Introduction

1. The Management Committee held its third meeting on 15 September 1970.

2. All members of the Committee were represented at the meeting. The following observers were also represented: Austria, Ireland, United States.

Adoption of agenda

3. The Committee adopted the following agenda:
   (a) Adoption of minutes of second meeting (MCDP/3).
   (b) Export of dyed skimmed milk-powder for animal feed (MCDP/W/1 and MCDP/3 paragraph 14).
   (c) Information required by the Committee under Article IV or other Articles of the Arrangement (MCDP/3 paragraphs 16 to 21 and MCDP/W/2/Rev.1).
   (d) Status of contracts concluded before entry into force of Arrangement (MCDP/3 paragraph 25).
   (e) Review of market situation.
   (f) Other business.

Adoption of minutes of second meeting

4. The minutes of the second meeting, held on 29 June 1970 (MCDP/3) were adopted.

Export of dyed skimmed milk-powder for animal feed

5. The representative of Australia recalled that at its second meeting the Committee had considered a request by Australia to approve and record in the Register for the purposes of paragraph 5 of Article III the process of dyeing skimmed milk powder...
described in document MCDP/W/1. The Committee had approved the process and had agreed to record it in the Register in respect of the following destinations: Singapore, Malaysia; and, subject to approval by New Zealand: Indonesia, the territory of Papua-New Guinea, China (Taiwan) and the Republic of Viet-Nam. The representative of Australia informed the Committee that the Australian industry had reconsidered the matter and had decided not to press for a derogation in respect of exports to the last-named four destinations.

6. The Committee took note of this information and confirmed its approval of the process specified in the request by Australia (MCDP/W/1) and agreed to record it in the Register of Processes and Control Measures, in accordance with paragraph 5 of Article III of the Arrangement, in respect of the destinations: Singapore and Malaysia.

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

7. On the basis of comments received from delegations, a revised draft questionnaire (MCDP/W/2/Rev.1) had been circulated by the secretariat.

8. With regard to Table A, several members stated that because of a lack of detailed statistics, it would be difficult for them to provide data on consumption of skimmed milk powder broken down by human, animal or other use.

9. The representative of Australia added that in relation to Table B it would not be possible for his Government at this stage to provide data on consumption of exports under derogations from official trade statistics. His Government would, however, furnish data obtained from the Australian Dairy Products Board on the basis of export permits issued by the Board. The statistics would thus not be from official sources.

10. In relation to Table D, the Australian Government would also have to rely on information based on the export permits issued, and on this basis could provide data on prices at which exports are authorized by the Board and, hence, minimum and average prices. Furthermore, the industry would be prepared to furnish a general assessment of the level of highest export prices.

11. The representative of Japan said that his Government would not be able to supply final data covering a certain period within ten weeks following the end of that period. Japan would, however, furnish provisional data, which would not substantially differ from the final figures.

12. The representative of the European Economic Community stated in this connexion that the figures provided quarterly by the EEC would be based on information received from the six member countries, and might sometimes have to be corrected at the end of the year, when full information became available.
13. The representative of Canada informed the Committee that his Government was unable to supply information on the end-use of domestic consumption, but would endeavour to provide an approximate percentage of the amount used for animal feed.

14. The Committee noted that the following communication had been received by the secretariat from the mission of the United States:

"I have been instructed to advise you that the United States Government will supply data requested in the Management Committee Draft Questionnaire (GATT MCDP/W/2) as follows: (A) production, consumption and stocks; (B) exports: total with destinations and sub-totals as available; (C) imports: total with origins and sub-totals as available; (D) prices in the domestic market; (E) prices in international trade; (F) advance data on food aid; and (G) complementary information.

"The United States is unable to supply data under sections (B), (C) and (E) of the questionnaire on transactions falling under the minimum price provisions of the Agreement."

15. The representative of Austria indicated that his Government would endeavour to supply all information requested as far as possible. It might however, have some administrative difficulty in providing monthly data under section (D).

16. The Committee noted that the averages requested in the last column of Table D were intended to be weighted averages.

17. Some members raised the question as to whether the questionnaire should also provide for regular information on products containing skimmed milk powder or like competing products. Some other members, however, considered that it would be difficult to agree upon a list of such products at the present stage. The Committee agreed that it could request such information whenever it seemed desirable and noted that a provision for such information had been made in paragraph 5 of the cover note to the revised questionnaire.

18. The Committee noted the reservations expressed and the particular problems of individual members or observers. On this basis it adopted the questionnaire MCDP/W/3/Rev.1.

Status of contracts concluded before entry into force of Arrangement

19. The representative of Australia stated that the outstanding balance of contracts negotiated before the Arrangement came into force was at the present time 3,826 tons and that it was expected that this amount would be worked out within the next two months.

20. The representative of Canada stated that all Canadian contracts reported at the time when the Arrangement came into force had been completed and nothing remained to be delivered.
21. The representative of New Zealand stated that as at 11 September 1970 a total of 811 long tons remained to be shipped. It was expected that these shipments would be completed by the end of the current calendar year.

Review of market situation

22. The representative of New Zealand said that his authorities found the present market situation generally satisfactory. New Zealand had been able to raise its export prices of skimmed milk powder by amounts which varied according to the markets concerned. Under the general trend of buoyant prices, the indications were that there would not be a build-up of stocks apart from the usual seasonal developments. In reply to a question he said that at the present early stage of the season it was difficult to forecast what production in 1970 might be. He thought it might slightly increase, but would not considerably exceed the amount of 1969. He recalled that last year's exports had decreased because of the severe drought. Furthermore production was going to be influenced by the introduction by the Government of a diversification scheme stimulating meat rather than milk production.

23. The representative of the European Economic Community said that because of the rather favourable market situation the EEC had diminished its export restitution for skimmed milk powder. Present exports by the EEC were about £10 above the minimum price provided for in the Arrangement. Since there was a shortage of supply on the domestic market the EEC would probably not export new powder before the end of March 1971. It might well be possible that the present situation would continue during 1971.

24. The representative of Denmark expressed satisfaction at the development of prices. He raised the question as to whether the Committee should not consider the desirability of raising the minimum price, since many countries had recently been exporting at prices well above the minimum price and it seemed that the market situation would allow for such an increase.

25. The representative of the United Kingdom said that the market situation in his country was satisfactory, as shown in the replies to the questionnaire for the first half of 1970. His authorities saw some advantage in raising the minimum price to a level broadly in line with prices in the United Kingdom market, which were at present around £25 per 100 kgs.

26. Several members were not in a position to discuss this matter at the present meeting.

27. The representative of Canada pointed out that the present generally satisfactory situation was still very recent. He felt that a little more time was needed to test demand and gain a better appreciation of the factors underlying the market and of possible long-term trends. In the meantime the existing minimum price could be regarded as the floor price it was intended to be. He was ready to discuss the question at a subsequent meeting if this was the general wish.
28. The representative of Japan considered the market situation to be satisfactory at present. However, it was too early to say whether the structure of the market had changed so as to warrant considering a modification in the minimum price. While he could not express an official view at the present meeting, he had no doubt that his Government would take a very cautious position on this issue, on which he wished to register a strong reservation.

29. It was agreed that the matter would be further discussed at the next meeting.

Other business

30. It was agreed that the Committee would meet again on 11 December 1970.