Beef and Veal

For the second consecutive year, slaughtering and production of carcass beef and veal went strongly off course, and in that two year period experienced reductions of 21.3% and 77.5% respectively. Statistical data indicate that after having surpassed a thousand slaughtered head of cattle in 1990, this fell by 6.8% in the following year and then fell again by 15.6% in 1992. The evolution of the production of carcass meat, in turn, increased to 242,500 tons in 1990, and then fell back to 200 thousand tons in 1992.

With regard to the data mentioned above, it is important to note that the greatest reduction in this regard has been in the culled cows, probably due to the situation of the meat market itself or to the favorable evolution in the price of milk.

One of the consequences of this reduction in the slaughtering of cattle was that the consumption per capita of beef and veal fell for the second consecutive year, but the fall was less than 5% during the two year period, which means that a significant part of the reduced domestic supply was replaced by imported supplies.

After having reached a figure of 18.5 Kg per inhabitant in 1990, in 1993 only 17.6 Kg per inhabitant were consumed, but probably more than 10% of this consumption was of imported supplies from abroad.

The figures for imports in 1992 indicate that 27,917 tons were imported, three times more than in 1991, which represents a value of US$ 62.6 million.

As far as imports from abroad during the months of January through March, 1993, are concerned, there was a significant increase of 39.4% in relation to the same period in the previous year, particularly in terms of frozen meat. Refrigerated meat fell by 7.9%, which comes out to a total of 12,415 tons of imported meat, compared to 10,100 tons in the previous year.

As far as the evolution of real prices is concerned, on the whole price behavior from the second half of 1991 to mid 1992 was favorable. From that point on, and probably due to the loss of competitiveness of domestic production faced with massive, low price, meat imports, no doubt subsidized and lacking any clear classification, the performance of the market has been less auspicious.

Furthermore, in order to analyze the perspectives of this item one must consider that, starting from this year regulations governing the classification of cattle, and the grading and classification of meat cuts, which will serve to regulate the selling of this product, are in force. As these regulations are applied and the consumers become accustomed to the system, the price differences by category that occur at product level will be able to reach the consumer, who will be able to chose according to quality, making his selection based on his budget.