

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

DPC/P/42  
23 June 1986

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International Dairy Arrangement

COMMITTEE OF THE PROTOCOL REGARDING CERTAIN MILK POWDERS

Report to the International Dairy Products Council

1. In pursuance of Article VII:2(a) of the Arrangement and Rule 22 of the Rules of Procedure, the Committee adopted the present report on its twenty-sixth session.
2. The Committee held its twenty-sixth session on 16 and 17 June 1986.
3. The Committee adopted the agenda proposed in airgram GATT/AIR/2284 and adopted the report on its twenty-fifth session (DPC/P/41).
4. The Committee reviewed the replies to the questionnaire and requested members which had not yet communicated information for the first quarter of 1986 to do so without delay. The Committee took note of the summary tables prepared by the secretariat.
5. An exchange of information and views took place in the Committee regarding the market situation for products covered by the Protocol. Among the salient points characterizing the market situation, the Committee noted that during the second quarter, prices of skimmed milk powder had fluctuated between US\$ 650 and US\$ 740 per ton f.o.b. and prices of whole milk powder had ranged between US\$ 900 and US\$ 1,050 per ton f.o.b. Concern was expressed at the recent increase in the level of stocks of skimmed milk powder. It was recalled that the EC had early in 1986 changed their procedures for fixing export refunds for dairy products and that this represented an element of uncertainty for the market. This point of view was however not shared by the Community representative who stressed that the Community would continue to observe the provisions of the Arrangement, that prices for milk powders were well above the minimum prices and that there were other elements which had tended to keep prices down.
6. The next sessions of the Committees will be held consecutively on 22 and 23 September 1986, subject to confirmation by the secretariat.