

Methodology (guidelines) on the sale of intervention Butter Placed on Sale from Intervention Stocks, as regards measures for butter, concentrated butter and cream Intended for Use within the manufacture of foodstuffs Defined as“Final Products“ in accordance with the Chapter II of the Commission Regulation (EC) No 1898/2005 of 9th November 2005

The Agricultural Paying Agency (hereinafter „APA“) are noticing the following explanation regarding the procedures within the sale of butter from Intervention Stocks, Intended for Use in the Manufacture of Pastry Products , Ice – Cream and other Foodstuffs Defined as“Final Products“ in accordance with the Section 1 of Chapter II of the Commission Regulation (EC) No 1898/2005 (hereinafter „CR (EC) No 1898/2005“).

APA is the competent authority responsible for the implementation of the measures of market organisation and intervention .

1 Definitions

For the purposes of of these guidelines the following definitions shall apply:

- „Manufacturer“ (producer): is an establishment producing the butter, concentrated butter or cream or adding tracers into butter concentrated butter or cream.
- „Processing establishment“: is an establishment which processes the butter, concentrated butter or cream into „intermediate products“, or processing intermediate products onto „final products“. The quantities referred to in the following subparagraphs shall be granted exclusively for the butter sold at reduced prices, concentrated butter, cream and intermediate products referred to in the CR (EC) No 1898/2005. If the establishment is processing butter, concentrated butter or cream excluded from grant aid (sale on market price), the quantities less than 12 tonnes of butter equivalent are not involved .
- „Retailer“: who submits the Statement on undertaking in writing to purchase over a 12-month period not more than 12 tonnes of butter equivalent, including, where relevant not more than 14 tonnes of cream or the same quantity of butter or concentrated butter in intermediate products in accordance with the Article 42 of the Commission Regulation (EC) No 1898/2005.
- „Final products“ means products falling within one of the CN codes listed in Annex I, of the CR (EC) no 1898/2005 broken down by formula A and B as defined in that Annex.
- „Intermediate products“ means:
 - a) products other than those falling within CN code 0401 and 0406 and other than mixtures referred to in ANNEX II of the CR(EC) No 1898/2005,
 - b) products falling within CN code ex04051030 with a butterfat content of 82% or more, manufactured exclusively from concentrated butter referred to in Article 5 or Article 7 of the CR (EC) No 1898/2005, with or without the addition of cream, at an establishment approved that purpose in accordance with Article 13 of the CR (EC) No 1898/2005, on condition that tracers referred to in Article 8(1) of the

CR (EC) No 1898/2005 have been added to those intermediate products.

- „Manufactured batch“ means a quantity of intermediate products or final products manufactured from intervention butter, butter or concentrated butter or cream identified in relation to all or part of a tender referred to in Article 20 of the CR (EC) No 1898/2005.
- „Tonne of butter equivalent“ means one tonne of butter with a milkfat content of 82%, 0,82 tonnes of concentrated butter or 2,34 tonnes cream.
- „Approved manufacturer or approved processor“: who has been registered (has been approved) by APA in accordance with Section 4 of the CR(EC) No 1898/2005.

2 Eligibility for aid

1. Only the following may qualify for aid:

- a) butter produced directly and exclusively from pasteurised cream which meets the requirements laid down in Article 6(3) of the CR (EC) No 1898/2005 and the requirements of the national quality class set out in Annex V to Commission Regulation (EC) No 2771/1999 in the Member State of manufacture and whose packaging is marked accordingly;
- b) concentrated butter, fractionated or not, entirely obtained from cream, butter and/or milkfat falling within VN code ex0405910;
- c) cream within the meaning of Article 6(6) of the Council Regulation (EC) No 1255/1999, falling within the CN codes ex0 4013039 or ex 04013099, with a fat content of 35% or more and directly and exclusively used in the final products referred to in formula B in Annex I of the CR (EC) No 1898/2005;
- d) intermediate products referred to in Article 4(1)(b)(ii) of the CR (EC) No 1898/2005.

3 Requirements relating to the use and incorporation of intervention butter, butter, concentrated butter and cream

The intervention butter, butter and concentrated butter shall be incorporated, exclusively and notwithstanding any intermediate products as referred to in ANNEX I of the CR (EC) No 1898/2005 into final products:

- a) after adding the tracers referred to in Article 8(1) of the CR (EC) No 1898/2005;
- b) by using, at the establishment where incorporation into final products is effected, a minimum of five tonnes per month or 45 tonnes per 12-month period of butter-equivalent or the same quantities in intermediate products

The cream shall be incorporated directly and exclusively into final products referred to in ANNEX I, formula B of the CR (EC) No 1898/2005.

Intervention butter, butter and concentrated butter or cream shall be incorporated into final products within the time limit of 4 month period following the month, during which the time limit for the submission of offers to the particular tender has been concluded.

Incorporation procedure of tracers

Where the incorporation procedure used is that provided for in Article 6(1)(a) of the CR (EC) No 1898/2005 the following shall be added, to the exclusion of any other products, in such a way that they are evenly distributed, according to the minimum quantities prescribed:

- a) if the intervention butter, butter or concentrated butter is to be incorporated into products corresponding to formula A in ANNEX I of the CR (EC) NO 1898/2005, the tracers listed in ANNEX IV;
- b) if the intervention butter, butter or concentrated butter is to be incorporated into products corresponding to formula B in ANNEX I of the CR (EC) NO 1898/2005, the tracers listed in ANNEX V;
- c) in case of cream the tracers listed in ANNEX VI of the CR (EC) No 1898/2005.

In the case of concentrated butter, the tracers shall be added during or immediately after manufacture in the same establishment.

Where, because of uneven distribution or incorporation of insufficient quantities, the content of each of the tracers referred to in ANNEXES IV and V and in point 1 of ANNEX VI of the CR (EC) No 1898/2005 is found to be more than 5 % but less than 30% below the minimum quantities prescribed, then 1,5% of the processing security referred to in Article 28 shall be forfeited or the aid shall be reduced by 1,5% for each percentage point below the prescribed minimum quantities. If the content of each of those tracers is found to be equal or more than 30% below the minimum quantities prescribed then, in the case of intervention butter, the processing security shall be forfeited in the case of products referred to in Article 5 of the CR (EC) No 1898/2005 the aid shall not be paid.

For the granting of aid, where the content of the tracer triglyceride of enanthic acid referred to in CR (EC) No 1898/2005 exceeds the quantities prescribed by more than 20%, no aid shall be paid for the total quantity of this tracer. The content and quantity of the tracer shall be calculated on the basis of the arithmetic mean of the value found in the samples taken.

4 Registration (APPROVAL) of the establishment

The manufacture of milkfat and concentrated butter, the processing of the intervention butter into concentrated butter, adding of the tracers, the repacking of the concentrated butter, the incorporation into intermediate products and where the incorporation procedure used is that provided for in Article 6(1)(b) of the CR (EC) No 1898/2005 the incorporation of intervention butter, butter, concentrated butter, intermediate products and cream into final products shall be carried out in establishments approved in accordance with the Article 13 of the CR (EC) No 1898/2005. The application on the approval of the establishment shall be submitted on the form „**Application on Approval of the Establishment**“(ANNEX No 1).

Establishments may not be approved unless:

- a) they possess suitable technical plant;
- b) they are capable of processing or incorporating at least five tonnes of butter per month or 45 tonnes per 12-month period or the equivalent in concentrated butter or cream where applicable, intermediate products and they give a written undertaking to process or incorporate the quantities referred to ;
- c) they have premises on which any stocks of nonbutter fat can be stored separately and identified as such;
- d) they undertake to keep permanent records and supporting documents showing the quantities, composition and supplier of the fats used and the quantities, composition

and butterfat content of the products obtained, and except for establishments marketing final products leave the establishment and the names and addresses of their holders, supported by references to delivery orders and invoices;

- e) in the case of the manufacture of milkfat for use in the manufacture of concentrated butter, they undertake to keep records by the competent authority – by APA, showing the quantities of milkfat obtained and the identification and date of production and removal of each batch, identified in relation to their manufacturing programme concerned.
- f) They undertake to forward to the APA their manufacturing programme within each submission of offer referred to in Articles 20 and 23 of the CR (EC) No 1898/2005 and their manufacturing programme in relation to the producing of the milkfat intended for the production of concentrated butter.
- g) They undertake, they submit to APA the data on their establishments in accordance with the examples referred to in ANNEX VIII - ANNEX XII of the CR (EC) No 1898/2005.

Establishments which process different products benefiting from aid or price reductions under different Community schemes shall also undertake:

- a) to keep separately the records
- b) to process those products successively

The Agricultural Paying Agency shall issue the separate approvals bearing a serial number for the establishments, each of the following are performed:

- a) the manufacture of the concentrated butter, or the manufacture of the milkfat;
- b) the addition of tracers to the intervention butter, butter or cream;
- c) incorporation into intermediate products;
- d) where the incorporation procedure used is that provided for in Article 6(1)(b) of the CR (EC) No 1898/2005, incorporation into final products;
- e) the processing of the intervention butter into concentrated butter ;
- f) repackaging of concentrated butter

If the establishment doesn't meet the criteria laid down in the CR (EC) No 1898/2005 the approval shall be withdrawn by the Agricultural Paying Agency.

5 Tendering procedure

Intervention butter sold at reduced price and granting aid is performed by the tendering procedure, organised by the Agricultural Paying Agency. It is not available to assign the liability consequent upon the tender to third parties.

During the period validity for tender, the APA shall notice on its website www.apa.sk the individual invitations to tender with indicating the time limit for the submission of tenders.

The individual invitations to tenders in connection with the intervention butter put on sale from intervention stocks, published by the APA, shall indicate:

- location of the cold stores, where the butter intended for sale is held;
- the quantity of intervention butter for sale in each store

The time limit for the submission of tenders in response to the individual invitations to tender shall be 11.00 (Brussels time) on the second and fourth of the month except of the second Tuesday of August and the fourth Tuesday of December. If Tuesday is a public holiday the time limit shall be 11.00 (Brussels time) on the previous working day.

Offers to tender shall be submitted in writing by registered post or delivery by hand to the Agricultural Paying Agency. The offer to tender has to be submitted at the form prescribed by the APA, and which are at disposal on the website: www.apa.sk:

- a) Offer to tender for granting aid on the form: **„Offer to tender on granting aid in accordance with the Chapter II of the CR (EC) No 1898/2005“ (ANNEX No 2);**
- b) Offer to tender on sale of the intervention butter on the following form:
„Offer to tender for the Butter Placed on Sale from Intervention Stocks, Intended for Use in the Manufacture of Pastry Products , Ice – Cream and other Foodstuffs in accordance with Chapter II of the Commission Regulation (EC) No 1898/2005“ (ANNEX No 3)

Tenders shall be valid only if:

- a) they relate to a single product (intervention butter, cream or butter or concentrated butter) with a uniform fat content in the case of butter (82% or more, or 80% or more but less than 82%) intended for the same use (formula A or formula B) and subject to the same incorporation procedure in accordance with the Article 6 of the CR (EC) No 1898/2005;
- b) they relate to a quantity of at least 5 tonnes of butter, 12 tonnes of cream or 4 tonnes of concentrated butter or, if the quantity available in a store is less, to that quantity;
- c) they are accompanied by a written undertaking from the tenderer to incorporate the intervention butter, butter or concentrated butter or cream, or cause it to be incorporated, into final products in accordance with the Article 6 of the CR (EC) No 1898/2005;
- d) they include a declaration to the effect that they agree to forgo any claims as to the quality and characteristics of any intervention butter awarded to them;
- e) proof is furnished before expiry of the period set for the submission of tenders that the tenderer has lodged a tendering security in accordance with the Article 27(1) of the CR (EC) No 1898/2005 for the relevant individual tendering procedure.

No tender may be withdrawn after expiry of the time limit for submission of offers to the relevant tendering procedure.

Tenders relating to the sale of intervention butter shall be submitted to the APA shall contain:

- a) the name and address of the tenderer;
- b) the quantity applied for;
- c) the intended use of the butter (formula A or formula B), the incorporation procedure chosen in accordance with the Article 6(1) and, where applicable, the manufacture of intermediate products referred to in Article 4(1)(b)(ii) of the CR (EC) No 1898/2005;
- d) the price offered per 100 kilograms of butter, exclusive of internal taxes, ex cold store, expressed in euro;
- e) where appropriate, the Member State on whose territory the butter is to be incorporated into final products or processed into concentrated butter, tracers are to be added to the butter or intermediate products are to be manufactured;
- f) where appropriate, the cold store in which the butter is held and, optionally an alternative store;
- g) where appropriate, an indication of the kind of butter referred to in Article 4(6)(e) of the CR (EC) No 2771/1999 for which the offer is being submitted.

Tenders relating to the grant of aid shall be submitted to the APA and shall contain:

- a) the name and address of the tenderer;
- b) the quantity of cream, butter or concentrated butter, where appropriate including tracers, for which aid is requested and, in the case of butter, the minimum fat content;
- c) the intended use (formula A or formula B), the incorporation procedure chosen in accordance with the Article 6(1) where applicable, the manufacture of intermediate products referred to in Article 4(1)(b)(ii) of the CR (EC) No 1898/2005
- d) the proposed amount of aid per 100 kilograms of cream, butter or concentrated butter, expressed in euro, taking account, where applicable, of the weight of the tracers referred to in ANNEXES IV, V and VI.

After expiry of the time limit for the submission of offers to tender the APA shall carry out checks of the tenders and submitting them to the European Commission. EC shall fix the minimum selling price for the intervention butter and shall designate the maximum amount of aid granted for cream, butter and concentrated butter. The minimum selling price for the intervention butter and the maximum amount of aid granted for cream, butter and concentrated butter shall be established in respect of the offers received within the particular tendering procedures. This price and the aid granted shall differ in accordance with :

- a) the intended use (formula A or formula B)
- b) the milkfat content;
- c) selected operations of processing carried out in accordance with the Article 6(1) of the CR (EC) No 1898/2005

In compliance with the procedure referred to in the Article 42(2) of the CR (EC) No 1255/1999 a decision may be taken by European Commission no award shall be made in respect of an invitation to tender.

All tenderers shall be informed immediately by the Agricultural Paying Agency of the outcomes of their participation in the tendering procedure. The offers shall be rejected if the tendering price for the intervention butter is lower than the minimum price or if the proposed aid granted exceeds the maximum aid laid down, taken account both the milkfat content in the butter concerned or in the concentrated butter and the incorporation procedure.

The successful tenderers shall:

- a) carry out or cause to be carried out on their behalf and at their expense the operations relating to the manufacture of concentrated butter, the processing of the intervention butter into concentrated butter and adding of the tracers and shall comply the undertakings referred to in the Article 21(1) of the CR (EC) No 1898/2005.
- b) Specifying either the time limit for each aid scheme for incorporation referred to in Article 11 of the CR (EC) No 1898/2005 or the number of the tendering procedure, which may be in code;
- c) keep separate accounts for each aid scheme, if they process products benefiting from aid or price reductions under different Community schemes;
- d) include clauses in each contract for the sale of intervention butter, butter, concentrated butter, cream or intermediate products requiring the purchaser to comply the requirements of the Article 24(1)(d) of the CR (EC) No 1898/2005.

The successful tenderers producing the final products shall keep records pursuant to the Articles 13(1)(f)(g) of the CR (EC) No 1898/2005 and shall submit their processing programme in compliance with the Article 13(1)(h) of the CR (EC) No 1898/2005.

6 Securities

More detailed information on forms of securities is available at the Licences and Securities Department of the Agricultural Paying Agency, the Phone No:+421 2 58243245.

Registration

If the tenderer has not yet been lodged the security it is necessary to register at the Trade Mechanisms Division on the form published at the website: www.apa.sk: [www.apa.sk /trade mechanisms](http://www.apa.sk/trade_mechanisms) –exporter/importer registration.

Security lodging

Security can be lodged by form:

- a) bank transfer to the special account (single or block for more trade transactions)
- b) providing by a bank guarantor (by special guarantee; single or block)

The security can be lodged providing by banking transfer of payment to the special APA's account managed in Treasury:

Special APA's account No: **7000071150/8180**

In term of tenderer identification we request to identify the payments by variable code and by specific code.

Variable Code:

- in case of legal entity to specify the company registration number (IČO)
- in case of physical entity specify the company registration number or the personal identification number without slash)

Specific code:

- in case of tendering security for the sale of intervention butter to specify No 613
- in case of tendering security for the granting aid for butter, concentrated butter and cream intended for use in the manufacture of foodstuffs defined as "final products" to specify No 615
- in case of processing security in tender for the sale of intervention butter to specify No 614
- in case of processing security in tender security for the granting aid for butter, concentrated butter and cream intended for use in the manufacture of foodstuffs defined as "final products" to specify No 616

The security is assigned to be lodged if the payment in cash is designed to the APA's account and its verification pursuant to the statement of account and its acceptance by APA on the date of crucial issue or the form **Application on using of the block security lodged providing by bank transfer** is delivered to the APA's address: Trade Mechanisms Division. The form of **„Application on using of the block security lodged providing by bank transfer“** (ANNEX No 4) is published at the website: www.apa.sk. The security is considered to be lodged on the date when the amount of money equivalent to the security is entered in the abovementioned APA's special account. If the security is carried out by cash (deposited by transfer or by postal order) it shall not be regarded as establishing a security until the APA is satisfied that the amount of money corresponding with the value of security has been paid at the special APA's account. The cash deposit of security has to be available on the basis of Statement of account on day preceding the day in question. The security is

assigned to be provided as soon as the origin of the guarantee letter is delivered by applicant to the APA (the date of delivering initiated on the stamp of the APA 's Registry Office) in case of security providing by bank guarantee.

The security shall be accepted in SKK, calculated on the basis of the actual reference rate to be laid down by the ECB (is published on the website of ECB: <http://www.ecb.int/stats/eurofxref>).

APA recommends to lodge the higher disposable value of security in compare with the sum that the applicant shall calculate by multiplying of the sum in question with the value of security and reference rate EUR/SKK, in respect to their frequent rate changes and in respect of the fact that the delay may be occurred between the lodging of the security in cash to the APA's account and its verification pursuant to the statement of account from the Treasury and its acceptance on the date of crucial issue. The security is considered to be lodged on the date when the amount of money equivalent to the security is entered in the abovementioned APA's special account. That's why APA recommends to lodge security to the above mentioned APA's account in advance (at least 3 working days) prior the conclusion of the partial tender during which offer to tender has to be submitted by tenderer.

a) Tendering security

The tendering security has to be lodged by the tenderer prior the conclusion the time limit for the submission of offers to tender within the partial tendering procedures.

The tendering security means:

- a) 61 EUR per tonne for concentrated butter
- b) 50EUR per tonne for intervention butter, butter and intermediate products
- c) 22 EUR per tonne for cream

The tendering security has to be forfeited immediately after the rejection of the tender.

By lodging the tendering security the following basic requirements have to be met :

- keeping the final date of validity after the expiry of the time limit for submission the offers to tender or;
- processing security lodging for the intervention butter;
- for products referred to in Article 5 of CR (EC) No 1898/2005;
- compliance with the requirements referred to in mentioned Article;
- in case of applying of procedure of incorporation referred to in Article 6(1)(1)(a) of the CR (EC) No 1898/2005 the processing security lodging referred to in Article 28 of the CR (EC) No 1898/2005 or, in case of applying of the Article No 34 of the CR (EC) No 1898/2005, their incorporation into final products;
- in case of applying of procedure of incorporation pursuant to the Article 6(1)(b) of the CR No 1898/2005, their incorporation into final products.

b) Processing security

The purpose of the security is to ensure compliance with all basic requirements:

- in case of intervention butter:
- compliance with the requirements referred to in Article 7 of the CR (EC) No 1898/2005 regarding the processing of the butter into concentrated butter or adding of tracers or adding of the tracers into butter;
- incorporation of the butter or concentrated butter in which the tracers have been added or not, into final products; or

- in case of products referred to in Article 5 of the CR (EC) No 1898/2005 and within the use of incorporation procedure laid down in Article 6(1)(a) of the CR (EC) No 1898/2005 into final products;

The Statement for the purpose of the processing security releasing has to be submitted within the time limit of 12 months following the expiry of period laid down in Article 11 of the CR (EC) No 1898/2005.

7 Sale of intervention butter within the tender

Prior the Removal of butter and within the time limit laid down in Article 32(2) of the CR (EC) No 1898/2005 (45 days of the closing day for the submission of tenders) the amount has to be paid to APA by successful tenderers corresponding to the quantities they intend to remove from storage and the processing security has been lodged. Except in case of force majeure, if the successful tenderer has not paid the amount corresponding to their offers and the processing security has not been lodged, the tendering security has been forfeited and the sale of the quantities involved shall be cancelled.

When the amount corresponding to the offer is paid by the successful tenderer and the processing security has been lodged, the APA shall issue the removal warrant indicating:

- a) the quantity of butter and the tender to which it relates identified by a serial number;
- b) the cold store where the butter is stored;
- c) the final date for removal of the butter;
- d) the final date for incorporation procedure into final products;
- e) the incorporation procedure selected in accordance with the Article 6(1);
- f) the intended use (formula A or formula B)

The butter awarded shall be removed from cold store by the successful tenderers within the time limit 45 days of the closing day for the submission of tenders. Removal from the stock may be carried out in parts (batch). In case if the amount for butter has been paid and the processing security has been lodged but the butter has not been removed within the time limit laid down the tenderer shall bear the cost and risk of storing the butter with effect from the day following the date for removal of butter.

The butter shall be handed over by the APA in packages bearing a clear and legible indication of the CR (EC) No 1898/2005, the intended use (formula A or formula B) and the incorporation procedure.

The butter shall remain in its original packaging until the start of the incorporation procedure.

8 Granting of aid under the tendering procedure

The APA shall notify the successful tenderers. The notification shall include the following information:

- a) the amount of aid awarded for the quantity of butter, concentrated butter or cream concerned and the tender to which it relates, identified by a serial number;
- b) where applicable, the amount of the processing security;
- c) the date for incorporation into final products;
- d) the incorporation procedure and the intended use (formula A or formula B).

The aid shall be paid by APA to successful tenderers only on condition that the proof has been provided, within 12 months of the final date laid down in Article 11 of the CR (EC) No 1898/2005:

a) in case of butter:

- that it has been manufactured in accordance with the requirements laid down in Article 5(1) of the CR (EC) No 1898/2005;
- that it has been incorporated into final products within the period laid down in Article 11 or, where the incorporation procedure used is that provided for in Article 6(1)(a), that tracers have been added in accordance with the Article 8(1) and the processing security referred to in Article 28 has been lodged;

b) in case of concentrated butter:

- that it has been manufactured in accordance with the requirements set out in Article 5 of the CR (EC) No 1898/2005;
- that it has been incorporated into final products within the period laid down in Article 11 or, where the incorporation procedure used is that provided for in Article 6(1)(a), that tracers have been added in accordance with the Article 8(1) and the processing security referred to in Article 28 has been lodged;

c) in the case of cream:

- that it has been manufactured in accordance with the requirements laid down in Article 5 of the CR (EC) No 1898/2005;
- that it has been incorporated into final products within the period laid down in Article 11 or, where the incorporation procedure used is that provided for in Article 6(1)(a), that tracers have been added in accordance with the Article 8(1) and the processing security referred to in Article 28 has been lodged;

However, the processing security not to be lodged if the aid is claimed following completion of the checks provided for in Section 8 of the CR (EC) No 1898/2005 and if proof is supplied of incorporation into final products within the period laid down in Article 11 of the CR (EC) No 1898/2005.

Except in cases of force majeure, the aid shall be paid within 60 days of presentation to the APA of the proof referred to in the first paragraph of Article 34 of the CR (EC) No 1898/2005, in proportion to the quantities for which such proof has been supplied.

Except in cases of force majeure, where the period laid down in Article 11 of the CR (EC) No 1898/2005 is exceeded by less than 60 days, where the incorporation procedure used is that provided for in Article 6(1)(b) of the CR (EC) No 1898/2005, the amount of aid shall be reduced by 15% and thereafter by 2% for each additional day.

Where the successful tenderer has invoked force majeure to obtain payment of the aid, or where an administrative inquiry concerning entitlement to the aid has been initiated, payment shall not be made until entitlement **to the aid has been established.**

9 Checks

a) the manufacture of the concentrated butter, processing of the intervention butter into concentrated butter, adding the tracers into cream, concentrated butter or butter, repackaging of the concentrated butter

During the manufacture of concentrated butter, whether or not tracers are added, and during the manufacture of milkfat, or during the processing of intervention butter into concentrated butter or during the addition of the tracers into cream, intervention butter or butter, or during repackaging as referred to in the second subparagraph of Article 9(2) of the CR (EC) No

1898/2005, the APA shall carry out unannounced on-the-spot checks on the basis of the establishment's manufacturing programme.

Checks shall entail physical sampling of the products obtained and examination of the butterfats used, where appropriate by physical sampling, and shall relate in particular to the conditions of manufacture and the quantity and composition of the product obtained depending on the butter or cream used and to the absence of non-milk fat in the products obtained or, where appropriate, in the butter fats used.

Inspections relating to the conditions of the manufacture shall be supplemented by random inspections of the records and by verification of compliance with the conditions for approval of the establishment.

b) manufacture of intermediate products

Unannounced on-the-spot checks, on the incorporation of concentrated butter, intervention butter or butter into intermediate products in the establishments concerned shall be made on the basis of the manufacturing programme.

Inspections shall relate in particular to the conditions in which the intermediate products are manufactured and compliance with the requirements regarding the butterfat content.

The checks shall be carried out by means of:

- scrutiny of the records to verify the composition of the intermediate products;
- examination of the butterfats used, where appropriate by physical sampling, verification of the absence of non-milk fat in the butterfats used and physical sampling of intermediate products to check their composition as indicated in those records;
- checks on the input of butterfat and the output of intermediate products manufactured.

The checks referred shall be supplemented by checks to ascertain whether the conditions for the approval of the establishment have been complied with and, where applicable, checks on the accounts and by detailed inspection of these records carried out:

- by random sampling, where the incorporation procedure used is that provided for in Article 6(1)(a) of the CR (EC) No 1898/2005;
- for each batch of intermediate products manufactured, where the incorporation procedure used is that provided for in Article 6(1)(b) of the CR (EC) No 1898/2005.

c) manufacture of final products

Unannounced on-the-spot checks shall be made on the use of intervention butter, butter, concentrated butter, cream or intermediate products in final products in the establishments concerned:

- a) to examine the butterfats used, where appropriate with physical sampling, to verify the absence of nonmilk fats and if necessary physical sampling of the final products to verify their composition;
- b) to verify compliance with the use to which the products is to be put as stated in the tender, on the basis of the manufacturing recipes and either the records referred to in Article 13(1)(f) or the accounts referred to in Article 24(1)(b) of the CR (EC) No 1898/2005:
 - by random sampling, where the incorporation procedure used is that provided for in Article 6(1)(a) of the CR (EC) No 1898/2005;

- for each batch of final products manufactured, where the incorporation procedure used that provided for in Article 6(1)(b) of the CR (EC) no 1898/2005.

Contacts:

Ing. Jozef Škurla

Director of the Division of the Animal Commodities

Phone No: +421 2 582 43 308

Fax No: +421 2 582 43 348

e-mail: jozef.skurla@apa.sk

Ing. Jaromír Krejčí

Department of Dairy Products

Phone No: +421258243291

Fax No: +421 2 582 43 348

e-mail: jaromir.krejci@apa.sk

Ing. Jozef Nemsovský

Director of the Market Organisation Section