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## REGULATION (EEC) No 508/71 OF THE COUNCIL

of 8 March 1971

laying down general rules on private storage aid for long-keeping cheeses

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to Council Regulation (EEC) No 804/68<sup>1</sup> of 27 June 1968 on the common organisation of the market in milk and milk products, as last amended by Regulation (EEC) No 1253/70,<sup>2</sup> and in particular Article 9 (2) thereof;

Having regard to the proposal from the Commission;

Whereas Article 9 (1) of Regulation (EEC) No 804/68 provides that intervention measures may be taken, in years when they prove necessary, in respect of long-keeping cheeses, in order to support the market and that such measures shall usually take the form of aid for private storage;

Whereas the production of cheeses, the prices of which are bound within GATT, forms the principal use of milk in mountainous regions; whereas their production is subject to considerable seasonal fluctuations; whereas prices do not move in harmony with these fluctuations because of imports made at the prices bound within GATT at a level below the threshold price; whereas, in the absence of a sufficient seasonal price increase, there is not enough incentive to voluntary storage to stabilise the market in those cheeses over the year; whereas, to correct this situation and to avoid disturbance of the market, provision should be made for granting aid for private storage;

Whereas certain cheeses manufactured from sheep's milk and needing at least six months for maturing may, because of the long interval between production and sale, suffer a price imbalance that likewise makes aid for private storage necessary;

Whereas the Council must adopt general rules for the granting of aid; whereas these should relate only to cheeses which reach standards to be laid down; whereas the intervention agency is responsible for implementation of the provisions of this Regulation; whereas, to ensure uniformity of the system in the Community, the storage contract should be drawn up in accordance with Community provisions and there should be a uniform method of calculating the amount of aid according to the cost of storage;

Whereas private storage must contribute to the attainment of a balanced market; whereas Community rules should be provided to ensure the orderly functioning of this form of storage;

HAS ADOPTED THIS REGULATION:

*Article 1*

1. Private storage aid may be granted for certain long-keeping cheeses:
  - for which commitments under GATT have been entered into by the Community;
  - or
  - which are manufactured from sheep's milk and require at least six months for maturing,
 if for those cheeses price developments and the stock situation indicate a serious imbalance of the market which may be eliminated or reduced by seasonal storage.
2. To qualify for aid cheeses must reach standards to be laid down.

*Article 2*

The amount of aid shall be fixed with reference to storage costs and the balance to be maintained between cheeses for which aid is granted and other cheeses coming on the market.

<sup>1</sup> OJ No L 148, 28.6.1968, p. 13.

<sup>2</sup> OJ No L 143, 1.7.1970, p. 1.

*Article 3*

1. Implementation of this Regulation shall be the responsibility of the intervention agency of the Member State on the territory of which cheese, for which aid is granted, is stored.

2. Private storage aid shall be conditional on the conclusion of a storage contract with the intervention agency. Such contract shall be drawn up in accordance with provisions to be laid down.

The intervention agency shall conclude contracts with any interested party capable of fulfilling the terms of the contract.

*Article 4*

1. The storage contract shall set out:

- (a) the quantity of cheese to which the contract relates;
- (b) the amount of aid;
- (c) the dates relating to the performance of the contract, taking into account the provisions of paragraphs 2 and 3;

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

Done at Brussels, 8 March 1971.

(d) conditions, to be laid down, as to the minimum quantity of cheese per lot;

(e) inspection measures which shall relate, in particular, to the nature of the stocks and whether the quantities stored agree with the quantities declared.

2. Should the situation of the Community market so require, the intervention agency may be authorised to remarket some or all of the stored cheeses.

3. If, at the time the storage contract expires, the level of market prices for cheeses in store is higher than that prevailing when the contract was signed, a decision may be taken to adjust the amount of aid accordingly.

*Article 5*

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

*For the Council*

*The President*

M. COINTAT