

GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL

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UNITED KINGDOM

The United Kingdom, taking note of the request recorded in TN.64/Me/5 that participating countries should supply certain information, submits these replies:

I. Existing beef policies

(i) Support prices

In the United Kingdom internal support measures consist of deficiency payments i.e. for each type of fatstock, producers are paid the difference between a guaranteed price (determined each year under the Agriculture Acts, 1947 and 1957) and the average market price. Producers receive a deficiency payment on "clean" fat cattle which have been sold and which have been certified as eligible under the Fatstock Guarantee Scheme. Eligibility is based on certain standards of weight and conformation. The guarantee is varied according to a seasonal scale of standard prices. Payments for cattle are calculated weekly and are, in broad terms, the difference between the average market price and the standard price for that week, but these payments are reduced when the market price is low and increased when it is high.

The guaranteed prices for the years 1961-1965 for fat cattle (steers and heifers) are the following:

Dollars per metric ton live weight (April/March years)

<u>1960/61</u>	<u>1961/62</u>	<u>1962/63</u>	<u>1963/64</u>	<u>1964/65</u>	<u>1965/66</u>
431.75	460.24	460.24	460.24	468.50	479.53

(ii) Market prices for fat cattle; yearly average

The average market value of animals certified under the Fatstock Guarantee Scheme was:

Dollars per metric ton live weight (April/March years)

<u>1960/61</u>	<u>1961/62</u>	<u>1962/63</u>	<u>1963/64</u>	<u>1964/65</u>
393.41	347.76	378.48	381.00	468.50

(iii) Total producers' return including assistance and subsidies

The total return to the producer from the market and from the deficiency payments in respect of all fat cattle certified under the Fatstock Guarantee Scheme was:

<u>United States cents per kg.</u>				
<u>1960/61</u>	<u>1961/62</u>	<u>1962/63</u>	<u>1963/64</u>	<u>1964/65</u>
43.17	45.4	45.6	46.6	49.05

(iv) Inventory and costs of aids and subsidies of every type which may influence production and returns to producers

The United Kingdom has, in addition to guaranteed prices, the following arrangements:

(a) Calf subsidy

This scheme is intended to encourage the production of calves suitable for rearing for beef.

Under schemes made under the Agriculture (Calf Subsidies) Act 1952 any steer or heifer calf (except heifer calves of the Jersey, Guernsey, Friesian and Ayrshire Breeds) born in the United Kingdom is eligible for a subsidy payment while it is still a calf provided that it is reasonably well reared and is suitable for further rearing for beef production (or, if a heifer calf, for use for breeding for beef production) and that after further rearing and fattening it would, on slaughter, yield reasonably good quality beef. The subsidy is a single payment per head. Rates over the past five years have been:

<u>United States dollars per head</u>					
	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>
Steers	25.90	25.90	25.90	27.30	28.70
Heifers	21.00	21.00	21.00	21.00	22.40

Since September 1965 farmers have also been able to apply for this subsidy on an alternative basis under arrangements by which an animal not subsidized at the calf stage is eligible for a similar payment, in this case without restriction of breed, provided it proves after slaughter to be eligible for the fatstock guarantee referred to above.

Total payments under the scheme in the last five years have been:

<u>Million dollars</u>				
<u>1960/61</u>	<u>1961/62</u>	<u>1962/63</u>	<u>1963/64</u>	<u>1964/65</u>
49.3	49.8	49.6	54.3	57.12

(b) Hill Cow Subsidy Scheme

This Scheme is designed to give special assistance to producers in hill areas.

Authority for the payment of hill cow subsidy derives from the Hill Farming and Livestock Rearing Acts 1946-1956 as extended by Section 2 of the Agriculture (Miscellaneous Provisions) Act, 1963. A subsidy of \$36.40 per head is payable on cow and in-calf heifers in regular breeding herds which are grazed at the appropriate time of the year throughout their normal breeding life on hill land under certain management conditions. Recipients of the subsidy may be required to spend 40 per cent of the money on improvements to grazings e.g. fencing, or the application of lime and fertilizers. The United Kingdom Government is committed to paying this subsidy up to and including 1967.

Total payments under this Scheme in the last five years have been:

<u>Million dollars</u>				
<u>1960/61</u>	<u>1961/62</u>	<u>1962/63</u>	<u>1963/64</u>	<u>1964/65</u>
12.8	14.0	15.1	15.4	15.7

A winter keep supplement of \$14 per eligible animal is paid in England, Wales and Northern Ireland in addition to the hill cow subsidy (see paragraph (c)(2) below).

(c) There are various other grants which benefit all livestock generally. These are:

1. Livestock rearing land improvement grants

Expenditure of up to total of \$84 million was authorized under the Hill Farming and Livestock Rearing Acts 1946-1956 and the Agriculture (Miscellaneous Provisions) Act 1963 for the payment of grants of 50 per cent of the approved cost of comprehensive schemes for the rehabilitation of livestock rearing land in the hill areas of the United Kingdom. Fresh schemes are no longer being accepted, but by the time all outstanding work has been completed, it is estimated that over 14,000 holdings will have benefited.

Examples of the kind of improvements which are being grant-aided are the improvement of roads, bridges etc., provision of electricity and reclamation of waste land.

Expenditure over the last five years has averaged \$4.2 million per year.

2. Winter Keep Scheme

In 1964 the Winter Keep Scheme was introduced. Payments, to help meet the cost of any feed grown during the winter, were made on an acreage basis. In 1965 the system was changed for England, Wales and Northern Ireland where payment to help meet the cost of purchasing or growing winter feed is made as a supplement (currently \$14 per head) to the hill cow subsidy, see paragraph (b) above. Scotland has largely retained the acreage payment system.

The total cost of the Scheme per year is estimated at some \$9 million but this covers the hill sheep industry as well as hill cows. In England, Wales and Northern Ireland the winter keep headage payments for animals eligible for the hill cow subsidy is estimated at \$3.5 million. The figure for Scotland cannot be split.

3. Livestock improvement grants

Government grants have been available for very many years to enable small farmers to share the use of better breeding sires than they could otherwise afford. The most important of these schemes, the premium bull scheme, operates throughout the United Kingdom but the extension of the artificial insemination service (which is not subsidized) has caused a steady decline in the number of bulls grant-aided. In Great Britain a 50 per cent grant, up to a maximum of \$168, is paid towards the initial purchase price of an approved bull whose service the owner undertakes to make available cheaply for neighbours' cows for a period of two years; if the bull remains in use for a third year a further grant of 25 per cent of the purchase price, up to a maximum of \$84 is available.

Expenditure under this Scheme in Great Britain over the past five years has been:

<u>United States dollars</u>				
<u>1960/61</u>	<u>1961/62</u>	<u>1962/63</u>	<u>1963/64</u>	<u>1964/65</u>
44,200	45,100	37,000	32,200	29,700

4. In Northern Ireland the following schemes operate:

- (a) Bull subsidies. Subsidies are payable to groups of three or more breeders for the purchase of approved high quality stock bulls. The amount does not exceed two thirds of the approved purchase price.
- (b) Bull premiums. These are payable to owners of selected bulls who make them available at prescribed fees for the service of cows locally. The value of premiums varies between \$84 and \$126 per annum according to the breed of the bull. In poorer districts purchasers of premium class bulls may get a subsidy of up to \$279.30 instead of an annual premium.

Expenditure under these two schemes over the past five years has been:

<u>United States dollars</u>				
<u>1960/61</u>	<u>1961/62</u>	<u>1962/63</u>	<u>1963/64</u>	<u>1964/65</u>
63,800	61,900	66,000	60,500	72,000

5. The Government is at present assisting the development of growth rate recording and bull performance testing schemes for beef cattle in Great Britain through a Beef Recording Association set up in 1963. The industry's own contribution towards this work, up to 50 per cent of the Association's net annual costs, is being matched by a £1 for £1 grant up to a maximum of \$140,000 over a five-year period. In addition, the Government has agreed to pay up to \$70,000 up to the end of 1966/67, outside this formula. The Beef Recording Association offers a service of weighing to commercial producers which will help them in the feeding and management of their animals to steer their progress along a defined line and finishing in a specific period rather than accepting the more haphazard production which was frequently encountered in the past.

6. Legislation now before Parliament provides for the establishment of a Meat and Livestock Commission whose function will be to bring about improvements in livestock and meat production, marketing and distribution (see paragraph III(iv)(c) below). The intention is that the industry itself, through the Commission, will bear the full cost of the schemes described in the previous paragraph when it is established, in the same way as it now bears the cost of other recording services developed in earlier years.

(v) Total quantity and value of production

Production of home-fed beef and veal in the United Kingdom, (excluding exports of live animals):

July/June years

'000 metric tons (dressed carcass weights)

<u>1960/61</u>	<u>1961/62</u>	<u>1962/63</u>	<u>1963/64</u>	<u>1964/65</u>
785	879	911	920	806

These figures exclude offal. They are estimate of total commercial production for all purposes and include meat from animals bred in the Irish Republic and fattened in the United Kingdom.

It is not possible to give the value of the above production but the following are figures giving the value of farm gate output of cattle and calves for slaughter and for export:

June/May years

<u>1960/61</u>	<u>1961/62</u>	<u>1962/63</u>	<u>1963/64</u>	<u>1964/65</u>
\$	\$	\$	\$	\$
563.4 m.	676.8 m.	691.7 m.	758.0 m.	792.2 m.

It should be noted that these figures include cows, bulls and calves as well as the fat cattle (steers and heifers) for which unit value figures are given elsewhere.

(vi) Analysis of measures at the frontier

<u>Tariff</u>	<u>m.f.n.</u>	<u>Commonwealth</u>	<u>EFTA</u>
01.02 Live animals of the bovine species	Free	Free	Free
02.01(A)(1) Beef and veal			
(a) Boned or boneless	20%	Free	20%
(b) Other:			
(i) Chilled	1.94¢ per kg. (3/4d. per lb.)	Free	1.94¢ per kg. (3/4d. per lb.)
(ii) Fresh or frozen	1.7¢ per kg. (2/3d. per lb.)	Free	1.7¢ per kg. (2/3d. per lb.)

<u>Tariff</u>		<u>m.f.n.</u>	<u>Commonwealth</u>	<u>EFTA</u>
02.01(B)	Edible offals			
	(1) Beef and veal			
	(a) Sweetbreads and tongues	Free	Free	Free
	(b) Other	20%	Free	20%

Import arrangements

Fatstock, beef and veal are admitted freely from all sources except those Eastern Area countries (Rumania and USSR) which have not accepted the United Kingdom's terms under which certain products (including beef) have been freed from quota restrictions. The Rumanian quota stands at 1,000 tons, but at present, because of the beef supply situation, imports can be freely licensed above that figure. The USSR has no quota.

II. Incidence on meat production of policies on cereals and dairy products

(i) Estimated volumes and prices of cereals used for intensive fattening of cattle with a breakdown showing type of cereal and origin

Information is not available on the proportion of the cattle herd intensively fed or on the origin and price of its feed.

The total consumption of cereals used for animal feed (which would include amounts fed to pigs and poultry as well as cattle), during the last five years was:

'000 metric tons

	1960/61	1961/62	1962/63	1963/64	1964/65
Wheat	1,581	1,460	2,208	1,807	2,360
Rye	1	4	5	9	3
Barley	3,548	3,857	4,148	5,457	5,754
Oats	1,759	1,638	1,482	1,253	1,131
Maize	2,358	3,088	3,145	2,444	2,300
Mixed corn	221	172	156	119	101

(ii) Evolution of ratio between cereal prices and fat cattle market prices

The following figures relate to the price of cattle and cereals over recent years.

Dollars per metric ton

	1960/61	1961/62	1962/63	1963/64	1964/65
Fat cattle	393.41	347.76	378.48	381.00	461.15
Wheat	52.02	59.31	49.375	58.78	55.46
Barley	53.57	55.06	54.20	56.32	53.74
Oats	52.59	54.03	55.98	54.72	54.43

(iii) Total producers returns for milk, including assistance and subsidies

In the United Kingdom returns from milk sold for both liquid consumption and manufacturing purposes (cheese, butter, preserved milk etc.) are pooled and producers are paid an average price per gallon (the producer price) which reflects their entitlement under the guarantee arrangements after the deduction of standard transport charges for primary haulage and the administrative expenses of the Milk Marketing Boards. (As part of the guarantee arrangements, there is a guaranteed price on a standard quantity of milk, but there is no government subsidy and the cost of the guarantee is borne by consumers.)

(iv) Evolution of ratio between the prices of fat cattle, live weight basis and milk prices

The following figures relate to the price of cattle and milk over recent years.

United States cents per kgs.

	1960/61	1961/62	1962/63	1963/64	1964/65
Fat cattle Market value live weight	39.341	34.776	37.848	38.100	46.115
Milk prices Returns to producers	8.91	8.30	8.24	8.62	9.32

(v) Estimated quantity and value of beef and veal production from dairy herds (excluding exports of live cattle)

It is estimated that about two thirds of the production of home-fed beef and veal comes from the dairy herd, although the proportion has declined from 70 per cent in 1960/61 to just over 60 per cent in 1964/65. Taking this into account production from the dairy herd is estimated approximately as follows:

<u>'000 metric tons</u>				
<u>1960/61</u>	<u>1961/62</u>	<u>1962/63</u>	<u>1963/64</u>	<u>1964/65</u>
549	598	601	578	492

(vi) Comparative evolution of the dairy cattle herd and of the intensively fed beef herd in relation to total cattle herd

As at June - '000 Head

	1961	1962	1963	1964	1965
Total cattle and calves	11,936	11,859	11,716	11,627	11,943
Of which					
Dairy cows	3,245	3,290	3,247	3,144	3,186
Beef cows	908	978	1,013	982	1,018
Heifers in calf	827	802	742	798	760

Some 10-15 per cent of the steers reared for beef production are now fed entirely intensively, and are slaughtered at eight to fourteen months of age. This practice has only developed in the last few years. Most cattle are grazed for part of their life, and are fed intensively only in winter or to fatten them immediately before slaughter.

No statistics are available concerning veal calves.

III. Internal prices(i) Wholesale prices

The average wholesale prices of English long sides at London Central Markets, Smithfield, based on averages of the Monday quotations on Smithfield were:

United States cents per kg.

	1961	1962	1963	1964	1965
January	60.45	69.46	62.38	67.53	84.89
February	59.17	68.17	58.52	70.74	83.61
March	65.60	64.96	55.31	73.32	81.68
April	64.31	61.74	52.09	75.89	80.39
May	59.17	61.10	56.60	79.10	79.10
June	52.74	66.24	66.24	82.96	86.82
July	46.31	64.96	66.89	84.25	88.11
August	52.09	64.96	68.17	81.68	85.54
September	53.38	64.31	64.31	77.82	82.32
October	54.67	61.74	61.74	77.18	78.46
November	56.60	61.10	60.45	76.53	75.89
December	61.74	61.10	63.03	78.46	77.18

(ii) and (iii) Retail prices and marketing costs

The United Kingdom Government does not provide a retail price series for the various cuts of beef. As part of the retail price index, however, an index is published of the price of meat and bacon. With January 1962 = 100, this averaged 101 for 1962, 102 for 1963, 112 for 1964 and 117 for 1965. Much information has been published in the Report of the Committee of Inquiry into Meat Marketing (Verdon-Smith Committee). For instance, the report estimates that for the average independent retail firm in the turnover range £10,000 to £20,000 per year, the gross profit margin in 1962 was 22.3 per cent of turnover, and the net profit before taxation was 9.2 per cent. The gross profit margin of provincial wholesalers was 8.8 per cent of turnover, and the net profit before taxation was 2.1 per cent; while for Smithfield fresh meat wholesalers figures were 5.6 per cent and 0.9 per cent and for importers they were 3.4 per cent and 0.1 per cent.

(iv) Other charges

(a) A Meat Research Levy, as a contribution towards the cost of a Meat Research Institute, amounting to 7 cents per head on fat cattle is collected through the Fatstock Guarantee arrangements. The levies are borne equally between the parties to any sale and are payable only on fatstock certified at a certification centre and in respect of which a guarantee payment is made. This levy will be temporarily suspended pending the introduction of the arrangements mentioned at (c) below.

(b) Local authorities levy meat inspection charges on animals presented at slaughterhouses. Their charges are equivalent to a maximum of 35 cents for cattle and 10.5 cents for calves.

(c) Legislation at present being considered by Parliament would provide for the establishment of a Meat and Livestock Commission to carry out a wide range of functions to assist the industry, applying from the farm to the consumer. It would be financed mainly by a levy on the industry of an amount yet to be determined. The Commission will also arrange for the future contribution by the industry towards the Meat Research Institute.

IV. International prices

(i) Levels of international prices

The average wholesale prices of imported beef at the London Central Markets Smithfield, have been:

ARGENTINE CHILLED SIDES, AVERAGE OF MID PRICES

Argentine Chilled Hinds

United States cents per kg.

	1961 cents per kg.	1962 cents per kg.	1963 cents per kg.	1964 cents per kg.	1965 cents per kg.
January	64.31	75.25	60.45	75.25	94.54
February	66.89	76.53	57.24	80.39	88.11
March	79.10	71.39	57.24	84.25	91.32
April	72.67	67.53	64.31	82.32	91.97
May	66.89	72.03	70.10	86.82	88.11
June	68.17	80.39	69.46	86.18	98.40
July	66.89	75.25	75.25	93.25	106.12
August	72.67	76.53	84.25	93.90	104.83
September	72.67	79.75	70.74	81.03	99.68
October	68.81	70.74	68.17	86.18	81.68
November	67.53	61.10	64.96	85.54	73.96
December	73.32	59.81	69.46	86.18	78.46

(ii) Price formation

Support to United Kingdom producers of clean cattle is given by a system of deficiency payments and there is no Government intervention in the market to support prices. Price quotations in the Smithfield (London Central Markets) and other major centres of trade in large provincial towns such as Liverpool and Birmingham provide a representative range of prices for meat at the wholesale stage. These prices move in response to the supply and demand under free market conditions. Fresh and chilled beef is largely sold through ordinary retail outlets apart from some used for catering and in the manufacturing trade. Frozen beef - mainly boneless - moves from cold stores mainly to the processing trade, caterers and institutions (hospitals etc.). When the supply of frozen is lower than potential demand manufacturers and caterers are forced to bid for the more expensive fresh or chilled supplies. Currently small quantities of frozen beef are finding an outlet for sale at the retail stage. This tendency has been stimulated by the lower levels of chilled beef supplies experienced since the end of 1963 and more especially in 1965. Beef sets the tone of the United Kingdom meat market. However, its price can be affected, although to what extent remains uncertain, by the availability of other meats, particularly lamb, pork and poultry. The reduction in the offtake of beef and veal during 1965 - almost

entirely fresh and chilled - by about 125,000 metric tons is a reflection of the reduced supplies from both home and overseas sources. Prices during the year did not rise as high as might have been expected probably because of consumer resistance and the ready availability of lamb, pork and poultry. In 1965 the proportion of beef and veal in total supplies of carcass meat and offal in the United Kingdom fell from about 46 per cent in 1964 to 42.5 per cent. On the other hand pork offtake rose to a record level of about 647,000 metric tons, about 70,000 tons more than in 1964 and constituting about 25 per cent of all carcass meat and offal supplies. Notwithstanding the increased consumption of pork in relation to beef and veal it remains to be seen whether with increased beef supplies again available, and some reduction in price, demand would not in the longer term move back towards beef.

The feasibility of establishing prices for the products figuring in international trade and the legal possibilities of maintaining such prices

No definitive answer can be given without a comprehensive review of the nature of the United Kingdom meat trade and its relationship with overseas supplies. However, while it might be technically feasible to establish a minimum price regime coupled with a levy system for United Kingdom beef and veal imports, it is clear that a number of major problems would have to be overcome because of the nature of the trade. General authority for the prescription of minimum price levels and the charging of levies exists in section 1(2) of the Agriculture and Horticulture Act 1964 but subsidiary legislation would be needed.

(iii) Export subsidies

The United Kingdom does not give export subsidies on fat cattle, beef or veal.

(iv) Stocking capacity

The maximum meat and offal stocking capacity of public and Government-owned cold stores is not known and would be extremely difficult to ascertain because of differences in temperature ranges and the availability in some cold stores of means of adjusting temperatures to suit particular commodities. Moreover some space is interchangeable and the quantity available for meat would depend on demands for other commodities.

From January 1964, the form of return completed by public and Government-owned cold stores was re-designed to provide for figures of stocks held at all temperatures and not at 14°-18°F. only as hitherto. Since that time the highest total recorded of meat and offal stocks is 100,000 metric tons.

V. Bilateral agreements affecting imports and exports

The principal bilateral agreements affecting the import and export of live cattle, beef and veal to or from the United Kingdom are:

(a) the Australia/United Kingdom Meat Agreement 1952 which expires in September 1967. Under this Agreement Australia undertook to encourage an expansion of exports in return for an assured market without restriction in quantity in the United Kingdom. The level of United Kingdom imports of chilled and frozen beef and veal from Australia was:

<u>'000 metric tons</u>				
<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>
33	35	19	86	95

A clause in the Agreement provides that if market prices for the various classes of meat average below an agreed schedule of minimum prices the United Kingdom Government will make a payment to the Australian Government corresponding to the amount of the deficiency. Examples of the minimum prices in operation till September 1967 are:

Cents per kg. f.o.b. Australia

<u>Frozen beef, first quality</u>	
Ox hinds	33.49 (13.02d. per lb.)
Ox crops	26.11 (10.15d. per lb.)
Cow hinds	27.60 (10.73d. per lb.)
Cow crops	24.31 (9.45d. per lb.)

During the currency of the Agreement deficiency payments have been paid by the United Kingdom Government to the Australian Government but no payments have been made on beef and veal in the period since 1957;

(b) the Australia/United Kingdom Trade Agreement 1957 which may be terminated at six months notice. Under this Agreement the United Kingdom agreed to maintain duty-free entry of Australian meat during the currency of the Agreement;

(c) the 1952 Joint Declaration, expiring in 1967, under which the United Kingdom has undertaken to allow entry without restriction of quantity of New Zealand beef and veal (and mutton and lamb);

(d) the New Zealand/United Kingdom Trade Agreement 1959 which may be terminated at six months notice under which the United Kingdom has agreed to maintain duty-free entry of New Zealand meat;

(e) the Free-Trade Area Agreement and Agreement on Store Animals and Carcass Meat with the Irish Republic. These come into force on 1 July 1966. Under the latter, Irish store cattle will be eligible for United Kingdom fatstock guarantee payments after two months residence in the United Kingdom instead of the present three months. The Government of the Republic of Ireland has undertaken to use its best endeavours, consistent with the circumstances of the trade, to ensure that not less than 638,000 head of store animals are exported to the United Kingdom annually. The Agreement also provides for the United Kingdom Government to pay to the Government of the Republic of Ireland, annually, in respect of carcass meat imported from the Republic of a class eligible for the guarantee, a sum equivalent to the average sum payable in that year under the United Kingdom fatstock guarantee arrangements on an equivalent tonnage of home produced beef, subject to the limitation that payment will not be made on more than 25,000 tons;

(f) certain countries in the Commonwealth Preference Area enjoy contractual margins of preference for some meat and meat products.

VI. Data on production, imports, exports and disappearance of beef and estimates for 1970, on a standardized statistical basis

United Kingdom Slaughterings Exports and Imports of Cattle

'000 head

	1961	1962	1963	1964	1965
Slaughterings ^a					
- Cattle	3,336	3,397	3,545	3,361	3,188
- Calves	921	870	703	491	388
Imports ^b	691	567	639	707	501
Exports ^c	189	122	164	306	325

^aIncluding slaughterings of imported fat cattle.

^bMostly store cattle.

^cMostly fat cattle.

United Kingdom Beef and Veal

'000 metric tons

	1961	1962	1963	1964	1965
Production ^a	905	918	944	876	818
Imports ^b	292	333	363	350	294
Exports ^b	5	4	3	11	12
Consumption ^c	1,198	1,261	1,311	1,184	1,112

^aHome killed.^bIncluding re-exports.^cProduction + imports - exports, adjusted for changes in cold stored stocks.Future trends

The percentage of the United Kingdom's total supplies of beef and veal which is imported has remained virtually constant during the period 1961-1964 as follows:

	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Per cent domestically produced	70	71	71	70
Per cent imported	30	29	29	30

The net foreign exchange cost in 1964 was estimated at \$257.6 million. It is impossible to prepare a precise estimate of the growth in demand for beef and veal because it may be considerably affected by changes in tastes and in the relative prices of other meat products. On the basis of the trends in recent years the growth in demand between 1964 and 1970 is expected to be valued at approximately \$84 million at 1964 import prices (c.i.f.). In the National Plan, published in September 1965 the Government have proposed a selective expansion programme for United Kingdom agriculture. They have recognized that the extent to which domestic agriculture will be able to meet the expected growth in demand will be limited by three main factors: (i) the technical limitations on increasing output, (ii) the international commitments of the United Kingdom, and (iii) the cost in physical resources and to the Exchequer. The Plan envisages that home production of mutton and lamb and pigmeat will make a substantial contribution to meeting increased demand in the United Kingdom consistent with the commitments to overseas suppliers, but the main emphasis is on the expansion of beef and veal production. This will have to be increased to the full extent of the technical possibilities and an increase broadly of the order of the expected additional demand for beef and veal appears to be feasible.

VII. Trends in total per caput consumption of all types of meat

The estimated consumption per head in the United Kingdom of carcass meat (other than poultry) and bacon, is estimated to have been:

Kgs. Per Head

	1961	1962	1963	1964
Beef: bone in	21.7	22.2	23.4	20.1
Beef: bone out	0.7	1.0	0.8	1.5
Mutton and lamb	11.4	11.2	10.6	10.7
Pork	8.8	9.8	9.9	10.4
Offal	4.4	4.5	4.6	4.7
Bacon and ham	11.5	11.8	11.4	11.5
Canned meat	4.0	3.8	3.4	3.5
Poultry	6.3	6.6	6.6	6.9
Game and rabbits	0.3	0.3	0.2	0.3
Total (edible weight)	57.6	59.4	59.1	57.9

The growth in demand for meat (beef and veal, mutton and lamb, pigmeat, poultry meat and meat offals) in the United Kingdom between 1964 and 1970 is estimated to be valued at \$271.6 million at 1964 import prices c.i.f.

The percentage of household expenditure on food devoted to meat and bacon has been:

<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
26.7%	26.6%	26.4%	26.9%

VIII. Sanitary or veterinary regulations

All imports of meat into the United Kingdom must comply with both the public and animal health regulations. The animal health restrictions are designed to reduce the danger of introducing diseases into this country such as foot-and-mouth disease and swine fever. Importation from the Netherlands, Belgium and Switzerland have, however, recently been prohibited because of the foot-and-mouth disease situation in those countries.

Under the public health regulations, no country can send meat to the United Kingdom until it has had recognized in the London Gazette an official certificate under the British Imported Food Regulations. An official certificate is a guarantee by the government of the supplying country that the meat has been derived

from animals free from disease, that it has been inspected according to British criteria and has been prepared in hygienic conditions. Since the Aberdeen typhoid outbreak in 1964 the Government has required each supplying country to give assurances that all meat for the United Kingdom is prepared according to United Kingdom standards, and, in particular, that water used for cooling canned meat is bacteriologically pure. Veterinary officers of the Ministry of Agriculture, Fisheries and Food pay spot-check visits to establishments in supplying countries, but responsibility for the maintenance of United Kingdom standards remains with the government of the country concerned.

IX. Import policies for live cattle

The United Kingdom operates a free import policy, subject to public and animal health requirements, for live cattle from all areas other than certain countries in the Eastern Area (see I(vi)). On animal health grounds, however, imports of slaughter cattle are allowed only from a few countries with a good health record. Store cattle also are admitted from the Republic of Ireland and in practice the live trade is limited to the importation of stores and fat cattle from the Republic of Ireland.