GENERAL AGREEMENT ON TARIFFS AND TRADE

Protocol Relating to Milk Fat

MANAGEMENT COMMITTEE TO THE PROTOCOL

Minutes of the Seventh Meeting
Held on 10 December 1974

Introduction

1. The Management Committee to the Protocol held its seventh meeting on

Adoption of agenda

2. The Committee adopted the following agenda:

1. Adoption of agenda
2. Adoption of the minutes of the sixth meeting (MCMF/6)
3. Information required by the Committee under Article IV or other articles
   of the Protocol
4. Review of the market situation
5. Other business

Adoption of the minutes of the twenty-first meeting

3. The Committee adopted the minutes MCMF/6.

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

4. The Committee urged members who had not yet supplied data for the third quarter
   of 1974 to do so soon.
Review of the market situation

5. The Committee had before it a table, brought up to date in response to a request made by some members of the Committee at its previous meeting, showing prices of the main fats that compete or could compete with milk fat (MCMF/6/Add.1).

6. The representative of the EEC, commenting on the table, said that prices of vegetable fats that compete with milk fat remained very high and added that some prices in September 1974 were almost double those for the same month a year earlier. Consumption of butter in the Community was satisfactory and had even slightly increased. Prices of margarine had increased due to higher raw materials costs. In the past, the price of margarine had been one third of that of butter whereas now the ratio was two thirds. In comparing butter and margarine prices another element which should be taken into account was that all foodstuff prices had increased and there was a decrease in consumer purchasing power. The Commission had proposed to the Council to increase the intervention price of butter for 1975/76 in two stages. If accepted by the Council, this increase would bring the intervention price for butter from its present level of 183.58 u.a. to 194.63 u.a. from 1 February 1975 and to 207.20 u.a. per 100 kgs. from 1 September 1975. Stocks of butter in the Community totalled 202,000 tons at 26 November 1974, of which 72,000 tons were public and 130,000 tons were private stocks.

7. The representative of Australia said that the market for milk fat was fairly firm with demand still evident even though Australian supplies were already fully committed. The Australian butteroil production in the 1974/75 season would reach 34,000 tons, some 6,000 tons down on earlier estimates. Domestic consumption was likely to be 14,000 tons, leaving some 20,000 tons available for export. Ghee production for export would amount to 4,000 tons. At present, buyers of milk fat were tending to run down their inventories. It was estimated that butter production in the 1974/75 season would decline to 152,000 tons as opposed to 175,000 tons in the preceding season. Consequently, the market situation was likely to be very tight with small opening stocks being reduced to minimum levels by the end of the 1974/75 season. All butter, including butteroil, available for export had already been committed. Consequently, stocks of butteroil and ghee were likely to close on a very tight note in 1974/75.

8. The representative of New Zealand said that the market for milk fat remained firm. It was expected that purchases for export of all fats, butter and milk fat, in 1974/75 would amount to some 195,000 tons, slightly higher than in the preceding season.

Other business

9. The Committee agreed to hold its next regular meeting on 11 March 1975, 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. McGregor
BELGIUM  Mr. Hooyberghs
CANADA  Mr. I.W. McLean
DENMARK  Mr. E. Olsen
FRANCE  M. Colombel
GERMANY, FED. REP. OF  Mr. D. Belde
JAPAN  Mr. T. Manabe
NETHERLANDS  Mr. M Hoogesteger
            Mr. W. Weisglas
NEW ZEALAND  Mr. W. Falconer
SUISSE  M. H. Buchmann
            M. F. Rammelmeyer
UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND  Mr. W. Redfern
COMMUNAUTES EUROPÉENNES
COMMISSION  M. A. Barsuglia

OBSERVERS/OBSERVATEURS

AUSTRIA  Mr. V. Segalla
HUNGARY  M. A. Hadi
SPAIN  Mr. A. Iranzo Comas
UNITED STATES OF AMERICA  Mr. E. Koenig