

### COMMUNICATION FROM THE CHAIRPERSON

Following our informal consultations, the attached Draft Decision on Termination of the International Dairy Agreement will be proposed, under Agenda Item B "Future of the Agreement", for consideration and adoption at the meeting of the International Dairy Council on 30 September 1997 (WTO/AIR/672). This Draft Decision is identical to the text considered at the informal meeting held on 20 June 1997.

WORLD TRADE  
ORGANIZATION

RESTRICTED

IDA/SPEC/2

19 September 1997

(97-3874)

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**International Dairy Agreement**

DRAFT DECISION

TERMINATION OF THE INTERNATIONAL DAIRY AGREEMENT

Decision pursuant to Article VIII:3

The *Parties* to the International Dairy Agreement (the "Agreement"),

*Noting* that, according to Article VIII:3 of the Agreement, the duration of the Agreement shall be extended for a second three-year period after 31 December 1997 unless the International Dairy Council (the "IDC"), at least eighty days prior to 31 December 1997, decides otherwise;

*Recalling* that the limited membership in the Agreement, in particular the non-participation of some major dairy exporting countries, had made the operation of the minimum price provisions of the Agreement untenable, and that these provisions had been suspended by the IDC as of 18 October 1995 until 31 December 1997;

*Considering* that Parties wishing to discuss dairy trade related aspects are able to do so within the framework of the WTO Committee on Agriculture or the WTO Committee on Sanitary and Phytosanitary measures;

*Recalling* that Parties had, in their report to the Singapore Ministerial Conference in December 1996, expressed doubt about the continued usefulness of the Agreement in the light of the Uruguay Round results;

*Recognizing* the resource constraints faced by Governments and the WTO Secretariat;

*Taking into account* the availability of other sources of information for dairy trade statistics;

*Hereby decide* as follows:

- (a) the Agreement will not be extended for a further period of three years after 31 December 1997, and will be terminated as of 1 January 1998; and
- (b) to request, in accordance with Articles X:9 of the Marrakesh Agreement Establishing the World Trade Organization (the "WTO Agreement"), the WTO Ministerial Conference to delete the Agreement from Annex 4 of the WTO Agreement upon termination of the Agreement.