

International Dairy Arrangement

COMMITTEE OF THE PROTOCOL REGARDING CERTAIN CHEESES

NINTH SESSION

Draft Report

Introduction

1. The Committee of the Protocol Regarding Certain Cheeses held its ninth session on 30 and 31 March 1982.

Adoption of the agenda

2. The Committee adopted the following agenda:
 1. Election of the Chairman and Vice-Chairman
 2. Adoption of the report on the eighth session
 3. Information required by the Committee:
 - (a) Replies to Questionnaire 3
 - (b) Summary tables
 - (c) Other information
 4. Information on food aid
 5. Review of the market situation for products covered by the Protocol
 6. Other business.

Election of the Chairman and Vice-Chairman

3. The Committee entrusted the chairmanship to the secretariat (Mrs. Francine Hubert); it did not elect a Vice-Chairman.

Adoption of the report on the eighth session

4. The Committee adopted the report on its eighth session, which will be circulated as document DPC/C/12.

Information required by the Committee

(a) Replies to Questionnaire 3

5. The Committee reviewed the replies to Questionnaire 3 communicated for the fourth quarter of 1981. In addition, it was pointed out that the replies to Questionnaire 3 relating to the first quarter of 1982 should reach the secretariat not later than 15 June 1982.

(b) Summary tables

6. The Committee had before it a document containing revised summary tables (DPC/C/W/1/Rev.8) prepared under Rule 28 of the Rules of Procedure and covering the information furnished in Table A of Questionnaire 3 regarding cheeses. Regarding the percentages shown in those tables, it was pointed out that in certain cases the data furnished by participants had been rounded off to the nearest thousand metric tons and as a result the percentages could be distorted. Document DPC/C/W/1/Rev.8 also contained a table showing cheese exports by destination (years 1979 and 1980), as had been proposed at the preceding session. The Committee had considered that more time was needed to examine the tables which could be included in the status report and had decided to revert to the matter at the current session. Reference was made to the difficulties encountered in preparing tables showing exports by region, in particular the fact that the data furnished by certain participants mentioned only one or two countries of destination or gave only a breakdown by regions. In cases where the figures were only limited, it would be desirable for participants to furnish at least two meaningful figures, so that the percentages calculated would not be distorted by rounding-off, and for the data in the tables by destination to be more detailed. The Committee agreed that the tables showing exports by destination would be kept up to date and included in the status report. The Committee took note of document DPC/C/W/1/Rev.8.

(c) Other information

7. No other information was requested.

Information on food aid

8. It was noted that when the information set forth in the secretariat note (DPC/W/21) had been examined in the Committee of the Protocol Regarding Certain Milk Powders, some participants had furnished additional information regarding their food aid deliveries in the form of cheese.

Review of the market situation for products covered by the Protocol

9. The representative of the EEC said that production and consumption of cheese in 1982 were expected to be about 2.2 per cent and 1.4 per cent respectively above the preceding year's level. The growth rate of

cheese consumption seemed to be slowing down. At the end of the first quarter of 1982, cheese stocks had been in the region of 44,000 tons. As regards the market trend, his delegation expected international trade in 1982 to continue at the 1981 level, though perhaps with a slight slow-down.

10. The representative of Argentina said that cheese imports had increased slightly in 1981 while exports had dropped back considerably in relation to 1980.

11. The representative of Australia said that production and exports of cheese in the six-month period July to December 1981 had reached 78,078 tons and 22,541 tons respectively. Exports of cheese had been assisted by a recent depreciation of the Australian dollar against the US dollar. He stressed that the Australian dairy industry was concerned over the increasing levels of cheese stocks in the United States.

12. The representative of Austria said that production, consumption and exports of cheese had increased by respectively 6.4 per cent, 2 per cent and 4.6 per cent in 1981 in relation to 1980. Imports had continued at their 1980 level, while stocks had risen slightly between the beginning and end of 1981.

13. The representative of Bulgaria said that following an increase in production of ewe's milk, cheese output had risen considerably (by about 52 per cent) in 1981 in relation to 1980. Exports had also expanded, the main destinations being certain countries of the Middle East and the EEC. Export prices for cottage cheese made from ewe's milk had remained stable in 1981. It was estimated that cheese production in 1982 would continue at the preceding year's level.

14. The representative of Hungary said that in 1981 production and consumption of cheese had increased substantially, while exports had dropped back slightly. There had been no variation in stocks between the beginning and the end of 1981. The increase in production and consumption was expected to continue in 1982, though possibly at a slower rate. Exports could continue in 1982 at the same level as in 1981.

15. The representative of Japan said that cheese production, consumption and imports had been down in 1981 from the preceding year's level.

16. The representative of New Zealand estimated that cheese production would increase in the current 1981/82 season as compared with the preceding season. With regard to cheese consumption, he pointed out that although the rate of growth had slowed down in recent years, cheese continued to be the growth product on the domestic market. In 1980/81 nearly 27,000 tons of cheese had

been sold on the domestic market. While Cheddar was still the most popular variety of cheese sold on the domestic market, the demand for some of the non-traditional varieties of cheese (such as Camembert, Edam, Gouda) was showing signs of growth. International prices continued to firm, reflecting the generally tight supply situation and the fact that the improvement in cheese export prices during 1980 and 1981 had been behind the level achieved for other dairy products. New Zealand export returns for cheese were now well up on levels achieved last season, and a further improvement was expected. The current New Zealand Cheddar cheese price was around US\$1,750 per metric ton f.a.s.

17. The representative of Romania estimated that cheese production in 1981 had been slightly below the preceding year's level. Exports had dropped back substantially while imports had risen sharply in 1981 in relation to 1980.

18. The representative of South Africa said that cheese production had increased in the fourth quarter of 1981. Consumption also had increased in the same period due to a stronger demand in anticipation of a price increase which had materialized in November 1981. During 1981, production and consumption of cheese had been higher by 12 per cent and 8 per cent over 1980 respectively. It was estimated that both production and consumption had decreased slightly in the first quarter of 1982. However, it was expected that cheese consumption would continue to increase for the year 1982.

19. The representative of Finland said that production of cheese had dropped in 1981 as a result of the decrease in milk deliveries to dairies. In 1981, per capita cheese consumption had increased by 5.6 per cent to 7.6 kg. This increase corresponded to the yearly average increase in the second half of the seventies. The uptrend in consumption was expected to continue. Exports of cheese had dropped in 1981 as a result of developments in the production and consumption situation. Exports in 1982 were forecast to continue at the same level as in 1981, i.e. around 38,000 tons.

20. The representative of Norway said that cheese production had remained stable in 1981. Domestic consumption had continued to develop, but more slowly than in recent years. Exports had increased in 1981 because of additional deliveries to Poland which was not a traditional market, while exports to other destinations had remained stable. That stability was expected to continue in 1982.

21. The representative of Sweden said that production of cheese had continued to increase amounting to 108,400 tons in 1981 compared to 100,600 tons in 1980. The internal demand for cheese had continued to increase but at a lower rate in 1981. Exports had remained at the same level as in 1980 while imports had increased sharply in 1981.

22. The representative of Switzerland said that cheese production in 1981 had been slightly above the previous year's level. Output was forecast as increasing slightly in 1982 because of an expected increase in milk output. Imports had remained stable in 1981 and were likely to continue so in 1982. Exports had increased slightly in 1981 and the trend was expected to continue in 1982. Consumption was currently declining somewhat but was expected to rally and to show an increase by about 2 per cent in 1982. Stocks of the principal cheese varieties had been at the level of 15,300 tons at the end of December 1981 and 17,800 tons at the end of February 1982.

23. The representative of the United States estimated that production of cheese would increase in 1982. Stocks of cheese held by the Commodity Credit Corporation had increased in the course of 1981 and had continued to develop in early 1982 to a level of 581 million lb. (approximately 263,500 tons) at 1 March 1982. He informed the Committee that in order to dispose of these stocks, a pilot programme had been undertaken for the distribution of about 100,000 tons of cheese for welfare purposes. Depending upon its success, this programme might be continued. He added that other possible means of disposing of surplus stocks were under consideration. However, no decision had yet been taken.

24. The representative of the EEC underlined that the high level of United States stocks was causing considerable concern. In addition, information on the current level of those stocks was inadequate. He asked the United States representative for information as to any action envisaged in the area of stock disposal.

25. The representative of Uruguay said that production, exports and imports of cheese had been up in 1981 from the preceding year's level. Per capita consumption had increased slightly to 5 kg. in 1981.

26. The observer of Canada said that the production of Cheddar cheese declined by 7 per cent in 1981. Domestic disappearance of Cheddar increased only by 0.51 per cent in 1981. This slight increase was substantially below the trend in disappearance for Cheddar cheese. Stocks were increasing. Production of whole milk cheese other than Cheddar had been up 6.2 per cent while disappearance increased by 6.1 per cent in 1981 as compared to 1980. Stocks were also building but not to the same degree as in the Cheddar market.

27. The Committee decided to give special attention at its next session to the question of trends in cheese consumption. To facilitate the discussion, the secretariat would include in the summary tables a table showing cheese consumption in the countries or group of countries replying to the questionnaire. The discussion could include inter alia an examination of the breakdown of consumption by cheese varieties.

Other business

Report to the Council

28. The Committee agreed that an oral report would be made to the Council on the discussion at the current session.

Date of next session

29. Under the preliminary calendar, the Committees were to hold their next sessions from 21 to 23 June 1982. It has been decided that the Committees will hold their tenth sessions consecutively on 21 and 22 June and, if necessary, 23 June 1982, subject to confirmation by the secretariat. The session of the Protocol Regarding Certain Cheeses will take place on 21 June 1982, followed by the session of the Protocol Regarding Milk Fat and then the session of the Protocol Regarding Certain Milk Powders.

ANNEX/ANNEXE/ANEXO

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LISTA DE REPRESENTANTES

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Primer Secretario (Asuntos Comerciales),
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Representative

Mr. Ross Petersen
Second Secretary (Commercial),
Permanent Mission to the Office of
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Representative

Mr. Walter Kucera
Federal Economic Chamber

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M. D. Dimitrov
Premier Secrétaire,
Mission permanente auprès de l'Office
des Nations Unies à Genève

Secretary: Mr. L. Apalaci, CWR, Tel. Ext. 2125
Conference Officer: Miss S. Niklaus, CWR, Tel. Ext. 2350

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de l'agriculture et des forêts

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de l'agriculture et des forêts

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Ministère de l'économie et des finances

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Permanent Mission to the Office of
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Ministère de l'agriculture

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GRANDE-BRETAGNE
ET DE L'IRLANDE
DU NORD

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Senior Executive Officer,
Ministry of Agriculture, Fisheries
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Permanent Mission to the Office of
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Ministry of Foreign Trade

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Permanent Mission to the Office of
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Mr. S. Kishi
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Ministry of Agriculture, Forestry
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Permanent Mission to the Office of
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Ministry of Agriculture

Ms. I. Magistad
Secretary of Embassy,
Permanent Mission to the Office of the
United Nations at Geneva

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Représentant résident auprès du GATT

M. G. Dumitru
Conseiller,
Ministère de l'agriculture et de
l'industrie alimentaire

Mme A. Motiu
Conseiller,
"PRODEXPORT" - Entreprise de commerce
extérieur

SOUTH AFRICA

Representatives

Mr. J.B. du Plooy
First Secretary (Economic),
Permanent Mission to the Office of
the United Nations at Geneva

Mr. R.M. Gravelet-Blondin
Attaché (Agricultural Economics),
Mission to the European Communities
in Brussels

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M. Michel Besson
Chef de Section,
Office fédéral des affaires économiques
extérieures

M. G.A. Stünzi
Adjoint scientifique,
Office fédéral des affaires économiques
extérieures

M. Werner Mahrer
Adjoint scientifique,
Office fédéral des affaires économiques
extérieures

SWEDEN

Representatives

Mr. Nils Ågren
Head of Section,
National Agricultural Marketing Board

Ms. Eidi Genfors
Head of Section,
National Agricultural Marketing Board

UNITED STATES

Representative

Mr. Anthony Cruit
Agricultural Counsellor,
Office of the Trade Representative
at Geneva

URUGUAY

Representantes

Sr. Manuel Olarreaga
Ministro Consejero (Asuntos Económicos),
Misión Permanente ante la Oficina
de las Naciones Unidas en Ginebra

Sr. Alvaro Moerzinger
Primer Secretario,
Misión Permanente ante la Oficina
de las Naciones Unidas en Ginebra

OBSERVERS/OBSERVATEURS/OBSERVADORES

CANADA

Representative

Mr. G. Birks
Economist,
Commodity Markets Analysis Division

Mr. Philip Douglas
First Secretary,
Permanent Mission to the Office of
the United Nations at Geneva

TURQUIE

Représentant

M. Orhan Sağcı
Conseiller, financier et économique,
Mission permanente auprès de l'Office
des Nations Unies à Genève