



The Sale of UK Intervention Cereals for Export to Non-Member Countries IM(C)16



RURAL PAYMENTS AGENCY

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EXPLAINING THE COMMON AGRICULTURAL POLICY

OF THE EUROPEAN COMMUNITIES FOR



**SALES OF UNITED KINGDOM
INTERVENTION CEREALS FOR EXPORT
TO NON-MEMBER COUNTRIES**

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The rules and obligations described in this leaflet arise from European Community Regulations which are binding in the United Kingdom. The regulations are subject to alteration. Whilst every effort is made to ensure that the information given is complete and accurate, this cannot be guaranteed. Delays can occur both in publication and in the issue of amendments to leaflets. Where doubt arises on legal interpretation advice should therefore be sought from lawyers as ultimately only the European Court could resolve it. On any other matter the Agency should be consulted. References are made in the leaflet to the appropriate EC Regulations published in the Official Journal of the European Communities. Copies can be obtained from Stationery office website www.tso.co.uk. You can also access recent Official Journals electronically by visiting the Commission's Europa website on www.europa.eu.int/eur-lex/en/oj/index.html. **Please note that the Rural Payments Agency cannot provide any warranty as to the accuracy or completeness of the Europa website.**

This leaflet deals only with EC Regulations and directives and procedures and forms required for the purposes of the Common Agricultural Policy.

"Data Protection - Any personal data provided to the RPA is protected in accordance with the Data Protection Act 1998. The data will be used primarily for the purpose of the application for which it is supplied. However, it may also be used in accordance with the Data Protection Act and subject to the safeguards of that Act for purposes connected with: administration of the Common Agricultural Policy, ERDP and other aid schemes; the production and safety of food; management of land and other environmental controls; animal health and welfare; and occupational health and welfare. Data may be passed (when necessary for these purposes) to other bodies such as Customs and Excise (for import/export purposes) and local authorities (for milk/health purposes) - these are merely examples. The data collected may also be used in connection with the Agricultural Census as a basis for statistical returns not identifying individuals. It may also be used when necessary to comply with the Environmental Information Regulations, the Code of Practice on Access to Government Information and the Freedom of Information Act."

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SECTION I - BRIEF DESCRIPTION OF THE SCHEME

1. INTRODUCTION

- 1.1 This leaflet describes the arrangements in the United Kingdom for the sale of intervention cereals for export to third countries. It replaces the leaflet IM(C)16 issued in December 2002. Enquiries concerning this Scheme should be addressed to the Cereals Intervention Section at the Rural Payments Agency (RPA) at the address shown on the front of this leaflet. Tenderers interested in sales of intervention cereals onto the Community market should read leaflet IM(C)20 also available from the RPA.
- 1.2 Marginal references, except where otherwise stated, refer to the relevant article of the Commission Regulation (EEC) No 2131/93 (as amended) which lays down the procedure and conditions for the disposal of cereals held by intervention agencies.
- 1.3 Regulation No 3002/92 (as amended) lays down the common detailed rules for verifying the use and/or destination of products sold out of intervention. It applies to all products removed from intervention stock on or after 1 January 1993. The main requirements of the regulation are:
- separate stocking and transportation of intervention products;
 - that intervention products are not replaced by other products.

2. AUTHORISATION OF A SALE

- Art. 1 & 7
- 2.1 When authorised by the European Commission, the RPA will offer cereals for sale to be exported to non member countries. When this happens an announcement of the call for tenders will be published in the Official Journal of the European Communities and a Notice of Invitation to Tender, which should be read with this leaflet, will be issued by the RPA. A copy of the tender will also be put on the RPA web site (www.rpa.gov.uk) under RPA schemes>Intervention Schemes. Tenders will remain open for specified period and bids may be submitted weekly (usually Wednesdays) for adjudication by the European Commission, while stocks remain or until the tender is closed. From time to time additional stocks may be added to the tender.

3. OUTLINE OF THE SALES PROCEDURE

- 3.1 The cereals offered for sale may be for export to any third country, or for export to a specified destination.

- 3.2 The sale of cereals is by tender (Section III) and tenders must be accompanied by:
- a tendering security (para 21.1), which is released either when a bid is unsuccessful or when payment is received for cereals awarded under a successful bid;
 - an application for a licence (advance fixing certificate) together with the licence application security; and
 - a written undertaking to provide export security (para 21.1).
- 3.3 Following adjudication by the European Commission successful tenderers will be notified by means of a fax and a contract letter (para 24). Once all the cereals are removed from store and have been exported, the tenderer must submit a claim for reimbursement of transport costs (para 35). A final statement will then be prepared (para 36), showing the monies outstanding, whether to or by the RPA.
- 3.4 Advice on calculation of the tender price can be obtained from the Grain and Feed Trader Association, GAFTA House, 6 Chapel Court, Chapel Place, Rivington Street, London, EC2A 3DA.
- 3.5 Annex A to this leaflet is a flowchart presentation of the operation of the scheme. Neither the flowchart nor this summary, however, should be read without reference to the more detailed information contained in the following pages.

4. CUSTOMER REGISTRATION

- 4.1 In order to receive payable orders and invoices, traders must register with the RPA.
- 4.2 To register or to change any registration details, contact our Customer Registration Section on 0845 603 7777 or the Cereals Intervention Section.

SECTION II - QUALITY, PRICING AND LOCATION OF CEREALS

5. QUALITY OF CEREALS

Art. 12 & 13.2 5.1 The cereals offered for sale will have met the regulatory requirements for quality which were valid at the time of intake. Tenders submitted must take account of the physical characteristics of the cereals (and in the case of wheat, the technical characteristics) since price adjustments due to quality will not be made. Details of the quality of the cereals will be given in the annexes to the Notices of Invitation to Tender.

6. TENDER BID PRICE AND EURO CONVERSION RATE (ECR)

6.1 Bids must be submitted in Euro/tonne inclusive of quality (see para 5.1).

Reg. (EC)
1913/06 Art. 8 6.2 The operative event for fixing the ECR is when a valid bid is received and the security has been lodged.

6.3 However, tenderers wishing to advance-fix the ECR applicable on the date of tender should indicate this on the tender submission. It should be noted that there are certain circumstances in which the advance-fixed rate may be adjusted. Advice on this may be obtained from the RPA or GAFTA, see para 3.4.

6.4 Confirmation of ECRs may be obtained from Rates Information at Newcastle, tel: 0191 226 5045. You will also find conversion rates on www.ecb.int, the website of the European Central Bank and on the RPA web site under RPA schemes>Export Refund Rates.

7. LOCATION OF CEREALS

Art. 7 & 12 7.1 Details of the location of the cereals and quantities available will be published in the annexes to the Notices of Invitation to Tender. As necessary updates to these details in respect of standing invitations to tender will be published each week, prior to the weekly closing date for submission of tenders. Tenderers wishing to receive this information should contact the Cereal Intervention Section to ensure that they are included on the mailing list. However, the RPA, reserve the right to adjust the quantities for sale at individual stores without prior notice.

8. INSPECTION OF CEREALS - INC SAMPLING AND ANALYSIS

- 8.1 Prospective tenderers are advised to satisfy themselves as to the quality of the cereal. Those wishing to inspect the cereals prior to bidding should notify the appropriate storekeeper by telephone or fax giving the date and time of their proposed visit to inspect and/or sample the cereals. Purchasers are advised that the cereals delivered out to them may vary from the quality published, but will not be below the minimum intervention quality standards that applied at the time the cereals were taken into store. The RPA will not consider claims from purchasers in the case of such variations in quality, unless the quality falls below minimum intervention standards.
- 8.2 **At your request**, we will sample the cereals you purchase either before or at the time of discharge at a rate of one sample for each 500 tonnes. If you want us to do this you should initially contact the Cereals Intervention Section who will arrange for one of our Inspectors to contact you to arrange a suitable date.
- 8.3 It is your responsibility to arrange attendance at the time the cereals are sampled and analysed – either in person or by use of a representative. **Please note that if you do not attend or are not represented we will carry out sampling and analysis in your absence. However, by not attending or being represented, you may also forego your right to appeal the results of the analysis.**

9. DISCHARGE OF CEREALS

- 9.1 The RPA does not guarantee that cereals will be discharged within any set period. Tenderers are therefore advised to contact the storekeeper prior to bidding to determine the precise daily rate at which cereals can be discharged from store. At the same time they should also check with the storekeeper whether the quantity they intend to bid for can be released to them in the required time-scale. The RPA will not consider claims from purchasers where the discharge has not been completed within the time-scale required by the purchaser

10. VARIATIONS IN CONTRACT TONNAGE

- 10.1 Tenderers should note that the quantities offered for sale may be a part of, or all of, the book stock available at the store. Tenderers who bid for part of the total book stock must remove the quantity they bid for plus or minus half a truckload (13 tonnes). Tenderers who bid for the total book stock will be expected to remove the total quantity in store up to a maximum of 105% of the quoted book stock.

- 10.2 Occasionally there may be insufficient cereals to meet the contract quantity. In these circumstances the RPA will either:
- a. agree to close the contract at the reduced tonnage; or
 - b. subject to the purchaser's agreement, supply cereals (if available) from an alternative store. However, any additional costs arising will fall to the purchaser.

11. VARIATIONS IN QUALITY

- 11.1 All complaints concerning appearance, smell, infestation and ergot must be resolved before each load leaves the store.
- 11.2 Purchasers who feel that any load delivered to them is below minimum intervention quantity for reasons other than those in paragraph 11.1, must inform the RPA within 3 working days of discharge. Complainants should identify the store, contract number, date of discharge, load or lorry number and the tonnage discharged. The RPA will arrange for the reference sample held at the store to be analysed by an independent analyst and these findings shall be final and binding on both parties. All costs will be borne by the purchaser in the event that the appeal is not upheld.

SECTION III - TENDERING CONDITIONS

12. ADDRESS FOR TENDERING

- 12.1 Tenders must be sent to the RPA at the address shown on the front of this leaflet by registered post, or delivered by hand (an acknowledgement of receipt will be given), or by fax.

13. TENDERING DEADLINES

- Art. 13.4 13.1 Prospective tenderers should note that, however they are submitted, tenders must be received by the RPA by 12:00 (13:00 Brussels time) on the closing date for the submission of tenders. Tendering and export licence securities must also be lodged with the RPA (see para. 21) by the same deadline. Failure to lodge either security in time will result in the tender being rejected. Once submitted, tenders may NOT be withdrawn or amended.

14. TENDERING BY FAX

- 14.1 Faxed tenders will be considered only if they are submitted in the form prescribed in the Notice of Invitation to Tender and are received in their entirety by 12:00 (13:00 Brussels time) on the final date set for the submission of tenders. The timing of the receipt of faxed bids at the RPA will be final. A fax tender must be confirmed in writing to the RPA by registered post using the form prescribed in the Notice of Invitation to Tender.

15. TENDERING BY POST OR BY HAND

- 15.1 Tenders sent by registered post or delivered by hand will be considered only if they are submitted on the form prescribed in the Notice of Invitation to Tender. Tenders should be enclosed in a double sealed envelope. The inner envelope should bear the phrase: "Private and confidential – tender for the sale of intervention cereals for export to third countries".

16. THIRD COUNTRY TENDERS

- Art. 11 16.1 In the case of a tender linked with a tender issued in an importing non-member country under Article 49 of Regulation (EC) No 1291/2000, the following particulars at least must be specified:
- the importing non-member country and the agency issuing the invitation to tender;
 - the closing date for the submission of tenders; and

- the specific quantity of products covered by the invitation to tender.

16.2 The following clause must be added to such a bid:

“This is a conditional bid submitted in accordance with Article 49 of Regulation (EC) No 1291/2000”.

Art. 13.3 16.3 The Commission may decide not to consider bids submitted under Article 49 of Regulation (EC) No 1291/2000.

17. MINIMUM QUANTITY

Art. 8.1a 17.1 Tenders must be made for not less than 500 tonnes from any one store, unless otherwise specified by the Notice of Invitation to tender. When the total quantity in store is less than the minimum specified, only tenders for the total quantity in store will be acceptable.

Art. 8.1b 17.2 If more cereals are bid for than are available at a certain store, the higher priced bid(s) only, within the available tonnage, will be transmitted to the Commission. Alternative bidding is not permitted. Tenders may stipulate that they are valid only for the quantities specified and not for part allocations.

18. ADDITIONAL REQUIREMENTS

Art. 8.1c 18.1 Tenders shall be considered as being submitted for cereals delivered but not unloaded at a port as referred to in para 19.

Art. 8.2 18.2 Tenders must be accompanied by an application for an advance fixing certificate, fixing the relevant EC refund or levy, together with the appropriate export licence security in a form laid down in para 21.2 and a written undertaking to provide a security as laid down in para 21.1.

19. PORTS OF EXPORT

Art. 7.2 19.1 Tenderers, while free to export the cereal through whichever port they wish, must for the purpose of calculating the transport costs, nominate the port which can be reached at the lowest cost and which has adequate technical facilities for exporting the cereals. For tendering purposes such ports will be specified in an Annex to the Notice to Invitation to Tender as the export port.

20. ADVANCE-FIXING CERTIFICATES

Art. 9 20.1 Export licences issued under this regulation shall be regarded as having been issued on the closing date for submission of tenders.

20.2 Full details of licensing and export requirements are set out in RPA leaflets ET1 and ET3.

SECTION IV - TENDERING AND EXPORT SECURITIES

21. AMOUNT AND LODGING OF SECURITY

- Art. 13.4 & Reg (EC) 1913/06 Art. 10 21.1 Tenders will be valid only if they are accompanied by:
- Tenders must be accompanied by a security. The current rate is €5 per tonne and any change to this will be notified in the Notice of invitation to tender. The appropriate ECR for converting tender security will be that applying on the date of tender.
- Art. 8.2 - an export licence security; and
- Art.17.2 - a written undertaking by the tenderer to provide a security equal to the difference between the price tendered, and the intervention buying-in price applicable on the closing date for submission of tenders, not later than 2 working days following the date of receipt of the traders first payment for the cereals contract.
- Art.17.1 21.2 Tender and export security may be lodged in the form of any of the following:
- block guarantee (see para 21.3);
 - single transaction guarantee (see para 21.8);
 - telegraphic transfer (see para 21.4);
 - bankers draft (see para 21.5);
 - cheque (see para 21.6).

The tender must specify the form in which the securities are being lodged.

- 21.3 Tenderers intending to lodge tendering securities by debit from a block guarantee are advised, before tendering, to check with the RPA Block Guarantee Section that sufficient funds remain in their block guarantee to cover their tender bids and any other transactions requiring a block guarantee. If the funds remaining in the tenderer's block guarantee are insufficient to fully cover the tonnage specified in a bid, the associated bid will be rejected.
- 21.4 Telegraphic transfers to the RPA bank account must be made to Lloyds Bank Plc, 1/2 Market Place, Reading, RG1 2EQ, Account No 0926997, Sort Code 30-96-96.
- 21.5 Bankers Drafts must be made payable to the RPA.

- 21.6 The RPA can only accept a cheque as a valid form of security after it has been cleared through the RPA bank account. Because cheques are cleared via the Paymaster General's office to the Bank of England, it may take up to 10 working days for a cheque to clear. If a cheque has not cleared by the date of the tender, security will be considered not to have been lodged and the associated bid will not be considered.
- 21.7 Tenderers who are unsuccessful will have their security returned as soon as possible.
- 21.8 Any expenses incurred in providing the security will not be reimbursed by the RPA nor will the security yield interest. To avoid delays in the repayment of securities, the tenderer is advised, in his own interests, to use either a block or single transaction guarantee. The RPA maintains a list of approved guarantors, a copy of which can be obtained on request from the RPA's Guarantee Section (0118 953 1723/1768). The necessary forms to establish such a facility are also available from the same section.

22. RELEASE OF SECURITIES

- Art. 17.2 22.1 The tender security (see para 21.1) will be released only in respect of quantities for which:
- no contract has been awarded; or
 - the cereals have been paid for within one calendar month from the date of award of contract (see para 25) and an export security has been lodged.
- Art. 17.3 22.2 The export security (see para 21.1) will be released only in respect of quantities for which:
- the tenderer proves that the Customs formalities for release into free circulation have been completed in the non-member country or countries for which the export refund or levy has been fixed in advance, and copies of the appropriate export licences, bills of lading and landing certificates (if applicable) are forwarded to the RPA in such a way that securities can be released against individual contracts. This proof must be provided in accordance with the provisions of Article 16 of Regulation (EC) No 800/1999 (as amended); or
 - proof has been furnished that the cereals have become unfit for human or animal consumption; or
 - an export licence is not issued in accordance with Article 49 of Regulation (EC) 1291/2000; or

- the contract has been terminated due to the non-payment for the cereals within one calendar month from the date of award of contract.

23. FORFEIT OF SECURITIES

- Art. 17.4 23.1 The tender security (see para 21.1) will become forfeit in respect of those quantities for which:
- the export licence security relating to a third country tender referred to in Article 49.2 of Regulation (EC) No 1291/2000 has been forfeit; or
 - except in cases of force majeure (see para 43), the security will be forfeit in respect of those quantities for which payment is not made within one calendar month from the date of award of contract and for which the contract is terminated.
- Art. 17.5 23.2 Except in the case of force majeure (see para 43) the security referred to in paragraph 21.1 will be forfeit in respect of quantities for which the proof of arrival in the non-member country referred to in Article 16 of Regulation (EC) No 800/1999 (as amended) is not furnished within the allotted time.
- 23.3 The export licence security referred to in para 21.1 will be released/forfeit according to the conditions set out in leaflets ET1 and ET13.

SECTION V - AWARD OF CONTRACTS AND PAYMENT FOR CEREALS

24. AWARDS OF CONTRACTS

- Art. 10 24.1 Details of tenders submitted to the RPA will be transmitted to the Commission for adjudication at the Cereals Management Committee which is usually held on the Thursday following the closing date for submission of tenders.
- 24.2 If two or more eligible tenders are received at the same price for the same cereals a decision about acceptability will be made by consultation between the RPA and the competing tenderers. If an agreement is not reached, lots will be drawn and the result of this process will be final.
- Art. 15 24.3 The result of the tender adjudication will normally be notified to successful tenderers on the day following the adjudication. This will subsequently be confirmed by the issue of a contract letter. The EC Commission reserve the right not to make any award.

25. PAYMENT FOR CEREALS AND THE ECR OPERATIVE EVENT

- Art. 16 25.1 The successful tenderer must pay the tendered amount to the RPA within one calendar month from the date of award of contract, eg if the contract was awarded on 3 May 2007 payment must be received by 4 June 2007. However, if the final date for payment falls on a weekend or public holiday, payment must be made by the next working day. The final payment date will be notified to the tenderer on the award notification and in the contract letter.
- 25.2 Payment may be made either by:
- banker's draft, made payable to the RPA; or
 - telegraphic transfer to the RPA's bank (see para 21.4);
 or
 - cash; or
 - cheque, allowing at least 10 working days for clearance (see para 21.6). If not cleared by the due payment date, no payment will be considered as having been made.
- 25.3 The cereals may be paid for and collection in agreed stages. Before payment is made, a fax should be sent to the RPA's Cereals Intervention Section, copy to the Cashier, stating to which contract, tonnage and type of cereals the payment relates.

25.4 The operative event for fixing the ECR is when a valid bid is received and the security has been lodged - see also para 6.3 for advance fixing of the ECR. The first payment may be in part (usually for not less than 20 tonnes) or in total.

26. PAYMENT FOR CEREALS AND ISSUE OF REMOVAL ORDER

26.1 When making payment (and therefore triggering arrangements for release from store) buyers will be required to supply additional information to enable the RPA to issue a Removal Order. One Removal Order will be issued for each contract or part contract for which payment is made. The required information with reference to the Removal Order is:

Removal Order –

Part 7 UK port of loading.

Part 8 expected start date of discharge from store;

expected duration of discharge in days;

expected number of loads discharged per day.

Part 9 the T5 endorsement to apply should transshipment or transit within the EC of the cereals be proposed.

The Removal Order will not be issued until this information is supplied. The information shown on a Removal Order may be amended by the RPA at the request of the buyer eg UK port of loading.

26.2 Removal arrangements will be made between the buyer and storekeeper in the usual way but upon discharge from store the storekeeper will issue a Removal Order extract to accompany each consigning vehicle. One extract will be issued for each load discharged and will contain at Part 3, the Removal Order number followed by the number of the load under that contract (or part contract) for which payment has been made viz 999/01 for the first load: 999/02 for the second etc. The storekeeper will distribute copies of the extract as follows:

- (white copy) to HM Customs at the port }
for transmission to the TI (Crops); } via
- (blue copy) to HM Customs at the port - }
to retain; } 'haulier'
- (green copy) to haulier for buyer;
- (yellow copy) retained by storekeeper.

26.3 It is the responsibility of the buyer to ensure the white and blue extract copies are delivered to HM Customs at the port. Such delivery may be made direct or more likely will be via the buyer's agent or the silo operator.

The storekeeper will give the haulier:

- a reminder concerning extract distribution; and
- will hand to the haulier the white and blue extract copies enclosed in an envelope marked 'For HM Customs'.

The haulier will be given, in the normal way, a copy of the weighbridge ticket but this will be attached to the buyers copy (green) of the extract.

If the extract is not delivered to HM Customs this could prejudice the taking under Customs control of the load in question.

27. NON-PAYMENT FOR CEREALS

Art. 16 27.1 If all or part of the cereals are not paid for by the due date (see para 25) the contract will be terminated and the tendering security will be forfeited (see para 23) in respect of the quantity of cereals for which no payment has been received.

28. MONTHLY INCREASE OF TENDER PRICE

Art. 16 28.1 In respect of the quantity of cereals removed from store after the month in which the contract is awarded, the tender price to be paid will be increased by the monthly increment in the intervention price. This increase will be taken account of when the final statement is issued.

29. RELEASE INSTRUCTIONS

- 29.1 Once payment for a quantity of cereals has been received, the RPA will issue instructions to the storekeeper, copied to the purchaser, permitting the release of the quantity of cereals paid for from store. In order to avoid delays in the release of the cereals, payment should be at least 3 working days before collection of the cereals is due to begin.
- 29.2 The RPA will deal with the issue of release instructions strictly in the order of receipt of payment. There are no exceptions and purchasers are advised to check with the storekeeper before making arrangements for the collection of the cereals.

SECTION VI - COLLECTON OF CEREALS, TRANSFER OF OWNERSHIP, STORAGE AND DISCHARGE CHARGES

30. COLLECTION OF CEREALS

30.1 The successful tenderer should agree a timetable for collecting the cereals with the storekeeper. The tenderer or his representative may be present at the store when the cereals are discharged. Discharge will be made free on vehicles on a hard road or free on rail if the tenderer wishes and the store has rail facilities. Discharge will only be free on rail if the store can discharge directly on to the train. If discharge by rail involves the use of a lorry or other vehicle the RPA will only pay the initial handling charge. Where stores can discharge direct to ship, discharge shall be considered to take place when the cereals passes over the store's weighing equipment.

NB: For failure to collect on the day agreed with the storekeeper, purchasers will be charged for all additional costs we incur including the provision of supervision.

30.2 Once the cereals have been discharged from store into the purchaser's charge they are deemed to have been accepted by him, subject to the conditions outlined in paragraph 11.

30.3 A tolerance of up to plus or minus half a truck load (13 tonnes) between the contracted and discharged tonnages will be applied. Once the collection of a lorry load brings the discharge quantity into this tolerance range, the contract will be deemed completed and no further cereals will be released to the purchaser.

31. ARRIVAL AT PORT

31.1 Following arrival of a load at port and the Removal Order extracts handed over, see paragraph 26, the load of intervention cereals will be subject to:

- a continuation of normal percentage sampling arrangements by HM Customs to confirm conformity of the load/product with the CCT nomenclature and additionally a percentage sampling by the TI (Crops) Officer as a check against substitution of the grain removed from store;
- separation along with other intervention cereals in the port silos from any open market grain;
- random inspection by the TI (Crops) of intervention grain in port silos awaiting export.

31.2 Cereals delivered to a port silo remain in RPA control until placed under Custom control. It is the responsibility of the buyer to notify the TI (Crops) of the proposed regime for placing goods under Customs control particularly if there is likely to be a delay.

32. TRANSFER OF OWNERSHIP

32.1 Cereals purchased from intervention remain in the RPA's ownership until they are physically delivered to the buyer, eg loaded into the buyer's vehicle on a hard standing (see also para 30). In certain circumstances where the purchased cereals are separately contained in a discreet lot, apart from other intervention cereals, the tender may, providing the storekeeper is agreeable, apply to the RPA for ownership to be transferred to him in store. If such a transfer is agreed to by the RPA, all risks and residual storage costs will become the responsibility of the tenderer from the date of transfer, as will the subsequent discharge costs. Applications for ownership to be transferred in store must be made in writing 3 working days in advance of the proposed date of transfer. The trader must satisfy himself that the quality of the cereal is acceptable to him prior to the request.

33. STORAGE CHARGES

Art. 16

33.1 The RPA will pay for the storage of cereals for one month after the date of award of contract. The date at which the purchaser becomes responsible for storage charges will be notified on the award of contract letter. Cereals remaining in store after that time will become the responsibility of the tenderer who will be charged storage costs at a rate of 3.5p/tonne/day for the first ninety days following the rent free period and thereafter at a rate of 7p/tonne/day. This represents the costs incurred by the RPA in reservation charges and extending storage contracts. These rates may be revised from time to time.

34. DISCHARGE CHARGES

34.1 The RPA will pay for the discharge of cereals from store.

SECTION VII - FINAL STATEMENTS AND PAYMENT OF INVOICES

35. REIMBURSEMENT OF TRANSPORT COSTS

- Art. 7.2
- 35.1 The RPA will reimburse the successful tenderer transport costs to the nearest nominated port at the rate published in an annex to the Notice of Invitation to Tender.
- 35.2 A claim form will be issued to all successful tenderers as a supplement to the contract. The transport claim should be submitted when all the cereals have been removed from store and exported from the United Kingdom. The claim must be supported by an invoice listing licence numbers used to export the cereals, a copy of the licence(s) and appropriate bills of lading.
- 35.3 In addition the RPA will require a statement from the buyer reconciling on a daily basis the intake to port silos, with the quantities loaded on board the export vessel(s) as evidenced by the bills of lading.
- 35.4 The transport reimbursement will be taken account of in determining the final sums due under the contract on the final statement.

36. FINAL STATEMENTS

- 36.1 On receipt of all discharge details and transport reimbursement claim forms from the tenderer, the RPA will issue to the purchaser a final statement (CESA12) for each contract showing monies either due to or owed by the RPA. Included in the final statement will be details of the tonnage discharged, the tendered price, monthly increment (if applicable), storage costs (if applicable), transport reimbursements, and payments made. The RPA will also issue a discharge and quality record (CESA11) detailing the daily discharges.

37. PAYMENT OF INVOICES

- 37.1 The successful tenderer must pay any amount due to the RPA detailed in the final statement within 14 days of receipt of the invoice.

38. UNDERPAYMENT OF CLAIMS

- 38.1 The RPA does not normally correct underpayments of claims for sums up to £10 because of the administrative cost involved. Where a series of such underpayments to a single payee, and arising from the same scheme, amount in total to more than £10 a correction will be made. However, in the case of any such underpayment, whether less or more than £10, coming to the claimant's notice within 6 years of the date of the original payment, the claimant is entitled to ask for the underpayment to be corrected if he so wishes. Underpayments are not corrected after 6 years.

SECTION VIII - MISCELLANEOUS CONDITIONS

39. HM CUSTOMS DOCUMENTATION

- 39.1 To facilitate HM Customs control of the intervention cereals in port silos the buyer will be required to supply the necessary documentation (including Removal Order extracts) to enable deliveries to be taken under control. HM Customs will endorse the Removal Order extract part 10 no later than the date on which the grain is taken under Customs control using port silo records eg information shown on the port weighbridge ticket. Following discussions with Customs and Trade Associations it was recognised that the point of endorsement of part 10 will not be intake of cereals to port.
39. Except where traders are approved by HM Customs to issue control documents, HM Customs under arrangements on and after 1 January 1993 will continue to issue, when appropriate, T1 and T5 documents eg when exports are via another member state. For this reason exporters are required to specify for inclusion on the Removal Order for information of HM Customs, what endorsements are to apply to the Control documents should transshipment or transit of the consignment within the EC be proposed.

40. RIGHTS AND OBLIGATIONS

- 40.1 The successful tenderer may not assign the rights and obligations relating to his contract to another party.

41. DEMURRAGE

- 41.1 The RPA will not be liable for any demurrage or other costs arising from an intervention sales contract.

42. RECORDS

- 42.1 Purchasers are required to keep commercial documents for at least 3 years starting from the end of the calendar year in which they are drawn up. Commercial documents are defined as all the tenderers books, registers, vouchers and supporting documents, accounts and correspondence. Records must be made available at all reasonable times for examination by persons authorised by the RPA for the purposes of verifying or auditing transactions.
- 42.2 If purchasers wish to do so, they may adopt a 'paperless' system (one that relies on microfilm, microfiche or electronic access to computer databases), or one involving the early destruction of original documents, provided that it:

- records all data necessary to support claims for payment and release of securities; and
- allows easy access to the data for authorised officials.

42.3 The system should provide as much information, in as easily accessible a form, as the paper-based arrangements it replaces.

43. FORCE MAJEURE

43.1 Force majeure can be described in broad terms as abnormal and unforeseeable circumstances not connected with and outside the control of the trader, the consequences of which, despite due diligence, could not have been avoided without excessive sacrifice.

FLOWCHART ON THE SALES PROCEDURE

References to the appropriate paragraph(s) in this leaflet are included in each box as necessary

