

**GENERAL AGREEMENT
ON TARIFFS AND TRADE**

RESTRICTED
DPC/PTL/40
3 May 1994
Special Distribution

(94-0810)

International Dairy Arrangement

COMMITTEE OF THE PROTOCOL REGARDING MILK FAT

Decision to Suspend Minimum Prices

3 May 1994

1. At a special meeting on 2-3 May 1994, the Committee of the Protocol Regarding Milk Fat reviewed the level of minimum prices established in Article 3:2(b) of that Protocol, pursuant to the provisions of Article 3:3(b).
2. The Committee noted the continuing structural imbalance facing the world market for butterfats. The Committee recalled its recent Decisions to grant a derogation from the minimum price obligations for sales to the former Soviet Union area in light of the lack of opportunities for sales at prices above the minimum price levels to that important market. It also recognized the need to find long-term solutions.
3. The Committee noted the differing analyses of the market situation by participants and the difficulties of reaching agreement on an appropriate level of minimum prices in the current market situation.
4. In light of these considerations, the Committee decided to suspend the minimum prices for butter and anhydrous milk fat contained in Article 3:2(b) of the Protocol for a period of 12 months. This Decision will take effect at noon on 4 May 1994.
5. The Committee noted that it could decide to terminate the suspension at any time, should the market situation giving rise to the suspension significantly change.
6. The Committee agreed to keep the level of world market prices under regular review based on analyses of prices by the Secretariat, and at least one month before the expiry of this Decision, to review the level of minimum prices. For these purposes participants agreed, for the duration of the suspension, to provide to the Secretariat, every two months, the most recent information available to them on their export sales (quantities, destination and prices (US\$, f.o.b.)) of butter and anhydrous milk fat.