

REGULATION (EEC) No 1107/68 OF THE COMMISSION

of 27 July 1968

on detailed rules of application for intervention on the market in Grana padano and Parmigiano-Reggiano cheeses

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to Regulation (EEC) No 804/68¹ of 27 June 1968 on the common organisation of the market in milk and milk products, and in particular Article 6 (7) thereof;

Whereas Council Regulation (EEC) No 971/68² of 15 July 1968 laid down general rules governing intervention on the Grana padano and Parmigiano-Reggiano cheese market; whereas the detailed rules of application to be laid down must include conditions for buying in by the intervention agency, the remarketing of the cheeses stored and the granting of private storage aids;

Whereas Article 1 (1) (a) of Regulation (EEC) No 971/68 lays down that the offered cheeses must be produced by recognised undertakings; whereas the conditions for recognition must be such as to ensure that intervention is restricted to the produce of undertakings which meet requirements governing entitlement to the stamp of origin; whereas, moreover, those undertakings must be bound to fulfil the obligations required by intervention procedure;

Whereas in pursuance of Article 1 (1) (b) of Regulation (EEC) No 971/68 the standards which cheeses must reach before they can be bought in by the intervention agency must be determined; whereas different standards must be laid down according to the age of the cheese; whereas these must be checked under a system of inspection adapted to the category of cheese offered for intervention; whereas in view of the margin of error involved in the inspection of young cheese close supervision of the conditions in which it is produced should be provided for;

Whereas, to ensure the most favourable maturing and preservation conditions for the cheese, standards should be laid down for storage depots;

Whereas, in accordance with Article 3 (3) of Regulation (EEC) No 971/68, additional transport costs must be borne by the intervention agency whenever delivery is made to a storage depot further than a given distance; whereas that distance must be determined on the basis of normal delivery conditions at the wholesale trade stage; whereas the flat rate for additional transport costs per metric ton/km must be fixed with reference to average transport costs within the Community;

Whereas the introduction of a Community tendering procedure requires that general rules be laid down for the execution of the various operations connected with tendering;

Whereas, to ensure equal access for all interested parties, the invitation to tender must be published in good time; whereas the maximum number of tenders will be received if each invitation to tender is published in the *Official Journal of the European Communities* in addition to any national publicity;

Whereas, since the characteristics of the cheeses may vary between lots, full details must be published; whereas, therefore, tenders must specify not only the information needed for their assessment but also the lot to which they refer;

Whereas tenders are facilitated if tenderers are permitted to inspect the cheeses; whereas, therefore, it should be laid down that no claim can be accepted from tenderers as to the quality of the lot which may be assigned to them;

Whereas the amount of the deposit securing fulfilment of the obligations involved in a tender can be fixed according to the tenderer's interest in accepting the award of the tender;

¹ OJ No L 148, 28.6.1968, p. 13.

² OJ No L 166, 17.7.1968, p. 8.

Whereas, since the object of tendering is to obtain the best price, the cheese must be awarded to the highest tender; whereas, moreover, provision must be made for several tenders being submitted at the same price;

Whereas, however, the highest price can be accepted only if it corresponds to the actual market situation; whereas, therefore, a minimum selling price should be determined in accordance with a Community procedure in the light of the tenders submitted;

Whereas, to ensure that the quantities for which a contract has been awarded are taken over as soon as possible, it should be provided that the rights and obligations arising from the sale contract must be fulfilled within a certain time limit;

Whereas, therefore, successful tenderers should be informed as soon as possible and, immediately on payment of the purchase price, supplied with a release order bearing all the necessary details;

Whereas Article 10 (2) of Regulation (EEC) No 971/68 lays down that private storage aid is subject to conclusion of a storage contract with the intervention agency; whereas this contract must include provisions allowing identification of cheeses and inspection of stocks benefiting from aid;

Whereas the duration of contracts must be determined on the basis of the real needs of the market and the time the cheeses in question will keep;

Whereas the amount of aid to be applied must be fixed taking account of storage costs and the anticipated movements of market prices;

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. Recognition within the meaning of Article 1 of Regulation (EEC) No 971/68 shall be granted by the intervention agency only to undertakings;

- (a) whose cheeses bear the stamp of origin,
- (b) whose accounts reach the standards of the intervention agency and who are prepared to undergo any inspection by the authorities,
- (c) who undertake to supply the intervention agency regularly with statistical information on the quantities of milk processed and the products obtained.

2. Once it has been recognised, the undertaking shall be given a serial number. This number shall appear with the stamp of origin on the cheese.

Article 2

1. Before cheese offered for intervention is bought in, both the production conditions and the quality of the cheese shall be inspected.

The Member States shall take all measures necessary to ensure that:

- (a) in respect of cheeses referred to in Article 1 of Regulation (EEC) No 971/68, the intervention agency makes on-the-spot inspections of undertakings producing and offering cheese;
- (b) in addition, in respect of cheeses referred to in Article 1 (2) (a) of that Regulation,
 - undertakings process only milk originating from their own collection area,
 - cheeses intended for intervention are marked indelibly with the day and month of manufacture not later than the day following manufacture,
 - undertakings, during the period of manufacture set out in Article 1 (2) (a), are subject to appropriate inspection ensuring that the traditional manufacturing techniques laid down for the name of origin and the stamp of quality of Grana padano cheese are used.

2. The intervention body shall buy in only:

- (a) Grana padano cheese referred to in Article 1 (2) (a) of Regulation (EEC) No 971/68, if it has the following characteristics:
 - whole cheese of cylindrical shape with straight or slightly convex sides, plane surfaces, a diameter of 35 to 45 cm and a weight of 26 kg to 43 kg,
 - maximum water content: 40%,
 - minimum fat content in the dry matter: 36%,
 - salt content of 1.5% to 2.2%,
 - smooth interior with barely visible holes,
 - containing no substance other than milk, with the exception of sodium chloride and rennet;
- (b) Grana padano and Parmigiano-Reggiano cheeses referred to in Article 1 (2) (b) of Regulation (EEC) No 971/68, if they are classified as 'scelto 0/1.'

Article 3

1. The buying-in contract shall be concluded on condition that when a second inspection is carried out:

- (a) between 1 April and 15 June for Grana padano cheese specified in Article 1 (2) (b) of Regulation (EEC) No 971/68,
- (b) between 15 September and 15 November for Parmigiano-Reggiano cheese, the cheeses meet the requirements for the 'scelto 0/1' class.

2. In respect of the Grana padano cheese specified in Article 1 (2) (a) of Regulation (EEC) No 971/68, the buying-in contract shall be concluded provided that at a second inspection, made not less than thirty days after delivery, the cheese meets the following minimum requirements:

- (a) undamaged rind (the rind must be unbroken),
- (b) smooth interior with barely visible holes,
- (c) clean taste and smell,
- (d) freedom from abnormal fermentation accompanied by swelling.

Article 4

Only those storage depots with a minimum capacity of 1000 whole cheeses and the equipment necessary to maintain the constant level of temperature and humidity required for the maturing of Grana padano and Parmigiano-Reggiano cheeses shall appear on the list provided for in Article 4 of Regulation (EEC) No 971/68.

Article 5

- 1. The maximum distance referred to in Article 3 (2) of Regulation (EEC) No 971/68 shall be 100 km.
- 2. The additional transport costs referred to in Article 3 (3) of Regulation (EEC) No 971/68 shall be 0.026 units of account per metric ton/km.

Article 6

- 1. When a decision is taken to sell stored Grana padano and Parmigiano-Reggiano cheeses by tender, the intervention agency shall publish an invitation to tender.
- 2. In respect of mature cheeses, the invitation to tender shall specify in particular:
 - (a) the weight of each lot offered for sale,
 - (b) the age, origin and quality,
 - (c) the location of the storage depot or depots where the lots are stored,
 - (d) the closing date for tenders.
- 3. In respect of young cheeses which it has not yet been possible to classify by quality as required for

the final award of the stamp of origin, the invitation to tender shall specify in particular:

- (a) the weight of each lot put on sale,
- (b) the age,
- (c) the average composition of the cheeses,
- (d) the location of the storage depot or depots where the lots are stored,
- (e) any special conditions which may be laid down for their use by the buyer,
- (f) the closing date for tenders.

4. For the purposes of this Regulation, 'lot' means a quantity of cheese put together to be sold. In respect of the mature cheeses referred to in paragraph 2, this quantity of cheese shall be the production of an undertaking for the period 1 April to 11 November.

Article 7

- 1. The invitations to tender shall be published in the *Official Journal of the European Communities*. In addition, intervention agencies may announce the invitation by other means.
- 2. Publication in the *Official Journal of the European Communities* shall take place at least eight days before the closing date for tenders.

Article 8

Intervention agencies shall take the measures necessary to enable those concerned to inspect the cheeses put up for sale and to learn the results of inspections made by the intervention agencies.

Article 9

- 1. Tenders shall be submitted to the intervention agency concerned by registered letter with recorded delivery, by telex or by telegram.
- 2. The tender shall specify:
 - (a) the name and address of the tenderer,
 - (b) the number of the lot in question,
 - (c) the price offered per metric ton, expressed in the currency of the Member State where the lot is stored,
 - (d) any additional information required by the invitation to tender.
- 3. A tender may not be made for part of a lot. A tender for several lots shall be considered as many tenders as lots.

4. A tender shall not be valid unless it is accompanied by a deposit.

5. A tender shall not be valid unless it is accompanied by a statement in which the tenderer agrees to forgo any claim as to the quality or characteristics of the cheese which may be assigned to him.

Article 10

1. The deposit shall be 50 units of account per metric ton.

2. It shall be paid either by a cheque made out to the intervention agency or in the form of a guarantee issued by a credit institution meeting criteria laid down by the Member State concerned.

Article 11

1. In the light of the tenders received, a minimum selling price shall be fixed for each category of cheese in accordance with the procedure laid down in Article 30 of Regulation (EEC) No 804/68.

2. For the purposes of this Article, 'category of cheese' means one or more lots of cheese of uniform characteristics.

Article 12

1. If the tender is for less than the minimum price fixed for the category in question, it shall be refused.

2. Without prejudice to the provisions of paragraph 1, the contract for a given lot shall be awarded to the highest tender. When several tenders are made at the same price the intervention agency shall

- either divide the lot in agreement with the tenders concerned,
- or award the lot by balloting.

3. The rights and obligations deriving from the tendering procedure shall not be transferable.

Article 13

1. Each successful tenderer shall forthwith be informed by the intervention agency of the decision to award him a contract.

Within eight days of receipt of that information, the successful tenderer shall pay to the intervention agency the sum corresponding to his tender or to that part of it which has been accepted.

The deposit shall be returned immediately this sum has been paid.

2. Each tenderer whose tender has not been accepted shall forthwith be informed thereof by the intervention agency concerned, which shall return the deposit without delay.

Article 14

1. When the sum referred to in the second subparagraph of Article 13 (1) is paid, the intervention agency shall issue a release order showing the number of the lot covered by the contract, where it is stored and the time limit for taking delivery.

2. The successful tenderer shall take delivery of the cheese within twelve days of receipt of the information referred to in Article 13 (1) of this Regulation.

Article 15

1. The deposit shall be forfeited if the tenderer:

- (a) withdraws his tender before a decision has been taken on the award of the contract,
- (b) fails to make the payment provided for in the second subparagraph of Article 13 (1) within the specified period.

2. However, the deposit shall not be forfeited where the successful tenderer is prevented from fulfilling his obligations by circumstances to be considered as *force majeure*.

Article 16

The storage contract provided for in Article 10 (2) of Regulation (EEC) No 971/68 shall be concluded if the following conditions are fulfilled:

- (a) the lot of cheeses shall consist of at least 100 whole cheeses,
- (b) the cheeses shall bear the stamp of origin and the number of the undertaking which manufactured them,
- (c) the storer shall undertake not to alter the composition of the lot under contract during the period of the contract without the authorisation of the intervention agency.

Article 17

1. The amount of private storage aid for Grana padano and Parmigiano-Reggiano cheeses shall be fixed at 1.98 units of account per 100 kg per month for the 1968/69 milk year.

The aid shall be granted for a period of not less than three months and not exceeding:

- (a) six months for Grana padano cheese,
- (b) twelve months for Parmigiano-Reggiano cheese.

2. Subject to the provisions of Article 12 of Regulation (EEC) No 971/68, the store shall cease to qualify for the aid if the quantities of cheese specified in the contract are withdrawn from storage in whole or in part before the date of expiry of the contract.

Article 18

This Regulation shall enter into force on 29 July 1968.

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

Done at Brussels, 27 July 1968.

For the Commission

The President

Jean REY
