ARTICLE XXII CONSULTATIONS: WORKING PARTY ON DAIRY PRODUCTS

ELEMENTS FOR CONSIDERATION IN A MINIMUM PRICE SCHEME

Submitted by New Zealand

Product coverage

1. It is envisaged that the scheme would initially cover butter, near butters and skim milk powder. Other dairy products could be added where this was considered appropriate.

2. With butter there should be no problem of definition, but there would be a need to work out the definition of near butters, e.g. anhydrous butterfat, butteroil, etc.

Observance of minimum prices

3. Exporting countries would undertake not to sell below agreed minimum prices. This commitment would apply whether exports are subsidized or not. Export subsidies or other forms of export assistance should not be given in such a manner as to enable any exporting country to obtain more than its traditional share of international trade.

4. Provision should be made for co-operation by importing countries to supply information concerning imports particularly from non-participating countries, and for them to consider taking appropriate remedial action if such imports threatened to disrupt the traditional pattern of trade.

5. Provision would be necessary to ensure that special discounts or other considerations designed to provide incentives for buyers should not be applied in a manner which would circumvent the minimum prices.

6. Minimum prices would not have to apply in respect of exports of dairy products to markets where alternative techniques have been implemented for the purpose of stabilizing the market.
Level of prices

7. Prices should be determined for each product and for each market or group of markets. Prices could be appropriately based on the levels prevailing during recent years prior to the recent deterioration in trading conditions. There would also need to be provision for reviewing of the level of prices periodically.

Administration

8. Some form of administrative machinery would have to be devised to supervise the operation of the scheme. A further task would be to collect relevant trade statistics and information.