# COMMISSION REGULATION (EEC) No 582/91

## of 11 March 1991

## on the detailed rules applicable to the sale of cereals and oils and fats held in intervention for non-food demonstration projects and amending Regulation (EEC) No 569/88

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 1581/86 of 23 May 1986 laying down general rules for intervention on the market on cereals [1], as last amended by Regulation (EEC) No 2203/90 [2], and in particular Article 4 (4) thereof,

Having regard to Council Regulation No 724/67/EEC of 17 October 1967 laying down conditions for intervention in respect of oilseeds during the last two months of the marketing year and principles for the disposal of seed bought in by intervention agencies [3], as last amended by Regulation (EEC) No 2203/90, and in particular Article 2a (2) thereof,

Having regard to Council Regulation (EEC) No 2754/78 of 23 November 1978 on intervention in the olive oil sector [4], as last amended by Regulation (EEC) No 2203/90, and in particular Article 2 (1a) thereof,

Whereas, by Regulation (EEC) No 2203/90 the Council introduced arrangements for making cereals and oils and fats held by intervention agencies available on favourable terms for demonstration projects approved by the Commission; whereas the detailed rules for the approval of such demonstration projects and for selling the raw materials required for their execution should be specified;

Whereas two periods during the year should be set for the submission of project proposals to the Commission; whereas the latter will need time to examine the proposals and to hold consultations before deciding whether to approve these projects in accordance with the procedure laid down in Article 8 of Council Regulation (EEC) No 1728/74 [5], as last amended by Regulation (EEC) No 3768/85 [6], and to make available for such projects intervention stocks in accordance with the procedures laid down, according to the circumstances, in Article 26 of Council Regulation (EEC) No 2727/75 of 29 October 1975 on the common organization of the market in cereals [7], as last amended by Regulation (EEC) No 3577/90 [8], or in Article 38 of Council Regulation No 136/66/EEC of 22 September 1966 on the establishment of a common organization of the market in oils and fats [9], as last amended by Regulation (EEC) No 3577/90; whereas, in some cases, it may be appropriate to consult independent experts in advance; whereas, however, it is necessary in 1991 to provide for an additional period for the submission of projects so as to speed up the implementation of the arrangements;

Whereas, so as to ensure that these arrangements achieve their purpose, namely to find new outlets, the criteria for selecting the demonstration projects submitted for approval should be specified;

Whereas the criteria for setting the selling price for each sector should be laid down in such a way as to ensure that the products are offered on favourable terms whilst at the same time taking account of the other advantages that the interested parties may benefit from under the Community rules in respect of the market organization in question;

Whereas Commission Regulation (EEC) No 569/88 of 16 February 1988 laying down common detailed rules for verifying the use and/or destination of products from intervention [10], as last amended by Regulation (EEC) No 413/91 [11], applies in respect of such sales and whereas, accordingly, certain additional conditions relating to control measures and the release of securities should be laid down so as to enable the use of the products sold to be verified;

Whereas the measures provided for in this Regulation are in accordance with the opinion of the Management Committee concerned,

HAS ADOPTED THIS REGULATION:

*Article 1*

This Regulation lays down the detailed rules for sales of cereals, olive oil and oilseeds held in intervention for demonstration projects concerning the development of new uses of these products other than as foodstuffs or animal feedingstuffs.

[1] OJ No L 139, 24. 5. 1986, p. 36.
[2] OJ No L 201, 31. 7. 1990, p. 5.
[3] OJ No 252, 19. 10. 1967, p. 10.
[4] OJ No L 331, 28. 11. 1978, p. 13.
[5] OJ No L 182, 5. 7. 1974, p. 1.
[6] OJ No L 362, 31. 12. 1985, p. 8.
[7] OJ No L 281, 1. 11. 1975, p. 1.
[8] OJ No L 353, 17. 12. 1990, p. 23.
[9] OJ No 172, 30. 9. 1966, p. 3025/66.
[10] OJ No L 55, 1. 3. 1988, p. 1.
[11] OJ No L 49, 22. 2. 1991, p. 9.

*Article 2*

The projects referred to in Article 1 shall be proposed and implemented by research institutes, bodies, organizations, undertakings or natural or legal persons which :

(a) possess the necessary qualifications and experience ;

(b) provide guarantees regarding the satisfactory outcome of the work.

*Article 3*

Proposals for demonstration projects shall be presented in accordance with the model in the Annex. They shall contain the following information :

— the full identity, address and professional references of the applicant and any partners,

— the title of the project,

— the objectives, demonstrative value and innovative nature of the project, a decription of the work and technical details,

— duration of the project, which may not exceed two years,

— the required quantities of the raw materials referred to in Article 1,

— the derived products and by-products obtained (description, quantity and destination),

— the proposed price of the raw material (and justification), taking account of the value of the co-products and by-products,

— the likely schedule for removal,

— the proposed place where the products will be taken over,

— other national or Community assistance already granted for the project,

— all other information useful to the assessment referred to in Article 5.

*Article 4*

Proposals for demonstration projects shall be submitted to the Commission for approval in June and December of each year.

The Commission shall, according to the procedure provided for by the Council, and after consulting independent experts where necessary, decide to approve projects before 31 December in the case of proposals submitted during June of the same year, and before 30 June in the case of proposals submitted during December of the previous year.

However, for 1991, proposals may be submitted also in March, the Commission decision on which shall be taken before 30 September.

*Article 5*

The decision approving projects shall be based on an assessment comprising, in particular, the following selection criteria :

— demonstrative value,

— innovative nature,

— technical feasibility,

— agro-industrial impact,

— impact of the end products, co-products and by-products on competing markets and the danger of market disruption,

— economic viability,

— available financial resources,

— environmental aspects.

*Article 6*

Selling prices shall be fixed :

— for cereals and olive oil : at a level similar to the world market price cif stage for the same products, taking account of the value of the by-products,

— for oilseeds : at a level likely to allow the operation to be carried out without endangering market equilibrium,

taking account, where appropriate, of other advantages which interested parties may benefit from under the Community rules in respect of the market organizations in question.

*Article 7*

The Commission shall, in its decision approving each selected project, specify the selling prices, the quantities to be sold, the amount of the guarantee referred to in Article 8 (1) and other conditions of sale, in particular the schedule for removal which may not exceed one year.

*Article 8*

1. A performance guarantee shall be lodged with the competent body before each instalment is removed.

The guarantee shall amount, per tonne, to 110 % of the difference between the intervention price and the selling price applicable to the instalment of goods in question.

2. The use of the products made available for the purposes of the approved project shall constitute a primary requirement within the meaning of Article 20 of Commission Regulation (EEC) No 2220/85 [1].

3. The guarantee shall be released when proof is furnished that the product has actually been used for the purposes of the project, in the form of a report approved by the Commission.

This report must contain detailed information showing that the objectives of the project have been attained, based on quantitative and qualitative data relating to each objective.

[1] OJ No L 205, 3. 8. 1985, p. 5.

4. For the purposes of the approval referred to in paragraph 3, the report shall be submitted to the competent body, not later than two months after completion of the project. The competent body shall transmit it to the Commission without delay.

The Commission shall approve the report not later than two months after receiving it and shall inform the competent body.

*Article 9*

1. The competent body shall take the necessary steps to ensure, particularly by means of technical, administrative and documentary checks during the processing period, that the intervention product is used in accordance with the terms of the project. It shall inform the Commission of the measures taken and the envisaged schedule of checks. It shall attach a report on the checks carried out and their findings to the report provided for in Article 8 (3).

In the case of irregularities, it shall immediately inform the Commission and shall appropriate the guarantee.

2. In the cases referred to in Article 2 (3) of Regulation (EEC) No 569/88, intervention products shall be accompanied by the control copy T5; when the products are dispatched, the control copy shall include the following endorsements:

in Section 104:

— 'Intended for non-food demonstration project — Regulation (EEC) No 582/91',

in Section 106:

— the latest date for completion of the project.

*Article 10*

The following point 37 and corresponding footnote are added in Part II, 'Products subject to a use and/or destination other than that mentioned under I', of the Annex to Regulation (EEC) No 569/88:

'37. Commission Regulation (EEC) No 582/91 of 11 March 1991 on the detailed rules applicable to the sale of cereals and oils and fats held in intervention for non-food demonstration projects and amending Regulation (EEC) No 569/88 ([37]):

On the dispatch of intervention products:

Section 104 of the control copy T5:

— Intended for a non-food demonstration project — Regulation (EEC) No 582/91,

Section 106 of the control copy T5:

— the latest date for completion of the project in question.

([37]) OJ No L 65, 12. 3. 1991, p. 27.'

*Article 11*

This Regulation shall enter into force on the day of 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, 11 March 1991.

*For the Commission*

Ray MAC SHARRY

*Member of the Commission*

*ANNEX*

## I. GENERAL INFORMATION

1. **Identification of applicant**

Name or business name :

Place of establishment in Member State :

Address :

Telephone : Telex : Telefax :

2. **Partners**

Name or business name : Main activity : Member State :

3. **Professional references of the applicant and any partners**

4. **Title of project**

Objectives, demonstrative value and innovative nature of project and its background :

Tasks to be carried out by partners :

Duration or project (maximum two years) :

Raw material (description and quantity) :

Derived products and by-products (description, quantity and destination) :

Proposed price of raw material and justification, taking account of the value of the co-products and by-products :

Likely schedule for removal from intervention :

Place where products will be taken over :

Other assistance already granted in respect of project :

Date (signature) (1)

(1) Of the applicant.

## II. DESCRIPTION OF THE PROJECT

A project must contain at least the following information :

1. a summary of the project (not more than two pages) ;
2. reasons for the project and objectives ;
3. the measures or operations proposed ;
4. the successive stages of implementation, the schedule and place of implementation ;
5. the economic impact of the project (agriculture, industry, market) ;
6. the expected results and advantages for the Community market ;
7. the criteria for assessing the results on completion of the project ;
8. prospects for exploiting and disseminating the results ;
9. environmental impact.

## III. BUDGET

The net budget, excluding tax, envisaged for the project, expressed in national currency, showing the annual allocation of the amount ; amount of the budget corresponding to the price of the raw material and the prices of the derived products and by-products.

## IV. ADDRESSEE

The project should be sent to the following address :

Commission of the European Communities,
Directorate-General for Agriculture,
Division VI-C-2, 'Animal feed, non-food uses and cereal substitutes', rue de la Loi 200, B-1049 Brussels.