Milk Powder Protocol in order to compete. New Zealand was forced to reduce its sales volume during 1982 and in 1983 withdrew from the market.

4. As a consequence of the loss of the Spanish market, stocks of buttermilk powder have gradually built up in New Zealand. The domestic New Zealand market offers no solution to this current BMP stock problem, and no adequate alternative export markets to Spain exist. It is the intention of New Zealand to seek sales of up to 3,000 tonnes of buttermilk powder for animal feeding purposes in Spain over the next six months. It is considered that this volume could be sold in Spain without seriously affecting milk powder for animal feed prices. Sales would be handled in a responsible fashion through established trading channels.
5. At present skim milk powder for animal feed is being traded in Spain at between US$580 and US$600 per tonne c.i.f.; European suppliers have taken up the gap in the Spanish market vacated by New Zealand. It is estimated, taking into account the freight penalty faced by New Zealand in selling into Spain, that sales of BMP for animal feeding would return approximately US$450 per tonne f.o.b.

6. Imports of all stockfood grade milk powders into Spain, regardless of the price, are required by the Spanish authorities to be denatured by control procedures approved by the International Dairy Council. There is no risk of the milk powder being misdirected into human consumption sales.

7. It is the intention of the New Zealand authorities to report at each meeting of the Protocol Committee, the quantities of BMP sold in Spain during the preceding quarter and prices obtained for those sales.