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(Acts whose publication is obligatory)

COUNCIL REGULATION (EEC) No 3247/81

of 9 November 1981

on the financing by the European Agricultural Guidance and Guarantee Fund, Guarantee Section, of certain intervention measures, particularly those involving the buying-in, storage and sale of agricultural products by intervention agencies

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 1883/78 of 2 August 1978 laying down general rules for the financing of intervention by the European Agricultural Guidance and Guarantee Fund, Guarantee Section [1], as last amended by Regulation (EEC) No 1303/81 [2], and in particular Article 4 (3) thereof,

Having regard to the proposal from the Commission,

Whereas Article 4 (3) of Regulation (EEC) No 1883/78 requires that the rules and conditions governing the annual accounts referred to in Article 4 (1) of that Regulation should be determined in respect of intervention measures entailing the buying-in and storage of agricultural products by the intervention agencies;

Whereas the various headings to be included on the debit and credit sides of the annual accounts should be specified; whereas, for this purpose, the principal headings appearing in the regulations governing the financing of intervention expenditure in the various sectors should be retained, but be brought together in a single regulation in accordance with a standard account valid for all sectors, due regard being had to such special features as may arise for each of them;

Whereas, under the agricultural regulations, intervention agencies buy in products offered for intervention; whereas more detailed rules are needed with regard to the responsibility for the preservation of stored products and financing rules should be laid down to cover quantity losses, deterioration of products, transport of products offered for intervention and recovery of sums from sellers, purchasers and storers;

Whereas in accordance with Article 4 (3) of Regulation (EEC) No 1883/78, in respect of intervention measures other than those entailing purchase and storage, the items to be taken into account for the purposes of financing should be determined where these have not been determined within the framework of a common organization of the market; whereas this is the case in particular with costs arising from the free distribution of products bought-in by an intervention agency or withdrawn from the market;

Whereas, in view of certain characteristics inherent in products and sectors, specific provisions should be introduced, where appropriate;

Whereas, since the rules and conditions governing the annual accounts and the items referred to in Article 4 (3) of Regulation (EEC) No 1883/78 have thus been determined for all sectors, the regulations governing financing of intervention expenditure in the various sectors should be repealed,

HAS ADOPTED THIS REGULATION:

Article 1

1. The annual accounts referred to in Article 4 of Regulation (EEC) No 1883/78 shall be drawn up for each product for which a specific intervention or reference price has been fixed. These accounts shall show separately the following three classes of debit and credit items:

(a) expenditure on physical operations resulting from the buying-in of the product by intervention agencies, and in particular taking into store, packaging, transport, processing, storage and withdrawal from store;

[1] OJ No L 216, 5. 8. 1978, p. 1.
[2] OJ No L 130, 16. 5. 1981, p. 2.

(b) interest costs in respect of funds originating in the Member States used for intervention purchases;

(c) difference between the value of quantities entered and carried over from the previous year on the one hand and the value of the quantities disposed of and carried over to the following year on the other hand, and any other expenditure or revenue.

2. Member States shall draw up accounts in accordance with the specimen in Annex I to the extent that the items in the specimen are provided for in Community regulations.

In addition, for products listed in Annex II, Member States shall draw up accounts in accordance with the indications given in Annex II, provided that the conditions mentioned there are met.

The time of the physical operation entailed by the intervention measure shall determine the time when the various elements of expenditure and revenue shall be entered in the accounts, unless specific provision is made according to the procedure laid down in Article 13 of Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy [1], as last amended by Regulation (EEC) No 3509/80 [2]. If the physical operation is carried out over a certain time, the time of the end of the operation shall be the determining factor.

3. Where an account shows a credit balance, this shall be deducted from the expenditure for the current financial year.

Article 2

1. Member States shall take all necessary measures to ensure the proper preservation of products which have been the subject of Community intervention.

2. Member States shall inform the Commission upon its request of all provisions laid down by law, regulation or administrative action governing storage and related operations.

Article 3

1. With regard to the preservation of products stored, a tolerance may be fixed in accordance with the procedure laid down in Article 26 of Council Regulation (EEC) No 2727/75 of 29 October 1975 on the common organization of the market in cereals [3], as last amended by Regulation (EEC) No 1784/81 [4] or, as the case may be, in accordance with the procedure laid down in the corresponding Article of the other regulations establishing common organizations of agricultural markets.

2. The value of any quantities exceeding the tolerance shall be entered on the credit side of the accounts. Subject to the specific provisions in Annex II, this value shall be calculated by multiplying such quantities by the basic intervention price valid for the standard quality on the first day of the marketing year commencing during the financial year, increased if necessary by all the monthly increases.

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 year or, failing this, to the stock shown as remaining on the books after the physical stock has been exhausted.

In the event of deterioration of the product as referred to in Article 4, that Article shall apply and the quantities in question shall not be included for the purpose of calculating the tolerance.

Discrepancies in quantities due to theft or loss attributable to identifiable causes shall not be taken into account for the purposes of calculating the tolerance. The value of these quantities shall be entered on the credit side of the accounts on the date when the theft or loss took place or when the theft or loss was noticed; the value shall be determined in accordance with the provisions laid down for quantities exceeding the tolerance. However, if on that date the new marketing year has not yet begun, the intervention price for the current marketing year shall be used, increased if necessary by all the monthly increases.

3. In respect of a product for which the intervention agency does not apply the tolerance but stands guarantee to the EAGGF for the whole quantity of this product in store, it may be decided that the standard amount for storage or withdrawal referred to in Article 6 of Regulation (EEC) No 1883/78 should be increased.

The Member State shall inform the Commission, when submitting the statements referred to in Article 5 (1) (a) of Council Regulation (EEC) No 729/70, if it has had recourse to the above provisions, stating the starting and finishing dates of such recourse.

Article 4

1. Where the bought-in product has deteriorated because of the physical conditions of storage, transport or processing, paragraph 3 shall apply by analogy unless, in accordance with the procedure laid down in Article 26 of Regulation (EEC) No 2727/75 or, as the case may be, in the corresponding Article of the other Regulations establishing common organizations of agricultural markets,

(a) it is decided to offer the product for sale so that it leaves intervention storage within three months following the date when the deterioration was noted;

[1] OJ No L 94, 28. 4. 1970, p. 13.
[2] OJ No L 367, 31. 12. 1980, p. 87.
[3] OJ No L 281, 1. 11. 1975, p. 1.
[4] OJ No L 177, 1. 7. 1981, p. 1.

(b) the amount which the intervention agency records in the accounts as revenue obtained from the sale to be realized is established at the same time and according to the same procedure ; this amount may not be less than that which would derive from the application of paragraph 3.

2. If a product is found to have deteriorated on account of too long a period of storage, resulting from the absence of Community decisions in respect of sale of the product concerned or from the fact that the said decisions have not resulted in sale, the product shall be put up for sale as soon as possible, at a reduced price if necessary, in accordance with the procedure laid down in Article 26 of Regulation (EEC) No 2727/75 or, as the case may be, in accordance with the procedure laid down in the corresponding Article of the other Regulations establishing common organizations of agricultural markets. In this case the revenue from the sale shall be entered in the accounts. The Member States shall inform the Commission at once if deterioration of this kind is likely to occur.

This provision shall not apply where the deterioration of the product is due to a method of preservation chosen by the intervention agency.

3. Where a product has deteriorated or been destroyed as a result of accidents other than natural disaster, it shall be considered as sold and having left the intervention stock on the date of the accident, or failing this, on the date when the deterioration was discovered. In this case :

— the price to be entered in the accounts shall be the price which is used, in accordance with Article 8 of Regulation (EEC) No 1883/78, for the calculation of the value of the quantities carried forward at the beginning of the year,

— the standard amount for the withdrawal of the product shall not be entered in the accounts.

Revenue deriving from the sale of deteriorated products and other amounts received in this connection shall not be entered in the accounts. In all such cases the product shall be regarded as deteriorated if, as a result of the accident, its quality is no longer what it was at the time of buying-in.

4. Where quantitative losses or deterioration of the product have been caused by natural disaster, the Member State involved shall inform the Commission. The Commission shall then adopt, if necessary, appropriate decisions according to the procedure laid down in the context of clearance of accounts.

Article 5

1. The costs entailed by transport within the Member State in question of the product held by the intervention agency, necessitated and approved in accordance with the procedure laid down in Article 26 of Regulation (EEC) No 2727/75 or, as the case may be, in the corresponding Articles of the other Regulations establishing common organizations of agricultural markets, shall be entered on the debit side of the accounts.

2. For transport operations outside the Member State in question, the costs shall be entered on the debit side of the accounts, provided such operations have been authorized under Council Regulation (EEC) No 1055/77 of 17 May 1977 on the storage and movement of products bought in by an intervention agency [1].

3. Transport costs incurred by an intervention agency on the occasion of the transfer of products from one intervention agency to another, effected in particular cases pursuant to a decision of the Council, acting on a proposal from the Commission, shall also be entered on the debit side of the accounts.

4. Entry and withdrawal costs, established at fixed rates for this purpose, shall also be entered on the debit side of the accounts, if these costs do not rank as an integral part of transport costs under Community regulations.

5. Any transport costs paid or levied in accordance with Community regulations at the time of buying-in of the products shall be entered in the accounts at point 2 of heading I 'Transport' or at point 1 of the heading 'Revenue from transport', as appropriate.

Article 6

Without prejudice to Council Regulation (EEC) No 352/78 of 20 February 1978 on the crediting of securities, deposits and guarantees furnished under the common agricultural policy and subsequently forfeited [2], any amounts levied or recovered pursuant to Community regulations by intervention agencies shall be entered on the credit side of the accounts, provided that they are to be regarded as compensation for financial loss suffered by the EAGGF.

Article 7

Where a product bought in by an intervention agency or withdrawn from the market is distributed free under Community regulations, the costs so incurred shall be financed, on the basis of the distance between the place of storage of the product and the place where it is distributed, by the application of standard rates, uniform throughout the Community, to be determined according to the procedure laid down in Article 13 of Regulation (EEC) No 729/70 and, if necessary, after examination by the Management concerned.

[1] OJ No L 128, 24. 5. 1977, p. 1.
[2] OJ No L 50, 22. 2. 1978, p. 1.

Article 8

Regulations (EEC) No 786/69 [1], (EEC) No 787/69 [2], (EEC) No 788/69 [3], (EEC) No 2334/69 [4], (EEC) No 2305/70 [5], (EEC) No 2306/70 [6], (EEC) No 1697/71 [7], (EEC) No 272/72 [8] and (EEC) No 273/72 [9], concerning the financing of expenditure on intervention in the various sectors, are hereby repealed with effect from 1 January 1982.

Procedures introduced under the abovementioned Regulations shall remain in application.

Article 9

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

It shall apply from 1 January 1982. However, as regards the intervention measures provided for in Council Regulation (EEC) No 1837/80 of 27 June 1980 on the common organization of the market in sheepmeat and goatmeat [10], it shall apply from the date on which these measures are implemented.

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

Done at Brussels, 9 November 1981.

For the Council

The President

K. BAKER

[1] OJ No L 105, 2. 5. 1969, p. 1.
[2] OJ No L 105, 2. 5. 1969, p. 4.
[3] OJ No L 105, 2. 5. 1969, p. 7.
[4] OJ No L 298, 27. 11. 1969, p. 1.
[5] OJ No L 249, 17. 11. 1970, p. 1.
[6] OJ No L 249, 17. 11. 1970, p. 4.
[7] OJ No L 175, 4. 8. 1971, p. 1.
[8] OJ No L 35, 9. 2. 1972, p. 1.
[9] OJ No L 35, 9. 2. 1972, p. 3.

[10] OJ No L 183, 16. 7. 1980, p. 1.

ANNEX I

Standard account with expenditure and revenue items for determining the amount to be financed by the EAGGF in respect of intervention measures entailing the buying-in, storage and disposal of agricultural products

(Article 4 of Regulation (EEC) No 1883/78)

DEBIT (EXPENDITURE)	CREDIT (REVENUE)
I. **Costs, material operations**	
1. Standard amounts for costs incurred:	1. Revenue from transport
(a) by entry into stock,	
(b) in storage,	
(c) by withdrawal from stock,	
(d) by processing or market preparation,	
(e) by drying and special cooling and homogenization processes,	
(f) by transport	
2. Transport costs not covered by a standard amount	
3. Other costs deriving from operations provided for in Community regulations	
II. **Financing costs**	
(Article 5 of Regulation (EEC) No 1883/78)	
III. **Price difference and other items**	
1. Value of quantities in stock at the beginning of the year	1. Revenue from sales
2. Value of quantities bought in	2. Value of quantities in stock at the end of the year
3. Other	3. Value of quantity losses exceeding the tolerance
	4. Amounts collected or recovered from sellers, purchasers, and storers
	5. Other
IV. **Credit balance**	**Debit balance**

ANNEX II

Additional indications as regards the different products, concerning the expenditure and revenue items in the accounts referred to in Article 4 of Regulation (EEC) No 1883/78 (1)

I. CEREALS

1. **Drying**

The additional cost of drying designed to lower the moisture rate below that fixed for the standard quality shall be taken into account, provided that this operation has been shown to be necessary in accordance with the procedure laid down in Article 26 of Regulation (EEC) No 2727/75.

2. **Value of quantities purchased and revenue from sales**

The intervention agency shall be authorized, in respect of all its purchases, to use a system of contracts with the storers based on the standard quality of cereals for which an intervention price or, if appropriate, a reference price has been fixed. In this case, the value of the quantities bought in and sold to be entered in the account shall refer to the standard quality. Where there are transfers between intervention agencies at zero prices or in the case of similar measures, any increases or reductions recorded at the time of the withdrawal of the product from store shall be entered as a negative or positive amount on the debit side of the account under the heading 'Other' (III/3).

These provisions shall not in cases where the EAGGF grants supplements to the standard amount for a preservation process which may bring about an improvement in the quality of the product in storage.

3. For the purposes of applying the provisions relating to the tolerance for

— wheat of bread-making quality, the reference price shall be used instead of the intervention price,

— quantity losses as a result of drying are not taken into account in the calculation.

II. PIGMEAT

1. **Transport of meat held by an intervention agency**

For transport operations other than those arising from a transfer between intervention agencies, transport costs shall be financed on the basis of a standard amount. Entry and withdrawal costs incurred in respect of such transport shall be financed on the basis of a separate standard amount fixed for this purpose.

2. For the purposes of applying the provisions relating to the tolerance for products which have not been processed, the highest purchase price charged during the relevant intervention period shall be used with the addition of the standard amount for entry and the standard amount for storage, the latter being related to the longest storage period; for processed products, this price is also increased by the processing and transport costs and the standard amount for storage, the latter being related to the longest storage period.

III. SUGAR

1. **Transport of sugar from the factory to the store**

Transport costs shall be financed on the basis of a standard amount.

2. **Costs of market preparation**

These costs shall be financed on the basis of a standard amount.

3. **Reimbursement of storage costs**

Reimbursement of storage costs made under Article 8 of Regulation (EEC) No 1785/81 and received by the intervention agencies shall be entered on the credit side of the account under the heading 'Other'.

(1) There are no additional indications for products not specifically mentioned in this Annex.

IV. BEEF AND VEAL

1. **Transport of meat held by an intervention agency**

For transport operations other than those arising from a transfer between intervention agencies, transport costs shall be financed on the basis of a standard amount.

Entry and withdrawal costs incurred in respect of such transport shall be financed by means of a separate standard amount fixed for this purpose.

2. For the purposes of applying the provisions relating to the tolerance, reference shall be made not to the intervention price but to the highest guide price during the relevant financial year, multiplied by a coefficient adopted according to the procedure laid down in Article 27 of Regulation (EEC) No 805/68.

V. MILK PRODUCTS

For the purposes of applying the provisions relating to the tolerance, reference shall be made to the highest intervention price of the financial year.

VI. TOBACCO

1. **Value of quantities bought-in**

For quantities bought in on or after 1 January 1982 the amount of the premium included in the amount paid shall be deducted from the amount paid at the time of buying in and recorded against the budget item for this premium. The amount paid, less the premium component, shall be recorded under heading III/2. For this purpose, where baled tobacco is bought in, the amount of the premium, expressed in terms of leaf tobacco, shall be multiplied by the processing coefficient to be fixed in accordance with the procedure provided for in Article 17 of Regulation (EEC) No 727/70.

2. **Costs of first processing and market preparation of leaf tobacco (Article 7 of Regulation (EEC) No 727/70)**

Where the intervention agency carries out these operations itself, the amount to be financed shall be fixed at a standard rate in accordance with the procedure laid down in Article 6 of Regulation (EEC) No 1883/78. This amount may not exceed the corresponding costs under the processing contracts.

3. For the purposes of applying the provisions relating to the tolerance, the average intervention price paid for tobacco of the variety in question and for the harvest in question shall be used.

VII. SHEEPMEAT

1. **Transport of meat held by an intervention agency**

For transport operations other than those arising from a transfer between intervention agencies, transport costs shall be financed on the basis of a standard amount.

Entry and withdrawal costs incurred in respect of such transport shall be financed by means of a separate standard amount fixed for this purpose.

2. For the purposes of applying the provisions relating to the tolerance, reference shall be made not to the intervention price but to the highest basic price during the relevant financial year for the region in question, multiplied by a coefficient adopted in accordance with the procedure laid down in Article 26 of Regulation (EEC) No 1837/80.