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REGULATION (EEC) No 2306/70 OF THE COUNCIL

of 10 November 1970

on the financing of intervention expenditure in respect of the domestic market in milk and milk products

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to Council Regulation No 17/64/EEC [1] 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 728/70 [2], and in particular Article 6 (2) thereof;

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 following action under Council Regulation (EEC) No 804/68 [3] of 27 June 1968 on the common organization of the market in milk and milk products, as last amended by Regulation (EEC) No 1253/70 [4], satisfies the conditions laid down in Article 6 (1) of Regulation No 17/64/EEC:

- intervention on the domestic market in butter by an intervention agency, in pursuance of Article 6 (1) and the first subparagraph or the first sentence of the second subparagraph of Article 6 (3);
- intervention on the domestic market in butter taking the form of aid for private storage in pursuance of Article 6 (2), and special intervention measures taken in pursuance of the second sentence of the second subparagraph of Article 6 (3);
- intervention on the domestic market in skimmed-milk powder by an intervention agency, in pursuance of Article 7 (1) and (2);
- intervention on the domestic market in skimmed-milk powder, taking the form of aid for private storage, in pursuance of Article 7 (3);
- intervention on the domestic market in Grana padano and Parmigiano Reggiano cheeses by an intervention agency, in pursuance of Article 8 (1) and (2);
- intervention on the domestic market in Grana padano and Parmigiano Reggiano cheeses taking the form of aid for private storage in pursuance of Article 8 (3);
- intervention on the domestic market in long-keeping cheeses in pursuance of Article 9;
- aid granted in pursuance of Article 10 for Community-produced skimmed-milk and skimmed-milk powder used as feed;
- aid granted in pursuance of Article 11 for Community-produced skimmed-milk processed into casein;
- measures effected in pursuance of Article 12 to reduce butterfat surpluses;

Whereas special measures have had to be taken under Article 35 of Regulation (EEC) No 804/68 in order to reduce the stocks of butter in the Community; whereas those measures have the same economic effect as those provided for in the second subparagraph of Article 6 (3) of Regulation (EEC) No 804/68 or in Article 12 of that Regulation;

Whereas intervention by intervention agencies in pursuance of Articles 6, 7 and 8 of Regulation (EEC) No 804/68 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;

Whereas the general rules governing the measures provided for in Article 9 of Regulation (EEC) No 804/68 have not yet been determined; whereas it is nevertheless appropriate now to acknowledge that expenditure incurred in respect of those measures should in principle

[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.13.
[4] OJ No L 143, 1.7.1970, p.1.

be eligible under Article 6 of Regulation (EEC) No 17/64/EEC, and to provide that the rules for calculating this expenditure should be adopted at the same time as the general rules governing the measures in question; whereas this also applies to any measures decided on in accordance with Article 12 of Regulation (EEC) No 804/68, after the entry into force of this Regulation,

HAS ADOPTED THIS REGULATION:

Article 1

Expenditure incurred by Member States as a result of the following measures, carried out on the domestic market in milk and milk products from 29 July 1968, 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 laid down in this Regulation:

A. intervention on the domestic market in butter by an intervention agency, under Article 6 (1) and the first subparagraph or the first sentence of the second subparagraph of Article 6 (3) of Regulation (EEC) No 804/68;

B. intervention on the domestic market in butter and cream, taking the form of aid for private storage:

- aid granted in pursuance of Article 6 (2) of Regulation (EEC) No 804/68;
- special measures taken in pursuance of the second sentence of the second subparagraph of Article 6 (3) of Regulation (EEC) No 804/68;

C. intervention on the domestic market in skimmed-milk powder by an intervention agency, in pursuance of Article 7 (1) and (2) of Regulation (EEC) No 804/68;

D. intervention on the domestic market in skimmed-milk taking the form of aid for private storage, in pursuance of Article 7 (3) of Regulation (EEC) No 804/68;

E. intervention on the domestic market in Grana padano and Parmigiano Reggiano cheeses by an intervention agency, in pursuance of Article 8 (1) and (2) of Regulation (EEC) No 804/68;

F. intervention on the domestic market in Grana padano and Parmigiano Reggiano cheeses, taking the form of aid for private storage in pursuance of Article 8 (3) of Regulation (EEC) No 804/68;

G. intervention on the internal market in long-keeping cheeses in pursuance of Article 9 of Regulation (EEC) No 804/68;

H. aid granted in pursuance of Article 10 of Regulation (EEC) No 804/68 for Community-produced skimmed milk and skimmed-milk powder used as feed;

I. aid granted in pursuance of Article 11 of Regulation (EEC) No 804/68 for Community-produced skimmed milk processed into casein;

J. measures effected in pursuance of Article 12 of Regulation (EEC) No 804/68 to reduce butterfat surpluses.

Article 2

In addition, for the purposes of this Regulation:

(a) butter held by the intervention agencies on 29 July 1968 as a result of buying-in pursuant to the provisions of:

- Article 21 (2) of Council Regulation No 13/64/EEC[1] of 5 February 1964 on the progressive establishment of a common organization of the market in milk and milk products, as last amended by Regulation No 1020/67/EEC[2];
- Article 6 (2) of Council Regulation (EEC) No 355/68[3] of 27 March 1968 on transitional measures for the period between 1 April 1968 and the implementing date of the common price system in the market in milk and milk products, as last amended by Regulation (EEC) No 828/68[4];

shall be considered to be butter which has been the subject of the intervention referred to in Article 6 (1) of Regulation (EEC) No 804/68;

(b) butter which has been disposed of under the provisions adopted in pursuance of Article 35 of Regulation (EEC) No 804/68 and which has been the subject of intervention referred to in Article 6 (1) of Regulation (EEC) No 804/68, and butter held by the intervention agency on 29 July 1968 as a result of buying-in pursuant to the provisions referred to in (a), shall be considered to be butter which has been disposed of in pursuance of special measures taken under the first sentence of the second subparagraph of Article 6 (3) of Regulation (EEC) No 804/68;

(c) butter and cream covered by a private storage contract on 29 July 1968, as a result of intervention referred to in Article 21 (3) of Regulation No 13/64/EEC, shall be considered to be butter and cream which have been the subject of intervention referred to in Article 6 (2) of Regulation (EEC) No 804/68;

(d) butter which has been disposed of under the provisions adopted in pursuance of Article 35 of Regulation (EEC) No 804/68 and which has been made the subject of intervention under Article 6 (2) of Regulation (EEC) No 804/68 and butter which was covered by a private storage contract on 29 July 1968, as a result of intervention referred to in Article 21 (3) of Regulation No 13/64/EEC, shall be considered to be butter which has been disposed of under special measures taken in pursuance of the second sentence of the second subparagraph of Article 6 (3) of Regulation (EEC) No 804/68;

(e) butter which has been the subject of the measures provided for by the following provisions adopted in pursuance of Article 35 of Regulation (EEC) No 804/68:

[1] OJ No 34, 27.2.1964, p.549/64.
[2] OJ No 311, 21.12.1967, p.14.
[3] OJ No L 77, 29.3.1968, p.1.
[4] OJ No L 151, 30.6.1968, p.21.

- Article 1 (1) (b) of Commission Regulation (EEC) No 1977/68[1] of 5 December 1968 on the sale of butter at reduced prices to the armed forces and similar units, as last amended by Regulation (EEC) No 1417/6[2];
- the Commission Decision of 12 February 1969[3] on measures allowing certain classes of consumers to buy butter at reduced prices, as last amended by the Commission Decision of 19 December 1969[4];

shall be considered to be butter which has been the subject of measures taken in pursuance of Article 21 of Regulation (EEC) No 804/68.

Article 3

1. The chargeable amount of expenditure resulting from intervention of the kinds referred to in Article 1 (A), (C) and (E) shall be calculated, for each Member State and for each of the periods specified in paragraph 3, by determining the net losses sustained by the intervention agencies concerned in respect of each of these periods.

2. These net losses shall be determined for each of the periods by transferring to a single final account the balances of the following accounts:

(a) an account relating to the operations referred to in Article 1 (A);

(b) accounts relating to the operations referred to in Article 1 (C), consisting of an account for Spray skimmed-milk powder and an account for Roller skimmed-milk powder;

(c) accounts relating to the operations referred to in Article 1 (E), a separate account being drawn up for each product for which an intervention price is fixed.

3. 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.

4. If the single final account relating to a given period shows a credit balance, this balance shall be carried over to the single final account for the following period.

Article 4

1. The account referred to in Article 3 (2) (a) shall be debited with:

(a) the value of the quantities of butter brought forward from the preceding period, calculated by multiplying the quantities in storage on the first day of the new period by the intervention price valid for that day, corrected by the coefficient 0·94. However, the intervention price valid for 28 July 1968 shall be used for the 1968/69 period;

(b) the value of the butter bought in;

(c) expenditure under Article 3 (3) of Council Regulation (EEC) No 985/68[5] of 15 July 1968 laying down general rules governing intervention measures on the market in butter and cream, as last amended by Regulation (EEC) No 1211/69[6];

(d) the costs incurred in putting the goods into storage, calculated on the basis of a fixed amount per metric ton put into storage, this fixed amount to be determined in accordance with Article 18 (1);

(e) the costs incurred in removal from storage, calculated on the basis of a fixed amount per metric ton removed from storage, this fixed amount to be determined in accordance with Article 18 (1);

(f) the storage costs, apart from the financing costs, calculated on the basis of a fixed amount per metric ton /period of storage, this fixed amount to be determined in accordance with Article 18 (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 processing costs incurred by the intervention agency as a result of the measures taken under the first sentence of the second subparagraph of Article 6 (3) of Regulation (EEC) No 804/68. The costs per metric ton of butter shall be determined for each type of processing in accordance with Article 18 (1);

(i) the expenditure under Council Regulations laying down general rules for delivery to the World Food Programme, to developing countries or to countries which have sustained some disaster, of butter or of butterfat from stocks built up under Article 6 (1) of Regulation (EEC) No 804/68;

(j) in the case of France, a sum equal to the proportion of the receipts referred to in paragraph 2 (a) which is yielded by the corrective amount provided for in Article 4 (1) of Council Regulation (EEC) No 886/68[7] of 28 June 1968 fixing for the 1968/69 marketing year the target price for milk and the intervention prices for butter, skimmed-milk powder and Grana padano and Parmigiano-Reggiano cheeses, as last amended by Regulation (EEC) No 2433/69[8]. This sum shall be calculated by multiplying the corrective amount by the quantities of butter sold in the relevant period or part of the relevant period in which the corrective amount is applied to buying-in carried out by the intervention agency, with the exception of the quantities sold under measures providing for a uniform sale price in all the Member States concerned.

[1] OJ No L 295, 7.12.1968,p.1.
[2] OJ No L 182, 24.7.1969,p.18.
[3] OJ No L 52, 3.3.1969, p. 9.
[4] OJ No L 13, 19.1.1970, p. 21.
[5] OJ No L 169, 18.7.1968, p. 1.
[6] OJ No L 155, 28.6.1969, p. 13.
[7] OJ No L 156, 4.7.1968, p. 4.
[8] OJ No L 307, 7.12.1969, p. 1.

2. The account referred to in Article 3 (2) shall be credited with:

(a) the total amount of receipts from disposals in the relevant period;

(b) the value of the quantities of butter carried over to the following period, calculated by multiplying the quantities of butter in storage on the first day of the new period by the intervention price valid for that day corrected by the coefficient 0·94;

(c) the value of quantity loss exceeding the maximum tolerance to be fixed in accordance with the procedure laid down in Article 30 of Regulation (EEC) No 804/68. This value shall be calculated by multiplying the quantity exceeding the maximum tolerance by the highest intervention price in the relevant period.

Quantity loss 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;

(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 15;

(f) in the case of France, a sum equal to the proportion of the value of the butter referred to in paragraph 1 (b) which is yielded by the corrective amount provided for in Article 4(1) of Regulation (EEC) No 886/68. This sum shall be calculated by multiplying the corrective amount by the quantity of butter bought in during the period at the intervention price plus the corrective amount;

(g) an amount representing the proportion remaining chargeable to Member States of the reduction in the price of butter disposed of in accordance with the Commission Decision of 6 November 1969[1] authorizing certain Member States to sell at a reduced price butter from public stocks for direct consumption, as last amended by the Commission Decision of 30 December 1969[2]. This amount shall be calculated by multiplying the quantity disposed of by the difference between 341·5 units of account per metric ton and the amount of the reduction made in the intervention price valid for the day on which that Decision took effect;

(h) a sum equal to the proportion remaining chargeable to the Netherlands of the reduction in the price of butter disposed of in accordance with the Commission Decision of 16 Decwmber 1968[3] authorizing the Kingdom of the Netherlands to sell butter from public stocks at a reduced price, as amended by the Commission Decision of 27 February 1969[4], or disposed of in accordance with the Commission Decision of 12 May 1969[5] authorizing the Kingdom of the Netherlands to sell butter from public stocks at a reduced price. This amount shall be calculated by multiplying the quantity disposed of by 312·5 units of account.

3. The intervention prices referred to in this Article are intervention prices adjusted where necessary in pursuance of Article 4 (1) of Regulation (EEC) No 886/68 or Article 4(1) of Council Regulation (EEC) No 1222/70[6] of 29 June 1970 fixing for the 1970/71 milk marketing year the target price for milk and the intervention prices for butter, skimmed-milk powder and Grana padano and Parmigiano-Reggiano cheeses. However, this adjustment shall not be applied in the case of France.

Article 5

1. Each of the accounts referred to in Article 3 (2) (b) shall be debited with:

(a) the value of the quantities of skimmed-milk powder brought forward from the preceding period, calculated by multiplying the quantities in storage on the first day of the new period by the intervention price valid for that day;

(b) the value of skimmed-milk powder bought in;

(c) expenditure under Article 3 (3) of Council Regulation (EEC) No 1014/68[7] of 20 July 1968 laying down general rules for the public storage of skimmed-milk powder, as last amended by Regulation (EEC) No 2434/69[8];

(d) the costs incurred in putting the goods in storage, calculated on the basis of a fixed amount per metric ton put into storage, this fixed amount to be determined in accordance with Article 18 (1);

(e) the costs incurred in removal from storage, calculated on the basis of a fixed amount per metric ton removed from storage, this fixed amount to be determined in accordance with Article 18 (1);

(f) the storage costs, apart from the financing costs, calculated on the basis of a fixed amount per metric ton /period of storage, this fixed amount to be determined in accordance with Article 18 (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;

[1] OJ No L 283, 11.11.1969, p. 19.
[2] OJ No L 19, 26.1.1970, p. 47.
[3] OJ No L 12, 17.1.1969, p.6.
[4] OJ No L 68, 19.3.1969, p.13.
[5] OJ No L 135, 5.6.1969, p. 1.
[6] OJ No L 141, 29.6.1970, p. 27.
[7] OJ No L 173, 22.7.1968, p. 4.
[8] OJ No L 307, 7.12.1969, p. 2.

(h) the processing costs incurred by the intervention agency as a result of measures taken under the second subparagraph of Article 7 (2) of Regulation (EEC) No 804/68. The costs per metric ton of powder processed shall be determined for each type of processing in accordance with Article 18 (1);

(i) the expenditure under Council regulations laying down general rules for delivery to the World Food Programme, to the International Committee of the Red Cross, to developing countries or to countries which have sustained some disaster, of skimmed-milk powder from stocks built up under Article 7 (1) of Regulation (EEC) No 804/68;

(j) in the case of France, a sum equal to the proportion of the receipts referred to in paragraph 2 (a) which is yielded by the corrective amount provided for in Article 4 (1) of Regulation (EEC) No 886/68. This sum shall be calculated by multiplying the corrective amount by the quantities of skimmed-milk powder sold in the relevant period or part of the relevant period in which the corrective amount is applied to buying-in carried out by the intervention agency, with the exception of the quantities sold under Commission Regulation (EEC) No 1285/69[1] of 3 July 1969 on the provisions for the standing invitation to tender for skimmed-milk powder intended for processing into compound feedingstuffs for pigs or poultry and held by the intervention agencies, as last amended by Regulation (EEC) No 1046/70[2].

2. Each of the accounts referred to in Article 3 (2) (b) shall be credited with:

(a) the total amount of receipts from disposals in the relevant period;

(b) the value of the quantities of powder carried over to the following period, calculated by multiplying the quantities of powder in storage on the first day of the new period by the intervention price valid for that day;

(c) the value of quantity loss exceeding the maximum tolerance to be fixed in accordance with the procedure laid down in Article 30 of Regulation (EEC) No 804/68. This value shall be calculated by multiplying the quantity exceeding the maximum tolerance by the highest intervention price in the relevant period.

Quantity loss 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;

(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 15;

(f) in the case of France, a sum equal to the proportion of the value of the skimmed-milk powder referred to in paragraph 1 (b) which is yielded by the corrective amount provided for in Article 4 (1) of Regulation (EEC) No 886/68. This sum shall be calculated by multiplying the corrective amount by the quantity of skimmed-milk powder bought in during the period at the intervention price plus the corrective amount.

3. The intervention prices referred to in this Article are intervention prices adjusted where necessary in pursuance of Article 4 (1) of Regulation (EEC) No 886/68 or Article 4 (1) of Regulation (EEC) No 1222/70, and Article 2 of Regulation (EEC) No 1014/68. However, the adjustment under Article 4 (1) of Regulation (EEC) No 886/68 shall not be applied in the case of France.

Article 6

1. Each of the accounts referred to in Article 3 (2) (c) shall be debited with:

(a) the value of the quantities of cheese brought forward from the preceding period, calculated by multiplying the quantities in storage on the first day of the new period by the intervention price valid for that day;

(b) the value of the cheese bought in;

(c) expenditure under Article 3 (3) of Council Regulation (EEC) No 971/68[3] of 15 July 1968 laying down general rules for intervention on the market in Grana padano and Parmigiano-Reggiano cheeses, as amended by Regulation (EEC) No 1211/69;

(d) the costs incurred in putting the goods in storage, calculated on the basis of a fixed amount per metric ton put into storage, this fixed amount to be determined in accordance with Article 18 (1);

(e) the costs incurred in removal from storage, calculated on the basis of a fixed amount per metric ton removed from storage, this fixed amount to be determined in accordance with Article 18 (1);

(f) the storage costs, apart from the financing costs, calculated on the basis of a fixed amount per metric ton /period of storage, this fixed amount to be determined in accordance with Article 18 (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 processing costs incurred by the intervention agency as a result of measures taken under the second subparagraph of Article 8 (2) of Regulation

[1] OJ No L 162, 4.7.1969, p. 22.
[2] OJ No L 121, 4.6.1970, p. 10.
[3] OJ No L 166, 17.7.1968, p. 8.

(EEC) No 804/68. The costs per metric ton of cheese processed shall be determined for each type of processing in accordance with Article 18 (1).

2. Each of the accounts referred to in Article 3 (2) (c) shall be credited with:

(a) the total amount of receipts from disposals in the relevant period;

(b) the value of the quantities of cheese carried over to the following period, calculated by multiplying the quantities of cheese in storage on the first day of the new period by the intervention price valid for that day;

(c) the value of quantity loss exceeding the maximum tolerance to be fixed in accordance with the procedure laid down in Article 30 of Regulation (EEC) No 804/68. This value shall be calculated by multiplying the quantity exceeding the maximum tolerance by the highest intervention price in the relevant period.

Quantity loss 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;

(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 15.

Article 7

1. The chargeable amount of expenditure resulting from the measures referred to in the first indent of Article 1 (B) shall be calculated for each Member State in the following manner:

- for butter in respect of which storage contracts came into effect after 28 July 1968, by adding together all the aid paid for the storage of that butter;
- for butter covered by contracts concluded under Article 21 (3) of Regulation No 13/64/EEC and still in force after 28 July 1968, by calculating for each lot the proportion of aid relating to the period after 28 July 1968 in which the relevant contract was in force. This proportion of aid shall be determined by multiplying the total aid paid for the lot, under Article 21 (3) of Regulation No 13/64/EEC and in accordance with Regulation (EEC) No 355/68, by the fraction of the duration of the period in cold storage after 28 July 1968 and within the time limit, if any, provided for in the relevant contract.

2. The chargeable amount of expenditure resulting from the measures referred to in the second indent of Article 1 (B) shall be calculated for each Member State in the following manner:

- if these measures take the form of aid, by adding together all the aid paid under these measures;
- if these measures take the form of buying-in or resale by an intervention agency, by drawing up a balance sheet showing the items provided for in Article 4 (1) (b) and (h) and 4 (2) (a), (c), (d) and (e). The net losses shown by this balance sheet shall be chargeable against the period during which the action is terminated.

Article 8

The chargeable amount of expenditure resulting from the measures referred to in Article 1 (D) shall be calculated for each Member State by a method which should in principle be adopted at the same time as the Regulation on these interventions which is to be adopted under Article 7 (4) of Regulation (EEC) No 804/68, and at all events must be adopted not later than two months after the publication of the said Regulation on these interventions.

Article 9

The chargeable amount of expenditure resulting from the measures referred to in Article 1 (F) shall be calculated for the Member State concerned by adding together all the aid which it has paid under these measures.

Article 10

The chargeable amount of expenditure resulting from the measures referred to in Article 1 (G) shall be calculated for each Member State by a method which should in principle be adopted at the same time as the Regulation on these measures which is to be adopted under Article 9 (2) of Regulation (EEC) No 804/68, and at all events must be adopted not later than two months after the publication of the said Regulation on these measures.

Article 11

1. The chargeable amount of expenditure resulting from the measures referred to in Article 1 (H) shall be calculated for each Member State by adding together all the aid which it has paid under these measures.

2. In the case of France, aid which is taken into account when determining the abovementioned total shall not include the corrective amounts referred to in Article 4 (2) of Regulation (EEC) No 886/68.

3. In Member States where the aid laid down for skimmed milk intended for the feeding of cattle is also granted for buttermilk intended for the same purpose, and no accounting distinction is made between the two categories of aid, the chargeable amount of expenditure shall be calculated by deducting from the amount

referred to in paragraph 1 an amount to be determined according to a method adopted in accordance with the procedure laid down in the second sentence of Article 18 (1).

Article 12

The chargeable amount of expenditure resulting from the measures referred to in Article 1 (I) shall be calculated for each Member State by adding together all the aid which it has paid under these measures.

In the case of France, aid which is taken into account when determining the abovementioned total shall not include the sum of 0·24 units of account per 100 kg of skimmed milk processed into casein which is referred to in Article 1 (2) of Commission Regulation (EEC) No 1103/68[1] of 27 July 1968 fixing the amount of aid for skimmed milk processed into casein and caseinates, and Commission Regulation (EEC) No 146/69[2] of 24 January 1969 fixing the amount of aid for skimmed milk processed into casein and caseinates, as last amended by Regulation (EEC) No 2437/69[3].

Article 13

1. The changeable amount of expenditure resulting from each of the measures referred to in Article 1 (J) which has already been taken shall be calculated for each Member State as specified in paragraph 2.

For every measure referred to in Article 1 (J) and adopted after the entry into force of this Regulation, the chargeable amount shall be calculated by a method which should in principle be adopted at the same time as the Regulation relating to that measure and at all events must be adopted not later than two months after the publication of that Regulation.

2. The chargeable amounts of expenditure resulting from measures taken pursuant to the following provisions:

- Council Regulation (EEC) No 881/69[4] of 13 May 1969 laying down general rules in respect of the use of full-cream milk powder in the manufacture of compound feedingstuffs for calves;
- Article 1 (1) (b) of Regulation (EEC) No 1977/68;
- Commission Decision of 12 February 1969 on measures allowing certain categories of consumers to buy butter at a reduced price;
- Council Regulation (EEC) No 414/70[5] of 3 March 1970 laying down general rules for measures to increase the use of butter by certain categories of consumers,

shall be calculated for each Member State by adding together all the aid or subsidies which it has paid under each measure.

Article 14

Where deposits are lodged under Article 7 of Commission Regulation (EEC) No 1106/68[6] of 27 July 1968 on detailed rules for granting aid for skimmed-milk powder for use as feed and skimmed milk processed into compound feedingstuffs, as last amended by Regulation (EEC) No 2567/69[7], and where such deposits are for feited because the skimmed-milk powder in question has been neither denatured nor processed into compound feedingstuffs, they shall be deducted from the chargeable expenditure of the Member State to which they accrue.

Article 15

From the amount of expenditure which is chargeable within the meaning of Article 3 there shall be deducted losses incurred as a result of irregularity or negligence attributable to the Member States; this shall be established in accordance with the procedure provided for in the second sentence of Article 18 (1).

Article 16

The chargeable expenditure of Member States in respect of milk and milk products for the 1968/69 accounting period shall be reduced by the following sums:

Belgium:	4 077 115 u.a.
Germany:	70 975 000 u.a.
France:	77 031 250 u.a.
Italy:	318 750 u.a.
Luxembourg:	916 635 u.a.
Netherlands:	16 681 250 u.a.

Article 17

In the case of Belgium and Luxembourg the chargeable intervention expenditure for milk and milk products shall be:

- increased by the total compensatory amounts paid on exports to a Member State under Article 5 (1) of Regulation (EEC) No 886/68 or Article 5 (1) of Regulation (EEC) No 1222/70;
- reduced by the total countervailing amounts levied on imports from a Member State under the same provisions.

Article 18

1. Each of the fixed amounts adopted under this Article shall be uniform for the Community. Each amount shall be determined in accordance with the procedure laid

[1] OJ No L 184, 29.7.1968, p. 21.
[2] OJ No L 21, 28.1.1969, p. 3.
[3] OJ No 307, 7.12.1969, p. 7.
[4] OJ No L 117, 16.5.1969, p. 1.
[5] OJ No L 52, 6.3.1970, p. 2, and L 74, 3.4.1970, p.24.
[6] OJ No L 184, 29.7.1968, p. 26.
[7] OJ No L 321, 23.12.1969, p. 26.

down in Article 26 of Regulation No 17/64/EEC, account being taken of the outcome of the examination made under Article 31 of Regulation (EEC) No 804/68.

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 30 of Regulation (EEC) No 804/68.

Article 19

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