

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(79) 514 final/ANNEX I

Brussels, 10th October 1979

GATT MULTILATERAL TRADE NEGOTIATIONS

(Communication from the Commission to the Council)

FINAL REPORT ON THE GATT MULTILATERAL TRADE NEGOTIATIONS
IN GENEVA (TOKYO ROUND) AND PROPOSAL FOR COUNCIL DECISION

ANNEX I

ANNEX 1 to COM(79) 514 final

Summary

1. Documents relating to the Tariff Negotiations

(Part III, Section 1 of Report)

- Text of Geneva (1979) Protocol to the General Agreement on Tariffs and Trade
- Note relating to the Geneva (1979) Protocol
- Certain exchanges of letters relating to tariff negotiations (letters A.8, A.12, A.13) *

2. Documents relating to the negotiations on Agriculture

(Part III, Section 2 of Report)

- Text of Arrangement regarding Bovine Meat (GLI/269)
- Text of International Dairy Arrangement (MTN/DP/8 Annex A + B, amended by MTN/DP/W/49)
- Text of Recommendation relating to Multilateral Agricultural Framework (MTN/27)
- Certain exchanges of letters relating to agriculture (letters B.1 - B.20) *

* These references are to the list of letters set out in Part II of report, pages 30-34

THE CONTRACTING PARTIES TO THE
GENERAL AGREEMENT ON TARIFFS AND TRADE

LES PARTIES CONTRACTANTES A L'ACCORD GENERAL
SUR LES TARIFS DOUANIERS ET LE COMMERCE

GENEVA (1979) PROTOCOL
TO THE GENERAL AGREEMENT ON TARIFFS AND TRADE

PROTOCOLE DE GENEVE (1979) ANNEXE A
L'ACCORD GENERAL SUR LES TARIFS DOUANIERS ET LE COMMERCE

30 June 1979
Geneva

GENEVA (1979) PROTOCOL
TO THE GENERAL AGREEMENT ON TARIFFS AND TRADE

The contracting parties to the General Agreement on Tariffs and Trade and the European Economic Community which participated in the Multilateral Trade Negotiations 1973-79 (hereinafter referred to as "participants"),

HAVING carried out negotiations pursuant to Article XXVIII bis, Article XXXIII and other relevant provisions of the General Agreement on Tariffs and Trade (hereinafter referred to as "the General Agreement"),

HAVE, through their representatives, agreed as follows:

1. The schedule of tariff concessions annexed to this Protocol relating to a participant shall become a Schedule to the General Agreement relating to that participant on the day on which this Protocol enters into force for it pursuant to paragraph 5.
2. (a) The reductions agreed upon by each participant shall, except as may be otherwise specified in a participant's schedule, be implemented in equal annual rate reductions beginning 1 January 1980 and the total reduction become effective not later than 1 January 1987. A participant which begins rate reductions on 1 July 1980 or on a date between 1 January and 1 July 1980 shall, unless otherwise specified in that participant's schedule, make effective two eighths of the total reduction to the final rate on that date followed by six equal instalments beginning 1 January 1982. The reduced rate should in each stage be rounded off to the first decimal. The provisions of this paragraph shall not prevent participants from implementing reductions in fewer stages or at earlier dates than indicated above.

(b) The implementation of the annexed schedules in accordance with paragraph 2(a) above shall, upon request, be subject to multilateral examination by the participants having accepted this Protocol. This would be without prejudice to the rights and obligations of contracting parties under the General Agreement.
3. After the schedule of tariff concessions annexed to this Protocol relating to a participant has become a Schedule to the General Agreement pursuant to the provisions of paragraph 1, such participant shall be free at any time to withhold or to withdraw in whole or in part the concession in such schedule with respect to any product for which the principal supplier is any other participant or any government having negotiated for accession during the Multilateral Trade Negotiations, but the schedule of which, as established in the Multilateral Trade Negotiations, has not yet become a Schedule to the General Agreement. Such action can, however, only be taken after written notice of any such withholding or withdrawal of a concession has been given to the CONTRACTING PARTIES and after consultations have been held, upon request, with any participant or any acceding government, the relevant schedule of tariff concessions relating to which has become a Schedule to the General Agreement and

which has a substantial interest in the product involved. Any concessions so withheld or withdrawn shall be applied on and after the day on which the schedule of the participant or the acceding government which has the principal supplying interest becomes a Schedule to the General Agreement.

4. (a) In each case in which paragraph 1(b) and (c) of Article II of the General Agreement refers to the date of that Agreement, the applicable date in respect of each product which is the subject of a concession provided for in a schedule of tariff concessions annexed to this Protocol shall be the date of this Protocol, but without prejudice to any obligations in effect on that date.
- (b) For the purpose of the reference in paragraph 6(a) of Article II of the General Agreement to the date of that Agreement, the applicable date in respect of a schedule of tariff concessions annexed to this Protocol shall be the date of this Protocol.
5. (a) This Protocol shall be open for acceptance by participants, by signature or otherwise, until 30 June 1980.
- (b) This Protocol shall enter into force on 1 January 1980 for those participants which have accepted it before that date, and for participants accepting after that date, it shall enter into force on the dates of acceptance.
6. This Protocol shall be deposited with the Director-General to the CONTRACTING PARTIES who shall promptly furnish a certified copy thereof and a notification of each acceptance thereof, pursuant to paragraph 5, to each contracting party to the General Agreement and to the European Economic Community.
7. This Protocol shall be registered in accordance with the provisions of Article 102 of the Charter of the United Nations.

DONE at Geneva this thirtieth day of June one thousand nine hundred and seventy-nine, (in a single copy, in the English and French languages, both texts being authentic. The Schedules annexed hereto are authentic in the English, French and Spanish language as specified in each Schedule.

Note relating to the Geneva (1979) Protocol

1. The list of tariff concessions deposited by the Community in Geneva on 13 July 1979 (1) and annexed to the Protocol is not reproduced in this report on account of its length. The Member States have already received copies of this list in Geneva in July, and a copy is available for study in the Council Secretariat.

2. The lists of concessions of other countries, also annexed to the Protocol, may be consulted at the G.A.T.T. Secretariat in Geneva.

(1) see Part III, Section 1 of the Report, at page 54

June 22, 1979

Letter from Mr Luyten, Head of the Commission Delegation in Geneva to Mr Culbert, Deputy Head of U.S. Delegation to the MTN concerning the application of the American Selling Price method of valuation to certain chemical products in the period prior to the abolition of this system on 1 July 1980.

I wish to refer to our previous discussions and correspondence on the matter of the conversion and the offer on products subject to the American Selling Price method of valuation, and particularly to our letters of April 12th, April 25th, May 18th, June 6th and June 12th, and to your letter of June 14th.

Following discussions between our delegations on June 19th on the above subject, it is our understanding that :

1. The implementing legislation will authorize the splitting-out of the non competitive chemicals until January 1, 1980.
2. The delegation of the Commission can submit additions to the lists of non competitive chemicals already forwarded, up to July 31st, 1979.
3. The non competitive items for which we have requested, in accordance with § 4 of our agreement of March 2, 1979, the itemisation in the US tariff without conversion, will be examined on the basis of the realities of actual trade flows and customs assessment in the United States, and not by the sole reference to a situation in existence in one particular year and any discussion of a request on a specific product will be based on such realities.
4. The US administration will publish in the autumn a draft list of chemical products which have been imported into the USA before January 1, 1978 or produced in the USA before May 1, 1978. Before this list is opened to public comments, preliminary discussion between delegations of the United States and of the Commission about this matter will be held.

5. Before the implementation of the conversion on products subject to the American Selling Price method of valuation, the United States administration will endeavour to refrain from applying A.S.P. to products which as yet have not been submitted to this system of valuation.

I would be glad if you could confirm this understanding.

I wish also to advise you that we intend to pursue the discussion of particular items mentioned in my letter of June 12th, in so far as they are not dealt with in accordance with the results of our bilateral negotiations.

June 25, 1979

Letter from Mr Culbert, Acting Head of U.S. Delegation to Mr Luyten,
Head of the Commission Delegation in Geneva

I refer to your letter of June 22, 1979 summarising discussions between our delegations on June 19 concerning ASP issues.

With respect to points 1 through 4 of your letter, my delegation confirms your understanding and these four points can be considered U.S. commitments as part of our over-all bilateral understanding.

With respect to point 5 of your letter, my delegation has advised me this was not part of the June 19 discussions and the proposed undertaking appears to exceed our statutory authority.

Annex to Part III
Section 1

A.8

July 9, 1979

Letter from Mr Culbert, Acting Head of the U.S. Delegation to Mr Luyten,
Head of the Commission Delegation in Geneva

In response to concerns expressed by your delegation regarding the administration of the American Selling Price system of valuation during the time before it is eliminated, I have been authorised to assure you that the United States Customs Service, in this period of transition, will continue to examine each new case carefully and thoroughly in order to avoid any inadvertent application of the American Selling Price standard of customs valuation to products which should not be so assessed under a strict interpretation of the existing U.S. customs valuation laws.

Annex to Part III
Section 1

A.8

July 9, 1979

Letter from Mr Luyten, Head of the Commission Delegation in Geneva
to Mr Culbert, Deputy Head of the U.S. Delegation to the MTN

I acknowledge receipt of your letter dated 9 July 1979, the text of which
is as follows:

"In response to concerns expressed by your delegation regarding the
administration of the American Selling Price system of valuation during
the time before it is eliminated, I have been authorised to assure you
that the United States Customs Service, in this period of transition,
will continue to examine each new case carefully and thoroughly in
order to avoid any inadvertent application of the American Selling
Price standard of customs valuation to products which should not be
so assessed under a strict interpretation of the existing U.S.
customs valuation laws."

I have been asked by my authorities to inform you that, in case of difficulties
arising from the application of the American Selling Price system of valuation
to products which as yet have not been subjected to this system, the Commission
of European Communities will seek prompt consultations with the United
States Government.

Section 1

15 June 1979

Letter from Viscount Davignon for Ambassador McDonald on the subject of future proposals to be made on the definition of kraftliner (48.01 C II) in the E.E.C. tariff

With regard to the problem of definition which you have raised in relation to Community concession on kraftliner (48.01 C II), I write to confirm that it is the Commission's intention to submit to the Council as soon as practicable proposals for the implementation on the occasion of the first tariff cut of the tariff definition agreed by the Customs Cooperation Council.

In the meantime I confirm that customary procedures will apply.

July 9, 1979

Letter from Mr Luyten Head of the Commission Delegation in Geneva to Mr Culbert, Deputy Head of the U.S. Delegation to the MTN on the subject of the duty free tariff quotas applicable to coniferous plywood (44.15) in future years

1. I refer to discussions between representatives of the government of the United States of America and of the European Economic Community (EEC) concerning the nil duty tariff quota applied to coniferous plywood under CCT 44.15.

As part of the overall Tokyo Round agreement the Community has agreed to increase the GATT-bound annual duty free quota level from 400.000 cubic metres to a GATT-bound level of 600.000 cubic metres.

However I wish to draw your attention to protocol n° 11 to the Act of Accession, which opens two annual autonomous nil duty Community tariff quotas for certain coniferous plywood.

The volume of these quotas is decided annually when it is established that all possibilities of supply on the internal market of the Community will be exhausted during the period for which the quotas are open.

If past trends of consumption and production continue, it would seem likely that in the next years a nil duty tariff quota for the products mentioned under 2 of at least the same quantity as in 1978 (755.000 cubic metres) would be fixed.

2. In addition, the EC schedule of concessions will include the following definition:

- Plywood of coniferous species, without addition of other substances:
- of which the faces are not further prepared than the peeling process, of a thickness greater than 8.5 mm., or
 - sanded of a thickness greater than 18.5 mm.

ACCORD GÉNÉRAL
SUR LES TARIFS DOUANIERS
ET LE COMMERCE



GENERAL AGREEMENT
ON TARIFFS AND TRADE

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RÉFÉRENCE : GLI/269

16 juillet 1979

ARRANGEMENT CONCERNANT LA VIANDE BOVINE

ENVOI DE COPIES CERTIFIÉES CONFORMES

..... J'ai l'honneur de vous remettre ci-joint, en application du paragraphe 1 c) de l'article VI de l'Arrangement concernant la viande bovine, une copie certifiée conforme dudit Arrangement, fait à Genève le 12 avril 1979.

COPIE

Olivier Long
Directeur général

Délégation de la Commission des Communautés Européennes	
Reçu le 18 JUIN 1979	No. 640
Transmis à	

ARRANGEMENT REGARDING BOVINE MEAT

ARRANGEMENT RELATIF A LA VIANDE BOVINE

ACUERDO DE LA CARNE DE BOVINO

GENERAL AGREEMENT ON TARIFFS AND TRADE

ACCORD GENERAL SUR LES TARIFS DOUANIERS
ET LE COMMERCE

ACUERDO GENERAL SOBRE ARANCELES ADUANEROS
Y COMERCIO

12 April 1979
Geneva

ARRANGEMENT REGARDING BOVINE MEAT

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ARRANGEMENT REGARDING BOVINE MEAT

PREAMBLE

Convinced that increased international co-operation should be carried out in such a way as to contribute to the achievement of greater liberalization, stability and expansion in international trade in meat and live animals;

Taking into account the need to avoid serious disturbances in international trade in bovine meat and live animals;

Recognizing the importance of production and trade in bovine meat and live animals for the economies of many countries, especially for certain developed and developing countries;

Mindful of their obligations to the principles and objectives of the General Agreement on Tariffs and Trade (hereinafter referred to as "General Agreement" or "GATT")¹;

Determined, in carrying out the aims of this Arrangement to implement the principles and objectives agreed upon in the Tokyo Declaration of Ministers, dated 14 September 1973 concerning the Multilateral Trade Negotiations, in particular as concerns special and more favourable treatment for developing countries;

The participants in the present Arrangement have, through their representatives, agreed as follows:

PART ONE

GENERAL PROVISIONS

Article I - Objectives

The objectives of this Arrangement shall be:

- (1) to promote the expansion, ever greater liberalization and stability of the international meat and livestock market by facilitating the progressive dismantling of obstacles and restrictions to world trade in bovine meat and live animals, including those which compartmentalize this trade, and by improving the international framework of world trade to the benefit of both consumer and producer, importer and exporter;

¹This provision applies only among GATT contracting parties.

- (2) to encourage greater international co-operation in all aspects affecting the trade in bovine meat and live animals with a view in particular to greater rationalization and more efficient distribution of resources in the international meat economy;
- (3) to secure additional benefits for the international trade of developing countries in bovine meat and live animals through an improvement in the possibilities for these countries to participate in the expansion of world trade in these products by means of inter alia:
 - (a) promoting long-term stability of prices in the context of an expanding world market for bovine meat and live animals; and
 - (b) promoting the maintenance and improvement of the earnings of developing countries that are exporters of bovine meat and live animals;

the above with a view thus to deriving additional earnings, by means of securing long-term stability of markets for bovine meat and live animals;

- (4) to further expand trade on a competitive basis taking into account the traditional position of efficient producers.

Article II - Product Coverage

This Arrangement applies to bovine meat. For the purpose of this Arrangement, the term "bovine meat" is considered to include:

	<u>CCCN</u>
(a) Live bovine animals	01.02
(b) Meat and edible offals of bovine animals, fresh, chilled or frozen	ex 02.01
(c) Meat and edible offals of bovine animals, salted, in brine, dried or smoked	ex 02.06
(d) Other prepared or preserved meat or offal of bovine animals	ex 16.02

and any other product that may be added by the International Meat Council, as established under the terms of Article V of this Arrangement, in order to accomplish the objectives and provisions of this Arrangement.

Article III - Information and Market Monitoring

1. All participants agree to provide regularly and promptly to the Council, the information which will permit the Council to monitor and assess the overall situation of the world market for meat and the situation of the world market for each specific meat.

2. Participating developing countries shall furnish the information available to them. In order that these countries may improve their data collection mechanisms, developed participants, and any developing participants able to do so, shall consider sympathetically any request to them for technical assistance.

3. The information that the participants undertake to provide pursuant to paragraph 1 of this Article, according to the modalities that the Council shall establish, shall include data on past performance and current situation and an assessment of the outlook regarding production (including the evolution of the composition of herds), consumption, prices, stocks of and trade in the products referred to in Article II, and any other information deemed necessary by the Council, in particular on competing products. Participants shall also provide information on their domestic policies and trade measures including bilateral and plurilateral commitments in the bovine sector, and shall notify as early as possible any changes in such policies and measures that are likely to affect international trade in live bovine animals and meat. The provisions of this paragraph shall not require any participant to disclose confidential information which would impede law enforcement or otherwise be contrary to the public interest or would prejudice the legitimate commercial interests of particular enterprises, public or private.

4. The secretariat of the Arrangement shall monitor variations in market data, in particular herd sizes, stocks, slaughterings and domestic and international prices, so as to permit early detection of the symptoms of any serious imbalance in the supply and demand situation. The secretariat shall keep the Council apprized of significant developments on world markets, as well as prospects for production, consumption, exports and imports.

Note: It is understood that under the provisions of this Article, the Council instructs the secretariat to draw up, and keep up to date, an inventory of all measures affecting trade in bovine meat and live animals, including commitments resulting from bilateral, plurilateral and multilateral negotiations.

Article IV - Functions of the International
Meat Council and Co-operation between the
Participants to this Arrangement

1. The Council shall meet in order to:
 - (a) evaluate the world supply and demand situation and outlook on the basis of an interpretative analysis of the present situation and of probable developments drawn up by the secretariat of the Arrangement, on the basis of documentation provided in conformity with Article III of the present Arrangement, including that relating to the operation of domestic and trade policies and of any other information available to the secretariat;

- (b) proceed to a comprehensive examination of the functioning of the present Arrangement;
- (c) provide an opportunity for regular consultation on all matters affecting international trade in bovine meat.

2. If after evaluation of the world supply and demand situation referred to in paragraph 1(a) of this Article, or after examination of all relevant information pursuant to paragraph 3 of Article III, the Council finds evidence of a serious imbalance or a threat thereof in the international meat market, the Council will proceed by consensus, taking into particular account the situation in developing countries, to identify, for consideration by governments, possible solutions to remedy the situation consistent with the principles and rules of GATT.

3. Depending on whether the Council considers that the situation defined in paragraph 2 of this Article is temporary or more durable, the measures referred to in paragraph 2 of this Article could include short-, medium-, or long-term measures taken by importers as well as exporters to contribute to improve the overall situation of the world market consistent with the objectives and aims of the Arrangement, in particular the expansion, ever greater liberalization, and stability of the international meat and livestock markets.

4. When considering the suggested measures pursuant to paragraphs 2 and 3 of this Article, due consideration shall be given to special and more favourable treatment to developing countries, where this is feasible and appropriate.

5. The participants undertake to contribute to the fullest possible extent to the implementation of the objectives of this Arrangement set forth in Article I. To this end, and consistent with the principles and rules of the General Agreement, participants shall, on a regular basis, enter into the discussions provided in Article IV:1(c) with a view to exploring the possibilities of achieving the objectives of the present Arrangement, in particular the further dismantling of obstacles to world trade in bovine meat and live animals. Such discussions should prepare the way for subsequent consideration of possible solutions of trade problems consistent with the rules and principles of the GATT, which could be jointly accepted by all the parties concerned, in a balanced context of mutual advantages.

6. Any participant may raise before the Council any matter² affecting this Arrangement, inter alia, for the same purposes provided for in paragraph 2 of this Article. The Council shall, at the request of a participant, meet within a period of not more than fifteen days to consider any matter² affecting the present Arrangement.

²Note: It is confirmed that the term "matter" in this paragraph includes any matter which is covered by multilateral agreements negotiated within the framework of the Multilateral Trade Negotiations, in particular those bearing on export and import measures. It is further confirmed that the provisions of Article IV, paragraph 6, and this footnote are without prejudice to the rights and obligations of the parties to such agreements.

PART TWOArticle V - Administration of the Arrangement1. International Meat Council

An International Meat Council shall be established within the framework of the GATT. The Council shall comprise representatives of all participants to the Arrangement and shall carry out all the functions which are necessary to implement the provisions of the Arrangement. The Council shall be serviced by the GATT secretariat. The Council shall establish its own rules of procedure, in particular the modalities for consultations provided for in Article IV.

2. Regular and special meetings

The Council shall normally meet at least twice each year. However, the Chairman may call a special meeting of the Council either on his own initiative, or at the request of a participant to this Arrangement.

3. Decisions

The Council shall reach its decisions by consensus. The Council shall be deemed to have decided on a matter submitted for its consideration if no member of the Council formally objects to the acceptance of a proposal.

4. Co-operation with other organizations

The Council shall make whatever arrangements are appropriate for consultation or co-operation with intergovernmental and non-governmental organizations.

5. Admission of observers

- (a) The Council may invite any non-participating country to be represented at any of its meetings as an observer.
- (b) The Council may also invite any of the organizations referred to in paragraph 4 of this Article to attend any of its meetings as an observer.

PART THREE

Article VI - Final Provisions

1. Acceptance³

- (a) This Arrangement is open for acceptance, by signature or otherwise, by governments members of the United Nations, or of one of its specialized agencies and by the European Economic Community.
- (b) Any government⁴ accepting this Arrangement may at the time of acceptance make a reservation with regard to its acceptance of any of the provisions in the present Arrangement. This reservation is subject to the approval of the participants.
- (c) This Arrangement shall be deposited with the Director-General to the CONTRACTING PARTIES to the GATT who shall promptly furnish a certified copy thereof and a notification of each acceptance thereof to each participant. The texts of this Arrangement in the English, French and Spanish languages shall all be equally authentic.
- (d) The entry into force of this Arrangement shall entail the abolition of the International Meat Consultative Group.

2. Provisional application

Any government may deposit with the Director-General to the CONTRACTING PARTIES to the GATT a declaration of provisional application of this Arrangement. Any government depositing such a declaration shall provisionally apply this Arrangement and be provisionally regarded as participating in this Arrangement.

3. Entry into force

This Arrangement shall enter into force, for those participants having accepted it, on 1 January 1980. For participants accepting this Arrangement after that date, it shall be effective from the date of their acceptance.

³The terms "acceptance" or "accepted" as used in this Article include the completion of any domestic procedures necessary to implement the provisions of this Arrangement.

⁴For the purpose of this Arrangement, the term "government" is deemed to include the competent authorities of the European Economic Community.

4. Validity

This Arrangement shall remain in force for three years. The duration of this Arrangement shall be extended for further periods of three years at a time, unless the Council, at least eighty days prior to each date of expiry, decides otherwise.

5. Amendment

Except where provision for modification is made elsewhere in this Arrangement the Council may recommend an amendment to the provisions of this Arrangement. The proposed amendment shall enter into force upon acceptance by the governments of all participants.

6. Relationship between the Arrangement and the GATT

Nothing in this Arrangement shall affect the rights and obligations of participants under the GATT.⁵

7. Withdrawal

Any participant may withdraw from this Arrangement. Such withdrawal shall take effect upon the expiration of sixty days from the date on which written notice of withdrawal is received by the Director-General to the CONTRACTING PARTIES to the GATT.

⁵This provision applies only among GATT contracting parties.

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

MTN/DP/8

6 April 1979

Special Distribution

Multilateral Trade Negotiations

Group "Agriculture"

Sub-Group on Dairy Products

MEETING OF 27 MARCH 1979

Chairman's Summing-Up

At the end of the meeting and under his own responsibility, the Chairman summed up the discussions as follows.

1. The Sub-Group on Dairy Products met on 27 March 1979.
2. It invited the Secretary-General of UNCTAD or his representative to attend the meeting as an observer.
3. The Sub-Group had before it the revised text of the International Dairy Arrangement (documents MTN/DP/W/27/Rev.9 and MTN/DP/W/27/Rev.9/Add.1). A communication by the Nordic countries and a communication by Austria had been circulated as documents MTN/DP/W/46 and MTN/DP/W/47 respectively.
4. The Sub-Group examined the points still outstanding in the text of the Arrangement.
5. Many members of the Sub-Group have agreed on a text annexed hereto (Annex A) which, in my judgement, represents the maximum result that it was possible to achieve with a view to a negotiated solution in this area.
6. The Sub-Group took note of the interpretative statements made by certain delegations regarding that text. Those statements are reproduced in the annex hereto (Annex B).
7. Certain amendments and proposals by some members of the Sub-Group have not been accepted by other members. The text, including such amendments and proposals, is also annexed (Annex C).
8. The Sub-Group as such has not finally agreed on any text.
9. It is my assessment that the Sub-Group has taken its work on the text as far as it could and that it had therefore fulfilled the mandate which had been given to it.

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Annex A

INTERNATIONAL DAIRY ARRANGEMENT

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PREAMBLE

- Recognizing the importance of milk and dairy products to the economy of many countries¹ in terms of production, trade and consumption;
- Recognizing the need, in the mutual interests of producers and consumers, and of exporters and importers, to avoid surpluses and shortages, and to maintain prices at an equitable level;
- Noting the diversity and interdependence of dairy products;
- Noting the situation in the dairy products market, which is characterized by very wide fluctuations and the proliferation of export and import measures;
- Considering that improved co-operation in the dairy products sector contributes to the attainment of the objectives of expansion and liberalization of world trade, and the implementation of the principles and objectives concerning developing countries agreed upon in the Tokyo Declaration of Ministers dated 14 September 1973 concerning the Multilateral Trade Negotiations;
- Determined to respect the principles and objectives of the General Agreement on Tariffs and Trade² and, in carrying out the aims of this Agreement, effectively to implement the principles and objectives agreed upon in the said Tokyo Declaration;
- The participants to the present Arrangement have, through their representatives, agreed as follows:

¹In this Arrangement and in the Protocols annexed thereto, the term "country" is deemed to include the European Economic Community.

²This preambular provision applies only among participants that are contracting parties to the General Agreement on Tariffs and Trade.

PART ONE

GENERAL PROVISIONS

Article I - Objectives

The objectives of this Arrangement shall be, in accordance with the principles and objectives agreed upon in the Tokyo Declaration of Ministers dated 14 September 1973 concerning the Multilateral Trade Negotiations,

- to achieve the expansion and ever greater liberalization of world trade in dairy products under market conditions as stable as possible, on the basis of mutual benefit to exporting and importing countries;
- to further the economic and social development of developing countries.

Article II - Product Coverage

1. This Arrangement applies to the dairy products sector. For the purpose of this Arrangement, the term "dairy products" is deemed to include the following products, as defined in the Customs Co-operation Council Nomenclature:

	<u>CCCN</u>
(a) Milk and cream, fresh, not concentrated or sweetened	04.01
(b) Milk and cream, preserved, concentrated or sweetened	04.02
(c) Butter	04.03
(d) Cheese and curd	04.04
(e) Casein	ex 35.01

2. The International Dairy Products Council established in terms of Article VII:1(a) of this Arrangement (hereinafter referred to as the Council) may decide that the Arrangement is to apply to other products in which dairy products referred to in paragraph 1 of this Article have been incorporated if it deems their inclusion necessary for the implementation of the objectives and provisions of this Arrangement.

Article III - Information

1. The participants agree to provide regularly and promptly to the Council the information required to permit it to monitor and assess the overall situation of the world market for dairy products and the world market situation for each individual dairy product.

2. Participating developing countries shall furnish the information available to them. In order that these participants may improve their data collection mechanisms, developed participants, and any developing participants able to do so, shall consider sympathetically any request to them for technical assistance.

3. The information that the participants undertake to provide pursuant to paragraph 1 of this Article, according to the modalities that the Council shall establish, shall include data on past performance, current situation and outlook regarding production, consumption, prices, stocks and trade, including transactions other than normal commercial transactions, in respect of the products referred to in Article II of this Arrangement, and any other information deemed necessary by the Council. Participants shall also provide information on their domestic policies and trade measures, and on their bilateral, plurilateral or multilateral commitments, in the dairy sector and shall make known, as early as possible, any changes in such policies and measures that are likely to affect international trade in dairy products. The provisions of this paragraph shall not require any participant to disclose confidential information which would impede law enforcement or otherwise be contrary to the public interest or would prejudice the legitimate commercial interests of particular enterprises, public or private.

Note: It is understood that under the provisions of this Article, the Council instructs the secretariat to draw up, and keep up to date, an inventory of all measures affecting trade in dairy products, including commitments resulting from bilateral, plurilateral and multilateral negotiations.

Article IV - Functions of the International Dairy
Products Council and Co-operation between the
Participants to this Arrangement

1. The Council shall meet in order to:
 - (a) make an evaluation of the situation in and outlook for the world market for dairy products, on the basis of a status report prepared by the secretariat with the documentation furnished by participants in accordance with Article III of this Arrangement, information arising from the operation of the Protocols covered by Article VI of this Arrangement, and any other information available to it;
 - (b) review the functioning of this Arrangement.
2. If after an evaluation of the world market situation and outlook, referred to in paragraph 1(a) of this Article, the Council finds that a serious market disequilibrium, or threat of such a disequilibrium, which affects or may affect international trade, is developing for dairy products in general or for one or more products, the Council will proceed to identify, taking particular account of the situation of developing countries, possible solutions for consideration by governments.
3. Depending on whether the Council considers that the situation defined in paragraph 2 of this Article is temporary or more durable, the measures referred to in paragraph 2 of this Article could include short-, medium- or long-term measures to contribute to improve the overall situation of the world market.

4. When considering measures that could be taken pursuant to paragraphs 2 and 3 of this Article, due account shall be taken of the special and more favourable treatment, to be provided for developing countries, where this is feasible and appropriate.

5. Any participant may raise before the Council any matter¹ affecting this Arrangement. Each participant shall promptly afford adequate opportunity for consultation regarding such matter¹ affecting this Arrangement.

6. If the matter affects the application of the specific provisions of the Protocols annexed to this Arrangement, any participant which considers that its trade interests are being seriously threatened and which is unable to reach a mutually satisfactory solution with the other participant or participants concerned, may request the Chairman of the Committee for the relevant Protocol established under Article VII:2(a) of this Arrangement, to convene a special meeting of the Committee on an urgent basis so as to determine as rapidly as possible, and within four working days if requested, any measures which may be required to meet the situation. If a satisfactory solution cannot be reached, the Council shall, at the request of the Chairman of the Committee for the relevant Protocol, meet within a period of not more than fifteen days to consider the matter with a view to facilitating a satisfactory solution.

Article V - Food Aid and Transactions other than Normal Commercial Transactions

1. The participants agree:

(a) In co-operation with FAO and other interested organizations, to foster recognition of the value of dairy products in improving nutritional levels and of ways and means through which they may be made available for the benefit of developing countries.

(b) In accordance with the objectives of this Arrangement, to furnish, within the limits of their possibilities, dairy products to developing countries by way of food aid. Participants should notify the Council in advance each year, as far as practicable, of the scale, quantities and destinations of their proposed contributions of such food aid. Participants

¹It is confirmed that the term "matter" in this paragraph includes any matter which is covered by multilateral agreements negotiated and agreed upon within the framework of the Multilateral Trade Negotiations, in particular those bearing on export and import measures. It is further confirmed that the provisions of Article IV:5 and this footnote are without prejudice to the rights and obligations of the parties to such agreements.

should also give, if possible, prior notification to the Council of any proposed amendments to the notified programme. It would be understood that contributions could be made bilaterally or through joint projects or through multilateral programmes, particularly the World Food Programme.

(c) Recognizing the desirability of harmonizing their efforts in this field, as well as the need to avoid harmful interference with normal patterns of production, consumption and international trade, to exchange views in the Council on their arrangements for the supply and requirements of dairy products as food aid or on concessional terms.

2. Donated exports to developing countries, exports destined for relief purposes or welfare purposes in developing countries, and other transactions which are not normal commercial transactions shall be effected in accordance with the FAO "Principles of Surplus Disposal and Consultative Obligations". Consequently, the Council shall co-operate closely with the Consultative Sub-Committee on Surplus Disposal.

3. The Council shall, in accordance with conditions and modalities that it will establish, upon request, discuss, and consult on, all transactions other than normal commercial transactions and other than those covered by the Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the General Agreement on Tariffs and Trade.

PART TWO

SPECIFIC PROVISIONS

Article VI - Protocols

1. Without prejudice to the provisions of Articles I to V of this Arrangement, the products listed below shall be subject to the provisions of the Protocols annexed to this Arrangement:

Annex I - Protocol Regarding Certain Milk Powders
Milk powder and cream powder, excluding whey powder

Annex II - Protocol Regarding Milk Fat
Milk fat

Annex III - Protocol Regarding Certain Cheeses
Certain cheeses

PART THREE

Article VII - Administration of the Arrangement

1. International Dairy Products Council

(a) An International Dairy Products Council shall be established within the framework of the General Agreement on Tariffs and Trade. The Council shall comprise representatives of all participants to the Arrangement and shall carry out all the functions which are necessary to implement the provisions of the Arrangement. The Council shall be serviced by the GATT secretariat. The Council shall establish its own rules of procedure.

(b) Regular and special meetings

The Council shall normally meet at least twice each year. However, the Chairman may call a special meeting of the Council either on his own initiative, at the request of the Committees established under paragraph 2(a) of this Article, or at the request of a participant to this Arrangement.

(c) Decisions

The Council shall reach its decisions by consensus. The Council shall be deemed to have decided on a matter submitted for its consideration if no member of the Council formally objects to the acceptance of a proposal.

(d) Co-operation with other organizations

The Council shall make whatever arrangements are appropriate for consultation or co-operation with intergovernmental and non-governmental organizations.

(e) Admission of observers

(i) The Council may invite any non-participating country to be represented at any meeting as an observer.

(ii) The Council may also invite any of the organizations referred to in paragraph 1(d) of this Article to attend any meeting as an observer.

2. Committees

(a) The Council shall establish a Committee to carry out all the functions which are necessary to implement the provisions of the Protocol Regarding Certain Milk Powders, a Committee to carry out all the functions which are necessary to implement the provisions of the Protocol Regarding Milk Fat and a Committee to carry out all the functions which are necessary to implement the provisions of the Protocol Regarding Certain Cheeses. Each of these Committees shall comprise representatives of all participants to the relevant Protocol. The Committees shall be serviced by the GATT secretariat. They shall report to the Council on the exercise of their functions.

(b) Examination of the market situation

The Council shall make the necessary arrangements, determining the modalities for the information to be furnished under Article III of this Arrangement, so that

- the Committee of the Protocol Regarding Certain Milk Powders may keep under constant review the situation in and the evolution of the international market for the products covered by this Protocol, and the conditions under which the provisions of this Protocol are applied by participants, taking into account the evolution of prices in international trade in each of the other dairy products having implications for the trade in products covered by this Protocol;

- the Committee of the Protocol Regarding Milk Fat may keep under constant review the situation in and the evolution of the international market for the products covered by this Protocol, and the conditions under which the provisions of this Protocol are applied by participants, taking into account the evolution of prices in international trade in each of the other dairy products having implications for the trade in products covered by this Protocol;

- the Committee of the Protocol Regarding Certain Cheeses may keep under constant review the situation in and the evolution of the international market for the products covered by this Protocol, and the conditions under which the provisions of this Protocol are applied by participants, taking into account the evolution of prices in international trade in each of the other dairy products having implications for the trade in products covered by this Protocol.

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(c) Regular and special meetings

Each Committee shall normally meet at least once each quarter. However, the Chairman of each Committee may call a special meeting of the Committee on his own initiative or at the request of any participant.

(d) Decisions

Each Committee shall reach its decisions by consensus. A Committee shall be deemed to have decided on a matter submitted for its consideration if no member of the Committee formally objects to the acceptance of a proposal.

PART FOUR

Article VIII - Final Provisions

1. Acceptance¹

- (a) This Arrangement is open for acceptance, by signature or otherwise, by governments members of the United Nations, or of one of its specialized agencies and by the European Economic Community.
- (b) Any government² accepting this Arrangement may at the time of acceptance make a reservation with regard to its acceptance of any of the Protocols annexed to the Arrangement. This reservation is subject to the approval of the participants.
- (c) This Arrangement shall be deposited with the Director-General to the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade who shall promptly furnish a certified copy thereof and a notification of each acceptance thereof to each participant. The texts of this Arrangement in the English, French and Spanish languages shall all be equally authentic.
- (d) Acceptance of this Arrangement shall carry denunciation of the Arrangement Concerning Certain Dairy Products, done at Geneva on 12 January 1970 which entered into force on 14 May 1970, for participants having accepted that Arrangement and denunciation of the Protocol Relating to Milk Fat, done at Geneva on 2 April 1973 which entered into force on 14 May 1973, for participants having accepted that Protocol. Such denunciation shall take effect on the date of entry into force of this Arrangement.

¹The terms "acceptance" or "accepted" as used in this Article include the completion of any domestic procedures necessary to implement the provisions of this Arrangement.

²For the purpose of this Arrangement, the term "government" is deemed to include the competent authorities of the European Economic Community.

2. Provisional application

Any government may deposit with the Director-General to the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade a declaration of provisional application of this Arrangement. Any government depositing such a declaration shall provisionally apply this Arrangement and be provisionally regarded as participating in this Arrangement.

3. Entry into force

(a) This Arrangement shall enter into force, for those participants having accepted it, on 1 January 1980. For participants accepting this Arrangement after that date, it shall be effective from the date of their acceptance.

(b) The validity of contracts entered into before the date of entry into force of this Arrangement is not affected by this Arrangement.

4. Validity

This Arrangement shall remain in force for three years. The duration of this Arrangement shall be extended for further periods of three years at a time, unless the Council, at least eighty days prior to each date of expiry, decides otherwise.

5. Amendment

Except where provision for modification is made elsewhere in this Arrangement the Council may recommend an amendment to the provisions of this Arrangement. The proposed amendment shall enter into force upon acceptance by the governments of all participants.

6. Relationship between the Arrangement and the Annexes

The following shall be deemed to be an integral part of this Arrangement, subject to the provisions of paragraph 1(b) of this Article:

- the Protocols mentioned in Article VI of this Arrangement and contained in its Annexes I, II and III;
- the lists of reference points mentioned in Article 2:1 of the Protocol Regarding Certain Milk Powders, Article 2:1 of the Protocol Regarding Milk Fat, and Article 2:1 of the Protocol Regarding Certain Cheeses, contained in Annexes Ia, IIa and IIIa respectively;

- the schedules of price differentials according to milk fat content mentioned in Article 3:4, note 2 of the Protocol Regarding Certain Milk Powders and Article 3:4, note 1 of the Protocol Regarding Milk Fat, contained in Annexes Ib and IIb respectively;
- the register of processes and control measures referred to in Article 3:5 of the Protocol Regarding Certain Milk Powders, contained in Annex Ic.

7. Relationship between the Arrangement and the General Agreement on Tariffs and Trade

Nothing in this Arrangement shall affect the rights and obligations of participants under the General Agreement on Tariffs and Trade.¹

8. Withdrawal

(a) Any participant may withdraw from this Arrangement. Such withdrawal shall take effect upon the expiration of sixty days from the day on which written notice of withdrawal is received by the Director-General to the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade.

(b) Subject to such conditions as may be agreed upon by the participants, any participant may withdraw from any of the Protocols annexed to this Arrangement. Such withdrawal shall take effect upon the expiration of sixty days from the day on which written notice of withdrawal is received by the Director-General to the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade.

¹This provision applies only among participants that are contracting parties to the General Agreement on Tariffs and Trade.

ANNEX I

Protocol Regarding Certain Milk Powders

PROTOCOL REGARDING CERTAIN MILK POWDERS

PART ONE

Article 1 - Product Coverage

1. This Protocol applies to milk powder and cream powder falling under CCCN heading No. 04.02, excluding whey powder.

PART TWOArticle 2 - Pilot Products

1. For the purpose of this Protocol, minimum export prices shall be established for the pilot products of the following descriptions:

(a) Designation: Skimmed milk powder
 Milk fat content: Less than or equal to 1.5 per cent by weight
 Water content: Less than or equal to 5 per cent by weight

(b) Designation: Whole milk powder
 Milk fat content: 26 per cent by weight
 Water content: Less than or equal to 5 per cent by weight

(c) Designation: Buttermilk powder¹
 Milk fat content: Less than or equal to 11 per cent by weight
 Water content: Less than or equal to 5 per cent by weight

Packaging: In packages normally used in the trade, of a net content by weight of not less than 25 kgs., or 50 lbs., as appropriate

Terms of sale: F.o.b. ocean-going vessels from the exporting country or free-at-frontier exporting country.

By derogation from this provision, reference points are designated for the countries listed in Annex Ia. The Committee established in pursuance of Article VII:2(a) of the Arrangement (hereinafter referred to as the Committee) may amend the contents of that Annex.

Prompt payment against documents.

¹Derived from the manufacture of butter and anhydrous milk fat.

PART TWO (cont'd)Article 3 - Minimum PricesLevel and observance of minimum prices

1. Participants undertake to take the steps necessary to ensure that the export prices of the products defined in Article 2 of this Protocol shall not be less than the minimum prices applicable under the present Protocol. If the products are exported in the form of goods in which they have been incorporated, participants shall take the steps necessary to avoid the circumvention of the price provisions of this Protocol.
2. (a) The minimum price levels set out in the present Article take account, in particular, of the current market situation, dairy prices in producing participants, the need to ensure an appropriate relationship between the minimum prices established in the Protocols to the present Arrangement, the need to ensure equitable prices to consumers, and the desirability of maintaining a minimum return to the most efficient producers in order to ensure stability of supply over the longer term.
(b) The minimum prices provided for in paragraph 1 of the present Article applicable at the date of entry into force of this Protocol are fixed at:
 - (i) US\$425 per metric ton for the skimmed milk powder defined in Article 2 of this Protocol.
 - (ii) US\$725 per metric ton for the whole milk powder defined in Article 2 of this Protocol.
 - (iii) US\$425 per metric ton for the buttermilk powder defined in Article 2 of this Protocol.
3. (a) The levels of the minimum prices specified in the present Article can be modified by the Committee, taking into account, on the one hand, the results of the operation of the Protocol and, on the other hand, the evolution of the situation of the international market.
(b) The levels of the minimum prices specified in the present Article shall be subject to review at least once a year by the Committee. The Committee shall meet in September of each year for this purpose. In undertaking this review the Committee shall take account in particular, to the extent relevant and necessary, of costs faced by producers, other relevant economic factors of the world market, the need to maintain a long-term minimum return to the most economic producers, the need to maintain

PART TWO (cont'd)Article 3 (cont'd)

stability of supply and to ensure acceptable prices to consumers, and the current market situation and shall have regard to the desirability of improving the relationship between the levels of the minimum prices set out in paragraph 2(b) of the present Article and the dairy support levels in the major producing participants.

Adjustment of minimum prices

4. If the products actually exported differ from the pilot products in respect of the fat content, packaging or terms of sale, the minimum prices shall be adjusted so as to protect the minimum prices established in this Protocol for the products specified in Article 2 of this Protocol according to the following provisions:

Milk fat content: If the milk fat content of the milk powders described in Article 1:1 of the present Protocol excluding buttermilk powder¹ differs from the milk fat content of the pilot products as defined in Article 2:1(a) and (b) of the present Protocol, then for each full percentage point of milk fat as from 2 per cent, there shall be an upward adjustment of the minimum price in proportion to the difference between the minimum prices established for the pilot products defined in Article 2:1(a) and (b) of the present Protocol.²

Packaging: If the products are offered otherwise than in packages normally used in the trade, of a net content by weight of not less than 25 kgs. or 50 lbs., as appropriate, the minimum prices shall be adjusted so as to reflect the difference in the cost of packaging from the type of package specified above.

¹As defined in Article 2:1(c) of this Protocol.

²See Annex I(b), "Schedule of price differentials according to milk fat content".

PART TWO (cont'd)

Article 3 (cont'd)

Terms of sale: If sold on terms other than f.o.b. from the exporting country or free-at-frontier exporting country¹, the minimum prices shall be calculated on the basis of the minimum f.o.b. prices specified in paragraph 2(b) of this Article, plus the real and justified costs of the services provided; if the terms of the sale include credit, this shall be charged for at the prevailing commercial rates in the country concerned.

Exports and imports of skimmed milk powder and buttermilk powder for purposes of animal feed

5. By derogation from the provisions of paragraphs 1 to 4 of this Article participants may, under the conditions defined below, export or import, as the case may be, skimmed milk powder and buttermilk powder for purposes of animal feed at prices below the minimum prices provided for in this Protocol for these products. Participants may make use of this possibility only to the extent that they subject the products exported or imported to the processes and control measures which will be applied in the country of export or destination so as to ensure that the skimmed milk powder and buttermilk powder thus exported or imported are used exclusively for animal feed. These processes and control measures shall have been approved by the Committee and recorded in a register established by it.² Participants wishing to make use of the provisions of this paragraph shall give advance notification of their intention to do so to the Committee which shall meet,

¹See Article 2:1.

²See Annex I(c), "Register of Processes and Control Measures".

It is understood that exporters would be permitted to ship skimmed milk powder and buttermilk powder for animal feed purposes in an unaltered state to importers which have had their processes and control measures inserted in the Register. In this case, exporters would inform the Committee of their intention to ship unaltered skimmed milk powder and/or buttermilk powder for animal feed purposes to those importers which have their processes and control measures registered.

PART TWO (cont'd)

Article 3 (cont'd)

at the request of a participant, to examine the market situation. The participants shall furnish the necessary information concerning their transactions in respect of skimmed milk powder and buttermilk powder for purposes of animal feed, so that the Committee may follow developments in this sector and periodically make forecasts concerning the evolution of this trade.

Special conditions of sales

6. Participants undertake within the limit of their institutional possibilities to ensure that practices such as those referred to in Article 4:1 of this Protocol do not have the effect of directly or indirectly bringing the export prices of the products subject to the minimum price provisions below the agreed minimum prices.

Field of application

7. For each participant, this Protocol is applicable to exports of the products specified in Article 1 of this Protocol manufactured or repacked inside its own customs territory.

Transactions other than normal commercial transactions

8. The provisions of paragraphs 1 to 7 of this Article shall not be regarded as applying to donated exports to developing countries or to exports destined for relief purposes or food-related development purposes or welfare purposes in developing countries.

Article 4 - Provision of Information

1. In cases where prices in international trade of the products covered by Article 1 of this Protocol are approaching the minimum prices mentioned in Article 3:2(b) of this Protocol, and without prejudice to the provisions of Article III of the Arrangement, participants shall notify to the Committee all the relevant elements for evaluating their own market situation and,

PART TWO (cont'd)

Article 4 (cont'd)

in particular, credit or loan practices, twinning with other products, barter or three-sided transactions, refunds or rebates, exclusivity contracts, packaging costs and details of the packaging, so that the Committee can make a verification.

Article 5 - Obligations of Exporting Participants

1. Exporting participants agree to use their best endeavours, in accordance with their institutional possibilities, to supply on a priority basis ~~the normal commercial requirements of developing importing participants, especially those used for food-related development purposes and~~ welfare purposes.

Article 6 - Co-operation of Importing Participants

1. Participants which import products covered by Article 1 of this Protocol undertake in particular:

- (a) to co-operate in implementing the minimum prices objective of this Protocol and to ensure, as far as possible, that the products covered by Article 1 of this Protocol are not imported at less than the appropriate customs valuation equivalent to the prescribed minimum prices;
- (b) without prejudice to the provisions of Article III of the Arrangement and Article 4 of this Protocol, to supply information concerning imports of products covered by Article 1 of this Protocol from non-participants;
- (c) to consider sympathetically proposals for appropriate remedial action if imports at prices inconsistent with the minimum prices threaten the operation of this Protocol.

2. Paragraph 1 of this Article shall not apply to imports of skimmed milk powder and buttermilk powder for purposes of animal feed, provided that such imports are subject to the measures and procedures provided for in Article 3:5 of this Protocol.

PART THREE

Article 7 - Derogations

1. Upon request by a participant, the Committee shall have the authority to grant derogations from the provisions of Article 3, paragraphs 1 to 5 of this Protocol in order to remedy difficulties which observance of minimum prices could cause certain participants. The Committee shall pronounce on such a request within three months from the date of the request.

Article 8 - Emergency Action

1. Any participant, which considers that its interests are seriously endangered by a country not bound by this Protocol, can request the Chairman of the Committee to convene an emergency meeting of the Committee within two working days to determine and decide whether measures would be required to meet the situation. If such a meeting cannot be arranged within the two working days and the commercial interests of the participant concerned are likely to be materially prejudiced, that participant may take unilateral action to safeguard its position, on the condition that any other participants likely to be affected are immediately notified. The Chairman of the Committee shall also be formally advised immediately of the full circumstances of the case and shall be requested to call a special meeting of the Committee at the earliest possible moment.

ANNEX I a

Protocol Regarding Certain Milk Powders

List of Reference Points

In accordance with the provisions of Article 2:1 of this Protocol, the following reference points are designated for the countries listed below:

Austria: Antwerp, Hamburg, Rotterdam

Finland: Antwerp, Hamburg, Rotterdam

Norway: Antwerp, Hamburg, Rotterdam

Sweden: Antwerp, Hamburg, Rotterdam

Poland: Antwerp, Hamburg, Rotterdam

ANNEX I bProtocol Regarding Certain Milk PowdersSchedule of Price Differentials According to
Milk Fat Content

Milk fat content %	Minimum price US\$/metric ton
Less than 2	<u>425</u>
Equal to or more than 2, less than 3	437
" " 3 " 4	449
" " 4 " 5	461
" " 5 " 6	473
" " 6 " 7	485
" " 7 " 8	497
" " 8 " 9	509
" " 9 " 10	521
" " 10 " 11	533
" " 11 " 12	545
" " 12 " 13	557
" " 13 " 14	569
" " 14 " 15	581
" " 15 " 16	593
" " 16 " 17	605
" " 17 " 18	617
" " 18 " 19	629
" " 19 " 20	641
" " 20 " 21	653
" " 21 " 22	665
" " 22 " 23	677
" " 23 " 24	689
" " 24 " 25	701
" " 25 " 26	713
" " 26 " 27	<u>725</u>
" " 27 " 28	737
" "

ANNEX I c

Protocol Regarding Certain Milk Powders

Register of Processes and Control Measures

In accordance with the provisions of Article 3:5 of this Protocol, the following processes and control measures are approved for the participants listed below:

	<u>Page</u>
Australia	30/31
Austria	34/35
Canada	38/39
European Economic Community	42/43
Finland	45
Japan	48/49
New Zealand	50/51
Norway	53
Spain	56/57
Switzerland	61

AUSTRALIA

Skimmed milk powder¹ may be exported from the customs territory of Australia to third countries:

- A. Either, after the competent Australian authorities have ensured that the skimmed milk powder has been denatured according to any one of the following processes:
1. By the addition, per 100 kgs. of skimmed milk powder, of 2.5 kgs. of lucerne meal or grass meal, containing not less than 70 per cent of particles not exceeding 300 microns, uniformly distributed throughout the mixture.
 2. By the addition of finely milled alfalfa flour (98 per cent to pass mesh 60, equivalent to 50 United States standard), in a proportion of 2 to 4 parts per 100 and of phenolphthalein in a proportion of 1:20,000 (1 gr. per 20 kgs. of milk).
 3. By the addition, in the proportion of 20 per 100 by weight of the product treated (80 per 100 by weight of milk powder and 20 per cent of the denaturing agent) of a mixture composed of 80 per cent bran and 20 per cent potato flour, rice flour or other common starch (at least 10 per cent to pass mesh 60, equivalent to 50 United States standard), with phenolphthalein in the proportion of 1:20,000.
 4. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 35 kgs. of undeodorized fish meal and 200 grs. of carbonate of iron or sulphate of iron and
 - (a) 1.5 kgs. of activated carbon;
 - (b) or 100 grs. of mixture composed of four fifths of yellow tartrazine (E 102) and one fifth of patent blue V (E 131);

^{1/} These processes and control measures apply to buttermilk powder as well as to skimmed milk powder intended for animal feed.

- (c) or 20 grs. of cochineal red A (E 124);
- (d) or 40 grs. of patent blue V (E 131).
5. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 40 kgs. of undeodorized fish meal and 300 grs. of carbonate of iron or sulphate of iron.
6. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 4.5 kgs. of fish oil or fish liver oil and 300 grs. of carbonate of iron or sulphate of iron.

The fish meal noted in processes 4 and 5 must contain at least 25 per cent of particles with dimension below 80 microns. In processes 4, 5 and 6, the iron salts have to contain at least 30 per cent of particles of a size lower than 80 microns. The colouring matters have to contain the following percentages of the pure product:

- at least 30 per cent for cochineal red A (E 124);
- at least 25 per cent for the other colouring matters: colouring matters have to contain at least 30 per cent of particles having a size lower than 80 microns; the acidity of fish oil calculated in oleic acid has to be equal to at least 10 per cent.

The products added to skimmed milk powder, according to processes 4, 5 and 6 have to be uniformly distributed as regards in particular the activated carbon, the iron salts and the colouring matters; two samples of 50 grs. each, taken at random in a lot of 25 kgs., must give by chemical determination the same results within the limits of errors admitted by the analysis method used.

7. Dye to be added to liquid skimmed milk before drying at the rate of 2 to 3 ozs. per 100 gallons of milk (12.5 to 13.7 grs. per hectolitre). The dye to be one of the following colours:

	<u>English Standard Index Nos.</u>
Lissamine green	44.090, 42.095, 44.025
Tartrazine	19.140
Combined with	
(a) Brilliant blue F.C.F.	42.090
or	
(b) Green B.S.	44.090
Cochineal	77.289
Brilliant blue/F.C.F.	42.090

- 50
8. By the addition of meat and bone meal in a proportion of 2 to 4 parts of skimmed milk powder.

The bags or containers in which the denatured powder is packed will be labelled "For Animal Feed Only".

- B. Or, after its incorporation in compound or mixed stockfoods of a kind falling within item 23.07 of the Customs Co-operation Council Nomenclature.

AUSTRIA

Skimmed milk powder¹ may be exported from the customs territory of Austria to third countries:

- A. Either, after the competent Austrian authorities have ensured that the skimmed milk powder has been denatured according to any one of the following processes:
1. By the addition, per 100 kgs. of skimmed milk powder, of 2.5 kgs. of lucerne meal or grass meal, containing not less than 70 per cent of particles not exceeding 300 microns, uniformly distributed throughout the mixture.
 2. By the addition of finely milled alfalfa flour (98 per cent to pass mesh 60, equivalent to 50 United States standard), in a proportion of 2 to 4 parts per 100 and of phenolphthalein in a proportion of 1:20,000 (1 gr. per 20 kgs. of milk).
 3. By the addition, in the proportion of 20 per 100 by weight of the product treated (80 per 100 by weight of milk powder and 20 per cent of the denaturing agent) of a mixture composed of 80 per cent bran and 20 per cent potato flour, rice flour or other common starch (at least 10 per cent to pass mesh 60, equivalent to 50 United States standard), with phenolphthalein in the proportion of 1:20,000.
 4. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 35 kgs. of undecolorized fish meal and 200 grs. of carbonate of iron or sulphate of iron and:
 - (a) 1.5 kgs. of activated carbon;
 - (b) or 100 grs. of mixture composed of four fifths of yellow tartrazine (E 102) and one fifth of patent blue V (E 131);

¹These processes and control measures apply to buttermilk powder as well as to skimmed milk powder intended for animal feed.

- (c) or 20 grs. of cochineal red A (E 124);
- (d) or 40 grs. of patent blue V (E 131).
5. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 40 kgs. of undeodorized fish meal and 300 grs. of carbonate of iron or sulphate of iron.
6. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 4.5 kgs. of fish oil or fish liver oil and 300 grs. of carbonate of iron or sulphate of iron.

The fish meal noted in processes 4 and 5 must contain at least 25 per cent of particles with dimension below eighty microns. In processes 4, 5 and 6, the iron salts have to contain at least 30 per cent of particles of a size lower than eighty microns. The colouring matters have to contain the following percentages of the pure product:

- at least 30 per cent for cochineal red A (E 124);
- at least 25 per cent for the other colouring matters: colouring matters have to contain at least 30 per cent of particles having a size lower than eighty microns; the acidity of fish oil calculated in oleic acid has to be equal to at least 10 per cent.

The products added to skimmed milk powder, according to processes 4, 5 and 6 have to be uniformly distributed as regards in particular the activated carbon, the iron salts and the colouring matters; two samples of 50 grs. each, taken at random in a lot of 25 kgs., must give by chemical determination the same results within the limits of errors admitted by the analysis method used.

7. Dye to be added to liquid skimmed milk before drying at the rate of 2 to 3 ozs. per 100 gls. of milk (12.5 to 18.7 grs. per hectolitre). The dye to be one of the following colours:

	<u>English Standard Index Nos.</u>		
Lissamine green	44.090,	42.095,	44.025
Tartrazine		19.140	
Combined with:			
(a) Brilliant blue F.C.F.		42.090	
or			
(b) Green B.S.		44.090	
Cochineal		77.289	
Brilliant blue/F.C.F.		42.090	

8. By the addition of meat and bone meal in a proportion of 2 to 4 parts of skimmed milk powder.

The bags or containers in which the denatured powder is packed will be labelled "For Animal Feed Only".

- B. Or, after its incorporation in compound or mixed stockfoods of a kind falling within item 23.07 of the Customs Co-operation Council Nomenclature.

CANADA

1. By the addition of finely milled alfalfa flour (98 per cent to pass mesh 60, equivalent to 50 United States standard), in a proportion of 2 to 4 parts per 100 and of phenolphthalein in a proportion of 1:20,000 (1 gramme per 20 kgs. of milk).

2. By the addition, in the proportion of 20 per 100 by weight of the product treated (80 per 100 by weight of milk powder and 20 per 100 of the denaturing agent) of a mixture composed of 80 per cent bran and 20 per cent potato flour, rice flour or other common starch (at least 10 per cent to pass mesh 60, equivalent to 50 United States standard) with phenolphthalein in the proportion of 1:20,000.

3. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 35 kgs. of undeodorized fish meal and 200 grammes of carbonate of iron or sulphate of iron and

- (a) 1.5 kgs. of activated carbon;
- (b) or 100 grammes of mixture composed of four fifths of yellow tartrazine (E 102) and one fifth of patent blue V (E 131);
- (c) or 20 grammes of cochineal red A (E 124);
- (d) or 40 grammes of patent blue V (E 131).

4. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 40 kgs. of undeodorized fish meal and 300 grammes of carbonate of iron or sulphate of iron.

5. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 4.5 kgs. of fish oil or fish liver oil and 300 grammes of carbonate of iron or sulphate of iron.

The fish meal noted in processes 3 and 4 must contain at least 25 per cent of particles with dimension below 80 microns. In processes 3, 4 and 5, the iron salts have to contain at least 30 per cent of particles of a size lower than 80 microns. ~~The colouring matters have to contain the following percentages of the pure product:~~

- at least 30 per cent for cochineal red A (E 124);
- at least 25 per cent for the other colouring matters: colouring matters have to contain at least 30 per cent of particles having a size lower than 80 microns; the acidity of fish oil calculated in oleic acid has to be equal to at least 10 per cent.

The products added to skimmed milk powder, according to processes 3, 4 and 5, have to be uniformly distributed as regards in particular the activated carbon, the iron salts and the colouring matters; two samples of 50 grs. each, taken at random in a lot of 25 kgs., must give by chemical determination the same results within the limits of errors admitted by the analysis method used.

6. - By the addition of dye to liquid skimmed milk before drying at the rate of 2 to 3 ounces per 100 gallons of milk (12.5 to 18.7 grs. per hectolitre).

Dye to be one of the following colours:

	<u>English Standard Index Nos.</u>
Lissamine green	44.090, 42.095, 44.025
Tartrazine	19.140
combined with:	
(i) Brilliant blue F.C.F.	42.090
or	
(ii) Green B.S.	44.090
Cochineal	77.289
Brilliant blue/F.C.F.	42.090

7. By the addition of meat and bone meal in a proportion of 2:4 parts of skimmed milk powder.

8. By the addition, per 100 kgs. of skimmed milk powder, of 2.5 kgs. of lucerne meal or grass meal, containing not less than 70 per cent of particles not exceeding 300 microns, uniformly distributed throughout the mixture.

The bags or containers in which the denatured powder is packed will be labelled "For Animal Feed Only".

9. Incorporation of skimmed milk powder in compound or mixed stockfoods of a kind falling within item 23.07 of the Customs Co-operation Council Nomenclature.

EUROPEAN ECONOMIC COMMUNITY

Skimmed milk powder^{1/} for use as animal feed may be exported to third countries:

- (a) either after being denatured in the customs territory of the Community in accordance with Article 2 of Regulation (EEC) No. 990/72^{2/}, as last amended by Regulation (EEC) No. 804/76^{3/}

"Skimmed milk powder shall be denatured by the addition, per 100 kgs. of skimmed milk powder, of 2.5 kgs. of lucerne meal or grass meal, containing not less than 70 per cent of particles not exceeding 300 microns, uniformly distributed throughout the mixture."

This product falls within sub-heading 04.02 A II (b) 1 of the common customs tariff;

- (b) or after being incorporated in "sweetened forage; other preparations of a kind used for animal feeding", falling within sub-heading ex 23.07 B of the common customs tariff, containing skimmed milk powder;
- (c) or after being dyed by the following dyeing process:

The dyeing is to be by means of the colouring matters identified by the Colour Index numbers - most recent edition - and the designations indicated hereunder.

¹These processes and control measures apply to buttermilk powder as well as to skimmed milk powder intended for animal feed. (See Regulation (EEC) No. 804/68, Article 10:1.)

²O.J. No. L 115 of 17 May 1972, page 1.

³O.J. No. L 93 of 8 April 1976, page 22.

These colouring matters

- are to be used alone or in combination, in the form of very fine impalpable powder

and

- are to be uniformly distributed in the skimmed milk powder

- in minimum quantities of 200 grs./100 kgs.

Designation of colouring matters:

<u>C.I. No.</u>	<u>Designation</u>
19140	Tartrazine ¹
42090	Brilliant blue F.C.F.
42095	Lissamine green
44090	Green B.S., Lissamine green
74260	Pigment green 7
77289	Cochineal

(d) or after denaturing in accordance with Annex III to Regulation (EEC) No. 2054/76,² as last amended by Regulation (EEC) No. 2823/78:³

1. Homogeneous addition to the products to be denatured of 1 per cent blood meal and 1 per cent non-deodorized fish-meal; the two substances must be finely ground and 80 per cent of both must be able to pass through the mesh of a No. 60 sieve of the Tyler fine series (0.246 mm. mesh) or equivalent thereof.

The blood meal must be of a type regarded in the trade as soluble and must satisfy the following conditions: when the meal is diluted in water to 10 per cent strength and the solution has been stirred for fifteen minutes and then centrifuged for another fifteen minutes at 2,000 revolutions per minute it must not deposit more than 5 per cent sediment.

2. Homogeneous addition to the products to be denatured of 1 per cent blood meal and 1 per cent non-deodorized fish solubles.

The blood meal must present the same characteristics as required in the first procedure and the fish solubles must be as fine as required in the above procedure for blood meal and fish meal.

¹ This colouring matter to be used only in combination with one or more of the others included in the above list.

² O.J. No. L 228 of 20 August 1978, page 17.

³ O.J. No. L 334 of 1 December 1978, page 84.

FINLAND

Skimmed milk powder¹ may be exported from the customs territory of Finland to third countries:

- A. Either, after the competent Finnish authorities have ensured that the skimmed milk powder has been denatured according to any one of the following processes:
 1. By the addition, per 100 kgs. of skimmed milk powder, of 2.5 kgs. of lucerne meal or grass meal, containing not less than 70 per cent of particles not exceeding 300 microns, uniformly distributed throughout the mixture.
 2. By the addition of finely milled alfalfa flour (98 per cent to pass mesh 60, equivalent to 50 United States standard), in a proportion of 2 to 4 parts per 100 and of phenolphthalein in a proportion of 1:20,000 (1 gr. per 20 kgs. of milk).
 3. By the addition, in the proportion of 20 per 100 by weight of the product treated (80 per 100 by weight of milk powder and 20 per cent of the denaturing agent) of a mixture composed of 80 per cent bran and 20 per cent potato flour, rice flour or other common starch (at least 10 per cent to pass mesh 60, equivalent to 50 United States standard), with phenolphthalein in the proportion of 1:20,000.
 4. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 35 kgs. of undeodorized fish meal and 200 grs. of carbonate of iron or sulphate of iron and:
 - (a) 1.5 kgs. of activated carbon;
 - (b) or 100 grs. of mixture composed of four fifths of yellow tartrazine (E 102) and one fifth of patent blue V (E 131);

¹These processes and control measures apply to buttermilk powder as well as to skimmed milk powder intended for animal feed.

- (c) or 20 grs. of cochineal red A (E 124);
- (d) or 40 grs. of patent blue V (E 131).
5. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 40 kgs. of undeodorized fish meal and 300 grs. of carbonate of iron or sulphate of iron.
6. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 4.5 kgs. of fish oil or fish liver oil and 300 grs. of carbonate of iron or sulphate of iron.

The fish meal noted in processes 4 and 5 must contain at least 25 per cent of particles with dimension below eighty microns. In processes 4, 5 and 6, the iron salts have to contain at least 30 per cent of particles of a size lower than eighty microns. The colouring matters have to contain the following percentages of the pure product:

- at least 30 per cent for cochineal red A (E 124);
- at least 25 per cent for the other colouring matters: colouring matters have to contain at least 30 per cent of particles having a size lower than eighty microns; the acidity of fish oil calculated in oleic acid has to be equal to at least 10 per cent.

The products added to skimmed milk powder, according to processes 4, 5 and 6 have to be uniformly distributed as regards in particular the activated carbon, the iron salts and the colouring matters; two samples of 50 grs. each, taken at random in a lot of 25 kgs., must give by chemical determination the same results within the limits of errors admitted by the analysis method used.

7. Dye to be added to liquid skimmed milk before drying at the rate of 2 to 3 ozs. per 100 gls. of milk (12.5 to 18.7 grs. per hectolitre). The dye to be one of the following colours:

	<u>English Standard Index Nos.</u>
Lissamine green	44.090, 42.095, 44.025
Tartrazine	19.140
Combined with:	
(a) Brilliant blue F.C.F.	42.090
or	
(b) Green B.S.	44.090
Cochineal	77.289
Brilliant blue/F.C.F.	42.090

8. By the addition of meat and bone meal in a proportion of 2 to 4 parts of skimmed milk powder.

The bags or containers in which the denatured powder is packed will be labelled "For Animal Feed Only".

- B. Or, after its incorporation in compound or mixed stockfoods of a kind falling within item 23.07 of the Customs Co-operation Council Nomenclature.

JAPAN

Based on the provisions of Article 13 of the Customs Tariff Law, he who wants to import, with customs duty exempted, skimmed milk powder so as to produce animal feed through mixing the powder concerned with other materials shall take the following steps so that the powder concerned will not be diverted to uses other than animal feed:

1. He shall in advance make an application to the Director of Customs Office so that his factory be authorized to produce mixed feed with the duty-exempted skimmed milk powder.
2. When he (himself or through his agent) imports skimmed milk powder for purposes of animal feed, he shall go through necessary importation formalities and customs officers at a port of entry shall keep a record on the quantity of the skimmed milk powder thus imported.
3. He shall deliver the skimmed milk powder to his factory authorized under paragraph 1 above and mix it with fish meal, chrysalis meal or fish soluble.
4. After producing mixed feed, he shall submit, for inspection by the Customs Office, a report which contains, among others, information on the quantities of the skimmed milk powder used in the production and of other materials mixed therewith. The customs officers shall check how much of the quantity recorded at the time of entry has been used in the production and inspect the product concerned before its delivery from the factory.

In cases where he violates the control measures mentioned above, the authorization under paragraph 1 above shall be cancelled and the exempted customs duty shall be collected according to the provisions of the Customs Tariff Law. In addition to the above, he shall be fined or imprisoned, as the case may be, on the ground of the evasion of customs duty as provided for by the Customs Law.

NEW ZEALAND

1. By the addition of finely milled alfalfa flour (98 per cent to pass mesh 60, equivalent to 50 United States standard), in a proportion of 2 to 4 parts per 100 and of phenolphthalein in a proportion of 1:20,000 (1 gr. per 20 kgs. of milk).

2. By the addition, in the proportion of 20 per 100 by weight of the product treated (80 per 100 by weight of milk powder and 20 per 100 of the denaturing agent) of a mixture composed of 80 per cent bran and 20 per cent potato flour, rice flour or other common starch (at least 10 per cent to pass mesh 60, equivalent to 50 United States standard), with phenolphthalein in the proportion of 1:20,000.

3. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 35 kgs. of undeodorized fish meal and 200 grs. of carbonate of iron or sulphate of iron and

- (a) 1.5 kgs. of activated carbon;
- (b) or 100 grs. of mixture composed of four fifths of yellow tartrazine (E 102) and one fifth of patent blue V (E 131);
- (c) or 20 grs. of cochineal red A (E 124);
- (d) or 40 grs. of patent blue V (E 131);
- (e) or 20 grs. of edicol lime.

4. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 40 kgs. of undeodorized fish meal and 300 grs. of carbonate of iron or sulphate of iron.

5. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 4.5 kgs. of fish oil or fish liver oil and 300 grs. of carbonate of iron or sulphate of iron.

The fish meal noted in processes 3 and 4 must contain at least 25 per cent of particles with dimension below 80 microns. In processes 3, 4 and 5, the iron salts have to contain at least 30 per cent of particles of a size lower than 80 microns. The colouring matters have to contain the following percentages of the pure product:

- at least 30 per cent for cochineal red A (E 124);
- at least 25 per cent for the other colouring matters: colouring matters have to contain at least 30 per cent of particles having a size lower than 80 microns; the acidity of fish oil calculated in oleic acid has to be equal to at least 10 per cent.

The products added to skimmed milk powder, according to processes 3, 4 and 5, have to be uniformly distributed as regards in particular the activated carbon, the iron salts and the colouring matters; two samples of 50 grs. each, taken at random in a lot of 25 kgs., must give by chemical determination the same results within the limits of errors admitted by the analysis method used.

6. By the addition of dye to liquid skimmed milk before drying at the rate of 2 to 3 ounces per 100 gallons of milk (12.5 to 18.7 grs. per hectolitre).

Dye to be one of the following colours:

	<u>English Standard Index Nos.</u>
Lissamine green	44.090, 42.095, 44.025
Tartrazine	19.140
Combined with	
(i) Brilliant blue F.C.F.	42.090
or	
(ii) Green B.S.	44.090
Cochineal	77.289
Brilliant blue/F.C.F.	42.090

7. By the addition of meat and bone meal in a proportion of 2:4 parts of skimmed milk powder.

8. By the addition, per 100 kgs. of skimmed milk powder, of 2.5 kgs. of lucerne meal or grass meal, containing not less than 70 per cent of particles not exceeding 300 microns uniformly distributed throughout the mixture.

The bags or containers in which the denatured powder is packed will be labelled "For Animal Feed Only".

9. Incorporation of skimmed milk powder in compound or mixed stockfoods of a kind falling within item 23.07 of the Customs Co-operation Council Nomenclature.

NORWAY

Skimmed milk powder¹ may be exported from the customs territory of Norway to third countries:

- A. Either, after the competent Norwegian authorities have ensured that the skimmed milk powder has been denatured according to any one of the following processes:
1. By the addition, per 100 kgs. of skimmed milk powder, of 2.5 kgs. of lucerne meal or grass meal, containing not less than 70 per cent of particles not exceeding 300 microns, uniformly distributed throughout the mixture.
 2. By the addition of finely milled alfalfa flour (98 per cent to pass mesh 60, equivalent to 50 United States standard), in a proportion of 2 to 4 parts per 100 and of phenolphthalein in a proportion of 1:20,000 (1 gr. per 20 kgs. of milk).
 3. By the addition, in the proportion of 20 per 100 by weight of the product treated (80 per 100 by weight of milk powder and 20 per cent of the denaturing agent) of a mixture composed of 80 per cent bran and 20 per cent potato flour, rice flour or other common starch (at least 10 per cent to pass mesh 60, equivalent to 50 United States standard), with phenolphthalein in the proportion of 1:20,000.
 4. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 35 kgs. of undeodorized fish meal and 200 grs. of carbonate of iron or sulphate of iron and:
 - (a) 1.5 kgs. of activated carbon;
 - (b) or 100 grs. of mixture composed of four fifths of yellow tartrazine (E 102) and one fifth of patent blue V (E 131);

¹These processes and control measures apply to buttermilk powder as well as to skimmed milk powder intended for animal feed.

- (c) or 20 grs. of cochineal red A (E 124);
- (d) or 40 grs. of patent blue V (E 131).
5. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 40 kgs. of undeodorized fish meal and 300 grs. of carbonate of iron or sulphate of iron.
6. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 4.5 kgs. of fish oil or fish liver oil and 300 grs. of carbonate of iron or sulphate of iron.

The fish meal noted in processes 4 and 5 must contain at least 25 per cent of particles with dimension below eighty microns. In processes 4, 5 and 6, the iron salts have to contain at least 30 per cent of particles of a size lower than eighty microns. The colouring matters have to contain the following percentages of the pure product:

- at least 30 per cent for cochineal red A (E 124);
- at least 25 per cent for the other colouring matters: colouring matters have to contain at least 30 per cent of particles having a size lower than eighty microns; the acidity of fish oil calculated in oleic acid has to be equal to at least 10 per cent.

The products added to skimmed milk powder, according to processes 4, 5 and 6 have to be uniformly distributed as regards in particular the activated carbon, the iron salts and the colouring matters; two samples of 50 grs. each, taken at random in a lot of 25 kgs., must give by chemical determination the same results within the limits of errors admitted by the analysis method used.

7. Dye to be added to liquid skimmed milk before drying at the rate of 2 to 3 ozs. per 100 gls. of milk (12.5 to 18.7 grs. per hectolitre). The dye to be one of the following colours:

	<u>English Standard Index Nos.</u>		
Lissamine green	44.090,	42.095,	44.025
Tartrazine		19.140	
Combined with:			
(a) Brilliant blue F.C.F.		42.090	
or			
(b) Green B.S.		44.090	
Cochineal		77.289	
Brilliant blue/F.C.F.		42.090	

- 8. By the addition of meat and bone meal in a proportion of 2 to 4 parts of skimmed milk powder.

The bags or containers in which the denatured powder is packed will be labelled "For Animal Feed Only".

- B. Or, after its incorporation in compound or mixed stockfoods of a kind falling within item 23.07 of the Customs Co-operation Council Nomenclature.

SPAIN

The control systems applied by Spain to imports of skimmed milk powder intended for animal feed are set forth in the following texts annexed hereto:

1. Circular No. 739 of the General Directorate of Customs, establishing rules for the denaturing of milk powder (Annex 1);
2. Order of Ministry of Agriculture of 30 October 1976 establishing control and surveillance of denatured milk powder and whey powder for use in animal feed (Annex 2).

In addition, other supplementary provisions are in existence such as the Ministry of Finance Order dated 22 September 1969, determining the responsibilities of the customs authorities with respect to chemical analysis, and Customs Circular No. 626 (Official Gazette of 17 October 1969) prescribing the modalities for chemical analysis, rules for the taking of samples and the responsibility of the various laboratories.

ANNEX 1

General Directorate of Customs

Circular No. 789 (Official Gazette of 12 October 1977)
Establishing Rules for the Denaturing of Milk Powder

The denaturing of skimmed milk powder is to be effected by either of the following two processes:

1. Homogeneous addition to the products to be denatured of 1 per cent of blood flour and 1 per cent of fish flour¹; both substances must be finely ground, and each must pass through a No. 60 screen of the Tyler fine series (0.246 millimetre mesh) or its standard equivalents, in a proportion of not less than 80 per cent.

The blood flour shall be of a type regarded as soluble in the trade and must meet the requirement that when diluted in water in a 10 per cent solution and when the solution is shaken for fifteen minutes and centrifuged for an additional fifteen minutes at 2,000 revolutions per minute, the sediment shall not exceed 5 per cent.

2. Homogeneous addition to the products to be denatured of 1 per cent of blood flour and 1 per cent of non-deodorized fish solubles.

The blood flour shall have the characteristics required in the previous process and the fish solubles shall also have, so far as degree of fineness is concerned, the same characteristics as those indicated in the previous process for blood flour and fish flour.

¹It is the understanding of the Spanish authorities that the fish flour must be non-deodorized.

ANNEX 2

Ministry of Agriculture

Order of 30 October 1976 establishing control and surveillance of denatured milk powder and whey powder for use in animal feed

The import of denatured milk powder or whey powder under the Liberalized-Trade Régime exclusively for purposes of animal feed requires regulation of the control and surveillance of use, with the twofold objective of guaranteeing the quality of both the basic product and the denaturing agents employed and of preventing unlawful competition with domestic dairy products.

Quality standards and requirements for substances and products used in animal feed having been approved by Decree 851/1975 of 20 March and Ministerial Order of the Minister of Agriculture of 23 June 1976, it is necessary to make an order regarding procedures for testing and demanding the necessary quality in those products.

In pursuance of the instructions contained in Article 21 of the said Decree regarding the control and surveillance to be exercised by the Ministry of Agriculture over the handling, transport and storage of products for use in animal feed and by virtue of the authority vested in this Department by final provision 4 of the said Decree, I have deemed it fitting to provide as follows:

Article 1. The denatured milk powder and whey powder to be imported must meet the quality requirements laid down for those products in the Ministerial Order of 23 June 1976, taking into account any modifications in those characteristics which may result from the denaturing agent used. The products used as denaturing agents may be those approved by Circular No. 543 of the General Directorate of Customs (Boletín Oficial del Estado of 28 July 1966) or such other products as may subsequently be approved for the purpose.

The foregoing shall be tested by means of analyses performed by laboratories belonging to this Department on samples taken, prior to customs clearance, by the appropriate inspection services from the lots being imported.

Article 2. In order to ensure adequate preservation of the quality of these products, they may only be imported in sacks. Each of the sacks shall bear an appropriate label giving particulars concerning the type of product and the denaturing agent or agents used. Each sack shall be conspicuously marked with the words: "Products for use only in animal feed".

Article 3. The Customs Veterinary Inspection Services of this Department shall take the necessary samples and shall arrange for their despatch to the appropriate laboratory for analysis.

Before issuing the Certificate of Inspection, they shall verify the health documents accompanying the lot to be imported and shall obtain from the importer complete information concerning the destination of the product in question so as to supplement the particulars on the Import and Destination Form that is to accompany the goods (Annex 1). This form shall be signed by the importer or by a person duly authorized by him.

If the imported lot has different destinations, the importer or his representative shall make a declaration for each sub-lot.

Article 4. For purposes of subsequent control of these products, the Customs Veterinary Inspection Services shall send a copy of the Import and Destination Form to the appropriate provincial branch-office for agriculture so that the necessary verifications and procedures may be carried out by the Service for Fraud Prevention and Agricultural Testing and Analysis.

Article 5. Imported denatured dairy products shall be used exclusively in animal feed and accordingly, after clearance by Customs, they shall be consigned exclusively to fodder or additive plants, wholesale warehouses or stock-farmers, all of whom shall preserve the documentation accompanying the goods since its entry in Customs. The subsequent movement of these products shall be restricted to authorized industrial and warehousing enterprises, which must ensure that the goods are always accompanied by documents or invoices certifying the origin thereof. The consignee of the goods shall hold the original of these documents at the disposal of the inspection services for one year, and the consignor shall hold the copy or counterfoil for the same period of time and for the same purpose.

Article 6. The removal or total or partial elimination of the denaturing substances incorporated in the dairy products referred to in this Order, and likewise any other practice that would annul effects indicative of the presence of such substances, shall be prohibited.

Article 7. The inspection services of the Department shall ensure strictest compliance with the provisions of this Order, and any movement or possession of the said products in circumstances other than those authorized by this Order shall be deemed clandestine.

Article 8. Infringements of the provisions laid down in this Order shall be punished in accordance with the provisions of Decree 2177/1973, of 12 July, governing penalties for fraud in respect of agricultural products.

Article 9. The General Directorate of Agrarian Industries and the General Directorate of Agrarian Production are hereby empowered to establish additional rules for the implementation of the present Order.

Communicated for your information and action.

Madrid, 30 October 1976.

SWITZERLAND

Skimmed milk powder may be exported from the customs territory of Switzerland to third countries:

- A. Either, after the competent Swiss authorities have ensured that the skimmed milk powder has been denatured according to any one of the following processes:
1. By the addition, per 100 kgs. of skimmed milk powder, of 2.5 kgs. of lucerne meal or grass meal, containing not less than 70 per cent of particles not exceeding 300 microns, uniformly distributed throughout the mixture.
 2. By the addition of finely milled alfalfa flour (98 per cent to pass mesh 60, equivalent to 50 United States standard), in a proportion of 2 to 4 parts per 100 and of phenolphthalein in a proportion of 1:20,000 (1 gr. per 20 kgs. of milk).
 3. By the addition, in the proportion of 20 per 100 by weight of the product treated (80 per 100 by weight of milk powder and 20 per cent of the denaturing agent) of a mixture composed of 80 per cent bran and 20 per cent potato flour, rice flour or other common starch (at least 10 per cent to pass mesh 60, equivalent to 50 United States standard), with phenolphthalein in the proportion of 1:20,000.
 4. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 35 kgs. of undeodorized fish meal and 200 grs. of carbonate of iron or sulphate of iron and:
 - (a) 1.5 kgs. of activated carbon;
 - (b) or 100 grs. of mixture composed of four fifths of yellow tartrazine (E 102) and one fifth of patent blue V (E 131);

- (c) or 20 grs. of cochineal red A (E 124);
- (d) or 40 grs. of patent blue V (E 131).
5. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 40 kgs. of undeodorized fish meal and 300 grs. of carbonate of iron or sulphate of iron.
6. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 4.5 kgs. of fish oil or fish liver oil and 300 grs. of carbonate of iron or sulphate of iron.

The fish meal noted in processes 4 and 5 must contain at least 25 per cent of particles with dimension below eighty microns. In processes 4, 5 and 6; the iron salts have to contain at least 30 per cent of particles of a size lower than eighty microns. The colouring matters have to contain the following percentages of the pure product:

- at least 30 per cent for cochineal red A (E 124);
- at least 25 per cent for the other colouring matters: colouring matters have to contain at least 30 per cent of particles having a size lower than eighty microns; the acidity of fish oil calculated in oleic acid has to be equal to at least 10 per cent.

The products added to skimmed milk powder, according to processes 4, 5 and 6 have to be uniformly distributed as regards in particular the activated carbon, the iron salts and the colouring matters; two samples of 50 grs. each, taken at random in a lot of 25 kgs., must give by chemical determination the same results within the limits of errors admitted by the analysis method used.

7. Dye to be added to liquid skimmed milk before drying at the rate of 2 to 3 ozs. per 100 gls. of milk (12.5 to 18.7 grs. per hectolitre): The dye to belong of the following colours:

English Standard Index Nos.

Lissamine green	44.090, 42.095, 44.025
Tartrazine	19.140
Combined with	
(a) Brilliant blue F.C.F.	42.090
or	
(b) Green B.S.	44.090
Cochineal	77.289
Brilliant blue/F.C.F.	42.090

8. By the addition of meat and bone meal in a proportion of 2 to 4 parts of skimmed milk powder.

The bags or containers in which the denatured powder is packed will be labelled "For Animal Feed Only".

- B. Or, after its incorporation in compound or mixed stockfoods of a kind falling within item 23.07 of the Customs Co-operation Council Nomenclature.

ANNEX II

Protocol Regarding Milk Fat

PROTOCOL REGARDING MILK FATPART ONEArticle 1 - Product Coverage

1. This Protocol applies to milk fat falling under CCCN heading No. 04.03, having a milk fat content equal to or greater than 50 per cent by weight.

PART TWOArticle 2 - Pilot Products

1. For the purpose of this Protocol, minimum export prices shall be established for the pilot products of the following descriptions:

(a) Designation: Anhydrous milk fat
Milk fat content: 99.5 per cent by weight

(b) Designation: Butter
Milk fat content: 80 per cent by weight

Packaging: In packages normally used in the trade, of a net content by weight of not less than 25 kgs. or 50 lbs., as appropriate.

Terms of sale: F.o.b. from the exporting country or free-at-frontier exporting country.

By derogation from this provision, reference points are designated for the countries listed in Annex II a. The Committee established in pursuance of Article VII:2(a) of the Arrangement (hereinafter referred to as the Committee) may amend the contents of that Annex.

Prompt payment against documents.

PART TWO (cont'd)

Article 3 - Minimum Prices

Level and observance of minimum prices

1. Participants undertake to take the steps necessary to ensure that the export prices of the products defined in Article 2 of this Protocol shall not be less than the minimum prices applicable under the present Protocol. If the products are exported in the form of goods in which they have been incorporated, participants shall take the steps necessary to avoid the circumvention of the price provisions of this Protocol.

2. (a) The minimum price levels set out in the present Article take account, in particular, of the current market situation, dairy prices in producing participants, the need to ensure an appropriate relationship between the minimum prices established in the Protocols to the present Arrangement, the need to ensure equitable prices to consumers, and the desirability of maintaining a minimum return to the most efficient producers in order to ensure stability of supply over the longer term.

(b) The minimum prices provided for in paragraph 1 of the present Article applicable at the date of entry into force of this Protocol are fixed at:
 - (i) US\$1,100 per metric ton for the anhydrous milk fat defined in Article 2 of this Protocol.
 - (ii) US\$925 per metric ton for the butter defined in Article 2 of this Protocol.

3. (a) The levels of the minimum prices specified in the present Article can be modified by the Committee, taking into account, on the one hand, the results of the operation of the Protocol and, on the other hand, the evolution of the situation of the international market.

PART TWO (cont'd)Article 3 (cont'd)

(b) The levels of the minimum prices specified in the present Article shall be subject to review at least once a year by the Committee. The Committee shall meet in September of each year for this purpose. In undertaking this review the Committee shall take account in particular, to the extent relevant and necessary, of costs faced by producers, other relevant economic factors of the world market, the need to maintain a long-term minimum return to the most economic producers, the need to maintain stability of supply and to ensure acceptable prices to consumers, and the current market situation and shall have regard to the desirability of improving the relationship between the levels of the minimum prices set out in paragraph 2(b) of the present Article and the dairy support levels in the major producing participants.

Adjustment of minimum prices

4. If the products actually exported differ from the pilot products in respect of the fat content, packaging or terms of sale, the minimum prices shall be adjusted so as to protect the minimum prices established in this Protocol for the products specified in Article 2 of this Protocol according to the following provisions:

Milk fat content: If the milk fat content of the product defined in Article 1:1 of the present Protocol differs from the milk fat content of the pilot products as defined in Article 2 of the present Protocol then, if the milk fat content is equal to or greater than 82 per cent or less than 80 per cent, the minimum price of this product shall be, for each full percentage point by which the milk fat content is more than or less than 80 per cent, increased or reduced in proportion to the difference between the minimum prices established for the pilot products defined in Article 2 of the present Protocol.¹

¹See Annex II b, "Schedule of price differentials according to milk fat content".

PART TWO (cont'd)Article 3 (cont'd)

Packaging: If the products are offered otherwise than in packages normally used in the trade, of a net content by weight of not less than 25 kgs. or 50 lbs., as appropriate, the minimum prices shall be adjusted so as to reflect the difference in the cost of packaging from the type of package specified above.

Terms of sale: If sold on terms other than f.o.b. from the exporting country or free-at-frontier exporting country¹, the minimum prices shall be calculated on the basis of the minimum f.o.b. prices specified in paragraph 2(b) of this Article, plus the real and justified costs of the services provided; if the terms of the sale include credit, this shall be charged for at the prevailing commercial rates in the country concerned.

Special conditions of sales

5. Participants undertake within the limit of their institutional possibilities to ensure that practices such as those referred to in Article 4:1 of this Protocol do not have the effect of directly or indirectly bringing the export prices of the products subject to the minimum price provisions below the agreed minimum prices.

Field of application

6. For each participant, this Protocol is applicable to exports of the products specified in Article 1 of this Protocol manufactured or repacked inside its own customs territory.

Transactions other than normal commercial transactions

7. The provisions of paragraphs 1 to 6 of this Article shall not be regarded as applying to donated exports to developing countries or to exports destined for relief purposes or food-related development purposes or welfare purposes in developing countries.

¹See Article 2:1

PART TWO (cont'd)Article 4 - Provision of Information

1. In cases where prices in international trade of the products covered by Article 1 of this Protocol are approaching the minimum prices mentioned in Article 3:2(b) of this Protocol, and without prejudice to the provisions of Article III of the Arrangement, participants shall notify to the Committee all the relevant elements for evaluating their own market-situation and, in particular, credit or loan practices, twinning with other products, barter or three-sided transactions, refunds or rebates, exclusivity contracts, packaging costs and details of the packaging, so that the Committee can make a verification.

Article 5 - Obligations of Exporting Participants

1. Exporting participants agree to use their best endeavours, in accordance with their institutional possibilities, to supply on a priority basis the normal commercial requirements of developing importing participants, especially those used for food-related development purposes and welfare purposes.

Article 6 - Co-operation of Importing Participants

1. Participants which import products covered by Article 1 of this Protocol undertake in particular:

- (a) to co-operate in implementing the minimum prices objective of this Protocol and to ensure, as far as possible, that the products covered by Article 1 of this Protocol are not imported at less than the appropriate customs valuation equivalent to the prescribed minimum prices;
- (b) without prejudice to the provisions of Article III of the Arrangement and Article 4 of this Protocol, to supply information concerning imports of products covered by Article 1 of this Protocol from non-participants;
- (c) to consider sympathetically proposals for appropriate remedial action if imports at prices inconsistent with the minimum prices threaten the operation of this Protocol.

PART THREE

Article 7 - Derogations

1. Upon request by a participant, the Committee shall have the authority to grant derogations from the provisions of Article 3, paragraphs 1 to 4 of this Protocol in order to remedy difficulties which observance of minimum prices could cause certain participants. The Committee shall pronounce on such a request within three months from the date of the request.

Article 8 - Emergency Action

1. Any participant, which considers that its interests are seriously endangered by a country not bound by this Protocol, can request the Chairman of the Committee to convene an emergency meeting of the Committee within two working days to determine and decide whether measures would be required to meet the situation. If such a meeting cannot be arranged within the two working days and the commercial interests of the participant concerned are likely to be materially prejudiced, that participant may take unilateral action to safeguard its position, on the condition that other participants likely to be affected are immediately notified. The Chairman of the Committee shall also be formally advised immediately of the full circumstances of the case and shall be requested to call a special meeting of the Committee at the earliest possible moment.

ANNEX II aProtocol Regarding Milk FatList of Reference Points

In accordance with the provisions of Article 2:1 of this Protocol, the following reference points are designated for the countries listed below:

Austria: Antwerp, Hamburg, Rotterdam

Finland: Antwerp, Hamburg, Rotterdam.

Basle: for butter exports to Switzerland

Norway: Antwerp, Hamburg, Rotterdam

Sweden: Antwerp, Hamburg, Rotterdam.

Basle: for butter exports to Switzerland

ANNEX II b

Protocol Regarding Milk Fat

Schedule of Price Differentials According to
Milk Fat Content

Milk fat content %	Minimum price US\$/metric ton
Equal to or more than .., less than
"
" 79	916.25
" 80	<u>925</u>
" 82	942.50
" 83	951.25
" 84	960
" 85	968.75
" 86	977.50
" 87	986.25
" 88	995
" 89	1,003.75
" 90	1,012.50
" 91	1,021.25
" 92	1,030
" 93	1,038.75
" 94	1,047.50
" 95	1,056.25
" 96	1,065
" 97	1,073.75
" 98	1,082.50
" 99	1,091.25
" 99.5	<u>1,100</u>

ANNEX III

Protocol Regarding Certain Cheeses

PROTOCOL REGARDING CERTAIN CHEESES

PART ONE

Article 1 - Product Coverage

1. This Protocol applies to cheeses falling under CCCN heading No. 04.04, having a fat content in dry matter, by weight, equal to or more than 45 per cent and a dry matter content, by weight, equal to or more than 50 per cent.

PART TWO

Article 2 - Pilot Product

1. For the purpose of this Protocol, a minimum export price shall be established for the pilot product of the following description:

Designation: Cheese

Packaging: In packages normally used in the trade of a net content by weight of not less than 20 kgs. or 40 lbs., as appropriate.

Terms of sale: F.o.b. from the exporting country or free-at-frontier exporting country.

By derogation from this provision, reference points are designated for the countries listed in Annex IIIa. The Committee established in pursuance of Article VII:2(a) of the Arrangement (hereinafter referred to as the Committee) may amend the contents of that Annex.

Prompt payment against documents.

PART TWO (cont'd)

Article 3 - Minimum Price

Level and observance of minimum price

1. Participants undertake to take the steps necessary to ensure that the export prices of the products defined in Articles 1 and 2 of this Protocol shall not be less than the minimum price applicable under the present Protocol. If the products are exported in the form of goods in which they have been incorporated, participants shall take the steps necessary to avoid the circumvention of the price provisions of this Protocol.

2. (a) The minimum price level set out in the present Article takes account, in particular, of the current market situation, dairy prices in producing participants, the need to ensure an appropriate relationship between the minimum prices established in the Protocols to the present Arrangement, the need to ensure equitable prices to consumers, and the desirability of maintaining a minimum return to the most efficient producers in order to ensure stability of supply over the longer term.

(b) The minimum price provided for in paragraph 1 of the present Article applicable at the date of entry into force of this Protocol is fixed at US\$800 per metric ton.

3. (a) The level of the minimum price specified in the present Article can be modified by the Committee, taking into account, on the one hand, the results of the operation of the Protocol and, on the other hand, the evolution of the situation of the international market.

(b) The level of the minimum price specified in the present Article shall be subject to review at least once a year by the Committee. The Committee shall meet in September of each year for this purpose. In undertaking this review the Committee shall take account in particular, to the extent relevant and necessary, of costs faced by producers, other relevant economic factors of the world market, the need to maintain a long-term minimum return to the most economic producers, the need to maintain stability of supply and to ensure acceptable prices to consumers, and the current market situation and shall have regard to the desirability of improving the relationship between the level of the minimum price set out in paragraph 2(b) of the present Article and the dairy support levels in the major producing participants.

PART TWO (cont'd)

Article 3 (cont'd)

Adjustment of minimum price

4. If the products actually exported differ from the pilot product in respect of the packaging or terms of sale, the minimum price shall be adjusted so as to protect the minimum price established in this Protocol, according to the following provisions:

Packaging:

If the products are offered otherwise than in packages as specified in Article 2:1, the minimum price shall be adjusted so as to reflect the difference in the cost of packaging from the type of package specified above.

Terms of sale:

If sold on terms other than f.o.b. from the exporting country, or free-at-frontier exporting country¹, the minimum price shall be calculated on the basis of the minimum f.o.b. price specified in paragraph 2(b) of this Article, plus the real and justified costs of the services provided; if the terms of the sale include credit, this shall be charged for at the prevailing commercial rates in the country concerned.

Special conditions of sale

5. Participants undertake within the limit of their institutional possibilities to ensure that practices such as those referred to in Article 4:1 of this Protocol do not have the effect of directly or indirectly bringing the export prices of the products subject to the minimum price provisions below the agreed minimum price.

Field of application

6. For each participant, this Protocol is applicable to exports of the products specified in Article 1 of this Protocol manufactured or repacked inside its own customs territory.

¹See Article 2:1.

PROTOCOL (cont'd)

Article 3 (cont'd)

Transactions other than normal commercial transactions

7. The provisions of paragraphs 1 to 6 of this Article shall not be regarded as applying to donated exports to developing countries or to exports destined for relief purposes or food-related development purposes or welfare purposes in developing countries.

Article 4 - Provision of Information

1. In cases where prices in international trade of the products covered by Article 1 of this Protocol are approaching the minimum price mentioned in Article 3:2(b) of this Protocol and without prejudice to the provisions of Article III of the Arrangement, participants shall notify to the Committee all the relevant elements for evaluating their own market situation and, in particular, credit or loan practices, twinning with other products, barter or three-sided transactions, refunds or rebates, exclusivity contracts, packaging costs and details of the packaging, so that the Committee can make a verification.

Article 5 - Obligations of Exporting Participants

1. Exporting participants agree to use their best endeavours, in accordance with their institutional possibilities, to supply on a priority basis the normal commercial requirements of developing importing participants, especially those used for food-related development purposes and welfare purposes.

Article 6 - Co-operation of Importing Participants

1. Participants which import products covered by Article 1 of this Protocol undertake in particular:

(a) to co-operate in implementing the minimum price objective of this Protocol and to ensure, as far as possible, that the products covered by Article 1 of this Protocol are not imported at less than the appropriate customs valuation equivalent to the prescribed minimum price;

(b) without prejudice to the provisions of Article III of the Arrangement and Article 4 of this Protocol, to supply information concerning imports of products covered by Article 1 of this Protocol from non-participants;

PART TWO (cont'd)

Article 6 (cont'd)

(c) to consider sympathetically proposals for appropriate remedial action if imports at prices inconsistent with the minimum price threaten the operation of this Protocol.

PART THREE

Article 7 - Derogations

1. Upon request by a participant, the Committee shall have the authority to grant derogations from the provisions of Article 3, paragraphs 1 to 4 of this Protocol in order to remedy difficulties which observance of minimum prices could cause certain participants. The Committee shall pronounce on such a request within thirty days from the date of the request.

2. The provisions of Article 3:1 to 4 shall not apply to exports, in exceptional circumstances, of small quantities of natural unprocessed cheese which would be below normal export quality as a result of deterioration or production faults. Participants exporting such cheese shall notify the GATT secretariat in advance of their intention to do so. Participants shall also notify the Committee quarterly of all sales of cheese effected under the provisions of this paragraph, specifying in respect of each transaction, the quantities, prices and destinations involved.

Article 8 - Emergency Action

1. Any participant, which considers that its interests are seriously endangered by a country not bound by this Protocol, can request the Chairman of the Committee to convene an emergency meeting of the Committee within two working days to determine and decide whether measures would be required to meet the situation. If such a meeting cannot be arranged within the two working days and the commercial interests of the participant concerned are likely to be materially prejudiced, that participant may take unilateral action to safeguard its position, on the condition that any other participants likely to be affected are immediately notified. The Chairman of the Committee shall also be formally advised immediately of the full circumstances of the case and shall be requested to call a special meeting of the Committee at the earliest possible moment.

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ANNEX III a

Protocol Regarding Certain Cheeses

List of Reference Points

In accordance with the provisions of Article 2:1 of this Protocol, the following reference points are designated for the countries listed below:

<u>Austria:</u>	Antwerp, Hamburg, Rotterdam
<u>Finland:</u>	Antwerp, Hamburg, Rotterdam
<u>Norway:</u>	Antwerp, Hamburg, Rotterdam
<u>Sweden:</u>	Antwerp, Hamburg, Rotterdam
<u>Poland:</u>	Antwerp, Hamburg, Rotterdam

ANNEX B

The United States undertakes to implement the economic provisions of this Arrangement fully within the limit of its institutional possibilities.

Japan undertakes to implement the provisions of this Arrangement fully within the limit of its institutional possibilities.

Japan has accepted Article 3:5 of the Protocol Regarding Certain Milk Powders on the understanding that advance notification of its intention to make use of the provisions of that paragraph may be made globally for a given period and not separately for each transaction.

The Nordic countries have accepted Article V:3 of the Arrangement with the understanding that it does not in any way prejudice their position with regard to the definition of (other than) normal commercial transactions.

Switzerland has indicated that it is reserving the right to request at a later date the designation of two or three European ports as reference points under Article 2 of the Protocol Regarding Certain Milk Powders in the event that its exports made this necessary.

New Zealand has indicated that the annual quantities of its exports under Article 7:2 of the Protocol Regarding Certain Cheeses should normally be of the order of 1,000 metric tons and could, in exceptional circumstances, amount to some 2,000 metric tons.

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED
MTN/DP/W/49
20 June 1979
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Multilateral Trade Negotiations

INTERNATIONAL DAIRY ARRANGEMENT

Rectifications of a Formal Character

Note by the Secretariat

In the Procès-Verbal embodying the results of the Multilateral Trade Negotiations, representatives acknowledged that the texts listed therein might be subject to rectifications of a purely formal character that did not affect the substance or meaning of the texts (MTN/28, paragraph 1). An airgram (GATT/AIR/1565) inviting delegations to communicate suggestions for formal rectifications to the secretariat by 1 June 1979 was circulated on 8 May 1979 and suggestions from delegations for rectifications were circulated in MTN/DP/W/48.

Rectifications¹ to the English text of document MTN/DP/8, Annex A are listed below.

¹Corresponding rectifications to the French and Spanish texts are being circulated. Rectifications to the French and Spanish texts concerning only the alignment of those texts to the English text are being communicated directly to delegations using these languages. Other delegations wishing to have copies of these texts are invited to inform the secretariat (Tel. 31.02.31, ext. 2385).

Annex A

RECTIFICATIONS TO THE
INTERNATIONAL DAIRY ARRANGEMENT

- Page 3 - On top of page, add "INTERNATIONAL DAIRY ARRANGEMENT"
- Page 3 - In the second line of the last preambular paragraph, add "(hereinafter referred to as "General Agreement" or "GATT")" after "... the General Agreement on Tariffs and Trade"
- Page 3* - In the third line of the last preambular paragraph, replace "Agreement" by "Arrangement"
- Page 3 - In the second line of footnote 2, replace "General Agreement on Tariffs and Trade" by "GATT"
- Page 6 - Article IV, paragraph 5
In the first and third lines, replace the footnote reference "1" by the footnote reference "3"
The footnote at the bottom of the page will be numbered "3" instead of "1"
In the text of the footnote, second line, delete "and agreed upon"
- Page 6 - Article IV, paragraph 5
At the end of the first sentence, insert ", inter alia, for the same purposes provided for in paragraph 2 of this Article."
- Page 9 - Article VII, paragraph 1(a)
In the second and third lines, replace "General Agreement on Tariffs and Trade" by "GATT"
- Page 12 - Article VIII, paragraph 1, after "Acceptance", replace the footnote reference "1" by the footnote reference "4"
The footnote at the bottom of the page will be numbered "4" instead of "1"
- Page 12 - Article VIII, paragraph 1(b)
In the first line, replace the footnote reference "2" by the footnote reference "5"
The footnote at the bottom of the page will be numbered "5" instead of "2"
- Page 12 - Article VIII, paragraph 1(c)
In the second and third lines, replace "General Agreement on Tariffs and Trade" by "GATT"
- Page 13 - Article VIII, paragraph 2
In the second line, replace "General Agreement on Tariffs and Trade" by "GATT"

* English text only

- Page 13 - Article VIII, paragraph 6
In the fifth line, delete ":1"
In the sixth line, delete ":1"
In the seventh line, delete ":1"
- Page 14 - In the second line, replace "2" by "3" after "note"
- Page 14 - Article VIII, paragraph 7
In title and text, replace "General Agreement on Tariffs and Trade" by "GATT"
In the second line, replace the footnote reference "1" by the footnote reference "6"
The footnote at the bottom of the page will be numbered "6" instead of "1"
In the text of the footnote, replace "General Agreement on Tariffs and Trade" by "GATT"
- Page 14 - Article VIII, paragraph 8
In the fourth line of sub-paragraph (a), replace "General Agreement on Tariffs and Trade" by "GATT"
In the sixth line of sub-paragraph (b), replace "General Agreement on Tariffs and Trade" by "GATT"
- Page 19 - Article 3, paragraph 4
In the second line of the sub-paragraph "Milk fat content", delete ":1"
In the third line of the sub-paragraph "Milk fat content", replace the footnote reference "1" by the footnote reference "2"
The footnote at the bottom of the page will be numbered "2" instead of "1"
In the eleventh line of the sub-paragraph "Milk fat content" replace the footnote reference "2" by the footnote reference "3"
The footnote at the bottom of the page will be numbered "3" instead of "2"
- Page 20 - In the third line of sub-paragraph "Terms of sale" replace the footnote reference "1" by the footnote reference "4"
The footnote at the bottom of the page will be numbered "4" instead of "1"
In the text of the footnote, delete ":1"
- Page 20 - Article 3, paragraph 5
In the eleventh line replace the footnote reference "2" by the footnote reference "5"
The footnote at the bottom of the page will be numbered "5" instead of "2"
- Page 21 - Article 3, paragraph 6
In the third line, delete ":1"

Page 24/25 - Annex I a, "List of Reference Points",
In the first line delete ":1"

Page 30/31 - Processes and control measures of Australia, in the first line
replace the footnote reference "1" by the footnote reference "6"
The footnote at the bottom of the page will be numbered "6"
instead of "1"

Page 34/35 - Processes and control measures of Austria, in the first line
replace the footnote reference "1" by the footnote reference "7"
The footnote at the bottom of the page will be numbered "7"
instead of "1"

Page 42/43 - Processes and control measures of the European Economic Community,
in the first line replace the footnote reference "1" by the
footnote reference "8"
The footnote at the bottom of the page will be numbered "8"
instead of "1"
In the fourth line replace the footnote reference "2" by the
footnote reference "9"
The footnote at the bottom of the page will be numbered "9"
instead of "2"
In the fifth line replace the footnote reference "3" by the
footnote reference "10"
The footnote at the bottom of the page will be numbered "10"
instead of "3"

Page 44 - Processes and control measures of the European Economic Community
(cont'd)
In the ninth line replace the footnote reference "1" by the
footnote reference "11"
The footnote at the bottom of the page will be numbered "11"
instead of "1"
In the second line of sub-paragraph (d) replace the footnote
reference "2" by the footnote reference "12"
The footnote at the bottom of the page will be numbered "12"
instead of "2"
In the second line of sub-paragraph (d) replace the footnote
reference "3" by the footnote reference "13"
The footnote at the bottom of the page will be numbered "13"
instead of "3"

Page 45 - Processes and control measures of Finland, in the first line
replace the footnote reference "1" by the footnote reference "14"
The footnote at the bottom of the page will be numbered "14"
instead of "1"

- Page 50/51 - Processes and control measures of New Zealand, add after "NEW ZEALAND" the footnote reference "15"
Insert the following footnote at the bottom of the page:
"15 These processes and control measures apply to buttermilk powder as well as to skimmed milk powder intended for animal feed."
- Page 53 - Processes and control measures of Norway, in the first line replace the footnote reference "1" by the footnote reference "16"
The footnote at the bottom of the page will be numbered "16" instead of "1"
- Page 58 - Processes and control measures of Spain, in the second line of paragraph 1 replace the footnote reference "1" by the footnote reference "17"
The footnote at the bottom of the page will be numbered "17" instead of "1"
- Page 68 - Article 3, paragraph 4
In the second line of the sub-paragraph "Milk fat content", delete ":1"
- Page 69 - Article 3, paragraph 4
In the second line of sub-paragraph "terms of sale" replace the footnote reference "1" by the footnote reference "2"
The footnote at the bottom of the page will be numbered "2" instead of "1"
In the text of the footnote, delete ":1"
- Page 69 - Article 3, paragraph 5
In the second line, delete ":1"
- Page 72/73 - Annex II a, "List of Reference Points"
In the first line, delete ":1"
- Page 80 - Article 3, paragraph 4
In the second line of the sub-paragraph "Packaging" delete ":1"
Article 3, paragraph 5
In the third line, delete ":1"
Note 1, delete ":1"
- Page 83 - Annex III a, "List of Reference Points"
In the first line, delete ":1"

GENERAL AGREEMENT
ON TARIFFS AND
TRADEACCORD GENERAL SUR
LES TARIFS DOUANIERS
ET LE COMMERCERESTRICTED

MTN/27

11 April 1979

Special Distribution

Multilateral Trade NegotiationsTrade Negotiations CommitteeMULTILATERAL AGRICULTURAL FRAMEWORK

It is recommended to the CONTRACTING PARTIES to further develop active co-operation in the agricultural sector within an appropriate consultative framework.

It is therefore recommended to the CONTRACTING PARTIES that the definition of this framework and its tasks be worked out as soon as possible.

Négociations commerciales multilatéralesComité des négociations commercialesCADRE MULTILATERAL CONCERNANT L'AGRICULTURE

Il est recommandé aux PARTIES CONTRACTANTES de poursuivre, dans un cadre consultatif approprié, le développement d'une coopération active dans le secteur de l'agriculture.

En conséquence, il est recommandé aux PARTIES CONTRACTANTES que la définition de ce cadre et de ses tâches soit précisée dans les meilleurs délais.

Negociaciones Comerciales MultilateralesComité de Negociaciones ComercialesMARCO AGRÍCOLA MULTILATERAL

Se recomienda a las PARTES CONTRATANTES que sigan desarrollando una activa cooperación en el sector agrario dentro de un marco consultivo apropiado.

Se recomienda por tanto a las PARTES CONTRATANTES que se elabore lo antes posible la definición de ese marco y de sus tareas.

MULTILATERAL TRADE NEGOTIATIONS

Letter to be exchanged by the United States and the Commission of the European Communities.

Geneva, 12 April 1979.

For the Commission of the
European Communities.

For the United States

ANNEX IARRANGEMENT BETWEEN THE U.S. AND THE COMMUNITY CONCERNING CHEESES

1. The U.S. agrees that its import system will be adjusted so that :
 - the cheeses which are listed in Annex 1 will not be subject to quotas;
 - the other cheeses will be freely imported within the limits of fixed quotas.

2. The global volume of the quotas granted to the Community for cheeses subject to the quota system will amount to a minimum of 43.554 tons. The distribution of the quotas between the different varieties is that listed in Annex 2 of the present arrangement. The U.S. commits itself to take all necessary measures so that the management of the quotas by the administration will be such as to permit their maximum utilisation.

3. The Community agrees not to grant restitutions or ^{permit} other similar practices in a manner such as to result in the prices for cheeses of Community origin on the U.S. wholesale market below the prices of like U.S. domestic cheeses. Other suppliers of cheese under quota to the U.S. will be subject to the same commitment.

4. The U.S. agrees not to impose countervailing duties on cheese imported from the Community as long as the price condition on the American market, as stated in paragraph 3, is met.

If the American Government considers that the price conditions mentioned in the previous paragraph are no longer respected, it will inform the Community and agree to enter into consultations before undertaking any counteraction.

5. The Community accepts the commitment of the U.S. with regard to the amount of the quotas, established by virtue of Section 22 and in conformity with the Waiver of 1955, without prejudice to its rights under the General Agreement.

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1. In accordance with the Arrangement, the cheeses covered by the following tariff categories of the tariff schedules of the United States shall not be subject to quota.

a) Those provided for in items :

<u>TSUS No.</u>	<u>Description</u>
117.0020	Stilton cheese, in original loaves, product of England
117.0520	Stilton cheese, other, product of England
117.1000	Bryndza cheese
117.3000	Gjetost cheese, made from goat's milk whey or from whey obtained from a mixture of goat's milk and not more than 20 percent of cow's milk
117.3500	Gjetost cheese, other
ex 117.4060	Goya cheese, in original loaves
117.4500	Roquefort cheese, in original loaves, product of France
117.5000	Roquefort cheese, other, product of France
117.6060	Gammelost and Nokkelost cheeses
117.6500	Cheeses made from sheep's milk, in original loaves and suitable for grating
117.6700	Pecorino cheese, made from sheep's milk, in original loaves, not suitable for grating
117.7000	Other sheep's milk cheese
117.7575	Other goat's milk cheese valued not over 25 cents per pound
117.8575	Other goat's milk cheese valued over 25 cents per pound

b) Those provided for in an item to be created the wording of which shall be based on the following definition for soft ripened cow's milk cheeses :

"Soft ripened cheese is cured or ripened by biological curing agents such as molds, yeasts, and other organisms which have formed a prominent crust on the surface of the cheese. The curing or ripening is conducted so that the cheese visibly cures or ripens from the surface toward

the center. Fat content in the dry matter is not less than fifty (50) percent. Moisture content, calculated by weight of the non-fatty matter is not less than sixty-five (65) percent.

yeasts and other organisms on the surface which also contain mold
"The term soft ripened cheese does not include cheeses with molds, blue or otherwise, distributed throughout the interior of the cheese."

2. The following non-comprehensive list is given for illustrative purposes only. Administrative cooperation should be established at the technical level concerning any difficulty related to the classification of these cheeses :

- Bibress
- Brie
- Camembert
- Cambré
- Carré de l'Est
- Chaource
- Coulommiers
- Epoisse
- Herve
- Limbourg
- Livarot
- Maroilles
- Munster - from France and Germany along both sides of the Rhine
- Pont-l'Evêque
- Reblochon
- St. Marcellin
- Taleggio

(Examples offered for sale under commercial names) :

- Boursault
- Caprice des Dieux
- Ducs (Suprême des)
- Explorateur

CHEESE QUOTAS

<u>TSUS Appendix Item Number</u>	<u>Commodity</u>	<u>Annual Import Quota Jan. 1 - Dec. 31 (MT)</u>
950.07	Blue mold (except Stilton produced in England) and cheese substitutes for cheese containing, or processed from, blue mold cheese	2.479
950.08	Cheddar cheese and cheese and substitutes for cheese containing, or processed from, Cheddar cheese	263
950.08 A	American-type cheese, including Colby, washed cured, and granular cheese (but not including Cheddar) and cheese containing, or processed from, such American-type cheese	254
950.09 A	Edam and Gouda cheese	4.011
950.09 B	Cheese and substitutes for cheese containing, or processed from, Edam and Gouda cheese. Italian-type cheeses, made from cow's milk (Romani made from cow's milk, Reggiano, Parmesano, Provoloni, Provolette, and Sbrinz)	1.237
950.10	In original loaves	1.763
950.10 A	Not in original loaves and cheese and substitutes for cheese containing, or processed from, such Italian-type cheeses Swissor Emmenthaler cheese with eye formation; gruyere-process cheese; and cheese and substitutes for cheese containing, or processed from, such cheeses	47
950.10 B	Swiss or Emmenthaler cheese with eye formation	6.000

TSUS Appendix Item <u>Number</u>	<u>Commodity</u>	Annual Import Quota Jan. 1 - Dec. 31 <u>(MT)</u>
950.10 C	Other than Swiss or Emmenthaler with eye formation (reported statistically as Gruyere-process)	3.500
950.10 D	Cheeses and substitutes for cheese provided for in items 117.75 and 117.85, part 4 C Schedule 1 of the Tariff Schedules of the United States (except cheese not containing cow's milk; cheese, except cottage cheese, containing 0.5 percent or less by weight of butterfat, and articles within the scope of other import quotas provided for in this part)	20.000
950.10 E	Cheese, and substitutes for cheese, containing 0.5 percent or less by weight of butterfat as provided for in items 117.75 and 117.85 of subpart C, part 4, Schedule 1 (except articles within the scope of other import quotas provided for in this part)	4.000



UNITED STATES DELEGATION
TO THE
MULTILATERAL TRADE NEGOTIATIONS

1-3, avenue de la Paix
1202 Geneva, Switzerland

April 12, 1979

Mr. Claude Villain
Director General for Agriculture
European Economic Community
200 Rue de la Loi
1049 Brussels, Belgium

Dear Mr. Villain:

As regards the US/EC Arrangement on Cheeses I wish to refer to our understanding that in the event that the EC is unable to supply a given annual quota the U.S. may authorize a temporary country of origin adjustment for the remainder of the quota year so that U.S. importers and licensees may be able to use their import licenses elsewhere.

Sincerely,

A handwritten signature in cursive script, appearing to read "Alonzo L. McDonald".

Alonzo L. McDonald
Ambassador

EXCHANGE OF LETTERS BETWEEN
THE EUROPEAN ECONOMIC COMMUNITY AND THE UNITED STATES
CONCERNING THE POULTRY SECTOR

The United States and the European Economic Community have agreed as follows :

1. The Commission will take measures so that at the date of the coming into force of the concessions internal procedures will have been completed modifying the coefficients used in the calculation of the sluice-gate price and the levy for certain turkey parts on the basis of those applicable to whole turkeys, so that these will be fixed at the following levels for the positions :

- 02.02 B II e) 2 aa) drumsticks : 0,75
- 02.02 B II e) 2 bb) thighs : 1,35
- 02.02 B II d) 2 breasts : 1,60

These modifications are such that they would have entailed at the date of December 1, 1978, other things being equal, reductions of the threshold prices and levies, respectively of

- for the tariff line 02.02 B II e) 2 aa) drumsticks : 17 %
- 02.02 B II e) 2 bb) thighs : 13 %
- 02.02 B II d) 2 breasts : 3 %

2. The E.C. confirms the binding for uncooked seasoned turkey meat under the tariff position 16.02 B I A of the CXT. Uncooked seasoned poultry meat other than turkey meat, now classified under the same tariff position, may be reclassified.

3. If exports of turkey meat from the United States to the European Economic Community exceed the average level realized in the course of the years 1977 and 1978, the United States and the European Economic Community will enter into consultation in order to examine the situation and, if needed, to find a solution to the problem thus created on the Community market for turkey.

EXCHANGE OF LETTERS BETWEEN
THE EUROPEAN ECONOMIC COMMUNITY
AND THE UNITED STATES
CONCERNING RICE

1. The European Economic Community agrees that at the 1st September 1979 and at the 1st September 1980, internal procedures will be completed in the Community which will reduce, in two stages, the threshold price for long grain rice - which presently exceeds that for round grain rice by 20 UA/MT - to the level of the threshold price for round grain rice including the corresponding modifications of the external corrective amounts used in the calculation of the CIF prices.
2. The European Economic Community agrees to retain the classification of parboiled rice in Chapter 10 of the CXT as provided for in European Economic Community Council Regulation 2800/78 of November 27, 1978. This classification will also be maintained in the future.
3. The European Economic Community agrees that these concessions will not be negated through any changes in the method used for calculating the European Economic Community threshold price and the import levies for rice.

EXCHANGE OF LETTERS BETWEEN
THE EUROPEAN ECONOMIC COMMUNITY AND THE UNITED STATES
CONCERNING THE ELIMINATION OF THE "WINE GALLON ASSESSMENT"

The United States agrees to eliminate the wine gallon method of assessment used in the calculation of the customs duties and of the internal taxes on products imported under the following tariff numbers:

- 168.05 Aquavit
- 168.17 Bitters of all kinds containing spirits, fit for
 use as beverages
- Brandy:
 Pisco and singani:
 in containers each holding not over 1 gallon:
- 168.18 valued not over \$9 per gallon
- 168.23 valued over \$ 9 per gallon
- Other:
 in containers each holding not over 1 gallon:
- 168.28 valued over \$9 per gallon
- 168.33 Cordials, liqueurs, kirschwasser, and ratafia
- 168.34 Ethyl alcohol for beverage purposes
- 168.35 Gin
- 168.45 Whiskey:
 Irish and Scotch
- Other spirits, and preparations in chief value of
 distilled spirits, fit for use as beverages or
 for beverage purposes:
- 168.55 Other

EXCHANGE OF LETTERS BETWEEN
THE EUROPEAN ECONOMIC COMMUNITY AND THE UNITED STATES
CONCERNING HIGH QUALITY BEEF

The European Economic Community agrees to establish a levy free quota of 10,000 MT of high quality beef with an a.v. tariff of 20 percent to be bound in GATT. This beef shall be defined by either of the two following definitions and certified to by the exporting country:

- i) Beef quarters, wholesale cuts, boneless primal and sub-primal cuts or portioned steaks from carcasses possessing the following characteristics:
 - A) Minimum external white fat covering over the ribeye muscle at the 12th rib of .4 inch to .9 inch.
 - B) Carcass weight of 600 to 850 pounds.
 - C) Minimum ribeye area at 12th rib - 9 square inches.
 - D) Maximum Age - 30 months. Carcass must have no visible ossification of cartilage buttons over tips of spinous processes associated with the 1st through 11th thoracic vertebrae.
 - E) Minimum intermuscular fat intermingled in lean of longissimus (ribeye) muscle at the 12th rib as shown by photographic standard (equivalent to modest or fat content of lean of 6.0 minimum, wet tissue basis, for longissimus). NOTE: This will not apply to other muscles of carcass.
 - F) Color: Lean must be a bright, cherry red color at time of cutting of carcass.

- G) Fresh chilled carcasses or cuts must be at a temperature (internal or ribeye muscle) of less than 4 degrees C when packed for shipment.
- ii) Carcasses or any cuts from cattle not over 30 months of age which have been fed for 100 days or more on a nutritionally balanced, high energy feed concentration ration containing no less than 70 percent grain, and at least 20 pounds total feed per day.

It should be noted that U.S. beef which is graded USDA choice or prime will automatically meet the definition of one of the above.

2. By 1983 the United States and the European Economic Community will consult about the possibility of further expanding trade in high quality beef.

EXCHANGE OF LETTERS BETWEEN
THE EUROPEAN ECONOMIC COMMUNITY AND THE UNITED STATES
CONCERNING FRESH, CHILLED AND FROZEN BEEF

1. The United States agrees to operate its import system of fresh, chilled and frozen beef in such a manner as to allow access for 5,000 M.T. of E.C. beef from member countries free of foot and mouth disease. The European Economic Community will administer the amount. As regards countervailing duties, the United States will act in conformance with the relevant provisions of the subsidy countervail code.
2. By 1983, the United States and the European Economic Community will consult about the possibility of further expanding trade in fresh, chilled and frozen beef.

MULTILATERAL TRADE NEGOTIATIONS

Letters to be exchanged by Canada and the Commission of the European Communities.

Geneva,

For the Commission of the
European Communities.

For the Canada.

QUALITY WHEAT

QUALITY WHEAT

With reference to the talks that have taken place between the Delegations of Canada and the European Economic Community, I have the honour to confirm the following concerning quality wheat:

"Canada and the Commission of the European Communities agree to meet in 1982 with a view to examining the question of the disposition of the outstanding matters concerning Canada's exports of quality wheat to the E.C. arising out of the exchange of letters which resulted from the GATT Article XXIV § 6 negotiations of 1962 and 1975."

ARRANGEMENT BETWEEN CANADA AND THE EUROPEAN ECONOMIC COMMUNITY
CONCERNING CHEESE

I. Community Undertaking With Respect to the Importation of Aged Canadian Cheddar

1. The Community undertakes to establish a tariff quota for aged Cheddar, setting down specific conditions for the import of an annual total quantity of 2,750 metric tons reserved for Canada. The definition of the system, the specifications of the cheese eligible for it and the conditions of eligibility for the special system are set out in the Annex to this Arrangement. Canada undertakes that the Cheddar shipped to the Community will be accompanied by a certificate of authenticity issued by the Canadian Dairy Commission, certifying the nature and the origin of the product.
2. Canada undertakes to ensure that, for cheese exported to the Community under this Arrangement, the minimum prices specified in the Annex to this Arrangement will be respected at the CIF stage. The Community, for its part, undertakes that, to the extent necessary, the minimum prices will be adjusted to ensure that the annual total quantity allowed to be imported from Canada can be achieved, taking into account competitive supply and demand conditions on the cheese markets of the member states of the Community. The Community will also ensure that the advantage thus granted to Canada is not compromised by other import measures.

- 2 -

3. In the event that Canadian prices are such as to cause serious difficulties on the cheese market of a Member State of the Community, consultations will be opened without delay with a view to taking the necessary measures.
4. It is understood that monetary compensatory amounts or any other similar monetary measure which could affect the marketing of aged Canadian Cheddar in the Community will not be applied so as to discriminate between third country suppliers.
5. This undertaking replaces the arrangement of February 28, 1975.

II. Canadian Undertaking With Respect to Imports

1. Canada undertakes to open quotas for all cheeses for a global volume of not less than 45 million pounds per year. Within this volume of 45 million pounds, an unallocated reserve of 1 million pounds will be set aside for Cheddar; it is understood that the Community will be treated no less favourably than other Cheddar suppliers. The quota allocated to the European Economic Community will not, in any case, be less than 60 per cent of this volume of 45 million pounds, that is, 27 million pounds.
2. Canada undertakes to implement all the necessary measures to ensure that the administration of the quotas by the Canadian authorities will be such as to allow for their maximum utilization.

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Canada will ensure that the advantage thus granted to the Community is not compromised by other import measures.

3. The Community undertakes to ensure that the restitutions it grants will be such that the prices, ex-quay duty paid Canadian port, of cheeses from Community sources on the Canadian market do not undercut the prices, ex factory, of the same domestic cheeses or of similar cheeses made in Canada, in as much as Canada attempts to obtain a similar undertaking from other suppliers.

The monitoring of prices on the Canadian market will be done on the basis of a common agreement between the Community and Canada and presupposes the introduction in Canada of an information system on ex factory prices.

In the event that Community prices are such as to cause serious difficulties on the cheese markets in Canada, consultations will be opened without delay with a view to taking the necessary measures.

III. Reciprocal Undertakings

1. The Community and Canada undertake to hold consultations on the implementation of this Arrangement on an annual basis and, if necessary, upon request of either party.

2. This Arrangement will be re-examined in 1982, in particular with respect to the possibility of increasing the quotas which have been fixed reciprocally and also with respect to their binding within the GATT.

ANNEX

DESCRIPTION OF THE EEC CONCESSION ON AGED CHEDDAR

Common Customs Tariff Heading Number	Description	Rate of Duty Autonomous percent or Levy (L)
04.04	Cheese and curd: E. Other: I. Not grated or powdered, of a fat content, by weight, not exceeding 40 per cent and a water content, calculated by weight of the non-fatty matter: b) exceeding 47 per cent but not exceeding 72 per cent: 1. Cheddar: aa) Cheddar made from unpasteurized milk, of a minimum fat content of 50 per cent by weight, in the dry matter, matured for at least nine months (a): (11) in standard whole sizes(b) and of a free-at-frontier value of not less than 170 U.A.(c) per 100 kg net weight L(d) (22) Others of a net weight of: (aaa) not less than 500 g and of a free-at- frontier value of not less than 185 U.A.(c) per 100 kg net weight L(d) (bbb) less than 500 g and of a free-at-frontier value of not less than 195 U.A.(c) per 100 kg net weight L(d)	

(a) Entry under this sub-heading is subject to conditions to be determined by the competent authorities.

(b) The expression "standard whole sizes" in relation to the customs tariff sub-heading number 04.04 E.1.b) 1. aa) ii) shall be taken to apply to:

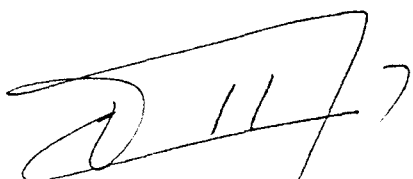
- rounds of a net weight of between 33 and 44 kg inclusive;
- cubic blocks or rounds of a net weight of not less than 10 kg.

(c) The minimum values shall be automatically adjusted to take account of changes in the factors determining the formation of Cheddar prices in the Community. This adjustment shall be by way of an increase or decrease equal to that of the Community threshold price for Cheddar.

(d) 10 U.A. per 100 kg net weight within a 2,750 metric ton annual tariff quota to be allocated by the competent authorities of the European Communities.

MULTILATERAL TRADE NEGOTIATIONS

The attached texts of Annex 3 and Annex 4 to the Exchange of Letters signed by the Delegations of the European Communities and New Zealand on 12 April 1979 are authentic in the English language.



For the Commission of the
European Communities



For New Zealand

MEMORANDUM OF UNDERSTANDING

Results of Bilateral Negotiations between the Delegations of New Zealand
and the European Communities to the Multilateral Trade Negotiations

The Delegation of New Zealand and the Delegation of the European Communities agree that, subject to approval by their relevant authorities, they have completed bilateral negotiations in the context of the Multilateral Trade Negotiations on the following basis :

- (a) Tariff offers, as tabled by both parties, to be included in Schedule XIII - New Zealand, and Schedule LXXII - European Communities.
- (b) Supplementary tariff offer by New Zealand in response to specific request from the European Communities (see Annex 1).
- (c) Supplementary offer by New Zealand on import licensing in response to specific requests from the European Communities (see Annex 2).
- (d) An offer by the European Communities on cheese imports in response to specific requests from New Zealand (see Annex 3).
- (e) An offer by the European Communities on beef (see Annex 4) in response to requests from New Zealand.

The Delegations note that the offers as set out above are subject to technical clarification, including any modifications resulting from the preparation of revised G.A.T.T. schedules.

They also note that these offers and their acceptance are without prejudice to their G.A.T.T. rights and obligations.

For the Delegation of the
European Communities

For the Delegation of
New Zealand

NEW ZEALAND SUPPLEMENTARY TARIFF OFFER MADE IN RESPONSE
TO SPECIFIC REQUESTS FROM THE EUROPEAN COMMUNITIES

I. New Zealand agrees to implement the offers set out below on 1 January 1980.

<u>Tariff item</u>	<u>Description</u>	<u>Offer Bound rate</u>
17.04.001	Chewing gum	30 %
17.04.009	Other sugar confectionary	30 %
18.06.000	Chocolate etc.	30 %
19.03.001	Macaroni, spaghetti etc.; retail packs	30 %
19.03.009	Macaroni, spaghetti etc.; other packs	30 %
19.08.001	Biscuits	35 %
20.01.000	Fruit and vegetables; preserved by vinegar etc.	20 %
ex 20.02.051	Tomatoes; preserved Viz : whole or in pieces	10 %
20.03.000	Fruit, frozen	10 %
20.05.000	Jams; jellies, marmalades etc.	30 %
ex 20.07.021	Citrus juice, other than in bulk; with added sugar	30 %
ex 20.07.021	Tomato juice, other than in bulk; with added sugar	30 %
21.05.001	Soups and broths; of fish ect.	25 %
21.05.005	Soups and broths; other	25 %
ex 21.07.009	Spaghetti etc.; with other foods, cooked	30 %
22.05.001	Champagne	20 c/l
22.06.001	Vermouth	10 c/l

II. The following items which were the subject of requests by the European Communities were included in New Zealand's global tariff offer.

The maintenance of that offer on these items, and their implementation on 1 January 1980 is confirmed by New Zealand.

<u>Tariff item</u>	<u>Description</u>	<u>Offer</u>
ex 15.07.001	Vegetable oils in retail packs	Free
19.02.009	Food preparations	35 %
ex 19.07.009	Biscuits etc., not containing sugar Viz. Other than ships' biscuits	35 %
21.02.009	Coffee and chicory essences	35 %
21.03.011	Prepared mustard; retail packs	30 %
21.03.019	Prepared mustard; other packs	20 %
21.04.000	Sauces and condiments	30 %
35.07.001	Rennet, flavoured	20 %

III. In addition for many items included in New Zealand's global tariff offer, the Community was the principal supplier in 1976/77. It is New Zealand's intention that these offers will be maintained and will be implemented with effect from 1st January 1980.

NEW ZEALAND IMPORT LICENSING OFFER MADE IN RESPONSE TO
SPECIFIC REQUESTS FROM THE EUROPEAN COMMUNITIES

I. New Zealand agrees to implement the offers on import licensing, set out below, with effect from 1 January 1980.

A. Exemption from Import Licensing

New Zealand agrees to exempt the following items from import licensing :

22.03.003)	
22.03.007)	Beer
22.03.008)	
22.05.001		Champagne
35.07.001		Rennet, flavoured

B. Additional Licensing Provision for items in retail packs

New Zealand agrees to provide additional licensing provision, to the extent of 10 percent of bulk imports in 1977-78 (year ended June), for the following items :

ex 15.07.001	}	Vegetable oils in retail packs
15.07.059		

C. Additional Licensing Provision

New Zealand agrees to provide additional licensing provision :

- (a) in the case of Basic items, by increasing the allocation above that provided for in the Import Licensing Schedule and/or providing for some new entrants, or
- (b) in the case of "C" items, by
 - (i) increasing the initial allocation provided for in the Import Licensing Schedule, or
 - (ii) creating an initial Basic allocation
 for the following items :

- 17.04.001 Chewing gum
- 17.04.009 Other sugar confectionary
- 18.05.000 Cocoa powder
- 18.06.000 Chocolate etc.
- 19.02.000 Food preps
- 19.03.001 Macaroni, spaghetti etc.; retail packs
- 19.03.009 Macaroni, spaghetti etc.; other packs
- 19.07.009 Biscuits etc., not containing sugar
- 19.08.001 Biscuits
- 20.01.000 Fruit and Veg., pres. by vinegar etc.
- 20.02.041 Tomatoes, purée or concentrate
- 20.02.051 Tomatoes, preserved
- 20.03.000 Fruit, frozen
- 20.05.000 Jams, jellies, marmalades etc.
- 20.07.021)
- 20.07.025) Fruit and vegetable juices, in other containers
- 20.07.028)
- 21.02.009 Coffee and chicory essences
- 21.03.011 Prepared mustard, retail packs
- 21.03.019 Prepared mustard, other packs
- 21.04.000 Sauces and condiments
- 21.05.001 Soups and broths, of fish etc.
- 21.05.005 Soups and broths, other
- ex 21.07.009 Spaghetti etc.; with other foods, cooked

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JOINT DISCIPLINE ARRANGEMENT BETWEEN NEW ZEALAND AND
THE EUROPEAN COMMUNITIES CONCERNING CHEESE

I. Undertaking by the Community on Imports of Cheddar for
Direct Consumption

1. The Community undertakes to establish a tariff quota for cheddar for direct consumption, as provided for under defined conditions of importation, for a global annual quantity of 9,000 tonnes of which 6,500 tonnes will be reserved for New Zealand.

The details of this system, the specification of the cheese which may benefit from it, and the conditions under which this special regime will be operated are set out in Annex 1 to this Arrangement.

2. New Zealand undertakes to take all the necessary measures so that the quantity of cheddar for direct consumption, exported to the Community, does not exceed 6,500 tonnes per year and that sales of this quantity will be as regular as possible. It also undertakes that such cheddar exported to the Community shall be accompanied by a certificate of authenticity, delivered by the New Zealand Dairy Board, guaranteeing the nature and origin of the product.

New Zealand undertakes to ensure that for cheese exported to the Community as a result of this Arrangement, the minimum price will be respected at the c.i.f. stage.

The Community, for its part, undertakes, as necessary, to adjust the minimum price so as to ensure that New Zealand's share of the global annual quantity admitted for importation can be effectively marketed each year as regularly as possible.

3. In the event that New Zealand's prices create serious difficulties in the cheese market of a Member State of the Community, consultations will take place, without delay, with a view to seeking a mutually satisfactory solution for remedying the situation.

II. Undertaking by the Community on Imports of Other Cheese for
Processing

1. The Community undertakes to establish a tariff quota for other cheese for processing, as provided for under defined conditions of importation, for a global annual quantity of 3,500 tonnes of which 3,000 tonnes will be reserved for New Zealand.

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The details of this system, the specification of the cheese which may benefit from it, and the conditions under which this special regime will be operated are set out in Annex II to this Arrangement.

2. New Zealand undertakes to take all the necessary measures so that the quantity of other cheese for processing exported to the Community does not exceed 3,000 tonnes per year and that sales of this quantity will be as regular as possible. It also undertakes that such cheese exported to the Community shall be accompanied by a certificate of authenticity, delivered by the New Zealand Dairy Board, guaranteeing the nature and origin of the product.

New Zealand undertakes to ensure that for cheese exported to the Community as a result of this Arrangement the minimum price will be respected at the c.i.f. stage.

The Community, for its part, undertakes, as necessary, to adjust the minimum price so as to ensure that New Zealand's share of the global annual quantity admitted for importation can be effectively marketed each year as regularly as possible.

3. In the event that New Zealand's prices create serious difficulties in the cheese market of a Member State of the Community, consultations will take place, without delay, with a view to seeking a mutually satisfactory solution for remedying the situation.

III. JOINT ADMINISTRATIVE COOPERATION

The Community and New Zealand undertake to establish administrative cooperation for the application of the present Arrangement, concerning in particular the exchange of information on prices and quantities exported, and all other relevant matters.

TEXT OF CONCESSION ON CHEDDAR CHEESE DESTINED FOR DIRECT
CONSUMPTION

Heading No.	Description	Rate of Duty According to Concession
04.04	Cheese and Curd E. Other I Not grated, or powdered, of a fat content, by weight not exceeding 40% and a water content calculated by weight, of the non-fatty matter: (b) Exceeding 47% but not exceeding 72%: 1. Cheddar: ex bb) other: - Whole cheddar cheese (a) of a minimum fat content of 50% by weight, in the dry matter, matured for at least three months and of a free-at-frontier value of not less than 165 UA (b) per 100 kg net weight (c)	L(d)

- (a) The expression "Whole cheeses", as used in sub-heading 04.04 E.I.b.1.bb) shall be taken to apply to:
- whole cheeses of the conventional flat cylindrical shape of a net weight of not less than 33 kg but not more than 44 kgs
 - cubic blocks of cheese of a net weight of not less than 10 kg.
- (b) The value limits are automatically adjusted by reference to changes to the factors determining the formation of the price of cheddar in the Community. This adjustment is made on the basis of an increase or a reduction equal to that of the threshold price of cheddar in the Community.

- (c) Entry under this sub-heading is subject to conditions to be determined by the competent authorities.

- (d) 10 UA per 100 kg net weight within the limits of an annual tariff quota of 9,000 tonnes to be granted by the competent authorities of the European Communities.

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- (c) Entry under this sub-heading is subject to conditions to be determined by the competent authorities.
- (d) 10 UA per 100 kg net weight within the limits of an annual tariff quota of 3,500 tonnes to be granted by the competent authorities of the European Communities.

ARRANGEMENT CONCERNING BEEF BETWEEN NEW ZEALAND
AND THE COMMUNITY

I. GATT ANNUAL TARIFF QUOTA

The Community undertakes to increase the global annual tariff quota (customs duty 20 percent free of levy) for frozen beef (sub-heading 02.01 A.II (b) 1 to 4) from 38,500 tonnes (boneless) to 50,000 tonnes (boneless).

II. ADVANCE FIXING OF THE LEVY

The Community undertakes to adopt all the necessary measures to ensure that the levy on frozen beef (02.01 A.II (b)) may on request be fixed in advance.

For this purpose an advance-fixing certificate would be drawn up, having a period of validity of not more than sixty days and fixing the levy at the level in force on the day on which the certificate was applied for: issue of the certificate would be subject to a deposit of a security of 8 UA per 100 kg being made with the application.

III. SUSPENSION OF THE LEVY FOR MEAT INTENDED FOR PROCESSING COVERED BY THE BALANCE SHEET

The Community will endeavour to fix the suspension of the levy on imports of beef for processing, covered by the balance sheet, at the highest possible level.

In any case the suspension must be fixed at such a level that the levy on the products in question will not exceed 45 percent of the full amount of the levy for frozen beef for processing or 0 percent for frozen beef for canning.

IV. COOPERATION IN PREPARING THE ESTIMATE FOR IMPORTS

There would be an exchange of letters between the Commission and New Zealand concerning the estimate for imports, the content of which is as follows:

"The cooperation could be made on the following basis :

- 1. The Services of the Commission would procede to collect informations supplied by the Member States on their respective needs for frozen beef destined for processing.

On the basis of this information and on their own forecasts, they would establish a global estimation of Community needs in the different products concerned.

- 2. The third countries concerned will be informed of the estimates.

- 3. This would be followed as soon as possible by meetings between the Commission and the third countries concerned.

The objectives of these meetings would be as follows :

- to have an exchange of views with the participants on the whole situation of the beef market in the E.E.C., and in other third countries as well as the forecasts for production and consumption;
- procede with analysis by both sides of the elements which would help to establish the estimation of Community needs for frozen beef for processing;
- exchange informations with regard to export possibilities of participating countries.

- 4. Following these meetings, the Commission would formulate the draft balance sheet for transmission to the Council taking into account all the elements outlined during the discussions with third countries and which are possible to quantify on as realistic a basis as possible.

The draft balance sheet given to the Council will be accompanied by a document reflecting the basic points of view expressed by the participants about Community needs and their exports possibilities relating to the same or similar products.

5. The balance sheet should be drawn up in such a way as to ensure the regular supply of the Community market and permit an increase in imports in proportion to the increase in Community consumption taking into account the foreseeable expansion of the market.

In the light of these considerations, it is expected that the annual level of imports of frozen beef for the processing industry under the balance sheet will show a tendency to increase over a period of several years, in relation to the increase in Community needs."

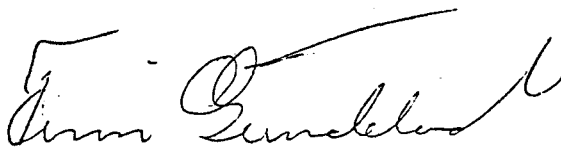
AGREED RECORD OF CONCLUSIONS REACHED IN BILATERAL
NEGOTIATIONS BETWEEN THE EUROPEAN COMMUNITIES AND
AUSTRALIA IN THE GATT MULTILATERAL TRADE NEGOTIATIONS

The attached record of the conclusions in bilateral negotiations between the European Communities and Australia has been reached ad referendum.

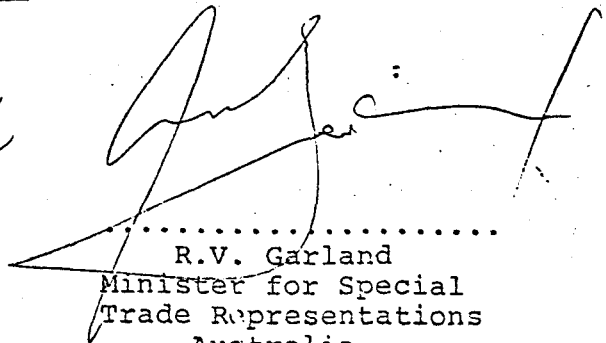
In addition there will be detailed discussion on a few Community industrial requests and clarification of the Australian position on the MTN codes.

It was noted that the Council of Ministers has accepted the terms of the exchange of letters in respect of the Balance Sheet on beef for processing.

CONFIRMED



.....
F.O. Gundelach
Vice President
EEC Commission



.....
R.V. Garland
Minister for Special
Trade Representations
Australia

Canberra, A.C.T.
Australia

May 29, 1979

CONFIDENTIAL

COMMISSION OF THE EUROPEAN COMMUNITIES

ADDENDUM

COM(79) 514 final/2 - ANNEX I

Brussels, 23rd October 1979

GATT MULTILATERAL TRADE NEGOTIATIONS

(Communication from the Commission to the Council)

FINAL REPORT ON THE GATT MULTILATERAL TRADE NEGOTIATIONS IN GENEVA (TOKYO ROUND) AND PROPOSAL FOR COUNCIL DECISION

This document contains an exchange of letters with Australia.

COM(79) 514 final/2 - ANNEX I

ADDENDUM TO

1

doc. COM (79) 514 final / ANNEX I

to add to annex 2 of the exchange of letters B.10 the pages attached !

1a

Dear Mr Garland,

Further to our discussions regarding co-operation in establishing the level of EEC imports under the Balance Sheet of beef for processing, I am writing to confirm the arrangements which are to be applied by the Community.

The services of the Commission will collect information supplied by the member states on their respective needs for frozen beef destined for processing. On the basis of this information and on their own forecasts, they will estimate total Community needs for the different products concerned.

Australia will be informed of the estimates and be provided by the end of October each year with the basis for such estimates with full details of production and consumption in each member country.

This will be followed as soon as possible by meetings between the Commission and the third countries concerned.

The objective of these meetings will be as follows :

- to have an exchange of views with the participants on the whole situation of the beef market in the EEC and in third countries as well as the forecasts of production and consumption
- to proceed with an analysis by both sides of the elements which would help to establish the estimates of Community needs for frozen beef for processing
- to exchange information concerning export possibilities of participating countries.

Following these meetings, the Commission will formulate the draft balance sheet for transmission to the Council taking into account all the elements outlined during the

discussions with third countries and which are possible to quantify on as realistic a basis as possible.

The draft balance sheet given to the Council will be accompanied by a document reflecting the basic points of view expressed by the participants about Community needs and their export possibilities.

The balance sheet will be drawn up in such a way as to ensure the regular supply of the Community market and permit an increase in imports in proportion to the increase in Community consumption, taking into account the foreseeable expansion of the market.

In the light of these considerations, it is expected that the annual level of imports of frozen beef for the processing industry under the balance sheet will increase, year by year, in proportion to the increase in Community consumption, over the current level of imports.

I should be glad of your confirmation of the foregoing.

Yours sincerely,

F. O. GUNDELACH
Vice-President
EEC Commission

Dear Mr Gundelach,

I refer to your letter of setting out details of the arrangements to be applied by the Community for the annual estimation of imports under the Balance Sheet of beef for processing. I can confirm that those arrangements accord with my own understanding of our discussions.

In this context, I wish also to confirm my earlier advice to you that it is Australia's expectation that the Balance Sheet for beef for processing established each year by the Council of Ministers will be fixed at a level rising progressively above 60,000 tonnes and that the adoption of a lower figure would not correspond to expectations that Australia would reasonably hold about future levels of imports into the Community and consequently Australia would reserve its right to consider this as affecting the overall balance of concessions concluded between Australia and the Community in the context of the MTN.

Yours sincerely,

R. V. GARLAND

4

Dear Mr Garland,

I acknowledge your letter of
on the subject of Community imports under the Balance
Sheet of beef for processing. The views which you
expressed have been duly noted.

Yours sincerely,

F. O. GUNDELACH

CONFIDENTIAL

ANNEX 1

B.10

AUSTRALIAN CONCESSIONS TO THE COMMUNITY

Australia undertakes to include in the list of concessions annexed to the GATT the bindings indicated hereunder:-

<u>Tariff No.</u>	<u>Brief Description</u>	<u>Offer</u>
Ex 03.03.000	Crustaceans and molluscs, fresh chilled etc other than shrimps and prawns	Free
04.04.900	Other cheese and curd - fancy cheeses (a) - edam and gouda - other varieties (excl. cheddar, fetta, Kasserli)	Free \$A 0.096 kg for not less than (1,000) tonnes \$A 0.096 kg for not less than 2,500 tonnes
07.02.900	Other frozen vegetables	\$A 0.003/kg
07.04.900	Other vegetables, dried, dehydrated, etc	\$A 0.42/kg
07.05.200	Peas and beans, pricked, slit, etc	\$A 0.42/kg
x 16.02.900	Frozen cooked turkey roll; canned poultry	3% + \$A 0.032/kg
x 16.02.900	Balance - other prepared or preserved meat	7.5% + \$A 0.08 per kg
x 16.05.900	Crustaceans prepared or preserved, not extracts, pastes, etc	Free
17.04.900	Other sugar confectionery not containing cocoa	30%
18.04.000	Cocoa butter	Free
18.06.000	Chocolate and other food preparations containing cocoa	30%
19.05.000	Puffed rice, cornflakes, etc	12%
21.02.110	Extracts, essences, etc of coffee	\$A 0.66/kg
21.07.991	Hop shoots, protein concentrates, etc	30%
29.39.000	Hormones and derivatives thereof, etc	Free
29.44.900	Other antibiotics	Free
x 30.05.000	Other pharmaceutical goods, excluding dental products	Free

- (a) Imports under this concession will be subject to conditions to be determined by the relevant Australian Government authorities. (See attachment to this annex.)

No.	Brief Description	Offer	B.10
2.12.100	Glazier's putty ... etc., of polyester	20 per cent	
32.12.900	Glazier's putty ... etc., other	7.5 per cent	
33.06.900	Perfume and cosmetics other than joss sticks and aqueous distillates	30 per cent	
34.01.000	Soap	12 per cent	
34.02.100	Organic surface active agents, etc. in small packs	Free	
35.04.100	Protein isolates	6 per cent	
35.04.900	Peptones and other protein substances	Free	
ex 37.02.200	Photographic film, unexposed, in bulk rolls not perforated excluding spools and reels	6 per cent	
38.11.400	Disinfectants, herbicides, stock washes ... etc.	30 per cent	
39.01.132	Silicone fluids	30 per cent	
x 39.01.139	Silicone rubber	30 per cent	
39.01.500	Planar forms NSA of polyester coated with an adhesive	19 per cent	
39.01.600	Profile shapes NSA of polyamides or of polyurethane	12 per cent	
39.01.700	Planar forms, NSA of polyurethane	12 per cent	
39.03.150	Goods of hydroxethylcellulose not being adhesives	22.5 per cent	
40.10.910	Conveyor or elevator belting other - not wholly of vulcanised rubber	26 per cent	
48.01.990	Other paper and board in sheets or rolls NSA	30 per cent OIH \$A45.23/tonne	
69.07.900	Other unglazed setts, flags and wall tiles	30 per cent	
69.08.900	Other glazed setts, flags and wall tiles	30 per cent	
71.12.900	Other Jewellery	34 per cent	
73.23.000	Aerosol cans	30 per cent	
84.06.100	Fuel injection equipment, other	5 per cent	
84.06.500	Outboard engines not including parts	11 per cent	
84.08.900	Other engines and motors (including aircraft engines, etc.)	Free	
84.10.900	Other pumps for liquids	26 per cent	
84.15.210	Parts for electrical refrigerators	30 per cent	
84.15.900	Other refrigerators and refrigerating appliances	25 per cent	

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3.

B.10

<u>iff No.</u>	<u>Brief Description</u>	<u>Offer</u>
34.19.200	Electric dishwashers	30 per cent
34.19.900	Other machinery for cleaning and drying bottles, .. etc.	21 per cent
84.22.420	Crawler mounted cranes	20 per cent
84.23.110	Tractor bases of the tracklaying or wheeled agri. types	Free
84.23.190	Tractor Bases, other	20 per cent
84.23.200	Road rollers, graders, scrapers, etc.	a) as per PI b) 30 per cent
84.23.311	Loaders, backhoes, etc. up to 50 tonnes, self propelling ARC up to 270 degrees	a) as per PI b) 30 per cent c) 40 per cent
84.23.319	Other excavating, levelling and tamping machines, having a working weight of up to 50 tonnes	a) as per PI b) 30 per cent
84.23.320	Other excavating, levelling and tamping machines excluding direct current mill-type motors	a) as per PI b) 30 per cent c) 20 per cent
84.23.400	Wearing parts etc. for boring extracting etc., machinery	19 per cent
84.23.910	Diamond drilling machines and parts	22.5 per cent
84.23.990	Other boring, extracting . etc machinery	6 per cent
84.24.900	Other agricultural etc., machinery viz ploughs	15 per cent
84.25.900	Other harvesting and threshing machinery, ... etc.	15 per cent
84.26.000	Dairy machinery (including milking machines)	15 per cent
84.28.000	Other agricultural, horticultural etc. machinery	15 per cent
84.49.100	Chain saws other than pneumatic or hydraulic type	26 per cent
84.53.100	Cathode ray display terminals	24 per cent
84.53.900	Automatic data processing machines	a) 25 per cent b) 24 per cent c) 6 per cent
84.61.200	Hydraulic control valves for use in agri. tractors for operation of implements	Free

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<u>riff No.</u>	<u>Brief Description</u>	<u>Offer</u>
85.01.190	AC generators over 500 KVA excluding parts	Free
85.15.900	Other radio telegraphic etc., transmission apparatus	30 per cent
86.09.900	Parts for railway and tramway locomotives, rolling stock ... etc.	30 per cent
87.01.200	Tractors of the track laying type	Free
87.01.310	Agricultural wheeled tractors ... etc. PTO of 15 KW or more	Free to 40 per cent
87.01.900	Other tractors	20 per cent
87.06.300	Parts and accessories for tractors falling in 87.01.9,NSA	20 per cent
87.12.310	Bicycle frames	41 per cent 0.1.H.\$A1.88 each plus 7%
87.12.390	Other parts and accessories for cycles, NSA	6 per cent
90.17.100	Catheters, canulae, difibrillators, etc.	30 per cent
90.17.200	Specified medical and dental equipment (drills, incubators etc.)	20 per cent
90.17.300	Ophthalmic instruments and appliances	Free
x 90.17.900	Other medical etc. appliances (excluding hand pieces for dental equipment)	Free
90.25.100	Ultra violet absorbence monitors	15 per cent
90.25.900	Other instruments etc., for physical or chemical analysis	Free
90.28.100	Distortion meters, cathode ray oscilloscopes etc.	30 per cent
90.28.200	Instruments .. etc. for measuring or checking electrical quantities	25 per cent
90.28.300	Specified electrical measuring instruments (planimeters etc.)	15 per cent
90.28.900	Other electrical measuring instruments	Free

The fact that these products are listed in this agreement does not imply that the EEC is automatically considered to have initial negotiating rights for these concessions.

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FANCY CHEESE CONCESSION

The cheeses to benefit from the concession will be:

1. Soft Surface-Ripened Cheeses

Soft surface-ripened cheese is cured or ripened by biological curing agents such as moulds, yeasts, and other organisms which have formed a prominent crust on the surface of the cheese. The curing or ripening is conducted so that the cheese visibly cures or ripens from the surface toward the centre. Fat content in the dry matter is not less than fifty (50) per cent. Moisture content, calculated by weight of the non-fatty matter is not less than sixty five (65) per cent.

The term 'soft surface-ripened cheese' does not include cheeses with yeasts and other organisms on the surface which also contain moulds, blue or otherwise, distributed throughout the interior of the cheese.

The following non-comprehensive list is given by the Community as illustrative of types of cheeses it considers fall under this definition. Administrative co-operation should be established at the technical level concerning any difficulty related to the classification of these cheeses:

- Bibress
- Brie
- Camembert
- Cambre
- Carre de l'Est
- Chaource
- Coulommiers
- Espoiss

- Herve
- Limbourg
- Livarot
- Maroilles
- Munster - from France and Germany along both sides
of the Rhine
- Pont-l'Eveque
- Taleggio

Examples offered for sale under commercial names:

- Boursault
- Caprice des Dieux
- Ducs (Supreme des)
- Explorateur

2. Other

Stilton cheese, in original loaves

Stilton cheese, other

Roquefort cheese, in original loaves

Roquefort cheese, other

Goat's milk cheeses (except fetta and Kasserri)

EEC CONCESSIONS TO AUSTRALIAA. ARRANGEMENT BETWEEN AUSTRALIA AND THE COMMUNITY CONCERNING BEEF1. GATT Levy Free Quota

(i) The Community undertakes to increase the annual global tariff quota (customs duty of 20% without levy) for frozen beef (sub-position 02.01.A.II (b) 1 to 4) from 38,500 tonnes to 50,000 tonnes (bone out basis). This will be included in the Community's schedule of concessions annexed to the GATT.

(ii) The Community recognises the expectation of all exporting countries to be able to sell a reasonable share of the beef imported under the GATT levy-free quota on an acceptable commercial basis. If this expectation by Australia is not fulfilled and, taking account of Australia's importance as a beef exporter in world trade, the Community would be prepared to enter into consultations with Australia in order to ensure that such commercial sales are facilitated.

2. Special Quota for High Quality Cuts

(i) The Community will open each year a tariff quota for the annual importation of 20,000 tonnes at 20 per cent duty ad val without levy for the following product :

ex 02.01.A.11 : Bovine meat, fresh chilled or frozen: "High quality bone-in and boneless cuts" (a)

(a) Entry under this sub-heading is subject to conditions to be determined by the competent authorities

This quota will be included in the Community's schedule of concessions to be annexed to the GATT.

(ii) Of the above quota a quantity of 5,000 tonnes (bone out basis) fresh, chilled and/or frozen will be reserved for Australia.

(iii) Australia will take all measures necessary to ensure that beef exported to the Community under this high quality quota will be accompanied by documentation issued by the Australian Department of Primary Industry certifying the nature and origin of the product. The Australian Meat and Livestock Corporation will ensure that the quantity shipped under this arrangement does not exceed 5,000 metric tonnes (bone out basis) per year.

(iv) Australian meat admitted under this tariff item would be selected cuts of fresh, chilled or frozen beef derived from bovine animals which do not have more than four (4) permanent incisor teeth, the carcasses of which have a dressed weight of not more than 327 kg (720 lb) a compact appearance with a good eye of meat of light and uniform colour and adequate but not excessive fat cover. The meat shall be certified "High quality beef (EEC)".

3. Levy Prefixation

(i) In view of the length of the shipment time from Australia to Europe and in order to place Australia in a situation not less favourable than other supplying countries, the Community, on demand and within the framework of the common organisation of the markets in the bovine meat sector, will take all necessary measures to ensure that the levy applicable to the products defined hereunder is fixed in advance.

(ii) To this end, the Community will issue on demand a certificate of prefixation, the validity of which will be for a period of 60 days, which will fix the levy at the level operating on the day on which the certificate is requested. Issuance of the certificate will be dependent upon the lodgement of a security deposit equal to 8 UA per 100 kilogrammes net.

Product Definition

02.01 Edible meat and offals of animals covered under Nos.01.01 to 01.04 including fresh, chilled, or frozen :

A. MEAT

II. of the bovine species :

(b) frozen.

4. Suspension of the Levy on Beef Destined for the Processing Industry

(i) The Community shall endeavour to fix the suspension of the levy applicable to the importation of beef for the processing industry under the annually estimated balance sheet at the highest possible level.

(ii) This suspension shall be fixed such that the levy applicable to imports intended for the manufacture of preserved food containing only beef and jelly shall be NIL and the levy applicable to imports intended for the processing industry for manufacture of other products shall be a maximum of 45% of the total levy.

5. Co-operation in Establishing the Level of Balance Sheet Imports

The Commission and Australia will exchange letters concerning the estimation annually of Balance Sheet imports, the texts of which are contained in the attachment to this arrangement

CONFIDENTIAL

B. ARRANGEMENT BETWEEN AUSTRALIA AND THE COMMUNITY CONCERNING CHEESE

B.10

I. Community Undertaking to Import Cheddar for Direct Consumption

1. The Community undertakes to open a reduced levy quota for cheddar for direct consumption to enable a total quantity of 9,000 tonnes to be imported under specific conditions. This quota will be included in the Community's schedule of concessions annexed to the GATT.

2. Of the above quota a quantity of 2,500 tonnes will be reserved for Australia. The definition of the arrangements applying to the imports of this cheese, the details of the cheese covered by them and the conditions for the granting of these special arrangements are contained in Attachment I to this arrangement.

3. Australia undertakes to adopt all such measures as are necessary to ensure that the quantities of cheddar for direct consumption exported to the Community under this arrangement do not exceed 2,500 tonnes per annum. In addition, Australia undertakes that exports of such cheddar to the Community are accompanied by documentation issued by the Department of Primary Industry certifying the nature and origin of the product.

4. Australia undertakes to ensure that the minimum price for cheese exported to the Community under this arrangement is observed at the CIF stage. The Community for its part undertakes that, in consultation with Australia, the minimum price will be adjusted as necessary to ensure that Australia's total annual import quota can be filled in the most regular way possible.

5. Should prices applied by Australia be such as to cause serious difficulties in the cheese market of a member state of the Community, Australia, in consultation with the Community, undertakes to implement what price measures might be necessary to relieve the situation in that market.

II. Community Undertaking to Import Other Cheeses for Processing

1. The Community undertakes to open a reduced levy quota for other cheeses for processing to enable a total quantity of 3,500 tonnes to be imported under specific conditions. This quota will be included in the Community's schedule of concessions in the GATT.
2. Of the above quota a quantity of 500 tonnes will be reserved for Australia. The definition of these arrangements, the details of the cheese covered by them and the conditions for the granting of these special arrangements are contained in Attachment II to this agreement.
3. Australia undertakes to adopt all such measures as are necessary to ensure that the quantities of cheese for processing exported to the Community under this Arrangement do not exceed 500 tonnes per annum. In addition, Australia undertakes that exports of such cheese to the Community are accompanied by documentation issued by the Department of Primary Industry certifying the nature and origin of the product.
4. Australia undertakes to ensure that the minimum price for cheese exported to the Community under this arrangement is observed at the CIF stage. The Community for its part undertakes that, in consultation with Australia, the minimum price will be adjusted as necessary to ensure that Australia's total annual import quota can be filled in the most regular way possible.
5. Should prices applied by Australia be such as to cause serious difficulties in the cheese market of a member state of the Community, Australia, in consultation with the Community, undertakes to implement what price measures might be necessary to relieve the situation in that market.

CONFIDENTIAL

B.10

ADMINISTRATIVE CO-OPERATION

1. The Community and Australia undertake to establish administrative co-operation procedures for the purpose of applying this arrangement, covering notably exchanges of information on prices and quantities exported and any other relevant matters.

2. With respect to provisions made under this arrangement for consultations on specific aspects it is understood by both Australia and the Community that these consultations will be entered into as soon as practicable with a view to reaching a prompt decision.

3. The Community undertakes that exports of cheese to Australia will be accompanied by documentation issued by the relevant Community authorities certifying the nature and origin of the product.

EEC CONCESSION ON CHEDDAR

Common Customs Tariff	Description	Rate of Conventional Duties
04.04	Cheese and Curd: E. Other 1. Not grated or powdered, of a fat content, by weight, not exceeding 40 percent and a water content, calculated by weight, of the non-fatty matter: b) exceeding 47 percent but not exceeding 72 percent : 1. Cheddar : bb) Other Whole cheddar cheeses (a) of a minimum fat content of 50 percent by weight, in the dry matter, matured for at least three months and of a free-at-frontier value of not less than 165 U.A. (b) per 100 kg net weight (c)	Levy (d)

(a) The expression "whole cheeses", as used in subheading 04.04 E.1
 (b) 1 (bb), shall be taken to apply to :

(i) Whole cheeses of the conventional flat cylindrical shape of a net weight of not less than 33 kg but not more than 44 kg

ii) Cubic blocks of cheese of a net weight of 10 kg or greater.

(b) The value limits are automatically adjusted in the light of changes in the factors determining the formation of the price of cheddar in the Community. That adjustment will take place on the basis of an increase or decrease equal to that applying to the threshold price for cheddar in the Community.

(c) Entry under this subheading is subject to conditions to be determined by the competent authorities.

d) 10 U.A. per 100 kg net weight within the limit of an annual levy reduced quota of 9,000 tonnes to be granted by the competent authorities of the European Communities.

CONFIDENTIAL

EEC CONCESSION ON OTHER CHEESE FOR PROCESSING

B.10

non cons iff	Description	Rate of Conventior al Duties
04 04	<p>E. Other :</p> <p>1. Not grated or powdered, of a fat content, by weight, not exceeding 40 percent and a water content calculated by weight, of the non-fatty matter :</p> <p>b) exceeding 47 percent but not exceeding 72 percent</p> <p>1) Cheddar :</p> <p> bb) Other :</p> <p> - cheddar for processing (a) of a free-at-frontier value of not less than 145 U.A.) per 100 kg net weight (b) (c)</p> <p>5) Other :</p> <p> - for processing (a) of a free-at-frontier value of not less than 145 U.A. (b) per 100 kg net weight (c)</p>	Levy (d)

- (a) The checks on use for this particular end-use are carried out pursuant to the Community provisions governing this matter.
- (b) The value limits are automatically adjusted in the light of the changes in the factors determining the formation of the price of cheddar in the Community. That adjustment will take place on the basis of an increase or decrease equal to that applying to the threshold price for Cheddar in the Community.
- (c) Entry under this subheading is subject to conditions to be determined by the competent authorities.
- (d) 10 U.A. per 100 kg net weight within the limit of an annual levy reduced quota of 3,500 tonnes to be granted by the competent authorities of the European Communities.

CONFIDENTIAL

C. TARIFF CONCESSIONS

The European Communities' tariff concessions are those recorded in the draft list of concessions deposited with the GATT Secretariat on 11th April, 1979 which will be reproduced in the European Communities' Schedule of MTN concessions with full description and appropriate notes. Implementation of these concessions will be made according to the relevant notes in the Schedule.

D. ARRANGEMENT ON BUFFALO MEAT

1. The Community undertakes to establish an annual quota of 2,250 tonnes of frozen buffalo meat (bone-cut basis) under the tariff heading 02.01 A II (b) 4 (bb) 33 of the CCT, (a) from July 1979 or as soon as possible thereafter. Imports into the Community under this quota will be made without levy and at a customs duty of 20 per cent ad valorem. This will be included in the Community's schedule of concessions annexed to the GATT.

2. Australia will take all measures necessary to ensure that exports of buffalo meat in the Community under this arrangement will be accompanied by documentation issued by the Australian Department of Primary Industry certifying the nature and origin of the product. The Australian Meat and Livestock Corporation will ensure that the quantity shipped does not exceed 2,250 metric tonnes (bone-cut basis) per year.

3. The Community and Australia undertake to consult as necessary about all aspects of the application of this agreement. In particular, the Community undertakes to consult with Australia if it appears that buffalo meat availabilities seem likely to fall below this level, and in any event not later than 1 July 1984, for the purpose of reviewing to what extent the quota had been used and whether circumstances make it desirable to replace this arrangement by compensation of equivalent value in the beef sector.

(a) Imports under this sub-position will be subject to conditions to be determined by the relevant authorities.

MULTILATERAL TRADE NEGOTIATIONS

Letter to be exchanged by the Argentine Republic and the Commission of the European Communities.

Geneva, 12 April 1979

For the Commission
of the European Communities

For the Argentine Republic

ARRANGEMENT CONCERNING BEEF
BETWEEN ARGENTINA AND THE COMMUNITY

I. GATT ANNUAL TARIFF QUOTA

The Community undertakes to increase the overall annual tariff quota (rate of duty 20% free of levy) for frozen beef (subheading 02.01 A.II (b) 1 to 4) from 38 500 tonnes (boneless) to 50 000 tonnes (boneless).

II. ADVANCE FIXING OF THE LEVY

- (i) The Community undertakes to adopt all the necessary measures to ensure that the levy on frozen beef (02.01 A.II (b)) may be fixed in advance where this is requested.

For this purpose an advance-fixing certificate would be drawn up, having a period of validity of not more than sixty days and fixing the levy at the level in force on the day on which the certificate was applied for; issue of the certificate would be subject to a deposit of 8 u.a./100 kg being made with the application.

- (ii) The Community confirms the undertaking it gave in the Trade Agreement with the Argentine Republic regarding the period of validity of the certificate for the advance fixing of the levy on fresh or chilled beef (02.01 A.II (a)).

III. SUSPENSION OF THE LEVY FOR MEAT INTENDED FOR PROCESSING COVERED BY THE ESTIMATE

The Community will endeavour to fix the suspension of the levy on imports of beef for processing, covered by the estimate, at the highest possible level.

In any case the suspension must be fixed at such a level that the levy on the products in question will not exceed 45% of the full amount of the levy.

IV. COOPERATION IN PREPARING THE ESTIMATE FOR IMPORTS

There would be an exchange of letters between the Commission and Argentina concerning the estimate for imports, the content of which is as follows:

"The cooperation could be made on the following basis:

1. The Services of the Commission would proceed to collect information supplied by the Member States on their respective needs for frozen beef destined for processing.

On the basis of this information and on their own forecasts, they would establish a global estimation of Community needs in the different products concerned.

2. The Argentine Republic concerned will be informed of the estimates.
3. This would be followed as soon as possible by meetings between the Commission and the third countries concerned.

The objective of these meetings would be as follows:

- to have an exchange of views with the participants on the whole situation of the beef market in the Community and the forecasts for production and consumption;
- proceed with analysis by both sides of the elements which would help to establish the estimation of Community needs for frozen beef for processing;

- exchange information with regard to Argentina's export possibilities.

4. Following these meetings, the Commission would formulate the draft balance sheet for transmission to the Council taking into account all the elements outlined during the discussions with third countries and which are possible to quantify on as realistic a basis as possible.

The draft balance sheet given to the Council will be accompanied by a document reflecting the basic points of view expressed by the participants about Community needs and their export possibilities relating to the same or similar products.

5. The balance sheet should be drawn up in such a way as to ensure the regular supply of the Community market and permit an increase in imports in proportion to the increase in Community consumption taking into account the foreseeable expansion of the market."

In the light of these considerations, it is expected that the annual level of imports of frozen beef for the processing industry under the balance sheet will show a tendency to increase over a period of several years, in relation to the increase in Community needs."

V. SPECIAL ARRANGEMENTS FOR "SPECIAL CUTS"

- (i) The Community will open each year an annual tariff quota at a rate of duty of 20% free of levy for the following products:

ex 02.01 A.II : Meat of bovine animals, fresh, chilled or frozen : "high-quality bone-in and boneless cuts" (1) (2)

of which 5 000 tonnes (boneless) of chilled meat will be reserved for Argentina.

(1) Entry under this subheading is subject to conditions to be determined by the competent authorities.

(2) See next page.

(ii) Argentina undertakes to adopt all necessary measures to ensure that meat falling within the above subheading shipped to the Community is accompanied by a certificate of authenticity issued by the relevant authorities of the Junta Nacional de Carnes guaranteeing the nature, source and origin of the product, and that the authorities will ensure that the quantities covered do not exceed 5 000 tonnes per year.

(2) Argentine meat admitted under this subheading must meet the following specifications: "Cortes de carne de animales bovinos de edad comprendida entre 22 y 24 meses con 2 dientes incisivos permanentes, alimentados exclusivamente en pasturas, cuyo peso a la faena no exceda de 460 kilos vivos, de calidad especiales o buenos denominados cortes vacunos especiales en cajas "special boxed beef", dichos cortes estan autorizados a elevar la marcas "S.C." (special cuts).

745

Annex to Part III

Sect. 2

Letter B.12

MULTILATERAL TRADE NEGOTIATIONS

Letters to be exchanged by Uruguay and the Commission of the European Communities.

Geneva,

For the Commission of the
European Communities.

For the Republic of Uruguay.

Brussels 5 July 1979

MISION DEL URUGUAY
ANTE LAS
COMUNIDADES EUROPEAS

—
BRUSELAS

MEC.285/979/13.9.9

Sir,

I have the honour to refer to the Arrangement concerning beef signed today by the European Community and Uruguay.

I wish to assure you that my Government undertakes to include in its list of GATT concessions the following products, which will be bound at the tariff levels given below:

<u>Customs tariff</u>	<u>Product</u>	<u>Overall rate</u>
22.09.02.04	Irish whiskey	71%
22.09.02.13	Cognac	100%
22.09.03.00	Liqueurs	100%

Please accept, Sir, the expression of my highest consideration.

Gustavo Magariños
Ambassador Extraordinary
and Plenipotentiary

Mr Claude Villain,
Director-General,
Directorate-General for Agriculture,
Commission of the European Communities,
Brussels.

ARRANGEMENT CONCERNING BEEFBETWEEN THE EASTERN REPUBLIC OF URUGUAY AND THE COMMUNITYI. GATT ANNUAL TARIFF QUOTA

The Community undertakes to increase the overall annual tariff quota (rate of duty 20% free of levy) for frozen beef (subheading 02.01 A.II (b) 1 to 4) from 38.500 tonnes (boneless) to 50.000 tonnes (boneless).

I. ADVANCE FIXING OF THE LEVY

- (i) The Community undertakes to adopt all the necessary measures to ensure that the levy on frozen beef (02.01 A.II (b)) may be fixed in advance where this is requested.

For this purpose an advance-fixing certificate would be drawn up, having a period of validity of not more than sixty days and fixing the levy at the level in force on the day on which the certificate was applied for; issue of the certificate would be subject to a deposit of 8 u.a./100 kg being made with the application.

- (ii) The Community confirms the undertaking it gave in the Trade Agreement with Uruguay regarding the period of validity of the certificate for the advance fixing of the levy on fresh or chilled beef (02.01 A.II (a)).

III. SUSPENSION OF THE LEVY FOR MEAT INTENDED FOR PROCESSING COVERED BY THE ESTIMATE

The Community will endeavour to fix the suspension of the levy on imports of beef for processing, covered by the estimate, at the highest possible level.

In any case the suspension must be fixed at such a level that the levy on the products in question will not exceed 45% of the full amount of the levy.

IV. COOPERATION IN PREPARING THE ESTIMATE FOR IMPORTS

There would be an exchange of letters between the Commission and Uruguay concerning the estimate for imports, the content of which is as follows:

"The cooperation could be on the following basis:

1. The Services of the Commission would proceed to collect information supplied by the Member States on their respective needs for frozen beef destined for processing.

On the basis of this information and on their own forecasts, they would establish a global estimation of Community needs in the different products concerned.

2. Uruguay will be informed of the estimates.
3. This would be followed as soon as possible by meetings between the Commission and the third countries concerned.

The objective of these meetings would be as follows:

- to have an exchange of views with the participants on the whole situation of the beef market in the Community and the forecasts for production and consumption;

- proceed with analysis by both sides of the elements which would help to establish the estimation of Community needs for frozen beef for processing;
 - exchange information with regard to Uruguay's export possibilities.
4. Following these meetings, the Commission would formulate the draft balance sheet for transmission to the Council taking into account all the elements outlined during the discussions with third countries and which are possible to quantify on as a realistic a basis as possible.

The draft balance sheet given to the Council will be accompanied by a document reflecting the basic points of view expressed by the participants about Community needs and their export possibilities relating to the same or similar products.

5. The balance sheet should be drawn up in such a way as to ensure the regular supply of the Community market and permit an increase in imports in proportion to the increase in Community consumption taking into account the foreseeable expansion of the market."

In the light of these considerations, it is expected that the annual level of imports of frozen beef for the processing industry under the balance sheet will show a tendency to increase over a period of several years, in relation to the increase in Community needs.

● V. SPECIAL ARRANGEMENTS FOR "SPECIAL CUTS"

(i) The Community will open each year an annual tariff quota at a rate of duty of 20% free of levy for the following products:

ex 02.01 A.II : Meat of bovine animals, fresh, chilled or frozen:
"high-quality bone-in and boneless cuts" (1) (2)

of which 1.000 tonnes (boneless) of fresh, chilled and/or frozen meat will be reserved for Uruguay.

(ii) Uruguay undertakes to adopt all necessary measures to ensure that meat falling within the above subheading shipped to the Community is accompanied by a certificate of authenticity issued by the relevant authorities of the Instituto Nacional de Carnes (INAC) guaranteeing the nature, source and origin of the product, and that the authorities will ensure that the quantities covered do not exceed 1.000 tonnes per year.

● (iii) The Community is prepared to envisage the possibility of Uruguay being able to export additional annual quantities of these special cuts if the overall quota referred to in paragraph (i) should not be fully used by other beneficiary countries.

(1) Entry under this subheading is subject to conditions to be determined by the competent authorities.

(2) Uruguayan meat admitted under this subheading must meet the following specifications: "Cortes de carne de animales bovinos con 2 dientes incisivos permanentes, alimentados exclusivamente en pasturas, cuyo peso a la faena no exceda de 460 kilos vivos, de calidad especiales o buenos denominados cortes vacunos especiales en cajas "special boxed beef", dichos cortes estan autorizados a llevar la marca "S.C" (special cuts).

MULTILATERAL TRADE NEGOTIATIONS

Letter to be exchanged by the Polish People's Republic and the Commission of the European Communities.

Geneva, 12 April 1979

For the
Commission of the European Communities

For the
Polish People's Republic

ARRANGEMENT CONCERNING BEEF
BETWEEN THE POLISH PEOPLE'S REPUBLIC
AND THE COMMUNITY

I. COOPERATION IN PREPARING THE ESTIMATE FOR IMPORTS

There will be an exchange of letters between the Head of the Delegation of the Commission of the European Communities and the Permanent Representative of the Polish People's Republic to GATT concerning the estimate for imports of animals for fattening, the content of which will be as follows:

"In the course of our talks in the framework of the Multilateral Trade Negotiations we have agreed on the following:

1. The Services of the Commission will proceed to collect information supplied by the Member States on their respective needs for frozen beef destined for processing and animals for fattening.

On the basis of this information and on their own forecasts, they will establish a global estimation of Community needs in the different products concerned.

2. The Permanent Representative of the Polish People's Republic to GATT will be informed of the estimates.
3. This will be followed as soon as possible by meetings between the Head of the Delegation of the Commission of the European Communities and the Permanent Representative of the Polish People's Republic to GATT.

The objective of these meetings will be as follows:

- to have an exchange of views with the participants on the whole situation of the beef market in the Community as well as the forecasts for production and consumption,

- 2 -

- 753
- proceed with analysis by both sides of the elements which would help to establish the estimation of Community needs for frozen beef for processing and live animals for fattening,
 - exchange information with regard to Poland's export possibilities.

4. Following these meetings, the Commission will formulate the draft estimate for transmission to the Council taking into account all the elements outlined during the discussions with third countries and which are possible to quantify on as realistic a basis as possible.

The draft estimate given to the Council will be accompanied by a document reflecting the basic points of view expressed by the participants about Community needs and their export possibilities relating to the same or similar products.

5. The estimate should be drawn up in such a way as to ensure the regular supply of the Community market and permit an increase in imports in proportion to the increase in Community consumption taking into account the foreseeable expansion of the market."

In the light of these considerations, it is expected that the annual level of imports of frozen beef for the processing industry and of animals for fattening under the estimate will show a tendency to increase over a period of several years, in relation to the increase in Community needs.

II. SUSPENSION OF THE LEVY FOR PRODUCTS COVERED BY THE ESTIMATE

The Community will endeavour to fix the suspension of the levy on imports of frozen beef for processing and on animals for fattening, covered by the estimate, at the highest possible level.

- 3 -

In any event, the suspension must be fixed at such a level that the levy applicable will not exceed 45% of the full amount of the levy in the case of frozen beef for processing, 0% in the case of frozen beef for preserving or 40% in the case of animals for fattening.

III. JOINT DECLARATION CONCERNING TRADE IN LIVE BOVINE ANIMALS FOR SLAUGHTER

It is agreed that the Head of the Delegation of the Commission of the European Communities and the Permanent Representative of the Polish People's Republic to GATT will hold consultations, at the request of either party, on Community import requirements as regards live animals for slaughter.

IV. UNILATERAL DECLARATION

In his reply concerning this Arrangement, the Permanent Representative of the Polish People's Republic to GATT will make the following declaration:

"The Permanent Representative of the Polish People's Republic to GATT expects that the estimate in respect of bovine animals for fattening drawn up by the Council each year will be fixed at a level at least equal to the 1979 level and that it will take fully into account in the future the trend of Community demand for this particular kind of livestock.

He would also emphasize the advisability of raising the weight of animals for fattening covered by the estimate from that currently laid down under Community rules, and suggests that it be increased to 350 kg.

In addition, he repeats his request concerning the level of the levy that should be applied to imports and wishes the Council of the Communities to take his request into consideration."

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Annex to Part III

sect. 2

Letter B.14

MULTILATERAL TRADE NEGOTIATIONS

Letter to be exchanged by the Hungarian People's Republic and the Commission of the European Communities.

Geneva, 12 April 1979

For the
Commission of the European Communities

For the
Hungarian People's Republic

ARRANGEMENT CONCERNING BEEF

BETWEEN THE HUNGARIAN PEOPLE'S REPUBLIC

AND THE COMMUNITY

I. GATT ANNUAL TARIFF QUOTA

The Community undertakes to increase, as from the entry into force of the concessions, the overall annual tariff quota (rate of duty 20% free of levy) for frozen beef (subheading 02.01 A.II (b) 1 to 4) from 38 500 tonnes (boneless) to 50 000 tonnes (boneless).

II. COOPERATION IN PREPARING THE ESTIMATE FOR IMPORTS

There will be an exchange of letters between the Head of the Delegation of the Commission of the European Communities and Hungary's Delegate to GATT concerning the estimate for imports of frozen beef for processing and animals for fattening, the content of which will be as follows:

- "1. The Services of the Commission will proceed to collect information supplied by the Member States on their respective needs for frozen beef destined for processing and animals for fattening.

On the basis of this information and on their own forecasts, they will establish a global estimation of Community needs in the different products concerned.

2. Hungary will be informed of the estimates relating to its trade interests.

- 2 -

3. This will be followed as soon as possible by meetings between the Commission of the European Communities and the Representatives of Hungary.

The objective of these meetings will be as follows:

- to have an exchange of views with the participants on the whole situation of the beef market in the Community as well as the forecasts for production and consumption,
 - proceed with analysis by both sides of the elements which would help to establish the estimation of Community needs for frozen beef for processing and live animals for fattening,
 - exchange information with regard to Hungary's export possibilities.
4. Following these meetings, the Commission will formulate the draft estimate for transmission to the Council taking into account all the elements outlined during the discussions with third countries and which are possible to quantify on as realistic a basis as possible.

The draft estimate given to the Council will be accompanied by a document reflecting the basic points of view expressed by the participants about Community needs and their export possibilities relating to the same or similar products.

5. The estimate should be drawn up in such a way as to ensure the regular supply of the Community market and permit an increase in imports in proportion to the increase in Community consumption taking into account the foreseeable expansion of the market."

In the light of these considerations, it is expected that the annual level of imports of frozen beef for the processing industry and of animals for fattening under the estimate will show a tendency to increase over a period of several years, in relation to the increase in Community needs.

III. SUSPENSION OF THE LEVY FOR PRODUCTS COVERED BY THE ESTIMATE

The Community will endeavour to fix the suspension of the levy on imports of frozen beef for processing and on animals for fattening, covered by the estimate, at the highest possible level.

In any event, the suspension must be fixed at such a level that the levy applicable will not exceed 45% of the full amount of the levy in the case of frozen beef for processing, 0% in the case of frozen beef for preserving or 40% in the case of animals for fattening.

IV. JOINT DECLARATION CONCERNING TRADE IN LIVE BOVINE ANIMALS FOR SLAUGHTER

It is agreed that the Commission of the European Communities and the Representatives of Hungary will hold consultations, at the request of either party, on Community import requirements as regards live animals for slaughter and fresh beef.

V. UNILATERAL DECLARATION

In its reply regarding this Arrangement, Hungary will make the following declaration:

"Hungary expects that the Community will continue to examine the feasibility of extending the Arrangement concerning frozen beef for processing and animals for fattening to live animals for slaughter and fresh beef."

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Annex to Part III

Sect. 2

Letter B.15

MULTILATERAL TRADE NEGOTIATIONS

Letter to be exchanged by the Socialist Republic of Romania and the
Commission of the European Communities.

Geneva, 12 April 1979

For the Commission
of the European Communities

For the Socialist
Republic of Romania

ARRANGEMENT CONCERNING BEEF BETWEEN
THE SOCIALIST REPUBLIC OF ROMANIA
AND THE COMMUNITY

I. GATT ANNUAL TARIFF QUOTA

- (i) The Community undertakes to increase, as from the entry into force of the concessions, the overall annual tariff quota (rate of duty 20% free of levy) for frozen beef (subheading 02.01 A II (b) 1 to 4) from 38 500 tonnes (boneless) to 50 000 tonnes (boneless).
- (ii) Allocation of the GATT quota among third supplier countries:
- The Community confirms that the overall annual tariff quota of 50 000 tonnes (boneless), which will be bound in GATT at the rate of 20%, will be opened and used in accordance with the relevant GATT rules.

II. COOPERATION IN PREPARING THE BALANCE SHEET FOR IMPORTS

There will be an exchange of letters between the Head of the Delegation of the Commission of the European Communities and Romania's Delegate to GATT concerning the estimate for imports of frozen beef for processing and animals for fattening, the content of which will be as follows:

- "1. The Services of the Commission will proceed to collect information supplied by the Member States on their respective needs for frozen beef destined for processing and animals for fattening.

On the basis of this information and on their own forecasts, they will establish a global estimation of Community needs in the different products concerned.

2. The Socialist Republic of Romania will be informed of the estimates.
3. This will be followed as soon as possible by meetings between the Commission of the European Communities and the Representatives of Romania.

The objective of these meetings will be as follows:

- to have an exchange of views with the participants on the whole situation of the beef market in the Community as well as the forecasts for production and consumption,
 - proceed with analysis by both sides of the elements which would help to establish the estimation of Community needs for frozen beef for processing and live animals for fattening,
 - exchange information with regard to Romania's export possibilities.
4. Following these meetings, the Commission will formulate the draft estimate for transmission to the Council taking into account all the elements outlined during the discussions with third countries and which are possible to quantify on as realistic a basis as possible.

The draft estimate given to the Council will be accompanied by a document reflecting the basic points of view expressed by the participants about Community needs and their export possibilities relating to the same or similar products.
 5. The estimate should be drawn up in such a way as to ensure the regular supply of the Community market and permit an increase in imports in proportion to the increase in Community consumption taking into account the foreseeable expansion of the market."

In the light of these considerations, it is expected that the annual level of imports of frozen beef for the processing industry and of animals for fattening under the estimate will show a tendency to increase over a period of several years, in relation to the increase in Community needs.

III. ADVANCE FIXING OF THE LEVY

The Community undertakes to adopt all the necessary measures to ensure that the levy on frozen beef (02.01 A II (b)) may be fixed in advance where this is requested.

For this purpose an advance-fixing certificate would be drawn up, having a period of validity of not more than forty-five days and fixing the levy at the level in force on the day on which the certificate was applied for; issue of the certificate would be subject to a deposit of 8 u.a./100 kg being made with the application.

IV. SUSPENSION OF THE LEVY FOR PRODUCTS COVERED BY THE ESTIMATE

The Community will endeavour to fix the suspension of the levy on imports of frozen beef intended for processing and on animals for fattening, covered by the estimate, at the highest possible level.

In any event, the suspension must be fixed at such a level that the levy applicable will not exceed 45% of the full amount of the levy in the case of frozen beef for processing, 0% in the case of frozen beef for preserving and 40% in the case of animals for fattening.

V. JOINT DECLARATION

Insofar as the matters referred to by this Arrangement are concerned, the Community undertakes to apply treatment to Romania which is no less favourable than the treatment it applies to other partners.

VI. UNILATERAL DECLARATION

In its reply concerning this Arrangement, Romania will make the following declaration:

"The Socialist Republic of Romania expects that the estimate in respect of bovine animals for fattening drawn up by the Council each year will be fixed at a level at least equal to the 1979 level and that it will take fully into account in the future the trend of Community demand for this particular kind of livestock."

Romania would also emphasize the advisability of raising the weight of animals for fattening covered by the estimate from that currently laid down under Community rules, and suggests that it be increased to 350 kg.

In addition, Romania repeats its request concerning the level of the levy that should be applied to imports and has asked that the Council of the Communities take its request into consideration.

MULTILATERAL TRADE NEGOTIATIONS

Letter to be exchanged by the United States and the Commission of the European Communities.

Geneva, 12 April 1979.

For the Commission of the European Communities.

For the United States

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The Honorable Finn Gundelach
Vice President
Commission of the European Communities
Brussels

Dear Mr. Vice President:

In our agricultural discussions with you and your staff and with some representatives of Member States, there have been inquiries as to our interpretation on the brief insert in the subsidies code clarifying Article XVI:3.

In brief, our views are as follows:

(a) The United States has already made clear that it in no way intends to undermine the CAP.

(b) The United States has no intention of freezing market shares in world agricultural trade, and we do not believe that the code language can be construed as endorsing fixed market shares or as preventing a country from expanding its agricultural exports. U.S. opposition to market-sharing arrangements is well known.

(c) The code language is designed to prevent the build-up of commercial and political pressures that would lead to a trade and subsidy war harmful to the interests of the European Community as well as the United States and other exporters.

Sincerely yours,

Robert S. Strauss

MULTILATERAL TRADE NEGOTIATIONS

Letters to be exchanged by Canada and the Commission of the European Communities.

Geneva,

For the Commission of the
European Communities.

For the Canada.

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B.17

MARK. UP

Canadian Delegation



Délégation du Canada

. 17-19, ch. du Champ d'Anier
1209 Geneva

CONFIDENTIAL

April 5, 1979

Mr. P. Luyten
Head of Delegation
Permanent Delegation of the EEC
37-39, rue de Vermont
1202 Geneva

Dear Paul,

EC requests on Canada for concessions with respect to alcoholic beverages were put forward in document MTN/AG/R/8 on November 18, 1977. These included a number of non-tariff requests which sought better treatment for EC products in respect of mark-ups and listing policies.

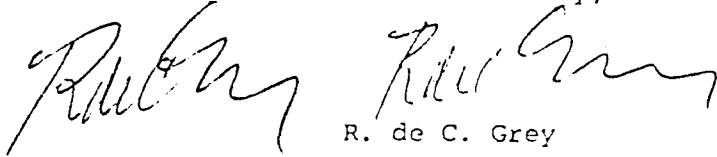
These and similar requests were brought to the attention of the provincial authorities. As a contribution to a substantial outcome in the MTN in areas of importance to them, they have provided the attached statement for the federal government to put forward on their behalf concerning their marketing policies and practices with respect to imported beers, wines and distilled spirits. While the provincial statement regarding the treatment of imported alcoholic beverages is necessarily non-contractual in nature, it represents a positive undertaking to follow policies and practices which should be of considerable benefit to EC trade in this field in future years and, as such, is a valuable contribution to a settlement between us in this area.

We can confirm that the term "alcoholic beverages" in paragraphs 1 and 5 includes distilled spirits, wines, vermouth, champagne and beer and that the term "wines" in paragraph 5 includes vermouth and champagne.

Any communication from the EC concerning matters related to the attached statement should be addressed to the Government of Canada.

The Canadian Government will be prepared to use its good offices with the provincial authorities concerned regarding any problem which may arise with respect to the application of provincial policies and practices set forth in the statement.

Yours sincerely,



R. de C. Grey
Ambassador and
Head of Delegation

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COMMISSION
DES
COMMUNAUTÉS EUROPÉENNES

Geneva, le April 5, 1979

Délégation permanente
auprès des organisations Internationales
à Genève

Rodney
Dear Rodney,

I have the honour to acknowledge receipt of your letter of April 5 concerning Provincial Statement of intentions with respect to sales of alcoholic beverages by Provincial marketing Agencies in Canada.

Yours sincerely,



P. Luyten
Head of the Permanent Delegation

H.E. Mr. Rodney de C. Grey
Ambassador
Head of the Canadian Delegation to the
Multilateral Trade Negotiations
17-19, chemin du Champ d'Anier.
1209 Geneva

119008207

Brussels, 29. VI. 1979

COMMISSION OF THE EUROPEAN COMMUNITIES

DIRECTORATE-GENERAL FOR AGRICULTURE

The Director General

Dear Mr Ambassador,

I refer to your letter of 5 April enclosing a statement of intention which the Canadian Provincial Liquor Boards are prepared to give concerning the treatment of imported alcoholic beverages.

The Community have, as you will readily appreciate, been examining very closely the terms of this statement of intention given. This examination had led to some disquiet concerning the terms of the statement of intentions about the mark-up. The Community does of course appreciate that an undertaking, to eliminate discriminatory practices in this area cannot easily be given in simple and precise terms, but we are nevertheless apprehensive lest the term "normal commercial considerations" should be interpreted by the Boards in such a way as to enable them effectively to continue discrimination against imported spirits. You will be aware that the Provincial Liquor Boards have in the past justified their discriminatory practices with reference to "commercial considerations" - a phrase which is used once again in the statement of intention. I do not know whether you feel able to add anything concerning this phrase which would demonstrate that our fears are groundless : but I must in any case inform you that the Community will be looking for proof in the performance of the Provincial Liquor Boards that the undertaking is effective in eliminating discrimination against Community spirits. And the Community does of course expect the Canadian Federal Government to maintain its own surveillance of the way in which the undertaking is being implemented.

Sincerely,

Cl. VILLAIN

R. de Charmoy GREY
Ambassador and Head of Delegation
Canadian Delegation
19 - Chemin du Champ d'Anier
CH GENEVA

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M. Villain

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9/17/79 Ver Villain

Canadian Delegation



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Délégation du Canada				

DIR. GEN. VI AGRICULTURE

NO. 9A10070

DATE: VII. 1979

DIR. GEN. VI LANIVERTISSEMENT

17-19 Ch. du Champ d'Anier,
1209 Geneva.

July 12, 1979

Dear Mr. Villain,

Thank you for your letter of June 29 to Ambassador Grey outlining your concerns relating to the "Provincial Statement of Intentions with respect to the Marketing of Alcoholic Beverages in Canada".

We have noted your concern and have passed your letter on to our authorities in Ottawa.

Yours sincerely,

M.G. Clark
M. G. Clark,
Minister and Deputy Head.

Mr. C. Villain,
Director General,
Directorate General for Agriculture,
Commission of the European Communities,
37-39, rue de Vermont,
1211 Geneva.

Provincial Statement of Intentions
With Respect to Sales of
Alcoholic Beverages by Provincial Marketing Agencies
in Canada

1. Information on the policies and practices of provincial marketing agencies for all alcoholic beverages will be made available on request to foreign suppliers and governments. Any enquiries from foreign governments will receive a response within a reasonable period of time; the Government of Canada agrees to be the channel of communication with foreign governments for such purposes.

2. In each branch store of the provincial marketing agencies, a catalogue of all the products offered for sale by the agency will be available, in order that customers may be aware of what products are available in addition to those carried in the particular branch.

3. Any differential in mark-up between domestic and imported distilled spirits will reflect normal commercial considerations, including higher costs of handling and marketing which are not included in the basic delivery price.

4. Any differential in mark-up between domestic and imported wines will not in future be increased beyond current levels, except as might be justified by normal commercial considerations.

5. Each provincial marketing agency for alcoholic beverages will entertain applications for listing of all foreign beverages on the basis

- 2 -

of non-discrimination between foreign suppliers, and commercial criteria such as quality, price, dependability of supply, demonstrated or anticipated demand, and other such considerations as are common in the marketing of alcoholic beverages. Standards with respect to advertising, health and the safety of products will be applied in the same manner to imported as to domestic products.

Access to listings for imported distilled spirits will in the normal course be on a basis no less favourable than that provided for domestic products and will not discriminate between sources of imports.

6. Any changes which may be necessary to give effect to the above will be introduced as soon as practicable. However, some of these changes, particularly with respect to mark-up differentials, may be introduced progressively over a period of no longer than eight years.

April 12, 1979

Annex to PART III,
Sect. 2, Letter B.18

COMMISSION
OF THE
EUROPEAN COMMUNITIES

Directorate-General for agriculture

3003 Bern, 6 September 1979

Mr Claude Villain,
Director-General for Agriculture,
Commission of the European Communities,
BRUSSELS

Sir,

During the Tokyo Round Multilateral Trade Negotiations the possibility was discussed of applying a special monopoly duty equal to that in force for whisky to imports into Switzerland of products with the registered designations of origin "cognac" and "armagnac".

I therefore have the honour to inform you that in future Switzerland will levy on imports of "cognac" and "armagnac" in bottles a special monopoly duty calculated on the basis of the pure alcohol content. The Federal Council will adopt the conditions governing the application of this duty - currently fixed at Sw F 55 per litre of pure alcohol - and reserves the right to change this amount should the monopoly duties applicable to other distilled beverages themselves be changed.

The above measure will enter into force - subject to ratification - at the same time as the measures for the implementation by Switzerland of the results of the Tokyo Round. It shall cease to be in force one year after being denounced.

Please accept, Sir, the assurance of my highest consideration.

The Federal Office for External
Economic Affairs,
The Delegate for Trade Agreements,

Arthur Dunkel
Ambassador

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COMMISSION
OF THE
EUROPEAN COMMUNITIES

Brussels

14 September 1979

Directorate-General for agriculture

Your Excellency,

I have the honour to acknowledge receipt of your letter of 6 September 1979, which reads as follows:

"During the Tokyo Round Multilateral Trade Negotiations the possibility was discussed of applying a special monopoly duty equal to that in force for whisky to imports into Switzerland of products with the registered designations of origin "cognac" and "armagnac".

I therefore have the honour to inform you that in future Switzerland will levy on imports of "cognac" and "armagnac" in bottles a special monopoly duty calculated on the basis of the pure alcohol content. The Federal Council will adopt the conditions governing the application of this duty - currently fixed at Sw F 55 per litre of pure alcohol - and reserves the right to change this amount should the monopoly duties applicable to other distilled beverages themselves be changed.

The above measure will enter into force - subject to ratification - at the same time as the measures for the implementation by Switzerland of the results of the Tokyo Round. It shall cease to be in force one year after being denounced."

I have noted the contents of the above letter.

Please accept, Your Excellency, the assurance of my highest consideration.

CL. VILLAIN

Director-General for Agriculture

H.E. Mr A. Dunkel,
Delegate for Trade Agreements,
Head of the Swiss Delegation to the
GATT Multilateral Trade Negotiations,

GENEVA

MULTILATERAL TRADE NEGOTIATIONS

Letter to be exchanged by the United States and the Commission of the European Communities.

Geneva, 12 April 1979.

For the Commission of the European Communities.

For the United States

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EXCHANGE OF LETTERS BETWEEN THE EUROPEAN ECONOMIC COMMUNITY
AND THE UNITED STATES CONCERNING DISTILLED SPIRITS

The Commission of the European Communities will do everything within its competence to obtain the elimination of those measures in the Member States which result in discrimination against U.S. distilled spirits.

MULTILATERAL TRADE NEGOTIATIONS

Letter to be exchanged by the United States and the Commission of the European Communities.

Geneva, 12 April 1979.

For the Commission of the European Communities.

For the United States

179
W9009560

27. VII. 1979

Brussels

COMMISSION
OF THE
EUROPEAN COMMUNITIESDIRECTORATE-GENERAL FOR
AGRICULTURE

The Director General

Dear Mr. Ambassador,

With reference to the various discussions we have had, and following the recent decision of the Council of Ministers, concerning the Community's tariff concessions for table grapes, I am now able to communicate to you the way in which the Community will implement the concession agreed between us. This involves:

1. The concession to be bound in the Community's G.A.T.T. schedule is the following:

Heading No	Description	Basic rate of duty	Rate of duty according to concession
08.04	Grapes, fresh or dried : A. Fresh : I. Table grapes a) From 1 November to 14 July - from 1 December to 31 January — of the species Emperor (Vitis Vinifera c.v.) (a)	18% (b)	10%

- (a) Entry under this subheading is subject to conditions to be determined by the competent authorities.
- (b) In certain conditions a countervailing tax is provided for in addition to the customs duty.

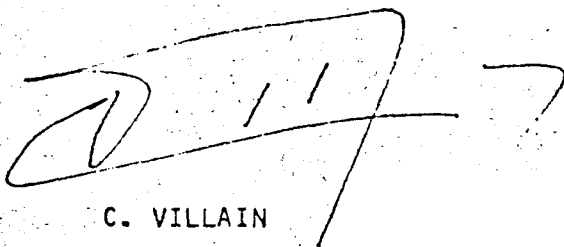
The Honorable Alonzo McDonald,
 Ambassador,
 Office of the Special Representatives
 for Trade Negotiations,
 1800 G. Street,
 N.W. Washington DC 20506.

2. The implementation of this concession is to be phased in four stages:

1st stage:	1.1.1980	16%
2nd stage:	1.1.1981	14%
3rd stage:	1.1.1982	12%
4th stage:	1.1.1983	10%

When approving this concession at its meeting of 24th July, the Council inserted in its minutes a declaration and requested the Commission to inform the U.S. authorities of it. Accordingly I attach a copy of the text.

Yours sincerely,



C. VILLAIN

"With regard to the concession on table grapes, the Council agrees that, in the event of disturbances occurring on the Community market as a result among other things of a substantial increase in the quantities traditionally imported, the procedures laid down in the GATT should be put into effect forthwith.

This statement by the Council will be brought to the attention of the United States authorities."