Protocol Relating to Milk Fat

MANAGEMENT COMMITTEE TO THE PROTOCOL

Minutes of the Third Meeting,
Held on 11 December 1973

Introduction

1. The Management Committee to the Protocol held its third meeting on 11 December 1973.

2. The Committee heard a statement by the representative of Canada, who stated that his Government had signed the Protocol Relating to Milk Fat on 7 December 1973 and was prepared to fulfil its obligations under the Protocol. The Committee expressed its satisfaction at the accession of Canada to the Protocol and welcomed Mr. Weekes to the Management Committee.

3. Following a request by the delegation of Hungary in a written communication to the secretariat (MCMF/W/4), the Committee invited the Government of Hungary to take part in the work of the Committee as observer. In doing this, the Committee noted that Hungary was prepared to fulfil its obligations as an observer on the Committee. The representative of Hungary thanked the Committee for inviting his Government to participate as observer in its work and said that his delegation was ready to submit the information and data required under Article IV of the Protocol.

4. The Committee adopted the following agenda:

   (a) Adoption of agenda

   (b) Adoption of the minutes of the second meeting (MCMF/2)

   (c) Information required by the Committee under Article IV or other Articles of the Protocol

   (d) Review of the market situation

   (e) Other business
Adoption of the minutes of the second meeting

5. The Committee adopted the minutes MGMF/2.

Information required by the Committee under Article IV or other Articles of the Protocol

6. The Committee expressed the hope that members who had not yet supplied data for the first three quarters of 1973 would do so soon.

Review of the market situation

7. The representative of the EEC said that, figures for the stocks of milk fat not being available, he could communicate the figures for the stocks of butter. Stocks of butter in the Community totalled 276,999 tons at 31 October 1973, of which 142,955 tons were public and 134,044 were private stocks. The restitution for butter oil had been reduced slightly and present export prices were between $110 and $125 f.o.b. World prices for milk fat appeared to be very stable.

8. The representative of New Zealand pointed out that the market for milk fat was operating in relatively stable conditions and the existence of the Protocol had no doubt contributed to this. New Zealand's export prices for milk fat continued to remain firm.

9. The representative of Australia pointed out that the markets for butter oil and for ghee remained very firm. It was anticipated that production of milk fat in Australia would show a slight increase over the 39,000 tons produced the previous year and would depend to some extent on markets available for butter. Butter production was tending to be limited by the degree to which Australia was expanding its cheese production. Taking also into account the modest increase in milk production, Australian butter production in 1973-74 was around 188,000 tons which was only a few thousand tons above the figure of the previous year. He informed the Committee that anhydrous milk fat prices for the period July-September 1973 for all markets were US$111.60 per 100 kgs. c.i.f. except for associated milk plants of the Australian Dairy Produce Board purchasing at prices ranging from US$87.70 to US$93.10 per 100 kgs. c.i.f. The price was then raised to US$143.80 per 100 kgs. c.i.f. for the period October/December 1973 and this price was carried over into 1974. South East Asian recombining plants supplied with milk fat from Australia would receive no price concession from 1 January 1974. Current export prices for ghee packed in 2 pound cans were at US$168 per 100 kgs. f.o.b.

Other business

10. The Committee provisionally agreed to hold its next regular meeting in early March 1973, subject to confirmation of the exact date by the Chairman.
ANNEX/ANNEXE

List of Representatives - Liste des Représentants

Acting Chairman: Mr. J.H. Kraus

AUSTRALIA
Belgium
Canada
Denmark
France
Germany, FED. REP. OF
Japan
Netherlands
New Zealand
Suisse
United Kingdom of Great Britain and Northern Ireland
Commission of the Communities Européennes

Observing/Observateurs

Austria
United States of America
Hungary