INTERNATIONAL DAIRY PRODUCTS COUNCIL

THIRTY-FIRST SESSION

Note by the Chairman


2. Observers from Austria, Brazil, Canada, Mexico and Korea, as well as from the FAO, attended the session.

3. The Council reviewed the functioning of the Arrangement. It took note of reports on the implementation of the Protocol Regarding Certain Milk Powders, the Protocol Regarding Milk Fat and the Protocol Regarding Certain Cheeses. The Council also took note of certain information submitted in reply to Questionnaires 4 and 5, concerning production, consumption, trade and prices for products not covered by the Protocols and concerning dairy policies and measures affecting trade.

4. The Council examined the situation and outlook in the world market for dairy products, basing itself on reports from the Committees of the Protocols, on documentation prepared by the Secretariat and on information provided by participants during the meeting.


7. World butter and butter oil production continued its long-term diminishing trend in 1993. Consumption also dropped further, although the declining trend seemed to be levelling off in a number of countries. Stocks of butter in the main producing countries remained relatively high, yet substantially below year-earlier levels. Exports of butter continued to decline and prices remained relatively low throughout 1993. In recent months, world market prices for butter had been steady and a slight increase in price levels was apparent since mid-1994. However, market activity remained limited.
8. As of 4 May 1994, the Committee of the Protocol Regarding Milk Fat decided to suspend the minimum export prices for butter and anhydrous milk fat for a period of up to twelve months. In taking this decision the Committee agreed to keep the level of world market prices under regular review, based on analyses by the Secretariat. Participants agreed to provide to the Secretariat, every two months, the most recent information available to them on their export sales of butter and anhydrous milk fat. The Committee took note of the document prepared by the Secretariat on the basis of information furnished by participants for the period May-June 1994 and July-August 1994 (DPC/PTL/W/146). This document will be revised as new information becomes available.

9. The Council also considered a summary of the results of the Uruguay Round negotiations in the dairy sector, prepared by the Secretariat. A number of participants expressed their thanks to the Secretariat for this summary, which they considered to be very useful. It was agreed that participants would be given more time to carefully examine the document and ensure that it was factually correct.

10. The Council agreed that the Status Report (DPC/W/140) and the summary of the results of the Uruguay Round, corrected and updated as appropriate, be released as the Fifteenth Annual Report of the International Dairy Arrangement.

11. The Council considered proposals for Rules of Procedure to be presented to the Council of the new International Dairy Agreement upon its entry into force (DPC/W/142). It agreed that, in general, these proposals were acceptable. The Secretariat was requested to draw up suggestions for revisions of the questionnaires. The Council took note of the comments made and agreed to revert to this matter at its next meeting.

12. The Council decided that upon the expiry of the fifth 3-year extension of the International Dairy Arrangement on 31 December 1994, the Arrangement would be extended only until the entry into force of the Agreement Establishing the World Trade Organization and the new International Dairy Agreement. The International Dairy Arrangement would terminate on that date (DPC/44). It was also noted that some transitional arrangements might need to be considered at a future date.

13. The Council agreed that the Chairman would submit to the CONTRACTING PARTIES, on his own responsibility, a report of the activities of the International Dairy Arrangement in the past year.

14. The next meeting of the Council will be scheduled as appropriate.