

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Special Distribution

International Dairy Arrangement

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PROTOCOL REGARDING CERTAIN MILK POWDERS

Communication from the Permanent Mission of South Africa

The following communication, dated 19 March 1984, has been received from the Permanent Mission of South Africa.

1. In terms of Article 3:5 of the International Dairy Arrangement Protocol Regarding Certain Milk Powders, South Africa gives notice of a sale of a limited quantity of skimmed milk powder for the purposes of animal feed at prices below the minimum price.
2. During December 1983, South Africa sold 400 tonnes of skimmed milk powder to Japan at c.i.f. price of US\$634 per tonne. The f.o.b. value was US\$589 per tonne. This powder was shipped during January 1984.
3. The milk powder was part of a batch of low-quality powder manufactured by a new factory more than twelve months prior to shipment. At the time of shipment, this powder was deemed unfit for human consumption by the South African authorities for reasons of its age as well as the bacterial count present in the powder.
4. The powder was sold to an established Japanese trading house (Toshoku) which is well known for its responsible dealing in milk powder for animal feed. South Africa does not, as a rule, denature milk powder for animal feed purposes and thus does not have a specified list of denaturing measures. Strict control is, however, exercised over the quality of milk powder exported for animal feed, such as in the recent sale of skimmed milk powder to Japan. This control responsibility lies with the Animal and Dairy Research Institute which is authorized to issue a certificate regarding the quality of the milk powder. The Animal and Dairy Research Institute is an official specialized research organ. of the Department of Agriculture of South Africa.
5. Notification is also given of South Africa's intention to dispose of a further 120 tonnes of skimmed milk powder under the derogation provided for in Article 3:5 of the Protocol. This amount constitutes an additional part of the batch of low-quality powder referred to above. The Committee will be informed regarding the details of the sale at the first meeting of the Committee following the transaction.