EXPLANATORY NOTE

(This note does not form part of the Regulations)

These Regulations, which come into force on 1st February 2001, lay down implementing measures in respect of Article 14(2) of Council Regulation (EC) No. 1255 / 1999 on the common organisation of the market in milk and milk products (OJ No. L160, 26.6.1999, p.48).

The Regulations provide for payment, by the National Assembly for Wales, of national aid (supplementing European Community aid), in connection with the supply of milk and certain milk products to children receiving primary education.

The Regulations provide that the National Assembly may grant national aid in connection with a maximum supply of 0.25 litres of milk (or milk equivalent in the case of certain milk products), per child per school day.

Children benefiting from national aid under these Regulations are those attending an establishment providing primary education which is registered with the Intervention Board for Agricultural Produce for the purpose of the European Community's scheme for the supply of subsidised milk products.

The Regulations provide that the rate of national aid granted by the National Assembly shall be restricted —

- (a) in the case of the supply of whole milk, to an amount that represents the sterling equivalent of 6.2 euros per 100 kilograms; or
- (b) in the case of the supply of all other qualifying milk products, to an amount that shall be determined by the National Assembly and notified to claimants in writing.

However, the Regulations provide that where national aid is granted in connection with the supply of flavoured or unflavoured whole or semi skimmed milk to primary pupils other than those receiving nursery education or those in key stage 2, that aid may amount to a sum sufficient for the purposes of defraying any cost that would otherwise have to be borne by those pupils or their parents or guardians in circumstances where European Community aid does not fully meet the cost of supplying those products.

The Regulations provide for national aid to be paid to claimants by the Intervention Board as agent of the National Assembly (Regulation 6) and also provide for the withholding and recovery of aid in certain circumstances (Regulation 7).

The Regulations also provide that the applicable sterling / euro exchange rate to be applied for the purposes of calculating national aid shall be fixed from time to time by the National Assembly and notified in writing to claimants (Regulation 8).