

GENERAL AGREEMENT ON TARIFFS AND TRADE

COUNCIL
29 January 1985

PROPOSED AGENDA

1. UNITED STATES AGRICULTURAL ADJUSTMENT ACT
- Twenty-seventh annual report by the United States (L/5772)
2. UNITED STATES FISCAL LEGISLATION (DISC-FSCA) (L/5716, L/5723,
L/5774)
3. UNITED STATES BAN ON IMPORTS OF STEEL PIPES AND TUBES FROM THE
EUROPEAN COMMUNITIES (L/5747 and Add.1, L/5773)
4. COMMITTEE ON BALANCE-OF-PAYMENTS RESTRICTIONS
- Arrangements for consultations in 1985 (C/W/459)
5. CONSULTATIVE GROUP OF EIGHTEEN
- Composition for 1985
6. STATUS OF WORK IN PANELS
- Statement by the Director-General

OTHER BUSINESS

BEEF TRADE CONTINUED TO DECLINE IN 1984, BUT PRICES
HELD UP FOR EXPORTERS - GATT REPORT

While import demand for bovine meat in the major world markets continued to fall during 1984, the situation for the majority of traditional beef exporters improved or, at least, did not deteriorate further. In fact, producer prices in all five of the major traditional exporting countries (Argentina, Uruguay, Brazil, Australia and New Zealand) increased during the year and herd growth began or continued in New Zealand, Argentina and Brazil.

However, the annual report on the "World Market for Bovine Meat", published today by GATT¹, warns that the improved price situation in these countries derived, in part, from exchange rate positions. Consequently, any future strengthening of currencies, particularly against the dollar, would mean lower cattle prices and a possible slowing of herd rebuilding.

In its analysis of the 1984 situation the report indicated a divergence in import trends between the "foot and mouth disease-free" areas (principally North America, Japan and certain other Far Eastern countries) and the "non-free" markets. Import demand in the "non-free" areas contracted sharply last year compared to a much gentler reduction in the "disease-free" markets. This difference was highlighted by a far slighter reduction in the prices paid for traded beef in the "disease-free" areas than in the "non-free" areas.

¹The World Market for Bovine Meat, Geneva, GATT, 1985. Available free of charge in English, French and Spanish from the GATT secretariat, Centre William Rappard, 154, rue de Lausanne, 1211 Geneva 21, Switzerland.

The report says that the deterioration in import demand in the foot and mouth disease zone of world bovine meat trade derived largely from the contraction of demand for imported beef in the Middle East and the Soviet Union which together account for well over half of bovine meat imports in this zone. It suggests that the main reasons for this contraction was reduced oil revenues in the Middle East (where weaker demand showed itself in sharply reduced prices rather than any volume fall) and increased meat production in the Soviet Union.

Imports by the EEC are believed to have fallen by about 6 per cent, while a large increase in EEC exports offset reduced exportable supplies in Uruguay, Argentina, Hungary, Sweden and Finland. Increased export availability in the EEC is believed mainly to be due to two factors. First, production increased due both to an upturn in cattle numbers since 1981 and to increased productivity. Second, dairy cow slaughter increased because of reduced profitability in the sector and reforms in EEC dairy policy.

Present indications suggest, says the report, that the contrasting conditions between the two major zones of world bovine meat markets will be further exacerbated in 1985. While increases in the volume and prices of beef traded within the "disease-free" zone could be expected, no improvement of import demand was likely in the major markets of the other zone.

With the same factors in play as in 1984, no recovery of demand is foreseen in either the Soviet Union or, in aggregate, the Middle East during 1985.

Note to Editors

The report contains comprehensive and detailed information for 1984 on cattle numbers, slaughter levels, production, prices, consumption and trade on a country-by-country basis as well as some more general information concerning the international economic situation and a summary of the situation and outlook for the world bovine meat market. It also provides, for the first time, short summaries of the situation and outlook in the pig, poultry and sheep-meat markets. Estimates are made for the second half of the year and for the year as a whole, as well as forecasts for 1985. A series of tables at the end of the study break down the main statistics which form the basis of the report. The publication is based primarily on information given directly to the GATT secretariat by participating countries, importers and/or exporters of bovine meat.

A summary table is attached.

MORE

TABLE 1
SELECTED COUNTRIES' TRADE IN BEEF AND VEAL^{1/}

A. EXPORTS

	1983	1984 (estimated)	1985 (forecast)	%CHANGE 1985/84
Argentina	415	270	300	+11.1
Australia	757	620	638	+2.9
Brazil	463	458	372	-18.8
EEC	500	725	710	-2.1
New Zealand ^{2/}	367	287	330	+15.0
Uruguay	232	150	128	-14.7
United States	125	152	167	+9.9
Canada	81	85	88	+3.5
Total	2,940	2,747	2,733	-0.5

B. IMPORTS

	1983	1984 (estimated)	1985 (forecast)	%CHANGE 1985/84
Brazil	25	25	30	+20.0
Canada	92	110	110	0.0
EEC	384	360 ^{4/}	350 ^{4/}	-2.8
Japan	197	215 ^{4/}	240 ^{4/}	+11.6
United States	885	826	837	+1.3
USSR ^{5/}	335 ^{3/}	322 ^{3/}	316 ^{3/}	-1.9
Middle East	780 ^{3/}	800 ^{3/}	800 ^{3/}	0.0
Total	2,698	2,658	2,683	+0.9

^{1/} '000 tons carcass weight equivalent, includes fresh, chilled, frozen, cooked, canned and otherwise prepared bovine meat; excludes carcass weight equivalent of live cattle.

^{2/} Year ended 30 September

^{3/} Secretariat estimate

^{4/} Source: USDA

^{5/} Fresh, chilled and frozen beef only

END