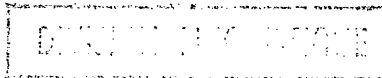


# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED



TN.64/17  
21 April 1964

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## Group on Meat

### REPORT SUBMITTED TO THE TRADE NEGOTIATIONS COMMITTEE

1. In the Resolution adopted on 21 May 1963, the Ministers gave directives with a view to the formulation of the rules to govern, and the methods to be employed in, the creation of acceptable conditions of access to world markets for agricultural products in furtherance of a significant development and expansion of world trade in such products. The Ministers considered that in the case of meat, general arrangements might be required and they instructed the Group on Meat to negotiate appropriate arrangements.

2. The Group has held three meetings, from 1-5 July 1963, on 26 November 1963, and from 9-17 April 1964. Before it were documents presented by the Governments of Argentina (Spec(63)206), Australia (Spec(63)197 and Spec(64)76), the United States (Spec(63)305), New Zealand (Spec(63)203 and Spec(64)78), the Federation of Rhodesia and Nyasaland (Spec(63)285) and the United Kingdom (Spec(63)190), as well as the statement by the representative of the European Economic Community to the Committee on Agriculture (TN.64/AGR/1) presenting the negotiating plan of the EEC for the agricultural part of the Kennedy Round.

### Arrangements required to meet the objectives

3. Many countries emphasized that there were several markets for meat with characteristics so different that it would be difficult to establish a uniform set of criteria for the development of international trade in that product. In their view, the Group should examine the particular situation of each import market and each type of meat, with a view to negotiating appropriate arrangements. The general arrangement could take the form of a statement of objectives, guidelines and procedures which would be supplemented by more specific arrangements concerning the different markets. The Group agreed that the arrangement itself and the obligations undertaken thereunder should be based on the principles and objectives and the rules of the General Agreement. The representative of the EEC stated that, while the meat markets could present different characteristics, it was possible and necessary to submit the products coming within the competence of the Group to the same method and the same rules of negotiation. Such a common basis, however, should not prevent any contracting party from accepting additional commitments.

4. The Group has considered in the first instance meats of cattle and sheep; at an early date the Group intends to recommend a more precise definition of the products which it believes should come within its cover.

5. In the course of its discussions, the Group agreed that the elements listed in document TN.64/Me/3, annexed hereto should be taken into consideration in the negotiations.

#### Agricultural policies and access

6. In accordance with the ministerial directive, the Group has directed its attention primarily to the means of achieving the objective of acceptable conditions of access. The Group agreed in recognizing that national measures and policies relating to production and to market access were closely related and that the negotiations must cover all relevant elements of national policies.

7. In the view of most members of the Group, those countries which support their domestic industry should adjust the totality of their policies affecting trade and production so as to provide acceptable conditions of access to their markets for meat exporters. There was a broad measure of agreement that to this end importing countries will be required to undertake commitments which assure efficient exporting countries access to markets on predictable terms and for acceptable quantities in accordance with the objectives stated in paragraph 1. Such commitments should include the opportunity to share in the growth of consumption. No attempt has yet been made to determine the precise nature of the commitments which would be undertaken by importing countries. It is accepted, however, that the effectiveness of these commitments would be judged by the resulting level of trade.

8. There was a broad measure of agreement that frontier barriers to trade of meat-importing countries should be open to negotiation. As in the case of internal support measures, the nature and significance of these barriers varies from country to country, and again a pragmatic approach will be necessary.

9. The representative of the EEC expressed the view, however, that the various protective and support measures applied to agricultural products were indissociable and were expressed in the support margin. The Community therefore considered that there was no need to make a distinction between measures applied at the frontier and support measures in force at the internal level. For the EEC, a commitment regarding a maximum support margin would of itself create acceptable conditions of access to import markets.

10. The United States representative stated that his Government had concluded bilateral agreements with its major suppliers, which could be considered for incorporation with any necessary adaptation in a general arrangement. The

representative of the United Kingdom stated that the understanding which his Government had already reached with its suppliers of bacon and the further understanding which it expected to seek with its major suppliers of meats of cattle and sheep could also be considered for such incorporation.

#### International prices

11. It is the general view that the arrangements which emerge from the work of the Group should aim at ensuring stable and remunerative prices for efficient producers whilst being fair to the consumer. The representative of the Community emphasized the importance of the reference price as a stabilizing factor.

#### Assurances of supply

12. For their part, exporters have expressed, in relation to the access commitments undertaken by importing countries, their willingness to consider undertakings in regard to assurances of supply as part of an acceptable arrangement.

#### Market development

13. While all members of the Group acknowledged the need to develop new markets as rapidly as possible, they recognized the possibilities in this field as being in most instances of a rather long-term character.

#### Future procedures

14. It has been proposed that the Group might best proceed at its next meeting by examining each of the products within its terms of reference with a view to negotiating specific arrangements incorporating the elements listed above.

15. In order to carry out this work it will be necessary for the Group to have additional information in regard to conditions in a number of markets. In particular, the Group has noted that the European Economic Community will be submitting for examination by the CONTRACTING PARTIES its regulations on beef and veal. The Group was of the view that an examination of these regulations jointly with Committee II at an early date would be of considerable assistance to the Group in its further work. In addition, the Group has asked the secretariat to prepare an analysis of existing support measures and barriers to trade in the various meat importing countries.

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ELEMENTS FOR CONSIDERATION IN THE NEGOTIATIONS

1. The Group had a meeting on 26 November 1963 in which it listed elements to which consideration should be given in negotiations for a general arrangement on meat. It was accepted that in agreeing on this list, no member of the Group prejudiced its position on a particular point and the Group noted the position of the European Economic Community which had not yet defined a common policy for some of the products considered.

2. It was agreed that at the next meeting of the Group, all members would be prepared to participate fully in the negotiations, in line with the Decisions taken by Ministers in May 1963 to create acceptable conditions of access to world markets for meat in furtherance of a significant development and expansion of world trade in meat. It was agreed that the elements in the following list would be taken into consideration in the negotiations.

(a) Products included in the negotiations

The negotiations would relate initially to meats of cattle and sheep, it being understood that live cattle and other types of meat would be brought into consideration as appropriate and necessary.

(b) Agricultural policies

All relevant elements of national policies relating to meat in importing and exporting countries, in particular production policies, including:

(i) Internal measures

- internal support policies and other measures as they affect levels of domestic production and consumption.

- (ii) Measures at the frontier
  - import duties and charges including variable levies; where appropriate quantitative restrictions; minimum import prices and other import barriers.
- (c) International trade
  - (i) Access
    - relationship between domestic production and imports,
    - opportunities to compete for participation in meeting market demand,
    - reduction and elimination of discrimination in opportunities for access.
  - (ii) International prices
    - levels of international prices,
    - stabilization of international prices through measures aiming at a co-ordinated balance between world supplies and demand, or through measures directly affecting international prices, such as minimum prices, price ranges, etc.,
    - elimination of export subsidies.
  - (iii) Assurances of supply by exporting countries
- (d) Other matters
  - procedures for confrontation on production, import and export policies,
  - other procedural questions,
  - the possibility of concluding between the States principally concerned with a particular market local agreements, including for example, provisions for co-ordinated access for traditional suppliers and for domestic producers and participation of new suppliers,
  - interim arrangements,
  - surplus disposal and market development,
  - disparities of consumption levels in different countries,
  - veterinary, health and similar regulations.

3. The Group recognized that the negotiations were an integral part of the trade negotiations as a whole, which were due to commence on 4 May 1964. In order to fit in with the time-table for the general trade negotiations and in view of the fact that negotiations in the Group would necessarily be lengthy and complicated, it was agreed that a negotiating meeting should begin as early as practicable in 1964. A precise date would be left to the Executive Secretary to determine, in consultation with the members of the Group, but it was hoped that this meeting would be scheduled to commence in late February.