

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

IMC/INV/7/Add.1
5 August 1982

Arrangement Regarding Bovine Meat

INTERNATIONAL MEAT COUNCIL

Inventory of Domestic Policies and Trade Measures and Information on Bilateral, Plurilateral or Multilateral Commitments

Reply to Parts G and H of the Questionnaire

SWITZERLAND

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 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 Agreement (Note to Article III of the Arrangement and Rule 18 of the rules of procedure).

PART GInformation on Domestic Policies and Trade MeasuresSupplements to Swiss inventory in IMC/INV/7 of 3 June 19801. Support and stabilization instrument

There have been no substantial changes in bovine meat production and policy. On 17 February 1982 a new Ordinance on livestock for slaughter entered into force; it includes the basic elements of the regulations previously in force.

2. Levels of stabilization prices

For the main categories of adult cattle and calves for slaughter, target prices have moved as follows:

Description	1980 \$1 = Sw F 1.67		1981/82 \$1 = Sw F 1.96		1982 ^{1/} \$1 = Sw F 1.9	
	Until 30 June 1981		From 1 July 1981- 30 June 1982		From 1 July	
<u>Average target prices with margins, per quintal, live weight</u>						
Heifers and oxen I A	Sw F 520	± 15	Sw F 550	± 20	Sw F 570	± 25
	\$ 311	± 9	\$ 281	± 10	\$ 300	± 13
Cows, young and fat II A	Sw F 475	± 15	Sw F 505	± 20	Sw F 520	± 25
	\$ 284	± 9	\$ 258	± 10	\$ 274	± 13
Cows for sausage-making II E	Sw F 370	± 25	Sw F 380	± 30	Sw F 395	± 30
	\$ 222	± 15	\$ 194	± 15	\$ 208	± 16
Fat bulls III A1	Sw F 505	± 15	Sw F 550	± 20	Sw F 575	± 25
	\$ 302	± 9	\$ 281	± 10	\$ 303	± 13
Calves for veal AA	Sw F 800	± 35	Sw F 835	± 45	Sw F 855	± 50
	\$ 479	± 21	\$ 426	± 23	\$ 450	± 26
Calves for sausage-making D	Sw F 697.5	± 40	Sw F 707.5	± 45	Sw F 730	± 50
	\$ 418	± 24	\$ 361	± 23	\$ 384	± 26

^{1/} Provisional exchange rate

3. Average returns to producers (per 100 kg. live weight)

Description	1979		1980		1981	
	Sw F 1.65 = \$1	Sw F \$	Sw F 1.67 = \$1	Sw F \$	Sw F 1.96 = \$1	Sw F \$
Heifers and oxen I A	511	310	491	294	532	271
Cows, young and fat II A	461	279	439	263	473	241
Cows for sausage-making II E	356	216	330	198	363	185
Fat bulls III A 1	522	316	503	301	547	279
Calves for the butcher's trade AA	768	465	764	457	787	402
Calves for sausage-making D	666	404	665	398	685	349

Slaughterings showed a record increase in 1980 because a long period of damp cold weather had resulted in a fodder shortage. In that situation and in order to encourage fresh meat consumption, the price of animals intended for the butcher's trade had to be reduced below the lower limit of the target price. In 1981 because of declining domestic production and stable meat consumption - resulting in a slight decline in the self-sufficiency ratio - the higher target prices fixed by the Federal Council were achieved.

4. Producer subsidies

The amount of the subsidies described in our 1980 inventory have moved as follows (in millions of \$ or Sw F):

	1980		1981	
	Sw F 1.67 = \$1	Sw F \$	Sw F 1.96 = \$1	Sw F \$
Promotion of sales within the country				
- subsidies to relieve market pressure	0.9	0.5	1.2	0.6
- subsidies for the elimination of dairy cattle	21.0	12.6	26.3	13.4
Promotion of exports of stock cattle				
- maintenance of exports	26.0	15.6	30.2	15.4
- contributions to transport costs	0.9	0.5	1.1	0.6
- publicity	0.3	0.2	0.2	0.1
Contribution to expenses of cattle farmers in mountain regions (limited to fifteen units of adult cattle per farm)	125.3	75.0	122.3	62.4
Contributions to farmers reducing their livestock numbers ¹	2.6	1.5	2.3	1.2

¹ These contributions are paid in the context of the system fixing maximum numbers per farm of animals intended for meat production (see point 5.3).

5. Wholesale and retail prices on major domestic markets

Description	1980 Sw F 1.67 = \$1		1981 Sw F 1.96 = \$1	
<u>Heifers and oxen, quality A</u>				
Cost to butchers per kg. of carcass weight	9.75	5.84	10.45	5.33
Retail price at butcher's, per kg. of boned meat:				
- boiling and stewing	14.91	8.93	16.16	8.25
- roasting	20.48	12.26	22.16	11.31
<u>Calves, quality A</u>				
Cost to butchers per kg. of carcass weight	12.92	7.74	13.26	6.77
Retail price at butcher's, per kg. of boned meat:				
- roasting	23.89	14.31	25.32	12.92
- stewing	17.86	10.69	19.01	9.70

In 1980, because of abundant beef supplies and relatively low prices, overall consumption of beef increased by 9.3 per cent, and per capita consumption by 8.9 per cent. In the same year consumption of veal increased by only 0.5 per cent overall and by 0.2 per cent per capita.

In 1981 there was a further increase in beef consumption by 2.6 per cent overall and 2.0 per cent per capita while the corresponding figures for veal consumption showed a decline by 4.1 per cent and 4.7 per cent respectively.

6. Measures at the frontier

The amount to be paid into the reserve fund under the Ordinance on livestock for slaughter has been adjusted. The new rates in force since 15 March 1982 are indicated in the annex.

7. Subsidies to relieve market pressure
Market price support

- Subsidies to relieve market pressure: In order to avoid difficulties in disposing of stock and dairy cattle in mountain regions, the Federation grants subsidies to the cantons or to approved bodies

which purchase animals from cattle farmers in those regions at markets, shows or exhibitions and thereby incur losses.

- Relationship between price support system and imports:
See document IMC/INV/7, page 9.

8. Effect of various measures on meat production

(a) Quota restrictions on milk

Since the deduction from the base price for milk - sometimes as high as 6 per cent of the base price - together with measures to restrict fodder imports, had not proved sufficiently effective to contain the increase in milk production, on 1 May 1977 the Federal Council introduced a system of individual quotas for milk deliveries. Under the system, a quota is allocated to each farmer in respect of which he will receive the guaranteed base price, which is at present Sw F 0.87/kg., less the collective deduction of Sw F 0.02/kg. For any quantities in excess of his individual quota, the farmer has to bear a charge of Sw F 0.60/kg. of milk. Up to 30 April 1981, farmers in certain mountain regions were exempt from this measure.

Restrictions on milk production have generated strong pressure in the meat market. Unfortunately this effect is difficult to quantify, but no increase in the target prices for adult cattle for slaughter was possible between 1975 and 1981.

(b) Restrictions on fodder imports

In this respect the objective is to limit fodder imports, in particular to adjust livestock production to disposal possibilities.

Two courses of action are provided under the relevant provisions:

- quantitative limitation of imports of the principal fodder crops (quotas);
- application of import charges, termed "price supplements".

The proceeds from the price supplements are used in the first place for measures to encourage field crops; they are also used to finance measures in favour of livestock disposal.

Since the end of the 1960s and taking into account the increasing needs of the domestic livestock sector, imports of fodder products under quota (feed grains and oil cake) were increasing from year to year, reaching a peak in 1973 (about 1.35 million tons). Since then they have been declining. This reduction has taken account of increased domestic production of feed grains and a slight decline in demand. In 1981 imports totalled about 980,000 tons, i.e. 27 per cent less than in 1973.

Since pig and poultry production take up about three quarters of all fodder imports, the quota restrictions and charges on imported fodder products have only a limited direct effect on bovine meat supply. One can suppose, however, that the latter derives some advantage from higher prices of pork and poultry meat resulting from the measures applied on fodder imports.

(c) Maximum numbers of animals intended for meat production

In order to orient meat production, a ceiling is set for each farm for each of the following categories of animals: adult cattle for fattening, calves for fattening, pigs and poultry. From 1992 on, no farm will be allowed to exceed those numbers unless it obtains a special permit or pays a charge.

The maximum numbers set for the various categories of animals are the following:

- 250 head of adult cattle for fattening (not less than 120 kg. live weight);
- 200 calves for fattening;
- 150 sows;
- 12,000 chickens for fattening.

Upon request a contribution is paid to farmers who eliminate or reduce their excess livestock in an appreciable proportion by 31 December 1983.

Through this voluntary limitation, the total herd of adult cattle for fattening was reduced by 0.9 per cent in 1980 and 1981. The policy should result in an additional livestock reduction by about 1 per cent by 1992.

ANNEX

Ordinance concerning amounts to be paid to the reserve fund under the Ordinance on livestock for slaughter

(19 February 1982)

The Federal Department of the Public Economy

Having regard to Article 70 of the Ordinance of 17 February 1982 on livestock for slaughter.

Hereby orders as follows:

Article 1 - Payments to reserve fund

The amounts to be paid into the reserve fund are hereby set as follows:

Heading No.	Description of goods	Rate of duty Sw F
0101.	Horses and foals for slaughter	Each
10	- horses	75.-
20	- foals	55.-
		Per 100 kg. gross or carcass weight
0102.	Live animals of the bovine species for slaughter:	
10/12	- Calves:	
	- for the butcher's trade	75.-
	- for sausage-making	60.-
20	- Heifers	50.-
30/32	- Bulls:	
	- for the butcher's trade	50.-
	- for sausage-making	35.-
40	- Cows:	
	- for the butcher's trade	30.-
	- for sausage-making	35.-
ex 50/52	- Oxen	50.-
0103.10,14	Live swine for slaughter	20.-
ex 0104.	Live sheep and goats for slaughter:	
ex 10	- Sheep and lambs	20.-
ex 20	- Goats and kids	30.-

Heading No.	Description of goods	Rate of duty Sw F
		Per 100 kg. gross or carcass weight
0201.	Meat and edible offals of the animals falling within heading Nos. 0101, 0102, 0103 or 0104, fresh, chilled or frozen:	
10	- Veal: - for the butcher's trade - leg - sausage meat - liver - sweetbreads - tongue - kosher meat (fore-quarters) - other	75.- 85.- 60.- 165.- 40.- 50.- 65.- 35.-
20/24	- Meat of heifers, bulls, cows and oxen: - four quarters - rump - hind quarters, rump for making dried meat - pistolas - dressed cuts for making dried meat - sausage meat - sirloin - US beef - tongue - liver - kosher meat (fore-quarters) - tails, other	50.- 60.- 70.- 80.- 90.- 35.- 115.- 150.- 65.- 40.- 60.- 30.-
30	- Mutton and lamb:	20.-
ex 40	- Pork: - sides	30.-
ex 42	- other	40.-
ex 50	- Other (horse meat, foal meat, goat meat): - horse meat - foal meat - goat and kid meat	30.- 55.- 30.-
ex 0205.01	Pig fat free of lean meat not rendered or solvent-extracted, fresh, chilled, frozen, salted, in brine, dried or smoked	30.-
ex 0206.10	Meat and edible offals of the animals falling within heading Nos. 0101, 0102, 0103 or 0104, salted, in brine, dried or smoked, except meat meal: - dried ham	100.-

Heading No.	Description of goods	Rate of duty Sw F
ex 0206.10 (cont'd)	- dried meat (Bresaola) - other	Per 100 kg. gross or carcass weight 250.- 75.-
ex 0504.18	Stomachs and intestines, fresh	35.-
1601.	Sausages and the like, of meat, meat offal or animal blood:	
10	- Salami, Cotechini, Salamini, Zamponi	50.-
20	- Mortadella	30.-
	- Coppa	150.-
	- other, including ham enclosed in bladders and salmon-coloured ham	50.-
1602.	Other prepared or preserved meat or offal:	
20	- tinned ham	105.-
26	- corned beef (this heading also includes all other products coming under the corned beef quota, but customs cleared under heading No. 1602.30)	75.-
ex 30	- other:	
	- cooked beef tripe and muzzle, frozen	40.-
	- other products of this heading subject to permit (specialities)	35.-

Article 2 - Implementation

The Federal Bureau of Agriculture shall have responsibility for implementing this Ordinance.

Article 3 - Revocation of provisions in force

1. The Ordinance of the Federal Department of the Public Economy dated 19 June 1978 concerning the amounts to be paid into the reserve fund under the Ordinance on livestock for slaughter is hereby revoked.

2. The provisions revoked shall remain applicable to imports taking place under permits issued before 15 March 1982.

Article 4 - Entry into force.

This Ordinance shall enter into force on 15 March 1982.

19 February 1982

for The Federal Department of the
Public Economy
Honegger

PART H

Information on Bilateral or Plurilateral Agreements
in the Field of Bovine Animals, Meat and Offals

No changes