

# RURAL PAYMENTS AGENCY

Lancaster House, Hampshire Court, Newcastle upon Tyne, NE4 7YH

18 March 2016

NOTICE TO TRADERS 11/16

## INTERVENTION: SKIMMED MILK POWDER (SMP)

### 1. Introduction

This notice is an update of the current situation with regard to Intervention Purchase of SMP.

### 2. Background

Intervention offers of SMP within the EU in 2016 exceed 73k tonnes with quantities increasing at the rate of 10k tonnes a week. The consequence of this is that the 109k tonne ceiling for fixed price buying is likely to be reached very soon.

The Council has acknowledged the state of the market and agreed to increase the maximum ceiling to 218k going forwards. However, this will require changes to Council Regulation (EU) 1370/2013 that will take some time.

Under existing regulations, when the 109k tonne ceiling has been reached the Commission will introduce a tendering system for applications. As yet, we have no firm details on when this system will be introduced. However, given that the ceiling is close to being reached, we anticipate that it may be introduced imminently.

### 3. Security

You will be required to provide a security to support any tender applications. There are strict deadlines for securities being in place to support tender applications. Your application will not be accepted as "completed" until we have this security in place.

### 4. Questions

Once we have further detail we will issue another publication outlining the implementing rules for the tendering process.

If you have any questions or would like more information about this notice, please contact the trader team 0191 226 5851 or 0191 226 5064

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