Council Regulation (EU) 2016/1042 of 24 June 2016 amending Regulation (EU) No 1370/2013 determining measures on fixing certain aids and refunds related to the common organisation of the markets in agricultural products, as regards the applicable quantitative limitation for the buying-in of skimmed milk powder

COUNCIL REGULATION (EU) 2016/1042

of 24 June 2016

amending Regulation (EU) No 1370/2013 determining measures on fixing certain aids and refunds related to the common organisation of the markets in agricultural products, as regards the applicable quantitative limitation for the buying-in of skimmed milk powder

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 43(3) thereof,

Having regard to the proposal from the European Commission,

Whereas:

(1) The milk and milk products sector is experiencing a prolonged period of severe market imbalance. While world import demand for milk and milk products remained stable overall in 2015 in comparison with 2014, production significantly increased in the Union and other main exporting regions.

(2) Investments in milk-production capacity in the Union, made in preparation for the expiry of milk quotas and in view of positive medium-term prospects on the world market, have resulted in steadily increasing milk production in the Union. Milk volumes produced in excess are processed into long-term storable products such as butter and skimmed milk powder.

(3) Prices of skimmed milk powder in the Union consequently declined in the years 2014 and 2015, when they hit the public intervention price.

(4) Council Regulation (EU) No 1370/2013[(1)] sets quantitative limitations for the buying-in of butter and skimmed milk powder at the fixed price referred to in that Regulation. Once those limits are reached, buying-in is to be carried out by way of a tendering procedure to determine the maximum buying-in price.

(5) The 109 000 tonnes initial quantitative limitation for buying-in skimmed milk powder at fixed price set by Regulation (EU) No 1370/2013 was reached on 31 March 2016.

(6) In order to help the milk and milk products sector to find a new balance in the prevailing severe market situation and to preserve confidence in the effectiveness of public intervention mechanisms, the quantitative limitations for buying-in butter and skimmed milk powder at a fixed price were doubled for the year 2016 by Council Regulation (EU) 2016/591[(2)].

Changes to legislation: *There are currently no known outstanding effects for the Council Regulation (EU) 2016/1042. (See end of Document for details)*

(7) A tendering procedure took place before the entry in force of Regulation (EU) 2016/591 and 27 000 tonnes skimmed milk powder were bought in under that procedure.

(8) Since the resumption of buying-in at fixed price under the new quantitative limitation, quantities of skimmed milk powder purchased each week have been considerably higher than at the beginning of the year. It is therefore expected that the new quantitative limitation will be quickly reached.

(9) Where a tendering procedure is triggered before the entry into force of this Regulation, any volumes bought in under that procedure should not be taken into account for the purposes of determining the available volumes for the buying-in of skimmed milk powder at a fixed price in 2016.

(10) In order to ensure that the temporary measure provided for in this Regulation has an immediate impact on the market and contributes to the stabilisation of prices, this Regulation should enter into force on the day following that of its publication,

HAS ADOPTED THIS REGULATION:

Article 1

In Article 3(1) of Regulation (EU) No 1370/2013, the second subparagraph is replaced by the following:

> By way of derogation from the first subparagraph, in the year 2016, the quantitative limitations for the buying-in of butter and skimmed milk powder at fixed price shall be 100 000 tonnes for butter and 350 000 tonnes for skimmed milk powder. Any volumes bought in under a tendering procedure ongoing on 29 June 2016 shall not be counted against those quantitative limitations..

Article 2

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

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

Done at Luxembourg, 24 June 2016.

For the Council

The President

A.G. KOENDERS