1. The Committee of the Protocol Regarding Milk Fat and the Committee of the Protocol Regarding Certain Milk Powders, held a special meeting on 10 July 1990 at the request of the European Communities, to consider a communication that certain participants as well as certain countries not bound by the Protocols were applying export prices for butter and milk powders below the agreed minimum export prices.

2. The Committees took note of the explanations and analysis of the situation provided by participants regarding the world market for milk fats and milk powders, as well as certain practices by operators in the market. It was recognized by the Committees that the non-observance of the minimum prices has had, and if continued would have, negative effects for the dairy markets and that there was an urgent need to redress the situation.

3. The participants reaffirmed their determination to defend the existing level of minimum export prices, and to abide by their obligations under the Protocols. The Committees again urged participants to take the necessary steps to ensure full observance of all the provisions of the International Dairy Arrangement notably those related to the minimum export prices. In this context the Committees requested the Chairman to convey their concerns in an appropriate manner.

4. The Committees also made an appeal to non-participants not to offer or sell dairy products at prices below prevailing market prices and in particular not below the agreed minimum export prices, and requested the Chairman to convey their appeal to the Director-General of the GATT asking him to give it the widest possible distribution.

5. The Committees decided to follow further developments closely and if necessary convene another meeting at short notice.