

GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL

TN.64/Me/W/13

14 March 1966

Group on Meat

Original: English

UNITED STATES

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

I. Existing beef policies

(i) Support prices

None; prices for cattle in the United States are determined by supply and demand.

(ii) Market prices for cattle; yearly average

Year	Beef cattle average prices received by farmers \$ per 100 kg. live weight
1960	44.97
1961	44.53
1962	46.96
1963	43.87
1964	39.68
1965	43.92

(iii) Total producers returns per kilogramme live weight, including assistance and subsidies

There are no aids or subsidies.

Year	Beef cattle average prices received by farmers \$ per 100 kg.
1960	44.97
1961	44.53
1962	46.96
1963	43.87
1964	39.68
1965	43.92

(iv) Inventory and cost of subsidies

There are no direct aids or subsidies.

(v) Total quantity and value of production

Year	Farm production live weight million kgs.	Cash receipts live stock markets million dollars
1960	12,824.0	7,387.8
1961	13,469.3	7,564.5
1962	13,778.4	8,186.5
1963	14,677.0	8,101.2
1964	15,393.9	7,767.8
1965	N.A.	N.A.

(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

(a) United States import duties livestock and meat products

Item	Description	Duty
100.01	Brooding cattle	Free
100.40	Cattle, weighing each under 200 lbs.	1.5¢/lb. for not over 200,000 head entered in the twelve-month period beginning 1 April in any year
100.45	Cattle weighing 200 lbs. or more but under 700 lbs. each	2.5¢ per lb.
100.50	Cattle weighing 700 lbs. or more each	1.5¢ per lb. for not over 400,000 head entered in the twelve-month period beginning 1 April in any year, of which not over 120,000 shall be entered in any quarter beginning 1 April, 1 July, 1 October or 1 January and 2.5¢ per lb. for cattle entered in excess of any of the foregoing limitations

Item	Description	Duty
106.80	Edible meat offal, fresh chilled or frozen valued not over 20¢ per lb.	1¢ per lb.
106.85	Edible meat offal, fresh chilled or frozen valued over 20¢ per lb.	
107.20	Beef sausage, in airtight containers	15 per cent ad valorem
107.40	Beef or veal, pickled or cured, valued not over 30¢ per lb.	3¢ per lb.
107.45	Beef or veal, pickled or cured, valued over 30¢ per lb.	10 per cent ad valorem
107.50	Beef and veal prepared or preserved in airtight containers	15 per cent ad valorem
107.55	Other prepared or preserved beef and veal valued not over 30¢	3¢ per lb.
107.60	Other prepared or preserved beef and veal valued over 30¢ per lb.	3.75¢ per lb.

Fee paid for import formalities:

The basic cost for inspecting imported meat is paid from appropriated funds.

(b) Meat import law

In August 1964 the United States Congress passed Public Law 88-482 designed to regulate the importation of certain fresh, chilled, and frozen meats into the United States. The main provisions of the law are summarized and illustrated below.

1. The law applies only to fresh, chilled, and frozen beef, veal, mutton, and goat meat. It does not apply to any live animals, lamb, canned or any other processed meats.

2. The law does not actually establish quotas for meat imports. Rather, it establishes contingency quotas to be applied only if imports would otherwise exceed certain levels.

3. The allowed level of imports is computed by a formula which permits import growth proportionate to the growth in domestic production. Quotas - if they had to be established for any year - would equal the 1959-63 average imports of these meats adjusted up or down by the same percentage as the estimated average annual United States commercial production of these meats during that year and the two preceding years is above or below average production for the 1959-63 period.

4. The Secretary of Agriculture is required before the beginning of each calendar year, and thereafter before each quarter, to estimate how much meat would be imported during that calendar year in the absence of quota limits. Only if his estimate exceeds the contingency quota for that year (1959-63 average plus allowed growth) by at least 10 per cent would quotas be applied.

5. Quotas, when applied, would be for the calendar year, not the calendar quarter. But any quota in effect because of an earlier estimate would be ended if a later quarterly estimate dropped below the "triggering point" of the allowed annual quota plus 10 per cent (except that a quota in effect during the third quarter would remain in effect during the fourth quarter).

6. Should quotas come into effect, the Secretary of Agriculture would allocate the totals among supplying countries on the basis of shares supplied by those countries during a representative base period. Adjustments may be made for special factors which have affected or affect trade in these meats. (The law does not specify the base period to be used for allocating country shares. The base period will not be chosen until and unless the situation arises in which quotas need to be applied.)

7. The law gives the President discretionary authority to suspend the application of quotas or to increase quota levels if he determines: (a) such action is required by overriding economic or national security interests of the United States; (b) the supply of meats covered by the law is inadequate to meet domestic demand at reasonable prices; or (c) trade agreements entered into after 22 August 1964 establish conditions that over a reasonable period of time assure a pattern of world trade in beef, veal, and mutton that results in United States imports of these meats in amounts consistent with the import levels prescribed in the law.

Illustration of quota figures

United States commercial production of beef, veal, mutton, and goat meat was:

1959	14,211 million pounds
1960	15,461 million pounds
1961	15,954 million pounds
1962	15,935 million pounds
1963	16,952 million pounds
1959-63 average	15,703 million pounds

The growth of allowed imports in any calendar year is based on the proportion of (1) the estimated average annual domestic commercial production in that year and the two preceding years to (2) 1959-63 average production. For 1965, the pertinent years to determine the numerator of this proportion would be 1963-65. Commercial production and estimates for those years are:

1963	16,952 million pounds
1964	18,872 million pounds
1965	19,279 million pounds
1963-65 average	18,368 million pounds (or 17 per cent over 1959-63 average)

United States imports of meats covered by the meat import law were:

1959	572 million pounds product weight
1960	451 million pounds product weight
1961	614 million pounds product weight
1962	925 million pounds product weight
1963	1,048 million pounds product weight
1959-63 average	722 (but the meat import law specifies 725.4 million pounds)

The growth factor would permit 1966 imports of 890.1 million pounds. But the bill allows a leeway of 10 per cent before quotas are called for. This provision would allow the estimate of imports to go up to 979.1 million pounds (10 per cent more than 890.1) before quotas became operative. But, if the estimate of 1966 imports exceeded this 979.1 million pounds, quotas would have to be applied on basis of 890.1 million pounds.

The first estimate of 1966 imports (announced 30 December 1965) was for imports of about 700 million pounds, 29 per cent below the quota-triggering level of 979.1 million pounds.

(c) State laws

Some State legislatures have enacted or are considering the enactment of laws applicable to imported meat, meat products and canned meat products. These laws contain one or more of several provisions pertaining to regulating the quality and purity of imports, requirements as to labelling and the identification of such products in selling establishments, and the licensing or registration of establishments carrying such imported products.

Although the United States Government is not in all cases in a position to prevent enactment of this type of legislation by State legislatures, it recognizes the objectionable character of such laws and has brought to the attention of the governors of a number of States the likely harmful effects of such legislation. United States Government efforts have met with some success in preventing enactment of legislation in certain cases. In addition, the Government has expressed a willingness to support attempts by private parties to question, through court action, the validity of laws already enacted. It is only through such litigation that allegations that the legislation is unconstitutional or otherwise invalid can be tested.

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

It appears to be an established practice for dairy operators in the United States to dispose of their marginal dairy animals to the manufacturing meat trade. This practice may not be, strictly speaking, appropriately labelled "dual purpose", but we should be able to provide data on the supply of dairy animals for slaughtering.

(i) Estimated volumes and prices of cereals used for intensive fattening of cattle

⁴
Corn, Sorghum Grain and Barley: Quantities fed to Beef Cattle
and Season Average Prices Received by Farmers 1955-65

Year ¹	Corn		Sorghum grain		Barley	
	Quantity fed ²	Average price	Quantity fed ²	Average price	Quantity fed ²	Average price
	'000 m.t.	\$/bu. ⁵	'000 m.t.	\$/bu. ⁵	'000 m.t.	\$/bu. ⁵
1959-60	10,212	1.04	2,400	1.53	1,252	.860
1960-61	10,930	.997	2,623	1.49	1,804	.838
1961-62	11,808	1.08	2,810	1.80	1,524	.981
1962-63	12,721	1.10	2,832	1.82	1,786	.915
1963-64	13,339	1.09	4,306	1.74	2,139	.896
1964-65	12,818	1.15	3,597	1.87	2,960	.946
1965-66	(3)	1.09	(3)	1.80	(3)	1.01

¹Quantity fed during October-September feeding year; prices received by farmers during marketing year.

²Compiled from reports of Farm Production Economics Division.

³Not yet available.

⁴From domestic production - little feed grain imported.

⁵One bushel of corn or sorghum weighs 25.4 kgs.

⁶One bushel of barley weighs 21.8 kgs.

(ii) Evolution of steer-corn ratio

Year	Steer-corn ¹ price ratio Chicago basis
1960	23.0
1961	22.2
1962	24.7
1963	19.3
1964	18.6
1965	23.2 ²

(iii) Total producers' returns for milk

Year	Cash receipts from markets of milk (million dollars)
1960	4,753
1961	4,919
1962	4,854
1963	4,860
1964	5,022
1965	5,090 (estimated)

(iv) Evolution of milk-beef price ratio

Year	Milk-beef price ratio
1960	.16
1961	.17
1962	.15
1963	.16
1964	.18
1965	.17 (estimated)

¹The number of bushels of corn equivalent in value to 45.4 kgs. of beef steers. (Used No. 3 yellow corn equivalent to 45.4 kgs. beef steers from the corn belt sold out of first hands Chicago for slaughter, all grades).

²Estimated.

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

Not available; the United States does not have dual purpose animals. Major proportion of beef comes from specialized beef industry and the major proportion of veal comes from the dairy segment.

(vi) Evolution of dairy herd in relation to total cattle

Year	Dairy cattle '000 head	Non-dairy cattle '000 head	Dairy cattle as a per cent of total cattle
			%
1960	30,181	66,055	31.4
1961	29,974	67,560	30.7
1962	29,550	70,452	29.5
1963	28,651	75,085	27.6
1964	27,639	79,104	25.9
1965	26,841	80,311	25.0

III. Internal prices(i) Wholesale pricesWholesale Prices Beef, Choice Steers

Year	Chicago \$ per 100 kg. carcass wt.	New York \$ per 100 kg. carcass wt.
1960	96.96	99.36
1961	90.70	94.20
1962	98.85	102.32
1963	90.01	91.98
1964	86.84	87.83
1965	94.07	95.28

(ii) Retail prices or consumer prices

Year	Retail beef price choice \$ per kg.
1960	1.79
1961	1.75
1962	1.82
1963	1.79
1964	1.72
1965	1.81

(iii) Cost of marketing

Not available, for charges see next table item (iv).

(iv) Beef, Choice grade: Retail price, wholesale value, farm value, farm-retail spread, and farmer's share of retail price, by quarters, 1960-64

Year	Retail price per kg. ¹	Whole-sale value ²	Gross farm value ³	By-product allowance ⁴	Net farm value ⁵	Farm-retail spread			Farmer's share
						Total	Whole-sale retail	Farm whole-sale	
¢	¢	¢	¢	¢	¢	¢	¢	¢	%
1960	178.6	129.4	116.2	9.9	106.3	72.3	49.2	23.1	60
1961	174.6	123.0	112.9	10.8	102.1	72.5	51.6	20.9	58
1962	181.7	134.0	122.6	10.8	111.8	69.9	47.6	22.3	62
1963	178.7	123.7	112.7	9.9	102.7	75.8	54.9	20.9	58
1964	171.5	118.6	102.7	9.3	93.5	78.0	52.9	25.1	54

¹Estimated weighted average price of retail cuts from choice grade carcass.

²Wholesale value of quantity of carcass beef equivalent to 0.45 kg. of retail cuts, calculated from weighted average wholesale price of choice grade carcass beef in New York, Chicago, Los Angeles, San Francisco, and Portland-Seattle-Takoma. A wholesale carcass equivalent of 0.57 kg. was used for 1951; it was increased gradually to 0.61 kg. for 1963 and later years.

³Payment to farmer for quantity of choice grade beef cattle equivalent to 0.45 kg. of retail cuts. The farm product equivalent for 1951 was 0.94 kg.; it was increased gradually to 1.02 kg. for 1963 and later years.

⁴Portion of gross farm value attributed to edible and inedible by-products.

⁵Gross farm value minus by-product allowance.

IV. International prices

(i) Prices in various markets

United States exports: The United States is not a significant exporter of carcass beef.

United States imports: See pages 10, 11, and 12.

United States Imports: Value of Selected Meat Products in Country of Origin,
US\$ per kg., 1963-65 by months¹

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Beef, fresh, chilled or frozen, with bone: Canada												
1963	0.86	0.86	0.79	0.77	0.90	0.79	0.86	0.79	0.73	0.68	0.66	0.68
1964	0.71	0.77	0.79	0.84	0.86	0.77	0.66	0.64	0.64	0.64	0.64	0.64
1965	0.68	0.62	0.71	0.68	0.75	0.99	0.66	0.64	0.64	0.62	0.57	n.a.
Beef, fresh, chilled or frozen with bone: Mexico												
1963	0.64	0.57	0.57	0.64	0.55	0.60	0.64	0.64	-	0.68	0.66	0.68
1964	0.66	0.68	0.68	1.01	-	-	-	0.79	-	-	-	-
1965	-	-	-	-	-	0.99	-	-	-	-	0.71	n.a.
Beef, fresh, chilled or frozen with bone: Nicaragua												
1963	0.60	0.60	0.60	0.66	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.60
1964	0.60	0.62	0.64	0.66	0.64	0.62	0.62	0.66	0.64	0.71	0.71	0.68
1965	0.66	0.64	0.64	0.62	0.75	0.73	-	-	0.77	-	-	n.a.
Beef, fresh, chilled or frozen with bone: Australia												
1963	0.79	0.75	-	0.84	-	0.86	0.86	0.88	0.82	0.90	0.86	0.93
1964	0.84	0.60	0.79	0.95	0.73	0.86	0.84	0.77	0.88	0.73	0.79	0.73
1965	0.77	0.86	0.66	0.79	0.77	0.95	0.79	0.86	0.82	0.86	0.95	n.a.
Beef, fresh, chilled or frozen with bone: New Zealand												
1963	0.53	0.53	0.42	0.49	0.49	0.44	0.62	0.60	0.86	0.64	0.71	-
1964	0.77	0.68	0.86	0.73	0.68	0.75	1.01	0.86	0.82	0.77	1.51	0.86
1965	1.12	0.77	0.79	0.79	0.82	0.75	1.54	0.86	1.10	0.77	1.10	n.a.

¹Computed from United States import statistics based on customs valuation. Values in foreign country therefore exclude United States import duties, ocean freight and marine insurance. (Above prices are roughly equivalent to f.o.b. prices country of origin.)

United States Imports: Value of Selected Meat Products in Country of Origin,
US\$ per kg., 1963-65 by months¹

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Beef, fresh, chilled or frozen, boneless: Canada												
1963	0.90	0.82	0.88	0.90	0.82	0.79	0.86	0.84	0.82	0.84	0.82	0.34
1964	0.79	0.77	0.77	0.82	0.79	0.82	0.82	0.82	0.84	0.79	0.73	0.73
1965	0.75	0.79	0.79	0.79	0.75	0.79	0.79	0.82	0.79	0.79	0.82	n.a.
Beef, fresh, chilled or frozen, boneless: Mexico												
1963	0.77	0.75	0.73	0.73	0.75	0.71	0.71	0.75	0.53	0.71	0.73	0.71
1964	0.73	0.71	0.73	0.77	0.77	0.68	0.73	0.77	0.75	0.77	0.77	0.75
1965	0.77	0.75	0.73	0.73	0.75	0.75	0.77	0.77	0.77	0.79	0.79	n.a.
Beef, fresh, chilled or frozen, boneless: Guatemala												
1963	0.71	0.71	0.71	0.71	0.73	0.71	0.75	0.75	0.79	0.79	0.75	0.77
1964	0.75	0.77	0.77	0.79	0.82	0.79	0.77	0.79	0.77	0.82	0.82	0.77
1965	0.75	0.79	0.75	0.79	0.71	0.79	0.84	0.79	0.79	0.82	0.85	n.a.
Beef, fresh, chilled or frozen, boneless: Honduras												
1963	0.66	0.64	0.71	0.75	0.68	0.66	0.63	0.68	0.68	0.66	0.66	0.68
1964	0.66	0.64	0.79	0.79	0.68	0.75	0.75	0.79	0.82	0.82	0.68	0.66
1965	0.73	0.68	0.71	0.73	0.75	0.71	0.75	0.77	0.73	0.75	0.75	n.a.
Beef, fresh, chilled or frozen, boneless: Nicaragua												
1963	0.68	0.73	0.66	0.68	0.73	0.75	0.77	0.79	0.73	0.73	0.77	0.73
1964	0.73	0.71	0.71	0.75	0.77	0.68	0.63	0.68	0.71	0.73	0.71	0.73
1965	0.75	0.75	0.75	0.71	0.73	0.75	0.71	0.79	0.73	0.77	0.75	n.a.
Beef, fresh, chilled or frozen, boneless: Costa Rica												
1963	0.71	0.73	0.73	0.73	0.73	0.71	0.73	0.73	0.68	0.73	0.73	0.71
1964	0.71	0.73	0.73	0.77	0.75	0.71	0.65	0.65	0.68	0.71	0.71	0.71
1965	0.71	0.68	0.68	0.71	0.71	0.66	0.71	0.73	0.73	0.68	0.73	n.a.

¹See footnote on page 10.

United States Imports: Value of Selected Meat Products in Country of Origin,
US\$ per kg., 1963-65 by months¹

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Beef, fresh, chilled or frozen, boneless: Australia												
1963	0.73	0.71	0.68	0.68	0.68	0.68	0.68	0.66	0.71	0.71	0.66	0.73
1964	0.71	0.68	0.68	0.68	0.68	0.73	0.71	0.71	0.68	0.71	0.71	0.73
1965	0.73	0.75	0.73	0.73	0.73	0.73	0.71	0.71	0.73	0.75	0.77	n.a.
Beef, fresh, chilled or frozen, boneless: United Kingdom												
1963	0.68	-	0.75	0.73	0.77	0.66	0.75	0.75	0.68	0.79	0.75	-
1964	-	-	0.66	-	-	-	-	-	0.57	-	-	-
1965	-	-	-	-	-	-	-	-	-	-	-	n.a.
Beef, fresh, chilled or frozen, boneless: New Zealand												
1963	0.71	0.73	0.51	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.73	0.73
1964	0.71	0.73	0.68	0.71	0.71	0.73	0.68	0.68	0.68	0.68	0.71	0.73
1965	0.79	0.75	0.71	0.71	0.71	0.71	0.68	0.73	0.73	0.73	0.79	n.a.
Veal, fresh, chilled or frozen: Canada												
1963	-	-	-	0.84	0.84	0.84	0.86	0.86	0.79	0.73	-	-
1964	0.99	0.95	0.88	0.82	0.77	0.77	0.79	0.79	0.90	0.75	0.71	0.82
1965	1.41	0.77	0.86	0.77	0.77	0.82	0.82	0.82	0.77	0.88	0.88	n.a.
Veal, fresh, chilled or frozen: Australia												
1963	0.82	0.82	-	0.84	0.73	0.88	0.75	0.79	0.79	0.79	0.79	0.82
1964	0.82	0.79	0.77	0.75	0.73	0.77	0.84	0.75	0.68	0.79	0.88	0.82
1965	0.73	0.75	0.90	0.75	0.75	0.73	0.88	0.64	0.77	0.75	0.75	n.a.
Veal, fresh, chilled or frozen: New Zealand												
1963	0.77	0.82	0.79	0.79	0.73	0.75	0.79	0.84	0.86	0.82	0.84	0.86
1964	0.84	0.86	0.86	0.82	0.84	0.88	0.73	0.84	0.86	0.88	0.82	0.88
1965	0.77	0.75	0.84	0.79	0.75	0.79	0.79	0.95	0.82	0.79	0.82	n.a.

¹See footnote on page 10.

(ii) Data on price formation

Prices for beef in the United States are determined by supply and demand. Exporters must purchase beef at domestic prices. United States legislation does not provide for any means of direct intervention in the market for beef which would stabilize export prices.

The establishment of international price standard for meat poses difficult problems due to the absence of an homogeneous world market for these products, the lack of homogeneity of the products, and the difficulties of establishing quality standards. United States views on international reference prices were submitted in GATT document TN.64/AGR/4, distributed 17 June 1964, and reiterated during the May-June 1965 agricultural discussions.

(iii) Data on export subsidies and aids

The United States has no export subsidies for beef.

(iv) Information on stocking capacity of the various countries

Not available.

V. Bilateral agreements

Early in 1964, the United States entered into agreements with Australia, New Zealand, Ireland and Mexico under which the latter countries agreed to limit the quantities of beef and veal (and in the case of Australia, mutton) which may be shipped to the United States. During 1963, beef and veal exports of these countries to the United States reached record levels. Shipments to the United States constituted over 80 per cent of the total exports of Australia and of New Zealand, and approximately 50 per cent of the total exports of Ireland. Total imports of beef and veal by the United States amounted to about 51 per cent of the world trade in beef and veal.

The spectacular increase in United States imports was due in part to the increasing protectionism practised by other major industrialized countries, which limited meat imports and channelled the flow of trade to United States markets. As a consequence, the United States felt it necessary to conclude agreements with its major suppliers which not only permitted the continued flow of trade at high levels but also provided for a proportionate sharing in the anticipated growth of United States demand. Agreements with Australia, New Zealand, Mexico and Ireland help to preserve equity among all substantial foreign suppliers and to prevent a run-up in imports from some important suppliers at the expense of others which were willing to co-operate by agreeing to limit their own exports.

For 1966 and succeeding years, so long as the agreements remain in effect, exports from the co-operating countries will be allowed to increase in proportion to the increase in the total United States market for those meats. This rate of increase is currently calculated by the United States Department of Agriculture at 3.7 per cent annually. This feature of the agreements preserves a share in market growth for both domestic producers and foreign suppliers proportionate to the shares they held in 1964. The agreements have halted the pre-1965 trend toward a greater percentage increase in imports than in domestic production.

The agreements are an interim solution to a pressing problem. For the longer run, it remains the aim of the United States to negotiate broader international arrangements to increase the access of meat exporting nations to other major markets. Such arrangements would relieve the pressure of imports upon the United States market.

VI. Data on production, trade and consumption

Year	Production	Imports	Per capita consumption				
	Beef carcass weight	Beef	Beef	Veal	Pork	Lamb and mutton	Total meat
	<u>Million kg.</u>	<u>Million kg.</u>	<u>kg.</u>	<u>kg.</u>	<u>kg.</u>	<u>kg.</u>	<u>kg.</u>
1955	5,993	104	37.2	4.3	30.3	2.1	73.8
1956	6,391	96	38.7	4.3	30.5	2.0	75.6
1957	6,283	177	38.4	4.0	27.7	1.9	72.0
1958	5,889	406	36.5	3.0	27.3	1.9	68.8
1959	6,002	475	36.9	2.6	30.7	2.2	72.3
1960	6,520	345	38.6	2.8	29.6	2.2	73.2
1961	6,772	463	39.9	2.6	28.2	2.3	73.0
1962	6,773	641	40.4	2.5	28.9	2.4	74.2
1963	7,230	749	42.9	2.2	29.8	2.2	77.2
1964	8,182	484	45.4	2.4	29.8	1.9	79.4
1965	8,301 ²	1	45.0 ²	2.4 ²	27.2 ²	1.7 ²	76.3 ²

¹Not available.

²Estimate.

VII. Trend in per capita consumption, estimates for 1970

Projections for 1970 indicate increased production and consumption of all red meats when compared with 1964. The farm price of cattle and hogs is expected to be moderately higher, while sheep and lamb prices are expected to be about the same. Per capita disposable income is expected to average \$2,684 (1964 constant dollars), 18.3 per cent larger than the \$2,269 realized in 1964.

Although the production and consumption of red meat is expected to increase by 1970, the trends in the intervening years are quite different. Production of beef and lamb are expected to decline during the next several years as breeding herds and flocks are being rebuilt and prices are expected to be quite strong. Pork production, on the other hand, is expected to increase during the next few years and by 1970 likely will be declining from 1967-68 levels.

1970 Projections of Meat Production, Consumption and Prices

	Kilogrammes	Beef and Veal	Pork	Lamb and Mutton
Production	Million kg.	9,571	5,761	363
Per capita consumption	Kg.	49	28	2.0
Farm price	\$ per 100 kg.	49.38	36.38	40.79
Imports	Million kg.	680		

Retail Value of Meat and Beef, Including Veal, and Percentage of
Consumer Expenditures Devoted to Meat

Year	Total income	Total Retail Value		Percentage of consumer expenditures devoted to meat	Percentage of consumer expenditures to beef and veal
		Meat	Beef and Veal		
1960	350,044	15,867	9,611	4.5	2.7
1961	364,424	16,017	9,656	4.4	2.6
1962	385,267	16,618	10,019	4.3	2.6
1963	403,832	17,086	10,461	4.2	2.6
1964	435,785	17,913	11,281	4.1	2.6

VIII. Sanitary or veterinary regulations

Fresh or frozen beef and veal (as well as lamb or mutton) are prohibited entry into the United States if they originate in a country where rinderpest or foot-and-mouth disease exist.

All edible meat and meat products imported into the United States must be produced in a plant operating under an inspection system substantially equivalent of, or is as efficient as, the system established and maintained by the United States.

Foreign countries must apply for, and receive recognition of, their national meat inspection programmes. Official establishments engaged in exporting products to this country must be certified as meeting the above-mentioned requirements. These establishments are subject to USDA review.

The determination or acceptability of a foreign meat inspection system shall be based, among other things, on an evaluation of the foreign programme in accordance with the following requirements and procedures:

- (1) The system shall have a programme organized and administered by the national government making the request for eligibility;
- (2) The legal authority for the system and regulations thereunder shall make adequate requirements with respect to:
 - (a) Veterinary ante mortem inspection of animals for slaughter;
 - (b) Veterinary post mortem inspection of carcasses at time of slaughter;
 - (c) Controls over establishment facilities;
 - (d) Requirements for sanitary handling of product;
 - (e) Supervision of all operations to assure wholesomeness of product and freedom from adulteration.

Each consignment of foreign product offered for importation is accompanied by an approved certificate. It is then given an import inspection based on the examination of representative samples. Shipments found to be not in full compliance with the United States inspection regulations are refused entry.

IX. Import policies for live cattle

Imports of cattle are prohibited from countries where rinderpest and foot-and-mouth disease exist. In addition, cattle originating in countries declared free of such diseases are prohibited entry if, en route to the United States, the vessel carrying live animals transits the port of a country or area not determined to be free of foot-and-mouth disease or rinderpest. For cattle potentially eligible for entry, except from Canada and some of the Northern States of Mexico, the importer must first obtain a permit from the Animal Health Division. The Department of Agriculture thereby can weigh all essential factors relating to a proposed importation, such as diseased conditions, transportation, veterinary services in the country of origin, and at the same time specify conditions under which the importation may be made.

Animals offered for entry must be accompanied by a certificate issued by an official veterinarian in the country of origin showing that the animals have been in that country for at least sixty days immediately preceding shipment, that they have been inspected and found to be free from evidence of communicable diseases, and that they have not been exposed to such diseases.

All cattle are given careful veterinary inspection upon arrival at a designated port of entry. If the examination discloses evidence of communicable disease, the animals are refused entry and are destroyed or returned to the country of origin. If they are found to be apparently healthy, they are permitted entry without further restrictions, or when subject to quarantine, are permitted to move to approved quarantine facilities. All cattle imported, except from Canada and Mexico, are subject to a thirty-day quarantine period.