

ANNEX II

OBLIGATIONS OF THE PAYING AGENCIES AND PHYSICAL INSPECTION PROCEDURES

(Article 3)

[^{F1}ZA.APPLICATION

This Annex does not apply in relation to public intervention schemes in England, otherwise than in connection with exceptional market conditions which are the subject of a declaration under section 20 of the Agriculture Act 2020.]

A. OBLIGATIONS OF THE PAYING AGENCIES

I. Checks

1. *Frequency and representativeness*

Each storage point shall be inspected at least once every year in accordance with the rules set out in point B, to ascertain in particular:

- the procedure for collecting information on public storage;
- whether the accounting data held on the spot by the storer tallies with the information sent to the paying agency;
- the physical presence in the store of the quantities mentioned in the storer's accounting records and which served as a basis for the latest monthly statement provided by the storer, assessed visually or, in case of doubt or dispute, by weighing or measuring;
- the sound, fair and marketable quality of the products stored.

Physical presence shall be established by a sufficiently representative physical inspection, covering at least the percentages set out in point B and making it possible to conclude that the entire quantities listed in the stock accounts are actually present.

Checks on quality shall comprise visual, olfactory and/or organoleptic checks and, if there are any doubts, in-depth analyses.

2. *Additional checks*

If an anomaly is detected during the physical inspection, a further percentage of the quantities in intervention storage shall be inspected using the same method. If necessary, inspection may extend to weighing all the products in the lot or store being inspected.

II. **Inspection reports**

1. The internal inspection body of the paying agency or the body authorised by the latter shall draw up a report on each of the checks or physical inspections carried out.
2. The report shall contain at least the following information:
 - (a) the name of the storer, the address of the store visited and the description of the lots inspected;
 - (b) the date and time when the inspection began and ended;
 - (c) the place where the inspection took place and a description of the conditions of storage, packaging and accessibility;
 - (d) the full identity of the persons conducting the inspection, their status and the terms of their authorisation;

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Changes to legislation: There are currently no known outstanding effects for the Commission Delegated Regulation (EU) No 907/2014, ANNEX II. (See end of Document for details)

- (e) the inspection measures undertaken and procedures used to establish volume, such as measuring methods, calculations, interim and final results, and the conclusions drawn;
 - (f) for each lot or quality stored, the quantity in the paying agency's books, the quantity in the store's books and any discrepancies between the two sets of books;
 - (g) for each lot or quality physically inspected, the information referred to in point (f) and the quantity verified on the spot and any discrepancies, the lot or quality number, the pallets, boxes, silos, vats or other receptacles involved and the weight (both net and gross if appropriate) or volume;
 - (h) the statements made by the storer where there are discrepancies or differences;
 - (i) the place, date and signature of the person drawing up the report and of the storer or representative;
 - (j) any extended inspection conducted in the case of anomalies, specifying the percentage of the stored quantities covered by the extended inspection, discrepancies found and explanations given.
3. The reports shall be sent immediately to the head of the department responsible for keeping the accounts of the paying agency.

Immediately after receipt of the report, the paying agency's accounts shall be corrected in the light of the discrepancies and differences detected.

4. The reports shall be kept at the head office of the paying agency ^{F2}....

Textual Amendments

F2 Words in Annex 2 Section A(2) para. 4 omitted (31.12.2020 insofar as relates to common organisation of the markets and rural development measures) by virtue of [The Common Agricultural Policy \(Financing, Management and Monitoring Supplementary Provisions\) \(Miscellaneous Amendments\) \(EU Exit\) Regulations 2019 \(S.I. 2019/765\)](#), regs. 1, **3(26)(i) (aa)**; 2020 c. 1, **Sch. 5 para. 1(1)**

5. A summary document shall be drawn up by the paying agency listing:
- the checks carried out, clearly indicating which are physical inspections (inventory checks),
 - the quantities checked,
 - the anomalies detected in relation to the monthly and annual statements, and the reasons for those anomalies.

The quantities checked and the anomalies detected shall be indicated for each product concerned, in terms of weight or volume and as a percentage of the total quantities held.

This summary document shall list separately the checks to verify the quality of the products stored. ^{F3}...

Textual Amendments

F3 Words in Annex 2 Section A(2) para. 5 omitted (31.12.2020 insofar as relates to common organisation of the markets and rural development measures) by virtue of [The Common Agricultural Policy \(Financing,](#)

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Management and Monitoring Supplementary Provisions) (Miscellaneous Amendments) (EU Exit) Regulations 2019 (S.I. 2019/765), regs. 1, **3(26)(i)(aa)**; 2020 c. 1, **Sch. 5 para. 1(1)**

B. PHYSICAL INSPECTION PROCEDURE BY SECTOR OF [F⁴AGRICULTURAL SUPPORT] FOR THE CHECKS PROVIDED FOR IN POINT A

I. Butter

1. The sample of the lots to be checked shall represent at least 5 % of the total quantity in public storage. The lots to be checked shall be selected prior to the visit to the store on the basis of the paying agency's accounting data, but the storer shall not be informed.
2. The presence of the lots selected and their composition shall be verified on the spot by:
 - identifying the control numbers of the lots and boxes on the basis of purchase or entry notes,
 - weighing the pallets (one in 10) and the boxes (one per pallet),
 - visually checking the contents of a box (one in five pallets),
 - checking the condition of the packaging.
3. A description of the lots physically inspected and any shortcomings noted shall be included in the inspection report.

II. Skimmed-milk powder

1. The sample of the lots to be checked shall represent at least 5 % of the quantity in public storage. The lots to be checked shall be selected prior to the visit to the store on the basis of the paying agency's accounting data, but the storer shall not be informed.
2. The presence of the lots selected and their composition shall be verified on the spot by:
 - identifying the control numbers of the lots and bags on the basis of purchase or entry notes,
 - weighing the pallets (one in 10) and bags (one in 10),
 - visually checking the contents of a bag (one in five pallets),
 - checking the condition of the packaging.
3. A description of the lots physically inspected and any shortcomings noted shall be included in the inspection report.

III. Cereals and Rice

1. *Physical inspection procedure*
 - (a) Selection of bins or storerooms to be checked, representing at least 5 % of the total quantity of cereals or rice in public storage.

Selection shall be based on the paying agency's stock records, but the storer shall not be informed.

- (b) Physical inspection:
 - verification of the presence of cereals or rice in the selected bins or storerooms,
 - identification of the cereals or rice,
 - inspection of storage conditions and check on the quality of the products stored in the conditions provided for in Regulation (EU) No 1272/2009⁽¹⁾,
 - comparison of the place of storage and identity of the cereals or rice with the store's records,

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- evaluation of the quantities stored by a method previously approved by the paying agency, a description of which shall be lodged at its head office.
- (c) A plan of the warehouse and the measurements for each silo or storeroom shall be available at each storage point.

The cereals or rice shall be stored in such a way that their volume may be verified.

2. Procedure where discrepancies are found

Some tolerance is permitted when verifying the volume.

The rules laid down in Annex III, point II shall thus apply where the weight of the products stored as recorded during the physical inspection differs from the book weight by 5 % or more for cereals and for rice in the case of storage in silos or on-floor storage.

Where cereals or rice are stored in a warehouse, the quantities weighed on entry into storage may be recorded instead of those resulting from a volume assessment if the latter does not provide an adequate degree of accuracy and provided the difference between the two figures is not excessive.

The paying agency shall make use of this option where justified by circumstances, on a case-by-case basis and on its own responsibility. It shall indicate that it has done so in its inspection report, based on the following model:

(INDICATIVE MODEL)

CEREALS — STOCK INSPECTION

Product:	Storer: Store, silo:Cell number:	Date:
Lot	Quantity stated in stock accounts	

A.

STOCKS IN SILO

Chamber No	Volume stated in specification m³ (A)	Free volume recorded m³ (B)	Volume of stored cereals m³ (A-B)	Specific gravity recorded kg/hl = 100	Weight of cereals or rice

Total (A): ...

B.

STOCKS IN ON-FLOOR STORAGE

	Storeroom No		Storeroom No		Storeroom No	
Area coveredm ²m ²m ²	...
Height m ³ m ³ m ³
	...m m m	...

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Corrections m ³	... m ³	... m ³
Volume m ³	... m ³	... m ³
Specific gravity kg/hl	... kg/hl	... kg/hl
Total weight	... tonnes	... tonnes	... tonnes

Total (B): ...

Total weight in the store: ...

Difference from book weight: ...

In %: ...

..., [date]

... (Stamp and signature)

Paying agency inspector:

IV. **Beef And Veal**

1. The sample of the lots to be checked shall represent at least 5 % of the total quantity in public storage. The lots to be checked shall be selected prior to the visit to the store on the basis of the paying agency's accounting data, but the storer shall not be informed.
2. In the case of boned meat, the presence of the lots selected and their composition shall be verified on the spot by:
 - identifying the lots and pallets and verifying the number of boxes,
 - checking the weight of 10 % of the pallets or containers,
 - checking the weight of 10 % of the boxes from each pallet weighed,
 - visually checking the contents of the boxes and the condition of the packaging in each box.

The pallets shall be chosen having regard to the different cuts in store.

3. A description of the lots physically inspected and any shortcomings noted shall be included in the inspection report.

Textual Amendments

F4 Words in Annex 2 Section B title substituted (31.12.2020 insofar as relates to common organisation of the markets and rural development measures) by [The Common Agricultural Policy \(Financing, Management and Monitoring Supplementary Provisions\) \(Miscellaneous Amendments\) \(EU Exit\) Regulations 2019 \(S.I. 2019/765\)](#), regs. 1, **3(26)(b)**; 2020 c. 1, Sch. 5 para. 1(1)

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- (1) Commission Regulation (EU) No 1272/2009 of 11 December 2009 laying down common detailed rules for the implementation of Council Regulation (EC) No 1234/2007 as regards buying-in and selling of agricultural products under public intervention ([OJ L 349, 29.12.2009, p. 1](#)).

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