

COMMISSION REGULATION (EC) No 690/2001
of 3 April 2001
on special market support measures in the beef sector

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to the Council Regulation (EC) No 1254/1999 of 17 May 1999 on the common organisation of the market in beef and veal ⁽¹⁾, and in particular Article 38(2),

Whereas:

- (1) The Community beef market is currently going through a deep crisis due to a lack of consumer confidence in beef created by the appearance of new cases of bovine spongiform encephalopathy (BSE). Consumption as well as production have recently fallen to unprecedented levels followed by substantial reduction of producer prices. It is estimated that the crisis is likely to continue still for some time. Article 38(1) of Regulation (EC) No 1254/1999 provides that when a substantial rise or fall in prices is recorded on the Community market and this situation is likely to continue, thereby disturbing or threatening to disturb the market, the necessary measures may be taken.
- (2) Such a measure was taken by Commission Regulation (EC) No 2777/2000 of 18 December 2000 adopting exceptional support measures for the beef market ⁽²⁾, as amended by Regulation (EC) No 111/2001 ⁽³⁾, which provides for a purchase scheme for destruction of animals aged more than 30 months and primarily animals which at slaughter are not tested for BSE.
- (3) Regulation (EC) No 2777/2000 is applicable until 30 June 2001 at the latest. Commission Decision 2000/764/EC of 29 November 2000 on the testing of bovine animals for the presence of bovine spongiform encephalopathy and amending Decision 98/272/EC on the epidemio-surveillance for transmissible spongiform encephalopathies ⁽⁴⁾ provides that Member States shall ensure that all bovine animals over 30 months of age subject to normal slaughter for human consumption are

examined by one of the approved rapid tests listed in Annex IV(A) to Commission Decision 98/272/EC of 23 April 1998 on epidemio-surveillance for transmissible spongiform encephalopathies and amending Decision 94/474/EC ⁽⁵⁾, as last amended by Decision 2000/764/EC, as of 1 July 2001 at the latest.

- (4) In the light of the foregoing, it is appropriate to provide for a new special purchase scheme for meat from tested animals which would allow Member States to store meat as an alternative to destruction as of 1 July 2001 at the latest but which would be applicable earlier in Member States which wish to apply it before that date or in Member States which are authorised to cease to apply Regulation (EC) No 2777/2000.
- (5) In view of the extent of the BSE crisis and in particular of its probable duration, and consequently of the magnitude of the efforts needed to support the market, it would be appropriate for such efforts to be shared between the Community and the Member States especially in view of the large number of animals expected to be purchased under the scheme as well as the limited nature of the budgetary resources available for Community financing.
- (6) This Regulation need not apply in the United Kingdom since Commission Regulation (EC) No 716/96 of 19 April 1996 adopting exceptional support measures for the beef market in the United Kingdom ⁽⁶⁾, as last amended by Regulation (EC) No 1176/2000 ⁽⁷⁾, already provides for a special scheme in that Member State with regard to animals over 30 months of age.
- (7) Dispatches of meat from the United Kingdom and Portugal continue to be subject to Council Decision 98/256/EC of 16 March 1998 concerning emergency measures to protect against bovine spongiform encephalopathy, amending Decision 94/474/EC and repealing Decision 96/239/EC ⁽⁸⁾, as last amended by Commission Decision 98/692/EC ⁽⁹⁾, in the case of the United Kingdom, and to Commission Decision 98/653/EC of 18 November 1998 concerning emergency measures made necessary by the occurrence of bovine spongiform encephalopathy in Portugal ⁽¹⁰⁾, as last amended by Decision 2000/104/EC ⁽¹¹⁾.
- (8) To guarantee a proper functioning of the scheme it is essential that speculative movements of meat and animals are avoided. In this context, a retention period for the animals concerned should be determined.

⁽¹⁾ OJ L 160, 26.6.1999, p. 21.

⁽²⁾ OJ L 321, 19.12.2000, p. 47.

⁽³⁾ OJ L 19, 20.1.2001, p. 11.

⁽⁴⁾ OJ L 305, 6.12.2000, p. 35.

⁽⁵⁾ OJ L 122, 24.4.1998, p. 59.

⁽⁶⁾ OJ L 99, 20.4.1996, p. 14.

⁽⁷⁾ OJ L 131, 1.6.2000, p. 37.

⁽⁸⁾ OJ L 113, 15.4.1998, p. 32.

⁽⁹⁾ OJ L 328, 4.12.1998, p. 28.

⁽¹⁰⁾ OJ L 311, 20.11.1998, p. 23.

⁽¹¹⁾ OJ L 29, 4.2.2000, p. 36.

- (9) Products bought in might be sold after 1 January 2002, when the system of compulsory labelling based on origin laid down by Regulation (EC) No 1760/2000 of the European Parliament and of the Council of 17 July 2000 establishing a system for the identification and registration of bovine animals and regarding the labelling of beef and beef products and repealing Council Regulation (EC) No 820/97 ⁽¹⁾, will apply. The labels of the products should therefore be required to include an indication of the country or countries of birth and fattening of the animals concerned, in accordance with Article 13(5) of Regulation (EC) No 1760/2000, together with the indications laid down in Article 2(2) of Commission Regulation (EC) No 1825/2000 ⁽²⁾ laying down detailed rules for the application of Regulation (EC) No 1760/2000, as appropriate.
- (10) In order to obtain the best result in terms of cost efficiency, purchases should be limited to categories of animals over 30 months securing the withdrawal from the market at the lowest possible costs. For the same reason and with a view to increasing the necessary flexibility of the management of the scheme, purchases should be decided following a tendering procedure.
- (11) The market prices for the categories eligible under the scheme and in particular the prices for cows which is the most representative category differ largely from Member State to Member State. It is thus appropriate to determine whether in a Member State the market situation for cows is so weak that it justifies exceptional support of the market. To this end, a system of national trigger prices should apply. Such trigger prices should be by taking into account the average market prices for a representative quality in the three most recent years with normal market situation.
- (12) In order to ensure the highest possible impact on the market it should be provided that different maximum tender prices are fixed per Member State being eligible for purchases in application of the trigger price system. In fixing the maximum price account should be taken of an amount corresponding to the net costs created by the slaughter for human consumption. No maximum price should be fixed which exceeds the prevailing market price increased by the abovementioned amount.
- (13) Provisions should be laid down in respect of conditions of delivery and payment of the quantity awarded. It is appropriate within certain limits to adjust the payments to the successful tenderer where his actual deliveries of meat differ from the reference quality subject of the tender.
- (14) Member States should be free to decide whether the meat taken over should be stored or destroyed. In the latter case, Member States should take all necessary measures to guarantee the final destination for all the meat concerned. Where the meat is intended for storage Member States should determine appropriate methods of storage.
- (15) In order to avoid market disturbance placing on the market of the products stored should be subject to prior approval from the Commission acting in accordance with the Management Committee procedure. Where products are released for purposes of humanitarian aid compliance with international agreements should be guaranteed.
- (16) Taking into consideration the costs under the scheme to be financed by national authorities it is appropriate to provide that receipts from sales of products stored should belong to Member States.
- (17) Provision should be made for Commission experts to check compliance with the conditions as specified.
- (18) The Management Committee for Beef and Veal has not delivered an opinion within the time limit set by its Chairman,

HAS ADOPTED THIS REGULATION:

Article 1

1. Member States shall purchase chilled carcasses or half carcasses from bovine animals over 30 months of age of the following categories as defined in Article 3(1) of Council Regulation (EEC) No 1208/81 ⁽³⁾:

- Category B,
- Category D, and
- Category E.

2. Chilled carcasses and half carcasses may be bought in only where they:

- come from animals which at slaughter have been tested negatively by one of the approved rapid tests listed in Annex IV to Decision 98/272/EC,
- have obtained the health mark referred to in Chapter XI of Annex I to Council Directive 64/433/EEC ⁽⁴⁾,
- come from animals which have been present on one or several holdings located in the Member State concerned during at least 6 months prior to slaughter,
- come from animals slaughtered not more than six days previously,
- are presented in accordance with Article 2 of Regulation (EEC) No 1208/81. Where appropriate, Article 1(2) and (3) of Commission Regulation (EEC) No 563/82 ⁽⁵⁾ shall apply when determining the weight of the carcasse. Member States may lay down further specific conditions with regard to presentations of carcasses,

⁽¹⁾ OJ L 204, 11.8.2000, p. 1.

⁽²⁾ OJ L 216, 26.8.2000, p. 8.

⁽³⁾ OJ L 123, 7.5.1981, p. 3.

⁽⁴⁾ OJ 121, 29.7.1964, p. 2012/64.

⁽⁵⁾ OJ L 67, 11.3.1982, p. 23.

- are classified correctly in accordance with the Community scale provided for in Regulation (EEC) No 1208/81,
- are identified by slaughter number and by a stamped marking indicating the category and the conformation,
- are labelled in accordance with the system introduced by Regulation (EC) No 1760/2000 including the indications laid down in Article 13(5) of that Regulation.

Article 2

1. The purchase price for chilled carcasses to be bought in a Member State under this Regulation shall be determined following a tender procedure.

2. Tendering shall be opened in a Member State which for two consecutive weeks have recorded the average market price for the reference class of category D equal to or below the trigger price listed in Annex I in respect of the Member State concerned.

Tendering shall be suspended in a Member State which for two consecutive weeks have recorded the average market price for the reference class of category D above the trigger price listed in Annex I in respect of the Member State concerned.

The Commission shall decide on the opening and the suspension referred to above.

3. The reference class shall be 04 in Ireland and 03 in other Member States.

4. The conditions for tendering are laid down in Annex II.

5. The provisions of this Regulation shall serve as a permanent general notice of invitation to tender. For each individual tender, the intervention agencies concerned shall draw up a notice of invitation to tender for publication no later than Friday before the closing date for submission of tenders, indicating in particular the address of the competent body authorised to receive tenders. The deadline for submission of tenders shall be 12 noon (Brussels time) on the dates indicated in Annex III.

Within 24 hours of the deadline for the submission of tenders, the intervention agencies shall notify the Commission of the tenders they have received.

Article 3

1. In the light of the tenders received under each individual invitation to tender and in accordance with the procedure laid down in Article 43 of Regulation (EC) No 1254/1999 a maximum buying-in price relating to the reference class shall be fixed. A different price may be set per Member State.

The maximum price shall not exceed the trigger price plus EUR 14 per 100 kg carcasce weight.

2. Tenders shall be rejected

- if the price quoted is higher than the prevailing price for the reference class of category D plus EUR 14 per 100 kg carcasce weight,
- if the price quoted is higher than the maximum price referred to in paragraph 1.

3. A decision may be taken to make no award.

4. Rights and obligations arising under invitations to tender shall not be transferable.

Article 4

1. The competent authorities shall inform the individual tenderers immediately of the outcome of their tenders.

At the same time the successful tenderers shall be informed of the quantity to be delivered and the price at which the award was made.

2. Delivery of the quantity awarded shall take place within 17 calendar days from the day of publication of the Regulation fixing the maximum buying-in price. The Member State may in exceptional cases extend that period by a maximum of one week.

Taking into account the provisions of paragraph 3 the Member State shall determine the point of take-over and publish it in the notice of invitation to tender referred to in Article 2(5).

3. Carcasses delivered shall be accepted and taken over subject to verification by the competent authority that they comply with the requirements laid down in this Regulation. The competent authority shall furthermore systematically check and record the weight and classification of each carcasce and keep the records produced.

4. If the quantity actually delivered and accepted is less than the quantity awarded, the security shall:

- (a) be released in full where the difference is not more than 5 %;
- (b) except in cases of *force majeure*, be forfeited;
 - in part, corresponding to the quantities not delivered or not accepted where the difference is not more than 15 %,
 - in full in other cases.

Article 5

1. The competent authority shall pay successful tenderers the price quoted in their tenders no later than 65 days after completion of take-over of the products concerned.

2. Only the quantity actually delivered and accepted shall be paid for within the limit of the quantity awarded.

3. Where carcasses of classification classes other than O are taken over, the price to be paid to the successful tenderer for the carcasses concerned shall be adjusted by applying the coefficients fixed in Annex IV.

4. The rate to be applied to the maximum buying-in price and the price at which the award is made shall be the exchange rate applicable on the day of entry into force of the Regulation fixing the maximum buying-in price under the invitation to tender concerned.

5. The Community shall finance 70 % of the price of the meat purchased under this Regulation.

The Member State concerned shall finance the remaining 30 % as well as all costs related to the operations under Articles 6, 7, 8 and 9.

Article 6

After taking over the meat the competent authority may use the products concerned in conformity with Article 9 or eliminate them in accordance with Article 7, with or without prior storage.

Article 7

Where the option of elimination is applied the competent authority shall take all necessary measures to ensure that all the meat concerned is processed through rendering and that the products subsequently obtained cannot be used for food or feed purposes.

Article 8

1. Where a Member State decides to store the meat it may be stored in bone-in or boneless form or in form of canned products. The Member State concerned shall determine specifications related to cutting, deboning, canning, storage and/or any other operations linked to the products and their storage.

2. Member States shall notify to the Commission at the end of each month, in respect of the preceding month, the quantities and characteristics of the stored products.

3. During storage, the competent authority shall conduct regular checks in particular with a view to ensuring the permanent presence in stocks of the products.

Article 9

1. Where meat is intended to be used for purposes other than under Article 7, it may be released:

- without a specific destination or use,
- with a specific destination or use on the Community market,
- for commercial export, or
- for the purpose of a specific humanitarian aid operation in a third country.

Where the meat is used in accordance with the third or fourth indent above no export refunds shall be granted on the quantities concerned.

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

Done at Brussels, 3 April 2001.

2. Member States shall take all necessary measures to ensure that the products released under the last three indents of paragraph 1 are used for the purpose intended.

3. Release of the products under the first three indents of paragraph 1, shall be made in a way which avoids both disturbance of the market and direct competition with disposal of intervention products.

4. Release of the products under paragraph 1 can only be made upon prior approval from the Commission acting in accordance with the procedure laid down in Article 43 of Regulation (EC) No 1254/1999.

5. Where a Member State intends to release stored products with a view to providing humanitarian aid to a third country it shall ensure that all relevant provisions under international agreements are complied with.

Article 10

Proceeds from sales of products in conformity with this Regulation shall belong to the Member State concerned.

Article 11

Without prejudice of Article 9 of Council Regulation (EC) No 1258/1999 ⁽¹⁾, Commission experts accompanied where appropriate by experts from Member States may carry out on-the-spot checks to verify compliance with all the provisions of this Regulation.

Article 12

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

It shall apply in all Member States except the United Kingdom from 1 July 2001 until 31 December 2001. However, from the entry into force of this Regulation:

- it shall apply in Member States which no longer apply Regulation (EC) No 2777/2000 in application of Article 3(4) of that Regulation,
- it may be applied in other Member States which shall inform the Commission if and from which time they wish to apply it.

For the Commission
Franz FISCHLER
Member of the Commission

⁽¹⁾ OJ L 160, 26.6.1999, p. 103.

ANNEX I

Trigger prices referred to in Article 2(2)

(EUR/100 kg carcase weight)

	Until 30 June 2001	1 July to 31 December 2001
Belgium	180,0	167,3
Denmark	178,2	165,6
Germany	177,7	165,2
Greece	158,0	146,9
Spain	158,0	146,9
France	218,3	202,9
Ireland	193,3	179,6
Italy	158,0	146,9
Luxembourg	188,2	174,9
Netherlands	185,2	172,1
Austria	161,5	150,1
Portugal	158,0	146,9
Finland	169,4	157,4
Sweden	205,7	191,1

ANNEX II

Tendering conditions**Tenders**

1. Only the following may submit tenders:
 - (a) slaughterhouses for bovine animals approved in accordance with Article 3(1)(A)(a) of Directive 64/433/EEC, whatever their legal status; and
 - (b) livestock or meat traders who have slaughtering undertaken therein on their own account and who are entered in a national VAT register.
2. In response to invitations to tender, interested parties shall submit their tenders to the competent authorities of the Member States where they have been issued, either by lodging a written bid against a receipt or by any other written means of communication accepted by the said authority, with advice of receipt.
3. Interested parties may submit only one tender in response to each invitation to tender.

The Member States shall ensure that tenderers are independent of each other in the terms of their management, staffing and operations.

Where there are serious indications to the contrary or that tenders are not in line with economic facts, tenders shall be deemed admissible only where the tenderer presents suitable evidence of compliance with the second subparagraph.

Where it is established that a tenderer has submitted more than one tender, all the tenders from that tenderer shall be deemed inadmissible.
4. Tenders shall state:
 - (a) the name and address of the tenderer;
 - (b) one total quantity, expressed in tonnes, of the products of the eligible categories;
 - (c) the price expressed per 100 kg of products of the reference class of category D in euro rounded off to not more than two decimal places.
5. Tenders shall be valid only if:
 - (a) they relate to at least 10 tonnes;
 - (b) they are accompanied by a written undertaking from the tenderer to comply with all the provisions relating to the invitation to tender concerned; and
 - (c) proof is furnished that by the closing date for the submission of tenders the tenderer has lodged a tendering security as provided for below in respect of the invitation to tender concerned.
6. Tenders may not be withdrawn after the expiry of the deadline for submission.
7. Tenders shall be confidential.

Securities

1. The maintenance of tenders after the deadline for the submission of tenders and the delivery of the products at the designated point of take-over within the time limit laid down in Article 4(2) shall constitute primary requirements, the fulfilment of which shall be ensured by the lodging of a security of EUR 25 per 100 kg.

Securities shall be lodged with the competent authority in the Member State in which the tender is submitted.
2. Securities shall be lodged in the form of cash deposits as defined in Article 13 and Article 14(1) and (3) of Commission Regulation (EEC) No 2220/85 ⁽¹⁾ or in one of the forms provided for in Article 8(2) of that Regulation.
3. In the case of tenders which are not accepted, securities shall be released as soon as the outcome of the invitation to tender is published.

In the case of tenders which are accepted, securities shall be released on completion of take-over of the products, without prejudice to Article 4(4).

⁽¹⁾ OJ L 205, 3.8.1985, p. 5.

ANNEX III

Dates referred to in Article 2(5)

17 April 2001
 30 April 2001
 14 May 2001
 28 May 2001
 11 June 2001
 25 June 2001
 9 July 2001
 23 July 2001
 27 August 2001
 10 September 2001
 24 September 2001
 8 October 2001
 22 October 2001
 12 November 2001
 26 November 2001
 10 December 2001

ANNEX IV

Coefficients referred to in Article 5(3)**Classification class**

	SEUR	O	P
Belgium	1,13 ⁽¹⁾	1,00	0,74
Denmark	1,24	1,00	0,78
Germany	1,12	1,00	0,74
Greece	1,15	1,00	0,98
Spain	1,27	1,00	0,67
France	1,22	1,00	0,88
Ireland	1,07	1,00	0,91
Italy	1,17	1,00	0,89
Luxembourg	1,20 ⁽¹⁾	1,00	0,83
Netherlands	1,07	1,00	0,92
Austria	1,09	1,00	0,87
Portugal	1,17	1,00	0,83
Finland	1,15	1,00	0,84
Sweden	1,09	1,00	0,76

⁽¹⁾ Where carcasses delivered are classified as S or E the coefficient shall be 1,65.