



Guidelines for the Application of Aid Scheme covering the temporary exceptional private storage for certain cheeses

1. Introduction

Due to the current pandemic of COVID-19 and the extensive movement restrictions put in place in the Member States there has been a sharp drop of demand for certain consumer products in the milk and milk products sector, in particular cheeses. As a result, the processing of raw milk intake is being diverted into bulk, long shelf life, storable products such as skimmed powder and butter. Yet, many cheese-manufacturing sites in the Union do not have the capacity to process the milk into different products, and have to continue producing cheeses for which demand has exceptionally fallen.

The cheese sector is therefore confronted with a situation of market disturbance due to a strong supply-demand imbalance. As a consequence, without measures against this market disturbance, prices of cheese are expected to fall and downward pressure is likely to carry on. The disturbance in the cheese market can be addressed by storage. It is therefore appropriate to grant aid for private storage of cheese and to fix the amount of aid in advance.

The market intervention measures available under Regulation (EU) No 1308/2013 appear to be insufficient to address the market disturbance, since they are targeted to other products such as butter and skimmed milk powder, or limited to cheeses with a geographical indication. However, cheeses with protected designation of origin or protected geographical indication represent only a small share of the total Union cheese production. For reasons of operational and administrative efficiency, it is appropriate to set up a single private storage aid scheme covering all types of cheeses.

Commission Implementing Regulation (EU) 2016/1240 and Commission Delegated Regulation (EU) 2016/1238 lay down rules for the application of Regulation (EU) No 1308/2013 with regard to aid for private storage. It is appropriate to provide for the application, mutatis mutandis, of the provisions of Implementing Regulation (EU) No 2016/1240 and Delegated Regulation (EU) No 2016/1238 that are applicable to private storage of cheeses with protected designation of origin or protected geographical indication to the single private storage aid scheme established in this Regulation.

2. Aid Scheme Eligibility

1. In order to qualify for aid under the private storage aid scheme, the cheese product shall fall under CN code 0406 – Cheese and curd, that are:
 - 040610 - Fresh (unripened or uncured) cheese, including whey cheese, and curd
 - 040620 - Grated or powdered Cheese of all kinds
 - 040630 – Processed Cheese (not grated or powdered)
 - 040640 - Blue-veined cheese and other cheese containing veins produced by *Penicillium roqueforti* (not grated, powdered or processed)
 - 040690 - Cheese of a fat content, by weight, not exceeding 40 %.
2. Cheese of sound and fair marketable quality and on date of storage shall have a minimum age corresponding to the maturation period (as per Reg. 1151/2012).
3. Contractual storage period is between 60 and 180 days and such period shall end on the day preceding that of the removal from storage.
4. Applications shall cover a minimum quantity of 0.5 tonnes of cheese.

Applications may be submitted between 12th June and 30th June 2020.

3. Supporting Documents

- A two-sided copy of the Identity Card of the contact person.
- Proof of purchase of the product: Invoice and a dated fiscal receipt of the transaction, as required by law.
- Photos of cheese in storage as requested by ARPA.
- Official Document containing company VAT Number.

4. Advertisement of this Call for Applications

This Aid Scheme will be made public and advertised on the following media:

- A notification on Government Gazette
- Website of the Agency
<https://agrifish.gov.mt/en/arpa/Pages/ARPAhome.aspx>

5. Allocated Funds

As per Article 4 of the Commission Delegated Regulation (EU) 2020/591 of 30 April 2020 *opening a temporary exceptional private storage aid scheme for certain cheeses and fixing the amount of aid in advance*, the amount of aid shall be fixed as follows:

Rates: €15.57 per tonne of storage for fixed storage costs
 €0.40 per tonne per day of contractual storage [latter shall end on the day preceding that of the removal from storage].

Ineligible request for assistance will be excluded. Approved beneficiaries will be eligible for funding according to the applications submitted. VAT is not eligible under this aid scheme.

Assistance under this aid scheme is capped at 28 tonnes on a national level¹. If the financial amount claimed by applicants exceed this capping, funds will be distributed amongst approved applications according to a pro-rata system on the basis of weight being claimed.

In the eventuality of irregularities and ineligible claims, the Agriculture and Rural Payments Agency reserves the right to request recovery of funds. This written notification will be effective without the necessity of legal procedures.

6. Controls and Inspections

The Agriculture and Rural Payments Agency is responsible for verifying the claims being submitted under this aid scheme. Inspections and on-the-spot checks are performed by the Agency in order to confirm the correctness of the information provided in the application.

The Agency reserves the right to request any additional information that may be deemed necessary for the application.

¹ C(2020) 2885 final - ANNEX to the Commission Delegated Regulation opening a temporary exceptional private storage aid scheme for certain cheeses and fixing the amount of aid in advance

7. Irregularities

In case of any irregularity found in respect of a claim under this aid scheme, the Agriculture and Rural Payments Agency may request recovery of funds in proportionate to the ineligible quantity retrieved.

8. Applications

Applications for this aid scheme may be collected and compiled at the Front Office of the Agriculture and Rural Payments Agency located at Pitkali Markets, Ta' Qali, limits of Attard and from the Office in Gozo in the Government Experimental Farm, Triq l-Imgarr, ix-Xewkija, Ghawdex.

Applications may be submitted between **12th June and 30th June 2020**. Late submission of applications will not be considered.