

**GENERAL AGREEMENT ON
TARIFFS AND TRADE**

RESTRICTED
DPC/PTL/16
12 December 1990
Special Distribution

International Dairy Arrangement

COMMITTEE OF THE PROTOCOL REGARDING MILK FAT

Derogation Pursuant to Article 7:1

Decision of 12 December 1990

At its meeting on 10, 11 and 12 December 1990, the Committee of the Protocol Regarding Milk Fat examined developments on the international butter market and in particular the situation with respect to imports into the USSR. It noted that economic changes in that country were disrupting the established channels for food procurement and distribution and that an emergency situation had developed with an urgent requirement for imports of food, including butter, on special terms.

In light of the situation and the facts presented to the Committee by a number of participants, the Committee, acting in conformity with Article 7:1 of the Protocol, decided as an exceptional arrangement that:

- (i) the provisions of Article 3 with respect to the minimum export price for butter shall not apply to exports to the USSR up to a maximum quantity of 200,000 metric tons per participant, for butter exclusively for consumption in that country, covered by sales contracts concluded before 15 January 1991; provided that
- (ii) deliveries of butter to the USSR under such contracts are completed by 30 September 1991, and provided that if any participant is unable to complete scheduled deliveries by this date because of the inability of the USSR to take receipt of the deliveries, the scheduled uncompleted deliveries may be completed during the period 1 October-31 December 1991.

The Committee determined that information on butter supplied to the USSR in terms of this Decision be supplied to the Committee through the secretariat within ten days of contractual commitments being made. This information should include, in particular, quantities and scheduled delivery periods.

In the event a member has concerns that sales of butter under this derogation are not being consumed within the USSR and that they may be disrupting other normal commercial transactions, a special session shall be convened to consider the situation. Among the options for resolving the problem could be suspension of the derogation and remaining shipments contracted thereunder.