

**GENERAL AGREEMENT  
ON TARIFFS AND TRADE**

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**INTERNATIONAL MEAT COUNCIL**

Report to the CONTRACTING PARTIES prepared by the Chairperson of  
the International Meat Council on her own responsibility

1. Since the 1992 report<sup>1</sup>, the International Meat Council (IMC) held two regular meetings on 18 December 1992 and on 25 June 1993, both preceded by meetings of the Meat Market Analysis Group (MMAG). At its June 1993 meeting, the IMC elected Ms. Brid Cannon (Ireland) as Chairperson and Mr. Peter May (Australia) as Vice-Chairman. The MMAG elected Mr. Peter May as Chairman.

**Functioning of the Arrangement**

2. The Arrangement Regarding Bovine Meat came into operation on 1 January 1980 and has been extended until 31 December 1994, in accordance with Article VI, paragraph 4. The Arrangement currently has twenty-seven signatories representing thirty-eight countries<sup>2</sup>.

3. At the IMC meetings, participants noted that a revision of certain rules of procedure is required and that an updating of the Arrangement in light of the outcome of the Uruguay Round is necessary. However, they agreed that substantive discussions regarding the functioning of the Arrangement should be postponed until after the conclusion of the Round.

**Meat markets situation and outlook**

4. In 1992, rising unemployment and the lacklustre overall economic performance in a large number of participating countries had again a negative impact on the demand for, and the international trade in, meat.

5. World bovine meat production decreased, but world exports increased, reflecting in particular higher export sales by Australia, Brazil and the United States. The production drop partly reflected a decline in the European Community due to reduced cattle herd brought about by the reduction of milk quotas and the decrease in bovine numbers in the new German Länder. Beef and veal consumption stagnated in the EC, cattle prices were depressed and intervention buying increased. At the end of 1992, bovine meat stocks in the European Community surpassed 1 million tons.

6. Developments in the meat sectors of Central and Eastern European countries (and in the Republics of the Commonwealth of Independent States (CIS)) included sharply increased production costs, a fall in cattle prices and the collapse of domestic demand. This resulted in a severe run-down of cattle herds, which will affect the sector for several years to come.

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<sup>1</sup>L/7114

<sup>2</sup>Argentina, Australia, Austria, Belize, Brazil, Bulgaria, Canada, Colombia, European Community, Egypt, Finland, Guatemala, Hungary, Japan, New Zealand, Nigeria, Norway, Paraguay, Poland, Romania, South Africa, Sweden, Switzerland, Tunisia, United States, Uruguay, Yugoslavia.

7. In North America, cattle numbers continued to expand in 1992, resulting in limited production growth. In Australia, poor seasonal conditions led to increased cattle slaughter and higher production, while in New Zealand higher profitability compared to sheep farming continued to boost beef cow numbers. Herd rebuilding resulted in lower bovine meatoutput in Argentina, while rising exports stimulated beef output in Brazil. Following two years of decline, Uruguayan beef production recovered. Beef production rose in Japan in line with increased slaughter. Improved profitability and feed supplies boosted herd expansion in China. In contrast, poor overall economic conditions and persistent drought resulted in serious meat shortages in Africa.

8. In 1993, world beef production is estimated to show little change compared to last year. A production drop in the European Community and the CIS will be largely offset by increased output in South America and New Zealand. Meat consumption trends are not changing, with beef and veal intake continuing to decrease and the consumption of pigmeat, and especially poultry meat, accounting for an increased share of per capita meat consumption in most countries. Despite a further increase in beef import demand in North Asian markets, world beef exports are expected to stagnate in 1993, due to lower sales by the European Community, Australia and Brazil. International prices for beef remained favourable in the region free of Foot-and-Mouth disease (FMD) and strengthened somewhat in the FMD region.

9. The market situation and outlook for other meats in 1992 and 1993 was characterised by output expansion of pigmeat (largely reflecting increased production in China, the world's largest producer), continued growth of poultry meat production, and stagnating production of sheepmeat. World pigmeat exports dropped considerably in 1992, due to declining import demand in the United States, the CIS and Hong Kong, but are estimated to have recovered in 1993. World trade in poultry meat increased significantly, but a slow down in trade growth occurred in 1993, reflecting lower export growth in the United States and declining exports from Brazil. Lower export sales by Australia resulted in reduced world sheepmeat exports in 1992, a trend expected to continue this year due to even lower export availabilities in Australia and New Zealand.

### **Policy questions**

10. The IMC and the MMAG also addressed a range of policy issues of special concern to participants. These included the United States Meat Import Law and the imposition by that country of Voluntary Export Restraint agreements (VERs) on its major suppliers; the introduction by Canada of a tariff rate quota on imports of beef from countries other than the United States; and the temporary ban on imports of beef imposed by the European Community on a number of Central and Eastern European countries due to concerns of an extension of FMD, following an outbreak in Italy in early 1993.