COMMUNICATION FROM THE DELEGATION OF AUSTRALIA

The secretariat has received the following text, dated 29 April 1971, from the delegation of Australia with the request to circulate it to the members of the Committee.

If the Australian dairy industry's trade in skimmed milk powder to recombining or reconstituting plants in which the Australian Dairy Produce Board is holding a direct financial interest is being adversely affected, Australia will seek an urgent meeting of the Management Committee in an effort to find an acceptable solution to the problem.

The Australian industry will provide detailed and specific evidence of the difficulties confronting it in relation to the particular plant or plants to assist the Committee in its assessment of the situation. Such information will be designed to facilitate meaningful consultations within the Committee on the nature of the particular problem and on means for dealing with it effectively.

If, in the light of all the relevant information available, the Management Committee is unable to agree on a mutually acceptable solution within a reasonable period, Australia reserves the right to take whatever action is necessary to safeguard the position of the plant or plants in question by making sales of skimmed milk powder below US$25, but not below US$20 per 100 kgs., as necessary.

In determining the necessity to resort to this reservation, account will be taken of government price regulations applying to the products of the plant or plants in relation to those applying to imported condensed or evaporated milk, to any tariff protection applying to imported constituents or finished products and to the degree of direct export assistance afforded to imported canned milks.
Any sales made in pursuance of the exercise of this reservation shall be confined exclusively to transactions involving the export of Australian skimmed milk powder to milk recombining or reconstituting plants in which the Australian Dairy Produce Board holds a direct financial interest. The skimmed milk powder in question shall be for consumption by the plant or plants concerned and used for the manufacture of dairy products. It shall not be for resale as skimmed milk powder.

Sales at or above the agreed minimum will be resumed as soon as possible having regard for the overall objective of the reservation.

The reservation shall apply initially for one year. Its continuation beyond this point will be determined in the light of progress in negotiating appropriate international pricing arrangements covering the export of condensed and evaporated milks and having regard to the prevailing minimum price for skimmed milk powder.

Australia will provide information as to sales made under the terms of this reservation on a regular quarterly basis. This information will cover details of individual sales to plants giving quantities and prices.