Committee of the Protocol Regarding Certain Milk Powders
Committee of the Protocol Regarding Milk Fat
Committee of the Protocol Regarding Certain Cheeses

Report to the International Dairy Products Council

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 fortieth sessions, held on 11 December 1989.

2. The Committees adopted the agenda proposed in airgram GATT/AIR/2880, as well as the report on their thirty-ninth sessions as amended (DPC/PTL/7).

3. The Committees reviewed the replies to the questionnaires and requested members which had not yet communicated information for the third quarter of 1989 to do so without delay. The Committees took note of the summary tables prepared by the secretariat.

4. Regarding sales under derogations, the Committees noted that no sales of milk powders, milk fat and cheeses had been made under derogations in the third quarter of 1989.

5. The Committees reviewed the market situation for products covered by the Protocols. It was considered that the market for milk and dairy products remained a stable one throughout 1989, with increased supplies of milk being well absorbed. Intervention stocks of butter and skimmed milk powder were almost non-existent at the end of 1989. Some concern was expressed at the continued decline in milk fat consumption in many countries. It was considered by some participants that this along with weaker import demand in one important market, might have some impact on the international market. International prices of products covered by the Protocols which stabilized overall in the first three quarters of 1989 tended to weaken somewhat in the fourth quarter. However, the market outlook indicated that the prices for some dairy products might remain at present levels or even recover although some uncertainties persisted as to the situation for certain products warranting future developments to be closely followed and with caution. For the fourth quarter, the following ranges of prices were reported (per ton f.o.b.):

- between US$1,700 and US$1,900 for skimmed milk powder;
- between US$1,750 and US$1,950 for whole milk powder;
- between US$1,650 and US$2,000 for butter;
- between US$2,050 and US$2,200 for anhydrous milk fat
- between US$1,900 and US$2,300 for Cheddar cheese.

6. The next sessions of the Committees will be held consecutively on 19-20 March 1990, subject to confirmation by the secretariat.

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