

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Arrangement Regarding Bovine Meat

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INTERNATIONAL MEAT COUNCIL

Inventory of Domestic Policies and Trade Measures
and Information on Bilateral, Plurilateral
or Multilateral Commitments

Reply to Parts G and H of the Questionnaire

EUROPEAN ECONOMIC COMMUNITY

Revision

The participants have agreed to provide information concerning their domestic policies and trade measures including bilateral and plurilateral commitments on the basis of Parts G and H of the Questionnaire (Rule 16 of the Rules of Procedure). The documents containing replies to these parts of the Questionnaire are circulated under the symbol IMC/INV; they are partly revised as and when changes are notified.

This set of documents constitutes the inventory of all measures affecting trade in bovine meat, including commitments resulting from bilateral, plurilateral and multilateral negotiations, which the Council has instructed the secretariat to draw up and keep up to date, under the provisions of Article III of the Arrangement (Note to Article III of the Arrangement and Rule 18 of the Rules of Procedure).

Note: This document has been revised in accordance with the three-year rule contained in Rule 18 of the Rules of Procedure, and replaces all previous IMC/INV/2/... documents. Annex II contains an explanation of the basic regulations governing the common organization of Community markets in the sheepmeat and goatmeat sector.

PART G*

Part G.1. Information on Domestic Policies and Trade Measures

INTRODUCTORY NOTE

I. The general framework of policy

1. The objectives of the common agricultural policy are set out in Article 39 of the Treaty of Rome concerning the European Economic Community; they relate in particular to the increase of agricultural productivity, stabilization of markets, availability of supplies and ensuring supplies to consumers at reasonable prices. The principles of the common agricultural policy are: maintenance of a single market, Community preference and financial solidarity between member States. The instruments of the common agricultural policy are: a market and price policy for agricultural products covering nearly 90 per cent of agricultural end-production, and an agricultural social structure policy.

2. The market and price policy is carried out within the framework of the common organization of agricultural markets. The support mechanisms differ. They range from minimum protection at the external frontier of the Community for poultry products (levy proportional to the amount of feed grain necessary as a means of production) to the fixing of minimum prices (sugar beet), and from guaranteed purchase by public bodies to an automatically fixed intervention price. The target and guide prices are not guaranteed prices, but constitute a floor level for the movement of prices within the Community, above which imports are necessary to ensure supplies to Community consumers. Generally speaking, the common organization is a single system, without regionalization or differentiation based on other criteria. Since the rate of growth of agricultural production is higher than that of consumption of food products, the Community follows a cautious price policy.

3. Within the framework of GATT, the Community has bound a certain number of tariff commitments. By means of individual agreements or treaties it maintains preferential trade relations with many countries and regions of the world. At world level, the Community is the biggest importer of agricultural and food products.

4. The social structure policy is carried out through common action designed to make optimum use of the factors of production at the stage of agricultural production and of initial processing of agricultural products. Its implementation depends on the initiative of businessmen, who must fulfil certain conditions in order to benefit from the support measures, which mainly take the form of interest rebates. Besides the general systems, the social structure policy of the Community includes measures relating to a single factor of production (e.g. the cattle herd) or to

* Source: Directorate-General of Agriculture

particular regions (e.g. mountain regions). With a view to attaining the production objectives of the Community, the social structure provisions may, for certain sectors, be modified, amplified or suspended.

II. Procedures

The Council adopts the basic provisions proposed to it by the Commission, after consulting the European Parliament and the Economic and Social Committee. Each year, the Council also fixes the institutional prices provided for by the common organization of agricultural markets. Market management and application of the social structure measures are the responsibility of the Commission, and of the Management Committees and the Standing Committee on Agricultural Structures.

III. Economic importance of the bovine dairy and meat sector

With 34 per cent of the end-production of Community agriculture, the dairy cattle sector is by far the largest in the agriculture of the EEC. It is a source of income for about 2.6 million farms (approximately 50 per cent of the total number of farms). About 1.8 million farms keep dairy cows, dairy breed and dual-purpose breed cows. Thus mixed meat and dairy farming is very extensive in the bovine sector, and conversion to herds specialized in bovine meat production is encouraged.

During the past few years the number of farmers keeping cattle and cows has greatly diminished (20 per cent between 1975 and 1981). The number of beasts has decreased slightly. At about 25 million head, the dairy herd has remained relatively stable since 1975. The average size of herds in the Community is 31 cattle, 14 milch cows for dairy herds and 9 nurse cows for suckler herds. Owing to increasing yields, the annual rate of variation in milk production during the period 1975 to 1981 was more than 2 per cent. Production of bovine meat showed an annual rate of variation of 0.5 per cent. This rate was higher for calves (1.2 per cent) than for adult bovine animals (0.4 per cent), in particular because of the increase in average slaughter weight.

A. PRODUCTION

1. Support and/or stabilization measures

The principal measures applicable for the support and stabilization of the market in beef and veal, under Council Regulation (EEC) No. 805/68 of 27 June 1968, on the common organization of the market in beef and veal¹, may be classified under three heads:

- the guide price system (for adult bovine animals only, since 1 April 1977);

¹Official Journal No. L 148 of 28 June 1968, page 24

- the system of price support within the Community by public intervention measures and private storage aid, in order to prevent or mitigate a substantial fall in prices;
- a system for regulating the trade between the EEC and third countries.

1.1 The guide price system

Each year the Council fixes a guide price for all categories of adult bovine animals (animals having a live weight of over 300 kg.) marketed on representative markets of the Community, which is aimed at in a normal marketing year under the Community regulations. This guide price is valid for the marketing year beginning, unless otherwise provided, on the first Monday in April, and ending on the previous day of the following year.

The guide price is fixed with particular reference to:

- foreseeable trends in beef and veal production and consumption;
- the situation on the market in milk and milk products.

For the most recent marketing years, the guide prices have been as follows:

| | <u>Adult bovine animals</u> (ECU/100 kg. live weight) |
|---------------------|--|
| - as from 7.12.1981 | 176.84 |
| - as from 20.5.1982 | 191.87 |
| - as from 6.12.1982 | 196.29 |
| - as from 23.5.1983 | 207.09 |
| - as from 2.4.1984 | 205.02 |
| - as from 27.5.1985 | 205.02 |
| - as from 12.5.1986 | 205.02 |

1.2 The price support system

(a) Public purchases by intervention agencies

1. In principle, intervention measures can be taken in the bovine meat sector:

- when the Community market price for adult bovine animals¹ is lower than 98 per cent of the guide price and, at the same time, the price recorded in a member State for a defined quality is lower than its maximum buying-in price, the intervention applying only to the quality for which the condition laid down above is fulfilled;

¹ Calculated from the average of prices recorded on the representative markets of the Community (Article 12, paragraph 6 of Regulation (EEC) No. 805/68)

- when the Community market price for adult bovine animals is lower than 90 per cent of the guide price; in this case, intervention measures are taken for the whole of the Community.

2. In practice, however, and since the 1978/79 marketing year, in the event of a rise in prices the possibility exists of suspending, for a member State or region of a member State, intervention purchases of a particular quality when the market price of that quality, in the member State or region of the member State concerned, exceeds its maximum buying-in price for a certain period.

3. In the contrary case of a decline in prices, the Commission decides to re-establish buying-in when the market price of that quality or qualities is equal to or lower than the maximum buying-in price for two consecutive weeks.

4. The maximum buying-in price is calculated for each of the defined qualities by applying to an amount equal to 90 per cent of the guide price a coefficient expressing the normal ratio between the price of the quality in question and the price of adult bovine animals, recorded in accordance with Article 12:6 of Regulation (EEC) No. 805/68 on the representative markets of the Community, this ratio being adjusted to the production characteristics of each member State.

5. The intervention agencies designated by the member States buy in fresh or chilled meat of adult bovine animals originating in the Community, in the form of whole carcasses, half-carcasses, compensated quarters, fore-quarters or hind-quarters, on the basis of the EEC classification scale for adult bovine animals. Standard intervention buying-in prices are established for the classes eligible for intervention as defined by that classification scale, namely classes U2, U3, R2, R3, O2 and O3 for steers and classes U2, U3, U4, R3, R4 and O3 for oxen.

6. The intervention system for bovine meat has been adapted to seasonal variations in market prices by limiting buying-in by the public intervention agencies to fore-quarters during the summer period and hind-quarters during the winter period, buying-in of carcasses or compensated quarters being the rule during the autumn period when cattle are brought in from pasture.

7. In the most recent marketing years, intervention prices were fixed at the following levels (per 100 kg. of live weight):

| | | |
|---------------------|---|------------|
| - as from 7.12.1981 | = | ECU 159.16 |
| - as from 25.5.1982 | = | ECU 172.68 |
| - as from 6.12.1982 | = | ECU 176.66 |
| - as from 23.5.1983 | = | ECU 186.38 |
| - as from 2.4.1984 | = | ECU 184.52 |
| - as from 27.5.1985 | = | ECU 184.52 |
| - as from 12.5.1986 | = | ECU 184.52 |

8. For the 1986/87 marketing year:

(1) By waiver of the basic regulations, purchases by intervention agencies are made when the average Community market price of a quality eligible for intervention has, for a period of two consecutive weeks, been equal to or lower than the intervention buying-in price applicable to that quality;

(2) The Commission decides on the suspension of purchases when the average market price has, for a period of three consecutive weeks, been higher than the intervention buying-in price.

(b) Aids for private storage

Besides public intervention measures, aid for private storage may be granted under certain conditions. The general rules for granting such aid are laid down in Council Regulation (EEC) No. 989/68 of 15 July 1968.¹ The amount of aid is:

- either determined by an adjudication procedure,
- or fixed in advance.

As in the case of public intervention measures, this aid can be granted in respect of carcasses, half-carcasses, compensated quarters, fore- or hind-quarters.

1.3 System of regulation of EEC trade with third countries

This subject is discussed under C.1.

2. Policies and measures likely to influence production

2.1 In the bovine meat sector, the Community has taken certain related measures providing for the grant of premiums:

- either to maintain production potential in certain regions of the Community where bovine livestock has decreased. This premium for calving is payable at present in Italy, Greece, Ireland and Northern Ireland;
- or to help producers whose income is reduced by the slaughter of certain adult beef cattle other than cows. This premium is at present payable only in the United Kingdom;
- or to encourage herds of suckler cows and ensure a fair income to producers specializing in quality beef.² This premium for maintaining suckler cows is applicable throughout the Community in respect of suckler cows belonging to one of the meat-producing breeds.

2.2 Under Directive 72/159 provision is made for a guidance premium for farms taking up beef production under a development plan (on completion of the development plan at least 50 per cent of farming receipts must be from bovine meat production).

¹Official Journal No. L 169 of 18 July 1968, page 14

²Official Journal No. L 140 of 5 June 1980, page 1

This premium is progressively reduced, being paid at the rate of ECU 63.6, ECU 43.1 and ECU 21.9 respectively for the first, second, and third years of application of the development plan, and is granted for a maximum of 100 hectares.

2.3 In the context of common action as defined by Regulation (EEC) No. 729/70¹, the Council has made provision for special aids in favour of developing production of beef cattle in Ireland and Northern Ireland² where certain less-favoured areas are beset by special handicaps.

2.4 In order to remedy the structural defects in supply and marketing found in certain regions, the Community has introduced in Italy for breeders of cattle, pigs, sheep, goats and horses and for poultry farmers, and in Belgium for breeders of cattle and piglets, a system for encouraging the formation of producer groups and unions.

2.5 With a view to improving livestock health, the Community has organized a campaign for the eradication of bovine brucellosis, tuberculosis and leucosis.

The Community has also drawn up common research programmes relating mainly to enhancement of the value of feed crops and improved productivity of herds of beef cattle.

2.6 Under Council Regulation (EEC) No. 355/77 of 15 February 1977³, the Community grants aid to finance the building or modernization of slaughterhouses, processing plants, meat-cutting premises, meat products factories attached to slaughterhouses, cattle marketing centres and various other installations.

2.7 The Community has also introduced a system of flat-rate aid for certain dried fodders for animal feed, and provided for the possibility of granting aid for the growing of peas and field beans used in the manufacture of animal feeding stuffs.

3. Factors influencing present and future production

The production of bovine meat is influenced by the following factors:

- Since many of the cows in the Community herd are of dual-purpose breeds, the policy followed in the milk products sector also influences the production of bovine meat. Generally speaking, milk production still gives farmers a better return. Consequently, conversion to bovine meat production from specialized herds is only feasible gradually.

¹Official Journal No. L 94 of 28 April 1970, page 13

²Official Journal No. L 111 of 23 April 1981, page 1

³Official Journal No. L 51 of 23 February 1977, page 1

- The relatively favourable trend in prices of cattle-feed during the last few years has resulted in an increase in the average weight on slaughtering of adult cattle and even more so of calves. As a result, the annual rate of variation in the production of bovine meat (+0.5 per cent between 1975 and 1981) has exceeded that of bovine livestock, which remained more stable.
- Apart from the cattle on offer in the Community consisting of cull cows and field-raised bullocks, in recent years there has been an increase in the number of young male beasts fattened in specialized production premises, which now provide about one third of all adult bovine carcasses. This latter form of stock-farming provides a means of overcoming another great obstacle to specialization in the production of bovine meat from herds suitable for this purpose, namely the size of farms. For the farm structure in the Community, which is characterized by a large number of small properties, is a limiting factor for the increase of pasture-grazed bovine stock-breeding.
- The cautious and anti-cyclical policy followed by the Community in the bovine meat sector, while observing beef import commitments at a fairly high level, is designed to stabilize the market and thus develop technical progress and ensure stable supplies for the population.

B. INTERNAL PRICES AND CONSUMPTION

1. (a) Market prices

| Period | Market price (wholesale) \emptyset all categories/ 100 kg. live weight | |
|--------|---|---|
| | ECU/100 kg. live weight | % variation in relation to previous year |
| 1977 | 128.80 | |
| 1978 | 130.51 | + 1.3% |
| 1979 | 130.80 | + 0.2% |
| 1980 | 130.87 | + 0.1% |
| 1981 | 144.70 | +10.6% |
| 1982 | 160.48 | +10.9% |

Average Community market prices for adult bovine animals remained relatively stable from 1977 to 1980, corresponding in real terms to a decline in prices and then, in 1981 and 1982, rose appreciably at a rate in line with the rate of inflation in the Community.

(b) Consumer prices

| Period | Belgium | Denmark | Germany, F.R. | Greece | France | Ireland | Italy | Luxembourg | Netherlands | United Kingdom |
|--------|---------|---------|------------------|--------|--------|---------|-------|------------|-----------------|-------------------|
| | kg. | kg. | kg. | kg. | kg. | kg. | kg. | kg. | kg. | kg. |
| | | | | | | | | | <u>ECU/unit</u> | |
| 1979 | 10.33 | 5.40 | 12.63 | 3.28 | 8.42 | 5.90 | 6.15 | = | 9.63 | 6.67 |
| 1980 | 10.62 | 5.60 | 13.21 | 3.89 | 9.07 | 6.19 | 6.60 | = | 9.93 | 8.08 |
| 1981 | 10.64 | 6.60 | 14.03 | 4.97 | 9.87 | 7.25 | 7.45 | = | 10.45 | 9.72 |
| 1982 | 10.39 | 7.06 | 15.90 | 5.53 | 10.34 | 8.34 | 8.25 | = | 12.02 | 10.50 (p.) |

(p.): provisional

Belgium: entrecôte
Denmark: oksekød
France: faux-filet paré
Germany, F.R.: lendenfilet
Greece: kréas voos
Ireland: sirloin steak
Italy: carne bovina l^o taglio senz'osso
Netherlands: runderbiefstuk
United Kingdom: sirloin steak

Source: EUROSTAT

The comparability of consumer prices is limited, because the qualities and cuts of meat to which the prices relate differ from one member State to another. The table only shows the trend of prices in each member State over the period indicated.

2. Factors and policies affecting consumption

(a) With nearly 30 per cent of total meat consumption in the Community, bovine meat occupies second place after pigmeat (42 per cent). Consumption of meat per head of population increased, between 1975 and 1981, from 81 to 89 kg. Consumption of bovine meat did not change (25 kg.) The increase in consumption applied in particular to pigmeat (from 32 to 37 kg.) and poultry (from 12 to 14 kg.). Rationalization through technical progress, and constant improvement of production structures, have been speeded up in these two sectors by abundant and relatively low-priced feeding stuffs based on cereals and proteins.

In view of the disturbing economic and employment situation in the Community, it is difficult to foresee any substantial increase in consumption of bovine meat.

The development of consumption of bovine meat depends on the following factors:

- the population trend, which in the last few years has shown a marked slowing down of the annual growth rate;
- the growth of the economy in general, and in particular the trend of expenditure on private consumption;
- availabilities of meat on the market and short-term variations in meat prices;
- the trend in trading margins between producer and consumer;
- the coefficient of income/demand elasticity, which at present seems to be rather low in the Community.

(b) Measures affecting consumption

The Community also encourages the consumption of meat, in particular by special sales at reduced prices of frozen meat held by the intervention agencies:

- to institutions and groups of a social character) measures at present) confined to Italy
- to processing industries for the manufacture of preserved foods and other products containing bovine meat.

C. MEASURES AT THE FRONTIER

1. Common customs tariff: import and export measures

(See Annex.)

2. The system of levies (Articles 10 and 12 of Regulation (EEC) No. 805/68). Besides customs duty, the Community can charge a levy on imports.

The Commission determines each month a "base" levy for live beef cattle and for the meats listed in sections (a), (c) and (d) of the Annex to Regulation (EEC) No. 805/68. If necessary, the Commission may change this base levy in the intervening period. Detailed rules for the application of the levies are laid down by Commission Regulation (EEC) No. 586/77 of 18 March 1977¹, last amended by Regulation (EEC) No. 882/79.²

¹Official Journal No. L 75 of 23 March 1977, page 10.

²Official Journal No. L 111 of 4 May 1979, page 14.

2.1 The base levy for live bovine animals

For cattle, the levy is fixed on the basis of the difference between the guide price and the offer price free at the Community frontier, with the addition of customs duty.

The offer price free at the Community frontier is established according to the most representative purchasing possibilities, as regards quality and quantity, recorded during a period to be fixed before determination of the base levy, for cattle and for fresh or chilled meat in the form of carcasses, half-carcasses, compensated quarters, fore- or hind-quarters, taking into account:

- the supply and demand situation;
- world market prices for frozen meat of a category competitive with fresh or chilled meats;
- past experience.

The free-at-frontier offer price for each category of adult bovine animal and each form of presentation of meat, is corrected or converted to an average live-weight price by means of coefficients.

2.2 The base levy for bovine meat other than frozen meat

For this meat, the base levy is equal to the base levy determined for cattle, adjusted by a standard coefficient for each product in question. This coefficient represents the ratio between the value of adult bovine animals and that of the different forms of meat.

2.3 The base levy for frozen bovine meat

For frozen carcasses, half-carcasses and compensated quarters, this levy is determined according to the difference between:

- on the one hand, the guide price adjusted by a coefficient representing the ratio in the Community between the price of fresh meat of a category competitive with the frozen meat in question, presented in the same form, and the average price of adult bovine animals, and
- on the other hand, the offer price free at the Community frontier for frozen meats, with the addition of customs duty and of a lump sum representing the costs arising from import operations.

The offer price free at the Community frontier for frozen meat, is determined according to the world market price established in accordance with the most representative purchasing possibilities, as

regards quality and quantity, recorded during a period to be fixed before the determination of the base levy, taking into account:

- foreseeable trends on the frozen meat market;
- the most representative prices on the markets of third countries for fresh and chilled meats of a category competitive with frozen meat;
- past experience.

For frozen meat presented in different forms, the base levy is equal to that determined for carcasses, adjusted by a standard coefficient fixed for each of the products concerned. This coefficient represents the value ratio between frozen carcasses and the various other forms of meat.

2.4 The levies applicable

The base levies listed above are adjusted according to the level of prices for adult bovine animals recorded on the representative markets of the Community, as compared with the guide price.

If it is found that the price of adult bovine animals on the representative markets of the Community is higher than the guide price, the levy applicable, in relation to the base levy, is equal to:

- 75 per cent if the market price is not more than 102 per cent of the guide price;
- 50 per cent if the market price is more than 102 per cent but not more than 104 per cent of the guide price;
- 25 per cent if the market price is more than 104 per cent but not more than 106 per cent of the price guide;
- 0 per cent if the market price is more than 106 per cent of the guide price.

On the other hand, if it is found that the price for adult bovine animals on the representative markets of the Community is equal to or lower than the guide price, the levy applicable, in relation to the base levy, is equal to:

- 100 per cent if the market price is equal to 98 per cent of the guide price or higher;
- 105 per cent if the market price is less than 98 per cent but not less than 96 per cent of the guide price;

- 110 per cent if the market price is less than 96 per cent but not less than 90 per cent of the guide price;
- 114 per cent if the market price is less than 90 per cent of the guide price.

It should also be noted that the levies applicable to live calves and veal are those applied to adult bovine animals and beef.

2.5 Special levy
(Article 12 bis of Regulation (EEC) No. 805/68)

If it is found that one or more third countries are exporting to the EEC live animals or bovine meat at abnormally low prices, in relation to the free-at-frontier offer prices determined each month, a special levy may be fixed.

3. Export refunds (Article 18 of Regulation (EEC) No. 805/68)

To the extent necessary to enable the products in the bovine meat sector to be exported on the basis of quotations or prices for those products on the world market, the difference between those quotations or prices and prices within the Community may be covered by an export refund.

Refunds are fixed at least once every three months. If necessary, the Commission, at the request of a member State or on its own initiative, may alter refunds during the intervening period.

The refund is the same for the whole Community. It may be varied according to use or destination.

The general rules for granting export refunds and the criteria for fixing their amount are laid down in Council Regulation (EEC) No. 885/68 of 28 June 1968.¹

4. Certificates of origin or authenticity for admission of products under certain sub-headings

(a) The rules for admission under sub-heading 02.01 A II (b) 4 (bb) 22 (footnote "f" of the customs tariff concerned "Australian" frozen cuts) are laid down in Commission Regulation (EEC) No. 139/81 of 16 January 1981.²

(b) Rules for admission under sub-headings:

- 01.02.A.II(a) (adult bovine animals)
- 02.01.A.II(a) 1 aa (fresh carcasses)
- 02.01.A.II(a) 2 aa (fresh fore-quarters)
- 02.01.A.II(a) 3 aa (fresh hind-quarters)

¹Official Journal No. L 156 of 4 July 1968, page 2

²Official Journal No. L 15 of 17 January 1981, page 4

were laid down in the interim agreement concluded between the EEC and Yugoslavia by Council Regulation (EEC) No. 1272/80 of 22 May 1980.

- (c) Total suspension of the import levy for high-quality beef and veal and for buffalo meat is subject to the presentation of a certificate of authenticity guaranteeing the nature, origin and provenance of the products concerned, as stipulated in Commission Regulation (EEC) No. 263/81 of 21 January 1981.²

5. System of import and export licences
(Article 15 of Regulation (EEC) No. 805/68)

The import or export of all live animals, except pure-bred breeding animals, of all meats and meat preparations referred to in Article 1, paragraph 1(a) of Regulation (EEC) No. 805/68, and of unspecified preparations and preserved foods (cooked preparations), is subject to presentation of a licence.

The rules governing the validity and duration of licences, deposits and the conditions to be met when applying for licences under the special import systems, are laid down in Commission Regulation (EEC) No. 2377/80 of 4 September 1980³, last amended by Regulation (EEC) No. 3578/82.⁴

6. System of advance fixing of levies and refunds

- (a) Advance fixing of levies (Article 16, paragraphs 1 and 2 of Regulation (EEC) No. 805/68, as amended by Regulation (EEC) No. 425/77).

As a general rule, the levy charged is that applicable on the day of import.

Nevertheless, the levy is fixed in advance, on request, for:

- products falling within sub-heading 02.01 A II (a) of the common customs tariff (fresh or chilled meat), originating in and coming from third countries complying with an agreement concluded on the subject with the Community by reason of the length of sea voyage involved, and covered by satisfactory guarantees. At the present time, these third countries are Argentina and Uruguay (Article 4(a)(i) of Regulation (EEC) No. 2377/80).

¹Official Journal No. L 130 of 27 May 1980, page 1

²Official Journal No. L 27 of 31 January 1981, page 52

³Official Journal No. L 241 of 13 September 1980, page 5

⁴Official Journal No. L 373 of 31 December 1982, page 59

The validity of the licence is thirty days, running from the date of issue.

- products falling within sub-heading 02.01 A II (b) of the common customs tariff (frozen meat), originating in and coming from third countries complying with an agreement concluded on the subject with the Community and covered by satisfactory guarantees. These third countries are Argentina, Uruguay, Australia, New Zealand and Romania (Article 4(a)(ii) and (iii) of Regulation (EEC) No. 2377/80).

The validity of the licence, from the date of issue, is fixed at:

- 45 days for Romania,
- 60 days for the four other third countries

- (b) Advance fixing of refunds (Article 18 of Regulation (EEC) No. 805/68)

The export refunds can be fixed in advance, on request, for all the products of the bovine meat sector for which these refunds are fixed.

As a general rule, the licence is valid from the date of issue until the end of the fifth month following that of its issue.

7. Processing traffic

Bovine meat may be included in inward or outward processing traffic. However, if the market situation so requires, application of the system of processing traffic may be suspended.

D. DESCRIPTION OF SPECIFIC SYSTEMS

1. Specific systems

- (a) The specific levy
(Article 10, paragraph 3 of Regulation (EEC) No. 805/68)

Detailed rules of application are laid down in Commission Regulation (EEC) No. 611/77 of 18 March 1977, fixing the specific levy in respect of adult bovine animals and beef and veal other than frozen¹, amended by Regulation (EEC) No. 925/77 of 29 April 1977.²

¹Official Journal No. L 77 of 25 March 1977, page 14

²Official Journal No. L 109 of 30 April 1977, page 1

The system may only be applied to third countries which have a commercial structure and systems of stock-breeding similar to those of the EEC, on condition that they check prices regularly. At the present time, the system is applied to Austria, Switzerland and Sweden.

The "base" levy represents the difference between the guide price for adult bovine animals and the average price, weighted according to the quotations for adult bovine animals recorded in the representative markets of these three third countries, plus customs duty.

(b) Estimate of young male cattle for fattening
(Article 13 of Regulation (EEC) No. 805/68)

Every year, in principle before 1 December, the Council draws up an estimate of young cattle having a live weight of less than 300 kg. which may be imported under total or partial suspension of the levy. For the year 1983 the estimate is 237,000 head.

(c) Estimate of frozen meat for processing
(Article 14 of Regulation (EEC) No. 805/68)

As in the case of young male cattle, the Council draws up an estimate of frozen bovine meat for processing, which will benefit from:

- total suspension of the levy in the case of meat intended for the manufacture of preserved foods containing only beef and jelly;
- partial suspension of the levy in the case of meat intended for the manufacture of products other than preserved foods.

For the year 1983 this estimate has been fixed at 60,000 tons of unboned meat, of which:

- 30,000 tons are for the manufacture of preserved foods;
- 30,000 tons are for the manufacture of other products.

PART H

PART H. Information on Bilateral or Plurilateral Agreements
in the Field of Bovine Animals, Meat and Offals

1. Bilateral agreements

(a) EEC - Yugoslavia

References:

- Council Regulation (EEC) No. 1272/80 of 22 May 1980, on the conclusion¹ of the interim agreement between the EEC and Yugoslavia¹;
- Council Regulation (EEC) No. 3349/81 of 24 November 1981 providing for a reduction in the levy applicable to imports of certain beef and veal products²;
- Council Regulation (EEC) No. 287/82 of 3 February 1982, establishing the arrangements applicable to imports of products originating in Yugoslavia to take account of the accession of the Hellenic Republic to the Community³.

These regulations define the arrangements applicable to imports of certain beef and veal products from Yugoslavia on preferential conditions. The maximum volume of imports of baby-beef from Yugoslavia is 50,400 tons each year, with a levy reduced to not less than 50 per cent of the base levy, and subject to certain monthly export volumes that may be exceeded.

(b) EEC - Uruguay

References:

- Council Regulation (EEC) No. 3260/73 of 6 November 1973 on the conclusion of a trade agreement between EEC and Uruguay⁴.

Following confirmation, in the context of the GATT Arrangement Regarding Bovine Meat, of commitments entered into within the framework of bilateral agreements concluded previously, the Community:

¹Official Journal No. L 130 of 27 May 1980, page 1

²Official Journal No. L 339 of 26 November 1981, page 1

³Official Journal No. L 30 of 6 February 1982, page 1

⁴Official Journal No. L 333 of 4 December 1973, page 1

- undertakes not to fix a levy greater than 55 per cent of the total levy on imports of frozen bovine meat referred to in Article 14, paragraph 1(b) of Regulation (EEC) No. 805/68 (estimate of meat for processing);
- permits the advance fixing of the levy applicable to fresh or chilled meat.

(c) EEC - ACP

References:

- Council Regulation (EEC) No. 435/80 of 18 February 1980 on the system applicable to agricultural products originating in ACP countries.¹

Under this preferential system, products in the bovine meat sector are imported free of customs duty.

In addition, the system provides for a reduction of 90 per cent in import charges for certain annual quantities, provided that the ACP countries concerned apply an export tax of an amount corresponding to the amount of the reduction granted on imports into the EEC.

The ACP countries and the annual quantities benefiting from this latter measure are as follows:

- | | |
|---------------|----------------------------|
| - Botswana: | 18,916 tons of boned meat; |
| - Kenya: | 142 tons of boned meat; |
| - Madagascar: | 7,579 tons of boned meat; |
| - Swaziland: | 3,363 tons of boned meat. |

2. Agreements concluded within the framework of GATT

The Community has undertaken to open the following tariff quotas annually:

- (a) 20,000 head of heifers and cows of mountain breeds (Austria) other than those for slaughter.

The Community has agreed gradually to increase this quota, unilaterally, to bring it up to 38,000 head by the end of 1977.

- (b) 5,000 head of bulls, cows and heifers of mountain breeds (Switzerland), other than those for slaughter, provided with a pedigree certificate or entered in the Herdbook.

¹ Official Journal No. L 55 of 28 February 1980, page 4

The customs duty applicable to these two quotas is 4 per cent and the levy is 0.

- (c) 50,000 tons of frozen bovine meat expressed in terms of boned meat (65,000 tons unboned) with a customs duty of 20 per cent and a levy of 0.
- (d) 29,800 tons of fresh, chilled or frozen bovine meat, expressed in product weight, with a customs duty of 20 per cent and a levy of 0.
- (e) 2,250 tons of boned and frozen buffalo meat, with a customs duty of 20 per cent and a levy of 0.

The quotas under (a) and (b) are opened annually on 1 July, whereas the quotas under (c) and (e) are opened annually on 1 January.

The Community has also bound certain customs duties, in particular:

- (a) a customs duty of 0 and a levy of 0 on imports into the Community of pure-bred breeding animals, without quantitative limits;
- (b) a customs duty of 26 per cent and a levy of 0 on imports of preparations or preserves of meat or offals, containing bovine meat or offals, unspecified, (cooked preparations) without quantitative limit.

3. Other commitments entered into by exchange of letters with certain third countries

- (a) For frozen bovine meat intended for processing, which is imported under the annual estimate drawn up by the Council, the Community has undertaken to fix a levy not exceeding 45 per cent of the total levy for frozen meats intended for processing and 0 for frozen meats intended for the manufacture of preserved foods;
- (b) For young male cattle intended for fattening, which are imported under the annual estimate, the Community has undertaken to fix a levy not exceeding 40 per cent of the total levy.

SECTION I
LIVE ANIMALS: ANIMAL PRODUCTS
CHAPTER 1
LIVE ANIMALS

Notes

1. This Chapter covers all live animals except:
- (a) Fish, crustaceans and molluscs, of heading Nos. 03.01 and 03.03;
 - (b) Microbial cultures and other products of heading No. 30.02; and
 - (c) Animals of heading No. 97.08.

| Heading number | Description | Rate of duty | |
|----------------|--|----------------------------------|-----------------|
| | | Autonomous % or levy (L) | Conventional % |
| 1 | 2 | 3 | 4 |
| 01.01 | Live horses, asses, mules and hinnies: A. Horses: I. Pure-bred breeding animals (a) II. For slaughter (a) III. Other B. Asses C. Mules and hinnies | Free 11 23 12 17 | Free 4 18 |
| 01.02 | Live animals of the bovine species: A. Domestic species: I. Pure-bred breeding animals (a) II. Other B. Other | Free 16+(L) (b)(*) Free | Free (c)(d) |

- (a) Entry under this sub-heading is subject to conditions to be determined by the competent authorities.
- (b) Subject to certain conditions prescribed in Article 13 of Council Regulation (EEC) No. 805/68 of 27 June 1968, the levy of which was to be applied to young male bovine animals intended for fattening, of a live weight of 300 kg. or less may be totally or partially suspended.
- (c) A rate of 6 per cent is applicable within the limits of an annual tariff quota, to be granted by the competent authorities, of 20,000 heifers and cows (other than for slaughter) of the following mountain breeds: grey, brown, yellow, spotted Simmental and Pinzgau. Qualification for the quota is subject to conditions to be determined by the competent authorities of the member State of destination.
- (d) A rate of 4 per cent is applicable within the limits of an annual tariff quota, to be granted by the competent authorities, of 5,000 bulls, cows and heifers (other than for slaughter) of the following breeds: spotted Simmental, Schwyz and Fribourg. To qualify for the quota, animals of the breeds specified must be covered by the following documents:
- bulls pedigree certificate;
 - cows and heifers pedigree certificate or herd book entry certificate attesting to the purity of the breed.
- (*) In certain conditions a levy is applicable in addition to the customs duty.

ANNEX I

1. Common Customs Tariff - import and export measures

| COMMON CUSTOMS TARIFF | | Import measures | | Export measures |
|-----------------------|---|---|---------------------------------------|--|
| Heading number | Description | Rate of duty | | |
| | | Autonomous % or levy (L) | Conventional % | |
| 1 | 2 | 3 | 4 | |
| 01.02 | <p>Live animals of the bovine species:</p> <p>A. Domestic species:</p> <p>I. Pure-bred breeding animals (a)</p> <p>II. Other:</p> <p>(a) Not yet having any permanent teeth, of a weight of not less than 350 kg., but not more than 450 kg., in the case of male animals, or of not less than 320 kg. but not more than 420 kg. in the case of female animals (a)</p> <p>(b) Other</p> | <p>Free</p> <p>16 + (L) (*)</p> <p>16 + (L) (c) (*)</p> | <p>Free</p> <p>(b)</p> <p>(d) (e)</p> | <p>(R) (f)</p> <p>-</p> <p>(R) (f)</p> |

- (a) Entry under this sub-heading is subject to conditions to be determined by the competent authorities.
- (b) The levy shall be established in accordance with the provisions set out in Annex 1 to the Trade Agreement between the EEC and the Socialist Federal Republic of Yugoslavia.
- (c) Subject to certain conditions prescribed in Article 13 of Council Regulation (EEC) No. 805/68 of 27 June 1968, the levy which was to be applied to young male bovine animals intended for fattening of a live weight of 300 kg. or less may be totally or partially suspended.
- (d) A rate of 6 per cent is applicable within the limits of an annual tariff quota, to be granted by the competent authorities, of 20,000 heifers and cows (other than for slaughter) of the following mountain breeds: grey, brown, yellow, spotted Simmental and Pinzgau. Qualification for the quota is subject to conditions to be determined by the competent authorities of the member State of destination.
- (e) A rate of 4 per cent is applicable within the limits of an annual tariff quota, to be granted by the competent authorities, of 5,000 bulls, cows and heifers (other than for slaughter) of the following breeds: spotted Simmental, Schwyz and Fribourg. To qualify for the quota, animals of the breeds specified must be covered by the following documents:
- bulls: pedigree certificate;
 - cows and heifers: pedigree certificate or herd book entry certificate attesting to the purity of the breed.
- (*) In certain conditions a levy is applicable in addition to the customs duty.
- (R) = Refund when exported.
- (f) = Only for adult animals of not less than 300 kg. live weight.

| COMMON CUSTOMS TARIFF | | Import measures | | Export measures |
|-----------------------|--|---|---|---|
| Heading number | Description | Rate of duty | | |
| | | Autonomous % or levy (L) | Conventional % | |
| 1 | 2 | 3 | 4 | |
| 02.01 | <p>Meat and edible offals, fresh, chilled or frozen:</p> <p>A. Meat:</p> <p>II. Of bovine animals:</p> <p>(a) Fresh or chilled:</p> <p>1. Carcasses, half-carcasses or "compensated" quarters:</p> <p>(aa) Carcasses of a weight of not less than 180 kg. but not more than 270 kg. and half-carcasses or "compensated" quarters, of a weight of not less than 90 kg. but not more than 135 kg., with a low degree of ossification of the cartilages (more especially those of the symphysis pubis and the vertebral apophyses), the meat of which is of a light pink colour and the fat of which, of extremely fine structure, is white to light yellow in colour (a)</p> <p>(bb) Other</p> <p>2. Separated or unseparated forequarters:</p> <p>(aa) Separated forequarters of a weight of not less than 45 kg. but not more than 68 kg. with a low degree of ossification of the cartilages (more especially those of the vertebral apophyses), the meat of which is of a light pink colour and the fat of which, of extremely fine structure, is white to light yellow in colour (a)</p> <p>(bb) Other</p> <p>3. Separated or unseparated hindquarters:</p> | <p>20 + (L) (*)</p> <p>20 + (L) (*)</p> <p>20 + (L) (*)</p> <p>20 + (L) (*)</p> | <p>(b) (c)</p> <p>(c)</p> <p>(b) (c)</p> <p>(c)</p> | <p>-</p> <p>(R)</p> <p>-</p> <p>(R)</p> |

| COMMON CUSTOMS TARIFF | | Import measures | | Export measures |
|-----------------------|---|--------------------------|----------------|-----------------|
| Heading number | Description | Rate of duty | | |
| | | Autonomous % or levy (L) | Conventional % | |
| 1 | 2 | 3 | 4 | |
| | (aa) Separated hindquarters of a weight of not less than 45 kg. but not more than 68 kg. (not less than 38 kg. but not more than 61 kg. in the case of "Pistola" cuts), with a low degree of ossification of the cartilages (more especially those of the vertebral apophyses), the meat of which is of a light pink colour and the fat of which, of extremely fine structure, is white to light yellow in colour (a) | 20 + (L) (*) | (b) (c) | - |
| | (bb) Other | 20 + (L) (*) | (c) | (R) |
| | 4. Other: | | | |
| | (aa) Unboned (bone-in) | 20 + (L) (*) | (c) | (R) |
| | (bb) Boned or boneless | 20 + (L) (*) | (c) | (R) (h) |
| | (b) Frozen: | | | |
| | 1. Carcasses, half-carcasses, or "compensated" quarters | 20 + (L) (*) | (c) (d) | (R) |
| | 2. Separated or unseparated forequarters | 20 + (L)(e)(*) | (c) (d) | (R) |
| | 3. Separated or unseparated hindquarters | 20 + (L) (*) | (c) (d) | (R) |
| | 4. Other: | | | |
| | (aa) Unboned (bone-in) | 20 + (L) (*) | (c) (d) | (R) |
| | (bb) Boned or boneless: | | | |
| | 11. Forequarters, whole or cut into a maximum of five pieces, each quarter being in a single block; "compensated" quarters in two blocks, one of which contains the forequarter, whole or cut into a maximum of five pieces, and the other, the hindquarter, excluding the tenderloin, in one piece | 20 + (L)(e)(*) | (c) (d) | - |
| | 22. Crop, chuck and blade and brisket cuts (f) | 20 + (L)(e)(*) | (c) (d) | - |
| | 33. Other | 20 + (L)(e)(*) | (c)(d)(g) | (R) (h) |

- (a) Entry under this sub-heading is subject to conditions to be determined by the competent authorities.
- (b) The levy shall be established in accordance with the provisions set out in Annex 1 to the Trade Agreement between the EEC and the Socialist Federal Republic of Yugoslavia.
- (c) A rate of 20 per cent shall be applicable for "high quality" meat, with or without bone, falling within sub-heading 02.01 ex A II, within the limits of a global annual tariff quota of 21,000 tonnes, without prejudice to the tariff quota for sub-heading 02.01 A II(b). Qualification for the quota is subject to conditions to be determined by the competent authorities.
- (d) A rate of 20 per cent shall be applicable within the limits of a global annual tariff quota of 50,000 tonnes (without bone), of which 16,500 tonnes may be subject to the application of monetary compensatory amounts.
- (e) Subject to certain conditions provided for in Article 14 of Council Regulation (EEC) No. 805/68 of 27 June 1968, the levy on frozen meat intended for processing may be totally or partially suspended.
- (f) Entry under this sub-heading is subject to the production of a certificate issued in accordance with the conditions laid down by the competent authorities.
- (g) A rate of 20 per cent for buffalo meat shall be applicable within the limits of an annual tariff quota of 2,250 tonnes (without bone), without prejudice to the tariff quota for sub-heading 02.01 A II(b). Qualification for the quota is subject to conditions to be determined by the competent authorities.
- (*) In certain conditions a levy is applicable in addition to the customs duty.
- (R) Refund when exported.
- (h) Except flank and shin. Other boned or boneless cuts must be packaged separately to be eligible for the refund.

| COMMON CUSTOMS TARIFF | | Import measures | | Export measures |
|-----------------------|---|--------------------------------------|----------------|--------------------|
| Heading number | Description | Rate of duty | | |
| | | Autonomous % or levy (L) | Conventional % | |
| 1 | 2 | 3 | 4 | |
| 02.01 (cont'd) | B. Offals II. Other: (b) Of bovine animals: 1. Livers 2. Other | 20 20 | 7 4 | - - |
| 02.06 | Meat and edible meat offals, salted, in brine; dried or smoked: C. Other: I. Of bovine animals: (a) Meat: 1. Unboned (bone-in) 2. Boned or boneless (b) Offals | 24 +(L)(*) 24 +(L)(*) 24 | - - 23.5 | - - (R) - |
| 15.02 | Fats of bovine cattle, sheep or goats, unrendered; rendered or solvent-extracted fats (including "premier jus") obtained from those unrendered fats: B. Other: I. Fats of bovine cattle (including "premier jus") | 10 | 6.8 | - |
| 16.02 | Other prepared or preserved meat or meat offal: B. III. Other: (b) Other: 1. Containing bovine meat or offal: (aa) Uncooked; mixtures of cooked meat or offal and uncooked meat or offal (bb) Other | 20 +(L)(*) 26 | - 26 | (R)(a) (R)(a) |

(*) In certain conditions a levy is applicable in addition to the customs duty.

(R) Refund when exported.

(a) Refund varies depending on percentage of bovine meat (excluding offals and fat) contained in the prepared or preserved product. Finely homogenized prepared or preserved products are excluded.

2. Additional notes incorporated in the customs tariff for classifying meat products under the various sub-headings

- Additional notes to Chapter 2

A. For the purposes of heading No. 02.01, the following expressions shall have the meanings hereunder assigned to them:

(a) "carcasses of bovine animals", for the purposes of sub-heading A II: whole carcasses of the slaughtered animals after having been bled, eviscerated and skinned, imported with or without the heads, with or without the feet and with or without the other offals attached. Where carcasses are imported without the heads, the latter must have been separated from the carcass at the atlanto-occipital joint. When imported without the feet, the latter must have been cut off at the carpo-metacarpal or tarso-metatarsal joints; "carcass" shall include the front part of the carcass comprising all the bones and the scrag, neck and shoulder having more than ten pairs of ribs;

(b) "half-carcasses of bovine animals", for the purposes of sub-heading A II: the product resulting from the symmetrical division of the whole carcass through the centre of each cervical, dorsal, lumbar and sacral vertebra and through the centre of the sternum and of the ischio-pubic-symphysis; "half-carcass" shall include the front part of the half-carcass comprising all the bones and the scrag, neck and shoulder having more than ten ribs;

(c) "compensated quarters", for the purposes of sub-headings A II (a) 1 and A II (b) 1: portions composed of either:

- forequarters comprising all the bones and the scrag, neck and shoulder, and cut at the tenth rib; and hindquarters comprising all the bones and the thigh and sirloin, and cut at the third rib; or
- forequarters comprising all the bones and the scrag, neck and shoulder, and cut at the fifth rib, with the whole of the flank and breast attached; and hindquarters comprising all the bones and the thigh and sirloin, and cut at the eighth cut rib.

The forequarters and the hindquarters constituting "compensated quarters" must be imported at the same time and in equal numbers, and the total weight of the forequarters must be the same as that of the hindquarters; however, a difference between the weights of the two parts of the consignment is allowed provided that this does not exceed 5 per cent of the weight of the heavier part (forequarters or hindquarters);

(d) "unseparated forequarters", for the purposes of sub-headings A II (a) 2 and A II(b) 2: the front part of a carcass comprising all the bones and the scrag, neck and shoulder, with a minimum of four pairs of ribs and a maximum of ten pairs of ribs (the first four pairs of ribs must be whole, and others may be cut) with or without the thin flank;

(e) "separated forequarters", for the purposes of sub-headings A II (a) 2 and A II (b) 2: the front part of a half-carcass comprising all the bones and the scrag, neck and shoulder, with a minimum of four ribs and a maximum of ten ribs (the first four ribs must be whole, the others may be cut) with or without the thin flank;

(f) "unseparated hindquarters", for the purposes of sub-headings A II (a) 3 and A II (b) 3: the rear part of a carcass comprising all the bones and the thigh and sirloin, with a minimum of three pairs of whole or cut ribs, with or without the knuckle and with or without the thin flank;

(g) "separated hindquarters", for the purposes of sub-headings A II (a) 3 and A II (b) 3: the rear part of a half-carcass comprising all the bones and the thigh and sirloin, with a minimum of three whole or cut ribs, with or without the knuckle and with or without the thin flank;

(h) 11. "crop" and "chuck and blade" cuts, for the purposes of sub-heading A II (b) 4 (bb) 22: the dorsal part of the forequarter, including the upper part of the shoulder, obtained from a forequarter with a minimum of four ribs and a maximum of ten ribs by a cut along a straight line through the point where the first rib joins the first sternal segment to the point of reflection of the diaphragm on the tenth rib;

22. "brisket" cut, for the purposes of sub-heading A II (b) 4 (bb) 22: the lower part of the forequarter comprising the brisket navel end and the brisket point end.

B. In determining the number of whole or cut ribs referred to in paragraph A, only those attached to the backbone shall be taken into consideration.

- Additional note to Chapter 16

For the purposes of sub-headings 16.02 B III (a) 1 and B III (b) 1 (aa), the term "uncooked" shall apply to products which have not been subjected to any heat-treatment or which have been subjected to a heat-treatment insufficient to ensure the coagulation of meat proteins in the whole of the product and which therefore show traces of a pinkish liquid on the cut surface when the product is cut along a line passing through its thickest part.

ANNEX II

"Sheepmeat" Sector

1. As from 20 October 1980, the Community established basic regulations governing the common organization of the market in sheepmeat and goatmeat. With a view to attaining a single market based on a common price system, this common organization, like the others, comprises a price, premium and intervention system. There is also a system covering trade with third countries.

The first system, which provides for a common basic price and for regional reference prices (harmonized progressively over a four-year period), provides for:

- the grant of premiums for the benefit of producers, payable per ewe and covering the difference between the reference price for each region and the market price;
- the application of support measures tied to the situation of the market price in relation to the basic price, in the form of either variable slaughter premiums or market intervention measures (private storage aid and, where appropriate, public purchases).

2. The basic prices (for eight marketing years) have been the following:

(per 100 kg. carcass weight)

| | |
|--|------------|
| Marketing year 1980/81 (as from 26.10.1980): | ECU 345.00 |
| Marketing year 1981/82 (as from 1.4.1981): | ECU 370.88 |
| Marketing year 1982/83 (as from 20.5.1982): | ECU 409.82 |
| Marketing year 1983/84 (as from 23.5.1983): | ECU 432.36 |
| Marketing year 1984/85 (as from 2.4.1984): | ECU 428.04 |
| Marketing year 1985 (as from 27.5.1985): | ECU 428.04 |
| Marketing year 1986 (as from 6.1.1986): | ECU 432.32 |
| Marketing year 1987 (as from 5.1.1987): | ECU 432.32 |

There have been no intervention purchases so far.

Having regard to the particular situation of their respective markets, premiums for the benefit of producers have been paid only in Ireland and the United Kingdom in the 1980/81 and 1981/82 marketing years; similarly, variable slaughter premiums have been granted only in the latter State.

For the 1986 and 1987 marketing years, it is planned to pay premiums in all member States, including the new members.

Beginning with the 1986 marketing year, premiums are to be paid in certain regions to producers of goatmeat.

In the context of the system covering trade with third countries, voluntary restraint agreements have been concluded with the Community's principal supplying countries (twelve third countries).

In this way, traditional trade flows have been safeguarded:

- either in the context of the voluntary restraint agreements which have been concluded with supplying countries;
- or in the context of autonomous quotas granted by the Community.

In this connection, it should be underlined that the Community has reduced to 10 per cent ad valorem the level of the import charge applicable in this sector - as against 20 per cent for meat and 15 per cent for live animals under the system previously in effect - and that quantitative and restrictive measures on imports applied by certain member States have been eliminated.

Where necessary, refunds could be granted.