International Dairy Arrangement

Committee of the Protocol Regarding Certain Milk Powders

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 thirtieth session held on 15, 16 and 24 June 1987.

2. The Committee adopted the agenda proposed in airgram GATT/AIR/2429 as amended, as well as the report on its twenty-ninth session (DPC/P/47).

3. The Committee reviewed the replies to the questionnaire and requested members which had not yet communicated information for the first quarter of 1987 to do so without delay. The Committee took note of the summary tables prepared by the secretariat.

4. An exchange of information and views took place in the Committee regarding the market situation for products covered by the Protocol. Among the salient points, the Committee noted that during the second quarter, prices of skimmed milk powder had fluctuated between US$800 and US$900 per ton f.o.b. and that prices of whole milk powder had ranged between US$950 and US$1,050 per ton f.o.b. The market for skimmed milk powder had tended to strengthen, that for whole milk powder had remained firm and the supply situation for milk powders had been tight.

5. At the request of one participant, the Committee reviewed the level of the minimum prices of products covered by the Protocol, taking into account the evolution of the situation of the international market.

6. Thus, in accordance with the provisions of Article 3, paragraph 3, of the Protocol, the Committee decided that the level of minimum export prices for skimmed milk powder and buttermilk powder be modified from US$680 to US$765 and for whole milk powder from US$880 to US$900 per metric ton, f.o.b. In light of this decision, the schedule of price differentials according to milk fat content set forth in Annex Ib of the Protocol Regarding Certain Milk Powders was consequently modified. It was agreed that the decision would take effect at noon on 25 June 1987.

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7. The Committee agreed that the decision would be duly recorded in the report and would be the subject of a Procès-Verbal signed by the Director-General of the CONTRACTING PARTIES to the General Agreement, certifying the entry into force of the new minimum prices and the new schedule of price differentials.

8. The Committee also took note of the information given by the secretariat on the follow-up by the secretariat of the understandings reached by the Committee and of the work being done in other organizations with regard to the effects of the Chernobyl nuclear accident.

9. The next sessions of the Committees will be held consecutively on 21 and 22 September 1987, subject to confirmation by the secretariat.