1. In pursuance of Article VII:2(a) of the Arrangement and Rule 22 of the Rules of Procedure, the Committees adopted the present report on their forty-eighth sessions, held on 9 December 1991.

2. The Committees adopted the agenda proposed in airgram GATT/AIR/3267 as well as the report on their forty-seventh sessions as amended (DPC/PTL/21).

3. The Committees reviewed the replies to the questionnaires and requested members which had not yet communicated information for the third quarter of 1991 to do so without delay. The Committees took note of the summary tables prepared by the secretariat.

4. Participants exchanged information on transactions other than normal commercial transactions. The Committees noted that the European Communities intended to provide 49,000 tons of whole milk powder as food aid to the USSR.

5. The Committee of the Protocol Regarding Milk Fat took note of the additional information furnished by the European Communities and New Zealand regarding sales notified in relation to the Decision of 12 December 1990 (DPC/PTL/16). These participants explained that mainly due to payment difficulties experienced by the USSR, shipments had been delayed. It would thus not be possible to deliver the quantities initially contracted. Total deliveries by the end of December 1991 would only be 136,500 tons for the EC and around 67,000 tons for New Zealand.

6. Australia furnished preliminary information to the Committee of the Protocol Regarding Certain Cheeses regarding operations under Article 7:2 of the Protocol. The Committee took note of the summary table regarding sales made in accordance with that provision (DPC/PTL/W/20/Rev.1).

7. The Committee of the Protocol Regarding Certain Milk Powders took note of the information furnished by Poland regarding intended sales of skimmed milk powder for purposes of animal feed at below the minimum export price under Article 3:5 of the Protocol. The Committee also noted the summary table regarding sales made in accordance with that provision (DPC/PTL/W/40/Rev.3).

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8. The Committees reviewed the market situation for products covered by the Protocols. In the fourth quarter of 1991, the market situation improved partly due to a further weakening of the United States dollar and to tight supply conditions for certain products. Prices continued to firm, notably for milk powders, and stocks of butter and skimmed milk powder were declining.

9. For the fourth quarter of 1991, the following ranges of prices were reported (per ton f.o.b.):

- between US$1,600 and US$1,800 for skimmed milk powder for human consumption;
- between US$1,650 and US$1,800 for whole milk powder;
- between US$1,500 and US$1,850 for butter;
- between US$1,750 and US$2,250 for anhydrous milk fat;
- between US$1,600 and US$2,050 for Cheddar cheese.

It was noted that prices were well above the agreed minimum export prices.

10. The Committees reviewed the level of minimum prices of products covered by the respective Protocols. An earlier proposal to increase the minimum prices for milk powders was maintained. However, other participants felt that the market situation did not presently warrant a change of the minimum prices and that more time was needed to reflect on the proposed changes. The present price levels were consequently unchanged. It was agreed to revert to this matter at the next regular meetings of the Committees.

11. The Committees had a preliminary discussion on the relationship between minimum export prices fixed for pilot products. Participants wanted to reflect further on the matter and it was agreed to revert to it at the next regular meetings. In order to facilitate the consideration of the matter at the next regular meetings, participants were invited to furnish background notes in this connection well before the March meetings.

12. The next regular sessions of the Committees will be held consecutively on 16 and 17 March 1992, subject to confirmation by the secretariat.