

REGULATION (EEC) No 1073/68 OF THE COMMISSION

of 24 July 1968

laying down detailed rules for determining free-at-frontier prices and for fixing levies
in respect of milk and milk products

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to Council Regulation (EEC) No 804/68¹ of 27 June 1968 on the common organisation of the market in milk and milk products, and in particular Articles 14 (7) and 35 thereof;

Whereas Article 14 (7) of Council Regulation (EEC) No 804/68 of 27 June 1968 provides that methods of determining free-at-frontier prices should be laid down; whereas pursuant to Article 14 (4) of that Regulation a free-at-Community-frontier price is determined for each pilot product on the basis of the most favourable purchasing opportunities in international trade for the products of the related group, with the exception of assimilated products the levy on which is not equal to the levy on the related pilot product;

Whereas to this end the Commission must take account of all information obtained direct or through Member States; whereas, so that free-at-frontier prices may be representative, certain information must be excluded from the calculation if it relates only to small quantities or unrepresentative prices;

Whereas, for reasons of comparison, free-at-frontier prices must be determined for products with the same characteristics as those for which the threshold prices are fixed, namely products of good marketable quality; whereas, therefore, the prices of products which do not come up to these standards must be adjusted;

Whereas, in accordance with the second subparagraph of Article 14 (4) of Regulation (EEC) No 804/68, in the determination of free-at-frontier prices

account must be taken of any differences between the product for which a price is recorded and the pilot product, in so far as they affect the marketing of the product in question; whereas such differences relate, in particular, to the composition, quality, maturity and presentation of the products; whereas differences of composition should be taken into account by reference to the price situation of the raw material in international trade; whereas the other characteristics may be assessed in accordance with the value attributed to them in the Community;

Whereas information on prices may not be available for certain products; whereas the free-at-frontier price should then be determined by means of a formula;

Whereas to prevent the Community market being disturbed by sudden substantial alterations in levies which do not reflect real movements of the market price there should be provision whereby the Commission, in certain circumstances, may exceptionally and for a limited period maintain a free-at-frontier price unchanged;

Whereas levies should be fixed at regular intervals bearing in mind the importance of price stability to trade and of the need to take account of price trends in international trade; whereas, in general, a fortnightly fixing serves these ends;

Whereas application of Council Regulation (EEC) No 823/68² of 28 June 1968 determining groups of products and the special provisions for calculating levies on milk and milk products requires certain clarifications;

Whereas the system set up by Regulation (EEC) No 804/68 will apply from 29 July 1968; whereas for levies on products containing sugar the component representing the amount of added sugar must be

¹ OJ No L 148, 28.6.1968, p. 13.

² OJ No L 151, 30.6.1968, p. 3.

calculated on the basis of the levies applicable to white sugar during the first twenty days of the month preceding that during which the levy on the milk product applies; whereas the system set up for sugar has only been applied since 1 July 1968; whereas, therefore, transitional provisions are needed for the first fixing of levies;

Whereas the measures provided for in this Regulation are in accordance with the Opinion of the Management Committee for Milk and Milk Products;

HAS ADOPTED THIS REGULATION:

Article 1

1. A free-at-frontier price shall be determined by the Commission for each pilot product.
2. These prices shall be determined for products of good marketable quality.

Article 2

Free-at-frontier prices shall be determined on the basis of the most favourable purchasing opportunities in international trade in the products listed in Article 1 (a) 2 and (b) to (g) of Regulation (EEC) No 804/68, with the exception of assimilated products the levy on which is not equal to the levy on the related pilot product.

Article 3

When recording the most favourable purchasing opportunities in international trade, account shall be taken of all information on:

1. free-at-frontier prices ruling in the Community for products imported from third countries;
2. prices on the markets of third countries, known to the Commission either direct or through Member States.

Article 4

When recording the most favourable purchasing opportunities in international trade, account shall not be taken of information:

1. relating to a small quantity unrepresentative of trade in the product in question;
2. in respect of which price trends in general or other information available to it lead the Commission to believe that the price in question is unrepresentative of the real trend of the market.

Article 5

1. Prices referred to in Article 3 which do not apply
 - (a) free-at-Community-frontier,
 - (b) to products of good marketable quality, shall be adjusted.
2. Prices referred to in Article 3 which apply to an assimilated product the levy on which is equal to the levy on the related pilot product shall be adjusted by taking account, in particular, of differences of
 - (a) composition,
 - (b) maturity,
 - (c) quality,
 - (d) presentation,

between the assimilated product and the related pilot product.

Adjustments relating to composition shall be calculated by multiplying the difference between the milk component content of the pilot product and that of the assimilated product in question by the value attributed in international trade to a unit of weight of the milk component in question.

Other adjustments shall be calculated with reference to the difference between the value attributed on the Community market to each of the relevant characteristics of the pilot product and the value attributed on that market to the corresponding characteristic of the assimilated product in question.

Article 6

When information on prices is not available the free-at-frontier price may be determined exceptionally on the basis of:

1. the value of the raw materials contained in the pilot product in question calculated on the basis of the prices of milk products for which prices are available,
2. average processing costs,
3. average yield.

Article 7

A free-at-frontier price may exceptionally be maintained unchanged for a limited period when:

1. the price for a given quality or origin which served as a basis for determining the previous

free-at-frontier price has not come to the knowledge of the Commission in time for determining the next free-at-frontier price, and

2. the prices available, which the Commission does not regard as sufficiently representative of the real trend of the market, would entail sudden, substantial alterations in the free-at-frontier price.

Article 8

1. Levies shall be fixed every fortnight. They shall, however, be altered in the intervening period if necessary.

For the purposes of this Article, 'fortnight' means a period from the 1st to the 15th or from the 16th to the last day of a month.

2. The levy on a product shall apply until another levy on the same product becomes applicable.
3. Save express exceptions, levies shall be fixed in units of account per 100 kilogrammes.

Article 9

1. For products falling within tariff sub-heading No 04.02 B I (b) 2, the component of the levy fixed by means of a coefficient expressing the weight ratio between the milk powder contained in the product and the product itself shall be calculated by multiplying the basic amount by the quantity of milk powder contained in the product.

The basic amount shall be one-hundredth part of the levy

- (a) on the pilot product of group No 2 in respect of products falling within tariff sub-heading No 04.02 B I (b) 2 (aa),
- (b) on the pilot product of group No 3, in respect of products falling within tariff sub-heading No 04.02 B I (b) 2 (bb),

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

Done at Brussels, 24 July 1968.

(c) calculated in accordance with Article 3 (5) of Regulation (EEC) No 823/68, in respect of products falling within tariff sub-heading No 04.02 B I (b) 2 (cc).

2. For products falling within tariff sub-heading No 04.02 II (b), the component of the levy fixed by means of a coefficient expressing the weight ratio between the milk components contained in the product and the product itself shall be calculated by multiplying the basic amount by the quantity of milk components contained in the product.

The basic amount shall be one-hundredth part of the levy

- (a) calculated in accordance with Article 5 (2) of Regulation (EEC) No 823/68, in respect of products falling within tariff sub-heading No 04.02 B II (b) 1,
- (b) calculated in accordance with Article 5 (3) of that Regulation, in respect of products falling within tariff sub-heading No 04.02 B II (b) 2.

Article 10

1. By way of derogation from the provisions of Article 8 (1), the first fixing of levies shall be for the period 29 July to 15 August 1968.

2. When levies are fixed for that period the levies on white sugar to be taken into account pursuant to Article 10 of Regulation (EEC) No 823/68 shall be those valid during the first twenty days of July 1968.

Article 11

The pilot products and assimilated products referred to in this Regulation are those listed in Annex I to Regulation (EEC) No 823/68.

Article 12

This Regulation shall enter into force on 29 July 1968.

For the Commission

The President

Jean REY