

INTERNATIONAL DAIRY AGREEMENT

The *Parties* to this Agreement,

Recognizing the importance of milk and dairy products to the economy of many countries¹ in terms of production, trade and consumption;

Recognizing the need, in the mutual interests of producers and consumers, and of exporters and importers, to avoid surpluses and shortages, and to maintain prices at an equitable level;

Noting the diversity and interdependence of dairy products;

Noting the situation in the dairy products market, which is characterized by very wide fluctuations and the proliferation of export and import measures;

Considering that improved cooperation in the dairy products sector contributes to the attainment of the objectives of expansion and liberalization of world trade, and the implementation of the principles and objectives concerning developing countries agreed upon in the Tokyo Declaration of Ministers dated 14 September 1973;

Determined to respect the principles and objectives of the General Agreement on Tariffs and Trade 1994² and, in carrying out the aims of this Agreement, effectively to implement the principles and objectives agreed upon in the said Tokyo Declaration;

Hereby agree as follows:

Article I

Objectives

The objectives of this Agreement shall be, in accordance with the principles and objectives agreed upon in the Tokyo Declaration of Ministers dated 14 September 1973,

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

¹In this Agreement and in the Annex thereto, the term "country" is deemed to include the European Communities as well as any separate customs territory Member of the World Trade Organization.

²This provision shall apply only among Parties that are Members of the World Trade Organization.

Article II

Product Coverage

1. This Agreement applies to the dairy products sector. For the purpose of this Agreement, the term "dairy products" is deemed to include the following products, as defined in the Harmoniz Tusommodit-arrPh056

Article III

Information and Market Monitoring

1. Each Party shall provide regularly and promptly to the Council the information required to permit the Council to monitor and assess the overall situation of the world market for dairy products and the world market situation for each individual dairy product.
2. Developing country Parties shall furnish the information available to them. In order that these Parties may improve their data collection mechanisms, developed Parties, and any developing Parties able to do so, shall consider sympathetically any request to them for technical assistance.
3. The information that the Parties undertake to provide pursuant to paragraph 1, according to the modalities that the Council shall establish, shall include data on past performance, current situation and outlook regarding production, consumption, prices, stocks and trade, including transactions other than normal commercial transactions, in respect of the products referred to in Article II, and any other information deemed necessary by the Council. Parties shall also provide information on their domestic policies and trade measures, and on their bilateral, plurilateral or multilateral commitments, in the dairy sector and shall make known, as early as possible, any changes in such policies and measures that are likely to affect international trade in dairy products. The provisions of this paragraph shall not require any Party to disclose confidential information which would impede law enforcement or otherwise be contrary to the public interest or would prejudice the legitimate commercial interests of particular enterprises, public or private.
4. The Secretariat of the World Trade Organization (hereinafter referred to as "the Secretariat"), shall draw up, and keep up to date, an inventory of all measures affecting trade in dairy products, including commitments resulting from bilateral, plurilateral and multilateral negotiations.

Article IV

Functions of the International Dairy Council and Cooperation between the Parties

1. The Council shall meet in order to:
 - (a) make an evaluation of the situation in and outlook for the world market for dairy products, on the basis of a status report prepared by the Secretariat with the documentation furnished by Parties in accordance with Article III, information arising from the operation of the Annex to this Agreement on Certain Milk Products (hereinafter referred to as "the Annex") and any other information available to the Secretariat;
 - (b) review the functioning of this Agreement.
2. If after an evaluation of the world market situation and outlook, referred to in paragraph 1(a), the Council finds that a serious market disequilibrium, or threat of such a disequilibrium, which affects or may affect international trade, is developing for dairy products in general or for one or more products, the Council will proceed to identify, taking particular account of the situation of developing countries, possible solutions for consideration by governments.

3. Depending on whether the Council considers that the situation defined in paragraph 2 is temporary or more durable, the measures referred to in paragraph 2 could include short-, medium- or long-term measures to contribute to improve the overall situation of the world market.

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

5. Any Party may raise before the Council any matter⁴ affecting this Agreement, *inter alia*, for the same purposes provided for in paragraph 2. Each Party shall promptly afford adequate opportunity for consultation regarding such matter affecting this Agreement.

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

Article V

Food Aid and Transactions other than Normal Commercial Transactions

1. The Parties agree:

- (a) In cooperation with FAO and other interested organizations, to foster recognition of the value of dairy products in improving nutritional levels and of ways and means through which they may be made available for the benefit of developing countries.
- (b) In accordance with the objectives of this Agreement, to furnish, within the limits of their possibilities, dairy products by way of food aid. Parties should notify the Council in advance each year, as far as practicable, of the scale, quantities and destinations of their proposed contributions of such food aid. Parties should also give, if possible, prior notification to the Council of any proposed amendments to the notified food-aid contributions. It is understood that contributions could be made bilaterally or through joint projects or through multilateral programmes, particularly the World Food Programme.
- (c) Recognizing the desirability of harmonizing their efforts in this field, as well as the need to avoid harmful interference with normal patterns of production, consumption and international trade, to exchange views in the Council on their arrangements for the supply and requirements of dairy products as food aid or on concessional terms.

⁴It is confirmed that the term "matter" in this paragraph includes any matter which is covered by Multilateral Trade Agreements annexed to the Agreement Establishing the World Trade Organization, in particular those bearing on export and import measures.

2. Donated exports, exports destined for relief purposes or welfare purposes, and other transactions which are not normal commercial transactions shall be effected in accordance with Article 10 of the Agreement on Agriculture. The Council shall cooperate closely with the FAO Consultative Sub-Committee on Surplus Disposal.

3. The Council shall, in accordance with conditions and modalities that it will establish, upon request, discuss and consult on all transactions other than normal commercial transactions and other than those covered by the Agreement on Subsidies and Countervailing Measures.

Article VI

Annex

Without prejudice to the provisions of Articles I to V, the products listed below shall be subject to the provisions of the Annex:

Milk powder and cream powder, excluding whey powder

Milk fat

Certain cheeses

Article VII

Administration

1. *International Dairy Council*

(a) An International Dairy Council shall be established within the framework of the World Trade Organization (hereinafter referred to as the "WTO"). The Council shall comprise representatives of all Parties to the Agreement and shall carry out all the functions which are necessary to implement the provisions of the Agreement. The Council shall be serviced by the Secretariat. The Council shall establish its own rules of procedure. The Council may, as appropriate, establish subsidiary working groups or other bodies.

(b) *Regular and special meetings*

The Council shall normally meet as appropriate, but not less than twice each year. The Chairman may call a special meeting of the Council either on his own initiative, at the request of the Committee established under paragraph 2(a), or at the request of a Party to this Agreement.

(c) *Decisions*

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

(d) *Cooperation with other organizations*

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

(e) *Admission of observers*

(i) The Council may invite any non-Party government to be represented at any meeting as an observer and may determine rules on the rights and obligations of observers, in particular with respect to the provision of information.

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

2. *Committee on Certain Milk Products*

(a) The Council shall establish a Committee on Certain Milk Products (hereinafter referred to as "the Committee") to carry out all the functions which are necessary to implement the provisions of the Annex. This Committee shall comprise representatives of all Parties. The Committee shall be serviced by the Secretariat. It shall report to the Council on the exercise of its functions.

(b) *Examination of the market situation*

The Council shall make the necessary arrangements, determining the modalities for the information to be furnished under Article III, so that the Committee may keep under constant review the situation in and the evolution of the international market for the products covered by the Annex, and the conditions under which the provisions of the Annex are applied by Parties, taking into account the evolution of prices in international trade in each of the other dairy products having implications for the trade in products covered by the Annex.

(c) *Regular and special meetings*

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

(d) *Decisions*

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

Article VIII

Final Provisions

1. *Acceptance*

- (a) This Agreement is open for acceptance, by signature or otherwise, by any State or separate customs territory possessing full autonomy in the conduct of its external commercial relations and of the other matters provided for in the Agreement Establishing the WTO (hereinafter referred to as the "WTO Agreement"), and by the European Communities.
- (b) Any government⁵ accepting this Agreement may at the time of its acceptance make a reservation with regard to the application of the Annex with respect to any product(s) specified therein. Reservations may not be entered in respect of any of the provisions of the Annex without the consent of the other Parties.
- (c)

- the lists of reference points mentioned in Article 2 of the Annex and contained in Attachment A;
- the schedules of price differentials according to milk fat content mentioned in

ANNEX ON CERTAIN MILK PRODUCTS

Article 1

Product Coverage

1. This Annex applies to:
 - (a) milk powder and cream powder falling under HS heading Nos. 04.02.10-99 and 04.03.10-90;
 - (b) milk fat falling under HS heading No. 04.05.00, having a milk fat content equal to or greater than 50 per cent by weight; and
 - (c) cheeses falling under HS heading No. 04.06.10-90, having a fat content in dry matter, by weight, equal to or more than 45 per cent and a dry matter content, by weight, equal to or more than 50 per cent.

Field of application

2. For each Party, this Annex is applicable to exports of the products specified in paragraph 1 manufactured or repacked inside its own customs territory.

Article 2

Pilot Products

The minimum export prices established under Article 3 shall be established with respect to the pilot products of the following specifications:

- (a) Designation: *Skimmed milk powder*
Milk fat content: less than or equal to 1.5 per cent by weight
Water content: less than or equal to 5 per cent by weight
- (b) Designation: *Whole milk powder*
Milk fat content: 26 per cent by weight
Water content: less than or equal to 5 per cent by weight
- (c) Designation: *Buttermilk powder*⁷
Milk fat content: less than or equal to 11 per cent by weight
Water content: less than or equal to 5 per cent by weight
- (d) Designation: *Anhydrous milk fat*
Milk fat content: 99.5 per cent by weight
- (e) Designation: *Butter*
Milk fat content: 80 per cent by weight
- (f) Designation: *Cheese*

⁷Derived from the manufacture of butter and anhydrous milk fat.

Packaging:

In packages normally used in the trade, of a net content by weight of not less than 25 kgs. or 50 lbs., except for cheese, of 20 kgs. or 40 lbs., respectively, as appropriate.

Terms of sale:

F.o.b. from the exporting Party or free-at-frontier exporting Party.

By derogation from this provision, reference points for the Parties listed in Attachment A may be as provided therein.

Prompt payment against documents.

Article 3

Minimum Prices

Level and observance of minimum prices

1. Each Party shall take the steps necessary to ensure that the export prices of the products defined in Article 2 shall not be less than the minimum prices applicable under this Annex. If the products are exported in the form of goods in which they have been incorporated, Parties shall take the steps necessary to avoid circumvention of the price provisions of this Annex.
2. (a) The minimum price levels set out in this Article take account, in particular, of the current market situation, dairy prices in producing Parties, the need to ensure an appropriate relationship between the minimum prices established in the Annex, the need to ensure equitable prices to consumers, and the desirability of maintaining a minimum return to the most efficient producers in order to ensure stability of supply over the longer term.
- (b) The minimum prices provided for in paragraph 1 applicable at the date of entry into force of this Agreement are fixed at:
 - (i) US\$1,200 per metric ton for the skimmed milk powder defined in Article 2(a);
 - (ii) US\$1,250 per metric ton for the whole milk powder defined in Article 2(b);
 - (iii) US\$1,200 per metric ton for the buttermilk powder defined in Article 2(c);
 - (iv) US\$1,625 per metric ton for the anhydrous milk fat defined in Article 2(d);
 - (v) US\$1,350 per metric ton for the butter defined in Article 2(e);
 - (vi) US\$1,500 per metric ton for the cheese defined in Article 2(f).

3. (a) The levels of the minimum prices specified in this Article may be modified by the Committee, taking into account, on the one hand, the results of the operation of the Annex and, on the other hand, the evolution of the situation of the international market.
- (b) The levels of the minimum prices specified in this Article shall be subject to review at least once a year by the Committee. In undertaking this review the Committee shall take account in particular, to the extent relevant and necessary, of costs faced by producers, other relevant economic factors of the world market, the need to maintain a long-term minimum return to the most economic producers, the need to maintain stability of supply and to ensure acceptable prices to consumers, and the current market situation and shall have regard to the desirability of improving the relationship between the levels of the minimum prices set out in paragraph 2(b) and the dairy support levels in the major producing Parties.

Adjustment of minimum prices

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

Milk fat content:

Milk powders. If the milk fat content of the milk powders falling under Article 1(a), excluding buttermilk powder⁸, differs from the milk fat content of the pilot products as specified in Article 2(a) and Article 2(b), then for each full percentage point of milk fat as from 2 per cent, the minimum price shall be adjusted in proportion to the difference between the minimum prices in force for the pilot products as specified in Article 2(a) and Article 2(b).⁹

Milk fats. If the milk fat content of the milk fat falling under Article 1(b) differs from the milk fat content of the pilot products as specified in Article 2(d) or Article 2(e) then, if the milk fat content is equal to or greater than 82 per cent or less than 80 per cent, the minimum price of this product shall be, for each full percentage point by which the milk fat content is more than or less than 80 per cent, increased or reduced in proportion to the difference between the minimum prices in force for the pilot products as specified in Article 2(d) or Article 2(e), respectively.

Packaging:

If the products are offered otherwise than in packages normally used in the trade, of a net content by weight of not less than 25 kgs. or 50 lbs., or for cheese, of not less than 20 kgs. or 40 lbs., respectively, as appropriate, the minimum prices shall be adjusted so as to reflect the difference in the cost of packaging relative to the cost of the type of package specified above.

⁸As defined in Article 2(c) of this Annex.

⁹See Attachment B , "Schedule of Price Differentials According to Milk Fat Content".

Terms of sale:

If sold on terms other than f.o.b. from the exporting Party or free-at-frontier exporting Party¹⁰, the minimum prices shall be calculated on the basis of the minimum f.o.b. prices specified in paragraph 2(b), plus the real and justified costs of the services provided; if the terms of the sale include credit, this shall be charged for at the prevailing commercial rates in the exporting Party concerned.

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

5. By derogation from the provisions of paragraphs 1 to 4, a Party may, under the conditions defined below, export or import, as the case may be, skimmed milk powder and buttermilk powder for purposes of animal feed at prices below the minimum prices provided for in this Annex for these products. A Party may make use of this possibility only to the extent that it ensures that the products exported or imported are subjected to the processes and control measures which will be applied in the country of export or destination so as to ensure that the skimmed milk powder and buttermilk powder thus exported or imported are used exclusively for animal feed. These processes and control measures shall have been approved by the Committee and recorded in a register established by it.¹¹ A Party wishing to make use of the provisions of this paragraph shall give advance notification of its intention to do so to the Committee which shall meet, at the request of any Party, to examine the market situation. The Parties shall furnish the necessary information concerning their transactions in respect of skimmed milk powder and buttermilk powder for purposes of animal feed, so that the Committee may follow developments in this sector and periodically make forecasts concerning the evolution of this trade.

Special conditions of sales

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

Transactions other than normal commercial transactions

7. The provisions of paragraphs 1 to 6 shall not be regarded as applying to donated exports or to exports destined for relief purposes or food-related development purposes or welfare purposes, provided these have been notified to the Council as provided for in Article V of the Agreement.

Article 4

Provision of Information

¹⁰See Article 2 of this Annex.

¹¹See Attachment C, "Register of Processes and Control Measures". It is understood that exporters would be permitted to ship skimmed milk powder and buttermilk powder for animal feed purposes in an unaltered state to importers which have had their processes and control measures inserted in the Register. In this case, exporters shall so inform the Committee.

ATTACHMENT A

List of Reference Points

In accordance with the provisions of Article 2 of this Annex, the following reference points are designated for the countries listed below. The Committee established in paragraph 2(a) of Article VII of this Agreement may modify the contents of this Attachment as appropriate.

Finland: Antwerp, Hamburg, Rotterdam
 Basle: for butter exports to Switzerland

Norway: Antwerp, Hamburg, Rotterdam

Sweden: Antwerp, Hamburg, Rotterdam
 Basle: for butter exports to Switzerland

Poland: Antwerp, Hamburg, Rotterdam

ATTACHMENT B

Schedule of Price Differentials According to Milk Fat Content

<i>Price</i>	<i>Milk Fat Content</i> <i>(per cent)</i>	<i>Minimum</i> <i>US\$ per metric ton</i>
Less than 2 powder		1,200 Skimmed milk
Equal to or more than 2, less than 31,202		
"	" 3 " 4	1,204
"	" 4 " 5	1,206
"	" 5 " 6	1,208
"	" 6 " 7	1,210
"	" 7 " 8	1,212
"	" 8 " 9	

ATTACHMENT B (cont'd)

Schedule of Price Differentials According to Milk Fat Content

<i>Price</i>	<i>Milk Fat Content</i>				<i>Minimum</i>
	<i>(per cent)</i>				<i>US\$ per metric ton</i>
Equal to or more than				less than ...	
"	"	79	"	80	1,336.25
"	"	80	"	82	1,350.00 Butter
"	"	82	"	83	1,377.50
"	"	83	"	84	1,391.25
"	"	84	"	85	1,405.00
"	"	85	"	86	1,418.75
"	"	86	"	87	1,432.50
"	"	87	"	88	1,446.25
"	"	88	"	89	1,460.00
"	"	89	"	90	1,473.75
"	"	90	"	91	1,487.50
"	"	91	"	92	1,501.25
"	"	92	"	93	1,515.00
"	"	93	"	94	1,528.75
"	"	94	"	95	1,542.50
"	"	95	"	96	1,556.25
"	"	96	"	97	1,570.00
"	"	97	"	98	1,583.75
"	"	98	"	99	1,597.50
"	"	99	"	99.5	1,611.25
"	"	99.5			1,625.00 Anhydrous milk fat

ATTACHMENT C

Register of Processes and Control Measures - Milk Powders

In accordance with the provisions of paragraph 5 Article

AUSTRALIA

Skimmed milk powder¹² may be exported from the customs territory of Australia to third countries:

- A. Either, after the competent Australian authorities have ensured that the skimmed milk powder has been denatured according to any one of the following processes:
1. By the addition, per 100 kgs. of skimmed milk powder, of 2.5 kgs. of lucerne meal or grass meal, containing not less than 70 per cent of particles not exceeding 300 microns, uniformly distributed throughout the mixture.
 2. By the addition of finely milled alfalfa flour (98 per cent to pass mesh 60, equivalent to 50 United States standard), in a proportion of 2 to 4 parts per 100 and of phenolphthalein in a proportion of 1:20,000 (1 gr. per 20 kgs. of milk).
 3. By the addition, in the proportion of 20 per 100 by weight of the product treated (80 per 100 by weight of milk powder and 1(Theesses:) T Tw (p.d30.1687854lnt)) T a

¹²These processes and control measures apply to buttermilk powder as well as to skimmed milk powder intended for animal feed.

The colouring matters have to contain the following percentages of the pure product:

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

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

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

English Standard Index Nos.

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

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

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

- B. Or, after its incorporation in compound or mixed stockfoods of a kind falling within item 23.09 of the Harmonized System.

CANADA

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

Dye to be one of the following colours:

English Standard Index Nos.

Lissamine green	44.090, 42.095, 44.025
Tartrazine	19.140

combined with:

(i)	Brilliant blue F.C.F.	42.090
	or	
(ii)	Green B.S.	44.090

Cochineal	77.289
Brilliant blue/F.C.F.	42.090

7. By the addition of meat and bone meal in a proportion of 2:4 parts of skimmed milk powder.
8. By the addition, per 100 kgs. of skimmed milk powder, of 2.5 kgs. of lucerne meal or grass meal, containing not less than 70 per cent of particles not exceeding 300 microns, uniformly distributed throughout the mixture.

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

9. Incorporation of skimmed milk powder in compound or mixed stockfoods of a kind falling within item 23.09 of the Harmonized System.

EUROPEAN COMMUNITIES

Skimmed milk powder¹³ for use as animal feed may be exported to third countries:

- (a) either after being denatured in the customs territory of the Community in accordance with Article 2:1 of Regulation (EEC) No. 1725/79¹⁴, as last amended by Regulation (EEC) No. 3411/93¹⁵:

"Skimmed milk powder shall be denatured by the addition, per 100 kgs. of skimmed milk powder, of either:

method A:

- (i) 9 kgs. of lucerne meal or grass meal containing at least 50 per cent (m/m) of particles not exceeding 300 microns; and

- (ii) 2 kgs. of starch or puffed starch,

uniformly distributed in the mixture;

or:

method B:

- (i) 5 kgs. of lucerne meal or grass meal containing at least 50 per cent (m/m) of particles not exceeding 300 microns; and

- (ii) 12 kgs. of fish meal, non-deodorized or with a strong smell, containing at least 30 per cent (m/m) of particles not exceeding 300 microns; and

- (iii) 2 kgs. of starch or puffed starch,

uniformly distributed in the mixture;

- (b) or after being incorporated in "preparations of a kind used for animal feeding", falling within sub-heading ex 23.09.10 and ex 23.09.90 of the common customs tariff, containing skimmed milk powder;

- (c) or after being dyed by the following dyeing process:

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

These colouring matters:

¹³These processes and control measures apply to buttermilk powder as well as to skimmed milk powder intended for animal feed. (See Regulation (EEC) No. 804/68, Article 10:1.)

¹⁴OJ No. L 199 of 7 August 1979, page 1.

¹⁵OJ No. L 310 of 14 December 1993, page 28.

- are to be used alone or in combination, in the form of very fine impalpable powder
- and
- are to be uniformly distributed in the skimmed milk powder
- in minimum quantities of 200 grs./100 kgs.

Designation of colouring matters:

<i>C.I. No.</i>	<i>Designation</i>	
42090	Brilliant blue F.C.F.	19140
42095	Lissamine green	
44090 E 142	Green B.S., Lissamine green	
74260	Pigment green 7	
77289	Cochineal	

¹⁶This colouring matter to be used only in combination with one or more of the others included in the above list.

FINLAND

Skimmed milk powder¹⁷ may be exported from the customs territory of Finland to third countries:

- A. Either, after the competent Finnish authorities have ensured that the skimmed milk powder has been denatured according to any one of the following processes:
1. By the addition, per 100 kgs. of skimmed milk powder, of 2.5 kgs. of lucerne meal or grass meal, containing not less than 70 per cent of particles not exceeding 300 microns, uniformly distributed throughout the mixture.
 2. By the addition of finely milled alfalfa flour (98 per cent to pass mesh 60, equivalent to 50 United States standard), in a proportion of 2 to 4 parts per 100 and of phenolphthalein in proportion of 1:20,000 (1 gr. per 20 kgs. of milk).
 3. By the addition, in the proportion of 20 per 100 by weight of the product treated (80 per 100 by weight of milk powder and 20 per cent of the denaturing agent) of a mixture composed of 80 per cent bran and 20 per cent potato flour, rice flour or other common starch (at least 10 per cent to pass mesh 60, equivalent to 50 United States standard), with phenolphthalein in the proportion of 1:20,000.
 4. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 35 kgs. of undeodorized fish meal and 200 grs. of carbonate of iron or sulphate of iron and:
 - (a) 1.5 kgs. of activated carbon;
 - (b) or 100 grs. of mixture composed of four fifths of yellow tartrazine (E 102) and one fifth of patent blue V (E 131);
 - (c) or 20 grs. of cochineal red A (E 124);
 - (d) or 40 grs. of patent blue V (E 131).
 5. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 40 kgs. of undeodorized fish meal and 300 grs. of carbonate of iron or sulphate of iron.
 6. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 4.5 kgs. of fish oil or fish liver oil and 300 grs. of carbonate of iron or sulphate of iron.

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

- at least 30 per cent for cochineal red A (E 124);

¹⁷These processes and control measures apply to buttermilk powder as well as to skimmed milk powder intended for animal feed.

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

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

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

English Standard Index Nos.

Lissamine green	44.090, 42.095, 44.025
Tartrazine	19.140

Combined with:

- | | | |
|-----|-----------------------|--------|
| (a) | Brilliant blue F.C.F. | 42.090 |
| | or | |
| (b) | Green B.S. | 44.090 |

Cochineal	77.289
Brilliant blue/F.C.F.	42.090

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

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

- B. Or, after its incorporation in compound or mixed stockfoods of a kind falling within item 23.09 of the Harmonized System.

HUNGARY

Directive
No. 14/1981/KkE 14/KKM of the Minister
of Foreign Trade

On the implementation of Decree No. 36/1980./3.IX./MT on the promulgation of the International Dairy Arrangement, done at Geneva on 12 April 1979.

By virtue of powers conferred by the provisions of Section 3 of Decree No.

4. In the case of a declaration according to paragraph 3 above, the dutiable goods will be classified by the customs office in heading No. 04.02-03 of the Trade Customs Tariff ("Powdered milk and cream, unfit for human consumption, whether or not denatured, not containing added sugar"); and in a clause inserted on the declaration form, the customs office stipulates that in accordance with the provisions of the present Directive, it is prohibited to use the goods before carrying out denaturing or otherwise making the goods unfit for human consumption.

5. Denaturing or otherwise making the dairy products specified in paragraph 1 unfit for human consumption must be reported to the regionally competent customs office not later than 10 days before starting the procedure, indicating at the same time the proportion of materials to be used, the way, place and time of the procedure. On the basis of this notification, denaturing is checked by the customs office on the premises of the company.

6.

Appendix to the Hungarian Notification

In Hungary, skimmed milk powder used for animal feeding is denatured or made unfit for human consumption not in two, but only in one step because of practical reasons. The denaturing takes place right when mixing or preparing the animal feedstuff, according to the standards and methods here attached.

In Hungary the following methods should be applied to prepare animal feedstuff with the use of skimmed milk powder.

3. No. 28 - I - 105 - 24

Maize	28%
Barley	15%
Wheat	10%
Linseed	2%
Soya (40%)	20.3%
Fish meal (70%)	5%
Wheat bud	2%
Skimmed milk powder	6.7%
Mixture with 50% of industrial fat content	8%
MCP	0.9%
CaCO ₃	1.2%
Salt	0.4%
Premix	0.5%

4. No. 28 - II - 107 - 24

Maize	28%
Barley	15%
Wheat	10%
Linseed	2%
Soya (40%)	20.3%
Fish meal (70%)	5%
Wheat bud	2%
Skimmed milk powder	6.7%
Mixture with 50% of industrial fat content	8%
MCP	0.9%
CaCO ₃	1.2%
Salt	0.4%
Premix	0.5%

5. No. 21 - I - 103 - 26

Maize	29%
Wheat	15%
Barley	25%
Linseed	4.7%
Soya (48%)	18%
Meat-meal (54%)	2.4%
Skimmed milk powder	3%
MCP	1%
CaCO ₃	1.1%
Salt	0.3%
Premix	0.5%

6. No. 21 - II - 109 - 26

Maize	29%
Wheat	15%
Barley	25%
Linseed	

Soya (48%)	33.7%
Linseed	10.7%
Skimmed milk powder	12.5%
Alfalfa-meal	15.3%
MCP	2.8%
CaCO ₃	3%
Salt	1.2%
Premix	1.2%

Methods to prepare feedstuff for sheep with skimmed milk powder:

11. No. 102 - 22

Maize	20%
Barley	20%
Wheat	32%
Soya (47%)	9%
Alfalfa-meal	9.9%
Skimmed milk powder	3.5%
Linseed	3%
MCP	0.8%
CaCO ₃	0.8%
Salt	0.5%
Premix	0.5%

12. No. 41 - 502 - 22

Soya (47%)	32.1%
Linseed	10.7%
Skimmed milk powder	12.5%
Alfalfa-meal	35.3%
MCP	2.9%
CaCO ₃	2.9%
Salt	1.8%
Premix	1.8%

JAPAN

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

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

Limit, for importation, of the quantity of skimmed milk powder, which may be imported for the production of animal feed, shall be limited to the quantity of the skimmed milk powder which has been used in the production of animal feed at the time of entry, plus 2.75 per cent of the quantity of the skimmed milk powder which has been used in the production of animal feed at the time of entry.

NEW ZEALAND¹⁹

1. By the addition of finely milled alfalfa flour (98 per cent to pass mesh 60, equivalent to 50 United States standard), in a proportion of 2 to 4 parts per 100 and of phenolphthalein in a proportion of 1:20,000 (1 gr. per 20 kgs. of milk).
2. By the addition, in the proportion of 20 per 100 by weight of the product treated (80 per 100 by weight of milk powder and 20 per 100 of the denaturing agent) of a mixture composed of 80 per cent bran and 20 per cent potato flour, rice flour or other common starch (at least 10 per cent to pass mesh 60, equivalent to 50 United States standard), with phenolphthalein in the proportion of 1:20,000.
3. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 35 kgs. of undeodorized fish meal and 200 grs. of carbonate of iron or sulphate of iron and
 - (a) 1.5 kgs. of activated carbon;
 - (b) or 100 grs. of mixture composed of four fifths of yellow tartrazine (E 102) and one fifth of patent blue V (E 131);
 - (c) or 20 grs. of cochineal red A (E 124);
 - (d) or 40 grs. of patent blue V (E 131);
 - (e) or 20 grs. of edicol lime.
4. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 40 kgs. of undeodorized fish meal and 300 grs. of carbonate of iron or sulphate of iron.
5. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 4.5 kgs. of fish oil or fish liver oil and 300 grs. of carbonate of iron or sulphate of iron.

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

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

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

¹⁹These processes and control measures apply to buttermilk powder as well as to skimmed milk powder intended for animal feed.

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

Dye to be one of the following colours:

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

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

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

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

9. Incorporation of skimmed milk powder in compound or mixed stockfoods of a kind falling within item 23.09 of the Harmonized System.

NORWAY

Skimmed milk powder²⁰ may be exported from the customs territory of Norway to third

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

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

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

English Standard Index Nos.

Lissamine green	44.090, 42.095, 44.025
Tartrazine	19.140

Combined with:

- | | |
|---------------------------|--------|
| (a) Brilliant blue F.C.F. | 42.090 |
| or | |
| (b) Green B.S. | 44.090 |

Cochineal	77.289
Brilliant blue/F.C.F.	42.090

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

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

- B. Or, after its incorporation in compound or mixed stockfoods of a kind falling within item 23.09 of the Harmonized System.

POLAND

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

- A. Either, after the competent Polish authorities have ensured that the skimmed milk powder has been denatured according to any one of the following processes:
1. By the addition, per 100 kgs. of skimmed milk powder, of 2.5 kgs. of lucerne meal or grass meal, containing not less than 70 per cent of particles not exceeding 300 microns, uniformly distributed throughout the mixture.
 2. By the addition of finely milled alfalfa flour (98 per cent to pass mesh 60, equivalent to 50 United States standard), in a proportion of 2 to 4 parts per 100 and of phenolphthalein in a proportion of 1:20,000 (1 gr. per 20 kgs. of milk).
 3. By the addition, in the proportion of 20 per 100 by weight of the product treated (80 per 100 by weight of milk powder and 20 per cent of the denaturing agent) of a mixture composed of 80 per cent bran and 20 per cent potato flour, rice flour or other common starch (at least 10 per cent to pass mesh 60, equivalent to 50 United States standard), with phenolphthalein in the proportion of 1:20,000.
 4. By the production of feed milk surrogate MS-93:

INFORMATION
ON THE PRODUCTION OF FEED MILK SURROGATE MS-93

(a) Product description:

Feed milk surrogate MS-93 is produced from skimmed milk and whey in the proportion 1+ 1, buttermilk powder, animal fat or fat used for feed milk surrogates, rape-seed or soybean lecithin, vitamins, mineral salts and antibiotics in the form of Polfamix 1C. Skimmed milk can be substituted by buttermilk up to 20 per cent.

(b) Quantity composition of ready product:

- dry fatless matter	- 82.0 %
- water not more than	- 5.0 %
- fat not less than	- 12.0 %
- Polfamix 1C	- 1.0 %
- rape-seed or soybean lecithin	- ca 0.5 %

(c) Quality composition of ready product:

- acidity not more than 9° SH
- Coli group bacteria absent in 0.01 gr.
- total number of microorganisms in 1 gr. not more than 250,000

(d) Technological operations:

Production of "MS-93" preparation includes following operations:

- consolidation of skimmed milk, whey and buttermilk up to 45-48 per cent of dry matter,
- dissolution of lecithin and Polfamix at the temperature of ca 40° C,
- binding of the mixture with fat components and Polfamix at the temperature of 70-75° C by intensive mixing in flow,
- drying and packaging.

B. Or, after its incorporation in compound or mixed stockfoods of a kind falling within item 23.09 of the Harmonized System.

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

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

English Standard Index Nos.

Lissamine green	44.090, 42.095, 44.025
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(b) Green B.S.	44.090
Cochineal	77.289
Brilliant blue/F.C.F.	42.090

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

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

- B. Or, after its incorporation in compound or mixed stockfoods of a kind falling within item 23.09 of the Harmonized System.

APPENDIX

Interpretative Statements

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

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

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

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

New Zealand has indicated that the annual quantities of its exports under paragraph 2 of Article 7 of the Annex should normally be of the order of 1 thousand metric tons and could, in exceptional circumstances, amount to some 2 thousand metric tons.