if forecast for 1983 as local production is expected to rise.

71. Following significant increases in cattle prices during 1982 in the European Economic Communities, prices remained virtually stagnant in early 1983. It is believed that prices will remain weak relative to 1982 levels throughout 1983. It is believed that this will reflect both increased domestic beef production and weak demand. During the
first quarter of 1983 the cattle reference price averaged at just over 81 per cent of the guide price. Although not finalized at the time of writing, the EC Commission had proposed a 5.5 per cent increase in the cattle guide price for 1983/84.

72. Although producer cattle prices in Finland averaged below the target price again in 1982 prices averaged above year-earlier levels. Prices for cattle averaged 20.4 Finnish Marks per kg in 1982, a 15.3 per cent increase relative to 1981. Inflation averaged 10.8 per cent in 1982. The principal cause of the increased prices was the reduced level of production.

73. The national average producer price for slaughter cattle in Austria in 1982 was 2,434 schillings per 100 kg, 6.1 per cent higher than in 1981. The increase was much less than that experienced in 1981 relative to 1980, despite a much sharper decrease in production. This would suggest that beef demand was relatively weak in 1982. The average value of beef exports in 1982 declined from As4,602 to 4,583 reflecting the general weakness of world markets.

74. It is believed that cattle and beef prices in Australia strengthened during late March-April of 1983. Such strengthening would be consistent with the sharp increases which occurred in imported beef prices in the United States and with the apparent decrease in cattle marketings. The strengthening of export prices was reinforced in March, 1983, by a 10 per cent devaluation of the Australian dollar against a basket of currencies. In terms of the US dollar it fell from roughly US$.96 to US$.86. While prices of cattle for the home market had been strengthening for several months (due mostly to lack of supply of well conditioned cattle), "export-quality" cattle prices had been relatively depressed. The recent increase in prices would end a three year downturn.

75. Cattle prices in New Zealand throughout 1982 were below the minimum guaranteed prices. In fact prices were low enough to warrant payments under the New Zealand government's Supplementary Minimum Price Scheme, in addition to payments from the Meat Income Stabilization Account. Since roughly 80 per cent of New Zealand's beef and veal production is exported, the weakness of world beef prices was the major factor depressing New Zealand's market prices. For the 1982/83 season the level of the supplementary minimum prices for the three "benchmark" grades are: PI steer NZ$147 per 100 kg (carcass weight); M-grade cow - NZ$125 per 100 kg; bull - NZ$147 per 100 kg.

76. Both cattle and average export prices fell throughout most of 1982 in Uruguay. For the first three-quarters of 1982 the price of frozen "compensated" steer quarters for export averaged US$1,257 per ton compared to US$1,450 per ton in 1981. The decline reflected the sharp increase in domestic cattle marketings as well as the weakness of demand for beef on export markets. At the end of November 1982 the peso was unpegged provoking an immediate depreciation of 80 per cent. It is believed that this depreciation provoked increases in domestic beef and cattle prices but that it is likely to result in further decreases in (dollar valued) export prices.
77. It is believed that cattle and beef prices in Hungary expressed in forints, were relatively stable relative to year-earlier in 1982. Expressed in US dollars prices declined significantly, but this is believed to be due to the significant devaluation of the forint (11 percent in total during 1982 against a basket of 9 Western currencies). Hungarian beef producers receive a guaranteed price for each grade of cattle. The price for Class I heifer over 430 kg, for example, was 34.50 forints per kg in 1982.
78. The United States imported 606,766 tons product weight of fresh, chilled and frozen beef and veal in 1982, 11.5 per cent more than in 1981. Of this total 53.5 per cent came from Australia, 25.8 per cent from New Zealand, 10.8 per cent from Central American suppliers, and 9.3 per cent from Canada. Imports of cooked, canned and otherwise prepared beef and veal products totalled 55,560 tons in 1982, 5.4 per cent less than in 1981. Of this total 53.7 per cent came from Argentina and 34.7 per cent from Brazil. The United States also imported 996,753 head of cattle and calves in 1982 (excluding cattle for breeding purposes), 53 per cent more than in 1981. Mexico supplied 51 per cent of these imports and Canada 49 per cent. The increased levels of imports of fresh, chilled and frozen beef and veal related primarily to the increase in imports from Australia (up 26.2 per cent). This was in part due to the drought conditions and depressed prices in that country but in part it was due also to the sharp depreciation of the Australian dollar vis-à-vis the US dollar. Demand for imported manufacturing beef strengthened somewhat during the first four months of 1983. This combined with an apparent belief that supplies of this beef would be progressively limited caused prices to increase substantially (85 per cent chemically-lean frozen cow beef, CIF, New York, was trading at about US$1,750 per ton in early January). For 1983, neither first nor second quarterly estimates suggested that imports under the Meat Import Law would reach the "trigger level" of 558,000 tons. In fact 555,200 tons of imports are currently expected. The trigger level in 1982 was 590,000 tons although supplemental imports were permitted. The decline in the trigger level results from the increase in cow slaughter in 1982 which is taken into account in the "counter-cyclical formula" of the Meat Import Law.

79. Rising domestic beef production combined with slower growth of consumer demand, resulting both from slower consumer income growth and increased supplies of competitive meats, restrained the growth of beef imports during the past 3 years in Japan. In 1982 imports totalled 177,000 tons, 2.7 per cent below the 1981 level. The United States' share of Japanese imports further increased in 1982 (to 25.9 per cent) while that of Australia and New Zealand decreased (to 70 per cent and 3 per cent respectively). One of the reasons for the increase in the United States share of the Japanese imported beef market appears to be due to the fact that imports from the United States are in the form of specific primal cuts whereas those from other sources tend to be "full sets", i.e. the entire carcass in the form of cuts. Moreover the primal cuts from the United States are apparently well adapted to the Japanese retail market (in contrast to restaurants). At the time of writing the quota for the first half of Japanese fiscal year 1983 (1 April 1983-31 March 1984) had not been announced. That Japan imported as much as it did in 1982 is somewhat surprising in view of the high level of imported beef stocks. These stocks totalled 56,411 tons in November 1982 and 49,089 tons at the end of December, versus about 40,000 tons at the end of December 1981. It is understood that the Japanese Ministry of Agriculture, Forestry and Fisheries will soon introduce modifications to Japan's beef import and distribution system. It is further understood that these modifications are principally to permit certain retail stores to lower prices of imported beef one day per month, to increase the number of stores permitted to sell imported beef, and to increase the number of wholesale markets qualified to purchase imported beef.
80. In general Canada's supply-demand situation in 1982 was such that, although there was an increase of beef and veal imports, there was a significant decrease in live cattle imports. Beef and veal imports totalled 88,200 tons, 9.3 per cent more than in 1981. Live cattle imports totalled 79,500 head, only half the number imported in 1981. The increase in beef imports was largely due to increased imports from Australia while those from New Zealand remained unchanged and those from the United States decreased modestly. Imports from other countries, primarily from the EC, reached 3,800 tons versus 1,300 tons in 1981 (despite a ban on imports from Denmark, which is still in effect). Although beef imports were not subject to restrictions in 1982, individual import licences were required during the last quarter. The Canadian government announced at the beginning of 1983 that it was not expected that beef import controls would be required in 1983; in fact the requirement for individual licencing was suspended as of 1 January, 1983. Canada's minimum access level in 1983 has been set at 65,136 tons.

81. Norwegian beef and veal imports totalled only 1,100 tons in 1982 compared to 3,800 tons in 1981 and 12,500 tons in 1980. The cause of the decrease was mainly increased domestic production, coupled with stagnant demand. Import levels are not expected to be significantly higher in 1983.

82. During the last two years Tunisia has emerged as a significant importer, particularly of live cattle. In 1982 Tunisia imported 45,100 head of cattle (excluding breeding cattle) compared to 41,700 the year before, and an average of about 9,000 head per year in the four preceding years. The vast majority of these cattle came from the EC (86 per cent in 1982) with France, Ireland, and the Federal Republic of Germany being the major suppliers. Imports of beef continue to be relatively modest (4,700 tons in 1982). The emphasis on live cattle imports apparently relates to limited cold storage capacity, traditional meat marketing methods (consumer preference for fresh meat), and the requirement that slaughter be performed according to religious rites. Forecasts suggest a significant decrease in imports in 1983 to 18,000 head.

83. Egyptian imports of bovine meat are estimated to have totalled 120,000 tons in 1981 with the major suppliers being Uruguay and Argentina. Egypt imported 93,328 head of live cattle from Ireland in 1981 and 115,000 head in 1982. It is believed that Egypt's beef imports may have reached 180,000 tons in 1982.

84. Beef, veal and carcass weight equivalent of live cattle and calf imports by the European Economic Communities totalled an estimated 415,000 in 1982 and a further moderate rise is possible in 1983. Part of the expected increase in 1983 would be due to the increase in the High Quality Quota.

85. Austria imported only 9,000 tons of beef and veal in 1982, compared to 12,000 tons in 1981. The majority of beef imported was frozen, with the majority of that originating from Uruguay.
86. Imports of beef and veal in Switzerland decreased by some 14.6 per cent in 1982 due, at least partly, to the higher level of domestic production in that year and to the fall in consumption. A further but smaller decrease of beef and veal imports is expected in 1983 as it is forecast that these will total 10,300 tons compared to 11,300 tons in 1982 (-8.85 per cent). The decrease is expected in frozen beef imports while a small increase is forecast in fresh and refrigerated beef imports.

87. Romania's imports of both beef and veal and of live cattle decreased markedly in 1981. Live cattle imports totalled only 13,700 head compared to 46,900 head in 1980. Imports of beef and veal at 52,000 tons were 25 per cent less than in 1980.

88. Hungary's imports of bovine meat have been on a steady uptrend since 1978. In 1982 they reached 14,400 tons, 10 per cent more than year-earlier and over 3 times the import level of 1978. No live cattle or calves were imported in 1982, compared to 10,800 head in 1981. All imports in 1982 were from the EC, principally from the Federal Republic of Germany. The increase in imports is probably partly explained by the low prices existing on world markets. All imports were of fresh or chilled beef.

89. The Soviet Union is estimated to have imported in 1982, at 465,000 tons, some 10 per cent less beef and veal than year earlier. Argentinia was one of the major supplier to the USSR with 101,500 tons in 1982, a decrease of some 10.9 per cent on year earlier. Another major source was the EC. Imports of beef in 1983 are not expected to increase compared to 1982.
(vi) Consumption

90. Beef and veal consumption in the United States is estimated to have totalled 11,094,575 tons in 1982, 1.1 per cent more than in 1981 (beef consumption totalled 10,887,916 tons, veal consumption 206,659 tons). In per capita terms this averaged about 48.3 kg, virtually unchanged from year-earlier. This stagnation of per capita consumption occurred despite a decline in average real retail beef prices and a sharp increase in retail pork prices. It would appear, therefore, that the stagnation of consumption can be largely attributed to the poor general economic climate, and to a lesser extent, to the competition from low priced poultry meat. The outlook for consumption in 1983 is for continued stagnation or even possibly a decline. While increased consumer incomes and high pork prices early in the year may benefit consumption, this could be offset later in the year by higher beef prices, lower pork prices, and reduced availability of imported beef.

91. Notwithstanding increased beef supplies in Canada during 1982 and higher prices for competitive meat (pork), per capita consumption of beef and veal is estimated to have declined. While total consumption increased by 0.7 per cent, to 1,037,100 tons, per capita consumption decreased by 1 per cent to 42.1 kg. This decrease is attributed mainly to the recessionary economic conditions in Canada during 1982. These conditions resulted in an estimated 4 per cent decline in consumer purchasing power and an unemployment rate of about 13 per cent. Forecasts suggest a further decrease in beef and veal consumption in 1983 and possible again in 1984. For 1983 consumption is expected to total 1,024,000 tons (41.6 kg per capita), and in 1984 1,021,000 tons (41.4 kg per capita).

92. Consumption of beef and veal increased in 1982 in South Africa as a response to higher supplies and lower retail prices. Prices decreased on average by around 11.5 per cent while consumption increased by 8.8 per cent to 652,000 tons. A further increase to 664,000 tons is expected in 1983.

93. Beef and veal consumption in Norway is estimated to have totalled 77,000 tons (roughly 19 kg per capita) in 1982, an increase of 8.9 per cent. Consumption was assisted by sales campaigns for beef, where beef was offered for sale at reductions of 10-15 per cent.

94. Beef consumption increased by 3.1 per cent in Tunisia in 1982 relative to 1981, to 49,500 tons or 6.8 kg per capita. Since the calculation of consumption data appears to be based only on inspected meat production, consumption reflects the modest increase in inspected meat production and beef imports. Notwithstanding this increase in supplies offered to consumers, retail beef prices remained high. Consumption is expected to increase by a further 3 per cent in 1983 to 51,000 tons.

95. It is estimated that bovine meat consumption in the European Economic Communities declined by about 3 per cent in 1982 to 6,605,000 tons. This decrease reduced EC self-sufficiency to 100.3 per cent, the lowest level since 1976. While the decrease in consumption was based largely on reduced production (down 5 per cent) it also reflected the reduction in demand arising from recessionary conditions in the EC. Whilst a modest increase in consumption is anticipated for 1983, it should be less than the increase in production.
96. Despite a 15 per cent rise in retail beef prices in Finland in 1982, beef and veal consumption is estimated to have declined only modestly. Consumption totalled 105,700 tons or 22 kg per capita, less than 1 per cent less than in 1981. Consumption is forecast to decline modestly again in 1983 (to 105,000 tons) and then to remain relatively stable for the next 4 years or so. It is expected however that beef will continue to lose market share to pork.

97. In Austria, beef and veal consumption totalled 184,000 tons (24.5 kg per capita) in 1982, 2.6 per cent less than year-earlier. A decrease of the modest magnitude is difficult to understand in view of the fact that beef production declined by 3 per cent and that net exports increased.

98. Consumption of beef and veal in Switzerland decreased in 1982 as expected, a decrease that was reportedly due, at least in part, to higher retail prices compared to year earlier. In 1983 total consumption of beef and veal is expected to show a small increase, 1.25 per cent, rising from 175,800 tons in 1982 to 178,000 in 1983. Per capita consumption is expected to stay at the same level as in 1982 (27.5 kg).

99. Sharply decreased beef production and higher beef prices, combined with a pronounced decline of consumer purchasing power, resulted in a major reduction in beef and veal consumption in Argentina in 1982. It is suggested that it will decrease further in 1983. Consumption is estimated to have totalled 2,027,000 tons in 1982 (a decrease of 16.8 per cent) representing 71 kg per capita. The decrease in total consumption is estimated to have been greater than the decrease in production reflecting the increased level of exports in 1982. It is understood that Argentina is currently importing beef from Uruguay but it is not known if this will persist. It is not believed that these will be sufficient to maintain consumption. Currently consumption is projected to decline by a further 10 per cent in 1983.

100. Beef and veal consumption in New Zealand for the year ended 30 September, 1982, totalled 154,800 tons (48.5 kg per capita), 4.7 per cent more than in 1981. The increase appears to reflect the decline in real retail beef prices resulting from the increase in production and the weakness of demand in export markets. Reduced production in 1983 combined with strengthening export markets is expected to cause consumption to decline in 1983. Consumption is forecast to total 150,000 tons (47.1 kg per capita), 3 per cent less than in 1982.

101. In Uruguay, beef and veal consumption is believed to have attained a record level of 229,000 tons in 1982. This was 1.8 per cent more than in 1981 and 22 per cent more than in 1979. Per capita consumption increased by 1 kg to 79 kg. Consumption was stimulated by the further reduction in market prices resulting from the increase in supplies and to weakness in demand on the export market. As domestic production declines in 1983 prices are expected to rise and consumption to decline. Consumption is expected to total 220,000 tons (76 kg per capita), 4 per cent less than in 1982.
102. Despite the 17 per cent decrease in beef and veal production in Romania in 1981, beef and veal consumption declined by only 7 per cent. Consumption totalled 244,400 tons or 11.0 kg per capita. The reason for this more modest decrease was a sharp decrease in beef exports (of 40,000 tons) more than offsetting the decrease in imports.

103. Beef and veal consumption in Hungary totalled 107,000 tons in 1982 or 10.0 kg per capita. This level of consumption was 10 per cent more than in 1981, it was the first increase in consumption since 1979. It could be noted that this increase occurred at the same time as exports increased, so that it is difficult to suggest that there has been any significant improvement in demand. For 1983 no change is foreseen in consumption levels either in total or per capita.
(vii) Exports

104. The United States exported 85,667 tons, product weight, of beef and veal in 1982, 15 per cent more than in 1981. Japan accounted for 62 per cent (53,175 tons) of these exports, while Canada and Saudi Arabia accounted for 7.8 per cent and 5.6 per cent respectively. In 1982 the United States exported 158,569 tons of beef offal (valued at $246,183,000) with 46 per cent going to the EC and 20 per cent to Japan.

105. Canada's exports of both beef and live cattle and calves increased in 1982, the increase for live cattle exports being marked. These increases meant that Canada was a net exporter of both beef and live cattle again in 1982. Beef and veal exports totalled 81,900 tons up 5.4 per cent from 1981. The United States accounted for 90 per cent of those exports. Canada also exported 458,500 head of cattle and calves (compared to 304,500 head in 1981). The increase in exports of cows for slaughter was particularly marked. Virtually all exports were to the United States. The high level of cow marketings, the weakness of the Canadian dollar relative to the United States dollar, and the existence of relatively stronger cow prices in the United States were the major factors responsible for the increase in exports. It is believed that the same factors will be active again in 1983 and that a relatively high level of exports will be maintained. Canada has informed the United States' authorities that it anticipates exporting between 59,000 and 63,500 tons (product weight) of beef and veal to the US during 1983. In total beef and veal exports are expected to increase a further 5 per cent to 86,000 tons (carcass weight equivalent) in 1983.

106. Normally not an exporter of beef and veal, Norway exported 6,100 tons in 1982 (versus 1,600 tons in 1981 and 700 tons in 1980). The development of an exportable surplus is largely related to increased beef production. Roughly half of the exports in 1982 were to the USSR.

107. Brazilian exports of beef and veal are believed to have increased sharply in 1982. In fact exports for the first 10 months had already surpassed the total level of exports for 1981. On a carcass weight equivalent basis exports are estimated to have totalled roughly 400,000 tons (for the first 10 months they totalled 329,000 tons) which would be 21 per cent more than year earlier. While the greater proportion of exports (roughly 60 per cent) in 1982 were again of canned beef there was a sharp increase of frozen boneless beef exports. For the first 10 months of 1982 these exports totalled 77,100 tons (product weight) compared to 46,300 tons in all of 1981. The main markets for this beef were Iraq and Israel.

108. The European Economic Community's exports of bovine meat (including the carcass weight equivalent of live cattle exports) are believed to have decreased sharply in 1982. Exports are estimated to have totalled 475,000 tons compared to 663,000 tons in 1981, a decrease of 28 per cent. It is believed that the decrease mainly reflected a decline in fresh and frozen beef exports; live cattle exports are believed to have been maintained at about 1981 levels. The decrease in exports is believed to have been due to a number of factors: the reduction in beef and veal production in the EC and the increase in prices, the modifications to the intervention system which had the effect of reducing stocks, and changes in the export refund system which lowered
refunds on beef from female animals. The major portion of beef and veal exports was again to Eastern European countries in particular the Soviet Union; however, the importance of North African countries (particularly Egypt for live cattle) remained high. For 1983 exports are expected to remain at about their 1982 level. This stabilization of exports is expected largely because of an anticipated increase in production countered by only a modest increase in consumption. (Early in 1983 however intervention buying increased markedly and beef stocks were well above year-earlier levels).

109. Exports of beef and veal by Finland totalled only 7,000 tons in 1982 compared to 15,000 tons in 1981. Reduced production and stable consumption were the principal cause of the decrease. Virtually all of the exports (most of which was frozen beef) went to the USSR. Exports are expected to increase to 12,500 tons in 1983.

110. Austria exported 23,000 tons of beef and veal and 20,000 head of cattle and calves in 1982 compared to 18,000 tons and 26,000 head in 1981. These represent, respectively, an increase of 27.8 per cent and a decrease of 23.1 per cent. Seventy per cent of the live cattle exported went to Libya and the rest to the EC. Virtually all fresh and chilled beef and veal exports were to Italy.

111. Australia's exports of fresh, chilled and frozen beef and veal in 1982 totalled 623,444 tons (product weight), 164,053 tons (or 35.7 per cent) more than in 1981. Aside from the sharp increase in exports to the United States (up by 112,636 tons or 47 per cent), there was a fairly strong advance in exports to the Far Eastern countries. Exports to the Republic of Korea (of which Australia is virtually the sole beef supplier) more than doubled to 74,167 tons. Those to Malaysia, Taiwan, Singapore and Hong Kong increased, in aggregate, by 21.3 per cent. Exports to Japan increased by 2.5 per cent. It is believed that the sharp increase in exports in 1982 was related more to the sharp increase in beef supplies in Australia (due to herd liquidation forced by drought conditions) and to the weakness of the Australian dollar, than to strengthening of demand in export markets. The cessation of drought conditions in the Australian autumn 1983 would lead one to believe that export availabilities will decline in 1983, as cattle may be better able to be retained on pasture given good follow-up rains; indeed there appears to be early indications that this is occurring. It could also be noted that the Australian dollar was devalued by 10 per cent in late March, 1983. Its value is now roughly US$0.86 versus US$0.96 before devaluation and roughly US$1.15 in early 1982. Further, major shipping lines reduced their freight rate of frozen meat in cartons to North American East Coast destinations by about 10 per cent from 1 April, 1983. Consequently, while the volume of Australian beef and veal exported is expected to decline in 1983 (by perhaps 20 per cent), the value of exports expressed in Australian dollars may be relatively unchanged.

112. Argentina's exports of beef and veal in 1982, including cooked and canned beef, totalled 522,000 tons, 36,000 tons (or 7.4 per cent) more than in 1981. Of these 69 per cent (359,000 tons) were fresh, chilled and frozen meat and 31 per cent (163,000 tons) were cooked and canned. Fresh, chilled and frozen beef exports increased by 9.4 per cent, cooked and canned by 3.2 per cent. Exports to the EC decreased substantially in 1982: those of cooked and canned beef fell by over 30 per cent and
those of fresh, chilled and frozen beef by roughly 26 per cent. Exports to the Soviet Union also declined (to 101,500 tons from 113,900 tons in 1981). These decreases were more than offset by substantial increases in exports of fresh, chilled and frozen beef to the Middle East and North Africa (in particular to Egypt and Iraq) and of canned beef to the United States (up 30 per cent). Peso devaluations and supply agreements were both significant factors influencing export performance during 1982. During 1983 it will be difficult for Argentina to maintain the same high level of exports in view of the sharp reduction in domestic beef production. It is uncertain at this time as to what extent reduced production will be offset by reduced consumption (and therefore maintain export availabilities) but if the first two months of 1983 are indicative of a trend (exports were down by roughly 24 per cent) the consumption decrease will not be sufficient to maintain exports at its former level.

113. New Zealand's beef and veal exports during the first four months of the 1982-83 season (1 October 1982-30 September 1983) totalled 46,588 tons (product weight), 2.9 per cent less than in 1981-82. This is not a particularly good reflection of New Zealand's export performance, however, since during the first 3 months of this period New Zealand had agreed to limit its exports to its largest markets, the United States and Canada. In fact exports to the United States decreased by 17 per cent for that period. For the 1981-82 season exports totalled 222,182 tons, 1.7 per cent less than in the preceding season. Exports are forecast to total 207,000 tons (product weight) for the 1982/83 season (down 7 per cent). An anticipated sharp decline in beef and veal production is expected to limit export availabilities during the balance of this season. It could be noted that the price of New Zealand cow beef in the United States increased sharply during late March and early April. Therefore, although exports may be lower in total, the value of exports may be maintained. It could be noted that exports are forecast to decrease further in the 1983/84 season (to 195,000 tons).

114. Exports of beef and veal by Uruguay totalled 159,200 tons in 1982 compared to 170,000 tons in 1981, a decrease of 6.4 per cent. This reduction was due almost entirely to reduced exports to Brazil, to which exports fell from 66,500 tons in 1981 to 18,400 tons in 1982. Increased exports to numerous European, Middle Eastern and South American markets were insufficient to offset the reduction in exports to Brazil. Egypt and the EC accounted for 43 per cent of exports in 1982 (compared to 40 per cent in 1981) and exports to other South American countries (including Brazil) composed 29 per cent of exports, compared to 43 per cent in 1981. For 1983 it is believed that the level of exports will be maintained at about that of 1982. In this regard the 80 per cent devaluation of the peso in November 1982 is expected to be a significant factor (this was only partly offset by the application of an export tax). Exports should also be aided by the supply agreements Uruguay has negotiated with certain countries (Egypt and Iran for example). Early indications of exports for 1983 are encouraging: those for January totalled 15,700 tons compared to 8,000 tons in January 1982.
115. Romania's exports of beef and veal and of live cattle and calves declined even more sharply than imports in 1981. As a result Romania changed from a net exporting country to a net importer. Exports of beef and veal totalled 34,900 tons compared to 75,300 tons in 1980. Exports of cattle and calves totalled 54,400 head compared to 64,900 head the year before.

116. Hungary's exports of bovine meat increased by 6.2 per cent, to 54,600 tons in 1982. More substantial, however, was the increase in live cattle and calf exports. Live exports totalled 187,000 head, 40,700 head or 27.8 per cent more than in 1981. Roughly 57 per cent of live cattle exports were to the Soviet Union, 60 per cent more than in 1981 while exports to Libya, the second largest market in 1981 declined by almost half (to 25,000 head). Exports to Lebanon were stable at 27,000 head. Hungary's export position was favoured in 1982 by an 11 per cent (in total) devaluation of the forint against a basket of 9 western currencies. The forint was devalued a further 4 per cent (in two stages) during early 1983. This may suggest a continuation of a high level of exports in 1983.
IV. SUMMARIES OF SITUATION IN CERTAIN NORTH AFRICAN, MIDDLE-EASTERN AND FAR-EASTERN BOVINE MEAT IMPORTING COUNTRIES

117. In recent years, North African, Middle Eastern and Far East Asian countries appeared as important new markets for beef exporters. However, only limited information on these countries is available to the secretariat and the following paragraphs do not necessarily cover all of them, but only those for which some information is available. Concerning the Middle Eastern countries in general, it should be noted that the squeeze on oil receipts is putting pressure on most of the Middle East economies and that demand for livestock and livestock products might be, at least temporarily, affected.

Kuwait

118. Cattle and calf slaughter in Kuwait totalled 1,393,000 head during the first eight months of 1982, a decline of about 8 per cent from the same period of 1981. During this period, imports of beef rose by about 16 per cent in 1982, reaching 6,711 tons. India appears to be, by far, the most important supplier of bovine meat to the Kuwaiti market with a share of about 45-50 per cent of its total imports. The EC and Australia are next, but, while the EC exports of beef to Kuwait along with South American supplies increased in 1982, Australian exports to this market fell by about 37 per cent. During the first eight months of 1982, poultry meat imports by Kuwait more than doubled - Brazil and France being the major suppliers - but much of the product is said to be for transhipment to Iraq or Iran.

Qatar

119. In 1981, Qatar imported 2,020 tonnes of beef and buffalo meat. Ghana was the main supplier with about 25 per cent of overall beef imports, while New Zealand and Australia supplied about one-fifth each. Demand for bovine meat in Qatar is chiefly for frozen minced meat, loins, knuckles, offals and frozen veal feet. Imports of cattle, including buffalo, reached about 58.2 tons, live weight, in 1981, India and Lebanon being the major suppliers. As other Middle East countries, trade in poultry and sheepmeat products is far more important than trade in cattle and beef. Thus, poultry meat imports (8,340 tons in 1981) reached two and a half times the combined volume of other meat imports, while imports of live sheep reached 8,460.0 tons, live weight.

Saudi Arabia

120. In 1981, Saudi Arabia imported about 134,900 head of cattle and 45,900 tons of beef and veal. During the first half of 1982 imports of cattle declined when compared with the same period of 1981. Imports of beef, however, increased by 20 per cent during the first half of 1982 and by the end of the year should have reached higher levels than in 1981. Imports from Australia, the United States and New Zealand - three of the major suppliers along with India and the EC - increased on average by 19 per cent. Although data for the whole of 1982 is not yet

---

1 See secretariat paper IMC/W/12 - "Recently Emerged and substantially expanded markets: their capacity to increase imports in the future".
available, Saudi Arabian imports of beef from India, its major supplier, seem to have increased. Saudi Arabia's new standards for imports of frozen meat are expected to be in place by the end of 1983. In the past, a 9-month expiration date on all imported frozen meats was accepted. It seems, however, that the new standards will enforce a 6-month expiration date on frozen sausages and a 4-month expiration date on hamburgers and minced meat.

**Korea**

121. Bovine meat production in the Republic of Korea reached 69,000 tons in 1981, while consumption reached about 93,000 tons. In 1982 beef consumption increased by about 12 per cent while production fell by 6 per cent, thus increasing the import requirements of the country. Consumption of bovine meat seems to be very sensitive to the economic conditions. From 2.1 kg in 1976, per capita consumption increased to 3.1 kg in 1981. Total beef and veal imports of the Republic of Korea from Australia, to date its only significant beef supplier (99 per cent of Korean imports in 1981), amounted to about 74,200 tons shipped weight in 1982, more than double year earlier levels. However, forecasts indicate a drop in imports for 1983 as an increase of domestic production is expected. Meanwhile, imports of live cattle should reach about 35,000 head (30,000 in 1982).

**Malaysia**

122. Malaysian imports of bovine meat reached about 12 to 13,000 tons in 1982. Domestic production of bovine meat - 6 to 7 per cent of overall domestic production of meat in Malaysia - only covers about 40 per cent of the demand. The major supplier of the Malaysian market is Australia: 5,500 tons of beef and veal exported in 1982, an increase of about 60 per cent over 1981. Australia supplies virtually all of Malaysia's live slaughter cattle imports. In 1982 these amounted to 17,073 head. In recent months, however, beef imports from Australia have declined sharply, reportedly because of the entry of cheap Indian buffalo meat into the market. It seems that (according to unconfirmed reports) since the first shipments of Indian buffalo-meat into Malaysia in October 1982, government contracts and canner processors are now using practically only Indian buffalo-meat and that the market is presently using about 80 per cent Indian buffalo-meat and only 20 per cent of Australian beef. It is interesting to note that since January 1983, imports of bovine meat to Malaysia are only allowed if the animals were killed under the Islamic slaughter rites.