Introduction

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

2. The Committee adopted the following agenda:

   1. Adoption of agenda
   2. Information required by the Committee under Article IV or other Articles of the Arrangement: General information
   3. Review of the market situation
   4. Other business.

Information required by the Committee under Article IV or other Articles of the Arrangement: General information

3. The representative of New Zealand informed the Committee that data concerning the second quarter of 1976 would be supplied shortly. According to provisional official export figures New Zealand total exports in the second quarter of 1976 amounted to 27,399 tons. According to provisional figures provided by the New Zealand Dairy Board, production in the second quarter amounted to 8,800 tons. Stocks of skimmed milk powder which amounted to 268,000 tons at the beginning of the second quarter decreased to 230,200 tons at the end of the same quarter.

4. The representative of Canada recalled that in the previous meetings his delegation had outlined the changes to the Canadian Dairy Policy directed towards reducing industrial milk production in the 1976/77 dairy year. As a result of these
severe measures, milk-cow numbers at 1 July 1976 had declined by 87,000 head or 4 per cent below the level of a year earlier. In addition, total milk production declined in June 1976 by 4 per cent and industrial milk production fell in the same month by 10 per cent as compared to June 1975. It was estimated that milk production had continued to drop in July and August 1976. As a consequence of the decrease in industrial milk production, production of skimmed milk powder in June and July 1976 was down by 15 per cent and 26 per cent respectively on a year earlier. He added that at 1 September 1976 stocks of skimmed milk powder had amounted to 350 million pounds (approximately 158,700 tons) as compared to the stocks of 285 million pounds (approximately 129,300 tons) at the same date a year earlier.

5. The representative of Japan commented on his country's statistical data for the second quarter of 1976 communicated to the secretariat a few days earlier. Imports in the second quarter of 1976 increased to 16,874 tons compared to the imports of 13,682 tons in the preceding quarter and to the imports of 8,419 tons in the second quarter of the previous year. Of the 16,874 tons imported in the second quarter of 1976, 7,900 tons had been imported under derogation relating to Article III, paragraph 5; 4,000 tons had been imported under derogation relating to Article III, paragraph 9 of the Arrangement and the remaining 5,000 tons for general human consumption. Import prices of skimmed milk powder for general human consumption averaged US$55.60 per 100 kgs. c.i.f. in the second quarter. In the same quarter, import prices of skimmed milk powder for animal feed purposes averaged US$40.50 per 100 kgs. c.i.f. and import prices of skimmed milk powder for welfare purposes averaged US$44.30 per 100 kgs. c.i.f.

Review of the market situation

6. The Committee had before it a communication sent by the New Zealand Permanent Mission concerning the supply of skimmed milk powder on concessional terms (MCDP/W/62). The Committee also had before it three summary tables prepared by the secretariat for the information of delegations and showing food aid transactions in skimmed milk powder (MCDP/W/65).

7. The representative of New Zealand said that the proposed concessional transaction referred to in document MCDP/W/62 involved the sale of New Zealand skimmed milk powder to Egypt. He pointed out that in accordance with Article III:8 the proposed transaction had been notified to the FAO Committee on Surplus Disposal and would be subject to the procedures for notification and consultation agreed upon in the FAO. In this context, he stressed that the Egyptian authorities had undertaken that commercial imports which might reasonably be expected to continue in the absence of the Agreement between the two Governments would be safeguarded and, specifically, that not less than 5,000 tons of skimmed milk powder would
during the currency of the Agreement be purchased by international tender on normal commercial terms. He added that the export or re-export of skimmed milk powder from Egypt would not be permitted during the currency of the Agreement. He concluded that the expanded demand resulting from this transaction destined for welfare purposes would be channelled into normal commercial purchasing.

8. The Committee took note of the information contained in documents MCDP/W/62 and MCDP/W/65.

Other business

Date of the next meeting

9. The Committee agreed to hold its next special meeting on 28 or 29 October 1976, subject to confirmation by the secretariat.
### List of Representatives/Liste des Représentants

**Acting Chairman:** Mr. J.H. Kraus  

**President par intérim:**

- **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

- **COMMUNAUTES EUROPEENNES COMMISSION**
  - 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. M. Hoogesteger  
  - Mr. J. Logger

- **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