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COVER NOTE

From:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
date of receipt:	16 December 2014
To:	Mr Uwe CORSEPIUS, Secretary-General of the Council of the European Union
No. Cion doc.:	C(2014) 9547 final
Subject:	COMMISSION DELEGATED REGULATION (EU) No .../.. of 16.12.2014 laying down temporary exceptional measures for the milk and milk product sector in the form of advancing the public intervention period for butter and skimmed milk powder in 2015

Delegations will find attached document C(2014) 9547 final.

Encl.: C(2014) 9547 final



EUROPEAN
COMMISSION

Brussels, 16.12.2014
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COMMISSION DELEGATED REGULATION (EU) No .../..

of 16.12.2014

**laying down temporary exceptional measures for the milk and milk product sector in the
form of advancing the public intervention period for butter and skimmed milk powder
in 2015**

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE DELEGATED ACT

On 7 August 2014 the Russian government introduced a ban on imports of certain products from the Union to Russia, including milk and milk products. This ban has resulted in market disturbances with significant price falls due to the fact that an important export market has suddenly become unavailable.

As an initial reaction the public intervention period for butter and skimmed milk powder, normally closing on 30 September, has been extended from to 31 December 2014. Furthermore, private storage aid (PSA) was opened, notably for butter and skimmed milk powder, until 31 December 2014. While quantities stored under PSA are rather modest so far, prices of butter and skimmed milk powder have further deteriorated and downward pressure is likely to carry on.

As measures available under Regulation (EU) No 1308/2013 appear to be insufficient and in order to cater for a situation where prices would further deteriorate and deepen market disturbances, it is essential that public intervention for butter and skimmed milk powder is also made available in January and February 2015, i.e. until the "normal" date for opening intervention on 1 March, as provided for in Regulation (EU) No 1308/2013.

As a rapid decision is necessary, due to the need to have the measure in place by 1 January 2015, the temporary exceptional measure should be adopted as quickly as possible and on the basis of the urgency procedure provided for in Article 219 in conjunction with Article 228 of Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007,

2. CONSULTATIONS PRIOR TO THE ADOPTION OF THE ACT

As the measure is to be adopted on the basis of Article 219(1) of Regulation (EU) No 1308/2013 and in an urgency procedure, no impact assessment was carried out. DG AGRI has carried out internal consultation. A technical meeting to discuss the situation with experts from Member States took place on 20 November 2014.

3. LEGAL ELEMENTS OF THE DELEGATED ACT

The delegated Act is based on Article 219(1) of Regulation (EU) No 1308/2013. It should be adopted by means of the urgency procedure according to Article 228 of Regulation (EU) No 1308/2013. This means that the delegated act enters into force without delay.

It will apply as long as no objection is expressed by the European Parliament or the Council within period of two months (or - if one of the institutions asks for an extension for two additional months - within a period of 4 months). If objections are expressed, the Commission shall repeal the act without delay.

COMMISSION DELEGATED REGULATION (EU) No .../..

of 16.12.2014

laying down temporary exceptional measures for the milk and milk product sector in the form of advancing the public intervention period for butter and skimmed milk powder in 2015

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007¹, and in particular Article 219(1) in conjunction with Article 228 thereof,

Whereas:

- (1) On 7 August 2014 the Russian government introduced a ban on imports of certain products from the Union to Russia, including milk and milk products. This ban has resulted in market disturbances with significant price falls due to the fact that an important export market has suddenly become unavailable.
- (2) Article 12(d) of Regulation (EU) No 1308/2013 provides that public intervention for butter and skimmed milk powder shall be available from 1 March to 30 September.
- (3) A situation has therefore arisen in which the normal measures available under Regulation (EU) No 1308/2013 appear to be insufficient to address the market disturbance.
- (4) The public intervention period for butter and skimmed milk powder has been extended to 31 December 2014 by Commission Delegated Regulation (EU) No 949/2014².
- (5) Prices of butter and skimmed milk powder in the Union have further deteriorated and downward pressure is likely to carry on.
- (6) In order to cater for a situation where prices would further deteriorate and market disturbances would deepen, it is essential that public intervention is also available after 31 December 2014.

¹ OJ L 347, 20.12.2013, p. 671.

² Commission Delegated Regulation (EU) No 949/2014 of 4 September 2014 laying down temporary exceptional measures for the milk and milk product sector in the form of extending the public intervention period for butter and skimmed milk powder in 2014 (OJ L 265, 5.9.2014, p. 21).

- (7) It is therefore appropriate to fix the start of the intervention buying-in period for butter and skimmed milk powder in 2015 at 1 January.
- (8) In order to have an immediate impact on the market and to contribute to stabilise prices, the temporary measure provided for in this Regulation should enter into force on the day following that of its publication,

HAS ADOPTED THIS REGULATION:

Article 1

By way of derogation from Article 12(d) of Regulation (EU) No 1308/2013, in 2015 public intervention for butter and skimmed milk powder shall be available from 1 January to 30 September.

Article 2

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

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

Done at Brussels, 16.12.2014

For the Commission
The President
Jean-Claude JUNCKER