International Dairy Arrangement

Committee of the Protocol Regarding Milk Fat

Report to the International Dairy Products Council

1. In pursuance of Article VII:2(a) of the Arrangement and Rule 22 of the Rules of Procedure, the Committee adopted the present report on its twenty-eighth session.

2. The Committee held its twenty-eighth session on 15 December 1986.

3. The Committee adopted the agenda proposed in airgram GATT/AIR/2346 as well as the report on its twenty-seventh session (DPC/F/45).

4. The Committee reviewed the replies to the questionnaire and requested members which had not yet communicated information for the third quarter of 1986 to do so without delay. The Committee took note of the summary tables prepared by the secretariat.

5. The Committee also took note of the supplementary information furnished by the EEC and New Zealand under the notification procedure (DPC/F/W/23/Add.1 and DPC/F/W/25 and Add.1 respectively) submitted by these participants in accordance with the Decision adopted on 31 May 1985 (DPC/F/35). It further noted that more detailed information would be submitted at the next regular meeting. The Committee noted that, in accordance with the provisions of paragraph 6 of that Decision, the derogation under Article 7:1 of the Protocol would expire on 31 December 1986.

6. Members of the Committee exchanged information and views regarding the market situation for products covered by the Protocol. It was noted that international prices of butter remained low at or slightly above the minimum export price and that stocks remained excessive.

7. The Committee discussed the specific problems of the butter trade and took note of the concern expressed about possibilities of selling fresh butter at the minimum export price. The Committee decided to resume its discussion of those problems at its next session in the light of market developments.

8. The next sessions of the Committees will be held consecutively on 16 and 17 March 1987, subject to confirmation by the secretariat.