Review of Minimum Prices - September 1982

Notification of Australian Proposal on Cheese for Consideration by Participants

Australia has requested that participants be notified by the secretariat before the next meetings of the Protocol Committees in September 1982 as follows:

1. Article 3(3)(B) of the Protocols annexed to the arrangement directs that the specified minimum prices shall be reviewed at the September meeting of the Protocol Committee each year. Pursuant to that Article, New Zealand has requested the secretariat to circulate a proposal for all minimum prices for specified products, except cheese, to be increased (document DPC/P/W/8, DPC/F/W/7, DPC/C/W/7).

2. Pursuant to Article 3(3)(B) Australia will propose at the meetings in September 1982 that the minimum price for cheese be increased by US$150 per tonne to US$1,150 per tonne.

3. A review of the minimum price for cheese can be justified in terms of the criteria listed in Article 3(3)(B), in particular the increased costs of producers over the review and previous periods. An increase in the minimum price is necessary to ensure that the criteria of a long-term minimum return to the most economic producers and stability of supply are adequately recognized.

4. World prices for cheese (Cheddar) are around US$1,650 per tonne and the market is firm. The apparent stability of the cheese market in recent years and the margin between the proposed minimum and existing commercial prices would satisfy the criterion of relevant economic factors on the world market.