Arrangement Concerning Certain Dairy Products

MANAGEMENT COMMITTEE

Minutes of the Forty-Sixth Meeting held on 28 October 1977

Introduction

1. The Management Committee held its forty-sixth meeting on 28 October 1977.

Adoption of the agenda

2. The Committee adopted the following agenda:

1. Adoption of the agenda

2. Adoption of the minutes of the forty-fourth and forty-fifth meetings (MCDP/46 and MCDP/47)

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 forty-fourth and forty-fifth meetings (MCDP/46 and MCDP/47)

3. Referring to the last sentence of his statement as reported in paragraph 9 of the minutes in document MCDP/46, the representative of the EEC said that since March 1977, 250,000 tons of aged powder had been sold within the Community for the preparation of feed for swine and poultry. Aged powder sold for swine and poultry feed would probably total some 350,000 tons by the end of 1977.

4. The representative of New Zealand requested the following amendment to the minutes contained in document MCDP/46 in paragraph 12, fourth line delete the word "were" and replace it by the following words: "had yet been". The Committee agreed to the change requested and adopted the minutes in document MCDP/46 as amended and in document MCDP/47.
Information required by the Committee under Article IV or other Articles of the Arrangement:

Information under the Decision of 10 May 1976

5. The Committee had before it a summary table (MCDP/W/58/Rev.13) prepared by the secretariat and based on communications received in pursuance of the Decision of 10 May 1976.

6. The representative of the EEC informed the Committee that the Community had just filed with the secretariat import certificates obtained from the competent authorities of Taiwan and Spain and covering sales of skimmed milk powder intended for animal feed. Furthermore, the Commission had recently 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 amount of the reduction, which had been 13 u.a. per 100 kgs., would be only 11 u.a. per 100 kgs. as from 1 November 1977. Taking into account the refund and that further reduction, export prices for skimmed milk powder intended for use as feed would be in the vicinity of US$275 to US$280 per ton f.o.b. as from 1 November 1977. Operators must take over that powder before 1 April 1978. With respect to skimmed milk powder for human consumption, the Community could export it at prices in the vicinity of US$25 to US$30 per ton f.o.b. The representative of the EEC said that according to certain rumours, a quantity of skimmed milk powder that had been sold by the Community to Romania and intended for use as feed had been re-exported. It was reported to have been resold at approximately US$380 per ton and used for human consumption. Yet the competent authorities of Romania had furnished attestations certifying that the imported product would be under surveillance to ensure that it was used exclusively for animal feed and not re-exported. He wondered whether the secretariat could bring the matter to the attention of the Romanian Permanent Mission.

7. The representative of New Zealand suggested that if it was established that skimmed milk powder shipped under the Decision had been diverted from its declared use for re-export and then used for human consumption, notwithstanding the attestation furnished by the competent authorities of the importing country, one possible course of action might be for the competent authorities of the exporting country no longer to sell skimmed milk powder under the Decision to the importing country that had not abided by its attestations.

8. It was pointed out that the Committee had, as yet, no evidence of skimmed milk powder shipped to Romania by the Community under the Decision having been diverted from its declared use, re-exported and used for human consumption. It was suggested, however, that the matter could be brought to the attention of the Romanian Permanent Mission on an unofficial basis.
9. The representative of Canada said that at 1 October 1977 stocks of skimmed milk powder had declined by 5.4 per cent as compared to stocks at 1 October 1976 and amounted to 82,145 tons. Current export prices were around US$280 per ton f.a.s. for skimmed milk powder for animal feed purposes and around US$425 per ton f.a.s. for skimmed milk powder for human consumption. Total milk production in Canada for the period January to July 1977 had declined by 3.7 per cent as compared to the same period a year earlier. Industrial milk production for the period January to August 1977 had increased by 2.4 per cent as compared to the same period of 1976. Butter production for the period January to September 1977 had declined by 5.9 per cent as compared to the same period a year earlier. Skimmed milk production for the period January to September 1977 had declined by 5.9 per cent as compared to the corresponding period of 1976.

Other business

Communication from the secretary of the Consultative Sub-Committee on Surplus Disposal

10. The Committee was informed that its acting Chairman had received a letter from the secretary of the Consultative Sub-Committee on Surplus Disposal, and the text would be communicated to all members and observers taking part in the Committee's work. It was agreed that the Committee would discuss the matters raised in that letter at its next meeting.

Date of the next meeting

11. The Committee decided to hold its next special meeting at the end of November 1977, subject to confirmation of the exact date by the Chairman.
ANNEX/ANNEXE

List of Representatives/Liste des représentants

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

AUSTRALIA
Mr. I. Andelson

BELGIUM
Mr. H. Hooyberghs

CANADA
Mr. R. Martin

EUROPEAN COMMUNITIES, COMMISSION
Mr. A. Barsuglia

FRANCE
M. M. Leflon

FEDERAL REP. OF GERMANY
Mr. E. Mägele

ITALY
Mr. G. Giorgieri

JAPAN
Mr. H. Shirai

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
Mr. R. Lowson

UNITED STATES
Mr. E. Koenig

Observers/Observateurs