DEROGATION ON BUTTER SALES TO RUSSIA EXTENDED

Butter shipments to countries of the former Soviet Union will continue to be exempted from internationally-agreed minimum prices under GATT’s International Dairy Arrangement until end of May 1994.

The Committee of the Protocol Regarding Milk Fat, at a special meeting on 29 March, decided to extend the derogation in view of limited opportunities for sales above the existing minimum prices into the countries of the former USSR.

The extension of the derogation from the current minimum export price (US$1,350 per metric ton) would apply to:

- sales contracts unconditionally concluded before 31 May 1994; and
- deliveries to be completed by 31 August 1994; and
- for a maximum of 16,500 metric tons (butter equivalent) in addition to the 50,000 per participant permitted under previous decisions.

The derogation accorded to butter sales to Russia was agreed by the Committee in June 1993, and first extended in December 1993.

NOTE TO EDITORS:

The Committee on Milk Fat administers the Protocol Regarding Milk Fat annexed to the International Dairy Arrangement, which came into operation on 1 January 1980 as one result of the Tokyo Round. Under the provisions of this Protocol, minimum export prices have been established for butter and butter oil (anhydrous milk fat).

Participants have agreed to take the steps necessary to ensure that these minimum export price provisions are complied with. The Committee makes quarterly reviews of the application of the provisions by the participants, including their observance of the minimum export prices.

The following are participants to the Arrangement: Argentina, Australia, Bulgaria, Egypt, the European Community, Finland, Hungary, Japan, New Zealand, Norway, Poland, Romania, South Africa, Sweden, Switzerland and Uruguay.