Introduction

1. The Management Committee held its thirty-second meeting on 27 September 1976.

Adoption of agenda

2. The Committee adopted the following agenda:
   
   1. Adoption of agenda
   2. Adoption of the minutes of the thirty-first meeting (MCDP/33)
   3. Information required by the Committee under Article IV or other Articles of the Arrangement:
      Information under the Decision of 10 May 1976
   4. Other business

Adoption of the minutes of the thirty-first meeting

3. The representative of Switzerland requested the following amendment to the minutes in document MCDP/33: that in paragraph 5, the twelfth line be amended to read as follows: "Switzerland was envisaging the possibility of selling part of its skimmed milk powder stocks for ..."; the Committee accepted that amendment and adopted the minutes MCDP/33 as amended.
Information required by the Committee under Article IV or other Articles of the Arrangement

Information under the Decision of 10 May 1976

4. The Committee had before it a summary table (MCDP/W/58/Rev.1) prepared by the secretariat for the convenience of delegations, based on communications received in pursuance of the Decision of 10 May 1976. According to the wish and with the agreement of the delegations of participants to the Arrangement, this document had been distributed on a very confidential and restricted basis.

5. The representative of Australia said that according to certain reports, the EEC had concluded a contract with the USSR for the sale of 15,000 tons of skimmed milk powder for animal feed. He asked the representative of the EEC if he could furnish some information on this matter.

6. The representative of Canada said that according to certain information, the EEC had concluded a contract with Hungary covering a total of 50,000 tons of skimmed milk powder for animal feed. He asked the representative of the EEC if he could comment on that trade rumour.

7. In reply to the questions by the representatives of Australia and Canada, the representative of the EEC said that as regards reported sales by the EEC to the USSR and Hungary of skimmed milk powder for animal feed, his delegation had no knowledge of any such sales. The speaker then commented on the communication addressed by his delegation to the secretariat concerning amendments to the processes and control measures in effect in the Community, which had been circulated in document MCDP/30/Add.1. As a result of the adoption of Commission Regulation (EEC) No. 2054/76, on the sale for export to non-member countries of skimmed milk powder held by intervention agencies and intended for use as feed, Regulations (EEC) Nos. 196/76 and 231/76 had been cancelled. Regulation (EEC) No. 2054/76 had been amended as to form by Regulation (EEC) No. 2166/76 of 2 September 1976. Skimmed milk powder that had been stored for more than twenty months in the storage depots of the intervention agencies of the member countries could be sold at a price corresponding to the intervention price reduced by UA 8 per 100 kgs. Buyers could obtain the special terms provided under the new regulation only subject to presentation of the delivery contract in a third country. In addition, purchasers had to lodge a security of UA 10 per 100 kgs and had to take up a minimum quantity of 200 tons. The conclusion of the selling contract was subject to the condition that the refund for the quantity in question was fixed in advance. In cases where the skimmed milk powder was Exported in an unaltered state, payment of the refund was subject to presentation of an attestation issued by an official organization of the country of destination, certifying that the product imported
would be subject to a control to ensure that it was used exclusively for animal feed and would not be re-exported. Taking into account the new intervention price of UA 91.37 per 100 kgs. and the new refund of UA 64.85 per 100 kgs., and furthermore taking into account the reduction of UA 8 per 100 kgs. and the exporter's profit margin, skimmed milk powder intended for use as feed could be exported at prices between a minimum of US$248 and a maximum of US$255 per ton f.o.b., i.e. at an average price of approximately US$252 per ton f.o.b. In addition, the speaker informed the Committee that his delegation had just forwarded to the secretariat communications concerning sales of skimmed milk powder by the European Communities in the fortnights ending 31 August and 15 September 1976. Those exports of skimmed milk powder had been effected in accordance with paragraph (b) of the processes and control measures in effect in the Community, after incorporation of the powder in preparations of the kind used in animal feed, falling within sub-heading ex 23.07 B of the common customs tariff. The total quantity of skimmed milk powder incorporated in the compound feeding stuffs exported in the two fortnights mentioned was approximately 1,545 tons. That quantity of incorporated skimmed milk powder had been exported at a price of approximately US$250 per ton f.o.b. In conclusion, the speaker drew the Committee's attention to the fact that a country participating in the Decision of 10 May 1976 had forwarded to the secretariat an attestation issued by a public notary. He wondered whether the Committee could accept that attestation as valid, given that a public notary did not represent the government of an importing country. Furthermore, he wondered what guarantees such a declaration, made before a public notary, could afford regarding the final utilization of the product or its non-re-export from the country.

8. The representative of New Zealand stated that in the view of his authorities the competent authorities referred to in paragraph 4(c)(i) of the Decision should be governmental or quasi-governmental authorities.

9. The representative of Australia expressed the view that the objective should be the delivery of an attestation issued by the appropriate competent governmental authorities of the country of import. However, he recognized that there might well be occasions where this proved impossible. Therefore, the Committee would have to be flexible enough to contemplate the possibility of other means of attestation, providing it could be assured to the fullest possible extent that this would not lead to the development of certain practices.
10. The representative of Canada said that his authorities were aware of the problem of the appropriateness of providing an attestation simply signed by a public notary. At this stage, his authorities were considering such attestations to be interim attestations and were attempting to obtain statements provided by a competent government authority.

11. The representative of the EEC thanked the representative of Canada for the explanations he had given and for the efforts that the Canadian authorities were making to obtain a statement from the Philippine authorities in addition to the one signed by a public notary. As regards EEC exports of skimmed milk powder in an unaltered state, payment of the refund was subject to presentation of an attestation issued by an official organization of the country of destination. The speaker urged the other participants in the Decision to furnish to the secretariat, in the event of any exports under paragraph 4(a) of the Decision, all the documents mentioned in that paragraph.

12. It was agreed that in order to ensure that the Decision continued to contribute to the effectiveness of the Arrangement, participants should act in a way that would ensure an equal footing for all participants. In this context, the Management Committee took good note of the provisions of the Decision which provided in particular that the competent authorities of the participants to the Decision shall obtain an attestation from the competent authorities of the country of import. On the other hand, the Management Committee recognized that certain difficulties might arise in particular cases and that some flexibility in implementing the provisions of the Decision might need to be envisaged. It was agreed however that any departures from these provisions should be kept to a strict minimum and should be brought to the attention of the Committee as quickly as possible.

13. The representative of Australia recalled that his country reported regularly the export prices of skimmed milk powder for animal feed purposes. Although the Australian Dairy Board had been somewhat reluctant to do so, his country provided price details because this information was of real need for the Management Committee. He recalled that at the last meeting, some delegations expressed some reservations on the question of reporting the prices transaction by transaction. He stated that Australia would continue to report price details on each transaction provided that all the other participants to the Decision agree to do likewise. If such an agreement could not be reached within the Management Committee, Australia would provide information of the same character as that which would be provided by other participants to the Decision.

14. The representative of New Zealand recalled that at the previous meeting his delegation had expressed some reservations on the question of the reporting of prices of skimmed milk powder shipped under the Decision. However, on the basis
of the observations made by some representatives at the last meeting, his authorities had given further consideration to this question and in an attempt to reconcile the need to take account of commercial considerations with the desirability of providing the Management Committee with the fullest information possible, they were prepared to provide information in the form of a representative price for transactions effected so far. The New Zealand Dairy Board had concluded to date nineteen sales under the provisions of the Decision, involving about 10,000 tons of skimmed milk powder at prices varying considerably according to the quantity and to the destination but showing an upward trend. The representative price for these sales had been around US$275 per ton c.i.f. However, in view of the recent upward trend in prices and in view of the considerable cost to the Dairy Board of selling at prices substantially below an economic level, the Dairy Board was looking at the possibility of effecting future sales of skimmed milk powder for animal feed purposes at the minimum price provided for in the Arrangement. New Zealand considered that the control measures provided for in the Decision of 10 May 1976 were sufficient to ensure that the powder shipped under the Decision would not leak into human consumption markets. The New Zealand Dairy Board had concluded all of its sales under the provisions of paragraph 4(c) of the Decision and it had from time to time encountered some difficulties in obtaining suitable attestations. He noted in this respect that the Board had been unable to obtain an attestation to cover a transaction of 3,000 tons to Hungary and had therefore cancelled this sale.

15. The representative of Canada said that if there was a consensus in the Management Committee to provide price information in a detailed manner Canada was prepared to go along with this consensus. However, if all participants were not prepared to provide price information transaction by transaction, for obvious commercial reasons Canada would be reluctant to continue to provide detailed price information as in the past months. If other participants were prepared to provide only a representative price, Canada also would do likewise.

16. The representative of the EEC said that so far as the Community was concerned it was very easy to ascertain prices of transactions, since the intervention price and the amount of the refund for skimmed milk powder were published in the Official Journal. In that respect the Community was handicapped in comparison with the other participants. He thanked the representative of New Zealand for having indicated a representative price for sales effected under the Decision of 10 May 1976. At the same time, he requested the representative of New Zealand to indicate a price fork rather than a representative price. It was to be hoped that the representatives of Australia and Canada would likewise continue to provide selling price details as in the past.
17. The representative of New Zealand said that the question of providing a range of prices had been considered by his authorities. However, in view of the need to maintain commercial confidentiality his authorities had decided that the supply of a representative price would be preferable. Furthermore, his authorities were of the view that the supply of price data transaction by transaction was not relevant.

18. The representatives of Australia and Canada said that it would be difficult for their delegations to continue to supply price data in detail if all the participants to the Decision were not prepared to provide such data in such detail.

19. The representative of New Zealand said that he would report to his authorities the observations made by the representatives of the EEC, Australia and Canada.

20. In addition to the suggestion made at the previous meeting (MCDP/33, paragraph 14) regarding the confidentiality of price information submitted, it was suggested that price information might also be given orally and that at the request of the participant concerned such information or discussion relating to it could be omitted from the minutes of the meeting. It was understood that, bearing in mind the provision of the Decision which said that prices would be indicated to the extent possible, participants would endeavour to supply for the purpose of the next meeting as much price information as possible. In the light of the results of the consultations which the delegations would have with their authorities, the Committee would revert to the question of reporting of prices at its next special meeting.

Other business

21. The Committee had before it a communication from the Commission of the European Communities (MCDP/30/Add.1), relating to a textual change in the processes and control measures in effect in the Community (see also paragraph 7 above). The Management Committee approved the textual change submitted by the European Communities and decided to record it in the Register of processes and control measures (L/3552/Add.8/Corr.1).
ANNEX/ANNEXE

List of Representatives/Liste des Représentants

Acting Chairman: Mr. J.H. Kraus
Président par intérim: Mr. J.H. Kraus

- AUSTRALIA
  Mr. C.F. Teese
  Mr. I.R. Rischbieth
  Mr. R.E. Moore

- BELGIUM
  Mr. H. Hooyberghs

- CANADA
  Mr. M. Gifford
  Mr. M. Hart

- DENMARK
  Mr. E. Olsen

- COMMUNAUTÉS EUROPÉENNES
  M. A. Barsuglia
  M. B. Bevilacqua

- GERMANY FEDERAL REP. OF
  Mr. G. Schutz

- IRELAND
  Miss C. Broe

- ITALY
  Mr. G. Giorgieri

- JAPAN
  Mr. T. Yoshikuni
  Mr. H. Shirai

- NETHERLANDS
  Mr. J. Logger
  Mr. M. Hoogesteger

- NEW ZEALAND
  Mr. D. Greig
  Mr. A.H. McPhail

- SOUTH AFRICA
  Mr. D. Bezuidenhout

- SPAIN
  Mr. A. Iranzo

- SUISSE
  M. M. Besson
  M. R. Beuret

- UNITED KINGDOM
  Mr. I. Redfern

OBSERVERS/OBSERVATEURS

- HUNGARY
  Mr. S. Simon

- UNITED STATES
  Mr. E. Koenig