



An Roinn Talmhaíochta,
Bia agus Mara
Department of Agriculture,
Food and the Marine

GUIDANCE DOCUMENT

Aid to Private Storage for Dairy Products during Covid-19

5 May 2020

Introduction

This notice describes the Aid for Private Storage Scheme for dairy products stored in Ireland under contract agreement with DAFM who is responsible for the administration of this scheme in the Republic of Ireland.

Due to the current pandemic of COVID-19 and the extensive movement restrictions put in place in Member States there has been a drop in demand for certain products in the milk and milk products sector. As a result, the processing of raw milk intake is partially being diverted into bulk, long shelf life, storable products that are less labour intense, such as skimmed milk powder and butter, beyond the regular market demand. The Commission, therefore, deem it appropriate to grant private storage aid for butter, skimmed milk powder (SMP) and cheese.

Existing market intervention measures appear to be insufficient to address the market disturbance to cheese, as they are limited to cheeses with protected designation of origin or protected geographical indication. The current Delegated Regulation extends the private storage aid scheme to all types of cheeses which are suitable for storage.

Operators shall be established and registered for VAT purposes in the Union in order to be able to submit an application for aid for private storage fixed in advance.

Legal Framework

The Scheme of Aid for the Private Storage of Dairy products is governed by the following Regulations:

- Council Regulation (EC) No 1308/2013, as amended, establishing a common organisation of the markets in agriculture products.
- Commission Regulation (EC) No 2016/1240 as amended, laying down rules for the application of Regulation No. 1308/2013 with regard to public intervention and aid for private storage.
- Commission Regulation (EU) No 2016/1238 as amended, supplementing Regulation No. 1308/2013 with regard to public intervention and aid for private storage.
- Commission Regulation (EEC) No 907/2014 laying down common detailed rules for the system of securities for agricultural products.
- Commission Regulation (EC) No. 908/2014 laying down rules for the application of Regulation (EU) No 1306/2013 of the European Parliament and of the Council with regard to paying agencies and other bodies, financial management, clearance of accounts, rules on checks, securities and transparency
- Commission Delegated Regulation (EU) 2020/591 opening a temporary exceptional private storage aid scheme for certain **cheeses** and fixing the amount of aid in advance
- Commission Implementing Regulation (EU) 2020/597 granting aid for private storage for **butter** and fixing the amount of aid in advance

- Commission Implementing Regulation No. 2020/598 granting aid for private storage for **skimmed milk powder** and fixing the amount of aid in advance

Applicants for Aid to Private Storage have full responsibility for familiarising themselves with these regulations and for complying with the regulatory requirements as amended from time to time. Any advice, directions or guidance given by DAFM either by way of notices like this or in any other way does not alter that responsibility. While care has been taken to ensure that the information given in this notice is accurate, no legal responsibility is accepted by DAFM for any errors or omissions and claimants should read this Trader Notice in conjunction with the relevant regulations.

In accordance with the provisions of Council Regulation 1306/2013, DAFM may publish on a website, details of the names, municipality of residence, and amounts received by beneficiaries of schemes funded or co-funded by the European Agricultural Guarantee Fund (EAGF) or the European Agricultural Fund for Rural Development (EAFRD). This data may be used by national and EU auditing and investigating bodies for the purpose of safeguarding the financial interests of the EU.

The Council or Commission of the EU may introduce regulations which amend some or all of the above conditions. Notification of such will be issued to traders as soon as possible by the APS Section but any such amendments will be applicable from the date indicated on the amending regulation.

Applicants are strongly recommended to read this leaflet and understand their responsibilities especially under Article 52 of Regulation 2016/1240. The rules are applied strictly, and all applicants must meet tight audit controls. Failure to meet the rules will result in losing security, where applicable, and loss of aid. Where serious infringements happen, applicants may be suspended from the scheme.

Data Protection

DAFM is the data controller for personal data that you give us or we hold about you. We use it in line with the Data Protection Act. For more information go to <https://www.agriculture.gov.ie/dataprotection/>

Storage Requirements

SELECTION OF STORES

It is the responsibility of the applicants to make sure that the stores meet the following standards:

- be in a good state of repair;
- be clean and tidy;
- be secure against unauthorised entry;
- free from infestation;
- have chambers where the product is stored not containing any other product or traces which could cause taint;
- Operator should have a calibrated scales of suitable range for the product being stored and a quality system to demonstrate / undertake pre-use accuracy checks when DAFM are verifying quantities
- have product stacked on pallets or off-floor storage facilities;
- have the temperature in each chamber where the product is stored recorded using sealed thermographs for cold storage;
- have the thermograph reading kept for at least three years from the end of the calendar year in which the reading was taken for cold storage.

AUTHORISATION OF COLD STORAGE PREMISES

The cold store premises and room/chambers in which APS product is stored must be registered with Milk Hygiene Division and authorised for that purpose. Authorisation may be withdrawn if there are any infringements of the regulations or undertakings provided by the cold store.

For butter storage a tempering room must be available which is able to hold at least 70 cartons of butter. It must be kept in a clean and hygienic condition and have:

- adequate lighting (both natural and artificial) and ventilation;
- a sink with hot and cold running water;
- suitable benching (approximately 50cm high);
- window blinds where necessary;
- thermostatically controlled heaters, to hold the temperature to 12 - 15 C."

Stores must help with sampling and inspection and take responsibility for the removal of packages selected by DAFM authorised persons from the store to the tempering room where applicable and return to the store. Costs will be borne by the applicant.

STORAGE TEMPERATURE - BUTTER

As quickly as possible after entry into store, each consignment of product must be cooled to a temperature not warmer than -15 C in an area of the store sufficiently removed from any intervention product."

Except for periods reasonably necessary for loading and unloading, the part or parts of the store where the product is kept must be kept continuously at a temperature not warmer than -15 C."

Applicant(s) are responsible for making sure that temperature requirements are met.

LOCATION OF PRODUCT IN STORE

Product must be stored so that each lot is separate, easily accessible and identified individually by storage contract/lot number at all times. The applicant is responsible for making sure that these requirements are met. Extra store charges as a result of non-compliance(s) will be met by the applicant.

Storage Contract

The contractual storage period starts on the day following the **date of receipt of an admissible application** without prejudice to Article 45 (1) of Commission Implementing Regulation 2016/1240.

The first date of contractual storage is taken as the day following the date of receipt of an admissible application. Hence if an application is received on a Friday, the contractual storage period starts on Saturday. If an application is submitted on a Saturday or Sunday it will be deemed to be received on a Monday and the contractual storage period begins on Tuesday. However, if an application is submitted on Saturday/Sunday/ Monday of a Bank Holiday weekend, it shall be deemed to be received on a Tuesday and the first day of contractual storage commences on Wednesday (Article 2).

The last date of contractual storage is taken as the day before the date of withdrawal from private storage arrangements.

In so far as practicable, contracts should only be a product from a single manufacturer.

STORAGE PERIOD

Butter and skimmed milk powder must be stored for between 90 and 180 days and cheese can be stored for between 60 and 180 days.

DAIRY PRODUCTS CONTAINING NORTHERN IRELAND ORIGIN MILK

Article 9 of Regulation (EU) No 1308/2013 of the European Parliament and of the Council requires that products for the granting of aid for private storage shall originate in the Union and in the case of milk, that the milk shall have been produced in the Union. The UK is part of private storage aid for financial year 2020, i.e. with 15 October 2020 as a cut-off date. Northern Ireland milk can therefore be used for producing eligible dairy products to PSA for operations that are paid until 15 October 2020 at the latest. Dairy products eligible for Private Storage Aid payment from 16 October 2020 can no longer contain milk of Northern Ireland origin.

MINIMUM AMOUNTS

The minimum amount of product which may be placed into a single store as a single lot is ten tonnes for butter and skimmed milk powder and 0.5 tonnes for cheese. Amounts above the minimum need not be in whole tonnes.

APPLICATIONS FOR AID FOR PRIVATE STORAGE

To apply for the scheme, you must complete an Application for Private Storage Aid Form which is available on www.agriculture.gov.ie and send to APS Section, Johnstown Castle, Co. Wexford Y35 PN52 or it may be emailed to APSAdmin@agriculture.gov.ie followed by a hardcopy application. We will assign a file reference number in the acknowledgment of receipt of your application form. The hardcopy application has to be received within 5 working days.

We shall inform the operator within three working days of the receipt of an inadmissible application and an admissible application shall be deemed to have been accepted on the eighth working day following the date of receipt of that application provided that the Commission does not adopt a decision in accordance with Paragraph 3 of Article 45 of Implementing Regulation 2016/1240.

An application for aid for private storage shall be admissible if it complies with the requirements laid down in Article 2 and Article 40 of Regulation 2016/1240. **It is the responsibility of each applicant to ensure that their application meets the admissibility requirements set out in Article 2 and Article 40 of Regulation 2016/1240.**

NOTIFICATION OF CONCLUSION OF CONTRACTS

If the product offered into the scheme meets the terms of the regulations, following checks by DAFM on the product in storage, a contract will be issued to the applicant to sign and return. The contract will be concluded within five working days of the date of issue of the control report based on the checks carried out by DAFM on the product in storage, subject to receiving all the documentation necessary for concluding the contract.

BUTTER AND SMP PRODUCED IN ANOTHER EU MEMBER STATE

Where butter and SMP has been made in another MS, conclusion of the storage contract is based on the presentation of a declaration from the competent authority of the MS of production.

The declaration must also show the:

- manufacturer approval number;
- country of manufacture;
- manufacturing lot number added at the time of manufacture.

Butter or SMP made in another MS, will only be accepted and receive aid, if the regulatory compositional standards have been met.

If the declaration presented by the MS of production confirms that, the product has been tested and meets the regulatory requirements, the product will not be sampled and tested in Ireland. If this information is not available, then sampling and testing in Ireland will be carried out.

As with Irish produced products, a notice of successful compositional testing will be sent to the applicant. If there are testing failures, the procedure set out in Annexes 2 & 3 will be followed.

Store Control Measures

ON THE SPOT INSPECTION

Regulation 2016/1240 provides that within 30 days of the start of the contractual storage period, documentary checks will be carried out to make sure that the product lot stored is eligible for aid.

In addition a representative statistical sample of at least 5 % of the lots covering at least 5 % of the total quantities placed in storage will be physically checked to ensure that the quantity, nature and composition, packaging and marking of the products and storage lots conform to the requirements for private storage and to the particulars specified by the operator in their application.

Given the measures put in place to deal with Covid-19, there may be some prolongation of the period to carry out these checks and they may be substituted by the use of other relevant evidence. In the case of cheese, by way of derogation, physical checks to verify the contractual quantity may be undertaken only on a representative statistical sample.

There may also be unannounced on-the-spot checks during the storage period to ensure the presence and identity of the product in storage. Full co-operation with DAFM request is required.

At the end of the contractual storage period, or before the start of the removal of products, DAFM will undertake on-the-spot checks to verify that the contractual commitment has been met based on a documentary check of the store register and supporting documents, as well as a verification of the presence of the lots and the identity of the products in the place of private storage. In addition, a representative statistical sample of at least 5 % of the lots covering at least 5 % of the total quantities for which contracts have been concluded will be physically checked to verify the quantity, type, packaging and marking and identity of the products in the place of private storage.

Payments

AID COMPONENTS

Aid for private storage is made up of two components per tonne:

- a payment for fixed costs
- a daily storage rate

The daily storage and financing component are calculated using the number of days of contractual storage.

ELIGIBILITY FOR PAYMENT

Aid shall only be paid where the contractual storage period respects the storage period laid down in the Implementing Regulation fixing the amount of aid in advance.

REMOVAL FROM STORE

The minimum amount that must be withdrawn on one day is a whole lot. Part lots may not be removed.

The applicant must tell the store in writing of the date on which the product is to be withdrawn from the scheme.

The applicant must give DAFM at least five working days' notice of intention to remove the product from the storage.

Notifications of withdrawal must be emailed to APSAAdmin@agriculture.gov.ie and the local inspectorate office and should include the following:

- name of applicant
- name and address of store
- lot numbers and amounts to be withdrawn
- intended dates of withdrawal from the store.

Where the applicant does not provide the five working day notice of his intention to remove product from storage, no aid will be payable in respect of that contract. (Article 8.6 of Regulation 2016/1238.)

PAYMENT OF AID

The claim for final payment should be sent to DAFM using the claim for final payment form.

A claim for final payment form must be filled in and signed and must reach DAFM as soon as possible after the date of withdrawal of the product from the scheme but no later than 3 months after the end of the contractual storage period.

Payment will be made to the applicant within 120 days of the receipt of the payment application, unless an administrative enquiry into entitlement to the aid is needed.

The aid for private storage shall be paid for the contractual quantity if the quantity stored during the contractual storage period represents at least 99 % of the contractual quantity.

However, in respect of cheese and skimmed milk powder in 'big bags' (weighing no more than 1500kg) the aid shall be paid for the contractual quantity if the quantity stored during the contractual storage period represents at least 97 % of the contractual quantity. (Article 8 of Regulation 2016/1238)

Aid shall only be paid where the contractual storage period respects the storage period laid down in the Implementing Regulation or fixing the amount of aid in advance.

If checks during storage or on removal reveal that the products are defective, no aid shall be paid for the quantities concerned.

Except in cases of force majeure, where in respect of the total quantity stored the operator fails to respect the end of the contractual storage period, the aid for the contract in question shall be reduced by 10 % for each calendar day of non-compliance. However, this reduction shall not exceed 100% of the aid.

GENERAL

RECORD KEEPING

Applicants must keep commercial documents and stock accounts for at least three years starting from the end of the calendar year in which they were drawn up. Commercial documents are books, registers, vouchers and supporting documents, accounts and correspondence.

We must be able to check from these:

- the approval number of the creamery
- the date of production
- the date of placing into storage
- the storage lot and contract number
- the weight and number of packages
- the presence and location of product in the store and
- the date of removal from storage

For the purposes of the audit trail, all stock and financial records and other relevant documents checked by Department Officers shall be stamped or initialled and dated during the control visit. Where computer records are verified, a copy shall be printed and retained on the inspection file. Such records shall be made available to the European Commission on request.

PENALTIES AND ADMINISTRATIVE MEASURES

Where an operator provides incorrect information and where the incorrect information concerned is decisive for the granting of aid for private storage, the Department will exclude the operator from the procedure of granting aid for the product for which the incorrect information has been given for a period of one year. The exclusion provided for shall not apply if the operator proves, to the satisfaction of the Department, that it is a case of force majeure or obvious error.

Unduly paid aid shall be recovered, with interest, from the operators concerned.

Annex 1 Butter	
	Products shall be of sound, fair, and marketable quality and meet the requirements laid down in Regulation (EU) No 1308/2013
	Products shall fulfil the Quality Requirements for Aid for Private Storage in the EU regulations
Reg 2016/1238 Annex VI	<p>Butter Composition</p> <p>Butter must be produced from cream obtained directly and exclusively from cows' milk in the EU and in an approved facility. Aid shall only be granted with the following composition:</p> <ul style="list-style-type: none"> • with a minimum milkfat content, by weight of 80%, • a maximum milk solids-non-fat content by weight of 2% • a maximum water content by weight of 16%. <p>Individual lots of product entered into the scheme must weigh at least one tonne, be made at a single approved creamery, be of homogeneous composition and quality and taken into storage in a single cold store on a single day.</p>
	<p>Age</p> <p>Butter must have been made during the 60 days before the date on which storage under contract starts.</p>
Reg 2016/1240 Annex IV Part II	<p>Packaging</p> <p>The packaging of the butter shall show the net weight. In addition, the rules on packaging of butter in Part II of Annex IV to implementing Regulation 2016/1240 shall apply with the exception of the obligation to indicate the term "sweet cream" where the butter has a ph. of 6.2 or higher.</p> <p>Butter shall be delivered in blocks and packed in new, strong material in such a way as to ensure it is protected throughout the transportation, entry into storage, storage and removal from storage. The packaging of the butter shall show the net weight.</p> <p>It shall show at least the following particulars, where appropriate in code:</p> <ul style="list-style-type: none"> • the approval number identifying the factory and the Member State of production • the date of production • production batch number and the package number; the package number may be replaced by a pallet number marked on the pallet • word "salted" in the case of salted butter. <p>The storekeeper shall keep a register in which the particulars referred to above are recorded on the date of entry into the storage.</p>
Reg 2016/1238 Annex IV Part III	<p>Origin of Milk Requirement</p> <p>Compliance with the origin requirement can be substantiated by proof that the butter was produced in an undertaking approved in accordance with 1(a), (b) and (c) of Part III of Annex IV of Reg 2016/1238 or by another appropriate proof issued by the competent authority of the Member State of production testifying compliance with that requirement.</p> <p>The following undertakings referred to in Article 11 (d) of Regulation 1308/2013 shall be approved only if they comply with the following:</p> <p>1(a) are approved in accordance with Article 4 of Reg No 853/2004 and have the appropriate technical equipment</p>

1(b) undertake to keep permanent records in the form determined by the competent body of each Member State, listing the supplier and origin of the raw materials, the quantities of butter obtained and the packaging, identification and exit date of each production batch

1(c) agree to submit their production of butter to a specific official inspection.

Where the butter has been produced in a Member State other than the one in which the storage contract is concluded, the Member State of production shall provide such assistance as may be requested by the Member State in which the contract is concluded in order to verify the origin of the product.

Annex 2: Skimmed Milk Powder	
	<p>Products shall be of sound, fair, and marketable quality and meet the requirements laid down in Regulation (EU) No 1308/2013.</p> <p>Products shall fulfil the Quality Requirements for Aid for Private Storage in the EU Regulations.</p>
Reg 2016/1238 Annex V1	<p>Composition</p> <p>Skimmed milk powder must be produced from cow's milk produced in the EU in an approved facility. Aid shall only be granted with the following composition:</p> <ul style="list-style-type: none"> • fat content: maximum 1.5% • water content: maximum 5% • protein content by weight of the non-fatty dry extract; minimum 34% <p>SMP must meet the compositional requirements and quality standards detailed above. In addition, it must not contain other products in particular buttermilk or whey. Individual lots of product entered into the scheme must weigh at least one tonne, be made at a single approved creamery, be of homogeneous composition and quality and taken into storage in a single cold store on a single day.</p>
	<p>Age</p> <p>Skimmed milk powder must have been made during the 60 days before the day of application.</p>
Reg 2016/1238 Annex V1 Reg 2016/1240 Annex V Part II	<p>Packaging</p> <p>The packaging of the skimmed milk powder shall show the net weight. It shall be stored in bags with a net weight of 25 kgs or in "big bags" weighing no more than 1500 kg.</p> <p>In addition, the rules in Points 2 and 3 of Part II of Annex IV to Implementing Regulation 2016/1240 on the delivery and packaging of skimmed milk powder shall apply, with the exception of the obligation to indicate the term "spray skimmed milk powder" on the bags.</p> <p>Skimmed milk powder shall be packed in new, clean, dry and intact bags meeting the following requirements:</p> <ul style="list-style-type: none"> • the approval number identifying the factory and Member State of production; • the date or where appropriate the week of production • the number of the production batch <p>The storekeeper shall keep a register in which the particulars referred to in Point 2 are recorded on the date of entry into the storage.</p>
	<p>Origin of Milk</p> <p>Compliance with the origin requirement can be substantiated by proof that the skimmed milk powder was produced in an undertaking approved in accordance with 1(a), (b) and (c) of Part III of Annex IV of Reg 2016/1238 or by another appropriate proof issued by the competent authority of the Member State of</p>

	<p>production testifying compliance with that requirement.</p> <p>Undertakings referred to in Article 11 (e) of Regulation 1308/2013 shall be approved only if they comply with the following:</p> <p>1(a) are approved in accordance with Article 4 of Reg No 853/2004 and have the appropriate technical equipment</p> <p>1(b) undertake to keep permanent records in the form determined by the competent body of each Member State, listing the supplier and origin of the raw materials, the quantities of skimmed milk powder, buttermilk and whey obtained and the packaging, identification and exit date of each production batch</p> <p>Where the skimmed milk powder has been produced in a Member State other than the one in which the storage contract is concluded, the Member State of production shall provide such assistance as may be requested by the Member State in which the contract is concluded in order to verify the origin of the product.</p>

	Annex 3 Cheese
	<p>Products shall be of sound, fair, and marketable quality and meet the requirements laid down in Regulation (EU) No 1308/2013.</p> <p>Products shall fulfil the Quality Requirements for Aid for Private Storage in the EU Regulations.</p>
	<p>Composition</p> <p>In order to qualify for aid under the private storage aid scheme referred to in Article 1(1), hereinafter the ‘aid’, the cheese shall be of sound and fair marketable quality and of Union origin. The cheese shall have, on the day when the storage contract starts, a minimum age corresponding to the period of maturation laid down in the product specification for the cheeses benefitting from a protected designation of origin or from a protected geographical indication under Regulation (EU) No 1151/2012, or to a normal period of maturation set by Member States for the other cheeses</p> <p>As required under Article 2 of Commission Delegated Regulation 591 of 2020, Ireland has set the normal period of maturation in line with Codex Alimentarius Standards:</p> <p style="padding-left: 40px;">For Cheddar: at least 35 days at 7 - 15 degC (or equivalent)</p> <p style="padding-left: 40px;">For Emmental: at least 42 days at 10 - 25 degC (or equivalent)</p> <p style="padding-left: 40px;">For cheeses other than Cheddar and Emmental, the minimum maturation periods must be approved by DAFM in advance of any aid application.</p> <p>Furthermore, the cheese shall comply with the following requirements:</p> <ul style="list-style-type: none"> (a) it is indelibly marked with an indication, which may be encoded, of the undertaking in which it was manufactured and with the date of manufacture; (b) it is stored as whole cheese in the Member State where the cheese is produced and in which it qualifies to bear the PDO or PGI under Regulation (EU) No 1151/2012; (c) it has not been the subject of a previous storage contract. <p style="padding-left: 40px;">The storekeeper shall keep a register in which the particulars referred to in point (a) of the third paragraph are entered on the date of entry into store.</p>