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 fiftieth sessions, held on 15 June 1992.

2. The Committees adopted the agenda proposed in airgram GATT/AIR/3320 as well as the report on their forty-ninth sessions as amended (DPC/PTL/24). The Committees welcomed the participation of new observers and expressed the hope that they would participate more actively in the future.

3. The Committees reviewed the replies to the questionnaires and requested members which had not yet communicated information for the first quarter of 1992 to do so without delay. The Committees took note of the summary tables prepared by the secretariat.

4. 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 under which sales of 311 thousand tons had been contracted. However, total deliveries under this derogation only reached 177,550 tons.

5. New Zealand furnished additional information to the Committee of the Protocol Regarding Certain Cheeses regarding operations under Article 7:2 of the Protocol. Certain participants stressed the need for advance notification of sales under derogation as provided by Article 7:2 in order to avoid that such cheeses be used for table consumption. The Committee took note of the summary table regarding sales made in accordance with that provision (DPC/PTL/W/20/Rev.3).

6. The Committees reviewed the market situation for products covered by the Protocols. In the second quarter of 1992, the market situation for milk powders, and particularly for skimmed milk powder, continued to improve due to purchases by major importers, notably Mexico, Venezuela and Algeria. Stocks of skimmed milk powder were declining and a further decrease was expected for the remainder of 1992. In spite of some
declines, stocks of butter remained high and prices continued to weaken with only small sales being effected. Considerable uncertainty persisted regarding commercial import requirements of Russia and other members of the Commonwealth of Independent States. For most cheeses covered by the Protocol, the market situation was steady and the outlook was positive but could be affected adversely by developments with butter.

7. For the second quarter of 1992, the following ranges of prices were reported (per ton f.o.b.): 
   - between US$1,600 and US$1,900 for skimmed milk powder for human consumption;
   - between US$1,550 and US$1,900 for whole milk powder;
   - between US$1,350 and US$1,600 for butter;
   - between US$1,625 and US$1,950 for anhydrous milk fat;
   - between US$1,750 and US$2,100 for Cheddar cheese.

8. The representative of New Zealand recalled an earlier proposal to increase the minimum prices for milk powders. A paper on this matter would soon be submitted to the secretariat for circulation to participants. He hoped that participants would reflect on it and come prepared in September for debate and decision. It was confirmed that the matter would be reverted to at the September meetings of the Committees.

9. The next regular sessions of the Committees will be held consecutively on 14 and 15 September 1992, subject to confirmation by the secretariat.