

GENERAL AGREEMENT ON TARIFFS AND TRADE

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Group on Dairy Products

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NEW ZEALAND SUGGESTIONS FOR MEETING OF DAIRY GROUP BEGINNING ON 20 JUNE 1966

1. In view of the particular problems of international trade in dairy products and taking into account the stage so far reached in the trade negotiations as a whole, New Zealand attaches special importance to the work of the Dairy Group at its next meeting.
2. It will be recalled that TN.64/DP/5 provided for the Group to meet after information had been supplied by countries "to consider in what respects the information could usefully be added to in anticipation of future negotiations" and "then consider on the basis of these data what technical studies, if any, it could usefully carry out in preparation for the future negotiations".
3. In the New Zealand view, it is essential that any such technical work undertaken by the Group should be related to the original objective established by Ministers in 1963, namely to achieve "acceptable conditions of access to world markets for agricultural products in furtherance of a significant development and expansion of world trade in such products". New Zealand has expressed its readiness to explore the methods whereby this objective might be achieved through the negotiation of a general arrangement covering dairy products and on 16 September 1965 tabled a paper containing certain proposals.
4. The limited time now left for the elaboration and negotiation of a general arrangement in line with the ministerial objective has become a critical factor and it is, therefore, important that the Group embark on technical discussions as soon as possible. With this in mind New Zealand proposes at the next meeting of the Group to present and explain the paper tabled last year and hopes that participating countries will be in a position to enter into meaningful discussion on the proposals. New Zealand looks to the co-operation of all participants in the Dairy Group to ensure that the work of the next meeting progresses in a constructive and methodical way and has the following suggestions to make on how the Group could proceed:

- (a) consider the information provided by individual countries;
- (b) draw general conclusions on the nature and extent of the problems of international trade in dairy products - both now and as likely to arise in the future on the basis of present indications;
- (c) explanation and discussion of proposals in New Zealand dairy paper with reference to conclusions arrived at under (b);
- (d) listing of topics which need to be discussed in working towards general arrangement;
- (e) discussion of any of these topics which can be considered as falling within "technical" mandate of the June meeting.

5. Although it is recognized that at the next meeting delegations may not be in a position to finalize the list envisaged under (d) above, such an exercise will in the New Zealand view have to be undertaken in order to provide the guidelines for future work. Certain specific points which New Zealand considers might usefully be incorporated in a preliminary listing are set out in the attachment to this paper. These are submitted by way of illustration in order to advance the discussions of the Group under this heading.

ANNEX

Draft List of Topics

- (i) Objectives of a general arrangement
- (ii) Product coverage
- (iii) Feasibility of a standstill (and any other arrangements which may be suggested by participating countries) on export subsidies, e.g. in relation to existing legislation, national policies and trade practices
- (iv) The definition of the "domestic price" to be taken for any export subsidy arrangement
- (v) Determination of variation in export subsidies in different markets
- (vi) Base date for standstill arrangement
- (vii) Measures to stimulate dairy consumption
- (viii) Forms in which dairy products could be disposed of non-commercially (e.g. New Zealand's new product, cheese biscuits)
- (ix) Terms and conditions for obtaining and disposing of surpluses
- (x) Alternative methods of financing a surplus disposal programme
- (xi) Relationship of any scheme with existing surplus disposal operations
- (xii) Type of machinery to supervise a surplus disposal programme