

GENERAL AGREEMENT ON TARIFFS AND TRADE

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EUROPEAN COMMUNITIES - EMERGENCY ACTION ON CERTAIN BEEF AND VEAL

Consultations under Article XXII:1

The following note is being circulated in response to the request made by the representative of the European Communities at the Council meeting on 29 November 1974.

INFORMATION NOTE CONCERNING THE COMMUNITY MARKET FOR BEEF AND VEAL

I. GENERAL EVOLUTION OF THE EEC MARKET

Since July 1974, when the readjustment plan was brought into effect in the Community market in beef and veal, the situation has developed as follows with respect to stocks and market prices in particular:

1. Stocks

Table I below shows that between 13 August and 15 November, intervention stocks of frozen beef and veal increased from 132,641 tons to 233,536 tons (an increase of 76 per cent), and this despite the considerable efforts made in order to allow disposal of these stocks in particular to institutions and collectivities of a social character as well as to certain under privileged consumer categories.

According to available information, the rate of weekly purchases practically doubled in November in relation to July and it is feared that it may become still more pronounced in the coming weeks.

	(tons)		
	Purchases	Sales	Balance
Situation at 13 August 1974	165,970	33,328	+ 132,641
Situation at 30 September	257,482	56,705	+ 200,777
Situation at 28 October	305,294	103,332	+ 201,962
Situation at 7 November	338,670	123,866	+ 214,804
Situation at 15 November	361,881	128,345	+ 233,536

2. Market prices

Market prices for adult bovine animals have been deteriorating continually since January 1974.

This decline continued until quite recently, a slight improvement having been noted since mid-November (as a result of the measures adopted in July whose effects are now becoming perceptible), although the situation remains serious in certain regions of the Community, in particular in two of the new member States.

Evolution of market prices for adult bovine animals

(Community average in UA/100 kg.)

1974

January	86,216
February	85,416
March	86,760
April	87,969
May	89,202
June	89,306
July	84,845
August	84,347
September: 2/9	84,305
16/9	83,083
23/9	82,337
October: 1/10	83,248
14/10	81,300
27/10	80,712
November: 4/11	79,722
11/11	80,233
18/11	81,085
25/11	81,798

3. Production and consumption in 1974

Community production and consumption of beef and veal for the year 1974 can be estimated as follows:

Production	: 6,250 - 6,400
(1000 tons)	
Consumption	: 6,350 - 6,400
(1000 tons)	

4. Imports

Actual imports up to the beginning of November under certificates issued in 1974 were of the order of 287,000 tons (of which 162,000 tons of live animals, fresh and chilled meat and 125,000 tons of frozen meat). In addition, certificates issued for frozen meat at the end of 1973 (valid for 90 days, and which could therefore be utilized for imports up to 30.3.1974), can be estimated at 40,000 tons.

Actual imports in 1974 are expected to total at least 320,000-340,000 tons.

II. GATT QUOTA - FROZEN MEAT

1. Allocation in 1971, 1972 and 1973

	(tons)		
	1971	1972	1973
Germany	3,400	4,750	4,750
Benelux	4,700	4,750	4,750
France	2,300	2,290	2,290
Italy	11,600	10,390	10,390
Denmark	-	-	200
Ireland	-	-	100
United Kingdom	-	-	11,700
	22,000	22,180	34,180

In 1973, following the enlargement of the Community, the quota of 22,000 tons was increased on an autonomous basis by 12,000 tons.

It should be noted that prior to 1972 the quota was expressed in terms of meat on the bone (100 kg. with bone=77 kg. of boned meat), and that from 1973 onwards the quota has been expressed in terms of boned meat. This in fact represents an increase by 30 per cent.

The quota has always been taken up to the extent of 100 per cent and even more, since a 10 per cent excess amount is allowed.

2. In 1974, the quota was allocated as follows:

Germany	4,750 tons
Benelux	4,750 "
France	2,290 "
Ireland	100 "
Italy	10,390 "
Denmark	200 "
United Kingdom	11,700 "

III. INTERNAL MEASURES ADOPTED

1. Measures concerning consumption

(a) Publicity

France, Netherlands, Germany, United Kingdom and Denmark

(b) Social beef

- For consumers

the "price reduction voucher" is now available to approximately 11 million consumers;

- For institutions

a programme covering the entire territory of Italy has been launched for sales at reduced prices to institutions of a social character.

2. Measures concerning the market

(a) Premiums for orderly marketing

(b) Strengthening of intervention measures (Denmark, Netherlands, United Kingdom)

(c) Specific measures in Ireland and United Kingdom, designed respectively:

- to aid producers for the purchase of fodder,

- to support the British market for a certain period by means of an additional premium in respect of certain adult bovine animals slaughtered in the United Kingdom regardless of their origin.

3. Other measures

(a) Manufacture of preserves from intervention meat (to date 40,000 tons)

(b) Manufacture of preserves for WFP (currently under discussion).