

CONFIDENTIAL

GENERAL AGREEMENT ON TARIFFS AND TRADE

TN.64/Me/W/11

22 March 1966

Special Distribution

Group on Meat

Original: Spanish

ARGENTINA

The following information has been submitted by the delegation of Argentina in accordance with the programme of work laid down in document TN.64/Me/5.

I. Existing beef policies

- (i) Support prices: guaranteed prices, guide prices, intervention prices (indicating differences according to type of meat or cattle)

There are no support prices of any kind. Prices are the result of the free play of the market.

- (ii) Market prices for cattle; yearly average

Quotations on the National Farming Market of the City of Buenos Aires (Liniers), in United States cents per kilogramme live weight.

Year	General Average	Steers	Young steers and heifers	Cows for meat preserving industry
1961	16.6	17.9	17.6	9.6
1962	14.1	16.3	14.7	7.8
1963	16.6	18.3	16.9	11.2
1964	28.9	30.4	28.9	20.8
1965	29.7	30.6	32.1	18.9

(iii) Total producer's return per kilogramme live weight, including assistance and subsidies

There are no aids or subsidies to raise the producer's return in relation to the market price. During part of 1962 and 1963 and the whole of 1965, a special 5 per cent charge on the market price for cattle was levied, the proceeds going to the Treasury of the National and Provincial Governments. This charge has been eliminated since 1 January 1966.

(iv) Inventory and costs of aids and subsidies of every type which may influence production and returns to producers

There are no aids or subsidies.

(v) Total quantity and value of production

Total production is at present approximately 10.5 million cattle, equivalent to 2,250,000 tons carcass weight including fat, with a value of \$1,000 million.

(vi) Analysis of measures at the frontier: specific and ad valorem customs duties and charges on imports; variable levies; tariff quotas and quantitative import restrictions; other restrictions to imports or to the sale of imported goods; fees paid on account of administrative import formalities

The only measure at the frontier consists of import duties which are at the rate of 220 per cent on fresh, chilled or frozen beef.

II. Incidence on meat production of policies on cereals and dairy products

(i) Estimated volumes and prices of cereals used for intensive fattening of cattle with a breakdown showing type of cereal and origin

In the Argentine Republic, cattle are generally fattened by open grazing on pastureland sown with various vegetables and grasses. Intensive fattening of cattle is uneconomic because of the relatively high price of cereals.

On an experimental basis and on a limited scale, there has recently been some semi-intensive fattening by combining traditional grazing with stockyard feeding based on cereals and cut green forage (zero grazing) but no significant results have yet been obtained.

(ii) Evolution of ratio between cereal prices and fat cattle prices

The basic fodder cereal in Argentina is maize.

Year	Price of steer (\$ per 100 kgs. live weight)	Price of maize (\$ per 100 kgs.)	Ratio (steer/maize)
1961	17.9	4.5	4.0
1962	16.3	4.7	3.5
1963	18.3	5.1	3.6
1964	30.4	4.7	6.5
1965	30.6	5.0	6.1

(iii) Total producers' returns for milk including assistance and subsidies

Year	US cents per kg.
1961	3.3
1962	3.3
1963	3.2
1964	3.9
1965	4.6

(iv) Evolution of ratio between the prices of fat cattle, live weight basis and milk prices

Year	Ratio steer/milk
1961	5.4
1962	4.9
1963	5.7
1964	7.7
1965	6.7

(v) Estimated quantity and value of beef and veal production from dairy herds

It is estimated that 20 per cent of production comes from dairy herds, in other words 450,000 tons with a value of \$200 million.

(vi) Comparative evolution of the dairy cattle herd and of the intensively fed beef herd in relation to total cattle herd

No data are available on the evolution of the dairy cattle herd which is at present estimated at 3 million head, representing nearly 7 per cent of the total cattle herd (in the region of 45 million head).

As regards the intensively fed beef herd, we have already explained in Section II(i) above that there is practically none and that only a negligible number of cattle are in semi-intensive fattening.

III. Internal prices

Information on the levels of internal prices for beef and veal per kilogramme of carcass, in the most representative markets or cities

The following figures relate to the City of Buenos Aires and neighbouring districts (forming Greater Buenos Aires, with a population of approximately 7.5 million inhabitants):

(i) Wholesale prices

Year	US cents per kg. (carcass weight)
1961	32.3
1962	28.2
1963	30.6
1964	50.0
1965	57.1

(ii) Retail prices or consumer prices

Year	US cents per kg. (carcass weight)
1961	40.1
1962	35.4
1963	37.5
1964	59.3
1965	70.6

(iii) Costs of marketing

From the slaughterhouse (ex-plant price) to the butcher's shop (wholesale price). These represent costs of transport, collection, and the transporter's margin. In 1965 it amounted to US\$1.3 per kilogramme carcass weight.

(iv) Charges on wholesale and retail sales

There are no direct charges on sales of meat at any stage.

IV. International prices

(i) Information on the levels of international prices prevailing in the various markets for the defined qualities and modes of presentation of meats (f.o.b., c.i.f., free-at-frontier prices as the case may be)

Since December 1964 Argentina's meat exports have been subject to minimum dollar prices per ton, f.o.b., which are fixed and controlled by the National Meat Board. In addition, minimum prices are at present applied for beef which is chilled, frozen, cooked and frozen, cured or salted. The system provides for exceptions from the minimum price, either because of special circumstances in certain markets - for example, the United Kingdom which admits shipments on consignment - or for reasons connected with promotion in new markets, or again in the case of tenders. In any event, these exceptions do not invalidate the general principle that the official minimum average prices must be obtained.

- (ii) Data on the conditions of price formation in international markets; comments on the feasibility of establishing prices for these products figuring in international trade and the legal possibilities of maintaining such prices

As already stated, in pursuance of the authority given to it by the National Government, the National Meat Board establishes minimum export prices for Argentina's exports, and these have to be applied by exporting firms. In the case of the United Kingdom for which shipments on consignment are permitted, the price can be achieved by adjusting shipment volumes, taking into account the special characteristics of this market where competition is open. In brief, from the Argentinian point of view it is perfectly feasible to establish prices for products figuring in international trade, and Argentina has the legal possibilities of maintaining such prices.

- (iii) Concrete data on export subsidies and export aids; global values and quantities, and values per unit

There are no export subsidies of any kind. A 6 per cent charge is at present applied on the estimated value of beef exports.

- (iv) Information on stocking capacities in the various countries

At present, the maximum cold storage capacity for meat in Argentina is approximately 200,000 tons carcass weight.

V. Bilateral agreements affecting imports and exports

Argentina's only bilateral agreement on meat at present in force is the one signed on 13 January 1965 with Spain, providing for the following minimum amounts of beef to be supplied in 1965: 12,000 tons of chilled hind-quarters and 32,500 tons of frozen trimmed quarters. These amounts can be increased if the Spanish Government so requests through its Department of External Trade. The purchaser in Spain is the Supply and Transport Office, a State organization which distributes the meat to retailers at official prices. The vendors in Argentina are the cold storage undertakings which participate in the transaction in accordance with participation shares fixed by the National Meat Board.

The agreement establishes prices which are adjusted every three or four months.

VI. Data on production, imports, exports and consumption of beef and estimates for 1970, on a standardized statistical basis

In thousand metric tons, carcass weight, including fat

Year	Total production (meat plus exports of live cattle)	Consumption	Exports			Total exports
			Live cattle	Chilled meat	Tinned beef products	
1961	2,176	1,749	51	250	146	347
1962	2,454	1,834	75	410	135	620
1963	2,693	1,874	87	555	177	819
1964	2,120	1,540	50	440	90	580
1965	2,100	1,600	30	380	90	500
1966	2,280	1,690	30	445	115	590
1970	2,630	1,800	30	650	150	830

VII. Trends in total per caput consumption of all types of meat including estimates for 1970, in relation to available income, retail price and percentage of consumer expenditure devoted to meat

Year	Per caput consumption (kg.)			Retail price (US¢ per kg.)	Consumer expenditure on meat in \$ per caput	Available income in \$ per caput	Percentage of consumer expenditure devoted to meat
	Beef	Other meat	Total				
1961	83	22	105	40	42	470	9
1962	85	21	106	35	37	420	9
1963	86	20	106	38	40	400	10
1964	69	21	90	59	53	530	10
1965	71	24	95	70	66	590	11
1966	75	30	105	70	73	720	10

VIII. Sanitary or veterinary regulations affecting the level of beef imports

There are no regulations affecting the level of beef imports.

IX. Import policies for live cattle

There are no imports of live cattle intended for slaughter immediately or after fattening.

Buenos Aires, 16 December 1965

Resolution J-390

HAVING REGARD to the report by the Office of the Controller and Economic Investigations and to the recommendations contained in Resolution No. P-70/64 of the Commission and

CONSIDERING:

That it is necessary to keep up to date the scale of minimum prices established for exports of frozen beef;

That from this aspect it is likewise desirable to bring together in a single resolution all provisions relating to the same subject, for their better understanding and to simplify the formalities connected with the submission of export applications by interested firms;

That the rules and regulations in force with regard to foreign sales of beef by this organization call for the adoption of measures such as those indicated;

Accordingly,

THE NATIONAL MEAT BOARD HEREBY RESOLVES AS FOLLOWS:

1. The following minimum f.o.b. prices in dollars per ton are hereby established for exports of chilled beef, as set forth in the list annexed to this resolution which incorporates the partial lists in force hitherto (including new amendments to bring them up to date).
2. Consequently all the minimum prices previously set for such export transactions are hereby abolished.
3. This resolution shall be passed on to the General Administration for appropriate action:

ANNEX TO RESOLUTION NO. J-390 OF THE NATIONAL MEAT
BOARD DATED 16 DECEMBER 1965

List of minimum export prices for beef

<u>Refrigerated quarters</u>	<u>Chilled</u>	<u>Frozen</u>
Trimmed quarters without kidney or suet KKO	620	600
Trimmed quarters with kidney and suet KKI	600	590
<u>Hind quarters</u>	785	740
<u>Fore quarters, not boned</u>	470	460
<u>Fore quarters, boned</u>	-	730
Hind quarters, pistol cut without shank (3 ribs)	910	850
Hind quarters, pistol cut with shank (3 ribs)	880	820
Hind quarters, pistol cut without shank (5 ribs)	900	840
Hind quarters, pistol cut without shank (7 ribs)	890	830
Hind quarters, pistol cut, boned (3 ribs)	1,200	1,100
Crops	560	530
Ribs and ponies	-	550
 <u>Refrigerated hind-quarter cuts</u>		
Round, not boned	890	810
Round, boned	1,100	1,020
"Peceto"	1,300	1,200
Rump, loin and haunch, boned	1,090	1,000
Loin round	1,050	1,000
Beefsteaks with loin and haunch, not boned	1,250	1,000
Beefsteaks with loin and haunch, boned	1,850	1,600
Beefsteaks with loin, not boned	1,280	1,200
Beefsteaks without loin, not boned	1,150	1,100
Beefsteaks without loin, boned	1,470	1,400
Beefsteaks without haunch, with loin	1,650	1,500
Flank	790	750
Shank and "tortuguita"	740	700
Outer rump	1,120	1,060
Inner rump	1,050	1,000
Inner rump, outer rump and loin round	1,070	1,020
Boned shank, B and/or F	1,120	1,020

<u>Smoked and/or salted meat (in brine, in barrels)</u>	<u>Chilled</u>	<u>Frozen</u>
Rib meat and/or flank and/or cow, not boned	-	435
Rib meat and/or flank and/or cow, boned	-	560
Brisket, not boned	-	585
Brisket, boned	-	700
Other pieces, not boned	-	700
Other pieces, boned	-	850