

CCPC<sup>2</sup>

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Qz.05155

*mt*

Prime Minister  
It appears that  
France and New  
Zealand have solved  
the problems both of  
butter and of the two  
French  
agents  
in a  
satisfactory  
manner  
CDP  
2/7

NOTE FOR THE RECORD

NEW ZEALAND BUTTER

Mr Ted Woodfield called on me this evening at his request. He said that the result of the adjudication on the case of the two convicted French agents would be announced very shortly, possibly on 4 July. An agreement acceptable to the French and New Zealand governments had been reached. The adjudication would also refer briefly to the question of access for New Zealand butter. The New Zealand understanding was that, in order to be consistent with the other elements in the agreement, France would support figures of 77,000 and 75,000 tonnes for New Zealand's butter access to the United Kingdom market in 1987 and 1988 (ie the figures almost agreed in the last round of Community discussion) without other changes in the conditions (eg the calculation of the special levy). The New Zealand authorities had asked the Commission to consider favourably making a proposal in this sense and expected the French authorities to make a similar approach to the Commission. A further element was the increased readiness of New Zealand to establish more effective cooperation with the Commission than had been the case in recent years on the disposal of surplus stocks and on some correction of the excessively low prices in world markets.

I said only that the British Presidency would await the Commission's proposal before taking a view on the possible handling in the Agriculture Council.

*D F Williamson*

D F WILLIAMSON

1 July 1986

- cc: Mr Powell (10 Downing Street) —
- Mr Budd (FCO)
- Mr Llewelyn (MAFF)
- Mr Renwick (FCO)
- Mr Andrews (MAFF)
- Mr Stark
- Mr Mallaby
- Mr Holroyd

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