COMMISSION REGULATION (EEC) No 1901/78

of 4 August 1978

on the sale of butter at a reduced price during the 1978/79 milk year for direct consumption in the Community

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 804/68 of 27 June 1968 on the common organization of the market in milk and milk products (1), as last amended by Regulation (EEC) No 1761/78 (2), and in particular Articles 6 (7), 12 (3) and 28 thereof,

Having regard to Council Regulation (EEC) No 985/68 of 15 July 1968 laying down general rules for intervention on the market in butter and cream (3), as last amended by Regulation (EEC) No 2714/72 (4), and in particular Article 7a thereof,

Whereas there are stocks of butter on the Community market resulting from intervention under Article 6 (1) and (2) of Regulation (EEC) No 804/68 ;

Whereas it will not be possible to dispose of all these stocks of butter on normal terms during the present milk year ; whereas continued storage should be avoided in view of the high cost involved ; whereas steps should therefore be taken to facilitate disposal of this butter ;

Whereas the butter could be disposed of by selling it at a reduced price for direct consumption ;

Whereas in view of the differing consumer tastes in different parts of the Community it seems appropriate to allow Member States the choice of either applying this measure for a longer period using a larger quantity of butter from public stocks and granting a smaller price reduction or to sell limited quantities of butter from public stocks or private storage at a sharply reduced price but limiting the duration of the measure ;

Whereas, since Italy has on its territory no butter in public storage or in private storage under contract, and since production conditions there are such that the butter price support mechanisms cannot prevent price distortions, Council Regulation (EEC) No 1764/78 of 25 July 1978 on the granting of a consumer subsidy for butter (5) provides for a subsidy for butter produced in Italy and intended for direct consumption there, so that Italian consumers may benefit under comparable conditions from a reduction in the price of butter ; whereas it is therefore necessary to adopt at the same time detailed rules for the application of Regulation (EEC) No 1764/78 ;

Whereas on the butter market in the United Kingdom there are large stocks of imported butter which have a depressive effect on prices ; whereas the market price is appreciably below the intervention price ; whereas, to avoid a worsening of the situation on the United Kingdom market, this Regulation should not be applied to the United Kingdom, and a different solution should be found to enable consumers in this Member State to benefit from a similar reduction in the price of butter ;

Whereas when a Member State makes use of Council Regulation (EEC) No 880/77 of 26 April 1977 on the granting of a consumer subsidy for butter (6), as last amended by Regulation (EEC) No 1040/78 (7), the measures provided for in this Regulation are to be combined with the subsidy granted under the above-mentioned Regulation ;

Whereas, to ensure an equitable distribution throughout the Community of the butter placed at the disposal of consumers in connection with this measure, and to avoid disturbances of the market in certain Member States, maximum quantities to which this measure may be applied in each Member State should be fixed for each alternative, taking into account the normal consumption in that Member State ; whereas for administrative and control reasons this system may be applied only where the butter is consumed in the Member State concerned and its distribution is carried out by the national authorities ;

Whereas butter sold under this Regulation should be clearly distinguished from other butter at all marketing stages ; whereas, to this end, it should be provided that the butter is to be put up in small packets and within a specified time limit ;

(1) OJ No L 148, 28. 6. 1968, p. 13.
(2) OJ No L 204, 28. 7. 1978, p. 6.
(3) OJ No L 169, 18. 7. 1968, p. 1.
(4) OJ No L 291, 28. 12. 1972, p. 15.
(5) OJ No L 204, 28. 7. 1978, p. 10.
(6) OJ No L 106, 29. 4. 1977, p. 31.
(7) OJ No L 134, 22. 5. 1978, p. 7.

Whereas there must be supervision to ensure that the butter is not diverted from its destination ; whereas the keeping of stock records at all marketing stages, the giving of a security and, in the case of butter from private storage, the condition that aid is paid only if certain requirements are met, will contribute to this end ; whereas, moreover, as regards butter from public storage the provisions of Commission Regulation (EEC) No 1687/76 of 30 June 1976 laying down common detailed rules for verifying the use and/or destination of products from intervention (1), as last amended by Regulation (EEC) No 1665/78 (2) apply ; whereas the same provisions may be applied to butter from private storage ;

Whereas information should be forwarded to the Commission at regular intervals to enable it to follow the progress of the operation ;

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 :

TITLE I

General provisions

Article 1

1. Under the conditions laid down in this Regulation, and subject to the maximum quantities specified in Article 2, Member States shall, at their option, apply one or other of the following measures :

Formula A

In accordance with Articles 2, 3 and 4, they shall sell, at a reduced price, butter which has been the subject of the measures provided for in Article 6 (1) of Regulation (EEC) No 804/68 and has been put into the intervention agency's coldstore before 15 July 1978.

Formula B

In accordance with Articles 2, 5, 6 and 7 they :

(a) shall sell, at a reduced price, butter which has been the subject of the measures provided for in Article 6 (1) of Regulation (EEC) No 804/68 and has been put into the intervention agency's coldstore before 15 July 1978 ;

(b) shall grant a subsidy in respect of butter which during the milk year 1978/79 has been the subject of a storage contract in accordance with the provisions of Article 8 (2) of Regulation (EEC) No 985/68, and which has been stored under contract for at least four months from the date of the application referred to in Article 6 (2).

2. By way of derogation from paragraph 1, so as not to disadvantage the removal from store of privately stored butter, those Member States choosing to use formula A may replace a quantity of butter, not exceeding 20 % of that fixed in Article 2 (1) as originating in public storage, by butter in private storage satisfying the conditions set out in paragraph 1 (b).

In this case, the butter shall, in accordance with conditions analogous to those set out in Article 6 (2) and in in the second indent of Article 8, be granted an aid of 35 units of account per 100 kilograms. However, the request for the removal from store shall be made to the intervention agency between 16 September and 31 December 1978.

3. Italy shall use butter manufactured there from cream.

Where formula A is used, this butter shall be granted an aid of 35 units of account per 100 kilograms. Those storing the butter shall make applications for aid to the Italian intervention agency between the date of entry into force of this Regulation and 31 December 1978.

Where formula B is used, the butter shall be granted an aid of 75 units of account per 100 kilograms. Those storing the butter shall make applications for aid to the Italian intervention agency during a period to be fixed by Italy and falling between 16 September and 30 November 1978.

Applications for aid shall state the origin of the butter, the quantity and the date and place to be used for packing into small packets. In addition, the provisions of Article 2 (2), the second subparagraph of Article 6 (2), and those of Articles 7, 8, 10, 11 and 12 shall apply.

The provisions of Regulation (EEC) No 1687/76 shall apply from the day on which the butter is put into small packets.

Article 2

1. The quantities referred to in Article 1 shall be as follows (in tonnes) :

(1) OJ No L 190, 14. 7. 1976, p. 1.
(2) OJ No L 192, 15. 7. 1978, p. 49.

Member State	Formula A	Formula B		
		Total quantity	Public storage (minimum quantity)	Private storage (maximum quantity)
Belgium	8 900	4 150	1 450	2 700
Denmark	3 700	1 800	1 000	800
Germany	35 700	16 600	12 000	4 600
France	40 000	18 600	4 500	14 100
Italy	14 200	6 700	—	—
Ireland	3 500	1 600	—	1 600
Luxembourg	300	150	100	50
Netherlands	7 200	3 400	2 000	1 400

2. Member States shall take appropriate measures to ensure, as far as possible, that there is an equitable distribution of the quantities of butter specified in paragraph 1, in particular taking into account the quantity of butter normally disposed of for direct consumption by those concerned.

TITLE II

Detailed rules for formula A

Article 3

1. Under formula A the butter shall be sold :

(a) before 1 January 1979 ;

(b) ex coldstore at a price equal to the buying-in price applied by the intervention agency concerned on the day when the contract of sale is concluded, minus 35 units of account per 100 kilograms.

2. It shall be sold in lots of not less than five tonnes.

3. It shall be taken over not later than 12 days after the contract of sale is concluded.

Before taking it over, the purchaser shall :

— pay the purchase price of the butter, and

— give a packing security of 40 units of account per 100 kilograms.

Except in cases of *force majeure,* the sale shall be cancelled in respect of any quantities not taken over by the purchaser within the specified time limit.

Article 4

1. The butter shall be used exclusively for direct consumption as such on the territory of the Member State where it is held, or, in the case of butter from private stocks, on the territory of the Member State of the intervention agency referred to in Article 6 (2).

2. The butter shall be marketed in packets weighing not more than 500 grams, bearing on the upper surface, in letters at least 5 mm high :

(a) one or more of the following :

— 'Intervention butter',

— 'Interventionssmør',

— 'Molkereibutter aus Interventionsbeständen',

— 'Beurre d'intervention',

— 'Burro di intervento',

— 'Koelhuisboter' or 'Interventieboter' ;

(b) such maximum price as has been set pursuant to Article 12 (2).

However, Member States may fix the maximum weight at 250 grams.

3. Within one month from the day on which it was taken over in accordance with Article 3 (3), the butter shall be put up in packets in the Member State where it is to be sold for direct consumption. Such putting up shall take place at an establishment approved for the purpose by the Member State concerned and under the conditions laid down by that Member State.

TITLE III

Detailed rules for formula B

Article 5

1. Under formula B butter from public storage shall be sold ex coldstore at a price equal to the buying-in price applied by the intervention agency concerned on the day when the contract of sale is concluded, minus 75 units of account per 100 kilograms.

It shall be sold in lots of not less than five tonnes.

2. The contracts of sale shall be concluded within a period fixed by the Member State concerned and falling between 16 September and 30 November 1978.

3. It shall be taken over not later than 12 days after the contract of sale is concluded.

Before taking it over, the purchaser shall :

— pay the purchase price of the butter, and

— give a packing security of 80 units of account per 100 kilograms.

Except in cases of *force majeure,* the sale shall be cancelled in respect of any quantities not taken over by the purchaser within the specified time limit.

Article 6

1. Butter from private storage sold under formula B shall qualify for aid at the rate of 75 units of account per 100 kilograms.

2. The signatory of the storage contract shall, within period fixed by the Member State concerned in accordance with Article 5 (2), make an application for the removal from store to the intervention agency with which he concluded the contract, indicating in accordance with the conditions laid down by the intervention agency the quantities of butter he proposes to remove from storage and its characteristics and giving the date for removal from storage.

The agency shall forthwith issue an acknowledgement of receipt permitting or refusing, in whole or in part, in accordance with Article 2 (2), removal from storage pursuant to this Regulation.

Article 7

1. The butter shall be used exclusively for direct consumption on the territory of the Member State where it is held, or, in the case of butter from private stocks, on the territory of the Member State of the intervention agency referred to in Article 6 (2).

2. The butter shall be marketed in packets weighing not more than 500 grams, bearing on the upper surface in letters at least 5 mm high :

(a) one or more of the following :

— 'Special EEC sale',

— 'Saerligt EØF-salg',

— 'EWG-Sonderverkauf',

— 'Vente spéciale CEE',

— 'Vendita speciale CEE',

— 'Speciale verkoop EEG' ;

(b) such maximum price as has been set pursuant to Article 12 (2).

However, Member States may fix the maximum weight at 250 grams.

3. The butter shall be put up in packets within one month from, depending on the case, either the day when the butter was taken over in accordance with Article 5 (3) or the day of the acknowledgement of receipt referred to in the second subparagraph of Article 6 (2).

Such putting up shall take place in the Member State where the butter is to be sold for direct consumption, at an establishment approved for the purpose by the Member State concerned and under the conditions laid down by that Member State.

TITLE IV

Supervision

Article 8

As regards butter from private storage :

— the provisions of Regulation (EEC) No 1687/76 shall apply from the day on which it is removed from storage,

— the aid referred to in Article 6 (1) shall be paid only on presentation of the proof referred to in Article 12 of Regulation (EEC) No 1687/76 and in respect of the quantities covered by that document.

Article 9

1. The butter shall remain in its original packing until it is put up in small packets.

It shall be accompanied by a list of the parcels or packages enabling it to be identified and specifying the date of its removal from storage.

2. Packages containing either butter in bulk or in small packets shall bear, in letters at least 2 cm high, one or more of the following inscriptions :

— 'Butter at reduced price (Regulation (EEC) No 1901/78)',

— 'Smør til nedsat pris (forordning (EØF) nr. 1901/78)',

— 'Verbilligte Butter (Verordnung (EWG) Nr. 1901/78)',

— 'Beurre à prix réduit (règlement (CEE) n° 1901/78)',

— 'Burro a prezzo ridotto (regolamento (CEE) n. 1901/78)',

— 'Boter tegen verlaagde prijs (Verordening (EEG) nr. 1901/78)'.

and in addition the words 'formula A' or 'formula B'.

Article 10

1. If the butter is resold, the requirements imposed as regards the end use of the butter and the final date for packing shall be incorporated in the contract of sale.

Such contract shall be made in writing and shall specify that the purchaser is aware of the penalities imposed by the Member State concerned in respect of breaches of the aforesaid obligations.

2. Holders of butter shall keep stock records setting out in respect of each delivery the name and address of the purchaser and the quantities purchased.

However, at the retail stage a record of quantities purchased shall suffice. The retail trade shall sell the butter only for direct consumption.

Article 11

The requirements of Regulation (EEC) No 1687/76 regarding the use and/or destination of the butter shall be considered to have been satisfied when the butter has been put up into small packets and taken over by the retail trade in the Member State where it is held or, in the case of butter from private stocks, in the Member State of the intervention agency referred to in Article 6 (2).

Article 12

1. The Member States shall take all necessary steps to ensure that the incidence of the price reduction or aid is felt at the retail stage.

2. To this end, Member States shall fix a maximum retail price for butter.

However, Member States may in place of this obligation subsitute other administrative provisions having equivalent effect.

Article 13

Member States shall inform the Coommission :

1. not later than 1 September 1978 of the formula which they have chosen pursuant to Article 1 (1) and, if formula B is chosen, of the period referred to in Articles 5 (2) and 6 (2);

2. on the Tuesday of each week :

   — of the quantities of butter from public storage which have been the subject of contracts of sale with the intervention agency pursuant to this Regulation,

   — of the quantities of butter from private storage in respect of which the Member State has issued the document referred to in the second subparagraph of Article 6 (2).

Article 14

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, 4 August 1978.

For the Commission

Finn GUNDELACH

Vice-President