Commission Implementing Regulation (EU) 2020/597 of 30 April 2020 granting aid for private storage for butter and fixing the amount of aid in advance

COMMISSION IMPLEMENTING REGULATION (EU) 2020/597

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granting aid for private storage for butter and fixing the amount of aid in advance

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[(1)], and in particular Article 18(2) 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[(2)], and in particular Article 4(2)(b) 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[(3)], and in particular Article 62(2)(b) thereof,

Whereas:

(1) Due to the current pandemic of COVID-19 and the extensive movement restrictions put in place in the Member States there has been a drop in demand for certain products in the milk and milk products sector. The spread of the disease and the measures in place limit the availability of labour, compromising notably the stages of production, collection and processing of milk. Furthermore, the mandatory closure of shops, outdoor markets, restaurants and other hospitality establishments has brought the operation of the hospitality and catering industry to a halt, leading to significant changes in the demand patterns for milk and milk products. The hospitality and catering industry is traditionally responsible for the consumption of approximately between 10 and 20 %, depending on the product, of the Union milk and milk products production. In addition, buyers in the Union and on the world market are cancelling contracts and delaying the conclusion of new ones in anticipation of further price falls.

(2) As a result, the processing of raw milk intake is partially being diverted into bulk, long shelf life, storable products that are less labour intense, such as skimmed milk powder and butter, beyond the regular market demand.

(3) In order to reduce the resulting supply-demand imbalance, it is appropriate to grant private storage aid for butter.

Changes to legislation: *There are currently no known outstanding effects for the Commission Implementing Regulation (EU) 2020/597. (See end of Document for details)*

(4) Commission Delegated Regulation (EU) 2016/1238[4] and Commission Implementing Regulation (EU) 2016/1240[5] lay down rules for the implementation of the aid for private storage. Save as otherwise provided in this Regulation, the provisions of Delegated Regulation (EU) 2016/1238 and Implementing Regulation (EU) 2016/1240 should apply to the private storage aid for butter.

(5) The amount of the aid should be fixed in advance so as to allow for a rapid and flexible operational system. In accordance with Article 4 of Regulation (EU) No 1370/2013, the aid for private storage fixed in advance should be based on storage costs and other relevant market elements. It is appropriate to set an aid for fixed storage costs for entry and exit of the products concerned and an aid per day of storage for costs for storage and financing.

(6) For reasons of administrative efficiency and simplification, applications should only refer to butter already in storage and a security should not be required. In that context, it is appropriate to fix the period of storage.

(7) For reasons of administrative efficiency and simplification, the minimum quantity of products to be covered by each application should be fixed.

(8) The measures put in place to address the pandemic of COVID-19 may affect compliance with the requirements for on-the-spot checks concerning aid for private storage pursuant to Article 60 of Implementing Regulation (EU) 2016/1240. It is appropriate to provide flexibility to the Member States concerned by those measures, by prolonging the period for carrying out the entry into storage checks or by substituting them by the use of other relevant evidence, and by not requiring the carrying out of unannounced checks. It is therefore appropriate to derogate from certain provisions of Implementing Regulation (EU) 2016/1240 for the purposes of this Regulation.

(9) In order to have an immediate impact on the market and to contribute to stabilise prices, this Regulation should enter into force on the day following that of its publication in the *Official Journal of the European Union*.

(10) 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:

Article 1

Subject matter and scope

1 This Regulation provides for private storage aid for butter, as referred to in point (e) of the first subparagraph of Article 17 of Regulation (EU) No 1308/2013, hereinafter the ‘aid’.

2 Delegated Regulation (EU) 2016/1238 and Implementing Regulation (EU) 2016/1240 shall apply save as otherwise provided for in this Regulation.

Article 2

Eligible products

In order to qualify for the aid, the butter shall be of sound and fair marketable quality and of Union origin. The product shall fulfil the requirements laid down in Section IV of Annex VI to Delegated Regulation (EU) 2016/1238.

Article 3

Submission and admissibility of applications

1 Applications for aid may be lodged as from 7 May 2020. The last date for the submission of applications shall be 30 June 2020.

2 Applications shall relate to products that have already been placed in storage.

3 The minimum quantity per application is 10 tonnes.

Article 4

Amount of aid and period of storage

1 The amount of aid shall be fixed as follows:

a EUR 9,83 per tonne of storage for fixed storage costs;

b EUR 0,43 per tonne per day of contractual storage.

2 Contractual storage shall end on the day preceding that of the removal from storage.

3 Aid may be granted only where the contractual storage period is between 90 and 180 days.

Article 5

Checks

1 By way of derogation from Article 60(1) and (2) of Implementing Regulation (EU) 2016/1240, where due to the measures put in place to address the pandemic of COVID-19, hereinafter ‘the measures’, the paying agency is not in a position to carry out in due time the checks referred to in Article 60(1) and (2) of that Regulation, the Member State concerned may:

a extend the period referred to in the first subparagraph of Article 60(1) to carry out those checks by up to 30 days after the end of the measures; or

b substitute those checks during the period when the measures are applicable by the use of relevant evidence, including geotagged photos or other evidence in electronic format.

2 By way of derogation from the first subparagraph of Article 60(3) of Implementing Regulation (EU) 2016/1240, where due to the measures the paying agency is not in a position to carry out the unannounced on-the-spot checks, the paying agency shall not be required to perform unannounced checks during the period when the measures are in place.