

GENERAL AGREEMENT ON  
TARIFFS AND TRADE

RESTRICTED

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Special Distribution

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International Dairy Arrangement

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PROTOCOL REGARDING MILK FAT

Communication from the Permanent Delegation of the  
Commission of the European Communities

The following communication, dated 30 July 1984, has been received from the Permanent Delegation of the Commission of the European Communities.

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Subject: Special sales of intervention butter for export

On 24 July last, the Commission announced a series of additional measures to facilitate disposal of dairy products, in particular butter.

The Commission of the European Communities has just adopted two regulations concerning:

- (1) the special sale of intervention butter for export to certain destinations;
- (2) the sale at a fixed price of butter intended for export in the form of ghee.

In order to avoid any misunderstanding as to the content and scope of these measures on the part of countries participating in the International Dairy Arrangement, it would seem appropriate that you should inform delegations to the Committee of the Protocol Regarding Milk Fat of the following details in respect of these two measures.

- (1) The first regulation concerns the sale of intervention butter not less than six months old (on date of signature of the contract) subject to the following conditions.

The butter is exported exclusively to one of the following destinations: Egypt, Saudi Arabia, Oman, United Arab Emirates, Bahrain, Qatar, Kuwait, Syria, Lebanon, Israel, Iran, Iraq, Jordan, North Yemen, South Yemen and USSR.

The butter is sold, ex refrigerated warehouse, at a price equal to the intervention price (ECU 319.70/100 kg.) less ECU 33/100 kg.

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Taking into account various costs (transfer to f.o.b., administrative and financial costs, operators' margin, inter alia) and the current rate of exchange of the United States dollar, the net export price should be at the level of US\$1,300/metric ton f.o.b., i.e. above the level of the minimum price agreed in the context of the Protocol Regarding Milk Fat.

The packaging of intervention butter thus sold must be marked so as clearly to differentiate it from packaging of butter marketed normally.

The above provisions are applicable as from 3 September 1984.

2. With respect to sales of butter for export in the form of ghee the provisions are equivalent to the foregoing, with the following differences.

The butter must be at least fifteen months old. Compulsory destinations are the same, with the exception of the USSR.

For this measure, the butter is sold, ex refrigerated warehouse, at a price equal to the intervention price less ECU 40/100 kg. The butter must be transformed into ghee with a fat content of not less than 99.5 per cent, with the addition of an immediate tracer and denatured by means of triglycerides or stigmaterol. The product must be put up in closed airtight metal containers of a net weight not exceeding 2.5 kg.

Taking into account the costs of collection from the various warehouses, costs of manufacturing, denaturing, packaging etc., the net export price should be at the level of US\$1,530/metric ton f.o.b., i.e. a price above the level of the agreed minimum price.

The butter is to be delivered by intervention centres in packages bearing indications recording processing into "pure butter ghee".

These measures are likewise applicable as from 3 September 1984.

The representatives of the missions and embassies at Brussels of the principal countries concerned have been kept informed of these measures in detail.