

GENERAL AGREEMENT ON TARIFFS AND TRADE

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CANADA - IMPORT QUOTA ACTION ON CATTLE, BEEF AND VEAL

The following communication, dated 12 August 1974, has been received from the Canadian delegation.

On 2 August 1974, the Canadian Government announced quotas on live cattle for slaughter and fresh or frozen beef and veal, to become effective 12 August 1974, for a period of one year. Import quotas will be applied to:

- (a) live cattle 700 lb. and over, for slaughter within ninety days of entry into Canada; and
- (b) beef and veal in fresh or frozen form except offals.

The annual global quotas, based on five-year average imports, for live cattle will be 82,835 head and for fresh and frozen beef or veal, 125.8 million pounds. The first quota period will cover 12 August to 30 September. Thereafter, quotas will be established quarterly. They will be administered in such a way as to ensure that the relative shares of each of Canada's main suppliers of cattle and beef will bear a reasonable relationship to past patterns of trade, market trends and historical performance of imports. In order to prevent short-term disruptions not more than 30 per cent of an annual quota will be allowed in any quarter. Quotas will not apply to cured, cooked or canned beef and veal; and not to beef or veal offals such as hearts, livers, kidneys or tongues.

The Canadian Government's intention to apply import quotas was announced in the context of the introduction of a temporary beef stabilization programme, in effect for one year, as of 12 August, consisting of a guaranteed price support of \$45.42 Canadian per hundredweight for cattle, basis live weight for top grade steers and heifers in major markets, to be implemented by deficiency payments at the end

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of the year. In announcing the support and quota measures the Minister of Agriculture referred to current unsettled conditions in international trade in beef, arising from heavy market supplies and the closing of some major import markets. These conditions posed a threat to the stability of Canadian producer prices and returns. The global quotas have been set at levels which are not restrictive in terms of established trade patterns. The Canadian Government has already informed and is willing to consult with all countries affected.