COMMISSION REGULATION (EC) No 2148/96

of 8 November 1996

laying down rules for evaluating and monitoring public intervention stocks of agricultural products

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 3492/90 of 27 November 1990 laying down the factors to be taken into consideration in the annual accounts for the financing of intervention measures in the form of public storage by the European Agricultural Guidance and Guarantee Fund, Guarantee Section (1), and in particular Article 8 thereof,

Whereas Regulation (EEC) No 3492/90 lays down principles governing accounting for agricultural stocks held in public storage;

Whereas, in the light of experience gained in applying Commission Regulation (EEC) No 618/90 of 14 March 1990 laying down rules for drawing up the annual inventory of agricultural products in public storage (2), as amended by Regulation (EEC) No 3077/92 (3), certain arrangements for the management of stocks should be redefined, with particular attention to the rules for evaluating and monitoring stocks of agricultural products placed in public storage; whereas Regulation (EEC) No 618/90 should be repealed;

Whereas appropriate management and monitoring arrangements should be put into place to ensure sound management of stocks in public storage;

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

HAS ADOPTED THIS REGULATION:

Article 1

1. Any natural or legal person storing agricultural products bought in under EAGGF Guarantee Section rules shall keep records in accordance with Community provisions and national provisions.

2. Intervention agences shall keep a fully updated list of storekeepers with whom they have entered into a public storage contract. This list shall include information permitting precise identification of all storage points, such as capacities, shed, refrigerator or silo numbers, plans and diagrams. The list shall be available at the head offices of intervention agencies to Commission staff and to persons authorized by the Commission.

Article 2

1. Documentary records of the entry, storage and removal of products serving as a basis for the preparation of the annual accounts referred to in Article 1 of Regulation (EEC) No 3492/90 shall be sent by the storekeeper to the intervention agency at least once a month.

2. The intervention agency shall be in receipt of the records referred to in paragraph 1 before the tenth day of the month following the one to which it relates. They shall show at least the following: the place of storage (including, where appropriate, identification of the bin or vat), the quantity carried over from the previous month, entries and removals of each lot, and stocks at the end of the period.

They shall permit precise identification of the quantities in store at the time, and shall take account of purchases and sales that have been agreed but for which the corresponding entries or removals of stock have not yet occurred.

A specimen form is provided for guidance in Annex I.

Article 3

1. The storekeeper shall prepare an annual stock statement on the basis of the monthly statements referred to in Article 2. The instructions issued for this purpose by the intervention agency shall be sent for information to the Commission within six months of the entry into force of this Regulation.

2. The annual stock statement, of which a specimen form is shown for guidance in Annex II, shall recapitulate the quantities in store, broken down by product and place of storage, and shall give for each product the quantities in store, the lot numbers (except in the case of cereals), the year of their entry into store (except in the case of alcohol) and an explanation of any anomalies detected.

Article 4

1. The intervention agency shall be responsible for the accuracy of the information collected pursuant to Articles 1, 2 and 3. To that end, it shall throughout the year undertake on-the-spot inspections of stores, at irregular intervals and unannounced where possible.

(1) OJ No L 337, 4. 12. 1990, p. 3.
(2) OJ No L 67, 15. 3. 1990, p. 21.
(3) OJ No L 310, 27. 10. 1992, p. 19.

Each store shall be inspected at least once every year in accordance with the rules set out in Annex III, and the inspections shall cover in particular:

(a) the procedure for collecting the information referred to in Articles 2 and 3;

(b) the conformity of the records held on the spot by the storekeeper with the information sent to the intervention agency; and

(c) the physical presence in the store of the quantities listed in the storekeeper's records used for the latest monthly statement provided by him, assessed visually or, in case of doubt or dispute, by weighing or measuring.

The physical presence shall be established by a sufficiently representative physical inspection, covering at least the percentages laid down in Annex III and making it possible to conclude that the entire quantities listed in the accounts are actually present.

2. If an anomaly is detected during physical inspection, a further percentage of the quantities in store shall be inspected using the same method. If necessary, inspection may extend to weighing all the products in the lot or store being inspected.

Article 5

1. The inspecting body or its representative shall draw up a report on each inspection carried out at least once a year, in accordance with Article 4 and Annex III.

2. The report shall contain at least the following information:

(a) the name of the storekeeper, the address of the store visited and the description of the lots inspected;

(b) the date and time when the inspection began and ended;

(c) the place where the inspection took place and a description of the conditions of storage, packaging and accessibility;

(d) the full identity of the persons making the inspection, their status and the terms of their authorization;

(e) the inspection measures undertaken and procedures used to establish volume, such as measuring methods, calculations, interim and final results, and the conclusions drawn;

(f) for each lot or quality stored, the quantity in the intervention agency's books, the quantity in the store's books and any discrepancies between the two sets of books;

(g) for each lot or quality physically inspected the information referred to in point (f) and the quantity verified on the spot and any discrepancies, the lot or quality number, the pallets, boxes, silos, vats or other receptacles involved and the weight (both net and gross if appropriate) or volume;

(h) the statements made by the storekeeper where there are discrepancies or differences;

(i) the place, date and signature of the person drawing up the report and of the storekeeper or his representative;

(j) any extended inspection conducted in the case of anomalies, specifying the percentage of the stored quantities covered by the extended inspection, discrepancies found and explanations given.

3. The reports shall be sent to the intervention agency immediately. Immediately after receipt of the report, the intervention agency's accounts shall be corrected in the light of the discrepancies and differences detected, and these shall be declared to the EAGGF in accordance with Articles 3 and 4 of Regulation (EEC) No 3492/90.

4. The reports shall be kept at the head office of the intervention agency and be available to Commission staff and to persons authorized by the Commission.

5. A summary document listing the inspections carried out, the quantities checked and the anomalies detected in relation to the monthly and annual statements shall be sent to the Commission at the same time as the annual accounts referred to in Article 5 (1) of Council Regulation (EEC) No 729/70 [1].

Article 6

1. The storekeeper shall be responsible for any differences detected between the quantities in store and the details given in the stock statements sent to the intervention agency.

2. Where the quantities missing exceed those permitted by the tolerance(s) applicable, the total shall be charged to the storekeeper as an unidentifiable loss. If the storekeeper contests the missing quantities, he may require the product to be weighed or measured, in which case he shall bear the costs of the operation unless it turns out that the quantities declared are actually present or the difference does not exceed the applicable tolerance margin, in which case the costs of weighing and measuring shall be charged to the inspecting body.

[1] OJ No L 94, 28. 4. 1970, p. 13.

3. The tolerances set out in Annex III shall apply without prejudice to those laid down in the regulations on the various products, as listed in Commission Regulation (EEC) No 147/91 (1).

Article 7

1. Intervention agencies shall keep a centralized inventory covering all storage sites, products and quantities and qualities of products, stating for each the weight (where appropriate, both net and gross weights), or the volume.

2. All accountancy records and reports drawn up under this Regulation shall be available at all times, both at the stores and also at the intervention agency, to intervention agency officials and also, in accordance with Regulation (EEC) No 729/70, and in particular Article 9 thereof, to officials authorized by the Commission.

Article 8

1. Intervention agencies shall ensure that storekeepers keep computerized records of intervention stocks. They shall include provisions to this effect in the storage contracts which they conclude with storekeepers.

2. Such computerized records shall be fully operational no later than two years after the entry into force of this Regulation. They shall constitute a permanent inventory directly and immediately accessible to officials of the intervention agency and the Commission and to any person duly authorized by them.

Article 9

1. Member States shall take the measures necessary to give effect to this Regulation and to inform those concerned of the penalties they may incur if they do not comply with its provisions. They shall inform the Commission of the measures they have taken.

2. Member States shall include in storage contracts provisions as to the financial consequences attendant on and proportional to any infringements committed by storekeepers, permitting termination of the contract in the event of deliberate irregularities or irregularities arising from gross negligence.

Article 10

Commission Regulation (EEC) No 618/90 is hereby repealed.

Article 11

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

It shall apply from 1 October 1996.

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

Done at Brussels, 8 November 1996.

For the Commission

Franz FISCHLER

Member of the Commission

(1) OJ No L 17, 23. 1. 1991, p. 9.

ANNEX I

(Model)

MONTHLY STOCK STATEMENT

Product:		Storekeeper: Store: No: Address:			Month:
Lot	Description	Quantity (kg, tonnes, hl, boxes, pieces, etc.)		Date	Observations
		Entry	Removal		
	Quantity carried over				
	Quantity to be carried over				

(Stamp and signature)

Place and date:

Name:

ANNEX II

(Model)

ANNUAL STOCK STATEMENT

(pursuant to Article 3)

Product:		Storekeeper: Store: No: Address:			Year:
Lot	Description	Book quantity and/or weight	Quantity and/or weight verified	Quantity and/or weight checked	Observations

An explanation of many anomalies detected is attached.

....., ...

Intervention agency inspector:
Date and time present at store:

(Stamp and signature)

Place and date:

Name:

ANNEX III

PHYSICAL INSPECTION PROCEDURE

(for inspections pursuant to Article 4)

I. BUTTER

1. Selection of lots representing at least 5 % of the total quantity in public storage. The lots to be checked shall be selected before visiting the store on the basis of the intervention agency's records but the storekeeper should not be informed.
2. On-the-spot verification of the presence of the lots selected and of their composition:
   — identification of the control numbers of the lots and boxes on the basis of purchase or entry notes,
   — weighing of the pallets (one in 10) and the boxes (one per pallet),
   — visual check of the contents of a box (one in five pallets),
   — condition of packaging.
3. Description in the inventory report of the lots inspected physically and of discrepancies/shortcomings noted.

II. SKIMMED-MILK POWDER

1. Selection of lots representing at least 5 % of the total quantity in public storage. The lots to be checked shall be selected before visiting the store on the basis of the intervention agency's records, but the storekeeper should not be informed.
2. On-the-spot verification of the presence of the lots selected and of their composition:
   — identification of the control numbers of the lots and bags on the basis of purchase or entry notes,
   — weighing of the pallets (one in 10) and bags (one in 10),
   — visual check of the contents of a bag (one in five pallets),
   — condition of packaging.
3. Description in the inventory report of the lots inspected physically and of discrepancies/shortcomings noted.

III. CEREALS

A. Physical inspection procedure

1. Selection of bins or storerooms to be checked, representing at least 5 % of the total quantity of cereals in public storage.

   Selection shall be based on the agency's stock records, but the storekeeper should not be informed.

2. Physical inspection:
   — verification of the presence of cereals in the selected bins or storerooms,
   — identification of the cereals,
   — monitoring of storage conditions and comparison of the storage point and of the identity of the cereals with the store's records,
   — evaluation of the quantities stored by a method previously approved by the intervention agency, a description of which must be lodged at its head office.
3. A plan of the store and the measurements for each silo or storeroom must be available at each storage point.

   The cereals must be stored in such a way that their volume may be verified.

B. Procedure where discrepancies are found

Some tolerance is permitted when verifying the volume.

Article 6 of this Regulation shall apply where the weight of the products stored as recorded during the physical inspection differs from the book weight by 5 % or more in the case of storage in silos or on-floor storage.

Where cereals are stored in a warehouse the quantities weighed on entry into storage may be recorded instead of those resulting from a volume assessment if the latter does not provide a degree of accuracy considered adequate and the difference between the two figures is not excessive.

The intervention agency shall make use of this option where justified by circumstances, on a case-by-case basis and on its own responsibility. It shall indicate that it has done so in its report.

(Model)

CEREALS — STOCK INSPECTION

Product:	Storekeeper: Store, silo: Bin No:	Date:
Lot:	Book quantity:	

A. Stocks in silos

Storeroom No:	Nominal volume m^3 (A)	Free volume recorded m^3 (B)	Volume of cereals stored m^3 (A-B)	Specific gravity recorded (kg/hl = 100)	Weight of cereals

Total (A): .....

B. On-floor storage

	Storeroom No	Storeroom No	Storeroom No
Area covered	..... m^2 } ..... m^3	..... m^2 } ..... m^3	..... m^2 } ..... m^3
Height	..... m }	..... m }	..... m }
Corrections	..... m^3	..... m^3	..... m^3
Volume	..... m^3	..... m^3	..... m^3
Specific gravity	..... kg/hl	..... kg/hl	..... kg/hl
Total weight	..... tonnes	..... tonnes	..... tonnes

Total (B): .....

Total weight in store: .....

Difference compared with book weight: .....

Percentage: .....

....., ...

Intervention agency inspector

(Stamp and signature)

IV. ALCOHOL

1. Selection of vats representing at least 5 % of the total quantity in public storage. The vats to be checked shall be selected before visiting the warehouse on the basis of the intervention agency's records data, but the storekeeper should not be informed.
2. Inspection of the customs seals, if such seals are provided for under national rules.
3. On-the-spot verification of the presence of the vats and of their contents:
   - — identification of the vats by their number and the type of alcohol,
   - — comparison of the identity and the content of the vats with the store's stock records and the intervention agency's books,
   - — organoleptic check on the presence of alcohol, the type of alcohol and the quantity of alcohol in the vats,
   - — inspection of the storage conditions by a visual check on other vats.
4. Description in the inventory report of the vats inspected physically and of discrepancies/shortcomings noted.

V. BEEF

1. Selection of lots representing at least 5 % of the total quantity in public storage. The lots to be checked shall be selected before visiting the store on the basis of the intervention agency's records, but the storekeeper should not be informed.
2. On-the-spot verification of the presence of the lots selected and of their composition. Verification shall comprise:
   - — for bone-in meat:
     - — identification of the lots and verification of the number of pieces,
     - — verification, for each type of cut and/or quality, of the weight of 20 % of the pieces,
     - — visual check on the condition of the packaging;
   - — for boneless meat:
     - — identification of the lots and verification of the number of boxes,
     - — weighing of 10 % of the pallets or containers,
     - — weighing of 10 % of the boxes from each pallet weighed,
     - — visual check on the contents of the boxes and the condition of the packaging in each box.

   The pallets shall be chosen to take account of the different cuts in store.
3. Description in the inventory report of the lots inspected physically and of discrepancies/shortcomings noted.

VI. OLIVE OIL

1. Selection of vats representing at least 5 % of the total quantity in public storage. The vats to be checked shall be selected before visiting the warehouse on the basis of the intervention agency's records, but the storekeeper should not be informed.
2. On-the-spot verification of the presence of the vats and of their contents:
   - — identification of the vats by their number and the type of olive oil,
   - — comparison of the identity of the vats with the warehouse's stock records and the intervention agency's books,
   - — organoleptic check on the presence of olive oil, the type of olive oil and the quantity of oil in the vats,
   - — inspection of the storage conditions by a visual check on other vats.
3. Description in the inventory report of the vats inspected physically and of discrepancies/shortcomings noted.