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MEAT IMPORT UPDATE

In early June 1978, President Carter announced that an additional 200 million pounds of imported meat products would be allowed to enter this country. The action was taken, in part, to ease the upward pressure on retail meat prices which had developed through the first 5 months of the year. Administration officials said the action would help assure that adequate supplies of hamburger, hot dogs, and other processed meat products would be available for purchase while domestic producers rebuilt their herds.

The most recent estimate indicates that the action will result in the increased importation of meat products. Calendar year 1978 imports of meat subject to the Meat Import Act are now estimated

to be 1,429.3 million pounds—200 million pounds greater than the 1292.3 million pounds originally negotiated for 1978.

The Meat Import Act (Public Law 88-482) was enacted in August 1964. The Act provides that if yearly imports of certain meats—primarily beef and mutton—are projected to equal or exceed 110 percent of an adjusted base quantity (a 3-year moving average of domestic production), the President is required to either invoke or suspend a quota on the importation of these meats. Since implementation of the Act, voluntary restraint agreements with meat-exporting countries have been negotiated in 6 years. On three occasions (1972, 1973, and 1974), the quotas were suspended entirely, allowing imported meat to enter the country with no quantity restrictions. The quotas were actually imposed only once (1976).

The final estimate for 1978 will be made late in December. Imports of meat subject to P.L. 88-482, by month, are shown in tabular form.

PER CAPITA FOOD CONSUMPTION

The per capita total food consumption index for 1978 is estimated to be the same as in 1977. However, this is 1 percent below the record level of 1976. The index of food from animal origins showed a 1-percent decline from 1977 to 1978, while foods from crop sources were also up 1 percent.

The decline in the consumption of animal products was due to a 4-percent decline in beef. Beef production and consumption is in a declining cyclical phase. Increased poultry, dairy, fish, and egg consumption—resulting from higher beef prices—was not sufficient to offset the decline in red meat. In addition, pork production did not respond to higher prices.

Gains in the consumption of crop products were recorded for vegetables, potatoes, cereals, and coffee. Consumption of sugar and fresh and processed fruits was below a year ago. A large apple crop to offset declines in citrus and other noncitrus fruit consumption.

A small decline in total food consumption is in prospect for 1979. Reductions in animal products, mainly beef, are larger than estimated increases

MEAT IMPORTS SUBJECT TO PUBLIC LAW 88-482

Month	1975	1976	1977	1978
	<i>Mil. lb.</i>			
January	135.5	117.6	92.8	79.2
February	97.5	92.2	97.8	100.3
March	106.0	147.4	107.0	150.8
April	86.1	94.7	103.2	132.6
May	75.8	104.4	102.9	140.9
June	100.9	120.0	91.5	105.7
July	104.3	87.5	91.4	105.2
August	112.8	82.3	133.8	104.9
September	114.6	109.6	117.1	
October	85.2	135.8	85.9	
November	121.7	106.6	107.7	
December	68.6	33.6	120.3	
Total ¹	1,208.9	1,231.7	1,250.2	

¹Totals may not add due to rounding.

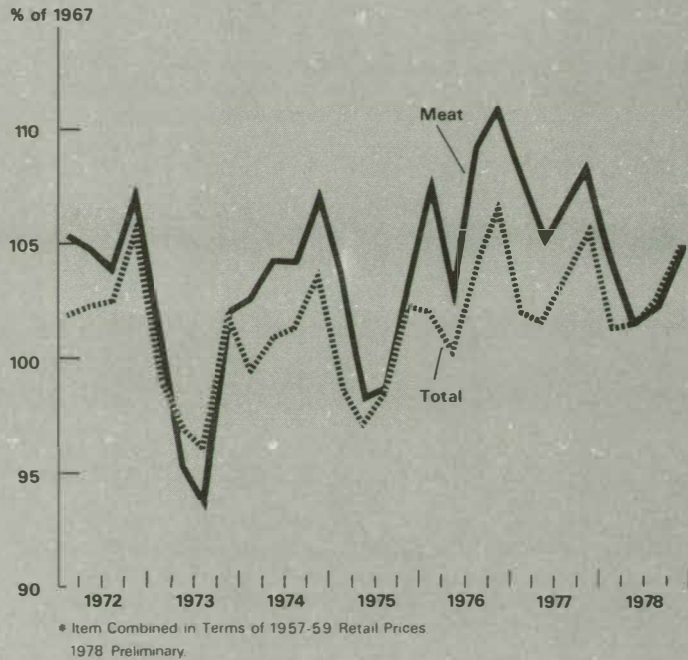
Source: U.S. Customs Service.

for crop products. Poultry consumption, both broilers and turkeys, is expected to show larger gains throughout the year as industry's capacity is expanded. Pork consumption is anticipated to rise after the first quarter of 1979 in response to higher hog prices. Dairy product consumption is expected to increase but a reduced table egg supply is in prospect.

The consumption of crop products is expected to show another increase next year. Total fruit consumption will show a small decline due to cutbacks in canned and chilled fruit juice, and dried fruits. Total vegetable consumption is anticipated to increase even though declines in frozen vegetables are in prospect. Potato consumption, both fresh and processed, is projected to increase because of the large 1978 fall crop. Dry bean consumption is anticipated to show gains as are cereals and coffee. Another decline in sugar consumption is in prospect.

The index of per capita food consumption is probably the best economic measure of food consumed at the retail level. Pounds of foods consumed are combined with retail prices in a base period to measure changes in food consumption on an index basis. While the index primarily measures quantity changes, it also reflects shifts among foods of different economic values.

PER CAPITA CONSUMPTION OF LIVESTOCK PRODUCTS*



PER CAPITA FOOD CONSUMPTION*

