

COMMISSION OF THE EUROPEAN COMMUNITIES

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REPORT FROM THE COMMISSION TO THE COUNCIL

on the functioning of the arrangements relating to the
import of New Zealand butter into the
United Kingdom on special terms

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Proposal for a COUNCIL REGULATION (EEC)

relating to the continued import of New Zealand butter
into the United Kingdom
on special terms

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(presented by the Commission)

Comboof

**Report of the Commission to the Council on the functioning of
the arrangements relating to the import of New Zealand butter
into the United Kingdom on special terms***

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*In accordance with Article 2(1) of Council Regulation (EEC) No 3667/83.

I. INTRODUCTION

- 1 -

1. According to Protocol No 18 of the 1972 Treaty of Accession (Annex I), the United Kingdom was authorized, as a transitional arrangement, to import from New Zealand certain quantities of butter and cheese on special terms, during the period 1973 to 1977.

The annual quantities were fixed as follows :

	Butter (m. tonnes)	Cheese (m. tonnes)
1973	165 811	68 580
1974	158 902	60 960
1975	151 994	45 720
1976	145 085	30 480
1977	138 176	15 240

These quantities could only be imported at a price fixed by the Council, the observance of which had to be guaranteed by New Zealand at the CIF stage.

In addition, a special reduced levy was applied on these imports. This levy had to be set at such a level as to allow the effective marketing of the products without prejudicing the marketing of Community butter and cheese. After 31 December 1977 the exceptional arrangements for the import of cheese were no longer retained.

2. In accordance with Article 5 of the Protocol, the Council reviewed in 1975 the situation as regards butter on the basis of a communication prepared by the Commission (Doc. R/2099/75 - AGRI 566 - RELEX 52 of 8.8.1975, Doc. COM (75) 437 final).

This communication, which was prepared in response to the "Dublin Declaration" of the heads of government on 10 March 1975 (see Annex II), described the dairy situation on the world market, in the Community and in New Zealand, gave an outlook on possible future developments and also contained recommendations for the operation of a particular import regime for New Zealand butter after 1977.

3. on 29 June 1976, the Council adopted Regulation (EEC) No 1655/76, extending the transitional arrangements for the import of New Zealand butter into the United Kingdom (OJ No L 185 of 9.7.1976, p. 1) (see Annex III) on the basis of a Commission proposal which took account of the Council's review in 1975.

The operative annual import quantities were fixed at :

1978 :	125 000 tonnes
1979 :	120 000 tonnes
1980 :	115 000 tonnes

Furthermore, it was decided that should the butter imported under this regulation have exceeded 25 % of total U.K. consumption, the excess would have to be sold under conditions to be determined for uses other than direct consumption. In fact, this provision was never applied.

At the Council meeting of 21/22 June 1976, it was decided not to adopt Article 9 of the Commission's proposal which provided that "the Council, on the basis of a report submitted by the Commission before 31 December 1978, shall determine, in accordance with the same procedure as that mentioned in Article 5 (2) of Protocol 18, appropriate measures as regards imports of butter from New Zealand after 1980." It was felt that even though the time scale provided for imports was limited to three years Article 5 (2) of Protocol 18 would allow the Council to make arrangements for the years after 1980.

4. After prolonged discussions on a Commission report in COM (79) 444 Final and Commission proposals in COM (80) 190 Final, the Council adopted Regulation (EEC) N° 858/81 concerning the access for New Zealand butter from 1 April 1981 to 31 December 1983. Until the end of March 1981, the Council prolonged the application of Regulation (EEC) No 1655/76 several times, in order to allow New Zealand to continue its imports of butter into the United Kingdom during the first months of 1981.

The total quantity to be imported in 1981 was fixed at 94 000 tonnes and for 1982 at 92 000 tonnes and imports were again limited to the United Kingdom only.

The special import levy was fixed at 77,52 ECU/100 kg, corresponding to 25 % of the Community intervention price level. From this levy, the butter subsidy was deducted at the moment of import.

This regulation also provided that for the year 1983, the Council should, before 1 October 1982, determine the quantity to be imported, on the basis of a Commission proposal.

5. On the basis of a Commission proposal providing for an annual allowance for 1983 of 89 000 tonnes and a levy of 84,30 ECU/100 kg, the Council, after lengthy discussions, decided on 15 March 1983, by Regulation (EEC) No 642/83 (OJ No L 76 of 22.3.1983, p. 1), the total quantity to be imported during the year 1983 at 87 000 tonnes. Until then New Zealand had been allowed to continue imports of butter into the U.K., on the basis of a monthly quantity of 7 250 tonnes fixed by the Council.
6. On 21 December 1982, the Council had fixed a new special levy of 84,36 ECU/100 kg (Regulation (EEC) No 3499/82 of 21 December 1982), applicable from 28 December 1982.

The special levy was adjusted, at the start of the 1983/84 campaign to take account of the increase of the Community intervention price level and was fixed at 86,35 ECU/100 kg, applicable from 23 May 1983 (R 1212/83).

7. Article 2 (4) of Council Regulation (EEC) No 858/81 provided that on the basis of a report and a proposal from the Commission, the Council would take a decision on arrangements for the import of New Zealand butter after 1 January 1984.

8. The Commission submitted its report in COM (83) 616 final of 10 October 1983 which was accompanied by a proposal, COM (83) 574 final dated 10 October 1983. The report concluded that :

- New Zealand had filled its quota to the United Kingdom ;
- the United Kingdom share of New Zealand's total butter exports had fallen from 83 % in 1972/73 to 56.2 % in 1981/82 but that the reduced volume still represented 70 % of the value of total New Zealand butter exports;
- the share of the total earnings of the New Zealand dairy industry from the U.K. market fell from 46.1 % in 1972 to 22.5 % in 1982 ;
- New Zealand's efforts to diversify had been hampered by a lack of stable outlets and keen competition between exporting countries on a shrinking world market ;
- New Zealand's major secure market continued to be the U.K. ;
- the world market was oversupplied, the U.K. market was nearing self-sufficiency in butter and New Zealand's butter exports to the U.K. only represented 4 % of Community production ;
- dairy exports represented 21.3 % of New Zealand's total export earnings and receipts from the sales of butter to the United Kingdom equalled one fifth of that percentage.

The report recognized that "stopping New Zealand butter imports would not solve the milk problem in the long run and relieve the Community of its responsibility to restore balance and that any major and abrupt drop in the quantities exported to the U.K. would adversely affect the political and economic relationship between New Zealand and the Community".

The proposal which accompanied the report suggested to the Council in particular :

- the quantities to be imported in the years 1984 to 1988, and
- the rate of levy to be applied to such imports.

These quantities were for the calendar year:

1984 : 83 000 tonnes
1985 : 81 000 tonnes
1986 : 79 000 tonnes
1987 : 77 000 tonnes
1988 : 75 000 tonnes

and the levy proposed was 87,28 ECU/100 kg or 25 % of the United Kingdom intervention price.

The Council adopted Regulation (EEC) No 3667/83 of 19 December 1983, a modified version of the proposal which provided for the import of 13 833 tonnes in January and February 1984 to which a special levy of 87,28 ECU/100 kg should apply.

The Regulation laid down that the Council, before 1 March 1984, on the basis of a proposal from the Commission would review the functioning of the arrangements with a view to a decision on the arrangements for the import of New Zealand butter after 29 February 1984 (see Annex IV).

Prolonged discussions in the Council led to the adoption of Regulations (EEC) Nos :

- 551/84 of 28 February which extended the period to include March 1984 and increased the quantity to 20 750 tonnes ;
- 864/84 of 31 March 1984 which further extended the period to include April and May 1984, increased the quantity to 34 583 tonnes and replaced the levy of 87,28 by 77,98 ECU/100 kg ;
- 1384/84 which extended the period to include June and July 1984 and increased the quantity to 48 416 tonnes, and finally
- 2007/84 which fixed the quantity for the calendar year 1984 at 83 000 tonnes, for 1985 at 81 000 tonnes and for 1986 at 79 000 tonnes.

This latter Regulation laid down certain guidelines for the future, notably :

- "1. For the 1987 and 1988 calendar years the Council shall, after a report from the Commission on the market situation and acting unanimously on a proposal from the Commission, determine before 1 August of the previous year the quantities which may be imported to following year.
2. The Council, acting by a qualified majority on a proposal from the Commission may temporarily reduce the quantities referred to in paragraph 1 in order to prevent serious disruption of the United Kingdom butter market, particularly in the case of a substantial fall in direct butter consumption.
3. Before 1 August 1988 the Council, acting unanimously on a proposal from the Commission accompanied by a report, shall take a decision on the maintenance of the exceptional arrangements from 1 January 1989."

The Commission submitted its proposal for the years 1987 and 1988 in COM (86) 451 Final dated 18 July 1986 and its report in COM 86 354 Final dated 15 July 1986.

The quantities proposed were 77 000 tonnes for 1987 and 75 000 tonnes for 1988. The Council in Regulation (EEC) No 2335/86 approved quantities of 76 500 tonnes for 1987 and 74 500 tonnes for 1988. The Regulation also provided that "The Council acting by a qualified majority on a proposal from the Commission shall adjust the rate of special levy in line with modifications in the conditions under which intervention takes place."

This report fulfills the requirement laid down in Article 2 (3) of Regulation (EEC) No 3667/83 concerning a decision on the maintenance of the exceptional arrangements from 1 January 1989.

9. The following table sets out annual import allowances fixed by the Council from 1973 to 1988, together with the actual imports during that same period.

DEVELOPMENT OF NEW ZEALAND BUTTER QUOTA AND
IMPORTS INTO THE U.K. IN THE PERIOD 1973 TO 1988

Year	Quota (tonnes)	QUANTITY		REDUCTION COMPARED TO PREVIOUS YEARS	
		Imported (tonnes)	of which under IPAs(1)	Quota (tonnes)	Imports (tonnes)
1973	165 811	131 957	n.a.		
1974	158 902	131 805	n.a.	6 909	- 151
1975	151 994	123 460	n.a.	6 908	- 8 345
1976	145 085	122 626	n.a.	6 909	- 834
1977	138 176	116 973	n.a.	6 909	- 5 653
1978	125 000	122 003	7	13 176	+ 5 030
1979	120 000	115 789	23	5 000	- 6 214
1980	95 000	100 495	33	25 000	- 15 294
1981	94 000	101 912	410	1 000	+ 1 417
1982	92 000	87 847	279	2 000	- 14 065
1983	87 000	91 206	2 555	5 000	+ 3 359
1984	83 000	85 145	1 442	2 000	- 6 061
1985	81 000	77 439	6	2 000	- 7 706
1986	79 000	82 576	-	2 000	+ 5 137
1987	76 500	76 508	-	2 500	- 6 518
1988	74 500	2 000

(-) In the early years the import allowance was not fully utilised, partly due to a shortage of supply and partly because New Zealand wanted to maintain outlets other than the United Kingdom.

(1) IPA : Inward processing Arrangements ; n.a. = not available.

II. SIGNIFICANT EVENTS INFLUENCING THE MILK SECTOR SINCE THE LAST REPORT IN JULY 1986.

1. In December 1986, the Community suspended temporarily a further 5.5 % of the guaranteed quantities of milk. This temporary suspension was in addition to the 3 % reduction in deliveries due to the cessation premium introduced in April 1986, and the 1 % reduction in deliveries due to more efficient implementation of the quota system also decided in December 1986.

The total reduction was therefore about 9.5 %, equivalent to a quantity of milk well in excess of New Zealand's total deliveries.

Besides in December 1986 the intervention system was modified to play its intended role in the milk sector - that of a safety net.

In April 1988 a decision to extend the quota system for a further three years was taken and the modified and much reduced intervention system was maintained. One of the consequences of these measures is that the market is playing a fuller role in establishing the prices of dairy products. Intervention intake of skimmed milk powder is zero and of butter is practically as low.

The combined effect of these modifications since 1986 is deliveries in 1988 will be over 8 million tonnes or almost 8 % lower, butter production will be down by over 460 thousand tonnes or 21 % lower and SMP production will be down by 34 %.

Public butter stocks have fallen from 1.2 million tonnes in June 1986 to 350.000 in July 1988 due, in large measure to the special disposal programme which is now complete. Skimmed milk powder stocks in the same period fell from 907.000 tonnes to less than 40.000 tonnes.

2. In New Zealand in 1984 the government began to implement a wide ranging set of programmes designed to remove impediments to competition and improve resource allocation in all sectors of the economy including agriculture.

As a result, over 70 % of gross agricultural production (of mainly exported commodities) in New Zealand receives world market prices, cushioned only by fully producer-funded and operated stabilisation schemes. In liberalising its economy and improving resource allocation, the Government has removed the expectation that they will always compensate farmers for low agricultural prices or climatic disasters.

Over the past year the general trend in policy changes is clearly in line with a more liberal, market-oriented approach. For dairy products, no government or consumer funded price and income support has occurred since 1986.

However, changes to the role of producer boards required large once-for-all write-offs in 1986 of debt built-up up to 1983 for dairy products.

Changes are currently underway that confirm the removal of all government intervention from any future price fixing the producer boards may undertake, remove the requirements for the boards to seek ministerial approval for certain functions and remove all producer board access to concessional or commercial government credit facilities. As a result, production of these commodities will be responding only to world prices and consumers will pay world prices.

Following the effects of the write-offs, budget expenditure will return to its previous downward trend, a trend enhanced by the progressive introduction of charges for government extension, inspection and research services and the removal of input subsidies. Important reductions in tax concession to agriculture have also reduced agricultural subsidies as have progressive increases in interest rates up to market levels on concessional government lending.

The various measures taken, as noted above, are estimated to approximately halve agricultural support, and this, combined with historically low world prices, has led to reduced incomes for many farmers and a rapid decline in the land values of farms producing products that previously received higher levels of assistance.

As a result the government initiated some short-term restructuring policies including the Rural Bank Discounting Scheme whereby the equity position of the farmer is improved and a grant scheme to assist the departure of no longer profitable farmers. Diversification into more profitable products has also occurred without government involvement.

The fluid milk industry has undergone substantial deregulation with farmers and processors now negotiating prices which were previously set by the government.

3. The U.S. has come on to the world dairy markets through its Export Enhancement Programme. It has also reduced production through its Dairy Termination Programme and price reduction but the decrease in deliveries in 1987 will be replaced by an increase in deliveries in 1988.
4. The prospect of Bovine Somatotropin (BST) increasing world milk output looms large on the horizon. The prospect of an equal and opposite consumer reaction is also great.
5. Both Community and U.S. public stocks of dairy products have decreased substantially although U.S. stocks are beginning to build up again or were doing so until the recent drought..
6. The minimum prices fixed in the context of the International Dairy Arrangement were increased twice for milk powders and cheese in September 1987 and in March 1988 and for butter and butteroil in March 1988. A further increase is being suggested for September 1988.
7. Since mid-1986 the New Zealand dollar has revalued against the Australian dollar by almost 12 %, and against the U.S. dollar by about 26 %. It has devalued against the Japanese Yen by 6 %, against the Deutsch Mark by over 4 % and against the ECU by over 1 %.
8. The Community has taken the necessary decisions to enable the completion of their internal market by the end of 1992.

III. DEVELOPMENTS ON THE UNITED KINGDOM MARKET

1. In 1987 milk deliveries in the U.K. were some 850.000 tonnes less than in 1986 equivalent to about 38.250 tonnes of butter and about 1.840.000 tonnes less than in 1983 equivalent to some 82.800 tonnes of butter.

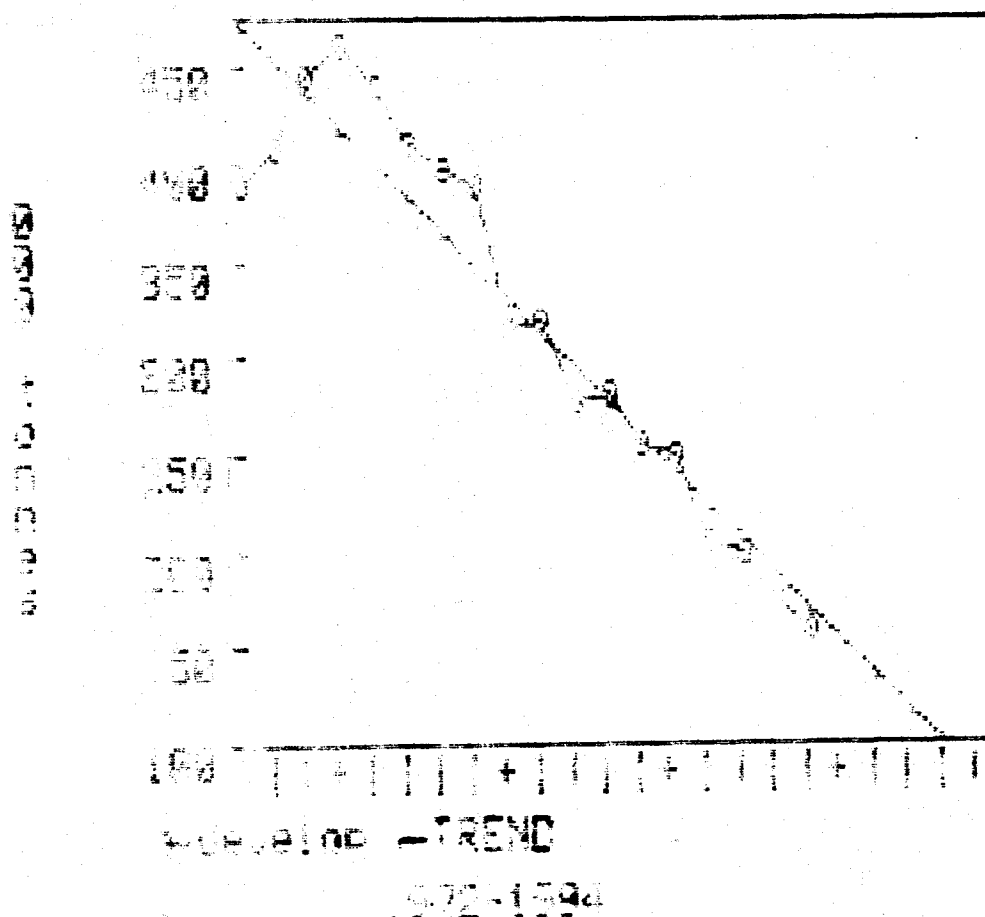
Continuing the comparison between 1986 and 1987 shows that butter production in the U.K. fell by 47.000 tonnes, butter imports from Member States fell by 18.150 tonnes, imports from New Zealand fell by 6.070 tonnes (though by only 930 tonnes compared to the 1985 level) and exports to Non Member countries increased by 1.200 tonnes. The percentage changes in 1987 compared to 1986 of the data given in Annex V are as follows :

	<u>1987/1986</u>
U.K. deliveries	- 5.4 %
Butter production	- 21.1 %
Imports from Member States	- 28.2 %

2. Total butter consumption in the U.K. is continuing to decline. From the peak of 489.000 tonnes reached in 1975 consumption has fallen to 250.000 tonnes in 1987, a reduction of 49 %.

Since 1985 total butter consumption has fallen by 12.3 % and is expected to fall by a further 8 % in 1988. The graph below shows the development in total butter consumption in the U.K. from 1972 to 1987.

U.K. HOUSEHOLD/DATE. BUTTER CONSUMPTION



The main reason given in 1983 for the decline in butter consumption was the price development. The first hand selling price for home produced bulk butter in June 1983 was UK £ 2.150/tonne compared to U.K. £ 362/tonne in January 1973. An almost sixfold increase in price led to a 28.5 % decrease in consumption or on average 2.85 % per annum.

The relative prices of butter and margarine have changed slightly since the last report when the ratio of butter to margarine price was 2.1 to 1. This ratio is now 2.4 to 1. The ratio in 1972 was 1 : 1. Other factors contributing to the decline in butter consumption are the substantial amount of money spent on margarine advertising and promotional perceptions on health issues and the lack of spreadability of butter.

While the margarine share of the U.K. total yellow fats market seems to have stabilized the butter share in that market continues to decline to the advantage of full-fat and low-fat spreads and half fat butters. From 1985 to 1987 it is estimated that the share of these three products went respectively from 2.7 % to 7.1 %, from 0 to 5.9 % and from 0 % to 0.1 %.

3. In 1987 the U.K. level of self sufficiency in the butter sector was 70.8 % compared to a level of 88.1 % in 1986. However, in those same two years the Community's level of self sufficiency was 117.9 % in 1987 and 134.9 % in 1986.
4. Despite the low level of self sufficiency intervention purchase of butter in the U.K. were substantial. In 1986 almost 97.000 tonnes were bought into intervention and in 1987 almost 75.000 tonnes.

Butter stocks in the U.K. are at their lowest level since about mid 1983. The end of year public stocks developed as follows :

1982	1983	1985	1986	1987	30.06.1988
14.269	108.332	200.835	248.933	160.380	89.300

Stocks of butter in the U.K. subject to private storage aid contracts at the end of June 1988 amounted to about 14.000 tonnes.

5. U.K. exports of butter in 1987 show a dramatic rise as can be seen from Annex VI but the bulk of this quantity was intervention butter being moved to the Netherlands and Belgium for incorporation into animal feed. Exports to Member States in 1986 amounted to almost 28.000 tonnes and in 1987 to almost 125.500 tonnes. Exports to 3rd countries in 1987 amounted to 3.306 tonnes, well below the peak of 11.377 tonnes reached in 1983.

U.K. butter imports have fallen from a peak of over 484.000 tonnes in 1975 to 122.660 tonnes in 1987, a decrease of almost 75 %. However while imports from Member States fell by 87 % imports from New Zealand fell by 39 %. The New Zealand share in U.K. butter imports was at 62.4 % in 1987 compared to 38.9 % in 1977 and 56 % in 1985.

6. The official market prices recorded in the U.K. show that wholesale prices for bulk butter tended to fall from 1983 to mid 1987 and then began to increase. They increased substantially in 1988. The U.K. wholesale price for butter in small packs fluctuated less but followed the same pattern. The wholesale price of New Zealand butter in small packs decreased by far more than the U.K. price and stayed at lower levels for much longer.

The difference between the price of U.K. butter and New Zealand butter in small packs in June 1988 was UK £ 154 to UK £ 194/tonne (see Annex VIII).

In 1987 the retail selling price of New Zealand butter in small packs was about 4.4 % less than that for U.K. butter in small packs. The gap was slightly less when the average price of all types of butter in small packets was compared to the New Zealand price (Annex IX).

7. New Zealand butter can sell at lower prices than Community butter both at wholesale and retail because the margin for 'manoeuvre' is much greater given the cost price of imported butter compared to Community butter. The cost price of New Zealand butter is the world market price plus the reduced levy. The cost price of Community butter is the intervention price. Given the relatively high ex-factory price (which must not vary greatly from the intervention price) vis-à-vis the price of imported butter, the Community manufacturer has little scope to cut prices to distributors who in turn could cut prices to retailers to gain market share.

The New Zealand Dairy Board (NZDB) has imported butter at a much lower cost and consequently has greater room for manoeuvre with distributors and retailers' margins. Furthermore, the New Zealand Dairy Board's position on the U.K. market is strong with almost 43 % of the household/catering sales plus cheese sales compared with other suppliers of dairy products to that same market.

IV. DEVELOPMENTS IN NEW ZEALAND

1. The dairy cow number in New Zealand on 31 January 1988 was estimated by the New Zealand Dairy Board to be 2.286 million head or 0.2 % above the January 1987 figure. The New Zealand Department of Agriculture suggests that the trend of increasing cow numbers through the 1980's reached a peak of 2.27 million at June 1987 and estimated the June 1988 number at 2.26 million. The biggest single increase in New Zealand cow numbers in the past fourteen years took place between January 1985 and January 1986. In fact between January 1983 and January 1986 dairy cow numbers in New Zealand increased by 10.6 % (see Annex X table 1).

2. Between June 1986 and June 1988, the number of dairy company suppliers with ten cows or more decreased by 400 to 14100, the average herd size increased by 2 to 152, the average milk yield delivered to a dairy decreased by 76 litres to 3.301 kg/cow and the average fat content decreased by 0.04 % to 4.74 %.

3. The New Zealand milk price paid to producers has fluctuated considerably in recent years (Annex XI). At the beginning of each season a basic value of whole milk at the farm gate is fixed in New Zealand cents per kilogram of milkfat. This price may be amended during the year or there may be an end of season distribution depending on market conditions. In June 1986 when the question of access was last considered a basic price of 225 NZ cents/kg milk fat was announced. This price represented a drop of over 40 % on the previous years total. It was amended during the year to arrive at a total price for the year of 320 NZ cents/kg milkfat, a decrease on the previous season of 20 % or less than half the announced reduction. The total pay-out for the 1987/88 season was 360 NZ cents/kg milkfat or about 50 cents higher than the basic price.

The basic price announced for the 1988/89 season is 360 NZ cents/kg milkfat but it is expected that the total pay-out for the season will be 420 NZ cents/kg.

Farm gate milk prices in New Zealand in the 1986/87 to 1988/89 marketing years will have increased by 31.3%. The expectation in New Zealand is that there will be real increases in the NZ \$ value of dairy exports as a result of improved world market prices.

4. Milk deliveries in New Zealand during the 1987/88 season increased by 11.1 % but are still about 4 % below the peak reached in 1985/86. Milk deliveries are influenced by price, which depends firstly on the world market price of dairy products in US \$ terms and secondly on the exchange rate, and by climate.

Following the trends in milk deliveries and production of various dairy products in New Zealand has become more difficult since some of the series studied for the last report are no longer published in the Monthly Abstract of Statistics.

In the year to June 1986 with 2.22 million cows a total of 350.000 tonnes of milk fat were processed from which 295.000 tonnes of butter were produced wherein in the year to June 1988 with 2.26 million cows a total of 250.000 tonnes of butter were produced. See Annex XII and XIII.

It seems reasonable that with 4000 more cows in 1988/89 than in 1985/86 and with higher world market prices for milk products coupled with the deregulation of cereals imports into New Zealand leading to higher levels of concentrated feeding, that the New Zealand milk fat quantity processed could exceed the 350.000 tonne level reached in 1985/86.

The percentage change in the production of dairy products in New Zealand between the 1985/86 and 1987/88 season were :

butter	- 16 %
butteroil	+ 68 %
cheese	+ 2 %
whole milk powder	+ 8 %
skimmed milk powder	- 8 %.

In the year ended May 1988 consumption of liquid milk and fresh products increased by almost 1 %, consumption of butter decreased by 3.1 % and consumption of cheese increased by 6.5 %. The consumption per head of butter is 11.4 kg and of cheese is 8.9 kg.

5. The total value of New Zealand dairy exports (see Annex XIV) (excluding casein) in the year to June 1987, was 1417.3 million NZ \$ or 2 % above the previous years value.

The general picture of New Zealand exports by destination is given in Annex XV.

In 1987, SMP exports fell by over 40.000 tonnes, WMP by about 6.000 tonnes, buttermilk powder by almost 1.550 tonnes, butter by over 3.000 tonnes and casein by over 1.300 tonnes.

Exports of butteroil increased by 28 % and cheese by almost 1 %. The increase in butteroil exports is due to Brazil - a total of 41.381 tonnes were exported during the 1986/87 period under a GATT International Dairy Arrangement derogation from the Butter Protocol.

The New Zealand exports of cheese and whole milk powder in the period from 1984 and 1987 increased by over 16 % and almost 50 % respectively. These products contain important quantities of milk fat.

The share of total exports accounted for by dairy products and eggs has gone from 17.4 % in 1973 to 12 % in 1987. Exports in other sectors have expanded at a faster pace than in agriculture. See Annex XVI.

6. The importance of the U.K. as a destination for New Zealand butter can be measured in volume or value terms.

For the year ended June 1987 and the eleven month period ended 31 May 1988 the exports of butter to the U.K. are compared to the total exports of butter and to the butter equivalent of both butter and butteroil exports together in volume and in value terms (Annex XVII and XVIII).

The "U.K. share" can be summarized as follows :

	1987		1988	
	Volume	Value	Volume	Value
Total New Zealand				
Butter exports	48.7	58.5	45.1	63.6
Total New Zealand				
Butter and Butterroll				
exports in butter				
equivalent	32.1	45.5	32.9	52.7

The increase in the importance of the U.K. in 1988 in value terms is because the average FOB price of butter intended for the U.K. increased and that for other destinations decreased.

Butter exports to the U.K. accounted for 13.2 % of all dairy produce exports in 1987 (to June) and for less than 2 % of total exports of New Zealand produce in that same year.

7. Trade between the Community and New Zealand is increasing. In the period 1985 (June year) to 1987 New Zealand exports to the Community increased by 20.1 % and imports from the Community by 11.6 %. The value of U.K. exports increased by 9.2 % and imports by 7.1 % (see Annex XIX and XX). The decline in the importance of the Community as an export destination for New Zealand has been halted. The Community in 1987 (June year) accounted for 21.8 % of New Zealand exports compared to 19 % in 1985. The decline in the importance of New Zealand as a destination for Community exports has also been halted. In 1987 (June year) 23.6 % of New Zealand's imports were accounted for by the Community compared to 20 % in 1985. The U.K.' share of New Zealand's imports and exports remains constant at around 9 % while other Member States are increasing their trade with New Zealand (see Annex XXI).

V. SITUATION IN THE COMMUNITY - 19 -

1. In 1988, milk deliveries in the Community are expected to be almost 7 million tonnes less than in 1985 a year in which deliveries were already 3.4 million tonnes lower than in 1983 - a decrease in the whole period of almost 10 %. A further decrease of 1.8 million tonnes of milk equivalent to about 82.000 tonnes of butter is forecast for 1989, the year for which New Zealand butter access is now being examined.

In 1986 butter production in the Community amounted to 2.2 million tonnes. In 1988 it is expected to be some 25 % less than in 1986. (In fact estimates range from a 21 % decline to a 25 % decline.) A further reduction of 53.000 tonnes is forecast for 1989.

Between 1986 and 1988 dairy cow numbers in the Community are expected to fall by almost 2.5 million head, milk deliveries used for fresh products are expected to increase by 465.000 tonnes, cheese production is expected to increase by 163.000 tonnes, skimmed milk powder production is expected to decrease by 744.000 tonnes, whole milk powder production is expected to increase by 107.000 tonnes, condensed milk will decrease by 67.000 tonnes and casein will increase by about 19 %. Details of supplies and production are given in Annex XXII.

These reductions in throughput have left the Community industry with considerable surplus capacity especially for the manufacture of butter. The reductions in throughput have also lifted the prices paid to producers to bring them closer to the target price. The prices of milk products have also increased. The butter price in Denmark is at a level of 100.8 % of the intervention price.

2. Intervention purchases of butter since the beginning of 1988 have amounted to about 19.000 tonnes and no SMP was bought. Purchases in 1987 amounted to 368.000 tonnes of butter and 60.000 tonnes of SMP.

The public stock situation has also improved considerably. The butter stock available for sale on 30 June 1988 amounted to 360.000 tonnes and the corresponding amount of SMP was 40.000 tonnes.

On the corresponding date in 1987 the butter stock was 916.000 tonnes and that for SMP 787.000 tonnes. In June 1986 the butter stock amounted to 1.177 million tonnes and that of SMP 907.000 tonnes.

The substantial improvement in the stock situation is due to the traditional subsidized sales on the internal market but especially to the special disposal measures for which the Council, in February 1987, made financial provision for the disposal of 1.030.000 tonnes of old butter.

3. Community exports on to an expanding world market for dairy products in 1987 showed substantial increases on 1986. The increases were as follows : whole milk powder + 18 %, skimmed milk powder + 65 %, butter + 63 %, butteroil + 49 %, cheese + 6.5 %, casein and caseinates + 37 %. It should be noted that in 1986 the Community exported 77.000 tonnes of butter commercially. Imports in that same year amounted to over 85.000 tonnes making the Community a net importer of butter in a year when intervention purchases amounted to 655.000 tonnes.
4. New Zealand has become more important as a WMP producer relative to the Community than was the case in 1985 as can be seen in Annex XXIII.

VI. WORLD MARKET SITUATION

- 21 -

The world market situation for dairy products is characterized by strengthening prices. The Community took the initiative following the successful implementation of its production controls and stock disposal measures to request, on two occasions, increases in the GATT-IDA minima for dairy products.

The development of these prices since the last report has been very positive to positive; very positive for powders but less positive for butter and butteroil as can be seen from the following table :

DEVELOPMENT OF GATT-IDA MINIMUM PRICES

US \$/t

	<u>5.06.85</u>	<u>2.10.86</u>	<u>25.05.87</u>	<u>23.09.87</u>	<u>23.03.88</u>
S M P	600	680	765	825	900
W M P	830	880	900	950	1000
Butter	1000	1000	1000	1000	1100
Butteroil	1200	1200	1200	1200	1325
Cheese	1000	1030	1030	1120	1200

The supply of milk in the OECD countries in 1988 is expected to fall slightly to about 208 million tonnes or almost 7 million tonnes less than in 1986. However it is worth noting that when world market prices were at previous high levels in 1980/81 that the supply in OECD countries amounted to about 198-199 million tonnes of milk (see Annex XXIV).

For powders and certain cheeses the current market prices are substantially in excess of the minima ; for butter and butteroil however this is not yet the case.

The world market for dairy products expanded in 1987 and the Community increased its share ; the major gains in 1987 were on the butter and SMP markets where in earlier years losses were the greatest (see Annex XXV).

VII. NEW ZEALAND DIVERSIFICATION

In 1987 New Zealand experienced a growth rate in gross domestic product of 1.9 %. The active population numbers 1.329 million people of which 11.1 % are engaged in agriculture, 32.4 % in industry and 56.6 % in services. The proportion engaged in agriculture has fallen over the years.

New Zealand's efforts at diversification have yielded positive results in a number of areas.

- In an expanding economy with increasing exports the share of manufacturing is increasing;
- In 1973 practically all New Zealand butter exported was salted butter. In 1988 exports of unsalted butter were almost as high as exports of salted butter. To sell unsalted butter it was necessary to find new markets.
- exports of cheese and whole milk powder have increased considerably in recent years.
- The New Zealand Dairy Board has purchased distribution companies (in the U.S. and in Chile) which enable greater return on exports which does not appear in the FOB value.

VIII. CONCLUSIONS

1. In the period for which access is being examined the Community and world market for dairy products could be significantly different from the current situation. World market prices in particular are increasing and Community supplies are going to decrease further. Price increases on the world market for dairy products - all other things being equal - lead to a reduction in Community export refunds. An increase in world market prices increases directly the returns to New Zealand traders, manufacturers and producers. Consequently incomes must rise and possibly also milk production.
2. Butter consumption in the U.K. has fallen by over 20 % in the past two year and is expected to fall by a further 13 % in 1988.
3. The share in U.K. butter imports held by the Member States fell by 24 % in the 1985 to 1987 period.
4. The Community's production control restrictions have led to price increases on the internal market and substantial increases on the world market for dairy products. They have also led to significant decreases in butter production.
5. Taking these factors into consideration, the Commission is proposing that access continue to be provided for New Zealand butter into the U.K. market for the next four years but, of course, at a reduced level. The largest reduction would take place in the first year. The specific proposal is that the quantities be established as follows :

1989	64.500 t
1990	61.340 t
1991	58.170 t
1992	55.000 t

6. In view of the reduction in the quantities to be imported, the Commission is also proposing that the special levy for butter be reduced to 45.83 ECU/100 kg from 1 January 1989.

Article 1

1. The United Kingdom is authorized, as a transitional arrangement, to import from New Zealand certain quantities of butter and cheese, on the following terms.

2. The quantities referred to in paragraph 1 shall be:

(a) in respect of butter, for the first five years:

1973	165 811 metric tons
1974	158 902 metric tons
1975	151 994 metric tons
1976	145 085 metric tons
1977	138 176 metric tons

(b) in respect of cheese:

1973	68 580 metric tons
1974	60 960 metric tons
1975	45 720 metric tons
1976	30 480 metric tons
1977	15 240 metric tons

The Council, acting by a qualified majority on a proposal from the Commission, may make adjustments between those quantities of butter and cheese, provided that the tonnage expressed as milk equivalent corresponding to the total quantities laid down for those two products for the year in question remains unaltered.

3. The quantities of butter and cheese specified in paragraph 2 shall be imported into the United Kingdom at a price the observance of which must be guaranteed at the c.i.f. stage by New Zealand. That price shall be fixed at a level which enables New Zealand to realize a price representing the average price obtained by that country on the United Kingdom market during 1969, 1970, 1971 and 1972.

4. The products imported into the United Kingdom in accordance with the provisions of this Protocol may not become the subject of intra-Community trade or of re-exportation to third countries.

Article 2

1. Special levies shall be applied to imports into the United Kingdom of the quantities of butter and cheese specified in Article 1. Article 55 (1) (b) of the Act of Accession shall not be applicable.

2. The special levies shall be fixed on the basis of the c.i.f. price referred to in Article 1 (3) and of the market price of the products in question within the United Kingdom, at a level such as to allow the quantities of butter and cheese to be effectively marketed without prejudicing the marketing of Community butter and cheese.

Article 3

The Council, acting by a qualified majority on a proposal from the Commission, shall adopt the measures necessary for implementing Articles 1 and 2.

Article 4

The Community shall continue its efforts to promote the conclusion of an international agreement on milk products so that, as soon as possible, conditions on the world market may be improved.

Article 5

1. The Council shall, during 1975, review the situation as regards butter in the light of prevailing conditions and of supply and demand developments in the major producing and consuming countries of the world, particularly in the Community and in New Zealand. During that review, among the considerations to be taken into account shall be the following:

(a) progress towards an effective world agreement on milk products, to which the Community and other important producing and consuming countries would be parties;

(b) the extent of New Zealand's progress towards diversification of its economy and exports, it being understood that the Community will strive to pursue a commercial policy which does not run counter to this progress.

2. Appropriate measures to ensure the maintenance after 31 December 1977 of exceptional arrangements in respect of imports of butter from New Zealand, including the details of such arrangements, shall be determined by the Council, acting unanimously on a proposal from the Commission, in the light of that review.

3. After 31 December 1977, the exceptional arrangements laid down for imports of cheese may no longer be retained.

TEXT OF THE STATEMENT ON N.Z. DAIRY IMPORTS ISSUED FOLLOWING THE
EUROPEAN COUNCIL MEETING IN DUBLIN 10 MARCH 1975

The Heads of Government, meeting in Council at Dublin the 10th of March, underline the importance which they attach to Protocol 18 of the Act of Accession, as regard the relations of the Community with New Zealand, a traditional supplier of dairy products to a substantial part of the enlarged Community.

They invite the Commission to present a report in order to prepare the review provided for in Article 5 of the Protocol and to submit as soon as practicable a proposal for the maintenance after 31st December 1977 of special import arrangements as referred to in that article. They observed that the institutions of the Community have already carried out certain price adjustments in the framework of the Protocol. In the same spirit, the Community, which remains attached to a fair implementation of the Protocol is ready to review periodically and as necessary to adjust the prices having regard to the supply and demand developments in the major producing and consuming countries of the world, and also to the level and evolution of prices in the Community - including intervention prices - and in New Zealand, taking moreover into account cost developments in New Zealand and trends in freight charges.

As regards the annual quantities to be established by the Community institutions in the framework of the special arrangements after 1977, those should not deprive New Zealand of outlets which are essential for it. Thus for the period up to 1980, these annual quantities depending upon future market developments, could remain close to effective deliveries under Protocol 18 in 1974 and the quantities currently envisaged by New Zealand for 1975.

They note that Protocol 18 provides that the exceptional arrangements for the import of cheese cannot be maintained after 31st December 1977; and that this situation and the problems which may arise from it will be given due attention with appropriate urgency, taking into account also the considerations in the following paragraph.

The Heads of Government note, moreover, that New Zealand and the Community together provide the major part of world exports of dairy products. They, therefore, express the wish that, in the same spirit with which the Community approaches the application of Protocol 18, an ever closer co-operation be developed between the institutions of the Community and the New Zealand authorities with the objective of promoting in their mutual interest an orderly operation of world markets. Such a co-operation, apart from its intrinsic value, should provide a basis from which to achieve, in a wider framework, the conclusion of an effective world agreement such as is envisaged in Protocol 18.

I

(Acts whose publication is obligatory)

COUNCIL REGULATION (EEC) No 1655/76

of 29 June 1976

extending the transitional arrangements for the import of New Zealand butter into the United Kingdom

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Act of Accession (1), and in particular Article 5 (2) of Protocol 18, hereinafter called 'the Protocol',

Having regard to the proposal from the Commission,

Whereas the said Protocol provides, as a transitional arrangement, that the United Kingdom is authorized to import certain quantities of New Zealand butter on special terms from 1973 until 1977; whereas, under Article 5 (2) of the Protocol, appropriate measures to ensure the maintenance after 31 December 1977 of the exceptional arrangements in respect of imports of butter from New Zealand, including the details of such arrangements, shall be determined in the light of the review specified in paragraph 1 of the abovementioned Article;

Whereas the European Council, at its meeting in Dublin on 10 March 1975, has already fixed a certain framework for the said measures; whereas it was indicated that, depending upon future market developments, the annual quantities to be established under the special arrangements for the period from 1 January 1978 to 31 December 1980, could remain close to the quantities delivered in 1974 under the Protocol and the quantities envisaged for 1975 by New Zealand in March 1975; whereas these quantities amounted to 117 350 metric tons and 325 000 metric tons;

Whereas in order to ensure balanced market supplies of butter intended for direct consumption in the United Kingdom, it is necessary to determine a percentage to be observed for New Zealand butter; whereas a percentage of 25 % corresponds to the

average recorded in the preceding years; whereas appropriate measures must be taken to ensure that quantities in excess of this percentage can be used for purposes other than direct consumption;

Whereas the criteria envisaged by the European Council in Dublin for fixing the cif price, which New Zealand must guarantee to observe, do not cover only the production costs in New Zealand and the transport costs between New Zealand and the United Kingdom but also take into account supply and demand developments in the major producing and consuming countries of the world as well as the level and evolution of prices in the Community, including intervention prices;

Whereas the special levies applicable to imports of butter from New Zealand into the United Kingdom shall be fixed at a level ensuring that the quantities imported can be sold without disturbing the market in butter of Community origin;

Whereas use may be made as far as necessary of the other procedure governing these arrangements until 31 December 1977, which is laid down in Council Regulation (EEC) No 226/73 of 31 January 1973 laying down general rules for imports of New Zealand butter and cheese into the United Kingdom (2), as last amended by Regulation (EEC) No 3067/75 (3).

HAS ADOPTED THIS REGULATION:

Article 1

1. The United Kingdom is authorized, as a transitional arrangement, to import from New Zealand certain quantities of butter on the following terms.

(1) OJ No L 73, 27. 1. 1972, p. 5

(2) OJ No L 27, 1. 2. 1973, p. 17.

(3) OJ No L 307, 27. 11. 1975, p. 4.

2. The quantities referred to in paragraph 1 shall be:

- 1978: 125 000 metric tons,
- 1979: 120 000 metric tons,
- 1980: 115 000 metric tons.

3. Without prejudice to the detailed rules determined by the Council, acting unanimously on a proposal from the Commission, the butter imported into the United Kingdom in accordance with the provisions of this Regulation may not become the subject of intra-Community trade or of re-exportation to third countries.

Article 2

1. The quantities of butter specified in Article 1 (2) shall be imported into the United Kingdom at a price the observance of which must be guaranteed at the cif stage by New Zealand. That price shall be fixed by the Council, acting by a qualified majority, on a proposal from the Commission.

On the basis of a periodical review, the price referred to in paragraph 1 shall be adjusted as necessary having regard to the supply and demand developments in the major producing and consuming countries of the world and also to the level and evolution of prices in the Community — including intervention prices — and in New Zealand, taking into account, moreover, cost developments in New Zealand and trends in freight charges.

Article 3

1. A special levy shall be applied on importation of the quantities of butter specified in Article 1 (2).
2. The special levy shall be determined on the basis of the difference between the cif price referred to in Article 2 (1), plus the ~~least~~ costs between the cif stage and the stage of initial sale, and the market price of New Zealand butter in the United Kingdom.
3. The special levy shall, so as to ensure that the annual quantities specified in Article 1 (2) are effectively marketed, be fixed at a level permitting the sale of butter at a consistent rate without disrupting the market in Community butter.
4. The special levy charged shall be that ruling on the day of importation in the United Kingdom.

Article 4

Only butter which has been proved to be of New Zealand origin and for which the price referred to in

Article 2 (1) has been observed, may benefit from the special terms set out in Article 1.

Article 5

1. It may be decided that the quantities of butter imported under this Regulation, which exceed 25 % of the total quantity of butter sold for direct consumption in the United Kingdom during the preceding year, must be sold under conditions to be determined, for uses other than direct consumption.

2. Without prejudice to Articles 2 (1) and 3 (3), the terms referred to in paragraph 1 may provide for a differentiation of the special levy according to how the butter is used, whether for direct consumption or for other uses.

3. In order to guarantee that this butter is used for purposes other than direct consumption, provision may be made, on import, for this butter to meet special conditions to be defined.

Article 6

The United Kingdom shall communicate all information necessary for the application of this Regulation to the Commission, which shall inform the other Member States thereof.

Article 7

The Commission shall submit to the Council before 15 May each year and for the first time before 15 May 1979 a report on the manner in which the provisions of this Regulation have been applied during the preceding year.

Article 8

Detailed rules for the application of this Regulation, and in particular the amount of the special levy as well as the conditions mentioned in Article 5 (1), shall be adopted in accordance with the procedure laid down in Article 30 of Regulation (EEC) No 804/68.

Article 9

This Regulation shall enter into force on the third day following its publication in the *Official Journal of the European Communities*.

It shall apply from 1 January 1978.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Luxembourg, 29 June 1976.

For the Council

The President

G. THORN

ANNEX I

Contd.

**COUNCIL REGULATION (EEC) No 3667/83
of 19 December 1983**

relating to the continuing of the import of New Zealand butter into the United Kingdom on special terms

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the 1972 Act of Accession, and in particular Article 5 (2) of Protocol 18 thereto,

Having regard to the proposal from the Commission,

Whereas Protocol 18 and, subsequently, Regulation (EEC) No 1655/76 (1), as last amended by Regulation (EEC) No 482/81 (2), as well as Regulation (EEC) No 858/81 (3), as last amended by Regulation (EEC) No 1212/83 (4), have authorized the United Kingdom to import certain quantities of New Zealand butter on special terms until 31 December 1983;

Whereas the Council has not been able to agree on new import arrangements for New Zealand butter in good time;

Whereas, however, in order to prevent an interruption of the imports of New Zealand butter, a temporary authorization should be granted covering a period of two months, without prejudicing a definitive decision;

Whereas a special levy, which will normally remain unchanged as long as the intervention price level for butter of Community origin is not altered, constitutes the most appropriate method of protecting the market price level of Community butter and of enabling New Zealand to plan its exports to the United Kingdom;

Whereas the level of the special levy should take into account the aid granted in the United Kingdom to Community butter; whereas past experience has shown that when the level of aid has been changed between the moment of importation of New Zealand butter and final sale, distortion in relation to Community butter has arisen; whereas this problem can be overcome by payment of the aid for New Zealand butter at time of packing, as is the case for Community butter, rather than at point of importation; whereas this also allows New Zealand butter not benefiting from the aid to be sold for industrial purposes,

(1) OJ No L 185, 9. 7. 1976, p. 1.

(2) OJ No L 52, 27. 2. 1981, p. 2.

(3) OJ No L 90, 4. 4. 1981, p. 18.

(4) OJ No L 132, 21. 5. 1983, p. 11.

-) as last amended by Regulation (EEC) No 2335/86 - OJ No L 203 of 26. 7. 1986
) as last amended by Regulation (EEC) No 1303/85 - OJ no. L 137 of 27. 5. 1985

HAS ADOPTED THIS REGULATION:

Article 1

The United Kingdom shall be authorized to import certain quantities of butter from New Zealand under the terms of this Regulation.

Article 2

(a)

1. These arrangements shall apply during the period 1 January 1984 to 31 December 1988.

The quantities which may be imported shall be as follows:

- 83 000 tonnes in 1984,
- 81 000 tonnes in 1985,
- 79 000 tonnes in 1986,
- 76 500 tonnes in 1987,
- 74 500 tonnes in 1988.

2. The Council, acting by a qualified majority on a proposal from the Commission may temporarily reduce the quantities referred to in paragraph 1 in order to prevent serious disruption of the United Kingdom butter market, particularly in the case of a substantial fall in direct butter consumption.

3. Before 1 August 1988 the Council, acting unanimously on a proposal from the Commission accompanied by a report, shall take a decision on the maintenance of the exceptional arrangements from 1 January 1989.

Article 3

1. The special levy applicable to New Zealand butter imported under this Regulation shall be 76.39 (b) ECU per 100 kilograms.

2. The Council, acting by a qualified majority on a proposal from the Commission, shall adjust the rate of the special levy in line with modifications in the conditions under which intervention for butter takes place in the Community.

2. The United Kingdom shall take the measure necessary to ensure that New Zealand butter, imported before 1 January 1984 under Regulation (EEC) No 859/81, is not used for processing but only for direct consumption within the meaning of Article 1 (a) of Regulation (EEC) No 1269/79 on the territory of the United Kingdom and to require payment of a amount equal to the aid granted under Regulation (EEC) No 1269/79 in the event of unauthorized use.

The amounts thus collected shall be considered as levy within the meaning of the first subparagraph of Article 2 (a) of Council Decision 70/243/EEC, EEC, Euratom of 21 April 1970 on the replacement of financial contributions from Member States by the Communities' own resources⁽¹⁾.

Article 6

Entry under the special import arrangements shall be conditional upon the presentation of a certificate showing that the butter concerned:

- is of New Zealand origin,
- is at least six weeks old,
- has a fat content by weight of at least 80 % but less than 82 %, and
- has been manufactured directly from milk or milk cream.

Article 5

The butter imported into the United Kingdom in accordance with this Regulation may not become the

subject of intra-Community trade or of re-exportation to third countries.

Article 6

Imports of New Zealand butter shall be subject to the provisions adopted under Regulation (EEC) No 974/71⁽²⁾, as last amended by Regulation (EEC) No 3439/82⁽³⁾, with regard to the fluctuations of the currencies of certain Member States.

Article 7

The United Kingdom shall communicate all information necessary for the application of this Regulation to the Commission, which shall inform the other Member States thereof.

Article 8

Detailed rules for the application of this Regulation shall be adopted in accordance with the procedure provided for in Article 30 of Regulation (EEC) No 804/68⁽⁴⁾, as last amended by Regulation (EEC) No 1600/83⁽⁵⁾.

Article 9

This Regulation shall enter into force on 1 January 1984.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 19 December 1983.

For the Council

The President

⁽¹⁾ OJ No L 106, 12. 5. 1971, p. 1.
⁽²⁾ OJ No L 362, 23. 12. 1982, p. 4.
⁽³⁾ OJ No L 149, 28. 6. 1982, p. 13.
⁽⁴⁾ OJ No L 163, 22. 6. 1983, p. 56.

ANNEX V

(WP 1082)

Development of butter production, consumption and trade in the United Kingdom (1000 tonnes)

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
Milk production	13927	14241	13836	13815	14302	15098	15831	15827	15416	15761	16653	17156	16123	15952	16165	15359	
Milk deliveries	13445	13705	13311	13329	13839	14598	15317	15322	15182	15289	16162	16787	15767	15587	15801	14951	
Deliveries as % of production	96	96.2	96.2	96.8	96.8	96.7	96.8	96.8	98.5	97.0	97.0	97.8	97.8	97.7	97.8	97.7	
Butter product	96	97	84	48	90	134	162	161	168	172.3	216.8	242	206	203	223	176	
Total import																	
of which	358	318	454.32	484.22	393.80	300.82	288.26	235.08	195.01	208.33	172.07	180.23	154.42	138.22	146.92	122.66	
EEC	247	186	322.03	359.90	271.10	183.85	166.17	119.29	94.51	106.42	84.01	88.96	69.26	60.78	64.30	46.15	
New Zealand	118	132	131.81	123.46	122.63	116.97	122.00	115.79	100.50	101.91	87.85	91.21	85.15	77.44	82.58	76.51	74.5
Total exports to other countries	4	16	2.52	2.99	15.61	11.91	54.73	58.10	78.17	70.98	57.71	49.19	22.62	19.14	30.04	128.7	
Consumption:																	
household/catering	390	409	445	462	441	410	396	389	315	319	277	282	256	251	205	200	174
other manufact.		24	18	24	18	18	18	18	18	30	28	28	29	29	50	50	56
Total disappearance	390	433	463	489	459	428	414	407	333	349	305	310	285	285	255	250	
New Zealand quota	-	165.811	158.902	151.994	145.085	138.176	125	120	95	94	92	87	83	81	79	76.5	74.5
Imports as % of UK total cons.		30.5	28.5	25.4	26.7	27.3	29.5	28.4	30.2	29.2	28.8	29.4	29.9	27.7	32.4	30.6	32.4
Imports as % of UK household/catering consumption	30.2	32.3	29.6	26.7	27.8	28.5	30.8	29.8	31.9	31.9	31.7	32.3	33.3	30.9	40.3	38.2	42.8

ANNEX VI
UNITED KINGDOM EXPORTS OF BUTTER (Tonnes)

(WP 1082)

Country	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
FRANCE	2	18	391	631	12040	2889	1998	1372	4489	2164	1927	321	3185	12221
BELG. LUXBG.	21	62	9263	2319	12382	13766	18295	9431	13520	3487	4936	6369	2938	11097
NETHERLANDS	134	536	2908	5311	20685	28606	50129	48191	32428	28721	6357	6096	13010	89990
GERMANY	354	384	274	172	2419	1527	926	266	137	1440	1485	3205	5941	8325
ITALY	1	-	0	6	23	699	0	2	5	7	21	0	0	18
IRRLAND	98	87	1131	1330	871	1186	2408	4009	852	1993	932	437	2885	3720
DENMARK	2	-	0	1	0	18	2	189	0	0	6	2	10	63
GREECE	0	-	0	2	0	0	0	0	2	3	2	0	2	0
TOTAL EC	612	1087	13968	9769	48420	48690	73757	63419	51433	37815	15666	16430	27974	125435
OTHER	1911	1899	1700	2143	6311	9410	4414	7556	6275	11377	6958	2421	2075	3306
TOTAL	2523	2986	15668	11912	54731	58100	78171	70975	57708	49192	22624	19352	30049	128741

UNITED KINGDOM EXPORTS OF BUTTEROIL (tonnes)

To EEC			155	1140	693	2461	1165	1126	764	691	601	3543	873	1989
To 3rd Countries			220	47	1068	775	121	316	142	2781	728	1604	2085	2144
Total			375	1188	1761	3236	1286	1441	906	3472	1329	5147	2958	4133

ANNEX VII
UNITED KINGDOM IMPORTS OF BUTTER (tonnes)

(WP 1082)

Country	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
GERMANY	46,955	63,258	43,323	27,439	13,586	9,086	11,164	9,041	5,959	882	649	1,022	305	258
FRANCE	32,335	38,313	19,984	13,648	5,857	1,649	1,347	1,295	983	887	1,175	1,267	1147	1110
NETHERLANDS	101,932	11,909	85,055	53,225	37,735	24,916	11,916	21,788	10,647	24,679	11,575	12,646	8654	3860
BELG./LUX.	10,212	10,135	3,558	901	1,189	224	302	37	1,651	2,438	60	201	950	60
IRELAND	36,248	53,324	47,958	29,275	48,301	39,958	30,028	31,029	27,480	20,695	21,970	13,799	21459	12036
DENMARK	94,351	82,963	71,204	59,358	59,497	43,456	39,757	43,227	37,294	39,389	33,828	31,850	31784	28828
TOTAL EC	322,033	359,902	271,100	183,845	166,165	119,289	94,514	106,416	84,014	88,960	69,259	60,785	34298	46153
NEW ZEALAND	131,805	123,460	122,626	116,973	122,003	115,789	100,495	101,495	87,847	91,206	85,145	77,439	82576	76508
OTHERS	486	86	76	2	96	-	1	2	207	68	18	0	46	1
TOTAL	454,324	484,223	393,802	300,820	288,264	235,078	195,010	208,330	172,068	180,234	154,423	138,224	146920	122662

UNITED KINGDOM IMPORTS OF BUTTEROIL (tonnes)

ORIGIN	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
EEC			4,062	5,445	6,303	6,790	4,952	2,793	1,295	1,575	1,771	1,884	3706	4898
3rd Countries			32	72	40	38	11	0	1	-	-	1	1	0
Total			4,092	5,518	6,342	6,828	4,963	2,793	1,296	1,575	1,771	1,885	3707	4898

The list first hand selling prices for English butter in bulk and for English and New Zealand butter in small packages

UK £/tonne

Date	Jan 1983	June 1983	May 1984	February 1985	January 1986	May 1986	January 1987	June 1987	January 1988	June 1988
U.K. bulk	2100	2150	1887	1935	1850	1850	1815-1850	1750-1800	1865-1920	1940-1950
U.K. small packs	2307	2307	2150	2270	2231	2231	2261-2310	2261-2301	2361-2401	2361-2401
N.Z. small packs	2198	2198	1985	2065	2027	2003	2097	2097	2207	2207

ANNEX IX

(045/2)

RETAIL SELLING PRICES OF BUTTER ON THE U.K. MARKET
FROM 1973 TO 1987

Year	Packet Butter Price (p/250 g)		
	Average all types	of which	
		U.K.	N.Z.
1973	11.7	n.a.	n.a.
1974	12.2	12.7	11.9
1975	15.5	16.5	15.6
1976	21.5	22.4	21.8
1977	27.0	26.8	26.9
1978	30.5	31.2	29.7
1979	36.6	36.4	36.1
1980	39.4	39.4	38.7
1981	42.3	42.2	41.3
1982	46.0	46.1	45.2
1983	46.2	45.7	45.7
1984	47.6	47.2	46.4
1985	46.8	48.9	47.4
1986	50.4	50.3	48.8
1987	50.3	50.6	48.4

UK Ministry of Agriculture
Fisheries and Food

STATISTICAL REVIEW

ANNEX X

Table 1
DAIRY CATTLE
At 31 January

Year	DAIRY COWS IN MILK							TOTAL Dairy Cattle
	North Auckland	South Auckland	Bay of Plenty	Taranaki	Wellington/Hawkes Bay	South Island	New Zealand	
1950	300 630	1 651 810	152 819	250 976	283 155	210 689	1 850 089	2 866 801
1960	310 846	694 922	196 565	271 946	245 097	267 296	1 886 672	2 972 776
1970	359 221	906 680	260 680	368 737	263 219	161 823	2 320 360	3 729 284
1975	315 233	813 957	221 555	336 991	238 095	154 055	2 079 886	3 125 151
1976	314 920	827 510	223 708	342 700	233 197	149 915	2 091 950	3 007 963
1977	294 601	823 235	230 508	345 226	229 323	151 550	2 074 443	2 966 279
1978	289 904	827 189	223 923	341 263	221 255	149 090	2 052 624	2 931 601
1979	298 965	825 410	217 322	337 334	208 175	152 696	2 039 902	2 917 189
1980 ¹	289 502	904 284	164 093	345 526	197 927	144 476	2 045 808	2 968 953
1981	279 871	915 835	155 032	345 557	191 083	139 718	2 027 096	2 942 000
1982	286 578	929 455	153 331	350 914	194 978	145 642	2 060 898	2 991 050
1983	295 158	961 932	152 354	358 750	202 485	157 520	2 128 199	3 133 923
1984	302 442	1 003 083	152 602	369 698	211 348	170 552	2 209 725	3 251 000
1985	308 900	1 028 500	154 400	377 300	213 300	177 200	2 259 600	3 300 000
1986	324 000	1 066 000	162 000	390 000	216 000	196 000	2 354 000	3 387 000
1987	309 274	1 021 330	155 070	336 757	205 428	203 990	2 281 849	3 194 780
1988 ²	310 000	1 025 000	155 000	336 000	205 000	205 000	2 286 000	3 195 000

Notes: 1 Prior to 1980 Department of Statistics gathered dairy cattle statistics as at 31 January. Since 1980 all these figures, except Total Dairy Cattle, have been collected by NZDB. Regions are now based on LIA areas.

2 Estimate.

Sources: Department of Statistics
N.Z.D.B.

Table 2
FACTORY SUPPLY DAIRY HERDS: 10 OR MORE COWS IN MILK

Year	No. dairy company suppliers ¹	No. dairy company suppliers with 10+ cows	Milkfat supplier "at factory" kg	Herd size cows	Production/cow "at factory"		
					Milkfat kg	Milk litres	Milkfat % wt/vol
1967-68	25 697	19 230	19 700	86	124	2 570	4.84
1972-73	19 879	18 486	12 925	106	122	2 545	4.81
1973-74	18 557	17 098	12 875	109	118	2 470	4.79
1974-75	17 704	16 540	14 350	112	128	2 732	4.67
1975-76	17 420	16 449	15 725	115	137	2 765	4.95
1976-77	16 786	15 986	15 625	116	143	2 998	4.76
1977-78	16 126	15 454	15 675	120	131	2 726	4.76
1978-79	15 774	15 156	17 536	123	142	2 936	4.85
1979-80	15 424	14 962	13 985	126	151	3 105	4.65
1980-81	15 033	14 561	13 856	129	147	3 037	4.81
1981-82	14 843	14 391	13 090	133	144	3 038	4.74
1982-83	14 896	14 445	13 800	137	143	3 012	4.76
1983-84	14 978	14 612	21 610	140	154	3 206	4.81
1984-85	15 000	14 700	21 650	143	151	3 170	4.76
1985-86	14 793	14 499	23 488	150	157	3 282	4.78
1986-87	14 592	14 121	20 885	151	138	2 822	4.71
1987-88 ²	14 580	14 100	23 104	152	152	3 006	4.74

Notes: 1 The figures below represent all dairy company suppliers. Other figures in this table relate to factory supply herds with 10 or more cows in milk.

2 Estimate.

Source: N.Z.D.B.

(D005)

ANNEX XI

New Zealand Milk Prices

		NZ Cents/kg	
		Basic Price *	Total
: 1983/84	: 340	: 350	:
: 1984/85	: 381	: 396	:
: 1985/86	: 400	: 400	:
: 1986/87	: 225	: 320	:
: 1987/88	: 310	: 360	:
: 1988/89	: 360	: 420 E	:

* = value of whole milk at farm gate in New Zealand cents/kg milkfat.
E = estimate

ANNEX XII

Table 3
MILK PRODUCED AND MILKFAT PROCESSED

Year	Butter Products	Processed by dairy factories			Total processed 000 tonnes milkfat	Milk consumed ¹ Million litres	Total Production	
		Cheese	Other w/milk products	Million litres			Million litres	000 tonnes milkfat
1967-68	204.1	44.3	7.8	5 325	256.2	487	5 988	286.7
1972-73	193.1	39.8	13.7	5 121	246.6	519	5 881	280.5
1973-74	176.7	35.1	16.1	4 756	227.8	535	5 512	260.9
1974-75	197.3	33.9	12.7	5 222	243.9	558	5 907	273.3
1975-76	211.3	40.1	16.2	5 403	267.6	557	6 075	296.5
1976-77	225.8	33.3	16.0	5 775	275.1	525	6 420	302.9
1977-78	203.0	31.0	17.0	5 238	251.0	521	5 886	278.5
1978-79	217.1	33.6	23.5	5 655	274.2	518	6 304	301.3
1979-80	216.1	40.4	34.4	5 997	290.9	504	6 629	318.0
1980-81	215.1	32.3	34.6	5 868	282.0	487	6 483	308.1
1981-82	200.8	41.8	39.8	5 957	282.4	487	6 578	309.0
1982-83	209.9	42.7	37.8	6 096	290.3	453	6 708	316.4
1983-84	241.1	39.8	42.9	6 733	323.8	455	7 395	352.0
1984-85	247.7	39.3	45.4	6 965	332.4	452	7 647	362.0
1985-86	256.0	45.9	47.6	7 326	349.5	438	8 009	376.0
1986-87	211.0	41.9	48.0	6 385	300.9	432	7 031	331.7
1987-88 ²	235.0	48.0	51.2	7 100	334.2	437	7 705	365.9

Notes: 1 Liquid milk, cream and ice cream; wholemilk equivalent
2 Includes milk fed to stock and waste; excludes separation loss
3 Estimate

Sources: N.Z.D.B.
Department of Statistics

Table 4
MILKFAT PROCESSED (000 tonnes)

1987/88 Season by Month

	1987						1988					TOTAL ¹	
	JUNE	JULY	ALG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR ¹		MAY ¹
North Auckland	0.039	0.225	2.467	4.772	5.895	5.604	5.402	4.898	3.455	3.210	1.870	0.850	38.686
South Auckland	0.079	0.433	8.417	18.786	23.934	22.436	20.708	19.442	14.159	14.250	11.740	3.350	157.736
Bay of Plenty	0.004	0.054	1.099	2.536	3.399	3.221	3.090	2.773	2.075	2.177	1.200	0.400	22.030
Taranaki	0.006	0.075	2.500	6.739	9.174	9.174	8.348	8.019	6.086	5.899	4.350	1.200	61.571
Wellington													
Hawkes Bay	0.070	0.057	1.052	2.781	4.153	4.100	3.790	3.482	2.511	2.795	2.100	0.700	27.591
North Island	0.198	0.844	5.535	35.615	46.554	44.536	41.340	38.614	28.286	28.331	21.260	6.500	307.613
South Island	0.035	0.012	0.206	1.951	3.623	4.146	3.974	3.757	3.155	2.924	1.970	0.800	26.553
New Zealand	0.233	0.856	5.741	37.566	50.177	48.682	45.313	42.371	31.441	31.255	23.230	7.300	334.166

1 Estimate

Table 5
TOTAL DAIRY FACTORY MANUFACTURE

Tonnes of product

	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88 ¹
Creamery butter	238 527	255 165	243 178	275 743	223 558	231 500
Whey butter	2 796	1 750	1 845	1 820	1 674	2 100
Anhydrous milkfat	8 527	24 804	32 564	14 254	15 598	24 000
Frozen cream	6 088	7 965	6 287	6 447	6 185	5 000
Cheese	114 392	109 255	118 448	127 269	113 250	130 000
Condensed and evaporated milk	3 996	3 633	2 867	2 857	3 510	3 500
Wholemilk powder	101 644	111 770	120 163	152 760	156 243	165 000
Infant food	16 556	13 624	11 760	13 616	13 937	10 500
Skim milk powder	164 642	219 091	214 075	186 739	148 914	171 500
Buttermilk powder	23 997	28 628	28 220	27 861	23 526	26 500
Caseln products	65 151	63 065	64 349	75 382	61 840	65 000
Lactose	10 263	10 772	11 500	13 760	14 410	12 500
Whey powders	10 392	13 433	11 444	12 475	9 500	12 000

Notes: 1 Provisional

Source: N.Z.D.B.

ANNEX XIII

New Zealand Production Potential and Production of Dairy Products

Year ended May		1986	1987	1988	1989
				E	F
Dairy cows (1)	000 HEADS	2 220	2 270	2 280	2 280
Milkfat processed	000 tonnes	350	301	330	340
Production					
- Butter		295	240	250	270
- Cheese		128	114	135	148
- WMP		166	170	211	214
- SMP		187	139	189	193
- Casein		75	62	70	72

E = estimate

F = forecast

(1) Dairy cows and helpers over 2 years in milk or in calf at start of season.

Source: NZ Department of Agriculture, NZ Dept. of Statistics and NZDB.

EXTERNAL TRADE

ANNEX XIV

TABLE 11.05

VALUE OF PRINCIPAL EXPORTS(1)(2)

(\$ MILLION) P.O.S.

June Year	Meat, Fresh, Chilled or Frozen					Fish, Fresh, Chilled or Frozen	Dairy Products				
	Live Animals	Beef and Veal	Lamb and Mutton	Total Meat and Edible Offal	Crustaceans		Milk, Cream and Yoghurt	Butter	Cheese	Total(3)	Sausage Casings
Group XFP Series	SH1AF	SH1BF	SH1CF	SH1DF	SH1EF	SH1FF	SH1GF	SH1HF	SH1IF	SH1JF	SH1KF
1985	80.8	852.0	1150.5	2208.2	287.0	78.2	525.9	636.5	256.8	1834.5	78.5
1986	112.8	881.7	934.3	1716.5	319.3	83.5	558.5	538.8	267.2	1388.6	66.5
1987	153.6	1024.5	1094.4	2245.7	456.4	108.3	614.5	510.1	276.7	1817.3	94.0
Monthly											
1987 Feb	18.5	105.8	188.6	391.6	35.7	12.1	55.0	31.3	22.9	109.9	5.7
Mar	17.9	96.4	79.2	185.7	37.6	8.2	38.4	25.1	18.4	82.3	12.2
Apr	7.1	101.9	86.6	199.8	26.9	4.9	49.8	24.7	22.9	98.3	8.1
May	11.9	107.7	112.7	230.3	25.2	1.9	59.7	51.7	19.4	133.1	13.0
Jun	18.9	96.5	85.2	191.6	24.5	3.3	37.7	43.8	22.7	105.3	10.8
Jul	14.6	124.6	107.6	245.8	34.0	4.7	25.1	44.9	24.0	94.0	9.9
Aug	12.3	91.4	80.7	183.9	31.7	7.8	29.4	31.8	18.2	89.5	7.9
Sep	7.8	82.1	82.1	158.5	50.5	6.8	39.2	34.1	18.3	88.5	5.4
Oct	10.7	35.6	42.7	85.3	30.5	15.1	43.8	53.4	29.8	128.3	5.3
Nov	16.6	43.0	41.4	90.9	37.1	15.1	41.5	62.5	17.3	123.9	2.5
Dec	16.8	43.6	72.1	133.7	41.2	13.5	103.0	75.8	30.2	210.8	3.5
1988 Jan	11.8	64.2	66.6	138.4	31.6	8.7	52.4	51.3	19.6	123.6	7.8
Feb	47.9	108.6	77.7	196.0	34.4	9.1	45.7	51.6	32.4	130.5	11.4
Fruit											
June Year	Vegetables	Fresh Kiwifruit	Fresh Apples	Total(3)	Tallow	Iron Ore and Concentrates	Casein and Caseinates	Plastic Materials and Articles of Plastic	Raw Hides and Skins and Leather		
Group XFP Series	SH1LF	SH1MF	SH1NF	SH1OF	SH1PF	SH1QF	SH1RF	SH1SF	SH1TF		
1985	119.0	171.8	108.2	327.0	119.0	42.0	265.4	100.9	473.6		
1986	137.1	294.4	15.0	465.2	62.5	43.4	251.7	97.8	421.1		
1987	136.8	432.4	124.8	618.9	60.9	30.3	281.1	107.8	688.4		
Monthly											
1987 Feb	20.7	0.4	-	13.0	5.8	1.9	16.8	9.5	65.8		
Mar	17.6	-	13.4	23.8	0.6	1.8	22.0	9.1	89.8		
Apr	16.0	1.7	36.0	43.1	14.9	1.7	24.4	10.0	74.9		
May	10.6	99.4	36.4	138.2	1.5	3.1	21.4	9.4	74.2		
Jun	11.4	123.0	31.8	156.7	8.2	1.7	18.4	9.8	63.8		
Jul	11.7	84.3	5.1	91.5	1.8	-	21.9	8.8	64.0		
Aug	9.5	58.2	0.8	60.8	13.7	3.0	18.4	8.0	56.7		
Sep	7.7	56.5	0.1	58.7	3.0	2.8	12.0	10.8	50.1		
Oct	6.5	45.4	-	46.6	3.3	2.4	14.7	9.4	50.1		
Nov	8.1	20.7	-	24.8	2.4	-	18.0	10.7	43.7		
Dec	8.9	1.5	-	6.4	5.9	5.9	29.0	11.7	54.6		
1988 Jan	18.2	-	-	6.6	4.8	-	38.3	4.6	57.3		
Feb	22.8	-	0.2	9.9	3.7	2.9	35.8	8.6	72.5		
Forest Products											
June Year	Sawn Timber and Logs	Wood Pulp	Paper and Paper Products	Total(3)	Printed Books, Newspapers etc	Wool	Carpets and Other Textile Floor Coverings	Iron and Steel Articles of Iron and Steel	Aluminium and Aluminium Articles of Aluminium	Machinery and Mechanical Appliances	Electrical Machinery and Equipment
Group XFP Series	SH1UP	SH1VP	SH1WP	SH1XP	SH1YP	SH1ZP	SH10P	SH11P	SH12P	SH13P	SH14P
1985	186.1	202.7	277.4	771.2	47.0	1475.4	102.9	232.2	570.4	223.3	127.5
1986	171.9	219.8	231.2	730.1	51.4	1281.4	107.2	201.9	451.8	231.6	149.4
1987	149.5	252.9	219.3	754.2	49.0	1566.9	81.6	207.1	517.8	228.9	152.5
Monthly											
1987 Feb	11.0	31.6	19.9	73.0	4.6	157.0	7.0	11.2	44.4	18.9	10.8
Mar	13.6	27.5	13.3	65.4	4.2	143.6	5.3	19.3	18.7	17.3	14.2
Apr	14.4	15.9	21.8	64.9	4.7	158.0	8.6	14.3	58.9	22.0	14.6
May	14.3	21.1	12.6	64.3	3.9	131.0	7.9	13.1	23.5	26.1	12.6
Jun	14.2	19.1	18.3	66.0	3.9	110.2	6.8	15.7	67.2	19.9	14.0
Jul	15.7	14.5	15.5	76.7	4.5	95.2	8.0	9.1	28.3	25.6	13.9
Aug	13.7	16.7	18.3	62.6	4.7	86.8	7.1	17.1	64.8	24.5	15.8
Sep	14.9	38.0	23.9	91.4	5.0	92.0	7.8	14.3	11.5	21.4	16.6
Oct	15.3	25.6	20.2	78.7	3.4	98.8	9.5	20.3	78.1	24.7	12.5
Nov	18.3	11.8	10.8	52.3	3.4	128.7	8.3	14.5	59.0	24.8	14.9
Dec	21.1	52.8	11.3	101.0	6.0	193.7	10.4	23.2	72.0	31.9	18.9
1988 Jan	7.7	17.8	6.0	39.8	2.1	147.7	1.3	8.0	13.2	9.7	5.4
Feb	18.6	37.3	8.9	74.3	3.3	180.7	5.9	12.1	40.7	21.5	24.9

(1) Excluding re-exports.

(2) Data in these series comprises the New Zealand Harmonized System Classification from 1 January 1988. Data prior to 1 January 1988 have been constructed from matching SITC series.

(3) Includes commodities not listed.

ANNEX XV

Table 6
EXPORTS OF DAIRY PRODUCTS FROM NEW ZEALAND (tonnes)

	1984	1985	1986	1987 ¹
<i>Skim milk Powder</i>				
Malaysia	21 515	19 674	17 783	21 127
Philippines	8 220	10 119	16 775	17 029
Indonesia	15 281	15 761	11 984	11 709
Saudi Arabia	7 396	10 121	11 365	11 678
Mexico	20 236	24 245	10 223	10 484
Japan	36 964	46 497	29 048	10 249
Peru	3 558	5 953	8 639	7 910
Iran	8 750	5 994	-	6 464
Thailand	6 436	7 304	6 588	6 077
Taiwan	7 367	6 445	6 801	5 724
Singapore	4 934	2 771	3 520	4 588
Kuwait	5 892	6 857	3 262	4 007
Brazil	-	-	21 095	3 998
Niger	-	724	1 134	3 591
Dominican Republic	5 405	2 728	3 265	3 332
Hong Kong	1 329	1 253	2 443	870
United Arab Emirates	1 523	1 829	1 797	609
Chile	4 739	774	-	200
Algeria	9 998	9 099	6 505	-
Cuba	6 573	5 248	-	-
Others	17 956	24 475	17 455	10 996
Total	194 124	206 711	180 753	140 664
<i>Whole milk Powders</i>				
Venezuela	18 331	24 621	9 610	37 471
Malaysia	17 619	19 633	21 648	25 240
Peru	2 269	4 298	12 713	14 563
Sri Lanka	3 555	12 543	16 458	10 352
Singapore	3 984	4 204	6 966	6 454
Dominican Republic	1 328	4 148	4 086	7 295
Taiwan	8 977	5 146	7 417	6 713
Thailand	4 566	5 007	5 010	6 660
Philippines	1 580	3 110	3 798	6 540
China	1	1 000	4 638	4 542
El Salvador	1 636	2 250	5 816	3 152
Chile	6 004	1 057	29	2 944
United Arab Emirates	1 479	1 468	1 694	2 542
Mauritius	1 578	2 088	1 936	2 438
Indonesia	224	653	1 347	1 775
Hong Kong	744	472	1 096	1 551
Saudi Arabia	445	604	1 937	1 500
Mexico	6 103	5 861	7 969	1 119
Fiji	955	1 145	1 143	936
Soviet Union	4 200	10 894	23 636	-
Algeria	6 855	8 760	6 228	-
Ecuador	4 000	3 208	2 100	-
Others	12 530	15 348	25 284	22 041
Total	106 858	133 804	166 265	159 853
<i>Buttermilk Powder</i>				
Philippines	2 345	4 990	8 802	8 649
Indonesia	4 405	6 614	6 330	3 756
Malaysia	2 673	3 098	2 415	2 391
Taiwan	1 026	844	1 432	1 122
Canada	897	923	987	923
Kuwait	560	567	547	922
Singapore	510	497	368	752
China	-	504	677	479
Saudi Arabia	-	-	497	456
United Arab Emirates	392	268	270	385
Thailand	1 271	1 218	248	151
Dominican Republic	601	298	133	150
Others	643	3 635	2 628	2 477
Total	15 323	22 952	24 156	22 607

ANNEX XV Contd.

	1984	1985	1986	1987
<i>Butter</i>				
United Kingdom	86 540	87 437	71 483	80 994
Iran	28 467	36 992	12 782	30 335
Soviet Union	-	19 983	9 131	11 400
Poland	-	-	14 081	8 036
Iraq	4 300	9 512	2 587	3 930
Singapore	524	867	2 228	2 817
Taiwan	924	1 368	1 683	2 433
Egypt	164	16	1 953	1 634
Saudi Arabia	2 796	3 979	2 291	1 459
Hong Kong	1 464	1 558	1 043	1 254
Fiji	1 133	947	1 134	1 064
Kuwait	1 420	630	815	841
China	1 200	1 606	1 987	684
Cuba	-	16 004	15 978	-
Algeria	9 370	22 064	8 775	-
Others	12 331	10 607	13 526	11 276
Total	150 633	213 570	161 476	158 157
UK - Provisional	-	40-9	43-5	51
<i>Anhydrous Milkfat, Choc</i>				
Brazil	-	-	16 096	25 285
Singapore	-	702	1 416	5 232
Mexico	5 984	2 631	2 460	5 054
Philippines	3 481	2 548	4 146	3 421
Saudi Arabia	193	756	1 359	3 217
Indonesia	4 082	3 827	2 296	2 238
Malaysia	2 601	1 103	1 585	1 736
Kuwait	1 731	2 587	1 349	1 873
United Arab Emirates	994	1 021	1 157	981
Dominican Republic	1 442	849	725	961
Taiwan	572	963	1 186	900
Peru	5 490	2 784	3 004	-
Algeria	1 500	9 000	2 116	-
Iraq	1 249	650	9	-
Others	6 724	6 719	7 519	8 861
Total	40 038	36 140	48 416	58 504
<i>Cheese</i>				
Japan	27 779	28 176	31 745	32 324
USA	20 291	16 985	17 521	20 125
Australia	6 597	7 231	7 538	7 652
United Kingdom	6 480	6 112	7 325	7 272
Portugal	3 517	4 069	3 170	3 547
West Germany	3 375	2 240	2 859	2 661
India	-	-	7 822	7 134
Algeria	2 484	1 624	1 200	2 000
Jamaica	1 108	705	2 519	1 780
Canada	1 613	1 541	1 723	1 620
Trinidad and Tobago	1 361	2 136	1 897	1 354
Saudi Arabia	1 896	894	1 457	1 185
Netherlands	1 735	501	1 456	1 171
Iraq	-	1 942	5 901	1 186
Panama	1 175	1 124	1 447	816
Others	7 868	9 104	11 772	16 404
Total	87 359	86 135	100 708	101 520
<i>Casein Products</i>				
USA	43 729	45 069	51 032	35 619
Japan	12 734	13 542	11 372	11 152
West Germany	2 866	5 832	3 952	4 127
South Korea	1 071	1 677	2 446	2 039
Belgium	1 016	1 326	1 482	1 867
Lebanon	20	476	1 031	1 625
United Kingdom	1 797	1 846	1 303	1 403
Canada	1 020	1 292	1 202	893
Others	3 791	3 377	4 153	4 792
Total	68 064	73 658	77 964	64 511

(es. 1 Provisional)

Sources: New Zealand Dairy Board
Department of Statistics

XVI
ANNEX

EXTERNAL TRADE

TABLE 11.01

VALUE OF EXPORTS

(MILLION) P.O.B.

June Year	Food and Live Animals, Beverages and Tobacco			Crude Materials, Inedible Fuels	Mineral Lubricants and Related Materials, Animal, Vegetable Oils & Fat	Chemicals	Manufactured Goods Classified Chiefly by Material	Other Manufactures & Misc.	Total of N.Z. Produce	Re-Exports	Total Merchandise Exports
	Meat and Meat Preps.	Dairy ** Products and Eggs	Total (1)								
Group Series	EXP SF9901	EXP SF9902	EXP SD1P	EXP SF992	EXP SD2P	EXP SP995	EXP SP996	EXP SD3P	EXP SF	EXP SP	EXP SP1
1973	539.8	305.2	932.5	620.3	20.5	34.4	101.7	42.5	1753.7	31.4	1787.0
1983	1870.7	1281.0	3988.9	1622.8	82.7	307.6	966.9	534.1	7502.9	432.5	7935.4
1984	1722.4	1217.4	4046.8	1793.3	97.9	347.8	1356.4	723.9	8366.1	257.7	8623.8
1985	2228.1	1426.4	5114.3	2413.5	228.8	592.9	1722.0	938.4	11011.9	303.9	11315.8
1986	1731.7	1374.8	4715.3	2186.4	229.6	543.6	1532.3	931.8	10139.0	432.7	10571.7
1987	2262.7	1409.9	5655.2	2768.6	173.7	576.8	1646.8	902.8	11723.9	383.3	12107.2
Monthly 1987											
Feb	192.8	109.5	435.6	271.0	11.5	41.2	131.0	68.8	959.1	39.6	998.7
Mar	186.7	82.2	416.5	287.2	4.2	44.9	107.5	77.2	937.5	48.4	985.9
Apr	201.9	97.2	466.1	274.4	24.7	52.3	158.9	78.6	1055.1	22.3	1077.4
May	231.6	132.1	602.0	252.7	28.4	45.9	117.3	77.4	1123.7	19.6	1143.3
Jun	192.9	104.7	558.2	217.0	30.3	50.3	164.8	87.0	1107.5	48.1	1155.6
Jul	248.7	93.3	541.6	217.9	12.7	47.5	118.4	81.8	1019.9	36.8	1056.7
Aug	186.5	89.0	431.4	186.3	12.0	38.2	181.7	85.2	942.9	34.5	977.4
Sep	158.6	88.9	419.6	203.3	5.5	40.2	114.1	86.3	868.9	21.5	890.4
Oct	87.0	127.3	359.1	196.4	8.8	33.9	182.6	77.7	858.5	19.1	877.6
Nov	92.5P	122.8P	339.1P	204.2P	8.1P	34.2P	139.8P	150.7P	876.3P	31.2P	907.3P
Dec	144.7P	210.3P	467.0P	333.6P	18.2P	49.6P	171.8P	113.9P	1154.8P	25.7P	1180.5P

(1) Includes commodities not listed.

1987/1973	x	419	461	606	446	856	1677	1619	2124	669	1151	678
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** Value dairy products and eggs exported as a percentage of total exports of New Zealand produce.

1973	17.4%
1987	12.0%
Feb. 1987	11.4%
Dec. 1987	18.2%

TABLE 11.02

VALUE OF EXPORTS

(MILLION) P.O.B.

June Year	Live Animals, Meat and Meat Offal	Fish Crustaceans, Dairy Produce and other Animal Products	Vegetables, Fruit and Prepared Food-stuffs, Beverages & Tobacco	Minerals, Chemicals, Plastics, Materials and their Products	Manufactured Goods and Classified by Material (Excluding Metals)	Metals and Articles of Metal	Other	Total New Zealand Produce	Re-exports	Total Merchandise Exports
Group Series	EXP SD4P	EXP SD5P	EXP SD6P	EXP SD7P	EXP SD8P	EXP SD9P	EXP SD0P	EXP SF	EXP SP	EXP SP1
1985	2288.8	2817.2	1089.5	718.7	3122.3	827.8	918.6	11011.9	303.8	11315.8
1986	1832.1	1983.8	1108.8	858.8	2979.4	721.6	489.7	10139.0	432.7	10571.7
1987	2262.7	2394.2	1278.1	832.4	3524.3	796.6	446.8	11723.9	383.3	12107.2
Monthly 1987										
Feb	200.1	181.1	75.7	38.3	333.6	60.6	89.7	959.1	39.6	998.7
Mar	197.5	160.1	83.8	39.4	341.0	42.7	53.7	937.5	48.4	985.9
Apr	205.4	177.5	118.7	73.5	384.2	79.4	55.2	1055.1	22.3	1077.4
May	242.2	190.9	193.6	85.3	309.0	48.0	58.6	1123.7	19.6	1143.3
Jun	210.5	188.6	208.9	84.8	278.4	80.0	87.8	1107.5	48.1	1155.6
Jul	260.4	181.9	181.8	85.1	283.1	88.2	69.3	1019.9	36.8	1056.7
Aug	189.3	184.5	918.5	55.8	234.6	110.3	60.0	942.9	34.5	977.4
Sep	164.4	181.5	112.7	56.0	281.8	33.2	89.3	868.9	21.5	890.4
Oct	96.1	188.3	89.9	32.2	272.8	105.3	54.0	858.5	19.1	877.6
Nov	97.4P	188.8P	64.2P	48.5P	283.2P	80.8P	113.0P	876.3P	31.2P	907.3P
Dec	189.1P	276.6P	56.7P	82.3P	386.6P	104.3P	89.1P	1154.8P	25.7P	1180.5P
1988 Jan	152.2P	174.8P	53.1P	66.8P	263.2P	24.5P	40.4P	775.1P	15.5P	790.6P
Feb	201.5P	202.7P	77.1P	65.0P	373.8P	59.5P	115.7P	1137.4P	18.7P	1156.1P

(1) Ranges in parenthesis denote the New Zealand Harmonized System Classification chapters from 1 January 1988. Data prior to 1 January 1988 have been constructed from matching CCIM chapters.

NEW ZEALAND MILK FAT EXPORTS IN THE PERIOD FROM 1 JULY 1987 TO 31 MAY 1988

Dairy Product	July to December 1987		January to May 1988		July 87 to May 1988	
	Quantity (t)	Value (NZ \$) ('000)	Quantity (t)	Value (NZ \$) ('000)	Quantity (t)	Value (NZ \$) ('000)
Unsalted butter	28.887	48.546	44.196	72.495	73.083	121.042
Salted Butter of which U.K.	53.925 49.181	190.528 182.102	22.731 20.429	78.361 74.494	76.656 69.610	268.890 256.596
Whey butter	557	1.090				
Canned Butter	2.047	6.331			4.105	12.127
Creamed Butter of which U.K.	-	-	1.501 14	4.706 51	14	52
Butteroil	27.118	44.891	15.427	29.084	42.543	73.975
Cheese	1.119	3.112	3.118	6.326	4.237	9.438
Other Milk Fat	1.125	30	610	1.408	635	1.439
Total	86.741	248.525	69.038	158.970	154.493	403.498
Butter	80.227	240.003	22.625	35.410	46.780	83.413
Butteroil	28.237	48.827	15.427	29.084	42.543	73.975
Whey butter	557	1.090				
Canned Butter	2.047	6.331			4.105	12.127
Creamed Butter	-	-	1.501	4.706	14	52
Cheese	1.119	3.112	3.118	6.326	4.237	9.438
Other Milk Fat	1.125	30	610	1.408	635	1.439
Percentage						
Butter	92.6%	73.9%	29.6%	47.5%	45.1%	63.6%
Butteroil	32.6%	19.7%	22.1%	38.7%	32.9%	52.7%

NEW ZEALAND EXPORTS IN 1986/87

	Quantity (tonnes)	Value '000 NZ \$	Selected Unit value
Butter unsalted	62.184	118.934	
of which:			
Cuba	9.614	19.032	1980
Egypt	6.948	6.948	1936
Iran	6.504	12.036	1850
USSR	11.400	17.072	1497
Butter, salted, creamery in bulk	81.472	244.589	
of which:			
GB	75.388	231.844	3075
Iraq	2.547	5.549	2178
Singapore	2.031	4.104	1925
Butter, salted, in pats	6.756	17.032	
Whey butter	1.028	1.876	1825
Canned butter	3.472	12.176	
Butterroll	62.799	106.450	
of which:			
Philippines	3.943	8.697	2206
Singapore	2.874	6.769	2355
Ghee	2.774	8.554	3083
of which:			
FIJI	792	2.002	2528
Syria	4.856	1.146	2360
Other	-	-	
Total Butter tonnes	154.912	394.606	
Butterroll tonnes	65.574	115.004	
Total Butter equivalent tonnes	234.912	509.610	
U.K. % butter	48.7 %	58.8 %	
butter equivalent	32.1 %	45.5 %	

EXTERNAL TRADE

TABLE 11.09

VALUE OF EXPORTS(1) BY COUNTRY OF DESTINATION
ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT COUNTRIES

\$(MILLION) F.O.B.

European Economic Community Countries											
June Year	Belgium	France	Federal Rep. of Germany	Italy	Netherlands	United Kingdom	Other E.E.C.(2)	Total E.E.C. Countries			
Group EXP Series	SBBEF	SBFRF	SBDEF	SBITF	SBMLF	SBGDF	SBAIF	SBYIF			
1985	149.9	214.2	246.3	251.0	143.5	1030.1	147.5	2182.4			
1986	122.0	147.8	269.9	227.1	158.1	933.9	198.9	2057.7			
1987	161.5	226.0	310.8	301.9	185.5	1125.1	345.1	2635.8			
Quarterly 1986 Dec	30.8	50.4	71.0	75.9	40.0	245.9	45.3	559.4			
1987 Mar	38.1	64.5	63.7	76.6	45.4	293.1	91.7	673.2			
Jun	61.5	58.6	91.1	69.7	48.1	315.8	143.4	784.9			
Sep	75.1	54.1	74.1	58.9	34.9	279.2	72.4	644.7			
Dec	45.7P	46.9P	65.4P	77.6P	44.8P	268.9P	57.3P	606.7P			
Other Countries (Incl. Other O.E.C.D. Countries)											
June Year	Other O.E.C.D. Countries				Total O.E.C.D. Including E.E.C. Countries		China				
	Australia	Canada	Japan	United States of America	Other OECD(3)		Peoples Rep. of China	Province of Taiwan			
Group EXP Series	SBAUF	SBCAP	SBJPF	SBUSP	SBRIF	SBEIF	SBCNF	SBTW			
1985	1843.1	201.9	1651.5	1667.8	182.1	7088.8	288.2	188.9			
1986	1629.7	172.7	1531.5	1646.0	111.8	7389.9	229.4	128.8			
1987	1800.9	198.9	1823.1	1975.9	109.8	8544.1	425.5	169.7			
Quarterly 1986 Dec	459.4	41.5	452.7	444.4	24.1	1981.4	137.7	33.9			
1987 Mar	420.7	39.0	400.2	493.8	23.7	2050.7	93.4	45.6			
Jun	485.2	55.3	524.6	542.5	40.5	2437.0	80.1	51.4			
Sep	503.3	65.6	475.9	458.7	27.9	2176.1	45.6	61.1			
Dec	503.4P	38.5P	554.8P	373.7P	23.2P	2100.2P	104.8P	48.0P			
Other Countries											
June Year	Asia(4)				Oceania(5)		Latin America - Caribbean				
	Hong Kong	Republic of Korea	Malaysia	Philippines	Singapore	Other	Fiji	Other	Peru	Venezuela	Other
Group EXP Series	SBHKF	SBKRF	SBMYF	SBPHF	SBSGP	SBCIF	SBFJF	SBDIF	SBPFR	SBVER	SBEIF
1985	182.9	213.7	162.8	54.7	145.8	246.6	137.1	284.9	32.7	31.9	219.3
1986	161.1	153.0	117.7	58.1	171.5	284.8	119.5	272.0	49.6	35.2	189.4
1987	186.2	245.0	133.4	94.4	170.2	298.8	123.5	270.5	82.5	65.2	270.2
Quarterly 1986 Dec	48.7	42.3	31.4	21.6	46.3	63.2	36.3	72.3	31.4	22.5	68.5
1987 Mar	33.0	65.5	36.8	24.5	33.2	70.2	28.7	58.0	21.6	10.9	46.7
Jun	54.6	78.8	29.6	28.5	59.2	91.3	22.7	74.2	10.8	29.8	47.7
Sep	49.1	64.5	36.0	18.5	39.0	71.4	22.0	74.8	11.8	15.2	47.3
Dec	36.9P	59.9P	35.0P	16.5P	36.6P	77.0P	15.6P	74.8P	22.1P	34.9P	49.3P
Other Countries											
June Year	Middle East		Eastern Europe		Africa(8)		Other Countries		Total All Countries		
	Iran	Other(7)	U.S.S.R.	Other(6)				Actual	Seasonally Corrected		
Group EXP Series	SIRPF	SBIFP	SBSUP	SBGIF	SBHIF	SBEIF	SBKIF	SBKIF	SBKIF		
1985	445.0	321.0	145.9	63.0	208.4	254.2	11315.8		
1986	301.0	245.9	241.3	33.1	155.5	276.1	10571.7		
1987	195.1	286.9	205.1	68.9	81.4	221.0	12197.2		
Quarterly 1986 Dec	37.0	63.3	40.9	32.2	9.7	41.5	2881.7	3025.4	..		
1987 Mar	42.7	54.7	59.9	19.6	14.9	63.4	2873.8	2877.2	..		
Jun	46.8	76.9	71.7	9.5	12.7	62.8	3176.3	3133.3	..		
Sep	67.0	54.6	14.0	2.9	16.4	47.2	2934.5	3002.6	..		
Dec	71.6P	57.2P	32.2P	14.0P	14.0P	59.3P	2965.5P	3085.6P	..		

(1) Includes re-exports.
 (2) Other E.E.C. countries: Denmark, Greece (from July 1981), Ireland, Luxembourg, Destination Unknown E.E.C., Portugal (from January 1986) and Spain (from January 1986). Also Faeroe Islands, Greenland, Monaco, San Marino and the Vatican City State are included up to June 1985 and from July 1985 they are included in Other Countries (SBYIF).
 (3) Other O.E.C.D. countries: Austria, Finland, Iceland, Norway, Portugal (up to December 1985), Spain (up to December 1985), Sweden, Switzerland, Turkey and Yugoslavia (from July 1985). Also Liechtenstein is included up to June 1985 and from July 1985 it is included in Other Countries (SBYIF).
 (4) Excludes China, Japan, Russian territories in Asia, and Middle East countries in Asia.
 (5) Excludes Australia.
 (6) Includes Yugoslavia up to June 1985 and from July 1985 it is included in Other O.E.C.D. Countries.
 (7) From July 1986 includes Algeria, Morocco, Sudan and Tunisia.
 (8) From July 1986 excludes Algeria, Morocco, Sudan and Tunisia.

EXTERNAL TRADE

Annex XX

TABLE 11.10

VALUE OF IMPORTS BY COUNTRY OF ORIGIN
ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT COUNTRIES

\$(MILLION) V.P.O.

European Economic Community Countries									
June Year	Belgium	France	Federal Rep. of Germany	Italy	Netherlands	United Kingdom	Other E.E.C. (1) Countries	Total E.E.C. Countries	
Group IMP Series	SOBEV	SOPRV	SODBV	SOITV	SONLV	SOGBV	SOAIV	SOYIV	
1985	77.4	159.6	544.1	234.0	178.1	989.7	98.8	2279.7	
1986	82.1	175.6	622.6	168.1	131.2	985.5	110.7	2275.9	
1987	96.9	191.4	641.6	240.3	136.6	1060.7	158.2	2545.5	
Quarterly									
1986 Dec	22.3	42.1	170.3	55.3	39.5	264.1	46.9	640.6	
1987 Mar	22.0	52.1	154.4	56.4	40.5	271.5	34.1	631.0	
Jun	27.4	46.6	157.4	56.9	36.4	265.2	45.3	635.3	
Sep	19.5	50.9	172.5	61.1	48.6	276.7	36.2	665.6	
Dec	21.7P	45.3P	158.6P	55.7P	47.9P	281.8P	41.2P	652.2P	
Other Countries (Incl. Other O.E.C.D. Countries)									
Other O.E.C.D. Countries									
June Year	Australia	Canada	Japan	Sweden	Switzerland	United States of America	Other OECD(2) Countries	Total O.E.C.D., Including E.E.C. Countries	
Group IMP Series	SOAUV	SOCVAV	SOJFV	SOSEV	SOCMV	SOUFV	SOBIV	SOEIV	
1985	2135.0	308.2	2287.3	118.5	94.2	1886.9	173.2	9293.1	
1986	1737.1	226.8	2194.4	103.5	108.4	1828.3	236.3	8710.4	
1987	1948.5	236.4	2235.4	118.3	120.8	1739.1	186.3	9090.4	
Quarterly									
1986 Dec	460.7	96.4	511.5	32.6	29.2	393.4	37.9	2202.4	
1987 Mar	456.7	47.2	522.1	32.9	24.1	397.4	32.6	2146.1	
Jun	548.6	48.2	522.7	27.2	32.1	453.0	42.5	2309.7	
Sep	646.3	44.1	542.1	32.3	32.9	473.3	35.8	2472.5	
Dec	608.4P	50.0P	537.3P	36.9P	31.0P	494.5P	49.4P	2459.8P	
Other Countries									
China									
Asia(3)									
June Year	Peoples Rep. of China	Province of Taiwan	Hong Kong	Republic of Korea	Malaysia	Singapore	Other	Oceania (4)	Latin America-Caribbean
Group IMP Series	SOCMV	SOTWV	SOHKV	SOKRIV	SONYV	SOSGV	SOCIV	SODIV	SOEIV
1985	78.9	166.6	168.6	84.6	62.8	358.7	516.7	101.3	122.6
1986	83.8	176.4	129.7	83.9	50.3	396.3	243.8	77.5	110.2
1987	84.7	292.5	182.6	178.3	48.4	185.0	244.5	71.8	107.7
Quarterly									
1986 Dec	18.5	79.2	47.7	52.2	11.9	48.9	78.8	13.3	26.3
1987 Mar	27.1	69.2	43.4	44.9	12.7	57.2	52.7	18.1	27.6
Jun	19.4	69.6	42.5	39.6	12.4	32.9	55.8	18.4	26.4
Sep	33.1	97.0	54.3	49.1	16.4	32.9	48.7	16.0	25.1
Dec	25.9P	88.0P	51.3P	55.5P	14.7P	30.7P	56.2P	13.4P	36.0P
Other Countries									
Middle East									
June Year	Bahrain	Saudi Arabia	Other(6)	Eastern Europe(5)	Africa(7)	Other Countries	Total All Countries		
Group IMP Series	SOBHV	SOSAV	SOFIV	SOGIV	SOAIV	SOEIV	SOXIV	SOXIS	
1985	-	269.0	18.9	30.7	81.0	0.7	11344.2	..	
1986	104.9	211.0	14.8	18.6	56.2	0.5	10468.3	..	
1987	8.6	203.9	42.4	22.7	39.2	0.6	10803.4	..	
Quarterly									
1986 Dec	-	29.2	4.7	5.1	10.9	0.1	2629.4	2683.2	
1987 Mar	-	45.1	19.9	5.3	9.1	-	2576.3	2644.2	
Jun	-	112.2	8.2	6.1	6.8	0.2	2759.9	2818.7	
Sep	-	26.1	7.7	6.7	14.1	0.2	2900.1	2713.2	
Dec	7.7P	109.9P	26.5P	5.1P	5.5P	0.1P	2986.2P	2976.8P	

- (1) Other E.E.C. countries: Denmark, Greece (from July 1981), Ireland, Luxembourg, Portugal (from January 1986) and Spain (from January 1986). Also Faeroe Islands, Greenland, Monaco, San Marino and the Vatican City State are included up to June 1985, and from July 1985 they are included in Other Countries (SOIIV).
- (2) Other O.E.C.D. countries: Austria, Finland, Iceland, Norway, Portugal (up to December 1985), Spain (up to December 1985), Sweden, Switzerland, Turkey, Yugoslavia (from July 1985) and New Zealand (Re-Imports). Also Liechtenstein is included up to June 1985 and from July 1985 it is included in Other Countries (SOIIV).
- (3) Excludes China, Japan, Russian territories in Asia, and Middle East countries in Asia.
- (4) Excludes Australia and New Zealand (Re-Imports).
- (5) Includes Yugoslavia up to June 1985 and from July 1985 it is included in Other O.E.C.D. Countries.
- (6) From July 1986 includes Algeria, Morocco, Sudan and Tunisia.
- (7) From July 1986 excludes Algeria, Morocco, Sudan and Tunisia.

ANNEX XXI

24.4 DESTINATION AND ORIGIN OF EXTERNAL TRADE

Exports						Imports							
Year	EEC	United Kingdom	Australia	Japan	United States	Other Countries	Year	EEC	United Kingdom	Australia	Japan	United States	Other Countries
Percent of Trade f.o.b.						Percent of Trade v.f.d.							
December Year							December Year						
1920	..	75	5	..	15	5	1920	..	49	17	2	18	14
1930	..	81	3	..	5	11	1930	..	47	8	1	18	26
1940	..	90	1	..	3	6	1940	..	47	16	2	12	23
1950	..	66	2	1	10	21	1950	..	61	12	..	7	20
1960	..	53	4	3	13	27	1960	..	44	18	3	10	25
June Year							June Year						
1970	..	36	8	10	16	30	1970	..	30	21	8	13	28
1975	..	22	12	12	12	42	1975	..	19	20	14	13	34
1980	..	14	13	13	14	46	1980	..	14	19	13	14	40
1982	..	14	15	13	13	45	1982	..	9	20	17	17	37
1983	..	13	12	14	15	46	1983	..	9	20	17	17	37
1984	..	11	15	16	13	45	1984	..	9	20	21	15	35
1985	18.3	9	17	15	15	24.7	1985	20.1	9	19	20	17	17.9
1986	19.5	9	17	14	16	24.5	1986	21.7	9	17	21	17	14.3
1987	21.8	9.2	14.9	15.1	16.3	22.7	1987	23.6	9.8	18	20.7	16	11.9

*Includes re-exports.

**RESULTS OF THE THREE-MONTHLY QUESTIONNAIRE
ON THE DAIRY MARKET SITUATION**

Brussels, 16th of June 1988

EUR - 12	F	I	N	A	L	FORECASTS	
	1983	1984	1985	1986	1987	1988	1989
1. Dairy cow number:							
a) Mid-year census	27678	27351	26152	25598	24517	23283	22706
b) End-year census	27916	26680	26033	25495	24096	23047	22463
2. Dairy cows' milk production.	118489	116664	116318	117234	111584	108467	106889
3. Deliveries to dairies (milk & cream in w.m.eq.)	109173	107075	105770	106959	101434	98774	96945
4. Deliveries used for fresh products (whole milk eq.)	29177	29060	29461	30575	30864	31040	31154
5. BUTTER:							
- Total production	2307	2131	2062	2206	1899	1745	1692
- Farm butter	36	35	33	31	29	27	25
- Consumption	1569	1641	1657	1635	1611	1555	1519
6. CHEESE:							
- Total production	4175	4376	4453	4516	4589	4678	4749
- Farm (cows' milk)	109	109	113	115	83	77	75
- Non cow's milk	236	243	250	252	255	257	258
- Consumption	3935	4006	4134	4245	4287	4346	4389
7. MILK POWDER:							
- Skimmed	2530	2132	1952	2195	1647	1452	1368
- Semi Sk. & Whole	674	813	798	771	885	878	865
- Total production	3204	2945	2750	2966	2532	2330	2233
8. Condensed and evaporated milk production	1505	1525	1495	1421	1294	1354	1349
9. Liquid milk used for caseine manufacture	4237	4256	4621	5056	5947	6018	6233
10. Skimmed milk returned to farmers.	4544	4818	3781	3363	2627	1437	1382

All figures are in 000 tonnes except cows' numbers in 000 heads.

ANNEX XXII

Community and New Zealand production ('000 tonnes) of Dairy Products: relative importance of New Zealand on the basis of a five year average and in 1985:

	COMMUNITY (1)			NEW ZEALAND (2)			<u>NEW ZEALAND</u> COMMUNITY %		
	average for 5 years 1981-85	1985	1987	average for 5 years 1981-85	1985	1987	average for 5 years 1981-85	1985	1987
Butter and Butteroil	2 099.6	2 020.0	1 899	211 726	284 751	262 800	10.1	14.1	13.8
SMP	2 154.6	2 015.0	1 647	195 684	214 080	171 500	9.1	10.6	10.4
WMP	758.6	795	885	118 886	120 163	165 000	15.7	15.1	18.6
Cheese	4 024.4	4 220.0	4 589	118 450	118 448	130 000	2.9	2.8	2.8

Source (1) DG VI-D-1-B

(2) NZ Dept of Statistics - Monthly Statistical Abstract Feb. 1986

Development of Milk Deliveries (Cows' milk only) in 22 OECD countries

(mio tonnes)	1983	1984	1985	1986	1987 (prel)	1988 ^v (est.)	1989 (est.)
EEC(12)	109.1	107.1	105.6	106.9	101.3	98.8 (1)	97.5 (1)
USA	62.3	60.1	63.8	64.2	63.7	64.9 (2)	66.0 (5)
Canada (2)	7.4	7.6	7.5	7.5	7.6	7.7	7.8
New Zealand	6.8	7.4	7.4	7.3	7.1	7.7 (5)	7.7 (5)
Australia	5.9	6.1	6.2	6.2	6.4	6.5 (5)	6.5 (5)
Finland (2)	3.0	3.0	2.9	2.9	2.8	2.8	2.8
Sweden (2)	3.6	3.7	3.6	3.4	3.4	3.4	3.4
Norway (2)	1.9	1.9	1.9	1.9	2.0	2.0 (5)	2.0 (5)
Austria (prod.) (3)	3.7	3.8	3.8	3.8	3.7	3.8	3.8
Switzerland (2)	3.1	3.2	3.1	3.1	3.0	3.1	3.1
Japan (4)	7.0	7.1	7.4	7.5	7.3	7.2	7.2
22 countries	213.8	211.0	213.2	214.7	208.3	207.9	207.8

(1) Forecast based on the Council compromise of 16 December 1986 and information from Member States in March 1988

(2) National forecast

(3) Forecast based on indications for deliveries

(4) GATT statistics and forecast by VI-D-1

(5) Forecast by VI-D-1, based on current information, national and OECD

ANNEX XIV

TABLE 3

24.3.1988

International trade in dairy products (1 000 t)

(WP-70)

EEC = EEC (12) as from 1986

EEC intra-trade not included

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987*(4)
Butter + butteroil (1)(3)(5)											
- World total	630	600	800	950	860	770	735	785	880	735	1 025
- EEC	268	274	496	593	491	400	355	380	387	331	622
- Others	362	326	304	357	369	370	380	405	493	404	403
- EEC share	42.5%	45.7%	62.0%	62.5%	57.1%	51.9%	48.3%	48.4%	44.0%	45.0%	60.7%
Skimmed milk powder (1)(2)(6)											
- World total	913	904	1 060	995	925	855	875	1 040	1 130	1 060	1 110
- EEC	420	418	634	578	501	352	192	312	307	268	392
- Others	493	486	426	417	424	503	683	728	823	792	718
- EEC share	46.0%	46.2%	59.8%	58.1%	54.2%	41.2%	21.9%	30.0%	27.2%	25.3%	35.3%
Cheese (3)											
- World total	590	590	635	710	765	795	810	900	860	825	855
- EEC	208	214	255	307	360	380	405	468	408	384	409
- Others	382	376	380	403	405	415	405	432	452	441	446
- EEC share	35.3%	36.3%	40.2%	43.2%	47.1%	47.8%	50.0%	52.0%	47.4%	46.6%	47.8%
Whole milk powder (2)											
- World total	513	491	580	715	710	690	595	705	710	750	845
- EEC	324	331	381	524	537	458	394	495	483	478	582
- Others	189	160	199	190	173	232	201	210	227	272	263
- EEC share	63.2%	67.4%	65.7%	73.4%	75.6%	66.4%	66.2%	70.2%	68.0%	63.7%	68.9%
Condensed milk (3)											
- World total	635	650	675	805	800	805	725	770	770	600	520
- EEC	497	485	476	561	582	601	522	521	545	434	387
- Others	138	165	199	244	218	204	203	249	225	166	133
- EEC share	78.3%	74.6%	70.5%	69.7%	72.8%	74.7%	72.0%	67.7%	70.8%	72.3%	74.4%

(1) Food aid included

(2) Basis GATT statistics

(3) Basis FAO statistics

(4) GATT and OECD information updated February 1988

(5) As from 1979: GATT basis

(6) Including partially skimmed milk powder in US exports

* Partly estimated

Annex XXV

5.10.88

EXPLANATORY MEMORANDUM

1. Council Regulation (EEC) No 3667/82, as last amended by Regulation (EEC) No 2335/86, authorizes the United Kingdom to import on special terms the following quantities of New Zealand butter:

1984	83 000 tonnes
1985	81 000 tonnes
1986	79 000 tonnes
1987	76 500 tonnes
1988	74 500 tonnes

The Regulation governs the continuation of imports of New Zealand butter initially authorized by Protocol 18 to the Act of Accession.

The Regulation also provides that, before 1 August 1988, the Council, acting unanimously on a proposal from the Commission accompanied by a report, must take a decision on the maintenance of the exceptional arrangements from 1 January 1989.

The abovementioned report has been submitted to the Council.

2. In the light of the Commission's report and of the current market situation, the Commission proposes that access should continue for a limited period from 1989 to 1992, that the quantities be reduced progressively and that the special levy be reduced.
3. The Council should adopt this proposal before 1 November 1988.

Proposal for a
COUNCIL REGULATION (EEC)

relating to the continued import of New Zealand butter into
the United Kingdom on special terms

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the 1972 Act of Accession, and in particular Article 5(2) of Protocol 18 thereto,

Having regard to the proposal from the Commission,

Whereas Council Regulation (EEC) No 3667/83 (1), as last amended by Regulation (EEC) No 2335/86 (2), authorized the United Kingdom to import certain quantities of New Zealand butter on special terms during the 1984 to 1988 calendar years;

Whereas Regulation (EEC) No 3667/83 provides that the the Council must take a decision on the maintenance of the exceptional arrangements, which expire on 31 December 1988; whereas those arrangements should continue in order to ensure continued imports from New Zealand; whereas since the butter market is at present subject to substantial short-term changes quantities of New Zealand butter which may be imported on special terms should be fixed for a period of four years;

Whereas, in view of the measures laid down to reduce milk production in the Community, access for New Zealand butter must be limited from 1989 to 1992 and quantities which may be imported each year must be reduced progressively;

Whereas provision should be made that if the butter market requires changes in the conditions of intervention, such changes must be reflected in the price of New Zealand butter marketed in the Community;

(1) OJ No L 366, 28.12.1983, p. 16.

(2) OJ No L 203, 26.7.1986, p. 7.

Whereas a special levy, which will normally remain unchanged as long as the intervention price for butter of Community origin is not altered, constitutes the most appropriate method for protecting the market price of Community butter and for enabling New Zealand to plan its exports to the United Kingdom,

HAS ADOPTED THIS REGULATION:

Article 1

The United Kingdom shall be authorized to import certain quantities of butter from New Zealand under the terms of this Regulation.

Article 2

1. These arrangements shall apply from 1 January 1989 to 31 December 1992.

The following quantities may be imported:

64 500 tonnes in 1989

61 340 tonnes in 1990

58 170 tonnes in 1991

55 000 tonnes in 1992

2. The Council, acting by a qualified majority on a proposal from the Commission, may temporarily reduce the quantities laid down in paragraph 1 in order to prevent serious disruption of the United Kingdom butter market, particularly in the case of a substantial fall in direct butter consumption.
3. Before 1 August 1992, the Council, acting unanimously on a proposal from the Commission accompanied by a report, shall take a decision on the maintenance of the exceptional arrangements from 1 January 1993.

Article 3

1. The special levy on New Zealand butter imported under this Regulation shall be 45.83 ECU per 100 kilograms.
2. The Council, acting by a qualified majority on a proposal from the Commission, shall adjust the rate of the special levy in line with changes in the conditions of intervention in respect of butter in the Community.

Article 4

Eligibility for the special import arrangements shall be subject to presentation of a certificate establishing that the butter:

- is of New Zealand origin
- is at least six weeks old
- has a fat content of not less than 80% but less than 82% by weight
- was manufactured directly from milk or cream.

Article 5

Butter imported into the United Kingdom under this Regulation may not be traded in the Community nor re-exported to a third country.

Article 6

Imports of New Zealand butter shall be subject to the provisions adopted under Regulation (EEC) No 1677/85 (3), as last amended by Regulation (EEC) No 1889/87, on the fluctuation of certain Member States' currencies.

(3) OJ No L 164, 24.6.1985, p. 6.

Article 7

The United Kingdom shall forward all information necessary for the application of this Regulation to the Commission, which shall inform the other Member States thereof.

Article 8

Detailed rules for the application of this Regulation shall be adopted in accordance with the procedure laid down in Article 30 of Regulation (EEC) No 804/68.

Article 9

This Regulation shall enter into force on 1 January 1989.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council

FINANCIAL STATEMENT

: VI/5111/88-EN (PLAI-3381)

: Date: 18 October 1988

1. Budget heading: Chapter 20 Appropriations: 1989 Draft budget:
4,850 million ECU

2. Title: Draft Council Regulation on the continued importation of New Zealand
butter under special conditions

3. Legal basis: Article 5 of Protocol 18 to 1972 Act of Accession

4. Aims of project: To authorize the importation of certain quantities of New Zealand
butter under special conditions, in particular relating to the
levy

(m ECU (B))

	period of 12 months	current financial year 1988	following financial year 1989
5. Financial implications			
5.0 Expenditure			
- charged to the EC budget (refunds)	-	-	- 23 (1)
5.1 Receipts			
- own resources of the EC (levies)	-	-	- 28 (1)
	1990	1991	1992
5.0.1 Estimated expenditure	+ 139	+ 132	+ 125
5.1.1 Estimated receipts	- 135	- 128	- 121

5.2 Method of calculation: See Annex

6.0 Can the project be financed from appropriations entered in the relevant chapter
of the current budget ? yes

6.1 Can the project be financed by transfer between chapters of the current budget ?

6.2 Is a supplementary budget necessary ?

6.3 Will future budget appropriations be necessary ? yes

Observations: (1) In terms of assumptions used in the draft budget (74 500 t
imported at a levy of 763,9 ECU/t)

NB : This presentation of the financial implications is in line
with that used in the 1989 PDB (remarks on page III/237 of the
1989 PDB, vol. 4).

FICHE D'IMPACT SUR LA COMPETITIVITE ET L'EMPLOI

I. Quelle est la justification principale de la mesure ?
See exposé des motifs.

II. Caractéristiques des entreprises concernées
en particulier :

- y a-t-il un grand nombre de PME ? No
- note t'on des concentrations dans des régions
 - éligibles aux aides régionales des E.M. ?
The butter will be imported into the U.K.
 - éligibles au Feder' ?

III. Quelles sont les obligations imposées directement aux entreprises ?
The butter must be consumed in the U.K.

IV. Quelles sont les obligations susceptibles d'être imposées indirectement
aux entreprises via les autorités locales ?

None

V. Y a-t-il des mesures spéciales pour les PME ?

No

- Lesquelles ?

VI. Quel est l'effet prévisible ?

- sur la compétitivité des entreprises ?
The New Zealand butter will displace Community butter in the Community market. The returns to New Zealand from the Community market may improve
 - sur l'emploi ?
New Zealand's competitive position on the world market.
- None

VII. Les partenaires sociaux ont-ils été consultés ?

No

- avis des partenaires sociaux