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 fifty-second sessions, held on 14 December 1992.

2. The Committees adopted the agenda proposed in airgram GATT/AIR/3372 as well as the report on their fifty-first sessions (DPC/PTL/27).

3. The Committees reviewed the replies to the questionnaires and requested members which had not yet communicated information for the third quarter of 1992 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 representative of the EC provided information regarding food aid to developing countries, Central and Eastern Europe and to the former USSR area. In view of the great commercial importance of the CIS market, particularly for butter, certain participants recalled their concern that such aid should not disrupt normal commercial trade. The need to prevent deviation of food-aid products by recipients to third markets was also stressed. The representative of the EC recalled that such issues were being discussed by the so-called G-24, which was co-ordinating aid efforts among donor countries.

5. The Committees reviewed the market situation for products covered by the Protocols. In the fourth quarter of 1992, the market situation for milk powders, particularly for skimmed milk powder, continued to be characterized by strong demand and the outlook remained firm with tight supply conditions. However, the prices for butter and anhydrous milk fat remained low at or slightly above the respective minimum export prices. Expectations were that butter prices would remain depressed with low demand and higher stock levels. Continued uncertainty surrounds requirements of the former USSR area. The cheese market situation remains stable with expectations of steadily increasing demand.
6. For the fourth quarter of 1992, the following ranges of prices were reported (per ton f.o.b.):

- between US$1,775 and US$1,950 for skimmed milk powder for human consumption;
- between US$1,700 and US$1,900 for whole milk powder;
- between US$1,350 and US$1,550 for butter;
- between US$1,625 and US$1,950 for anhydrous milk fat;
- between US$1,900 and US$2,100 for Cheddar cheese.

7. The Committees had a brief discussion of an earlier proposal by New Zealand to increase the minimum prices for milk powders (DPC/PTL/W/78). New Zealand maintained that such an increase was still warranted in light of the current market situation, and indicated that it was preparing some studies in support of its proposal, for discussion at the next meetings of the Committees. Some participants also expressed concern over the low levels of market prices for butter, and the need to ensure that the IDA minimum prices are respected. The Committees agreed to revert to these matters at their next regular sessions.

8. The next regular sessions of the Committees will be held consecutively on 16 and 17 March 1993, subject to confirmation by the Secretariat.