The following communication dated 2 December 1986 has been received from the New Zealand Permanent Mission.

Exports under Article 7:2 of the Protocol Regarding Certain Cheeses

When New Zealand accepted the International Dairy Arrangement, it indicated the annual quantity of its cheese exports in terms of Article 7:2 of the Protocol Regarding Certain Cheeses "should normally be in the order of 1,000 metric tonnes and could, in exceptional circumstances, amount to some 2,000 tonnes".

Since 1979, New Zealand cheese production has grown from 85,000 tonnes to around 130,000 tonnes, an increase of 50 per cent. The range of cheese specifications manufactured has increased from 19 to 41. As a consequence, the volumes of aged, redundant and off-specification cheese have also grown. Only a small proportion of this cheese can be absorbed domestically, since New Zealand has limited capacity to produce processed cheese. The bulk of New Zealand cheese is produced for the export market, and this is the only outlet for aged and redundant cheese. The quantities New Zealand expects to dispose of in terms of Article 7:2 represent, at most, around 3 per cent of total production.

Accordingly, New Zealand requests the Committee to agree that the Interpretative Note contained in the Appendix to the Protocol Regarding Certain Cheeses shall be amended to read:

"New Zealand has indicated that the annual quantities of its exports under Article 7:2 of the Protocol Regarding Certain Cheeses should normally be in the order of 4,000 metric tonnes and could, in exceptional circumstances, amount to some 5,000 metric tonnes."