

REGULATION (EEC) No 788/69 OF THE COUNCIL**of 22 April 1969****on the financing of intervention expenditure in respect of the domestic market in pigmeat**

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to Council Regulation No 17/64/EEC¹ of 5 February 1964 on the conditions for granting aid from the European Agricultural Guidance and Guarantee Fund, as last amended by Regulation (EEC) No 1892/68², and in particular Article 6(2) thereof;

Having regard to the proposal from the Commission;

Whereas it is necessary to determine the conditions for granting aid from the European Agricultural Guidance and Guarantee Fund (hereinafter called the 'Fund') for Community financing of intervention expenditure in each sector of the common organization of the markets;

Whereas the granting of aid for private storage and buying-in by intervention agencies pursuant to Articles 3 to 7 of Council Regulation No 121/67/EEC³ of 13 June 1967 on the common organization of the market in pigmeat, as amended by Regulation (EEC) No 830/68⁴, entail expenditure, and possible losses, which must be charged to the Fund, since those interventions satisfy the conditions laid down in Article 6(1) of Regulation No 17/64/EEC; whereas a standard method should be established for taking over such losses, taking into account the degree of discretion which Member States have under Community rules and the fact that a certain number of costs are not harmonized;

Whereas provisions must be laid down enabling the Fund to avoid bearing the financial consequences of any negligence discovered in the application of the intervention system,

HAS ADOPTED THIS REGULATION:

Article 1

In connection with the common organization of the market in pigmeat, interventions on the internal market,

within the meaning of Article 6(1) of Regulation No 17/64/EEC, means actions arising from the application of the first paragraph of Article 3 of Regulation No 121/67/EEC.

Article 2

The following shall be chargeable to the Guarantee Section of the Fund:

- (a) aid granted in pursuance of the first indent of the first paragraph of Article 3 of Regulation No 121/67/EEC;
- (b) net losses borne by intervention agencies on quantities of products derived from swine, of Community origin bought-in by those agencies in pursuance of the second indent of the first paragraph of Article 3 of that Regulation.

Article 3

The amount of expenditure chargeable under Article 2(a) shall be determined after deduction of the total amount of any aid which may have been wrongly paid.

Article 4

1. In order to apply Article 2(b), the intervention agencies shall draw up an account:

A. for each intervention period and for each product to which the buying-in relates, which shall be:

- (a) debited with the items mentioned in Article 5(1);
- (b) credited with the items mentioned in Article 5(2);

B. for each calendar year and for each product which it has been decided to process in accordance with Article 6 of Regulation No 121/67/EEC, which shall be:

- (a) debited with the items mentioned in Article 6(1);
- (b) credited with the items mentioned in Article 6(2).

2. The balances of the accounts referred to in paragraph 1 shall be carried over to a single account drawn up for each accounting period.

¹ OJ No 34, 27.2.1964, p. 586/64.

² OJ No L 289, 29.11.1968, p. 1.

³ OJ No 117, 19.6.1967, p. 2283/67.

⁴ OJ No L 151, 30.6.1968, p. 23.

3. The debit balance of the single account referred to in paragraph 2 shall constitute the total amount of net losses borne by the intervention agencies within the meaning of Article 2 (b).

4. Any credit balance of the single account referred to in paragraph 2 shall be carried over to the single account for the following accounting period.

5. An intervention period within the meaning of paragraph 1 A shall be a period commencing at the time of applying the intervention measures in the form of buying-in of a given product by intervention agencies, and ending on completion of the removal from storage, for disposal or processing within the Community, of the whole of the quantities thus bought-in.

Article 5

1. The account referred to in Article 4 (1) A shall be debited with:

- (a) the total amount of expenditure on buying-in during the intervention period in question;
- (b) the total amount of the costs incurred, during buying-in and disposal, by freezing and by placing and removing from storage, calculated on the basis of a standard amount per unit of weight on entry into storage and frozen and per unit of weight on removal from storage determined in accordance with Article 7;
- (c) the total amount of the costs incurred through storage, calculated on the basis of a standard amount per unit of weight/period of storage determined in accordance with Article 7;
- (d) the total amount of the costs incurred through transportation made necessary after the taking over of goods by the intervention agency, and carried out under conditions concerning, in particular, the need for transportation, to be determined according to the procedure provided for in Article 24 of Regulation No 121/67/EEC. This amount shall be calculated on the basis of a standard amount per unit of weight/kilometre determined in accordance with Article 7; it shall include, where appropriate, the costs of removing from and replacing in storage, calculated on the basis of a standard amount per unit of weight determined in accordance with Article 7.

2. The account referred to in Article 4 (1) A shall be credited with:

- (a) the total amount of the receipts from disposals effected during the intervention period in question;
- (b) the value of the quantities it has been decided to process, determined on the basis of the buying-in prices paid by the intervention agency for those quantities;
- (c) the value of the quantity losses exceeding the maximum tolerance to be fixed in accordance with the procedure laid down in Article 24 of Regulation No 121/67/EEC, calculated by multiplying those quantities by the highest buying-in prices operative

during the intervention period in question and by adding thereto the costs defined in paragraph 1 (b) and (c), the costs referred to under (c) being those relating to the longest period of storage.

Quantity losses shall be equal to the stock shown as remaining on the books after the actual physical stock of the product in question has been exhausted.

Products which have deteriorated through bad storage conditions attributable to the intervention agency and which no longer satisfy the requirements of health regulations for food intended for human consumption shall be entered in the accounts as losses exceeding the maximum tolerance;

- (d) the amounts recovered from warehousemen for deterioration or loss, in so far as there is no duplication with subparagraph (c) or Article 8.

Article 6

1. The account referred to in Article 4 (1) B shall be debited with:

- (a) the value of the quantities in stock at the beginning of the year, calculated by adding to the value of the quantities of the products which were the subject of intervention measures and subsequent processing, determined in accordance with the provisions of Article 5 (2) (b), the costs of processing those quantities calculated in accordance with (c) below;
- (b) the value of quantities which it has been decided to process, determined on the basis of the buying-in prices paid by the intervention agency for those quantities;
- (c) the total amount of the costs incurred in processing, calculated on the basis of a standard amount per unit of weight, determined in accordance with Article 7;
- (d) the total amounts resulting from the application of Article 5 (1) (c) and (d) to the processed products.

2. The account referred to in Article 4 (1) B shall be credited with:

- (a) the total amount of the receipts from sales effected during the year in question;
- (b) the value of the quantities in stock on the last day of the year in question, calculated by adding to the value of the quantities of products which were the subject of intervention measures and subsequent processing, determined in accordance with Article 5 (2) (b), the cost of processing those quantities calculated in accordance with paragraph 1 (c);
- (c) the value of the quantity losses exceeding the maximum tolerance to be fixed in accordance with the procedure provided for in Article 24 of Regulation No 121/67/EEC, calculated by multiplying those quantities by the buying-in price defined in paragraph 1 (b), plus the costs defined in paragraph 1 (c), and by adding to the product of this multiplication the costs defined in paragraph 1 (d) relating to the longest period of storage.

Quantity losses shall be equal to the difference between the theoretical stock shown by the current inventory and the actual physical stock on the last day of the year in question established by taking an inventory.

Article 7

The standard amounts referred to in Article 5 (1) (b) (c) and (d) and in Article 6 (1) (c) shall be uniform for the Community. They shall be fixed in accordance with the procedure laid down in Article 26 of Regulation No 17/64/EEC, account being taken of the results of an examination made under Article 25 of Regulation No 121/67/EEC.

Article 8

1. From the amount of expenditure which is chargeable within the meaning of Article 2 (b) there shall be deducted losses incurred as a result of negligence attributable to Member States; this shall be Established in accordance with the procedure laid down in Article 26 of Regulation No 17/64/EEC, account being taken of the results of an examination made under Article 25 of Regulation No 121/67/EEC.

2. The results of applying the last subparagraph of Article 5 (2) (c) shall not be included in calculating the losses referred to in paragraph 1.

Article 9

This Regulation shall take effect as from 1 July 1967.

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

Done at Luxembourg, 22 April 1969.

For the Council

The President

J. P. BUCHLER