

INTERNATIONAL MEAT COUNCIL

Report to the CONTRACTING PARTIES prepared by the Chairman of
the International Meat Council on his own responsibility

1. Since the 1987 report¹, the International Meat Council (IMC) has held two regular meetings on 10 December 1987 and on 16 June 1988, which were both preceded by meetings of the Meat Market Analysis Group (MMAG). At its June 1988 meeting, the IMC elected Mr. José Ramon Prieto (Spain) as its Chairman and Mr. Joao Pedro Costa (Brazil) as Vice-Chairman. The MMAG elected Mr. Peter Balàs (Hungary) as its Chairman. Currently the Arrangement Regarding Bovine Meat has twenty-seven signatories² representing thirty-eight countries.

2. Both meetings discussed the functioning of the Arrangement, the meat markets situation and outlook (which, as usual, were debated more in depth in the MMAG meetings) and questions of a policy nature of special concern to participants.

3. The discussions regarding the functioning of the Arrangement were characterized by the withdrawal of two proposals aimed at facilitating the IMC's task of early detection of serious imbalance in the world bovine meat market within the framework and operation of the Arrangement, as well as to the identification of possible solutions. In justifying the withdrawal of the proposals, which were tabled for the first time at the December 1985 meeting of the IMC and discussed in the subsequent meetings, the authors of both proposals invoked, inter alia, the new context created by the Uruguay Round of Negotiations and the progress made in the Negotiating Group on Agriculture where they wished to direct their efforts. However, and without prejudging the results of the negotiations, it was noted that the Arrangement Regarding Bovine Meat existed and that consequently, its rights

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²Argentina, Australia, Austria, Belize, Brazil, Bulgaria, Canada, Colombia, European Economic Community, Egypt, Finland, Guatemala, Hungary, Japan, New Zealand, Nigeria, Norway, Paraguay, Poland, Romania, South Africa, Sweden, Switzerland, Tunisia, United States, Uruguay and Yugoslavia

and obligations were in force. In these conditions, a number of participants reserved their right to revert to this issue.

4. The IMC has approved two proposals relating to the distribution of the statistical questionnaires, as well as the circulation of written statements used by participants in the MMAG meetings. Furthermore, and based on a background paper prepared by the secretariat, it initiated discussions on the implications of the new commodity description and coding system (Harmonized System). It was agreed that the discussions should continue in the next December meeting. Finally, the IMC reflected on the necessity that, in future meetings of the MMAG, one particular subject be proposed for an in-depth discussion. It was agreed that for the next December meeting of the Group, an item related to the competition of other meats and cereals and feedgrain production and prices be discussed in-depth.

5. It appeared from the discussions on the bovine meat market situation and outlook that the price recovery initiated in the second half of 1986 continued in 1987 and the first half of 1988, expanding to most international and domestic markets. This price recovery was expected to continue in the rest of the current year and was attributed to the conjunction of the following major factors: (1) end of cattle herd liquidation in some countries and herd rebuilding well on its way in others; (2) Declining production levels; (3) strengthened import demand and (4) low export availabilities in some major areas. Worrying problems remained however. Among them, high stock levels in certain regions; declining beef and veal consumption trends in a rising number of countries and, in the view of certain participants, the impact of some policy measures and practices.

6. The discussion of questions of a policy nature of special concern to participants turned around a set of written questions addressed by Australia to the United States, Canada, the European Community and Japan in the December 1987 meeting, and some information about changes in the Common Agricultural Policy in the meat sector, presented by the European Community representative in the June 1988 meeting.