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Contents

II *Non-legislative acts*

REGULATIONS

- ★ **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** 1
- ★ **Commission Delegated Regulation (EU) 2020/592 of 30 April 2020 on temporary exceptional measures derogating from certain provisions of Regulation (EU) No 1308/2013 of the European Parliament and of the Council to address the market disturbance in the fruit and vegetables and wine sectors caused by the COVID-19 pandemic and measures linked to it** 6
- ★ **Commission Implementing Regulation (EU) 2020/593 of 30 April 2020 authorising agreements and decisions on market stabilisation measures in the potatoes sector** 13
- ★ **Commission Implementing Regulation (EU) 2020/594 of 30 April 2020 authorising agreements and decisions on market stabilisation measures in the live trees and other plants, bulbs, roots and the like, cut flowers and ornamental foliage sector** 17
- ★ **Commission Implementing Regulation (EU) 2020/595 of 30 April 2020 granting aid for private storage for sheepmeat and goatmeat and fixing the amount of the aid in advance** 21
- ★ **Commission Implementing Regulation (EU) 2020/596 of 30 April 2020 granting aid for private storage for fresh and chilled meat of bovine animals aged eight months or more and fixing the amount of aid in advance** 26
- ★ **Commission Implementing Regulation (EU) 2020/597 of 30 April 2020 granting aid for private storage for butter and fixing the amount of aid in advance** 31

EN

Acts whose titles are printed in light type are those relating to day-to-day management of agricultural matters, and are generally valid for a limited period.

The titles of all other acts are printed in bold type and preceded by an asterisk.

★ Commission Implementing Regulation (EU) 2020/598 of 30 April 2020 granting aid for private storage for skimmed milk powder and fixing the amount of aid in advance	34
★ Commission Implementing Regulation (EU) 2020/599 of 30 April 2020 authorising agreements and decisions on the planning of production in the milk and milk products sector	37
★ Commission Implementing Regulation (EU) 2020/600 of 30 April 2020 derogating from Implementing Regulation (EU) 2017/892, Implementing Regulation (EU) 2016/1150, Implementing Regulation (EU) No 615/2014, Implementing Regulation (EU) 2015/1368 and Implementing Regulation (EU) 2017/39 as regards certain measures to address the crisis caused by the COVID-19 pandemic	40
★ Commission Implementing Regulation (EU) 2020/601 of 30 April 2020 on emergency measures derogating from Articles 62 and 66 of Regulation (EU) No 1308/2013 of the European Parliament and of the Council as regards the validity of vine planting authorisations and the grubbing up in case of anticipated replanting	46

II

(Non-legislative acts)

REGULATIONS

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 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 1234/2007 ⁽¹⁾, and in particular Article 219(1) in conjunction with Article 228 thereof,

Having regard to Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008 ⁽²⁾, and in particular Article 62(2)(b) thereof,

Whereas:

- (1) Due to the current pandemic of COVID-19 and the extensive movement restrictions put in place in the Member States there has been a drop in demand for certain products in the milk and milk products sector, in particular cheeses. The spread of the disease and the measures in place limit the availability of labour, compromising notably the stages of production, collection and processing of milk. Furthermore, the mandatory closure of shops, outdoor markets, restaurants and other hospitality establishments has brought the operation of the hospitality and catering industry to a halt, leading to significant changes in the demand patterns for milk and milk products. The hospitality and catering industry is responsible for approximately 15 % of the Union domestic demand of cheese. In addition, buyers in the Union and on the world market are cancelling contracts and delaying the conclusion of new ones in anticipation of further price falls. Cheese exports to third countries represent 8 % of total Union cheese production.
- (2) 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. 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 the demand has exceptionally fallen.
- (3) 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 in the Union are expected to fall and downward pressure is likely to carry on.
- (4) 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 protected designation of origin or protected geographical indication.
- (5) The disturbance in the cheese market can be addressed by storage. It is therefore appropriate to grant aid for private storage of cheese.

⁽¹⁾ OJ L 347, 20.12.2013, p. 671.

⁽²⁾ OJ L 347, 20.12.2013, p. 549.

- (6) Article 17 of Regulation (EU) No 1308/2013 provides for the granting of private storage aid only for cheeses benefiting from a protected designation of origin or from a protected geographical indication under Regulation (EU) No 1151/2012 of the European Parliament and of the Council ⁽³⁾. However, cheeses with a protected designation of origin or a 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.
- (7) It is appropriate to exclude cheeses that are not suitable for storage.
- (8) It is appropriate to set a ceiling for the maximum volume to be covered by the scheme and a breakdown of the total volume per Member State based on their cheese production.
- (9) Commission Delegated Regulation (EU) 2016/1238 ⁽⁴⁾ and Commission Implementing Regulation (EU) 2016/1240 ⁽⁵⁾ lay down rules for the implementation of the aid for private storage. Save as otherwise provided in this Regulation, the provisions of Delegated Regulation (EU) 2016/1238 and Implementing Regulation (EU) 2016/1240 that are applicable to private storage of cheeses with a protected designation of origin or a protected geographical indication, should apply *mutatis mutandis* to the single private storage aid scheme established in this Regulation.
- (10) The amount of the aid should be fixed in advance so as to allow for a rapid and flexible operational system. The amount of aid should be fixed on the basis of storage costs and other relevant market elements. It is appropriate to set an aid for fixed storage costs for entry and exit of the products concerned and an aid per day of storage for costs for storage and financing.
- (11) For reasons of administrative efficiency and simplification, applications should only refer to cheese already in storage and a security should not be required.
- (12) For reasons of administrative efficiency and simplification, the minimum quantity of products to be covered by each application should be fixed.
- (13) The measures put in place to address the pandemic of COVID-19 may affect compliance with the requirements for on-the-spot checks concerning aid for private storage pursuant to Article 60 of Implementing Regulation (EU) 2016/1240. It is appropriate to provide flexibility to the Member States concerned by those measures, by allowing the carrying out of physical checks only on a representative statistical sample, by prolonging the period for carrying out the entry into storage checks or by substituting them by the use of other relevant evidence, and by not requiring the carrying out of unannounced checks. It is therefore appropriate to derogate from certain provisions of Implementing Regulation (EU) 2016/1240 for the purposes of this Regulation.
- (14) 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 in the *Official Journal of the European Union*,

HAS ADOPTED THIS REGULATION:

Article 1

Subject matter and scope

1. This Regulation provides for a temporary exceptional private storage aid scheme for cheeses falling under CN code 0406, except for cheeses which are not suitable for further storage beyond the period of maturation referred to in Article 2.

⁽³⁾ Regulation (EU) No 1151/2012 of the European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products and foodstuffs (OJ L 343, 14.12.2012, p. 1).

⁽⁴⁾ Commission Delegated Regulation (EU) 2016/1238 of 18 May 2016 supplementing Regulation (EU) No 1308/2013 of the European Parliament and of the Council with regard to public intervention and aid for private storage (OJ L 206, 30.7.2016, p. 15).

⁽⁵⁾ Commission Implementing Regulation (EU) 2016/1240 of 18 May 2016 laying down rules for the application of Regulation (EU) No 1308/2013 of the European Parliament and of the Council with regard to public intervention and aid for private storage (OJ L 206, 30.7.2016, p. 71).

2. The maximum volume of product per Member State subject to the private storage aid scheme referred to in paragraph 1 is set out in the Annex to this Regulation. Member States shall ensure that a system based on objective and non-discriminative criteria is in place, so that the maximum quantities allocated to them are not exceeded.
3. Save as otherwise provided for in this Regulation, the provisions of Delegated Regulation (EU) 2016/1238 and Implementing Regulation (EU) 2016/1240 that are applicable to private storage of cheeses with a protected designation of origin or a protected geographical indication shall apply *mutatis mutandis* to the private storage aid scheme referred to in paragraph 1.

Article 2

Eligible products

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.

Article 3

Submission and admissibility of applications

1. Applications for aid may be lodged as from 7 May 2020. The last date for the submission of applications shall be 30 June 2020.
2. Applications shall relate to products that have already been placed in storage.
3. The minimum quantity per application is 0,5 tonnes.

Article 4

Amount of aid and period of storage

1. The amount of aid shall be fixed as follows:
 - 15,57 EUR per tonne of storage for fixed storage costs,
 - 0,40 EUR per tonne per day of contractual storage.
2. Contractual storage shall end on the day preceding that of the removal from storage.
3. Aid may be granted only where the contractual storage period is between 60 and 180 days.

Article 5

Checks

1. By way of derogation from Article 60(1) and (2) of Implementing Regulation (EU) 2016/1240, where due to the measures put in place to address the pandemic of COVID-19, hereinafter 'the measures', the paying agency is not in a position to carry out in due time the checks referred to in Article 60(1) and (2) of that Regulation, the Member State concerned may:
 - (a) extend the period referred to in the first subparagraph of Article 60(1) to carry out those checks by up to 30 days after the end of the measures; or
 - (b) substitute those checks during the period when the measures are applicable by the use of relevant evidence, including geotagged photos or other evidence in electronic format.

2. By way of derogation from the second subparagraph of Article 60(2) of Implementing Regulation (EU) 2016/1240, physical checks to verify the contractual quantity shall be undertaken on a representative statistical sample of at least 5 % of the lots covering at least 5 % of the total quantities placed in storage.

3. By way of derogation from the first subparagraph of Article 60(3) of Implementing Regulation (EU) 2016/1240, where due to the measures the paying agency is not in a position to carry out the unannounced on-the-spot checks, the paying agency shall not be required to perform unannounced checks during the period when the measures are in place.

Article 6

Entry into force

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, 30 April 2020

For the Commission

The President

Ursula VON DER LEYEN

ANNEX

Member State	Maximum quantities (tonnes)
Belgium	1 130
Bulgaria	889
Czechia	1 265
Denmark	4 373
Germany	21 726
Estonia	434
Ireland	2 180
Greece	2 121
Spain	4 592
France	18 394
Croatia	300
Italy	12 654
Cyprus	270
Latvia	459
Lithuania	978
Luxembourg	27
Hungary	809
Malta	28
Netherlands	8 726
Austria	1 959
Poland	8 277
Portugal	775
Romania	931
Slovenia	157
Slovakia	413
Finland	843
Sweden	792
United Kingdom	4 499

COMMISSION DELEGATED REGULATION (EU) 2020/592**of 30 April 2020****on temporary exceptional measures derogating from certain provisions of Regulation (EU) No 1308/2013 of the European Parliament and of the Council to address the market disturbance in the fruit and vegetables and wine sectors caused by the COVID-19 pandemic and measures linked to it**

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 1234/2007 ⁽¹⁾, and in particular to Article 219(1) in conjunction with Article 228 thereof,

Whereas:

- (1) The COVID-19 pandemic is causing a significant disturbance of the fruit and vegetables and wine markets throughout the Union. The measures taken by the Member States to address the COVID-19 pandemic, in particular the extensive movement restrictions and social distancing measures, have resulted in a disruption of supply chains, temporary closure of important outlets for the products of the fruit and vegetables sector and the wine sector, respectively, at the wholesale and retail levels and in the catering sector, such as closures of restaurants, canteens, bars and hotels. The COVID-19 related measures are also leading to logistic problems that are affecting with particular severity perishable fruit and vegetable products and the wine sector. The COVID-19 related measures also cause difficulties in harvesting fruit and vegetables and in all wine production-related tasks due to shortages of workforce and in reaching consumers, due to the disruption of supply chains, logistics and temporary closure of important outlets. These circumstances significantly disturb the fruit and vegetables sector and the wine sector in the Union. The farmers in these sectors experience financial difficulties and cash-flow problems.
- (2) Given the duration of the restrictions imposed by Member States to address the COVID-19 pandemic and their likely continuation, the long term disruption of logistics and supply chains, as well as severe economic impact on the main outlets for the products of the fruit and vegetables sector and the wine sector, respectively, at the wholesale and retail levels and in the catering sector, the severe disturbance in both markets and its effects are likely to continue and possibly even deteriorate.
- (3) In view of this market disturbance and the unprecedented combination of circumstances, exceptional difficulties have been encountered by farmers in all Member States with the planning, implementation and execution of aid schemes laid down in Articles 32 to 38 of Regulation (EU) No 1308/2013 for the fruit and vegetables sector and in Articles 39 to 54 of that Regulation for the wine sector. It is therefore necessary to alleviate those difficulties by derogating from certain of those provisions.
- (4) Recognised producer organisations and associations of producer organisations may implement, as part of their approved operational programmes, crisis and prevention measures in the fruit and vegetables sector that are intended to increase their resilience to market disturbances. However, pursuant to the fourth subparagraph of Article 33(3) of Regulation (EU) No 1308/2013, these crisis prevention and management measures are not to comprise more than one third of the expenditure under the operational programme. In order to provide greater flexibility for those producer organisations and to enable them to focus the resources under operational programmes to addressing the market disturbance caused by measures related to the COVID-19 pandemic, that rule should not apply in the year 2020.

⁽¹⁾ OJ L 347, 20.12.2013, p. 671.

- (5) It is estimated that the closure of hotels, bars and restaurants directly affects 30 % of the volumes, corresponding to 50 % of the value, of wine consumed in the Union. It is also observed that consumption of wine at home is not compensating for the decrease in consumption outside the home. Moreover, usual celebrations and gatherings where wine is consumed, such as for birthdays or national holidays, are not possible. In addition, summer season tourism and oenotourism activities risk not going to take place. Wine surpluses are therefore growing on the market. Furthermore, the labour shortage, also due to the pandemic, and the logistical difficulties caused by the pandemic are putting pressure on wine growers and the whole wine sector. Wine growers are facing increasing problems for the upcoming harvest: low prices, reduced consumption, transport and sales difficulties.
- (6) At the same time, the Union wine market has been already subject to aggravating conditions throughout 2019 and wine stocks are at their highest level since 2009. This development is due primarily to a combination of the record harvest in 2018 and general decreasing wine consumption in the Union. In addition, the imposition by the United States of America, the Union's main wine export market, of additional import tariffs on Union wines has impacted exports. The COVID-19 pandemic has delivered a further blow to a fragile sector that is no more able to market or distribute its products effectively, due mostly to the closure of major export markets and to the measures taken to ensure a proper confinement and lockdown in particular the interruption of all catering activities and the impossibility to supply usual customers. In addition, the difficulty in supply of key inputs such as bottles and corks required for wine production is putting a strain on the activities of operators in the wine sector by preventing them from putting on the market wine ready for sale.
- (7) Removing from the Union's market some of the quantities of wine that are not being marketed and cannot be stored should help to address the severe market disturbances in the wine sector. Therefore, distillation of wine for reasons related to the crisis due to the COVID-19 pandemic should be introduced temporarily as eligible measure for support under the support programmes in the wine sector to help improve the economic performance of wine producers. In order to avoid distortion of competition, the use of the alcohol obtained should be excluded for the food and drink industry and should be limited to industrial purposes, including disinfection and pharmaceutical, and to energy purposes.
- (8) Aid to crisis storage is another measure that should temporarily remove certain quantities of wine from the market and help to manage progressively a return to a more economically viable market situation. Therefore, aid to crisis storage for wine should be temporarily eligible for support under the support programmes in the wine sector. In order to avoid that support is given twice for a same quantity of wine withdrawn from the market, beneficiaries of aid to crisis storage should not receive aid for distillation of wine in case of crisis under the support programmes in the wine sector nor national payments for distillation of wine in cases of crisis.
- (9) To help operators respond to the current exceptional circumstances and address this unpredictable and precarious situation, it is appropriate to allow additional flexibility in implementing certain measures under Regulation (EU) No 1308/2013.
- (10) In particular, to enable Member States to support the producers severely impacted by the crisis, it is necessary to derogate from Article 44(2) of Regulation (EU) No 1308/2013 in relation to the mutual funds measure as referred to in Article 48 of that Regulation as to allow that expenditure incurred under operations which are implemented in their fourth year in 2020, is eligible even if it was incurred before the submission of the relevant draft support programme by the Member State. This would allow Member States to grant additional aid to the administrative costs of already established mutual funds for another 12 months during the financial year 2020. In order to provide an economically adequate support and by derogation from Article 48(2), the aid granted should be non-degressive and amounting to the financing granted in the third year of implementation.
- (11) It is further necessary, as an exceptional measure, to provide for a derogation from Articles 46(6), 47(1) and (3), 49(2) and 50(4) of Regulation (EU) No 1308/2013 and temporarily increase the maximum Union contribution to the measures 'restructuring and conversion of vineyards', 'green harvesting', 'harvest insurance' and 'investments'. These temporary measures are necessary because, due to reasons related to the COVID-19 pandemic, operators are incurring, and will continue to incur, significant losses of income and additional costs arising from the disruptions in the market and in their production. Increasing the Union contribution for the measures in question and consequently decreasing the beneficiary's contribution would provide beneficiaries with some financial relief.

- (12) The flexibility introduced by increasing the Union contribution represents a form of financial support, which, however, does not require additional Union financing since the budgetary limits for the national support programmes in the wine sector laid down in Annex VI to Regulation (EU) No 1308/2013 continue to apply. Member States may thus decide to allocate higher amounts to the measures in question only within the yearly budget provided for in that Annex. The increased financial rates are aimed, therefore, at providing support to the sector in the given unstable market situation without having to mobilise additional funds in the first place.
- (13) The preventive instrument harvest insurance is eligible for support under the wine support programmes to encourage a responsible approach to crisis situations. Article 49 of Regulation (EU) No 1308/2013 provides that support for harvest insurance is to contribute to safeguarding producers' incomes where there are losses as a consequence of natural disasters, adverse climatic events, diseases or pest infestations. In view of the dramatic consequences on wine producers' incomes as a result of the COVID-19 pandemic due to the sometimes insurmountable difficulties arising at all stages of wine production and marketing, it is appropriate to extend Union support to cover harvest insurance where losses are a consequence of a human pandemic. It is also appropriate to increase temporarily the rate of Union support up to 60 % in such cases to provide some financial relief for wine growers.
- (14) Green harvesting as provided for in Article 47 of Regulation (EU) No 1308/2013 is used as a market management measure when an excessive production of grapes is expected. That Article requires that grape bunches be destroyed or removed totally on a holding in order to benefit from Union support. Under the current circumstances, wine growers encounter unprecedented difficulties to mobilise the workforce needed to carry out such a complete operation. It is therefore appropriate to derogate from this obligation and allow the destruction or removal of immature grape bunches on part of a holding, provided that this is carried out on entire parcels.
- (15) For imperative grounds of urgency, in particular considering the ongoing market disturbance, its severe effects on the fruit and vegetable and wine sectors and its continuation and likely deterioration, it is necessary to take immediate action and urgently adopt measures to alleviate its negative effects. Delaying immediate action to address this market disturbance would threaten to aggravate the market disturbance in both sectors and would be detrimental to the production and market conditions in both sectors. In view of this, this Regulation should be adopted pursuant to the urgency procedure laid down in Article 228 of Regulation (EU) No 1308/2013.
- (16) In view of the necessity to take immediate action, this Regulation should enter into force on the day of its publication in the *Official Journal of the European Union*,

HAS ADOPTED THIS REGULATION:

CHAPTER I

FRUIT AND VEGETABLES

Article 1

Temporary derogation from Article 33(3) of Regulation (EU) No 1308/2013

By way of derogation from the fourth subparagraph of Article 33(3) of Regulation (EU) No 1308/2013, the limit of one third of expenditure for crisis prevention and management measures under the operational programme referred to in that provision shall not apply in the year 2020.

CHAPTER II

WINE

SECTION 1

Crisis support measures*Article 2***Derogations from Article 43 of Regulation (EU) No 1308/2013**

By way of derogation from Article 43 of Regulation (EU) No 1308/2013, the measures set out in Articles 3 and 4 of this Regulation may be financed under support programmes in the wine sector during the financial year 2020.

*Article 3***Distillation of wine in case of crisis**

1. Support may be granted for the distillation of wine in accordance with the conditions laid down in this Article. Such support shall be proportionate.
2. The alcohol resulting from the supported distillation referred to in paragraph 1 shall be used exclusively for industrial purposes, including disinfection or pharmaceutical, or for energy purposes so as to avoid distortion of competition.
3. The beneficiaries of the support referred to in paragraph 1 shall be wine enterprises producing or marketing the products referred to in Part II of Annex VII to Regulation (EU) No 1308/2013, wine producer organisations, associations of two or more producers, interbranch organisations or distillers of grapevine products.
4. Only the costs of the supply of wine to distillers and of the distillation of this wine shall be eligible for support.
5. Member States may establish priority criteria by indicating them in the support programme. Such priority criteria shall be based on the specific strategy and objectives set out in the support programme and shall be objective and not discriminatory.
6. Member States shall lay down rules on the application procedure for the support referred to in paragraph 1, which shall include rules on:
 - (a) the natural or legal persons that may submit applications;
 - (b) the submission and selection of applications, which shall include at least the deadlines for the submission of applications, for the examination of the suitability of each proposed action and for the notification of the results of the selection procedure to the operators;
 - (c) the verification of compliance with the provisions on eligible actions and the costs referred to in paragraph 4 and priority criteria where priority criteria are applied;
 - (d) the selection of the applications, which shall at least include the weighting attributed to each priority criterion where priority criteria are applied;
 - (e) arrangements for the payment of advances and the provision of securities.
7. Member States shall fix the amount of support to beneficiaries on the basis of objective and non-discriminatory criteria.
8. By way of derogation from Article 44(3) of Regulation (EU) No 1308/2013, Member States may grant national payments in accordance with the Union rules on state aid for the measure referred to in this Article.

9. Articles 1 and 2, Article 43 and Articles 48 to 54 and Article 56 of Commission Delegated Regulation (EU) 2016/1149 ⁽²⁾ and Article 1, 2 and 3, Articles 19 to 23, Articles 25 to 31, the second subparagraph of Article 32(1) and Articles 33 to 40 of Commission Implementing Regulation (EU) 2016/1150 ⁽³⁾ shall apply *mutatis mutandis* to the support for distillation of wine in case of crisis.

Article 4

Aid for crisis storage of wine

1. Aid for crisis storage may be granted in respect of wine in accordance with the conditions laid down in this Article.
2. To avoid that support is given twice for the same quantity of wine withdrawn from the market, beneficiaries who receive aid for crisis storage for a quantity of wine may not receive aid for this same quantity of wine for distillation in case of crisis under Article 3 of this Regulation nor national payments for distillation of wine in cases of crisis under Article 216 of Regulation (EU) No 1308/2013.
3. The beneficiaries of the aid referred to in paragraph 1 shall be wine enterprises producing or marketing the products referred to in Part II of Annex VII to Regulation (EU) No 1308/2013, wine producer organisations, associations of two or more producers or interbranch organisations.
4. Member States shall lay down rules on the application procedure for the aid referred to in paragraph 1, which shall include rules on:
 - (a) the natural or legal persons that may submit applications;
 - (b) the submission and selection of applications, which shall include at least the deadlines for the submission of applications, for the examination of the suitability of each proposed action and for the notification of the results of the selection procedure to the operators;
 - (c) the verification of compliance with the conditions for support set out in this article and the provisions on priority criteria where priority criteria are applied;
 - (d) the selection of the applications, which shall at least include the weighting attributed to each priority criterion where priority criteria are applied;
 - (e) arrangements for the payment of advances and the provision of securities.
5. Member States may establish priority criteria so that preference can be given to certain beneficiaries by indicating them in the support programme. Such priority criteria shall be based on the specific strategy and objectives set out in the support programme and shall be objective and not discriminatory.
6. Member States shall examine applications against the detailed description of the proposed actions by the applicant and the proposed deadlines for their implementation.
7. By way of derogation from Article 44(3) of Regulation (EU) No 1308/2013, Member States may grant national payments in accordance with the Union rules on state aid for the measure referred to in this Article.
8. Articles 1 and 2, Article 43 and Articles 48 to 54 and Article 56 of Commission Delegated Regulation (EU) 2016/1149 and Article 1, 2 and 3, Articles 19 to 23, Articles 25 to 31, the second subparagraph of Article 32(1) and Articles 33 to 40 of Commission Implementing Regulation (EU) 2016/1150 shall apply *mutatis mutandis* to the aid for crisis storage of wine.

⁽²⁾ Commission Delegated Regulation (EU) 2016/1149 of 15 April 2016 supplementing Regulation (EU) No 1308/2013 of the European Parliament and of the Council as regards the national support programmes in the wine sector and amending Commission Regulation (EC) No 555/2008 (OJ L 190, 15.7.2016, p. 1).

⁽³⁾ Commission Implementing Regulation (EU) 2016/1150 of 15 April 2016 laying down rules for the application of Regulation (EU) No 1308/2013 of the European Parliament and of the Council as regards the national support programmes in the wine sector (OJ L 190 15.7.2016, p. 23).

SECTION 2

Derogations from specific support measures*Article 5***Derogation from Articles 44(2) and 48(2) of Regulation (EU) No 1308/2013**

1. By way of derogation from Article 44(2) of Regulation (EU) No 1308/2013, in the financial year 2020, support for the setting up of mutual funds as referred to in Article 48 of that Regulation may be granted for expenditure incurred before the submission of the relevant draft support programmes in relation to operations which in 2019 have completed their third year of implementation.
2. By way of derogation from Article 48(2) of Regulation (EU) No 1308/2013, support for the setting up of mutual funds in relation to operations which in 2019 have completed their third year of implementation may be provided in the form of a non-degressive aid to cover the administrative costs of the funds and shall be equal to the financing granted in the third year of implementation.

*Article 6***Derogation from Article 46(6) of Regulation (EU) No 1308/2013**

By way of derogation from Article 46(6) of Regulation (EU) No 1308/2013, the Union contribution to the actual costs of the restructuring and conversion of vineyards shall not exceed 60 %. In less developed regions, the Union contribution to the costs of restructuring and conversion shall not exceed 80 %.

*Article 7***Derogation from Article 47(1) and (3) of Regulation (EU) No 1308/2013**

1. By way of derogation from Article 47(1) of Regulation (EU) No 1308/2013, during the year 2020, 'green harvesting' means the total destruction or removal of grape bunches while still in their immature stage, on the whole holding or on part of the holding provided that the green harvesting is carried out on entire parcels.
2. By way of derogation from the second sentence of Article 47(3) of Regulation (EU) No 1308/2013, the support granted for green harvesting shall not exceed 60 % of the sum of the direct costs of the destruction or removal of grape bunches and the loss of revenue related to such destruction or removal.

*Article 8***Derogation from Article 49(2) of Regulation (EU) No 1308/2013**

By way of derogation from point (b) of Article 49(2) of Regulation (EU) No 1308/2013, the Union financial contribution to the support for harvest insurance shall not exceed 60 % of the cost of the insurance premiums paid for by producers for insurance:

- (a) against losses referred to in point (a) of Article 49(2) of Regulation (EU) No 1308/2013 and against other losses caused by adverse climatic events;
- (b) against losses caused by animals, plant diseases or pest infestations;
- (c) against losses caused by human pandemics.

*Article 9***Derogation from Article 50(4) of Regulation (EU) No 1308/2013**

By way of derogation from Article 50(4) of Regulation (EU) No 1308/2013, the following maximum aid rates concerning the eligible investment costs shall apply to the Union contribution:

- (a) 60 % in less developed regions;
- (b) 50 % in regions other than less developed regions;

- (c) 80 % in the outermost regions referred to in Article 349 of the Treaty;
- (d) 75 % in the smaller Aegean islands as defined in Article 1(2) of Regulation (EU) No 229/2013 of the European Parliament and of the Council ⁽⁴⁾.

Article 10

Application of the temporarily increased Union contribution

Article 6, 7(2), 8 and 9 shall apply to operations selected by the competent authorities in the Member States as of the date of entry into force of this Regulation and not later than 15 October 2020.

CHAPTER III

FINAL PROVISIONS

Article 11

Entry into force

This Regulation shall enter into force on the day 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, 30 April 2020.

For the Commission

The President

Ursula VON DER LEYEN

⁽⁴⁾ Regulation (EU) No 229/2013 of the European Parliament and of the Council of 13 March 2013 laying down specific measures for agriculture in favour of the smaller Aegean islands and repealing Council Regulation (EC) No 1405/2006 (OJ L 78, 20.3.2013, p. 41).

COMMISSION IMPLEMENTING REGULATION (EU) 2020/593**of 30 April 2020****authorising agreements and decisions on market stabilisation measures in the potatoes sector**

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 1234/2007 ⁽¹⁾, and in particular Article 222 thereof,

Whereas:

- (1) The potatoes sector can be divided into fresh potatoes, which are mainly purchased for home consumption, and potatoes for processing, which are used in animal feed and processed food products, such as frozen potatoes (including frozen chips), dried potatoes, prepared or preserved potatoes.
- (2) The Union production of potatoes amounts to approximately 52 million tonnes, of which 19,5 million tonnes correspond to potatoes for processing. The biggest Union producers of potatoes for processing are Belgium, Germany, France, Italy and the Netherlands. The production of frozen chips is estimated to cover approximately 41 % of the production of potatoes for processing.
- (3) The Union is a net exporter of processed potatoes. On average, over the last 5 years, an equivalent of at least 4 million tonnes of potatoes for processing is estimated to be exported from Belgium, Germany, France, Italy and the Netherlands to third countries in the form of processed potato products. Exports of frozen potatoes and, in particular, frozen chips, are particularly significant under normal market conditions: 64 % of frozen potatoes exported worldwide come from the Union and the value of exports of frozen chips from the Union to third countries was estimated at EUR 1,85 billion in 2019.
- (4) Due to the current pandemic of COVID-19 and the extensive movement restrictions on persons put in place in the Member States, producers of potatoes for processing are experiencing economic disruption that is leading to financial difficulties and cash-flow problems.
- (5) The spread of the disease and the measures in place limit the availability of labour, compromising notably the stages of production, processing and transport of potatoes for processing.
- (6) The mandatory closure of restaurants and other hospitality establishments such as school and work canteens, as well as the cancellation of sporting and entertainment events, such as cultural and open air festivals, sports tournaments, in the Union and in third countries, has also brought the operation of the hospitality and catering to a halt, leading to significant changes in demand patterns for potato products. As consumers are no longer eating out or buying fast food to a significant extent, consumer demand has shifted towards fresh potatoes for home cooking. Moreover, while consumers have increased their consumption of certain processed potato products, such as crisps and dried puree, this cannot compensate for the drop in demand in the hospitality and catering industry.
- (7) In addition, buyers in the Union and on the world market are cancelling contracts and delaying the conclusion of new ones in anticipation of further price falls. Moreover, exports are affected by logistical challenges, as the start of the pandemic of COVID-19 in China has led to significant port congestion there and elsewhere. The period of increased blank sailings is expected to continue at least until June 2020, leading to containers being scarcer, in particular the ones for fresh and frozen goods, rates increasing significantly and exporters seeing their shipments postponed. Since the fourth week of March 2020, Union producers of potatoes for processing have reported decreased number of transactions between Member States in a range of 25 to 47 % and for exports to third countries in a range of 30 to 65 %.

⁽¹⁾ OJ L 347, 20.12.2013, p. 671.

- (8) As a result, while demand for fresh potatoes has, at this stage, increased, there has been a sharp drop in demand for potatoes for processing with an immediate and severe impact on the market. The sharp drop in demand concerns in particular, but is not limited to, potatoes for processing used in frozen chips, other cut potatoes and vacuum-packed products, which are normally consumed in fast food outlets and in restaurants. Due to the different characteristics of fresh potatoes and potatoes for processing, potatoes for transformation cannot be sold in the market for fresh potatoes. As a result, as there are no trades, prices on the markets for futures have dropped significantly and have been reported to be 90 % lower in April 2020 compared to quotes in January 2020. As a consequence of the halt of trades, in some producer Member States such as Belgium and France, there are no longer any price quotations for certain potatoes for processing, which is a sign of acute drop in the volume and value of transactions. In other Member States, such as Germany and the Netherlands, price decreases of 90 % for potatoes for processing have been reported.
- (9) In addition, there are currently large volumes of potatoes for processing in storage. It is estimated that at least 2 650 000 tonnes of potatoes for processing (value of EUR 400 million) from the 2019 campaign will still be in storage by the end of the 2020 campaign in July 2020. The potatoes for processing that were harvested in October/November 2019 and are still in storage, will soon become unfit for any use because of the deterioration in their quality. In order to make room for the potatoes for processing from the 2020 campaign, producers will need to destroy the part of the remaining stocks that cannot be processed in time. As producers will have to pay transport and destruction costs to destroy the production, there is a risk that potatoes for processing will instead be spread out on fields, as a solution of last resort. The spread of potatoes for processing on fields will create a risk of long-lasting environmental and phytosanitary consequences, because those potatoes will germinate on top of subsequent crops and could develop diseases that could cause long lasting soil contamination and durably jeopardise new plantations.
- (10) The above circumstances lead to a qualification of these events as a period of severe market imbalance.
- (11) In order to help producers of potatoes find a balance in this period of severe market imbalance, it is appropriate to allow for agreements and decisions of farmers, farmers' associations or associations of such associations, or recognised producer organisations, recognised producer organisations, associations of recognised producer organisations and recognised interbranch organisations concerning potatoes for processing on a temporary basis for a period of 6 months. These measures include: (i) market withdrawals and free distribution; (ii) transformation and processing; (iii) storage; (iv) joint promotion; and (v) temporary planning of production.
- (12) Such agreements and decisions concerning potatoes for processing could include: (i) withdrawing potatoes from the market for orderly product destruction or for free distribution to food banks or to public institutions; (ii) processing potatoes for other purposes such as animal feed, production for methanisation; (iii) creating and finding storage capacities and preparing potatoes for longer storage periods; (iv) promoting the consumption of processed potatoes products; and (v) planning measures to reduce volumes for future plantations and adjusting existing contracts for potatoes from the 2020 campaign.
- (13) Any agreement or decision concerning potatoes for processing should be temporarily authorised for a period of 6 months. As this is the period when existing stocks of potatoes from the 2019 campaign have to be managed and the potatoes from the 2020 campaign will be harvested as of this summer, this is the period in which the measures are expected to have the most significant impact.
- (14) In accordance with the first subparagraph of Article 222(1) of Regulation (EU) No 1308/2013, an authorisation is to be given, if it does not impair the functioning of the internal market and that the agreements and decisions strictly aim at stabilising the sector. These specific conditions exclude agreements and decisions that directly or indirectly lead to partitioning markets, to discrimination based on nationality or to fixing prices. If the agreements and decisions do not fulfil these conditions, or no longer fulfil these conditions, Article 101(1) of the Treaty applies to these agreements and decisions.
- (15) The authorisation provided for in this Regulation should cover the Union territory given that the severe market imbalance is common to the whole Union.

- (16) In order for the Member States to be in a position to assess whether agreements and decisions concerning potatoes for processing do not undermine the functioning of the internal market and strictly aim to stabilise the potatoes sector, information should be provided to the competent authorities of the Member State, including the competition authorities of that state, having the highest share of estimated volume of production of potatoes covered by those agreements or decisions on the agreements concluded and decisions taken and on the production volume and time period covered by them.
- (17) Given the severe market imbalance, the necessity to urgently deal with the remaining stock of potatoes and the run-up to the moment when potatoes are normally harvested, stored and transformed, this Regulation should enter into force on the day following that of its publication.
- (18) The measures provided for in this Regulation are in accordance with the opinion of the Committee for the Common Organisation of the Agricultural Markets,

HAS ADOPTED THIS REGULATION:

Article 1

Without prejudice to Articles 152(1a), 209(1) and 210(1) of Regulation (EU) No 1308/2013, farmers, farmers' associations, associations of such associations, recognised producer organisations, associations of recognised producer organisations and recognised interbranch organisations are hereby authorised to conclude agreements concerning potatoes for processing and take common decisions concerning potatoes for processing on market withdrawals and free distribution, transformation and processing, storage, joint promotion and temporary planning of production during a period of 6 months starting from the date of entry into force of this Regulation.

Article 2

Member States shall take the necessary measures to ensure that the agreements and decisions referred to in Article 1 do not undermine the proper functioning of the internal market and strictly aim to stabilise the potatoes sector.

Article 3

The geographic scope of this authorisation is the Union territory.

Article 4

1. As soon as the agreements or decisions referred to in Article 1 are concluded or taken, the farmers, farmers' associations, associations of such associations, recognised producer organisations, associations of recognised producer organisations and recognised interbranch organisations concerned shall communicate those agreements or decisions to the competent authorities of the Member State having the highest share of estimated volume of production of potatoes covered by those agreements or decisions, indicating the following:

- (a) the estimated production volume covered;
- (b) the expected time period of implementation.

2. No later than 25 days after the end of the 6-month period referred to in Article 1, the farmers, farmers' associations, associations of such associations, recognised producer organisations, associations of recognised producer organisations and recognised interbranch organisations concerned shall communicate the production volume of potatoes actually covered by the agreements or decisions to the competent authorities referred to in paragraph 1 of this Article.

3. In accordance with Commission Implementing Regulation (EU) 2017/1185 ⁽²⁾, Member States shall notify the Commission of the following:

- (a) no later than 5 days after the end of each 1-month period, the agreements and decisions communicated to them in accordance with paragraph 1 during that period;
- (b) no later than 30 days after the end of the 6-month period referred to in Article 1, an overview of the agreements and decisions implemented during that period.

Article 5

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, 30 April 2020

For the Commission
The President
Ursula VON DER LEYEN

⁽²⁾ Commission Implementing Regulation (EU) 2017/1185 of 20 April 2017 laying down rules for the application of Regulations (EU) No 1307/2013 and (EU) No 1308/2013 of the European Parliament and of the Council as regards notifications to the Commission of information and documents and amending and repealing several Commission Regulations (OJ L 171, 4.7.2017, p. 113).

COMMISSION IMPLEMENTING REGULATION (EU) 2020/594**of 30 April 2020****authorising agreements and decisions on market stabilisation measures in the live trees and other plants, bulbs, roots and the like, cut flowers and ornamental foliage sector**

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 1234/2007 ⁽¹⁾, and in particular Article 222 thereof,

Whereas:

- (1) The Union is a leading producer of live trees and other plants, bulbs, roots and the like, cut flowers and ornamental foliage (hereinafter 'live plants and flowers'). The total Union production value in 2019 amounted to EUR 20 billion.
- (2) Approximately 85 % of the Union production of live plants and flowers is destined to the internal market, whereas the remaining 15 % is exported to third countries.
- (3) The supply chain in live plants and flowers sector is highly interlinked and depends on smooth and efficiently organised logistics in order to ensure a functioning market system for products that to a large degree are perishable in nature.
- (4) Furthermore, the production and sales of live plants and flowers is characterised by its seasonality. Most of the live plants and flowers are produced in spring for specific occasions, such as Mother's day or Easter, and houseplants are specifically produced in smaller pot sizes to adapt to the seasonal demand. The peak of the sales normally takes place during spring. For some of the subsectors, such as annual flowerbed plants and cut flowers, 40 % to 80 % of sales occur from March to June.
- (5) Due to the current pandemic of COVID-19 and the extensive movement restrictions on persons put in place in the Member States, the live plants and flowers sector is experiencing an economic disruption that is leading to financial difficulties and cash-flow problems for producers.
- (6) The spread of the disease and the measures in place limit the availability of labour, in particular for transport, compromising notably the stages of production, collection, auctioning and selling of live plants and flowers.
- (7) The mandatory closure of outdoor markets, garden centres and specialised retail shops, as well as closure of hospitality establishments and cancellation of events and festivities, has also brought the operation of the live plants and flowers sector to a halt. The partial re-opening of garden centres and specialised retail shops in some Member States is not expected to materially alter this situation, as the supply chain is highly interlinked and depends on functioning logistics and limited storage facilities. Social distancing measures are expected to remain in place in the coming months and will continue to affect both transport logistics and sales, as fewer consumers will be able to enter the shops. Moreover, major events, such as annual garden shows taking place in the coming months, have already been cancelled, and other social events that would normally request floral decorations, such as weddings, are also being cancelled.
- (8) In addition, buyers in the Union and on the world market are cancelling contracts and delaying the conclusion of new ones in anticipation of further price falls. Moreover, exports are affected by logistical challenges, as the start of the pandemic of COVID-19 in China has led to significant port congestion there and elsewhere. The period of increased blank sailings is expected to continue at least until June 2020, leading to containers being scarcer, rates increasing significantly and exporters seeing their shipments postponed.

⁽¹⁾ OJ L 347, 20.12.2013, p. 671.

- (9) This supply-demand imbalance is generating economic disruption to the live plants and flowers sector. As a result of that imbalance, there has been a sharp drop in demand for live plants and flowers with an immediate and severe impact on the market. Overall demand for live plants and flower products on the Union market has decreased by 80 %. Trade on auctions has been significantly affected. The Dutch auction market, which deals with 35 % of all Union sales, has reported a reduction in turnover of 85 % in mid-March 2020. While there has been some recovery in the Dutch auction market, turnover is still 30 % less than in mid-April 2019. In other Member States, such as Belgium and France, auctions and wholesale markets have closed. Furthermore, the destruction on a large scale of flowerbed plants, which are not storable, and of cut flowers, which are perishable and seasonal, has been reported in certain Member States, such as the Netherlands. This has led to sharp decreases in prices on Dutch auctions. During the week of 16 to 22 March 2020, when the market collapsed, prices were almost 60 % lower than in the same week in 2019. Moreover, during the weeks of 23 to 29 March, 30 March to 5 April, and 6 to 12 April 2020, prices were still 36 % to 23 % lower than during the same weeks in 2019.
- (10) The above circumstances lead to a qualification of these events as a period of severe market imbalance.
- (11) In order to help the live plants and flowers sector find a balance in this period of severe market imbalance, it is appropriate to allow for agreements and decisions of farmers, farmers' associations, associations of such associations, recognised producer organisations, associations of recognised producer organisations and recognised interbranch organisations in the live plants and flowers sector for a period of 6 months. These measures include: (i) market withdrawal or free distribution; (ii) joint promotion; and (iii) temporary planning of production.
- (12) Such agreements and decisions could include: (i) collective market withdrawals for an orderly destruction of live plants and flowers; (ii) promotion measures inviting consumers to buy live plants and flowers; and (iii) collective production planning to coordinate the planting of live plants and flowers in view of the future lifting of restrictions.
- (13) Any agreement or decision should be temporarily authorised during 6 months. As this is the period when most live plants and flowers will be collected and marketed, this is the period in which the measures are expected to have the most significant impact.
- (14) In accordance with the first subparagraph of Article 222(1) of Regulation (EU) No 1308/2013, an authorisation is to be given, if it does not impair the functioning of the internal market and that the agreements and decisions strictly aim at stabilising the sector. These specific conditions exclude agreements and decisions that directly or indirectly lead to partitioning markets, to discrimination based on nationality or to fixing prices. If the agreements and decisions do not fulfil these conditions, or no longer fulfil these conditions, Article 101(1) of the Treaty applies to these agreements and decisions.
- (15) The authorisation provided for in this Regulation should cover the Union territory given that the severe market imbalance is common to the whole Union.
- (16) In order for the Member States to be in a position to assess whether the agreements and decisions do not undermine the functioning of the internal market and strictly aim to stabilise the live plants and flowers sector, information should be provided to the competent authorities of the Member State, including the competition authorities of that state, having the highest share of estimated volume of production of live plants and flowers covered by those agreements or decisions on the agreements concluded and decisions taken and on the production volume and time period covered by them.
- (17) Given the severe market imbalance is occurring during the period when the majority of sales of live plants and flowers sector takes place, this Regulation should enter into force on the day following that of its publication.
- (18) The measures provided for in this Regulation are in accordance with the opinion of the Committee for the Common Organisation of the Agricultural Markets,

HAS ADOPTED THIS REGULATION:

Article 1

Without prejudice to Articles 152(1a), 209(1) and 210(1) of Regulation (EU) No 1308/2013, farmers, farmers' associations, associations of such associations, recognised producer organisations, associations of recognised producer organisations and recognised interbranch organisations in the live trees and other plants, bulbs, roots and the like, cut flowers and ornamental foliage sector, hereinafter 'live plants and flowers sector', are hereby authorised to conclude agreements and take common decisions on market withdrawals and free distribution, joint promotion and temporary planning of production during a period of 6 months starting from the date of entry into force of this Regulation.

Article 2

Member States shall take the necessary measures to ensure that the agreements and decisions referred to in Article 1 do not undermine the proper functioning of the internal market and strictly aim to stabilise the live plants and flowers sector.

Article 3

The geographic scope of this authorisation is the Union territory.

Article 4

1. As soon as the agreements or decisions referred to in Article 1 are concluded or taken, the farmers, farmers' associations, associations of such associations, recognised producer organisations, associations of recognised producer organisations and recognised interbranch organisations concerned shall communicate those agreements or decisions to the competent authorities of the Member State having the highest share of estimated volume of production of live plants and flowers covered by those agreements or decisions, indicating the following:

- (a) the estimated production volume covered;
- (b) the expected time period of implementation.

2. No later than 25 days after the end of the 6-month period referred to in Article 1, the farmers, farmers' associations, associations of such associations, recognised producer organisations, associations of recognised producer organisations and recognised interbranch organisations concerned shall communicate the production volume of live plants and flowers actually covered by the agreements or decisions to the competent authorities referred to in paragraph 1 of this Article.

3. In accordance with Commission Implementing Regulation (EU) 2017/1185 ⁽²⁾, Member States shall notify the Commission of the following:

- (a) no later than 5 days after the end of each 1-month period, the agreements and decisions communicated to them in accordance with paragraph 1 during that period;
- (b) no later than 30 days after the end of the 6-month period referred to in Article 1, an overview of the agreements and decisions implemented during that period.

⁽²⁾ Commission Implementing Regulation (EU) 2017/1185 of 20 April 2017 laying down rules for the application of Regulations (EU) No 1307/2013 and (EU) No 1308/2013 of the European Parliament and of the Council as regards notifications to the Commission of information and documents and amending and repealing several Commission Regulations (OJ L 171, 4.7.2017, p. 113).

Article 5

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, 30 April 2020.

For the Commission
The President
Ursula VON DER LEYEN

COMMISSION IMPLEMENTING REGULATION (EU) 2020/595**of 30 April 2020****granting aid for private storage for sheepmeat and goatmeat and fixing the amount of the aid in advance**

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 1234/2007 ⁽¹⁾, and in particular Article 18(2) and Article 223(3)(c) thereof,

Having regard to Council Regulation (EU) No 1370/2013 of 16 December 2013 determining measures on fixing certain aids and refunds related to the common organisation of the markets in agricultural products ⁽²⁾ and in particular Article 4 (2)(b) thereof,

Having regard to Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008 ⁽³⁾, and in particular Article 62(2)(b) thereof,

Whereas:

- (1) Due to the extensive movement restrictions put in place in the Member States to address the current COVID-19 pandemic, the sales of certain categories of sheep and goat products such as the lamb and goat carcasses aged less than 12 months to the hospitality and catering industry have been severely impacted.
- (2) As a result, there has been a sharp drop in demand for certain sheep and goat products. The sheep and goat sector is therefore confronted with a market disturbance due to supply-demand imbalance. This has a significant negative impact on the margins in the sector and compromises the financial viability of the Union farmers. Without measures against this market disturbance, the prices of sheep and goat products in the Union are expected to deteriorate and downwards pressure is likely to carry on.
- (3) The current supply-demand imbalance in the sheep and goat meat markets can be mitigated by storage of ovine and caprine carcasses aged less than 12 months that would have been destined in majority to the hospitality and catering industry.
- (4) The extensive movement restrictions put in place in the Member States to address the current COVID-19 pandemic have also affected the availability of labour force in slaughterhouses and food processing and reduced the capacities in transport and logistics.
- (5) In order to mitigate the current difficulties and in particular to reduce the supply-demand imbalance, which in turn exerts a downward pressure on all sheep and goat meat product prices, and to alleviate those difficult market conditions, it is appropriate to grant private storage aid for fresh or chilled meat of ovine and caprine animals aged less than 12 months.

⁽¹⁾ OJ L 347, 20.12.2013, p. 671.

⁽²⁾ OJ L 346, 20.12.2013, p. 12.

⁽³⁾ OJ L 347, 20.12.2013, p. 549.

- (6) Commission Delegated Regulation (EU) 2016/1238 ^(*) and Commission Implementing Regulation (EU) 2016/1240 ^(°) lay down rules for the implementation of the aid for private storage. Save as otherwise provided in this Regulation, the provisions of Delegated Regulation (EU) 2016/1238 and Implementing Regulation (EU) 2016/1240 should apply to the private storage aid for fresh and chilled meat of ovine and caprine animals aged less than 12 months.
- (7) The amount of the aid should be fixed in advance so as to allow for a rapid and flexible operational system. In accordance with Article 4 of Regulation (EU) No 1370/2013, the aid for private storage fixed in advance should be based on storage costs and other relevant market elements. It is appropriate to fix an aid for the total storage period based on the costs for placing in and removal of storage, cold storage costs per day and the partial compensation for the loss of value from fresh or chilled to frozen sheep and goat meat.
- (8) For private storage aid to be effective and have a real impact on the market, the aid should be granted only for the products that have not yet been placed in storage. In that context, it is appropriate to fix the period of storage.
- (9) For reasons of administrative efficiency and simplification, the minimum quantity of products to be covered by each application should be fixed.
- (10) A security should be fixed in order to guarantee the seriousness of the application and to ensure that the measure will have the desired effect on the market.
- (11) The measures put in place to address the COVID-19 pandemic may affect compliance with the requirements for on-the-spot checks concerning aid for private storage pursuant to Article 60 of Implementing Regulation (EU) 2016/1240. It is appropriate to provide flexibility to the Member States concerned by those measures, by prolonging the period for carrying out the entry into storage checks or by substituting them by the use of other relevant evidence, and by not requiring the carrying out of unannounced checks. It is therefore appropriate to derogate from certain provisions of Implementing Regulation (EU) 2016/1240 for the purposes of this Regulation.
- (12) Article 42(1)(b) of Implementing Regulation (EU) 2016/1240 provides that Member States should notify the Commission of admissible applications once per week. In order to ensure transparency, monitoring and proper administration of the amounts available for the aid, more frequent notifications are necessary for the effective managing the scheme.
- (13) In order to have an immediate impact on the market and to contribute to stabilise prices, this Regulation should enter into force on the day following that of its publication in the *Official Journal of the European Union*.
- (14) The measures provided for in this Regulation are in accordance with the opinion of the Committee for the Common Organisation of the Agricultural Markets,

HAS ADOPTED THIS REGULATION:

Article 1

Subject matter and scope

1. This Regulation provides for private storage aid for fresh or chilled meat of ovine and caprine animals aged less than 12 months as referred to in point (i) of the first subparagraph of Article 17 of Regulation (EU) No 1308/2013, hereinafter the 'aid'.
2. Delegated Regulation (EU) 2016/1238 and Implementing Regulation (EU) 2016/1240 shall apply save as otherwise provided for in this Regulation.

^(*) Commission Delegated Regulation (EU) 2016/1238 of 18 May 2016 supplementing Regulation (EU) No 1308/2013 of the European Parliament and of the Council with regard to public intervention and aid for private storage (OJ L 206, 30.7.2016, p. 15).

^(°) Commission Implementing Regulation (EU) 2016/1240 of 18 May 2016 laying down rules for the application of Regulation (EU) No 1308/2013 of the European Parliament and of the Council with regard to public intervention and aid for private storage (OJ L 206, 30.7.2016, p. 71).

*Article 2***Eligible products**

1. The list of products eligible for aid is set out in the Annex.
2. In order to qualify for the aid, the meat shall be of sound and fair marketable quality and of Union origin. The product shall fulfil the requirements laid down in Section III of Annex VI to Delegated Regulation (EU) 2016/1238.
3. Aid shall only be granted for quantities of fresh or chilled meat that have not yet been placed in storage.

*Article 3***Submission and admissibility of applications**

1. Applications for aid may be lodged as from 7 May 2020.
2. Each application shall refer to the products listed in the Annex, indicating the relevant CN code.
3. The minimum eligible quantity for each application shall be 5 tonnes.

*Article 4***Amount of aid and period of storage**

1. The relevant amounts of aid per storage period are set out in the Annex.
2. Contractual storage shall end on the day preceding that of the removal from storage.
3. Aid may be granted only for a storage period of 90, 120 or 150 days.

*Article 5***Security**

When submitting an application for aid for the products eligible for aid, the amount of the security required in accordance with Article 4(b) of Delegated Regulation (EU) 2016/1238 shall be EUR 100/tonne.

*Article 6***Checks**

1. By way of derogation from Article 60(1) and (2) of Implementing Regulation (EU) 2016/1240, when due to the measures put in place to address the COVID-19 pandemic, hereinafter 'the measures', the paying agency is not in a position to carry out in due time the checks referred to in Article 60(1) and (2) of that Regulation, the Member State concerned may:
 - (a) extend the period referred to in the first subparagraph of Article 60(1) to carry out those checks by up to 30 days after the end of the measures; or
 - (b) substitute those checks during the period when the measures are applicable by the use of relevant evidence, including geotagged photos or other evidence in electronic format.
2. By way of derogation from the first subparagraph of Article 60(3) of Implementing Regulation (EU) 2016/1240, where due to the measures the paying agency is not in a position to carry out the unannounced on-the-spot checks, the paying agency shall not be required to perform unannounced checks during the period when the measures are in place.

*Article 7***Notifications of the quantities applied for**

By way of derogation from Article 42(1)(b) of Implementing Regulation (EU) 2016/1240, Member States shall notify the Commission of the quantities of the products which have been the subject of an admissible application and the related information, as follows:

- (a) each Monday not later than 12.00 (Brussels time) the quantities of the products for which admissible applications have been submitted on Thursday and Friday of the preceding week;
- (b) each Thursday not later than 12.00 (Brussels time) the quantities of the products for which admissible applications have been submitted on Monday, Tuesday and Wednesday of the same week.

*Article 8***Entry into force**

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, 30 April 2020.

For the Commission

The President

Ursula VON DER LEYEN

ANNEX

List of products eligible for aid referred to in Article 2(1) and the relevant amounts of aid per storage period as referred to in Article 4(1)

Custom nomenclature code (CN code) of products	Products description	Amount of aid per storage period (EUR/tonne)		
		90 days	120 days	150 days
1	2	3	4	5
ex 0204 10 00	Fresh or chilled carcasses and half carcasses of lamb aged less than twelve months	866	890	915
ex 0204 50 11	Fresh or chilled carcasses and half carcasses of goat aged less than twelve months			

COMMISSION IMPLEMENTING REGULATION (EU) 2020/596**of 30 April 2020****granting aid for private storage for fresh and chilled meat of bovine animals aged eight months or more and fixing the amount of aid in advance**

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 1234/2007 ⁽¹⁾, and in particular Article 18(2) and Article 223(3)(c) thereof,

Having regard to Council Regulation (EU) No 1370/2013 of 16 December 2013 determining measures on fixing certain aids and refunds related to the common organisation of the markets in agricultural products ⁽²⁾, and in particular Article 4 (2)(b) thereof,

Having regard to Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008 ⁽³⁾, and in particular Article 62(2)(b) thereof,

Whereas:

- (1) Due to the extensive movement restrictions put in place in the Member States to address the current COVID-19 pandemic, the sales of certain categories of beef products, such as hindquarters destined for the production of different steak cuts, to the hospitality and catering industry have been severely impacted. The hospitality and catering industry is responsible for approximately 70% of the Union domestic demand of different steak cuts produced from hindquarters. Consequently, those hindquarters are now diverted for production of other bovine meat products and therefore the prices have already fallen.
- (2) As a result of a change in the beef consumption pattern, there has been a sharp drop in demand for certain beef products. The beef sector is therefore confronted with a market disturbance due to a supply-demand imbalance. This has a significant negative impact on the margins in the sector and compromises the financial viability of the Union farmers. Without measures against this market disturbance, the prices of beef products in the Union are expected to deteriorate and downwards pressure is likely to carry on.
- (3) The extensive movement restrictions have also affected the availability of labour force in slaughterhouses and food processing and reduced the capacities in transport and logistics.
- (4) The current difficulties and in particular the supply-demand imbalance in the bovine meat market can be mitigated by storage of hindquarters destined for production of products that would have been destined in majority to the hospitality and catering industry.
- (5) In order to reduce the current supply-demand imbalance, which in turn exerts a downward pressure on all bovine meat product prices, and to alleviate those difficult market conditions, it is appropriate to grant private storage aid for fresh or chilled meat of bovine animals aged eight months or more.

⁽¹⁾ OJ L 347, 20.12.2013, p. 671.

⁽²⁾ OJ L 346, 20.12.2013, p. 12.

⁽³⁾ OJ L 347, 20.12.2013, p. 549.

- (6) Commission Delegated Regulation (EU) 2016/1238 ⁽⁴⁾ and Commission Implementing Regulation (EU) 2016/1240 ⁽⁵⁾ lay down rules for the implementation of the aid for private storage. Save as otherwise provided in this Regulation, the provisions of Delegated Regulation (EU) 2016/1238 and Implementing Regulation (EU) 2016/1240 should apply to the private storage aid for fresh or chilled meat of bovine animals aged eight months or more.
- (7) The amount of the aid should be fixed in advance so as to allow for a rapid and flexible operational system. In accordance with Article 4 of Regulation (EU) No 1370/2013, the aid for private storage fixed in advance should be based on storage costs and other relevant market elements. It is appropriate to fix an aid for the total storage period based on costs for placing in and removal of storage, cold storage costs per day and partial compensation for the loss of value from fresh or chilled to frozen beef.
- (8) For private storage aid to be effective and have a real impact on the market, the aid should be granted only for the products that have not yet been placed in storage. In that context, it is appropriate to fix the period of storage.
- (9) For reasons of administrative efficiency and simplification, the minimum quantity of products to be covered by each application should be fixed.
- (10) A security should be fixed in order to guarantee the seriousness of the application and to ensure that the measure will have the desired effect on the market.
- (11) The measures put in place to address the COVID-19 pandemic may affect compliance with the requirements for on-the-spot checks concerning aid for private storage pursuant to Article 60 of Implementing Regulation (EU) 2016/1240. It is appropriate to provide flexibility to the Member States concerned by those measures, by prolonging the period for carrying out the entry into storage checks or by substituting them by the use of other relevant evidence, and by not requiring the carrying out of unannounced checks. It is therefore appropriate to derogate from certain provisions of Implementing Regulation (EU) 2016/1240 for the purposes of this Regulation.
- (12) Article 42(1)(b) of Implementing Regulation (EU) 2016/1240 provides that Member States should notify the Commission of admissible applications once per week. In order to ensure transparency, monitoring and proper administration of the amounts available for the aid, more frequent notifications are necessary for the effective managing the scheme.
- (13) In order to have an immediate impact on the market and to contribute to stabilise prices, this Regulation should enter into force on the day following that of its publication in the *Official Journal of the European Union*.
- (14) The measures provided for in this Regulation are in accordance with the opinion of the Committee for the Common Organisation of the Agricultural Markets,

HAS ADOPTED THIS REGULATION:

Article 1

Subject matter and scope

1. This Regulation provides for private storage aid for fresh or chilled meat of bovine animals aged eight months or more, as referred to in point (d) of the first subparagraph of Article 17 of Regulation (EU) No 1308/2013, hereinafter the 'aid'.
2. Delegated Regulation (EU) 2016/1238 and Implementing Regulation (EU) 2016/1240 shall apply save as otherwise provided for in this Regulation.

⁽⁴⁾ Commission Delegated Regulation (EU) 2016/1238 of 18 May 2016 supplementing Regulation (EU) No 1308/2013 of the European Parliament and of the Council with regard to public intervention and aid for private storage (OJ L 206, 30.7.2016, p. 15).

⁽⁵⁾ Commission Implementing Regulation (EU) 2016/1240 of 18 May 2016 laying down rules for the application of Regulation (EU) No 1308/2013 of the European Parliament and of the Council with regard to public intervention and aid for private storage (OJ L 206, 30.7.2016, p. 71).

*Article 2***Eligible products**

1. The list of products eligible for aid is set out in the Annex.
2. In order to qualify for the aid, the meat shall be of sound and fair marketable quality and of Union origin. The product shall fulfil the requirements laid down in Section III of Annex VI to Delegated Regulation (EU) 2016/1238.
3. Aid shall only be granted for quantities of fresh or chilled meat of bovine animals aged eight months or more that have not yet been placed in storage.

*Article 3***Submission and admissibility of applications**

1. Applications for aid may be lodged as from 7 May 2020.
2. Each application shall refer to the products listed in the Annex, indicating the relevant conformation class.
3. The minimum eligible quantity for each application shall be 10 tonnes.

*Article 4***Amount of aid and period of storage**

1. The relevant amounts of aid per storage period are set out in the Annex.
2. Contractual storage shall end on the day preceding that of the removal from storage.
3. Aid may be granted only for a storage period of 90, 120 or 150 days.

*Article 5***Security**

When submitting an application for aid for the products eligible for aid, the amount of the security required in accordance with Article 4(b) of Delegated Regulation (EU) 2016/1238 shall be EUR 100/tonne.

*Article 6***Checks**

1. By way of derogation from Article 60(1) and (2) of Implementing Regulation (EU) 2016/1240, where due to the measures put in place to address the COVID-19 pandemic, hereinafter 'the measures', the paying agency is not in a position to carry out in due time the checks referred to in Article 60(1) and (2) of that Regulation, the Member State concerned may:
 - (a) extend the period referred to in the first subparagraph of Article 60(1) to carry out those checks by up to 30 days after the end of the measures; or
 - (b) substitute those checks during the period when the measures are applicable by the use of relevant evidence, including geotagged photos or other evidence in electronic format.
2. By way of derogation from the first subparagraph of Article 60(3) of Implementing Regulation (EU) 2016/1240, where due to the measures the paying agency is not in a position to carry out the unannounced on-the-spot checks, the paying agency shall not be required to perform unannounced checks during the period when the measures are in place.

*Article 7***Notifications of the quantities applied for**

By way of derogation from Article 42(1)(b) of Implementing Regulation (EU) 2016/1240, Member States shall notify the Commission of the quantities of the products which have been the subject of an admissible application and the related information, as follows:

- (a) each Monday not later than 12.00 (Brussels time) the quantities of the products for which admissible applications have been submitted on Thursday and Friday of the preceding week;
- (b) each Thursday not later than 12.00 (Brussels time) the quantities of the products for which admissible applications have been submitted on Monday, Tuesday and Wednesday of the same week.

*Article 8***Entry into force**

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, 30 April 2020.

For the Commission

The President

Ursula VON DER LEYEN

ANNEX

List of products eligible for aid referred to in Article 2(1) and the relevant amounts of aid per a storage period as referred to in Article 4(1)

Custom nomenclature code (CN code) of products	Products description	Products conformation class as provided for in Section III of Annex IV to Regulation (EU) No 1308/2013	Amount of aid per storage period (EUR/tonne)		
			90 days	120 days	150 days
1	2	3	4	5	6
ex 0201 20 50	Separated hind-quarters: the rear part of a half carcase, comprising all the bones and the thigh and sirloin, including the fillet, with a minimum of three whole or cut ribs, with or without the shank and with or without the thin flank	S: Superior E: Excellent U: Very good R: Good O: Fair	1 008	1 033	1 058

COMMISSION IMPLEMENTING REGULATION (EU) 2020/597
of 30 April 2020
granting aid for private storage for butter and fixing the amount of aid in advance

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 1234/2007 ⁽¹⁾, and in particular Article 18(2) thereof,

Having regard to Council Regulation (EU) No 1370/2013 of 16 December 2013 determining measures on fixing certain aids and refunds related to the common organisation of the markets in agricultural products ⁽²⁾, and in particular Article 4 (2)(b) thereof,

Having regard to Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008 ⁽³⁾, and in particular Article 62(2)(b) thereof,

Whereas:

- (1) Due to the current pandemic of COVID-19 and the extensive movement restrictions put in place in the Member States there has been a drop in demand for certain products in the milk and milk products sector. The spread of the disease and the measures in place limit the availability of labour, compromising notably the stages of production, collection and processing of milk. Furthermore, the mandatory closure of shops, outdoor markets, restaurants and other hospitality establishments has brought the operation of the hospitality and catering industry to a halt, leading to significant changes in the demand patterns for milk and milk products. The hospitality and catering industry is traditionally responsible for the consumption of approximately between 10 and 20 %, depending on the product, of the Union milk and milk products production. In addition, buyers in the Union and on the world market are cancelling contracts and delaying the conclusion of new ones in anticipation of further price falls.
- (2) 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.
- (3) In order to reduce the resulting supply-demand imbalance, it is appropriate to grant private storage aid for butter.
- (4) Commission Delegated Regulation (EU) 2016/1238 ⁽⁴⁾ and Commission Implementing Regulation (EU) 2016/1240 ⁽⁵⁾ lay down rules for the implementation of the aid for private storage. Save as otherwise provided in this Regulation, the provisions of Delegated Regulation (EU) 2016/1238 and Implementing Regulation (EU) 2016/1240 should apply to the private storage aid for butter.

⁽¹⁾ OJ L 347, 20.12.2013, p. 671.

⁽²⁾ OJ L 346, 20.12.2013, p. 12.

⁽³⁾ OJ L 347, 20.12.2013, p. 549.

⁽⁴⁾ Commission Delegated Regulation (EU) 2016/1238 of 18 May 2016 supplementing Regulation (EU) No 1308/2013 of the European Parliament and of the Council with regard to public intervention and aid for private storage (OJ L 206, 30.7.2016, p. 15).

⁽⁵⁾ Commission Implementing Regulation (EU) 2016/1240 of 18 May 2016 laying down rules for the application of Regulation (EU) No 1308/2013 of the European Parliament and of the Council with regard to public intervention and aid for private storage (OJ L 206, 30.7.2016, p. 71).

- (5) The amount of the aid should be fixed in advance so as to allow for a rapid and flexible operational system. In accordance with Article 4 of Regulation (EU) No 1370/2013, the aid for private storage fixed in advance should be based on storage costs and other relevant market elements. It is appropriate to set an aid for fixed storage costs for entry and exit of the products concerned and an aid per day of storage for costs for storage and financing.
- (6) For reasons of administrative efficiency and simplification, applications should only refer to butter already in storage and a security should not be required. In that context, it is appropriate to fix the period of storage.
- (7) For reasons of administrative efficiency and simplification, the minimum quantity of products to be covered by each application should be fixed.
- (8) The measures put in place to address the pandemic of COVID-19 may affect compliance with the requirements for on-the-spot checks concerning aid for private storage pursuant to Article 60 of Implementing Regulation (EU) 2016/1240. It is appropriate to provide flexibility to the Member States concerned by those measures, by prolonging the period for carrying out the entry into storage checks or by substituting them by the use of other relevant evidence, and by not requiring the carrying out of unannounced checks. It is therefore appropriate to derogate from certain provisions of Implementing Regulation (EU) 2016/1240 for the purposes of this Regulation.
- (9) In order to have an immediate impact on the market and to contribute to stabilise prices, this Regulation should enter into force on the day following that of its publication in the *Official Journal of the European Union*.
- (10) The measures provided for in this Regulation are in accordance with the opinion of the Committee for the Common Organisation of the Agricultural Markets,

HAS ADOPTED THIS REGULATION:

Article 1

Subject matter and scope

1. This Regulation provides for private storage aid for butter, as referred to in point (e) of the first subparagraph of Article 17 of Regulation (EU) No 1308/2013, hereinafter the 'aid'.
2. Delegated Regulation (EU) 2016/1238 and Implementing Regulation (EU) 2016/1240 shall apply save as otherwise provided for in this Regulation.

Article 2

Eligible products

In order to qualify for the aid, the butter shall be of sound and fair marketable quality and of Union origin. The product shall fulfil the requirements laid down in Section IV of Annex VI to Delegated Regulation (EU) 2016/1238.

Article 3

Submission and admissibility of applications

1. Applications for aid may be lodged as from 7 May 2020. The last date for the submission of applications shall be 30 June 2020.
2. Applications shall relate to products that have already been placed in storage.
3. The minimum quantity per application is 10 tonnes.

*Article 4***Amount of aid and period of storage**

1. The amount of aid shall be fixed as follows:
 - (a) EUR 9,83 per tonne of storage for fixed storage costs;
 - (b) EUR 0,43 per tonne per day of contractual storage.
2. Contractual storage shall end on the day preceding that of the removal from storage.
3. Aid may be granted only where the contractual storage period is between 90 and 180 days.

*Article 5***Checks**

1. By way of derogation from Article 60(1) and (2) of Implementing Regulation (EU) 2016/1240, where due to the measures put in place to address the pandemic of COVID-19, hereinafter 'the measures', the paying agency is not in a position to carry out in due time the checks referred to in Article 60(1) and (2) of that Regulation, the Member State concerned may:
 - (a) extend the period referred to in the first subparagraph of Article 60(1) to carry out those checks by up to 30 days after the end of the measures; or
 - (b) substitute those checks during the period when the measures are applicable by the use of relevant evidence, including geotagged photos or other evidence in electronic format.
2. By way of derogation from the first subparagraph of Article 60(3) of Implementing Regulation (EU) 2016/1240, where due to the measures the paying agency is not in a position to carry out the unannounced on-the-spot checks, the paying agency shall not be required to perform unannounced checks during the period when the measures are in place.

*Article 6***Entry into force**

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, 30 April 2020.

For the Commission
The President
Ursula VON DER LEYEN

COMMISSION IMPLEMENTING REGULATION (EU) 2020/598**of 30 April 2020****granting aid for private storage for skimmed milk powder and fixing the amount of aid in advance**

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 1234/2007 ⁽¹⁾, and in particular Article 18(2) thereof,

Having regard to Council Regulation (EU) No 1370/2013 of 16 December 2013 determining measures on fixing certain aids and refunds related to the common organisation of the markets in agricultural products ⁽²⁾, and in particular Article 4 (2)(b) thereof,

Having regard to Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008 ⁽³⁾, and in particular Article 62(2)(b) thereof,

Whereas:

- (1) Due to the current pandemic of COVID-19 and the extensive movement restrictions put in place in the Member States there has been a drop in demand for certain products in the milk and milk products sector. The spread of the disease and the measures in place limit the availability of labour, compromising notably the stages of production, collection and processing of milk. Furthermore, the mandatory closure of shops, outdoor markets, restaurants and other hospitality establishments has brought the operation of the hospitality and catering industry to a halt, leading to significant changes in the demand patterns for milk and milk products. The hospitality and catering industry is traditionally responsible for the consumption of approximately between 10 and 20 %, depending on the product, of the Union milk and milk products production. In addition, buyers in the Union and on the world market are cancelling contracts and delaying the conclusion of new ones in anticipation of further price falls.
- (2) 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.
- (3) In order to reduce the resulting supply-demand imbalance, it is appropriate to grant private storage aid for skimmed milk powder.
- (4) Commission Delegated Regulation (EU) 2016/1238 ⁽⁴⁾ and Commission Implementing Regulation (EU) 2016/1240 ⁽⁵⁾ lay down rules for the implementation of the aid for private storage. Save as otherwise provided in this Regulation, the provisions of Delegated Regulation (EU) 2016/1238 and Implementing Regulation (EU) 2016/1240 should apply to the private storage aid for skimmed milk powder.

⁽¹⁾ OJ L 347, 20.12.2013, p. 671.

⁽²⁾ OJ L 346, 20.12.2013, p. 12.

⁽³⁾ OJ L 347, 20.12.2013, p. 549.

⁽⁴⁾ Commission Delegated Regulation (EU) 2016/1238 of 18 May 2016 supplementing Regulation (EU) No 1308/2013 of the European Parliament and of the Council with regard to public intervention and aid for private storage (OJ L 206, 30.7.2016, p. 15).

⁽⁵⁾ Commission Implementing Regulation (EU) 2016/1240 of 18 May 2016 laying down rules for the application of Regulation (EU) No 1308/2013 of the European Parliament and of the Council with regard to public intervention and aid for private storage (OJ L 206, 30.7.2016, p. 71).

- (5) The amount of the aid should be fixed in advance so as to allow for a rapid and flexible operational system. In accordance with Article 4 of Regulation (EU) No 1370/2013, the aid for private storage fixed in advance should be based on storage costs and other relevant market elements. It is appropriate to set an aid for fixed storage costs for entry and exit of the products concerned and an aid per day of storage for costs for storage and financing.
- (6) For reasons of administrative efficiency and simplification, applications should only refer to skimmed milk powder already in storage and a security should not be required. In that context, it is appropriate to fix the period of storage.
- (7) For reasons of administrative efficiency and simplification, the minimum quantity of products to be covered by each application should be fixed.
- (8) The measures put in place to address the pandemic of COVID-19 may affect compliance with the requirements for on-the-spot checks concerning aid for private storage pursuant to Article 60 of Implementing Regulation (EU) 2016/1240. It is appropriate to provide flexibility to the Member States concerned by those measures, by prolonging the period for carrying out the entry into storage checks or by substituting them by the use of other relevant evidence, and by not requiring the carrying out of unannounced checks. It is therefore appropriate to derogate from certain provisions of Implementing Regulation (EU) 2016/1240 for the purposes of this Regulation.
- (9) In order to have an immediate impact on the market and to contribute to stabilise prices, this Regulation should enter into force on the day following that of its publication in the *Official Journal of the European Union*.
- (10) The measures provided for in this Regulation are in accordance with the opinion of the Committee for the Common Organisation of the Agricultural Markets,

HAS ADOPTED THIS REGULATION:

Article 1

Subject matter and scope

1. This Regulation provides for private storage aid for skimmed milk powder, as referred to in point (g) of the first subparagraph of Article 17 of Regulation (EU) No 1308/2013, hereinafter the 'aid'.
2. Delegated Regulation (EU) 2016/1238 and Implementing Regulation (EU) 2016/1240 shall apply save as otherwise provided for in this Regulation.

Article 2

Eligible products

In order to qualify for the aid, the skimmed milk powder shall be of sound and fair marketable quality and of Union origin. The product shall fulfil the requirements laid down in Section VI of Annex VI to Delegated Regulation (EU) 2016/1238.

Article 3

Submission and admissibility of applications

1. Applications for aid may be lodged as from 7 May 2020. The last date for the submission of applications shall be 30 June 2020.
2. Applications shall relate to products that have already been placed in storage.
3. The minimum quantity per application is 10 tonnes.

*Article 4***Amount of aid and period of storage**

1. The amount of aid shall be fixed as follows:
 - (a) EUR 5,11 per tonne of storage for fixed storage costs;
 - (b) EUR 0,13 per tonne per day of contractual storage.
2. Contractual storage shall end on the day preceding that of the removal from storage.
3. Aid may be granted only where the contractual storage period is between 90 and 180 days.

*Article 5***Checks**

1. By way of derogation from Article 60(1) and (2) of Implementing Regulation (EU) 2016/1240, where due to the measures put in place to address the pandemic of COVID-19, hereinafter 'the measures', the paying agency is not in a position to carry out in due time the checks referred to in Article 60(1) and (2) of that Regulation, the Member State concerned may:
 - (a) extend the period referred to in the first subparagraph of Article 60(1) to carry out those checks by up to 30 days after the end of the measures; or
 - (b) substitute those checks during the period when the measures are applicable by the use of relevant evidence, including geotagged photos or other evidence in electronic format.
2. By way of derogation from the first subparagraph of Article 60(3) of Implementing Regulation (EU) 2016/1240, where due to the measures the paying agency is not in a position to carry out the unannounced on-the-spot checks, the paying agency shall not be required to perform unannounced checks during the period when the measures are in place.

*Article 6***Entry into force**

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, 30 April 2020.

For the Commission

The President

Ursula VON DER LEYEN

COMMISSION IMPLEMENTING REGULATION (EU) 2020/599**of 30 April 2020****authorising agreements and decisions on the planning of production in the milk and milk products sector**

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 1234/2007 ⁽¹⁾, and in particular Article 222 thereof,

Whereas:

- (1) Due to the current pandemic of COVID-19 and the extensive movement restrictions on persons put in place in the Member States, the milk and milk products sector is experiencing an economic disruption that is leading to financial difficulties and cash-flow problems for farmers.
- (2) The spread of the disease and the measures in place limit the availability of labour, compromising notably the stages of production, collection and processing of milk. This adds to the difficulties of the sector, as the processing industry needs to find alternative solutions to collect the raw milk that continues to flow while facing difficulties in their factories.
- (3) The mandatory closure of shops, outdoor markets, restaurants and other hospitality establishments has also brought the operation of the hospitality and catering industry to a halt, leading to significant changes in demand patterns for milk and milk products. Consumer demand has shifted towards essential foodstuffs to the detriment of specialty milk products. The hospitality and catering industry is traditionally responsible for the consumption of approximately between 10 and 20 %, depending on the product, of the Union milk and milk products production. As a result, there has been a drop in demand for certain products in the milk and milk products sector sold in the hospitality and catering industry. For example, more than half of the Union mozzarella cheese production is destined for the food service industry. The increase in consumption of certain milk products in the retail sector has not compensated for the drop in demand in the hospitality and catering industry.
- (4) In addition, buyers of milk and milk products in the Union and on the world market are cancelling contracts and delaying the conclusion of new ones in anticipation of further price falls. Moreover, exports of milk and milk products are affected by logistical challenges, as the start of the pandemic of COVID-19 in China has led to significant port congestion there and elsewhere. The period of increased blank sailings is expected to continue at least until June 2020, leading to containers being scarcer, rates increasing significantly and exporters seeing their shipments postponed. Third-country exports represent approximately 15 % of the total Union production, in volume, of milk and milk products.
- (5) 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. Yet, many manufacturing sites in the Union do not have the capacity to process milk into different products, and have to continue producing milk products for which there has been a sharp drop in demand.
- (6) This supply-demand imbalance is generating economic disruption to the milk and milk products sector. As a result of that imbalance, wholesale prices for milk and milk products have suffered significant drops, notably since the beginning of March 2020: 19 % for skimmed milk powder, and 14 % for butter. Skimmed milk powder and butter prices have been the first to experience a significant drop, being the products into which surplus raw milk is processed when the flow of milk exceeds demand. On the basis of skimmed milk powder and butter prices, it is estimated that the raw milk equivalent wholesale price experienced a 24 % drop between early February and the first week of April. The price drop is exceptional this spring due to the parallel emergence of demand changes linked to movement restriction measures and the seasonal peak in milk production. Milk and milk products prices are expected to drop further as the volume of milk production is set to increase during the spring and summer, which is the high production season in the milk and milk products sector.

⁽¹⁾ OJ L 347, 20.12.2013, p. 671.

- (7) The above circumstances lead to a qualification of these events as a period of severe market imbalance.
- (8) In order to help the milk and milk products sector find a balance in this period of severe market imbalance, it is appropriate to allow for agreements and decisions of farmers, farmers' associations, associations of such associations, recognised producer organisations, associations of recognised producer organisations and recognised interbranch organisations. Such agreements and decisions could include a collective effort of operators to plan the production of raw milk in accordance with the changing demand patterns.
- (9) Any agreement or decision on planning of production should be temporarily authorised for a period of 6 months, coinciding with spring and summer, which is the high production season in the milk and milk products sector and should therefore have the most significant impact.
- (10) Considering that the severe market disturbance has been observed since the beginning of April 2020, the period of 6 months should start from 1 April 2020.
- (11) In accordance with the first subparagraph of Article 222(1) of Regulation (EU) No 1308/2013, an authorisation is to be given, if it does not impair the functioning of the internal market and that the agreements and decisions strictly aim at stabilising the sector. These specific conditions exclude agreements and decisions that directly or indirectly lead to partitioning markets, to discrimination based on nationality or to fixing prices. If the agreements and decisions do not fulfil these conditions, or no longer fulfil these conditions, Article 101(1) of the Treaty applies to these agreements and decisions.
- (12) The authorisation provided for in this Regulation should cover the Union territory given that the severe market imbalance is common to the whole Union.
- (13) In order for the Member States to be in a position to assess whether agreements and decisions do not undermine the functioning of the internal market and strictly aim to stabilise the milk and milk products sector, information should be provided to the competent authorities of the Member State, including the competition authorities of that state, having the highest share of estimated volume of milk production covered by those agreements or decisions on the agreements concluded and decisions taken and on the production volume and the time period covered by them.
- (14) Given the severe market imbalance and the run-up to the seasonal peak, this Regulation should enter into force on the day following that of its publication.
- (15) The measures provided for in this Regulation are in accordance with the opinion of the Committee for the Common Organisation of the Agricultural Markets,

HAS ADOPTED THIS REGULATION:

Article 1

Without prejudice to Articles 152(1a), 209(1) and 210(1) of Regulation (EU) No 1308/2013, farmers, farmers' associations, associations of such associations, recognised producer organisations, associations of recognised producer organisations and recognised interbranch organisations in the milk and milk products sector are hereby authorised, during a period of 6 months starting from 1 April 2020, to conclude agreements and take common decisions on planning the volume of raw milk to be produced.

Article 2

Member States shall take the necessary measures to ensure that the agreements and decisions referred to in Article 1 do not undermine the proper functioning of the internal market and strictly aim to stabilise the milk and milk products sector.

Article 3

The geographic scope of this authorisation is the Union territory.

Article 4

1. As soon as the agreements or decisions referred to in Article 1 are concluded or taken, the farmers, farmers' associations, associations of such associations, recognised producer organisations, associations of recognised producer organisations and recognised interbranch organisations concerned shall communicate those agreements or decisions to the competent authorities of the Member State having the highest share of estimated volume of milk production covered by those agreements or decisions, indicating the following:

- (a) the estimated production volume covered;
- (b) the expected time period of implementation.

2. No later than 25 days after the end of the 6-month period referred to in Article 1, the farmers, farmers' associations, associations of such associations, recognised producer organisations, associations of recognised producer organisations and recognised interbranch organisations concerned shall communicate the production volume actually covered by the agreements or decisions to the competent authorities referred to in paragraph 1 of this Article.

3. In accordance with Commission Implementing Regulation (EU) 2017/1185 ⁽²⁾, Member States shall notify the Commission of the following:

- (a) no later than 5 days after the end of each 1-month period, the agreements and decisions communicated to them in accordance with paragraph 1 during that period;
- (b) no later than 30 days after the end of the 6-month period referred to in Article 1, an overview of the agreements and decisions implemented during that period.

Article 5

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, 30 April 2020.

For the Commission
The President
Ursula VON DER LEYEN

⁽²⁾ Commission Implementing Regulation (EU) 2017/1185 of 20 April 2017 laying down rules for the application of Regulations (EU) No 1307/2013 and (EU) No 1308/2013 of the European Parliament and of the Council as regards notifications to the Commission of information and documents and amending and repealing several Commission Regulations (OJ L 171, 4.7.2017, p. 113).

COMMISSION IMPLEMENTING REGULATION (EU) 2020/600**of 30 April 2020****derogating from Implementing Regulation (EU) 2017/892, Implementing Regulation (EU) 2016/1150, Implementing Regulation (EU) No 615/2014, Implementing Regulation (EU) 2015/1368 and Implementing Regulation (EU) 2017/39 as regards certain measures to address the crisis caused by the COVID-19 pandemic**

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 1234/2007 ⁽¹⁾, and in particular Articles 25, 31, Article 38, Article 54 and Article 57 thereof,

Whereas:

- (1) Due to the current pandemic of COVID-19 and the resulting extensive movement restrictions, exceptional difficulties have been encountered by farmers, wine growers, olive oil producers and beekeepers in all Member States. Logistical problems and shortage of workforce have made them vulnerable to the economic disruption caused by the pandemic. In particular, they experience financial difficulties and cash-flow problems. In view of the unprecedented nature of those combined circumstances, it is necessary to alleviate those difficulties by derogating from certain provisions of different Implementing Regulations applicable in the area of the common agricultural policy.
- (2) Pursuant to Article 9(1) of Commission Implementing Regulation (EU) 2017/892 ⁽²⁾ an application for aid, or for the balance thereof, is to be submitted by producer organisations, to the competent authority of the Member State for each operational programme for which aid is requested by 15 February of the year following the year for which the aid is requested. Pursuant to Article 9(3) of that Regulation, the aid applications may cover expenditure programmed but not incurred if certain elements are proved. Those elements include that the operations concerned could not be carried out by 31 December of the year of the implementation of the operational programme, for reasons beyond control of the producer organisation concerned and that those operations can be carried out by 30 April of the year following the year for which the aid is requested. In view of the COVID-19 pandemic, it is necessary to derogate from Article 9(3)(b) of Implementing Regulation (EU) 2017/892 and provide that the aid applications to be submitted by 15 February 2021 may cover expenditure for operations programmed for the year 2020 but not carried out by 31 December 2020, if those operations can be carried out by 15 August 2021. For the same reason, it is also necessary to derogate from Article 9(3)(b) of Implementing Regulation (EU) 2017/892 and provide that the aid applications submitted by 15 February 2020 may cover expenditure for operations programmed for the year 2019 but not carried out by 31 December 2019, if those operations can be carried out by 15 August 2020.
- (3) The measures taken by governments over the last months to address the crisis due to the pandemic of COVID-19, especially the closure of hotels, bars and restaurants, the limitation of circulation of people and goods to the essential, the closure of certain borders within the Union, are having a negative impact on the Union wine sector. It is estimated that the closure of hotels, bars and restaurants directly affects 30 % of the volumes of wine consumed in the Union, corresponding to 50 % of the value of wine consumed in the Union. Furthermore, the labour shortage and the logistical difficulties caused by the pandemic are putting pressure on wine growers and the whole wine sector. Wine growers are facing increasing problems for the upcoming harvest: low prices, reduced consumption, transport and sales difficulties.
- (4) In addition, the Union wine market has been already subject to aggravating conditions throughout 2019 and wine stocks are at their highest level since 2009. This development is due primarily to a combination of the record harvest in 2018 and general decreasing wine consumption in the Union. Furthermore, the imposition by the United States of America, the Union's main wine export market, of additional import tariffs on Union wines has impacted exports. The pandemic of COVID-19 has delivered a further blow to a fragile sector that is no more able to market or distribute its products effectively, due mostly to the closure of major export markets and to the measures taken

⁽¹⁾ OJ L 347, 20.12.2013, p. 671.

⁽²⁾ Commission Implementing Regulation (EU) 2017/892 of 13 March 2017 laying down rules for the application of Regulation (EU) No 1308/2013 of the European Parliament and of the Council with regard to the fruit and vegetables and processed fruit and vegetables sectors (OJ L 138, 25.5.2017, p. 57).

to ensure a proper confinement and lockdown in particular the interruption of all catering activities and the impossibility to supply usual customers. All this is leading to losses of income for all actors of the wine sector. The uncertainty regarding the length of the measures taken to address the pandemic and their impact on prices, consumption patterns and incomes are putting further pressure on the Union wine sector.

- (5) Against this background, it is therefore necessary to take urgent measures to address the situation by allowing further flexibility in the implementation of certain support measures under Article 43 of Regulation (EU) No 1308/2013 by derogating from several provisions of Commission Implementing Regulation (EU) 2016/1150 ⁽³⁾.
- (6) Article 2(1) of Commission Implementing Regulation (EU) 2016/1150 provides that changes in respect of applicable support programmes, as referred to in Article 41(5) of Regulation (EU) No 1308/2013, shall not be submitted more than twice per financial year. In order to enable Member States to quickly adapt their national support programmes for reasons related to the crisis due to the COVID-19 pandemic, it is appropriate to allow that such changes may be submitted more than twice per financial year as long as those changes are submitted before 15 October 2020. Member States should be able to react quickly to the exceptional circumstances related to the crisis due to the COVID-19 pandemic and submit changes to their programme as early and as often as is considered necessary. Such flexibility would allow Member States to optimise the measures already in place, increase the number of interventions and make adjustments more frequently taking account of the market situation. Furthermore, it would make it possible also for Member States that wish to include further measures in their national support programme to do so immediately upon entry into force of this Regulation rather than having to wait for the next deadline for amendments. With this improved flexibility, more opportunities would be available to operators including newcomers, to submit applications for support. This is intended to provide relief to the wine sector and ensure the flexibility necessary in the face of the consequences resulting from the crisis due to the COVID-19 pandemic.
- (7) Therefore, it is necessary to derogate temporarily from Article 2(1) of Implementing Regulation (EU) 2016/1150 to allow changes to the national support programmes whenever necessary also in relation to the measures referred to in Article 45(1)(a) and Articles 46 to 52 of Regulation (EU) No 1308/2013. As regards the promotion measure referred to in Article 45(1)(b) of Regulation (EU) No 1308/2013, Commission Implementing Regulation (EU) 2020/133 ⁽⁴⁾ allows Member States to introduce changes to their national support programmes whenever necessary.
- (8) In view of the crisis resulting from the COVID-19 pandemic and the resulting lack of human resources, it is materially impossible for producers to carry out the planned operations in relation to green harvesting. It is therefore appropriate to postpone for the year 2020 the deadline for the submission of applications for support for green harvesting as well as the deadline for carrying out such operations as set out respectively in points (b) and (d) of Article 8 of Implementing Regulation (EU) 2016/1150. This should provide producers with additional time to plan and to find the necessary labour force to carry out such operations.
- (9) In addition, with regard to the crisis due to the COVID-19 pandemic and the resulting growing wine surpluses on the market, it appears obsolete to request from Member States to provide a specific justification for the application of green harvesting. Therefore, it is appropriate to derogate from point (c) of Article 8 of Implementing Regulation (EU) 2016/1150 and suspend temporarily for the year 2020 the requirement that Member States establish an expected market situation justifying the application of green harvesting to restore market balance and prevent crisis.
- (10) Article 29 of Regulation (EU) No 1308/2013 lays down rules on three-year work programmes drawn up by producer organisations to support the olive oil and table olives sector. The ongoing crisis related to the COVID-19 pandemic represents an exceptional and unprecedented challenge for the capacity of beneficiaries to perform the activities planned during the second and third implementation years of the three-year programmes to support the

⁽³⁾ Commission Implementing Regulation (EU) 2016/1150 of 15 April 2016 laying down rules for the application of Regulation (EU) No 1308/2013 of the European Parliament and of the Council as regards the national support programmes in the wine sector (OJ L 190, 15.7.2016, p. 23).

⁽⁴⁾ Commission Implementing Regulation (EU) 2020/133 of 30 January 2020 derogating from Commission Implementing Regulation (EU) 2016/1150 laying down rules for the application of Regulation (EU) No 1308/2013 of the European Parliament and of the Council as regards the national support programmes in the wine sector (OJ L 27, 31.1.2020, p. 24).

olive oil and table olives sector. Consequently, flexibility is exceptionally provided to beneficiaries by allowing, under certain conditions, the amendment of these activities. It is therefore necessary to derogate from certain provisions of Commission Implementing Regulation (EU) No 615/2014 ⁽⁵⁾ to allow this flexibility, which however shall have no impact on the deadline for the payment of the EU financing.

- (11) Rules on the apiculture programmes are laid down in Commission Implementing Regulation (EU) 2015/1368 ⁽⁶⁾ with regard to aid in the sector. Pursuant to Article 2 of that Regulation, the apiculture year is the period of 12 consecutive months, running from 1 August until 31 July. Consequently, the 2020 apiculture year runs from 1 August 2019 until 31 July 2020. In accordance with Article 3 of that Regulation, each Member State is to notify its proposal for a single apiculture programme for its entire territory. Pursuant to Article 6 of that Regulation, Member States may amend measures in their apiculture programmes during the apiculture year. The overall ceiling on planned annual expenditure should however not be exceeded. Implementing Regulation (EU) 2015/1368 should be amended to allow Member States to carry out measures planned for the apiculture year 2020, even after 31 July 2020. This amendment should not have any impact on the payment period. In accordance with Article 55(1) of Regulation (EU) No 1308/2013, the apiculture programmes are to be developed in cooperation with representative organisations in the beekeeping field. Before requesting any amendments to the apiculture programmes, Member States should consult the concerned organisations.
- (12) Article 1(2) of Commission Implementing Regulation (EU) 2017/39 ⁽⁷⁾ lays down the definition of 'school year' for the purposes of the aid scheme referred to under Article 23 of Regulation (EU) No 1308/2013 (the 'school scheme'). The measures put in place by Member States to address the COVID-19 pandemic, which include the temporary closure of educational establishments, have disrupted the implementation of the school scheme in the 2019/2020 school year. Those measures have temporarily prevented the distribution of fruit, vegetables and milk in the educational establishments and the carrying out of accompanying educational measures and publicity, monitoring and evaluation activities. It is therefore appropriate to provide for a derogation from Article 1(2) of Implementing Regulation (EU) 2017/39 extending the duration of the 2019/2020 school year, so that Member States may continue carrying out the activities envisaged for that school year until 30 September 2020.
- (13) Article 4(3), (4) and (5) and Article 5(3) of Implementing Regulation (EU) 2017/39 lay down the period that aid applications for the supply and distribution of products and for the accompanying educational measures may cover, and the time limit for the submission of aid applications and for the payment of the aid under the school scheme. In view of the extension of the duration of the 2019/2020 school year, a derogation from Article 4(3), (4) and (5) and Article 5(3) of Implementing Regulation (EU) 2017/39 should be provided for with regard to the aid applications for the school scheme activities taking place after 31 July 2020, so that they may cover periods of less than two weeks and to lay down the time limits for the submission of aid applications and for the payment of the aid.
- (14) Article 7(3) of Implementing Regulation (EU) 2017/39 sets out the rules for the reallocation of unrequested Union aid amongst the Member States participating in the school scheme that have notified their willingness to use more than their indicative allocation. The amount of indicative allocation that may be reallocated to another Member State is to be based on the level of use of the definitive allocation of Union aid in the previous school year by that Member State. The confinement rules put in place by the Member States to address the COVID-19 pandemic, which include the temporary closure of educational establishments, might lead to a lower use of Union aid in 2019/2020 school year. It is therefore appropriate to provide for a derogation from Article 7(3) of Implementing Regulation (EU) 2017/39, in order not to take into account the level of use of Union aid in the 2019/2020 school year for the reallocation of unrequested Union aid amongst the Member States participating in the school scheme in the 2021/2022 school year.

⁽⁵⁾ Commission Implementing Regulation (EU) No 615/2014 of 6 June 2014 laying down detailed rules for the application of Regulation (EU) No 1306/2013 of the European Parliament and of the Council and Regulation (EU) No 1308/2013 of the European Parliament and of the Council in respect of work programmes to support the olive oil and table olives sectors (OJ L 168, 7.6.2014, p. 95).

⁽⁶⁾ Commission Implementing Regulation (EU) 2015/1368 of 6 August 2015 laying down rules for the application of Regulation (EU) No 1308/2013 of the European Parliament and of the Council with regard to aid in the apiculture sector (OJ L 211, 8.8.2015, p. 9).

⁽⁷⁾ Commission Implementing Regulation (EU) 2017/39 of 3 November 2016 on rules for the application of Regulation (EU) No 1308/2013 of the European Parliament and of the Council with regard to Union aid for the supply of fruit and vegetables, bananas and milk in educational establishments (OJ L 5, 10.1.2017, p. 1).

- (15) In view of the necessity to take immediate action, this Regulation should enter into force on the day of its publication in the *Official Journal of the European Union*.
- (16) The measures provided for in this Regulation are in accordance with the opinion of the Committee for the Common Organisation of the Agricultural Markets,

HAS ADOPTED THIS REGULATION:

TITLE I

FRUIT AND VEGETABLES

Article 1

Derogations from Implementing Regulation (EU) 2017/892

1. By way of derogation from point (b) of Article 9(3), aid applications submitted by 15 February 2020 may cover expenditure for operations programmed for the year 2019 but not carried out by 31 December 2019 if those operations can be carried out by 15 August 2020.
2. By way of derogation from point (b) of Article 9(3), the aid applications to be submitted by 15 February 2021 may cover expenditure for operations programmed for the year 2020 but not carried out by 31 December 2020 if these operations can be carried out by 15 August 2021.

TITLE II

WINE

Article 2

Derogations from Implementing Regulation (EU) 2016/1150

1. By way of derogation from Article 2(1) of Implementing Regulation (EU) 2016/1150, Member States may introduce, in relation to the measures referred to in Articles 45(1)(a) and 46 to 52 of Regulation (EU) No 1308/2013, whenever necessary during the financial year 2020 but not later than 15 October 2020, changes to their national support programmes in the wine sector as referred to in Article 41(5) of Regulation (EU) No 1308/2013.
2. By way of derogation from Article 8 of Implementing Regulation (EU) 2016/1150, during the financial year 2020, Member States may:
 - (a) set the deadline for the submission of applications for support for green harvesting, as referred to in point (b) of that Article, between 15 April and 30 June;
 - (b) opt not to establish an expected market situation justifying the application of green harvesting, as referred to in point (c) of that Article;
 - (c) set by 30 June a deadline at a date after the deadline for submission of applications for support for green harvesting as provided for in point (a) of this Article for carrying out the green harvesting operations in accordance with the requirements set out in Article 47(1) of Regulation (EU) No 1308/2013. This deadline shall be set before the normal time of harvest (Baggiolini stage N, BBCH stage 89) in any given area.

TITLE III

OLIVE OIL AND TABLE OLIVES

Article 3

Derogations from Implementing Regulation (EU) No 615/2014

1. By way of derogation from paragraphs 2 and 4 of Article 2 of Implementing Regulation (EU) No 615/2014, the competent authority may accept amendments to a work programme provided that:

- (a) the proposed changes aim at amending and rescheduling after 31 March 2020 activities of the second implementation year of the three-year work programme that started on 1 April 2018;
- (b) the activities concerned did not take place in due time due to the obstacles arising from the COVID-19 pandemic;
- (c) the beneficiary organisation applies by 30 June 2020 for the partial payment, as referred to in Article 5a of Implementing Regulation (EU) No 615/2014, of the aid corresponding to the activities of the second implementation year that took place before 1 April 2020;
- (d) the Union financing of the concerned activities takes place in the framework of the second implementation year, in accordance with Article 5 of Implementing Regulation (EU) No 615/2014.

Paragraph 4 of Article 5 of Implementing Regulation (EU) No 615/2014 shall not be applicable to work programmes amended pursuant to point (d) of the first subparagraph of this Article.

2. By way of derogation from point (a) of paragraph 6 of Article 2 of Implementing Regulation (EU) No 615/2014, the two-month time limit shall not be applicable to the notification of amendments to a work programme provided that:

- (a) the proposed changes are related to activities of the third implementation year of the three-year work programme that started on 1 April 2018;
- (b) the activity originally planned did not or cannot take place in full or in part due to the obstacles arising from the COVID-19 pandemic;
- (c) the activity as amended shall take place after the acceptance by the competent authority.

TITLE IV

NATIONAL APICULTURE PROGRAMMES

Article 4

Derogations from Implementing Regulation (EU) 2015/1368

By way of derogation from Article 6(1) of Implementing Regulation (EU) 2015/1368, Member States may amend their apiculture programmes so that measures planned for the apiculture year 2020 may be performed after 31 July 2020, but no later than 15 September 2020. Those measures shall be considered as having been carried out in respect of the apiculture year 2020.

Such amendments shall be notified to the Commission by the Member State and approved by the Commission before they are implemented. The requests for and approval of such amendments shall be performed in accordance with the procedure laid down in Article 6(2) and (3) of that Regulation.

TITLE V

SCHOOL SCHEME

Article 5

Derogations from Implementing Regulation (EU) 2017/39

1. By way of derogation from Article 1(2) of Implementing Regulation (EU) 2017/39, the duration of the 2019/2020 school year is extended until 30 September 2020.
2. By way of derogation from Article 4(3) of Implementing Regulation (EU) 2017/39, aid applications relating to the 2019/2020 school year activities that take place after 31 July 2020 may cover periods of less than 2 weeks.
3. By way of derogation from Article 4(4) and (5) of Implementing Regulation (EU) 2017/39, aid applications relating to the 2019/2020 school year activities that take place after 31 July 2020 shall be submitted by 30 September 2020. If this time limit is exceeded, the aid shall not be paid.
4. By way of derogation from Article 5(3) of Implementing Regulation (EU) 2017/39, the aid for the 2019/2020 school year activities that take place after 31 July 2020 shall be paid by the competent authorities by 15 October 2020.
5. By way of derogation from the first subparagraph of Article 7(3) of Implementing Regulation (EU) 2017/39, the calculation described in that subparagraph shall not apply for the calculation of the definitive allocation of Union aid for the 2021/2022 school year.

Article 6

Entry into force

This Regulation shall enter into force on the day 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, 30 April 2020.

For the Commission

The President

Ursula VON DER LEYEN

COMMISSION IMPLEMENTING REGULATION (EU) 2020/601**of 30 April 2020****on emergency measures derogating from Articles 62 and 66 of Regulation (EU) No 1308/2013 of the European Parliament and of the Council as regards the validity of vine planting authorisations and the grubbing up in case of anticipated replanting**

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 1234/2007 ⁽¹⁾, and in particular Article 221(1) thereof,

Whereas:

- (1) Due to the current pandemic of COVID-19 and the extensive movement restrictions put in place in the Member States, exceptional difficulties have been encountered by wine growers in all Member States. In particular, wine growers have been experiencing logistical problems and shortage of workforce which affects strongly labour intensive cultures like vines, where many manual interventions on the vineyard are necessary during the whole growing season and especially in spring when new vines are typically planted. Due to the current restrictions, wine growers encounter unprecedented difficulties to mobilise the workforce needed to carry out the day-to-day operations in their vineyards and the situation is even worse when it comes to organising the additional workforce needed for the planting of new vineyards.
- (2) Article 62(3) of Regulation (EU) No 1308/2013 provides that vine planting authorisations are valid for 3 years from the date on which they were granted. In accordance with the second subparagraph of Article 7(2) of Commission Implementing Regulation (EU) 2018/274 ⁽²⁾ planting authorisation are to be granted to the successful applicants not later than 1 August. This allows wine growers to prepare the soil in autumn and source the new vines, which are then typically planted during spring. Spring is the most favourable season to plant vines since with the rising temperature and the arrival of summer, the soil is getting dry so that plants planted at this moment suffer and might not take roots.
- (3) Due to the crisis caused by the pandemic of COVID-19, wine growers holding planting authorisations which expire at the latest by on 1 August 2020 are currently prevented from making use of these authorisations in the last year of their validity as planned. Due to the uncertainty regarding the length of the measures taken to address the pandemic, it is not certain that those wine growers will have the possibility to use their planting authorisations before 1 August. However, even in the case where the pandemic of COVID-19 takes a positive turn and restrictions are lifted before summer, the winegrowers will have to plant the vines during the hot season and thus at a less suitable moment of the growing cycle, under difficult conditions and at additional cost, and that at a moment when the wine sector is already suffering from unfavourable market conditions.
- (4) Therefore and to avoid the loss of the planting authorisation or a rapid deterioration of the conditions under which the planting would have to be carried out, it is necessary to allow without delay for a prolongation of the validity of planting authorisations which expire in the year 2020. All authorisation expiring in 2020 should therefore be prolonged for 12 months as of the date of entry into force of this Regulation to allow wine growers to plant the vines under favourable conditions in spring 2021.
- (5) Given the unforeseen practical and economic difficulties wine growers encounter due to the pandemic of COVID-19, they should be allowed to renounce their planting authorisation which expire in the year 2020 without incurring the administrative penalty referred to in Article 89(4) of Regulation (EU) No 1306/2013 of the European Parliament and of the Council ⁽³⁾ if they no longer wish to expand their vineyard area.

⁽¹⁾ OJ L 347, 20.12.2013, p. 671.

⁽²⁾ Commission Implementing Regulation (EU) 2018/274 of 11 December 2017 laying down rules for the application of Regulation (EU) No 1308/2013 of the European Parliament and of the Council as regards the scheme of authorisations for vine plantings, certification, the inward and outward register, compulsory declarations and notifications, and of Regulation (EU) No 1306/2013 of the European Parliament and of the Council as regards the relevant checks, and repealing Commission Implementing Regulation (EU) 2015/561 (OJ L 58, 28.2.2018, p. 60).

⁽³⁾ Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008 (OJ L 347, 20.12.2013, p. 549).

- (6) In respect of wine growers holding replanting authorisations granted by Member States because they have grubbed up a corresponding area of vines in accordance with Article 66(1) of Regulation (EU) No 1308/2013, the derogation granted by this Regulation should apply in a similar way as to growers having been allocated authorisations for new plantings. This would ensure that the growers are not subject to a reduction of their vineyard area since they are prevented from replanting an area they have been grubbing up due to unforeseen circumstances and labour shortage caused by movement restrictions due to the crisis caused by the pandemic of COVID-19.
- (7) Where Member States have granted a replanting authorisation to wine growers that undertook to grub up an area planted with vines at the latest by the end of the fourth year from the date on which new vines have been planted, growers can encounter in the year 2020 specific problems to do so due to movement restrictions and labour shortage. When these growers, therefore, can justify that the grubbing up was impossible for them in the year 2020 due to reasons linked to the pandemic of COVID-19, Member States should have the possibility to give them more time to implement the grubbing up by extending the deadline by up to 12 months after the entry into force of this Regulation. Member States should decide within 2 months after the submission of an application whether the extension is granted and for which duration or in case of rejection, inform the applicant of the reasons thereof. If the grubbing up is not carried out by the end of the granted extension, the wine grower should be subject to the respective penalties applicable pursuant to the second paragraph of Article 5 of Commission Delegated Regulation (EU) 2018/273 ⁽⁴⁾.
- (8) Where wine growers are allowed to delay the grubbing up of a vineyard which has been subject to anticipated replanting by Member States, both the old vineyard due to be grubbed up and the newly planted vineyard should be ineligible for support for green harvesting to avoid double financing.
- (9) The movement restrictions in place and the resulting logistical problems and shortage of workforce to carry out the manual operation on the vineyard, specifically planting of vines and grubbing-up constitute a specific problem within the meaning of Article 221 of Regulation (EU) No 1308/2013. This specific problem cannot be addressed by measures taken pursuant to Article 219 or 220 of that Regulation. On the one hand, it is not linked to an already existing market disturbance or to a sufficiently specific threat of a market disturbance. On the other hand, this specific problem is also not linked to measures for combating the spread of diseases of animals or a loss of consumer confidence due to public, animal or plant health risks, as required by Article 220 of that Regulation.
- (10) The measure should be strictly limited to what is necessary to address the current difficulties due to the pandemic of COVID-19, both as regards the scope and the period of application.
- (11) The measures should be taken in an urgent manner to avoid that wine growers are deprived of their planting authorisations or are penalised for not following on their obligation to grub up the pledged area due to the unforeseen logistical problems and shortage of workforce.
- (12) The emergency measures provided for in this Regulation should be limited to a maximum period of 12 months starting from the date of entry into force of this Regulation. This period is necessary to provide the wine growers with sufficient time to plant the new vines during the appropriate season and Member States with some flexibility in the cases where grubbing up is not possible due to the pandemic of COVID-19.
- (13) In view of the need to take immediate action, this Regulation should enter into force on the day of its publication in the *Official Journal of the European Union*.
- (14) The measures provided for in this Regulation are in accordance with the opinion of the Committee for the Common Organisation of the Agricultural Markets,

⁽⁴⁾ Commission Delegated Regulation (EU) 2018/273 of 11 December 2017 supplementing Regulation (EU) No 1308/2013 of the European Parliament and of the Council as regards the scheme of authorisations for vine plantings, the vineyard register, accompanying documents and certification, the inward and outward register, compulsory declarations, notifications and publication of notified information, and supplementing Regulation (EU) No 1306/2013 of the European Parliament and of the Council as regards the relevant checks and penalties, amending Commission Regulations (EC) No 555/2008, (EC) No 606/2009 and (EC) No 607/2009 and repealing Commission Regulation (EC) No 436/2009 and Commission Delegated Regulation (EU) 2015/560 (OJ L 58, 28.2.2018, p. 1).

HAS ADOPTED THIS REGULATION:

Article 1

Extension of the validity of planting and replanting authorisations expiring in the year 2020

1. By way of derogation from the first sentence of Article 62(3) of Regulation (EU) No 1308/2013, the validity of authorisations for new plantings granted in accordance with Articles 62 and 64 of that Regulation that have expired or will expire in the year 2020, shall only expire 12 months after the entry into force of this Regulation.
2. By way of derogation from the second sentence of Article 62(3) of Regulation (EU) No 1308/2013, those wine growers who hold planting authorisations that have expired or will expire in the year 2020 shall not be subject to administrative penalty referred to in Article 89(4) of Regulation (EU) No 1306/2013, under the condition that they inform the competent authorities by 31 December 2020 that they do not intend to make use of their authorisation and do not wish to benefit from the extension of their validity referred to in paragraph 1 of this Article.
3. By way of derogation from the first sentence of Article 62(3) of Regulation (EU) No 1308/2013, the validity of replanting authorisations granted in accordance with Article 62 and Article 66(1) of that Regulation that have expired or will expire in the year 2020, shall only expire 12 months after the entry into force of this Regulation.
4. By way of derogation from the second sentence of Article 62(3) of Regulation (EU) No 1308/2013, those wine growers who hold replanting authorisations that have expired or will expire in 2020 shall not be subject to administrative penalty referred to in Article 89(4) of Regulation (EU) No 1306/2013, under the conditions that they inform the competent authorities by 31 December 2020 that they do not intend to make use of their authorisation and do not wish to benefit from the extension of their validity referred to in paragraph 3 of this Article.

Article 2

Extension of the deadline for the grubbing up in case of the anticipated replanting of vineyards

1. By way of derogation from Article 66(2) of Regulation (EU) No 1308/2013, where Member States have granted authorisations for anticipated replanting to wine growers and the grubbing up is due to take place in the year 2020 at the latest, Member States may extend the deadline for the grubbing up by up to 12 months after the entry into force of this Regulation in cases where due to the pandemic of COVID-19 the grubbing up was impossible and upon duly justified application from the wine grower.
2. Member States shall inform the applicant within 2 months as from the submission of the application for the extension of the deadline for grubbing up referred to in paragraph 1 and where applications have been refused, applicants shall be informed of the reasons thereof.
3. The second paragraph of Article 5 of Delegated Regulation (EU) 2018/273 shall apply if the grubbing up is not carried out by the wine grower by the end of the extension granted pursuant to paragraphs 1 and 2.
4. Wine growers benefitting from the extension referred to in paragraph 1 shall not be eligible for support for green harvesting referred to in Article 47 of Regulation (EU) No 1308/2013 on either the newly planted area or the area which is due to be grubbed up.

Article 3

Entry into force and application

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

This Regulation shall apply during a period of 12 months from its date of entry into force.

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

Done at Brussels, 30 April 2020.

For the Commission

The President

Ursula VON DER LEYEN

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