

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Limited Distribution

INTERNATIONAL DAIRY PRODUCTS COUNCIL REPORT TO THE CONTRACTING PARTIES

1. The International Dairy Arrangement, which has been in force since 1 January 1980, has at present eighteen participants (Argentina, Australia, Austria, Bulgaria, Egypt, European Economic Community (and its member States), Finland, Hungary, Japan, New Zealand, Norway, Poland, Romania, South Africa, Sweden, Switzerland, United States and Uruguay). Several countries and international organizations are represented by observers at Council sessions under its Rules of Procedure.
2. The International Dairy Products Council elected for 1982 Mr. C.G. O'Hanlon (Australia) as Chairman and Mr. L. Paunescu (Romania) as Vice-Chairman. The chairmanship of the three Committees with responsibility for implementing the Protocol Regarding Certain Milk Powders, the Protocol Regarding Milk Fat and the Protocol Regarding Certain Cheeses has been entrusted to the secretariat (Mrs. F. Hubert).
3. The International Dairy Products Council held two sessions in 1982 - on 1 April and 30 September. At those two sessions, under its terms of reference as laid down by the Arrangement, the Council reviewed the functioning of the Arrangement and made an evaluation of the situation in and outlook for the world market for dairy products.
4. At its September session, the Council attached particular importance to the review of the functioning of the Arrangement because, at the end of 1982, the International Dairy Arrangement will have been in force for three years, i.e. the period on the basis of which the Arrangement operates. The functioning of the Arrangement was found to have been satisfactory during this first period of its operation; mention was made of its contribution to better knowledge of the market and to the strengthening of international co-operation, as well as of the importance of the dynamic nature of its operation.
5. For its evaluation of the situation in and outlook for the world market for dairy products, the Council had before it a status report prepared by the secretariat using documentation furnished by the participating governments in reply to questionnaires, and a note on food aid operations. The Council noted concerns expressed regarding the market situation, in particular in respect of certain products such as skimmed milk powder. Emphasis was laid on the importance of co-operation and on the need for a responsible attitude by participants in order to maintain international market stability.

6. The status report on the world market for dairy products, revised by the secretariat in the light of data and amendments communicated and comments made by participants at the 30 September session, has been made available for unrestricted distribution.
7. At its April session, the Council discussed its possible contribution to the Ministerial meeting. In this relation, the Chairman submitted to the Chairman of the Preparatory Committee a note, under his own responsibility, along the lines indicated during the discussion (DPC/6).
8. The dates of the next session of the Council, as well as the 1983 sessions, will be determined in consultation with the participants.
9. Since the 1981 report to the CONTRACTING PARTIES (L/5226), each of the three Committees responsible for administration of the Protocols has met four times (in December 1981 and in March, June and September 1982). In accordance with their terms of reference as laid down by the Arrangement, the Committees, at each of their sessions, reviewed the market situation for the products covered by the Protocol they administer. At their September sessions, they also examined the level of minimum prices for the products covered by the Protocols. The prices fixed as from 1 October 1981 were not changed. These minimum prices are fixed for pilot products defined in the Arrangement, taking account of a number of factors, including the current market situation; they are not to be considered as market prices.
10. The Committees agreed to give particular attention to the measures taken to promote domestic consumption of dairy products. They will hold a special meeting for that purpose in conjunction with their next sessions which, subject to confirmation, will be held on 15, 16 and 17 December 1982.
11. As agreed by the Council, the above report has been prepared and is presented by the Chairman of the Council under his own responsibility.