

on the one hand, the results of the application of the Arrangement, and, on the other hand, the evolution of the situation of the international market.

Adjustment of minimum price

4. If the product actually exported differs from the pilot product type with regard to packaging or terms of sale, the minimum price shall be adjusted so as to protect the minimum price established in the Arrangement 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.

Exports for purposes of animal feed

5. By derogation from the provisions of paragraphs 1 to 4 of this Article participants may, under the conditions defined below, export or import, as the case may be, skimmed milk powder for purposes of animal feed at prices below the minimum price provided for in this Arrangement. The participants may make use of this possibility only to the extent that the processes and control measures, which they intend to apply or which will be applied in the country of destination, so as to ensure that the skimmed milk powder thus exported or imported is used exclusively for animal feed, are approved by the Management Committee and recorded in a register established by it. The participants shall furnish the necessary information concerning their transactions in respect of skimmed milk powder for the purposes of animal feed, so that the Management Committee may follow developments in this sector and periodically make forecasts concerning the evolution of this trade.

Special conditions of sales

6. Participants undertake within the limit of their institutional possibilities to ensure that practices such as 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 product subject to the minimum price provisions below the agreed minimum price.

Field of application

7. For each participant the Arrangement is applicable to exports of the product specified in Article II and in paragraph 4 of Article III manufactured or repacked inside its own customs territory, whether the destination is temporary or final.