INTRODUCTION

1. The Management Committee to the Protocol held its twenty-third meeting on 21 December 1978.

ADOPTION OF THE AGENDA

2. The Committee adopted the following agenda:

   1. Adoption of the agenda
   2. Adoption of the minutes of the twenty-second meeting (MCMF/22)
   3. Information required by the Committee under Article IV or other Articles of the Protocol
   4. Review of the market situation. Possible modification of the minimum price (possible anticipated application of a new minimum price)
   5. Other business,

ADOPTION OF THE MINUTES OF THE TWENTY-FIRST MEETING

3. The Committee adopted the minutes in MCMF/21.

INFORMATION REQUIRED BY THE COMMITTEE UNDER ARTICLE IV OR OTHER ARTICLES OF THE PROTOCOL

4. The Committee expressed the hope that members which had not yet supplied data for the second quarter of 1978 would do so promptly.

REVIEW OF THE MARKET SITUATION. POSSIBLE MODIFICATION OF THE MINIMUM PRICE (POSSIBLE ANTICIPATED APPLICATION OF A NEW MINIMUM PRICE)

5. The representative of New Zealand said that on the question of a possible modification of the minimum price, the situation with regard to milk fat was different for two reasons. Firstly, in accordance with the provisions of Article III:3 of the Protocol, a modification of the minimum price may be decided upon only at the time when the question of extension of the duration of the Protocol is considered in terms of Article VIII:2 or, at other times, only when an emergency situation is deemed to exist. Secondly, it seemed to
his delegation that the concerns of the delegation of Canada with the International Dairy Arrangement were with a possible reservation on the Protocol Regarding Certain Milk Powders. It appeared to his delegation that Canada had not a similar concern with regard to milk fat. In the view of his delegation, Canada should therefore have no difficulty in agreeing to an increase in the minimum price to US$1,100 per metric ton. Taking into account the provisions of Article III:3 of the Protocol, the Committee should agree now to an increase in the minimum price to US$1,100 per metric ton. It would be understood that this modification would take effect eighty days prior to 14 May 1979, i.e. on 23 February 1979.

6. The representative of Australia said that his delegation could support the proposal of the representative of New Zealand to increase the minimum price to US$1,100 per metric ton.

7. The representative of Canada said that in view of the decision just taken in the Management Committee of the Arrangement Concerning Certain Dairy Products, his delegation would suggest that it would be inappropriate not to modify the minimum price of skimmed milk powder and at the same time to agree to modify the minimum price of milk fat. In the view of his delegation, it had been agreed that in the context of the proposed International Dairy Arrangement, there should be an appropriate relationship between the various minimum prices of dairy products. Bearing that factor in mind, his delegation would suggest that, on the question of a possible modification of the minimum price of milk fat, the Committee should agree to take the same approach as that taken in the Committee of the Arrangement Concerning Certain Dairy Products.

8. The representative of New Zealand pointed out that there was not in the existing Protocol Relating to Milk Fat any reference to prices in other Protocols. While it would be preferable to have some relationship between prices of dairy products, his delegation would have thought that the appropriate way of dealing with this question would be to modify now the minimum price of skimmed milk powder. He concluded by reiterating his proposal to increase now the minimum price of milk fat to US$1,100 per metric ton.

9. The representative of Canada reiterated his proposal to adopt in this Committee to the Protocol the same decision just adopted in the Committee of the Arrangement Concerning Certain Dairy Products.

10. The representative of New Zealand noted that no consensus had emerged concerning a modification of the minimum price. Consequently, he expressed his disappointment at the attitude of the delegation of Canada and also he expressed his concern at the link drawn between the discussions on this question in the Management Committee and the negotiations on certain aspects of the International Dairy Arrangement in the Sub-Group on Dairy Products. He requested that his statement be recorded in the minutes of the present meeting.
11. The representative of Australia stated that his delegation could share the views expressed by the representative of New Zealand. He requested that his statement be recorded in the minutes of the present meeting.

12. The Committee noted that no consensus had emerged concerning a modification of the minimum price under Article III:3 of the Protocol. It was agreed therefore that the matter would be kept on the agenda.

Other business

Date of the next meeting

13. The representative of New Zealand suggested that, taking into account the decision just adopted, the Committee might meet on 23 February 1979. That date would mark the beginning of the period of eighty days prior to the date of expiry of the current annual period.

14. The Committee agreed to hold its next meeting on 22 February 1979, subject to confirmation by the secretariat.
ANNEX/ANNEXE

List of Representatives/Liste des représentants

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

AUSTRALIA
Mr. I. Anderson

BELGIUM
Mr. H. Hooyberghs

CANADA
Mr. M. Gifford
Mr. D. Roberts

DENMARK
Mr. P. Poulsen

COMMUNAUTES EUROPEENNES COMMISSION
M. A. Barsuglia

FRANCE
M. R. Louzé

GERMANY FEDERAL REP. OF
Mr. M. Schalaster

IRELAND
Mr. P. Hennessy

JAPAN
Mr. H. Shirai

NETHERLANDS
Mr. R. Hoogesteger

NEW ZEALAND
Mr. A.H. McPhail

OBSERVERS/OBSERVATEURS

SPAIN
Mr. M.A. Díaz-Mier
Mr. J. Jiménez Rosado