

**GENERAL AGREEMENT ON
TARIFFS AND TRADE**

RESTRICTED

IMC/INV/18/Rev.2
18 May 1988

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 Part G of the Questionnaire

URUGUAY

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 will be partly revised as and when changes are notified.

This set of documents will constitute 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 Agreement (Note to Article III of the Arrangement and Rule 18 of the Rules of Procedure).

PART G

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

I. Production

Livestock production and its processing as bovine meat are a traditional activity in the Uruguayan economy, and one that is fundamental because of the size of the social groups involved, the significance of meat in the diet of the population, its importance in foreign trade and its ability to generate surpluses and transfer them to the rest of the economic system.

In recent years, bovine meat production has represented about a quarter of the total value of agricultural production, over 80 per cent of total meat production, and about 40 per cent of total stock-farming activity, or two-thirds of total crop-family production.

The importance of bovine meat as a basic food in the population's diet must also be stressed. It is estimated that ten per cent of family spending goes on meat products, of which bovine meat accounts for between two-thirds and three-quarters (see Table 1).

Bovine meat production generates an exportable surplus for the economy as a whole. Although the exportable surplus of bovine meat has traditionally represented only a third of the sector's total production, it makes an important contribution to the country's total exports. Table 2 contains data on the value of bovine meat exports and their share of total Uruguayan exports.

Over the last decade, the bovine meat producing sector in Uruguay has shown a trend towards the disappearance of producers and a concentration of land ownership.

In 1985 there were 56,623 producers, 9 per cent less than in 1975. The average size of holdings increased over the decade from 264 to 288 hectares (see Table 3).

Developments in livestock farming have tended to marginalize small producers, and in recent years 12 per cent of producers with holdings of less than 500 hectares have disappeared.

With regard to the land-tenure system, in 1984 an average of 60 per cent of holdings were owner-farmed; for holdings of less than 500 hectares this figure was 57 per cent, and for other categories 61 per cent.

According to a breakdown of livestock holdings by type of activity - breeding, full cycle, fattening and full cycle plus fattening - in 1984 41.9 per cent of producers (20,817) were "breeders" while barely 11.1 per cent (5,503) were classified as "fatteners". The remaining 47 per cent were classified as "full cycle" (18.4 per cent) and "full cycle plus fattening" (28.6 per cent) (see Table 4).

A breakdown of this classification from the standpoint of size shows that smaller holdings account for higher percentages of breeders (43 per cent in the category 0 to 500 hectares) and lower percentages of fatteners (9 per cent in the same category) whereas the opposite is true in the case of the larger categories, where the percentage of breeders is lower (31 per cent in holdings of over 2,500 hectares) and the percentage of fatteners higher (22 per cent in average holdings of 500 to 2,500 hectares and 15.5 per cent for holdings of over 2,500 hectares).

It may be deduced from the above that fattening holdings are small in number but economically larger. This is also visible from the average size according to the various types of production; fattening holdings have an average size of 490 hectares, 81 per cent larger than the average for breeders, who barely reach 270 hectares. The average for the full cycle and full cycle plus fattening categories is 415 and 211 hectares respectively.

It is generally accepted that one of the basic limitations on the development and growth of bovine meat production in Uruguay is the quantity and quality of fodder supply.

It is therefore recommended that the natural fodder base of the countryside should be replaced by the production of cultivated fodder, ranging from conventional sowing, cover sowing and direct drilling, to the mere fertilization of the natural pasture land.

Thus, the technological level of holdings has been evaluated in terms of the percentage of improved land. From 1976 to the present it has not managed to exceed 9 per cent of the total area. From 1979 to 1985 there was a steady decline in the improved area, which amounted to 6.4 per cent of the total area in 1985.

An analysis of trends in the adoption of technology in relation to holding size clearly shows the decisive importance of size for the level of technology used.

On average, for the three years for which information is available (1982, 1983 and 1984) in the category of holdings of less than 500 hectares the improved area amounts to 4 per cent of the total area, whereas in the category of over 2,500 hectares it amounts to 7.5 per cent (see Table 7).

With regard to government policies or measures affecting bovine meat production:

1. Since April 1986 duties and other charges have been waived for imports of agricultural inputs.
2. Special credit or loan policies are provided by the Agricultural Plan and the Bank of the Eastern Republic of Uruguay, including the financing of expenses incurred for the eradication of ticks and loans for animal health purposes.
3. There are no special tax provisions for bovine producers nor programmes for the improvement of bovine meat.
4. There are sanitary regulations supervised by the Ministry of Agriculture and Fisheries. Regulations exist for the following diseases: foot-and-mouth disease, brucellosis, anthrax, tick-bone disease, mange and hydatidosis, and penalties are provided for failure to comply with the regulations.

Slaughterhouses, processing plants, meat packing depots and all other enterprises or persons engaged in industrial activities connected with meat products are subject to the official veterinary inspection provided for by the official regulations for the veterinary inspection of products of animal origin, as well as the technical standards established in this connection by the Directorate of Animal-Based Industry of the Ministry of Agriculture and Fisheries.

There are no stabilization or direct subsidy programmes for bovine cattle producers provided by official bodies.

II. Internal prices and consumption

There are no policies or other measures in force designed to influence levels of bovine meat consumption and/or retail prices of bovine meat in the country.

In August 1978 a number of measures were adopted to liberalize the marketing and pricing of bovine meat on the domestic market. This liberalization policy has been maintained to the present day.

III. Measures at the frontier

The customs tariff applied by Uruguay to imports is given in Table 9.

Decree No. 525/81 of 9 October 1981 established that:

1. Imports of meat, meat products and by-products intended for human or animal consumption or industrial use shall meet the requirements laid down in this Decree;

2. Importers shall submit a written application for importation to the Directorate General of Veterinary Services at least ten working days in advance of the planned date of entry of the merchandise into the country, supplying the required information;
3. The Directorate General of Veterinary Services, on the basis of health conditions prevailing in the countries of origin, quality of the Veterinary Services and of the slaughter and processing plants and nature of the technological processes undergone by the products to be imported, shall establish the hygienic and sanitary requirements to be met and forward the application to the Ministry of Agriculture and Fisheries.

Authorizations granted in this connection shall establish:

- a. certification of compliance with such requirements by the veterinary authorities of the country of origin;
- b. means of transport used, place of entry into Uruguay and date of arrival of the authorized merchandise;
4. The National Customs Directorate shall permit entry of the goods into the country upon presentation of the authorization issued by the Ministry of Agriculture and Fisheries;
5. Goods which have entered the country in accordance with this Decree shall not be moved from the Customs warehouses until they have undergone a hygienic and sanitary inspection by officials of the Directorate of Animal-Based Industry of the Ministry of Agriculture and Fisheries, in accordance with the existing provisions; such inspection shall be carried out within 48 hours of the arrival of the goods in the country;
6. The Ministry of Agriculture and Fisheries reserves the right to effect, in countries of origin and where it sees fit, the approval of processing plants by means of the competent sanitary authorities;
7. Products referred to in this Decree that are introduced into the country without complying with the provisions herein shall be confiscated without further formality and the importing firms shall not be entitled to any form of compensation or appeal, without prejudice to the legal penalties that may apply;
8. Decrees 623/797 of 31 October 1979 and 369/971 of 11 August 1981 are repealed.

There are no other measures relating to imports at the tariff line level such as variable duties, special charges, quantitative restrictions and so forth.

With regard to the sanitary control of imports, the Directorate of Animal-Based Industry of the Ministry of Agriculture and Fisheries carries out the hygienic and sanitary inspection of all meat, meat products and by-products intended for human or animal consumption or industrial use that enter the national territory in accordance with the rules and regulations in force.

There are also sanitary regulations concerning the import of frozen bovine semen and the import of breeding stock; and the import of Hereford male or female breeding stock having any characteristics or antecedents of dwarfism is prohibited.

Refunds of indirect taxes exist for some exports of bovine meat (see Table 10).

Table 1
TRENDS IN BOVINE MEAT CONSUMPTION

Period	Consumption per capita (Kg/year)
1935-1939	84.9
1940-1944	76.0
1945-1949	74.0
1950-1954	81.1
1955-1959	78.6
1960-1964	70.8
1965-1969	73.3
1970-1974	65.4
1975-1979	72.7
1980-1985	70.6

Source: CIEDUR

Table 2
SHARE OF BOVINE MEAT IN TOTAL
EXPORTS BY URUGUAY

Period	BOVINE MEAT AND MEAT PRODUCTS	
	Millions of dollars	Per cent
1940-1944	21.6	27.4
1945-1949	22.7	14.1
1950-1954	33.7	13.8
1955-1959	14.0	8.8
1960-1964	35.2	22.0
1965-1969	42.0	22.8
1970-1974	100.2	36.9
1975-1979	90.4	15.0
1980-1985	166.0	16.0

Source: CIEDUR

Table 3TRENDS IN NUMBER AND AVERAGE SIZE
OF PRODUCERS

<u>Years</u>	0-200	200-500	500-1,000	1,000-2,500	Over 2,500	<u>TOTAL</u>
<u>Producers</u>						
1975	47,355	7,278	3,920	2,754	1,103	62,410
1979	45,098	7,281	3,863	2,771	1,061	60,074
1982	44,111	7,392	3,989	2,893	1,070	59,455
1985	41,240	7,370	4,002	2,977	1,034	56,623
<u>Average size (has)</u>						
1975	47	316	704	1,544	4,450	264
1979	48	319	706	1,550	4,458	271
1982	49	318	706	1,541	4,415	275
1985	49	319	707	1,539	4,110	288

Source: Based on DICOSE data.

Note: Includes all livestock producers (meat, wool and milk).

Table 4

DISTRIBUTION OF MEAT LIVESTOCK PRODUCERS BY
SIZE AND TYPE OF PRODUCTION

(Year 1984)

Type	0-500	500-1,000	1,000-2,500	Over 2,500	Total
Breeders	18,071	1,476	955	315	20,817
Full cycle	7,364	746	683	338	9,125
Full cycle/ fatteners	12,816	669	530	206	14,221
Fatteners	3,950	793	602	158	5,503
TOTAL ¹	42,201	3,678	2,770	1,017	49,666
Breeders	36.4	3.0	1.9	0.6	41.9
Full cycle	14.8	1.5	1.4	0.7	18.4
Full cycle/ fatteners	25.8	1.3	1.1	0.4	28.6
Fatteners	8.0	1.6	1.2	0.3	11.1
TOTAL ²	85.0	7.4	5.6	2.0	100.0
Breeders	86.8	7.1	4.6	1.5	100.0
Full cycle	80.7	8.1	7.5	3.7	100.0
Full cycle/ fatteners	90.1	4.7	3.7	1.4	100.0
Fatteners	71.8	14.4	10.9	2.9	100.0

¹Number

²Per cent

Source: Based on DICOSE data.

Table 5
TRENDS IN SOME VARIABLES FOR TYPES OF PRODUCTION

Type	1982	1983	1984
<u>Number of producers</u>			
Breeders	17,049	18,326	20,817
Full cycle	10,375	9,276	9,125
Full cycle/fatteners	16,660	15,621	14,221
Fatteners	7,657	7,076	5,503
<u>Average size</u>			
Breeders	284	262	270
Full cycle	368	362	415
Full cycle/fatteners	201	232	211
Fatteners	410	468	490
Bullocks over 3 years of fatteners over 1,000 has	58.0	57.9	58.7
Number of breeders/fatteners	2.2	2.6	3.8

Source: Based on DICOSE data.

Table 6
PERCENTAGE OF IMPROVED LAND ACCORDING TO SIZE OF HOLDING

Type	0-200	200-500	500-1,000	1,000-2,500	Over 2,500
Trad' pasture	4.7	4.1	3.0	2.6	2.2
Other improved land	2.1	2.5	2.9	3.6	4.2
TOTAL	6.8	6.6	5.9	6.2	6.4

Source: Based on DICOSE data.

Table 7

PERCENTAGE IMPROVED BETWEEN 1982 AND 1984,
BY SIZE OF HOLDING

Year	0-500	500-1,000	1,000-2,500	Over 2,500
1984	3.6	5.0	5.9	6.7
1983	4.0	5.6	6.9	7.5
1982	4.5	6.3	7.8	8.3
Average	4.0	4.7	6.9	7.5

Source: Based on DICOSE data.

Table 8

TRENDS IN IMPROVED AREA BY TYPE OF PRODUCTION

Type	0-500	500-1,000	1,000-2,500	Over 2,500
Breeders	2.8	3.7	4.4	5.7
Full cycle	3.0	5.0	6.8	7.1
Full cycle/fatteners	4.5	5.4	6.3	5.3
Fatteners	6.5	7.1	6.9	9.5

Source: Based on DICOSE data.

Table 9TARIFFS ON BOVINE MEAT IMPORTS

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SECTION 1 - CHAPTER 1				Bank of the ERU		CUSTOMS		References-	
NADI		GOODS	Unit	GLOBAL %	Sur-charge	Duty Rate	Single Import Tax	Parcel Handling-	
Heading	Sub- heading and item								
01.02		LIVE ANIMALS OF THE BOVINE SPECIES, INCLUDING BUFFALO							
	01.00	<u>Pedigree</u> GATT/Goods	2	10	10	-	-	-	A
	89	<u>Other</u>							
	01	Common	2	40	20	4	15	1	
	99	Other	2	40	20	4	15	1	

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SECTION 1 - CHAPTER 2				Bank of the ERU		CUSTOMS		References-	
NADI		GOODS	Unit	GLOBAL %	Sur-charge	Duty Rate	Single Import Tax	Parcel Handling-	
Heading	Sub- heading and item								
02.01		MEAT AND EDIBLE OFFALS OF THE ANIMALS FALLING WITHIN HEADINGS 01.01 TO 01.04, BOTH INCLUSIVE, FRESH, CHILLED OR FROZEN							
	01	<u>Meat of bovine animals</u>							
	10	<u>Bone in</u>							
	11	Fresh							
	2	Chilled	1	20	10	4	5	1	
	19	Frozen	1	20	10	4	5	1	
	20	<u>Boneless</u>							
	21	Fresh	1	20	10	4	5	1	
	22	Chilled	1	20	10	4	5	1	
	29	Frozen	1	20	10	4	5	1	
	99	Other	2	40	20	4	15	1	

Table 10

REFUND OF INDIRECT TAXES ON BOVINE MEAT EXPORTS

Product	Tax refund (%)
Bovine meat, chilled, boneless	5
Bovine meat, frozen, boneless	5
Cooked and frozen meat with added gelatines and sauces	10
Raw and cooked meat	10
Bovine meat, cooked	10
Bovine meat, cooked and frozen	10
(Situation existing since Decree 594/86)	

Source: Laws and Decrees