

**COMMISSION IMPLEMENTING REGULATION (EU) 2016/1240****of 18 May 2016****laying down rules for the application of Regulation (EU) No 1308/2013 of the European Parliament and of the Council with regard to public intervention and aid for private storage****(Text with EEA relevance)**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007 <sup>(1)</sup>, and in particular Article 20(a), (b), (d), (e), (i), (j), (k), (l), (m), (n) and (o), and Article 223(3)(a), (b) and (c) thereof,

Having regard to Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008 <sup>(2)</sup>, and in particular Article 62(2)(a), (b), (c) and (i), and Article 64(7)(a) thereof,

Having regard to Council Regulation (EU) No 1370/2013 of 16 December 2013 determining measures on fixing certain aids and refunds related to the common organisation of the markets in agricultural products <sup>(3)</sup>, and in particular Article 2(3) and Article 3(4) thereof,

Whereas:

- (1) Regulation (EU) No 1308/2013 replaced Council Regulation (EC) No 1234/2007 <sup>(4)</sup> and lays down new rules regarding public intervention and aid for private storage. It also empowers the Commission to adopt delegated and implementing acts in that respect. In order to ensure the smooth functioning of the public intervention and aid for private storage schemes in the new legal framework, certain rules have to be adopted by means of such acts. Those acts should replace Commission Regulations (EEC) No 3427/87 <sup>(5)</sup>, (EEC) No 2351/91 <sup>(6)</sup>, (EC) No 720/2008 <sup>(7)</sup>, (EC) No 826/2008 <sup>(8)</sup>, (EC) No 1130/2009 <sup>(9)</sup> and (EU) No 1272/2009 <sup>(10)</sup>. Those Regulations are repealed by Commission Delegated Regulation (EU) 2016/1238 <sup>(11)</sup>.
- (2) Article 11 of Regulation (EU) No 1308/2013 provides that public intervention applies in respect of common wheat, durum wheat, barley, maize, paddy rice, fresh or chilled meat of the beef and veal sector, butter and skimmed milk powder in accordance with the conditions set out in that Regulation.

<sup>(1)</sup> OJ L 347, 20.12.2013, p. 671.

<sup>(2)</sup> OJ L 347, 20.12.2013, p. 549.

<sup>(3)</sup> OJ L 346, 20.12.2013, p. 12.

<sup>(4)</sup> Council Regulation (EC) No 1234/2007 of 22 October 2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation) (OJ L 299, 16.11.2007, p. 1).

<sup>(5)</sup> Commission Regulation (EEC) No 3427/87 of 16 November 1987 laying down detailed rules for intervention on the market in rice (OJ L 326, 17.11.1987, p. 25).

<sup>(6)</sup> Commission Regulation (EEC) No 2351/91 of 30 July 1991 laying down detailed rules applicable on the purchase of rice held by an intervention agency for the supply of food aid (OJ L 214, 2.8.1991, p. 51).

<sup>(7)</sup> Commission Regulation (EC) No 720/2008 of 25 July 2008 laying down common detailed rules for the application of Council Regulation (EC) No 1234/2007 as regards the storage and movement of products bought in by a paying agency or an intervention agency (OJ L 198, 26.7.2008, p. 17).

<sup>(8)</sup> Commission Regulation (EC) No 826/2008 of 20 August 2008 laying down common rules for the granting of private storage aid for certain agricultural products (OJ L 223, 21.8.2008, p. 3).

<sup>(9)</sup> Commission Regulation (EC) No 1130/2009 of 24 November 2009 laying down common detailed rules for verifying the use and/or destination of products from intervention (OJ L 310, 25.11.2009, p. 5).

<sup>(10)</sup> 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).

<sup>(11)</sup> Commission Delegated Regulation (EU) 2016/1238 of 18 May 2016 supplementing Regulation (EU) No 1308/2013 of the European Parliament and of the Council with regard to public intervention and aid for private storage (see page 15 of this Official Journal).

- (3) Article 17 of Regulation (EU) No 1308/2013 provides that aid for private storage may be granted in respect of white sugar, olive oil, flax fibre, fresh or chilled meat of bovine animals aged eight months or more, butter, cheese, skimmed milk powder, pigmeat, and sheepmeat and goatmeat in accordance with the conditions set out in that Regulation.
- (4) Regulation (EU) No 1370/2013 lays down rules concerning public intervention prices, quantitative limitations for buying-in into public intervention and the establishment of the amount of aid for private storage.
- (5) In order to simplify and improve the effectiveness of the management and control mechanisms related to the public intervention and aid for private storage schemes, common rules for all the products listed in Articles 11 and 17 of Regulation (EU) No 1308/2013 should respectively be laid down.
- (6) In accordance with Article 13(1) of Regulation (EU) No 1308/2013, the Commission may decide that buying in of durum wheat, barley, maize and paddy rice is to take place if the market situation so requires. Public intervention may also be opened for beef if the average market price is over a representative period below 85 % of the reference threshold set out in Article 7(1) of Regulation (EU) No 1308/2013. In such cases buying-in takes place by means of tendering procedures.
- (7) In accordance with Article 4(1) of Regulation (EU) No 1370/2013, the Commission may establish the amount of aid for private storage for the products listed in Article 17 of Regulation (EU) No 1308/2013 either by a tendering procedure or by fixing the aid in advance.
- (8) To make the public intervention and aid for private storage schemes work efficiently, the operators should use the method made available by the paying agency with regard to the procedure for submitting offers, tenders and applications.
- (9) In order to ensure proper management of the schemes, rules should be established on intervention at a fixed price, the tendering procedures for buying-in into intervention, sales from intervention or establishing the maximum amount of aid for private storage, and the aid for private storage fixed in advance as well as the submission and admissibility of tenders, offers and applications.
- (10) In order to improve the efficiency of the way public intervention operates, by discontinuing the use of small storage facilities which may be spread throughout a region, a minimum capacity of storage should be fixed for the intervention storage places, but should not be applicable in case where a storage place has ready access to a river, sea or railway connection.
- (11) Since products covered by the public intervention and aid for private storage schemes have a different nature as to production or harvest time and storage requirements, specific conditions concerning their eligibility should be provided for.
- (12) For a sound management of the public intervention and aid for private storage schemes, it is necessary to fix a minimum quantity below which the paying agency cannot accept an offer or a tender, both for buying-in and sales, or decide whether to fix or not the maximum amount of aid for private storage. However, if the conditions and practices of the wholesale trade or environmental rules in force in a Member State justify the application of minimum quantities larger than those laid down in this Regulation, the paying agency concerned should be entitled to require such larger minimum quantities for buying-in at fixed price.
- (13) In order to guarantee the seriousness of the offer or tender for intervention and to ensure that the measure will have its desired effect on the market, both in the case of intervention at fixed price and in the case of a tendering procedure, the level of the security should be established.
- (14) To ensure an effective management of the public intervention scheme, notifications on submitted offers and tenders should be provided for between Member States and the Commission. Measures should be introduced to respect the quantitative limitations fixed in Article 3 of Regulation (EU) No 1370/2013.
- (15) On the basis of the offers and tenders received a maximum buying-in price or a maximum amount of aid for private storage may be fixed. However, situations might arise on the market in which economic or other aspects make it necessary not to fix such a price or aid and to reject all the tenders received.

- (16) In order to guarantee a clear and effective functioning of the public intervention scheme, it is necessary to lay down the general rules concerning the issuance of the delivery order and the delivery of the products to the storage place designated by the paying agency. In addition, given the specificities of the sectors of cereals and rice as well as beef and butter and skimmed milk powder, it is necessary to lay down specific rules for those sectors.
- (17) With a view to the proper management of intervention stocks in storage and given the specificities of the sectors of cereals and rice, the obligations of the Member States should be specified as regards the maximum distance to the place of storage and the costs to be borne when this distance is exceeded.
- (18) In order to apply the common rules of Commission Delegated Regulation (EU) No 907/2014 <sup>(1)</sup>, it is appropriate to provide that the checks on products during storage have to be carried out as laid down in Article 3 of that Regulation. A takeover record should be issued on the basis of those checks and analyses.
- (19) In order to ensure good quality of products stored under public intervention, in case the products do not fulfil the applicable eligibility requirements, it should be provided for an obligation of the operator to take back the products and bear all the costs during the period the products have been stored in the storage places.
- (20) Where deboning is required for beef, it is necessary to lay down special rules for that sector to complement the general ones.
- (21) Rules should be established for payments, subject to price adjustment related to the quality of the product or to the location of the storage place. In order to give the operators the time to adapt to the new public intervention scheme, some conditions relating to price adjustment with regard to cereals should be applicable only from the start of the 2017/18 marketing year.
- (22) In order to give the necessary information on the characteristics of the products and on the site where they are stored, notices of invitation to tender should be drawn up and published by the paying agency holding intervention stocks available for sale. To this end, it should be provided for that a reasonable time period should elapse between the date of such publication and the first closing date for the submission of tenders.
- (23) On the basis of the tenders and of the situation on the Union market, the Commission should decide to fix or not a minimum intervention selling price. According to that decision, the paying agencies will accept or reject the tenders on products available for sale. Specific rules should be adopted for the allocation of beef, butter and skimmed milk powder.
- (24) In order to facilitate the sale of small quantities remaining in storage places in a Member State and to assure a sound management of the system, it is appropriate to provide that the paying agency, under its own responsibility, is entitled to open the tendering procedure for the resale of such quantities of intervention products, by applying *mutatis mutandis* the rules laid down in respect of tendering procedures opened by the Union, with a view to ensure equal access for all parties concerned. For the same reasons the paying agency should be authorised to put up for direct sale quantities which after checking by visual examination in the context of the annual stocktaking or during the inspection after taking into intervention may no longer be repackaged or are deteriorated.
- (25) To ensure that the aid for private storage scheme can be monitored properly, the information needed to conclude the storage contract should be specified as well as the obligations of the contracting parties and the conditions for placing into storage, in particular those enabling the competent authority responsible for checking storage operations to make an effective inspection of the storage conditions. The rules with regard to the contractual storage period should also be defined.
- (26) In order to ensure an efficient functioning of the aid for private storage scheme, it is necessary to lay down the general rules concerning the removal of the products from storage and the payment of aid for private storage. For butter and skimmed milk powder, given the specific nature of these products, special rules are necessary to complement the general ones.

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<sup>(1)</sup> Commission Delegated Regulation (EU) No 907/2014 of 11 March 2014 supplementing Regulation (EU) No 1306/2013 of the European Parliament and of the Council with regard to paying agencies and other bodies, financial management, clearance of accounts, securities and use of euro (OJ L 255, 28.8.2014, p. 18).

- (27) When the amount of aid for private storage is fixed in advance, it is appropriate to provide for a reflection period in order to allow the market situation to be assessed before decisions on applications for aid are notified. Furthermore, where appropriate, provisions should be made for special measures applying in particular to pending applications to prevent excessive or speculative use of the private storage scheme. Such measures require swift action and the Commission should be empowered to act without applying the procedure referred to in Article 229(2) or (3) of Regulation (EU) No 1308/2013 and to take all necessary measures without delay.
- (28) To protect the Union's financial interests, adequate control measures should be adopted to combat irregularities and fraud. These control measures should involve full administrative checking supplemented by on-the-spot checks. The scope, content, timing and reporting of such control measures should be specified so as to ensure an equitable and uniform approach between Member States.
- (29) Amounts unduly paid should be recovered in accordance with Commission Implementing Regulation (EU) No 908/2014 <sup>(1)</sup>.
- (30) For an effective management of the public intervention and aid for private storage schemes, it is necessary to provide that the Member States inform the Commission periodically of the situation of stocks, of the products entering and leaving storage places and of the situation regarding prices and production for the products listed in Articles 11 and 17 of Regulation (EU) No 1308/2013.
- (31) The measures provided for in this Regulation are in accordance with the opinion of the Committee for the Common Organisation of the Agricultural Markets,

HAS ADOPTED THIS REGULATION:

#### TITLE I

### GENERAL PROVISIONS

#### CHAPTER I

#### *Introductory provision*

#### *Article 1*

#### **Scope**

1. This Regulation lays down rules for the application of Regulation (EU) No 1308/2013 and Regulation (EU) No 1370/2013 as regards:
- (a) the buying-in and selling from public intervention of products listed in Article 11 of Regulation (EU) No 1308/2013;
  - (b) the granting of aid for private storage for products listed in Article 17 of Regulation (EU) No 1308/2013.
2. This Regulation shall apply without prejudice to specific provisions laid down in Implementing Regulations:
- (a) opening a tendering procedure for buying-in of products or opening the sale of products from intervention; or
  - (b) opening a tendering procedure or fixing the amount of aid for private storage in advance.

<sup>(1)</sup> Commission Implementing Regulation (EU) No 908/2014 of 6 August 2014 laying down rules for the application of Regulation (EU) No 1306/2013 of the European Parliament and of the Council with regard to paying agencies and other bodies, financial management, clearance of accounts, rules on checks, securities and transparency (OJ L 255, 28.8.2014, p. 59).

## CHAPTER II

**General common rules**

## Article 2

**Submission and admissibility of offers, tenders and applications**

1. Operators shall lodge offers and tenders for public intervention as well as tenders and applications for aid for private storage using the method made available by the paying agency of the Member State concerned.
2. An offer, tender or application shall be admissible if it is submitted in the official language or one of the official languages of the Member State in which the offer, tender or application is submitted, and shall include, on a form made available by the paying agency, at least the following information:
  - (a) the operator's name, address and VAT registration number in the Member State where the operator carries out his main activity;
  - (b) the product, or type of product, covered with its relevant CN code, if applicable;
  - (c) the quantity offered, tendered or applied for, subject to the minimum quantities laid down in Article 5, if applicable.
3. The offer, tender or application shall not include any additional conditions introduced by the operator other than those laid down in this Regulation or in the relevant Implementing Regulation opening the tendering procedure or fixing the amount of aid for private storage in advance.
4. Where the time limit for the submission of offers, tenders or applications is a public holiday, the offers, tenders or applications shall be submitted at the latest on the last working day preceding the public holiday.
5. Offers, tenders or applications submitted on a Saturday, Sunday or public holiday shall be deemed to be received by the paying agency on the first working day following the day on which they were submitted.
6. Offers, tenders or applications shall not be withdrawn or amended after their submission.
7. The paying agency shall register the admissible offers, tenders or applications and the quantities concerned on the day on which they are received.
8. The rights and obligations resulting from the acceptance of the offer, tender or application shall not be transferable.

## TITLE II

**PUBLIC INTERVENTION**

## CHAPTER I

**Specific rules related to public intervention**

## Article 3

**Intervention storage places**

1. Each intervention storage place ('storage place') shall have a minimum storage capacity of:
  - (a) for cereals: 5 000 tonnes, 7 500 tonnes from the public intervention period 2017/18, 10 000 tonnes from the 2018/19 period, 15 000 tonnes from the 2019/20 period;

- (b) for rice: 5 000 tonnes, 7 500 tonnes from the public intervention period 2017/18, 10 000 tonnes from the 2018/19 period;
- (c) for butter and skimmed milk powder: 400 tonnes, 600 tonnes from the 2017 public intervention period, 800 tonnes from the 2018 period.

Member States with an average annual production of cereals of less than 20 million tonnes may continue to apply from the 2019/20 period a minimum storage capacity of 10 000 tonnes.

2. For the purposes of this Article, the 'minimum storage capacity' means a minimum capacity which may not be available permanently, but is readily achievable during the period when buying-in might take place.

3. A paying agency may derogate from paragraph 1 only where it demonstrates that the minimum storage capacity specified in that paragraph is not available and where the replacement storage places have ready access to a river, a sea or a railway connection.

#### Article 4

### Establishing the eligibility of products

1. The eligibility of products for public intervention shall be established in accordance with the methods laid down in the following provisions:

- (a) for cereals: in Parts I, II, III and IV of Annex I;
- (b) for rice: in Part I of Annex II;
- (c) for beef: in Part I of Annex III;
- (d) for butter: in Part I of Annex IV to this Regulation and in Commission Regulation (EC) No 273/2008 <sup>(1)</sup>;
- (e) for skimmed milk powder: in Part I of Annex V to this Regulation and in Regulation (EC) No 273/2008.

2. The methods to be used to determine the quality of cereals for public intervention referred to in Annex I shall be those established by the latest versions of the relevant European or international standards, as the case may be, in force on the first day of each marketing year.

#### CHAPTER II

### Buying-in of products into intervention

#### Section 1

### General provisions

#### Article 5

### Minimum quantities of products offered or tendered

1. The minimum quantity of products offered or tendered for buying-in shall be:

- (a) for common wheat, barley and maize: 160 tonnes;

<sup>(1)</sup> Commission Regulation (EC) No 273/2008 of 5 March 2008 laying down detailed rules for the application of Council Regulation (EC) No 1255/1999 as regards methods for the analysis and quality evaluation of milk and milk products (OJ L 88, 29.3.2008, p. 1).

- (b) for durum wheat: 20 tonnes;
- (c) for rice: 40 tonnes;
- (d) for beef: 20 tonnes;
- (e) for butter: 30 tonnes;
- (f) for skimmed milk powder: 30 tonnes.

Member States with an average annual production of cereals of less than 20 million tonnes may decide to apply a minimum quantity of 120 tonnes for common wheat, barley and maize.

2. A paying agency may set a minimum quantity higher than that provided for in paragraph 1 if justified by the conditions and practices of the wholesale trade or environmental rules in force in the Member State concerned.

#### *Article 6*

##### **Level of the security for buying-in of products**

The level of the security required in accordance with Article 4(a) of Delegated Regulation (EU) 2016/1238 when submitting an offer or tender for the buying-in of products into public intervention shall be:

- (a) for cereals: EUR 20/tonne;
- (b) for rice: EUR 30/tonne;
- (c) for beef: EUR 300/tonne;
- (d) for butter: EUR 50/tonne;
- (e) for skimmed milk powder: EUR 50/tonne.

#### *Article 7*

##### **Submission and admissibility of offers and tenders**

1. An offer or tender shall be admissible if it complies with the requirements laid down in Article 2 and, in the case of a tendering procedure, in the Implementing Regulation opening the tendering procedure referred to in Article 12. It shall also meet the following conditions:

- (a) it includes at least the following information:
  - (i) for rice, an indication of the type and variety;
  - (ii) except for beef, the place where the product is held at the time of the offer or tender;
  - (iii) for cereals and rice, the storage place for which the offer or tender is made;
  - (iv) for cereals and rice, the year of harvest and the area or areas of production in the Union;
  - (v) for butter and skimmed milk powder, the date of production;
  - (vi) for butter and skimmed milk powder, the name and approval number of the approved undertaking in which it was produced;
- (b) the operator has lodged a security in accordance with Article 4(a) of Delegated Regulation (EU) 2016/1238;

- (c) for cereals and rice, the operator has declared:
- (i) that the products are of Union origin;
  - (ii) that the offer or tender refers to a homogeneous lot which, for rice, must comprise paddy rice of the same variety;
  - (iii) whether any post-harvest treatment has been carried out or not, and, where appropriate, the name of the product used, that it has been applied in conformity with the conditions of use, and that the product is authorised under Regulation (EC) No 1107/2009 of the European Parliament and of the Council <sup>(1)</sup>.
2. For products other than beef, the operator may request on the form referred to in Article 2(2) that the product be taken over at the storage place where it is held at the time the offer or tender is submitted provided that the storage place fulfils the requirements laid down in Article 7(1) of Delegated Regulation (EU) 2016/1238 and in Article 3 of this Regulation.

#### Article 8

### Verification of offers and tenders by the paying agency

1. The paying agencies shall decide on the admissibility of offers and tenders on the basis of the requirements laid down in Articles 2 and 7.

Where the paying agency decides that an offer or tender is inadmissible, it shall inform the operator concerned within three working days of the receipt of the offer or tender. For offers, if the operator does not receive such information, the offer is considered as being admissible.

2. As regards cereals and rice, the declarations referred to in Article 7(1)(c) may be checked for compliance by administrative means after the paying agency has verified that the offers or tenders are admissible, if necessary with the assistance of the paying agency competent for the storage place indicated by the operator, in accordance with Article 57(2).

#### Article 9

### Notifications of offers and tenders to the Commission

1. Member States shall notify the Commission of all admissible offers and tenders within the following time limits:
- (a) in the case of offers, notifications shall be submitted not later than 12.00 (Brussels time) each Tuesday and shall relate to the quantities of the products which, during the preceding week, have been the subject of an admissible offer, and of the related information.

When the quantities offered approach the limits fixed in Article 3(1) of Regulation (EU) No 1370/2013, the Commission shall inform Member States as of which date they shall notify the Commission on each working day.

As from that date, Member States shall notify the Commission, not later than 14.00 (Brussels time) each working day, of the quantities offered for intervention during the preceding working day.

- (b) in the case of tenders, the time limits laid down in the Implementing Regulation opening the tendering procedure shall apply.
2. The notifications provided for in points (a) and (b) of paragraph 1 shall not contain the operator's name, address and VAT registration number and, in the case of butter and skimmed milk powder, the name and approval number of the approved undertaking.

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<sup>(1)</sup> Regulation (EC) No 1107/2009 of the European Parliament and of the Council of 21 October 2009 concerning the placing of plant protection products on the market and repealing Council Directives 79/117/EEC and 91/414/EEC (OJ L 309, 24.11.2009, p. 1).



3. Where a Member State does not notify the Commission of an admissible offer or tender within the time limits referred to in points (a) and (b) of paragraph 1, it shall be deemed to have notified the Commission of a nil return.

## Section 2

### **Buying-in at fixed price**

#### *Article 10*

#### **Submission of offers for buying-in of common wheat, butter and skimmed milk powder at fixed price**

Offers may be submitted to the paying agency from the beginning of the public intervention periods laid down in Article 12 of Regulation (EU) No 1308/2013.

#### *Article 11*

#### **Measures for respecting the quantitative limitations**

1. In order to comply with the quantitative limitations fixed in Article 3(1) of Regulation (EU) No 1370/2013, the Commission shall decide as provided for in Article 3(6)(a) of that Regulation:

- (a) to close intervention buying-in at fixed price;
- (b) where acceptance of the full quantity offered would lead to the maximum quantity being exceeded, to set an allocation coefficient applicable to the total quantity in the offers received and notified to the Commission from each operator on the day of the decision;
- (c) where appropriate, to reject pending offers submitted to the paying agencies of the Member States.

The Commission shall decide within two working days of the notification referred to in the first subparagraph of point (a) of Article 9(1), and within five working days of the notification referred to in the third subparagraph of point (a) of Article 9(1).

For the purposes of this Article, when a date of notification is a public holiday for the Commission the counting of the deadline shall start on the first working day after that public holiday. If such public holidays are included in the time period for the Commission's decision, only working days shall be counted.

2. By way of derogation from Article 2(6), an operator to whom an allocation coefficient as referred to in point (b) of paragraph 1 applies may withdraw his offer within five working days of the date of entry into force of the decision setting the allocation coefficient.

## Section 3

### **Buying-in via a tendering procedure**

#### *Article 12*

#### **Tendering procedure**

1. A tendering procedure for the buying-in of products referred to in Article 11 of Regulation (EU) No 1308/2013 shall be opened by way of an Implementing Regulation opening the tendering procedure, which shall contain, in particular, the following information:

- (a) the products covered, and:
  - (i) for rice, an indication of the type and variety;
  - (ii) for beef, whether the tender is for the bought-in carcasses to be deboned or for storage without deboning;

(b) the period covered ('tendering period') and, if necessary, the different sub-periods during which the tenders can be submitted.

2. The Commission may open a tendering procedure for buying-in of beef by category and Member State, or region thereof, as provided for in Article 13(1)(c) of Regulation (EU) No 1308/2013, on the basis of the two most recent weekly market prices recorded. The Commission may close that tendering procedure, as provided for in Article 13(2) of that Regulation, on the basis of the most recent weekly market prices recorded.

3. If the Commission opens a restricted tendering procedure as referred to in Article 3(3) of Regulation (EU) No 1370/2013, the Implementing Regulation opening that procedure shall refer to the specific Member State or region(s) of a Member State covered by the tendering procedure.

4. With regard to rice, the tendering procedure may be restricted to specific varieties or one or more types of paddy rice, namely 'round grain rice', 'medium grain rice', 'long grain rice A' or 'long grain rice B', as defined in points (a), (b) or (c) of point I.2 of Part I of Annex II to Regulation (EU) No 1308/2013.

5. With regard to beef, the following rules shall apply:

(a) the average market price by eligible category in a Member State or in a region thereof shall take account of the prices for qualities U, R and O, expressed in quality R3 using the conversion coefficients set out in Part II of Annex III in the Member State or the intervention region concerned;

(b) the average market prices shall be recorded in accordance with Commission Regulation (EC) No 1249/2008 <sup>(1)</sup>;

(c) the average market price by eligible category in a Member State or a region thereof shall be the average of the market prices for all the qualities referred to in point (b), weighted by the proportion each quality represents in the total number of slaughterings in that Member State or region.

The United Kingdom shall consist of two intervention regions as follows:

(i) region I: Great Britain;

(ii) region II: Northern Ireland.

#### Article 13

### Submission and admissibility of tenders

1. In addition to the general conditions laid down in Articles 2 and 7, a tender shall only be admissible if it indicates a proposed price in euro per unit of measurement of the product rounded to no more than two decimal places, exclusive of VAT.

In the case of cereals and rice, the price tendered per tonne of products shall be a price corresponding to the minimum quality for cereals defined in Part II of Annex I to Delegated Regulation (EU) 2016/1238 or to the standard quality for rice defined in Section A of Annex III to Regulation (EU) No 1308/2013, delivered to the storage place, not unloaded.

In the case of butter and skimmed milk powder, the tendered price shall be the price per 100 kg of products delivered to the loading bay of the storage place.

In the case of beef, tenders shall state the price quoted in accordance with Article 12(5)(a), expressed per tonne of products of quality R3, and if it relates to bone-in meat intended for deboning, or for storage without deboning.

2. Without prejudice to Article 15(2) of this Regulation, the price tendered shall not exceed the level of the public intervention price set out in Article 2(1) of Regulation (EU) No 1370/2013.

<sup>(1)</sup> Commission Regulation (EC) No 1249/2008 of 10 December 2008 laying down detailed rules on the implementation of the Community scales for the classification of beef, pig and sheep carcasses and the reporting of prices thereof (OJ L 337, 16.12.2008, p. 3).

*Article 14***Decisions on the buying-in price**

1. On the basis of the tenders notified in accordance with Article 9, the Commission shall decide:
  - (a) not to fix a maximum buying-in price; or
  - (b) to fix a maximum buying-in price.
2. The decision referred to in paragraph 1 shall be published in the *Official Journal of the European Union*.

*Article 15***Individual decisions on tenders**

1. Where no maximum buying-in price has been fixed, all tenders shall be rejected.
2. Where a maximum buying-in price has been fixed, the paying agency shall accept tenders which are equal to or lower than that amount. All the other tenders shall be rejected.

The paying agency shall only accept tenders that have been notified to the Commission in accordance with Article 9.

3. The paying agency shall take the decisions referred to in paragraphs 1 and 2 of this Article after the publication of the decision of the Commission referred to in Article 14(1).

The paying agency shall notify the operators of the outcome of their participation in the tendering procedure within three working days of the entry into force of that decision of the Commission.

This notification shall not be necessary when the tender is accepted, if the paying agency issues a delivery order as referred to in Article 17 within five working days of the entry into force of that decision of the Commission. In case of such acceptance, no further extension of the time limit for the issue of the delivery order, as referred to in the second subparagraph of Article 17(1), may be granted.

*Article 16***Limitation of buying-in for beef**

Where the paying agencies are offered beef in quantities greater than they are able to take over, they may limit the buying-in to the quantities they can take over in their territory or in one of their intervention regions referred to in Article 12(5).

Paying agencies shall ensure equal access for all parties concerned in the event of such limitation.

## Section 4

**Deliveries and transport costs***Article 17***Delivery order**

1. After the paying agency has checked the admissibility of the offer or tender in accordance with Articles 8 and 13, it shall issue the delivery order within five working days of the deadline referred to in the second subparagraph of Article 11(1) or of the entry into force of the decision referred to in Article 14(1).

The paying agency may decide to extend the time limit for the issue of the delivery order when it is necessary due to high quantities of cereals or rice accepted. However, the final date for delivery of the products shall not be later than 65 days after the deadline or entry into force referred to in the first subparagraph. In such cases the paying agency shall inform the affected operators.

2. The delivery order shall be dated and numbered and shall contain the following information:
  - (a) the quantity to be delivered;
  - (b) the final date for delivery of the products;
  - (c) the storage place to which the products shall be delivered;
  - (d) the price at which the offer or tender is accepted.
3. The delivery order shall be issued only for quantities notified to the Commission as provided for in Article 9.

#### *Article 18*

#### **Specific provisions for the delivery of cereals and rice**

1. The paying agency shall designate the storage place to which the cereals or rice shall be delivered at lowest cost.
2. Delivery to the storage place shall occur not later than 60 days following the date of issue of the delivery order. However, depending on the quantities accepted, the paying agency may extend that period by up to 14 days. In such cases the delivery period referred to in the second subparagraph of Article 17(1) may be extended accordingly. The paying agency shall inform the affected operators.
3. The operator shall bear the costs relating to the following tests carried out for cereals in accordance with the methodology referred to in Part IV of Annex I:
  - (i) the amylasic activity (Hagberg) test;
  - (ii) the test for the determination of the protein content of durum wheat and common wheat;
  - (iii) the Zeleny test;
  - (iv) the machinability test;
  - (v) analyses of contaminants.

#### *Article 19*

#### **Transport costs for cereals and rice**

1. The cost of transporting the cereals or rice from the place where the product was stored at the time of the offer or tender to the storage place specified in the delivery order shall be borne by the operator, where the distance involved is equal to or less than 50 km.

Beyond that maximum distance, the additional transport costs shall be borne by the paying agency and reimbursed by the Commission at a rate per tonne and per kilometre of EUR 0, 05.

2. Where the paying agency which buys-in the cereals or rice is in a Member State other than the one in whose territory the product is stored, no account shall be taken, in calculating the maximum distance referred to in paragraph 1, of the distance between the store of the operator and the border of the Member State of the purchasing paying agency.

#### *Article 20*

##### **Specific provisions for the delivery of beef**

1. The buying-in price for beef shall be the price of the beef delivered to the entrance weighing point of the storage place or, where the meat is to be deboned, at the cutting plant.
2. The costs of unloading shall be borne by the operator.
3. Operators shall deliver the products not later than 15 days following the date of issue of the delivery order. However, depending on the quantities awarded, the paying agency may extend that period by up to seven days. In such cases the paying agency shall inform the affected operators.

#### *Article 21*

##### **Specific provisions for the packing, delivery and storage of butter and skimmed milk powder**

1. Butter shall be packed and delivered in blocks of 25 kilograms net in accordance with the requirements laid down in Part II of Annex IV.
2. Skimmed milk powder shall be packed and delivered in bags of a net weight of 25 kilograms in accordance with the requirements laid down in Part II of Annex V.
3. The operator shall deliver the butter or skimmed milk powder to the loading bay of the storage place within 21 days of the date of issue of the delivery order. However, depending on the quantities accepted, the paying agency may extend that period by up to seven days. In such cases the paying agency shall inform the affected operators.

The butter and skimmed milk powder shall be delivered on pallets of a quality suitable for long-term storage, to be exchanged against equivalent pallets. Alternatively, an equivalent system may be approved by the paying agency.

The costs incurred in unloading the butter or skimmed milk powder at the loading bay of the storage place shall be borne by the paying agency.

4. The paying agency shall require that butter and skimmed milk powder be placed and kept in storage on pallets in such a way as to create easily identifiable and readily accessible lots.

#### *Article 22*

##### **Delivery**

1. The date of delivery shall be:
  - (a) for cereals, rice, butter and skimmed milk powder: the date on which it is confirmed that the whole of the quantity referred to in the delivery order entered the designated storage place. This date cannot be earlier than the day following the date of issue of the delivery order;
  - (b) for each consignment of beef: the date of entrance at the weighing point of the intervention storage place or, where the meat is to be deboned, at the cutting plant.

2. The paying agency may decide that the takeover of cereals, rice, butter or skimmed milk powder takes place in the storage place where the products are held at the time the offer or tender is submitted, provided that the storage place fulfils the requirements laid down in Article 7(1) of Delegated Regulation (EU) 2016/1238 and in Article 3 of this Regulation. In that case, the date of delivery shall be the day following the date of issue of the delivery order and shall serve as the relevant date for the purposes of Article 18(2)(a) of Implementing Regulation (EU) No 908/2014.
3. The products shall be taken over by the paying agency or its representative, who shall be independent from the operator.

## Section 5

### Control and takeover

#### Article 23

##### The takeover record

1. The takeover record shall be issued by the paying agency after the required checks and analyses have established that the eligibility requirements laid down in Article 3 of Delegated Regulation (EU) 2016/1238 are fulfilled. It shall indicate at least:
  - (a) the quantities delivered and, for rice, the variety;
  - (b) the characteristics of the products as resulting from the analyses in so far as this is relevant for the calculation of the price;
  - (c) if applicable, the quantities that have not been taken over. In this case, the operator shall be notified accordingly.
2. The takeover record shall be dated and sent to the operator and to the storekeeper.

#### Article 24

##### Obligations of the operator

The products shall meet the eligibility requirements set out in Article 3 of Delegated Regulation (EU) 2016/1238. Where the required checks show that the products do not fulfil the eligibility requirements, the operator shall:

- (a) take back at his expense the products concerned;
- (b) pay the associated costs from the date of entry of the products into the storage place until the date of their removal from storage.

The costs to be paid by the operator shall be determined on the basis of standard amounts for entry, removal and storage costs in accordance with Article 3 of Commission Delegated Regulation (EU) No 906/2014 <sup>(1)</sup>.

#### Article 25

##### Deboning requirement for beef

Where deboning is required as a condition of the tendering procedure, the paying agency shall have all the beef that is bought-in deboned in accordance with Part III of Annex III.

<sup>(1)</sup> Commission Delegated Regulation (EU) No 906/2014 of 11 March 2014 supplementing Regulation (EU) No 1306/2013 of the European Parliament and of the Council with regard to public intervention expenditure (OJ L 255, 28.8.2014, p. 1).

## Section 6

**Price adjustments and payments***Article 26***Price adjustments for cereals and rice**

1. The price adjustment as provided for in Articles 2(2) and 3(4) of Regulation (EU) No 1370/2013 shall be made in accordance with:
  - (a) Parts V and VI of Annex I to this Regulation in the case of cereals;
  - (b) Part II of Annex II to this Regulation in the case of rice.
2. If the paying agency takes over and stores cereals and rice at the storage place in accordance with Article 22(2), a reduction of EUR 5/tonne shall be made to the buying-in price.

*Article 27***Payments**

1. Payments for the quantities stated in the takeover record shall be made no later than the 65th day following the date of delivery referred to in Article 22, unless an administrative inquiry is under way.
2. Only the quantity actually delivered and accepted shall be paid for. However, if that quantity is greater than the quantity stated in the delivery order, only the quantity specified in the delivery order shall be paid for.

## CHAPTER III

***Sale of products from intervention****Article 28***Opening of the tendering procedure**

1. Products taken over into public intervention and available for sale shall be sold through a tendering procedure.
2. The tendering procedure shall be opened by way of an Implementing Regulation opening the sale.

The first closing date for submission of tenders shall be fixed not earlier than six days after the publication of that Implementing Regulation in the *Official Journal of the European Union*.

3. Tendering procedures may be open for the sale of products stored in one or several regions of the Union or a Member State.
4. The Implementing Regulation opening the sale shall contain, in particular, the following information:
  - (a) the products covered, and in particular:
    - (i) for rice, an indication of the type and variety,
    - (ii) for beef, the relevant cuts;
  - (b) the period covered ('tendering period') and the different sub-periods during which the tenders can be submitted;

- (c) for beef, butter and skimmed milk powder, the minimum quantity for which a tender may be submitted;
- (d) the amount of the security that shall be lodged when submitting a tender.

In addition, that Implementing Regulation may contain:

- (a) the global quantities covered by the tendering procedure;
  - (b) if applicable, provisions concerning transport costs for cereals and rice.
5. Tendering procedures may be restricted to specified uses or destinations and include provisions for verifying the use or destination.

#### Article 29

#### **Notice of invitation to tender and arrangements related to the invitation to tender**

1. Each paying agency holding intervention stocks available for sale shall draw up a notice of invitation to tender, and publish it at least four days before the first date for the submission of tenders.
2. The notice of invitation to tender shall indicate in particular:
  - (a) the name and address of the paying agency issuing the notice of invitation to tender;
  - (b) the reference to the Implementing Regulation opening the sale;
  - (c) the closing dates for the submission of tenders for each partial invitation to tender;
  - (d) for each storage place, the name and address of the storekeeper, and, as appropriate:
    - (i) for cereals and rice, the quantities available presented in sales lots determined in such a way to ensure equal access to operators, together with a description of the quality of each sales lot;
    - (ii) for beef, the quantities available by cut, in accordance with Part IV of Annex III and the date of delivery;
    - (iii) for butter and skimmed milk powder, the quantities available and the date of delivery;
  - (e) the delivery stage as referred to in Article 30(1)(d) and, if applicable, the type of packaging;
  - (f) any facilities at the storage place for loading onto a means of transport;
  - (g) for butter, where appropriate, the available quantity of sweet cream butter per storage place, as referred to in point 2(d) of Part II of Annex IV.
3. The paying agency shall ensure that notices of invitation to tender are properly publicised.
4. The paying agency shall make the necessary arrangements to enable interested parties:
  - (a) to inspect and to take and examine samples of cereals and rice put up for sale at their own expense before submitting a tender;
  - (b) to consult the results of the analyses referred to in Part IV of Annex I, Part I of Annex II, Part I of Annex IV or Part I of Annex V, as appropriate.



*Article 30***Submission and admissibility of tenders**

1. A tender shall be admissible if it complies with the requirements laid down in Article 2 and the Implementing Regulation opening the sale. It shall also meet the following conditions:

- (a) it indicates a reference to the Implementing Regulation opening the sale and the expiry date for the sub-period of submission of the tenders;
- (b) for beef, it indicates the relevant cuts;
- (c) for cereals and rice, it indicates the total quantity of the sales lot;
- (d) it indicates the price in euro tendered per unit of measurement, rounded to no more than two decimal places, exclusive of VAT, as follows:
  - (i) in the case of cereals and rice, for the product loaded onto the means of transport;
  - (ii) in the case of butter or skimmed milk powder, for the product supplied on pallets at the loading bay of the storage place or, if necessary, supplied on pallets loaded onto the means of transport where it is a lorry or railway wagon;
  - (iii) in the case of beef, for the product delivered to the loading bay of the storage place.
- (e) for beef, butter and skimmed milk powder, that it relates to at least the minimum quantity referred to in the Implementing Regulation opening the sale;
- (f) it indicates the storage place where the product is held and, for butter and skimmed milk powder, an alternative storage place may be specified;
- (g) the operator has lodged the amount of the security provided for in the Implementing Regulation opening the sale.

2. For cereals, the tendered price shall refer to the minimum quality defined in Part II of Annex I to Delegated Regulation (EU) 2016/1238 or, for rice to the standard quality defined in Section A of Annex III to Regulation (EU) No 1308/2013.

3. For beef, butter and skimmed milk powder, the tendered price shall apply to net weight.

For butter, where appropriate, the tender may specify that it is submitted exclusively for sweet cream butter as referred to in Article 29(2)(g).

*Article 31***Notification of tenders to the Commission**

1. Member States shall notify the Commission of all admissible tenders within the time limits set in the Implementing Regulation opening the sale.

2. The notifications provided for in paragraph 1 shall not contain the operator's name, address and VAT registration number.

3. Where a Member State does not notify the Commission of an admissible tender within the time limits referred to in paragraph 1, it shall be deemed to have notified the Commission of a nil return.

*Article 32***Decisions on the selling price**

1. On the basis of the tenders notified in accordance with Article 31, the Commission shall decide, in accordance with the procedure referred to in Article 229(2) of Regulation (EU) No 1308/2013:

- (a) not to fix a minimum selling price; or
- (b) to fix a minimum selling price.

For butter and skimmed milk powder the minimum selling price may vary according to the location of the products offered for sale.

2. The decision referred to in paragraph 1 shall be published in the *Official Journal of the European Union*.

*Article 33***Individual decisions on tenders**

- 1. Where no minimum selling price has been fixed, all tenders shall be rejected.
- 2. Where a minimum selling price has been fixed, the paying agencies shall reject any tender lower than the minimum selling price.

The paying agencies shall only accept tenders that have been notified to the Commission in accordance with Article 31.

3. The paying agencies shall take the decisions referred to in paragraphs 1 and 2 of this Article after the publication of the decision of the Commission referred to in Article 32.

The paying agency shall notify the operators of the outcome of their participation in the tendering procedure within three working days of the entry into force of that decision of the Commission.

*Article 34***Specific rules for the allocation of beef, butter and skimmed milk powder**

1. For butter and skimmed milk powder, the successful operator shall be the operator offering the highest price. If the full quantity available is not allocated, the remainder shall be awarded to the other operators on the basis of the prices tendered, starting with the highest price.

2. Where acceptance of a tender would result in contracts being awarded in excess of the quantity of beef, butter or skimmed milk powder available at a particular storage place, only the quantity available shall be awarded to the operator in question. However, with the agreement of the operator, the paying agency may allocate product from other storage places to fulfil the tender quantity.

3. Where acceptance of two or more tenders offering the same price at a particular storage place would lead to contracts being awarded in excess of the available quantity of beef, butter or skimmed milk powder, the award shall be made by allocating the quantity available in proportion to the quantities tendered for. However, if such allocation leads to the award of quantities of less than the minimum quantity referred to in Article 28(4)(c), the award shall be made by drawing lots.

4. Where after the acceptance of all successful tenders the quantity of beef, butter or skimmed milk powder left at the storage place is less than the minimum quantity referred to in Article 28(4)(c), the remaining quantity shall be offered by the paying agency to the successful operators starting with the one who offered the highest price. The successful operators shall be offered the option to buy the remaining quantity at the minimum selling price.

5. The paying agency shall allocate the product on the basis of its date of entry into storage, starting with the oldest product of the total quantity available at the storage place designated by the operator or, as the case may be, the oldest of the quantity of butter or sweet cream butter or cut of beef available in the cold storage place designated by the operator.

#### Article 35

### Payments

Before removing the product and within the period specified in Article 37(2), operators shall pay the paying agency the amount corresponding to their tender for each quantity that they withdraw from the storage place, as notified by the paying agency in accordance with Article 33(3).

#### Article 36

### Sales by Member States

1. In a Member State where no tendering procedure is open in accordance with Article 28, the paying agency may itself open a tendering procedure for the sale of intervention products when the total quantity remaining in all its storage places is less than:

- (a) for each cereal: 10 000 tonnes;
- (b) for rice: 2 000 tonnes;
- (c) for beef, butter or skimmed milk powder: 200 tonnes.

2. Chapter II of Delegated Regulation (EU) 2016/1238 and this Chapter shall apply to a tendering procedure opened by a paying agency in accordance with paragraph 1, with the exception of Articles 28(2), 29(2)(b), 30(1)(a) and (e), 31 and 32(2) of this Regulation. Article 32(1) shall apply *mutatis mutandis* to a respective decision of the Member State.

3. Within the quantities fixed in paragraph 1, paying agencies may put up for direct sale products which, after visual examination in the context of the annual stocktaking in accordance with point (g) of the first subparagraph of Article 3(3) and Article 3(4) of Delegated Regulation (EU) No 907/2014 or during the inspection after taking into intervention, may no longer be repackaged or are deteriorated.

4. The paying agencies shall ensure equality of access for all parties concerned.

#### Article 37

### Removal order

1. On payment of the amount referred to in Article 35, the paying agency shall issue a removal order indicating:

- (a) the quantity in respect of which the corresponding amount has been paid;

- (b) the storage place in which the product is stored;
- (c) the final date for removal of the product.

2. The operators shall remove the product awarded to them within 30 days of the notification referred to in Article 33(3). After that period of time the costs and risks shall be borne by the operator.

#### Article 38

### **Removal of butter and skimmed milk powder**

1. At the time of removal from the storage place and in the case of delivery outside the storage place, the paying agency shall make the butter and skimmed milk powder available on pallets at the loading bay of the storage place, and loaded onto the means of transport where it is a lorry or a railway wagon. The costs involved shall be borne by the paying agency.
2. The operator shall return equivalent quality pallets to the paying agency on removal from the storage place. Alternatively, an equivalent arrangement may be agreed with the paying agency.
3. Any stowage and depalletising costs shall be borne by the operator of the butter or skimmed milk powder.

#### TITLE III

### **AID FOR PRIVATE STORAGE**

#### CHAPTER I

### ***Specific rules for aid for private storage***

#### Section I

### **General provisions**

#### Article 39

### **Opening of tendering procedures and fixing aid in advance**

1. The Implementing Regulation opening the tendering procedure or fixing the amount of aid in advance may contain the following information:
  - (a) the products, or types of products, covered with their relevant CN codes, if applicable;
  - (b) in the case of aid fixed in advance, the amount of aid for storage per unit of measurement for the products covered;
  - (c) the unit of measurement of the quantities;
  - (d) if the tender or aid fixed in advance relates to products that have already been placed in storage;
  - (e) in the case of tenders, the period covered ('tendering period') and, if necessary, the different sub-periods during which tenders can be submitted, and in the case of aid fixed in advance the period for submitting an application;
  - (f) the period of storage;
  - (g) the global quantity, if applicable;

- (h) the minimum quantity per tender or application;
- (i) the amount of the security per unit of measurement in the case of tenders and, where applicable, for applications;
- (j) the periods of placing into store and of removal from store;
- (k) the specifications that have to appear on the packaging, if applicable.

2. Where the granting of aid for private storage is restricted to certain Member States or regions of a Member State as referred to in Article 18(2)(b) of Regulation (EU) No 1308/2013, tenders and applications may be lodged only in the Member State(s) concerned.

3. In the case of tenders, at least six days shall elapse between the entry into force of the Implementing Regulation opening the tendering procedure and the first date for the submission of tenders.

#### *Article 40*

##### **Submission and admissibility of tenders and applications for aid for private storage**

A tender or application for aid for private storage shall be admissible if it complies with the requirements laid down in Article 2 and the following conditions are met:

- (a) it includes at least the following information:
  - (i) a reference to the Implementing Regulation opening the tendering procedure or fixing the amount of aid for private storage in advance;
  - (ii) the storage period where so required in the Implementing Regulation opening the tendering procedure or fixing the amount of aid for private storage in advance;
  - (iii) the quantity of products covered by the tender or application;
  - (iv) where products are already stored, the name and address of each place of private storage, the location of the storage lots/batches/vats/silos with the corresponding quantities and, where appropriate, the number identifying the approved undertaking;
  - (v) in the case of tenders, the expiry date for the sub-period of submission;
  - (vi) in the case of tenders, the amount of aid in euro proposed per unit of measurement rounded to no more than two decimal places, exclusive of VAT;
- (b) the operator has lodged the amount of the security referred to in the Implementing Regulation opening the tendering procedure or fixing the amount of aid for private storage in advance.

#### *Article 41*

##### **Verification of tenders and applications by the paying agency**

1. The paying agency shall decide on the admissibility of tenders and applications on the basis of the conditions set out in Articles 2 and 40.
2. Where the paying agency decides that a tender or application is inadmissible, it shall inform the operator concerned within three working days of the receipt of the tender or application.

*Article 42***Notification of tenders and applications to the Commission**

1. Member States shall notify the Commission of all admissible tenders and applications within the following time limits:
  - (a) in the case of tenders, the time limits laid down in the Implementing Regulation opening the tendering procedure shall apply;
  - (b) in the case of applications, notifications shall be submitted not later than 12.00 (Brussels time) each Tuesday and shall relate to the quantities of the products which, during the preceding week, have been the subject of an admissible application, and of the related information. The Commission can request that such notifications are made more frequently where such information is necessary for the purposes of managing the scheme.
2. The notifications provided for in points (a) and (b) of paragraph 1 shall not contain the operators' name, address and VAT registration number.
3. Where a Member State does not notify the Commission of an admissible tender or application within the time limits referred to in points (a) and (b) of paragraph 1, it shall be deemed to have notified the Commission of a nil return.

## Section II

**Fixing the amount of aid for private storage via a tendering procedure***Article 43***Decisions on the maximum amount of aid for private storage**

1. On the basis of the tenders notified in accordance with Article 42, the Commission shall decide, as provided for in Article 4(2)(a) of Regulation (EU) No 1370/2013:
  - (a) not to fix a maximum amount of the aid; or
  - (b) to fix a maximum amount of the aid.
2. Where the tender is subject to a global quantity as referred to in Article 39(1)(g), and if the award of the total quantities for which that amount has been offered would lead to the global quantity being exceeded, the Commission shall, in accordance with the procedure referred to in Article 229(2) of Regulation (EU) No 1308/2013, adopt a decision fixing an allocation coefficient. The coefficient shall apply to the tenders which have been received at the level of the maximum amount of aid.

By way of derogation from Article 2(6), an operator to whom an allocation coefficient applies may withdraw his tender within 10 working days of the date of entry into force of the decision fixing the allocation coefficient.

3. Decisions on aid referred to in paragraphs 1 and 2 shall be published in the *Official Journal of the European Union*.

*Article 44***Individual decisions on tenders**

1. Where no maximum amount of aid for private storage has been fixed, all tenders shall be rejected.

2. Where a maximum amount of aid has been fixed, the paying agency shall accept tenders which are equal to, or lower than that amount, without prejudice to Article 43(2). All the other tenders shall be rejected.

The paying agency shall only accept tenders that have been notified in accordance with Article 42.

3. The paying agency shall take the decisions referred to in paragraphs 1 and 2 of this Article after the publication of the decision of the Commission referred to in Article 43(1).

The paying agency shall notify operators of the outcome of their participation in the tendering procedure within three working days of the entry into force of that decision of the Commission.

### Section III

#### **Fixing the amount of aid for private storage in advance**

##### *Article 45*

#### **Decisions on applications for aid for private storage fixed in advance**

1. For products already in storage, an admissible application shall be deemed to have been accepted on the eighth working day following the date of receipt of that application, provided that the Commission does not adopt a decision in accordance with paragraph 3 in the interim.

2. For products that are not already stored, decisions on acceptance of an admissible application shall be notified by the paying agency to the operator on the eighth working day following the date of receipt of that application, provided that the Commission does not adopt a decision in accordance with paragraph 3 in the interim.

3. Where an examination of the situation reveals that excessive use has been made of the aid for private storage scheme, or that there is a risk of excessive use or speculation, the Commission may, without applying the procedure referred to in Article 229(2) or (3) of Regulation (EU) No 1308/2013, decide to:

- (a) suspend the application of the scheme for not more than five working days; applications submitted during that period shall not be accepted;
- (b) set a single percentage by which the quantities in the applications are reduced, subject to observance of the minimum contractual quantity where appropriate;
- (c) reject applications made before the period of suspension the acceptance of which would have been decided during the period of suspension.

By way of derogation from Article 2(6), an operator to whom point (b) of the first subparagraph applies may withdraw his application within 10 working days of the date of entry into force of the decision setting the percentage reduction.

### Section IV

#### **Placing of products into private storage**

##### *Article 46*

#### **Information related to the place of private storage for products not yet in storage**

Following receipt of the notification referred to in the second subparagraph of Article 44(3) or the notification of the decision referred to in Article 45(2), the operator shall notify the paying agency of the timeframe for the entry of products into storage, the name and address of each place of private storage and the corresponding quantities. The notification shall be provided to the paying agency at least five working days before the start of the placing lots into storage. The paying agency may decide to accept a shorter period than five working days.

*Article 47***Placing into storage of products not yet in storage**

1. Products shall be placed into storage within 28 days following the notification referred to in the second paragraph of Article 44(3) in the case of tenders, or the notification of the decision referred to in Article 45(2) in the case of applications.
2. For meat, placing in storage shall begin, for each individual lot of the quantity covered by the tender or application, on the day on which it comes under the control of the competent authority. That day shall be the day on which the net weight of the fresh **or** chilled product is determined:
  - (a) at the place of private storage, where the product is frozen on the premises;
  - (b) at the place of freezing, where the product is frozen in suitable facilities outside the place of private storage.
3. Placing into storage shall be considered completed on the day on which the last individual lot of the quantity covered by the tender or application is placed in storage.

*CHAPTER II***Storage contracts**

## Section I

**Conclusion of contracts***Article 48***Contractual storage period**

1. The contractual storage period starts on the day following:
  - (a) the date of the notification referred to in Article 44(3), or the date of receipt of an admissible application without prejudice to Article 45(1), for products already placed in storage;
  - (b) the date that placing into storage is considered completed in accordance with Article 47(3) for products which are not yet stored.
2. The last day of the contractual storage period may be fixed in the Implementing Regulation opening the tendering procedure or fixing the amount of aid for private storage in advance, as referred to in Article 39(1)(f).

By way of derogation from Article 3(4) of Council Regulation (EEC, Euratom) No 1182/71 <sup>(1)</sup>, when the last day of the contractual storage period falls on Saturday, Sunday or a public holiday, the contractual storage period shall end with the expiry of the last hour of that day.

*Article 49***Conclusion of contracts**

Contracts shall be concluded between the paying agency of the Member State in the territory of which the products are stored or will be stored and operators fulfilling the requirements laid down in Article 2 of Delegated Regulation (EU) 2016/1238 from whom a tender or application has been accepted.

<sup>(1)</sup> Council Regulation (EEC, Euratom) No 1182/71 of 3 June 1971 determining the rules applicable to periods, dates and time limits (OJ L 124, 8.6.1971, p. 1).



Contracts shall be concluded for the quantity actually placed in storage (the 'contractual quantity'), which shall not exceed the quantity referred to the second paragraph of Article 44(3) in the case of tenders, or the quantity in the application in respect of products already in store, or the notification of the decision referred to in Article 45(2) in the case of applications for products not yet in store.

Where the quantity actually placed in storage is less than 95 % of the quantity in the tender or application, or the quantity arising from the application of Article 45(3)(b), no contract shall be concluded.

Contracts shall not be concluded where the eligibility of the products is not confirmed.

#### Article 50

### Notification of conclusion of contracts

The paying agency shall notify the successful operator of a contract considered as being concluded within five working days of the date of issue of the control report referred to in Article 61(1), subject to receiving all of the documents necessary for concluding the contract.

The date of conclusion of the contract shall be that on which the paying agency notifies the operator.

#### Section II

### Elements of the contract and obligations of the operator

#### Article 51

### Elements of the contract

The contract shall be construed as including, where appropriate, the elements provided for in Article 52, as well as those provided for in:

- (a) the relevant provisions of the Implementing Regulation opening the tendering procedure and in the tender; or
- (b) the relevant provisions of the Implementing Regulation fixing the amount of aid for private storage in advance and in the application.

#### Article 52

### Obligations of the operator

1. Contracts shall cover at least the following obligations for the operator:
  - (a) to place and to keep the contractual quantity in storage, during the contractual storage period, at their own risk and expense under conditions ensuring the maintenance of the characteristics of the products referred to in Article 3 of Delegated Regulation (EU) 2016/1238, without:
    - (i) substituting the stored products, except in the case of sugar in accordance with paragraph 3;
    - (ii) or transferring them to another place of private storage or, in the case of sugar, to another silo;
  - (b) to retain the weighing-in documents established at the time of entry into the place of private storage;
  - (c) to send the documents relating to the operations of placing in storage, including the location of the storage lots/batches/vats/silos with the corresponding quantities, to the paying agency not later than five working days after the date of placing into storage referred to in Article 47(3);

- (d) to allow the paying agency to check at any time that all the obligations laid down in the contract are being adhered to;
- (e) to make the products stored easily accessible and individually identifiable by storage lot/batch/vat/silo.
2. By way of derogation from point (a)(ii) of paragraph 1, the paying agency may authorise a relocation of the stored products under the following conditions:
- (i) for cheeses benefiting from a protected designation of origin (PDO) or from a protected geographical indication (PGI), where the operator submits a reasoned request;
- (ii) for other products, in exceptional cases, where the operator submits a reasoned request.
3. By way of derogation from point (e) of paragraph 1 of this Article, sugar subject to a contract may be stored in a silo designated by the operator with other sugar provided that the contractual quantity is kept in storage in the designated silo during the contractual period in accordance with Article 8(1) of Delegated Regulation (EU) 2016/1238.
4. The operator shall, on request, make available to the paying agency responsible for checking all documentation, for each contract, allowing in particular the following information on the products placed in storage to be verified:
- (a) the number identifying the approved undertaking and, if necessary, the Member State of production;
- (b) the origin and the date of production of the products, or for sugar the marketing year of production, and for meat the day of slaughtering;
- (c) the date of placing into storage;
- (d) the weight and, in the case of meat, the number of cuts packaged;
- (e) the address of the place of private storage and the means allowing for ready identification of the product within the place of private storage or, for bulk sugar, the identification of the silo designated by the operator;
- (f) the end date of the contractual storage period and the actual date of removal from contractual storage.
5. The operator or, where applicable, the storekeeper shall keep a register at the warehouse covering, by contract number:
- (a) the identification of the products placed in storage by lot/batch/vat/silo;
- (b) the dates of placing in and removal from storage;
- (c) the quantity of products in storage by lot/batch/vat/silo;
- (d) the location of the products by storage lot/batch/vat/silo within the store.

### CHAPTER III

## ***Removal of products and payment of aid for private storage***

### Section I

## **Removal of products from storage**

### Article 53

#### **Removal from storage**

1. Removal from storage may start on the day following the last day of the contractual storage period or, as the case may be, from the date specified in the Implementing Regulation opening the tendering procedure or fixing the amount of aid for private storage in advance.

2. Removal from storage shall be in whole storage lots unless the paying agency authorises removal in smaller quantities.

However, in the case of sealed products as referred to in Article 60, only a sealed quantity may be removed from store.

3. Where in the Implementing Regulation opening the tendering procedure or fixing the amount of aid for private storage in advance, the contractual storage period is specified as being between a period of days, the operator shall notify the paying agency of the intention to begin removing products from storage, indicating the storage lots/batches/vats/silos involved, at least five working days before the start of removal operations.

The paying agency may decide to accept a shorter period than five working days.

## Section II

### Payment

#### Article 54

#### **Application for payment of aid for private storage**

The operator shall lodge an application for payment within three months of the end of the contractual storage period.

#### Article 55

#### **Payment of aid for private storage**

Payment of the aid shall be made not later than 120 days following the date on which an application for payment is lodged provided that the obligations of the contract have been met.

However, if an administrative inquiry is under way, payment shall not be made until entitlement has been recognised.

## TITLE IV

### CHECKS AND PENALTIES

#### CHAPTER I

#### **Checks**

#### Article 56

#### **General provisions on checks relating to public intervention and aid for private storage**

1. Paying agencies shall take all necessary measures to ensure compliance with the requirements relating to public intervention and the granting of aid for private storage laid down in Delegated Regulation (EU) 2016/1238, this Regulation and the Implementing Regulations referred to in Article 1(2)(a) and (b) of this Regulation.

The measures shall include full administrative checking of offers and tenders for public intervention and tenders and applications for aid for private storage, which shall be supplemented by on-the-spot documentary and physical checks as specified in this Title.

2. The verification of the weight of products delivered to public intervention and, in the case of aid for private storage, of the contractual quantity shall be conducted in the presence of the officials of the paying agency.
3. Physical samples taken for the purposes of verifying the quality and composition of products for public intervention and aid for private storage shall be taken by the officials of the paying agency or in their presence.
4. For the purposes of the audit trail, all stock and financial records and documents checked by the paying agency shall be stamped or initialled during the control visit. Where computer records are verified, a record of the check undertaken shall be included in the inspection file, either in paper or in electronic form. Such records shall be made available to the Commission on request.

#### Article 57

### **Specific provisions on checks relating to public intervention**

1. Without prejudice to the checks required by this Regulation for the takeover of products, the checks of the intervention stocks shall be carried out in accordance with Article 3 of Delegated Regulation (EU) No 907/2014.
2. Where the storage place referred to in Article 7(1)(a)(ii) is in a Member State other than that where the offer or tender is submitted, the paying agency that received the offer or tender may request assistance from the paying agency responsible for that storage place, including an on-site check. The assistance shall be provided within the period requested by the paying agency that received the offer or tender.
3. For beef, the checks shall be carried out in accordance with Parts I and III of Annex III.

#### Article 58

### **Specific provisions on checks relating to public intervention for cereals and rice**

1. Notwithstanding Article 56(2), the quantity delivered shall be weighed in the presence of the operator and a representative of the paying agency who is independent from the operator.

However, if the representative of the paying agency is also the storekeeper, the paying agency shall, within 30 days of the date of delivery, conduct an inspection involving at least a volumetric check. Any difference between the quantity determined by weighing and the quantity estimated in accordance with the volumetric method shall not exceed 5 %.

Where the 5 % tolerance is not exceeded, the storekeeper shall bear all costs relating to any difference observed, at a later weight check, from the weight entered in the accounts on takeover.

Where the 5 % tolerance is exceeded, the cereals or rice shall be weighed forthwith. Where the weight determined is less than that recorded, the costs of weighing shall be borne by the storekeeper. Otherwise, the costs of weighing shall be borne by the paying agency.

2. Where the level of contaminants in cereals is to be checked on the basis of the risk analysis referred to in point 3 of Part I of Annex I to Delegated Regulation (EU) 2016/1238, the paying agency shall be liable for the financial consequences of any failure to comply with the maximum contaminant levels in accordance with the rules set out in Article 3(6) of Delegated Regulation (EU) No 907/2014.

However, in the case of ochratoxin A and aflatoxin, if the paying agency concerned is able to prove to the Commission's satisfaction that the standards were met on entry, that normal storage conditions were observed and that the storekeeper's other commitments were respected, the financial liability shall be borne by the Union budget.

*Article 59***Specific provisions for the takeover in storage place of the storekeeper for cereals and rice**

1. If the takeover of cereals or rice takes place at the storage place where the products are held at the time the offer or tender is submitted, the quantity taken over shall be established on the basis of the store register, which shall fulfil professional standards which allow to guarantee compliance with Union legislation, in particular with Annex III to Delegated Regulation (EU) No 907/2014, and provided that:

(a) the store register shows:

- (i) the weight recorded on weighing carried out within a period of no more than 10 months before the takeover;
- (ii) the physical quality characteristics at the time of weighing and, in particular, the moisture content;
- (iii) trans-silages, if any, and treatments carried out;

(b) the storekeeper declares that the lot offered corresponds in all respects to the details contained in the store register;

(c) the quality characteristics established at the time of weighing are the same as those of the representative sample made up from the samples taken by the paying agency or its representative at a rate of one for every 60 tonnes.

2. If paragraph 1 applies, the weight to be recorded in the store register and financial accounts provided for in point (a) of the first subparagraph of Article 3(3) of Delegated Regulation (EU) No 907/2014 shall be that entered in the store register and adjusted, where appropriate, to take account of any difference between the moisture content or the percentage of miscellaneous impurities (Schwarzbesatz) recorded at the moment of weighing and those determined on the basis of the representative sample. A difference between the percentages of miscellaneous impurities may only be taken into account to reduce the weight entered in the store register.

Within 30 days of takeover the paying agency shall make a volumetric check. Any difference between the quantity determined by weighing and the quantity estimated in accordance with the volumetric method shall not exceed 5 %.

Where the 5 % tolerance is not exceeded, the storekeeper shall bear all costs relating to any difference observed, at a later weight check, from the weight entered in the accounts on takeover.

Where the 5 % tolerance is exceeded, the cereals or rice shall be weighed forthwith. Where the weight determined is less than that recorded, account being taken of the tolerance limits provided for in point 1 of Annex IV to Delegated Regulation (EU) No 907/2014, the costs of weighing shall be borne by the storekeeper. Otherwise, the costs of weighing shall be borne by the European Agricultural Guarantee Fund.

*Article 60***Specific provisions on checks relating to aid for private storage**

1. For all the lots put into storage, the paying agency shall undertake on-the-spot documentary checks within 30 days of the start of the contractual storage period referred to in Article 48(1) in order to verify the contractual quantity referred to in Article 49. Such checks shall include an examination of the store register referred to in Article 52(5) and of supporting documents, such as weigh tickets and delivery dockets, as well as physical verification of the presence of the lots and the identity of the products in the place of private storage.

In the case of meat, the checks shall take place at the time of placing into private storage, and for olive oil, prior to the official sealing of the vats.

In duly justified circumstances, the paying agency may extend the period referred to in the first subparagraph by up to 15 days. In such cases, the paying agency shall inform the affected operators.

2. In addition to the checks required under paragraph 1, a representative statistical sample of at least 5 % of the lots covering at least 5 % of the total quantities placed in storage shall be physically checked to ensure that the quantity, nature and composition, packaging and marking of the products and storage lots conform to the requirements for private storage and to the particulars specified by the operator in their tender or application.

In the case of cheese, physical checks shall be undertaken on all lots in order to verify the contractual quantity.

3. During the storage period, the paying agency shall also undertake unannounced on-the-spot checks to ensure the presence and identity of the contractual quantity in the place of private storage, and that sugar stored in bulk is present in the silo designated by the operator. The check shall be undertaken on the basis of a random statistical sample of at least 5 % of the lots covering at least 5 % of the total quantities for which contracts have been concluded. This sample shall not include more than 25 % of lots already checked in accordance with paragraph 2, unless it would not be possible to conduct the on-the-spot check of at least 5 % of the lots covering at least 5 % of the total quantities for which contracts have been concluded.

The unannounced check referred in the first subparagraph shall not be necessary where the paying agency, with the agreement of the operator, has sealed the products in such a way that the contractual quantities cannot be removed from the place of storage without breaking seal.

4. At the end of the contractual storage period, or before the start of the removal of products where Article 53(3) applies, the paying agency shall undertake on-the-spot checks to verify that the contractual commitment has been met based on a documentary check of the store register and supporting documents, as well as a verification of the presence of the lots and the identity of the products in the place of private storage.

In addition to the checks referred to in the first subparagraph, a representative statistical sample of at least 5 % of the lots covering at least 5 % of the total quantities for which contracts have been concluded shall be physically checked to verify the quantity, type, packaging and marking and identity of the products in the place of private storage.

5. Where the paying agency, with the agreement of the operator, has sealed the products in such a way that the stored quantity cannot be removed from the individual lot without breaking seal, the checks referred to in paragraphs 3 and 4 may be limited to verifying the presence and integrity of the seals.

#### Article 61

### Reporting of checks

1. The paying agency shall draw up a control report within five working days of the completion of each on-the-spot check undertaken and, if appropriate, of the checks referred to in Article 56(3). The report shall describe precisely the different items checked and shall set out:

- (a) the date and time of commencement of the check;
- (b) details of any advance notice given;
- (c) the duration of the check;
- (d) the responsible persons present;
- (e) the nature and extent of the checks carried out, providing, in particular, details of the documents and products examined;
- (f) the findings and conclusions;
- (g) whether any follow-up is required.

The report shall be signed by the responsible paying agency official and either countersigned by the operator or, where applicable, by the storekeeper, or sent to the operator by registrable means. The report shall be included in the payment file.

2. In case of non-compliance of products subject to the check, the verification shall be extended to a larger statistical sample to be determined by the paying agency.

3. The paying agency shall record any cases of non-compliance on the basis of the criteria of gravity, extent, duration and repetition that may result in exclusion in accordance with Article 62(1), or in the repayment of unduly paid, aid for private storage, including interest where applicable, in accordance with Article 62(4).

## CHAPTER II

### **Penalties and administrative measures**

#### Article 62

#### **Penalties and administrative measures in relation to aid for private storage**

1. Where the paying agency finds that a document presented by an operator, which is required under Delegated Regulation (EU) 2016/1238, this Regulation or an Implementing Regulation referred to in Article 1(2)(b) of this Regulation, provides incorrect information, and where the incorrect information concerned is decisive for the granting of aid for private storage, the paying agency shall exclude the operator from the procedure of granting aid for the product for which the incorrect information has been given for a period of one year from the date of adoption of a final administrative decision establishing the irregularity.

2. The exclusion provided for in paragraph 1 shall not apply if the operator proves, to the satisfaction of the paying agency, that the situation referred to in that paragraph is due to force majeure or obvious error.

3. Unduly paid aid shall be recovered, with interest, from the operators concerned. The rules laid down in Article 27 of Implementing Regulation (EU) No 908/2014 shall apply *mutatis mutandis*.

4. Implementation of administrative penalties and recovery of unduly paid amounts, as provided for in this Article, are without prejudice to communication of irregularities to the Commission pursuant to Commission Regulation (EC) No 1848/2006 <sup>(1)</sup>.

## TITLE V

### **NOTIFICATIONS AND FINAL PROVISIONS**

#### CHAPTER I

#### **Notifications**

##### Section I

#### **General provisions on notifications**

##### Article 63

#### **Method of notification**

The notifications referred to in this Regulation, as well as in Implementing Regulations referred to in Article 1, shall be made in accordance with Commission Regulation (EC) No 792/2009 <sup>(2)</sup>.

<sup>(1)</sup> Commission Regulation (EC) No 1848/2006 of 14 December 2006 concerning irregularities and the recovery of sums wrongly paid in connection with the financing of the common agricultural policy and the organisation of an information system in this field and repealing Council Regulation (EEC) No 595/91 (OJ L 355, 15.12.2006, p. 56).

<sup>(2)</sup> Commission Regulation (EC) No 792/2009 of 31 August 2009 laying down detailed rules for the Member States' notification to the Commission of information and documents in implementation of the common organisation of the markets, the direct payments' regime, the promotion of agricultural products and the regimes applicable to the outermost regions and the smaller Aegean islands (OJ L 228, 1.9.2009, p. 3).

*Article 64***Notifications concerning paying agencies**

1. Member States shall notify the Commission of the approved paying agencies responsible for intervention buying-in and sales and for aid for private storage.
2. The Commission shall make available to the Member States and to the public the list of approved paying agencies, including by way of publication on the internet.

## Section II

**Notifications as regards public intervention***Article 65***Notifications of information on intervention stocks**

1. Member States whose paying agencies hold intervention stocks shall notify the Commission, not later than the 15th of each month, of the following items:
  - (a) for cereals and rice:
    - (i) the quantities stored from the beginning of the marketing year;
    - (ii) the cumulative quantities taken over since the beginning of the marketing year;
    - (iii) the cumulative quantities which have left the storage places since the beginning of the marketing year, identified where appropriate by type of use or destination, and the cumulative quantities lost;
    - (iv) the cumulative quantities committed, identified where appropriate by type of use or destination;
    - (v) the quantities under offer at the end of the monthly reporting period;
  - (b) for butter and skimmed-milk powder:
    - (i) the quantities for each product in storage at the end of the previous month and the quantities entering and leaving the storage places during that month;
    - (ii) a breakdown of the quantities of each product leaving the storage places during the previous month, according to the Regulation opening the tendering procedure for the sale of the products concerned;
    - (iii) a breakdown by age of the quantities in storage at the end of the previous month;
  - (c) for beef:
    - (i) the quantities for each product in storage at the end of the previous month and the quantities entering and leaving the storage places during that month;
    - (ii) a breakdown of the quantities of each product leaving the storage places during the previous month, according to the Regulation opening the tendering procedure for the sale of the products concerned;
    - (iii) the quantities of each cut covered by contracts of sale concluded in the previous month;
    - (iv) the quantities of each cut covered by removal orders issued in the previous month;



- (v) the quantities of each cut bought in during the previous month;
  - (vi) the uncommitted stocks and the physical stocks of each cut at the end of the previous month, with details of the length of time the uncommitted stocks have been in storage;
- (d) for all products:
- (i) the opening of a tendering procedure, the quantities awarded and the minimum sale prices fixed in the case of application of Article 36;
  - (ii) information relating to disposals for the scheme for the most deprived.
- 2 The Commission may request that notifications provided for in paragraph 1 be made with an increased frequency where that is necessary for the purposes of the efficient management of the intervention system.
3. For the purposes of point (b) of paragraph 1:
- (a) 'quantities entering' means quantities physically placed in storage, whether or not taken over by the paying agency;
  - (b) 'quantities leaving' means quantities which have been removed or, if taken over by the purchaser before removal, quantities taken over.
4. For the purposes of point (c) of paragraph 1:
- (a) 'uncommitted stocks' means stocks not yet covered by a contract of sale;
  - (b) 'physical stocks' means uncommitted stocks plus stocks covered by a contract of sale but not yet taken over.

### Section III

#### **Notifications as regards aid for private storage**

##### *Article 66*

#### **Notification of information on private storage**

Member States in which the aid for private storage scheme is used shall notify the Commission:

- (a) at least once a week of the products and quantities for which contracts have been concluded during the preceding week, broken down by storage period;
- (b) not later than the 15th of each month for the previous month:
  - (i) of the quantities of products placed into and leaving private storage during the month concerned, where applicable broken down by categories;
  - (ii) of the quantities of products in private storage at the end of the month concerned, where applicable broken down by categories;
  - (iii) of the quantities of products in respect of which the contractual storage period has ended;
  - (iv) if the storage period has been curtailed or extended, as referred to in Article 20(m) of Regulation (EU) No 1308/2013, of the products and quantities in respect of which the storage period has been revised, and of the initial and revised dates for removal from storage;
- (c) by 31 March each year for the preceding calendar year, of the results of the on-the-spot checks carried out pursuant to Title IV.

## CHAPTER II

**Final provisions**

## Article 67

**Entry into force and application**

This Regulation shall enter into force on the seventh day following that of its publication in the *Official Journal of the European Union*.

It shall apply as from 1 October 2016. However, as regards buying-in to public intervention, Tables III and IV of Part V and Point (b) of Part VI of Annex I shall apply as of 1 July 2017.

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

Done at Brussels, 18 May 2016.

*For the Commission*  
*The President*  
Jean-Claude JUNCKER

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## ANNEX I

## CEREALS

## PART I

## 1. DEFINITION OF MATTER OTHER THAN BASIC CEREALS OF UNIMPAIRED QUALITY

1.1. **Broken grains**

For durum wheat, common wheat and barley, the definition of 'broken grains' is that contained in standard EN 15587.

For maize, the definition of 'broken grains' is that contained in standard EN 16378.

1.2. **Grain impurities**(a) *Shrivelled grains*

For durum wheat, common wheat and barley, the definition of 'shrivelled grains' is that contained in standard EN 15587. However, for barley from Estonia, Latvia, Finland and Sweden, 'shrivelled grains' means grains with a specific weight of at least 64 kilograms per hectolitre offered or tendered for, or placed in, intervention in those Member States, grains which, after elimination of all other matter referred to in this Annex, pass through sieves with apertures of 2,0 mm.

'Shrivelled grains' does not apply to maize.

(b) *Other cereals*

For durum wheat, common wheat and barley, the definition of 'other cereals' is that contained in standard EN 15587.

For maize, the definition of 'other cereals' is that contained in standard EN 16378.

(c) *Grains damaged by pests*

For durum wheat, common wheat and barley, the definition of 'grains damaged by pests' is that contained in standard EN 15587.

For maize, the definition of 'grains damaged by pests' is that contained in standard EN 16378.

(d) *Grains in which the germ is discoloured*

For durum wheat and common wheat, the definition is that contained in standard EN 15587.

'Grains in which the germ is discoloured' does not apply to barley or maize.

(e) *Grains overheated during drying*

For durum wheat, common wheat and barley, the definition of 'grains overheated during drying' is that contained in standard EN 15587.

For maize, the definition of 'grains overheated during drying' is that contained in standard EN 16378..

(f) *Mottled grains*

For durum wheat, the definition of 'mottled grains' is that contained in standard EN 15587.

'Mottled grains' does not apply to common wheat, barley or maize.

**1.3. Sprouted grains**

For durum wheat, common wheat and barley, the definition of 'sprouted grains' is that contained in standard EN 15587.

For maize, the definition of 'sprouted grains' is that contained in standard EN 16378.

**1.4. Miscellaneous impurities**

(a) *Extraneous seeds*

For durum wheat, common wheat and barley, the definition of 'extraneous seeds' is that contained in standard EN 15587.

For maize, the definition of 'extraneous seeds' is that contained in standard EN 16378.

'Noxious seeds' means seeds which are toxic to humans and animals, seeds hampering or complicating the cleaning and milling of cereals and seeds affecting the quality of products processed from cereals.

(b) *Damaged grains*

For durum wheat, common wheat and barley, the definition of 'damaged grains' is that contained in standard EN 15587.

For maize, the definition of 'damaged grains' is that contained in standard EN 16378.

In standard EN 15587, for durum wheat, common wheat and barley, the definition of 'grains affected by fusariosis' is included in that of 'damaged grains'.

(c) *Extraneous matter*

For durum wheat, common wheat and barley, the definition of 'extraneous matter' is that contained in standard EN 15587.

For maize, the definition of 'extraneous matter' is that contained in standard EN 16378.

(d) *Husks (cob fragments in the case of maize)*

(e) *Ergots*

(f) *Decayed grains*

For durum wheat and common wheat, the definition of 'decayed grains' is that contained in standard EN 15587.

'Decayed grains' does not apply to barley or maize.

(g) *Impurities of animal origin.*

### 1.5. Live pests

### 1.6. Mitadiné grains

Mitadiné grains of durum wheat are grains whose kernels cannot be regarded as entirely vitreous. They are defined in standard EN 15585.

## 2. SPECIFIC FACTORS TO TAKE INTO CONSIDERATION FOR EACH TYPE OF CEREAL FOR THE DEFINITION OF IMPURITIES

### 2.1. Durum wheat

'Grain impurities' means shrivelled grains, grains of other cereals, grains damaged by pests, grains in which the germ is discoloured, mottled grains and grains overheated during drying.

'Miscellaneous impurities' means extraneous seeds, damaged grains (including grains affected by fusariosis), extraneous matter, husks, ergot, decayed grains and impurities of animal origin.

### 2.2. Common wheat

'Grain impurities' means shrivelled grains, grains of other cereals, grains damaged by pests, grains in which the germ is discoloured (only where the content exceeds 8 %) and grains overheated during drying.

'Miscellaneous impurities' means extraneous seeds, damaged grains (including grains affected by fusariosis), extraneous matter, husks, ergot, decayed grains and impurities of animal origin.

### 2.3. Barley

'Grain impurities' means shrivelled grains, grains of other cereals, grains damaged by pests and grains overheated during drying.

'Miscellaneous impurities' means extraneous seeds, damaged grains (including grains affected by fusariosis), extraneous matter, husks and impurities of animal origin.

### 2.4. Maize

'Grain impurities' means grains of other cereals, grains damaged by pests and grains overheated during drying.

'Miscellaneous impurities' means extraneous seeds, damaged grains, extraneous matter, cob fragments and impurities of animal origin.

## PART II

### **Methods used for determining the quality of cereals offered or tendered for, or placed in, intervention**

Pursuant to Article 4, the following methods are to be used to determine the quality of cereals offered or tendered for, or placed in, intervention:

- (a) reference method for determining matter other than basic cereals of unimpaired quality:
  - (i) for common wheat, durum wheat and barley: standard EN 15587,
  - (ii) for maize: standard EN 16378;

- (b) reference method for determining the moisture content:
- (i) for maize: standard EN ISO 6540,
  - (ii) for cereals other than maize: standard EN ISO 712, or an infrared technology-based method complying with standard EN 15948.

In the event of a dispute, only the results resulting from applying standard EN ISO 6540 for maize and standard EN ISO 712 for cereals other than maize are to be considered valid;

- (c) reference method for determining the non-stickiness and machinability of the dough obtained from common wheat: that set out in Part III of this Annex;
- (d) reference method for determining the protein content in durum wheat and ground common wheat: that set out in:
- (i) standard EN ISO 20483, or
  - (ii) standard CEN ISO/TS 16634-2.

In the event of a dispute, only the results obtained from applying standard EN ISO 20483 are to be considered valid;

- (e) reference method for determining the Zeleny index of ground common wheat: that set out in standard EN ISO 5529;
- (f) reference method for determining the Hagberg falling number (amylase activity test): that set out in standard EN ISO 3093;
- (g) reference method for determining the rate of loss of the vitreous aspect of durum wheat: that set out in standard EN 15585;
- (h) reference method for determining the specific weight: that set out in standard EN ISO 7971/3;
- (i) sampling and analysis methods for establishing the rate of mycotoxins: those referred to in the Annex to Commission Regulation (EC) No 1881/2006 <sup>(1)</sup> and set out in Annexes I and II to Commission Regulation (EC) No 401/2006 <sup>(2)</sup>.

### PART III

#### **Method for determining the non-stickiness and machinability of the dough obtained from common wheat**

##### **1. Title**

Method for test baking of wheat flour.

##### **2. Scope**

The method is applicable to flour, experimentally milled from wheat for the production of yeast-raised bread.

##### **3. Principle**

Dough is made from flour, water, yeast, salt and sucrose, in a specified mixer. After dividing and rounding, the pieces are given 30 minutes' rest; they are moulded, placed on baking sheets and baked after a final proof of fixed duration. Dough-handling properties are noted. The loaves are judged by volume and height.

<sup>(1)</sup> Commission Regulation (EC) No 1881/2006 of 19 December 2006 setting maximum levels for certain contaminants in foodstuffs (OJ L 364, 20.12.2006, p. 5).

<sup>(2)</sup> Commission Regulation (EC) No 401/2006 of 23 February 2006 laying down the methods of sampling and analysis for the official control of the levels of mycotoxins in foodstuffs (OJ L 70, 9.3.2006, p. 12).

#### 4. **Ingredients**

##### 4.1. *Yeast*

Active dry yeast of type *Saccharomyces cerevisiae* DHW-Hamburg-Wansbeck or a product having the same characteristics.

##### 4.2. *Tap water*

##### 4.3. *Sugar-salt-ascorbic acid solution*

Dissolve  $30 \pm 0,5$  g of sodium chloride (commercial grade),  $30 \pm 0,5$  g of sucrose (commercial grade), and  $0,040 \pm 0,001$  g ascorbic acid in  $800 \pm 5$  g of water. Prepare fresh daily.

##### 4.4. *Sugar solution*

Dissolve  $5 \pm 0,1$  g sucrose (commercial grade) in  $95 \pm 1$  g of water. Prepare fresh daily.

##### 4.5. *Enzyme active malt flour*

Commercial grade.

#### 5. **Equipment and apparatus**

##### 5.1. *Baking room*

Controlled to maintain a temperature of 22 to 25 °C.

##### 5.2. *Refrigerator*

For maintaining a temperature of  $4 \pm 2$  °C.

##### 5.3. *Balance*

Maximum load 2 kg, accuracy 2 g.

##### 5.4. *Balance*

Maximum load 0,5 kg, accuracy 0,1 g.

##### 5.5. *Analytical balance*

Accuracy  $0,1 \times 10^{-3}$  g.

##### 5.6. *Mixer*

Stephan UMTA 10, with mixing arm model 'Detmold' (Stephan Soehne GmbH) or similar equipment having the same characteristics.

5.7. *Proving cabinet*

Controlled to maintain a temperature of  $30 \pm 1$  °C.

5.8. *Open plastic boxes*

Made from polymethylmethacrylate (Plexiglas, Perspex). Inside dimensions:  $25 \times 25 \times 15$  cm height, wall thickness  $0,5 \pm 0,05$  cm.

5.9. *Square plastic sheets*

Made from polymethylmethacrylate (Plexiglas, Perspex). At least  $30 \times 30$  cm, thickness  $0,5 \pm 0,05$  cm.

5.10. *Moulder*

Brabender ball homogeniser (Brabender OHG) or similar equipment having the same characteristics.

6. **Sampling**

According to standard EN ISO 24333.

7. **Procedure**

7.1. *Determination of water uptake*

Determine the water absorption according to ICC Standard No 115/1.

7.2. *Determination of malt flour addition*

Determine the 'falling number' of the flour according to standard EN ISO 3093. If the 'falling number' is higher than 250, determine the malt flour addition required to bring it within the range 200 to 250, using a series of mixtures of the flour with increasing quantities of malt flour (point 4.5). If the 'falling number' is lower than 250, no malt flour is required.

7.3. *Reactivation of active dry yeast*

Adjust the temperature of the sugar solution (point 4.4) to  $35 \pm 1$  °C. Pour one part by weight of the active dry yeast into four parts by weight of this tempered sugar solution. Do not stir. Swirl if necessary.

Allow to stand for  $10 \pm 1$  minute, then stir until a homogeneous suspension is obtained. Use this suspension within 10 minutes.

7.4. *Temperature adjustment of the flour and the dough liquid*

The temperature of the flour and the water must be adjusted to give a dough temperature of  $27 \pm 1$  °C after mixing.

7.5. *Dough composition*

Weigh, with a precision of 2 g,  $10 y/3$  g flour on as-is moisture basis (corresponding to 1 kg flour on a 14 % moisture basis), in which 'y' is the quantity of flour used in the farinograph test (see ICC Standard No 115/1).



Weigh, with a precision of 0,2 g, the quantity of malt flour necessary to bring the 'falling number' within the range 200 to 250 (point 7.2).

Weigh  $430 \pm 5$  g sugar-salt-ascorbic acid solution (point 4.3) and add water to a total mass of  $(x - 9) 10 y/3$  g, (see point 10.2) in which 'x' is the quantity of water used in the farinograph test (see ICC Standard No 115/1). This total mass (usually between 450 and 650 g) must be achieved with a precision of 1,5 g.

Weigh  $90 \pm 1$  g yeast suspension (point 7.3).

Note the total mass of the dough (P), which is the sum of the masses of flour, sugar-salt-ascorbic acid solution plus water, yeast suspension and malt flour.

#### 7.6. *Mixing*

Before starting, bring the mixer to a temperature of  $27 \pm 1$  °C by use of a suitable quantity of tempered water.

Place the liquid dough ingredients in the mixer and place the flour plus malt flour on top.

Start the mixer (speed 1, 1 400 rev/min), and allow to run for 60 seconds. Twenty seconds after the start of mixing, turn the scraper attached to the lid of the mixing bowl two revolutions.

Measure the temperature of the dough. If it is outside the range 26 to 28 °C, discard the dough and mix a new one after adjustment of ingredient temperatures.

Note dough properties using one of the following terms:

- non-sticky and machinable, or
- sticky and non-machinable.

To be considered 'non-sticky and machinable' at the end of mixing, the dough should form a coherent mass which hardly adheres to the sides of the bowl and spindle of the mixer. It should be possible to collect the dough by hand and remove it from the mixing bowl in a single motion without noticeable loss.

#### 7.7. *Dividing and rounding*

Weigh, with precision of 2 g, three pieces of dough according to the formula:

$p = 0,25 P$ , where:

$p$  = mass of scaled dough piece,

$P$  = total mass of dough.

Immediately round the pieces for 15 seconds in the moulder (point 5.10) and place them for  $30 \pm 2$  minutes on the square plastic sheets (point 5.9), covered by the inverted plastic boxes (point 5.8) in the proving cabinet (point 5.7).

Do not use dusting flour.

### 7.8. Moulding

Bring the pieces of dough on the plastic sheets, covered by the inverted boxes, to the moulder (point 5.10), and re-round each piece for 15 seconds. Do not remove cover from a piece of dough until immediately before rounding. Note dough properties again, using one of the following terms:

- (a) non-sticky and machinable, or
- (b) sticky and non-machinable.

To be considered as 'non-sticky and machinable' the dough should adhere hardly, or not at all, to the sides of the chamber so that it can freely rotate around itself and form a regular ball during the operation of the machine. At the end of the operation the dough should not stick to the sides of the dough-moulding chamber when the lid of the chamber is raised.

### 8. Test report

The test report shall mention:

- (a) dough-handling properties at the end of mixing, and at moulding,
- (b) the 'falling number' of the flour without addition of malt flour,
- (c) any anomalies observed.
- (d) the method used,
- (e) all details required for the identification of the sample.

### 9. General remarks

- 9.1. The formula for the calculation of the quantity of dough liquid is based on the following considerations:

Addition of  $x$  ml water to the equivalent of 300 g flour at 14 % moisture produces the required consistency. As in the baking test 1 kg of flour (14 % moisture basis) is used, whereas  $x$  is based on 300 g of flour, for the baking test  $x$  divided by three and multiplied by 10 g of water is needed, so  $10 x/3$  g.

The 430 g sugar-salt-ascorbic acid solution contains 15 g salt and 15 g sugar. This 430 g solution is included in the dough liquid. So to add  $10 x/3$  g water to the dough,  $(10 x/3 + 30)$  g dough liquid composed of the 430 g sugar-salt-ascorbic acid solution and an additional quantity of water must be added.

Although part of the water added with the yeast suspension is absorbed by the yeast, this suspension also contains 'free' water. It is arbitrarily supposed that 90 g yeast suspension contains 60 g 'free' water. The quantity of the dough liquid must be corrected for this 60 g of 'free' water in the yeast suspension, so  $10 x/3$  plus 30 minus 60 g must finally be added. This can be rearranged as follows:  $(10 x/3 + 30) - 60 = 10 x/3 - 30 = (x/3 - 3) 10 = (x - 9) 10/3$ , the formula given in point 7.5. If, for example, a water addition  $x$  in the farinograph test was found of 165 ml, this value must be substituted in this formula, so to the 430 g sugar-salt-ascorbic acid solution water must be added to a total mass of:

$$(165 - 9) 10/3 = 156 \times 10/3 = 520 \text{ g.}$$

- 9.2. The method is not directly applicable to wheat. The procedure to be followed for characterising the baking properties of wheat is as follows:

Clean the wheat sample, and determine the moisture content of the cleaned wheat. If the moisture content is within the range 15,0 % to 16,0 %, do not temper the wheat. If the moisture content is outside this range, adjust the moisture content to  $15,5 \pm 0,5$  %, at least three hours prior to milling.

Mill the wheat into flour using a Buehler laboratory mill MLU 202 or a Brabender Quadrumat Senior mill or similar equipment having the same characteristics.

Choose a milling procedure that yields a flour of minimum 72 % extraction, with an ash content of 0,50 to 0,60 % on dry matter basis.

Determine the ash content of the flour according to Annex II to Commission Regulation (EU) No 234/2010 <sup>(1)</sup> and the moisture content according to this Regulation. Calculate the extraction rate by the equation:

$$E = \frac{((100 - f) F)}{(100 - w) W} \times 100 \%$$

where:

E = extraction rate,

f = moisture of the flour,

w = moisture content of the wheat,

F = mass of flour produced with moisture content f,

W = mass of wheat milled with moisture content w.

*Note:* Information concerning the ingredients and equipment to be used is published in Document T/77,300 of 31 March 1977 from the Instituut voor Graan, Meel en Brood, TNO — Postbus 15, Wageningen, Netherlands.

#### PART IV

### Methodology of sampling and analyses for cereals

1. For each lot of cereals, the quality characteristics shall be established on the basis of a representative sample of the lot offered, consisting of samples taken at the rate of once every delivery for at least every 60 tonnes.
2. The reference methods to be used for determining the quality of cereals offered or tendered for, or placed in, intervention are those set out in Parts I, II and III of this Annex.
3. In cases of dispute, the paying agency shall have the necessary tests on the cereals in question carried out again, the cost being met by the losing party.

#### PART V

### Price increases and reductions

Table I

#### Price increases for moisture content for cereals other than maize

Moisture content (%)	Increases (EUR/tonne)
Less than 12.5 to 12	0,5
Less than 12 to 11,5	1
Less than 11,5	1.5

<sup>(1)</sup> Commission Regulation (EU) No 234/2010 of 19 March 2010 laying down certain detailed rules for the application of Council Regulation (EC) No 1234/2007 on the granting of export refunds on cereals and the measures to be taken in the event of disturbance on the market for cereals (OJ L 72, 20.3.2010, p. 3).

**Price increases for moisture content for maize**

Moisture content (%)	Increases (EUR/tonne)
Less than 12 to 11,5	0,5
Less than 11,5	1

Table II

**Price reductions for moisture content for cereals other than maize**

Moisture content (%)	Reduction (EUR/tonne)
More than 13,0 to 13,5	0,5
More than 13,5 to 14,0	1,0
More than 14,0 to 14,5	1,5

**Price reductions for moisture content for maize**

Moisture content (%)	Reduction (EUR/tonne)
More than 12,5 to 13,0	0,5
More than 13,0 to 13,5	1,0

Table III

**Price increases for protein content of common wheat**

Protein content <sup>(1)</sup> (N × 5,7)	Price increase (EUR/tonne)
More than 12,0	2,5

<sup>(1)</sup> As % of dry matter.

Table IV

**Price reductions for protein content for common wheat**

Protein content <sup>(1)</sup> (N × 5,7)	Price reduction (EUR/tonne)
Less than 11,5 to 11,0	2,5

<sup>(1)</sup> As % of dry matter.

## PART VI

**Calculation of prices increases and reductions**

The price adjustments provided for in Article 26(1) shall be expressed in euro per tonne for offers or tenders for intervention by multiplying the price referred to in that Article by the sum of the established percentage increases or reductions, as follows:

- (a) where the moisture content of cereals offered or tendered for intervention is less than 12,0 % for maize and 12,5 % for other cereals, the price increases to be applied shall be those listed in Table I of Part V of this Annex. Where the moisture content of these cereals offered or tendered for intervention is higher than 12,5 % for maize and 13,0 % for other cereals, the price reductions to be applied shall be those listed in Table II of Part V of this Annex;
  - (b) where the protein content of common wheat is higher than 12,0 %, the increases to be applied shall be those listed in Table III of Part V of this Annex. Where the protein content of common wheat is less than 11,5 %, the reductions to be applied shall be those listed in Table IV of Part V of this Annex.
-

## ANNEX II

## RICE

## PART I

**Methodology of sampling and analyses for paddy rice**

1. With a view to verifying the quality requirements as laid down in Part I of Annex II to Delegated Regulation (EU) 2016/1238, samples shall be taken by the paying agency in the presence of the operator or his/her duly authorised agent.

Three representative samples, each weighing a minimum of one kilogram, shall be collected. One each shall go to:

- (a) the operator;
- (b) the storage place where takeover is to take place;
- (c) the paying agency.

To make up the representative samples, the number of individual samples to be taken shall be obtained by dividing the quantity of the lot by 10 tonnes. Each individual sample shall weigh the same. The representative samples shall be made up of the sum of the individual samples, divided by three.

The quality requirements shall be verified using the representative sample intended for the store where takeover is to take place.

2. Representative samples shall be taken of each part-delivery (by lorry, barge, railway wagon) under the conditions laid down in point 1.

Before its entry into the intervention store the examination of each part-delivery can be restricted to a check of the moisture content and impurity level and verification that no live insects are present. However, if it later becomes apparent when the check is finalised that a part-delivery does not satisfy the minimum quality requirements, the concerned quantity shall be refused for takeover. If the paying agency is able to check all the minimum quality requirements for each part-delivery before it enters the store, it shall refuse takeover of any part-delivery that fails to satisfy these requirements.

3. The control of the radioactivity level is performed only if the situation so requires and for a limited period.
4. In cases of dispute, the paying agency shall have the necessary tests on the paddy rice in question carried out again, the cost being met by the losing party.

A new analysis is performed by a laboratory recognised by the paying agency on the basis of a new representative sample made up, in equal parts, by samples preserved by the operator and by the paying agency. In cases where there were part-deliveries of the lot tendered, the result is given by the weighted average of the results of analyses of new representative samples taken for each of the part-deliveries.

## PART II

**Prices increases and reductions**

1. The price adjustments provided for in Article 26(1) shall be expressed in euro per tonne and apply to tenders for intervention by multiplying the price referred to in that Article by the sum of the established percentage increases in Tables I, II and III of this Part.
2. The price increases and decreases shall apply on the basis of the weighted average of the test results on the representative samples as defined in Part I of this Annex.

Table I

**Price increases for moisture content**

Moisture content (%)	Increases (EUR/tonne)
Less than 12,5 to 12	0,75
Less than 12 to 11,5	1,5

Table II

**Price reductions for moisture content**

Moisture content (%)	Reduction (EUR/tonne)
More than 13,5 to 14,0	0,75
More than 14,0 to 14,5	1,5

Table III

**Price increases relating to milling yield**

Yield of whole-grain milled paddy rice	Price increases per yield point (1)
Above the basic yield	0,75 % increase
Overall yield of milled paddy rice	Price increases per yield point
Above the basic yield	0,60 % increase

(1) To be applied where the milling yield of the rice differs from the basic milling yield for the variety concerned as set out in Part II of Annex II to Delegated Regulation (EU) 2016/1238.

## ANNEX III

**BEEF**

## PART I

**Conditions and controls for taking over**

1. Products delivered shall be taken over subject to verification by the paying agency that they comply with the requirements laid down in Part I of Annex III to Delegated Regulation (EU) 2016/1238. In particular, a systematic check of the presentation, classification, weight and labelling of each carcass, half-carcass and quarter delivered shall be undertaken.
2. The failure to comply with the requirements laid down in Part I of Annex III to Delegated Regulation (EU) 2016/1238 shall result in rejection. Products rejected shall not be presented again for acceptance.
3. The outcome of the checks described in point 1 shall be systematically recorded by the paying agency.

## PART II

**Conversion coefficients**

Conformation class/fat cover	Coefficient
U2	1,058
U3	1,044
U4	1,015
R2	1,015
R3	1,000
R4	0,971
O2	0,956
O3	0,942
O4	0,914

## PART III

**Deboning****I. General conditions governing deboning**

1. Deboning may only be carried out in cutting plants approved and operating in accordance with the requirements of Regulation (EC) No 853/2004 of the European Parliament and of the Council <sup>(1)</sup>.
2. For the purposes of this Regulation 'deboning operations' means the physical operations for beef/veal as referred to in Annex II to Delegated Regulation (EU) No 906/2014.

<sup>(1)</sup> Regulation (EC) No 853/2004 of the European Parliament and of the Council of 29 April 2004 laying down specific hygiene rules for food of animal origin (OJ L 139, 30.4.2004, p. 55).



3. Boned cuts must meet the requirements laid down in Part IV of this Annex.

## II. Contracts and specifications

1. Deboning shall be carried out under contract on terms laid down by the paying agencies, in accordance with their specifications and in compliance with the requirements of this Regulation.
2. The specifications of the paying agencies shall lay down the requirements to be met by cutting plants, shall specify the plant and equipment required and shall lay down detailed conditions covering deboning operations.

They shall in particular lay down detailed conditions specifying the method of preparation, trimming, packing, freezing and preservation of cuts with a view to their takeover by the paying agency.

## III. Control and monitoring of deboning operations

The paying agencies shall take all the necessary measures to ensure that deboning operations are carried out in compliance with the requirements of this Regulation and with the contracts and specifications described in Section II of this Part.

In particular, the paying agencies shall put in place a system to ensure the continuous monitoring and verification of all deboning operations. The outcome of such monitoring and verification shall be recorded.

## IV. Storage of cuts

Cuts shall be stored in cold stores located in the territory of the Member State exercising jurisdiction over the paying agency.

## V. Costs of deboning operations

Contracts as referred to in Section II of this Part and payments made thereunder shall cover the costs of deboning operations as referred to in point 2 of Section I of this Part.

## VI. Time limits for deboning operations

Deboning, trimming, weighing, packaging and rapid freezing must be completed within 10 calendar days of slaughter. However, the paying agency may set shorter time limits.

## VII. Checks and rejection of products

1. When as a result of the checks provided for in Section III of this Part, products are found not to be in compliance with the requirements as laid down in this Regulation and with the contracts and specifications described in Section II of this Part they shall be rejected.
2. Without prejudice to the application of penalties, the paying agencies shall recover payments from the responsible parties for an amount equal to the price shown in Part V of this Annex for the cuts that have been rejected.

## PART IV

### Specifications for intervention deboning

1. HINDQUARTER CUTS
  - 1.1. Description of cuts
    - 1.1.1. Intervention shank (code INT 11)

Cutting and deboning: remove by a cut passing through the stifle joint and separating from the topside and the silverside by following the natural seam, leaving the heel muscle attached to the shank. Remove shank bones (tibia and hock).

Trimming: trim sinew tips back to the meat.

Wrapping and packing: these cuts must be individually wrapped before packing in cartons.

#### 1.1.2. Intervention thick flank (code INT 12)

Cutting and deboning: separate from the topside by a straight cut down to and along the line of the femur and from the silverside by continuing the cut down in the line of the natural seam; the cap must be left naturally attached.

Trimming: remove the patella, the joint capsule and tendon; the external fat cover must not exceed one centimetre at any point.

#### 1.1.3. Intervention topside (code INT 13)

Cutting and deboning: separate from the silverside and the shank by a cut following the line of the natural seam and detach from the femur; remove the aitchbone.

Trimming: remove the pizzle butt, the adjacent gristle and the scrotal (superficial inguinal) gland; remove the cartilage and connective tissues associated with the pelvic bone; the external fat cover must not exceed one centimetre at any point.

#### 1.1.4. Intervention silverside (code INT 14)

Cutting and deboning: separate from the topside and the shank by a cut following the line of the natural seam; remove the femur.

Trimming: remove the heavy cartilage adjacent to the bone joint, the popliteal lymph node, attached fat and tendon; the external fat cover must not exceed one centimetre at any point.

#### 1.1.5. Intervention fillet (code INT 15)

Cutting: remove entire length of fillet by freeing the head (butt end) from the hip bone (ilium) and by tracing along the fillet adjacent to the vertebrae, thereby freeing the fillet from the loin.

Trimming: remove gland and de-fat. Leave the silverskin and chain muscle intact and fully attached.

#### 1.1.6. Intervention rump (code INT 16)

Cutting and deboning: separate from the silverside/thick flank by a straight cut from a point approximately five centimetres from the posterior edge of the fifth sacral vertebra, passing approximately five centimetres from the anterior edge of the aitchbone, taking care not to cut through the thick flank.

Separate from the loin by a cut between the last lumbar and first sacral vertebrae, clearing the anterior edge of the pelvic bone. Remove bones and cartilage.

Trimming: remove the pocket of fat on the internal surface below the eye muscle. The external fat cover must not exceed one centimetre at any point.

#### 1.1.7. Intervention striploin (code INT 17)

Cutting and deboning: separate from the rump by a straight cut between the last lumbar and the first sacral vertebrae. Separate from the fore-rib (five bone) by a straight cut between the eleventh and tenth ribs. Remove the backbones cleanly. Remove the ribs and feather bones by sheeting out.

Trimming: remove any species of cartilage left after deboning. The tendon must be removed. The external fat cover must not exceed one centimetre at any point.

#### 1.1.8. Intervention flank (code INT 18)

Cutting and deboning: remove the full flank from the eight-rib straight-cut hindquarter by a cut from the point where the flank has been laid back, following the natural seam down around the surface of the hind muscles to a point which is horizontal to the middle of the last lumbar vertebra.

Continue the cut downwards in a straight line parallel to the fillet, through the thirteenth to the sixth rib inclusive along a line running parallel to the dorsal edge of the vertebral column, so that the entire downward cut is no more than five centimetres from the lateral tip of the eye muscle.

Remove all bones and cartilage by sheeting out. The whole flank must remain in one piece.

Trimming: remove the coarse connective tissue sheath covering the goose skirt, leaving the goose skirt intact. Trim fat so that the overall percentage of visible (external and interstitial) fat does not exceed 30 %.

#### 1.1.9. Intervention fore-rib (five bone) (code INT 19)

Cutting and deboning: this cut must be separated from the striploin by a straight cut between the eleventh and tenth ribs and must include the sixth to tenth ribs inclusive. Remove the intercostal muscles and pleura in a thin sheet with rib bones. Remove backbone and cartilage, including the tip of the scapula.

Trimming: remove the backstrap (ligamentum nuchae). The external fat cover must not exceed one centimetre at any point. The cap must be left attached.

## 2. FOREQUARTER CUTS

### 2.1. Description of cuts

#### 2.1.1. Intervention shin (code INT 21)

Cutting and deboning: remove by a cut around the joint separating the shinbone (radius) and clod-bone (humerus). Remove the shinbone (radius).

Trimming: trim sinew tips back to the meat.

Shins must not be packed with shanks.

#### 2.1.2. Intervention shoulder (code INT 22)

Cutting and deboning: separate the shoulder from the forequarter by cutting in a line following the natural seam around the edge of the shoulder and the cartilage at the tip of the scapula, continuing around the seam so that the shoulder is lifted from its natural pocket. Remove the scapula. The blade muscle under the scapula must be laid back but left attached so as to allow clean removal of the bone. Remove the clod-bone (humerus).

Trimming: remove cartilage, tendons and joint capsules; trim fat so that the overall percentage of visible (external and interstitial) fat does not exceed 10 %.

#### 2.1.3. Intervention brisket (code INT 23)

Cutting and deboning: separate from the forequarter by cutting in a straight line perpendicular to the middle of the first rib. Remove intercostal muscles and pleura by 'sheeting out', with ribs, breastbone and cartilage. Deckle to be left attached to the brisket. Fat underlying the deckle and the sternum must be removed.

Trimming: trim fat so that the overall percentage of visible (external and interstitial) fat does not exceed 30 %.

#### 2.1.4. Intervention forequarter (code INT 24)

Cutting and deboning: the cut remaining after removal of the brisket, shoulder and shin is classed as forequarter.

Remove rib bones by sheeting out. Neck bones must be removed cleanly.

The chain muscle must be left attached to this cut.

Trimming: tendons, joint capsules and cartilage to be removed. Trim fat so that the overall percentage of visible (external and interstitial) fat does not exceed 10 %.

### PART V

#### Individual prices of rejected intervention cuts

	<i>(EUR/tonne)</i>
Intervention fillet	22 000
Intervention striploin	14 000
Intervention topside, Intervention rump	10 000
Intervention silverside, Intervention thick flank, Intervention forerib (with five ribs)	8 000
Intervention shoulder, Intervention forequarter	6 000
Intervention brisket, Intervention shank, Intervention shin	5 000
Intervention flank	4 000

## ANNEX IV

**BUTTER**

## PART I

**Sampling for chemical and microbiological analysis and sensory evaluation****1. Chemical and microbiological analysis**

Quantity of butter (kg)	Minimum number of samples (> 100 g)
≤ 1 000	2
> 1 000 ≤ 5 000	3
> 5 000 ≤ 10 000	4
> 10 000 ≤ 15 000	5
> 15 000 ≤ 20 000	6
> 20 000 ≤ 25 000	7
> 25 000	7 + 1 per 25 000 kg or part thereof

Sampling for microbiological analysis must be carried out aseptically.

Up to five samples of 100 g may be combined into one sample for analysis after thorough mixing.

The samples must be taken randomly from different parts of each lot before or at the time of entry into the cold store designated by the paying agency.

Preparation of composite butter sample (chemical analysis):

- (a) using a clean, dry butter trier or similar suitable instrument, extract a core of butter of at least 30 g and place in a sample container. The composite sample must then be sealed and forwarded to the laboratory for analysis;
- (b) at the laboratory the composite sample is to be warmed in the original unopened container to 30 °C and shaken frequently until a homogeneous fluid emulsion free of unsoftened pieces is obtained. The container should be one half to two thirds full.

Two samples per year per producer offering butter for intervention must be analysed for non-milk fat.

**2. Sensory evaluation**

Quantity of butter (kg)	Minimum number of samples
1 000 ≤ 5 000	2
> 5 000 ≤ 25 000	3
> 25 000	3 + 1 per 25 000 kg or part thereof

Following a trial storage period of 30 days, samples are to be taken randomly from different parts of each lot between the 30th and the 45th day following delivery of the butter and graded.

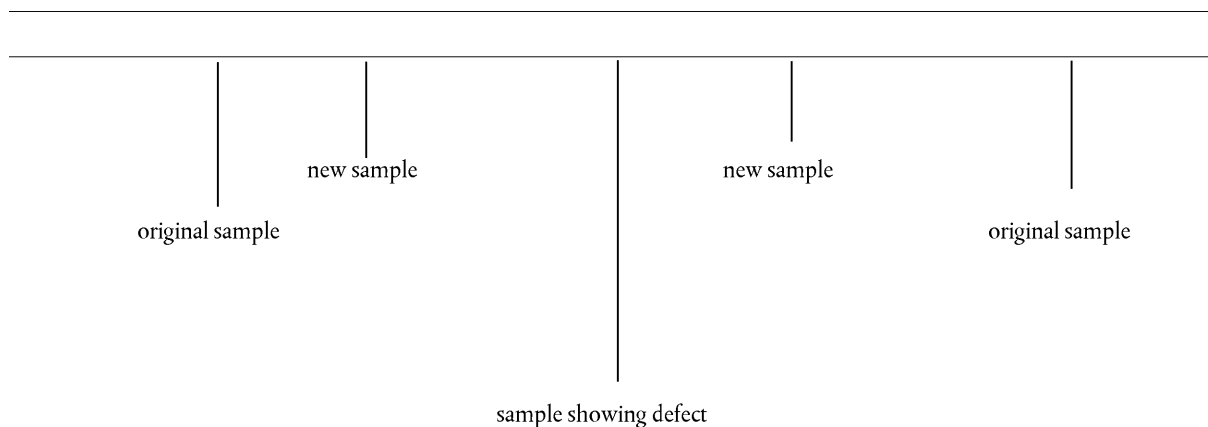
Each sample must be assessed individually in accordance with Annex IV to Regulation (EC) No 273/2008. No resampling or re-evaluation is allowed.

### 3. Guidelines to be followed where samples show defects

(a) chemical and microbiological analysis:

- (i) where individual samples are analysed, one sample showing a single defect out of five to 10 samples or two samples each showing a single defect out of 11 to 15 samples may be allowed. Where a sample shows a defect, two new samples must be taken from either side of the sample showing the defect and checked for the parameter in question. Where neither sample meets the specification, the quantity of butter between the original two samples on either side of the sample showing the defect must be rejected from the quantity offered.

Quantity to be rejected where the new sample shows a defect:



- (ii) where composite samples are analysed and found to show defects in respect of one parameter, the quantity represented by the composite sample concerned is to be rejected from the quantity offered. The quantity represented by one composite sample may be determined by subdividing the quantity before samples are taken randomly from each part thereof;

(b) sensory evaluation: where a sample fails the sensory evaluation, the quantity of butter between two neighbouring samples on either side of the sample failing is to be rejected from the quantity of the lot,

(c) where samples show a sensory defect and either a chemical or a microbiological defect, the whole quantity is to be rejected.

## PART II

### Delivery and packaging of butter

1. Butter shall be delivered in blocks and packed in new, strong material in such a way as to ensure it is protected throughout transportation, entry into storage, storage and removal from storage.
2. The packing shall show at least the following particulars, where appropriate in code:
  - (a) the approval number identifying the factory and the Member State of production;
  - (b) the date of production;

- (c) the production batch number and the package number; the package number may be replaced by a pallet number marked on the pallet;
  - (d) the words 'sweet cream' if the butter has a pH of 6,2 or higher.
3. The storekeeper shall keep a register in which the particulars referred to in point 2 are recorded on the date of entry into storage.
-

## ANNEX V

**SKIMMED MILK POWDER**

## PART I

**Sampling and analysis of skimmed-milk powder offered for intervention**

1. Samples per lot shall be taken in accordance with the procedure laid down in International Standard ISO 707. However, paying agencies may use another method of sampling provided that it complies with the principles of that standard.
2. Number of packages to be selected for taking samples for analysis:
  - (a) lots containing up to 800 25-kg bags: at least eight;
  - (b) lots containing more than 800 25-kg bags: at least eight, plus one for each additional 800 bags or fraction thereof.
3. Weight of sample: samples of at least 200 g are to be taken from each package.
4. Grouping of samples: no more than nine samples are to be combined in a global sample.
5. Analysis of samples: each global sample is to undergo an analysis to verify all the quality characteristics laid down in Part II of Annex V to Delegated Regulation (EU) 2016/1238.
6. Where samples show defects:
  - (a) where a composite sample shows a defect with regard to one parameter, the quantity from which the sample came is rejected;
  - (b) where a composite sample shows a defect with regard to more than one parameter, the quantity from which the sample came is rejected and samples are taken from the remaining quantities from the same plant; the analysis of those samples shall be decisive. In that case:
    - the number of samples laid down in point 2 is doubled,
    - where a composite sample shows a defect with regard to one or more parameters, the quantity from which the sample came is rejected.

## PART II

**Delivery and packaging of skimmed milk powder**

1. Skimmed milk powder shall be packed in new, clean, dry and intact bags meeting the following requirements:
  - (a) the bags shall have at least three layers, which together correspond to at least 420 J/m<sup>2</sup> TEA average;
  - (b) the second layer shall be covered with a layer of polyethylene of at least 15 g/m<sup>2</sup>;
  - (c) inside the paper layers, a polyethylene bag at least 0,08 mm thick shall be fused to the bottom;
  - (d) bags shall conform to standard EN 770;
  - (e) when filling, the powder should be well pressed down. Loose powder must on no account be allowed to penetrate between the various layers.
2. The bags shall show the following particulars, where appropriate in code:
  - (a) the approval number identifying the factory and the Member State of production;



- (b) the date or, where appropriate, the week of production;
  - (c) the number of the production batch;
  - (d) the description 'spray skimmed-milk powder'.
3. The storekeeper shall keep a register in which the particulars referred to in point 2 are recorded on the date of entry into storage.
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