

RURAL PAYMENTS AGENCY

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EXPLAINING THE COMMON AGRICULTURAL POLICY
OF THE EUROPEAN UNION FOR

INTERVENTION PURCHASE OF
SKIMMED MILK POWDER

Rural Payments Agency
Lancaster House
Hampshire Court
NEWCASTLE UPON TYNE
NE4 7YH

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Tel: 0191 226 5219/5851
Fax: 0191 226 5101

Email: trader@rpa.gsi.gov.uk

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The rules and obligations described in this leaflet arise from European Union Regulations which are binding in the United Kingdom. The regulations are subject to alteration. Whilst every effort is made to ensure that the information given is complete and accurate, this cannot be guaranteed. Delays can occur both in publication and in the issue of amendments to leaflets. Where doubt arises on legal interpretation advice should be sought from lawyers as ultimately only the European Court can resolve it. On any other matter the Agency should be consulted. References are made in the leaflet to the appropriate EU Regulations published in the Official Journal of the European Communities. Copies can be obtained from Stationery Office bookshops and accredited agents, or ordered from the Stationery Office website (www.tso.co.uk).

You can also access recent Official Journals electronically by visiting the Commission's Europa website on www.eur-lex.europa.eu/en/index.htm. **Please note that the Rural Payments Agency cannot provide any warranty as to the accuracy or completeness of the Europa website.**

This leaflet deals only with EU Regulations and directives and procedures and forms required for the purposes of the Common Agricultural Policy.

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1. INTRODUCTION

- 1.1 This leaflet describes the arrangements which apply in the United Kingdom for the purchase into intervention of top quality spray dried skimmed milk powder. The Rural Payments Agency (the Agency) is responsible for the administration of these arrangements in the United Kingdom.
- 1.2 These arrangements stem from Regulation (EU) No 1308/2013 (as amended) and Commission Regulation (EU) No 1272/2009 (as amended).
- 1.3 The aim of the scheme is to support the market price of milk. The main way in which this is done is by purchasing into intervention skimmed-milk powder offered to the Agency usually between 1 March and 30 September in any one year, provided it meets quality, quantity, age, marking and packaging standards.
- 1.4 However, intervention purchases may be suspended by the Commission before 1 October in any year if more than a specified quantity of SMP is offered into intervention throughout the Community. In such circumstances the Commission may decide to invite offers by tender (see Section III).
- 1.5 The purchase of skimmed milk powder is funded by the European Union only if all conditions are met. It is most important therefore that the advice given in this leaflet is followed carefully and promptly. Enquiries on the operation of this scheme should be directed to the Dairy Intervention Section at Newcastle, telephone 0191 226 5219/5851 (direct lines), fax 0191 226 5101, or email trader@rpa.gsi.gov.uk.
- 1.6 UK produced SMP can be offered into intervention in other EU Member States, and vice versa. If you intend offering SMP into intervention in another Member State you should contact the intervention agency of the Member State concerned for further advice. You should also refer to Section VII of this leaflet.

2. IMPORTANT WARNING

- 2.1 Offerers and plants manufacturing skimmed milk powder for intervention are strongly advised to familiarise themselves with the contents of this leaflet. The rules detailed are applied rigorously and all offerers and plants are subject to tight audit controls. In particular you should note that the following penalties will apply in cases of failure to observe specific rules:
- plants will have their approval to produce SMP for intervention withdrawn/suspended if they fail to comply with the conditions for approval (see paragraphs 5.1 to 5.3);
 - skimmed milk powder will be rejected if it fails to meet the required age, compositional, microbiological, packaging or marking standards (see paragraphs 21 to 24);

- offerers will be liable for flat fixed rate removal and storage costs for SMP which is rejected for failing to meet intervention standards (see 24.4);
- offer/tender security will be forfeit for any SMP not delivered to the nominated warehouse within set time limits (see paragraphs 13.2);

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SECTION I – GENERAL CONDITIONS FOR PURCHASE

3. ELIGIBLE SKIMMED MILK POWDER (SMP)

3.1 To be eligible for purchase into intervention SMP must be:-

Regulation (EU)
No. 1308/2013
Art. 9 & 11

- produced in the Union;
- manufactured by the spray process;
- have a minimum protein content of 34% by weight of the fat free dry matter;
- be of top quality and made from cow's milk;
- meet regulatory compositional and quality requirements (see Appendix A);
- manufactured during a specified period preceding the day of receipt of the offer at the Agency; and

Regulation (EU)
No. 1308/2013
Art. 12

- usually offered into intervention between 1 March and 30 September each year. (This period may be advanced and/or extended by the Commission according to market circumstances at the time.)

4. SECURITY AND OFFERER'S RISK

4.1 For reasons of security the Agency has instructed store keepers not to permit access to stored SMP except with the authority of the Agency. If the offerer wishes to inspect, remove or otherwise deal with SMP which has been delivered into store, they should first obtain the Agency's permission to do so. Please remember until the Agency has purchased the SMP, subject to satisfactory compositional, microbiological and organoleptic assessment, it will remain at the risk of the offerer.

Regulation EC
No 1272/2009
Annex V

5. LICENSING AND CONTROL OF UK CREAMERIES

5.1 UK creameries will only be approved by the Agency to manufacture SMP for intervention if they:

- are approved under Community rules;
- have the appropriate technical equipment suitable for producing SMP in accordance with the requirements of the Regulations and the Agency;

- undertake to keep permanent records listing (at least):
 - the origin of the raw materials used;
 - the quantities of skimmed milk powder, buttermilk and whey produced;
 - the type of heat treatment for skimmed milk;
 - the dates of manufacture and quantities of products in store;
 - the identity and exit date of each lot of skimmed milk powder, buttermilk and whey.
- undertake to submit its production of SMP liable to be offered into intervention to a specific official inspection;
- undertake to inform the appropriate Agricultural Department and the Agency at least 2 working days in advance of their intention to produce SMP for intervention. They must then provide details of their production programme on a regular basis;

5.2 Regular unannounced inspections of creameries will be carried out by the Agency's inspectors and authorised representatives. Failure to maintain the necessary standards, appropriate monitoring procedures or records may result in withdrawal or suspension of approval.

- approval will be withdrawn for at least 6 months where the conditions of approval set out in the first two points of paragraph 5.1 are not met. Following this period the creamery may apply for its approval to be reinstated. This will only be granted following a thorough inspection;
- where a creamery is found not to have complied with the final three points listed in paragraph 5.1 its approval may be suspended for up to twelve months depending on the seriousness of the irregularity;

5.3 You will be informed of the results of inspections. Advice and guidance in respect of approval may be obtained from the Agency's inspectors.

6. QUALITY AND COMPOSITIONAL STANDARDS

6.1 SMP must be made to the highest standards of hygiene in a creamery Approved under Community rules, from cow's milk produced in the EU.

Regulation (EC)
No 1272/2009
Article 7

6.2 SMP must meet the compositional requirements and quality standards detailed at Appendix A. It must not contain other products, in particular buttermilk or whey.

- buttermilk is defined as the by-product of butter manufacture obtained after churning of the cream and separation of the solid fat;
- whey is defined as the by-product of cheese or casein manufacture obtained by the action of acids, rennet and/or chemico-physical processes;

Regulation (EU) No. 1308/2013 Art. 11 6.3 SMP must have a minimum protein content of 34% by weight of the non-fatty dry extract.

6.4 Where applicable, radioactivity levels in the SMP may not exceed the maximum levels permitted under Union rules.

7. PACKAGING

Regulation (EC) No. 1272/2009 Article 28(2) 7.1 SMP offered into intervention must be packed in bags with a net weight of 25 kg. The bags must meet the specifications detailed at Appendix B. Offerers must obtain a certificate from the bag manufacturer confirming that the bags meet this regulatory specification, including confirmation that bags have successfully passed a 'drop' test. A current certificate must be held at the manufacturing creamery and made available for inspection, on request, by the Agency's representatives.

7.2 As an additional control, the Agency's representative will randomly select 5 empty bags from the bagging line at intervals whilst carrying out inspections during production for intervention. Sample bags may be tested for compliance with regulatory standards, and we will inform you of any test results as soon as possible. Such testing will be at the Agency's expense.

7.3 Offerers must ensure that the plastic used for the bag liners conforms to Commission Directive EN 770 and the Plastics Material and Articles in Contact with Food Regulations (Statutory Instrument 2012, No 2619) or equivalent within the devolved territories. A current certificate must be held by the creamery of manufacture and made available, on request, for inspection by the Agency's representative.

7.4 Plastics certificates must contain the following information:

- plastic manufacturer's name and address;
- bag manufacturer's name and address;
- creamery name and address;
- a description of the bag;
- a specification of the bag and liner;
- certificate validity period.

An example is at Appendix C.

7.5 We will reject any SMP offered in bags which do not meet the regulatory requirements.

8. PACKAGE MARKING

Regulation (EC) No 1272/2009 8.1 Bags must be clearly marked with, at least, the following:

- Article 28(2)
- creamery approval number;
 - Member State of manufacture;
 - date or, where appropriate, week of manufacture;
 - the description "spray skimmed milk powder";
 - bag number;
 - production lot number;
 - creamery of manufacture details.

8.2 The date of manufacture and creamery identification details can be shown in code provided this is previously agreed by the Agency. Codes must be situated on the bottom of bags to enable easy identification when filled bags are stacked.

9. AGE OF SMP

- Regulation (EC) No 1272/2009 Annex V
- 9.1 The SMP must be manufactured during the 31 days preceding the date of receipt of the offer for standing intervention, or the closing date of the tender. However, if the powder is stored in an silo containing more than one production day, it must be manufactured during the three weeks preceding the week of receipt of the offer at the Agency for standing intervention or in the four weeks preceding the closing date of the tender.

10. PALLETS AND PRESENTATION OF SMP

- Regulation (EC) No 1272/2009 Article 28(2)
- 10.1 SMP must be delivered into intervention store on pallets suitable for long term storage which meet the specifications at Appendix D.
- 10.2 If disposable pallets are used, the buying in price will cover purchase of the pallet. However, if EUR or similar quality pallets are used they will be returned to the offerer or exchanged against equivalent pallets no later than when the SMP is removed from store. Pallet exchange will normally take place on delivery into store, but this is to be arranged between the offerer and the storekeeper, not the Agency.
- 10.3 SMP being offered into intervention must be stretch or shrink wrapped.
- 10.4 Each and every empty pallet must be weighed before loading and have the empty weight clearly marked on a visible surface. Average weights must not be used.
- 10.5 Each pallet must have the following details shown on a "pallet card" which must be clearly visible and preferably placed under the shrink wrap:

- lot number;
- pallet number;
- range of bag numbers;
- weight of empty pallet (but see paragraph 10.4);
- Weight of 40 empty bags and additional packaging, eg stretch wrap, pallet board.

10.6 The creamery must send 5 empty bags each fortnight so that our representatives can determine the packaging tare weight for checkweighing purposes.

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SECTION II - OFFERS INTO INTERVENTION (STANDING INTERVENTION)

11. HOW TO OFFER

11.1 SMP can usually be offered into intervention at any time between 1 March and 30 September each year. (This period may be advanced or extended by the Commission). If the scheme is oversubscribed the European Commission may implement a tendering system or close intervention for SMP to offers.

Regulation (EC) No 1272/2009 Articles 5 & 10 11.2 Offers must be submitted on form SMP/6 by post or fax. Please also submit form SMP/6A which breaks down pallet and bag numbers. Copies of all forms are available on the RPA website.

Regulation (EC) No 1272/2009 Article 8 11.3 The minimum quantity which can be offered as one lot is 20 tonnes (in 25 kg bags). There is no maximum, but the quantity offered must be in whole tonnes.

Regulation (EC) No 1272/2009 Article 9
Regulation (EU) No. 907/2014 11.4 The offer must be supported by a security which will be set in euro/tonne. Rates in force can be obtained from the Dairy Intervention section and are published on the RPA website. The Euro Conversion Rate (ECR) applicable is the most recent set by the ECB prior to the first day of the month that the security is lodged.

Regulation (EC) No 1272/2009 Article 10 12. **CONDITIONS**

12.1 Please note that when submitting your offer you undertake to comply with all scheme conditions and requirements. Failure to do so will result in rejection of the SMP.

12.2 Once SMP has been delivered into store against a delivery order it may not be withdrawn from store. Also, all rights and obligations arising from the offer are not transferable.

13. CHOICE OF STORE AND DELIVERY INTO STORE

Regulation (EC) No 1272/2009 Article 25 13.1 When we receive your offer we will check it, and provided it is acceptable we will issue a delivery order. The delivery order will state:

- the quantity of SMP to be delivered;
- the final date for delivery into store, (28 days following the date of issue of the delivery order); and
- the store to which it must be delivered.
- the price at which the offer is accepted.

- Regulation (EC) No 1272/2009 Article 28(3) 13.2 The SMP must be delivered into store within 28 days following the date of issue of the delivery order. We will release offer security for any quantity delivered into store within this deadline. Any quantity not delivered within this deadline will not be accepted into intervention and the appropriate amount of security will be forfeit.
- Regulation (EC) No 1272/2009 Article 30 13.3 We will nominate the store to which the SMP must be delivered. Offerers are responsible for transport costs to the nominated store up to 217 miles (350 km) from its location at the time of the offer. Beyond that distance we will pay excess mileage costs at a standard rate of 0.05 Euro/tonne/km.

DELIVERIES IN ADVANCE OF THE OFFER/TENDER

13.4 SMP should not normally be delivered into store until we issue a delivery order. Offerers may however, **with the Agency's prior approval**, place SMP into a nominated intervention store prior to offering. **This is done at the offerer's risk as at this point the SMP is not subject to intervention arrangements.**

13.5 In order to streamline procedures for advance deliveries, the following procedures will apply:

- any product delivered into store in advance of the offer/tender will be considered as 'potential' intervention product and dealt with accordingly, ie it will be checkweighed into store and the sample pallet prepared at the time of delivery;
- any unacceptable product (eg shortweights/damages) will be rejected at the point of delivery (see also section 14);
- when the product is offered into intervention (or after the Commission's adjudication if tendered), we will issue a delivery order confirming the product may remain in situ;
- when the storekeeper confirms the product was received satisfactorily, and if it meets compositional and quality requirements, we will release offer/tender security and issue a 'take-over' letter within 60 days following the final date of delivery.

13.6 The Agency will be responsible for RH+D costs for all acceptable product provisionally accepted into intervention (ie taken over), including product delivered into store in advance of the offer. The Agency will also be responsible for storage charges from the date of take-over.

- any additional charges incurred by the offerer prior to take-over (eg storage costs) are the responsibility of the offerer and must be agreed between the offerer and the storekeeper; and
- if the product is not offered into intervention or taken over, all costs will be the responsibility of the offerer.

13.7 In the event of an offer being accepted the Agency will endeavour to use the same nominated store. This cannot be guaranteed. The Agency may have to change stores at short notice for logistical reasons. You must check with the Dairy Intervention section before delivering into store. **If you wish to take advantage of this option you should contact the Dairy Intervention Section for further details.**

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SECTION III – PURCHASE BY THE TENDERING SYSTEM

- Regulation (EC)
No 1272/2009
Article 6
- 14. INTRODUCTION**
- 14.1 When the quantity of SMP offered into intervention throughout the Community in one year exceeds 109,000 tonnes, the European Commission may decide to suspend standing intervention and introduce purchases into intervention by a tendering system.
- 14.2 If a tender is being used, an invitation to tender will be sent out to all parties who have registered an interest in the scheme. This will be sent out at least one week before the closing of the tender.
- 14.3 The general conditions and other rules described in this leaflet also apply to purchases by tender except where this section states otherwise.
- 15. HOW TO APPLY**
- Regulation (EC)
No 1272/2009
Article 5
- 15.1 Tenders must be lodged in writing using form SMP/8 (TENDER) by post, fax or email. A copy of this form can be found on the RPA website. Those tendering by post may wish to telephone the Agency prior to the deadline to confirm receipt of the tender. Tenders must be received by the deadline specified in the invitation to tender. Tenders received after the closing deadline will be rejected.
- Regulation (EC)
No 1272/2009
Article 10
- 15.2 To be valid, tenders must specify:
- the name and address of the tenderer;
 - the quantity offered;
 - the price tendered, per 100 kg of SMP – expressed in Euros to 2 decimal places (the price must cover delivery to the loading bay of the nominated store, excluding national taxes);
 - The place where the SMP is currently held.
- 16. CONDITIONS**
- Regulation (EC)
No 1272/2009
Articles 7 & 10
- 16.1 The following conditions apply:
- For tenders, SMP offered into intervention must have been manufactured during the 31 days preceding the closing date of the tendering sub-period. If however, the SMP is stored in silos it must have been manufactured during the four weeks preceding the closing date of the tendering sub-period;
 - the minimum quantity to be offered will be stipulated in the tender notice;
- Regulation (EC)
No 1272/2009
Article 8

Regulation (EC)
No 1272/2009
Article 9

- the tenderer must agree to offer SMP of the relevant age and to take back any rejected SMP and pay any associated storage charges;
- Tenders must be accompanied by a tendering security. The rate of this security will be set in the tender notice set out by the Agency.

Please Note: Security must be lodged in the Member State in which the tender is submitted;

Regulation (EC)
No 1272/2009
Article 10(5)
Regulation (EC)
No 1272/2009
Article 10(7)

- tenders may not be withdrawn once a tender has closed;
- Rights and obligations in connection with the tender are not transferable.

17. TENDER RESULTS

Regulation (EC)
No 1272/2009
Articles 13 & 19

- 17.1 Once the deadline for the tender has passed, the Agency will forward details of all eligible tenders submitted to the European Commission. For any tenders which are ineligible, the offerer will be informed once the tender deadline has passed. Details of ineligible tenders will not be forward to the European Commission. The Commission will fix a maximum buying in price. Tenders will be rejected if the tender price is more than the Commission's maximum buying in price, or a decision may be taken not to accept any tenders.

Regulation (EC)
No 1272/2009
Article 20

- 17.2 We will inform offerers of their tender results within three working days of the official results being published. If a tender is unsuccessful the Agency will immediately release tender security. If a tender is successful the Agency will issue a delivery order showing:

- the quantity to be delivered;
- the final date for delivery, which is 28 days following the date of issue of the delivery order letter; and
- The nominated store to which it should be delivered.

- 17.3 Tender security for successful tenders will be released when the SMP is delivered into store within the 28 day deadline. If any quantity is not delivered within this time, the offer will be cancelled and security forfeit for the quantity not delivered.

18. PAYMENT

Regulation (EC)
No 1272/2009
Article 39

- 18.1 Payment will be made at the tendered price no later than the 65th day following the date of conditional takeover, provided the SMP is found to comply with all scheme requirements.

SECTION IV – ACTION ON DELIVERY TO STORE

19. EXAMINATION ON DELIVERY TO STORE

- 19.1 Deliveries into store will be monitored on arrival by the Agency's representative to ensure relevant procedures and regulatory requirements are complied with.
- 19.2 On delivery, the storekeeper will weigh each pallet and examine the bags to ensure that the packaging, marking, age and minimum quantity meet regulatory requirements.
- a. If the requirements are met, the storekeeper will accept the lot, stamp each bag, or attach a pallet card/label showing the date of delivery into store. The storekeeper will complete a Receipt Advice Note (SMP 1) and a pallet weight report (SMP/BUT/1A), and send these forms to the Agency. The offerer will receive a copy of the Receipt Advice Note.
 - b. If the requirements are not met, the storekeeper will either:
 - reject any shortweight pallets or badly stacked pallets deemed to be unsafe;
 - reject any damaged bags; and/or
 - contact the Agency for further instructions.
- 19.3 If a loaded pallet appears underweight (ie because of an inaccurate pallet tare weight), the storekeeper will offload and check the weight. If it is satisfactory it will be accepted into store. If not, it will be rejected. If more than 5% of loaded pallets appear underweight on delivery the entire lot will be rejected without further weighing. **You must, therefore, ensure that pallet tare weights are accurate.**
- 19.4 The storekeeper will check the bags for faulty heat seals. If no more than 5% of pallets (i.e. 2 in 40) contain bags with faulty heat seals they will be set aside and the offerer given the opportunity to replace the faulty bags. If more than 5% of pallets (i.e. 3 or more in 40) contain faulty heat seals, the entire lot will be rejected and not accepted into store.
- 19.5 Short weight pallets, and individual bags which, on delivery to store, do not meet the prescribed requirements will not be accepted and will remain the offerer's property and responsibility. These may be replaced at the offerer's expense. All replacements must be made without delay and in any event within 28 days of issue of the delivery order letter. Also, any replacement SMP must have been manufactured during the same period as the original lot.

- 19.6 If the offerer chooses not to replace damaged/shortweight bags, or does not do so within the 28 day period and the balance of the lot is not an exact tonne, the lot must be reduced to exact tonnes by removal of the necessary number of bags.
- 19.7 Any other action required on delivery, eg to build or restack unsafe pallets, or in respect of damages caused by the storekeeper together with any associated costs must be agreed between the offerer and the storekeeper.
- Please note that any short weights in deliveries will be subject to a forfeit of security.**

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20. THE SAMPLE PALLET

20.1 Once the SMP has been accepted into store, the storekeeper will prepare a sample pallet from which bags will be selected at random for inspection, check-weighing and sampling to establish the acceptability of the SMP, in particular:

- weight;
- packaging; and
- chemical/microbiological composition.

20.2 The following scale will be used:

| Lot size (tonnes) | No of bags required for sample pallet |
|-------------------|---------------------------------------|
| 20-40 | 18 |
| 41-60 | 20 |
| 61-77 | 22 |
| 78-100 | 24 |

20.3 Two consecutively numbered bags will be selected from pallets throughout the lot (eg 9 pairs for 18 bags on a sample pallet). Samples will be selected from the first bag of each pair, with the second bag available for any appeal samples.

SECTION V – QUALITY AND TESTING

21. NUMBER OF SAMPLES

- 21.1 Agency representatives will select bags from the sample pallet for checkweighing, to check packaging and take samples for analysis. Samples will be taken according to the following sample scale:

| Offer size (tonnes) | Number of bags/ samples | Number of composites for analysis |
|---------------------|----------------------------|---|
| 20 | 8 | 1 (8:1) |
| 40 | 9 | 1 (9:1) |
| > 40 ≤ 60 | 10 | 2 (5:1 & 5:1) |
| > 60 ≤ 80 | 11 | 2 (6:1 & 5:1) |
| > 80 ≤ 100 | 12 | 2 (6:1 & 6:1) |

22. CHECKWEIGHING AND PACKAGING

- 22.1 Individual bags will be examined to ensure the packaging and marking meets regulatory requirements. They will also be checkweighed to ensure the net weight of each bag is at least 25 kg. You will be informed of the results. Where examination reveals unsatisfactory packaging or marking this may result in the lot being rejected.
- 22.2 In the event of faulty heat seals being identified we may be able to accept part of the lot provided there are no more than 5% of faulty bags on the sample pallet (i.e. 1 in 18 bags for a 40 tonne lot). However if there are more than this, the entire lot will be rejected.
- 22.3 Where initial checkweighing reveals shortweight bags our inspectors will re-weigh the bags on a second set of calibrated scales. If the average of the first and second weights confirms the unsatisfactory results, the quantity represented by the shortweight bag(s) will be rejected and must be removed from store. Depending on the number of shortweight bags it may be possible to accept part of the lot.

23. CHEMICAL AND MICROBIOLOGICAL ANALYSIS

- 23.1 Samples for chemical and microbiological analysis will be composited before analysis. Up to 9 samples will be made into 1 composite as shown in the table at paragraph 16.1. For chemical analysis this will be done by the Agency's representative at the store at the time of sampling. For microbiological analysis, composites will be prepared by the analysing laboratory from individual samples sent by our representative.
- 23.2 We will inform you of the analysis results as soon as possible. Where samples fail analysis you must either remove the lot (or part lot) from store, or appeal against the result of the analysis. See paragraph 26 for further details of the appeal procedure. If the original results are confirmed, you must remove the relevant quantity from store. If the appeal is successful the SMP will be accepted into intervention provided all other conditions are met.

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SECTION VI – TAKE OVER, ACCEPTANCE AND REJECTION. PAYMENT AND APPEALS

24. TAKE OVER, ACCEPTANCE AND REJECTION

Regulation (EC)
No 1272/2009
Articles 31 & 39

24.1 When SMP is first delivered into store and before any quality tests are carried out it will be provisionally accepted into store, ie "conditionally taken over". SMP will be conditionally taken over when the last quantity of a lot is delivered into store but no earlier than the day after issue of the delivery order. At this point we will issue a "take over" letter to the offerer, copied to the store and local inspectors. The date of conditional take-over is either the date of delivery into store of the last quantity of a lot or the date after the issue of the delivery order whichever is the later. The date of takeover determines when the offerer will be paid for the SMP. This is, no later than 65 days following conditional take-over.

24.2 If the SMP meets the appropriate weight, compositional and quality standards, and all other conditions the Agency will confirm formal acceptance into intervention by issuing an acceptance letter to the offerer, copied to the store, no later than 60 days after the final date of delivery into store, showing the:

- lot number;
- quantity (tonnes);
- store in which held;

24.3 If the results of the tests are unsatisfactory the SMP will not be accepted. Depending on the size of the lot and the number of samples analysed, it may be that part of the lot passes analysis and, part fails. If it is possible to identify individual acceptable pallets within a lot we may be able to accept part of a lot. If this is not possible or if the Agency has any doubts about the acceptability of SMP in store we will reject the entire lot.

Regulation (EC)
No 1272/2009
Articles 7 & 35

24.4 If SMP does not meet all regulatory requirements (ie packaging, quality and composition) and is rejected, tenderers must:

- take back the SMP in question; and
- pay storage costs (including RH&D costs) of the SMP from the day on which it was taken over until the date of its removal from storage.

25. PAYMENT

- Regulation (EC)
No 1272/2009
Article 39
- Regulation (EU)
No 907/2014
- 25.1 The Agency will make payment no later than the 65th day following conditional take-over, providing the acceptability of the SMP has been verified. Payment will be made at the appropriate buying in price converted to £ sterling (if appropriate) using the Euro Conversion Rate that applies to the day of the offer. The exchange rate will be the most recent rate set by the ECB prior to the first day of the month in which the offer occurs.

26. APPEAL PROCEDURE

- 26.1 If you decide to appeal against a microbiological or chemical analysis failure an appeal must be lodged with the required deposit (current charges available from the Agency). We will inform the offerer by email when SMP fails any testing and invite an appeal. If the offerer decides to appeal against a microbiological or chemical analysis failure, an appeal deposit must be lodged with the Agency. When the deposit is confirmed as received the Agency will organise the re-test.
- 26.2 For moisture and microbiological failures, further samples will be taken and sent to the appeals laboratory for analysis. For other failures, duplicates of the original samples will be used for the appeal analysis.
- 26.3 If the appeal is successful the Agency will confirm the result in writing, and return the appeal deposit.
- 26.4 If the appeal results confirm the original result the SMP will be rejected and the appeal deposit will be forfeit.
- 26.5 Checkweighing results cannot be appealed against. Any checkweigh failures will result in stock being rejected.

27. UNDER PAYMENTS MADE BY THE AGENCY

- 27.1 The Agency will make every effort to ensure that payments for claims are made in full but occasional underpayments can occur. If the sum involved is up to €100 for a single claim, the Agency will not normally volunteer to correct it. However, if a series of underpayments to a single payee amount to more than €100 or if the claimant himself detects any underpayment at all, the Agency will pay the additional sum due. Underpayments will not be corrected after 6 years from the date of original payment.

This publication was withdrawn on 8 June 2020

SECTION VII – OFFERS TO/FROM OTHER MEMBER STATES

28. INTRODUCTION

Regulation (EC)
No 1272/2009
Articles 7 & 10

- 28.1 SMP may be offered into intervention in a Member State other than that in which it was manufactured. Those intending to offer UK produced SMP into intervention in another Member State are strongly advised to contact the appropriate intervention agency in order to obtain advice regarding their administrative procedures.

29. CERTIFICATES REQUIRED FOR SMP TO BE OFFERED INTO INTERVENTION IN ANOTHER MEMBER STATE

Regulation (EU)
No. 1308/2013
Art. 9
Regulation (EC)
No 1272/2009
Annex V (6)

- 29.1 The purchase of SMP into intervention in a Member State other than that of manufacture is conditional on the presentation by the offerer of a certificate, issued by the intervention agency of the Member State of manufacture, which confirms the following:

- the approval number identifying the factory and the Member State of manufacture;
- the date or, where appropriate, the week of manufacture;
- the number of the manufacturing batch;
- that the SMP was produced directly and exclusively from cows milk in an approved undertaking in the Union.

- 29.2 The certificate must be presented to the purchasing Member State authorities within 35 days of the date of receipt of the offer.

- 29.3 Requests for UK certificates must be sent by fax or email to the Dairy Intervention section. The certificate will be sent directly to the other Member State intervention agency. Please ensure that the request is clearly headed "Intervention SMP – offered into another Member State". The below information, must be provided:

- address to which the certificate is to be sent;
- address of creamery where the SMP was manufactured;
- creamery approval number;
- date of manufacture;
- manufacturing creamery lot number;
- net weight of the SMP;
- range(s) of bag numbers;
- number of bags;

- name and address of the exporter;
- Member State in which the SMP is to be offered into intervention;
- name and address of premises where SMP is currently stored.

29.4 The Member State of manufacture may carry out the quality checks described elsewhere in this leaflet, in which case this information will be included in the certificate. However, it should be noted that the Agency will not undertake any tests to determine the acceptability of the SMP produced in the UK being offered for intervention in another Member State. Such tests must be undertaken by the Member State to which the SMP is being offered.

This publication was withdrawn on 8 June 2020

SECTION VIII – RETENTION OF RECORDS

30. TRADERS' RECORDS

30.1 Claimants/undertakings are required to keep commercial documents for at least 3 years starting from the end of the calendar year in which they were drawn up. Commercial documents are defined as all the claimants/undertakings 'books, registers, vouchers and supporting documents, accounts and correspondence'.

30.2 This list may be augmented by any detailed record-keeping required by EU legislation or for administrative convenience. It must, include records of analytical and microbiological test results and the manufacturing dates of SMP offered into Intervention. Details of SMP rejected from intervention (including the use of such SMP) must also be maintained.

30.3 If claimants/traders wish to do so they may adopt a 'paperless' system, or one involving the early destruction of original documents, provided that it:

- records all data necessary to support claims for payment or concerning levy liabilities;
- allows easy access to the data for authorised officials.

The system should provide as much information, in as easily accessible a form, as the paper-based arrangements it replaces.

APPENDIX A

COMPOSITIONAL REQUIREMENTS, QUALITY CHARACTERISTICS AND ANALYTICAL METHODS

| Parameters | Content and quality characteristics | Reference method |
|---|---|--|
| Protein content | Minimum 34% of the non-fat dry matter | ☐ |
| Fat content | Maximum 1.00% | ☐ |
| Water content | Maximum 3.5% | ☐ |
| Titrateable acidity in ml of decinormal sodium hydroxide solution | Maximum 19.5 ml | ☐ |
| Lactate content | Maximum 150 mg/100 g | ☐ |
| Additives | None | ☐ |
| Phosphatase test | Negative ie not more than 350mU of phosphatase activity per litre of reconstituted milk | ☐ |
| Solubility index | Maximum 0.5 ml (24° C) | ☐ |
| Burnt-particles index | Maximum 15.0 mg, ie disc B minimum | ☐ |
| Micro-organism content | Maximum 40,000 per gram | ☐ |
| Detection of coliforms | Negative in 0.1 g | ☐ |
| Detection of buttermilk ☐ | Negative ☐ | ☐ |
| Detection of rennet whey ☐ | None | ☐ |
| Detection of acid whey ☐ | None | Method approved by the competent authority |
| Taste and smell | Clean | ☐ |
| Appearance | White or slightly yellowish colour, free from impurities and coloured particles | ☐ |
| Antimicrobial substances | Negative ☐ | ☐ |

- ☐ The reference methods to be applied shall be those laid down in Commission Regulation (EC) No. 273/2008.
- ☐ 'Buttermilk' means the by-product of butter manufacture obtained after churning of the cream and separation of the solid fat.
- ☐ The absence of buttermilk can be established either by an on-the-spot inspection of the production plant carried out without prior notice at least once a week, or by a laboratory analysis of the end product indicating a maximum of 69,31mg of FEDP per 100g.
- ☐ 'Whey' means the by-product of cheese or casein manufacture obtained by the action of acids, rennet and/or chemico/physical processes. The method to be applied shall be approved by the intervention agency.
- ☐ Raw milk used for the manufacture of skimmed-milk powder must meet the requirements specified in Section IX of Annex III to Regulation (EC) No 853/2004.

APPENDIX B**PACKAGING REQUIREMENTS**

1. The skimmed-milk powder shall be packed in new, clean, dry and intact bags with a net weight of 25 kg.
2. The bags shall have at least three layers, which together correspond to at least 420 J/m² TEA average.

The second layer shall be covered with a layer of polyethylene of at least 15 g/m². Inside the paper layers, a polyethylene bag at least 0.08 mm thick shall be fused to the bottom.

3. Bags shall conform to standard EN 770.
4. When filling, the powder should be well pressed down. Loose powder must on no account be allowed to penetrate between the various layers.

This publication was withdrawn on 8 June 2020

APPENDIX C

EXAMPLE OF PLASTIC CERTIFICATE LAYOUT

Certificate No:

Date:

CERTIFICATE OF CONFORMITY

Customer's Name:

Customer's Address:

Product Description: "PAPER SACKS WITH POLYTHENE LINERS"

Production Specification/Issue:

Certificate Validity Period: "UNTIL FURTHER NOTICE/DATE"

It is certified that the polythene liners detailed above meet the requirements of

EC Directive No

EN 770

UK Statutory Instrument No

2012 No 2619

Signed: _____

Title: eg "Quality Assurance Manager"

APPENDIX D**PALLET TYPE/CONDITION**

- Pallets must be suitable for the long term storage of SMP.
- Pallets must be in sound structural condition with no broken, loose, or splintered boards. There must be no protruding nail heads liable to cause damage to bags.
- Pallet dimensions should be at least the standard 1000 x 1200 mm (40 x 48 inch) type, capable of holding 40 x 25 kg bags normally built no more than 8 layers high.
- Pallets may be two or four-way-entry type but preferably 4-way to allow maximum flexibility to storekeepers in stacking, so that subsequent removal can be from any side.
- Pallets must be clean, dry and mould free, and free from spillage resulting from previous use.
- Blue GKN pallets and any other type of pallet not in free circulation must not be used.
- Actual weight must be securely fixed or marked legibly on the pallet side.

APPENDIX E

Addresses and Contact Details of the Agency and Inspectors

The Agency:

Rural Payments Agency
Lancaster House
Hampshire Court
Newcastle upon Tyne
NE4 7YH

Tel: 0191 2265219
0191 2265851
Fax: 0191 2265101

Agents:

Northern Ireland;

Department of Agriculture & Rural Development
Dundonald House
Upper Newtownards Road
Belfast
BT4 3TS

Tel: 028 90520100
Fax: 028 90524801

Scotland:

SGRPID
Pentland House
47, Robb's Loan
Edinburgh
EH14 1TY

Tel: 0131 2446300
Fax: 0131 2446950

Wales:

Department for Rural Affairs
Welsh Assembly Government
Cathays Park
Cardiff
CF10 3NQ

Tel: 0845 010 3300