GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL

IMCG/W/45
21 July 1977

Original: French

INTERNATIONAL MEAT CONSULTATIVE GROUP

Eighth Meeting - 7-8 July 1977

Statement Made by the Representative of Poland

Information by Poland - animals and meat of the bovine species

Allow me to present a summary of the available statistical data concerning beef and veal for 1975 and 1976, and the estimates for 1977 and 1978.

Cattle population (in June) '000 head

	1975	1976	est. 1977
Animals of the bovine species	13,254	12,879	12,400 approx.
of which: cows	6,146	5,989	-

In 1976, the socialized sector of agriculture registered a population increase of 7.8 per cent, whereas private farms showed a drop of 7 per cent. It should be noted that last year 76 per cent of the cattle population was held by individual farmers.

The preliminary census taken in January 1977 showed that during the second half of 1976 there had been a new decline in the country's overall cattle population of 6 per cent (to 12,106,000 head) - 10.2 per cent in the private sector. The socialized sector showed an increase of 10 per cent.

Purchases of live cattle, which are approximately equivalent to the number of animals slaughtered for the meat industry, and slaughtering by farmers for their own consumption amounted to:

'000 head

	1975	1976	Estimates 1977
Adult cattle	3,296	3,548	approx. 3,500
Calves	1,714	1,676	" 1,400
Average carcass weight			
- Adult cattle	211 kg.	211 kg.	x
- Calves	33 kg.	33 kg.	x

Meat production (from indigenous animals)

	'000 tons - carcass weight		
	1975	1976	Est. 1977
Beef (including fat)	695	749	approx. 730
Veal (including fat)	57	55	" 45

Global consumption of beef and veal (not including fat and processed products), was approximately (in thousands of tons):

in 1975 (average number of inhabitants: 34 million)	527
in 1976 (average number of inhabitants: 34.4 million)	647
in 1977 - estimate	approximately 650

Per capita consumption - in kg.

1975	15.5
1976	18.8
1977 - estimated, approximately	18.5

The consumption of meat, poultry and other meat products taken together amounted to 70 kgs. per capita in 1975 and 1976. The shortage of pork was compensated by increased deliveries of poultry, indigenous beef and veal and imported pork and beef.

Imports

During the past two years there were no imports of live animals of the bovine species. Deliveries of beef and veal were:

2,000 tons	- in 1975
approximately 25,000 tons	- in 1976
approximately 50,000 tons	- during the first half of the current year.

Exports

In 1975, Poland exported 68,000 tons of beef and veal; in 1976, 48,000 tons of red meat taken together (beef and veal, pork and horse meat). Exports of preserved beef, during the last two years, were stable - at the level of 5,000 to 6,000 tons per year.

Domestic prices

	In zlotys per kg.	
	1975	1976
(a) Average price paid to producers for cattle for slaughter - live weight: - under contracts	23.57	26.08
- without contracts	17.19	18.66
(b) Average wholesale price - beef for the meat processing industry - carcass weight	31.00	approx. 33.00
(c) Retail prices - subsidized - weight of product		
- roast beef (not boned)	30.00	30.00
- joint (boned)	56.00	56.00
- rump steak (boned)		approx. 80.00 (1977)

Estimates for 1977-1978

(a) Poland

The basic statistical data have just been given.

The imbalance in the market for meat in Poland is due not only to reduced supply (pork especially) but also to the very rapid rise in the real income of the population (68.7 per cent between 1971 and 1975). The shortage of some other foods on the market and the low retail prices for meat, which have been frozen for many years, have resulted in the increased demand for meat. For example, at the present time 1 kg. of beef, with bone, costs at retail 16.7 per cent less than the price paid to producers per kg. of slaughter cattle on the hoof, first quality, ex farm (i.e. Zl 30 and Zl 35 respectively).

The market situation will continue to be tight this year because, for the short term, the animal population cannot - for biological reasons - be reconstituted before the beginning of 1978 in the case of bovine animals. Even more time will be needed to reach the 1974 dimensions of the swine population.

What is more, owing to the depletion of ordinary Polish stockfarming reserves, it will not be possible to reach the annual rate of production growth of 7 per cent registered in the period 1971-1975, and this in spite of increased investment and mass construction of stockfarming facilities.

What can be expected is a growth of the order of 2.5-3 per cent annually for red meat as a whole and an increase in the poultry supply even faster than at present. We will succeed in easing the tensions on the market for meat in the shorter term by an appropriate price policy and a distinct increase in deliveries of other food products, for example of poultry, as already mentioned.

We do not exclude the possibility of imports of meat products in limited quantities.

As during the past year, we intend to continue quantitatively modest exports of cut up beef, young bovine animals for fattening, and preserved meat.

(b) Assessment of conditions on the world market for beef and veal

While we would not wish to repeat facts and assessments concerning the market presented by other delegations from countries which are big exporters and importers of beef and veal, we should only like to note the following:

- In the meat sector, and in particular the beef and veal sector, the world market continues to be disorganized, and all efforts to create orderly conditions undertaken in GATT, UNCTAD and FAO have been fruitless.

Clearly, it is a very difficult and complicated problem and any solution, even of a partial nature, requires a great deal of time and patience from the parties involved.

It is difficult to make any predictions, in view of the production, political and monetary aspects. The product in question is highly differentiated and not easy to classify. With few exceptions, there is a great instability of deliveries, pronounced fluctuations of supply, and lastly rapid changes in the outlet markets.

- In our opinion, the imports of European countries will be a little higher in 1977 and 1978 than in 1976. At the same time, as regards EEC buying, only a part of the supplier countries will have access to those markets - under preferential agreements. Normal trade will not be possible for other exporters, owing to the very heavy charges at the border (customs duties and levies).

The announced reform of the common policy in the bovine sector would not facilitate access to the Common Market for third countries that do not benefit from the above-mentioned agreements and - perhaps - quotas.

- United States imports may increase in 1978, but they will nevertheless be limited by the system of "voluntary restraints" or quotas.

- Japan's imports may drop this year (the quota for April-September was reduced by 10,000 tons to 35,000 tons) and next year also, as a result of mediocre demand due to the very high prices, and of a 10 per cent increase in local production over 1976.

- The quantities of beef unsold on the big outlet markets will be exported to the so-called non-traditional importing countries, a number of which have developed very rapidly. Some of those countries make only supplementary purchases, and quantities vary greatly from one year to the other. Nevertheless, the importance of these reserve markets is great, as is shown by the example of the growth of beef sales to Egypt, Hong Kong, Malaysia and Iran - from 53,000 tons in 1974 to 182,000 tons in 1975. Purchases by Spain, Greece, the USSR and some other socialist countries, while probably not as great as in 1975 and 1976, will improve the situation of exporters.

- Except for seasonal declines, there has been a slow increase in beef prices on the world market, but we are not convinced that this rise is covering the increased costs of production or keeping up with the rate of inflation, especially in countries which engage in intensive cattle-fattening.

We believe that production and export prices of beef in 1978 will be more remunerative, provided, of course, that weather conditions are normal in the major stockfarming and meat-consuming regions, grain and fodder harvests are good, and there is no drop in consumption due to unsatisfactory economic conditions.