

GENERAL AGREEMENT ON

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TARIFFS AND TRADE

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INTERNATIONAL MEAT COUNCIL

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

1. Since the 1989 report¹, the International Meat Council (IMC) has held two regular meetings on 8 December 1989 and on 22 June 1990, which were both preceded by meetings of the Meat Market Analysis Group (MMAG). At its June 1990 meeting, the IMC elected Mr. Péter Balás (Hungary) as its Chairman and Mr. Richard Hochörtler (Austria) as Vice-Chairman. The MMAG also elected Mr. Richard Hochörtler 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. In the 8 December 1989 meeting and under the agenda item regarding the functioning of the Arrangement, the Chairman (Mr. J.-R. Prieto) recalled that, as decided in the June 1989 Council meeting, two informal meetings of the IMC had taken place in the autumn. In those meetings, it had become clear that there was room for a rationalization of the procedural functioning of the Arrangement. After informing the Council of the different proposals and alternatives, Mr. Prieto noted that only one more meeting of the MMAG and the IMC would take place before the end of the Uruguay Round. He wondered about the opportunity to introduce changes in the functioning of the Arrangement at a moment when nobody could know how the negotiations might affect the Arrangement. After a brief debate, participants agreed that in view of the Uruguay Round of negotiations it might be premature to change the Arrangement's machinery. The secretariat was consequently entrusted to organize the work of the June 1990 meetings in such a way that a minimum time possible be lost between the MMAG and IMC meetings.

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

4. As noted in previous reports, the bovine meat market situation has improved markedly since mid-1986. In 1989, beef and veal production in the countries participating in the Arrangement fell by more than 2 per cent, largely reflecting cattle herd rebuilding in a growing number of countries. Firm producer prices in most of these countries and lower production costs related to lower feedgrain prices were supportive of this cyclical herd expansion. The production fall also resulted in a persisting strong import demand from some major markets, despite the continuing decline of beef and veal consumption in most countries. For this seems well to have been one of the major developments of the last decade or so, in this sector: a declining trend of bovine meat consumption in an increasing number of countries, most often accompanied by an increase of poultrymeat intake. Contrary to earlier estimates, in 1989 the volume of bovine meat trade increased significantly reflecting delayed beef shipments of export contracts negotiated in late 1988 by one major participant. Trade value was also up, not only as a result of the higher volume of trade, but also because of firm export prices. In general terms, during the first months of 1990 the situation in the bovine meat sector remained a relatively satisfactory one, but some signs of a changing picture were in the air. In the last June MMAG and IMC meetings some participants referred to fears of declining producer prices in their countries and, indeed, this seems to be occurring. Nevertheless, there was a general consensus in the last June meetings that the international bovine meat markets situation this year and outlook for 1991 was, generally speaking, still a relatively healthy one. However, a number of factors have intervened since the beginning of the year and since last June, whose effects are only now beginning to be clearly felt, and which call for a close monitoring of developments in this sector. Discussions on the market situation and outlook for other meats are now a regular exercise in the MMAG and it can be noted that world pigmeat production rose slightly in 1989, while exports fell for the first time in recent years. During the same time, both production and exports of poultry meat increased, while the exportation of sheepmeat was down, despite a production rise.

5. The discussion of questions of a policy nature of special concern to participants centred on a set of written questions addressed by Brazil to the European Community as well as oral questions addressed by a number of participants to the European Community on changes introduced in the Common Agricultural Policy in the meat sector, regarding in particular the levels of support. The Council was also informed of policy changes occurring in Sweden, Poland (subject to be pursued in the December 1990 meeting) and Japan, as well as on developments in Uruguay and Argentina as regards Foot-and-Mouth Disease eradication plans in both countries.