Council Regulation (EU) 2016/591 of 15 April 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 applicable quantitative limitations for the buying-in of butter and skimmed milk powder

COUNCIL REGULATION (EU) 2016/591

of 15 April 2016

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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 butter and skimmed milk powder in the Union consequently declined in the years 2014 and 2015, when the prices of skimmed milk powder hit the public intervention price. Butter prices are still above the public intervention price, but are under downward pressure.

(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) As an exceptional measure to secure the undisrupted availability of the public intervention mechanism in a situation of market disturbance in the milk and milk products sector, Commission Delegated Regulation (EU) 2015/1549[(2)] brought forward the start of the public intervention period for butter and skimmed milk powder in the year 2016 to 1 January.

Changes to legislation: *There are currently no known outstanding effects for the Council Regulation (EU) 2016/591. (See end of Document for details)*

(6) In the additional public intervention period opened by Delegated Regulation (EU) 2015/1549 for the year 2016, half of the volume of the quantitative limitation set by Regulation (EU) No 1370/2013 for the buying-in of skimmed milk powder at a fixed price has been reached.

(7) 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, it is appropriate to increase the quantitative limitations for the buying-in of butter and skimmed milk powder at a fixed price in 2016.

(8) 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 butter and skimmed milk powder at a fixed price in 2016.

(9) In order to ensure that the temporary measures provided for in this Regulation have an immediate impact on the market and contribute to the stabilisation of prices, this Regulation should enter into force on the date following that of its publication,

HAS ADOPTED THIS REGULATION:

Article 1

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

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 a fixed price shall be 100 000 tonnes for butter and 218 000 tonnes for skimmed milk powder. Any volumes bought in under a tendering procedure ongoing on 19 April 2016 shall not be counted against those quantitative limitations..

Article 2

This Regulation shall enter into force on the date 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 Brussels, 15 April 2016.

For the Council

The President

A.G. KOENDERS