

US-Speaking-Tour - 31 May - 10 June 1984

Address by

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Dakota

Here in South /, I think that you are particularly interested to hear something about export possibilities of quality meat from the United States to the Federal Republic of Germany or Europe.

Deliberately I am not only talking about the Federal Republic of Germany but also about the European Economic Community, as there are no special import regulations for Germany. We have common regulations for all member states of the European Community.

Differences are only existing in consumption habits and regional contacts of the different exporters of the USA towards the European importers.

First of all, I would like to inform you about some market figures.

I have already told you that the total meat quantity which is produced in Europe is about the same as US-production, but in Europe we produce less beef and more pork and mutton.

Meat consumption varies in Europe.

The annual per capita consumption in the EEC is of 193 pounds (88 kg), thereof 51 pounds for beef, 84 pounds for pork, 8 pounds for mutton, the remainder is for poultry, offals and others.

These average figures hide however important differences in eating habits in Europe.

In Germany, we eat a lot of pork - 110 pounds - but only 44 pounds of beef.

Beef consumption is the highest in France - 70 pounds.

The Greece prefer mutton - consumption reaches 30 pounds and in Great Britain 17 pounds.

Although the European Community produces more meat as it needs - and especially even more beef - we have important import obligations.

The EC imports about 450.000 tonnes (metric) of beef and veal and exports at the same time 650.000 tonnes of beef.

The EC imports 80.000 tonnes of pork and exports 270.000 tonnes, that is more than three times the import quantity.

For mutton we have import obligations towards New Zealand for 230.000 tonnes.

Meat deliveries from the USA to the EC are not very important at present.

On the other hand, Ireland and Denmark export about 60.000 tonnes of pork to the United States.

If you ask me about the chances of the USA on the EC-market for pork, I think, it can be said, that there are none except perhaps for some specialities.

Pork production is well developed in Europe.

We have to work with very small margins.

The most important reason for this is that the US-pig producers can buy cheaper mais and grains, due to the different price policy for feeding stuff in the USA.

In Europe production technology is well developed in the pig sector.

It is easier for the US beef producers to find markets in Europe.

Nevertheless, these possibilities are not yet entirely exhausted.

The EC agreed in a quota of 30.000<sup>t</sup> high quality beef at favorable import conditions.

Moreover, all further quantities can be imported at usual import conditions, that means with a varying levy.

The quantities within the quota can be imported without any levy.

On these quantities only a duty has to be paid.

A quota of 10.000 tonnes high quality meat has been given to the USA and Canada.

Only 2.500 tonnes have been delivered by the USA in 1983.

These deliveries of high quality meat are bound to special quality criteria which are described in the EC-regulations.

Quality description relates to beef-cattle grown in feedlots and fed with grains.

This meat is offered in Europe under the name of "hilton-beef".

It is high quality beef offered in top restaurants.

Prices for this beef are often much higher than prices for german feeders.

It is my impression, that the high dollar rate is the main reason, why the USA do not sell more of this quality meat in Europe.

Furthermore, American quality beef is in competition with beef from Argentina.

We know that in Argentina they hardly grow cattle in feedlots.

The Argentinians only sell beef-cattle grown up on prairies.

We have in our country a large number of Argentinian Steakhouses as "Churrasco" and others, who have built up a quality market.

US-exports have a long term chance on the European market for quality beef if they develop an adequate market conception.

As there is a tendency in Europe - and I can confirm this for my country - to eat in restaurants and particularly in good restaurants, there is surely in long term a good possibility for selling US quality beef.

I think it is not good that we only find in Europe fast-food-companies like "McDonalds" and others, which destroy our culinary habits.

I think that y<sup>o</sup>u do have good culinary habits in the USA, in particular when I think of your good steaks, which would be an asset for our menus.