Introduction

1. The Management Committee held its forty-first meeting on 27 May 1977.

Adoption of agenda

2. The Committee adopted the following agenda:

1. Adoption of agenda
2. Adoption of the minutes of the fortieth meeting (MCDP/42)
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 fortieth meeting (MCDP/42)

3. The Committee adopted the minutes in document MCDP/42.

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.9), prepared by the secretariat and based on communications received in pursuance of the Decision of 10 May 1976. It also had before it a non-exhaustive list, for some importing countries, of competent authorities under paragraph 4(c)(i) of the Decision of 10 May 1976 (MCDP/W/67/Rev.4).
5. Referring to the information in the summary table on page 9 of document MCDP/W/58/Rev.9, the representative of the EEC pointed out that of the total sales of 395,000 tons in pursuance of the Decision of 10 May 1976 and under the provisions of the current derogations of Australia in regard to Malaysia and Singapore, of Japan and Spain, only 162,000 tons, or 40 per cent of the total amount, had been despatched under the Decision of 10 May 1976. In May 1976, total stocks had amounted to approximately 1.6 million tons, and in the course of a year, only 10 per cent of these stocks had been disposed of in pursuance of the Decision of 10 May 1976. He also informed the Committee that for the milk year 1977/78, the Council had fixed a new target price for milk of 17.35 u.a. per 100 kgs. and a new intervention price for skimmed milk powder of 94.09 u.a. per 100 kgs. At the same time, the Commission had amended Regulation 2054/76 on the sale for export to non-member countries of skimmed milk powder intended for use as feed. Under that amendment, the reduction of 9 u.a. per 100 kgs. applied since 1 February 1977 would henceforth be only 8 u.a. per 100 kgs. Since the amount of the refund remained unchanged, and in view of the new reduction, the export prices of skimmed milk powder for animal feed were approximately US$300 to US$305 per ton f.o.b. The Community could export skimmed milk powder for human consumption at prices around US$415 per ton f.o.b. He also informed the Committee that on 12 May 1977, stocks of skimmed milk powder were 900,668 tons and by 27 May 1977 would probably amount to approximately 910,000 tons.

6. In reply to the remarks made by the representative of EEC, the representative of New Zealand pointed out that his country had found the possibility to sell skimmed milk powder for stock feed under the derogation. He added that the derogation had helped his country to quit its stocks of aged skimmed milk powder. This had played an important part in bringing the prices of skimmed milk powder for human consumption above the minimum price of the Arrangement.

7. The representative of Canada supported the comments made by the representative of New Zealand and pointed out that the derogation had certainly helped his country to rundown its stocks to a considerable extent. He informed the Committee that Canadian export prices of skimmed milk powder for animal feed purposes were in the order of US$280 per ton f.a.s. Current export prices of skimmed milk powder for human consumption were well in excess of the minimum price of the Arrangement and were in the order of US$405 per ton f.a.s. Industrial milk production in Canada for the period April 1976 to February 1977 had declined by 12.6 per cent as compared for the same period a year earlier. He recalled that industrial milk production had been declining in Canada because of the severe supply management controls.

8. The representative of Australia supported the remarks made by the representatives of New Zealand and Canada and pointed out that the derogation had enabled Australia to effect commercial sales of skimmed milk powder intended for animal feed. He informed the Committee that his country was not holding surplus stocks of skimmed milk powder. It was expected that sales of skimmed milk powder would soon be effected in the region of US$425 per ton f.c.b.
9. The representative of the EEC recalled that large quantities of skimmed milk powder had recently been unloaded in the Spanish free port of Santander, and he invited the representative of Spain to inform the Committee concerning the denaturing operations and in general concerning the situation at that free port.

10. The representative of Spain said that at the present time an assessment was being made of the losses incurred as a result of a fire which had broken out at the free port of Santander. Reliable information could only be obtained after an accurate assessment had been made of the nature of the losses. He hoped to be able to furnish more complete information on the subject at the next meeting of the Management Committee.

Other business

Date of next meeting

11. The Committee agreed to hold its next regular meeting on 27 June 1977, subject to confirmation by the secretariat.
ANNEX/ANNEXE

List of Representatives/Liste des représentants

Acting Chairman:
Président par intérim: Mr. J.-M. Lucq

AUSTRALIA  Mr. R. Hall
CANADA       Mr. M. Gifford
DENMARK      Mr. E. Olsen
EUROPEAN COMMUNITIES, COMMISSION Mr. A. Bersuglia
FEDERAL REP. OF GERMANY Mr. P. Trube
ITALY        Mr. G. Giorgieri
JAPAN        Mr. K. Ueno
NEW ZEALAND  Mr. A.H. McPhail
SOUTH AFRICA Mr. N. Saulez
SPAIN        Mr. A. Iranzo
              Mr. M.A. Diaz-Mier
SWITZERLAND  Mr. J.D. Gerber
UNITED KINGDOM
Observers/Observateurs

AUSTRIA       Mr. V. Segalla
UNITED STATES Mr. E. Koenig