Commission Regulation (EU) No 1233/2009 of 15 December 2009 laying down a specific market support measure in the dairy sector

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EC) No 1234/2007 of 22 October 2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation)[(1)], and in particular Articles 186 and 188(2), in conjunction with Article 4 thereof,

Whereas:

(1) World market prices for dairy products have collapsed notably due to a drop in demand in connection with the financial and economic crisis. Community market prices for dairy products have also fallen significantly due to the crisis and changes in supply.

(2) The fall of dairy product prices in the European Union have strongly affected the farm gate prices. A significant period is needed for a sustainable recovery. Therefore, it is appropriate to grant to the Member States a financial envelope in order to support the dairy farmers that are severely affected by the dairy crisis and encounter liquidity problems in these circumstances.

(3) The financial envelope to each Member State shall be calculated based on the 2008/2009 milk production within national quotas. Member States should distribute that national amount available on the basis of objective criteria and in a non-discriminatory way, while avoiding any market and competition distortions.

(4) The implementation of this Regulation should be carried out taking into account the institutional arrangements of each Member State.

(5) The support to the dairy farmers should be granted as an intervention measure to regulate agricultural markets in accordance with Article 3(1)(b) of Council Regulation (EC) No 1290/2005 of 21 June 2005 on the financing of the common agricultural policy[(2)].

(6) For budgetary reasons, the Community will finance the expenditure incurred by Member States in relation to the financial support of dairy farmers only where such payments are made by a certain deadline.

(7) In order to ensure transparency and the monitoring and proper administration of the national envelopes, the Member States should inform the Commission of the objective criteria used to determine the methods for granting support and the provisions taken to avoid distortion of the market.

Changes to legislation: *There are currently no known outstanding effects for the Commission Regulation (EU) No 1233/2009. (See end of Document for details)*

(8) In order to ensure that dairy farmers receive the support as soon as possible, the Member States should be enabled to implement this Regulation as quickly as possible. Therefore, it is necessary for it to enter into force without delay.

(9) The measures provided for in this Regulation are in accordance with the opinion of the Management Committee for the Common Organisation of Agricultural Markets,

HAS ADOPTED THIS REGULATION:

Article 1

Member States shall use the amounts set out in the Annex to provide support to dairy farmers severely affected by the dairy crisis on the basis of objective criteria and in a non-discriminatory way, provided that these payments do not cause distortion of competition.

Article 2

1 The measures provided for in Article 1 of this Regulation shall be deemed to be intervention measures intended to regulate agricultural markets within the meaning of Article 3(1)(b) of Regulation (EC) No 1290/2005.

2 Payments in relation to the support referred to in Article 1 shall be made by the Member States by 30 June 2010 at the latest.

Article 3

As regards the support provided for in Article 1, the Member States shall communicate to the Commission:

(a) without delay and no later than 31 March 2010, a description of the objective criteria used to determine the methods for granting support and the provisions taken to avoid distortion of the market;

(b) no later than 30 August 2010, the total amounts of aid paid and the number and type of beneficiaries.

[F1 Article 3a

The operative event for the exchange rate as regards the amounts set out in the Annex shall be 17 December 2009.**]**

Textual Amendments

F1 Inserted by Commission Regulation (EU) No 119/2010 of 9 February 2010 amending Regulation (EU) No 1233/2009 laying down a specific market support measure in the dairy sector.

Article 4

This Regulation shall enter into force on the day following 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.

***Changes to legislation:** There are currently no known outstanding effects for the Commission Regulation (EU) No 1233/2009. (See end of Document for details)*