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STATUS REPORT ON THE PRESENT SITUATION AND PROBABLE DEVELOPMENTS IN THE BOVINE MEAT SECTOR

Note by the Secretariat

The present note has been drawn up by the secretariat of the Arrangement in accordance with the terms of Article IV, paragraph 1(a), of the Arrangement. The report presents a summary of the international economic situation, a general summary of the international situation and outlook for bovine meat, and specific elements of the world beef economy on a country-by-country basis. In the preparation of this document the following sources, inter alia, have been used: Economic Outlook, OECD, December 1983; Livestock and Meat Situation, United States Department of Agriculture, various issues for 1984; Foreign Agriculture Circular, United States Department of Agriculture, various issues for 1983 and 1984; In brief, various issues, 1984; Market Notes for Livestock and Meat, Australian Meat and Livestock Corporation, various issues for 1984; European Weekly Market Survey, Meat and Livestock Commission, various issues for 1984; Weekly Information Bulletin, Junta Nacional de Carnes, various issues for 1984; The New Zealand Meat Producer, New Zealand Meat Producers' Board; Marché International des Viandes et dérivés, Centre français du Commerce Extérieur, various issues for 1984; The Reuter Meat Newsletter, various issues January-April 1984; Informat, weekly bulletin, Statistics Canada, 30 March 1984; Economie Européenne, Supplement C - No.1, March 1984; Suma Agricola, weekly bulletin - No. 69, Editora Tama, Ltda., 1984; and responses to the questionnaire submitted by 10 May.

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Note: An asterisk (*) preceded by a country name in the subheadings of Parts III and IV indicates that the text following is taken from the Annual Report, issued in January 1984 and should be updated at the meeting.

"Tons" in the text means "metric tons, carcass weight", when not otherwise stated.

I. INTERNATIONAL ECONOMIC SITUATION AND OUTLOOK

1. In its forecast from December 1983, the latest available at the time of writing, the OECD says that economic activity is increasing in most member countries. In 1983 growth is estimated at some 3.5 per cent, a rate higher than expected. For 1984, continued growth is forecast with a 3.25 per cent increase in the first half of the year, slowing down somewhat to a 2.5 per cent growth rate in the second half. In the recent IMF report¹, it was predicted that the recovery 1984-85 will be "marked by a greater degree of convergence of growth rates among industrial countries, as the expansion in the United States and Canada decelerated to the more moderate pace projected for most of the rest of the industrial world". Future prospects are however "not without danger, and resolution of the debt problems facing non-oil developing countries will continue to depend on the pace and extent of economic growth in the industrial countries". In the OECD area, the inflation rate for 1984 is forecast at substantially the same as in 1983 (5.5 per cent). Nor does OECD forecast any improvement in the unemployment situation (9 per cent in 1983 and 1984). However, a slight improvement for youth unemployment is forecast, i.e., a decline of 0.5 per cent from the 18.5 per cent in 1983.

2. Economic growth in the United States continued to be strong in the first quarter of 1984 (+8.3 per cent) although it was suggested that the pace was slowing down in March and would continue to slow down in the second quarter to around 5 per cent. Some experts believe that the growth rate will decline slightly further in the third and fourth quarters. This rapid growth is believed to put pressure on prices and a higher rate of inflation is expected for 1984; in March, the annual inflation rate is reported at more than 5 per cent and it is suggested that this level will be maintained throughout the year, up around 2 per cent on year earlier. The level of unemployment has decreased more than expected in the first few months of 1984, reaching 7.8 per cent of the workforce in March, 1984, compared to 8.8 per cent in October, 1983, and 10.5 per cent in October, 1982. It is expected that unemployment will continue to decrease throughout the year but possibly at a slower rate.

3. According to leading indicators the slower rate of recovery in Canada signalled in December 1983 will continue in the short term. Consumer demand will continue to be restrained in the short term due to the wages policy and the weak labour market conditions. However, growth in total output should be sustained in the first quarter of 1984 by the relative strength of exports. The Canadian economy was pushed into the expansionary phase of the business cycle by strong growth in January 1984 and the level of GDP fully recovered to its pre-recessionary June 1981 peak after 18 months of recession and 13 months of growth. For the year as a whole, GNP (at market prices) is expected to grow by 5 per cent compared to 3 per cent in 1983 and a drop of 4.4 per cent in 1982.

¹World Economic Outlook, IMF, April 1984, as reported in IMF Survey, 23 April 1984

A further decrease in inflation rates (as measured by the CPI) has occurred and in February 1984 the annual rate was 5.5 per cent compared to more than 11 per cent in 1982. For the year as a whole, an inflation rate of 5 per cent is forecast. Unemployment figures have decreased in the last fifteen months, (down 8 per cent in February 1984 compared with year earlier) and they are expected to decrease further throughout the year.

4. Japan experienced in calendar year 1983 its lowest economic growth rate since 1975 (+3.0 per cent), reflecting relatively slower rates of growth by corporate investment, personal consumption and housing investment, in particular during the first six months of the year. It is expected that the target real growth (3.7 per cent) set by the Government for fiscal year 1983 (ended in March 1984) will be reached. For fiscal year 1984 (April 1984-March 1985), the Government has forecast a rate of economic growth of 4.1 per cent (in real terms), a rate that, it is suggested, will be reached by a 3.6 per cent share by domestic demand growth and a 0.5 per cent share by the international demand growth. It is estimated that consumer price rises, at 2.8 per cent, continued to be modest by international standards. A continuation of this trend is foreseen for fiscal year 1984 when a drop to a 2 per cent increase in consumer prices has been forecast. It is also expected that Japan's already relatively low (2.8 per cent) unemployment level will diminish for the first time in the last few years.

5. According to information from the Commission the economic recovery in the European Community should strengthen in 1984, largely with the help of the growth in world trade which, according to EC sources, is forecast to increase by 5 per cent in 1984 compared to 1.7 per cent in 1983. After a modest growth of GDP in 1983 (+0.3 per cent) real GDP in the Community is forecast to grow by 2 per cent in 1984 although growth will differ in the various member countries from a decrease of 1 per cent to an increase of around 3 per cent. Consumer price increases in the Community (average ten Members) have been slowing down and stood in 1983 at 6.2 per cent compared to 8.8 per cent in 1982 and a forecast 5.2 per cent in 1984. This development is reportedly due, notably, to a decrease in the growth of import prices. In spite of the expected continuation of economic recovery, it is forecast that the unemployment situation will go on worsening in 1984: the number of unemployed should increase to 11 per cent of the active population from an estimated 10.6 per cent in 1983.

II. INTERNATIONAL SITUATION AND OUTLOOK IN THE BOVINE MEAT SECTOR

(i) Situation

6. The situations existing in the bovine meat industries of countries participating in the Arrangement Regarding Bovine Meat have contrasted sharply during the last year and a half. Some, especially some of the major traditional beef exporting countries, have experienced dramatic recoveries in cattle prices received by producers (in local currency). The price increases in most of these countries have been significant enough to have provoked (and indeed are in part due to) the rebuilding of cattle herds, or at least a slowing of liquidation. In other countries, notably in North America and in Europe, cattle and beef markets continued to be depressed by a continuation of relatively high supplies in the face of generally mediocre demand. Cattle prices in these countries either decreased or stagnated, or would have decreased if not supported by public agencies. As a result, cattle herds in a number of these countries, or at least the beef cattle portion of their herds, decreased further in 1983 or early 1984.

7. With relatively few exceptions the internal markets of most participating countries were characterized by continued weak demand for beef during 1983 and early 1984. The weakness resulted either from a continuation (or in some cases a worsening) of the general economic conditions or from sharp increases in the supplies of competitive meats. Weakness of demand also existed in many countries which are not signatories to the Bovine Meat Arrangement but which are nonetheless important participants in world bovine meat trade.

8. The weakness of demand on world markets combined, in a few important instances, with marked increases in beef supplies, significantly restricted trading opportunities. As had been indicated at the December meeting of the IMC, this decrease of import demand has apparently provoked significant price competition on sales to certain markets, particularly in the Middle East and North Africa. Consequently, some exporters have also experienced dramatic decreases in their exports which have not been compensated for by increasing prices. Indeed, the US dollar-denominated prices of beef exports of a number of exporters decreased further in 1983 and early 1984.

9. By way of compensation, however, another major feature of international bovine meat markets in 1983 and early 1984 was the weakness of currencies of most of the major traditional beef exporters. For some of these countries (Australia and New Zealand) the decrease in the value of their currencies combined with slight increases in prices in the export market, especially in North America, produced major increases in the prices received by exporters (expressed in domestic currency). These increases were passed on to producers in the form of higher cattle prices. In addition, of course, these favourable developments in the export sector were reinforced for these countries by decreases in beef production and improved demand in their internal markets. In Australia (where the above-mentioned favourable factors were further reinforced by the ending of drought conditions which created the necessary conditions for a cessation of herd liquidation), the average saleyard price of cattle increased by 35 per cent in 1983 and prices in New Zealand were well above year earlier (in fact, levies on some categories of cattle in New Zealand were collected reducing the deficit of the producer-financed stabilization fund). In Argentina,

Uruguay and Brazil, similar situations existed in 1983 and especially in early 1984. In Brazil, for example, prices of prime steers rose on average 30 per cent faster than the rate of inflation in 1983, and equally important price increases have been experienced in early 1984 in Argentina and Uruguay. The portion of the price increases resulting from the export sector in these countries occurred despite falling dollar-denominated prices for exports; in effect, the peso or cruzeiro devaluations have been greater than the dollar price decreases. In Argentina and Uruguay these circumstances have coincided with marked decreases in domestic beef production due both to the previous decreases in cattle numbers and, in the case of Argentina, to the withholding of stock from the market to rebuild cattle herds. This improvement of prices in these countries occurred despite only modest improvements in domestic demand conditions. Indeed, in Brazil, demand is believed to have weakened significantly now.

10. The contraction of demand for imported beef in several key markets during 1983 was a major contributor to the weakness of international markets. Of particular importance in this regard was the Soviet Union. Estimates suggest that its imports fell by as much as 24 per cent in 1983. The major reason for the reduction of Soviet beef imports was the increase in domestic production of beef and other meats. Beef production increased by 4 per cent in 1983 and 5 per cent during the first quarter of 1984. It might be noted that, during the latter period, pigmeat production increased by 15 per cent and poultry meat production by 7 per cent. It appears that Middle Eastern and North African markets were depressed during 1983 and early 1984. These markets were, apparently, the objects of severe price competition amongst several exporters, so that export volume to some of these markets was maintained or even increased.

Table 1
Selected Countries' Trade in Beef and Veal

A. EXPORTS

	1981	1982	%Change 1982/81	1983	%Change 1983/82	1984 ^{2/}	%Change 1984/83	1985 ^{2/}	%Change 1985/84
Argentina	486	522	+7.4	413	-21.0	300 ^{3/}	-27.4		
Australia	710	942	+32.6	763	-19.0	717	-12.3	698	-2.7
Brazil	293	362	+23.4	463	+28.1	550 ^{3/}	+18.8		
EEC	562	393	-30.1	490	+24.7	530	+8.0	530	0
New Zealand	345	357	+3.6	354	-0.9	308	-13.0	300	-2.5
Uruguay	173	169	-2.3	232	+37.3	127	-45.3	120	-5.5
United States	100	115	+15.1	125	+8.7	136	+8.8	145	+6.6
Canada	78	82	+5.4	81	-1.2	71	-12.3	64	-10.0
	2,747	2,942	+7.1	2,921	-0.7	2,739	-6.2		

B. IMPORTS

	1981	1982	%Change 1982/81	1983	%Change 1983/82	1984 ^{2/}	%Change 1984/83	1985 ^{2/}	%Change 1985/84
Brazil	61	21	-65.4	25	+20.0	60	+40.0		
Canada	81	88	+9.3	92	+4.5	97	+5.4	98	0
EEC	314	374	+19.1	375	-0.3	360 ^{3/}	-3.5	360	0
Japan	178	176	-1.1	197	+11.9	200 ^{3/}	+1.5		
United States	999	888	+11.2	885	-0.3	859	-3.0	860	0
USSR	452	439	-3.0	335	-23.7	420	+25.4		
	1,885	1,986	+5.4	1,909	-3.9	1,996	+4.6		

^{1/} '000 tons, carcass weight equivalent, includes fresh, chilled, frozen, cooked, canned and otherwise prepared bovine meat

^{2/} forecast

^{3/} secretariat estimate

(ii) Outlook

11. While there are some encouraging signs for certain areas of the international bovine meat market in 1984, especially in the "Pacific Rim" markets, there are only a few encouraging signs as regards the prospects elsewhere.

12. As regards the "non-Pacific Rim" trade area, the principal problems are expected to continue to be those of surplus supplies in Europe and of depressed import demand in the Middle East and North Africa. As regards Europe, it should be noted firstly that the EC anticipates a further 2-3 per cent increase in production during 1984 which, combined with a continuation of stagnation of consumption, is expected to produce exports of at least 650,000 tons (including live cattle). It might be noted that this level of exports is on a par with those of the record year of 1981. Moreover, an increased proportion of EC production in 1984 is likely to be of cow-beef, especially later in the year as the effects of the quota system for milk production begin to be felt. It might be noted, however, that the major effects of this system are not expected until 1985. It is also expected that beef imports by the EC will also decrease in 1984. The "balance-sheet" quota for both manufacturing beef and for young cattle for fattening have been reduced for 1984. It is expected, however, that a significant portion of the EC's increase in exports will be absorbed by the Soviet Union during 1984. The USDA estimate that Soviet imports of beef and veal will increase by 85,000 tons to 420,000 tons this year. The USDA forecasts this increase in spite of a projected 4 per cent increase in beef and veal production in the USSR in 1984 and a 5 per cent increase in total meat production (to 16,800,000 tons). It appears fortunate that Soviet imports are projected to increase since import demand in the EC's other export markets in the Middle East and North Africa is expected to continue to be relatively depressed: the reduced oil receipts and the consequent decline in economic activity are expected to continue to result in a reduced level of effective meat demand. Moreover, given the reduced possibilities for exporters in the Soviet Union, an increase is expected in the quantity of beef available for export to this area, especially from the EC. In addition, it should be remembered that Brazil is trying to develop its share of markets in these areas while Argentina and Uruguay will try to preserve their market shares.

13. Therefore, those areas which account for about one half of the world's annual imports of bovine meat (Western Europe, Soviet Union, North Africa and the Middle East) are expected to be characterized by, in total, a significant decrease in their requirements of imported beef. At the same time, it seems likely that there will be an increase in the amount of bovine meat available for export to them. Therefore, for 1984, there seems to be little likelihood of an end to the depressed situation which has existed for the last two years or so in the "non-Pacific" portion of the world bovine meat market. As a side point, it seems possible that, given the supply price situation which exists in South America, beef trade amongst South American countries will increase further in 1984.

14. As regards the so-called "Pacific Rim" area, 1984 would seem to promise some expansion of trade. One of the few exceptions as regards improvement is expected to be South Korea, where increased total meat

production (especially increased pork production) is expected to result in about a 20 per cent decrease in imports. In Japan, on the other hand, some expansion in imports from the record level of 141,000 tons in 1983 seems likely. It is known that there will be an expansion of imports of "high-quality" beef (following the bilateral agreement reached between Japan and the United States). Whether this will be matched by increases in "grass-fed" beef imports still seems to be the subject of negotiations. In North America, decreases in beef production are expected in both Canada and the United States. Production decreases in the United States are expected to be particularly significant during the second half of the year. Of particular note in this regard, is the fact that the increased disposal of dairy cows in 1984, resulting from the dairy diversion programme, is now expected to be much less than previously feared. In addition, following many months of depressed pig prices and sharply higher feed prices, significant decreases in pork production are forecast for 1984 especially during the second half of the year. These factors, combined with an anticipation of continued growth in effective beef demand should add up to relatively firm cattle prices during 1984. It seems doubtful, at this time, that this will result in any growth of imports by the United States since the "trigger level" under the Meat Import Law was reduced for 1984. While the constraints presented by this Law can be abrogated by Presidential order, such an occurrence in the absence of rapid cattle price increases seems doubtful. It is also doubtful whether the principal suppliers to the United States (Australia, New Zealand and Canada) could generate any significant increases in exports to the USA given the magnitude of decreases in production expected in those countries in 1984. However, the favourable circumstances could result in increases in the price of imported beef.

15. As a general point and one of possible concern for 1984 and beyond, as was noted earlier, the improved price situations in Australia, New Zealand, Argentina, Uruguay and Brazil derives in part from the depreciated value of their currencies. Consequently, even if demand in export markets were to improve in 1984 and beyond, cattle prices in these countries could be adversely affected by strengthening in the (relative) value of their currencies. In the case of the South American exporters, currency strengthening would mean rates of devaluation slower than domestic rates of inflation. In turn, this could mean a resumption of cattle herd liquidation and, in the longer term, a contraction of world bovine meat trade.

16. As a further general point, it could be noted that the dairy industries and dairy policies of many countries will influence world bovine meat markets in 1984 and 1985 to an extent which has rarely occurred before. It might be noted firstly that the proportion of total breeding herd numbers accounted for by dairy cows has increased markedly in many countries in recent years (Table 2). Although this increased proportion reflects in part a decrease in beef cow numbers in several countries, in all countries dairy cow numbers have tended to increase or at least remain stable. (It could also be noted that in most non-EC European countries, including Eastern Europe, dairy cows constitute virtually the whole cattle herd.) As the proportion of cattle numbers and beef production originating from the dairy herd has increased, the importance of factors affecting dairy industries in terms of their effect on beef production has increased. Consequently, the effects of

measures already taken or being contemplated by countries to control or reduce milk production has had and will continue to have major implications for world beef trade. These implications are even greater if it is realized that cow beef, with boneless or bone-in is the major component of trade in fresh, chilled and frozen bovine meat. Thus, it is of significance that "programmes" aimed at reduced milk production currently exist, inter alia, in Canada, the United States, Japan, Norway and the EC, and may soon be introduced in several other countries.

Table 2

Proportion of Selected Countries Cow Herds
Accounted for by Dairy Cows

	1975	1980	1982-84
	P E R C E N T		
EEC	80.2	80.6	81.4
Japan	67.0	69.7	68.6
Canada	31.3	32.3	34.7
Australia	-	18.2	20.1
New Zealand	47.2	51.5	58.9
USA	19.8	22.6	22.8

III. COUNTRY-BY-COUNTRY ANALYSIS

European Economic Community

17. The number of cattle and calves in the EC increased again in 1983. At 1 December the cattle herds of the ten member countries totalled 79,569,000 head, 1.0 per cent more than year earlier. As in 1982 the principal cause of the increase was the increase in the number of dairy cows; dairy cow numbers increased by 1.6 per cent (to 25,767,000 head) which followed a similar increase in 1982. It is quite clear that the expansion of cattle herds in the EC during the last two years has been provoked primarily by favourable returns in the dairy industry. The expansion of milk production resulting from the expansion of the dairy herd and the further expansion of productivity (each about equally responsible) has resulted in a serious supply-demand imbalance in the EC dairy sector. As a consequence the EC Council of Ministers adopted measures for the 1984-85 production year aimed at reducing the surplus production. The most important aspect of these measures is that individual producer production quotas will be introduced. For 1984-85 the quotas have been set so as to reduce milk production in each member country (except in Ireland) to an amount equal to production in 1981 plus 1 per cent. An additional measure was the reduction of 1 per cent of the nominal intervention price for milk. The result of this measure should be to decrease, by way of a combination of lower production per cow and lower cow numbers, the production of milk. Neither the timing nor the magnitude of an eventual dairy cow herd liquidation are at this time clear. There is a general feeling that no significant liquidation will be apparent until at least late 1984. It is likely that producers will move to meet quota requirements initially by reducing supplemental feeding and will not consider increased disposal until the normal culling period in the fall. Nonetheless it is also projected that cattle numbers at 1 December 1984, will be no higher than year earlier and that cow numbers will decrease by about 1 per cent.

18. Although the full impact of the dairy programme may not be felt in 1984, it is clear that beef and veal production will increase. Currently, production is forecast to increase by 2.4 per cent to 7,075,000 tons, which would follow a 4 per cent increase in 1983 (6,910,000 tons, of which 830,000 tons was veal). If such a level is reached, it would equal the record level of production attained in 1980. It should also be noted that production of cow beef increased at a more rapid rate than that of other categories of beef in 1983. The same trend is expected in 1984. It would appear that there is only a relatively stable demand for this class of meat and that these increases have had implications for both import and export policy. Production is forecast to increase again in 1985, by about 1.8 per cent to 7,200,000 tons, which would be a new record level and would be 8.3 per cent higher than production in 1982, the previous cyclical low point in production.

19. As had been the case in 1983, it is not expected that beef and veal consumption in the EC will increase in proportion to the increase in production. In essence, while some improvement in rates of income growth are anticipated in several EC countries, the growth is expected to be neither widespread nor robust. Moreover, little improvement in the unemployment situation is foreseen. Added to these problems is that

supplies of both pork and poultry meat are expected to increase again in 1984 (to 10,450,000 tons and 4,330,000 tons respectively). It might be noted that prices of both these commodities were depressed in 1983 and consumption of both increased, at the expense of beef consumption. It might also be noted that while beef prices did not increase significantly in 1983, neither did they decrease to clear the market. Beef and veal consumption in the EC totalled 6,624,000 tons in 1983, 0.4 per cent more than year earlier, and is expected to increase by only 1.8 per cent in 1984 (to 6,745,000 tons). It might be noted that the EC's self-sufficiency ratio for bovine meat increased from 100.7 in 1982 to 104.3 in 1983. It is expected to remain at at least that level through 1985.

20. The respective trends in production and consumption have had and are expected to have predictable consequences as regards the EC's trade position. In 1983 imports decreased by 1.1 per cent to 435,000 tons and exports are estimated to have increased by 25 per cent to 600,000 tons. As regards 1984, a further decrease in imports is forecast, to 420,000 tons, as well as a further increase (8.3 per cent) in exports to 650,000 tons. With regard to export policy, it might be noted that the export refunds on several categories of fresh and chilled beef were reduced in February 1984, by about 5 per cent. At the same time, several new categories of beef became eligible for refunds (notably specific cuts); refunds on frozen beef remained unchanged. As regards imports, all the quotas under the concessional import schemes remain unchanged for 1984 except for the "balance-sheet" schemes. With regard to those, the quota for processing beef was reduced by 10,000 tons, or by 17 per cent, to 50,000 tons, while the quota for young male cattle for further fattening was decreased by 15,000 head (7 per cent) to 190,000 head (of which 164,000 is allocated to Italy). A part of the general agricultural agreement for 1984/85 is an agreement to dismantle, over the next several years, the system of Monetary Compensatory Amounts. It would appear that, at least initially, the primary effect of the abrogation of this system would be on intra-EC trade. However, to the extent that it reduces trade in beef and veal amongst member countries, it is not yet clear to what extent it could cause an increase in exports to third countries.

21. With respect to prices, the market price of adult cattle averaged ECU161.2 per 100 kg. in 1983, unchanged from 1982. In the early months of 1984 this price averaged in a range of ECU155-160. For the 1983/84 campaign the EC guide price was fixed at ECU207.09/100 kg., which means that the intervention price was ECU186.38. Therefore market prices averaged below the intervention price throughout the year. In the 1984/85 campaign the guide and intervention prices have been reduced by 1.0 per cent to ECU205.02 and ECU184.52 respectively.

22. The general market situation in 1983 led to a rapid accumulation of intervention stocks. Stocks totalled 407,000 tons at the end of 1983, 77 per cent more than year earlier. During the early months of 1984, the level of stocks has tended downward but has remained well above year earlier (+72 per cent at the end of March, totalling 292,586 tons).

	1981	1982	%Change 1982/81	1983	%Change 1983/82	Forecast	
						%Change 1984	%Change 84/83
Cattle numbers ^{1/}	77,937	78,791	+1.1	79,569	+1.0	79,500	-0.1
Beef and veal ^{2/} :							
Production	6,928	6,654	-4.0	6,910	+3.8	7,075	+2.4
Imports ^{3/}	314	374	+19.1	375 ^{4/}	-0.3	360	-3.5
Consumption	6,770	6,603	-2.5	6,624	+0.3	6,745	+1.8
Exports ^{3/}	562	393	-30.0	490 ^{4/}	+25.0	530	+8.0

^{1/} '000 head at 1 December

^{2/} '000 tons

^{3/} excluding live cattle and calves

^{4/} estimates

Sweden

23. According to the revised figures for the June 1983 census, cattle numbers in Sweden decreased for the third consecutive year totalling 1,902,000 head, 36,000 head less than in 1982. The largest reduction in absolute terms took place in calf numbers, minus 18,000 head. Beef cow numbers, which in 1982 fell by some 6,000 head after three years of stability, fell by a further 2,000 head in 1983, to 65,000 head. For the current year, cattle numbers are expected to decrease marginally to 1,899,000 head, but beef cow numbers might decline by a further 1,000 head, and this tendency might continue in 1985. Dairy cow numbers which decreased by 0.8 per cent in 1983, are expected to increase this year roughly to its 1982 level, 665,000 head, and should stabilize in 1985. For the year as a whole, slaughter remained relatively stable, totalling 716,000 head. However, in the second half of the year, slaughter rates, which had been increasing (all cattle included) during the first six months (compared to year earlier), decreased slightly probably as a response of producers to some improvement in prices. Slaughter is expected to increase somewhat to 720,000 head in 1984, and to fall again in 1985 to some 710,000 head. Production of beef remained stable in 1983, with 151,000 tons, when compared to year earlier, while that of veal fell from 10,000 tons to 9,000 tons. For the current year and 1985, production of beef is expected to fall to 150,000 tons and 148,000 tons respectively, while that for veal should remain stable.

24. Beef and veal consumption has been declining in the last few years as a result of the deteriorated economic situation, competition from other meats as well as decreasing consumer subsidies. Although in 1983 consumption increased slightly to 142,000 tons (141,000 tons in 1982), this increase does not seem to signify an upturn of trends and, in fact, consumption is expected to fall further in 1984 and 1985. The removal of the consumer subsidies as from 1 December 1983, is probably not foreign to this evolution. However, the recovery of the Swedish economy, stronger than expected, although threatened by inflation, might affect positively the consumption of beef and offset, to a certain extent, the effects of the removal of the consumer subsidies.

25. As a result of increasing production and decreasing consumption of beef and veal in the last few years, Sweden's export availabilities have been increasing and exports reached 34,400 tons in 1982, its highest level since 1979. In 1983, exports fell by some 31 per cent to 23,700 tons, the main markets being the USSR, Italy and Venezuela. Earlier export forecasts for the current year (27,000-30,000 tons) have been revised downwards to some 24,400 tons, (which seems to confirm what is mentioned above about domestic consumption) and exports are expected to decrease in 1985 to 22,000 tons. Imports totalled 7,600 tons in 1983, 900 tons more than year earlier. A decline is expected in 1984 to 6,000 tons and in 1985 Sweden projects to import some 5,000 tons.

	1981	1982	%Change 1982/81	1983	%Change 1983/82	Forecast 1984	Forecast 1985
Cattle numbers ^{1/}	1,939	1,938	-0.1	1,902	-1.9	1,899	1,899
Beef and veal ^{2/} :							
Production	158	161	+1.9	160	-0.6	159	157
Imports	5	7	+39.5	8	+13.4	4	
Consumption	145	141	-2.8	142	+0.7	140	139
Exports	13	34	+166.7	24	-31.1	24	22

^{1/} '000 head, June

^{2/} '000 tons

Norway*

26. It is estimated that cattle and calf numbers in Norway totalled 1,009,000 head at 20 June 1982, 0.5 per cent less than year earlier. This decrease ended a lengthy period of cattle herd build-up. The decrease does not reflect a slow-down of the increase of the breeding herd: cow numbers increased by 1.6 per cent, heifer numbers by 1.4 per cent. The decrease was due entirely to reduced male cattle numbers (down 15 per cent) resulting principally from the sharp increase in calf slaughter. In 1983, however, it is believed that cow numbers will begin

to decrease as well, reflecting efforts to stabilize milk production. Preliminary figures for the June 1983 cattle census indicate a further decrease of the cattle herd of 0.5 per cent to 1,004,000 head. Cattle and calf slaughter totalled 421,000 head in 1982, 14.7 per cent more than in 1981: calf slaughter increased by 92.9 per cent to 54,000 head, and adult cattle slaughter by 8.1 per cent to 359,000 head. The increase in calf slaughter is attributed mainly to the introduction of a temporary slaughter premium for calves in the summer of 1982. The premium amounts to 700 NKr per calf slaughtered at a weight of less than 30 kgs. This measure was introduced in an attempt to stabilize both meat and milk production. Beef and veal production totalled 80,000 tons in 1982, 6.2 per cent higher than in 1981. The increase in veal production, arising from the calf slaughter premium system, was large (65 per cent to 2,800 tons) but average carcass weights decreased. Beef production, at 77,200 tons was 5 per cent higher than in 1981. Measures were introduced in 1982 to reduce future cattle slaughter and beef production in view of excess production in recent years and resulted in a small decrease to 79,000 tons in 1983. A further decrease of 4,000 tons is projected for 1984. Target prices were only modestly increased, marketing fees were increased, credit availability for investment in livestock production was reduced, and slaughter premiums for calves were introduced. It is believed that these measures will reduce beef production in 1983 but the magnitude of the decrease is uncertain.

27. Norwegian beef and veal imports totalled only 1,100 tons in 1982 compared to 3,800 tons in 1981 and 12,500 tons in 1980. The cause of the decrease was mainly increased domestic production, coupled with stagnant demand. Import levels are expected, at 1,000 tons to be marginally lower in 1983. Beef and veal consumption is estimated to have totalled 74,000 tons in 1983, a decrease of 1.3 per cent compared to year-earlier. Normally not an exporter of beef and veal, Norway exported 6,100 tons in 1982 (versus 1,600 tons in 1981 and 700 tons in 1980). Exports of the same order are expected for 1983. The development of an exportable surplus is largely related to increased beef production. Roughly half of the exports in 1982 were to the USSR.

	1981	1982	% Change 1982/81	1983	% Change 1983/82	Forecast 1984
Cattle numbers ^{1/}	1,017	1,009	-0.8	1,004*	-0.5	980
Beef and veal ^{2/} :						
Production	75	80	+6.2	79*	-1.3	75
Consumption	71	75	+5.6	74	-1.3	70
Imports	4	1	-71.1	1	-9.1	..
Exports	2	6	+281.3	6	0	..

* Preliminary

^{1/} 1,000 head at 20 June

^{2/} 1,000 tons

Finland

28. Cattle and calf numbers in Finland declined for the third year in a row at the census in December 1983, totalling 1,587,000 head, a decrease of 2.8 per cent from 1982. All categories of cattle decreased except steers, which increased by 4.5 per cent to 105,100 head and beef cows whose numbers rose from 6,100 head in 1982 to 8,000 head. The reduction of the Finnish herd is especially related to the government's efforts to curb dairy surplus production. In fact, the government target is to bring the number of dairy cows, presently at 649,500 head, to 545,000 head by the end of the decade. However, as bovine meat in Finland is mainly a by-product of dairy farming, such a strong reduction would provoke a deficiency in the beef output. In order to avoid this situation, and to offset an obvious increase in imports, the Finnish authorities apply a set of policies, by means of prices and bonuses, in order to encourage farmers to change from dairy farming to beef production. Nevertheless, probably due to profitability problems in beef production, beef cow numbers are apparently not rising fast enough and, for 1984, they are forecast to remain stable (8,000 head), an increase of 1,000 head being expected in 1985. Total cattle numbers are projected at 1,546,000 head in 1984 and 1,510,000 head in 1985. Cattle slaughter totalled 626,300 head in 1983, 3.4 per cent less than in the previous year. Due to an increase in the slaughter of adult male cattle of 3.3 per cent, and a decrease in calf slaughter of 33.6 per cent, slaughter weights were up by 6.2 per cent. Reflecting what was mentioned above about the reduction of dairy cow numbers, around 40 per cent of the animals slaughtered were dairy cows and heifers, up from around 37.7 per cent in 1979. Beef and veal production increased by some 3.3 per cent to 120,600 tons in 1983. This increase was entirely due to the rise in beef output and was the result of the higher slaughter weights. Production of veal has decreased sharply in the last twenty years and totalled only 890 tons in 1983, down by 37.7 per cent from 1982. Production of beef and veal is not expected to change much in 1984, while a 4 per cent decrease is projected for 1985.

29. Compared to year earlier, average prices received by producers (in real terms) declined, during 1983, by about 1.3 per cent, to some 21.28 Finnish Marks/kg. The average retail prices for beef (in real terms) increased by some 3.3 per cent, to 37.10FM/kg. This increase, and the decrease in real terms experienced in the prices of competing meats, is probably the cause of the stagnating per capita consumption of beef and veal (22.3 kg.) which has occurred despite the somewhat improved economic conditions. Total consumption increased by 1.2 per cent, to 108,470 tons, and it can be assumed that this is due to the population growth. Both total and per capita consumption are expected to remain relatively stable in 1984 and 1985.

30. As a result of the surplus production, exports of beef and veal from Finland more than doubled, from 7,000 tons in 1982 to 15,000 tons in 1983. The major part of the Finnish exports (about 67 per cent) are frozen and the Soviet Union is by far the largest market with more than 90 per cent of Finland's total exports of beef and veal. Exports are expected to remain at the same level for the present year, and to decline to some 11,000 tons in 1985.

	1981	1982	%Change 1982/81	1983	%Change 1983/82	Forecast	
						1984	1985
Cattle numbers ^{1/}	1,634	1,633	-0.1	1,588	-2.8	1,546	1,510
Beef and veal ^{2/} :							
Production	122	117	-4.2	121	+3.3	121	116
Consumption	106	107	+0.9	108	+1.2	108	107
Exports	15	7	-53.3	15	+114.3	15	11

^{1/}'000 head at 15 December
^{2/}'000 tons

Austria*

31. Cattle and calf numbers in Austria totalled 2,546,000 head at 3 December 1982, 0.7 per cent more than year-earlier. Over half the number of cattle and calves were dairy cows and heifers (54 per cent), while the number of cows and heifers raised for beef purposes composed 9 per cent of inventory. Although the number of dairy cows decreased by 0.4 per cent (the only category to do so), the number of dairy heifers increased by 2.3 per cent suggesting that dairy cow numbers may resume their uptrend in 1983. Cattle and calf slaughter totalled 756,000 head in Austria in 1982, 7.6 per cent less than in 1981. Adult cattle slaughter decreased by 10 per cent while calf slaughter increased by 1.6 per cent. The increase in cattle numbers during the last two years may suggest that slaughter will decrease in 1983. Beef and veal production in Austria totalled 199,500 tons in 1982, 2.9 per cent less than year-earlier. Beef production totalled 183,500 tons, veal production 16,000 tons. The decrease in production was considerably less than that in slaughter reflecting an approximately 4 per cent increase in average carcass weights. The national average producer price for slaughter cattle in Austria in 1982 was 2,434 schillings per 100 kgs, 6.1 per cent higher than in 1981. The increase was much less than that experienced in 1981 relative to 1980, despite a much sharper decrease in production. This would suggest that beef demand was relatively weak in 1982.

32. Austria imported only 9,000 tons of beef and veal in 1982, compared to 12,000 tons in 1981. The majority of beef imported was frozen, most of which originating from Uruguay. In Austria beef and veal consumption totalled 184,000 tons (24,5 kgs per capita) in 1982, 2.6 per cent less than year-earlier. Austria exported 23,000 tons of beef and veal and 20,000 head of cattle and calves in 1982 compared to 18,000 tons and 26,000 head in 1981. These represent, respectively, an increase of 27.8 per cent and a decrease of 23,1 per cent. Seventy per cent of the

live cattle exported went to Libya and the rest to the EC. Virtually all fresh and chilled beef and veal exports were to Italy. According to the export figures for the first half of 1983, exports will be largely the same as year-earlier.

	1981	1982	% Change 1982/81	1983 ^{1/}	% Change 1983/82	Forecast 1984
Cattle numbers ^{1/}	2,517	2,535	+0.7	2,546	+0.4	..
Beef and veal ^{2/} :						
Production	206	200	-2.9	..	..	..
Consumption	184	..	..	..	..	..
Imports	12	9	-25.0	..	..	..
Exports	18	23	+27.8	..	..	..

^{1/} '000 head, December of preceding year

^{2/} '000 tons

Switzerland

33. After four years of decreasing numbers, the cattle herd in Switzerland is estimated to have reached 1,960,000 head in April 1984, up by 2.2 per cent compared to year earlier. All categories are estimated to have increased. This increase was due to the prevailing good fodder conditions and to the individual quotas on milk deliveries which, in 1982, were not filled, pushing producers to increase somewhat their herds. Cattle and calf slaughter in 1983 decreased by 6 per cent compared to year earlier, totalling 777,700 head. In the current year, cattle slaughter is expected to increase by some 8 per cent, to 838,000 head, as a consequence of the cattle herd rise mentioned above.

34. Beef and veal production declined by 4 per cent, to 153,700 tons in 1983, as a result of the decrease in slaughter numbers. Higher slaughter weights, due to an increased proportion of adult male cattle in the slaughter mix, explain the discrepancy between the decline in production and that of slaughter. In line with the expected increase of slaughter numbers in 1984, production is equally expected to increase (by some 10 per cent). Beef and veal consumption in 1983 declined by some 3 per cent, to 170,100 tons, due to higher retail prices of beef, which pushed consumers to other competing meats, especially pork (of which the retail prices declined) and to the consumption of cheese. During the current year, the consumption of beef is expected to increase by some 6 per cent, to 180,000 tons, while per capita consumption, 26.3 kg. in 1983, should reach some 27.4 kg. This expected rise would be related to a certain slow down in prices of beef, as a result of the important pork production and its consequent pressure on the market.

Imports of beef in 1983 increased to 14,500 tons from a level of 11,300 tons in 1982. As a result of a stronger rise in production than the one forecast in consumption, imports of beef are expected to decrease in 1984 to some 10,700 tons.

	1981	1982	% Change 1982/81	1983	% Change 1983/82	Forecast 1984	1985
Cattle numbers ^{1/}	1,954	1,945	-0.5	1,919	-1.3	1,960	..
Beef and veal ^{2/} :							
Production	154	160	+3.7	154	-3.9	169	..
Consumption	179	176	-2.0	170	-3.2	180	..
Imports	13	11	-14.4	15	+28.3	11	..

^{1/}'000 head, April

^{2/}'000 tons

Soviet Union

35. During 1983 cattle numbers in the Soviet Union continued on the uptrend which began in 1981. At 1 January 1984, cattle and calf numbers totalled 179,400,000 head, 2 per cent more than year earlier. The cowherd, however, remained unchanged at 43,800,000 head. Beef and veal production increased by 4 per cent in 1983 to 6,395,000 tons, the major part of that increase being due to increased average carcass weight. The increase in carcass weights arose primarily from the increased quantity and quality of forage supplies as a result of the return of more normal weather conditions. It should also be noted that the Soviet Union's production of all meat increased by 7.2 per cent during the first quarter of 1984. Beef production increased by 5 per cent, pigmeat production by 15 per cent (following a 2 per cent increase in 1983), poultry meat production by 7 per cent and sheepmeat production by 2 per cent. In view of the increases in domestic grain production which occurred in 1983 and of the increased imports of feed grains and protein supplements, it seems reasonable to anticipate a continuation of significant increases in pork and poultry production.

36. Several factors will affect the actual level of beef imports in 1984, including: the level of world beef prices; the amount of EC export restitutions; and the direction of gold prices. The USDA estimated that imports fell by about 24 per cent in 1983 to 335,000 tons but forecasts that they will rise to 425,000 tons (up 27 per cent) in 1984. It would seem that this forecast is based largely on an anticipated sharp increase in Soviet imports from the EC. Apparently the level of EC exports to the Soviet Union during the first few months

of 1984 were very high. In addition to its relatively attractive levels of export restitution, it seems that prices of EC beef, especially cow beef, have been relatively depressed. Lending further support to such a forecast is the fact that although Soviet meat production is expected to increase this year, production is still below consumption targets under the current five-year plan.

	1981	1982	%Change 1982/81	1983	%Change 1983/82	Forecast 1984	%Change 1984/83
Cattle numbers ^{1/}	115,057	115,900	+0.7	117,186	+1.1	119,400	+1.9
Beef and veal ^{2/} :							
Production	6,170 ^{3/}	6,155 ^{3/}	-0.2	6,395 ^{3/}	+3.9	6,670 ^{5/}	+4.3 ^{5/}
Imports ^{4/}	452	439	-3.0	335	-23.7	420	+25.4

^{1/} '000 head at 1 January

^{2/} '000 tons

^{3/} source ECE, includes slaughter fat

^{4/} source USDA

^{5/} based on USDA estimates

Bulgaria

37. In line with the Government policy to increase and improve the herd, cattle numbers in Bulgaria have shown a regular annual uptrend since 1970, totalling 1,807,000 head in 1982, an increase of some 44 per cent compared to 1970 and of 0.8 per cent compared to year earlier. The largest part of the herd consists traditionally of dairy females (39 per cent in 1982). In 1983, production of beef and veal totalled 109,919 tons, up by 0.5 per cent compared to year earlier. The increase was due to a rise of about 1 per cent of veal production, which represents, on average, 63-65 per cent of total production. Although consumption figures are not available, production and trade data suggest that consumption may have declined in 1983, after two years of increase. Nevertheless, total consumption is probably somewhere between 95,000 to 100,000 tons. After a decrease of exports in 1982, due, it would seem, partly to access problems to certain traditional markets, exports of beef and veal increased again in 1983 by 18.6 per cent, to 12,541 tons. Most of the meat exported was frozen and went to Bulgaria's main market, Iran (3,742 tons). Exports of live cattle in 1983 reached what may have been a record level of 27,846 head, an increase of about 9 per cent over 1982.

	1981	1982	% Change 1982/81	1983	% Change 1983/82	Forecast	
						1984	1985
Cattle numbers ^{1/}	1,792	1,807	+0.82	..	..	..	..
Beef and veal ^{2/} :							
Production	101	109	+7.92	110	+0.5	..	..
Consumption	95	..	..	..	..	..	..
Exports	13	11	-20.90	13	+18.6	..	..

^{1/}'000 head
^{2/}'000 tons

Hungary

38. Cattle and calf numbers in Hungary totalled 1,907,000 head at 1 January 1984, 0.8 per cent less than year earlier. Cattle numbers have been decreasing regularly since 1979 (with the exception of an increase of 1.4 per cent in 1981) mainly as a result of declining dairy cow numbers. Herd liquidation, which accelerated in the last months of 1982, went on in 1983 and started to slow down in the last quarter of the year. Slaughter totalled 466,000 head, 8.3 per cent more than in 1982. Female slaughter remained relatively stable, while adult male cattle increased by 22.7 per cent. Calf slaughter fell from 3,400 head to 2,700 head. The increase in slaughter numbers and increased average carcass weight (as a result of higher numbers of male cattle in the slaughter mix) provoked an increase of 11.1 per cent in beef and veal production, to 138,100 tons. Following the trends of cattle slaughter, which are forecast to decline by some 9.9 per cent to 420,000 head in 1984, production is expected to fall to 125,000 tons.

39. Cattle and beef prices in Hungary, expressed in forints, declined slightly in 1983, compared to year earlier. Beef cattle producers receive a guaranteed price, fixed and published in advance, when marketing their cattle. Additionally, the marketing of calves benefits from special support prices. Retail prices declined by some 1.3 per cent, to around 52.89 forint. Imports of beef and veal, which have increased steadily in the last four years, fell in 1983 to 12,200 tons (less 15.3 per cent compared to year earlier) due to declining consumption and rising production. All imports were from the EC, principally from the Federal Republic of Germany. Apparently as a result of the regular increase of exports of live cattle, and related to the liquidation phase of the herd, Hungary, which had not imported live cattle in 1982, imported the record level of 16,300 head in 1983. Beef and veal consumption totalled 99,300 tons in 1983 or 9.3 kg. per capita.

This level represents a 7.2 per cent decrease compared to 1982, and, with slightly lower retail prices, increased production as well as a decline in exports of 6,600 tons, (and in spite of the 2,200 tons decline in imports), this figure appears difficult to explain. Consumption is expected to decline further in the current year to 84,000 tons or 8 kg. per capita.

40. Hungary's exports of beef and veal fell by 12.1 per cent to 48,000 tons in 1983. This decrease was however somewhat offset by increasing exports of live cattle, 205,000 head, up by 9.6 per cent. Roughly 50 per cent of live cattle exports were to the Soviet Union (which however represents a decrease of some 5 per cent in exports to this market) while exports to Libya, the second largest market, more than doubled (40,100 head), recovering from the fall registered in 1982. The remaining markets were Lebanon and Italy, both having registered important increases.

	1981	1982	%Change 1982/81	1983	%Change 1983/82	Forecast	
						1984	1985
Cattle numbers ^{1/}	1,918	1,945	+1.4	1,922	-1.2	1,907	..
Beef and veal ^{2/} :							
Production	123	124	+0.9	138	+11.1	125	..
Consumption	97	107	+9.9	99	-7.2	84	..
Imports	13	14	+9.9	12	-15.3	..	..
Exports	51	55	+6.2	48	-12.1	..	..

^{1/}'000 head at 1 January
^{2/}'000 tons

Poland

41. The June 1983 cattle census revealed a decline in cattle numbers of 5.4 per cent, to 11,269,000 head. The decline, which followed a slight upturn in 1982, brought the Polish cattle herd to its lowest level since 1971. This situation reflected, inter alia, the shortage of animal feed supplies. However, more favourable crops of cereals, fodder and green forage, along with increased farm prices and extra feedstuffs released from state stocks, contributed to "moderate" this decline, especially since the third quarter of 1983. As a result, in 1984, cattle numbers are expected to increase by some 2 per cent to 11,500,000 head, thus beginning the cattle herd rebuilding. Production of beef and veal fell by 5.6 per cent, to 603,000 tons, in 1983, reflecting the decline in cattle numbers. Although there are no forecasts available, it could be assumed that if the rebuilding of the herd does in fact begin, production will decline further in 1984; the only factor capable of somewhat offsetting this decline being the increased slaughter weights that may result from the positive factors mentioned above.

42. After a decline from 659,000 tons in 1980 to 519,000 tons in 1982, total consumption of beef and veal increased by about 13 per cent in 1983 to 586,000 tons. Per capita consumption followed the same trends and totalled 16.0 kg. in 1983. Although stable retail prices (compared to year earlier) could be one of the reasons for some increase, the discrepancy between production, consumption and trade numbers, make it difficult to explain such an important rise in the consumption level. In this respect, it should be noted that, in 1983 according to official sources, Polish imports of beef and veal fell to 2,000 tons, minus 5,000 tons compared to year earlier, while exports increased by 4,600 tons to 11,500 tons. Exports of live cattle, at 304,000 head, reached their highest level in the last ten years, increasing by 32 per cent compared to 1982. During the current year, the official sources forecast that Poland will import 12,900 tons of beef and veal, and, while exports of beef and veal are expected to remain at the same level of 11,500 tons, exports of live cattle are expected to rise further to 328,000 head.

43. However, the discrepancy existing between the numbers mentioned above, and the fact that under the existing economic payment situation, Poland cannot afford to resign the foreign currency incomes from exports, seem to indicate that imports of beef and veal were much higher in 1983, and will probably even increase in 1984. In fact, according to certain sources, imports could have reached some 40,000 tons in 1983, and are expected to be as high as 50,000 tons in 1984.

	1981	1982	%Change 1982/81	1983	%Change 1983/82	Forecast 1984	Forecast 1985
Cattle numbers ^{1/}	11,797	11,912	+1.0	11,269	-5.4	11,500	11,500
Beef and veal ^{2/} :							
Production	497	639	+28.6	603	-5.6	..	..
Consumption	558	519	-7.0	586	+12.9	..	..
Exports	30	31	+3.0	45	+45.7	48.5	..
Imports	89	7	-92.2	2	-71.4	12.9	..

^{1/}'000 head, June

^{2/}'000 tons

Romania*

44. Cattle and calf numbers in Romania totalled 6,246,100 head in February, 1983, 0.9 per cent less than year-earlier. This was the third year of reduced cattle and calf numbers. The decrease was almost entirely due to a reduction in dairy cow numbers (down 1.7 per cent). In 1982 slaughter totalled 1,237,500 head, a 9.3 per cent decrease from year-earlier. Production in 1982 decreased 11.8 per cent (to 196,300 tons, of which only a minor part was veal) compared to a year-earlier. Romania's imports of both beef and veal and of live cattle decreased substantially in 1982. Live cattle imports totalled only 1,500 head compared to 13,700 head in 1981, and 46,900 head in 1980. Imports of beef and veal, at 17,100 tons, were 67.1 per cent less than in 1981. Despite the 17 per cent decrease in beef and veal production in Romania in 1981, beef and veal consumption declined by only 7 per cent. Consumption totalled 244,400 tons or 11.0 kgs per capita. The reason for this more modest decrease was a sharp decrease in beef exports (of 40,000 tons), more than offsetting the decrease in imports. Figures for 1982 and 1983 consumption are not yet available but it could be assumed that consumption will be kept relatively stable with the help of greatly reduced exports. Romania's exports of beef and veal and of live cattle and calves declined sharply in 1982. Exports of beef and veal in 1982 totalled 17,300 tons compared to 34,900 tons in 1981, a decrease of 50.4 per cent. Exports of cattle and calves decreased even more (by 75.2 per cent) totalling 13,500 head compared to 54,400 head the year before.

	1981	1982	% Change 1982/81	1983	% Change 1983/82	Forecast 1984
Cattle numbers ^{1/}	6,485	6,303	-2.8	6,246*	-0.9	..
Beef and veal ^{2/} :						
Production	223	196	-11.8	..	..	..
Consumption	244	..	..	..	..	..
Imports	52	17	-67.1	..	..	..
Exports	35	17	-50.4	..	..	..

* February

^{1/} '000 head, January

^{2/} '000 tons

Yugoslavia*

45. Cattle and calf numbers in Yugoslavia totalled 5,351,000 head at the census in January 1983, a decrease of 2.1 per cent compared to year earlier and the second consecutive annual decrease. Except for a temporary increase in 1981 cattle numbers have declined since 1975 (by 7.8 per cent). Most of the decrease occurred in steer numbers (-51.5 per cent). Total production of beef and veal amounted to 343,000 tons in 1982, an increase of 6.2 per cent on year-earlier. Although no figures are available, it could be assumed that a high proportion of total production is that of veal, Yugoslavia being a traditional consumer and exporter of veal. Yugoslavia imported some 30,200 tons of beef and veal in 1982, all of which was fresh and chilled, compared to 30,700 tons in 1981 and 55,450 tons in 1980. The only supplier was the EC where Italy supplied approximately half of the imported quantity. A traditional exporter of beef and veal (in particular of "baby beef"), Yugoslavia exported 48,300 tons of bovine meat in 1982 compared to 27,900 tons in 1981 and 50,100 tons in 1980. Most of the meat is exported fresh or chilled and the major markets in 1982 were Italy, the USSR, Jordan and Greece. Yugoslavia also traditionally exports live cattle and in 1982 her exports totalled 36,200 tons compared to 34,900 tons in 1981 and 18,610 tons in 1980. In 1982 most of the cattle was exported to Italy.

	1981	1982	% Change 1982/81	1983	% Change 1983/82	Forecast 1984
Cattle numbers ^{1/}	5,474	5,464	-0.2	5,351	2.1	..
Beef and veal ^{2/} :						
Production	323	343	+6.2	..	..	..
Consumption	327	..	..	..	..	..
Imports	31	30	-1.6	..	..	..
Exports	28	48	+73.1	..	..	..

^{1/},000 head at 15 January

^{2/},000 tons

Egypt*

46. Cattle and calf numbers in Egypt were estimated at 1,794,000 head at the census in November 1982, a drop of some 3.1 per cent compared to year-earlier. The cattle herd is kept principally for dairy purposes and has decreased regularly in recent years. Since 1977, for instance, the herd has declined by 254,000 head (-12.4 per cent). By contrast the number of buffaloes, more suited to the conditions in the country, have risen from 2,266,000 head in 1977 to an estimated 2,393,000 head (+5.6 per cent) in 1982. Beef and veal production has declined in the

last several years from 123,000 tons in 1977 to an estimated 113,000 tons in 1982 (-8.1 per cent) while buffalo meat production has shown a regular increase from 107,000 tons in 1977 to an estimated 126,000 tons (+17.8 per cent) in 1982, making up for the shortfall in beef production. Demand for bovine meat has increased substantially in recent years in response to better living conditions and a marked preference for beef and buffalo meat that the local production is not able to satisfy. Thus, imports have risen from 39,697 tons in 1977 to 108,850 tons in 1981 (+174.2 per cent). In 1982 Egypt imported some 74,115 tons between January and November. Some sources believe that total bovine meat imports for the whole year were in excess of double that volume. Major suppliers on the Egyptian market in 1982 were Argentina, Uruguay, the United States and Ireland. Egypt has in the last few years, also increased its imports of live cattle which in 1981 amounted to 89,257 head and in January-November 1982 to 103,661 head compared to 984 head in 1977 and 5,390 head in 1980. Most of the animals are imported from Ireland.

	1981	1982	% Change 1982/81	1983	% Change 1983/82	Forecast 1984
Cattle numbers ^{1/}	1,852	1,794	-3.1	..	..	..
Buffalo numbers ^{1/}	2,370	2,393	-0.97	..	..	..
Production ^{2/} :						
of beef	115	113	-1.7	..	..	..
of buffalo meat	123	126	+2.4	..	..	..
Consumption	..	..	..	..	..	..
Imports	109	74*	(-32.1)	..	..	..

* January-November
^{1/}, '000 head
^{2/}, '000 tons

Tunisia*

47. Cattle and calf numbers in Tunisia totalled 601,000 head in 1983, a 5.2 per cent decrease relative to year-earlier but 6.4 per cent more than the previous "low" of cattle numbers in 1979. Roughly 56 per cent of cattle and calf numbers in Tunisia are dairy cows while 23 per cent are calves. It is believed that the cattle herd will resume expansion for at least the next two years. Numbers for 1984 are projected to total 617,000 head (+2.7 per cent) and 636,000 head in 1985 (+3.1 per cent). Notwithstanding the rebuilding of the cattle herd which occurred in Tunisia during 1982, cattle slaughter is estimated to have increased sharply (by 23 per cent to 231,800 head). This is entirely due to an increase of estimated "uninspected" slaughter. It could be noted that

roughly 20 per cent of the cattle slaughtered in Tunisia in 1982 were imported. The level of total slaughter is expected to decrease by 10.2 per cent in 1983, while inspected slaughter is expected to decrease by 5.2 per cent. Production of "inspected" beef in Tunisia in 1982 totalled 33,020 tons, virtually the same amount as in 1981. Production is estimated to increase by 6.1 per cent in 1983 to 35,000 tons, due to more adult males in the slaughter mix, and to 36,400 tons in 1984.

48. During the last three years Tunisia has emerged as a significant importer, particularly of live cattle. In 1982, Tunisia imported 45,100 head of cattle (excluding breeding cattle) compared to 41,700 the year before, and an average of about 9,000 head per year in the four preceding years. Estimates suggest a significant increase (+19.7 per cent) in imports in 1983 to 54,000 head. The vast majority of these cattle came from the EC (86 per cent in 1982) with France, Ireland, and the Federal Republic of Germany being the major suppliers. Imports of beef continue to increase at a sustained rate and are estimated at 8,900 tons in 1983, some 16 times more than in 1980. (4,750 tons in 1982). The emphasis on live cattle imports apparently relates to limited cold storage capacity, traditional meat marketing methods (consumer preference for fresh meat), and the requirement that slaughter be performed according to religious rites. Beef consumption increased by 3.1 per cent in Tunisia in 1982 relative to 1981, to 49,500 tons or 6.8 kgs per capita. Since the calculation of consumption data appears to be based only on inspected meat production, consumption reflects the modest increase in inspected meat production and beef imports. Notwithstanding this increase in supplies offered to consumers, retail beef prices remained relatively high. Consumption is expected to increase by a further 11.1 per cent in 1983 to 55,000 tons (7.1 kgs per capita) and in 1984 to 59,100 tons (7.4 kgs per capita).

	1981	1982	%Change 1982/81	1983	%Change 1983/82	Forecast 1984
Cattle numbers ^{1/}	625	634	+1.4	601	-5.2	617
Beef ^{2/} :						
Production	33	33	0	35*	+6.1	36
Consumption	48	50	+3.1	55*	+11.1	59
Imports	6	5	-13.6	9*	+87.4	13

* Estimates
^{1/}'000 head
^{2/}'000 tons

South Africa

49. Cattle numbers in South Africa totalled 8,204,000 head in August 1983, 2.9 per cent less than year earlier, and the lowest level since 1972, in spite of relatively stable slaughter numbers. This drop was due to the drought conditions which prevailed in the country until October 1983, a lot of cattle having been lost during that period. Although total cattle and calf slaughter showed little variation when compared to 1982, reaching 2,314,000 head, up by only 0.2 per cent, cow and heifer slaughter increased by 6 per cent and calf slaughter by 4 per cent. Slaughter of adult male cattle fell by 2.6 per cent due to the reduction in imports of live cattle. With the return to more normal weather conditions, it is expected that, in the medium term, the cattle herd will return to 1982 levels, i.e., about 8,400,000 head. Slaughter rates are expected to slow down as from the current year.

50. Production of beef and veal increased by 2.7 per cent in 1983, to 615,300 tons. This increase was due to the rise in cow, heifer and calf slaughter. It is expected that in 1984, production will increase by as much as around 8 per cent partly in response to rising consumption, which in 1983 is estimated to have increased by 3.2 per cent, to 670,000 tons. It is expected to reach 678,000 tons in the current year. However, it should be noted that because of increasing shares of pork and poultry in the total meat consumption, the per capita consumption of beef and veal remained stable in 1983. The increase of total consumption of this meat is related to the population growth and it is expected that this tendency will continue in the medium term.

51. Compared to 1982, average wholesale prices in 1983 fell by 8.3 per cent for manufacturing grade, and 7.1 per cent for table-grade beef. At the retail level, prices strengthened by 1.5 per cent and the price received by producers remained relatively stable. However, prices met relatively important fluctuations during the year and, by the end of 1983, the South African authorities decided to increase the floor price by 7 per cent from \$205 c/kg. to 220 c/kg. It is hoped that this increase will, to some extent, cover the rising feeding costs, and at the same time ensure a steady flow of beef onto the market.

52. Imports of live cattle decreased by 34 per cent in 1983, to 126,000 head, due to the feeding problems created by the drought conditions. With the return of the rain these problems should ease somewhat and forecasts indicate that imports of live cattle might reach 150,000 head in 1984 and 160,000 head in 1985. Imports of beef and veal which in 1983 reached their highest level since 1977, 23,000 tons, up 17 per cent from 1982, should consequently decrease to a forecasted 21,500 tons in the current year and 20,000 tons in 1985. In 1983 exports reached 1,300 tons, all frozen beef and veal, and the expected rise in output for the current year will increase export availabilities. It is forecast that South Africa will export 6,000 tons in 1984 and about 7,000 tons in 1985, mostly to neighbouring countries.

	1981	1982	% Change 1982/81	1983	% Change 1983/82	Forecast	
						1984	1985
Cattle Numbers ^{1/}	8,353	8,445	+1.1	8,204	-2.9	...	...
Beef and Veal ^{2/} :							
Production	517	599	+15.9	615	+2.7	664	588
Imports	20	20	-1.5	23*	+15.0	22	20
Consumption	599	649	+8.3	670*	+3.2	678	639

* estimates

^{1/} '000 head, August

^{2/} '000 tons

Argentina

53. According to the latest cattle census of 30 June 1983, the cattle herd in Argentina totalled 53,900,000 head, up by 2.7 per cent compared to year earlier. This increase is due to rising numbers of beef cows, heifers and steers. Inspected cattle and calf slaughter, which represents about 75 per cent of total slaughter, totalled 8,564,000 in 1983, down 9 per cent from 1982. The increase in cattle numbers revealed by the census and the strong fall in the female cattle slaughtering, 16 per cent, seem to indicate that herd rebuilding is under way. However, from October 1983 to March 1984, both total and female slaughter increased again when compared to the same period a year earlier, (by 8 and 15 per cent respectively), and, although it would be premature to conclude that the rebuilding phase has come to an end, it can at least be assumed that the rate of increase of the cattle herd will slow down. Production of beef and veal reportedly fell by some 7 per cent in 1983, to 2,408,000 tons. This decrease is related to the decline in cattle slaughter. Real prices on the internal market remained relatively stable in 1983.

54. Total and per capita consumption of beef and veal reached, in 1983, their lowest level of the last ten years with respectively 1,995,000 tons (down 3.0 per cent from 1982) and 68 kgs. (down 4 per cent). The coupled effect of the decrease in production along with a declining purchasing power of the population, seem to have been the main factors causing this depressed situation. However, since the second half of 1983, real consumer income has been benefiting from a sustained growth and the demand for beef has taken off again (per capita consumption rose to some 75 kg. in the last quarter 1983; during the first two weeks of May 1984, it reached about 90 kg. and, for the year as a whole, it is expected to average 75 kg. per capita, a 10 per cent increase over year earlier), pushing prices to record levels, especially during last February. In order to curb the increase in domestic prices and the rising slaughterings, the Argentinian Government banned beef sales in shops and restaurants in most of the country, and cattle slaughtering for domestic consumption, for five days in March. However, sales and slaughter of animals for export were not suspended.

55. Beef and veal exports in 1983 totalled 413,000 tons, down by 21 per cent from 1982. According to estimates, during the first quarter of 1984, exports reached 75,000 tons, a decrease of 31 per cent compared to the same period year earlier. In 1983, exports declined to virtually all the main destinations: Soviet Union - 59,834 tons, product weight, a decline of 11 per cent; EC - 52,703 tons, product weight, less 21 per cent; Egypt - 22,389 tons, product weight, less 55 per cent. Exports to Israel increased by 47 per cent, to 20,461 tons, product weight, and exports of canned meat to the United States reached 36,007 tons, product weight, up by 14 per cent from 1982. Argentinian exports to other markets generally declined as well. During the first quarter of 1984, exports to the Soviet Union increased by 53 per cent, to 19,300 tons, compared to year earlier. Exports to virtually all other destinations decreased however during this period. Due to growing real incomes, consumption has been rising faster than production thus affecting Argentinian export availabilities since roughly mid-1983. In the short to medium term, Argentina may face serious problems in recovering the loss in its export trade. With depleted cattle stocks (and the apparent difficulty to rebuild the herd, as it appears from what was mentioned above), and a rising consumption with the consequent increase in internal prices, these prices becoming probably more interesting for producers than relatively depressed prices on the international market, any recovery in export availabilities appears somewhat threatened. However, strong incentives to cattle producers to increase their herds, better relative prices received by producers (especially for breeders) and an improved productivity rate of the cattle stock, makes any categorical forecast relatively hazardous. Thus according to some sources, Argentinian exports in 1984 might be as low as 300,000 tons. Exports are, however, officially expected to reach 350,000 tons.

56. In order to face the depressed export situation, the Argentine National Meat Board (Junta Nacional de Carnes) has reportedly asked the new government to provide aids to the sector "firstly, by waiving export and value added taxes and secondly, by providing a loan of 450 million pesos at preferential interest rates to refinance debts in the export sector"*.

	1981	1982	% Change 1982/81	1983	% Change 1983/82	Forecast 1984	1985
Cattle numbers ^{1/}	54,000	52,000	-2.8	53,900	+2.7	54,000	..
Beef and veal ^{2/} :							
Production	2,929	2,579	-11.9	2,408	-6.6	2,600	..
Consumption	2,410	2,059	-14.6	1,995	-3.1	2,250	..
Exports	486	522	+7.4	413	-20.9	350	..

^{1/}'000 head, June ^{2/}'000 tons

Brazil

57. Cattle and calf numbers in Brazil are estimated to have reached 128,800,000 head in 1983, an increase of about 3 per cent compared to year earlier. Cattle and calf slaughter decreased by 1.2 per cent, to 11,500,000 head. Cow and heifer slaughter fell by 4.3 per cent, while adult male cattle increased by 1.3 per cent. Although slaughter levels are still rather high, the decrease registered in 1983 appears relatively small when compared with the important rise in producer prices. In fact, producer prices increased by 26 per cent in real terms and it might have been expected to see slaughter rates decrease further in reaction to the improved market prices. Financial problems after two years of low prices, and the low credit availabilities seem to be the reasons why producers were forced to go on reducing their herds. However, as the lower slaughter of cows and heifers seems to indicate, producers may now be in a better position, and it is forecast that during the current year, total cattle and calf slaughter will fall further to 11,200,000 head. Reflecting the decline in slaughter levels, production of beef and veal fell by about 1.1 per cent, to 2,359,000 tons. Forecasts indicate that in 1984 production will decline further to 2,300,000 tons.

58. In 1983, total consumption decreased by 2 per cent to 2,000,000 tons, and per capita consumption by 5 per cent, to 15.5 kg. This decline, particularly in per capita consumption, is related not only to the declining purchasing power and high unemployment rates in the country, but also to the strong increase in retail prices (probably more than 30 per cent in real terms). In this respect, it is interesting to note that the Brazilian consumer is now moving from the traditional consumption of hindquarter cuts to the cheaper forequarter cuts.

59. In 1983, imports totalled 25,370 tons, up by 20 per cent compared to year earlier, virtually all from Uruguay. The import quota of 50,000 tons of manufacturing beef announced by the Brazilian Government at the beginning of July, to be imported under the drawback system before the end of December 1983, was not filled. In 1984, imports are expected to increase but not to exceed 60,000 tons. Exports reached a record level of 463,465 tons in 1983, an increase of 28 per cent compared to 1982. Both fresh, chilled and frozen meat as well as canned meat increased by roughly the same percentage. The EC, Irak and Egypt were the main markets for frozen boneless beef, while Israel, which used to be Brazil's main market until recently, imported only negligible quantities in 1983. Since Brazil has replaced Argentina as the main supplier of the EC market of canned meat, the EC became, followed by the United States, the main destination for Brazilian canned meat. The level of production and the fall in consumption provoked, inter alia, by higher domestic prices, are two of the causes of the increase in exports. Another cause is the frequent devaluation of the cruzeiro. As a result of these devaluations, exports, although having increased in volume in 1982, decreased in value. In order to achieve an increase in global value, in US dollars (i.e. increase export earnings), exports in volume would have to increase further. This is what happened in 1983, and an increase of 28 per cent in export volumes corresponded to an increase of about 23 per cent in the dollar returns. However, and turning to 1984, it might be noted that the high level of internal

prices may, to a certain extent, condition the export availabilities as the internal market appears more interesting to the producers, especially if it is taken into account that, according to some sources, internal prices might rise further after the principal slaughtering season (i.e. at the end of June). Nevertheless, the low level of consumption might suffer further downward pressure, by these rising prices and contribute to somewhat compensate for this evolution. Exports for 1984 are officially forecast to total 400,000 tons, but some sources indicate that a much higher level (500,000-600,000 tons) could be attained.

	1981	1982	%Change 1982/81	1983	%Change 1983/82	Forecast 1984 1985	
Cattle numbers ^{1/}	121,404	125,046	+3.0	128,797	+3.0	..	..
Beef and veal ^{2/} :							
Production	2,115	2,385	+12.8	2,359	-1.1	2,300	
Imports	61	21	-65.4	25	+20.0	60	
Consumption	1,882	2,043	+8.6	2,000	-2.1	1,950	
Exports	293	362	+23.4	463	+28.1	400	

^{1/}'000 head
^{2/}'000 tons

Uruguay

60. Cattle and calf numbers totalled 10,020,000 head in June 1983, a decline of 10.8 per cent when compared to year earlier. It is forecast that the rate of decline will slow down in 1984 (to about 3.5 per cent) and that a rebuilding phase of the herd will start in 1985. Improved market returns in real terms from both internal and international markets seem to be stimulating the Uruguayan producers' confidence in the market outlook. In fact, cattle and calf slaughter totalled 2,225,000 head in 1983, an increase of only 0.3 per cent (compared to an increase of 12 per cent in 1982), it being anticipated furthermore that in 1984 slaughter levels will fall sharply (to 1,509,000) and will be followed by a further decrease in 1985. Another factor suggesting the beginning of a rebuilding phase of the cattle cycle is the slowdown in the total slaughter of cows and heifers, -2.7 per cent in 1983, projected to fall by more than 50 per cent in 1984, and to decline further in 1985.

61. Production of beef and veal increased by 8.1 per cent to a record level of 440,000 tons in 1983. An increased proportion of adult male cattle in the slaughter mix (42.5 per cent in 1983, against 39.2 per cent in 1982) and better feeding conditions, caused an increase in the average carcass weights of cattle slaughtered and, as a consequence, a rise in production. However, in 1984 and 1985, production is expected to decline sharply, to 333,000 tons and 321,000 tons respectively, coinciding with the decrease in slaughtering.

62. The level of production reached in 1983 was not reflected in the internal consumption levels. As a matter of fact, the per capita consumption of beef and veal fell by about 14 per cent during that period. Although it should be noted that the level reached in 1982 (81 kg. per capita) was "abnormal", the main reason for the decline in consumption in 1983 is related to the strong increase in retail prices in real terms and to rising exports. It is expected that both total and per capita consumption will decline slightly during the current year and in 1985, although remaining at "traditional" levels (total consumption of about 204,000 tons and per capita consumption at 68 kg.)

63. Increased production and reduced consumption, combined with the 80 per cent depreciation of the peso, which resulted from the November 1982 measures, provoked a strong rise in Uruguayan exports. In fact, exports of beef and veal reached a record level of 232,000 tons in 1983, an increase of 37.2 per cent compared to the previous year, reflecting a strengthening of export prices in real terms as a consequence of the depreciation of the peso. In 1983, Egypt was by far Uruguay's most important market for frozen bovine meat: 60,000 tons, product weight, about 37 per cent of total exports of this type of meat, followed by Iran (21,800 tons), Brazil (13,000 tons - Brazil being also Uruguay's first market for fresh and chilled meat with imports of 7,000 tons), Irak (11,400 tons) and Israel (9,000 tons). Exports of live cattle reached, with 35,000 head, their highest level since 1975, 24,000 head of which went to Argentina. In spite of this excellent performance and still rising exports at the beginning of the current year (+4.5 per cent in January, compared to year earlier), exports of beef and veal are forecast to fall by some 45 per cent in 1984, to 127,000 tons, and by a further 3 per cent in 1985 to 120,000 tons. These dramatic declines in exports are a consequence of the expected strong fall in production.

	1981	1982	%Change 1982/81	1983	%Change 1983/82	Forecast	
						1984	1985
Cattle numbers ^{1/}	11,421	11,237	-1.6	10,020	-10.8	9,670	9,826
Beef and veal ^{2/} :							
Production	398	407	+2.3	440	+8.1	333	321
Consumption	225	238	+5.8	208	-12.6	206	201
Exports	173	169	-2.3	232	+37.3	127	120

^{1/} '000 head, June

^{2/} '000 tons

Colombia

64. Cattle numbers in Colombia are estimated to have totalled in 1982 some 19,000,000 to 24,000,000 head. However, according to recent reports, chronic problems such as, inter alia, low productivity and marketing deficiencies, seem to be negatively affecting herd rebuilding. Currently the cattle herd, at 18,000,000 head is considered to be well below the level at which it should be, given trends in the domestic and export markets. In 1982, production reached 1,020,000 tons, while per capita consumption, all types of meat included, averaged 21 kg. In 1983, exports reached 20,000 tons, 87.5 per cent of which went to Colombia's main market, Venezuela, while the remainder went to the Soviet Union. Colombia is also an important exporter of live cattle and although in 1983 exports reportedly fell by some 37.6 per cent, to 53,000 head, a recovery is expected for the current year, exports being forecast at 90,000 head.

Guatemala*

65. In Guatemala, cattle and calf numbers totalled 2,700,000 head in 1981 and, according to projections, should reach 2,996,000 head in 1985. About 65 per cent of the cattle is raised for both dairy and beef purposes; 26 per cent is exclusively beef cattle. Production of beef and veal reached 57,000 tons in 1981, up by 9 per cent from year-earlier but it appears to be below the 1970's levels. It is forecast that in the medium-term production should remain relatively stable. Guatemala exported 12,200 tons of bovine meat in 1981, 9 per cent above year-earlier, and expects to increase sharply its export volume to 23,500 tons in 1985. However, exports seem to have dropped significantly in 1982. Guatemala's main markets are certain Latin American countries and the United States.

Paraguay*

66. Cattle and calf numbers in Paraguay in 1982 were estimated at 6,300,000 head, about the same level as year-earlier. Bovine meat exports, until 1974 the main product exported by Paraguay (25 per cent of total exports in 1970), ceased completely in 1980 and 1981. In 1982, exports reached 1,320 tons and during the first quarter of 1983 they already totalled 1,075 tons and are said to have reached 4,300 tons in the first six months. Recent governmental measures to stimulate exports along with producers' efforts to increase export availabilities seem to be the main causes of this sharp increase. Paraguay's major bovine meat export destinations are the EC (38 per cent in the first half of 1983), Israel and Egypt.

United States

67. The 1 January 1984 estimate of cattle numbers in the United States showed that the United States cattle industry had experienced, in 1983, its second full year of the declining phase of the current cattle inventory cycle. Although cattle numbers (at 114,040,000 head), were only modestly (1.4 per cent) below the previous cyclical peak of 1 January 1982 (and 1.0 per cent below year earlier), that contraction has occurred (indeed it accelerated in 1983) after the massive liquidation of the 1970s is indeed unusual. The 1 January cattle census

again included a sharper contraction of the reproductive portion of the beef cow herd. Beef cows totalled 37,660,000 head, down 1.1 per cent, compared to a 0.6 per cent increase (to 11,140,000 head) in dairy cow numbers. Moreover, the number of beef heifers kept for replacement decreased by 2.3 per cent. The primary cause of the contraction of the beef cattle herd is, of course, the decreased prices of feeder cattle and calves during the past two to three years. For example, the average price of all weights and grades of feeder steers at Mid-Western markets in 1983 were \$4-\$5 per 100 kg. below year earlier and \$45-\$55 per 100 kg. below those of 1979. It is also believed that the drought conditions which affected parts of the United States in 1983 contributed to the accelerated decrease. Several factors suggest that the decrease in total cattle inventory could continue for at least one more year: (1) the dairy diversion programme could at least slow the rate of growth of dairy cow numbers; (2) steer numbers will begin to decrease as the preceding liquidation of cow numbers begins to take effect (the number of steers has increased in each of the last two censuses). Moreover, unless a significant upturn in cattle prices occurs in 1984, it is difficult to see any growth in the cattle herd before the end of 1985.

68. The acceleration of herd liquidation during 1983 resulted in increases in both cattle slaughter and beef production. Beef and veal production totalled 10,748,000 tons, 3.0 per cent more than in 1982 and the highest level since 1978. As is consistent with herd liquidation the proportion of cows and heifers in total slaughter was abnormally high: 50 per cent versus about 47 per cent in each of 1980-81-82. As opposed to previous years, however, the increased production in 1983 primarily reflected increased fed beef production, originating largely from the increased placement of heifers (which would have otherwise been used as beef cow replacements) in feedlots. Further, the low level of feed grain prices during the first seven months of the year encouraged increased feedlot placements. Although this trend was sharply reversed during the latter part of the year, it had the effect of reducing non-fed steer and heifer slaughter, and further reducing "manufacturing quality" beef supplies. During the first quarter of 1984 beef production was 4 per cent higher than year earlier. It is believed that the largest portion of this increase was due to increased cow slaughter. This increase in turn, it is believed, derived in large measure from increased dairy cow kill as dairy farmers participating in the dairy diversion programme disposed of cows to meet the reduced production requirements of that programme. It is officially estimated that during 1984 the programme will result in the disposal of 336,000 more dairy cows than would result from normal culling. This is much less than had been previously estimated. It is also estimated that the largest proportion of increased disposal occurred during the first three months of 1984. It is generally expected that manufacturing-quality beef supplies will be slightly less than year earlier level throughout 1984 as a result of the increases in dairy cow kill plus increases in non-fed steer and heifer slaughter. In total, however, beef production is expected to decrease by 2-3 per cent in 1984.

69. Notwithstanding the weakness of beef and cattle prices in 1983 and early 1984, beef demand appeared to exhibit considerable strength. For example, while per capita "high grade" beef supplies increased by 3 per cent, the retail price of choice-quality beef decreased by only 1.5 per cent. This relatively modest decrease is even more remarkable in light of the fact that the increase in beef supplies was accompanied by a 7 per cent increase in pork production and a 3 per cent increase in poultry production. Normally, in these circumstances, one would have expected prices to have decreased by about 6-7 per cent. All indications are that beef demand will continue to be strong through the remainder of 1984: income growth is expected to continue to be high, unemployment is expected to decrease, and pork supplies are expected to decrease sharply during the second half of the year.

70. In light of the expected continuation of strength of beef demand and the expected decrease in total beef supplies, it seems reasonable to predict that beef and cattle prices will average above year earlier levels in 1984. However, in view of the fact that the supplies of fed beef will decrease by more than that of manufacturing beef it is likely that fed cattle prices will increase by more than those for "non-fed" cattle. In this regard, though, it is worth noting that average fed cattle prices in the United States in 1983 were the lowest since 1978. (For example, choice steer prices, Omaha, averaged \$138 per 100 kg. in 1983, compared to \$141 in 1982 and \$150 in 1980.) Most importantly, in terms of the longer run trends in the United States cattle industry, the increases in fed cattle prices should be fully passed on to the "cow-calf" sector of the industry in terms of higher feeder cattle prices. Higher feeder cattle prices are the prerequisite for beef cattle herd rebuilding.

71. The United States imports of beef and veal under the Meat Import Law totalled about 561,000 tons (product weight) in 1983, and the "trigger level" was 558,378 tons. In fact, export restraint agreements had been negotiated with Australia, New Zealand and Canada at mid-year. The trigger level for 1984 has been set at 557,000 tons and the first two quarterly estimates of beef imports have not suggested that actual imports will surpass that level. It might be noted that the trigger level for 1984 was set in anticipation of a higher level of dairy cow slaughter than later seemed likely in light of the lower than expected level of participation in the dairy diversion programme. Unfortunately it does not seem that the Law permits a re-calculation of the trigger level after it has been established.

72. The United States exported 125,000 tons of beef and veal in 1983, 8.7 per cent more than in 1982. The principal destination of these exports continued to be Japan. It could be noted that Japan and the United States reached an agreement in April in 1984 whereby Japan agreed to increase its import quota of "grain-fed" beef by 6,900 tons per year for the next four years. It is believed that the United States will be the sole supplier of the grain-fed beef.

	1981	1982	%Change 1982/81	1983	%Change 1983/82	1984	%Change 1984/83
Cattle numbers ^{1/}	114,321	115,604	+1.1	115,199	-0.4	114,040	-1.0
Beef and veal ^{2/} :							
Production	10,353	10,425	+0.7	10,748	+3.1	10,479 ^{3/}	-2.5
Imports	799	888	+11.2	885	-0.3	859 ^{3/}	-3.0
Consumption	11,083	11,190	+1.0	11,492	+2.7	11,228 ^{3/}	-2.3
Exports	100	115	+15.0	125	+8.7	136 ^{3/}	+8.8

^{1/},000 head at 1 January

^{2/},000 tons

^{3/} forecast

Canada

73. Insufficient returns to beef cattle producers plus measures taken to restrict milk production combined to cause a further 2.4 per cent decrease in Canada's total cattle numbers during 1983. The national herd totalled 11,335,100 head at 1 January 1984, 2.4 per cent less than year earlier. There were roughly equivalent decreases in the beef and dairy cow herds: 2.1 and 2.2 per cent respectively. It might be noted that the decrease in dairy cow numbers occurred after three years of relative stability. The decrease was due to measures taken, specifically the reduction of milk production quotas and the freezing of producer milk prices, during late 1982 and during 1983 to deal with overproduction in the dairy sector. It might be noted that returns (by way of higher feeder cattle and calf prices) to the "cow-calf sector" (i.e., owners of beef cows) of the Canadian beef cattle industry improved somewhat in 1983. For example, prices of feeder cattle and calves averaged 5-10 per cent above year earlier during 1983. That being said, however, they were still 20-30 per cent below what they had been in 1979-80. Based on historical relationships it would seem that feeder cattle prices are currently still below levels which would encourage major rebuilding of the beef cow herd. While further price strengthening could occur during 1984 it is expected that this will produce only a 1 per cent increase in beef cow numbers by year's end. With regard to the dairy herd, it is expected that numbers will decrease further in 1984. Total cattle numbers are expected to increase by about 1 per cent by year's end.

74. Despite a decrease of 1.6 per cent in cattle slaughter in 1983, beef and veal production increased by 1.1 per cent in 1983, to about 1,000,000 tons. This discrepancy is due almost entirely to heavier average carcass weights of fed steer and heifers (reflecting more intensive feeding) since the proportion of cows in the slaughter mix increased. During the early months of 1984, however, heavier average weights were not sufficient to offset reductions in cattle slaughter. As a consequence beef production decreased sharply. In fact, production in the first quarter is estimated to have decreased by 6.0 per cent. While production decreases during the remainder of the year are expected to be less drastic, production for the year is expected to decrease by 4 per cent to 960,000 tons. Production is expected to decrease further in 1985. Consistent with the deterioration of returns for fed cattle, there was a further increase in calf slaughter in 1983 (of 6.7 per cent). Calf slaughter totalled 439,600 head, producing 42,700 tons of veal.

75. Although there was a significant improvement in Canada's general economic performance, as measured by GNP growth, in 1983 it does not appear that this was translated, in any significant manner, into improved beef demand. Most certainly it appears that demand was weaker than in the United States. While it is estimated that per capita consumption grew by 0.2 per cent (to 42.2 kg.), this increase was made possible only by weaker real retail prices. Further contributing to the weaker demand in 1983, was a record level of pork production (1,025,200 tons, up 2.3 per cent), while retail pork prices were well below year-earlier levels. Further evidence of the relative demand weakness is suggested by the fact that, despite the sharp decrease in beef production in early 1984, slaughter steer and heifer prices failed to rise to levels permitted by the prevailing level of prices in the United States, taking into account the exchange rate. In other words, prices could have been Cdn\$7-10 per 100 kg. higher than they were. It is expected that while beef demand will continue to improve during 1984 it will not be as robust as might be suggested by anticipated rates of GNP growth. In fact, per capita consumption is expected to decrease by about 2 per cent to 41.5 kg. Amongst other things it should be noted that unemployment rates remain high and pork supplies are again expected to increase. With regard to this latter factor, it might be noted that this has particularly been a cause of reduced demand for imported frozen boneless beef during the last three to four years. In essence, pork has replaced beef in the production of many processed meats. To a lesser extent, it has also replaced beef in certain segments of the restaurant trade.

76. Canada's imports of beef and veal increased by 83.0 per cent during the first three months of 1984, totalling 17,000 tons (product weight). This follows an increase of 4.0 per cent in 1983 (to 91,700 tons, carcass weight equivalent). Imports during the latter half of 1983 had been subject to import licensing, but this requirement was withdrawn at 1 January 1984. Control of imports from the United States, which had been limited to an annual level of 10,400 tons, was also ended. Canada's GATT minimum access commitment for fresh, chilled and frozen beef and veal for 1984 is 66,000 tons (product weight), but imports are not expected to exceed 59,000 tons. It is interesting to note that beef imports from the EC during the first quarter of 1984 totalled 3,300 tons

compared to 300 tons during the same period of 1983. Most of the beef was from Ireland but with the lifting of the ban (in effect since March 1982) on imports from Denmark, significant importation from that country is expected as well. Live slaughter cattle imports increased 5.4 per cent to 83,800 head. Virtually all of Canada's trade in live slaughter and feeder cattle and calves occurs with the United States. It might be noted that Canada has eased its requirements as regards health regulations with respect to feeder cattle. As a result, there was a significant increase in imports during the first quarter of 1984 (6,181 head versus 2,911 head a year earlier).

77. Canadian exports of beef and veal (90 per cent of which were to the United States) totalled 81,300 tons in 1983, down 0.7 per cent. Exports during the first quarter of 1984 were up 9 per cent to 23,000 tons (product weight). Canada's exports of live slaughter cattle and calves totalled 212,000 head in 1983, down 4.2 per cent and feeder cattle exports totalled 14,500 head, 8.3 per cent less than in 1982.

	1981	1982	%Change 1982/81	1983	%Change 1983/82	1984	%Change 1984/83
Cattle numbers ^{1/}	12,166	12,088	-0.6	11,618	-3.9	11,335	-2.4
Beef and veal ^{2/} :							
Production	1,016	1,029	+1.3	1,043	+1.4	1,005 ^{3/}	-3.6
Imports	81	88	+9.3	92	+4.5	97 ^{3/}	+5.4
Consumption	1,030	1,037	+0.7	1,050	+1.3	1,045 ^{3/}	-0.5
Exports	78	82	+5.4	81	-1.2	71 ^{3/}	-12.3

^{1/}'000 head at 1 January ^{2/}'000 tons ^{3/}forecast

Australia

78. With the cessation of drought conditions in Australia, combined with the marked improvement in saleyard prices for cattle, there was a sharp deceleration of the rate of cattle herd liquidation during 1983. Following an 8.5 per cent decrease during 1982, it is estimated that cattle and calf numbers will total 22,200,000 head at 31 March 1984, 1.2 per cent less than year earlier. Moreover it is expected that cattle herd rebuilding will be experienced during 1984 and that the cattle herd will total 22,500,000 head at 31 March 1985, an increase of 1.5 per cent. For the longer term, it is projected that herd growth will continue until at least 1988. These projections of continued, albeit modest, growth are based largely on an expectation of continued favourable returns from the export sector and favourable rates of growth of domestic demand.

79. The slowing of cattle herd liquidation during 1983 had a predictable effect as regards cattle and calf slaughter and bovine meat production. It is estimated that cattle and calf slaughter decreased by 16 per cent in 1983, to 7,960,000 head, while beef and veal production decreased by 17 per cent to 1,389,100 tons. This is the lowest level of production experienced since 1974. A further 10 per cent decrease of slaughter is anticipated for 1985, producing a further 6 per cent decrease in production on the 1984 level. It might be noted that, as would be expected, production is contracting most rapidly in those states where cattle herd rebuilding appears to be proceeding most rapidly. In this regard, the most notable are the states of Queensland and Victoria. In the former, it might be noted, there are few alternatives to beef production, whilst in the latter the alternatives are not, at this time, very attractive.

80. As indicated earlier, prices of cattle in Australia were sharply higher in 1983. In fact the average saleyard price of all cattle increased by 33 per cent and is projected to continue increasing over at least the next two years. The price increases experienced to date have derived primarily from three factors: the sharp decrease in domestic production, the sharp increase in returns on exports (particularly those to the United States) and the competition amongst producers for stock for herd rebuilding. It should be noted, however, that the major part of the increased returns on exports derived from the lower value of the Australian dollar against currencies in major markets. In fact while the price of Australian boneless beef, expressed in Australian dollars increased significantly in 1983, the US\$ price of Australian cow beef increased by only 5 per cent. There were significant developments with regard to the Australian exchange rate situation during 1983: in March 1983 the Australian dollar was devalued by 10 per cent relative to the six major currencies against which its value was regulated; in December, however, any attempt to regulate the value of the dollar was abandoned, it was left to float freely. These developments have contributed to price instability in the Australian cattle industry during the last year and a half, and will likely continue to do so for the foreseeable future.

81. Australia's total exports contracted by 19 per cent, to 504,000 tons (product weight) in 1983. Moreover exports to the United States decreased by 24 per cent. It is apparent that the primary reason for the contraction of exports was the decline in available exportable supplies, particularly as regards supplies of lean boneless cow beef (a problem which will worsen as herd rebuilding accelerates). But Australia also faced the problem of restricted access to the United States market during the latter half of the year; access for the year as a whole being restricted to a level (272,000 tons) 11 per cent less than the permitted level in 1982. Compensating, to a certain extent, the decrease in exports to the USA were a small increase in exports to Japan and a more significant increase to certain East Asian countries (notably Taiwan). At the same time, however, there was a decrease in exports to South Korea (which, nonetheless remained Australia's third largest market). As regards 1984, a further decline in exports is forecast (by 12 per cent, to 442,000 tons). It seems likely that exports to the United States will be at about the same level as in 1983 while those to South Korea (which projects a decrease in beef imports of about 20-25 per cent) could be somewhat lower. The situation as regards Japan has not yet, as of the time of writing, become clear. However, some degree of increased access to the Japanese market for "grass-fed" beef seems likely.

	1981	1982	%Change 1982/81	1983	%Change 1983/82	Forecast 1984	%Change 1984/83
Cattle numbers ^{1/}	25,167	24,600	-2.3	22,471	-8.6	22,200	-1.2
Beef and veal ^{2/} :							
Production	1,421	1,680	+18.2	1,389	-17.3	1,307	-5.9
Consumption	713	755	+5.9	629	-16.7	628	-0.2
Exports	700	922	+33.7	757 ^{3/}	-17.9	669	-11.6

^{1/}'000 head at 31 March ^{2/}'000 tons ^{3/}estimated

New Zealand

82. After a three-year downtrend, it is expected that total cattle numbers in New Zealand will stabilize in 1984. Cattle and calves are forecast to total 7,631,000 head at 30 June, virtually the same number as year earlier but 18 per cent less than in 1975 when the previous peak in cattle numbers occurred. However, as is evident in other countries, the trends in total cattle numbers in New Zealand mask divergent trends in the beef and dairy sectors. In effect, the anticipated stabilization of numbers is expected only because of an expected upturn in the number of dairy cattle; beef cattle numbers are expected to continue on the downtrend which has been evident since 1975. The divergent trends in dairy and beef cattle herds has had the effect of reducing the proportion of total cattle numbers accounted for by beef cattle from 68 per cent in 1975 to 59 per cent in 1984. Much the same trend is expected to continue on into 1985; cattle numbers are forecast to total 7,707,000 head at 30 June 1985 (up 1 per cent), with a further increase in dairy cattle numbers and decrease in the beef herd.

83. Consistent with trends in cattle numbers, it is forecast that cattle and calf slaughter and beef and veal production will continue their downtrend in 1984 and 1985. Adult cattle slaughter in the 1984 season (year ended 30 September) is forecast to decrease by 12 per cent to 1,896,000 head. Moreover, beef and veal production is forecast to total 462,000 tons (443,000 tons of beef and 19,000 tons of veal), 11 per cent less than in 1983. A further 3.5 per cent decrease is expected in the 1985 season. It should be noted that the divergent trends in the beef and dairy herds of necessity means that a greater proportion of beef production is now also being derived from the dairy herd. Estimates suggest that 55 per cent of New Zealand's manufacturing beef production is derived from culled dairy cows. Since the majority of New Zealand's beef exports are of frozen boneless manufacturing-quality beef, it does not seem likely that New Zealand exporters will experience as much trouble in obtaining exportable supplies as the general decrease in production might indicate.

84. Beef and veal consumption is expected to decrease less rapidly than production during the next two years. This is because exports are forecast to decrease more rapidly than production. Consumption in both 1984 and 1985 are forecast to total 142,000 tons, 2.5 per cent less than in 1983.

85. With respect to exports it might be noted that, during the first five months (i.e., October 1983-February 1984) of the current season, at 55,000 tons (product weight), they were 20 per cent less than year earlier. This performance, however, does not necessarily reflect New Zealand's export performance during the whole 1983-84 season, since it should be remembered that during the period October-December, New Zealand's access to the United States (which accounts for more than 80 per cent of its exports) was restricted. Furthermore, exports in the same period of the previous season were abnormally high by virtue of unusually high slaughter because of drought conditions. Tentatively, largely due to lower export availability, it is forecast that beef and veal exports could decrease by 13 per cent in the current season, relative to year earlier.

86. Prices received on New Zealand's two major export markets (Canada and the United States), expressed in New Zealand dollars, were well above year-earlier levels throughout 1983 and early 1984. In fact, prices, basis New York for manufacturing beef, were 15-20 per cent higher in the four months ended January 1984. In large measure, these increased returns from the export sector were passed on to livestock producers in terms of higher cattle prices. Indeed the schedule price for "M-Grade" cows in the 1983 season averaged NZ\$136 per 100 kg., 9 per cent more than year earlier. This was well above both the New Zealand government's supplementary minimum price of NZ\$125 and the Meat Board's minimum price of NZ\$98. It is understood that, at times during 1983, prices were even above the "trigger level" of the stabilization plan and payments were made into the plan (reducing its deficit by NZ\$1.9 million in the year ended 30 September 1983. This left the beef account only NZ\$10 million in debt). For the 1983-84 season all three of the Meat Board's minimum and trigger prices for cattle were increased while, it is understood, the government's SMPs were left unchanged. This would have the effect of reducing the government's liability in the case of a decline in prices.

	1981	1982	%Change 1982/81	1983	%Change 1983/82	Forecast 1984	%Change 1984/83
Cattle numbers ^{1/}	8,035	7,912	-1.5	7,631	-3.6	7,631	0
Beef and veal ^{2/} :							
Production	498	516	+3.7	519	+0.6	462	-11.0
Consumption	148	155	+4.7	146	-6.0	142	-2.5
Exports ^{3/}	226	234	+3.6	232	-0.9	202	-13.0

^{1/}'000 head at 30 June

^{2/}'000 tons, year ended 30 September

^{3/}product weight

^{4/}estimates

Japan

87. Trends in cattle and heifer slaughter during 1983 would lead one to believe that cattle numbers at 1 February 1984 again increased relative to year earlier. If so, it would be the ninth consecutive year of herd expansion. At 1 February 1983 cattle numbers totalled 4,590,000 head, an increase of 2.3 per cent. In addition, the slaughter data would suggest that, in contrast to trends in recent years, the Wagyu cattle herd may have actually decreased, while dairy cow numbers probably increased more rapidly.

88. Cattle and calf slaughter totalled 1,433,000 head in 1983, 2.4 per cent more than in 1982. There were, however, very divergent trends as regards slaughter of Wagyu versus dairy cattle. While slaughter of dairy cattle decreased by about 3 per cent, that of Wagyu cattle increased 14 per cent. Moreover slaughter of female Wagyu cattle increased by 23 per cent which may suggest liquidation of the Wagyu herd. Such trends would be consistent with indications of a reduction in the profitability of Wagyu cattle production during 1983. Also the proportion of Wagyu beef in total production increased to 32 per cent versus 29 per cent in 1982.

89. In addition to increased beef production in 1983, it is also worth noting that pork supplies increased by about 1 per cent. While domestic production was unchanged from year earlier, imports (which accounted for 10 per cent of total supplies) increased by about 8 per cent. It is also believed that poultry production increased.

90. The increase in beef and total meat supplies, notwithstanding an apparent strong growth in beef and veal demand, resulted in lower prices for all classes of cattle in 1983, and only modest increases in retail prices. The stability of retail beef prices combined with the relatively strong growth of real per capita income (up 3.7 per cent) and sharply increased beef imports yielded increased beef and veal consumption. Consumption totalled 691,000 tons, 5 per cent more than year earlier (about 5.7 kg. per capita versus 5.5 kg. in 1982).

91. Japan's imports of beef and veal totalled 197,000 tons in 1983, 12 per cent more than year earlier. Australia's share of this total was 66 per cent versus 70 per cent in 1982; the United States share was 27 per cent versus 26 per cent; and New Zealand's share was 6 per cent versus 3 per cent. The absolute level of imports supplied by each of these countries increased. In February 1984, the amount of the remainder of the "general quota" was announced. It amounted to 29,000 tons (product weight), which, added to the initial allocation, brought the general quota to 61,200 tons for the second half of fiscal year 1983/84. Added to this was a "special" quota of 7,800 tons. Therefore the full global quota for the fiscal year was 141,000 tons (product weight), 4.4 per cent, or 6,000 tons more than year earlier. In early April 1984, Japan and the United States reached an agreement by virtue of which Japan agreed to increase its imports of "high-quality" beef by a total of 27,600 tons over the next four fiscal years. At the time of writing, the quota for the first half of fiscal year 1984/85 had not been announced.

92. Although it appears that cattle prices averaged somewhat lower than year earlier levels in Japan in 1983, it also appears that the wholesale prices of the two grades of steer carcasses which are subject to price stabilization continued to average well above the mid-points of their respective stabilization bands. For medium-grade dairy steer carcasses, Tokyo, this band was Yen 1120-1455 per kg. For medium-grade Wagyu steer carcasses, Tokyo, the band was Yen 1400-1820 per kg. As has been the case for the last three years, dairy steer carcass prices average relatively nearer the mid-range, while Wagyu steer carcass prices were nearer to the upper end of the band than to the mid point. The stabilization prices in fiscal year 1983 were unchanged from year earlier, and it is believed that they are also to remain at that level during fiscal year 1984.

	1981	1982	%Change 1982/81	1983	%Change 1983/82
Cattle numbers ^{1/}	4,385	4,485	+2.3	4,590	+2.3
Beef and veal ^{2/} :					
Production	471	481	+2.1	495	+2.9
Imports	178	176	-1.1	197	+11.9
Consumption	647	658	+1.7	691	+5.0

^{1/}'000 head at 1 February

^{2/}'000 tons

IV. SUMMARY OF SITUATION IN CERTAIN FAR EASTERN, MIDDLE EASTERN AND NORTH AFRICAN BOVINE MEAT IMPORTING COUNTRIES

93. In recent years, North African, Middle Eastern and Far East Asian countries appeared as increasingly important markets for beef exporters. However, only limited information on these countries is available to the secretariat and the following paragraphs cover only those for which some information is available.

FAR EAST

94. A certain number of Far East Asian countries remain some of the most buoyant markets for bovine meat. Growing incomes, the main reason for the upsurge of these countries as important new markets, continued to positively affect demand in 1983. During the current year, demand is expected to expand further in this region but, in one of its most important markets, South Korea, imports are expected to decline by some 20 per cent, as a result of increased total meat production (and especially increased pork production).

Republic of Korea

95. Cattle numbers in the Republic of Korea were estimated at 2,215,000 head in 1983, up by 26 per cent over 1982. In the current year cattle numbers are expected to increase by a further 15 per cent, to 2,553,000 head. This upward trend is expected to continue in the medium term, and in 1987 it is forecast that the cattle herd will reach 3,000,000 head. Cattle slaughter is thus increasing and, consequently, beef production is also rising and reached in 1983 66,100 tons, up by 7.7 per cent compared to year earlier. It is projected to rise by a further 31 per cent in 1984, to 86,300 tons. Consumption has been increasing regularly in the last few years and totalled 115,500 tons in 1983, 8.5 per cent more than in 1982, and it is expected to reach 126,300 tons this year. As a result, beef imports, which in 1983 reached a record level of 49,400 tons, (45,300 tons from Australia and the rest from New Zealand and Sweden), are expected to fall to 40,000 tons, according to reported plans of the Ministry of Agriculture.

96. Pigmeat is strongly competing with beef. By far the most important meat consumed in the Republic of Korea, the production of pigmeat reportedly increased by 24 per cent in 1983, to 295,000 tons, a further rise of 13 per cent being expected for the current year, while consumption is expected to rise by only 10 per cent. The number of pig (which would have apparently risen by as much as 80 per cent in 1983, to about 4,000,000 head), falling pig prices and rising feed costs are the main causes for this surplus situation. As a result, the Korean authorities have taken a number of measures such as governmental purchases, instructing large-scale breeders to reduce their herds, and temporary reduction of the releases of imported beef. The increase in the price of imported beef could possibly be decided in order to shift the rising consumption of beef to competing meats, mainly pigs. Along with the rising production of beef, the depressed situation in the pig industry is pressing beef imports downwards.

	1981	1982	%Change 1982/81	1983	%Change 1983/82	Forecast 1984 1985
Cattle Numbers ^{1/}	1,506	1,754	+16.5	2,215	+26.3	2,553
Beef and Veal ^{2/} :						
Production	69	61	-11.3	66	+7.7	86
Imports	25	42	+68.0	49	+19.0	40
Consumption	93	107	+14.3	116	+8.5	126

^{1/} '000 head

^{2/} '000 tons

Malaysia*

97. The cattle herd in Malaysia was estimated at 538,000 head in 1982, up 4.3 per cent on year-earlier level. Production of beef, which covers about 40 per cent of the demand, reached 14,000 tons. Per capita consumption is presently estimated at 2.3 kgs. Beef imports to West Malaysia and the province of Sarawak (which account for roughly 82 per cent of total beef imports) rose by 47 per cent to 11,248 tons in 1982, Australia being the major supplier with a market share of about 85 per cent, the other main suppliers being New Zealand and India. Since January 1983 Malaysia allows only the entry of meat from animals killed under the Islamic slaughter rites.

98. Since October 1982, Malaysian imports of beef have dropped sharply because of the entry of Indian buffalo meat on the market at much lower import prices. According to Malaysian statistics, of the 2,602 tons of bovine meat imported from January to April 1983, 1,844 tons, or 71 per cent, were Indian buffalo meat. As a consequence, during the first six months of 1983 Australian exports to West Malaysia fell by 48 per cent to 1,262 tons, compared to the same period in 1982. If India is able to further increase its exports at current prices, the shift to buffalo meat could be accentuated. According to certain sources, in the medium-term Malaysia is expected to remain a growing market for meat in general and beef in particular. In spite of rising production, structural problems will keep domestic supply largely below demand which will probably increase in response to rising incomes.

Hong Kong*

99. In Hong Kong, meat consumption figures for 1982, comprising 170,000 tons of pork, 132,000 tons of poultry and 44,000 tons of beef, clearly reflects the taste preferences of the population for pork and poultry. Although as a consequence, the market for pork is the most important one (47,000 tons imported in 1982, up 37 per cent on the 1981 level), beef and veal still account for some 25 per cent of total meat imports. Beef and veal imports have been increasing over the last few years and reached 21,761 tons in 1982, 17.6 per cent more than in 1981.

China has the largest share of the market (41 per cent in 1982) followed by Australia (30 per cent) and New Zealand (13 per cent). Beef imports are generally of two types: first grade beef, for hotels and restaurants, and third grade beef catering to the rest of the market. The influence of western style foods, such as fast food, along with rising income may, in the long-term, provoke some rise in beef imports.

Singapore*

100. Singapore imported 13,425 tons of beef and veal in 1982, 27 per cent more than in 1981. Australia was the main supplier with about 70 per cent, while New Zealand and the United States accounted for 24 per cent and 5 per cent respectively. Singapore re-exports part of its imports to other South East Asian markets. In 1982 beef and veal exports totalled 3,125 tons. Imports of cattle for slaughter from Australia increased by 60 per cent, to 1,566 head. As for other Asian countries, it is likely that rising incomes will reflect positively on the consumption of beef and veal in the medium-term.

Taiwan

101. Cattle numbers in Taiwan are estimated to have totalled 82,300 head in 1982, and the buffalo herd some 47,000 head. Beef production (including buffalo meat) reached the record level of 15,798 tons in 1977 following a period of strong herd liquidation reportedly provoked by the opening of the Taiwan market to imported beef. Until 1981, production fell regularly to 5,190 tons. In 1982, it increased again to 5,740 tons but has probably fallen by 2-3 per cent in 1983. Pork accounts for some 63 per cent of total meat consumption and poultry for about 33 per cent. Although total per capita meat consumption has increased from 27 kg. in 1971 to 40.1 kg. in 1981, this trend reflects mainly an increase in the per capita consumption of poultry. Per capita beef consumption is rather low (due to consumption habits and strong competition from other meats) and appears to have been relatively stable during the last ten years, at an average level of 1.1 kg. In spite of this, Taiwan, with a population of some 18,500,000 people, is a relatively important market, and in the last ten years, imports of beef rose sharply from 1,200 tons in 1977 to about 23,000 tons in 1983. The major supplier of the Taiwan market, as of many other Asian markets, is Australia (about 90 per cent of imports) followed by the United States and New Zealand. Imports are expected to increase regularly in the medium term, along with a rising demand (due to higher consumer incomes) and a relatively stable production.

	1981	1982	%Change 1982/81	1983	%Change 1983/82	Forecast 1984 1985	
Cattle Numbers ^{1/}	..	82	..	..	..	..	..
Beef and Veal ^{2/} :							
Production ^{3/}	5	6	+10.6	6*	-2.4	5	6
Imports	17	20	+14.5	23	+16.7	25	27
Consumption	..	..	..	29	..	31	33

* estimates

^{1/} '000 head

^{2/} '000 tons

^{3/} includes buffalo meat production

China*

102. Cattle and buffalo numbers in China reportedly totalled 76,100,000 head in 1982, about 4 per cent more than year-earlier. Beef production, which had declined in 1981, recovered in 1982 reaching 266,000 tons, 7 per cent higher than year-earlier. Beef is reportedly said to have accounted for 2 per cent of total red meat consumption in 1982, but might have been in short supply. Although China exports in particular relatively large quantities of pig and poultry meats, it also exports beef, virtually all to Hong Kong.

MIDDLE EAST

Saudi Arabia*

103. Saudi Arabian imports of live cattle in 1982 reached 151,882 head, an increase of 15 per cent compared to 1981. However, the composition of these imports changed: imports of breeding cattle fell by 74 per cent while those of slaughter cattle increased by 21 per cent, representing a share of 98.6 per cent of total cattle imports. Somalia was the main supplier, followed by Sudan, and India. The ban on cattle imports from India for health reasons since April, 1982, benefited other suppliers, especially Australia, which became the fourth supplier. From January to March 1983, cattle imports increased by 35 per cent compared to the same period year-earlier. Imports of bovine meat totalled 51,968 tons in 1982, up 13 per cent from 1981. India and Australia were the main suppliers with market shares of 46 per cent and 26 per cent respectively. During the first quarter of 1983 imports of beef remained roughly at the same level as in the first quarter of 1982.

Qatar*

104. In 1981, Qatar imported 2,020 tons of beef and buffalo meat. Ghana was the main supplier with about 25 per cent of overall bovine meat imports, while New Zealand and Australia supplied about one-fifth each. Demand for bovine meat in Qatar is chiefly for frozen minced meat, loins, knuckles, offals and frozen veal feet. Imports of cattle, including buffalo, reached about 58.2 tons, live weight, in 1981, India and Lebanon being the major suppliers. As other Middle East countries, trade in poultry and sheepmeat products is far more important than trade in cattle and beef. Thus, poultry meat imports (8,340 tons in 1981) reached two and a half times the combined volume of other meat imports, while imports of live sheep reached 8,460 tons, live weight.

Kuwait*

105. Kuwaiti production of bovine meat, which in 1980 totalled 500 tons, is forecast to increase and reach 2,593 tons in 1986. However, this quantity represents only about 12 per cent of demand and Kuwait will probably remain an interesting export market. Imports of beef and buffalo meat in Kuwait increased by 11.3 per cent in 1982, to 9,628 tons. India, which exports to the Kuwaiti market increased by 36 per cent, remained its largest supplier with a market share of roughly 50 per cent. Australia is the second main supplier, but its exports to this market fell by about 46 per cent in 1982, while the EC, Argentina and Brazil increased their market shares.

Bahrain*

106. In 1982, Bahrain imported 3,580 tons of bovine meat, up 33 per cent from year-earlier. India became the largest supplier with a market share of 29 per cent, followed by Australia, 26 per cent (from 32 per cent in 1981), and New Zealand, 25 per cent. The EC share fell from 15 per cent in 1981 to 12 per cent in 1982. Imports of live cattle doubled.

NORTH AFRICA

Libya*

107. In 1982 Libya imported 20,000 tons of beef, mainly chilled, and 400,000 tons of live cattle. Domestic production, all meats combined, covers only about 10 per cent of consumption which is said to progress at a rythm of about 20 per cent a year. Importing programs are established at the end of each year for the following year. The 20,000 tons imported in 1982 were the result of contracts established with three EEC countries: Ireland, 10,000 tons; Italy, 7,000 tons and France, 3,000 tons.