The following letter has been received by the Chairman of the International Dairy Products Council.

14 April 1994

Dear Mr. Ruiz,

Thank you for your letter dated 9 November 1993 addressed to our past Chairman, Eugenio Diaz-Bonilla, concerning the problems facing the world market for milk fat. This letter was tabled at the 394th session of the Consultative Subcommittee held on 9 February, 1994 and it was the subject of some discussion by members of the committee.

Many members expressed their agreement that the global demand for milkfat has declined, placing downward pressure on prices and aggravating the already severe competitive situation in the world market for butterfat. Members recognized that the former Soviet Union is a commercial market and CSD members expect that all food aid should be subject to the disciplines of the CSD Rules of Procedures regarding prior consultation, notification and the establishment of usual marketing requirements, with the exception of emergency aid and other specifically exempted transactions.

Members very much appreciated your views on this issue and expressed the hope that you would continue to keep the CSD informed of developments in this market which is of vital interest to several members of the Subcommittee.

With best regards,

Yours sincerely,

(signed)
Jean-Baptiste Danel
Chairman, Consultative Subcommittee on Surplus Disposal