

GENERAL AGREEMENT ON TARIFFS AND TRADE

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International Dairy Arrangement

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Committee of the Protocol Regarding Certain
Milk Powders

Committee of the Protocol Regarding Milk Fat

Committee of the Protocol Regarding Certain Cheeses

Proposed Assessment of Government Programmes
Undertaken to Expand Domestic Consumption in Dairy Products

The following communication, dated 30 August 1982, has been received from the New Zealand Permanent Mission.

A. Summary of discussion at June 1982 meeting of Protocol Committees

1. Under the provisions of Article III(3) of the Arrangement whereby participants provide information on domestic policies, New Zealand proposed that an assessment be made of measures undertaken by member governments to expand domestic consumption of dairy products, especially in the major consuming markets. It was suggested that the aim should be to pool information, assess and compare experience with such programmes in greater depth than has been achieved hitherto, either within the Protocol Committees discussions or through the existing replies to Questionnaire 5.
2. In order to obtain the basic information required for such a study, it was proposed that participating governments describe the major measures they have used to expand consumption, giving data on the scale, cost, and effectiveness of each programme. It was also proposed that this basic data be considered and assessed by a group of experienced experts, meeting informally, immediately after or before future Protocol Committees meetings.
3. Participants expressed interest in the New Zealand suggestion but it was agreed that it would be useful for the secretariat to bring together the existing information supplied to date in the replies to Questionnaire 5, relating in the first instance to butter and skim milk powder. It was also agreed that New Zealand put its proposal in writing for circulation by the secretariat to members, so that it could be fully discussed at the next meeting of the Protocol Committees in September 1982.
4. Rather than repeat the aims of the proposed study, which were outlined at the June meeting of the Protocol Committees, the following is a suggested procedure and time sequence that could be employed in order to carry out the study successfully.

B. Suggested procedure for the study

Step I

As already agreed by participants, the secretariat is to summarize the information already supplied through Questionnaire 5 on measures taken to expand the domestic consumption of butter and skim milk powder, for review and comment at the next meeting of the Protocol Committees in September 1982.

Step II

At the forthcoming September meeting, New Zealand will propose that the Protocol Committees agree to the establishment of a small working group of experts, who wish to participate. This group could then meet at the time of the meeting of the Protocol Committees in December 1982 in order to:

- (a) Review the summary of information already supplied by the secretariat on trends in consumption, and under Section (B) of Questionnaire 5.
- (b) Draw up a specific questionnaire requesting participants who wish to supply further information on trends in consumption needed, and to list the major official programmes designed to stimulate consumption of butter and skim milk powder and other dairy products listed in Article II of the Arrangement as may be decided providing basic data on each programme (see Attachment I), replying to the secretariat (well) before the next Council meeting in March 1983.

It will be proposed that the secretariat circulate this information (one month before the March 1983 Council meeting).

Step III

The group of experts could then meet immediately before the March 1983 formal International Dairy Arrangement meetings to assess this information, and then make an oral report on its preliminary views, followed by a full report of its findings to the June 1983 meetings of the Protocol Committees.

Step IV

At the June 1983 meetings, in addition to presenting its full report, it is suggested that the group of experts recommend any modifications to Section B of Questionnaire 5 that they consider would improve the quality of the information provided.

Step V

Participants, at subsequent International Dairy Arrangement meetings, could then revise Section B as necessary, and review Section A (Production) as to its adequacy, the aim being to progressively improve Questionnaire 5, in order to achieve a fuller assessment of domestic policies, which it is suggested should be undertaken at least once a year. It is suggested that this annual review should be made at the March meetings of the Protocol Committees and the International Dairy Products Council, commencing in March 1984.

ATTACHMENT I

Suggested basic data required

As an indicative guide for consideration by the group of experts it is suggested by New Zealand that the information collected from participating countries could include the following basic data:

- (a) National data on total production, consumption, and stocks.
- (b) Proportion of total consumption directly supported through government programmes.
- (c) A listing of all government programmes to promote and support consumption of butter and skim milk powder, and other dairy products listed in Article II of the Arrangement, as may be decided, giving the following information for each:
 - (i) Classification of programme as to its aims and type, e.g. price reduction for direct consumption, welfare, military, industrial and animal feed use;
 - (ii) Method of implementation, e.g. direct disposal through government agency, subsidy to end user etc.;
 - (iii) Budgetary allocation;
 - (iv) Amount of product(s) involved;
 - (v) Proportion of total market (and markets) involved;
 - (vi) Effect on stock levels;
 - (vii) Commentary on relative success and problems of programmes.