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REGULATION (EEC) No 2305/70 OF THE COUNCIL

of 10 November 1970

on the financing of intervention expenditure in respect of the domestic market in beef and veal

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to Council Regulation No 17/64/EEC¹ of 5 February 1964 on the conditions for granting aid from the European Agricultural Guidance and Guarantee Fund, as last amended by Regulation (EEC) No 728/70²;

Having regard to the proposal from the Commission;

Whereas it is necessary to determine the conditions for granting aid from the Guarantee Section of the European Agricultural Guidance and Guarantee Fund (hereinafter called the 'Fund') for Community financing of intervention expenditure in each sector of the common organization of the markets;

Whereas the granting of aid for private storage and buying-in intervention agencies pursuant to Articles 5 or 8 of Council Regulation (EEC) No 805/68³ of 27 June 1968 on the common organization of the market in beef and veal, as last amended by Regulation (EEC) No 1253/70⁴, entail expenditure, and possibly losses, which must be charged to the Fund, since those interventions satisfy the conditions laid down in Article 6 (1) of Regulation No 17/64/EEC;

Whereas the interventions referred to in Article 5 (1) (b) of Regulation (EEC) No 805/68 which are carried out by the intervention agencies entail several operations, in particular buying-in, storage and sale; whereas the balance-sheet method is consequently the most appropriate for showing items of expenditure and receipt and hence for calculating the resultant net losses; whereas a standard method should be established for determining certain items of such expenditure, taking into account the degree of discretion which Member States have under Community rules and the fact that a certain number of costs are not harmonized;

Whereas provisions must be laid down enabling the Fund to avoid bearing the financial consequences of any negligence discovered in the application of the intervention system,

HAS ADOPTED THIS REGULATION:

Article 1

Expenditure incurred by Member States as a result of the following interventions, made on the domestic market in beef and veal from 29 July 1968 onwards, shall be chargeable to the Guarantee Section of the Fund in pursuance of Article 6 (1) of Regulation No 17/64/EEC under the conditions set out in this Regulation:

- interventions consisting of buying-in and subsequent operations carried out by an intervention agency in pursuance of Articles 5, 6 and 7 of Regulation (EEC) No 805/68;
- interventions consisting of aid for private storage, carried out in pursuance of Articles 5, 6 and 8 of Regulation (EEC) No 805/68.

Article 2

1. The chargeable amount of expenditure resulting from the interventions referred to in the first indent of Article 1 shall be calculated, for each Member State and for each of the periods laid down in paragraph 2, by determining the net losses sustained by the intervention agencies concerned in respect of each of these periods.

These net losses shall be determined by drawing up for each of the periods an account which shall be:

- (a) debited with the items mentioned in Article 3(1);
- (b) credited with the items mentioned in Article 3(2).

2. For the purposes of this Regulation, 'period' means:

- the period from 29 July 1968 to 30 June 1969;
- the period from 1 July 1969 to 31 December 1969;
- from 1 January 1970 onwards, the calendar year.

3. If the account for a given period shows a credit balance, this balance shall be carried over to the account for the following period.

¹ OJ No 34, 27.2.1964, p. 586/64.

² OJ no L 94, 28.4.1970, p. 9.

³ OJ no L 148, 28.6.1968, p. 24.

⁴ OJ no L 143, 1.7.1970, p. 1.

Article 3

1. The account referred to in Article 2(1) shall be debited with:

- (a) the value of the quantities of meat brought forward from the preceding period, this value being equal to the total value of the various classes of meat held in warehouses on the first day of the new period; such total value shall be determined by multiplying the metric tonnage of each class of meat by the guide price valid for that day, corrected by the coefficient adopted in accordance with the procedure provided for in Article 27 of Regulation (EEC) No 805/68;
- (b) the value of the meat bought in;
- (c) the costs, including the cost of freezing, incurred in putting the meat into cold storage calculated on the basis of a standard amount per metric ton put into storage, this standard amount to be determined in accordance with Article 6(1);
- (d) the boning and processing costs incurred by the intervention agency as a result of measures taken under Article 7(3) of Regulation (EEC) No 805/68. The costs per metric ton used shall be determined in accordance with Article 6(1);
- (e) the costs incurred in removing the meat from the storage warehouse and transporting it to the loading place, calculated on the basis of a standard amount per metric ton removed from storage, this standard amount to be determined in accordance with Article 6(1);
- (f) the storage costs, apart from the financing costs, calculated on the basis of a standard amount per metric ton/period storage, this standard amount to be determined in accordance with Article 6(1);
- (g) the financing costs, calculated by a method and at a rate of interest to be determined in accordance with the procedure laid down in Article 26 of Regulation No 17/64/EEC;
- (h) the costs incurred in transporting frozen meat held by the intervention agency, where such transportation was necessary and carried out after authorisation granted in accordance with the procedure laid down in Article 27 of Regulation (EEC) No 805/68. These costs shall be calculated on the basis of a standard amount per metric ton/kilometre to be determined in accordance with Article 6(1); they shall include, where appropriate, the costs of removal from and replacement in storage calculated on the basis of a standard amount per metric ton to be determined in accordance with the same procedure.

2. The account referred to in Article 2(1) shall be credited with:

- (a) the total amount of receipts from disposals;
- (b) the value of the quantities of meat carried over to the following period, calculated in accordance with paragraph 1(a);

- (c) the value of the quantity losses exceeding the maximum tolerance to be fixed in accordance with the procedure laid down in Article 27 of Regulation (EEC) No 805/68. This value shall be calculated by multiplying the quantity exceeding the maximum tolerance by the highest guide price in the relevant period, corrected by a coefficient determined in accordance with the procedure laid down in the second sentence of Article 6(1) of this Regulation.

Quantity losses shall be equal either to the difference between the theoretical stock shown by the current inventory and the actual physical stock remaining on the last day of the period in question and established by taking an inventory, or to the stock shown as remaining on the books after the actual physical stock has been exhausted.

Products which have been damaged by bad storage conditions attributable to the intervention agency and which no longer satisfy the health requirements for food intended for human consumption shall be entered as losses in excess of the maximum tolerance;

- (d) the amounts recovered as a result of non-compliance with legal or contractual obligations by sellers or buyers;
- (e) the amounts recovered from warehousemen for deterioration or loss of products, in so far as there is no duplication with subparagraph (c) of this paragraph or with Article 4.

Article 4

From the amount of expenditure which is chargeable within the meaning of Article 2 there shall be deducted losses incurred as a result of misconduct or negligence attributable to Member States; this shall be established in accordance with the procedure laid down in the second sentence of Article 6(1).

Article 5

The chargeable amount of expenditure resulting from the measures referred to in the second indent of Article 1 shall be calculated for each Member State from the total amount of aid which it has paid in respect of these measures.

Article 6

1. Each of the standard amounts adopted under this Article shall be uniform for the Community. Each amount shall be determined in accordance with the procedure laid down in Article 26 of Regulation No 17/64/EEC, account being taken of the results of the examination made under Article 28 of Regulation (EEC) No 805/68.

2. Detailed rules for the application of the preceding Articles may be adopted in accordance with the procedure laid down in Article 26 of Regulation No 17/64/

EEC, unless it is expressly stated that they must be adopted in accordance with the procedure laid down in the second sentence of paragraph 1 or in accordance with the procedure laid down in Article 27 of Regulation (EEC) No 805/68.

Article 7

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

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

Done at Brussels, 10 November 1970.

For the Council
The President
H. D. GRIESAU