

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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SWITZERLAND

Information Supplied on Beef and Veal

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A. Production: production measures and policies

A.1. Statistical data on production

1.1. Size and composition of the cattle herd (thousand head)

Year	Calves up to 6 months for slaughter	for breeding	Young bovine animals 6 to 12 months	Heifers	Cows	Bulls for service	Steers*	Total
1965	102	232	110	366	920	25	18	1,773
1966	122	210	123	378	918	27	17	1,795
1967	126	215	126	400	928	23	17	1,835

* Including bulls for fattening.

1.2. Slaughterings and meat production

Description and year	Slaughterings (thousand head)			Average weight kgs./head	Total carcass weight '000 m.t.
	Indigenous animals	Imported animals	Total		
<u>Adult bovine animals</u>					
1965	260	32	292	269	78.6
1966	283	23	306	267	81.8
1967	296	6	302	268	80.9
<u>Calves</u>					
1965	475	3	478	70	33.5
1966	479	2	481	76	36.6
1967	477	-	477	77	36.8

A.2. Trends in production and estimates for 1970

Assuming that conditions are normal, especially with regard to supplies of fodder, the decrease in slaughterings of calves and the increase in slaughter weights, as well as the setting up of specialized meat production units, should make for an annual increase of 3-4 per cent in the quantity of meat produced, so that meat production in 1970 might amount to some 130,000 tons. In arriving at this estimate, account has been taken

of the policy followed by the Confederation in this field, which aims at stimulating production of crops and meat at the expense of dairy production (see section A.5. below).

A.3. Statistical data on stocks

	Tons			
	1965	1966	1967	1968
Stocks of beef and veal at 1 January	2,300	5,500	3,700	6,000

A.4. Factors which affect production

- Races

In Switzerland, meat production is closely related to dairy production because the cattle races are chosen for their suitability for production of both milk and meat. It is on these races that any increase of meat production in the coming years will depend. It is planned to improve further the production of meat through selective measures and productivity tests involving artificial insemination.

- Production methods and composition

In the past few years an upward trend has become discernible in production of bovine animals for choice qualities of meat (young heifers, young steers and young bulls) in specialized undertakings. These undertakings may include some which no longer raise cows and are now concerned solely with stock fattening or which, in addition to the raising of cows, engage in intensive fattening of large numbers of bovine animals. The usual aim of producers nowadays is to fatten young animals, i.e. heifers and steers which will be ready for slaughtering when they are twelve to eighteen months old (twelve to fifteen months, in the case of young bulls) and which will have a slaughter weight of 450 to 600 kgs.

This development has brought about changes in the composition of the output of beef and veal. The trend is towards an increasing retention of calves to ensure a larger output of beef. Nevertheless, the average slaughter weight of calves has risen considerably. This factor, as well as an increasing employment of substitute products for the fattening of calves resulting in a relative drop in the price of veal, accounts for the maintenance of veal production and consumption at high levels.

A.5. Policies and measures of Government or other bodies likely to influence production, other than those listed under B

- Measures in the field of dairying

The measures recently adopted in the field of dairying will have the effect of stimulating production of meat. These measures are described in the Swiss reply to the questionnaire on dairy produce. They include, in particular, an increase of the conditional sum withheld per litre of milk to ensure participation by producers in losses resulting from the valorization of milk and the possible institution of a quota system for the payment of milk. Special measures designed to encourage meat production at the expense of dairy farming have, moreover, been expressly envisaged. It may be recalled in this connexion that the proceeds from the last centime of the conditional charge on milk is to be used to finance campaigns of limited duration for the elimination of milch cows, as well as to facilitate the conversion of livestock farms into fattening undertakings.

- Price supplements on imported fodder

These supplements are mainly intended to adapt the livestock herd to the fodder produced on the farm or elsewhere in Switzerland. They have, consequently, some bearing on meat production. The level of these price supplements was increased on 1 January and again on 1 March 1968.

B. Protection and support measures and policies

B.I. Internal support measures and policies

B.I.1. Inventory of the instruments of support

- Indicative prices and support prices

After taking evidence from the parties concerned, the Federal Council lays down indicative prices (production prices) for the various categories and quality classes of large bovine animals (bulls, steers, heifers, cows) and calves intended for slaughter. These indicative prices are laid down in accordance with principles set forth in the Law on Agriculture of 3 October 1951. The provisions of this Law require that, subject to the reservation that production must be adapted to market conditions and taking into account the interests of other sectors of the economy and of the consumers, the average costs of production of farms that have been properly worked and taken over on normal terms shall be covered.

The provisions of the Law which relate to production, importation and marketing must be so applied that the prices actually paid on the market do not exceed the indicative prices.

- Adjustment of supply to market requirements

In so far as natural conditions permit, the producers must help to improve their own position by adjusting their supplies of bovine animals for slaughter to the consumption capacity of the domestic market, allowing for imports covering 5 to 10 per cent of average total requirements over several periods of production. In recent years, the percentage of domestic consumption of beef and veal which is covered by imports has been considerably higher. The organizations of producers of bovine animals for slaughter must keep livestock farmers continuously well informed so as to ensure that production keeps step with probable needs.

- Measures designed to facilitate the sale of bovine animals for slaughter

The joint organization of the sectors¹ interested in the disposal of bovine animals for slaughter and of meat, i.e. the "Coopérative Suisse pour l'Approvisionnement en Bétail de Boucherie et en Viande" (CBV), regulates and facilitates the supplying of the market and the disposal of surpluses. Markets and collecting centres for bovine animals for slaughter are arranged for that purpose.

¹Producers, distributors and importers, butchers and pork butchers, consumers.

B.I.2. Levels of indicative prices and support prices

When the indicative prices for large bovine animals for slaughter are laid down, provision is made for upper and lower price limits in order to take into account annual fluctuations that are deemed to be normal when production is adapted to market requirements. In the case of calves, support prices are laid down, the purpose of which is the same as that of the lower limit of the indicative price in the case of large bovine animals for slaughter.

The indicative prices and their upper and lower limits and the support prices for the main categories and quality classes of bovine animals for slaughter have evolved as follows:

Description	1965	1966	1967 ¹
Average <u>indicative prices</u> with upper (+) and lower (-) limits:		In \$/100 kgs. liveweight (exchange rate: \$1 = Sw F 4.32)	
Heifers and steers, class I	80.7 ± 2.3	84.5 ± 2.3	89.1 ± 2.3
Cows, young and fattened, class I	70.8 ± 3.5	74.5 ± 3.5	78.7 ± 3.5
Cows, mature and fattened, class II	60.2 ± 4.6	63.7 ± 4.6	66.6 ± 4.6
Cows for sausage meat	49.1 ± 4.6	52.1 ± 4.6	55.0 ± 4.6
Bulls, fattened, class I	75.0 ± 3.5	79.9 ± 3.5	84.5 ± 3.5
<u>Support prices:</u>			
Calves for veal, class I according to quality	105.3 -115.7	105.3-115.7	105.3-119.2

¹Since 1 May 1967.

B.I.3. Amount of producer subsidies

There are no subsidies to promote meat production.

In the reply to the questionnaire on dairy produce (COM.AG/W/9/Add.2), reference is made to the granting of a contribution towards the costs of cattle farmers in the mountain areas.

B.I.4. Average returns to producers

Prices paid to producers for the principal categories and quality classes of bovine animals for slaughter

	In \$/100 kgs. liveweight	<u>1965</u>	<u>1966</u>	<u>1967</u>
Heifers and steers, class I		81.0	84.0	86.3
Cows, young and fattened, class I		72.7	74.8	77.5
Cows, mature and fattened, class II		61.3	63.0	64.6
Cows for sausage meat		50.9	51.6	53.7
Bulls, fattened, class I		76.2	79.6	81.9
Calves for veal, class I		119.9	120.6	123.6

B.I.5. Method of determining returns for producers

Nothing to report.

B.II. Measures at the frontier

- Description of the system

Imports of bovine animals for slaughter and of meat are subject to quantitative restrictions. When Switzerland's own output at indicative prices suffices to cover its needs, no licences to import products of the same kind are granted. In principle, imports are authorized when the market prices reach the upper limit of the indicative price. The quantities allowed to be imported are fixed by the authorities (Department of Agriculture), acting upon the proposal of the CBV (see B.I.I.) and taking the market situation into account.

When the cattle markets organized by the trade associations and supervised by the "Société Coopérative Suisse pour l'Approvisionnement en Bétail de Boucherie et en Viande" no longer suffice to maintain the market price within the limits of the indicative price, importers may be required to contribute to the valorization of surpluses of bovine animals for slaughter proportionately to their imports of products of the same kind. The valorization of surpluses is effected mainly through the freezing and subsequent warehousing of the meat.

- Import charges

(a) Customs duties

Tariff No.	Description	Rate of duty		Ad valorem incidence (%)	
		\$/head		1965	1966
0102.	Live animals of the bovine species	Basic rate	Reduced rate applied since 1.2.1958		
	- young animals for slaughter				
10	- over 60 kgs.	5.79	2.31	1.0	1.0
12	- 60 kgs. or under	4.63	2.31	2.9	-
20	- heifers for slaughter	18.52	2.31	0.8	0.7
	- bulls for slaughter				
30	- with milk teeth	18.52	2.31	0.7	0.7
32	- without milk teeth	23.15	2.31	-	0.8
40	- cows for slaughter	18.52	2.31	0.7	0.7
	- steers				
50	- with milk teeth	18.52	2.31	0.8	0.8
52	- without milk teeth	23.15	2.31	1.0	0.5

<u>Tariff No.</u>	<u>Description</u>	<u>Rate of duty</u> <u>\$/head</u>	<u>Ad valorem in-</u> <u>cidence (%)</u>	
		Basic rate	Reduced rate applied since 1.2.1958	1965 1966
0201.	Meats and edible offal			
10	- veal	9.26	2.31 ¹	1.4 1.4
	- heifer, bull, cow and steer meat			
20	- fresh or chilled	8.10	2.31 ¹	1.6 1.6
22	- frozen	9.26	2.31 ¹	2.5 2.3
			Actual rate of duty in \$/100 kgs. gross	
0206.10	- meat and edible offal, salted or in brine, dried or smoked		17.36	7.0 6.4
1602.	Preparations and preserves			
26	- corned beef		9.26 ²
30	- other		11.57	16.4 14.5
0504.18	- stomachs and tripe		0.46	0.2 0.1

(b) Veterinary tax

The proceeds of this tax, which is levied at \$3.70 per head of cattle or at \$3.01 per 100 kgs. of meat (\$4.63 for preparations and preserves under tariff heading 1602), are used to finance measures for the prevention and eradication of animal diseases.

(c) Importers' dues

Importers of bovine animals for slaughter and of meat are required to pay a tax proportionately to the value of their imports, the proceeds are put into a reserve fund used for purposes of market equalization and surplus disposal measures. This tax is levied at the following rates:

¹ Except frozen offal.

² Under Kennedy Round agreements. Previous rate: \$11.57.

- On live animals: 50 centimes (11 cents) per 100 kgs.
- Meat under tariff heading 02.01: Generally, 50 centimes (11 cents) per 100 kgs. except:
 - calf tongue and liver, frozen (ex 10) = Sw F 20 (\$4.63)
 - calf sweetbread, frozen (ex 10) = Sw F 30 (\$6.94)
 - sirloin (ex 20) = Sw F 20 (\$4.63)
 - tenderloin (ex 20) = Sw F 30 (\$6.94)
 - tongue, frozen (ex 22) = Sw F 20 (\$4.63)
 - liver, tails and hearts, frozen (ex 22) = Sw F 10 (\$2.31)
- Meat and edible offal, salted or in brine, dried or smoked (tariff heading 02.06): Sw F 20 (\$4.63) per 100 kgs.
- Meat preparations and preserves (tariff heading 16.02):
 - corned beef (ex 26) = Sw F 15 (\$3.47) per 100 kgs.
 - calf tongue, in tins (ex 30) = Sw F 20 (\$4.63) per 100 kgs.
 - other meat preserves (ex 30) = Sw F 15 (\$3.47) per 100 kgs.
 - tripe and muzzles, cooked, frozen (ex 30) = Sw F 10 (\$2.31) per 100 kgs.

C. Consumption and internal prices

C.1. Statistical data on consumption

<u>Description</u>	<u>Total consumption</u> ('000 tons)			<u>Consumption per capita</u> (kgs.)		
	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>
Beef	108.0	109.8	112.9	18.0	18.2	18.2
Veal	35.1	37.7	39.4	5.9	6.2	6.4
TOTAL	143.1	147.5	152.3	23.9	24.4	24.6

C.2. Trends in consumption and estimates for 1970

With increasing per capita income, consumption of beef and veal expanded particularly rapidly (annual average of about 4.5 per cent) during the 1955/65 decade. Allowing for a lull in economic activity, this trend must be expected to slow down, so that total consumption of beef and veal in 1970 may be estimated at about 155/160,000 tons.

C.3. Retail and wholesale prices

Meat sold retail is usually derived from butchers' slaughterings. The figures given below are based on information supplied by the butchers. They refer to quality categories that do not coincide exactly with the categories mentioned above (B.I.2. and 4).

<u>Description</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>
	(in dollars)		
<u>Heifers and steers, quality A</u>			
Butchers' cost price per kg. slaughter weight	1.60	1.67	1.71
Butchers' retail selling price per kg. of meat:			
- for boiling and stewing		2.49*	2.56*
- for roasting	{ 1.94	3.04*	3.14*

* Boned meat.

<u>Description</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>
	(in dollars)		
<u>Cows, quality A</u>			
Butchers' cost price per kg. slaughter weight	1.45	1.50	1.54
Butchers' retail price per kg. of meat:			
- for boiling and roasting	1.66	2.24*	2.31*
<u>Calf, quality A</u>			
Butchers' cost price per kg. slaughter weight	2.08	2.09	2.15
Butchers' retail price per kg. of veal:			
- for stewing and roasting	2.37	3.10*	3.21*

* Boned meat.

C.4. Factors which condition the evolution of internal consumption including interdependence of products

In recent years, the ratio of beef and veal consumption to total consumption of meat has remained fairly stable. Nevertheless, structural reorganizations and possible improvements of productivity in pigmeat production, as well as the effects of liberalization of imports of lamb and mutton, must tend to bring about a relative decline in the prices of these kinds of meat, and, consequently, to stimulate, at any rate for a while, the demand for these meats.

C.5. Policies and measures affecting consumption

Nothing to report.

D. International trade and prices

D.1. Statistical data on international trade

As Switzerland does not export bovine animals for slaughter, or the meat of large bovine animals, the following data refer only to imports.

1.1. Cattle for slaughter (ex 01.02)

	1965		1966		1967	
	'000 head	\$'000	'000 head	\$'000	'000 head	\$'000
TOTAL	34.5	9,794	24.8	7,159	10.8	2,701
<u>of which</u> <u>(principal suppliers):</u>						
France	3.9	792	3.5	802	4.4	922
Hungary	10.8	3,244	7.4	2,348	2.4	739
Denmark	17.1	5,157	11.1	3,210	3.6	951
Ireland	2.3	560	1.1	248	-	-

1.2. Beef and veal, fresh, chilled or frozen* (0201.10/22)

	1965		1966		1967	
	Tons	\$'000	Tons	\$'000	Tons	\$'000
TOTAL	31,182	37,993	24,903	32,321	32,724	38,170
<u>of which</u> <u>(principal suppliers):</u>						
Netherlands	2,502	4,490	1,423	2,538	2,374	4,165
Denmark	2,909	4,267	3,930	5,276	4,434	5,248
Yugoslavia	2,191	2,997	3,774	5,390	2,475	3,746
Argentina	5,313	6,119	5,925	7,036	11,345	11,086
Brazil	4,705	4,275	2,114	2,109	2,036	1,854

* Including edible offal.

D.2. Import prices (free at frontier, not customs cleared)

- Steers, with milk teeth (tariff heading 0102.50)

<u>Principal suppliers</u>	<u>Average price in \$/head</u>		
	<u>1965</u>	<u>1966</u>	<u>1967</u>
Denmark	301	289	266
Ireland	240	220	-
Hungary	306	320	316

- Veal (tariff heading 0201.10)

<u>Principal suppliers</u>	<u>Average price in \$/100 kgs.</u>		
	<u>1965</u>	<u>1966</u>	<u>1967</u>
Netherlands	181	184	181

- Meat of large bovines, fresh or chilled (tariff heading 0201.20)

<u>Principal suppliers</u>	<u>Average price in \$/100 kgs.</u>		
	<u>1965</u>	<u>1966</u>	<u>1967</u>
Denmark	154	146	127
Yugoslavia	138	143	152

- Meat of large bovines, frozen (tariff heading 0201.22)

<u>Principal suppliers</u>	<u>Average price in \$/100 kgs.</u>		
	<u>1965</u>	<u>1966</u>	<u>1967</u>
Argentina	108	107	91
Brazil	91	99	88

D.3. Export aid measures and policies

Switzerland does not export beef and veal, or bovine animals for slaughter. The export subsidies refer only to bovine animals for milk production and for stock raising.

D.4. Description of bilateral agreements affecting imports or exports

The Agricultural Agreement with Denmark (Agreement of 21 December 1959 and supplementary Agreement of 11 May 1963) provides:

- that importers who are members of the "Coopérative Suisse pour l'Approvisionnement en Bétail de Boucherie et en Viande" shall be urged to take an increased interest in the possibility of obtaining supplies of bovine animals for slaughter and of meat from Denmark;
- that collaboration between the sectoral organizations in Switzerland and Denmark shall be intensified with a view to:
 - a. increasing by at least 60 per cent Denmark's share of Switzerland's average annual imports over the period 1953 to 1958 of bovine animals for slaughter under tariff headings 0102.20; 0102.30; 0102.32; 0102.40; ex 0102.50 (young bovines) and ex 0102.52 (young bovines), and
 - b. doubling Denmark's share of Switzerland's average annual imports over the period 1953 to 1958 of meat (beef, fresh or chilled, ex Tariff heading 0201.20; beef, frozen, ex tariff heading 0201.22; edible offal ex tariff heading 0201.22).
- that the Swiss authorities shall reduce to nil the customs duty on imports from Denmark and the other EFTA countries of bovine animals for slaughter and of meat under the following tariff headings:

0102.

ex 10 young animals of more than 60 kgs. liveweight, with milk teeth (i.e. without second teeth); heifers, steers, bulls, for slaughter

20; 30;
32; 40 bovines for slaughter.

ex 50;
ex 52 young animals for slaughter

0201.

ex 20 beef and veal

ex 22 beef and veal, frozen, excluding edible offal.