Introduction

1. The Management Committee held its fifty-third meeting on 22 May 1978.

Adoption of the agenda

2. The Committee adopted the following agenda:
   1. Adoption of the agenda
   2. Adoption of the minutes of the fifty-second meeting (MCDP/54)
   3. Information required by the Committee under Article IV or other Articles of the Arrangement:
      Information under the Decision of 10 May 1976
   4. Dyeing process for skimmed milk powder proposed by the Community (MCDP/W/95)
   5. Other business.

Adoption of the minutes of the fifty-second meeting (MCDP/54)

3. The Committee adopted the minutes in document MCDP/54.

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.20) prepared by the secretariat and based on communications received in pursuance of the Decision of 10 May 1976.
5. The representative of the EEC said that exports of skimmed milk powder had ceased because the Council of Ministers would shortly be making their decision fixing new prices for the 1978/79 dairy season and also because of the forthcoming complete revision of Regulation 2054/76. As from 22 May 1978, the new intervention price for skimmed milk powder would be U.A. 95.78 per 100 kgs. Furthermore, under the draft regulation revising Regulation 2054/76, the price at which the intervention agency sold skimmed milk powder would be gradually increased each month or each quarter. Given that skimmed milk powder for animal feed could currently be exported at prices in the region of US$315 to US$320 per ton, and if one could expect a monthly increase by US$8 per ton, such exports would be possible at the minimum price of US$350 per ton f.o.b. in the course of September 1978.

6. The representative of New Zealand asked the EEC representative whether the new regulation he had just described would likewise apply to any exports of skimmed milk powder intended for swine and poultry feed.

7. The representative of EEC replied that the regulation would not apply to exports of skimmed milk powder for swine and poultry feed. Such powder would be disposed of within the Community at prices in the region of US$220 per metric ton.

8. The representative of Canada stated that on 1 April 1978 stocks of skimmed milk powder had amounted to 53.2 million pounds (approximately 24,100 tons). Current prices in international trade for skimmed milk powder for human consumption were in the vicinity of US$500 per metric ton. The stocks held by Canada had declined considerably and accordingly his country did not feel it necessary for the moment to export skimmed milk powder for animal feed.

9. At the preceding meeting of the Committee, the question had been raised whether the participants to the Decision of 10 May 1976 were required to provide the secretariat every fortnight with data concerning transactions involving skimmed milk powder if the export prices of the product were equal to or higher than the minimum price established under the Arrangement. It had been agreed that the legal aspects of the question would be examined more closely at the current meeting of the Committee (MCDP/54, paragraph 7).

10. The Committee was of the opinion that the information to be furnished to the secretariat each fortnight on data concerning transactions under the Decision involved solely sales at prices below the minimum price established under the Arrangement. The Committee agreed, nevertheless, that where the export prices of skimmed milk powder for animal feed were equal to or higher than the minimum price established under the Arrangement, the participants would exchange information concerning such exports at subsequent regular or special meetings of the Committee.
11. It was agreed that where there had been no sales under the provisions of the Decision of 10 May 1976, exporting participants would no longer have to notify the secretariat to that effect each fortnight. It would suffice for them to give such information verbally at subsequent regular or special meetings of the Committee.

12. The representative of New Zealand informed the Committee that in the fortights ending 30 April 1978 and 15 May 1978, his country had made no sales of skimmed milk powder for animal feed. In giving that information verbally, he was acting under the new procedure just adopted by the Committee.

Dyeing process for skimmed milk powder proposed by the Community (MCDP/W/95)

13. The Committee took note of the information communicated by the delegation of the Community, regarding the dyeing process for skimmed milk powder which the Community proposed to add to the processes and control measures of the Community (MCDP/W/95). The Committee approved that process and agreed to include it in the register of processes and control measures in accordance with the terms and modalities set forth in the Committee's Decision of 10 May 1976 as document L/3552/Add.8/Suppl.1. The process would likewise be published as an addendum to the Decision of 10 May 1976 as document MCDP/30/Rev.3/Add.1. It was agreed furthermore that exports of skimmed milk powder under the above-mentioned process would be subject to the procedures stipulated in paragraph 4(c) of the Decision of 10 May 1976.

Other business

Sales of skimmed milk powder to Mexico

14. At the preceding meeting of the Committee, the suggestion had been made that it would be useful if at the next meeting the Committee were informed by the secretariat concerning recent imports of skimmed milk powder by Mexico.

15. The Committee was informed that the secretariat had prepared a table that had just been distributed to delegates, showing imports of skimmed milk powder by Mexico between 1973 and 1977. According to that table, Mexico's principal supplier in the period mentioned had been Canada, followed by the EEC.

16. The representative of the EEC said that according to certain unconfirmed reports, Canada had recently sold 40,000 tons of skimmed milk powder to Mexico at the price of US$465 per ton, free at Mexico's frontier. He enquired whether the Mexican representative could confirm those reports or whether he could inform the Committee regarding any negotiations in progress between Canada and Mexico.

17. The representative of Canada replied that he had no information on that subject, but would enquire from his authorities and hoped to give an answer to the EEC representative in the near future.
Communication from the Consultative Sub-Committee on Surplus Disposal
(MCDP/W/96)

18. It was recalled that at its meeting in December 1977, the Committee had adopted a decision which had been recorded in paragraph 32 of the minutes in MCDP/50 and had been communicated to the Consultative Sub-Committee on Surplus Disposal (CSD). At the meeting in April 1978, the Committee had been informed that its Acting Chairman had received a letter from the secretary of the CSD informing him of the discussions that had taken place in the CSD on that subject. A summary record of the CSD regarding those discussions had been annexed to the letter.

19. The letter and the summary record of the CSD were distributed in document MCDP/W/96 in response to a request made by the Committee at its April 1978 meeting (MCDP/54, paragraph 18) and after permission had been sought from the CSD.

20. The representative of the EEC pointed out that if the Sub-Group on Dairy Products reached a positive conclusion regarding a comprehensive arrangement following the current negotiations, the question of supplies of dairy products as food aid would have to be solved in the framework of the new organs established under the comprehensive arrangement.

21. The representative of New Zealand said that the Sub-Group on Dairy Products should try to ensure that transactions other than normal commercial transactions would be covered by the comprehensive arrangement and would be subject to prior notification procedures.


Communication from the delegation of Spain

23. The representative of Spain informed the Committee that he had just handed to the secretariat a communication explaining the laboratory methods applied for verifying the proper application of the provisions officially established regarding imports into Spain of skinned milk powder for animal feed. He asked that that explanatory note be distributed to participants for their information. The communication is to be distributed in document MCDP/W/98.

Date of the next meeting

24. The Committee decided to hold its next regular meeting on 19 June 1978, 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. I. Anderson

CANADA
Mr. M.M. Hart

COMMUNAUTES EUROPEENNES COMMISSION
M. A. Barsuglia

DENMARK
Mr. B. Bitch

FRANCE
M. T. Saint-Oyant

GERMANY, FEDERAL REPUBLIC OF
Mr. M. Schalaster

IRELAND
Mr. J. Fox

ITALY
Mr. G. Giorgieri

JAPAN
Mr. H. Shirai

NEW ZEALAND
Mr. A.H. McPhail

SPAIN
Mr. A. Iranzo

SOUTH AFRICA
Mr. M.A. Díaz-Mier

SUISSE
Mr. N. Saulez

UNITED KINGDOM
M. J.-D. Gerber

Mr. R. Lowson

OBSERVERS/OBSERVATEURS

AUSTRIA
Mr. V. Segalla