



communiqué

N°: 144
No.:

DIFFUSION: FOR IMMEDIATE RELEASE
RELEASE: SEPTEMBER 28, 1982

BEEF AND VEAL TRADE

Agriculture Minister Eugene Whelan and Minister of State (International Trade) Ed Lumley today announced that the federal government has concluded an arrangement with the U.S.A. with respect to trade in beef and veal between the two countries for 1982. Canada anticipates that its exports of beef and veal to the U.S.A. will not exceed 121.1 million pounds in 1982. Similarly, the U.S. expects that its exports of beef and veal to Canada will not exceed 21.4 million pounds.

To implement this arrangement, export permits will be required for all exports of fresh, chilled and frozen beef and veal to the U.S.A. effective October 1, 1982. In addition, import permits will be required for all imports of fresh, chilled, and frozen beef and veal.

"The U.S.A. asked the principal beef exporters to the U.S.A. - Australia, New Zealand and Canada - to voluntarily restrain their exports for the balance of 1982 so as not to trigger import quotas under the U.S. Meat Import Law", Mr. Lumley said. He noted that if the U.S.A. had imposed import quotas under its Meat Import Law, Canadian exports would have been limited to 101.1 million pounds, well below the level anticipated in the arrangement.

"We had previously expected that the U.S. market would remain unrestricted in 1982," Mr. Lumley said. "However, in the last month it became apparent that U.S. import quotas could be triggered, largely as a result of

greater than forecast imports from Australia where a severe drought has resulted in a short-term surge in cattle slaughter".

Mr. Whelan noted, "At the present time, we do not expect Canadian imports of beef and veal to exceed 120-130 million pounds in 1982, well below the minimum global access commitment contained in the Canadian Meat Import Act. However, we have to guard against the possibility that the U.S. action may result in diversion with consequent disruption of the Canadian market. Therefore, effective October 1, 1982, all imports of fresh, chilled and frozen beef and veal will require an individual import permit as provided for under the Export and Import Permits Act".

"Initially, import permits will be issued freely and will provide us with a day-to-day monitoring system. However, if imports increase significantly, they can be limited under the provisions of the Meat Import Act", Mr. Whelan said.

Notices to importers and exporters are being prepared and will be issued shortly.

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- 30 -

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