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

This set of documents will constitute the inventory of all measures affecting trade in bovine meat, including commitments resulting from bilateral, plurilateral and multilateral negotiations, which the Council has instructed the secretariat to draw up and keep up to date under the provisions of Article III of the Arrangement (Note to Article III of the Arrangement and Rule 18 of the Rules of Procedure).

\footnote{For replies to the statistical parts, see IMC/STAT/1 and Add.1-3.}
PART G

I. PRODUCTION

(a) The installations of the meat industry in Brazil are scattered throughout the country. The main concentrations occur, however, in the central and southern regions, chiefly in the form of medium-sized and large establishments which supply the inter-State and international trade and the large centres of consumption. The National Animal Husbandry Programme reports that there are in the production areas and close to the consumer markets forty-seven abattoirs/chilling plants, forty-one pig product factories, 134 canneries, sixty meat and meat product storage plants, twenty-four factories making non-edible products and eighteen cold storage plants; in 1977 these constituted the so-called "organized industry", characterized by sophisticated technology and operated in relatively large enterprises on a relatively large economic scale. The meat industry of Brazil now comprises nearly 700 establishments processing meat of various kinds under the supervision of the Federal Inspectorate.

More recent data indicate that the establishments subject to federal inspection have a slaughtering capacity of 68,000 head per eight-hour day, depending upon their plant and equipment: reception and rest pens, killing room, cold area, fat-rendering plant, etc. Assuming that the plants work a five-day week, or 260 days a year, annual slaughtering capacity works out at more than 17 million head.

The bovine meat production sector in Brazil is in the hands of private enterprise. The rôle of the Government is limited to laying down rules of animal health and hygiene which are of mandatory application to the transport of, trade in and slaughter of livestock and to the quality of the inputs required by producers. For the rest, the objectives of stock-farming policy may be said to be linked with the main objectives of the economy: the purposes of sectoral policy, therefore, are to increase the return to the producer, to bring down consumer prices and to export any surpluses.

Medium-sized: 200-500 head per day
Large: over 500 head per day
(b) Government policies which influence cattle production are represented by programmes, Acts and decrees on health protection, inspection, production, marketing, investment and operating costs. The following measures in particular should be mentioned:

b.1 - Decree No. 24,548 of 3 July 1934 approving the Regulations of the Animal Health Protection Service. This Decree made it possible to carry out various projects in such fields as the prevention and control of foot and mouth disease, brucellosis, tuberculosis, parasitic and deficiency diseases and symptomatic anthrax; and supervision of the transport of livestock, inputs and end-products at the national and international level.

b.2 - Act No. 1,283 of 18 December 1950, which makes sanitary and industrial inspection compulsory at every establishment making products of animal origin. Decree No. 30,691 of 29 March 1952 laid down regulations under the Act and approved the Regulations on Industrial and Sanitary Inspection of Products of Animal Origin (RIISPOA).

b.3 - Act No. 5,760 of 3 December 1971, which deals, inter alia, with the sanitary and industrial inspection of products of animal origin. Regulations under this Act were laid down by Decree No. 73,116 of 8 November 1973. The Act confers on the Federal Government sole competence to carry out sanitary and industrial inspection in accordance with the provisions which it lays down.

b.4 - The National Programme for the Improvement of Stockbreeding (PRONAMEZ0) comprises a series of projects dealing with the main branches of stock-raising in Brazil:

- Zebu stock improvement project (PROZEBU);
- Improvement project for beef cattle of European origin (PROMEBO);
- Project for genetic improvement of the Frisian strain (PROTEGEO);
- Controlled cross-breeding project (PROCRUZA);
- Buffalo-breeding development project (PROMEBUL);
- Hereditary health test project (PROTESTE).

b.5 - Order No. 220 of 22 September 1981 approving the carcass classification and description systems.

b.6 - CONCEX Resolution No. 131 of 13 January 1981, which lays down regulations for the import and export of live animals intended for breeding or other purposes and of eggs, sperm and other livestock-breeding materials.
(c) In order to redress the imbalances in the domestic supply of bovine meat arising from the markedly seasonal character of production in Brazil, where the sales period extends from January to July and the inter-sales period from August to December, the Government adopted in 1974 a programme for the regular stockpiling of meat as a means of ensuring the price stability desired by producers and consumers alike. In 1980 214,000 tons of meat (hindquarter and forequarter) were purchased at a cost equivalent to US$304.3 million; for this year 260,000 tons (hind and forequarter) have been purchased, representing a value of US$682.9 million. This meat is bought in the first six months of the year and sold in the second six months in the country's main centres of consumption. As an additional means of stabilizing prices and domestic supply, a pilot project for stocking beef on the hoof is being carried out this year. Considering, in particular, the difference in cost between cold storage and keeping live cattle, it is hoped to achieve encouraging results.

Subject to the foregoing, meat is marketed without restriction; no other form of government intervention is practised at present. Final market prices are determined by the interplay of supply and demand.

There are not at the present time any special support programmes in the production sector; the credits needed by the cattle-rancher to cover investment, operating costs and marketing are forthcoming as a rule under the system of common rural credit. This source of funds was drawn upon for a total of US$1.8 billion in 1979 and of US$2.4 billion in 1980.

II. INTERNAL PRICES AND CONSUMPTION

(a) There is at present no specific policy in Brazil for dealing in isolation with meat prices or the level of meat consumption. However, the consumption of bovine meat declined between 1979 and 1980 as a result of such major problems as the slowdown of economic growth and its adverse effects on levels of employment and of consumer incomes. As already noted, the sole form of government intervention is regular stockpiling with a view to redressing seasonal imbalances in the supply of cattle for slaughter.

III. MEASURES AT THE FRONTIER

(a) The customs tariffs applied by Brazil to imports of bovine meat may be summed up as follows:

<table>
<thead>
<tr>
<th>a.1 - Live animals</th>
<th>Import duty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breeding stock</td>
<td>0% (zero per cent)</td>
</tr>
<tr>
<td>Bovine cattle for slaughtering</td>
<td>0% (zero per cent) for LAIA countries and 15% (15 per cent) for other countries</td>
</tr>
</tbody>
</table>

1 The rate of exchange applied in this paper is that of January 1981, namely US$1 = 67.36 cruzeiros.
a.2 Meat

Bovine meat of any grade: 11% (eleven per cent) for LAIA countries and 25% (twenty-five per cent) for other countries.

(b) Brazilian imports generally, including meat, are subject to financial operations tax (IOF) at the following rates:

20% (twenty per cent) for LAIA countries;

25% (twenty-five per cent) for other countries.

At the present time, through the drawback system applicable to export-related imports, liability to financial operations tax has been suspended in the case of manufacturing-grade meat purchases.

(c) Over the years, Brazilian exports of bovine meat have varied with domestic and international economic conditions. In its present form, the cattle-raising industry is concerned mainly with the domestic market. The most important export item is canned bovine meat. There are no special measures calculated to affect the level of exports; the only imperative is that the requirements of the domestic market should be met.

(d) The sanitary regulations governing imports of meat and live animals are embodied in Decree No. 24,548 of 3 July 1934 (Regulations of the Animal Health Protection Service). This Decree was supplemented by CONCEX (Foreign Trade) Resolution No. 131, approved on 13 January 1981, which deals with imports of live animals intended for breeding or other purposes.

(e) Generally speaking, the country practises free trade. Once domestic supply has been covered, the surpluses go for export, which is governed by the rules of free competition. There are no hard and fast measures applicable to imports; here the only imperatives are, firstly, compliance with the hygiene and health regulations in force, and secondly the domestic supply situation.