

ARTICLE III

*Minimum Price**Level and observance of minimum price*

1. Participants undertake to take the steps necessary to ensure that the export price of the product defined in Article II shall not be less than the minimum price applicable under the present Protocol. The participants shall take the steps necessary to avoid the circumvention of the price provisions of this Protocol if the product is exported in the form of goods in which it has been incorporated, or if because of its quality or fat content it differs from the pilot product defined in Article II.
2. The minimum price provided for in paragraph 1 of the present Article applicable at the date of entry into force of this Protocol is fixed at US\$68 per 100 kgs.
3. The level of the minimum price specified in the present article can be modified by the Management Committee established in terms of Article VII. However, any such modification may be decided upon only at the time when the question of extension of the duration of this Protocol is being considered in terms of paragraph 2 of Article VIII, or, at other times, only when an emergency situation is deemed to exist.

Adjustment of minimum price

4. If the product actually exported differs from the pilot product type with regard to packaging or terms of sale as specified in Article II, the minimum price shall be adjusted so as to protect the minimum price established in this Protocol for the product specified in Article II according to the following provisions:

Packaging: if the product is offered otherwise than in packages normally used in the trade of a net content by weight of not less than 25 kgs., or 50 lb., as appropriate, the application of the minimum price shall be adjusted so as to reflect the difference in the cost of packaging from the type of package specified above.

Terms of sale: if sold on terms other than f.o.b. from the exporting country or, for a land-locked country, f.o.b. from the maritime port of its choice or free at frontier exporting country, the minimum price shall be calculated on the basis of the minimum f.o.b. price specified in paragraph 2 above 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 rate.

Special conditions of sales

5. Participants undertake within the limit of their institutional possibilities to ensure that practices such as sales in association with sales of other products, special rebates or discounts, do not have the effect of directly or indirectly bringing the export price of the products subject to the minimum price provisions below the agreed minimum price.