GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED
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24 November 1986

Arrangement Regarding Bovine Meat

Original: Spanish

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

ARGENTINA

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 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).

86-1997

PART G

Part G.1 Information on domestic policies and trade measures

I. Production

(a) Bovine meat sector

The cattle cycle has continued in a period of stock reduction with high slaughterings of female and young animals and only a very slight increase in the last months (August, September and October) in average slaughter weight. For the current calendar year - 1986 - the total volume of slaughterings is forecast at around the 1985 level, i.e. 13.7 million head, reflecting the continuing reduction of livestock (approximately 12.4 million adjusted slaughterings). This trend is expected to continue in 1987, though somewhat more slowly, and in principle slaughterings are forecast at around 13 million head.

At 30 June of this year, the cattle herd was estimated at approximately 52.5 million head, and is forecast at around 52 million head at the same date in 1987 (as against 53.8 million in 1985 and 54.6 million in 1984).

The fact that there has been no reversal of this downward trend is not because agriculture could be a more favourable alternative, since in the past year there has been a serious decline in agricultural profitability, prospects are uncertain and export prices are low.

The causes have been external, and to a less extent internal. Among the latter, one may mention high interest rates in the financial market which have affected investment decisions in this sector.

It should be underlined, however, that a basic factor in the low profitability of animal husbandry is the level of international prices, resulting from subsidized exports by the EEC and other countries. From this aspect, it is possible that the new situation of the Brazilian market and the beginning of the reductions in EEC refunds may bring some improvement in price levels.

For this, there would clearly have to be gradual firming of the tendency for agriculture to settle under normal conditions of competition and non-distortion of trade, as envisaged in the Ministerial Declaration of Punta del Este.

The only change in animal husbandry in recent years, given growing difficulties in regard to exports for the reasons mentioned, has been the increase in supply for domestic consumption due to low prices.

For 1986, exports are forecast to reach some 230,000 tons carcass weight, bone-in (8 per cent), and domestic consumption for the country as a whole is forecast at 2,550,000 tons (92 per cent) corresponding to 85 kg. per capita for the year.

Forecasts for 1987 are for total slaughterings of 13 million head of 206 kg. average carcass weight, i.e. an approximate availability of 2,680,000 tons of bovine meat, and domestic consumption of 2,420,000 tons carcass weight (90 per cent), equivalent to 77 kg. per capita, while exports are estimated at 260,000 tons (10 per cent).

As regards cattle-farming conditions in Argentina, the information given for the Council's last meeting still applies.

(b) Government policies and measures likely to influence directly production, other than support or stabilization measures

There are no changes to be made in the information previously supplied.

II. Internal prices and consumption

(a) Policies and measures affecting consumption

As regards maximum selling prices, the wholesale price for bullock sides is currently 1.21 per kg. with a recognized retail margin to the butcher of 15 per cent on the wholesale cost.

III. Measures at the frontier

(a) and (d) Customs tariff and import measures at tariff-line level, such as duties, variable levies, other special charges, quantitative restrictions, etc.

There is no change in the information furnished for last June's meeting of the Council.

(c) Export measures at tariff-line level

The information already furnished is still valid in regard to export duties on f.o.b. values for bone-in quarters, boned quarters, manufacturing quality, and chilled or frozen cuts. Export duties have been eliminated in regard to canned and cooked meat and meat extracts.

PART H

Information on bilateral or plurilateral agreements in the field of bovine animals, meat and offals

Periodic contracts are still in force, government to government, with Israel.

The two most recent of these, agreed in June and September of this year, were in respect of 1,800 and 2,700 tons respectively, product weight.

Shipments in the period June-September of the current year totalled 12,300 tons.