

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(80) 685
Brussels, 14 November 1980

NINTH FINANCIAL REPORT

on the

EUROPEAN AGRICULTURAL GUIDANCE AND GUARANTEE FUND

- YEAR 1979 -

GUARANTEE SECTION

and

food aid financing

1

INTRODUCTORY NOTE

Article 10 of Regulation (EEC) No. 729/70 on the financing of the common agricultural policy requires the Commission to submit to the Council and to the European Parliament before 1 July each year, "a financial report on the administration of the Fund during the preceding financial year and, in particular, on the state of its resources and the nature of its expenditure and the conditions under which Community financing has been effected".

This report covers the activities of the Guarantee Section of the EAGGF for the 1979 financial year. The activities of the Guidance Section are dealt with in a separate report.

The Guarantee Section finances expenditure resulting from the common policy on agricultural markets and prices. Under Articles 2 and 3 of Regulation (EEC) no. 729/70, this is divided into refunds on exports to non-member countries to cover the difference between Community prices and world prices, and various intervention measures designed to stabilize agricultural markets (storage, withdrawal from the market, price compensation, guidance premiums).

N.B. This draft of the Report was completed on 26 September 1980.

SUMMARY OF THE NINTH FINANCIAL REPORTEAGGF - GUARANTEE SECTIONTitle I - Community financing of markets

1. Expenditure totalled 10 441 m EUA¹, which represents an increase of 1 768 m EUA or 20% compared with 1978.

This sharp increase is mainly the result of the surplus in the milk and milk products sector and the measures adopted to encourage the sale of butter and skimmed-milk powder (+ 513 m EUA); the decline in the markets for meat (+ 211 m EUA); the world situation as regards cereals, rice, oilseeds and sugar (+ 609 m EUA); and the financial effects of the increased support for Mediterranean products implemented in 1978, in particular for fruit and vegetables (+ 342 m EUA) and olive oil (+ 215 m EUA). For other products the increase is less marked, and expenditure on monetary compensatory amounts actually fell by 172 m EUA.

As the initial appropriations were insufficient, a supplementary budget of 802 m EUA was required to cover the deficit, not counting 203 m EUA for milk products spent in the Member States, which will be covered by the 1980 budget.

2. Expenditure on refunds increased more markedly than that on intervention rising to 47.7% of total expenditure. The value of products in intervention storage amounts to 2 000 m EUA, but stocks of milk powder have decreased while those of wheat have increased.

The gross cost and the net cost, i.e. less agricultural levies (8 297 m EUA) increased to 0.60 % and 0.48 % of the Community's gross domestic product respectively, as compared with 0.56% and 0.41% in 1978.

1

m EUA = million European units of account.

Title II - Cash position and financial administration

3. The Commission was no longer able to meet the cost of financing the paying agencies by November 1979, as the supplementary budget proposed in September was not adopted until December. This led to temporary difficulties in some departments.
4. This exceptional situation makes it impossible to give the customary assessment of the cash position in the Member States or transfers of appropriations, these having largely been incorporated into the draft budget.

Title III - Enquiries and irregularities

5. The Commission pursued several specific enquiries, and carried out a selective check relating to monetary compensatory amounts. This led to the conclusion that there were shortcomings in the areas of internal control, and in the treatment of documentary evidence. These shortcomings, as well as certain instances where Community provisions, were communicated to the relevant Member States for corrective action.
6. A total of 116 cases of irregularities were reported by Member States in 1979. These involved 2.1 m EUA, of which 1.2 m EUA was recovered. As in 1978, the number of cases detected was lower than in previous years. Most cases concern intervention expenditure on milk products (37 cases), beef (34 cases), and monetary compensatory amounts (18 cases).

Title IV - Clearance of accounts

7. The Commission adopted the decision on closure of the accounts for 1973 on 12 October 1979. Out of a total of 3 635 m EUA declared expenditure, about 37m EUA was not recognized by the Commission because it related to expenditure which did not conform to Community rules.

The Commission made internal arrangements for the use of more selective control methods and for the grouping of the work of two years together so that the backlog in the clearance of accounts can be cleared.

The legal proceedings resulting from the decisions on the clearance of the accounts for 1971 and 1972 ended at the beginning of 1979. The Court of Justice in the main found in favour of the Commission, both as to questions of principle and in six of the seven contentious cases.

Title V - Financing of Community food aid

8. Food aid is financed in accordance with rules similar to those for the Guarantee Section. The Commission made monthly advances amounting to 273.4 m EUA, i.e. an increase of 9.2% compared with 1978. A total of 241.1 m EUA went on aid programmes for the supply of milk products (161 m EUA) and cereals (80 m EUA). A further 17.9 m EUA was paid directly to various agencies responsible for food aid operations.

*

*

*

In conclusion, the Commission considers that the EAGGF is an important financial instrument, the operation of which should be further improved so as to limit expenditure which assuring the proper management of public funds.

SUMMARY

INTRODUCTION

Page

TITLE I : COMMUNITY FINANCING OF MARKETS

1.	<u>Agricultural prices and adjustments to market mechanisms with financial consequences.</u>	
1.1.	Agricultural prices	2
1.2.	Adjustments in certain sectors having financial consequences	2
2.	<u>Analysis of the financing of markets</u>	
2.1.	Comparison of initial appropriations and disbursements	9
2.2.	Breakdown of expenditure by type	16
2.3.	Public stocks	17
2.4.	Corrections to be made to the breakdown of expenditure by Member States on the basis of monetary compensatory amounts (MCAs)	18
2.5.	Assessment of the total cost of the Guarantee Section	19
3.	<u>Changes in rules governing the EAGGF Guarantee Section</u>	
3.1.	Council legislation	21
3.2.	Commission legislation	21

TITLE II : CASH POSITION AND FINANCIAL ADMINISTRATION

4 and 5	General Situation	23
4.	<u>The cash position</u>	
4.1.	Advances to Member States	25
4.2.	Funds available in the Member States during the financial year	27
4.3.	Rate of utilization of the funds available	27
5.	<u>Financial administration</u>	
5.1.	Summary of available appropriations	29
5.2.	Transfer of appropriations	29
5.3.	Expenditure	29

TITLE III : ENQUIRIES, IRREGULARITIES AND RELATED ACTIVITIES

6.	<u>Enquiries</u>	
6.1.	Powers	33
6.2.	Investigations and selective checks undertaken	33
7.	<u>Irregularities</u>	
7.1.	The system of cooperation and prompt notification	34
7.2.	Irregularities detected	35
7.3.	Recovery of amounts in connection with legal proceedings concerning irregularities	37
7.4.	Training of officials managing EAGGF expenditure	37
7.5.	The Special Committee Inquiry (SCI)	38
7.6.	Audit of operator's commercial documents	38
8.	<u>Audit and clearance of accounts</u>	39
8.1.	1973 accounts	39
8.2.	Accounts for financial years 1974 to 1979	41
8.3.	Consequences of the judgements delivered by the Court of Justice	42

TITLE IV : FINANCING OF COMMUNITY FOOD AID FOR PRODUCTS

SUBJECT TO COMMON ORGANIZATIONS

9.		
9.1.	Characteristics of Community food aid	43
9.2.	The cash position	45
9.3.	Administration of payment appropriations	46
9.4.	Appropriations carried forward to 1980	48
9.5.	Closure of the accounts	48

<u>Guarantee Section</u>	<u>Page</u>
1. Receipts from the co-responsibility levy on milk and allocation of proceeds among various schemes.	3
2. Comparison between the initial appropriations in the 1979 budget and expenditure	10
3. MCA levels applied in trade	15
4. Corrections to be made to the breakdown of expenditure by Member States	19
5. General development of expenditure	19
6. Levies under the common agricultural policy	20
7. Funds available to and expenditure by the Member States for the 1979 financial year (Guarantee + milk premiums 100%)	26
8. Average percentage rate of use of Community funds at 31 October 1979	28
9. Transfer of credits	30
10. Breakdown of 1979 expenditure by Member States and by type of financing	31
11. Results of the clearance of the 1973 accounts	39
 <u>FOOD AID</u>	
12. Breakdown and utilization of monthly advances in 1979	45
13. Direct payments	47

INTRODUCTION

Last year was a critical one with regard to EAGGF guarantee spending on the common agricultural policy, and developments strengthened awareness in the Community institutions of the need to curb this growth in expenditure. While the increase in expenditure was slightly less than in previous years, it was nevertheless more marked than had been originally anticipated. In particular, expenditure in the milk sector continued to increase to the point where it accounted for about 25% of the Community's own resources. The lack of control over the cost of the milk market was one reason why the new European Parliament rejected the draft 1980 Budget at the end of 1979.

With regard to the 1979 financial year, the provision of additional appropriations to the EAGGF Guarantee Section under a supplementary budget proved an awkward arrangement. This situation led to temporary disruptions in the administration of the appropriations and, for a short period, in the payments by the paying agencies.

The Commission believes that efforts to curb the growth in this expenditure must be continued, both by amendments to the regulation on agriculture by the Council, and by the use of its own powers of management.

The forecasts should also be further improved to obviate, as far as possible, the introduction of supplementary budgets. However, completely accurate estimates cannot be made. Expenditure to regulate the markets is subject to changes due not only to policy decisions, sometimes of considerable importance, with regard to prices and related measures, but also - and to at least the same extent - to natural supply and demand developments in the markets themselves (prices and quantities).

In addition there is a time lag between any particular measure and the payment related to it.

It is in this context that the functioning of the EAGGF must be further improved, particularly with the aim of providing fuller accounting and economic data, which should be processed more rapidly. The Commission would therefore be better and more quickly aware of the danger of an overall

-IX-

or sectorial insufficiency of appropriations and would be able to take any necessary measures.

The Member States, which make the actual payments, should participate more actively by providing fuller better quality data, which should then be processed by the Commission using modern techniques, including EDP.

As in previous years, the clearance of accounts has been hampered, despite unflagging efforts by the officials concerned, by serious administrative difficulties, with the imminent threat that the work might come to a halt altogether. The judgments given by the Court of Justice in early 1979 which largely endorsed the Commission's views, followed by the introduction by the Commission of more selective control methods and the systematic amalgamation of data control work, allowed the deadlock to be broken and a start to be made on eliminating the backlog.

The Commission is giving particular attention to the various investigations being carried out, with a view to an in-depth consideration of how the concept of irregularities in the Member States should be interpreted. In particular, the application of the new directive providing for verification of commercial documents in firms is being followed closely.

It must also be noted that the strengthening of the control bodies - the Court of Auditors and the European Parliament - has also entailed a substantial increase in workload for the departments concerned.

TITLE ICOMMUNITY FINANCING OF MARKETS

Expenditure by the EAGGF Guarantee Section in 1979 totalled 10 440.7 m EUA¹, an increase of 20% over 1978. The initial appropriations amounted to 9 602.1 m EUA, and a supplementary budget of 802 m EUA had to be requested. Thus, allowing for a carryover of 30.4 m EUA from 1978 and 6.2 m EUA available from the clearance of accounts, the total appropriations available came to 10 440.7 m EUA.

Expenditure by the Guarantee Section depends on a large number of factors, many of which are still not known when the budget estimates are produced. These include :

- farm price adjustments and various changes to the operation of the common market organizations; which were adopted after the budget and which influenced expenditure during the financial year in question ;
- economic factors of agricultural origin (level of production; prices on the internal market and on the world market) or of non- agricultural origin (the monetary situation, delays between operations and payments by the paying agencies).

1. Agricultural prices and adjustments to market mechanisms with financial consequences

Expenditure by the Guarantee Section was influenced by the adjustments to the agricultural prices for the 1979/80 marketing year and the various changes made in the common market organizations. These were decided on either by reference to the related measures adopted at the same time as the prices, or during the 1979 financial year, and had a direct influence on the management of financing by the EAGGF Guarantee Section.

1

m EUA = million European units of account.

1.1. Agricultural prices

On 22 June 1979 the Council adopted a series of decisions under an overall general agreement relating to the fixing of the agricultural prices for the 1979/80 marketing year, together with related measures and measures to do with the monetary situation.

As regards the adjustment of prices, it was agreed to increase them by 1.5%; with the exception of those for milk products. The related measures mainly concern the dairy sector (maintaining the co-responsibility levy at 0.5%, butter subsidies, school milk), beef and veal (renewal of calving premiums and premiums for the slaughter of certain full-grown cattle), cereals (the transfer of 200,000 T of cereals to Italy), and fruit and vegetables (aids for certain processed fruits).

In the agri-monetary sector some progress has been made towards the abolition of compensatory amounts, with a reduction of 1 percentage point for Germany, and 1/2 percentage point for the Benelux countries (except for milk products). In addition, the green rates for the Italian Lira, the pound sterling and the French franc were devalued, which led to a reduction in the levels of MCA.

The policy, which aims to reduce MCAs, continued therefore in 1979 and expenditure under this heading fell from 880 m EUA in 1978 to 708 m EUA in 1979.

The price adjustments and the adoption of the related measures additional involved the EAGGF Guarantee Section in additional expenditure of approximately 200 m EUA for the 1979 financial year.

1.2. Adjustments in certain sectors having financial consequences.

These include adjustments agreed when the prices were fixed as well as those adopted during the year.

1.2.1. Milk and milk products

The situation in the dairy market still presents a major problem for the Community because of the difficulties in disposing of production and the resulting high costs for the Guarantee Section.

The main surplus products are skimmed-milk powder and butter. On January 1, 1979 public stocks of these two products amounted to approximately 72000 and 258 000 tonnes respectively.

At the end of 1979 these stocks totalled about 215 000 and 293 000 tonnes.

The Community's main concern was thus to establish an equilibrium in the dairy market by continuing the existing policy and by increasing measures to encourage an expansion in the market.

(a) Co-responsibility levy and related measures

This measure which is the financial contribution of the milk producers towards achieving an equilibrium in the market, was introduced by Regulation (EEC) No. 1079/77 with effect from 1 June 1978, at the rate of 0.5% of the target price for milk (214 ECU/t) and was renewed at the same level for the 1979/80 marketing year. In 1979 receipts amounted to 94.2 m EUA.

These funds were used to finance measures to expand the market as follows :
Table 1 - Receipts from the co-responsibility levy on milk and allocation

of proceeds among various schemes.

m EUA

Measure	1977 (from 16.9)	1978	1979	16.9.1977 to 31.12.1979
A. Receipts from co-responsibility levy	24.0	156.1	94.2	274.3

B. Expenditure				
(a) School milk (Reg.1080/77)	-	10.3	30.0	40.3
(b) Butter for the manufacture of ice-cream (Reg.262/79)	7.5	28.2	25.9	61.6
(c) Concentrated butter for direct consumption (Reg.649/78)		4.7	1.5	6.2
(d) Promotion, advertising and market research in the Community (Reg.723/78)			37.4	37.4
(e) Market research outside the Community (Reg. 1993/78)		10.1	52.9	63.0
(f) Improvement of the quality of milk (Reg. 1271/78 and 723/78)			15.5	15.5
Expenditure/revenue (%) 31		34	117.2	62.4

1

Excluding appropriations carried over from one year to the next.

In addition, some of the measures designed to enlarge the market were increased in 1979, as follows :

- the measures provided for in Regulation (EEC) No. 649/78 on the sale of intervention butter at reduced prices for direct consumption in the form of concentrated butter were extended to include cream in private storage;
- the promotion and advertising measures were extended up to 31 March 1980.
- the measures relating to the sale of butter at reduced prices for the manufacture of pastry products, ice-cream and other food stuffs were re-inforced by Regulation (EEC) No.262/79 of 12 February 1979, which extended the scope of such sales and granted aid, with effect from 16 July 1979 for butter from private storage intended for the manufacture of these products (Regulation (EEC) No.1468/79).

(b) Measures connected with the 1979/80 prices

In connection with the decision on agricultural prices for the 1979/80 marketing year, it was decided :

- for milk :
 - o to increase Community aid in respect of the school milk programme to 100% of the target price with effect from 1 September 1979 (additional cost in 1979 : about 10 m EUA);
 - o to extend until the end of the 1979/80 marketing year the system of premiums for the non-marketing of milk and milk products and the conversion of dairy herds to beef production (cost during the 1979/80 marketing year to the Guarantee Section, which finances 60%: about 210 m EUA);
- for butter : the Member States are required to adopt one of the following measures to reduce the price of butter for direct consumption :
 - o to grant aid; 75% of the aid actually granted in any case not more than 50 EUA/100 kg will be the limit of Community financing (cost over 12 months : about 176 m EUA);
 - o to sell off butter from public or private stocks with a Community aid of 90 EUA/100 kg (cost over 12 months : about 225 m EUA).

(c) Other measures

Since stocks of skimmed-milk powder had been falling remarkably since September, special sales of this product for use in pig and poultry feed were suspended with effect from 23 October 1979 by Regulation (EEC) No.2307/79 of 19 October (saving for 1980 : about 465 m EUA).

In addition, Regulation No. 2338/79 of 24 October reduced the special aid for liquid skimmed milk for feed for animals other than young calves (saving over 12 months : about 24 m EUA).

Because of the imbalance on the market in certain cheeses, especially Italian cheeses, the existing private storage aid was extended to include long-keeping cheese of the Pecorino romano type taken into storage between 1 January and 31 March 1979 (Regulation (EEC) No. 2948/78) and for Italian Emmental and Gruyère taken into stock between 7 May and 30 September 1979 (Regulation (EEC) No. 877/79). The cost of these measures is about 8 m EUA.

1.2.2. Beef and veal

In the beef and veal sector, calving premiums and premiums for the slaughter of full-grown cattle were renewed. The rules for the sale of intervention meat were also revised¹, in order to avoid disruption in the market and to ensure equal access to products and equal treatment of purchases, particularly in the case of sales at standard prices fixed in advance.

With this in mind, the procedures for the sale of intervention beef at reduced prices to certain welfare institutions and bodies were amended by Regulation (EEC) No. 2374/79 of 26 October 1979.

However, despite considerable sales in this sector, intervention stocks of beef at the end of 1979 were at a slightly higher level than at the end of 1978.

1

Regulation No. 216/69 on this question was repealed and replaced by Regulation No. 2173/79, which came into force on 1 November 1979.

1.2.3. Pig meat

There were abundant supplies of pig meat in the Community in 1979 and temporary measures were adopted to regulate the market. Special conditions relating to the grant of aid for private storage were applied from 29 January 1979 by Regulation (EEC) No. 142/79 together with measures to again protect the Community market with regard to imports from third countries.

1.2.4. Oils and fats

(a) Olive Oil

The new system of aid for olive oil, introduced when the basic regulation on the common organization of the olive oil market was revised, entered into force at the beginning of the 1979/80 marketing year¹. For the members of a producers' organization the aid to production remains based on the quantity actually produced. For non-members, it is replaced by a standard aid which is mainly based on the production potential. Payments to this category of producer can thus be made more rapidly than in the past.

As regards aid for consumption, the adoption of the relevant rules (Council Regulation (EEC) No. 3089/78 and Commission Regulation (EEC) No. 557/79) was delayed. The system of aid for consumption did not therefore become operational until 1 April 1979.

On 9 August 1979, the Council adopted Regulation (EEC) No. 1794/79 amending Regulation (EEC) No. 154/75. This provides for a deduction of 1.47% of the production aid for the 1979/80 marketing year, in addition to the deductions already made for preceding years for the financing of the register of olive cultivation. The regulation also stipulates that if these deductions do not cover all the expenditure involved in establishing this register, other deductions will be decided upon. After a trial period, therefore, and finalization of the method for establishing the register, work can actually commence.

¹ See 8th Financial Report, paragraph 1.2.A.

(b) Oilseeds

To encourage the development of castor seed production and to help growers to cope with the technical difficulties inherent in establishing this crop in the Community, an aid to supplement the existing aid was introduced on a temporary basis by Regulation (EEC) No. 1610/79 of 24 July 1979. It is applicable from the beginning of the 1979/80 marketing year until the end of the 1981/82 marketing year. The total cost of this sector in the 1979/80 marketing year is about 0.2 m EUA.

As the Community's policy is to develop the production of soya beans, the system of aid based on an indicative yield provided for in Regulation (EEC) No. 1900/74 was replaced by a system based on the actual production of soya beans applicable from the 1980/81 marketing year under Regulation (EEC) No. 1614/79 of 24 July 1979.

1.2.5. Wine sector

(a) The body of Community legislation on the wine sector consisted of a large number of texts, too many for easy use. The legislation was therefore consolidated by Regulation (EEC) No. 337/79 of 5 February 1979.

(b) For the 1978/79 marketing year the harvest required the grant of aid in respect of concentrated grape must be produced in the Community and used to increase the alcoholic strength of wine (Regulation (EEC) No. 130/79 of 25 January 1979) (cost over twelve months : about 9 m EUA).

(c) In view of the amounts of wine still in storage by the middle of 1979, aid for the re-storage of table wine was re-introduced on 3 August 1979 by Regulation (EEC) No. 1714/79 for wine for which a storage contract had been concluded during the 1978/79 marketing year (cost over twelve months : about 2 m EUA).

(d) The very substantial crop in 1979/80 compelled the Community, in September/October, to allow the conclusion of short-term private storage contracts for table wines, grape must and concentrated grape must. On December 14, operators were also authorized to conclude similar long-term contracts. The total cost of these measures was about 23 m EUA for 1979.

1.2.6. Other sectors

(a) Cereals

Under Regulation (EEC) No. 946/79, carry over payments were granted for common wheat, rye and maize in stock at the end of the 1978/79 marketing year. As a result of the difference between the intervention price when the monthly increases in this price ended, and the intervention price at the beginning of the 1979/80 marketing year, action had to be taken in the form of these payments, to prevent too large a quantity of cereals being presented for intervention instead of being sold normally on the market before the beginning of the new marketing year.

In June the Council also decided to transfer to Italy 200 000 tonnes of bread wheat from intervention stocks.

(b) Fruit and vegetables

The basic regulation on this sector was amended on 19 February to permit preventive withdrawals of apples and pears by producer organizations. As regards processed fruit and vegetables, the list of products eligible for production aid was expanded to include certain other processed products such as Williams pears in syrup, cherries in syrup, and products processed from tomatoes. Aid for these first two products is restricted to a quantity not exceeding 105% of the quantity produced in 1978 (cost over twelve months : about 35 m EUA).

(c) Sugar and isoglucose

Regulation (EEC) No. 1111/77 Laying down common provisions for isoglucose was amended by Regulation (EEC) No. 1243/79 to take account of a judgment of the Court of Justice. A system of production quotas and export refunds similar to that in force in the sugar sector therefore now applies to isoglucose.

2. Analysis of the financing of markets

2.1. Comparison of initial appropriations and disbursements

Table 2 compares initial budget appropriations (9 602.1 m EUA) with expenditure effected by the end of the financial year, after adjustment of the funds available by a carryover of 30.4 m EUA from 1978; a supplementary budget of 802 m EUA, and an additional 6.1 m EUA available following a rectification of decisions on the clearance of the accounts (see paragraph 5.3.2.(b)).

2.1.1. The Agricultural sectors (1)

The following observations can be made after detailed examination of the individual sectors :

(a) Cereals

The 1979 harvest showed a 5.4% decline on the good production of the 1978 harvest, mainly due to lower yields. The abundant 1978 harvest led to an increase in expenditure on this sector in 1979 (1 563.7 m EUA) compared with 1978 (1 112.5 m EUA), mainly due to exports, which involved heavy expenditure on refunds (1 184.7 m EUA as compared with 831.9 m EUA in 1978).

Nonetheless, compared with the initial appropriations for 1979, this expenditure on refunds was 255 m EUA less than the estimate; world prices in fact increased substantially at the beginning of 1979, leading to a decrease in the level of the refund. Intervention expenditure (379 m EUA) was 56 less than forecast. This difference is due mainly to the fact that expenditure on carry-over payments was considerably less than anticipated, because of the 1.5% price increase for 1979/80 which was then underlined by increases at the national level following the representative rates, and because special measures (private storage) were not employed.

(b) Milk and milk products sector

Expenditure amounted to 4 527.5 m EUA. It exceeded the estimates by 809.9 m EUA and 1978 expenditure by 512.8 m EUA.

This situation is the direct consequence of an increase in production for which there are not sufficient outlets at market prices. Costly disposal measures both within and outside the Community are therefore necessary.

As regards skimmed-milk powder for which there is a permanent surplus, the continuing existence of very large quantities in public storage is expensive (110 EUA/t/year) in storage and interest costs and leaves the problem of final disposal unsolved.

(1) For a comparison of expenditure with previous years, see Annex 2.

TABLE 2

Comparison between the initial appropriations in the 1979 budget and expenditure

mEUA

	Initial appropriations 1979		Expenditure in 1979					Differences between initial approps and expenditure 1979	
	b	c	d	e	of which		g	h	i = 100 h/b
					Refunds	First cat.interv.			
CEREALS	1.874,2	1.563,7	15,0	1.184,7	290,1	88,9	- 310,5	- 16,6	
- excluding durum wheat	1.747,8	1.448,3	13,9	1.104,7	174,7	88,9	- 299,5	- 17,1	
- durum wheat	126,4	115,4	1,1	-	115,4	-	- 11,0	- 8,7	
RICE	41,4	42,9	0,4	41,7	1,2	-	+ 1,5	+ 3,6	
MILK AND MILK PRODUCTS	3.717,6	4.527,5	43,4	2.087,9	1.682,0	757,6	+ 809,9	+ 21,8	
OILS AND FATS	522,9	606,0	5,8	1,2	581,9	22,9	+ 83,1	+ 15,9	
- olive oil	321,7	388,2	3,8	-	365,6	22,6	+ 66,5	+ 20,7	
- oil seeds	201,2	217,8	2,0	1,2	216,3	0,3	+ 16,6	+ 8,3	
SUGAR	1.004,6	939,8	9,0	685,1	254,7	-	- 64,8	- 6,5	
BEEF AND VEAL	488,3	748,2	7,2	270,2	100,2	377,8	+ 259,9	+ 53,2	
PIGMEAT	84,9	104,9	1,0	78,4	26,5	-	+ 20,0	+ 23,6	
EGGS AND POULTRY	41,2	79,5	0,1	79,5	-	-	+ 38,3	+ 93,0	
FRUIT AND VEGETABLES	326,5	442,9	4,2	34,5	408,4	-	+ 116,4	+ 35,7	
WINE	119,4	61,9	0,1	4,6	57,3	-	- 57,5	- 48,2	
TOBACCO	262,0	225,5	2,2	3,7	209,3	12,5	- 36,5	- 13,9	
FISHERY PRODUCTS	20,0	17,0	-	8,5	8,5	-	- 3,0	- 15,0	
FLAX/HEMP	17,5	17,7	-	-	17,7	-	+ 0,2	+ 1,1	
SEEDS	27,2	30,1	-	-	30,1	-	+ 2,9	+ 10,7	
HOPS	11,0	10,1	-	-	10,1	-	- 0,9	- 8,2	
DEHYDRATED FODDER	49,3	46,6	0,1	-	46,6	-	- 2,7	- 5,5	
SOYAS AND FIELD BEANS	6,3	15,3	-	-	15,3	-	+ 9,0	+ 142,9	
NON-ANNEX II PRODUCTS	176,2	252,2	0,2	252,2	-	-	+ 76,0	+ 43,1	
MONETARY COMPENSATORY AMOUNTS	809,2	708,4	0,7	249,6	458,8	-	- 100,8	- 12,5	
TOTAL	9.602,1	10.440,7	100	4.981,0	4.199,2	1.259,7	+ 838,6	+ 8,7	
a/o	-	100	-	47,7	40,2	-12,1	-	-	

1 Appropriations entered in OJ No. L 23 of 31 January 1979.

10

Final disposal cannot be achieved without heavy aid payments or refunds. In view of this, and since the situation on the world market enabled large quantities to be exported without increasing the refund, efforts to promote both disposal on the internal market (large amounts of aid for the use of skimmed-milk powder in pig and poultry feed) and exports continued until the level of public stocks reached a more reasonable level (about 200 000 t) towards the end of 1979. Since then these aids have been discontinued. The sales thus achieved are reflected in expenditure: commercial refunds totalled 1 822.7 m EUA (about 42% for butter, 19% for skimmed-milk powder and 39% for other milk products), 542 m EUA more than the initial estimates. Intervention expenditure on skimmed milk (1 671.3 m EUA) also exceeded the estimates, by 117 m EUA. In fact these disposal measures meant that expenditure on aids aimed at promoting sales exceeded the estimates. On the other hand, the reduction of public stocks led to a reduction in this expenditure.

For butter, intervention expenditure (630.5 m EUA) was 160 m EUA more than the budget estimate. Steadily increasing production while consumption remained stable meant that special disposal measures had to be implemented in respect of larger quantities than had been foreseen. Even so, stocks still rose from 258 000 tonnes at the beginning of 1979 to 293 000 tonnes by the end of the year.

As regards the other measures, in contrast with the situation in previous financial years, expenditure on the distribution of school milk and on the Guarantee part of the premiums for the non-marketing of milk and for the conversion of dairy herds was close to the estimates. Receipts from the co-responsibility levy were also largely as estimated, although extension of this measure beyond the 1978/79 marketing year could not be anticipated when the budget was prepared, and receipts were thus slightly higher than the estimates. The measures to expand the market which were introduced in 1978, affected expenditure markedly in 1979, as shown in Table 1.

- (c) In the oils and fats sector the changes made in the rules on the grant of production aid for olive oil, the possibility of advance aid payments, and the introduction of consumption aid, resulted in actual expenditure (388.2 m EUA) exceeding the initial appropriations by 66.5 m EUA.

Expenditure on intervention purchasing and on subsequent operations totalled 22.9 m EUA, as against the estimated 17.2 m EUA. Large quantities of olive oil held by the intervention agencies were sold; whereas stocks totalled 105 000 tonnes for 1978, this figure had dropped to 53 000 tonnes by the end of 1979. Expenditure on aid for the production of colza seed substantially exceeded the estimates (29 m EUA) because of the fall in world prices, which led to an increase in aid in 1979.

- (d) Sugar sector. The overall surplus, including imports of 1.3 million t from the ACP countries, remained unchanged in 1979. Expenditure on this sector amounted to 939.8 m EUA for 1979 (1978 : 878 m EUA).

This situation necessitated massive exports, involving expenditure of 685.1 m EUA, i.e. 73% of total expenditure on this sector. Increases in the world price, particularly during the second half of 1979, allowed refunds to be reduced, and expenditure on refunds totalled 65 m EUA less than estimated. It should be noted, however, that receipts from production and storage levies have increased in recent years (133 m EUA in 1976, 465 m EUA in 1979), as shown in Tables No. 6 on page 20, as the quantities produced and storage costs have themselves increased.

- (e) Beef and veal. The market situation did not improve, and total expenditure in this sector (748.2 m EUA) far exceeded both the estimates (488.3 m EUA) and 1978 expenditure (638.7 m EUA).

Given the levels of supply, (production plus imports, the majority at preferential tariff rates) and consumption, an active export policy was required. The resulting expenditure on refunds (270.2 m EUA) substantially exceeded the estimates (122.7 m EUA). The massive intervention buying-in also meant that the expected reduction in public stocks did not materialize and expenditure on this item (377.8 m EUA) exceeded estimates by 119.1 m EUA. On the other hand, other intervention expenditure, i.e. on orderly marketing premiums and calving premiums, was slightly less than estimated.

- (f) In the pigmeat sector, in which the market had been relatively stable in previous years and expenditure had been lower than estimated, the increase in production and thus supply brought prices down. This meant that exports had to be stepped up and that more use was made of the private storage aid measures. Expenditure (104.9 m EUA) thus exceeded estimates by 20 m EUA. Increased expenditure in this field is also at least partly due to the fact that as imports of substitute feedstuff products (manioc, maize starch residues) have steadily increased, production has adapted more slowly to the demand.
- (g) In the eggs and poultrymeat sector the increase in exports caused expenditure to exceed the estimates by 38.3 m EUA.
- (h) As regards fruit and vegetables, expenditure on market measures (refunds and intervention) was as estimated in the budget. On the other hand, expenditure on processing premiums (282.3 m EUA) was 122.2 m EUA more than estimated. This is a new measure, and the quantities which qualified far exceeded the estimates based on available production data.
- (i) In the wine sector, the recent harvests had been relatively small; there has therefore been no need to apply the measures introduced to cope with surpluses. Expenditure (61.9 m EUA) was thus less than the appropriations, which were already considerably less than for the previous year.

However, the 1979 harvest was exceptionally heavy (170 million hl, compared with 140 million in 1978), and special measures had to be adopted from the end of 1979. The effect of the resulting expenditure will be felt in 1980.

(j) Raw tobacco; expenditure on marketing premiums was as estimated.

Disposal of oriental varieties is still hampered by serious difficulties and, despite the improvements resulting from the programme for conversion to different varieties, large quantities of intervention purchases were made. Expenditure on this item was, however, less than expected. The reason for this is that the difference between the buying-in price and the selling price is shown in expenditure at the time when the tobacco leaves intervention; in fact, in 1979 withdrawals from intervention were less than expected and stocks increased from 21 600 t at the end of 1978 to 28 000 t at the end of 1979.

(k) For the other sectors expenditure was approximately equivalent to appropriations. However, an aid to encourage the use of peas and field beans for animal feed was introduced on 1 July 1978; expenditure (15.3 m EUA) therefore exceeded estimates by 9 m EUA. The estimates had of course been based on production data obtained before the introduction of the aid measure.

As regards export refunds on processed products of agricultural origin (non-Annex II products), expenditure for 1979 confirmed the trend of previous years, i.e. an annual increase.

2.1.2. Monetary compensatory amounts (MCAs)

Table 3 shows the difference between the hypotheses used in preparing the budget and the range of MCAs actually applied. Generally speaking, the exchange rates of the Community currencies were more stable in 1979 than in previous years. In 1979, there was also a faster dismantling of negative MCAs, while sterling also improved. It was due to these two factors in particular that expenditure (708.4 m EUA) was 100.8 m EUA less than forecast.

Table 3 - MCA levels applied in trade

CURRENCY	Rates referred to in the Budget (22.5.1978)	Rates recorded in 1979	
		Minimum	Maximum
DM	+ 7.2	+ 9.8	+ 10.8
BFR/LFR	+ 1.4	+ 1.9	+ 3.3
HFL	+ 1.4	+ 1.9	+ 3.3
FF	- 10.2	0	- 10.6
LIT	- 11.2	- 2.3	- 17.7
UKL	- 27.9	0	- 28.2
IRL	- 2.8	0	- 3.0
DKR	0	0	0

2.1.3. The effect of the dual conversion rate

Until 1977 budget appropriations were expressed in u.a. and the relationships between the unit of account and the national currencies were based on the parities unchanged since 1971, declared to the International Monetary Fund. Agricultural operations, however, gradually moved away from this system and nearer to the market rates on the basis of the Council Decisions fixing representative rates for the conversion into national currencies of aids, refunds, etc. determined in u.a. The dual conversion rate effect therefore became increasingly important and for this reason a special budget heading was included to cover this variation in 1977 and 1978.

Since then,

- the EUA has been introduced into the budget, and
- the ECU with adjustments to the representative rates has been introduced in agriculture.

Since, in principle, the ECU and the EUA are at present identical, the dual rate effect has taken on an entirely different complexion and cannot be compared with the earlier situation. It now represents only the difference between the representative rate and the EUA rate used for calculating budget appropriations where the two rates are not the same. For some currencies this difference is positive, for others negative, but for the Community as a whole the effect of the dual rate is far less than it was in the past.

... dual rate effect... (IMF) to the EUA and the separate entry of the dual rate effect, followed by its cancellation in 1979, make it somewhat difficult to keep track of changes in expenditure. This is why the table in Annex 2 on the development of expenditure by the EAGGF Guarantee Section gives all the figures in EUA, the dual rate effect having been recalculated with regard to expenditure on each individual sector and included with the agricultural expenditure for each sector.

2.2. Breakdown of expenditure by type

The following conclusions can be drawn from the table in Annex 3 :

(a) refunds

The reinforcement in recent years of Community policy on agricultural exports led in 1979 to greater efforts to promote the disposal of produce in several sectors and therefore to an increase in expenditure on refunds, particularly for cereals, rice, beef and veal, pigmeat (period of abundant supply) and eggs and poultry. As in 1978, dairy products sector accounts for more than any other product (44% of expenditure); however, efforts to dispose of production were not in vain since skimmed-milk powder have been reduced considerably while those of butter have remained stable.

This expenditure has increased slightly as a percentage of total agricultural expenditure (48.6% as compared with 45.5% in 1978).

(b) intervention measures

The major part of expenditure consists of price support measures for the internal market. About 31% in 1978, these accounted for about 34% of agricultural expenditure in 1979 as the rate of payments of aid for the production of olive oil speeded up and large amounts of aid were granted for the processing of milk products and fruit and vegetables (see Annex 6).

As regards expenditure on second category intervention, related to the purchase, storage and disposal of intervention products, Annex 4 divides this into¹:

- technical costs relating to physical storage operations;
- expenditure connected with the interest costs on funds required for buying-in;
- expenditure resulting from the difference between the buying-in price and the receipts from sales.

The high figure for this last type of expenditure can be explained in the dairy and beef sectors by the fact that the difference between the buying-in price and the receipts from sales is quite large. In these sectors, as a result of the special measures for the disposal of intervention stocks which were designed to increase the consumption of certain products.

(c) Expenditure on monetary compensatory amounts (MCAs) totalled 708.4 million EUA in 1979, a significant decrease over previous years (14.5% of total Guarantee Section expenditure in 1977, 10.2% in 1978 and 6.8% in 1979). This reduction is attributable not only to efforts made in 1979 to adapt to the monetary situation (see point 1.1), but also to the introduction of the European Monetary System, which has helped to stabilize exchange rates between Community currencies.

2.3. Public stocks

As shown in Annex 5, at the end of 1979 public stocks had decreased compared with the end of 1978 for skimmed-milk powder (214 859 t as against 721 827 t), olive oil (53 401 t as against 104 895 t), preserved beef and barley. They had increased on the other hand, for common wheat (1.9 million t as compared with 1.1 million t) colza seed (10 236 as compared with 820 t), butter, and beef carcasses.

The total value of stocks, calculated on the basis of the capital immobilized, had decreased slightly (2 143 m EUA as against 2 310 m EUA).

¹ See 7th Financial Report, paragraph 3.3, p. 22.

2.4. Corrections to be made to the breakdown of expenditure by Member State on the basis of monetary compensatory amounts (MCAs).

The basic Regulation on MCAs lays down that a Member State must operate MCAs on intra-Community trade, depending on the state of depreciation or appreciation of its currency. However, the Council agreed in April 1976, on the basis of Article 2a of Regulation (EEC) No. 974/71, that the MCAs payable in trade with the United Kingdom and Italy would be paid by the exporting country, as opposed to the importing country. This Agreement has since been renewed.

Article 3 of Regulation (EEC) No. 1172/76 of 17 May 1976 which set up a financing facility stipulates that for the purposes of establishing net balances for Member States, the monetary compensatory amounts are to be attributed to the country which has made them necessary through changes in the exchange rates for its currency.

The following table shows these corrections.

Table No. 4

Corrections to be made to the breakdown of expenditure by Member States

Member State	Expenditure not corrected	Corrections	m EUA		
			Corrected expenditure		
			Amount	% 1979	% 1978
Belgium	785.9	- 33.3	752.6	7.2	6.5
Denmark	757.4	- 128.2	629.2	6.0	6.6
Germany	2 490.3	- 143.8	2 346.5	22.5	26.7
France	2 478.3	- 197.1	2 281.2	21.8	16.7
Ireland	572.9	- 116.9	456.0	4.4	3.9
Italy	1 320.1	+ 336.4	1 656.5	15.9	13.4
Luxembourg	13.5	- 0.2	13.3	0.1	0.3
Netherlands	1 494.4	- 117.4	1 377.0	13.2	12.6
United Kingdom	527.9	+ 400.5	928.4	8.9	13.3
TOTAL EEC	10 440.7	0	10 440.7	100	100

2.5. Assessment of the total cost of the Guarantee Section2.5.1. General development of expenditure

Table 5

	Total expenditure, Guarantee Section m EUA	% increase from one year to the next
1975	4 522.5	
1976	5 587.1	23.5
1977	6 830.4	22.3
1978	8 672.7	27.0
1979	10 440.7	20.4
TOTAL	36 053.4	Average 23%

The above table shows the increase in expenditure since 1975, averaging 23% per year.

In the light of the Table in Annex 2 on the development of expenditure by sector, this increase is due mainly to the costs of the cereals and dairy products sectors (notably for disposal of surpluses), to the increase in support for Mediterranean products decided on in 1978, and to the heavy expenditure on monetary compensatory amounts up to 1978.

2.5.2. Agricultural levies

The common agricultural policy, as well as generating expenditure, also constitutes a source of revenue for the Community budget in the form of agricultural levies and sugar production levies, which in 1979 brought in 2 143.5 m EUA.

Table 6
Levies under the common agricultural
policy

Type of agricultural levy	m EUA				
	1975	1976	1977	1978	1979
Import levies	534.0	1 040.1	1 816.9	1 872.7	1 678.6
Sugar Production levy	86.0	133.2	320.8	410.6	464.9
TOTAL	620.0	1 173.3	2 137.7	2 283.3	2 143.5

The increase in agricultural levies in 1977 and 1978 lost momentum in 1979 because of the upward movement in world prices for certain products, especially wheat, production of which fell well short of the exceptional harvests of 1978 while demand was strengthened by very heavy purchases made by the Soviet Union after a poor harvest in that country.

The quantities of the main cereals (common wheat, maize and barley) imported into the Community have been declining since 1976, and this is especially true for maize and barley.

As regards the sugar levies, Annex 8 shows the relationship between the levies charged and the refunds granted for storage costs for each sugar marketing year since 1968/69. It should be emphasized that the common organization of the market in sugar aims to establish a balance, on multi-annual basis, between production levies and the reimbursement of storage costs.

2.5.3. Cost in relation to GDP

A comparison on EAGGF Guarantee Section total expenditure in 1979 with the most significant indicator of the general performance of the economy, the Community gross domestic product at market prices (GDP) shows that Guarantee Section expenditure increased at a faster rate than the economies in the Member States generally (see Annex 7).

Gross expenditure and net expenditure, after deduction of agricultural levies (8 297 m EUA), increased in 1979 to 0.60% and 0.48% of GDP respectively as compared with 0.56% and 0.41% in 1978.

3. Changes in the rules governing the EAGGF Guarantee Section

3.1. Council legislation

Developments in 1979 were confined to :

- the updating, by Regulation (EEC) No. 1030/79, of the Annex to Regulation (EEC) No. 1883/78 Laying down general rules for intervention financing¹, which gives a list of those measures considered as intervention measures aimed at regulating the market and thus qualifying for intervention financing by the EAGGF Guarantee Section;

At the beginning of 1980 this list was again updated, by Regulation (EEC) No. 249/80;

- an adjustment, by Regulation (EEC) No. 1735/79, of the transport costs to be financed on a standard rate basis by the EAGGF Guarantee Section for the free distribution of fruit and vegetables withdrawn from the market by producer organizations or purchased by intervention agencies;

These costs had been fixed in 1972 and had to be adjusted to take account of changes in transport costs.

3.2. Commission legislation

In 1979, a number of changes were made to the regulations on financing procedures mainly by the adoption of Regulation (EEC) No. 1883/78.

Regulation (EEC) No. 230/79 relates to the implementation of Article 7 of Regulation (EEC) No. 1883, which lays down that if and agricultural product stored by an intervention agency necessarily deteriorates as a result of storage, the EAGGF Guarantee Section bears the loss for such depreciation from the time of purchase by the intervention agency. A depreciation co-efficient of 0.80 was fixed in this way for beef.

¹ See 8th Financial Report, point 2.1.

The charging of the depreciation to the EAGGF enables the interest charges financed by the EAGGF on funds immobilized in Member States for the purchase of products to be reduced; Regulation (EEC) No. 241/79 accordingly amended Regulation (EEC) No. 467/77 on the method of calculation of the interest costs.¹

Article 8 of Regulation (EEC) No. 1883/78, in particular the first sub-paragraph, stipulates that intervention stocks at 31 December are to be valued at the average purchase price. As at the end of 1978, therefore, on 7 December 1979, the Commission adopted Regulation (EEC) No. 2760/79 fixing the price to be applied in calculating the value of agricultural products which were in intervention storage on 31 December 1979 and which would be carried forward to the 1980 financial year.

In contrast with the situation at the end of 1978, there were no appropriations available at the end of the year and the possibility of depreciating the value of the carry-over stocks, provided for in the second paragraph of Article 8, was not therefore exercised.

¹ See 8th Financial Report, paragraph 2.1.2(a).

TITLE II

CASH POSITION AND FINANCIAL ADMINISTRATION

4 and 5 General situation

During 1979 the initial appropriations (9 602.1 million EUA) entered in the Budget (Titles 6 and 7 and Chapter 88) proved markedly insufficient. Supplementary appropriations were made available in supplementary and amending budget No. 3 (802 million EUA).

Including a non-automatic carryover from 1978 (30.4 million EUA), total appropriations amounted to 10 434.5 million EUA. The decisions with regard to the clearance of accounts made a further net amount of 6.2 million EUA available, thus increasing total available funds to 10 440.7 million EUA.

The delay in the adoption of the supplementary and amending budget (it was only passed on 13 December 1979) led to problems for the Commission, since it was unable to make available to the Member States all the advances needed to cover expenditure in November and December. There were also problems for the paying departments and agencies, as a result, some of them having exhausted the funds placed at their disposal by the Community by the end of November.

After a thorough examination of the situation, the Commission decided to make use of the facility provided by the last subparagraph of Article 7 of the Financial Regulation of 21 December 1977, and adopted on 5 December 1979 decisions on advances designed to cover the needs of paying departments and agencies until 31 January 1980. The resulting provisional commitment (provided for in Article 96 of the Financial Regulation) of an amount of 2 126 m EUA was made under the heading of 1980 and the payments to the Member States were made on 10 December 1979.

After the adoption of supplementary and amending budget No. 3, this commitment was reduced by 803.6 m EUA (802 m EUA + appropriations still available from the initial budget). An overall provisional commitment equivalent to this reduction was made in respect of 1979.

When the data sent in by the Member States were evaluated, the Commission became aware during the course of February 1980 that total expenditure by the Member States in 1979 exceeded the total funds available.

After the amendments sent by the Member States to the Commission pursuant to the second subparagraph of Article 6(2) of Regulation No 380/78 had been accepted and verified, the exact amount of the difference (203,483,472.63 ECU) was arrived at at the beginning of March. This expenditure, no longer chargeable to 1979 accounts, has been charged to 1980.

4. The cash position

The Member States communicate to the Commission each month information concerning the cash position, the payments made in the previous month, and estimated expenditure for the current and following two months prepared by the departments and agencies authorized to make payments.

On the basis of this information, the Commission, after consulting the EAGGF Committee, determines and pays out each month to the Member States the advance required by the paying departments and agencies until the end of the following month.

If the funds made available to a Member State are likely to be exhausted before the date on which the next advance is due, a decision may be taken on a special advance.

The Member States allocate the funds received between the paying departments.

4.1. Advances to Member States¹

In accordance with Articles 4 and 5 of Regulation (EEC) No. 729/70 and Regulation (EEC) No. 380/78, the Commission decided on 18 advances, including 6 special ones, for 1979. Five of these special advances

were for one Member State, and were required because expenditure for the months of April, May, June and September had been underestimated.

In respect of expenditure relating to the premiums for the non-marketing of milk and the conversion of dairy herds, which are financed by both the Guarantee Section (60%) and the Guidance Section (40%), the Commission adopted 11 decisions on advances.

In this part of the report the total expenditure is shown with regard to the cash position, and only at 60% when it concerns budgetary aspects.

¹ See Annexes 9 and 10.

Table 7

Funds available to and expenditure by the Member States for the 1979 financial year
(Guarantee + milk premiums 100%)

million EUA

Member State	Funds available on 31.12.77.	Advances for 1979 financial year (including exchange differences)	Total available for 1979 financial year	Consequences of clearance of accounts 1979 and decisions by the Court Clearance 71/72	Expenditure from 1.1.79 to 31.12.79	Balance on 31.12.79
	(a)	(b)	(c)=(a)+(b)	(d)	(e)	(f)=(c)+(d)-(e)
BELGIUM	4.6	786.1	790.7	+ 1.-	802.4	- 10.7
DENMARK	10.5	763.4	773.9	- 0.4	787.1	- 13.6
GERMANY	- 9.9	2 519.7	2 509.8	- 10.7	2 542.5	- 42.6
FRANCE	46.6	2 413.2	2 459.8	+ 8.1	2 527.-	- 67.1
IRELAND	4.9	570.-	574.9	+ 0.1	592.8	- 17.8
ITALY	- 8.-	1 314.2	1 306.2	- 0.5	1 321.2	- 15.5
LUXEMBOURG	0.1	13.6	13.7	- 0.1	13.8	- 0.2
NETHERLANDS	- 17.9	1 554.3	1 536.4	+ 8.3	1 573.5	- 28.8
UNITED KINGDOM	3.-	529.8	532.8	+ 0.4	543.4	- 10.2
TOTAL	33.9	10 464.3	10 498.2	+ 6.2	10 703.7	- 199.3
of which :						
Guarantee	27.8	10 406.7	10 434.5	+ 6.2	10 644.2	- 203.5
Guidance	6.1	57.6	63.7	0	59.5	+ 4.2

4.2. Funds available in the Member States during the financial year¹
In addition to the balance of 33.9 m EUA on 1 January, the Member States had at their disposal during 1979 advances totalling 10 464.3 m EUA plus the funds available after the decisions on the clearance of accounts (6.2 m EUA).

Total funds available were 10 504.4 m EUA, of which 10 440.7 was for the Guarantee Section and 63.7 for the Guidance Section.

Of this amount 10 703.7 m EUA was spent, leaving a balance of -203.5 m EUA for the Guarantee Section and +4.2 m EUA for the Guidance Section on 31 December 1979.

4.3. Rate of utilization of the funds available

The unusual circumstances in which the EAGGF Guarantee Section was operating during the last two months of the year make it difficult to determine the percentage utilization of funds.

Certain adjustments must be made before comparing these rates with those of previous years. Thus, if the subsequent allocation to 1979 of part (803.6 million EUA) of the advance paid on 10 December 1979 is taken into account, Annex 11 in column DEC reduces all the balances to zero. Table No. 8 uses the figures only for the first 10 months of the year.

In view of this all the funds made available to the Member States can be considered as having been used up by 31 December 1979. However, the comparison between the average of the funds available to cover expenditure in each of the ten first months of the financial year and the average of the balances available after deduction of expenditure (Table 8) indicates an average rate of utilization of 77%, which is the same as that for 1978.

¹ See Table No. 7.

TABLE No. 8

AVERAGE PERCENTAGE RATE OF USE OF COMMUNITY FUNDS

AT 31 OCTOBER 1979

(Guarantee + Non Marketing and Dairy Herd Conversion Premiums
at 100%)

Member State	m EUA		(%)
	Average Community funds available in the Member States for one month's expenditure (Annexes 11 and 12, Line C)	Average balance available after one month's expenditure (Annexes 11 and 12, Line E)	Average rate of utilization
	(a)	(b)	$(c) = \frac{(a) - (b)}{(a)} \cdot 100$
BELGIUM	93.6	23.7	75%
DENMARK	69.8	0.9	99%
GERMANY	305.3	97.6	68%
FRANCE	264.2	49.5	81%
IRELAND	57.8	8.7	85%
ITALY	188.-	76.9	59%
LUXEMBOURG	2.3	1.1	52%
NETHERLANDS	116.5	-12.4	111%
UNITED KINGDOM	65.9	20.9	68%
EEC	1 163.4	266.9	77%

5. Financial administration

5.1. Summary of available appropriations

Initial budget	9 602 100 000.00	EUA
Supplementary and amending budget No.3	802 000 000.00	EUA
Non-automatic carryover from 1978 to 1979 (marketing premium)	30 430 739.03	EUA
Total appropriations available	10 434 530 739.03	EUA

5.2. Transfers of appropriations

The way in which expenditure was developing during the year led the Commission to propose transfers of appropriations with supplementary and amending budget No. 3 (see column b of table No. 9).

A final series of transfers of appropriations was approved by the Council on 9 April 1980 to take account of total expenditure in 1979.

5.3. Expenditure

5.3.1. Expenditure entered in the accounts

Expenditure declared by the Member States and entered in the accounts for 1979 amounts to 10 440 673 297.94 EUA, of which 6 142 558.91 is the amount of funds made available as a result of decisions on the clearance of accounts. 12.1% of the total amount represents expenditure connected with public storage and 87.9% expenditure on export refunds and other intervention measures.

A detailed analysis of expenditure by sector is given in the first part of this report in Table 2 and at Annex 1. Table 10 below gives the breakdown of expenditure by Member State.

This breakdown should be treated with caution because the time taken to make payments can vary considerably from one Member State to another and the expenditure made by the paying agencies in a given Member State cannot be considered as natural expenditure since the Community is a single economic entity.

TABLE No. 9

Chapter	Sector	Initial budget for 1979	Transfer of appropriations		Non-automatic carryover from 1978	Appropriations available
			Supplementary and amending budget No. 3	Other		
		(a)	(b)	(c)	(d)	(e)
60	Cereals	1 874 200	- 300 000	- 8 593		1 565 607
61	Rice	41 400		+ 1 293		42 693
62	Milk Products	3 717 600	+ 742 000	+ 31 406	30 431	4 521 437
63	Oils and Fats	522 900	+ 70 000	+ 13 444		606 344
64	Sugar	1 004 600		- 64 780		939 820
65	Beef and veal	488 300	+ 220 000	+ 39 456		747 756
66	Pigmeat	84 900	+ 10 000	+ 9 431		104 331
67	Eggs, poultry	41 200	+ 25 000	+ 13 286		79 486
68	Fruit, vegetables	326 500	+ 90 000	+ 24 956		441 456
69	Wine	119 400	- 25 000	- 33 098		61 302
70	Tobacco	262 000	- 50 000	+ 13 461		225 461
73	Other sectors	112 500		+ 7 711		120 211
74	Refunds on process- ed products	176 200	+ 60 000	+ 15 967		252 167
75	Accession CAs	1 200		- 80		1 120
78	MCA's	809 200	- 40 000	- 60 872		708 328
88	Fisheries	20 000		- 2 988		17 012
	TOTAL	9 602 100	+ 802 000	0	30 431	10 434 531

Table 10
Breakdown of 1979 expenditure by Member State
and by type of financing¹

Member State	Refunds m EUA	Intervention m EUA	Totals 1979		1978
			m EUA	%	%
BELGIUM	580.9	205.0	785.9	7.53	6.94
DENMARK	421.8	335.6	757.4	7.25	9.30
GERMANY	892.5	1 597.8	2 490.3	23.85	28.70
FRANCE	1 413.0	1 065.3	2 478.3	23.74	20.06
IRELAND	252.2	320.7	572.9	5.49	6.37
ITALY	177.9	1.142.2	1.320.1	12.64	8.61
LUXEMBOURG	5.5	8.0	13.5	0.13	0.27
NETHERLANDS	985.7	508.7	1 494.4	14.31	14.69
UNITED KINGDOM	252.3	275.6	527.9	5.06	5.06
EEC TOTAL	4 981.8	5 458.9	10440.7	100.00	100.00

¹ This takes no account of corrections to the breakdown of expenditure by Member States when the exporting Member State pays the MCAs instead of the importing Member State (see Table 4) or of the transfers of receipts between intervention agencies when agricultural products are transferred at 'nil' prices.

5.3.2. Budget operations

The declarations of the expenditure incurred by Member States up to 31 December 1979 gave rise to a number of financial commitments and charges for payment against the budget after scrutiny by the staff of the EAGGF Guarantee Section.

(a) Financial commitments and charges for payments

Periodically two types of financial commitment are made : overall commitments, for funds made available to the Member States for payments and specific commitments by budget item, based on payments by the paying departments.

Amount available to Member States at the beginning of 1979	27 809 218.14	EUA
Advances to Member States in respect of 1979	10 406 721 520.89	EUA
Total overall commitments	10 434 530 739.03	EUA
Specific commitments by budget item	10 434 530 739.03	EUA (1)
Balance	0	

In 1979 the specific commitments were therefore equivalent to the amount charged for payment.

(b) Consequences of the decisions on the clearance of accounts

Pursuant to Article 99 of the Financial Regulation, the effect of decisions in respect of 1971, 1972 and 1973 was that the following amounts were treated as positive or negative expenditure :

Decisions 79/893 to 901/EEC of 12 October 1979 on the clearance of accounts for 1973 (additional amounts available)	+ 18 013 053.21	EUA
Decision 79/886/EEC of 12 October 1979 following a decision of the Court of Justice - 1971 and 1972 (additional expenditure)	- 11 870 494.30	EUA
Additional net funds to cover 1979 expenditure	+ 6 142 558.91	EUA

These funds enabled some expenditure over and above the expenditure covered by the appropriations to be entered in the 1979 accounts.

¹ of which 30 430 739.03 in carryovers.

Title III

ENQUIRIES, IRREGULARITIES AND RELATED ACTIVITIES

6. Enquiries

6.1. Powers

The administrations in the Member States are responsible for giving effect to Community rules and thus have the primary responsibility for ensuring the factual and procedural correctness of the operations financed by the Fund.

The Commission staff, for their part, carry out a wide range of checks¹ which are coordinated by an interdepartmental working group responsible for planning the inspection visit to Member States.

In the verification of expenditure financed by the Guarantee Section, leaving aside the checks made in connection with the audit and clearance of the accounts, a distinction is made between investigations into suspicious causes and "selective" checks. The checks generally cover all the Member States and are intended to examine problems encountered in a particular sector of sphere.

6.2. Selective checks undertaken

It should be pointed out that this type of control is the only one to apply automatically to all Member States involved in the operation being controlled. In 1979 checks were carried out with regard to monetary compensatory amounts (MCAs). The checks showed apparent differences in the way the MCA system was applied in the Member States, shortcomings in internal control, and in the treatment of documentary evidence, as well as instances in which Community provisions were not respected. These shortcomings have been communicated to the Member States for corrective action. The relevant Commission services will be involved in following up and evaluating these areas.

6.3. Investigations undertaken

In 1979 the Commission made use of its control power in 27 cases, most of these related to dairy products and monetary compensatory amounts which can be largely explained, as with MCAs, by the financial significance and complexity of the sector.

These investigations related to one or more Member States, as follows :

B	DK	D	F	IRL	I	L	NL	UK	TOTAL
6	2	5	4	3	3	1	1	2	27

Enquiries are undertaken as required and there is thus no "even distribution" among Member States.

The results of these enquiries can be summarized as follows :

In 14 cases the suspicion of irregularity proved to be unfounded. Five other enquiries will have financial consequences and in 2 cases anomalies were detected. Six enquiries are still in progress.

⁽¹⁾ Legal bases : Regulation (EEC) Nos. 729/70 and 285/72.

Some investigations seem to take rather a long time. Closer examination shows, however, that work on complex cases sometimes takes several months, and a file opened during the year is of course not always closed before the end of that year. Eleven enquiries were still pending or nearing completion at the end of 1978. Three have meanwhile led to the detection of irregularities or have had financial consequences in connection with the clearance of the accounts.

7. Irregularities

It is primarily the responsibility of the Member States to take the necessary action to prevent and deal with irregularities and to recover overpayments. The Community is responsible for the financial consequences, however, when the recovery procedure initiated following an irregularity fails to elicit repayment of the loss incurred. This joint responsibility required a system of notification and coordination, which was introduced by Regulation (EEC) No. 283/72¹ adopted by the Council on 7 February 1972.

EAGGF staff also analyse existing provisions and are involved in the drafting of new Community agricultural regulations with the aim of incorporating into the instruments measures to close loopholes or prevent potential irregularities.

7.1. The system of cooperation and prompt notification

Two important mechanisms facilitate close cooperation between the Member States and the Commission in combating irregularities. The first is the prompt exchange of information concerning irregularities liable to have rapid effects beyond the Member State concerned and irregularities involving a new fraudulent practice; and the second consists of meetings of experts from the National authorities and the Commission - the EAGGF Irregularities Group - at which all the information exchanged is periodically reviewed.

The notifications under the rapid information system were as follows :

	B	DK	D	F	IRL	I	L	NL	UK	COMMUNITY	TOTAL
Total 1972-1978	6	0	7	10	10	1	0	2	43	7	86
1979	4	0	2	1	1	0	0	0	6	3	17
	Annual Average :										13

The information exchanged under this system related mainly to dairy products, the most costly and most complex sector.

7.2. Irregularities detected

7.2.1. The Member States are required to notify the Commission quarterly of the irregularities detected and the progress made in the recovery of overpayments. Details for 1979 can be found in Annex 16. It is apparent from this table that the number of cases of irregularities reported in 1979 and the amount involved were roughly the same as in 1978 and close to the average for previous years, i.e. :

100 to 120 cases involving a total of 2 to 3 million u.a.

The amounts for 1973 to 1978 were as follows :

(mio EUA)	1973	1974	1975	1976	1977	1978	1979
Amounts	1.3	4.4	3.0	5.3	8.3	2.2	2.1
recovered	0.7	1.0	1.3	2.3	2.0	1.0	1.2

7.2.2. The large figures for 1976 and 1977 are explained by nine cases detected in 1976 involving 3.3 million EUA and nine others detected in 1977 involving 5.5 million EUA.

These large-scale irregularities had, however, taken place over a number of years. Closer examination also reveals that discovery of this type of irregularity depends on a number of factors which are not often all present. There is therefore no reason to think that the inspection and investigation authorities were less vigilant during 1979.

As regards the types of expenditure, it is striking that the percentage of irregularities relating to intervention measures is much greater than in the past. Such cases accounted for 71% of the total number and the total amount of irregularities notified in 1979, as compared with less than 50% of those notified communications in 1976, 1977 and 1978.

These circumstances are currently under examination by the EAGGF, because the relationship between intervention expenditure on the one hand, and refunds and MCAs on the other has remained virtually unchanged.

As in the past, a large number of cases reported related to beef and to dairy products, which is logical in view of the importance of these sectors. This is not reflected, however, in the amounts involved, which are not very large.

7.2.3. The fact that in 1979 three Member States together accounted for 80% of the number of cases reported confirms, as in previous years, an uneven pattern among the Member States. A possible explanation, other than the differences in administrative practices, is that the Member States interpret the concept of "irregularity" in different ways. The EAGGF has taken up this matter in bilateral talks with the Member States.

However, this 'uneven pattern' must of course also be analysed from the point of view of the expenditure involved and the geographical distribution. A more balanced result emerges when intervention cases are excluded and cases or irregularities involving refunds and MCAs are considered (for more detailed figures see Annex 17).

Member State	B	D	DK	FR	IRL	I	L	NL	UK
Cases reported 1971-1979	15	259 ⁽¹⁾	71	77	22	34	-	39	100 ⁽¹⁾
of which :									
intervention	11	182	26	33	9	32	-	15	23
refunds and MCAs	4	77	45	44	13	2	-	24	77

By way of reference, intervention expenditure in 1979 was as follows (million EUA)	200	1500	200	1000	200	1200	token entry	300	400
--	-----	------	-----	------	-----	------	-------------	-----	-----

These figures prompt the following comments :

- Intervention expenditure is high in Germany; this could explain the number of cases reported for this type of expenditure.
- Intervention expenditure is also high in Italy. The relatively small number of cases reported regarding intervention could be due to the fact that there are over one million small olive and durum wheat producers in the country, whose requests for aid are always subjected to checks before payment.

In addition, the irregularities which might occur would probably not amount to as much as 1 000 EUA and would not therefore have to be communicated to the EAGGF under article 11 of Regulation (EEC) No. 283/72.

- It should also be pointed out that the audit of commercial documents provided for in Council Directive 77/435/EEC (see paragraph 7.6) has already been customary in certain Member States for some time.

¹⁾ see notes in Annex 15.

The subsequent scrutiny of documents as carried out by these Member States in addition to the physical controls prescribed by the regulations automatically reveals a higher number of cases of irregularities compared to the countries rely, to a greater extent on a verification of the actual operation in question before payment.

Detection before payment would appear at first sight to present an advantage, but it is becoming increasingly difficult to rely on physical checks as the amount of trade and the number of control operations are continually increasing compared to the manpower available.

With effect from 1 July 1979, the other Member States will progressively adapt their systems to the more modern and rational techniques laid down in this Directive, which takes account of the growth of trade.

7.3. Recovery of amounts in connection with legal proceedings concerning irregularities

The general situation as regards amounts recovered from 1971 to 1979 is shown at Annex 15. The national recovery procedures seem to last rather a long time. If they appear to be taking too long, the Commission sends regular reminders to the Member States.

When there is a dispute, which is more often the case with the largest irregularities, overpayments cannot be recovered until the legal proceedings have been completed, and this explains the delays in certain cases.

7.4. Training of officials managing EAGGF expenditure

In connection with the further training of national officials responsible for surveillance of operations financed by the EAGGF, in 1979 the Commission organised :

- a seminar on the prevention of fraud and false declarations in the wine sector;
- a seminar for national inspectors from the paying agencies on counterfeiting and falsification of documents.

Papers by experts described the techniques used and the means of detection.

The conclusions and recommendations emerging from the experts' meetings were forwarded to the Member States with a request that they take the appropriate action.

7.5. The special Committee of Inquiry (SCI)

After investigating the beef and wine sectors, the Special Committee of Inquiry turned its attention in 1978 to the cereals sector proper, i.e. excluding rice and food aid. Work on this subject was completed in the middle of 1979 and a report was forwarded by the Commission to the Council on 3 December 1979.

The Committee made recommendations for improving the existing legislation (clarification, simplification, review of certain intervention measures from the point of view of their cost and their economic significance) as well as on its implementation and control.

7.6. Audit of operators' commercial documents

The analysis in 1976/77 of the control methods which most frequently led to the detection of irregularities showed that the audit of accounts and commercial documents was the most effective method. of operations within the EAGGF Guarantee Section systems of financing, Council Directive 77/435/EEC takes account of the results of this analysis. It provides for the systematic scrutiny by Member States

on the basis of the commercial documents of the concerns receiving or making payments. A minimum number of concerns have to be inspected every year by each Member State, selection being made in relation to the amount of Guarantee Section expenditure or receipts involved.

The Directive also defines the powers of the officials responsible for the controls and provides for mutual assistance between Member States. Information compiled in this way is treated as confidential.

Since this Directive entered into force only recently (1 July 1979), the first results of the controls will not be known until 1980.

Title IV

8. AUDIT AND CLEARANCE OF ACCOUNTS

8.1. 1973 Accounts

8.1.1. On 12 October 1979¹ the Commission adopted its audit and clearance decisions for the 1973 accounts and agreed a total charge to the EAGGF Guarantee Section of 3 598 533 266.52 u.a.

This figure corresponds to the expenditure declared by the Member States of 3 635 688 028.04 u.a., subject to a deduction of 37 154 801.52 u.a. to account for the corrections resulting from verification by the EAGGF.

Expenditure declared and accepted is as follows, broken down by Member State and expressed in national currencies :

Table 11 Results of the clearance of the 1973 accounts

In national currencies							
Member State		Expenditure charged	Expenditure declared	Corrections	Expenditure agreed	Application of Art. 99 of Fin. R.	
		a	b	c	d	e = a - d	
						f	
						EUA 2)	
Belgium	BFR	9.655.813.082,--	9.681.037.306,--	63.952.869,--	9.617.084.437,--	-38.728.645,--	-957.526,41
Denmark	DKR	2.215.396.901,07	2.218.815.904,30	213.229,61	2.218.602.674,69	3.205.773,62	440.300,30
Germany	DM	2.473.936.239,43	2.480.179.109,21	9.192.762,41	2.470.986.346,80	-2.949.292,63	-1.167.918,15
France	FF	6.080.225.710,98	6.161.914.284,35	129.327.122,10	6.032.587.162,25	-47.638.548,73	-8.105.419,38
Ireland	IRL	37.048.429,91	37.028.463,16	806,88	37.027.656,28	-20.773,63	-30.918,75
Italy	LIT	363.490.831.440,--	365.521.492.146,--	1452.206.248,--	364.069.285.898,--	578.454.458,--	512.291,95
Luxembourg	LFR	270.831.091,--	273.205.138,90	48.009,90	273.157.129,--	2.326.038,--	57.507,73
Netherlands	HFL	1.909.544.794,98	1.910.956.167,59	24.519.398,66	1.886.436.768,93	-23.108.026,05	-8.329.167,57
United Kingdom	UKL	63.251.756,38	63.378.448,73	396.368,33	62.982.080,40	-269.675,98	-432.222,92
TOTAL :							-18.013.053,21

8.1.2. As stated above, corrections resulting from the clearance of accounts meant that Community financing was reduced by some 37 m u.a. Since the annual audit and clearance declarations by the Member States were 21 m u.a. higher than the expenditure initially entered on the basis of the monthly declarations, the audit and clearance of accounts has therefore, in accordance with Article 99 of the Financial Regulation, made an additional sum of approximately 16 m u.a. available in respect of 1979 (i.e. 18 m EUA).

1) OJ No. L 278 of 7.11.1979.

2) Applying the rate of 20.8.1973 (OJ NO. C 209/79) valid for the month of October 1979.

- 8.1.3. The correction of 37.2 m u.a. made to declared expenditure in the net effect of negative adjustments of 40.2 m u.a. and positive adjustments of 3 m u.a.; the latter corresponds to expenditure declared in 1974 but chargeable against 1973 and to exchange gains.

With regard to the reduction in expenditure, it should be noted that, out of the total of 40.2 m u.a., 8.4 m u.a. covered expenditure to be carried forward to a subsequent financial year, and approval was previously withheld in respect of 2.6 m u.a. until further details or supporting documents are supplied by the Member States.

The expenditure deducted for non-compliance with Community rules therefore amounts to 29.2 m u.a., the breakdown of which is as follows :

- refunds and MCA's :	19.8 m u.a.
- intervention expenditure for milk products :	4.4 m u.a.
sugar :	2.9 m u.a.
wine :	1.0 m u.a.
various :	1.1 m u.a.

- 8.1.4. Three Member States appealed to the Court of Justice for annulment of the clearance decisions of 12 October 1979. These were as follows :
- (a) Federal Republic of Germany
Action brought on 19 December 1979 against the Commission decision to exclude an amount of DM 8 335 232.61 (2 277 385.96 u.a.) for denaturing skimmed-milk powder (Case No. 819/79)¹.

(b) Belgium
Action brought on 19 December 1979 against the Commission decision to exclude an amount of BFR. 29 008 562 (580 171.24 u.a.) in respect of payment of differentiated export refunds for milk and milk products (Case No. 820/79)¹.

(c) Italy
Action brought on 28 December 1979 against the Commission decision to exclude an amount of Lit 604 863 175 (967 781.08 u.a.) in respect of the payment of aid for long-term storage contracts for wine (Case No. 1251/79)².

¹ OJ No. C 18 of 24.1.1980

² OJ No. C 37 of 14.2.1980

8.1.5. In addition to corrections to expenditure, the verification work undertaken in connection with the clearance of the 1973 accounts also showed up some weaknesses or shortcomings in respect of : the presentation of data ; the transmission of reports ; the monitoring and recording of expenditure in the accounts ; the rules of the paying agencies ; and the availability of original supporting documents.

8.2. Accounts for financial years from 1974 to 1979

8.2.1. In order to speed up the audit and clearance process, the work has been grouped into two-year periods : 1974 and 1975; and 1976 and 1977. The same will also be done for 1978 and 1979.

8.2.2. Verification preparatory to audit and clearance of the 1974 and 1975 accounts was completed in September 1979.

Under the dialogue procedure, the EAGGF staff reported to the Member States their reservations prompted by the controls carried out, and advised them of the corrections which it was proposed to make in the declared expenditure.

The time needed by the Member States to furnish their comments on the EAGGF observations delayed further and caused some delay in the dialogue thus the preparation of the audit and clearance decisions; these should, however, be adopted during the last quarter of 1980.

8.2.3. Verification preparatory to audit and clearance of the 1976 and 1977 accounts began in October 1979 and should be completed in September 1980, so that the audit and clearance decisions can be taken towards the end of the first quarter of 1981.

It should be noted that to enable the backlog to be reduced, the Commission has agreed that verification for the financial years 1976 to 1979 should be carried out on a more selective basis. The main criteria employed in this selection concerns : the size and growth of expenditure; the results of checks already carried out, whether a complex or recently introduced measure is involved; the existence of particular problems.

8.3. Consequences of the judgments delivered by the Court of Justice

The judgments delivered on 7 February 1979 by the Court of Justice in Cases Nos. 11, 15, 16, and 18/76 were discussed at length in the Eighth Financial Report at paragraph 8.3.2., which dealt with the principles involved as well as the implications. In its judgement on Case No. 18/76, the Court endorsed the Commission's position on the question of principle in five of the six pending cases. As a result of the judgement delivered in the sixth case, Decisions 76/141/EEC and 76/147/EEC on the audit and clearance of the accounts submitted by the Federal Republic of Germany for 1971 and 1972 respectively were declared void to the extent that the Commission had not charged to the EAGGF the amounts paid by the German authorities as aid for the purchase of butter by persons qualifying for welfare assistance. In its Decision No. 79/886 of 12 October 1979, the Commission acknowledged that the expenditure in question, which amounted to DM 17 930 880.40 for 1971 and DM 12 051 258.00 for 1972 was chargeable to the Guarantee Section of the EAGGF.

Title V

FINANCING OF COMMUNITY FOOD AID FOR PRODUCTS SUBJECT TO
COMMON ORGANIZATIONS

9.1. Characteristics of Community food aid

9.1.1. Foreword

The Community food aid programmes for 1979, adopted at the end of May 1979, made 150 000 tonnes of skimmed-milk powder, 45 000 tonnes of butteroil and 720 500 tonnes of cereals available to the beneficiary countries and organizations.

In addition to these quantities made available for 1979, there were residues from previous programmes (about 300 000 tonnes) for which appropriations were still available (by carry-over or re-entry in the budget).

Apart from Community food aid as such, the annual participation for 1979 of the Member States under the 1971 Food Aid Convention totalled about 566 500 tonnes of cereals (national aid under the Convention), plus a certain amount of miscellaneous national aid outside the Convention.

All these aids qualified total or partial Community financing, depending on the circumstances, and amounts corresponding to the refunds were charged to the EAGGF Guarantee budget. Amounts equivalent to the aids, expressed in world prices, were charged to Chapter 92 (Community aid) or to national budgets (national aid under the Convention or aid outside the Convention).

This section is concerned only with expenditure under Chapter 92 of the Budget of the European Communities.

9.1.2. Mobilization procedure

Products to be provided under food aid arrangements are usually mobilized within the common market organizations, whether they are drawn from public intervention stocks or purchased on the Community market.

The 1979 programme was approved by the Commission in 1978. Some products were purchased for the first time on the world market for food donations to Nicaragua and to the refugees from South-East Asia.

9.1.3. Work carried out

Food aid provided in 1979 can be summarized by the following approximate figures :

Product	1979 programme	Previous programmes	Total (tonnes)
Cereals (wheat equivalent)	521 000	143 000	664 000
Butteroil	15 000	36 000	51 000
Skimmed milk powder	58 000	124 000	182 000

9.1.4. Payments

Payments in respect of food aid are made through the intervention agencies after the necessary documents have been presented by the successful tenderer. However, in the case of the products purchased on the world market for Nicaragua, payments were made directly by the Commission.

For the purpose of making the necessary funds available to the Member States under Chapter 92, monthly advances are made in a similar fashion to those under the Guarantee Section.

9.2. The cash position9.2.1. Advances

The monthly advances requested by the Member States and covered by Commission Decisions amounts to 273 436 594.22 EUA for the 1979 financial year.

A breakdown by Member State of advances approved, expenditure incurred and the percentage utilization of advances is given in the following table :

Table 12 : Breakdown and utilization of monthly advances in 1979

Member State	Advances in EUA ¹	Expenditure as at 31.12.1979 ²	Rate of utilization
Belgium	49 194 157.51	44 529 944.57	91%
Denmark	20 352 017.66	17 703 341.57	87%
Germany	90 541 497.39	79 317 968.08	88%
France	63 993 684.87	59 204 518.37	93%
Ireland	8 546 136.72	7 694 917.62	90%
Italy	20 268 961.91	12 495 141.86	62%
Luxembourg	2 117 419.84	2 097 970.83	99%
Netherlands	16 990 562.94	16 936 684.43	99%
United Kingdom	1 432 155.38	1 167 859.62	82%
EEC TOTAL	273 436 594.22	241 148 346.95	88%

Comparison of these figures with those for the previous financial year shows an average increase in expenditure on food aid.

The rate of utilization appears to be constant at about 90%.

¹ Including the balance available as at 31.12.1978 as shown in the Eighth Financial Report (1978 financial year, p. 99, Table 1 II, column e), a sum of 25 409 328.16 EUA (EUA rate of 20.11.1978).

² Monthly expenditure declared by the Member States.

9.2.2. Transfers to the cash position

Annex 19 shows the cash position as 31 December 1979. The funds available to the Community before adjustment and broken down by Member State, amounts to 32 288 247,27 EUA. These advances which were not used by the Member States by 31 December 1979 were re-adjusted on the basis of the EUA rate applicable to the January 1980 advances (Annex 19, col e):

These accounting operations do not affect the balance of the food aid accounts kept in national currencies by the Member States.

9.3. Administration of payment appropriations

9.3.1. Total appropriations available in 1979

The following appropriations are available (see Annex 21) in EUA :

- appropriations carried forward from 1978 because of delays in implementing some food aid programmes : 100 070 567.47
- new appropriations in the 1979 budget : 287 336 000
- supplementary appropriations for carrying out certain special measures (Malta, Cambodian refugees, ...):

1)	3 700 000
2)	5 000 000
<u>TOTAL :</u>	<u>396 106 567.47</u>

9.3.2. Appropriations committed

All the appropriations available in 1979 were committed, a total of 396 106 567.47 EUA.

9.3.3. Payments

(a) Expenditure declared by the Member States

Table 12 and Annexes 19 and 20 show the expenditure declared by the Member States a total of 241 148 346.95 EUA. The amounts charged to the Budget during 1979 will not necessarily be the same as those in the final accounts to be shown subsequently in the Commission's clearance decisions.

¹ Malta.

² Cambodia.

The differences between the approved advances and actual expenditure represent the balances available as at 31 December 1979. These balances are considered as advances for the 1980 financial year and the Member States may accordingly use them to cover expenditure for 1980.

(b) Direct Payments

Apart from the advances made to the Member States' intervention agencies, the Commission made a number of direct payments to certain recipient countries or agencies as financial contributions towards the cost of freighting and distributing the products supplied as food aid. A number of contracts for the purchase of foodstuffs on the world market were concluded through the Commission and the relevant payments were made by the EAGGF.

These direct payments totalled 17 858 981.11 EUA in 1979 (see Annex 21).

The following table shows the breakdown of this amount by recipient :

Table 13

Beneficiary	Direct Payments
Lebanon	14 383.77
Bangladesh	3 280 521.93
Guinea-Bissau	7 365.68
UNRWA (various)	948 441.59
WFP (various)	3 108 050.64
NGO (various)	3 669 309.81
India	2 655 788.82
Caritas (various)	808 083.48
Somalia	501 037.61
Upper Volta	9 686.44
Jamaica	120 646.27
Nicaragua	783 762.34
CRS (Chile)	1 869 537.01
CRS (Haiti)	82 365.72
	<hr/>
	17 858 981.11 EUA

9.4. Appropriations carried forward to 1980

Under the 1977 financial Regulation, the 1979 budget appropriations are committed as soon as the programmes are adopted by the Council. Accordingly, appropriations committed in 1979 which did not lead to payments are automatically carried over to 1980. The amount involved was 137 099 239.40 EUA¹.

9.5. Closure of the accounts

9.5.1. Verification

Each food aid measure is covered by a detailed statement of expenditure, drawn up by the appropriate intervention agency according to the procedure laid down in the financial regulations. These documents are thoroughly checked on receipt against information in the possession of the Commission, in particular in respect of intervention prices, tender prices and the amounts of refunds.

This scrutiny is followed by verification visits to the paying agencies.

EAGGF officials devoted 54 working days to such visits.

9.5.2. Audit and Clearance of accounts

The staff expect to be able to close the 1975 and 1976 accounts during 1980 and to dispose of the backlog in the audit and clearance of accounts by the end of 1982.

¹ See Annex 21.

A N N E X E S

ANNEXES : CONTENTS

	<u>Page</u>
<u>Guarantee Section</u>	
1. Expenditure charged for the 1979 financial year	51
2. EAGGF Guarantee explanations by sector (1975-1979)	63
3. Breakdown of expenditure by economic category	65
4. Breakdown of intervention in respect of storage costs	67
5. Quantity and value of products in public storage	68
6. Breakdown of intervention expenditure in the form of price compensation aids	69
7. Overall cost of the Guarantee Section in relation to gross domestic product (GDP)	70
8. Equalization of storage costs for sugar	71
9. Guarantee Section : advances and funds available	72
10. Milk premiums : advances and funds available	73
11. Funds available in Member States by month : Guarantee Section	74
12. Funds available in Member States by month : milk premiums	75
13. Exchange rates - 1979	76
14. Exchange differences - 1979 financial year	77
15. Cases of irregularity (1971-1979) and recovery of overpayments.	78
16. Cases of irregularity (1979): recovery of overpayments	79
17. Irregularities relating to intervention payments	80
<u>Food Aid</u>	
18. Summary of implementation for the 1979 financial year	81
19. Cash position at 31 December 1979	82
20. Expenditure declared by the Member States	83
21. Budget appropriations, 1979	84

ANNEX 1

Expenditure charged for the 1979 financial year

m EUA

ITEM	Belgium	Denmark	Germany	France	Ireland	Italy	Luxembourg	Netherlands	United Kingdom	EEC Total
CEREALS	177,708	72,341	293,300	633,934	5,721	206,701	0,502	98,847	74,180	1,563,734
REFUNDS	166,051	63,747	176,650	574,621	4,813	82,806	0,176	60,066	55,710	1,184,678
Refunds	162,200	63,747	173,387	558,197	4,813	78,435	0,176	58,396	55,716	1,155,067
Refunds on food aid, 1979	-	-	1,789	11,636	-	-	-	0,917	-	14,342
Refunds on food aid under preceding programmes	3,851	-	1,504	4,788	-	4,373	-	0,113	-	15,269
INTERVENTION	11,657	9,094	116,620	59,313	0,908	123,893	0,326	38,781	18,464	379,056
Incorporation of cereals in animal feed	-	-	- 0,003	-	-	-	-	-	-	- 0,003
Production refunds for potatoe starch	-	2,999	5,770	6,138	-	-	-	22,812	-	37,719
Other production refunds	8,408	0,071	25,253	28,088	0,053	11,250	-	13,747	18,712	105,582
Aid for durum wheat	-	-	-	7,286	-	108,130	-	-	-	115,416
Carryover payments	2,812	0,759	13,122	9,822	0,827	-	0,095	2,203	-	29,640
Buying-in and subsequent operations	0,254	5,265	72,521	6,432	-	4,402	0,231	0,001	-0,248	88,858
Special intervention measures	-	-	- 0,139	-	-	-	-	-	-	- 0,139
Other intervention measures	0,183	-	0,096	1,547	0,028	0,111	-	0,018	-	1,983

m EUA

Item	Belgium	Denmark	Germany	France	Ireland	Italy	Luxem- bourg	Nether- lands	United Kingdom	EED TOTAL
<u>RICE</u>	0,788	0,025	1,741	0,446	-	39,360	-	0,509	0,039	42,908
REFUNDS	0,004	0,025	1,702	0,196	-	39,310	-	0,459	0,039	41,735
Refunds	0,004	0,025	1,702	0,196	-	34,649	-	0,459	0,039	37,074
Refunds on food aid, 1979	-	-	-	-	-	2,257	-	-	-	2,257
Refunds on food aid under preceding programmes	-	-	-	-	-	2,404	-	-	-	2,404
INTERVENTIONS	0,784	-	0,039	0,250	-	0,050	-	0,050	-	1,173

<u>MILK AND MILK PRODUCTS</u>	302,767	354,263	1418,566	846,224	291,200	27,930	13,039	924,673	348,791	4.522,453
REFUNDS	195,802	211,487	331,132	375,090	183,450	10,206	5,194	701,967	73,575	2.037,903
Refunds	135,757	211,487	196,502	349,728	169,411	10,206	0,463	678,074	71,062	1.822,690
Refunds on food aid for skimmed milk, 1979	7,891	-	14,516	0,543	0,499	-	0,037	1,096	-	24,582
Refunds on food aid for butter oil, 1979	5,202	-	5,409	9,431	-	-	-	5,674	-	25,716
Refunds on food aid for skimmed milk under preceding programmes	26,398	-	60,065	1,574	10,512	-	4,694	6,050	0,831	110,124
Refunds on food aid for butter oil under preceding programmes	20,554	-	54,640	13,814	3,028	-	-	11,073	1,682	104,791

m EUA

ITEM	Belgium	Denmark	Germany	France	Ireland	Italy	Luxem- bourg	Nether- lands	United Kingdom	EEC TOTAL
INTERVENTION/SKIMMED MILK	70,529	115,312	709,347	378,836	83,701	0,744	3,856	174,378	135,614	1,671,307
Aid for feed for calves	17,726	9,753	238,863	300,531	15,317	1,981	0,787	103,511	18,808	707,187
Aid for feed for animals other than calves	3,676	-	6,225	7,859	2,660	0,043	0,183	19,913	52,783	93,342
Aid for liquid skimmed-milk for calves	25,649	39,505	50,057	3,070	0,267	1,461	0,117	0,791	4,265	125,182
Aid for liquid skimmed-milk feed for animals other than calves	-	45,540	75,883	1,475	18,998	1,820	-	2,638	30,534	176,888
Aid for casein	-	6,678	45,131	67,165	34,678	-	-	49,232	4,760	207,644
Private storage	-	-	-	-	-	-	-	-	-	-
Public storage and disposal measures	23,468	13,836	292,188	- 1,264	11,781	-4,471	2,769	- 1,707	24,464	361,064
Food aid	-	-	-	-	-	-	-	-	-	-
Other interventions	-	-	-	-	-	-	-	-	-	-
INTERVENTION/BUTTER AND CREAM	32,829	19,205	310,687	78,790	22,624	5,241	3,656	48,930	108,535	630,497
Private Storage	12,547	0,463	14,182	17,084	4,010	0,134	0,340	24,689	5,560	79,005
Public storage	20,282	4,472	287,586	27,777	1,571	-	2,941	24,245	27,671	396,545
Absorption of butter fats	-	14,270	8,919	33,929	17,043	5,107	0,375	-	75,304	154,947
Food Aid	-	-	-	-	-	-	-	-	-	-
Other Interventions	-	-	-	-	-	-	-	-	-	-

m EJA

ITEM	Belgium	Denmark	Germany	France	Ireland	Italy	Luxem- bourg	Nether- lands	United Kingdom	EEC TOTAL
INTERVENTION/OTHER MILK PRODUCT	0,356	0,566	3,827	6,131	0,090	12,488	0,006	0,696	8,158	32,338
Storage of cheese	-	-	-	4,704	-	12,488	-	-	-	17,192
Distribution of school milk	0,356	0,566	3,847	1,427	0,090	-	0,006	0,696	8,158	15,146
Other Interventions	-	-	-	-	-	-	-	-	-	-
Other measures in the milk and milk products sector	2,130	9,297	44,996	15,368	1,631	-	0,307	4,051	11,478	89,258
Non-marketing and conversion premiums	2,130	9,297	44,996	15,368	1,631	-	0,307	4,051	11,478	89,258
Other measures	-	-	-	-	-	-	-	-	-	-
Financial participation by milk producers	- 3,565	- 5,352	- 25,463	- 20,600	- 4,744	- 8,232	- 0,250	- 12,271	- 13,687	- 94,164
Expenditure to promote the expansion of the market in milk and milk products	4,696	3,748	45,198	12,430	4,448	7,483	0,270	6,923	25,118	110,314
Market development	2,165	2,653	8,519	6,929	1,995	3,672	0,259	4,027	6,997	37,416
Distribution of school milk	0,715	1,095	7,694	2,721	0,181	-	0,011	1,387	16,223	30,027
Disposal for butter fat	1,203	-	26,038	0,036	-	-	-	0,008	0,113	27,398
Improvement of milk quality	0,613	-	2,947	2,744	2,272	3,611	-	1,501	1,785	15,473
Other measures	-	-	-	-	-	-	-	-	-	-

m EUA

ITEM	Belgium	Denmark	Germany	France	Ireland	Italy	Luxem- bourg	Nether- lands	United Kingdom	EEC TOTAL
<u>OILS AND FATS</u>	2,323	1,999	88,109	84,752	-	394,065	-	3,836	30,682	605,966
REFUNDS/ OLIVE OIL	-	-	-	0,006	-	0,001	-	-	0,005	0,012
INTERVENTION/OLIVE OIL	-	-	-	2,151	-	385,923	-	-	0,103	388,177
AID	-	-	-	1,505	-	355,178	-	-	0,103	357,786
Storage	-	-	-	-	-	22,597	-	-	-	22,597
Other interventions	-	-	-	0,646	-	7,148	-	-	-	7,794
REFUNDS/ COLZA, RAPE AND SUN- FLOWER SEEDS	-	-	0,856	-	-	-	-	0,314	0,001	1,171
INTERVENTION " " " "	0,242	1,991	87,253	72,487	-	7,605	-	2,037	30,773	202,588
Production aid	0,228	1,763	87,253	72,487	-	7,605	-	2,037	30,734	202,307
Storage	0,014	0,228	-	-	-	-	-	-	0,039	0,281
Other Interventions	-	-	-	-	-	-	-	-	-	-
Intervention/other seeds	2,081	0,008	-	10,108	-	0,336	-	1,485	-	14,018
Aid for cotton seeds	-	-	-	-	-	0,333	-	-	-	0,333
Aid for soya seed	-	-	-	1,299	-	0,001	-	-	-	1,300
Aid for flax seed	2,081	0,008	-	8,609	-	-	-	1,485	-	12,383
Aid for other oil seeds	-	-	-	-	-	0,002	-	-	-	0,002

in ECU

ITEM	Belgium	Denmark	Germany	France	Ireland	Italy	Luxembourg	Netherlands	United Kingdom	EEC TOTAL
SUGAR	182,310	37,484	160,661	428,059	7,176	29,479	-	63,187	31,446	919,802
REFUNDS/SUGAR	162,108	27,483	96,997	345,124	3,265	0,007	-	43,122	7,013	655,119
Refunds	162,108	27,483	96,996	345,124	3,265	0,007	-	43,122	7,013	655,119
Refunds on food aid, 1979	-	-	-	-	-	-	-	-	-	-
Refunds on food aid under preceding programmes	-	-	0,001	-	-	-	-	-	-	0,001
Intervention/sugar	20,202	10,001	63,664	82,935	3,911	29,472	-	20,065	24,413	254,603
Denaturing premiums	0,079	-	1,435	0,611	0,009	-	-	0,164	0,009	2,307
Refunds for use in chemical industry	0,185	0,199	0,628	0,494	-	-	-	0,880	0,736	3,132
Reimbursement of storage costs	19,938	9,802	61,601	73,787	3,902	29,472	-	19,021	22,489	240,012
Public storage	-	-	-	-	-	-	-	-	-	-
Measures for sugar produced in French overseas departments	-	-	-	8,043	-	-	-	-	1,199	9,242
Sugar import subsidy	-	-	-	-	-	-	-	-	-	-
Other interventions	-	-	-	-	-	-	-	-	-	-

56

ITEM	m EUA									
	Belgique Belgie	Danmark	Deutsch- land	France	Ireland	Italia	Luxem- bourg	Neder- land	United Kingdom	Total CCB
<u>BEEF AND VEAL</u>	12,652	49,928	233,678	106,446	138,498	136,039	-	48,807	22,171	748,219
REFUNDS	9,700	24,949	107,164	42,211	40,012	2,533	-	35,106	8,534	270,209
Refunds	9,700	24,949	107,164	42,211	40,012	2,533	-	35,106	8,534	270,209
Refunds on food aid, 1979	-	-	-	-	-	-	-	-	-	-
Intervention/storage	2,952	24,980	126,560	64,235	98,486	73,190	-	13,701	13,046	417,150
Private storage	2,966	0,803	9,589	9,313	5,823	4,819	-	0,563	5,434	39,310
Public storage	- 0,014	24,177	116,971	54,922	92,663	68,371	-	13,138	7,612	377,840
Other interventions	-	-0,001	- 0,046	-	-	60,316	-	-	0,591	60,860
Aid for social security recipients	-	-	-	-	-	-	-	-	-	-
Premiums for orderly marketing	-	-0,001	- 0,046	-	-	-	-	-	0,591	0,544
Premiums for reconstitution of herds	-	-	-	-	-	60,316	-	-	-	60,316
Other interventions	-	-	-	-	-	-	-	-	-	-
<u>PIGMEAT</u>	8,478	54,809	8,940	10,906	1,558	8,221	0,025	10,848	1,074	104,859
REFUNDS	2,509	53,568	3,870	7,519	1,435	1,206	-	7,758	0,519	78,384
INTERVENTIONS	5,969	1,241	5,070	3,387	0,123	7,015	0,025	3,090	0,555	26,475
<u>EGGS/POULTRY MEAT</u>	2,530	6,891	13,035	36,808	-	0,129	-	15,127	4,953	79,473
REFUNDS ON EGGS	0,629	0,530	5,484	0,768	-	0,111	-	7,294	1,113	15,929
REFUNDS ON POULTRY MEAT	1,901	6,361	7,551	36,040	-	0,018	-	7,833	3,840	63,544

in ECU

ITEM	Belgium	Denmark	Germany	France	Ireland	Italy	Luxem- bourg	Nether- lands	United Kingdom	EEC TOTAL
<u>FRUIT/VEGETABLES</u>	6,859	1,072	6,254	66,857	0,107	339,909	-	19,830	1,970	442,858
REFUNDS	0,085	1,072	0,584	6,493	0,051	22,797	-	1,818	1,635	34,948
Refunds on fresh fruit and veg.	0,053	0,573	0,441	5,961	-	19,674	-	1,524	0,001	28,637
Refunds on products processed from fruit and vegetables	0,032	0,499	0,143	0,532	0,051	3,123	-	0,294	1,634	6,308
INTERVENTION/Fresh fruit and vegetables	6,774	-	5,670	9,516	0,056	83,045	-	18,012	0,335	123,408
Withdrawal and buying-in	6,774	-	4,360	9,407	0,056	45,295	-	18,012	0,335	84,239
Processing and distribution	-	-	1,310	0,001	-	0,002	-	-	-	1,313
Promotion of citrus fruits	-	-	-	0,108	-	8,024	-	-	-	8,132
Processing of citrus fruits	-	-	-	-	-	29,724	-	-	-	29,724
Other interventions	-	-	-	-	-	-	-	-	-	-
INTERVENTION/PROCESSED PRODUCTS	-	-	-	50,848	-	234,067	-	-	-	284,915
Aid for tinned pineapple	-	-	-	2,586	-	-	-	-	-	2,586
Premiums for the processing of fruit and vegetables	-	-	-	48,262	-	234,067	-	-	-	282,329

58

m EUA

ITEM	Belgium	Denmark	Germany	France	Ireland	Italy	Luxem- bourg	Nether- lands	United Kingdom	EEC TOTAL
<u>WINE</u>	0,001	-	0,914	35,523	-	25,493	-	-	-	61,921
REFUNDS	0,001	-	0,107	1,574	-	2,954	-	-	-	4,636
INTERVENTIONS	-	-	0,807	25,025	-	22,539	-	-	-	48,361
Private storage	-	-	0,195	14,116	-	8,221	-	-	-	22,532
Aid for re-storage of table wines	-	-	0,001	1,637	-	0,277	-	-	-	1,915
Distillation	-	-	0,611	0,105	-	13,783	-	-	-	14,499
Aid for concentrated wine musts	-	-	-	9,163	-	-	-	-	-	9,163
Other intervention	-	-	-0,010	0,004	-	0,258	-	-	-	0,252
Other expenditure	-	-	-	8,924	-	-	-	-	-	8,924
Obligatory distillation of by- products of wine making	-	-	-	8,924	-	-	-	-	-	8,924

<u>TOBACCO</u>	2,987	-	17,822	79,041	-	125,593	-	0,004	-	225,447
REFUNDS	0,019	-	-	0,373	-	3,283	-	0,004	-	3,679
INTERVENTIONS	2,968	-	17,822	78,668	-	122,310	-	-	-	221,768
Premiums	2,968	-	17,822	78,668	-	109,259	-	-	-	208,717
Storage	-	-	-	-	-	12,530	-	-	-	12,530
Other interventions	-	-	-	-	-	0,521	-	-	-	0,521

m. EUA

ITEM	Belgium	Denmark	Germany	France	Ireland	Italy	Luxembourg	Netherlands	United Kingdom	EEC TOTAL
ALCOHOL REFUNDS	-	-	-	-	-	-	-	-	-	-
INTERVENTIONS	-	-	-	-	-	-	-	-	-	-
OTHER COMMON ORGANIZATIONS	6,574	17,051	10,985	47,300	0,544	7,042	0,016	19,179	10,711	100,242
INTERVENTION/ FLAX AND HEMP	1,882	-	0,010	13,619	-	8,92	-	1,046	0,179	17,648
INTERVENTION/ fibre flax	1,882	-	0,010	10,938	-	0,848	-	1,046	0,179	14,903
Intervention/hemp	-	-	-	2,701	-	0,044	-	-	-	2,745
SEEDS	1,042	10,285	2,306	6,730	0,126	0,099	0,024	5,290	4,199	30,101
HOPS	0,325	-	7,394	0,318	0,024	-	-	-	2,079	10,140
SILKWORMS	-	-	-	0,010	-	0,443	-	-	-	0,453
DEHYDRATED FODDER	0,139	6,531	2,292	24,964	0,394	4,908	-	3,469	3,890	46,587
POTATOES	-	-	-	-	-	-	-	-	-	-
SHEETMEAT	-	-	-	-	-	-	-	-	-	-
PEAS AND FIELD BEANS	3,186	0,245	0,964	1,448	-	0,700	0,002	8,374	0,394	15,313
OTHERS	-	-	-	-	-	-	-	-	-	-
<u>REFUNDS ON GOODS OBTAINED FROM PROCESSING AGRICULTURAL PRODUCT</u>	<u>18,545</u>	<u>32,245</u>	<u>38,156</u>	<u>22,425</u>	<u>19,065</u>	<u>11,825</u>	<u>0,089</u>	<u>67,908</u>	<u>41,900</u>	<u>252,158</u>

m EUA

ITEM	Belgium	Denmark	Germany	France	Ireland	Italy	Luxem- bourg	Nether- lands	United Kingdom	EEC TOTAL
FISHERIES	0,314	0,585	3,321	1,862	0,496	3,232	-	4,348	2,849	17,007
REFUNDS	0,057	0,120	1,181	0,186	0,056	-	-	4,003	2,705	8,508
INTERVENTIONS	0,257	0,265	2,140	1,676	0,440	3,232	-	0,345	0,144	8,499
Withdrawals and buying-in	0,257	0,265	2,140	1,676	0,440	3,232	-	0,345	0,144	8,499
Private storage	-	-	-	-	-	-	-	-	-	-
Other interventions	-	-	-	-	-	-	-	-	-	-
ALL SECTORS	724,836	629,203	2297,463	2400,392	64,365	1355,018	13,681	1276,103	570,996	9.732,048

m EUA

ITEM	Belgium	Denmark	Germany	France	Ireland	Italy	Luxem- bourg	Nether- lands	United Kingdom	EEC TOTAL
ACCESSION COMPENSATORY AMOUNTS	0,095	0,003	- 0,012	-	0,006	0,104	-	-	-	0,19 ⁰
MONETARY COMPENSATION AMOUNTS	60,939	128,167	192,868	77,922	108,525	- 35,065	- 0,143	218,264	- 43,124	708,426
MCAs ON INTRA-COMMUNITY TRADE	37,485	128,167	71,856	77,562	108,383	- 35,898	- 0,179	170,278	- 98,869	458,785
MCAs on imports paid by import- ing Member States	-23,845	-	-308,021	-115,442	0,731	2,741	- 0,511	-25,630	2,882	- 239,211
MCAs on imports paid by export Member States	33,326	128,167	143,832	197,141	116,880	-	0,015	117,351	0,214	736,926
MCAs on exports paid by export- ing Member States	28,004	-	236,045	-235,021	- 9,228	- 38,639	0,317	81,557	-101,965	- 38,930
MCAs on EXTRA COMMUNITY TRADE	23,504	-	121,012	0,360	0,142	0,833	0,036	48,006	55,748	249,611
PORTION OF MCAs OVER AND ABOVE LEVY	-	-	-	0,382	0,142	0,833	-	-	55,748	57,105
MCAs PAID ON EXPORTS	23,504	-	121,012	- 0,022	-	-	0,036	48,006	-	192,536
GRAND TOTAL (1)	785,970	757,373	249,319	2478,314	572,896	1320,557	13,538	1494,387	527,875	10.440,673
GRAND TOTAL corrected on the basis of Article 2a of Reg. 974/71	752,6	629,2	2346,5	2281,2	456,0	1656,5	13,3	1377,0	928,2	10.440,7

(1) Without taking into account corrections relating to the breakdown of expenditure by Member State under the system whereby the exporting Member State pays MCAs for the importing Member State in intra-Community trade. Amounts paid under this system are entered on the line "MCAs on import" under the name of the Member State making the payment. For these corrections, see Table 4, page 19 and corrected grand total.

ANNEX 2

EAGGF GUARANTEE EXPENDITURE BY SECTOR¹

SECTOR	1975	1976	1977	1978	1979
CEREALS	589,3	655,9	629,9	1.112,5	1.563,7
Refunds	329,9	403,3	365,6	831,9	1.184,7
Interventions, of which :	259,4	252,6	264,3	280,6	379,1
- production refund	90,6	51,2	76,6	117,0	143,3
- aid for durum wheat	103,1	82,8	134,8	89,0	115,4
- storage	65,0	118,2	52,4	72,3	88,9
RICE	3,4	18,4	13,5	17,9	42,9
Refunds	2,8	18,2	13,3	16,8	41,7
Interventions	0,6	0,2	0,2	1,1	1,2
MILK AND MILK PRODUCTS	1.193,7	2.277,7	2.924,1	4.014,6	4.527,5
Refunds	331,4	765,6	1.417,4	1.565,0	2.087,9
Interventions	862,3	1.512,1	1.506,7	2.449,6	2.439,6
- aid for skimmed milk	606,8	755,5	853,1	1.131,7	1.310,2
- storage of skimmed milk	55,9	520,4	310,0	682,1	361,1
- storage of butter	151,2	215,1	274,3	506,1	475,6
- disposal of butter	38,6	31,0	81,5	112,8	169,3
- financial participation by milk producers	-	-	- 24,1	- 156,1	- 94,2
- expansion of the markets	-	-	-	49,9	110,3
OILS AND FATS	187,8	247,1	268,5	324,8	606,0
Refunds	0,5	10,3	1,0	0,1	1,2
Interventions, of which :	187,3	236,8	267,5	324,7	604,8
- aid for olive oil	157,7	128,7	161,4	143,6	357,8
- aid for colza, rape and sunflower seeds	28,5	92,8	84,9	131,0	202,3
SUGAR	271,2	229,3	598,4	878,0	939,8
Refunds	27,8	62,0	409,1	640,4	685,1
Interventions, of which :	243,4	167,3	189,3	237,6	254,7
- reimbursement of storage costs	94,7	147,7	177,8	227,9	240,0
BEEF AND VEAL	923,3	615,9	467,7	638,7	748,2
Refunds	145,9	133,6	137,1	145,4	270,2
Interventions, of which :	777,4	482,3	330,6	493,3	478,0

- 53 -

63

VI/169/80-EN

ANNEX 2 - continued (2)

- public and private storage		407,4		347,7		290,5		413,0		417,2
- calving premiums		88,1		46,6		41,1		76,9		60,3
PIGMEAT	56,9		29,0		37,3		45,0		104,9	
Refunds	40,7		24,7		29,3		32,2		78,4	
Interventions	16,2		4,3		8,0		12,8		26,5	
EGGS AND POULTRY MEAT (Refunds)	9,4		15,1		25,6		38,1		79,5	
FRUIT AND VEGETABLES	72,6		185,1		178,2		100,7		442,9	
Refunds	28,6		43,8		50,0		47,8		34,5	
Interventions, of which :	44,0		141,3		128,2		52,9		408,4	
- fresh fruit and vegetables		44,0		141,3		124,6		49,1		423,4
- processed fruit and vegetables		-		-		3,6		3,8		284,9
WINE	141,3		133,8		89,9		63,7		61,9	
Refunds	0,2		1,5		1,1		1,6		4,6	
Interventions, of which :	140,9		129,7		81,3		52,3		57,3	
- private storage aid		36,5		38,7		35,6		35,3		22,5
- distillation		104,4		88,6		44,9		10,9		14,5
Obligatory distillation of by-products of wine-making	0,2		2,6		7,5		9,8		8,9	
TOBACCO	200,5		185,4		205,2		216,1		225,4	
Refunds	1,3		1,7		4,3		2,7		3,7	
Interventions	199,2		183,7		200,9		213,4		221,7	
FISHERIES	10,0		11,0		8,8		15,4		17,0	
OTHER PRODUCTS (Intervention)	58,8		76,2		56,6		91,2		120,2	
Interventions, of which :										
- flax and hemp	14,4		20,3		14,5		15,4		17,6	
- Seeds	24,6		24,1		18,1		20,3		30,1	
- hops	7,8		16,0		9,9		11,1		10,1	
- silk worms	0,6		0,4		0,3		0,5		0,5	
- dehydrated fodder	11,4		15,4		13,8		42,6		46,6	
- refunds for non-annex II processed foods	23,9		67,0		136,3		208,5		252,1	
TOTAL AGRICULTURAL EXPENDITURE	3.742,1		4.746,9		3.640,0		7.765,2		9.732,0	

- 64 - 64

ANNEX 2 - continued (3)					
Accession compensatory amounts	444,8	402,0	201,1	27,2	1,1
Monetary compensatory amounts	335,6	433,2	989,3	830,3	708,4
TOTAL EXPENDITURE EAGGF GUARANTEE SECTION	4.522,5	5.587,1	6.830,4	8.672,7	10.440,7

¹ The expenditure is taken from the statements by the Member States under the system under the system of advances and charged to each financial year in accordance with Article 109 of the Financial Regulation.

ANNEX 3
BREAKDOWN OF EXPENDITURE BY ECONOMIC CATEGORY - 1979 FINANCIAL YEAR (a)

m EUA

SECTOR	Total expenditure	Breakdown according to economic category of operations						
		export refunds	INTERVENTION				TOTAL h= d+e+f+g	
			Storage(i)	Withdrawal and similar operations	Price compensatory measures	Guidance premiums		
	b	c	d	e	f	g		
A. Cereals	1.563,7	1.184,7	88,9	-	-	290,1 (2)	-	379,0
Rice	42,9	41,7	-	-	-	1,2	-	1,2
Milk products, of which :	4.527,5	2.087,9	853,8	-	-	1.496,5 (3)	89,3(4)	2.439,6
- skimmed milk	N/A	N/A	361,1	-	-	1.310,2	-	1.671,3
- butter	N/A	N/A	475,6	-	-	154,9	-	630,5
Oils and fats, of which :	606,0	1,2	22,9	-	-	581,9	-	604,8
- olive oil	388,2	-	22,6	-	-	365,6	-	388,2
- colza, rape and sunflower seeds	217,8	1,2	0,3	-	-	202,3	-	202,6
Sugar	939,8	685,1	240,0 (5)	-	-	14,7	-	254,7
Beef and veal	748,2	270,2	417,2	-	-	0,5	60,3(6)	478,0
Pigmeat	104,9	78,4	-	-	-	26,5	-	26,5
Eggs and Poultry meat	79,5	79,5	-	-	-	-	-	-
Fruit and vegetables	442,9	34,5	-	84,2	324,2 (7)	-	-	408,4
Wine	61,9	4,6	22,5	23,7(8)	11,1 (9)	-	-	57,3
Tobacco	225,5	3,7	12,5	-	209,3	-	-	221,8
Other products (10) of which :	137,2	8,5 (10)	-	(10)	120,2	-	-	128,7
- flax and hemp	17,7	-	-	-	17,7	-	-	17,7
- seeds	30,1	-	-	-	30,1	-	-	30,1
- dehydrated fodder	46,6	-	-	-	46,6	-	-	46,6
Refunds on processed non-Annex II products	252,2	252,2	-	-	-	-	-	-
TOTAL A	9.732,1	4.732,2	1.657,8	116,4	3.076,2	149,6	4.999,9	
o/o (11)	100	48,6	17,0	1,2	31,6	1,5	51,4	
B. Accession compensatory amounts	0,2	-	-	-	0,2	-	0,2	
C. Monetary compensatory amounts :								
- intra-Community trade	458,8	-	-	-	458,8	-	458,8	
- trade with third countries	249,6	249,6	-	-	-	-	-	
GRAND TOTAL	10.440,7	4.981,8	1.657,8	116,4	3.535,2	149,6	5.458,9	
o/o	100	47,7	15,9	1,1	33,9	1,4	52,3	

(a) for foot notes see next page.

Foot notes to Annex 3

- (1) Private and public storage. Details of expenditure on storage are given in Annex 4.
- (2) Including production refunds (143.3 m EUA) & aid for durum wheat (115.4 m EUA).
- (3) This amount takes account of the co-responsibility levy charged (94.2 m EUA).
- (4) Premiums for the non-marketing of milk and for the conversion of dairy herds to beef and veal production.
- (5) Reimbursement of private storage costs.
- (6) Calving premiums to promote the restocking of herds.
- (7) Promotion of Community citrus fruit (8.1 m EUA) + processing of Community citrus fruit (29.7 m EUA) + intervention in respect of processed products (286.4 m EUA).
- (8) Including obligatory distillation of the by-products of wine-making (8.9 m EUA) + distillation (14.5 m EUA).
- (9) Aid for the re-storage of table wines (1.9 m EUA) and aid for concentrated wine musts (9.2 m EYA).
- (10) Including fisheries (17 m EUA), to which the amounts in columns (c) and (e) refer.
- (11) The percentages in brackets are based on the total agricultural expenditure (total A).

ANNEX 4

Breakdown of intervention in respect of storage costs in the 1979 financial year

m EUA

Sector	Private storage	Public Storage	of which		Difference between buying-in and selling prices
			Technical costs	Financial costs	
Cereals	-	88,8	37,7	29,6	21,5
Milk and milk products	79,-	744,9	62,5	105,9	576,5 (1)
Oils and fats	p.m.	22,8	11,5	8,3	3,0
Sugar	240,-	-	-	-	-
Beef and veal	39,3	377,9	69,5	38,1	270,3
Pigmeat	26,5	-	-	-	-
Wine	22,5	-	-	-	-
Tabacco	-	12,6	2,4	4,5	5,7
TOTAL	407,3	1.247,0	183,6	186,4	877,0

(1) Mainly special measures for the marketing of milk products on the internal market under Articles 6 and 12 of Regulation No. 804/68 (welfare beneficiaries, armed forces, non-profit organizations, Christmas butter) and outside the Community.

ANNEX 5

Quantity and value of products in public storage ⁽¹⁾

Product	Situation as at 31.12.1978		Situation as at 31.12.1979	
	Quantity (tonnes)	Value (m EUA)	Quantity (tonnes)	Value (m EUA)
Common Wheat	1.050.778	182,315	1.877.919	322,853
Barley	181.895	29,338	73.567	12,224
Rye	600.782	109,041	581.956	108,748
Durum wheat	150.466	27,015	142.727	27,783
Skimmed-milk powder	721.827	680,090	214.859	230,774
Butter	258.100	572,068	293.285	723,325
Olive oil	104.395	106,225	53.401	62,461
Colza	820	0,272	10.236	3,526
Beef (carcasses)	135.917	226,908	203.415	383,084
Boned beef	79.362	190,598	84.469	206,232
Preserved beef	37.090	67,167	2.770	5,714
Tobacco	21.617	42,151	28.092	55,980
TOTAL		2233,18		2142,511

(1) The figures in EUA were calculated by applying to the amounts given in national currency the budgetary rates which applied for the purposes of converting into EUA the expenditure for December

ANNEX 6

Breakdown of intervention expenditure in the form of price compensation aids

m EUA

Sector	Production aid	Processing aid	Total
Cereals	290,1	-	290,1
Rice	1,2	-	1,2
Milk products, of which :	488,3	1.008,2	1.496,5
- skimmed milk	-	1.008,2 (1)	1.008,2
- butter	154,9	-	154,9
Oils and fats, of which :	581,9	-	581,9
- olive oil	365,6	-	365,6
- colza, rape and sunflower seeds	202,3	-	202,3
Sugar	11,6	3,1 (2)	14,7
Beef and veal	0,5	-	0,5
Pigmeat	26,5	-	26,5
Eggs and poultry meat	-	-	-
Fruit and vegetables	8,2	316,0 (3)	324,2
Wine	11,1	-	11,1
Tabacco	209,2	-	209,2
Other products of which :	73,6	46,6	120,2
- flax and hemp	17,7	-	17,7
- seeds	30,2	-	30,2
- dehydrated fodder	-	46,6	46,6
TOTAL A	1.702,5	1.373,9	3.076,4
MCAs for intra-Community trade	458,8	-	458,8
Grand Total	2.161,3	1.373,9	3.535,2

1 Aid in respect of skimmed milk powder for animal feed (calves and other animals) and aid in respect of skimmed milk processed to farm casein.

2 Refund for the use of sugar in the chemical industry

3 Processing and distribution of fruit and vegetables withdrawn from the market, financial compensation for the processing of citrus fruit, aid for tinned pineapple and premiums for the processing of fruit and vegetables.

ANNEX 7

Overall cost of the Guarantee Section in relation to gross domestic product (GDP)

Year	EAGGF Guarantee expenditure ('000 m EUA)		Community gross domestic product at market prices ('000 m EUA)	EAGGF Guarantee expenditure as % of Community GDP	
	Gross	Minus agricultural levies		Gross	Net
a	b	c	d	e = 100 b/d	f = 100 c/d
1975	4,523	3,903	1.107,6	0,41	0,35
1976	5,587	4,414	1.265,6	0,44	0,35
1977	6,830	4,692	1.405,0	0,49	0,33
1978	8,673	6,390	1.553,2	0,56	0,41
1979	10,440	8,297	1.742,0	0,60	0,48

ANNEX 8

EQUALIZATION OF STORAGE COSTS FOR SUGAR

A. COMMUNITY SUGAR

Situation at 15 April, 1980.

Sugar Year	Total levies (EUA)	Total refunds (EUA)	Annual balance		Cumulative balance		Duration of storage (months)
			absolute	% (a)	absolute	% (a)	
1968/69	53.636.855,20	52.866.932,20	+ 767.923,00	+ 1,43	+ 767.923,00	+ 1,43	5,63
1969/70	53.952.512,72	57.776.026,41	- 3.823.513,89	- 7,09	- 3.055.590,89	- 2,84	6,13
1970/71	57.098.210,14	53.657.434,48	+ 3.240.775,66	+ 5,68	+ 185.184,77	+ 0,11	5,17
1971/72	60.359.608,48	76.661.531,28	+ 3.093.277,20	+ 4,60	+ 3.883.461,97	+ 1,58	5,37
1972/73	75.327.163,45	75.062.779,39	+ 264.384,06	+ 0,35	+ 4.147.846,03	+ 1,29	5,81
1973/74	24.168.399,00	76.632.999,96	+ 7.535.399,04	+ 8,95	+ 11.683.245,07	+ 2,89	4,89
1974/75	86.246.259,30	81.005.759,55	+ 5.240.479,75	+ 6,08	+ 16.923.724,82	+ 3,45	4,56
1975/76	90.520.438,56	132.765.501,04	- 42.245.063,04	- 46,67	- 25.321.338,22	- 4,36	6,20
1976/77	166.396.291,28	153.019.700,10	+ 13.376.581,18	+ 8,04	- 11.942.757,04	- 1,60	5,08
1977/78	192.770.057,49	190.733.254,20	+ 2.036.803,29	+ 1,06	- 9.905.953,75	- 1,05	5,85
1978/79	205.874.085,78	197.789.129,10	+ 8.084.956,68	+ 3,93	- 1.820.997,07	- 0,16	5,38

B. PREFERENTIAL SUGAR

1977/78	8.404.171,31	8.008.069,20	+ 396.102,11	+ 4,71	+ 396.102,11	+ 4,71	4,25
1978/79	8.279.732,50	6.142.093,50	+ 2.137.639,00	+ 25,82	+ 2.533.741,11	+ 15,19	1,60

(a) % of levies

ANNEX 9

GUARANTEE SECTION ADVANCES AND FUNDS AVAILABLE IN MEMBER STATES FOR 1979

Date of Decision	BELGIUM BFR	DENMARK DKR	GERMANY DM	FRANCE FF	IRELAND IRL	ITALY LIT	LUXEMBOURG LFR	NETHERLANDS HEG	UNITED KINGDOM UKL	EEC TOTAL EUA
19.12.78	2.800.000.000,-	553.000.000,-	570.000.000,-	1.472.000.000,-	35.000.000,-	70.000.000.000,-	36.000.000,-	320.000.000,-	33.000.000,-	
18.01.79	2.280.000.000,-	345.000.000,-	542.000.000,-	1.120.000.000,-	29.500.000,-	100.000.000.000,-	86.000.000,-	350.000.000,-	24.000.000,-	
15.02.79	2.300.000.000,-	468.000.000,-	481.000.000,-	1.025.000.000,-	38.000.000,-	130.000.000.000,-	-	288.000.000,-	32.000.000,-	
19.05.79	3.050.000.000,-	472.000.000,-	466.000.000,-	1.400.000.000,-	16.500.000,-	95.000.000.000,-	20.000.000,-	350.000.000,-	35.000.000,-	
06.04.79	800.000.000,-	-	-	-	-	-	-	120.000.000,-	-	
17.04.79	3.400.000.000,-	403.000.000,-	563.000.000,-	1.288.500.000,-	34.500.000,-	230.000.000.000,-	134.000.000,-	310.000.000,-	15.000.000,-	
02.05.79	870.000.000,-	-	-	-	-	-	-	-	-	
08.05.79	-	100.000.000,-	-	-	-	-	-	-	-	
11.05.79	-	-	-	-	-	50.000.000.000	-	-	-	
17.05.79	3.700.000.000,-	465.500.000,-	556.000.000,-	1.383.500.000,-	23.000.000,-	225.000.000.000,-	46.000.000,-	350.000.000,-	33.500.000,-	
08.06.79	-	-	-	-	-	-	-	90.000.000,-	-	
15.06.79	3.500.000.000,-	600.000.000,-	670.000.000,-	840.000.000,-	30.000.000,-	190.000.000.000,-	100.000.000,-	315.000.000,-	29.000.000,-	
17.07.79	2.100.000.000,-	424.000.000,-	621.000.000,-	1.282.000.000,-	35.500.000,-	160.000.000.000,-	37.000.000,-	440.000.000,-	12.000.000,-	
30.07.79	3.100.000.000,-	406.500.000,-	555.000.000,-	1.180.000.000,-	38.000.000,-	170.000.000.000,-	23.000.000,-	485.000.000,-	51.000.000,-	
11.09.79	-	70.000.000,-	-	-	-	-	-	-	-	
14.09.79	500.000.000,-	530.000.000,-	463.000.000,-	1.550.000.000,-	43.000.000,-	-	14.000.000,-	320.000.000,-	25.000.000,-	
17.10.79	1.271.000.000,-	205.400.000,-	78.100.000,-	97.700.000,-	11.800.000,-	-	-	222.900.000,-	21.000.000,-	
05.12.79	1.671.000.000,-	537.055.514,12	558.000.000,-	1.291.000.000,-	45.500.000,-	69.000.000.000,-	32.000.000,-	285.000.000,-	22.700.000,-	
Total advances	31.342.000.000,-	5.329.455.514,12	6.123.100.000,-	13.929.700.000,-	380.300.000,-	1.489.000.000.000,-	528.000.000,-	4.245.900.000,-	333.200.000,-	
Available funds at 1 Jan. 1979	169.180.037,-	61.407.678,01	- 38.024.823,58	237.263.755,73	3.265.782,56	- 8.895.699.429,-	2.435.823,-	- 50.380.333,65	906.197,49	
Funds available as a result of clearance of 1973 accounts and judgement of the Court concerning clearance of accounts for 1971/72	+ 38.728.645,-	- 3.205.773,62	- 27.032.245,77	+ 47.638.548,73	+ 20.773,63	- 578.454.458,-	- 2.326.038,-	+ 23.108.026,05	+ 269.675,98	
Total available funds	31.549.908.682,-	5.387.657.418,51	6.058.042.930,65	14.214.602.304,46	383.586.556,19	1.479.525.846.113,-	528.109.785,-	4.218.627.692,40	334.375.873,47	
Total in EUA (1)	788.436.280,47	759.188.994,41	2.408.841.890,59	2.443.170.292,26	572.421.510,27	1.305.700.042,33	13.151.298,47	1.539.258.468,56	514.930.404,13	10.345.099.181,49

(1) Including exchange differences

ANNEX 10

Milk premiums (100 o/o) : Advances and funds available in Member States for 1979 (1)

Date of Decision	BELGIUM BFR	DENMARK DKR	GERMANY DM	FRANCE FF	IRELAND IRL	ITALY LIT	LUXEMBOURG LFR	NETHERLANDS HFL	UNITED KINGDOM UKL	EEC TOTAL UCE
21.12.78	15.000.000,-	6.000.000,-	50.000.000,-	28.000.000,-	-	-	6.500.000,-	900.000,-	-	
19.01.79	-	-	47.000.000,-	3.000.000,-	218.000,-	-	2.700.000,-	1.300.000,-	-	
19.02.79	5.000.000,-	1.000.000,-	24.000.000,-	10.000.000,-	228.000,-	-	1.200.000,-	1.400.000,-	3.500.000,-	
21.03.79	15.000.000,-	9.000.000,-	-	3.000.000,-	170.000,-	-	500.000,-	2.300.000,-	-	
17.04.79	10.000.000,-	13.500.000,-	23.900.000,-	11.500.000,-	240.000,-	-	600.000,-	1.600.000,-	-	
17.05.79	15.000.000,-	9.000.000,-	12.300.000,-	16.500.000,-	60.000,-	-	800.000,-	150.000,-	-	
15.06.79	15.000.000,-	7.500.000,-	-	6.800.000,-	165.000,-	-	2.200.000,-	100.000,-	1.000.000,-	
17.07.79	10.000.000,-	15.000.000,-	6.000.000,-	7.000.000,-	100.000,-	-	700.000,-	3.000.000,-	1.000.000,-	
30.07.79	5.000.000,-	10.000.000,-	50.000.000,-	13.000.000,-	400.000,-	-	1.500.000,-	-	2.000.000,-	
14.09.79	5.000.000,-	12.000.000,-	-	9.300.000,-	-	-	-	1.600.000,-	1.500.000,-	
17.10.79	20.000.000,-	7.000.000,-	-	4.100.000,-	-	-	1.500.000,-	1.000.000,-	1.700.000,-	
Total advances	115.000.000,-	90.000.000,-	213.200.000,-	112.200.000,-	1.581.000,-	-	18.200.000,-	13.350.000,-	10.700.000,-	
Total funds available at 1 Jan. 1979	15.006.209,-	11.744.666,69	13.213.321,51	31.419.075,52	142.919,78	-	140.062,-	1.531.940,10	1.164.919,05	
Total available funds	130.006.209,-	101.744.666,69	226.413.321,51	143.619.075,52	1.723.919,78	-	18.340.062,-	14.881.940,10	11.864.919,05	
Total in EUA(2)	3.250.833,74	14.309.903,85	90.243.286,98	24.690.501,44	2.569.557,28	-	459.590,41	5.440.449,40	18.326.070,98	159.290.194,08

¹ Premiums for the non-marketing of milk and for the conversion of dairy herds financed 60 o/o by the Guarantee Section and 40 o/o by the Guidance Section.

² Including exchange differences

ANNEX 11

FUNDS AVAILABLE IN MEMBER STATES FOR 1979 GUARANTEE SECTION (EXCLUDING PREMIUMS)

m EUA

Member State		Jan	Feb	Mar	April	May	June	Jul	Aug	Sept	Oct	Average	Nov	Dec	Average
BELGIUM	A	4,3	7,4	5,3	0,9	12,1	29,6	26,5	38,-	36,1	62,-	22,2	19,1	9,5	20,9
	B	70,6	57,4	58,1	97,3	107,4	92,1	86,5	52,-	76,4	13,3	71,1	31,7	52,-	66,2
	C	74,9	64,8	63,4	98,2	119,5	121,7	113,-	90,-	112,5	75,3	93,3	50,8	61,5	87,1
	D	67,5	59,6	62,5	86,-	89,6	94,9	75,1	53,7	50,7	56,4	69,6	41,3	61,5	60,5
	E	7,4	5,2	0,9	12,2	29,9	26,8	37,9	36,3	61,8	18,9	23,7	9,5	-	20,6
DENMARK	A	8,8	20,9	7,2	6,6	6,8	-9,1	-13,2	-9,5	-12,2	1,-	0,7	7,5	-13,-	0,2
	B	79,4	49,2	67,2	60,7	71,7	66,-	84,3	58,4	65,6	72,3	67,5	28,7	58,8	63,5
	C	88,2	70,1	74,4	67,3	78,5	56,9	71,1	48,9	53,4	73,3	68,2	36,2	45,8	62,7
	D	67,1	63,-	67,8	60,5	87,6	70,3	80,8	61,1	52,4	65,9	67,6	49,3	45,8	61,5
	E	21,1	7,1	6,6	6,8	-9,1	-13,4	-9,7	-12,2	1,-	7,4	0,6	-13,1	-	0,6
GERMANY	A	-15,1	54,1	89,1	52,1	34,2	40,1	9,3	59,-	88,3	135,6	54,6	132,4	-24,3	54,5
	B	226,2	216,1	191,9	185,8	223,8	219,5	265,5	246,8	219,3	172,6	216,8	31,3	282,5	200,6
	C	211,1	270,2	281,-	237,9	258,-	259,6	274,8	305,8	307,6	308,2	271,4	163,7	258,2	261,3
	D	157,2	181,1	228,8	203,7	217,7	250,4	215,9	217,1	172,2	177,4	202,1	187,9	258,2	200,6
	E	53,9	89,1	52,2	34,2	40,3	9,2	58,9	88,7	135,4	130,8	69,3	-24,2	-	25,1
FRANCE	A	41,-	86,1	57,7	19,-	49,3	36,1	81,2	-7,9	3,9	48,5	41,5	80,6	6,9	41,9
	B	254,6	195,-	177,8	241,8	222,3	237,9	144,-	219,4	200,-	371,8	216,5	16,6	278,6	205,-
	C	295,6	281,1	235,5	260,8	271,6	274,-	225,2	211,5	203,9	320,3	258,-	97,2	285,7	261,9
	D	210,-	223,2	216,4	211,4	233,4	192,5	233,1	207,6	155,6	240,-	212,5	90,4	285,7	206,5
	E	85,6	57,9	19,1	49,4	36,2	81,5	-7,9	3,9	48,3	80,3	45,5	6,8	-	26,4
IRELAND	A	6,8	4,-	11,4	27,3	15,-	28,5	10,3	-7,7	-5,5	2,8	9,1	-2,1	-18,1	5,9
	B	51,8	43,4	56,-	24,5	51,9	34,8	45,-	53,2	56,6	64,1	48,1	17,7	85,3	48,7
	C	56,6	47,4	67,4	51,8	66,9	63,3	55,3	45,5	51,1	66,9	57,2	15,6	67,7	54,6
	D	52,6	36,-	40,3	37,-	38,6	52,9	63,-	51,-	48,3	68,9	48,9	33,8	67,7	49,2
	E	4,-	11,4	27,1	14,8	28,3	10,4	-7,7	-5,5	2,8	-	8,3	-18,2	-	5,6
ITALY	A	-8,-	18,4	25,3	-4,7	-5,6	35,2	78,3	92,4	153,2	241,4	62,6	135,3	35,-	56,5
	B	63,1	88,2	114,3	83,5	246,9	199,5	169,-	141,-	149,1	-0,5	125,4	-	75,5	110,6
	C	55,1	106,6	139,6	78,8	241,3	234,7	247,3	233,4	302,3	240,9	188,-	135,3	110,5	177,1
	D	36,3	81,2	144,3	84,4	206,3	156,7	154,1	79,4	63,3	104,9	111,1	99,8	110,5	110,1
	E	18,8	25,4	-4,7	-5,6	35,5	78,-	93,2	154,-	239,-	136,-	76,9	35,5	-	97,-
LUXEMBOURG	A	0,1	0,6	2,2	0,7	0,5	3,1	2,2	0,1	0,6	0,6	1,1	0,1	-0,1	0,9
	B	0,9	2,2	-	0,5	3,4	1,1	2,4	0,9	0,6	0,3	1,2	-	0,9	1,-
	C	1,-	2,8	2,2	1,2	3,9	4,2	4,6	0,8	1,2	0,9	2,3	0,1	0,6	0,-
	D	0,4	0,6	1,5	0,7	0,8	2,-	4,7	0,2	0,6	0,8	1,2	0,4	0,6	1,-
	E	0,6	2,2	0,7	0,5	3,1	2,2	-0,1	0,6	0,6	0,1	1,1	-0,3	-	0,9
NETHERLANDS	A	-18,4	-41,5	-23,3	-60,1	6,8	-40,9	-19,3	-41,3	-26,2	49,3	-21,5	71,3	9,7	-17,7
	B	117,-	128,7	106,5	173,5	114,2	160,5	114,5	159,3	174,3	123,7	137,2	81,7	130,6	121,-
	C	98,6	87,2	83,2	113,4	121,-	119,6	95,2	118,-	148,1	173,-	157,7	152,4	140,5	110,9
	D	139,9	110,3	143,4	106,5	162,3	139,-	136,7	144,4	98,9	102,3	128,4	142,7	140,3	110,6
	E	-41,3	-23,1	-60,2	6,9	-41,3	-19,4	-41,5	-26,4	49,2	70,7	-12,7	9,7	-	-17,7
UNITED KINGDOM	A	1,3	10,8	6,7	41,6	77,4	17,9	21,2	11,7	-18,6	17,9	18,8	13,-	2,1	26,9
	B	48,9	35,3	47,1	51,9	22,5	52,1	45,3	18,9	83,4	40,5	44,6	32,1	44,6	47,5
	C	50,2	46,1	53,8	93,5	99,9	70,-	56,5	30,6	64,8	58,4	63,4	45,7	46,7	56,5
	D	39,-	39,4	12,6	17,1	82,5	48,8	56,8	48,5	46,6	44,9	43,5	3,-	46,7	46,5
	E	10,8	6,7	41,2	76,4	17,4	21,2	11,7	-17,9	18,2	13,5	19,9	2,1	-	26,9
EEC TOTAL	A	18,8	160,8	181,6	83,4	196,5	140,5	196,5	134,6	219,6	559,1	189,1	457,2	7,5	166,4
	B	912,5	815,5	818,9	919,5	1064,1	1063,5	956,5	949,9	1025,3	758,1	928,4	239,4	1009,5	817,6
	C	931,3	976,3	1000,5	1002,9	1260,6	1204,-	1133,-	1084,5	1244,9	1317,2	1117,5	696,4	1017,-	1017,6
	D	770,4	794,4	917,6	807,3	1120,8	1007,5	1018,2	863,-	688,6	861,5	884,9	688,6	1017,-	817,6
	E	160,9	181,9	82,9	195,6	139,8	196,5	136,8	221,5	556,3	455,7	232,6	7,8	-	166,4

- A = Balance at the beginning of the month at that months' rate
- B = Advances for the month
- C = Total available for the month
- D = Expenditure for the month
- E = Balance still available

The balance still remaining available at the end of the month represents the difference between the amount available at the beginning of each month and the expenditure declared for that month to the Commission, without taking into account sums paid after the 20th of the month in respect of the following month. This procedure explains why negative balances are shown at the end of the month for some Member States.

ANNEX 12
 FUNDS AVAILABLE IN MEMBER STATES FOR 1979, PREMIUM FOR THE NON-MARKETING OF MILK AND
 MILK PRODUCTS AND PREMIUM FOR THE CONVERSION OF DAIRY HERDS (100 076)

Member State		Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Average Nov	Dec	Average	
BELGIUM	A	0,38	0,75	P.M.	P.M.	P.M.	P.M.	P.M.	P.M.	P.M.	P.M.	0,06	P.M.	P.M.	0,05
	B	0,38	-	0,12	0,38	0,25	0,37	0,37	0,25	0,12	0,13	0,24	0,50	-	0,34
	C	0,76	0,25	0,12	0,38	0,25	0,37	0,37	0,25	0,12	0,13	0,30	0,50	P.M.	0,29
	D	0,51	0,25	0,12	0,38	0,25	0,37	0,37	0,25	0,12	0,13	0,27	0,50	0,30	0,29
	E	0,25	P.M.	P.M.	P.M.	P.M.	P.M.	P.M.	P.M.	P.M.	P.M.	0,03	P.M.	-0,30	-0,11
DENMARK	A	1,63	1,36	0,58	-0,65	-0,35	0,64	0,16	-0,20	0,26	0,62	0,41	0,61	0,02	0,46
	B	0,86	-	0,14	1,29	1,92	1,28	1,05	2,07	1,38	1,65	1,16	0,98	-	1,05
	C	2,54	1,36	0,72	0,64	1,57	1,92	1,21	1,87	1,64	2,27	1,57	1,59	0,02	1,43
	D	1,18	0,78	1,37	0,99	0,93	1,76	1,41	1,61	1,02	1,66	1,27	1,57	1,21	1,29
	E	1,36	0,58	-0,65	-0,35	0,64	0,16	-0,20	0,26	0,62	0,51	0,30	0,62	-1,19	0,76
GERMANY	A	19,25	19,62	30,32	30,34	25,57	29,19	29,36	24,--	22,71	33,91	25,30	33,11	21,26	25,74
	B	19,25	18,74	9,57	-	9,50	4,86	-	2,38	19,76	-	8,46	-	-	10,60
	C	25,10	35,36	39,89	30,34	34,87	34,05	29,36	26,38	42,47	38,81	33,96	33,11	21,26	32,55
	D	3,56	8,25	9,33	4,90	5,47	4,80	5,42	3,55	3,73	6,09	5,71	11,88	6,07	6,25
	E	19,54	30,30	30,36	25,44	29,40	29,25	23,94	22,83	38,74	32,72	28,25	21,23	18,28	26,75
FRANCE	A	5,44	7,16	6,14	5,35	3,60	2,84	3,73	2,82	2,95	3,60	4,31	2,48	1,74	3,94
	B	4,84	0,52	1,73	0,52	1,99	2,84	1,17	1,20	2,20	1,58	1,86	0,70	-	2,22
	C	10,28	7,68	7,87	5,87	5,59	5,78	4,90	4,02	5,15	5,18	6,17	3,18	1,74	5,77
	D	3,17	1,52	2,50	2,26	3,24	1,43	2,08	1,03	1,57	2,71	2,15	1,44	2,66	2,72
	E	7,11	6,16	5,37	3,61	2,35	3,73	2,82	2,99	3,58	2,47	4,02	1,74	-0,02	3,22
IRELAND	A	0,21	-0,07	P.M.	0,14	0,30	0,50	0,51	0,71	0,51	0,84	0,37	0,49	0,17	0,55
	B	-	0,32	0,34	0,25	0,36	0,09	0,25	0,15	0,59	-	0,23	-	-	0,22
	C	0,21	0,25	0,34	0,39	0,66	0,59	0,76	0,86	1,10	0,84	0,60	0,49	0,17	0,55
	D	0,28	0,25	0,21	0,09	0,17	0,07	0,05	0,25	0,26	0,35	0,21	0,32	0,32	0,25
	E	-0,07	P.M.	0,13	0,30	0,49	0,52	0,71	0,51	0,84	0,49	0,39	0,17	-0,15	0,22
IRELAND	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	B	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	C	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	D	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LUXEMBOURG	A	P.M.	P.M.	0,07	P.M.	0,01	P.M.	P.M.	P.M.	P.M.	0,01	0,01	P.M.	0,07	0,07
	B	0,16	0,07	0,03	0,01	0,02	0,02	0,05	0,02	0,04	-	0,04	0,04	-	0,04
	C	0,16	0,07	0,10	0,01	0,03	0,02	0,05	0,02	0,04	0,01	0,05	0,04	0,07	0,07
	D	0,16	-	0,10	P.M.	0,03	0,02	0,05	0,02	0,03	0,01	0,04	0,03	0,07	0,07
	E	P.M.	0,07	P.M.	0,01	P.M.	P.M.	P.M.	P.M.	0,01	P.M.	0,01	0,01	-0,07	-0,07
NETHERLANDS	A	0,56	0,59	0,29	0,28	0,54	0,66	0,42	-0,48	0,17	-0,02	0,50	0,46	0,12	0,49
	B	0,33	0,48	0,52	0,25	0,59	0,05	0,04	1,09	-	0,57	0,46	0,26	-	0,49
	C	0,89	1,07	0,81	1,13	1,13	0,71	0,46	0,61	0,17	0,55	0,76	0,52	0,12	0,49
	D	0,30	0,70	0,53	0,59	0,46	0,29	0,94	0,44	0,19	0,10	0,47	0,70	0,12	0,49
	E	0,59	0,29	0,28	0,54	0,67	0,42	-0,48	0,17	-0,02	0,45	0,29	0,12	-0,12	0,49
UNITED KINGDOM	A	1,72	0,37	-0,71	4,34	4,23	1,11	-0,34	-0,45	-0,67	1,13	1,07	0,98	1,75	1,75
	B	-	-	5,16	-	-	-	1,56	1,57	3,27	2,41	1,40	2,60	-	1,75
	C	1,72	0,37	4,45	4,34	4,23	1,11	1,22	1,12	2,60	3,54	2,47	3,38	1,75	1,75
	D	1,35	1,08	0,14	0,17	3,76	1,45	1,67	1,77	1,44	2,51	1,47	2,43	1,75	1,75
	E	0,37	-0,71	4,31	4,17	1,07	-0,34	-0,45	-0,65	1,16	1,33	1,2	1,15	-0,50	1,75
TOTAL EEC	A	15,24	29,28	36,69	39,90	33,70	34,44	33,84	26,40	25,93	44,99	32,03	33,13	24,48	31,07
	B	26,42	20,13	17,61	3,30	14,63	9,51	4,49	8,73	27,36	6,34	13,85	5,18	-	17,09
	C	41,66	49,41	54,30	43,10	48,33	43,95	38,33	35,13	53,29	51,33	45,88	43,31	24,48	45,19
	D	12,51	12,72	14,50	9,38	13,71	10,19	11,99	9,02	8,36	13,56	11,59	10,87	13,95	12,50
	E	29,15	36,69	39,80	33,72	34,62	33,76	26,34	26,11	44,93	37,77	34,29	24,44	10,51	31,07

A = Balance at the beginning of the month at that month's rate
 B = Advance for the month
 C = Total available for the month
 D = Expenditure for the month
 E = Balance still available

The balances remaining available at the end of the month represent the difference between the amount available at the beginning of each month and the expenditure for that month to the Commission, without taking into account sums paid after the 20th of the month in respect of the following month. This procedure explains why negative balances are shown at the end of the month for some Member States.

P.M. = token entry

ANNEX 13

EXCHANGE RATES - 1979

1) Conversion of monthly expenditure into EUA - budgetary rates

Expenditure paid in	Rate on	BFR	DKR	DM	FF	IRL	LIT	LFR	HFL	UKL
JANUARY	20.11.78 - 0 277/78	39,6627	6,96802	2,51951	5,78185	0,675216	1.109,53	39,6627	2,73406	0,675216
FEBRUARY	20.12.78 - 0 305/78	39,6882	7,01254	2,50810	5,74532	0,679497	1.134,22	39,6882	2,71925	0,679497
MARCH	19.01.79 - 0 19/79	39,5795	6,95915	2,50707	5,76440	0,679117	1.137,13	39,5795	2,70592	0,679117
APRIL	20.02.79 - 0 47/79	39,5702	6,96023	2,50814	5,78905	0,674019	1.136,75	39,5702	2,70957	0,673951
MAY	20.03.79 - 0 75/79	39,7647	7,01313	2,51540	5,79631	0,665261	1.134,06	39,7647	2,71431	0,665261
JUNE	20.04.79 - 0 00/79	40,1501	7,05759	2,53271	5,81523	0,661213	1.127,99	40,1501	2,74066	0,643808
JULY	18.05.79 - 0 126/79	40,4808	7,11394	2,52333	5,83363	0,667416	1.124,38	40,4808	2,75037	0,641057
AUGUST	20.06.79 - 0 155/79	40,4135	7,25617	2,51672	5,84373	0,666479	1.134,55	40,4135	2,76231	0,635429
SEPTEMBER	20.07.79 - 0 183/79	40,5803	7,26784	2,53040	5,90049	0,671017	1.140,27	40,5803	2,78221	0,611684
OCTOBER	20.08.79 - 0 209/79	40,4474	7,28088	2,52577	5,87737	0,671878	1.129,15	40,4474	2,77435	0,623928
NOVEMBER	20.09.79 - 0 238/79	40,0670	7,17052	2,49661	5,86084	0,665240	1.134,28	40,0670	2,74996	0,653035
DECEMBER	19.10.79 - 0 265/79	40,1592	7,26486	2,49374	5,85086	0,668090	1.149,78	40,1592	2,76337	0,644735

2) Average rates = $\frac{\text{Total expenditure in national currency}}{\text{Total expenditure in EUA}}$

	Belgium	Denmark	Germany	France	Ireland	Italy	Luxemb.	Netherl.	Un.King.
Average rate in EUA	40,0176	7,09957	2,51437	5,81885	0,670052	1.133,32	40,1514	2,74109	0,649236

ANNEX 14

EXCHANGE DIFFERENCES - 1979 FINANCIAL YEAR (3)

Member State	Guarantee	Premiums (1)	Total
Belgium	- 288.367,01	- 876,24	- 289.243,25
Denmark	+ 534.775,87	+ 6.372,85	+ 541.148,72
Germany	+ 1.454.989,88	+ 300.897,55	+ 1.755.887,43
France	+ 197.724,08	- 36.966,78	+ 160.757,30
Ireland	+ 617.404,42	+ 7.712,12	+ 625.116,54
Italy	- 427.525,98	-	- 427.525,98
Luxembourg	- 43.799,78	+ 102,96	- 43.696,82
Netherlands	+ 1.301.769,83	- 878,25	+ 1.300.891,58
United Kingdom	+ 416.761,76	+ 64.666,-	+ 481.427,76
TOTAL	+ 3.763.733,07	(2) + 341.030,22	+ 4.104.763,29

¹ Premiums for the non-marketing of milk and premiums for the conversion of dairy herds (Regulations (EEC) No. 1078/77)

² of which : 60% financed by the Guarantee Section = + EUA
 40% financed by the Guidance Section = + EUA

³ For each Member State there is a difference between the balance at the end of each month as converted into EUA at that month's rate and the same balance as converted into EUA at the following month's rate. This table shows the total exchange differences recorded for each Member State for the whole of 1979.

ANNEX 15

EAGGF

GUARANTEE SECTION

CASES OF IRREGULARITY (1971 - 1980) AND RECOVERY OF OVERPAYMENTS

(AMOUNTS IN EUA)

E.M.	1971		1972		1973		1974		1975		1976		1977		1978		1979		TOTAL E.M.	
B	-	-	-	-	6	8,383	-	-	1	5,122	3	12,323	4	1,529,956	-	-	1	22,144	15	1,577,928
	-	-	-	-	2	8,383	-	-	1	5,122	2	4,080	-	55,224	-	-	-	-	5	72,809
D	4	11,854,191	15	1,043,365	31	244,639	63	1,350,976	69	1,838,851	86	2,229,511	49	2,545,905	48	948,337	36	562,319	401	22,618,644
	3	11,724,751	15	1,043,365	30	242,749	54	373,687	60	479,917	73	993,805	38	1,166,194	40	767,108	30	384,204	343	17,175,780
DK	-	-	-	-	1	7,153	7	624,661	26	502,842	1	2,902	14	352,282	11	142,357	11	23,575	71	1,205,772
	-	-	-	-	1	7,153	6	310,450	26	502,842	1	2,902	12	229,572	9	101,523	4	27,829	59	1,182,271
FR	-	-	5	1,270,954	7	891,400	5	2,094,148	7	132,347	4	466,793	8	806,709	9	170,101	32	230,444	77	6,062,876
	-	-	1	2,386	4	380,497	2	8,946	3	60,259	2	11,125	2	12,966	6	33,343	20	127,971	40	637,493
IRL	-	-	-	-	1	8,743	1	180,600	2	178,234	10	519,904	5	204,260	1	1,425	2	-	22	1,093,166
	-	-	-	-	1	8,743	1	180,600	1	178,234	3	270,712	4	199,693	1	1,425	-	-	11	839,407
IT	-	-	-	-	3	141,910	4	9,134	14	48,498	2	1,161	5	648,091	1	-	3	152,815	34	1,001,609
	-	-	-	-	-	2,033	2	1,992	1	1,036	-	-	-	-	-	-	-	-	3	5,061
LUX	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NL	4	22,321	-	-	1	3,956	7	101,134	7	56,219	2	4,879	9	947,525	3	7,217	6	644,013	39	1,787,264
	4	22,321	-	-	1	3,956	6	101,134	7	56,219	2	4,879	7	14,751	3	7,217	6	644,013	36	854,490
UK	-	-	-	-	1	577	-	-	4	275,202	118	2,093,780	56	1,286,855	40	903,449	25	408,160	244	4,968,023
	-	-	-	-	1	577	-	-	-	-	44	989,726	4	363,288	2	77,838	1	26,038	52	1,457,467
CCE	8	11,826,512	20	2,314,319	51	1,306,811	82	4,360,655	30	3,037,315	226	5,331,253	150	8,321,585	113	2,172,886	116	2,093,920	903	40,815,302
	7	11,747,072	16	1,045,751	40	654,091	71	976,809	99	1,283,629	127	2,277,229	67	2,041,688	61	988,454	61	1,210,055	549	22,224,778

NOTES :

- First line : Number of cases reported and amount
- Second line : Number of cases where over payments were recovered, with amount recovered
- Germany : 142 cases of irregularity, of which 15 were reported in 1973, 39 in '74, 44 in '75 and 44 in '76, all concerned a single special intervention measure (regulation (EEC) No. 69/287 operated from 5 August to 1 October 1969).
- United Kingdom : 144 cases of irregularity, of which 83 were reported in 1976, 44 in '77, 16 in '78 and 1 in '79 concerned non-payments of MCAs due to a weakness in the system, which has since been improved.
- France : In '79, 24 cases of irregularity involving failure to meet obligation to convert dairy herd to beef and veal production (60 o/o financed by Guarantee Section and 40 o/o by the Guidance Section, but all overpayments are included in this table).

ANNEX 16
EAGGF GUARANTEE SECTION - 1979

CASES OF IRREGULARITY REPORTED AND AMOUNTS RECOVERED

(Amounts in EUA)

SECTOR	Belgium		Denmark		Germany		France		Ireland	Italy		Luxembourg	Netherlands		United Kingdom		TOTAL EEC		
	No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount	
Cereals	Rec.				1	2.443											1	2.443	
	Irr.					3	9.305										3	9.305	
	Total					4	11.748										4	11.748	
Milk and milk products	Rec.				1	3.738	2	13.049					1	2.577			4	19.364	
	Irr.	1	22.144	5	40.800	15	137.916				1	590.022	14	52.566			37	977.748	
	Total					16	141.654						2	592.599			40	997.113	
Pigmeat	Rec.			1	2.574											2	11.138	3	13.712
	Irr.					5	30.062										5	30.062	
	Total																8	43.774	
Eggs	Rec.																		
Poultry meat	Rec.																		
Beef and Veal	Rec.			1	2.217			2	14.561										
	Irr.			1	1.350	8	253.409	24	173.683				1	25.721	1	7.588	4	24.366	
	Total			2	3.567			26	188.244								38	478.529	
Oils and fats	Rec.										2	18.514					2	18.514	
	Irr.																		
	Total																		
Fruits and vegetables	Rec.																		
Sugar	Rec.																		
	Irr.																		
	Total																		
Non-Annex II products	Rec.					2	112.183										2	112.183	
	Irr.																		
Other sectors	Rec.					1	13.763						1	17.486			1	13.763	
	Irr.							1	1.323								2	18.809	
	Total																3	32.572	
MCAs	Rec.			3	26.634			3	27.828	2	?		2	8.207	8	336.868	18	399.537	
	Irr.																		
EEC Total	Rec.			2	4.791	5	132.127	4	27.610				1	2.577	3	18.726	15	185.831	
	Irr.	1	22.144	6	42.150	31	430.692	25	175.006				3	633.229	14	52.566	83	1.508.602	
	Total	1	22.144	11	73.575	36	562.819	32	230.444	2	?	3	152.815	6	644.013	25	408.160	116	2.093.970
of which :																			
1. amounts recovered or expenditure justified				4	27.829	30	384.204	20	127.971				6	644.013	1	26.038	61	1.210.055	
2. amounts for which the recovery procedure is in progress		1	22.144	7	45.746	6	178.615	12	102.473	2	?	3	152.815	-	-	24	382.122	55	883.915

ANNEX 17

IRREGULARITIES RELATING TO INTERVENTION PAYMENTS

Member State	Cases reported pursuant to Art.3 by year							Total	1979 intervention expenditure (m EUA)	Cases involving intervention payments	Balance ⁴
	1971 1972 1973	1974	1975	1976	1977	1978	1979				
B	6	-	1	3	4	-	1	15	167	11	4
D ²	50	63	69	86	49	48	36	259(2)	1,522	182	77
DK	1	7	26	1	14	11	11	71	208	26	45
FR	12	5	7	4	8	9	32	77	988	33	44
IRL	1	1	2	10	5	1	2	22	212	9	13
IT	3	6	14	2	5	1	3	34	1,178	32	2
L	-	-	-	-	-	-	-	-	8	-	-
NL	5	7	7	2	9	3	6	39	338	15	24
UK	1	-	4	118	56	40	25	100(3)	374	23	77
EEC	79	89	130	226	150	113	116	617	4,995	331	286

¹ MCA's between Community countries are not included here since they fall into the 'trade' category and, for the purposes of this analysis, have to be considered as refunds.

² The figures given for the number of cases in Germany (259 and 182 respectively) do not include the 142 cases reported from 1973 to 1976, and in particular in 1974, 1975 and 1976, which related to a single special intervention measure (69/287/EEC, cereals, B) operated from 5 August to 1 October 1969 only.

³ In the case of the United Kingdom, 144 of the cases deducted concerned the non-payments of MCA's resulting from a weakness in the system, which has been improved since 1977.

⁴ Most of these cases concerned refunds and MCAs.

ANNEX 18

SUMMARY OF IMPLEMENTATION FOR THE 1979 FINANCIAL YEAR

(Chapter 92 - Community food aid)

Approp. available	m EUA	Implementation	m EUA	% Utilization
<u>A. APPROPRIATIONS FOR THE FINANCIAL YEAR</u>		<u>C. COMMITMENTS</u>		
1. Initial approp.	287,34	1. Total commitments a)	296,04	100 %
2. Supp. appropriations	8,70	2. Automatic carryovers to 1980	137,10	
3. Transfers	-	3. Sumas not committed		
TOTAL	x 296,04	TOTAL (a + b) b)	x 296,04	0 %
<u>B. APPROPRIATIONS FOR THE PREVIOUS FINANCIAL YEAR</u>		<u>D. PAYMENTS</u>		
- automatic carryovers from 1978	100,07	1. Application of carryovers from 1978		
- non-automatic carryovers	pm	- payments a) from automatic carryovers		
TOTAL	y 100,07	- b) from non-automatic carryovers	y 100,07	
		- lapsed	pm	
		<u>TOTAL CARRYOVERS FROM 1978</u>	<u>y 100,07</u>	25,3 %
		2. Application of 1979 appropriations		
		a) payments	158,94	40,1 %
		b) Carryovers to 1980	=====	
		- automatic	137,10	
		- non-automatic	pm	
		<u>TOTAL CARRYOVERS FROM 1979 TO 1980</u>	<u>137,10</u>	34,6 %
		3. Appropriations lapsed	pm	
		- out of 1979 allocation	pm	
		- out of 1978 carryovers	pm	
		<u>TOTAL APPROPRIATIONS LAPSED</u>	<u>pm</u>	
TOTAL APPROPRIATIONS AVAILABLE (x + y) = z	z 396,11	TOTAL (x + y) = z	z 396,11	100 %

1) p.m. = token entry

ANNEX 19
COMMUNITY FOOD AID - CHAPTER 92
CASH POSITION AT 31 DECEMBER 1979

MEMBER STATE		Amount available at 1 January 1979	Advances granted for 1979	Expenditure from 1 January 1979 to 31 December 1979	Amount available at 31 Dec. 1979	Adjusted availability at 1 Jan. 1980 ¹
		a	b	c	d = (a + b) - c	e
BELGIUM	BFR	219.937.211	1.750.600.000	1.783.017.678	187.519.633	187.519.633
	EUA	5.545.192,69	43.648.964,90	44.529.944,57	4.664.212,94	4.662.510,20
DENMARK	DKR	30.508.240,50	112.850.000	124.176.735,36	19.181.505,14	19.181.505,14
	EUA	4.378.322,75	15.973.694,91	17.703.341,57	2.648.676,09	2.618.163,70
GERMANY	DM	26.696.690,21	200.800.000	199.433.114,93	28.063.575,28	28.063.575,28
	EUA	10.595.985,02	79.945.512,37	79.317.968,08	11.223.529,31	11.302.467,73
FRANCE	FF	6.975.269,02	367.297.000	346.100.069,46	28.172.199,56	28.172.199,56
	EUA	1.206.407,81	62.787.277,06	59.204.518,37	4.789.166,50	4.835.980,79
IRELAND	IRL	262.090,71	5.460.000	5.135.735,40	586.355,31	586.355,31
	EUA	388.158,52	3.157.978,40	7.694.917,62	851.219,10	872.904,56
ITALY	LIT	1.843.693.920	21.095.000.000	14.199.466.240	8.739.277.680	8.739.277.680
	EUA	1.661.689,11	18.607.272,80	12.495.141,86	7.773.820,05	7.543.050,69
LUXEMBOURG	LFR	10.842	84.100.000	84.092.333	18.509	18.509
	EUA	273,36	2.117.146,48	2.097.970,83	19.449,01	460,20
NETHERLANDS	HFL	1.296.023,99	47.892.000	46.520.085,43	75.890,58	75.890,58
	EUA	474.029,10	17.464.592,04	16.936.684,43	53.878,51	27.370,34
UNITED KINGDOM	UKL	72.469,77	860.000	763.382,01	169.087,76	169.087,76
	EUA	107.328,26	1.324.827,10	1.167.859,62	264.295,76	260.777,33
TOTAL	SEC/EUA	23.409.328,16	250.027.266,06	241.148.346,95	32.288.247,27	32.123.685,54

¹ Based on EUA rate on 20 November 1979 valid for advance payments of January 1980.

ANNEX 20

EXPENDITURE DECLARED BY THE MEMBER STATES

Member State	Expenditure declared (in EUA)							
	Cereals		Milk products		Sugar and other expenditure		Totals	
Belgium	9.233.655	11%	35.296.289,57	22%	-	-	44.529.944,57	18,5%
Denmark	-	-	17.703.341,57	11%	-	-	17.703.341,57	7 %
Germany	6.740.931,33	8%	72.575.912,19	45,5%	1.124,56	1%	79.317.968,08	33 %
France	46.243.259,47	58%	12.961.248,90	8%	-	-	59.204.518,37	25 %
Ireland	-	-	7.542.522,08	5%	152.395,54	99%	7.694.917,62	3 %
Italy	12.495.141,86	16%	-	-	-	-	12.495.141,86	5 %
Luxembourg	-	-	2.097.970,83	1%	-	-	2.097.970,83	1 %
Netherlands	5.240.344,11	7%	11.696.340,32	7%	-	-	16.936.684,43	7 %
United Kingdom	85.818,69	pa	1.082.040,93	0,5%	-	-	1.167.859,62	0,5%
EEC	80.039.160,46	100%	160.955.666,39	100%	153.520,10	100%	241.148.346,95	100 %
		33%		66,5%		0,5%		100 %

ANNEX 21

BUDGET APPROPRIATIONS, 1979 (in EUA); CASH POSITION AS AT 31 DECEMBER 1979

C H A P T E R	A R T I C L E	I T E M	Amounts available				Appropriations for Commitment	1979 expenditure declared by Member States	1979 expenditure by Commission	Total expenditure for 1979	Unused appropriations	Automatic carryovers Art. 6(1)(c) Financial Reg.	Lapsed appropriations	
			Programme	1978 approp- riations carried over into 1979	Entered in 1979	Transfers								TOTAL
92	920	Food and CEREALS												
		9200 Before 1979	14.439.250,50	4.818.000	+ 9.629.476,59	28.886.727,09	28.886.727,09	25.280.634,97	3.606.042,12	28.886.727,09	0	0	0	
		9201 1979	-	96.117.000	- 4.803.118,05	91.313.881,95	91.313.881,95	54.758.475,48	4.755.442,97	59.513.918,46	31.799.963,49	31.799.963,49	0	
		921	Milk Products											
		9210 Skimmed milk	46.826.281,98	22.269.000	+ 332.392,35	69.427.674,33	69.427.674,33	66.536.544,94	2.891.129,39	69.427.674,33	0	0	0	
		9211 Skimmed milk powder before 1979	-	87.940.000	- 2.332.392,35	85.607.607,65	85.607.607,65	21.131.985,82	4.181.531,87	25.313.517,69	60.294.089,96	60.294.089,96	0	
		9212 Butter oil before 1979	38.610.435,67	11.994.000	+11.081.865,65	61.686.301,32	61.686.301,32	60.083.870,90	1.602.430,42	61.686.301,32	0	0	0	
		9213 Butter oil, 1979	-	62.250.000	-11.081.865,65	51.168.134,35	51.168.134,35	13.203.264,73	276.999,22	13.480.263,95	37.687.870,40	37.687.870,40	0	
		922	SUGAR											
		9220 Before 1979	94.599,32	-	+ 173.641,46	268.240,78	268.240,78	1.124,56	267.116,22	268.240,78	0	0	0	
			1979	-	1.448.000	-	1.448.000	1.448.000	-	-	-	1.448.000	1.448.000	0
		923	Other Products											
		9230 Other products	-	-	+ 5.700.000	5.700.000	5.700.000	-	270.923,22	270.923,22	5.429.076,78	5.429.076,78	0	
		924	Other expenditure											
		9240 Other expenditure	100.000	500.000	-	600.000	600.000	152.395,54	7.365,68	159.761,22	440.238,78	440.238,77	0,01	
			TOTAL	100.070.567,47	287.336.000	+ 8.700.000	396.106.567,47	396.106.567,47	241.148.346,95	17.858.981,11	259.007.328,06	137.099.239,41	137.099.239,40	0,01