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TWENTY-FIRST FINANCIAL REPORT

on

THE EUROPEAN AGRICULTURAL GUIDANCE AND GUARANTEES FUND EAGGF

- 1991 -

GUARANTEE SECTION and FOOD AID ACCOUNTS CLEARANCE

T A B L E 1

Average conversion rates used for 1991

(cf. Annex 18)

EUROPEAN COMMUNITY	1 ECU = (budgetary) (*)
Belgium	42.3047 BFR
Denmark	7.88846 DKR
Germany	2.0539 DM
Greece	215.633 DRA
Spain	128.687 PTA
France	6.95634 FF
Ireland	0.768698 IRL
Italy	1.534.91 LIT
Luxembourg	42.3109 LFR
Netherlands	2.3161 HFL
Portugal	179.398 ESC
United Kingdom	0.699729 UKL

- (*) The ecu is the unit of account used for the Communities' budget; all receipts and expenditures, agricultural and non-agricultural, are expressed in ecus. Conversion into national currencies is generally at market rates or "budget rates".
- The common agricultural policy, to operate efficiently, requires that exchange rates between national currencies remain fairly stable. In order therefore to lessen the effect on agricultural prices of any adjustments to the rates of exchange, conversion into national currencies of agricultural prices expressed in ecus is not effected at the real exchange rates of the ecu but at specific rates called "green rates". Hence the amount calculated in ecu under agricultural regulations is referred to as "ECU(A)".
- However, for the charging to the budget of the financial consequences of agricultural regulations, conversion into ecus of national currencies is not at the green rate but at the market or budget rate; hence, the amount in ecu to be entered in the accounts is referred to as "ECU(B)".

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INTRODUCTORY NOTE

- a) Article 10 of Council Regulation (EEC) No 729/70 on the financing of the common agricultural policy* requires the Commission to send each year to the Council and Parliament "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 operations of the EAGGF Guarantee Section and the clearance of accounts in respect of Community food aid for 1991.

The main task of the Guarantee Section is financing the expenditure arising from the common policy on agricultural markets and prices. Under Articles 2 and 3 of Regulation (EEC) No 729/70, expenditure consists of refunds on exports to non-Community countries, paid under the EEC market organizations, and intervention measures designed to stabilize agricultural markets.

- b) *Up to and including 1986, the financial year was always the same as the calendar year. The amendments made in 1987 to the Regulations governing the financing of the common agricultural policy resulted, as regards the Guarantee Section, in adjustments to the dates of closure of accounts for 1987¹, 1988² and subsequent financial years³, with a corresponding displacement of the Guarantee Section financial year relative to the calendar year. This may make it difficult to compare these years with previous years, and should be taken into account in examining the various tables and annexes.*

*
* *

N.B.: This report was completed on 22 September 1992

* OJ No L 94, 28.4.1970, p.13.

1 *Financial year 1987: expenditure here covers a period of ten months, from 1 January 1987 to end October 1987.*

2 *Financial year 1988: expenditure here covers a period of eleven and a half months from beginning November 1987 to 15 October 1988.*

3 *Financial year 1989 et seq.: expenditure here covers a period of twelve months from 16 October to 15 October of the following year.*

SUMMARY OF THE TWENTY-FIRST FINANCIAL REPORT
EAGGF - GUARANTEE SECTION

A. Community expenditure on markets

1. The appropriations available for the Guarantee Section of the EAGGF for 1990, after transfers were made, amounted to ECU 32 385 million, including the set-aside of land from agricultural production (ECU 85 million) (the Guarantee Section's portion), the Fisheries Guarantee Fund (ECU 29 million), repayments to Member States of expenditure on the depreciation of agricultural stocks and the special disposal of butter from public stocks (ECU 810 million).

Allowing for a reduction in expenditure resulting from the clearance of the accounts for previous years of ECU 437.8 million, the financial contribution of cereal producers (ECU 924.3 million) and milk producers (ECU 352.4 million), total agricultural expenditure chargeable to the Guarantee Section for 1991 stood at ECU 31 784.3 million.

2. An examination of the breakdown of agricultural expenditure by economic category shows that, on the basis of total expenditure taken into consideration for the 1991 budget excluding the consequences of the clearance of accounts (-ECU 438 million) and miscellaneous payments (ECU 331 million), i.e. ECU 31 891 million, export refunds amounted to ECU 10 080 million (31.6%) and market intervention measures to ECU 21 811 million (68.4%).

In the case of refunds, 59% of total expenditure was taken up by cereals and milk products alone, followed by beef and veal (13%) and sugar 12%.

The product areas mainly responsible for expenditure on intervention were oilseeds (16%) and milk products (16%), followed by beef and veal (14%), sheepmeat and goatmeat (8%), olive oil (8%) and cereals and rice (7%). Price compensatory measures accounted for ECU 14 906 million whilst storage aid amounted to ECU 6 399 million (65% and 28% of total intervention respectively).

3. During 1991 the book value of public stocks, reflecting the quantitative increase, rose sharply from ECU 1 384 million on 30 September 1990 to ECU 2 584 million on 30 September 1991, a rise of ECU 1 200 million (87%).

As regards the quantities in stock, during 1991 there was:

- a considerable increase for cereals and rice, milk products and, above all, beef and veal, and a slight increase for tobacco;
- a fall for oils and fats and alcohol.

B. Cash position and management of appropriations

For the Guarantee Section, twelve normal advances and one extraordinary advance were adopted during the year.

The 1991 budget was adopted in December 1990. There was permanent underutilization with the notable exception of the beef and veal sector, where the appropriation overrun was particularly large.

The expenditure borne by the EAGGF Guarantee Section was charged to the 1991 budget (ECU 32 678.5 million) and to the appropriations carried over from 1990 (ECU 685.5 million). A total amount of ECU 751.0 million (ECU 647.4 million from the 1991 budget and ECU 103.6 million in carried-over appropriations) remained unused. ECU 5.6 million were charged definitively to Article B 7-600 - Aid for economic restructuring of the countries of Central and Eastern Europe.

In addition, the measures for the supply of food for the people of Saint Petersburg and Moscow decided on by the European Council on 11 December 1991, and delays in the execution of operations in Bulgaria, Romania and the former Soviet Union, led the Commission to ask the budget authority for non-automatic carryovers of ECU 166 million.

The Commission, anxious to adjust appropriations in any way possible before one or more chapters were used up, proposed on several occasions that appropriations should be transferred between chapters, in order to have the appropriations available before the transfer of advances on entry in the accounts. However, some transfers were made only after the appropriations available were used up, as a result of the proposal for the supplementary and amending budget pending at the budget authority. This proposal was withdrawn at the end of the year, given the very low level of expenditure incurred by the Member States, which was less than they had announced previously.

C. Investigations and irregularities

The Commission continued the fraud prevention efforts it began in previous years, introducing further legislative measures making it possible to better target and step up national controls, and at the same time continuing its work to simplify agricultural legislation.

On the basis of the experience gained in previous years by its departments, and as part of the reform of the CAP, the Commission proposed to the Council an integrated approach to controls using, where necessary, modern control methods such as aerial photography or remote sensing in cases where this is warranted.

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At the same time, it stepped up its investigations on the ground, opening enquiries into various agricultural sectors: tobacco, nuts, beef and veal, and exports of cattle, olive oil, milk powder, etc ...

The number of irregularities reported by the Member States under Articles 3 and 5 of the new Regulation (EEC) No 555/91, which was applied for the first time in 1991, was 574, representing only ECU 67.3 million, i.e. down on previous years in spite of the financial incentive in the Regulation to encourage Member States to report irregularities they discover to the Commission.

In addition, 1991 saw the introduction of an embryonic Community inspection corps specialized in the wine and fruit and vegetable sectors and making it possible, in collaboration with the national authorities, to better coordinate and intensify the fight against fraud in these areas.

Finally, the Commission started a remote sensing campaign concentrating on the sectors of durum wheat, cotton, set-aside and grubbing up of vines, which made it possible to investigate approximately 2 650 holdings representing 15 000 parcels.

D. Clearance of accounts

In 1991 the Commission did not take any formal decision on the suspended clearance for 1989, this decision being planned for 1992.

Checking expenditure for 1990, amounting to ECU 26 391 million, was begun in 1991 and finished at the end of April 1992. It was based on a systems audit and on-the-spot verifications, in order to check the expenditure incurred for compliance with Community legislation. It appeared that the Member States are encountering increasing difficulties in applying the sometimes very complicated legislation laid down by the common agricultural policy.

In 1991 the financial systems of the Member States' disbursing agencies were subjected for the first time to an examination by external inspection companies. The purpose of this measure was to carry out an initial financial audit in the main disbursing agencies out of the total of 44 in the Member States.

Since the twentieth financial report was drawn up, the Court of Justice delivered six judgments in cases brought by Member States relating to old clearance decisions. In each instance the complainant's case was dismissed.

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During the decision-making process for the 1988 accounts, the Commission set up an internal working party with a remit to draw up proposals for improving the clearance of accounts procedure. The results will be presented in June 1992.

E. Accounts clearance in respect of Community food aid

Commission Regulation (EEC) No 2200/87 laying down general rules for the mobilization in the Community of products to be supplied as Community food aid took effect on 1 July 1987 and is the basis for the reform of the system of financing Community food aid.

The reform means that financing for successful tenderers for aid schemes is provided directly by the Commission and not by the Member States.

Financing for 1991 was therefore carried out directly by the Commission.

Presentation of data relating to the quantities supplied in tonnes and the expenditure incurred by the Commission is now the responsibility of the Directorate-General for Development.

The Guarantee Section of the EAGGF will continue to be responsible for the clearance of accounts for budget years in which financing was carried out under the old system.

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TITLE ICOMMUNITY EXPENDITURE ON MARKETS1. BACKGROUND1.1. 1991 budget

The budget for 1991¹ was finally adopted on 13 December 1990. It took account of, among other things, the financial implications of German reunification and the Persian Gulf crisis and was the subject of three supplementary and amending budgets which had no direct effect on appropriations for the EAGGF Guarantee Section.

For the EAGGF Guarantee Section, this budget provided for appropriations totalling ECU 33 653 million, broken down as follows:

TOTAL APPROPRIATIONS RELATING TO THE EUROPEAN AGRICULTURAL GUIDANCE AND GUARANTEE FUND COMPLYING WITH THE TERMS OF FINANCING OF THE GUARANTEE SECTION	
Heading	1991 appropriations (ECU)
- European Agricultural Guidance and Guarantee Fund, Guarantee Section (Subsection B1)	32.516.000.000
- Other appropriations governed by Guarantee Section financing rules	
. Fisheries Guarantee Fund (Chapter B2.90)	27.000.000
. Reimbursement of Member States for expenditure on depreciation of stocks of agricultural products and special disposal measures for butter from public stocks (Chapter B0.10)	810.000.000
. Set-aside, Guidance Section contribution (Chapter B2.500)	100.000.000
. Income aids (Chapter B2.501)	200.000.000
Total for the Guarantee Section	33.653.000.000

The figure of ECU 32 516 million includes an appropriation of ECU 97 million which is entered in Chapter B0.40 as part of the mechanism of transition by stages provided for in the Act of Accession of Portugal to the Community.

¹ OJ No L 30, 4.2.1991.

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It is of a purely provisional nature and could be used only after being transferred to other chapters as laid down in the Financial Regulation of 21 December 1977 applicable to the general budget of the European Communities, as amended by the Regulation of 13 March 1990. This appropriation covers the following items:

- production aid for durum wheat	ECU 5 million
- other intervention	ECU 45 million
- refunds on butter and butteroil	ECU 16 million
- refunds on skimmed-milk powder	ECU 23 million
- refunds on cheese	ECU 2 million
- premiums for suckler cows	ECU 4 million
- accession compensatory amounts granted in Intra-Community trade	<u>ECU 2 million</u>
ECU 97 million	

The figure of ECU 32 516 million also includes an amount of ECU 1 000 million which, regarded as a monetary reserve, is entered on a provisional basis to cover developments resulting from major and unforeseeable fluctuations in the exchange rate between the US dollar and the ECU compared with the rate used in the budget. It is not included in the "guideline". In the event of an improvement in the dollar/ECU rate, the savings made in the Guarantee Section are transferred to the monetary reserve, up to a maximum of ECU 1 000 million. If the rate deteriorates, transfers are made from the reserve to Guarantee Section headings affected by the movements. It should be pointed out that there is a "franchise" of ECU 400 million below which no transfers are made to or from the monetary reserve.

- During 1988, the first year of application of the new system, the average value of the US dollar was slightly lower than the parity used in the 1988 budget. This decrease led to additional expenditure chargeable to the EAGGF Guarantee Section, estimated at ECU 125 million. This cost being less than the ECU 400 million "franchise", no transfers were made from the monetary reserve to the headings affected by the lower dollar rate. (For details see document SEC(88) 1538 final of 31 October 1988).
- During 1989 the dollar remained higher than the budget rate. This resulted in substantial savings for the EAGGF Guarantee Section. The savings - estimated at ECU 1 219 million - being more than the ECU 400 million "franchise", a transfer of ECU 819 million (1 219-400) was made to the monetary reserve. (For details see document SEC(89) 1626 final of 9 October 1989).
- Throughout 1990, the US dollar followed a downward trend. This resulted in additional expenditure being charged to the EAGGF Guarantee Section. Totalling ECU 371 million, this was less than the "franchise", however, so there were no grounds for resorting to the monetary reserve. (For details see document SEC(90) 1956 final of 19 October 1990).

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- In 1991, lastly, the average value of the dollar was below the budget parity used to assess the appropriations for the year, despite a spectacular increase during June and July 1991. The reference period extended, it will be recalled, from 1 August 1990 to 31 July 1991. The depreciation of the dollar resulted in additional expenditure for the EAGGF Guarantee Section, amounting to ECU 430 million. The additional burden on the budget being more than the "franchise" of ECU 400 million, a transfer from the monetary reserve (Chapter B1.50) of ECU 30 million had to be made to Chapters B1.10 - Cereals and rice and B1.13 - Protein plants. (For details see document SEC(91) 1917 final of 18 October 1991).

The guideline mentioned above was introduced in 1988, following agreements reached in Brussels in February 1988, for a period of four years ending with the 1992 financial year. The guideline covers all agricultural expenditure chargeable to the EAGGF Guarantee Section, (Titles B1-1, B1-2 and B1-3) and the part (50%) of the set-aside scheme (Chapter B1-40) financed by the Guarantee Section. The guideline does not, therefore, cover expenditure under Chapter B2-90 (European Fisheries Guarantee Fund) and Chapter B0-10 (repayment to the Member States of expenditure for depreciation of stocks of agricultural products and under specific measures for the disposal of butter from public stocks).

For 1991 the guideline was set at ECU 32 511 million, thus leaving a margin of ECU 995 million in relation to the original budget appropriations.

1.2. Transfers of appropriations and appropriations available

Greatly dependent on external factors (weather, monetary situation, trends in international trade, size of harvests in non-member countries, general economic conditions), agricultural expenditure often does not coincide with initial forecasts, which are outlined some twelve months before the beginning of the budget year in question.

However, with the recent introduction of the early warning system (cf. 18th Financial Report, page 4), the Commission can now monitor more closely the trend of agricultural expenditure, chapter by chapter, act accordingly and thus ensure compliance with the budget. In view of the rate of utilization of the appropriations, however, some adjustments proved necessary.

Consequently, the budget authority decided to make a number of transfers, details of which are given in Table 4 (see below). Most of these transfers were made within subsection B1, apart from a transfer of ECU 30 million from Chapter B1-50 (monetary reserve) and a transfer of ECU 2 million to the Fisheries Guarantee Fund.

As a result, the total amount of appropriations available for the EAGGF for 1991 came to ECU 32 385 million*.

* Not counting appropriations in Chapter B2-50 (set-aside, Guidance Section) and income aids (ECU 293.5 million).

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1.3. Agricultural expenditure

Taking into account, firstly, the reduction in expenditure of ECU 437.8 million by virtue of the clearance of accounts for previous years and, secondly, the financial contribution of cereal producers (ECU 924.3 million) and of milk producers (ECU 352.4 million), the total agricultural expenditure chargeable to the EAGGF Guarantee Section for the 1991 financial year and to the 1991 budget for that year amounted to ECU 31 784.3 million, not counting expenditure on carryovers of appropriations from 1990, set-aside (Guidance Section contribution) (Item B2-500) or income aids (Item B2-501), which are not charged to the Guarantee Section but for which the Community's financial contribution is paid in accordance with the rules governing the EAGGF Guarantee Section. A detailed analysis of the financing of the different sectors is given below (cf. points 2.1. et seq.).

TABLE No 2

EAGGF Guarantee Section expenditure¹
in relation to EC expenditure²

Year	Total EC expenditure in ECU million	EAGGF Guarantee Section expenditure	%
1986	34.863,3	22.119,4	63,4 %
1987	35.469,2	22.950,3 (*)	64,7 %
1988	41.120,9	26.400,4 (**)	64,2 %
1989	40.850,0	24.406,0	59,7 %
1990	44.378,9 (***)	25.754,7 (***)	58,0 %
1991	53.823,1 (****)	31.126,8 (****)	57,8 %

(1) Expenditure in payment appropriations under Titles B1.1, B1.2 B1.4 (from 1991) - Titles 1 and 2 and Chapter 390, Guarantee part, before 1991) of the budget, including carryovers to the following year.

(2) Total expenditure in payment appropriations, including carryovers to the following year.

(*) Expenditure covering a period of 10 months.

(**) Expenditure covering a period of 11½ months.

(***) Of which ECU 685.5 million non-automatic EAGGF Guarantee Section carryovers.

(****) Of which ECU 166.0 million non-automatic EAGGF Guarantee Section carryovers.

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1.4. Fixing of farm prices and related measures for 1991/92

In response to the wish expressed by Parliament for a more detailed examination of the proposals concerning prices for cereals and aids for nuts, the Council of Ministers of Agriculture, departing from the Commission's initial proposals, decided - in two stages, on 25 May and 18 June 1991 - on the agricultural prices and related measures for 1991/92.

The final agreement*, in the case of the majority of agricultural prices, retained the prices applicable for the previous marketing year. The Council decided, however, to reduce some prices and to adjust various intervention or taxation systems for beef/veal, milk and milk products and oilseeds. The products for price cuts were imposed are: durum wheat: - 3.5%, partly offset by a 6.2% increase, subject to certain conditions, in the aid per hectare, the basic co-responsibility levy for cereals also rising from 3 to 5% of the intervention price for common breadmaking wheat on account of the increase in the structural surplus during 1990/91, the prospect of a marked increase in 1991/92 and the resulting increased pressure expected on the budget; oilseeds, peas and field beans, flax and hemp seed: - 1.5%; sheepmeat: - 2%; tobacco: - 6% on average; in addition, the aid for dehydrated fodder is being cut by 20% over two years, i.e. 10% for 1991/92.

Among the related measures, it was decided, as regards milk, to reduce the overall guaranteed quantity by 2% and to introduce a voluntary buy-back scheme, limited to 3% of quotas, funded by the EAGGF - at a rate of ECU 0.10/kg for five years from autumn 1992. Subject to a limit in the overall level of quotas reduced by 2%, the quantities bought back by the Member States are allocated to national reserves and may also be used to resolve the SLOM problem (redistribution of quotas to producers who temporarily stopped milk production before the introduction of the quota system and who are now able to resume it under the rules).

In the beef and veal sector, to enable the Community to act more selectively in situations in which the intervention system constitutes an essential element of market support, it was decided to reduce the thresholds for triggering normal intervention by tender to 84% of the Community price and 80% of the regional market price respectively. In addition, under the safety net system, intervention can come into play only where the price of steers or young bulls falls below 78% of the intervention price.

As regards wine, the Council decided to extend the vine grubbing scheme to Portugal and to keep the support distillation price at 82% of the guide price for A1 wine.

* The details of this agreement are contained in the edition of "CAP working notes" devoted to agricultural prices 1991/1992 - Council decisions - references VI/4608/91.

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To make the existing set-aside scheme, introduced in 1988/89, more effective, special provisions were added enabling producers to join a voluntary annual programme for 1991/92 under which at least 15% of the land under cereals and other subsidized crops would be laid fallow.

In return, these producers would receive a Community-financed premium per hectare set aside equal to the part of the aid which would be granted for the same areas by the Member State concerned under Regulation (EEC) No 797/85, replaced by Regulation (EEC) No 2328/91 (improvement of the efficiency of agricultural structures)¹; they would also be entitled to reimbursement of the basic co-responsibility levy - increased from 3 to 5% of the intervention price - charged on cereals sold by them during the 1991/92 marketing year.

Finally, agri-monetary measures were adopted by the Council involving:

- the complete elimination of the remaining monetary gaps in Germany, the Netherlands and the United Kingdom;
- dismantling three quarters of the gap remaining in Greece after application of the automatic dismantling rule and alignment of the green rates on the highest rate;
- a slight reduction for Spain in the monetary gaps applied in the milk, beef/veal, cereals and sugar sectors.

¹ OJ No L 218, 6.8.1991.

1.5. Reform of the CAP

When the first market organizations were established in the early 60s, one of the objectives was to ensure the availability of food in the Community.

Over the past few decades, food production has increased substantially. This situation is the result of a combination of various factors: great technical progress, the introduction of a real European common market following, in particular, the elimination of national barriers to intra-Community trade, and the creation of market and price guarantees under the CAP.

In the wake of this increase in productivity, production has soared, outstripping internal demand for agricultural products and the development of outlets on world markets. The resulting imbalances on the agricultural markets have led to the creation of steadily growing surpluses, disposal of which has proved very costly for the Community.

The spectacular developments in Community agriculture combined with the profound changes in the general economic situation and in world markets since the early 1980s meant that the CAP would have to be restructured. Action needed to be taken to correct a trend of steadily increasing Community expenditure on agriculture and an accumulation of public stocks, which themselves represent costs to the Community budget.

In the light of the guidelines agreed by the Commission on the basis of its 1985 Green Paper, the Brussels European Council, in February 1988, adopted, by way of conclusions, the principles it considered would enable the Community to react to this situation. It was planned in particular to revise the rules on budgetary discipline and reinforce and extend the mechanisms known as "agricultural stabilizers" with the aim of improving the supply/demand balance and to combine this with a series of structural measures to back up the reform and cushion some of the impact.

The measures taken with regard to markets against the background of a favourable world economic situation in 1988 and 1989 enabled the rapid increase in production to be curbed and stocks to be reduced.

Nonetheless, the respite was only short-lived and imbalances reappeared on some markets, with inevitable repercussions on budget expenditure.

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The accompanying measures adopted by the European Council in February 1988 (set-aside, extensification, income aids, early retirement), for their part, met with only limited success on account of their purely voluntary nature.

The Commission therefore initiated a debate on the agricultural policy in February 1991 by publishing a reflections paper (doc. COM(91) 100 final of 1 February 1992) entitled "The development and future of the common agricultural policy".

This document draws conclusions from previous adjustments and analyses the causes of the serious crisis facing the CAP, the main symptoms being:

- soaring budget costs;
- a growing imbalance in some sectors leading to an increase in the volume of stocks;
- the deterioration of the environment caused by intensification of production methods;
- a concentration of Community aid on the largest and most intensive holdings (80% of EAGGF support going to about 20% of holdings) on account of a system of price support linked to the volume of production;
- the stagnation of agricultural incomes, despite a decline in the numbers engaged in agriculture.

This situation, if it were to continue would be liable to jeopardize some of the objectives set for the CAP by the Treaty of Rome.

It was therefore no longer a matter of adjustment but of a fundamental reform of the machinery of the CAP.

The main objective of the reform is to keep a sufficient number of farmers on the land, thereby preserving the countryside, which involves an active policy of rural development.

To that end, whilst acknowledging the role and the responsibilities of the Community on the world stage, the general guidelines laid down are as follows:

- production should be curbed to the extent necessary to restore market balance, thereby avoiding an accumulation of stocks and an excessive increase in agricultural expenditure;
- there should be a change of emphasis in the support provided by the market organizations away from virtual dependence on guaranteed prices, the agricultural budget becoming an instrument of real financial solidarity in favour of those with the greatest needs;

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- direct aid measures should be integrated into the market organizations, based, for instance, on the number of animals, the the area of holdings, etc.;
- the extensification of production should be encouraged, combined with promotion of a policy on quality and respect for the environment, with, as a corollary, a reduction in production surpluses;
- the basic principles of the CAP should be maintained, and in particular the principle of financial solidarity, involving a better distribution of support in favour of certain categories of farmer and certain regions.

In July 1991, the Commission presented its communication to the Council and the European Parliament on the development and future of the common agricultural policy. This report (doc. COM(91) 258 final) follows on from the reflections paper of February 1991; taking into account the views expressed by the Member States and the trade organizations, it presents proposals for remedying the problems of:

- the drop in farm incomes;
- the imbalance of the markets and the accumulation of surpluses;
- the increase in budget costs;
- the damage caused to the environment by intensive farming.

The reform proposals contained in the Commission's communication, provide, broadly speaking, for:

- major price reductions phased over three years (cuts of up to 35% in the current average buying-in price for cereals, for instance);
- measures to curb production (e.g. set-aside in the cereals sector);
- compensation in the form of aids for small and medium-sized farmers and premiums to encourage extensive cattle farming;
- accompanying measures, e.g. measures to encourage farmers aged over 55 to retire.

In connection with its reform proposals, the Commission, in October 1991, adopted a large number of proposals for Council regulations, details of which are given below. These are only proposed regulations; by the time this report is published, these proposals will, very probably, have been adopted by the Council, possibly after some adjustments or amendments.

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a)- Regulation establishing a support system for producers of certain arable crops. The purpose of this proposal, which covers all the major arable crops (cereals, oilseeds and protein plants) is to reduce price support measures while providing compensation in the form of direct aid for farmers based on the area cultivated and, in the case of certain large farms, on condition that a certain percentage of arable land is withdrawn from cultivation.

- Regulation on the common organization of the market in cereals. The purpose of this proposal is to make the basic Regulation compatible with the reform arrangements, by, among other things, abolishing the co-responsibility levy from 1995/96.

- Regulation amending Regulation (EEC) No 2727/75 on the common organization of the market in cereals. This proposal would extend the existing provisions on stabilizers to the beginning of the 1993/94 marketing year.

b)- Regulation on the common organization of the market in raw tobacco.

- Regulation fixing the premiums for leaf tobacco by group of tobacco varieties and the processing quotas allocated by group of varieties and by Member State.

- Regulation concerning inter-branch organizations and agreements in the tobacco sector.

These proposals are designed to ensure a fair income for producers while encouraging lower production and conversion to less harmful varieties. They provide for income support in the form of premiums paid to producers and lay down the conditions for the establishment, recognition and activities of inter-branch organizations in this sector.

c)- Regulation amending Regulation (EEC) No 804/68 on the common organization of the market in milk and milk products.

- Regulation establishing an additional levy in the milk and milk products sector.

- Regulation setting compensation for reduction of individual reference quantities and for definitive discontinuation of milk production.

- Regulation fixing the target price for milk and the intervention prices for butter, skimmed-milk powder and Grana Padano and Parmigiano Reggiano cheeses for three annual periods from 1 July 1993 to 20 June 1996.

- Regulation instituting a dairy cow premium scheme.

- Regulation on promoting consumption in the Community and expanding the markets for milk and milk products.

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The purpose of this series of proposals is to implement the principles of the reform proposed by the Commission and to simplify Community rules. The Commission proposes that the milk quota scheme be extended for eight years from 1 April 1992, accompanied by a reduction in national total quantities from 1992/93 and a number of specific measures.

- d)- Regulation amending Regulation (EEC) No 805/68 on the common organization of the market in beef and veal and repealing Regulation (EEC) No 468/87 laying down general rules applying to the special premium for beef producers and Regulation (EEC) No 1357/80 introducing a system of premiums for maintaining suckler cows.

This proposal would simplify the provisions governing premiums by grouping them in a new section of the basic Regulation.

- Regulation fixing, for the period between 1 July 1993 and 30 June 1996, the intervention prices for adult bovine animals.

This proposal provides for the adjustment of the intervention price in conjunction with the cut in cereals prices.

- Regulation on measures to promote and market quality beef and veal.

This proposal defines the types of promotional measures eligible for a financial contribution from the Community, with special emphasis on product quality.

- e)- Regulation amending Regulation (EEC) No 3013/89 on the common organization of the market in sheepmeat and goatmeat.

- Regulation amending Regulation (EEC) No 3493/90 laying down general rules for the grant of premiums to sheepmeat and goatmeat producers.

The new arrangements in the two proposals entail principally an individual producer limit for premium purposes based on the number of ewes eligible and the phasing in over a three-year period beginning in 1992 of a reduction in the existing upper limit of ewes or goats eligible.

- f)- Regulation on agricultural production methods compatible with the requirements of the protection of the environment and the maintenance of the countryside.

- Regulation instituting a Community aid scheme for forestry measures in agriculture.

- Regulation instituting a Community aid scheme for early retirement from farming.

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These three proposals constitute the accompanying measures to the changes to be made to the market organizations. They are closely linked to those relating specifically to the markets since, on the whole, they reinforce the basic aims of reform, i.e. market equilibrium, stable incomes for farmers and care for the natural environment.

- The first proposal relates to "agri-environmental" measures and aims to recognize the dual role of the farmer as producer and protector of the environment and the landscape. It provides, by means of an aid scheme, for incentives to farmers to undertake, for instance, to reduce significantly the use of pollutants such as chemical fertilizers, pesticides, etc., to maintain abandoned land and apply farming methods which preserve or restore the diversity and quality of the rural environment.
- The second proposal relates to an aid scheme consisting of increased incentives for afforestation, financing of upkeep costs for afforested land and compensation to offset the resulting income losses.
- The third proposal provides for a system of aids subject to a maximum amount per holding and taking the form of a retirement grant, flat-rate annual compensation, an annual allowance per hectare of released land or a retirement pension supplement for farmers and persons employed on holdings aged over 55.

The first proposal for a regulation forming part of the Commission guidelines on the development and future of the CAP to actually be adopted by the Council was the one establishing a system of support for soya, rape and sunflower seeds¹, in December 1991.

Adopted by the Commission on 31 July, this proposal was intended to adapt the support system for oilseeds to bring it into line with the conclusions of the GATT soya panel. It provided for the abolition of the system of guaranteed prices with tonnage payments to the processing industry in favour of a system of direct support for producers taking account of the specific structural characteristics influencing yields. The new scheme is to enter into force from the 1992/93 marketing year.

The European Parliament stated in its resolution adopted on 11 December 1991 on the development and future of the common agricultural policy that the Commission communication of July constituted a first step in the direction of a fundamental reform of the CAP. Such a reform must respond to environmental needs, make it possible to reduce overall CAP expenditure and open up the way for a GATT settlement.

¹ Regulation (EEC) No 3766/91, OJ No L 356, 24.12.1991.

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It also took the view that the guideline must remain the reference point for agricultural expenditure and stressed the need for budgetary discipline.

1.6. Emergency operations in support of Central and Eastern Europe and the Soviet Union

1.6.1 Emergency operations in support of Poland and Romania decided on in 1990

Under the various regulations adopted to assist Poland and Romania in 1990 (see 20th Financial Report - 1990 - point 1.5, p. 6), expenditure on food aid for these two countries up to the end of the 1991 financial year came to the amounts shown in the table below.

(ECU million)

Product	POLAND		ROMANIA	
	1st tranche	2nd tranche	1st tranche	2nd tranche
Common wheat Ex. 91	75,1	26,9)27,1 0,16)	--	--
Barley	15,1	--	--	--
Rye	--	--	3,6	3,7
Maize	6,4	--	3,6	3,6
Beef Ex. 91	10,1	--	9,6	7,1)9,5 2,4)
Butter Ex. 91	--	--	2,8	0,0)2,7 2,7)
Olive oil Ex. 91	8,6	--	3,2)4,1 0,9)	3,3)3,6 0,3)
Citrus fruits Ex. 91	8,0)8,1 0,1)	--	--	--
T O T A L	123,4	27,1	23,7	23,1
	150,5		46,8	

The total budget cost (ECU 197.3 million) was not, however, borne entirely by the EAGGF Guarantee Section: ECU 50.2 million, representing the cost of the second tranches for Poland and Romania, were financed in advance by the EAGGF and finally, after reallocation, charged to Title 9 of the Budget, "Cooperation with developing countries and third countries".

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The products in question were sold on the local markets, thereby creating counterpart funds in local currency. These funds will be used for projects to restructure local agriculture in liaison with the PHARE programme.

The costs arising from the delay in the taking-over of the products by the authorities in the country of destination have to be reimbursed by the Commission (Decision C(91) 1672). During 1991, the EAGGF paid ECU 701 958.51.

The cost to the Community budget of operations up to 15 October 1991 came to ECU 197.3 million (ECU 7.37 million charged against the 1989 budget, ECU 183.30 million against the 1990 budget and ECU 6.7 million against the 1991 budget). This sum represented the value of the products plus supply costs, including transport and, in some cases, market preparation.

1.6.2. Measures decided on in 1991 to assist Bulgaria, Romania and the Soviet Union

The political changes in the Eastern bloc, which began in Central and Eastern Europe in 1989/90, continued, affecting the Soviet Union in 1991.

Following the Rome European Council in December 1990, the Council of Ministers adopted measures to assist Bulgaria and Romania (Regulation (EEC) No 597/91¹ involving ECU 80 million worth of food products) and the Soviet Union, which has since ceased to exist, (Regulation (EEC) No 598/91² involving ECU 250 million worth of food products and Regulation (EEC) No 599/91³ relating to ECU 500 million worth of credit guarantees for exports of agricultural and food products).

The detailed rules for the application of these programmes were laid down between May and July, the implementation of the aid for the Soviet Union via non-governmental organizations proving particularly difficult.

As far as Romania and Bulgaria are concerned, the products in question came partly from Community intervention stocks, infant food and some milk, oil and sugar being purchased on the Community market.

The programmes for the former Soviet Union involved mainly products specially prepared and purchased on the Community market under this operation.

Under these various regulations, the total quantities to be supplied to the three countries concerned from 1991 are as follows:

1 OJ No L 67, 14.3.1991, p. 17.

2 OJ No L 67, 14.3.1991, p. 19.

3 OJ No L 67, 14.3.1991, p. 21.

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Emergency aid measures for Bulgaria and Romania

(tonnes)

Product	Bulgaria	Romania
Beef (quarters)	11.000	-
Butter	4.000	5.000
Skimmed-milk powder	7.500	2.000
Whole-milk powder		2.000 (*)
Sunflower oil		20.000
Common wheat		50.000 (*)
Sugar (A quota)		20.000
Infant food		1.500 (*)

The cost of this operation, including transport, is estimated at ECU 80 million, of which ECU 27 million was for the benefit of Bulgaria and ECU 53 million for the benefit of Romania. During 1991 the expenditure booked amounted to ECU 30.2 million for Romania and ECU 25.8 million for Bulgaria.

Emergency aid for the Soviet Union

Product	Quantities (tonnes)
Beef (quarters)	8.000 t
Tinned beef	12.737 t
Tinned pork	5.200 t
Whole-milk powder	48.800 t
Infant food	7.300 t
Pasta products	2.500 t
Tomato concentrate	3.000 t

These quantities came from or were manufactured from intervention stocks for a total cost of ECU 198.5 million in 1991.

(*) Execution in 1992.

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The goods were transported and distributed to identified addressees in the Soviet Union (throughout the entire territory, apart from the Baltic Republics) under the responsibility of non-governmental organizations.

The transport costs paid for the 1991 financial year totalled ECU 8.8 million, out of a total commitment ECU 28.4 million.

All these operations for Romania, Bulgaria and the Soviet Union were financed from appropriations carried over from 1990 and allocated to this expenditure, amounting to ECU 330 million in total charged to the EAGGF.

The following table shows the expenditure incurred on these programmes up to the end of 1991.

(ECU million)

Product	Bulgaria	Romania	Soviet Union
Common wheat	-		-
Beef quarters	12,79	-	9,45
Tinned beef	-	-	26,14
Butter	5,17	5,58	-
SMP	7,85	2,14	-
Sunflower oil	-	6,59	-
Whole-milk powder	-		134,46
Sugar	-	15,82	-
Infant food	-		16,40
Pigmeat	-	-	7,97
Pasta products	-	-	1,37
Tomato concentrate	-	-	2,34
TOTAL	25,81	30,13	198,13

1.7. Set-aside

In order to stabilize production by limiting supply and to ensure compliance with budgetary discipline, the European Council, in February 1988, agreed, in its conclusions, to introduce set-aside measures for agricultural land to complement the stabilizer mechanism and other market policy measures.

The (multiannual) set-aside programme and other structural provisions (extensification and diversification), were defined in Council Regulation (EEC) No 1094/88 of 25 April 1988¹, which incorporates these structural measures into Regulation (EEC) No 797/85 of 12 March 1985 on improving the efficiency of agricultural structures². The detailed rules for aid arrangements to encourage the set-aside of arable land are laid down in Regulation (EEC) No 1272/88³, thus enabling Member States to apply set-aside from 1988/89 onwards.

A breakdown by Member State of the figures for the first three years is given in the table below.

It should also be noted that from 1990 a special scheme for the use of arable land for non-food purposes was introduced but has as yet been little used. [Council Regulation (EEC) No 2176/90 of 24 July 1990 amending Regulation (EEC) No 797/85 on improving the efficiency of agricultural structures⁴].

The main new development in this area is the Council decision to introduce, with effect from September 1991, an annual set-aside programme [Regulation (EEC) No 1703/91⁵] enabling any farmer agreeing to reduce for one year his area under cereals, oilseeds and protein plants by at least 15% to receive a compensatory allowance at least equal to the part of the allowance financed by the Community under the set-aside programme, together with reimbursement of the co-responsibility levy paid by the producer during the 1991/92 marketing year. Detailed rules for the application of this scheme are laid down in Regulation (EEC) No 2069/91⁶.

1 OJ No L 106, 27.4.1988.

2 OJ No L 93, 30.3.1985.

3 OJ No L 121, 11.5.1988.

4 OJ No L 198, 28.7.1990.

5 OJ No L 162, 26.6.1991.

6 OJ No L 191, 16.7.1991.

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TABLE 3

MULTIANNUAL SET-ASIDE
OF ARABLE LAND

MEMBER STATE	Hectares set aside			TOTAL
	1988/89	1989/90	1990/91	
BELGIUM	361	118	226	705
DENMARK	-	-	4.719	4.719
GERMANY	167.775	52.208	79.854	299.837
Ex-GDR (1)	-	-	599.243	599.243
GREECE	-	250	250	250
SPAIN	25.047	13.858	28.264	67.169
FRANCE	14.220	39.702	112.653	166.575
IRELAND	1.141	1.627	1.680	4.448
ITALY	86.109	242.605	244.610	573.324
LUXEMBOURG	6	31	48	85
NETHERLANDS	2.582	6.155	6.462	15.199
UNITED KINGDOM	52.090	48.810	28.594	129.494
TOTAL	349.331	405.364	1.106.603	1.861.298

(1) In 1990/91 set-aside in the five new Länder was applied on a national basis, without Community participation.

TABLE 4

ORIGINAL APPROPRIATIONS IN THE 1991 BUDGET AND APPROPRIATIONS AVAILABLE FOLLOWING TRANSFERS AND EXPENDITURE

CHAPTER	(*) Original appropri- ations 1991 (a)	(**) Transfers (b)	Approps. available following transfers (c)=(a)+(b)	Expenditure 6.10.90 to 15.10.91 (d)	% of expend- iture in relation to original approps. (e)=(d)/(a)	Difference between orig- inal approps and expend.		Approps. carried over from 1990 Difference			
						ECU million		Approps (i)	Expend. (j)	ECU m (k)= (j)-(i)	% (l)= (k)/(i)
						(f)=(d)-(a)	(g)=(f)/(a)				
B1-10 Cereals and rice	5 382,0	- 185,0	5 197,0	5 189,3	96,4 %	- 192,7	- 3,6 %	0,0	0,0		
B1-11 Sugar	1 946,0	- 125,0	1 821,0	1 814,9	93,3 %	- 131,1	- 6,7 %	0,0	0,0		
B1-12 Oils and fats, of which:	6 041,0	- 607,0	5 434,0	5 423,7	89,8 %	- 617,3	- 10,2 %	127,0	86,0	- 41,0	-32,3 %
- Olive oil	2 107,0	- 281,0	1 826,0	1 874,2	89,0 %	- 232,8	- 11,0 %	127,0	86,0	- 41,0	-32,3 %
- Oilseeds	3 934,0	- 326,0	3 608,0	3 549,5	90,2 %	- 384,5	- 9,8 %	0,0	0,0		
B1-13 Protein plants	896,0	65,0	961,0	959,0	107,0 %	63,0	7,0 %	1,0	1,0	0,0	0,0 %
B1-14 Fibre plants	682,0	- 155,0	527,0	521,8	76,5 %	- 160,2	- 23,5 %	0,0	0,0		
B1-15 Fruit and vegetables	1 460,0	- 334,0	1 126,0	1 106,5	75,8 %	- 353,5	- 24,2 %	1,5	1,5	0,0	0,0 %
B1-16 Wine	1 581,0	- 498,0	1 083,0	1 047,7	66,3 %	- 533,3	- 33,7 %	236,0	230,4	- 5,6	- 2,4 %
B1-17 Tobacco	1 341,0	0,0	1 341,0	1 329,6	99,1 %	- 11,4	- 0,9 %	0,0	0,0		
B1-18 Other plant sectors or products	99,0	166,0	265,0	67,6	68,3 %	- 31,4	- 31,7 %	280,0	251,4	- 28,6	-10,2 %
Subtotal 1	19 428,0	- 1 673,0	17 755,0	17 460,0	89,9 %	- 1 967,7	- 10,1 %	645,5	570,3	- 75,2	-11,7 %
B1-20 Milk and milk products	5 575,0	65,0	5 640,0	5 636,5	101,1 %	61,5	1,1 %	16,0	15,2	- 0,8	- 4,8 %
B1-21 Beef and veal	2 330,0	1 970,0	4 300,0	4 295,0	184,3 %	1 965,0	84,3 %	15,0	9,5	- 5,5	-36,9 %
B1-22 Sheepmeat and goatmeat	1 707,0	90,0	1 797,0	1 790,4	104,9 %	83,4	4,9 %	0,0	0,0		
B1-23 Pigmeat	280,0	- 25,0	255,0	252,2	90,1 %	- 27,8	- 9,9 %	0,0	0,0		
B1-24 Eggs and poultrymeat	273,0	- 100,0	173,0	169,2	62,0 %	- 103,8	- 38,0 %	0,0	0,0		
B1-25 Other animal product aid mea- sures	4,0	0,0	4,0	0,0	- 0,4 %	- 4,0	- 100,4 %	0,0	0,0		
Subtotal 2	10 169,0	2 000,0	12 169,0	12 143,0	119,4 %	1 974,4	19,4 %	31,0	24,7	- 6,3	-20,3 %
B1-30 Non-Annex II products	724,0	0,0	724,0	704,1	97,3 %	- 19,9	- 2,7 %	0,0	0,0		
B1-31 Accession CAs	37,0	0,0	37,0	28,3	76,6 %	- 8,7	- 23,4 %	0,0	0,0		
B1-32 MCAs	210,0	- 70,0	140,0	130,7	62,2 %	- 79,3	- 37,8 %	0,0	0,0		
B1-33 Refunds, food aid	283,0	0,0	283,0	217,0	76,7 %	- 66,0	- 23,3 %	9,0	6,6	- 2,4	-26,8 %
B1-34 Interest	60,0	25,0	85,0	84,7	141,2 %	24,7	41,2 %	0,0	0,0		
B1-35 Free distribution	150,0	0,0	150,0	145,0	96,7 %	- 5,0	- 3,3 %	0,0	0,0		
B1-36 Fraud prevention	21,0	0,0	21,0	20,1	95,7 %	- 0,9	- 4,3 %	0,0	0,0		
B1-37 Clearance previous years	- pm -	- 292,0	- 292,0	- 437,8	- pm -	- pm -	- pm -	0,0	0,0		
B1-38 Rural development	334,0	55,0	389,0	388,2	116,2 %	54,2	16,2 %	0,0	0,0		
Subtotal 3	1 819,0	- 282,0	1 537,0	1 280,3	70,4 %	- 538,7	- 29,6 %	9,0	6,6	- 2,4	-26,8 %
B1-40 Set-aside (Guarantee part)	100,0	- 15,0	85,0	76,9	76,9 %	- 23,1	- 23,1 %	0,0	0,0		
Total guideline	31 516,0	30,0	31 546,0	30 980,8	98,2 %	- 555,2	- 1,8 %	685,5	601,6	- 83,9	-12,2 %
B2-50 Set-aside (Guidance part) + income aid	300,0	- 6,5	293,5	80,7	26,9 %	- 219,3	- 73,1 %	0,0	0,0		
B2-90 Fisheries	27,0	2,0	29,0	26,2	96,9 %	- 0,8	- 3,1 %	0,0	0,0		
B0-10 Depreciation	810,0	0,0	810,0	797,4	98,4 %	- 12,6	- 1,6 %	0,0	0,0		
TOTAL	32 653,0	25,5	32 678,5	31 865,1	97,6 %	- 787,9	- 2,4 %	685,5	601,6	- 83,9	-12,2 %

(*) Including appropriations of ECU 97 million entered in Chapter B0-40 for the second phase of Portuguese accession (B1-10 : ECU 50 million, B1-20 : ECU 41 million, B1-21 : ECU 4 million, B1-31 : ECU 2 million).

(**) ECU 166 million was transferred from Chapter B1-37 to Chapter B1-18, on account of the need for a carryover to 1992.

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TABLE 5**Summary of the main totals in the
21st EAGGF Guarantee Section Financial Report**

(ECU million)

- Expenditure under the 1991 budget complying with the terms of financing of the EAGGF Guarantee Section (Annex 2)	<u>32.466,6</u> (A)
- Expenditure from carryovers from 1990	- 601,6 (B)
TOTAL TABLES 4 and 12	<u>31.865,0</u>
A.	32.466,6
- Set-aside, Guidance Section part	- 76,9 (C)
- Income aids	- 3,8 (D)
TOTAL ANNEXES 3 and 12	<u>32.385,9</u>
A.	32.466,6
B.	- 601,6
C.	- 76,9
D.	- 3,8
- Fisheries Guarantee Fund	- 26,2 (E)
- Reimbursement of Member States for expenditure on special disposal of butter from public stocks	- 797,3 (F)
TOTAL FINANCED WITHIN THE GUIDELINE	<u>30.960,8</u>
A.	32.466,6
B.	- 601,6
C.	- 76,9
D.	- 3,8
TOTAL TABLE 13 and ANNEX 4	<u>31.784,3</u>

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A. B. C. D. - Set-aside - Guarantee Section part - Interest to be paid to Member States as a result of the reform of the method of financing expenditure - Distribution of agricultural products to disadvantaged in the Community - Fraud prevention in the area of the EAGGF Guarantee Section - MCAs granted on imports (Item : B1.3210) - Accounts clearance previous years TOTAL TABLE 9 (column g) SUBTOTAL ANNEX 4	32.466,6 - 601,6 - 76,9 - 3,8 - 76,9 (G) - 84,7 (H) - 145,0 (I) - 20,1 (J) - 4,4 (K) + 437,8 (L) <hr/> <u>31.891,0</u>
A. (B + C + D) (G + H + I + J + K + L) - Cereals co-responsibility levy - Financial contribution by milk producers GROSS TOTAL OF AGRICULTURAL EXPENDITURE - TABLE 9 (column e)	32.466,6 - 682,3 + 106,7 + 924,3 (M) + 352,4 (N) <hr/> <u>33.167,7</u>
A. (B + C + D) (E + F) Total financed within the guideline Non-automatic carryovers EAGGF Guarantee TOTAL EXPENDITURE EAGGF GUARANTEE [TABLE 2]	32.466,6 - 682,3 - 823,5 <hr/> 30.960,8 + 166,0 (O) <hr/> <u>31.126,8</u>
A. B. J. L.	32.466,6 - 601,6 - 20,1 + 437,8
TOTAL TABLE 16	32.282,7

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2. FINANCING OF THE MARKETS*

2.1. Comparison between original appropriations and expenditure in 1991

Table 4 above gives a comparison between the original appropriations entered in the 1991 budget, appropriations available following transfers and expenditure against the 1991 budget, broken down by product group.

From total original appropriations for Titles 1, 2, 3 and 4 subject to the agricultural guideline of ECU 31 516 million, agricultural expenditure for the 1991 budget year amounted to ECU 30 960.8 million. The Commission would point out that the budget was ECU 995 million below the guideline, which was ECU 32 511 million.

The difference between the original appropriations and actual expenditure is therefore ECU 555.2 million; this figure is, however, increased to a balance of ECU 585.2 million after transfers.

It should be emphasized that agricultural expenditure depends largely throughout the year on external factors (weather conditions, size of harvests in non-member countries, effect of these two factors on stocks of Community agricultural products; trends in international trade, movements in the US dollar/ECU exchange rate, general economic conditions) and, therefore, frequently does not coincide with initial forecasts.

These differences between original appropriations and expenditure, which can now be detected more quickly using the early warning system set up in April 1988 following the European Council meeting in February 1988, made it necessary to make some adjustments to the appropriations.

The differences between original appropriations and expenditure subject to the agricultural guideline result from two types of factor, which are analysed in detail in the table below, which distinguishes between positive and negative factors. These are:

- A) "non-market" factors, which represent the impact of variations in the US dollar/ECU exchange rate (+ ECU 430 million) and the result of the clearance of accounts for previous years (- ECU 437.8 million).
- B) "market" factors, which represent the impact of factors affecting the markets, including monetary movements within the EMS.

* Not counting expenditure from carryovers from 1990 (ECU 601.6 million).

The pattern of gaps between the two types of factor is as follows:

CHAPTER	GAPS	NON-MARKET FACTORS	MARKET FACTORS
B1-10. Cereals and rice	- 192,7	155*	- 347,7
B1-11. Sugar	- 131,1	43*	- 174,1
B1-12. Oils and fats	- 617,3	161*	- 778,3
B1-13. Protein plants	63,0	45*	18,0
B1-14. Fibre plants	- 160,2	26*	- 186,2
B1-15. Fruit and vegetables	- 353,5		- 353,3
B1-16. Wine	- 533,5		- 533,3
B1-17. Tobacco	- 11,4		- 11,4
B1-18. Other measures	- 31,4		- 31,4
TITLE 1	- 1.967,7	430	- 2.397,7
	63,0	430	18,0
	- 2.030,8		- 2.415,8
B1-20. Milk and milk products	61,5		61,5
B1-21. Beef and veal	1.965,0		1.965,0
B1-22. Sheepmeat and goatmeat	83,4		83,4
B1-23. Pigmeat	- 27,8		- 27,8
B1-24. Eggs and poultrymeat	- 103,8		- 103,8
B1-25. Other measures	- 4,0		- 4,0
TITLE 2	1.974,4		1.974,4
	2.110,0		2.110,0
	- 135,6		- 135,6
B1-30. Non-Annex II products	- 19,9		- 19,9
B1-31. ACAs	- 8,7		- 8,7
B1-32. MCAs	- 79,3		- 79,3
B1-33. Refunds on food aid	- 66,0		- 66,0
B1-34. Reimbursement interest	24,7		24,7
B1-35. Free distribution	- 5,0		- 5,0
B1-36. Fraud prevention	- 0,9		- 0,9
B1-37. Clearance prev. yrs.	- 437,8	- 437,8**	
B1-38. Rural development	54,2		54,2
TITLE 3	- 538,7	- 437,8	100,9
	78,9		78,9
	- 617,6	- 437,8	- 179,8
B1-40. Set-aside	- 23,1		- 23,1
TOTAL	- 555,2	- 7,8	- 547,4
	2.251,9	430	2.206,9
	- 2.807,1	- 437,8	- 2.754,3

* Impact of US dollar

** Clearance of accounts

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A) "Non-market" factors

The non-market factors have the following two components:

A1) **Impact of variation in the US dollar/ECU exchange rate (+ ECU 430 million)**

The average of the quotations for the dollar recorded from 1 August 1990 to 31 July 1991 is ECU 0.78, i.e. five points below the parity adopted for the 1991 financial year (USD 1 = ECU 0.83) and corresponds to additional expenditure for 1991 estimated at ECU 430 million, of which ECU 400 million charged to the EAGGF Guarantee Section¹, broken down as follows:

Chapter B1-10 : Cereals and rice	ECU 141 million
Chapter B1-11 : Sugar	ECU 40 million
Chapter B1-12 : Oils and fats	ECU 148 million
Chapter B1-13 : Protein plants	ECU 42 million
Chapter B1-14 : Fibre plants	ECU 24 million
Chapter B1-33 : Refunds on food aid	ECU 5 million

To finance the "franchise" of ECU 400 million, the Commission, using its management powers, applied a programme of savings measures for an amount estimated at ECU 385 million.

There was also recourse to the monetary reserve (pursuant to the Council decision of 24 June 1988 on budget discipline) for an amount of ECU 30 million, of which:

- . ECU 15 million was transferred to Chapter B1-10 : Cereals and rice;
- . ECU 15 million was transferred to Chapter B1-13 : Protein plants.

A2) **Result of the clearance of accounts for previous years (- ECU 437.8 million)**

The Commission decisions on the clearance of accounts for 1988 resulted in the sums recovered from the Member States, ECU 377.9 million, being set off against budget year 1991. This sum appears in its entirety in the end-of-year surplus.

B) "Market" factors

With respect to the original budget, "market" factors resulted in an appropriation surplus totalling ECU 547.4 million; this sum represents the difference between the surpluses (ECU 2 754.3 million) and deficits (ECU 2 206.9 million) of the various budget chapters concerned.

¹ Cf. report on the impact on EAGGF Guarantee Section expenditure of the movement of the dollar/ECU exchange rate: SEC(91) 1917 final, 18.10.1991.

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Deficit chapters	Surplus chapters
B1-13. Protein plants + 18,0	B1-10. Cereals and rice - 347,7
B1-20. Milk products + 61,5	B1-11. Sugar - 174,1
B1-21. Beef/veal +1.965,0	B1-12. Oils and fats - 778,3
B1-22. Sheep & goatmeat + 83,4	B1-14. Fibre plants - 186,2
B1-34. Interest for financing reform + 24,7	B1-15. Fruit & veg. - 353,5
B1-38. Rural development	B1-16. Wine - 533,3
	B1-17. Tobacco - 11,4
	B1-18. Other crop products - 31,4
	B1-23. Pigmeat - 27,8
	B1-24. Eggs & poultry - 103,8
	B1-25. Other measures - 4,0
	B1-30. Non-Annex II products - 19,9
	B1-31. ACAs - 8,7
	B1-32. MCAs - 79,3
	B1-33. Food aid refunds - 66,0
	B1-35. Free distribution - 5,0
	B1-36. Fraud prevention - 0,9
+ 2.206,9	- 2.754,3
Total: - ECU 1 375.1 million	

B1) Deficit chapters**B1-13. Protein plants**

+ ECU 18 million

On account of sharply rising production (for the enlarged Community in 1990/91: 3.35 million t, compared with the budget estimate of 3.15 million t) and an acceleration in payments relating to 1991/92, and despite the Council decision as part of the 1991/92 prices package to cut aid for dehydrated fodder by 20% over two years, with a 10% reduction in 1991/92, the original appropriations were exceeded.

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B1-20. Milk and milk products : + ECU 62 million

The small volume of exports of butter and skimmed-milk powder, combined with less use of skimmed milk for casein led to an increase in the quantities being bought in by the intervention agencies.

To limit expenditure, the Council decided to reduce the production quotas by 2% for all producers, estimating that this should make for a saving of ECU 150 million for the financial year, thereby limiting the overrun.

Towards mid-summer, however, there was a reversal of the market situation, with stronger demand for skimmed-milk powder and, to a lesser extent, butter, which substantially reduced the quantities entering intervention and even led the Commission to return some public stocks to the market. The demand resulted in particular from the drop in production in some East European countries which, from being net exporters, became net importers.

B1-21. Beef and veal : + ECU 1 965 million

There were serious structural and cyclical imbalances in this sector in 1991.

The situation stemmed from a number of factors:

- First of all, production rose in 1991, swelled by slaughterings in the former German Democratic Republic. Slaughterings totalled 700 000 head of cattle out of a total herd of 2 million, producing an additional 160 000 tonnes of meat. Most of this meat (150 000 t) was taken over by Germany, however, as exceptional stocks and exported under contracts with the former USSR and Romania in the course of 1991. The constant erosion of market prices was also augmented by low-priced imports from Eastern Europe in 1990 of over 800 000 calves for fattening, which were in addition to the obligations resulting from trade concessions to other non-Community countries and representing, after fattening, around 180 000 t of extra meat on the Community market.
- On the demand side, in addition to the downward trend observed for several years, a marked decrease in internal consumption was to be seen, as a result of the BSE (bovine spongiform encephalopathy) crisis, estimated at 580 000 tonnes.

In all, the Community was faced with about 760 000 more tonnes of beef than usual.

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To prevent producers' incomes from falling more seriously, the Commission had to maintain conventional intervention by tendering procedure, beyond the intervention ceiling of 220 000 t (235 000 t for the enlarged Community) and, parallel, to this to intervene under the security net system.

The quantity of beef bought in is estimated at about 1 000 000 t, as against the 235 000 t on which the budget was based, which explains the doubling of appropriations requirements for the sector.

The original appropriations were also based on estimated exports of 695 000 t. Actual exports came to around 875 000 t.

B1-22. Sheepmeat and goatmeat : + ECU 83 million.

A marked drop in internal prices occurred during the 1990/91 marketing year, starting in April, and by the end of 1990 the average Community price was 75% of the level recorded during the corresponding period of 1989.

This situation worsened during the first half of 1991 and prices fell substantially in some countries, particularly Great Britain (-20%) and the Mediterranean countries. The forecasts of low prices throughout the year communicated by the Member States were reflected in the fixing of the amount of advances on the ewe premium for 1991 decided by the Commission.

The main reason for this situation continuing was the increase in Community production (3.8% in one year) on a market where consumption remained unchanged. Imports of meat at zero duty from countries having entered into voluntary restraint agreements, notably New Zealand, also affected Community prices.

The overrun would have been greater were it not for delays in payments in some Member States.

B1-34. Interest following changes in the method of financing expenditure : + ECU 25 million

The appropriations overrun resulted from the increase, in the case of the four Member States concerned (Spain, Portugal, Greece and Ireland), in the basis of assessment to which the interest rate fixed by the rules applies.

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B1-38. Rural development schemes linked to market operation :
+ ECU 54 million

The increase in expenditure resulted from the decision to pay the whole of the standard-rate premium of ECU 4 per ewe in less-favoured and mountain areas for 1991 in the framework of the measures to assist the development of rural areas. The payments were nonetheless below the forecast of about ECU 50 million, on account of delays in payment.

B2) Surplus chapters

B1-10. Cereals and rice : - ECU 348 million

The 1990/91 harvest totalled some 160 million t for the Community (not counting the former German Democratic Republic), as compared with an estimate of 167 million t on which the budget was based. The main reason for the decrease was a poor maize crop in France caused by drought.

The consequence of the smaller harvest was to reduce intervention buying-in from 12 million t, the figure on which the budget was based, to 10.1 million t (for the whole of the Community including the five new Länder), leading to substantial savings on storage costs.

Public stocks increased, nonetheless, from 12 million t at the end of September 1990 to over 17 million t at the end of September 1991.

B1-11. Sugar : - ECU 174 million

In the 1990/91 marketing year a world surplus, put at over 3.5 million t, was accumulated, with production of over 110 million t. This surplus, which has to be seen in the context of trade amounting to around 20 million t, brought prices for raw sugar down by about 9 cents a pound. On the Community market, demand remained steady.

As a result of strong internal demand, the quantities in stock decreased (81 million t/month compared with the budget estimate of 96 million t/month for the enlarged Community), thereby cutting expenditure on reimbursement of storage costs to some ECU 105 million. On account of relatively firm prices on the internal market, consumption of sugar in the chemical industry was lower than expected (160 000 t against 250 000 t), preference being given to starch products. This meant lower expenditure on refunds for the use of sugar in the chemical industry amounting to around ECU 35 million.

Lastly, the lower than expected world price pushed up the average refund from the ECU 350/t budget estimate to ECU 380/t.

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This increase in refunds was offset by limitation of the quantities exported to 2.8 million t of quota sugar instead of the 3.2 million t taken as a basis for the budget.

B1-12. Oils and fats : - ECU 780 million

Olive oil

The year saw the end of the standstill in Spain and Portugal and the introduction of aid for the consumption of olive oil in these Member States. As far as the cash position was concerned, some Member States encountered difficulties in processing files and making payments, resulting in long delays.

Oilseeds

The marked decrease in expenditure reflected the trend in world prices, affected by a drop in production in 1991, relatively high prices and, to a lesser extent, the effect of stabilizers.

The combination of these two factors led to a decrease in production aids compared with the estimates on which the budget was based.

In addition, there was an acceleration in payments relating to the 1990/91 marketing year in 1990, which reduced the expenditure charged against 1991.

B1-14. Fibre plants : - ECU 186 million

The world price for cotton being relatively high, the estimated production aid was revised downwards (from ECU 494/t when the budget was drawn up to ECU 433/t). Also, production for 1990/91 was less than the estimate (975 000 t against 1 035 000 t), which entailed a cut in the aid, leading to savings.

Lastly, payments in 1991 relating to the 1991/92 marketing year were very limited on account of a later harvest.

B1-15. Fruit and vegetables : - ECU 354 million

Under-utilization stemmed primarily from a lower than average level of Community production, particularly of citrus fruit, and a smaller percentage of production - especially lemons - going for intervention (withdrawal or processing) than in previous years.

The expected volumes of withdrawals of apricots and apples, estimated in the light of past experience, were not reached either. Changes were made to the scheduling of payments for withdrawals of peaches and the processing of citrus fruit.

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B1-16. Wine

ECU 533 million

At nearly 101 million hl, the estimate of table wine production for 1990/91 in the eleven Member States (excluding Portugal) was less than the estimate on which the budget was based (130 million hl).

The volume going for distillation in 1990/91 is put at 31.0 million hl, as against the figure of 38.0 million hl on which the budget was based, so expenditure on distillation was lower than expected.

The smaller volume being distilled also led to a smaller quantity of alcohol to be taken over by the intervention agencies.

In addition, whereas it was assumed when the budget was drawn up that all the alcohol obtained from compulsory distillation would be taken over by the intervention agencies, in fact only 80% went into intervention, leading to less expenditure on the depreciation of stocks.

Sales of alcohol totalled 5.5 million hl, which helped to bring Community stocks of alcohol down from 9.1 million hl at the end of the 1990 financial year to 5.8 million hl at the end of 1991.

Expenditure on grubbing premiums was also very sluggish for the 1990/91 marketing year: only about ECU 160 million out of ECU 445 million.

B1-17. Tobacco :

- ECU 11 million

Unlike the situation in previous years, less tobacco was bought in by the intervention agencies than the estimate on which the budget was based: 22 000 t, compared with 64 000 t. Public stocks nonetheless increased from 101 000 t at the end of September 1990 to 110 000 t at the end of September 1991, but 68 000 t of this total had already been awarded under tendering procedure by that date.

B1-18. Other plant products :

- ECU 32 million

Seeds

Expenditure on production aid was less than expected as production was substantially below the estimate of 275 000 t on which the budget was based.

Hops

The area eligible for aid was expected to be 27 000 ha, as compared with the 25 000 ha on which the budget was based. Payment of aids had not yet started for the 1991/92 marketing year, however, and will therefore come in the 1992 financial year.

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Poseidon

The non-use of the relevant appropriation was due to the delay in the legal procedure relating to the POSEIDOM programme, which will not enter into force until 1992.

B1-23. Pigmeat : - ECU 28 million

Refunds were lower than estimated for budget purposes (averaging ECU 330/t, against ECU 420/t) for a quantity estimated at 525 000 t, compared with 480 000 t.

In addition, as part of the management measures aimed at making savings to offset the ECU 400 million of the "franchise", the Commission kept refunds at the same level, despite the drop in world cereals prices.

Lastly, private storage contracts paid for in 1991 covered smaller quantities than expected (50 000 t, compared with 145 000 t).

B1-24. Eggs and poultrymeat : - ECU 103 million

Here the under-utilization of appropriations was very considerable, particularly as regards poultry, as a result of refunds being held at the same level - despite the drop in world prices for cereals - under the economy measures serving to finance some of the additional expenditure of ECU 400 million on the dollar "franchise".

B1-30. Non-Annex II products : - ECU 20 million

Expenditure on goods incorporating agricultural products was well below the estimates on which the budget was based;

B1-31. Accession compensatory amounts : - ECU 9 million

The reason for the under-utilization was the progressive alignment of Spanish and Portuguese prices on those of the other Member States, leading to a decrease in the ACA not offset by a corresponding increase in the volume of trade.

B1-32. Monetary compensatory amounts : - ECU 79 million

The lower expenditure resulted from the fact that sterling had held its value since its entry into the EMS at higher levels than the parity adopted for budget purposes and, consequently, lower ACAs.

The dismantling of ACAs following the Council decision on 1991/92 prices also led to a lower level of expenditure.

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B1-33. Refunds on food aid : - ECU 66 million

The main reason for the reduction in the appropriation requirement was the particularly low uptake of the programme for butteroil and skimmed-milk powder, the quantities involved being substantially smaller than the original estimates on which the budget was based.

B1-35. Distribution of agricultural products to deprived persons in the Community : - ECU 5 million

Some Member States had not completed their quota in the distribution programme, and about ECU 5 million remained unused.

B1-36. Measures to combat fraud : - ECU 1 million

Commitments relating to the measure to step up export controls and controls concerning various aids were undertaken according to the appropriations available.

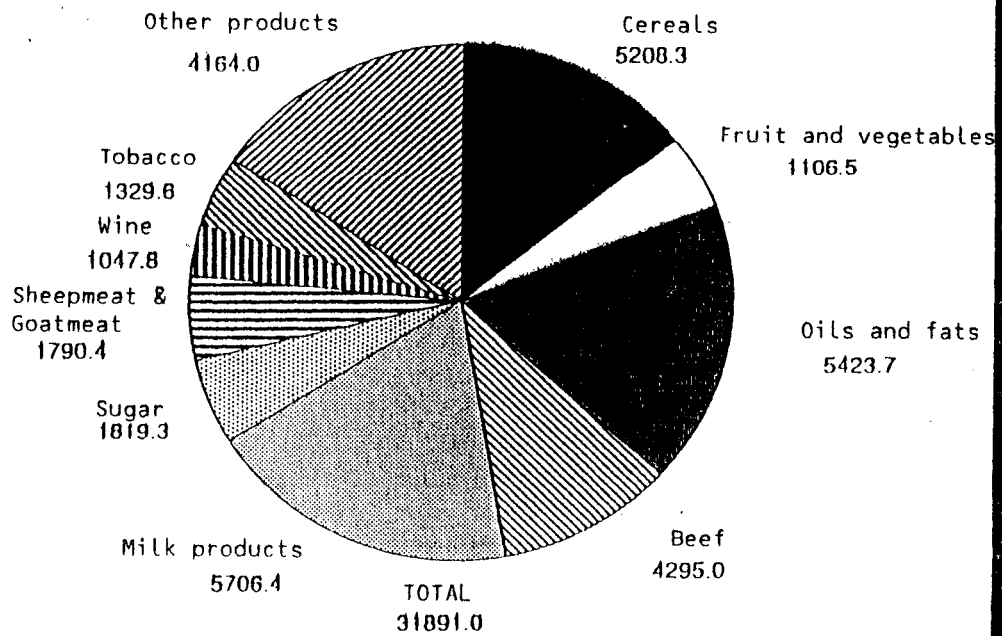
B1-40. Set-aside - Guarantee Section share : - ECU 23 million

A total of ECU 77 million out of ECU 100 million was used. The premiums paid related to an area withdrawn from production totalling 1.3 million ha. This figure does not include 0.60 million ha laid fallow in the five new Länder, the entire financing of which was charged to the German budget for 1990/91.

Contrary to forecasts, it would seem that only a very small part of the expenditure relating to the 1990/91 marketing year had been paid out.

Table No. 6

BREAKDOWN OF GUARANTEE EXPENDITURE BY PRODUCT GROUP
(ECU million for 1991 financial year*)



* Expenditure against the 1990 budget

** Including depreciation and disposal of public butter stocks

2.2 The agri-monetary situation

When adopting its decision on prices and related measures for 1991/92, the Council took the following steps as regards dismantling the real monetary gaps (RMGs):

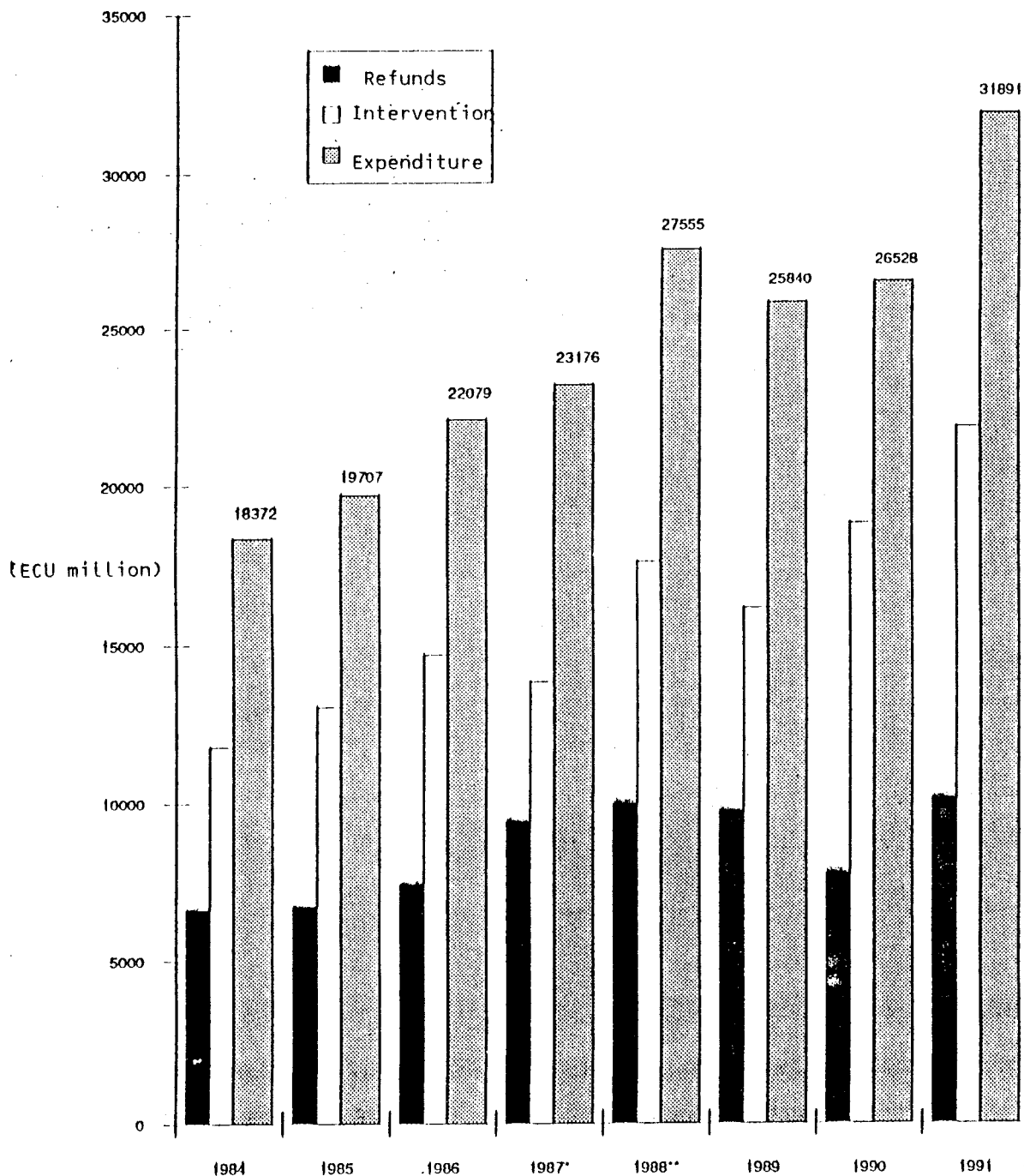
- total elimination of the monetary gaps still existing in Germany, the Netherlands and the United Kingdom;
- dismantling of 3/4 of the gap still existing in Greece following the application of the rule on automatic dismantling and the alignment of the green rates on the highest rate;
- a slight reduction for Spain of the monetary gaps applied in the milk, beef, cereal and sugar sectors.

TABLE 7
MCAs applied to trade

CURRENCY	PRODUCT	RATE USED FOR THE 1991 BUDGET (JUNE '90)	RATES RECORDED RELATING TO 1991 (AVERAGE MONTHLY RATE)	
		FROM 15.8.90 TO 14.8.91	MINIMUM	MAXIMUM
DM	All products	0	0	0
BFR/LFR	All products	0	0	0
HFL	All products	0	0	0
FF	All products	0	0	0
LIT	All products	0	0	0
IRL	All products	0	0	0
DKR	All products	0	0	0
UKL	Milk	- 11,1	- 5,1	0
	Beef	- 5,8	- 1,0	0
	Pigmeat	0	0	0
	Eggs and poultry	0	0	0
	Olive oil	0	0	0
	Wine	-	-	-
	Other crop products	- 4,5	- 2,0	0
DRA	Pigmeat	0	- 3,0	0
	Eggs and poultry	0	- 6,7	0
	Other livestock	- 12,5	- 23,9	- 1,0
	Wine	0	- 7,2	0
	Olive oil	0	- 3,9	0
	Other crop products	0	- 10,2	0
PTA	Beef	+ 2,2	+ 2,7	+ 5,0
	Pigmeat	0	0	0
	Eggs and poultry	0	0	+ 1,0
	Other livestock products	+ 1,6	+ 2,1	+ 4,4
	Wine	0	0	0
	Cereals	+ 1,2	+ 1,7	+ 4,0
	Other crop products	+ 1,0	+ 1,3	+ 3,6
ESC	All products	0	0	+ 1,2

TABLE No. 8

EAGGF Guarantee expenditure by economic type (1)



(1) Not taking into account the consequences of the clearance of accounts, Community compensation measures and miscellaneous measures

* Expenditure against the 1987 budget (10 months)

** Expenditure against the 1988 budget (11 1/2 months)

TABLE N° 9

Breakdown of agricultural expenditure by economic type (1)

(ECU million)

Chapter	Export refunds		Storage		Price compensating aids	Other intervention		Gross total	Co-responsibility levy	Budget expenditure (4)
	a	of which food aid	b	of which depreciation		d	of which guidance premiums			
	a	a'	b	b'	c	d	d'	e=a+b+c+d	f	g=e-f
B1.10 Cereals and rice	3.822,0	142,6	1.440,9	1.331,5	993,4	-	-	6.256,3	- 924,3	5.332,0
B1.11 Sugar	1.255,6	4,4	460,9	-	102,8	-	-	1.819,3	-	1.819,3
B1.120 Olive oil	111,8	-	- 18,5(2)	5,5	1.780,9	-	-	1.874,2	-	1.874,2
B1.125 Oilseeds	0,5	-	0,5	9,0	3.548,5	-	-	3.549,5	-	3.549,5
B1.13 Protein crops	-	-	-	-	959,0	-	-	959,0	-	959,0
B1.14 Fibre plants	-	-	6,5	-	515,4	-	-	521,9	-	521,9
B1.15 Fruit and vegetables										
- fresh	76,9	-	-	-	146,1	265,9(2)	78,8	488,9	-	488,9
- processed	17,9	-	0,9	-	598,8	-	-	617,6	-	617,6
B1.16 Wine / alcohol	55,5	-	251,9	186,3	134,1	606,3	166,7	1.047,8	-	1.047,8
B1.17 Tobacco	65,3	-	53,8	21,5	1.210,5	-	-	1.329,6	-	1.329,6
B1.18 Other products	-	-	-	-	67,6	-	-	67,6	-	67,6
B1.20 Milk products	2.319,0	70,0	1.878,5	1.567,6(3)	1.970,6	688,1	688,1	6.856,2	- 352,4	6.503,8
B1.21 Beef / veal	1.282,4	-	2.302,8	1.897,3	701,8	8,0	8,0	4.295,0	-	4.295,0
B1.22 Sheepmeat and goatmeat	-	-	3,0	-	1.787,4	-	-	1.790,4	-	1.790,4
B1.23 Pigmeat	199,5	-	17,0	-	35,7	-	-	252,2	-	252,2
B1.24 Eggs and poultry	169,2	-	-	-	-	-	-	169,2	-	169,2
B1.30 Non-Annex II products	704,1	-	-	-	-	-	-	704,1	-	704,1
B1.31 MCAs	-	-	-	-	28,3	-	-	28,3	-	28,3
B1.32 MCAs	p.m.	-	-	-	126,2	-	-	126,2	-	126,2
B1.380 Differential application of agricultural market mechanisms	-	-	-	-	182,1	206,1	206,1	388,2	-	388,2
B2.90 Fisheries guarantee fund	-	-	1,2	-	17,2	7,8	-	26,2	-	26,2
TOTAL	10.079,7	217,0	6.399,4	5.018,7	14.906,4	1.782,2	1.147,7	33.167,7	- 1.276,7	31.891,0
%	30,4 %	0,7 %	19,3 %	15,1 %	44,9 %	5,4 %	3,5 %	100 %	- 3,9 %	96,1 %

(1) Expenditure against the 1991 budget.

(2) Including aid to Poland and Romania - 1991 - first tranche : olive oil: ECU 0,9 million; citrus fruit: ECU 0,1 million.

(3) Of which ECU 797,4 million represents the 3rd tranche of reimbursements to Member States for expenditure incurred on the disposal of public butter stocks.

(4) Not including:

- expenditure from appropriations carried over from 1990 (ECU 601,6 million)

- set-aside Guidance Section partion (ECU 76,9 million) - item B02.500

- income aids (ECU 3,8 million) - item B02.501

- consequences of accounts clearance (- ECU 437,8 million)

- interest to be paid to Member States following changes in the method of financing expenditure (ECU 84,7 million)

- distribution of agricultural products to the less-well-off in the Community (ECU 145,0 million)

- set-aside Guarantee Section partion (ECU 76,9 million)

- measures to combat fraud (ECU 20,1 million)

- MCAs granted on imports (ECU 4,4 million) - item B01.3210

i.e. a total of ECU 575,6 million.

2.3. Breakdown of expenditure by economic type

On the basis of total expenditure against the 1991 budget, i.e. ECU 31 891 million(*) expenditure on export refunds amounted to ECU 10 080 million (31.6%) and on intervention to ECU 21 811 million (68.4%) (see Annexes 4 to 10). Last year, set against the 1990 budget, out of a total expenditure of ECU 26 528 million, expenditure on refunds amounted to ECU 7 722 million (29.1%) and on intervention to ECU 18 806 million (70.9%).

2.3.1. Refunds

The breakdown by main product group of expenditure on refunds is as follows:

SECTORS	1990	1991
- Cereals/rice	32.0 %	36.5 %
- Milk products	25.0 %	22.3 %
- Beef/veal	14.4 %	12.7 %
- Sugar	12.0 %	12.4 %
- Non-Annex II products	6.6 %	7.0 %

2.3.2. Intervention

On the basis of expenditure against the 1991 budget, expenditure on intervention related mainly to the following product groups:

SECTORS	1990	1991
- Oilseeds	18.5 %	16.3 %
- Milk products	16.1 %	15.5 %
- Beef/veal	9.2 %	13.8 %
- Sheepmeat and goatmeat	7.7 %	8.2 %
- Olive oil	5.5 %	8.1 %
- Cereals and rice	7.5 %	6.9 %
- Tobacco	6.2 %	5.8 %
- Fruit and vegetables	6.2 %	4.6 %
- Wine	3.7 %	4.5 %
- Protein crops	4.4 %	4.4 %

(*) Excluding the clearance of accounts for preceding years (- ECU 438 million) and the items covering interest payments following changes in the method used for financing EAGGF expenditure (+ ECU 85 million), distribution free of charge to the less well-off (+ ECU 145 million), set-aside, Guarantee portion (+ ECU 77 million), anti-fraud measures (+ ECU 20 million) and the portion of MCAs granted on imports - item B01.3210 - (+ ECU 4 million).
Account has not been taken either of:
- expenditure from appropriations carried over from 1990 (+ ECU 602 million);
- set-aside, Guidance Section portion (+ ECU 77 million) - item B02.500;
- income support (+ ECU 4 million) - item B02.501.

Intervention, broken down by the economic nature of the scheme concerned, consists of aid to public or private storage, withdrawals and similar operations, price compensating aids (which are in fact aids for the internal market) and guidance premiums.

Compared with the total for intervention (ECU 23,088 million), not taking into account co-responsibility levies for cereals (ECU 924 million) and milk producers' contributions (ECU 352 million), price compensating aids came to ECU 14,906 million (64.6%), aids to storage to ECU 6,399 million (27.7%), guidance premiums to ECU 1,148 million (5.0%) and withdrawals and similar operations to ECU 635 million (2.7%).

2.3.2.1 Price compensating aids remain the most important type of intervention. This heading groups aids granted on the internal Community market so that the consumer price is lower than the producer price and is competitive with products imported from non-member countries (for example production and consumption aid for olive oil, aids for skimmed milk, production aids for processed fruit and vegetable products, etc.).

This type of aid accounts for 64.6% of total intervention (1990: 65.4%) and 46.7% of total expenditure against the 1991 budget, excluding clearance of accounts and miscellaneous expenditure (1990 : 48.8%).

For 1991 the product groups benefiting most from price compensating aids were the following:

SECTORS	1990 (ECU million)	1991 (ECU million)
Oilseeds	3.474	3.549
Milk products	1.637	1.971
Sheepmeat and goatmeat	1.452	1.787
Olive oil	1.059	1.781
Tobacco	1.081	1.211
Cereals/rice	781	993
Protein crops	835	959
Fruit and vegetables	831	745

Annex 10, which gives the breakdown of those aids, shows that production aids are mainly granted for oilseeds (rape and sunflower), sheepmeat and goatmeat, tobacco, olive oil, protein crops and beef. However, aids for processing and final consumption are concentrated on milk products, fruit and olive oil and vegetables.

- 2.3.2.2 Storage intervention, ECU 6,399 million, covers both private and public storage costs. It accounts for 27.7% of all intervention (1990 : 27.6%) and 20.1% of all expenditure against the 1991 budget, excluding clearance and miscellaneous expenditure (1990 : 26.6%).

Details of this kind of expenditure are given in Annex 9. Based on a total of ECU 5,601 million, that is excluding reimbursements to Member States for expenditure incurred in disposing of public butter stocks (ECU 797 million) and expenditure on products from public stocks for emergency action, private storage costs came to ECU 724 million and public storage costs were ECU 4,877 million.

The cost of private storage may be mainly put down to sugar storage (ECU 461 million) but this is covered by the collection of storage levies from sugar manufacturers (see Annex 14); then come storage costs for milk products (ECU 193 million) and wine/alcohol (ECU 41 million).

A detailed analysis of public storage is given in 2.4 and in Annex 11.

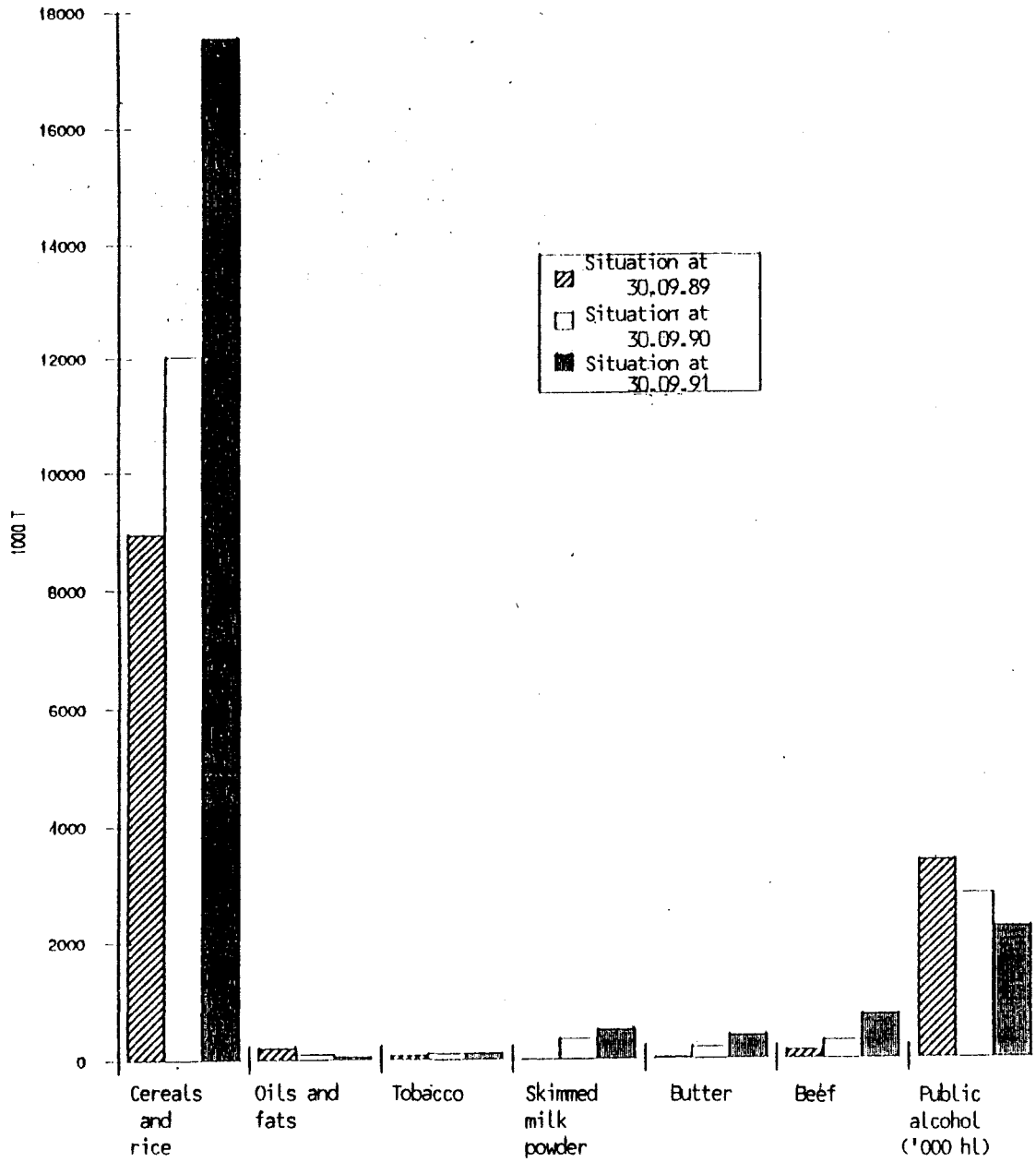
- 2.3.2.3 Withdrawals and similar operations affect only a limited number of sectors. They account for 2.7% of total intervention booked to the 1991 budget and 2.0% of total expenditure, clearance and miscellaneous expenditure excluded, compared with 3.3% and 2.4% respectively for 1990.

- 2.3.2.4 Guidance premiums are granted only in the fruit and vegetables, wine, milk and beef sectors. They account for 5.0% of total intervention and 3.6% of total expenditure booked to the 1991 budget, clearance and miscellaneous expenditure excluded, as against 3.7% and 2.8% respectively booked to the 1990 budget.

In the fruit and vegetables sector, premiums make up the Community's contribution to the financing of schemes for developing and improving the consumption and use of nuts and/or locust-beans and to the financing of expenditure on schemes for grubbing fruit trees. In the wine sector premiums are granted for permanent abandonment of land under vines, in the milk sector they are granted for permanent abandonment of milk production, as compensation for temporary suspension of milk quotas and the surrender of milk quotas, this latter measure arising from the implementation of the Community programme for the redistribution of milk quotas to producers in regions of the Community where production conditions are difficult; in the beef sector, a calf premium is granted.

TABLE No. 10

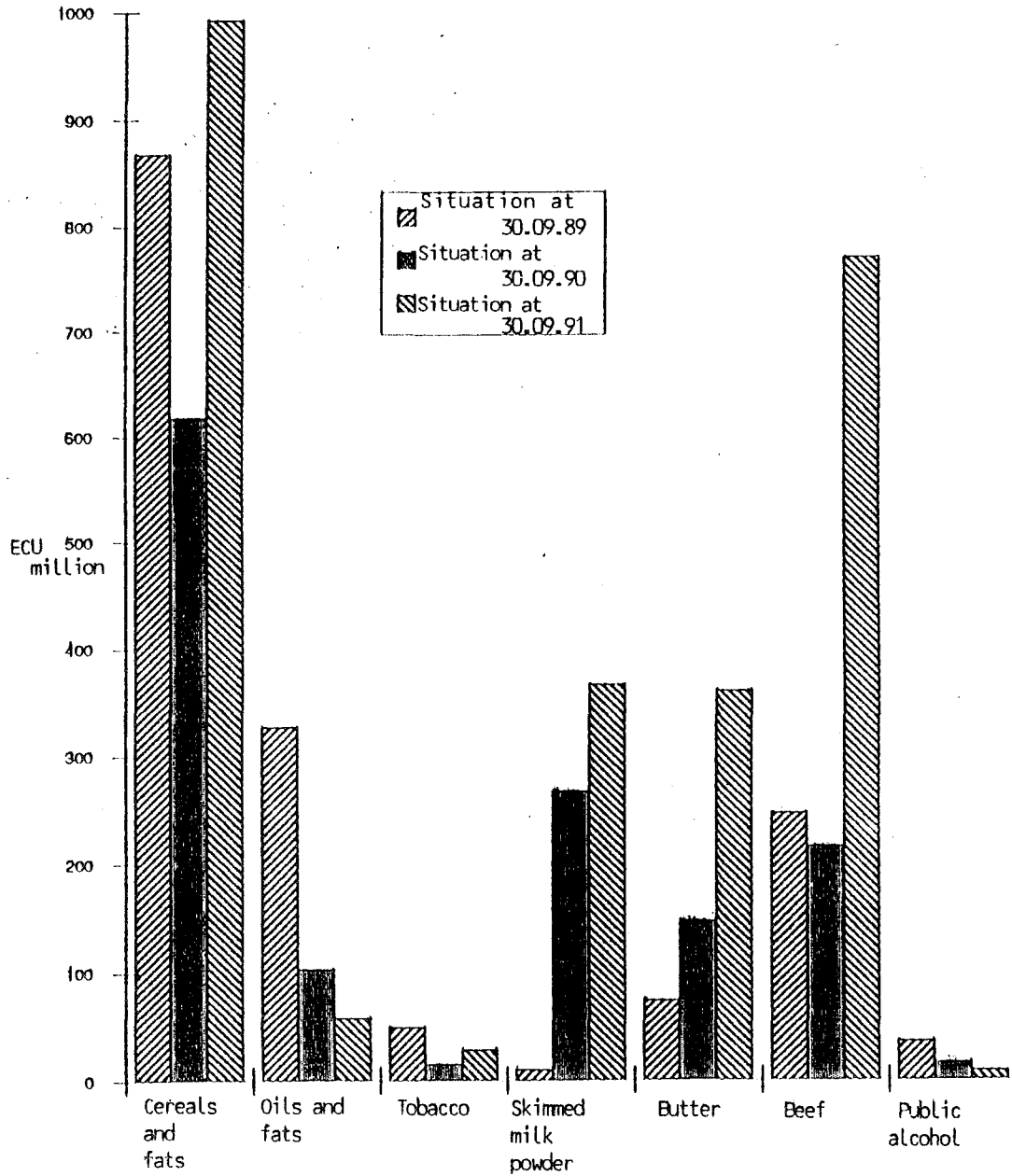
Quantity of products in public storage ('000 tonnes)



* Olive oil + rape and sunflower seed

TABLE No. 11

Book value of public stocks with intervention agencies
(ECU million)



* Olive oil and rape and sunflower seed

2.4. Trend of public stocks (see Annexes 9 and 11)

Between 30 September 1990 and 30 September 1991, the date on which public storage accounts were closed, the book value of public stocks rose appreciably from ECU 1 384.4 million in 1990 to ECU 2 584.0 million in 1991, a rise of ECU 1 199.6 million (87%).

An initial scrutiny shows that the proportion of total book value of stocks accounted for by each of the most important products changed between 1989 and 1991: cereals fell constantly as a percentage from 54% to 45% and subsequently to 38%. Similarly oils and fats fell from 20% in 1989 to 8% in 1990 and then to 2% in 1991. Tobacco remained stable between 1990 and 1991 (1%), while milk products, as a proportion of book value, rose very sharply (from 5% to 30%) between 1989 and 1990, subsequently falling slightly (by 28%) in 1991. By contrast, beef, which remained relatively stable between 1989 (15%) and 1990 (16%), rose sharply in 1991 (30%).

More detailed analysis of the 1990 and 1991 figures shows the following:

a) Cereals and rice

- an overall rise in stocks of 46% (1990: 12 029 900, 1991: 17 550 200). The increase was particularly large for barley, rye, durum wheat and rice, less so for common wheat; by contrast, stocks of maize fell significantly and sorghum stocks vanished;
- an appreciable rise in the book value of cereals stocks of 60% (1990: ECU 619 million; 1991: ECU 992 million) except for maize and sorghum. In 1991 the depreciation exercise reduced the value of cereals and rice stocks by ECU 1 331.5 million.

b) Oils and fats

- a 41% drop in stocks (1990: 94 500 tonnes, 1991: 56 100 tonnes) affected mainly olive oil and sunflower seed, the latter having virtually disappeared, but was counterbalanced by an increase in stocks of rapeseed (+ 13 309 tonnes);
- the book value of these products likewise fell between 1990 and 1991, by 44% from ECU 104 million to ECU 58 million; the decrease relates mainly to the olive oil sector. For 1991, the depreciation amounts to ECU 15 million.

c) Tobacco

- total stocks rose slightly by 5% from 103 400 tonnes in 1990 to 109 000 tonnes in 1991. Processed tobacco and baled tobacco account for the increase, with baled tobacco in the lead (86 900 tonnes); stocks of leaf tobacco almost disappeared;
- total book value rose similarly by ECU 13 million to reach ECU 28 million (up 86%) in 1991. The rise applied mainly to baled tobacco and, to a much lesser extent, processed tobacco. The financial depreciation of tobacco stocks amounted to some ECU 21.5 million in 1991.

d) Milk products

- stocks rose extremely sharply from 36 900 tonnes in 1989 to 527 900 tonnes in 1990 and subsequently to 880 700 tonnes in 1991 (up 67% between 1990 and 1991); this increase applied to butter and skimmed milk powder;
- the book value of stocks of these two products likewise rose considerably, from ECU 85 million in 1989 to ECU 415 million in 1990 and to ECU 727 million in 1991 (up 75% between 1990 and 1991). The increase is more marked in the case of butter (1990: ECU 148 million, 1991: ECU 361 million). In 1991 the financial depreciation for these two products amounted to almost ECU 770 million, not including the third tranche of the reimbursement to Member States of the expenditure on special measures for the disposal of public butter stocks (ECU 797.4 million).

e) Beef

- quantities in stock also rose considerably in 1991, from 151 000 tonnes in 1989 to 304 700 tonnes in 1990 and to 740 700 tonnes in 1991 (up 143% between 1990 and 1991). The increase applied more to meat in quarters than to boned meat;
- the book value of these stocks likewise rose between 1990 and 1991 by 257% (1990: ECU 216 million, 1991: ECU 770 million). The increase applied to the two types of beef presentation. The amount written off in 1991 as depreciation was ECU 1 897 million.

f) Alcohol

- stocks of public alcohol fell by 20% between 1990 and 1991 (from 2 805 100 hectolitres in 1990 to 2 248 800 hectolitres in 1991);

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- the book value dropped appreciably (1990: ECU 16 million, 1991: ECU 9 million). The amount written off in 1991 as depreciation came to ECU 60 million for public alcohol.

2.5. Corrections to be made to the breakdown of expenditure by Member State in connection with monetary compensatory amounts (MCAs)

Article 10 of Regulation (EEC) No 1677/85 relating to monetary compensatory amounts in the agricultural sector provides that, when a product exported from one Member State has been imported into a Member State which has to grant a monetary compensatory amount upon importation, the exporting Member State may, with the agreement of the importing Member State, pay the MCA which should be granted by the importing Member State.

TABLE 12

Breakdown of expenditure by Member State, allowing for the impact of the arrangement whereby exporting Member States may pay intra-Community MCAs for importing Member States

(Article 10 of Regulation No 1677/85)

MEMBER STATES	DECLARED EXPENDITURE (1)	IMPACT OF ARTICLE 10 OF REG. (EEC) No 1677/85	EXPENDITURE AFTER APPLICATION OF ART. 10
Belgium	1.434,23	- 2,90	1.431,33
Denmark	1.200,50	- 4,27	1.196,23
Germany	5.201,92	- 3,08	5.198,84
Greece	2.178,26	0,03	2.178,29
Spain	3.269,76	0,00	3.269,76
France	6.318,33	- 15,96	6.302,37
Ireland	1.716,75	- 0,72	1.716,03
Italy	5.152,75	2,78	5.155,53
Luxembourg	2,82	0,00	2,82
Netherlands	2.638,49	- 0,08	2.638,41
Portugal	314,60	0,00	314,60
United Kingdom	2.396,31	24,20	2.420,51
TOTAL MEMBER STATES	31.824,72	0,00	31.824,72
COMMUNITY (2)	40,34	0,00	40,34
TOTAL EEC	31.865,06	0,00	31.865,06
<p>(1) Expenditure for 1991 including impact of clearance of the accounts for 1988 and the cost to the EAGGF Guidance Section of set-aside and income aids but not including payments from appropriations carried over from 1990.</p> <p>(2) Direct payments to recipients for information and promotion schemes relating to olive oil, fibre flax, nuts and measures to combat fraud.</p>			

2.6. Overall cost of Guarantee Section2.6.1. Overall trend of expenditure

TABLE 13
OVERALL TREND OF EAGGF (GUARANTEE SECTION) EXPENDITURE

YEAR	TOTAL EXPENDITURE * ECU million	ANNUAL GROWTH RATE %
1986	22.137,4	12,1
1987 (1)	22.967,7	3,8
1988 (2)		
- Expenditure financed within the guideline (3) (ECU 27.500 million)	[26.400,4]	[14,9]
- Total expenditure	27.687,3	20,5
1989		
- Expenditure financed within the guideline (ECU 28.624 million)	[24.406,0]	[-7,6] (4)
- Total expenditure	25.872,9	-6,6 (5)
1990		
- Expenditure financed within the guideline (ECU 30.630 million)	[25.069,2]	[2,7] (4)
- Total expenditure	26.453,5	2,3 (5)
1991		
- Expenditure financed within the guideline (ECU 32.511 million)	[30.960,8]	[23,5] (4)
- Total expenditure	31.784,3(6)	20,2 (5)
<p>* Including impact of clearance of accounts (1) Budget year 1987 (10 months) (2) Budget year 1988 (11 1/2 months) (3) The guideline includes all agricultural expenditure charged to the EAGGF Guarantee Section, minus expenditure under Chapter B 2.90 (European Guarantee Fund for Fisheries and Chapter B 0.10 (reimbursement to the Member States of expenditure on the depreciation of stocks and disposal of butter from public stocks) (4) In relation to expenditure financed within the previous year's guideline (5) In relation to total expenditure for the previous year (6) Not including expenditure from appropriations carried over from 1990 & on set-aside - Guidance Section portion (item B02-500) and income aids (item B02-501) which are not chargeable to the Guarantee Section but for which a Community financial contribution is paid in accordance with the EAGGF Guarantee Section financial procedure</p>		

2.6.2. Revenue of agricultural origin

The common agricultural policy is also a source of revenue arising from charges made under the market organizations. These charges, which count as own resources of the Community, consist of:

- levies which are variable charges on imports of agricultural products covered by market organizations from non-member countries; these charges are intended to offset the differences between world market prices and the price levels agreed for the Community;
- levies imposed under the sugar market organization; these levies consist of sugar and isoglucose production levies, sugar storage levies, sugar and isoglucose elimination levies and an additional elimination levy; they provide a means whereby farmers and sugar manufacturers finance the cost of disposing of Community produce which is surplus to internal consumption requirements.

Other receipts of agricultural origin are classed as intervention to stabilize agricultural markets and are accordingly directly deducted from expenditure for the year in the sector concerned.

These receipts arise in the milk and milk products and cereals market organizations, producers making a financial contribution termed "co-responsibility levy" and, if milk production quotas or maximum guaranteed quantities for cereals are overrun, paying an additional levy. These receipts, which do not count as own resources of the Community, are considered a form of intervention to stabilize the agricultural markets and are charged within the budget chapter in which the expenditure has occurred. These funds help reduce the cost of disposing of surpluses and are also used, in the case of milk products, for financing specific measures. In 1991 these producers' contributions amounted to ECU 352 million in the milk sector (ECU 348 million in 1990) and ECU 926 million in the milk sector (ECU 348 million in 1990) and ECU 926 million in the cereals sector or ECU 924 million if the reimbursement of the additional co-responsibility levy is taken into account (ECU 715 million and ECU 656 million respectively in 1990).

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TABLE 14

REVENUE UNDER THE COMMON AGRICULTURAL POLICY
ACCRUING AS OWN RESOURCES OF THE COMMUNITY

(ECU million)

NATURE OF THE CHARGE	1987	1988	1989	1990	1991
Item 1000 - Levies	1.626,1	1.504,6	1.282,7	1.173,4	(1) 1.636,2
Item 1001 - Reimb. to Portugal of MCAs (Art. 372 (3) of the Act of Accession)					- 15,0
Chapter 11 - Sugar levies, of which :	1.471,7	1.390,7	1.381,6	910,6	1.141,8
- production (2)	924,6	845,9	912,4	504,6	770,0
- storage costs	547,1	544,8	469,2	406,0	371,8
T O T A L	3.097,8	2.895,3	2.664,3	2.084,0	2.763,0
(1) Of which ECU 7,9 million, outstanding balance from previous years. (2) Including the elimination levy (ECU 87 million in 1987, ECU 94,1 million in 1988, ECU 89,3 million in 1989, ECU 84,9 million in 1990 and ECU 16,5 million in 1991) and and special elimination levy (ECU 234,2 million in 1987, ECU 110,8 million in 1988, ECU 175,5 million in 1989, (-) ECU 19,9 million in 1990 and ECU 30,7 million in 1991.					

Import levies, which mainly affect cereals, fell steadily from 1987 to 1990. This situation was reversed in 1991. The increase in the unit rates of levies as a result of the fall in world prices pushed up the volume of receipts.

The sugar levies fell steadily from 1987 until 1991 when they began to rise. This was due primarily to the increase in production levies, a result of an unfavourable situation created by the very low level of world prices. It was also because storage levies were reduced as a result of a shortening of average storage time.

2.6.3. Guarantee costs compared with GDP

In a wider economic context, comparison of the overall cost of Guarantee expenditure with the most significant economic indicator, i.e. the Community's gross domestic product at market prices (GDP), shows (Annex 12) that the gross cost of the Guarantee Section rose appreciably from 0.56% of GDP in 1990 to 0.64% in 1991 to resume its level of 1984 and 1985.

3. AMENDMENTS TO LEGISLATION GOVERNING THE EAGGF GUARANTEE SECTION

During 1991 a number of amendments and routine management measures were adopted in connection with legislation directly concerning the EAGGF Guarantee Section:

- a) Commission Regulation (EEC) No 147/91 of 22 January 1991 defining and fixing the tolerances for quantity losses of agricultural products in public intervention storage⁽¹⁾.

This Regulation uses a straightforward method of fixing tolerances for quantity losses resulting from storage or processing operations.

- b) Commission Regulation (EEC) No 269/91 of 1 February 1991 setting general implementing rules for the standard amounts used for financing expenditure in connection with public storage⁽²⁾.

This Regulation lays down certain general implementing rules for the financing of intervention storage of agricultural products and, in particular, the conversion rate to be used for the standard amounts fixed in national currency.

- c) Council Regulation (EEC) No 307/91 of 4 February 1991 on reinforcing the monitoring of certain expenditure chargeable to the Guarantee Section of the EAGGF⁽³⁾(*).

This Regulation grants Community financing to Member States which reinforce monitoring and the detection of fraud and irregularities in connection with exports of agricultural products and action to regularize certain markets (Community contribution reducing over 5 years, with a maximum of ECU 10 million for exports and ECU 10 million for regularizing action).

- d) Council Regulation (EEC) No 595/91 of 4 March 1991 concerning irregularities and the recovery of sums wrongly paid in connection with the financing of the common agricultural policy and the organization of an information system in this field and repealing Regulation (EEC) No 283/72⁽⁴⁾(*).

This Regulation intensifies the campaign against fraud and irregularities in connection with the financing of the CAP.

- e) Commission Regulation (EEC) No 967/91 of 19 April 1991 laying down detailed rules for the application of Council Regulation (EEC) No 307/91 on reinforcing the monitoring of certain expenditure chargeable to the Guarantee Section of the EAGGF⁽⁵⁾(*).

(1) OJ No L 17, 23.1.1991, p. 9.

(2) OJ No L 28, 2.2.1991, p. 22.

(3) OJ No L 37, 9.2.1991, p. 5.

(4) OJ No L 67, 14.3.1991, p. 11.

(5) OJ No L 100, 20.4.1991, p. 18.

(*) see Title III "Investigations, irregularities and related work".

This Regulation defines certain expenditure and fixes the flat-rate amount representing expenditure incurred by the Member States on remuneration. It lays down also the rules governing approval of surveillance firms and laboratories, the rules governing monitoring agencies, the conditions for sending requests for a Community contribution and the content of the report to be drawn up by Member States.

- f) Commission Regulation (EEC) No 2859/91 of 27 September 1991 fixing percentages to be applied when agricultural products are bought in for the 1992 financial year⁽¹⁾.

This Regulation restricts depreciation, for the products concerned, depreciation to around 75% of the difference in value between the buying-in price and the potential sales price.

- g) Commission Regulation (EEC) No 2860/91 of 27 September 1991 on the rate of interest to be used for calculating the costs of financing intervention measures comprising buying in, storage and disposal⁽¹⁾.

This Regulation fixes, before the beginning of the 1992 financial year, the interest rate used for the financing of public storage at 9.6%, save for France (9.4%), Ireland (9%) and the Netherlands (8.6%).

⁽¹⁾ OJ No L 272, 28.9.1991, p. 79.

TITLE II

CASH POSITION AND MANAGEMENT OF APPROPRIATIONS

4. Advances to the Member States

4.1. System of advance payments

Council Regulation (EEC) No 2048/88⁽¹⁾ of 24 June 1988 amending Regulation (EEC) No 729/70⁽²⁾ made permanent the system of monthly advances on entry of expenditure in the accounts. Advances are paid at the beginning of the second month following that in which expenditure is made by the paying agency.

The 1991 budget covered the payments entered in the accounts as made to recipients during the period 16 October 1990 to 15 October 1991. It related to expenditure over 12 months.

The system of advances applies to Subsection B1 of the budget concerning the Guarantee Section of the EAGGF (apart from certain payments made directly by the Commission), Chapter B2-50 (set-aside and income aid) concerning the Guidance Section, Chapter B2-90 concerning fisheries and Chapter B0-10 (reimbursement of expenditure for the specific disposal of butter).

Advances were also paid during 1991 as a temporary measure to cover expenditure for the supply of food to Poland and Romania (Regulations (EEC) Nos 456/90 and 457/90).

4.2. Decisions on advance payments in respect of 1991

The Commission adopted 13 decisions, 12 of which were routine.

An extraordinary advance to adjust the advances granted to total expenditure chargeable to the year was passed in December.

4.3. Funds available and Member States' expenditure during the year

Funds placed at the disposal of the Member States for expenditure charged to 1991 amounted to ECU 32 403.0 million: ECU 31 744.0 million for the Guarantee Section, ECU 80.7 million for the Guidance Section (Chapter B2-50), ECU 5.6 million as a temporary measure for emergency aid to Poland and Romania and ECU 572.7 million of appropriations carried over from the 1990 financial year.

Direct payments by the Commission totalled ECU 40.3 million against appropriations for the financial year and ECU 28.8 million against appropriations carried over.

The expenditure committed in respect of the EAGGF amounted to ECU 32 466.6 million (including ECU 601.6 million against appropriations carried forward from 1990). The amount of ECU 5.6 million was definitively charged against Article B7-600 - aid for the economic restructuring of the countries of Central and Eastern Europe.

(1) OJ No L 185 of 15.7.88, p. 1.

(2) OJ No L 94 of 28.4.70, p. 13.

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5. Management of appropriations

The 1991 budget was adopted in December 1990 and appropriations were consistently underused (particularly in the crop sector) except in the beef and veal sector where commitments significantly exceeded the appropriations available.

5.1. Appropriations available (ECU million)

The appropriations available for 1991 amounted to ECU 33 364.0 million, including ECU 293.5 million under Chapter B2-50 for the Guidance Section, ECU 810.0 million under Chapter B0-10 to cover losses resulting from the specific disposal of butter during 1987 and 1988, ECU 29.0 million for the fisheries sector and ECU 685.5 million carried over from 1990.

Appropriations available

A. 1991 budget appropriations (including transfers)

Subsection B1	31 546 000 000.- ¹
Chapter B2-50 (Guidance Section)	293 500 000.-
Chapter B2-90 (Fisheries)	29 000 000.-
Chapter B0-10 (specific disposal of butter)	810 000 000.-
Total	<u>32 678 500 000.-</u>

B. Appropriations carried over from 1990 (non-automatic carryovers)

Appropriations carried over due to payment delays in 1990	365 500 000.-
Measures to aid the countries of Eastern Europe	320 000 000.-
Total	<u>685 500 000.-</u>

C. Total appropriations available 33 364 000 000.-

5.2. Transfers of appropriations

5.2.1 Transfers of appropriations to cover expenditure incurred in 1991

Pursuant to the conclusions of the European Council of 11 and 13 February 1988, the Commission, anxious wherever possible to adjust appropriations before exhaustion of one or more chapters, proposed on several occasions that appropriations be transferred from chapter to chapter so that appropriations would be available before payment of advances against entry in the accounts.

¹ Including ECU 97 million under Chapter B0-40 (provisional appropriations) but not including ECU 970 million from the monetary reserve.

However, in view of the proposal for the supplementary and amending budget, withdrawn at the end of the financial year to take account of the very low level of expenditure made by Member States which was far below what they had previously announced, some transfers had to be made after the available appropriations had been exhausted.

Transfers totalling ECU 2 255.0 million were made to cover expenditure incurred during the 1991 financial year.

Significant additional amounts were required for the beef and veal, sheepmeat and goatmeat, protein crop and dairy products sectors, for rural development and for interest paid to Member States for prefinancing.

5.2.2 Transfers outside the EAGGF Guarantee Section

A transfer of ECU 2 million was made to Chapter B2-90 to cover expenditure incurred in the fisheries sector. In view of under-consumption in Chapter B2-50, ECU 6.5 million was transferred to Chapters B2-11 and B2-41 for the EAGGF Guidance Section.

A transfer of ECU 97 million of provisional appropriations from Chapter B0-40 intended to cover expenditure incurred in connection with the second stage of Portuguese accession was also made.

5.2.3 Transfers from the monetary reserve

During the financial year the dollar exchange rate was on average lower than that used for the 1991 budget, resulting in an increase in expenditure over the financial year of ECU 430 million. The ECU 30 million exceeding the franchise of ECU 400 million was financed by a transfer from the monetary reserve.

5.2.4 Transfers of appropriations to cover expenditure arising from emergency aid for the people of St Petersburg and Moscow for which a carryover of appropriations was proposed to the budgetary authority

The European Council of 11 December 1991 decided on a measure to supply food products to the people of St Petersburg and Moscow at a cost of ECU 200 million.

Part of the aid (ECU 95 million) is made up of products from public intervention stocks and will be covered by 1992 EAGGF Guarantee Section appropriations. A total of ECU 5 million for emergency measures will be covered by the Phare programme and the balance (ECU 100 million) made up of products purchased on the market will be covered by the EAGGF Guarantee Section from unused 1991 appropriations carried over to the 1992 financial year.

Emergency aid for Bulgaria, Romania and the former Soviet Union decided on by the European Council on 15 December 1990 could not be completed during the 1991 financial year and therefore the carryover of another ECU 66 million was required to complete the operation.

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Given these needs, it was decided to regroup the appropriations under the same heading in order to allow optimum use to be made of them. A transfer of ECU 100 and 66 million respectively from Chapter B1-37 (Clearance of previous years' accounts and residual appropriations) to Chapter B1-18 was proposed to the budgetary authority.

5.3. Expenditure

5.3.1 Expenditure against 1991 appropriations

A total of ECU 31 865.1 million was charged to 1991 (of which ECU 80.7 million were charged to the Guidance Section under Chapter B2- 50).

This sum breaks down as follows:

- expenditure claimed by the Member States (including ECU 797.4 million for the specific disposal of butter)	32 262.6
- impact of clearance of accounts for 1988 and earlier years	- 437.8
- direct payments	40.3
Total	<u>31 865.1</u>

The breakdown in Table 15 below can in no circumstances be treated as a reliable indication of the actual shares of the Member States, since payment deadlines can vary widely from one Member State to another and since expenditure by paying agencies in any given Member State is not necessarily attributable to that State, the Community being a unified economic area for agricultural products. Thus, for example, certain export refunds for products from one Member State are in fact paid by another Member State.

5.3.2 Expenditure against appropriations carried over (non-automatically) from 1990

Expenditure of ECU 601.6 million was committed against appropriations carried over from 1990.

This sum breaks down as follows:

- expenditure which could not be made during 1990 (due to delays in payment or changes in the regulations)	318.9
- expenditure arising from emergency aid for the countries of Eastern Europe	282.7
Total	<u>601.6</u>

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5.4. Direct payments

5.4.1 Direct payments for certain agricultural measures

In certain cases the Commission makes direct payments to beneficiaries in connection with certain schemes that are not conventional market measures but are intended to increase the scope for disposal of products, particularly in the olive oil, fibre flax and nut sectors and to finance measures to combat fraud. Some of these measures are financed by withholding a proportion of the aid to be paid to producers.

Thus in 1991:

- (a) The Commission paid directly to beneficiaries the sum of ECU 4 685 310.0 against appropriations carried over automatically from 1990.
- (b) A total of ECU 40 334 708.1 was committed against 1991 appropriations (including ECU 20 100 000 for measures to combat fraud). Of this figure, ECU 16 188 438.61 was paid and the balance of ECU 24 146 269.49 was paid and the balance of ECU 24 146 269.49 was automatically carried over to 1992.

Annex 19 gives an overall picture of the amounts withheld in relation to expenditure for the various schemes financed by withholding a proportion of the aid.

Although expenditure relating to the olive cultivation register is paid out by the paying agencies and does not therefore take the form of direct payments by the Commission, it has been thought useful to include it in the Annex to make the position as regards amounts withheld and used clear.

5.4.2 Direct payments for emergency measures to aid the former USSR

The cost of transport and distribution by non-governmental organizations (NGOs) as part of emergency measures to aid the former USSR was paid directly by the Commission. For this purpose, during 1991 the Commission committed a total of ECU 28 817 003.70 against appropriations carried over non-automatically from 1990 of which ECU 9 171 230.10 was paid and the balance of ECU 19 645 773.60 lapsed. The balance of these payments will be covered by the new carryovers requested from the budgetary authority.

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5.5 Budget operations5.5.1 Commitments

- Global provisional commitments corresponding to advance payments made to Member States in respect of 1991 ¹	32 403 045 208.28
- Global provisional commitments for the 2nd tranche of emergency aid prefinanced by the EAGGF Guarantee Section but to be charged in fine to the Phare programme	- 5 581 749.18
- Commitments for direct payments	69 151 711.80
Total commitments	<u>32 466 615 170.90</u>
- Commitments against appropriations carried over from 1990 (including ECU 28 817 003.70 paid directly by the Commission)	- 601 550 912.55
Commitments against 1991 appropriations	<u>31 865 064 258.35</u>

5.5.2 Sums charged as payments

Sums charged as payments for the financial year totalled ECU 31 840 517 988.86. The difference of ECU 24 146 269.49 vis-à-vis itemized commitments corresponds to appropriations committed to direct payments by the Commission that had not yet been made by the end of the year.

5.6. Carryover of appropriations5.6.1 Automatic carryovers

The following appropriations, all of which concern direct payments for certain agricultural measures, committed during the 1991 financial year were automatically carried over to 1992.

Item B01-1221 (olive oil)	10 122 941.96
Item 1401 (fibre flax)	667 368.53
Item 1507 (fruit and vegetables)	909 360.00
Article B01-360 (measures to combat fraud)	12 446 599.00
	<u>24 146 269.49</u>

The 1990 appropriations carried over automatically to 1991 concern direct payments of ECU 11 025 993.81 of which ECU 4 685 310.00 were used. The balance of ECU 6 340 683.81 lapsed.

¹ Including the impact of the clearance of the accounts for 1988 and exchange rate differences.

5.6.2 Non-automatic carryovers

(a) Carryovers from 1990 to 1991.

Of the total of ECU 685 500 000 carried over from 1990 to 1991, ECU 601 550 912.55 was committed during the year. A total of ECU 581 890 082.26 was charged. The balance of ECU 19 660 830.29 lapsed.

(b) Carryovers from 1991 to 1992.

Carryovers totalling ECU 166 million were requested from and granted by the budgetary authority for the payment during 1992 of the following:

- ECU 24 million:

For the completion of the operations involved in the production and transportation of products for the people of Romania.

- ECU 42 million:

Events in the former USSR during August significantly delayed operations for that country. It was not possible during 1991 to pay all of the transport costs to the non-governmental organizations and the company responsible for transport and distribution of the goods. Production of a part of the goods was consequently suspended and shipment of those already produced could not be effected within the planned deadlines.

- ECU 100 million:

The European Council of 11 December 1991 decided on an emergency measure for the supply of foodstuffs purchased on the Community market, in particular, to the cities of St Petersburg and Moscow. There was no provision in the 1992 budget for this additional expenditure.

5.7 Summary of execution of 1991 budget

The 1991 financial year closed with a balance of unused appropriations totalling ECU 941 176 872.19 (including ECU 103 594 861.05 carried over from 1990).

	<u>1991 appropriations</u>	<u>Appropriations carried over from 1990 (non-automatic)</u>
Original budget	32 653 000 000.00	685 500 000.00
Transfers outside the EAGGF	25 500 000.00	-
	<hr/>	<hr/>
Appropriations available	32 678 500 000.00	685 500 000.00
	<hr/>	<hr/>
Sums charged as payments	32 840 917 988.86	581 890 082.26
	<hr/>	<hr/>
Appropriations automatically carried forward to 1992	24 146 269.49	-
	<hr/>	<hr/>
Appropriations carried forward (non-automatically)	166 000 000.00	-
	<hr/>	<hr/>
Appropriations lapsed	647 435 741.65	103 594 861.05

TABLE 15

Advances to the Member States and expenditure charged to the 1991 budget

(in ecus)

Member State	Advances for the 1991 financial year (a)	Measures for Poland and Romania (b)	Payments against carryover from 1990 (c)	Exchange rate differences (d) (1)	Expenditure charged to the 1991 budget (e)=(a)-(b)-(c)-(d)
Belgium	1.468.635.887,24	-	34.407.765,76	54,51	1.434.228.066,97
Denmark	1.220.514.406,41	-	20.012.225,03	- 76,56	1.200.502.257,94
Germany	5.258.730.388,51	159.630,64	56.655.280,32	198,40	5.201.915.279,15
Greece	2.211.195.584,91	-	32.929.964,63	1.643,38	2.178.263.976,90
Spain	3.315.618.953,08	327.315,54	45.530.796,31	317,57	3.269.760.523,66
France	6.406.090.110,79	-	87.758.220,13	6.608,09	6.318.325.282,57
Ireland	1.735.942.186,04	4.766.482,59	14.424.439,22	244,87	1.716.751.019,36
Italy	5.386.215.070,51	-	233.461.041,19	1.453,19	5.152.752.576,13
Luxembourg	2.829.794,45	-	9.884,30	- 5,38	2.819.915,53
Netherlands	2.682.064.721,75	328.320,41	43.241.620,27	145,17	2.638.494.635,90
Portugal	315.599.834,81	-	995.281,13	142,05	314.604.411,63
United Kingdom	2.399.619.180,34	-	3.307.390,56	185,27	2.396.311.604,51
Subtotal	32.403.056.118,84	5.581.749,18	572.733.908,85	10.910,56	31.824.729.550,25
EAGGF (direct payments)	69.151.711,80	-	28.817.003,70	-	40.334.708,10
Total EEC	32.472.207.830,64	5.581.749,18	601.550.912,55	10.910,56	31.865.064.258,35

(1) For each Member State there is a discrepancy between the balance at the end of each month as converted into ecus at that month's rate and the same balance as converted into ecu at the following month's rate. This table shows the sum of the exchange rate differences recorded for each Member State for the whole of 1991.

TABLE 16

Expenditure recorded in the Member States against the
1991 budget by type of financing

MEMBER STATE	REFUNDS	INTERVENTION	TOTAL 1991	
			ECU million	%
Belgium	821,83	616,18	1.438,01	4,45
Denmark	780,72	412,56	1.193,28	3,70
Germany	1.767,62	3.509,35	5.276,97	16,35
Greece	96,90	2.089,21	2.186,11	6,77
Spain	399,95	2.895,37	3.295,32	10,21
France	2.917,48	3.516,02	6.433,50	19,93
Ireland	279,04	1.446,40	1.725,44	5,34
Italy	892,41	4.436,99	5.329,40	16,51
Luxembourg	0,94	1,86	2,80	0,01
Netherlands	1.565,63	1.089,44	2.655,07	8,22
Portugal	14,69	300,42	315,11	0,98
United Kingdom	546,92	1.864,58	2.411,50	7,47
TOTAL MEM.STATS	10.084,13	22.178,39	32.262,51	99,94
Direct payments	0,00	20,23 (4)	20,23 (4)	0,06
TOTAL EEC	10.084,13 (1)	22.198,62 (2)	32.282,75 (3)	100,00
<p>(1) Including ECU 4.42 million concerning MCAs granted on imports (item B01-3210).</p> <p>(2) Including ECU 84.72 (interest accrued as a result of the reform of the financing method), ECU 145 million (free distribution of intervention products) and ECU 157.62 (set-aside - Guidance and Guarantee Section - and income aid).</p> <p>(3) This does not take into account the financial impact of the clearance of the accounts for 1988 and previous years (-ECU 437.78 million).</p> <p>(4) Not including ECU 20.1 million (fraud prevention measures).</p>				

TITLE III

INVESTIGATIONS, IRREGULARITIES AND RELATED WORK¹

6.1. General remarks

The application of Community rules is primarily the responsibility of national administrations. It is their task to check that operations financed by the EAGGF Guarantee Section did actually take place and were in accordance with requirements, and to forestall and pursue irregularities and recover sums wrongly paid out.

The Commission's role is to encourage, coordinate and monitor. It supplements the control work of the national administrations on the basis of legal instruments that, apart from checks for clearance of accounts purposes, allow it to ask Member States to open administrative inquiries, in which it may participate, to undertake verifications itself, and to organize selective checks (these generally cover all Member States and are connected with the problems of a particular sector).

Member States inform the Commission of irregularities uncovered by their national agencies, of the financial implications and of the progress of national procedures for recovery.

There are arrangements for contact between the Member States and between them and the Commission to increase the effectiveness of the fight against fraud.

6.2. Legislative measures adopted during the reporting period to step up fraud prevention

During the past financial year, the Commission has continued its work to step up the fight against fraud and irregularities involving EAGGF funds by the adoption of a set of legal instruments constituting a three-pronged approach.

6.2.1. Reinforcing the means (Regulation (EEC) No 307/91)

On 4 February 1991, the Council, acting on a proposal from the Commission, adopted Regulation (EEC) No 307/91² on reinforcing the monitoring of certain expenditure chargeable to the EAGGF Guarantee Section (see the 20th financial report on the EAGGF, pp. 52-53).

¹ Some of the information given here can also be found in the annual report on work done and progress achieved in 1991 in the fight against fraud (doc. SEC (92) 943 final of 26 May 1992).

² OJ No L 37, 9.2.1991, p. 5.

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For the first period of application, namely March 1991 to February 1992, two Member States (the United Kingdom and Luxembourg) announced that they did not intend to apply for Community funding as provided for in the Regulation.

Ten Member States have drawn up and forwarded to the Commission their expenditure forecasts for measures to strengthen controls.

The Commission has paid advances to the Member States in question totalling ECU 7 755 870, to be taken from the final amount of the Community's financial contribution to the expenditure on strengthening controls envisaged for that period. The sums not taken up by the two above-mentioned Member States have been shared out among the others.

The Commission will make an initial assessment of the results of the measure during the second half of 1992 in the light of the reports transmitted by the Member States.

6.2.2. Increase in the number of checks and improvement of their quality

On 4 March 1991, acting on an earlier proposal from the Commission, the Council adopted Regulation (EEC) No 595/91¹ concerning irregularities and the recovery of sums wrongly paid in connection with the financing of the common agricultural policy and the organization of an information system in this field. The new system, which is designed to improve fraud prevention and the detection of irregularities in connection with EAGGF Guarantee Section expenditure, replaces Regulation (EEC) No 283/72.

The new provisions include the following:

- * the Commission is to be provided with more detailed information about irregularities;
- * the Commission is to be given fuller information about the recovery procedures instituted by the Member States and the results thereof, and about judicial and administrative procedures and any action to apply sanctions;
- * an incentive to investigate irregularities and recover undue payments, in the form of a Community financial contribution. The Member States may retain 20% of the amounts recovered and a contribution towards the costs of legal proceedings is possible where the Commission requests a Member State to bring or continue judicial proceedings;
- * an increase in the minimum threshold (to ECU 4 000) above which irregularities must automatically be reported; this increase is intended to eliminate the communication of cases of minor importance in the prevention of irregularities.

It also specifies the powers of the Commission agents taking part in national investigations and contains provisions for guaranteeing the confidentiality of the information exchanged between the Member States and the Commission and between Member States.

¹ OJ No L 67, 14.3.1991, p. 11.

6.2.3. Revision, simplification and coordination of agricultural legislation

The Commission has instructed a group of experts, chaired by Mr André Lachaux, to examine ways of simplifying agricultural legislation so as better to forestall and thereby reduce a factor of considerable importance in fraud.

The initial groundwork of the group led to real and encouraging results in 1991. For example, on 3 May 1991 the Commission adopted Regulation (EEC) No 1157/91 on the sale of butter at reduced prices and the granting of aid for butter and concentrated butter for use in the manufacture of certain foodstuffs and amending Regulation (EEC) No 570/88¹.

In addition, during 1991 the group submitted several substantial recommendations.

Its suggestions concern the following areas:

- Export refunds

Utilization of starch:

A new procedure is proposed, regarding in particular checks, supporting documents and the payment of refunds.

- Compensatory premium for sheep

Adaptation of the current scheme regarding:

- the definition of eligible ewes;
- the arrangements for controlling grant of the premium;
- how the premium is calculated.

- Nomenclature of agricultural products for the purposes of export refunds:

The chief aims of this proposal are "effective checks on declarations", "simplification of the requirements for exporters" and "knowledge of the economic impact of the level of refund granted for each product". A reduction in the number of subheadings has been requested.

The action to be taken on these proposals is still being considered.

Parallel to the work of the Lachaux group, the Commission has itself made efforts to simplify agricultural legislation. In the context of the reform of the CAP, a string of fully or partially recast regulations (particularly those on cereals, beef and veal and milk and milk products) have been submitted to the Council and will, if adopted, go a considerable way towards the goal of gradually simplifying the legal aspects of the CAP.

¹ OJ No L 112, 4.5.1991.

6.3. Special checks and investigations

The Commission has two legal instruments under which checks and investigations may be made:

- a) Article 9 of Regulation (EEC) No 729/70, enabling it to make any checks that it deems necessary, including on-the-spot checks. Officials of the Member State concerned may take part in these checks;
- b) Article 6 of Regulation (EEC) No 595/91¹, enabling it to request the Member State to investigate a specific matter if it considers that irregularities may have or have in fact occurred in the course of operations financed by the EAGGF Guarantee Section. Commission officials may participate in the investigation.

The Commission may also ask the Member States concerned for information and make information visits in that connection.

6.3.1. New cases

In 1991, several new files were opened concerning irregularities detected or presumed and investigations carried out in various countries by Commission staff.

The main cases observed concern:

Tobacco exports

The Commission received information alleging irregularities in exports of Greek tobacco of the Tsebelia and Mavra varieties to Bulgaria: specifically, the exports were of leaf tobacco, while the Regulation requires the tobacco to be processed. An investigation was carried out in Greece in order to verify that the exports in question had taken place and were in accordance with the rules. On-the-spot inspections and documentary checks have not yet revealed any irregularities.

Investigation in the nut sector in Spain

In view of the great demand by the nut sector in Spain for subscription to the specific measures for nuts and locust beans introduced by Regulation (EEC) No 788/89, a visit was made to Spain to verify that operations in that sector were actually being carried out and were in accordance with Community rules (Regulations (EEC) No 788/89 and No 2519/89). On-the-spot checks revealed no irregularities. However, comments on the shortcomings in the arrangements for applying the Regulations were passed on to the Spanish authorities.

Exports of beef to Côte d'Ivoire

On-the-spot inspection was carried out to verify whether meat imported from the EEC met the minimum requirements for obtaining refunds.

¹ OJ No L 67, 14.3.1991, p. 13.

A considerable part of the boned meat exported was found to have an insufficient lean meat content (less than 50%), for which reason no refund should have been paid. All the Member States were asked to substantially tighten up their checks on exports of meat. The Commission is examining the rules for fixing refunds for the products concerned.

Exports of beef to Yugoslavia and the Lebanon

An inquiry was carried out in the Lebanon and Yugoslavia on exports from the EEC declared as destined for the Lebanon and the United Arab Emirates (different rates of refund).

Goods declared as being destined for the Lebanon were found not to have arrived. However, meat declared as destined for the United Arab Emirates arrived in the Lebanon and was released for consumption there, having received refunds at the higher rate provided for the UAE. The Member States have commenced proceedings to recover the wrongly paid sums.

Exports of cattle to Poland

An inquiry focusing on pure-bred breeding cattle was commenced in November. The inquiry primarily concerns exports from Germany to Poland. Other Member States might also be implicated. Further inspection visits are currently being prepared.

Trade in olive oil

Following an analysis of the data available to the Commission regarding trade in olive oil, considerable discrepancies have been found between the quantities declared for export from Greece and those recorded as imported into Italy. The initial findings of the investigation carried out in Greece and Italy show certain anomalies. The inquiry will be continued in 1992 in order to shed light on the situation and draw conclusions.

Milk powder

An inquiry is under way into the conditions in which exports to third countries of Community milk powder for which refunds were paid were carried out in 1988. Similarly, imports from a third country of a liquid food preparation based on milk powder intended for incorporation into feedingstuffs, in respect of which Community aid was paid, is also the subject of an inquiry.

Export licences

During 1991 an inquiry was carried out on the issue of export licences for rye meal. It was found that certain licences were predated in order to benefit from a higher refund. The appropriate financial correction will be made.

Additional enquiries - Clearance of accounts for 1988

On 20 November 1990, in the context of the clearance of accounts for 1988, the Commission decided to make financial corrections of 2% on export refunds for four Member States (DE, DK, FR, EN) because of the inadequacy of quantitative inspections in the cereal and sugar sectors and of quality control in the sugar sector.

The Commission gave the Member States concerned the opportunity to provide additional reasons. It decided to adjust the corrections if the results of an inquiry to be carried out by the Member States, with permanent participation by Commission staff and an approved specialist accountant, showed to the Commission's satisfaction that the financial consequences were less than the amount of the financial correction indicated.

The goal of the inquiry was to ascertain whether the quantities (sugar and cereals) and quality (sugar) declared corresponded to the facts by verifying individual operations on the premises of the operators concerned. The Commission selected 300 operations to be checked for each of the main operators for each sector in each of the Member States.

The additional inquiry was carried out in Germany, Denmark and the Netherlands in 1991.

6.3.2. Old files

The following developments occurred in 1991 in relation to some of the inquiries dating from previous years and already dealt with in the 1990 report:

Fruit and vegetables

Citrus fruit

The conclusions of the inquiry carried out in Italy in 1989 in the citrus sector can be found on page 58 of the EAGGF report for 1990. The financial corrections regarding the national aid granted for processing and failure to comply with the quality standards on the domestic market will be adopted in connection with the clearance of the 1989 accounts.

Withdrawals

The comments on the shortcomings in quality controls in Italy on products withdrawn from the market and on checks on producers' organizations will be communicated to the Member State concerned. The financial implications will be decided in connection with the clearance of the 1990 accounts.

Storage of dried grapes in Greece

The on-the-spot check carried out in 1990 revealed a number of shortcomings in the application of the Community rules by the Greek authorities (see page 56 of the EAGGF report for 1990). The financial consequences for storage aids and financial compensation will be dealt with in the clearance of the 1989 accounts.

Cereals

Aid for the production of durum wheat

This aid, calculated on the basis of the area cultivated, was the subject of applications for areas not actually under durum wheat.

The checks carried out in Greece in 1989 showed that a certain percentage of areas declared had not been sown with durum wheat, as well as a tendency to increase aid applications.

Financial corrections were made when the 1989 accounts were cleared.

Durum wheat: inward processing arrangements and exports with refunds

There have been new developments in the inquiry commenced in Italy in 1989 on inward processing and export refunds. The national authorities, with the Commission's collaboration, have carried out several inspections, the results of which are expected in 1992. The inquiry has been extended to Spain.

The inquiry has led the Commission to amend the legislation on inward processing arrangements¹, to regroup groats and meal of durum wheat and common wheat for tariff purposes (Regulation (EEC) No 3307/91²), to revise the quantities of meal eligible for export refunds and to simplify the procedure for checking ash content (Regulation (EEC) No 2849/91³).

Olive oil

The quality of olive oil in intervention storage

An inquiry held in Spain in 1989 to verify the quality of olive oil in Community intervention storage revealed that the quality of some of the oil analysed by two Community laboratories did not coincide with the quality declared on entry into storage.

1 See Commission Regulations (EEC) No 704/91 of 27 February 1991 (OJ No L 77, 23.3.1991) and No 2228/91 of 26 June 1991 (OJ No L 210, 31.7.1991).

2 Commission Regulation (EEC) No 3307/91 of 13 November 1991 amending Regulation (EEC) No 3846/87 establishing an agricultural products nomenclature for export refunds with regard to CN codes ex 1102 and ex 1103; OJ No L 313, 14.11.1991, p. 11.

3 Commission Regulation (EEC) No 2849/91 of 27 September 1991 amending Regulation (EEC) No 162/67 on the method of fixing the export refund on flour, groats and meal of wheat and rye; OJ No L 272, 28.9.1991, p. 62.

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Financial corrections were adopted in the context of the clearance of the 1989 accounts.

Meat

Variable slaughter premium for sheep and goats (clawback)

This file has already been the subject of a bilateral examination between the Commission and the United Kingdom. The inquiry has now reached the final stages. However, certain details are still awaited so that the Commission can reach the appropriate decision (see, in particular, the judgment of the Court of Justice concerning this sector).

Public storage of beef

Inspections were mainly concerned with the quality of the stored beef. Refrigerated storehouses and slaughterhouses in Ireland, Germany, Italy and the United Kingdom were inspected during 1990 and 1991, in the presence of a veterinary expert, in order to determine the quality and conformity of the meat bought into intervention. The proceedings are now at the stage of bilateral discussions with the Member States concerned. The Irish authorities have overhauled their control arrangements in this sector in response to the comments made by the EAGGF.

Private storage of beef

The inquiry was carried out in the three Member States most involved in this scheme, i.e. Germany, France and Ireland. It brought to light irregularities in Germany and Ireland. The appropriate financial corrections for these two Member States will be made during the clearance of the 1989 accounts.

Ewe premium

Following the inquiries in Spain and Greece in 1989, further checks were undertaken in the United Kingdom in 1990. These inquiries showed that national checks were inadequate and even nonexistent in some cases. The appropriate financial corrections for these three Member States will be made during the clearance of the 1989 accounts.

Withdrawal of pigmeat following the outbreak of swine fever in Belgium.

The Commission carried out a series of investigations in slaughterhouses, refrigerated storehouses and cutting plants to check on the quantity and quality of products and their origin.

Bilateral discussions between the Commission departments and the Member State concerned were held on the basis of the findings of the inquiry. An appropriate financial correction will be made during the clearance of accounts.

Exports of beef

Three inquiries were carried out to ensure that the product had actually been released for consumption in the third countries for which the refund had been requested. These inquiries involved the following countries, which were declared as the destination for the meat in question:

Roumania

On-the-spot verifications and documentary checks revealed no irregularities.

Mauritius

The inquiry revealed the undue payment of refunds. The Commission has initiated recovery procedures in the Member States concerned.

Zimbabwe and Zaïre

The Commission has undertaken recovery procedures in the Member States concerned. The steps to be taken will be decided on the basis of the results of these procedures.

Milk products

Placing in intervention of NIZO butter.

Until 1 July 1987, Regulation (EEC) No 985/68 required butter intended for intervention to be manufactured using sour cream.

Since a manufacturing process using sweet cream was widely used in the Netherlands, a large part of the butter bought into intervention between 1980 and 1 June 1987 was ineligible. However, since it was legally impossible for the EAGGF to alter the Commission's clearance decisions before an inquiry had been held, financial corrections could only be made for the 1987 budget year.

The inquiry carried out in France shows that since 1984 the French authorities had been using a system of checks (sampling and analysis of cream) making it possible to ensure that butter bought into intervention had been manufactured using sour cream.

Tobacco

The Commission has instructed a group of experts to carry out a study on the situation in the tobacco sector. On the basis of its findings, and the results of the inquiries carried out, the Commission has drawn up a draft Regulation which has already been submitted to the Council for adoption. The draft Regulation reforms the common organization of the market in tobacco.

6.4. Irregularities detected

These are notified quarterly to the Commission pursuant to Articles 3 and 5 of Regulation (EEC) No 595/91. Details of notifications in 1991 are given in Annex 20.

6.4.1. Irregularities detected and notified

The breakdown by Member State of the number of irregularities relating to ECU 4 000 or more and the financial implications for the EAGGF for the four quarters of 1991 are as follows:

(ECU million)

MEMBER STATE	B	D	DK	EL	ES	F	IRL	I	L	NL	P	UK	TOTAL
NUMBER OF CASES	24	41	24	14	64	101	10	56	0	93	16	131	574
AMOUNTS IN ECU MILLION	3,2	4,2	1,3	0,2	1,7	5,6	0,1	41,7	0	4,0	0,2	5,1	67,3
AMOUNTS RECOVERED IN ECU MIL.	0	0,1	1,1	0	0,3	2,3	0	1,4	0	0,7	0,1	1,2	7,2

574 cases were notified in 1991, of which 478 exceeded ECU 4 000. In 1990, 819 cases were notified, 355 of which exceeded the same threshold. With regard to the financial consequences, the 355 cases in 1990 amounted to ECU 137.9 million, while the 478 cases in 1991 totalled only ECU 67.18 million.

YEAR	NUMBER OF CASES > ECU 4 000	AMOUNT IN ECU MILLION
1990	355	137,09
1991	478	67,18

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In 1990, irregularities in three sectors involved considerable amounts: oils and fats (ECU 33.6 million), milk products (ECU 17.3 million) and beef/veal (ECU 28.9 million).

An analysis by sector of the cases notified in 1991 (see Annex 20) shows that the financial impact in these sectors is much smaller.

As was to be expected after the adoption of Regulation (EEC) No 595/91, the total number of cases has fallen and the number of cases representing more than ECU 4 000 has risen, although the amounts involved are substantially smaller.

It is not yet possible to draw broader conclusions from these statistics, but the Commission departments are following the trends closely.

6.5. Recovery of amounts wrongly paid out

As shown in Annex 20, there were recoveries in 198 cases, 34% of the total number notified during the 1991 financial year. The amount recovered was only 13% of the total amount to be recovered for the year. The reason for this is that, where the sums involved are large, operators normally explore all legal defences and the recovery procedure is generally suspended pending the outcome.

Annex 21 gives, for 1971-1991 inclusive, a breakdown of wrongly incurred expenditure and recoveries effected.

In view of the very large sums still to be recovered by the Member States and the extremely long time taken to do so, the Commission will introduce a measure to speed up recovery procedures in 1992.

6.6. Mutual information system

This arrangement, used by the Member States and Commission officials, has two aspects.

Under Article 4 of Regulation (EEC) No 595/91 information is rapidly circulated on irregularity cases where there is likely to be an effect outside the Member State of discovery or where a new fraudulent practice has appeared.

The notification of cases of irregularity between Member States and between the latter and the Commission as provided for in Article 4 of Regulation (EEC) No 595/91 is supplemented by information transmitted on the basis of Regulation (EEC) No 1468/81.

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The breakdown of cases from 1972 to 1989 is as follows:

YEAR	B	D	DK	EL	ES	F	IRL	I	L	NL	P	UK	COM	TOTAL
1972-1982	25	12	0	0	-	15	14	2	0	3	-	59	12	142
1983	4	0	0	3	-	1	3	0	0	0	-	2	0	13
1984	1	0	0	1	-	1	0	0	0	0	-	0	3	6
1985	1	1	0	1	-	1	0	0	0	0	-	1	2	7
1986	1	1	1	0	0	0	0	0	0	0	-	1	4	8
1987	0	0	0	0	0	0	0	0	0	3	0	0	7	10
1988	0	0	0	0	0	0	0	0	0	1	0	0	3	4
1989	0	0	1	0	1	1	0	0	0	2	0	1	0	6
1990	2	1	0	0	0	0	0	0	0	0	0	1	8	12
1991	1	0	0	0	0	0	0	0	0	0	0	1	3	5

6.7. Meetings of the EAGGF Irregularities and Mutual Assistance Group

These meetings, held pursuant to Article 8 of Regulation (EEC) No 595/91, bring together, with an EAGGF official in the chair, Commission officials and Member States' representatives responsible for control and investigation work. In 1991 three plenary meetings were held at which introduction of the new Regulations and procedures for the notification of irregularities were discussed. Numerous presumed or known irregularity cases were also discussed and the action to be taken in each case was considered.

There were also about 30 bilateral meetings with the Member States, at which many specific cases were examined.

6.8. Seminars

As part of the drive to modernize controls, the Commission organized a seminar for the Member States in June 1991 on mutual assistance and training in the prevention of fraud involving aid paid directly by the EAGGF Guarantee Section.

A number of matters were dealt with, ranging from checks on area-based aid, the outlook for remote sensing as a means of control, checks on premiums for cattle, sheep and goats and the identification and registration of animals.

Working groups were set up to discuss:

- (1) checks on direct aid in the livestock sector;
- (2) checks on area-based aid.

6.9. Application of the Regulation on retrospective checks

Council Regulation (EEC) No 4045/89 on retrospective checks¹ has been systematically monitored. The meetings of the competent group of experts focused on the following points:

- scrutiny of expenditure by means of the final statement for 1990 and the statement of advance payments for 1991. The 1990 budget amounted to ECU 6 080 million, of which ECU 4.3 million were allocated to expenditure on additional staff (Article 13), ECU 0.86 million on their training and ECU 0.92 million on computer equipment. Scrutiny of the final statements of expenditure in 1990 by Member States, submitted to the Commission on 15 May 1992, shows overall underconsumption of the appropriations made available to the national authorities.

The average take-up rate is 41% and ranges from 0% for Greece to 97% for Denmark. Although this underconsumption is partly due to the delayed entry into force of implementing Regulation (EEC) No 1863/90, which was not adopted until 29 June 1990, the Member States' attention was drawn to the consequences of this underconsumption for the fight against fraud. The final statements of expenditure in 1991, which will be submitted from 15 May 1992 onwards, will give the Commission information on progress in actual consumption.

- Communications pursuant to Article 7, on mutual assistance by the Member States. Standard forms were drawn up.
- Inspection programmes pursuant to Article 10, for the periods from 1 July 1990 to 30 June 1991 and from 1 July 1991 to 30 June 1992. The differences in presentation and quantity of information for the first period were stressed; presentation sheets were drawn up to remedy the problem. The following table shows the retrospective checks envisaged by the Member States for the second period:

¹ Council Regulation (EEC) No 4045/89 of 21 December 1989 on scrutiny by Member States of transactions forming part of the system of financing by the Guarantee Section of the European Agricultural Guidance and Guarantee Fund and repealing Directive 77/435/EEC (OJ No L 338, 30.12.1989) and its implementing Regulation, Commission Regulation (EEC) No 1863/90 of 29 June 1990 (OJ No L 170, 3.7.1990).

Undertakings to be checked

	Number of checks to be made	Category		
		>ECU 200 000	>ECU 10 000 and <200 000	<ECU 10 000
B	241	168	73	-
D	1137	474	569	94
DK	342	126	117	99
EL	310	270	40	-
ES	468	251	216	1
F	1092	652	440	-
IRL	110	69	41	-
I	1466	1184	282	-
L	4	3	1	-
NL	298	192	106	-
P	45	35	10	-
UK	638	440	196	2
TOTAL	6151	3864	2091	196
%	100	63	34	3

Compliance with the rules on the minimum number of checks to be carried out pursuant to Regulation (EEC) No 4045/89 has been satisfactory. Member States' inspection programmes envisage checks on a total of 6 151 undertakings, i.e. 24% more than the minimum required.

6.10. Control agencies for olive oil

Pursuant to Council Regulation (EEC) No 2262/84¹ and Commission Regulation (EEC) No 27/85², control agencies for olive oil were set up in four producer Member States: Italy, Greece, Spain and Portugal (see 18th Financial Report on the EAGGF, pages 53-54).

Following the adoption of Council Regulation (EEC) No 200/90³ and a request by the Commission dated 4 July 1990, the agencies are now entrusted, in addition to checks relating to production aid, with checks relating to consumption aid and to the buying-in and storage of olive oil by the intervention agencies.

All four agencies carried out checks on consumption aid during 1990/91.

1 OJ No L 208, 3.8.1984.

2 OJ No L 4, 5.1.1985.

3 OJ No L 22, 27.1.1990.

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During 1991, the Commission submitted to the Council a proposal for a Regulation adopting the method for financing expenditure incurred by the agencies from the 1992/93 marketing year. The proposal also extends the range of tasks entrusted to the control agencies, to include all olive oil measures except export refunds.

The four agencies performed their supervisory activities in accordance with their activity programmes and the forecast budget for 1990/91, approved by the authorities of the Member States and the Commission.

In Italy the agency continued to carry out checks during the 1990/91 marketing year. During the year it carried out checks on 383 approved mills, three associations of recognized producers' organizations, 15 recognized producers' organizations, 1 560 olive growers and 653 approved packaging undertakings and took part in determining the yields in 284 communes.

Since it began its checks relating to production aid, the agency has carried out checks on 2 743 approved mills (out of nearly 6 000) and all six associations of recognized producers' organizations (several times), it has carried out 321 checks on the 187 recognized producers' organizations and checked more than 29 000 olive growers (out of a total of 1 300 000). It took part in determining the yields in 1 066 communes (out of 4 000).

The agency continued to carry out checks relating to consumption aid, which it started during 1988/89: since that date, it has made a total of 1 488 checks on the 641 approved packaging undertakings.

As a result of these checks, the agency has proposed the withdrawal of approval/recognition from 357 mills and producers' organizations (12% of the mills and 8% of the recognized producers' organizations checked), made over 9 000 proposals with financial implications for olive growers (31% of the olive growers checked), 43 proposals for the withdrawal of approval from packaging undertakings (6.7% of existing undertakings), as well as proposals for the recovery of consumption aid paid to 165 packaging undertakings.

In Greece the agency continued its work during the 1990/91 marketing year. During the year it carried out checks on 422 approved mills, the only association of recognized producers' organizations, 36 recognized producers' organizations, more than 8 400 olive growers, 241 approved packaging undertakings and took part in determining yields.

Since beginning operations relating to production aid, it has carried out over 1 666 checks on approved mills (total 3 000), inspected the only association of producers' organizations on four occasions, carried out 264 checks on recognized producers' organizations (total 78) and over 88 500 checks (including 1 600 in the field) concerning olive growers (total number 538 000). It has taken part in the determining of yields in 133 of the 232 homogenous production zones.

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It carried out inspections relating to consumption aid for the first time: it has inspected 190 approved packaging undertakings which had submitted applications for aid (total 206 existing undertakings).

As a result of its inspections, the agency has put forward a total of 264 proposals for penalties against approved mills, 197 of which were proposals for withdrawal of approval (11.7% of the mills checked) and 128 proposals for penalties against recognized producers' organizations. It has proposed financial corrections to applications for consumption aid submitted by 67 packaging undertakings.

In Portugal the agency continued its work during the 1990/91 marketing year. It inspected 61 approved mills (and, at the Commission's request, visited more than 2 000 mills likely to be approved), 18 recognized producers' organizations, 221 olive growers who are members of organizations and 346 who are not, examined yields in five areas and inspected 53 approved packaging undertakings.

Since commencing operations relating to production aid, the agency has carried out a total of 212 checks on approved mills (100%) and 157 checks on recognized producers' organizations (total number 61). It has inspected more than 1 700 growers in the field, both members of organizations and independent (out of a total of 80 400) and taken part in determining yields in 7 of the 24 areas.

The agency carried out inspections relating to consumption aid for the first time: it has inspected 53 approved packaging undertakings (all of the undertakings approved during this marketing year).

As a result of its checks on olive growers during the year in question, the agency found irregularities in the case of almost 300 olive growers. As in previous years, it notified its findings to the INGA for financial correction to the amounts of production aid. It also proposed withdrawal of recognition from one producers' organization and penalties against two approved packaging undertakings.

In Spain, during 1990/91 the agency further increased its inspection staff, without yet reaching full strength (it currently employs 75 people, 41 of whom are directly involved in inspections) and stepped up its inspection activities. It has inspected 797 approved mills, two associations of producers' organizations, 49 recognized producers' organizations, 377 olive growers belonging to organizations and 533 who do not. It has also determined yields by means of a sample of 232 mills and inspected 350 approved packaging undertakings.

Since beginning operations relating to production aid, the agency has carried out a total of 975 checks on approved mills (from a total of almost 2 000), inspected the two recognized associations on several occasions, carried out 146 checks on the 74 recognized producers' organizations and field checks on more than 2 500 growers (from a total of 317 000). It has taken part in the determination of olive yields in 75 of the 133 production areas and oil yields in more than 300 mills.

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The agency carried out inspections relating to consumption aid for the first time: it has inspected all of the 350 approved packaging undertakings which had submitted aid applications.

As a result of these inspections, the agency put forward proposals for withdrawal of approval from two mills and withdrawal of recognition from two producers' organizations and 115 proposals for penalties against olive growers. It proposed financial corrections to applications for consumption aid submitted by 76 approved packaging undertakings.

6.11. Community control body in the wine sector

Basic Regulation: Council Regulation (EEC) No 2048/89 of 19 June 1989 laying down general rules on controls in the wine sector¹ provides for the creation of a body of specific officials whose task is to collaborate with the competent authorities of the Member States in on-the-spot checks in order to ensure the uniform application of the rules in the wine sector.

Eight officials assumed their functions between May and October 1991. They were mostly recruited from the inspection authorities of the producer countries.

Activities in 1991: The control body's first act was to ask each Member State to designate a single liaison authority. Only one Member State has not yet officially done so.

At 31 December 1991 the Community control body had carried out 29 visits in the 12 Member States.

There are two types of visit:

- liaison visits (12): in their first visits, the Commission officials visited the liaison authority in each Member State and, in some cases, other competent authorities, for the purpose of gathering information and general planning;
- inspection visits (17): these operations began in the producer countries during harvesting and were continued in those countries.

An investigation file was opened on each case (29 files at 31 December 1991).

Some of the visits made by specific agents were focused on verifying the information contained in these files.

However, most of the visits were planned around the points listed in the Annex to Regulation (EEC) No 2048/89. It is intended to carry out at least one inspection visit in each of the Member States concerned for each point in order to compare how the Community rules are applied in each Member State.

¹ OJ No L 202, 14.7.1989, p. 32.

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The areas common to first inspection visits were enriching practices (compliance with minimum strength by volume, prior notification, keeping of registers), yields and labelling of wine.

Application of Community rules: the inspection visits to Member States revealed, if not irregularities, then at least differences in interpretation and application from country to country:

- Enriching: [Regulations (EEC) No 822/87¹ and No 2240/89²]: one Member State is not obliging producers to notify prior to enriching operations as required by the rules.
- Limits on yields for quality wines psr [Regulation (EEC) No 832/87³]: the quality objective sought by the Commission is not taken into account by the national rules in several Member States, which set excessively high ceilings and provide for the possibility of disposing of excess production on the wine market.
- The keeping of registers [Regulation (EEC) No 986/89⁴]: operators are not yet using several of the compulsory registers in two countries. The time limits laid down for entry in the registers vary greatly from one country to another.
- Designation and presentation of products [Regulations (EEC) No 2392/89⁵ and No 3201/90⁶]: many cases of irregular labelling were found in the different countries during visits, and other cases were reported by the Member States.
- illegal oenological practices: allegations concern wine and concentrated must of Community origin imported into another Member State.
Differences in opinion between competent bodies mean that an arbitrating laboratory must be designated, databases must be strengthened and analysis methods used in the Member States must be harmonized.

6.12. Remote sensing

Following the experiment undertaken in 1990 concerning durum wheat, the Commission has proposed to the Member States that a check on individual files of aid applications using remote sensing be jointly organized. Durum wheat, cotton, set-aside and vine grubbing have been selected for this experiment, in four areas situated in Spain, France, Greece and Italy, respectively, covering a total of 38 000 km². The EAGGF will finance the operation.

1 OJ No L 84, 27. 3.1987.
 2 OJ No L 215, 26. 7.1989.
 3 OJ No L 84, 27. 3.1987.
 4 OJ No L 106, 18. 4.1989.
 5 OJ No L 232, 9. 8.1989.
 6 OJ No L 309, 8.11.1990.

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The exercise involves photo-interpretation on a computer screen of images of the same area on different dates, selected on the basis of the growing cycle of the crops being monitored. These are checked against the results of sample surveys taken on the ground. The cadastral boundaries (or equivalent references) of the declared plots are superimposed on the images.

Using photo-interpretation to determine both area and land use, the plots, and then the entire holdings are individually classified into three categories: accepted, rejected or doubtful. In the two latter cases, the expert's opinion must be confirmed on the ground by officials from the national authorities, who will have received from the contract holder the photo-interpretation images. Aid can be legally granted and refused only on the basis of the report by the national official.

This work is therefore an intermediate stage between the traditional steps carried out by the Member State: upstream in administrative verification of dossiers and downstream in on-the-spot checks. This new stage is designed to improve the efficacy of inspection visits by concentrating them on dossiers which have been established as doubtful beforehand. In 1991 these visits represented:

- about 2 600 inspected holdings, i.e. 3.6% of the total;
- about 15 000 plots located on cadastral maps and photo-interpreted;
- total expenditure of around ECU 778 000, or 0.22% of the estimated aid paid by the EAGGF in the sectors concerned and areas selected (ECU 300 per holding).

The results show that, despite difficult working conditions in 1991, at least two thirds of dossiers can be withdrawn from the list for on-the-spot checks, since photo-interpretation shows, with only a 7% margin of error, that they are admissible. Using photo-interpretation about four fifths of inadmissible applications can be concentrated on only 14% of dossiers.

The method used, which the Member States found highly disconcerting in 1991, seems much more acceptable in 1992, as a result of the experience already gained, and particularly because the Commission now has a solid legal basis for action; remote sensing has become an official means for checking aid for temporary set-aside and oilseeds.

TITLE IV

ACCOUNTS CLEARANCE

7. Verification of EAGGF Guarantee Section expenditure and clearance procedure

7.1. 1989

This clearance of accounts covered claimed expenditure of ECU 25 888 million. The official Commission decision on the acceptance of the expenditure is expected during 1992. The inspection visits and the written and oral phases of the dialogue with the Member States have been completed.

The EAGGF worked in close cooperation, during the various stages of the procedure, with the Legal Service and the Directorate-General for Financial Control. The latter took part in several inspection visits.

The proposed financial corrections are based on the Commission Decision of 20 December 1985 on the criteria to be applied and concern cases of formal and substantive failure to observe Community law, the granting of illegal aids by Member States and infringements with regard to the clearance of accounts.

7.2. 1990

Expenditure claimed by the Member States totalled ECU 26 391 million. The dates on which the figures for 1990 were communicated to the EAGGF are given in Table 17. Member States subsequently sent numerous corrections.

The inspection visits were completed on 30 April 1992.

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TABLE 17

MEMBER STATE	SUBMISSION OF FIRST CLEARANCE CLAIM	
	DATE (Deadline : 31.3.91) under Community law	1990
		AMOUNT (National currency)
Belgium	22.04.1991	BFR 36.059.618.074,00
Denmark	23.04.1991	DKR 8.873.891.435,98
Germany	15.04.1991	DM 9.442.894.164,93
Greece	29.04.1991	DRA 375.713.512.722,00
Spain	27.05.1991	PTA 277.982.315.185,00
France	15.07.1991	FF 35.969.122.771,86
Ireland	17.05.1991	IRL 1.285.174.312,84
Italy	07.06.1991	LIT 6.370.613.428.380,00
Luxembourg	27.05.1991	LFR 190.346.362,00
Netherlands	22.04.1991	HFL 6.650.953.782,54
Portugal	30.04.1991	ESC 38.364.410.453,00
United Kingdom	15.04.1991	UKL 1.409.908.450,26

In 1990 further systems audits were carried out. The full list is given in Table 18. In addition, in respect of export refunds, the EAGGF continued its examination of the systems applied by the customs authorities as regards the certification of the quantity and composition of goods exported. The audits carried out in Belgium, Ireland and the United Kingdom were studied.

In a departure from current practice, the EAGGF made use of approved, private economic and financial accounting firms for the audit of some paying agencies. Four audit firms, selected after a restricted invitation to tender, each carried out checks on a paying agency in collaboration with EAGGF staff.

TABLE 18

<u>Measures which were subject to a systems audit for the first time in 1991</u>		
<u>Budget Article</u>	<u>Measures</u>	<u>Member States</u>
1011-4	Public storage - cereals	Denmark, Germany France
1020	Production aid for durum wheat	Greece
1030	Co-responsibility levy	Italy
1031	Aid to small producers	Italy
1032	Additional co-responsibility levy	Italy
1033	Reimbursement of co-responsibility levy	Italy
1041	Intervention for rice	Italy
1110	Reimbursement of storage costs	Belgium
1210	Olive oil production aid	Portugal
1260	Aid for colza and rape seed	Belgium, Germany, France, Italy, United Kingdom
1261	Aid for sunflower seed	Belgium, Germany, France, Portugal, United Kingdom
1300	Aid for peas and field beans	Netherlands
1310	Aid for dried fodder	Netherlands
1501	Financial compensation for buying-in	France
1503	Financial compensation: processing of citrus fruits	Greece, Portugal
1610	Storage of wine and grape must	Greece
1611	Distillation of wine	Germany, Greece, Spain, France, Italy
1612	Distillation of the by-products of wine-making	Spain, France
1710	Premiums for tobacco	Belgium, Greece, France
1720-3	Storage of tobacco	Greece
2020	Aid for skimmed-milk powder	Germany
2021	Aid for liquid skimmed milk	Germany
2034	Depreciation of butter stocks	Germany
2049	Other measures for butter	Germany
2066	Premium for definitive cessation of milk production	Germany, Spain
2067	Compensation for temporary suspension of quotas	Germany, Spain
2070	Linear levy (milk)	Spain
2071	Additional levy (milk)	Belgium, Denmark Germany, Spain France, Ireland Italy, Luxembourg Netherlands, UK
2120	Premiums for suckler cows	Greece, Spain United Kingdom
2121	Special premium for steers	Germany, Greece, Spain, Netherlands
2220	Ewe premium	France, Ireland Italy, Netherlands

7.3 Financial audits of paying agencies (systems audits)

During 1991 the EAGGF performed two audits of the financial systems in the Member States: one in Belgium and one in Denmark. The EAGGF made use of the assistance of outside audit firms but retained full responsibility for the audits.

The main reason why only two audits were performed was the fact that the EAGGF was still developing the direction and the content of the financial audits. Besides this, there were too few staff available to supervise them.

Apart from giving the EAGGF a degree of assurance on the reliability of claims, the above-mentioned audits made clear the following points:

- The reports presented on the financial audits (audit reports, flowcharts, recommendations) provide constructive recommendations on improvements to the financial systems in the paying agencies. The EAGGF expects therefore that these audits will have a great preventative effect on the effectiveness of systems.
- The reports will also provide essential basic information to auditors of the Member States and of the EAGGF who are responsible for market orientated audits.
- The private auditors recruited for a financial audit in a Member State have a good knowledge about the specific working situation in that Member state. This will improve the quality of recommendations.

Given the need to reduce the habitual delay in the clearance decision and that the present staff resources of the EAGGF are insufficient, and taking into account the knowledge and experience available to external auditors on financial systems, it is planned to extend the use of such external auditors.

For the clearance of 1991 EAGGF expenditure, financial audits are planned for 10 of the 44 paying agencies. These 10 agencies account for 50% of total EAGGF expenditure.

During the audits, attention will be paid to aspects such as the financial systems, internal control procedures, the way in which claims are prepared and the quality of filing systems and databases. As a result of these activities, recommendations can then be made for improving systems.

7.4 Appeals against accounts clearance decisions
Judgments of the Court of Justice

Since the 20th Financial Report for the 1990 budget year was drafted, the following judgments have been handed down in cases of appeals by Member States against clearance decisions for the 1988 and 1989 accounting years:

- Judgment of 11 October 1990 (Case C-34/89) concerning production aid for olive oil in Italy: the Court rejected the Member State's appeal.
- Judgment of 13 December 1990 (Case C-22/89) concerning the public storage of butter in the Netherlands: the Member State's appeal was rejected.
- Judgment of 19 February 1991 (Case C-281-89) concerning the cost of denaturing cereals in Italy: the Member State's appeal was rejected.
- Judgment of 21 February 1991 (Case C-28/89) concerning public storage of skimmed-milk powder and butter and export refunds for wheat starch in Germany: the Member State's appeal was rejected.
- Judgment of 19 March 1991 (Case C-32/89) concerning export refunds and MCAs in the cereals sector, the transfer of 65 000 tonnes of durum wheat under intervention, private storage of cheese and the sale of dried grapes held by public storage agencies in Greece: the appeal was rejected.
- Judgment of 8 January 1992 (Case C-197/90) concerning Decision 90/687/EEC amending Decision 89/627/EEC on the clearance of the accounts for processing aid for skimmed-milk powder and consumption aid for olive oil in Italy: the Member State's appeal was rejected.

Proceedings under way at 14 February 1992

The proceedings under way at 14 February 1992 and the sums concerned are listed in Table 19.

For each Member State lodging an appeal against accounts clearance decisions the Table includes:

- the amount of financial corrections involved and
- the amount of financial corrections relating to the case made during subsequent accounts clearances.

In the latter case, the Commission has undertaken to re-examine the refusal to grant financing when a judgment is handed down. This should ensure that the number of appeals relating to identical cases does not get out of hand. It does not only apply to the Member State lodging the appeal, to the corresponding expenditure and to similar, subsequent expenditure but also to all other Member States in the same position.

TABLE 19**Appeals filed against the 1988 clearance of accounts decision**

(Situation at 14.2.1992)

CASE NUMBER	MEMBER STATE	EXPENDITURE CONCERNED	REFERENCE IN SUMMARY REPORT Document VI/220/90-Final of 23.11.1990	AMOUNT IN QUESTION (in national currency)
				1988
C-48/91	NL	1. Cereals - co-responsibility levy not charged	4.2. 2.2.	708.540,00
C-53/91	NL	1. Refunds - insufficient physical checks	4.1.13.	125.403.941,00
C-54/91	Germany	1. Export refunds		
		- insufficient physical checks	4.1.13.	27.510.204,00
		- export declarations submitted late	4.1. 3.3.	18.037.338,00
		- lack of customs control before the initiation of financing procedures	4.1. 3.6.	7.295.236,38
		- quantitative losses	4.1. 3.4.	584,43
		- acceptance of export declarations by customs after goods loaded	4.1. 3.5.	262.248,64
		- quantity exported charged on basis of tolerance margin not authorized	4.1. 3.2.	104.909,63
		- goods not qualifying for refund	4.1. 3.1.	27.321,71
		2. Production refunds for starch - Non-observance of checking procedures	4.2. 4.1.	5.807.619,24
		3. Refunds for the use of sugar in the chemical industry - non-observance of checking procedures	4.5. 1.4.	392.741,52

TABLE 19 (Continued 1)

Appeals filed against the 1988 clearance of accounts decision
(situation at 14.2.1992)

CASE NUMBER	MEMBER STATE	EXPENDITURE CONCERNED	REFERENCE IN SUMMARY REPORT Document VI/220/90- Final of 23.11.1990	AMOUNT IN QUESTION (in national currency)
				1988
C-55/91	Italy	1. Non-payment of supplementary milk levy	4.3.10.3.	46.253.180.000,00
		2. Premiums for sheepmeat and goatmeat producers - absence of supporting documents	4.6. 7.5.	53.438.771.788,00
		3. Public storage of tobacco - tobacco not meeting minimum quality characteristics	4.9. 2.1.	719.977.199,00
		- revision of buying-in price	4.9. 2.3.	1.554.528.324,00
		4. Olive oil in intervention not corresponding to required quality characteristics	5.1.	60.808.737.217,00
		5. Aid for soya processing - insufficient checks	5.3.	38.034.266.760,00
		6. Aid for the production of durum wheat - insufficient checks	5.4.	67.501.305.800,00

TABLE 19 (Continued 2)**Appeals filed against the 1988 clearance of accounts decision**
(situation at 14.2.1992)

CASE NUMBER	MEMBER STATE	EXPENDITURE CONCERNED	REFERENCE IN SUMMARY REPORT Document VI/220/90- Final of 23.11.1990	AMOUNT IN QUESTION (in national currency)
				1988
C-56/91	Greece	1. Refunds cereals sector - illegal national aid	4.1. 4.1.	869.296.279,00
		2. Co-responsibility levy on cereals not collected	4.2. 2.2.	215.156.000,00
		3. Public storage of beef	4.6. 2.9.	245.233,00
		4. Milk sector - security not obtained	4.3. 7.2.	316.980,00
		5. Public storage of tobacco - Revision of intervention price	4.9. 2.2.	511.862.586,00
		- Tobacco not meeting minimum quality characteristics	4.9. 2.4.	528.931.426,00
		6. Contesting of financial consequences of Court judgments in Cases 259/87 et 334/87	6.1.	p.m.
C-59/91	France	Refunds - insufficient physical checks	4.1.13.	547.383.456,00

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- 7.5. In its decision on the clearance of the 1988 accounts, the Commission decided to give responsibility for verification of the clearance procedure to an internal working party. In view of the number of problems involved and the various ideas regarding the division between the Member States and the Commission of the tasks involved in the verification of the regularity of measures financed by the EAGGF, the working party will probably not present its conclusions before June 1992.

TITLE V

CLEARANCE OF ACCOUNTS IN RESPECT OF COMMUNITY FOOD AID
FOR PRODUCTS SUBJECT TO EEC MARKET ORGANIZATION

8.1. Reform of the system of financing Community food aid

This reform came into force on 1 July 1987. From that date, the mobilization and financing of Community food aid has taken place in accordance with Commission Regulation (EEC) No 2200/87 of 8 July 1987 laying down general rules for the mobilization in the Community of products to be supplied as Community food aid¹, based on Council Regulation (EEC) No 3972/86 on food-aid policy and food-aid management².

Financing pursuant to the abovementioned Regulation (EEC) No 2200/87 is therefore carried out directly by the Commission and not via the Member States.

Financial and budgetary management is now the responsibility of the Directorate-General for Development, which also makes payment to entitled parties.

The EAGGF Guarantee Section remains responsible for clearance of the accounts of expenditure by the Member States and for payment and recovery of any amounts outstanding from operations covered by the old system.

8.2. Accounts clearance

Preparatory work on the clearance for 1984, 1985, 1986 and 1987 continued in 1991. The Commission took the decision relating to the clearance of these accounts in March 1992.

A number of reservations were made when the accounts of previous years were cleared in 1984. They are given in annexes to the decisions published in the Official Journal of the European Communities. The opportunity is taken in this Report of listing below the reservations still outstanding after clearance of the 1983 accounts.

After the completion of preparatory work for the clearance of the accounts for the 1984-87 financial years, however, the only reservations still outstanding will be those relating to cases still being processed by the Court.

1 OJ No L 204 of 25. 7.1987.

2 OJ No L 370 of 30.12.1986.

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TABLE 20

List of reservations still outstanding after the clearance
of the 1983 accounts

MEMBER STATE	YEAR	AMOUNT
<u>Belgium</u>		
R. 2269/76 - Zambia *	1978	BFR 15.809.835
R. 2494/79 - Egypt *	1980	DM 16.532
R. 2936/81 - China	1982	BFR 6.374.970
R. 2936/81 - China	1982	BFR 7.685.613
R. 93/82 - Djibouti	1982	BFR 14.080.665
R. 3611/81 - ICRC	1982	BFR 1.667.050
R. 2600/81 - Somalia *	1983	BFR 1.269.659
<u>Germany</u>		
R. 588/81 - Ethiopia *	1981	security
R. 1644/81 - Guinea *	1981	security
R. 812/82 - Burundi *	1982	DM 132.720,48
R. 2831/83 - ICRC/UNRWA consignments K, Q, R and S *	1983	securities provided for in Art. 26(5) of R. 1354/83
<u>France</u>	1982 *	Butteroil - general reservation for comparison of inter- vention value with the Guarantee Section
R. 2186/82 - Zaïre *	1982	DM 181.308,18
R. 298/83 - Guinea Bissau*	1983	FF 31.535
R. 1530/83 - WFP/Morocco *	1983	investigation
R. 2433/83 - Tunisia *	1983	investigation
R. 2434/83 - Tunisia *	1983	investigation
R. 1630/82 - UNHCR *	1983	FF 743.476,80
R. 2779/83 - Egypt	1983	FF 447.866,88
R. 1611/83 - Mozambique *	1983	problem of general quality
<u>Italy</u>		
Dec. 76/748 rice/Niger	1976	case before the Court
<u>United Kingdom</u>		
R. 30/83 - Nicaragua *	1983	expenditure claimed
R. 516/83 - ICRC/Nicaragua*	1983	idem

* A proposal will be made for the withdrawal of these reservations under the clearance procedure currently under way.

ANNEX 1SUMMARY OF IMPLEMENTATION FOR 1991A. 1991 APPROPRIATIONS

APPROPRIATIONS	ECU million	IMPLEMENTATION	ECU million
1. Original appropriations under Chapter B0.10	810,000	<u>COMMITMENTS</u>	
2. Original appropriations under Titles B1.1, 2, 3, 5 *	32.319,000	1. Appropriations available	34.334,000
3. Original appropriations under Title B1.4	100,000	2. Sum not committed (= 1-5)	- 1.867,385
4. Original appropriations under Chapter B2.90 (Guarantee Section)	27,000	3. Total EAGGF Guarantee commitments (including 601,551 in appropriations carried over non-automatically)	32.472,197
5. Transfer of appropriations	92,500	4. Amount committed under Title 7	- 5,582
Total appropriations for 1991	33.348,500	5. Amount committed under EAGGF Guarantee	32.466,615
6. Total appropriations carried over from 1990 (non-automatic)	685,500		
Total appropriations for Guarantee Section	34.034,000	<u>PAYMENTS</u>	
7. Original appropriations under B2.50 (Guidance Section according to Guarantee Section financing rules)	300,000	1. Sums committed in detail	32.466,615
		2. Payments on commitments, in detail (including 581,890 in appropriations carried over non-automatically)	32.422,823
		3. Amount committed to be carried over automatically	24,146
		4. Appropriations to be carried over (non-automatic)	166,000
		5. Lapsed appropriations (including 970,000 from the monetary reserve and 103,595 in appropriations carried over (non-automatic))	1.721,031
TOTAL OF 1991 APPROPRIATIONS	34.334,000		
(* Including Monetary reserve : 1.000.000)			

B. APPROPRIATIONS CARRIED OVER

APPROPRIATIONS	ECU million	IMPLEMENTATION	ECU million
Appropriations carried over automatically	11,026	1. Commitments carried over from the previous financial year	11,026
		2. Payments on commitments carried over	4,685
		3. Lapsed appropriations carried over	6,341

ANNEX 2

EAGGF GUARANTEE
EXPENDITURE CHARGED AGAINST THE 1991 BUDGET (ECU MILLION)

1.

		BELGIQUE	DANMARK	DEUTSCHLAND	ELLAS	ESPAÑA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNIT.KINGD	COMMUNITY	TOTALS
B00-100	REPAYMENT TO M.S.OF COSTS FOR DEPRECIAT. OF STOCKS OF AGRICULTURAL PRODUCTS	----	----	----	----	----	----	----	----	----	----	----	----	----	----
B00-101	REPAYMENT TO M.S.OF COSTS UNDER SPECIF. MEASURES OF BUTTER FROM PUBLIC STOCKS	12,497	4,155	252,905	----	8,185	63,237	101,460	5,665	----	211,621	----	137,626	----	797,350
B00-10	REPAYM.TO M.S.OF COSTS DEPREC.OF STOCKS & SPECIF.MEAS.BUTTER FROM PUBLIC STOCKS	12,497	4,155	252,905	----	8,185	63,237	101,460	5,665	----	211,621	----	137,626	----	797,350
B00-1	REPAYMENTS AND REFUNDS TO MEMBER STATES	12,497	4,155	252,905	----	8,185	63,237	101,460	5,665	----	211,621	----	137,626	----	797,350
B00	REPAYMENTS, GUARANTEES, RESERVES	12,497	4,155	252,905	----	8,185	63,237	101,460	5,665	----	211,621	----	137,626	----	797,350

EAGGF GUARANTEE
EXPENDITURE CHARGED AGAINST THE 1991 BUDGET (ECU MILLION)

2.

		BELGIQUE	DANMARK	DEUTSCHLAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNIT.KINGD	COMMUNITY	TOTALS
B01-1000	REFUNDS ON COMMON WHEAT GRAIN AND FLOUR	97,463	95,655	133,878	4,224	6,870	1.149,564	-----	91,995	-----	142,601	4,248	67,794	-----	1.794,293
B01-1001	REFUNDS ON BARLEY GRAIN AND MALT	165,969	48,375	115,074	0,038	103,026	385,347	6,004	0,042	-----	104,738	-----	99,849	-----	1.028,461
B01-1002	REFUNDS ON DURUM WHEAT AND ON DURUM WHEAT FLOUR, GROATS AND MEAL	-----	-----	0,860	15,775	52,626	86,110	-----	236,000	-----	0,001	-----	0,001	-----	391,372
B01-1003	REFUNDS ON OTHER CEREALS	24,689	17,234	106,545	2,872	4,527	76,227	0,791	67,783	-----	80,557	0,106	6,090	-----	387,420
B01-100	REFUNDS ON CEREALS	288,121	161,264	356,356	22,908	167,049	1.697,248	6,796	395,820	-----	327,897	4,354	173,735	-----	3.601,547
B01-1010	CARRYOVER PAYMENTS	-----	-----	-----	-----	-----	-----	-----	0,008	-----	-----	-----	-----	-----	0,008
B01-1011	TECHNICAL COSTS OF PUBLIC STORAGE	2,188	14,599	170,018	10,302	29,088	117,218	1,446	26,647	0,015	0,159	0,114	11,945	-----	383,738
B01-1012	FINANCIAL COSTS OF PUBLIC STORAGE	0,657	5,037	48,198	0,466	8,971	28,743	0,465	13,903	0,004	0,048	-----	3,395	-----	109,886
B01-1013	OTHER PUBLIC INTERVENTION STORAGE COSTS	-15,125	-9,869	-58,654	-18,278	-56,968	-179,318	-2,613	-22,755	-0,180	-1,684	-0,421	-8,525	-----	-374,392
B01-1014	DEPRECIATION OF STOCKS	7,714	51,810	468,058	73,551	79,423	347,770	9,949	241,797	-----	0,738	5,549	13,829	-----	1.300,189
B01-1019	OTHER INTERVENTION STORAGE	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
B01-101	INTERVENTION STORAGE OF CEREALS	-4,566	61,576	627,620	66,041	60,513	314,412	9,247	259,600	-0,161	-0,739	5,243	20,644	-----	1.419,429
B01-1020	PRODUCTION AID FOR DURUM WHEAT	-----	-----	-----	157,512	30,483	24,661	-----	297,685	-----	-----	5,788	-----	-----	516,128
B01-1021	PRODUCTION REFUNDS FOR POTATO STARCH	-----	3,839	9,112	-----	0,044	4,783	-----	0,453	-----	12,160	-----	8,145	-----	38,535
B01-1022	OTHER PRODUCTION REFUNDS	11,534	12,785	88,513	1,020	23,160	101,235	1,812	31,076	-----	73,917	0,352	35,160	-----	380,564
B01-1023	PREMIUM FOR INCORPORATION OF CEREALS IN FEED	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
B01-1029	OTHER INTERVENTION	-----	-----	-0,006	-----	0,025	-----	-----	-----	-----	-----	6,840	-----	-----	6,859

EAGGF GUARANTEE
EXPENDITURE CHARGED AGAINST THE 1991 BUDGET (ECU MILLION)

3.

		BELGIQUE	DANMARK	DEUTSCHLAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNIT. KINGD	COMMUNITY	TOTALS
B01-102	INTERVENTION, OTHER THAN STORAGE, OF CEREALS	11,533	16,624	97,619	158,532	53,711	130,678	1,812	329,214	-----	86,077	12,980	43,305	-----	942,086
B01-1030	CORESPONSIBILITY LEVY	-9,707	-33,604	-101,192	-7,689	-43,345	-266,657	-7,885	-41,933	-0,515	-7,645	-----	-111,178	-----	-631,350
B01-1031	AID TO SMALL PRODUCERS	1,586	2,285	13,148	-----	-----	18,485	0,804	-----	0,134	0,853	-----	1,401	-----	38,696
B01-1032	ADDITIONAL CORESPONSIBILITY LEVY	-4,820	-16,772	-49,931	0,003	-15,728	-124,254	-3,966	-20,241	-0,189	-3,809	-----	-54,976	-----	-294,683
B01-1033	REIMBURSEMENT OF THE ADDITIONAL CORESPONSIBILITY LEVY	-----	-0,002	-0,025	-----	1,378	-----	-----	0,106	-----	-----	-----	0,247	-----	1,705
B01-103	CORESPONSIBILITY LEVY AND AID TO SMALL PRODUCERS	-12,942	-48,093	-137,999	-7,686	-57,695	-372,426	-11,047	-62,068	-0,570	-10,601	-----	-164,506	-----	-885,632
B01-1040	REFUNDS ON RICE	-----	0,045	0,104	0,494	1,761	0,232	-----	74,410	-----	0,248	0,463	0,064	-----	77,820
B01-1041	INTERVENTION FOR RICE	0,016	-----	-----	0,637	16,698	1,390	-----	15,443	-----	0,001	-0,101	-----	-----	34,086
B01-1042	OTHER INTERVENTION	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
B01-104	RICE	0,016	0,045	0,104	1,131	18,459	1,622	-----	89,853	-----	0,249	0,362	0,064	-----	111,905
B01-10	CEREALS AND RICE	282,163	191,416	943,700	240,926	242,038	1.771,534	6,808	1.012,419	-0,731	402,883	22,939	73,241	-----	5.189,336

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EXPENDITURE CHARGED AGAINST THE 1991 BUDGET (ECU MILLION)

4.

		BELGIQUE	DANMARK	DEUTSCHLAND	ELLAS	ESPAÑA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNIT.KINGD	COMMUNITY	TOTALS
B01-110	REFUNDS ON SUGAR AND ISOGLUCOSE	311,571	48,887	297,413	0,138	23,050	380,527	0,004	40,098	-----	95,735	0,010	53,746	-----	1.251,178
B01-1110	REIMBURSEMENT OF STORAGE COSTS	31,703	15,212	101,212	10,338	25,476	136,454	6,836	64,810	-----	31,130	1,791	35,940	-----	460,901
B01-1111	PUBLIC STORAGE	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
B01-1112	REFUNDS ON SUGAR USED IN THE CHEMICAL INDUSTRY	1,274	1,312	11,917	0,261	6,956	7,221	1,483	2,382	-----	8,849	0,266	8,271	-----	50,192
B01-1113	MEASURES TO AID THE DISPOSAL OF RAW SUGAR	-----	-----	-----	-----	-----	13,329	-----	-----	-----	-----	7,346	-----	-----	20,675
B01-1114	IMPORT SUBSIDIES	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
B01-1115	DEPRECIATION OF STOCKS	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
B01-1119	OTHER INTERVENTION	-----	-----	-----	-----	-----	4,861	-----	-----	-----	-----	6,420	20,634	-----	31,914
B01-111	INTERVENTION FOR SUGAR	32,977	16,524	113,129	10,599	32,432	161,865	8,318	67,192	-----	39,979	15,823	64,845	-----	563,683
B01-11	SUGAR	344,548	65,411	410,541	10,737	55,482	542,392	8,323	107,289	-----	135,713	15,833	118,591	-----	1.814,861

EAGGF GUARANTEE
EXPENDITURE CHARGED AGAINST THE 1991 BUDGET (ECU MILLION)

5.

		BELGIQUE	DANMARK	DEUTSCHLAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNIT.KINGD	COMMUNITY	TOTALS
B01-120	REFUNDS ON OLIVE OIL	0,002	0,002	0,149	3,460	42,515	0,450	----	59,204	----	0,069	5,960	0,005	----	111,815
B01-1210	PRODUCTION AID	----	----	----	276,975	329,914	3,910	----	364,570	----	----	4,299	----	----	979,668
B01-1210 RN	PRODUCTION AID	----	----	----	----	----	----	----	85,977	----	----	----	----	----	85,977
B01-1210 TOT	PRODUCTION AID	----	----	----	276,975	329,914	3,910	----	450,546	----	----	4,299	----	----	1.065,644
B01-1211	SCHEMES RELATED TO PRODUCTION	----	----	----	5,419	4,891	----	----	7,994	----	----	0,488	----	----	18,791
B01-121	PRODUCTION AID AND SCHEMES RELATED TO PRODUCTION OF OLIVE OIL	----	----	----	282,394	334,804	3,910	----	372,564	----	----	4,787	----	----	998,459
B01-121 RN	PRODUCTION AID AND SCHEMES RELATED TO PRODUCTION OF OLIVE OIL	----	----	----	----	----	----	----	85,977	----	----	----	----	----	85,977
B01-121 TOT	PRODUCTION AID AND SCHEMES RELATED TO PRODUCTION OF OLIVE OIL	----	----	----	282,394	334,804	3,910	----	458,540	----	----	4,787	----	----	1.084,435
B01-1220	CONSUMPTION AID	0,635	----	0,294	94,353	169,444	17,518	----	412,794	----	----	11,640	2,230	----	708,909
B01-1221	SCHEMES RELATED TO CONSUMPTION	----	----	----	----	----	----	----	----	----	----	----	----	17,478	17,478
B01-122	CONSUMPTION AID AND SCHEMES RELATED TO CONSUMPTION OF OLIVE OIL	0,635	----	0,294	94,353	169,444	17,518	----	412,794	----	----	11,640	2,230	17,478	726,387
B01-1230	TECHNICAL COSTS OF PUBLIC STORAGE	----	----	----	----	8,983	----	----	-0,457	----	----	0,107	----	----	8,633
B01-1231	FINANCIAL COSTS OF PUBLIC STORAGE	----	----	----	----	8,418	----	----	-1,002	----	----	0,089	----	----	7,505
B01-1232	OTHER PUBLIC STORAGE COSTS	----	----	----	----	-19,525	----	----	-20,128	----	----	-0,649	----	0,193	-40,108
B01-1233	DEPRECIATION OF STOCKS	----	----	----	----	5,530	----	----	----	----	----	----	----	----	5,530
B01-1239	OTHER STORAGE MEASURES	----	----	----	----	----	----	----	----	----	----	----	----	----	----
B01-123	STORAGE MEASURES FOR OLIVE OIL	----	----	----	----	3,406	----	----	-21,587	----	----	-0,453	----	0,193	-18,440
B01-124	OTHER INTERVENTION FOR OLIVE OIL	0,001	0,034	----	0,296	4,162	1,815	----	46,067	----	----	3,644	----	----	56,019

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EXPENDITURE CHARGED AGAINST THE 1991 BUDGET (ECU MILLION)

6.

		BELGIQUE	DANMARK	DEUTSCHLAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNIT.KINGD	COMMUNITY	TOTALS
B01-125	REFUNDS ON OIL SEEDS	----	----	----	----	0,518	----	----	----	----	0,019	----	-0,065	----	0,471
B01-1260	PRODUCTION AID FOR COLZA AND RAPE SEED	174,516	89,548	651,451	----	2,861	258,024	----	17,790	----	75,352	0,087	286,929	----	1.556,559
B01-1261	PRODUCTION AID FOR SUNFLOWER SEED	46,789	----	96,083	7,632	421,775	396,514	----	171,746	----	90,023	80,739	8,350	----	1.319,650
B01-1262	PRODUCTION AID FOR SOYA BEANS	----	----	1,279	4,493	5,890	60,272	----	522,467	----	----	0,207	----	----	594,609
B01-1263	PRODUCTION AID FOR FLAX SEED	7,355	0,396	2,294	----	----	31,586	0,106	0,136	----	4,346	----	30,210	----	76,429
B01-1269	OTHER AID	----	----	----	----	----	1,285	----	----	----	----	----	----	----	1,285
B01-126	PRODUCTION AID FOR OIL SEEDS	228,659	89,944	751,108	12,125	430,525	747,682	0,106	712,139	----	169,721	81,034	325,489	----	3.548,533
B01-1270	TECHNICAL COSTS OF PUBLIC STORAGE	----	----	----	----	1,289	----	----	----	----	----	----	----	----	1,289
B01-1271	FINANCIAL COSTS OF PUBLIC STORAGE	----	----	----	----	0,541	----	----	----	----	----	----	----	----	0,541
B01-1272	OTHER PUBLIC STORAGE COSTS	----	----	----	----	-10,350	----	----	----	----	----	----	----	----	-10,350
B01-1273	DEPRECIATION OF STOCKS	----	----	----	----	9,001	----	----	----	----	----	----	----	----	9,001
B01-127	STORAGE MEASURES FOR OIL SEEDS	----	----	----	----	0,481	----	----	----	----	----	----	----	----	0,481
B01-128	OTHER MEASURES FOR OIL SEEDS	----	----	----	----	----	----	----	----	----	----	----	----	----	----
B01-12	OILS AND FATS	229,297	89,980	751,551	392,629	985,855	771,375	0,106	1.581,181	----	169,808	106,611	327,660	17,671	5.423,724
B01-12	RN OILS AND FATS	----	----	----	----	----	----	----	85,977	----	----	----	----	----	85,977
B01-12	TOT OILS AND FATS	229,297	89,980	751,551	392,629	985,855	771,375	0,106	1.667,158	----	169,808	106,611	327,660	17,671	5.509,701

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7.

		BELGIQUE	DANMARK	DEUTSCHLAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNIT.KINGD	COMMUNITY	TOTALS
B01-130	PRODUCTION AID FOR PEAS AND FIELD BEANS	44,911	23,159	85,863	1,548	22,247	212,909	3,004	7,443	0,136	96,322	0,506	52,806	-----	550,853
B01-131	PRODUCTION AID FOR DRIED FODDER	0,531	28,474	27,500	1,576	87,567	164,266	0,424	59,673	-----	26,352	0,203	7,296	-----	403,862
B01-131	RN PRODUCTION AID FOR DRIED FODDER	-----	-----	-----	-----	-----	-----	-----	1,000	-----	-----	-----	-----	-----	1,000
B01-131	TOT PRODUCTION AID FOR DRIED FODDER	0,531	28,474	27,500	1,576	87,567	164,266	0,424	60,673	-----	26,352	0,203	7,296	-----	404,862
B01-132	PRODUCTION AID FOR LUPINS	-----	0,003	3,068	-----	-----	1,233	-----	-----	-----	-----	-----	-----	-----	4,304
B01-139	OTHER INTERVENTION	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
B01-13	PROTEIN PLANTS	45,443	51,637	116,431	3,124	109,815	378,407	3,428	67,115	0,136	122,673	0,709	60,102	-----	959,019
B01-13	RN PROTEIN PLANTS	-----	-----	-----	-----	-----	-----	-----	1,000	-----	-----	-----	-----	-----	1,000
B01-13	TOT PROTEIN PLANTS	45,443	51,637	116,431	3,124	109,815	378,407	3,428	68,115	0,136	122,673	0,709	60,102	-----	960,019

EAGGF GUARANTEE
EXPENDITURE CHARGED AGAINST THE 1991 BUDGET (ECU MILLION)

8.

		BELGIQUE	DANMARK	DEUTSCHLAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNIT.KINGD	COMMUNITY	TOTALS
B01-1400	PRODUCTION AID FOR FIBRE FLAX	4,374	0,207	0,721	-----	-----	15,463	0,020	-----	-----	2,213	-----	0,022	-----	23,020
B01-1401	SPECIFIC MEASURES	-----	-----	0,023	-----	-----	-----	-----	-----	-----	-----	-----	-----	1,654	1,677
B01-1402	PRODUCTION AID FOR HEMP	-----	-----	-----	-----	0,317	2,087	-----	-----	-----	-----	-----	-----	-----	2,404
B01-1409	OTHER INTERVENTION	2,494	-----	-----	-----	-----	3,899	-----	-----	-----	0,121	-----	-----	-----	6,514
B01-140	FIBRE FLAX AND HEMP	6,869	0,207	0,743	-----	0,317	21,449	0,020	-----	-----	2,334	-----	0,022	1,654	33,615
B01-141	COTTON	-----	-----	-----	335,572	152,331	-----	-----	-----	-----	-----	-----	-----	-----	487,903
B01-142	SILKWORMS	-----	-----	-----	0,222	-----	0,008	-----	0,093	-----	-----	-----	-----	-----	0,324
B01-149	OTHER	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
B01-14	TEXTILE PLANTS AND SILKWORMS	6,869	0,207	0,743	335,794	152,648	21,457	0,020	0,093	-----	2,334	-----	0,022	1,654	521,841

EAGGF GUARANTEE
EXPENDITURE CHARGED AGAINST THE 1991 BUDGET (ECU MILLION)

9.

		BELGIQUE	DANMARK	DEUTSCHLAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNIT.KINGD	COMMUNITY	TOTALS
B01-1500	EXPORT REFUNDS	0,233	0,159	0,704	30,752	15,251	4,740	----	19,674	----	5,295	----	0,080	----	76,888
B01-1501	COMPENSATION FOR WITHDRAWALS AND BUYING IN AND FOR FREE DISTRIBUTION OPERATIONS	0,540	----	0,540	99,967	6,963	8,743	0,129	67,316	----	0,710	----	2,217	----	187,126
B01-1501 RN	COMPENSATION FOR WITHDRAWALS AND BUYING IN AND FOR FREE DISTRIBUTION OPERATIONS	----	----	----	----	----	----	----	1,500	----	----	----	----	----	1,500
B01-1501 TOT	COMPENSATION FOR WITHDRAWALS AND BUYING IN AND FOR FREE DISTRIBUTION OPERATIONS	0,540	----	0,540	99,967	6,963	8,743	0,129	68,816	----	0,710	----	2,217	----	188,626
B01-1502	COMPENSATION TO PROMOTE COMMUNITY CITRUS FRUITS	----	----	----	9,616	----	----	----	7,938	----	----	----	----	----	17,554
B01-1503	COMPENSATION TO ENCOURAGE PROCESSING OF CITRUS FRUITS	----	----	----	15,614	48,178	0,081	----	63,579	----	----	1,055	----	----	128,508
B01-1504	CITRUS REGISTER	----	----	----	----	----	----	----	----	----	----	----	----	----	----
B01-1505	IMPROVEMENT OF PRODUCTION	0,099	0,841	36,436	0,142	1,549	2,183	----	0,564	----	0,178	----	1,156	----	43,148
B01-1506	PROMOTION MEASURES	----	----	----	----	----	----	----	----	----	----	----	----	----	----
B01-1507	NUTS	----	----	----	----	34,747	----	----	----	----	----	----	----	0,909	35,656
B01-1509	OTHER INTERVENTION	----	----	0,001	----	----	----	----	----	----	----	----	----	----	0,001
B01-150	FRESH FRUIT AND VEGETABLES	0,872	1,000	37,681	156,091	106,688	15,747	0,129	159,072	----	6,183	1,055	3,453	0,909	488,880
B01-150 RN	FRESH FRUIT AND VEGETABLES	----	----	----	----	----	----	----	1,500	----	----	----	----	----	1,500
B01-150 TOT	FRESH FRUIT AND VEGETABLES	0,872	1,000	37,681	156,091	106,688	15,747	0,129	160,572	----	6,183	1,055	3,453	0,909	490,380
B01-1510	EXPORT REFUNDS	0,674	2,291	0,652	4,305	2,785	1,713	0,007	1,135	----	1,163	0,153	3,059	----	17,938
B01-1511	PRODUCTION AID FOR PROCESSED TOMATO PRODUCTS	----	----	----	56,905	42,559	22,178	----	226,801	----	----	37,285	----	----	385,728
B01-1512	PRODUCTION AID FOR FRUIT-BASED PRODUCTS	----	----	-0,005	28,565	12,874	39,166	----	28,037	----	0,020	0,766	----	----	109,423
B01-1513	PRODUCTION AID AND INTERVENTION FOR PROCESSED DRIED GRAPE PRODUCTS	----	----	----	76,808	2,087	----	----	----	----	----	0,056	----	----	78,951

EAGGF GUARANTEE
EXPENDITURE CHARGED AGAINST THE 1991 BUDGET (ECU MILLION)

10.

	BELGIQUE	DANMARK	DEUTSCHLAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNIT.KINGD	COMMUNITY	TOTALS	
B01-1514	PRODUCTION AID FOR TINNED PINEAPPLE	----	----	----	----	7,829	----	----	----	----	----	----	----	7,829	
B01-1515	PRODUCTION AID FOR DRIED VEGETABLES	----	----	----	----	17,201	0,479	0,012	----	----	0,079	----	----	17,771	
B01-1519	OTHER INTERVENTION	----	----	----	----	----	----	----	----	----	----	----	----	----	
B01-151	PROCESSED FRUIT AND VEGETABLES	0,674	2,291	0,647	166,584	77,505	71,365	0,007	255,985	----	1,183	38,339	3,059	617,639	
B01-15	FRUIT AND VEGETABLES	1,546	3,291	38,327	322,675	184,193	87,112	0,136	415,057	----	7,367	39,395	6,512	0,909	1.106,520
B01-15	RN FRUIT AND VEGETABLES	----	----	----	----	----	----	1,500	----	----	----	----	----	1,500	
B01-15	TOT FRUIT AND VEGETABLES	1,546	3,291	38,327	322,675	184,193	87,112	0,136	416,557	----	7,367	39,395	6,512	0,909	1.108,020

EAGGF GUARANTEE
EXPENDITURE CHARGED AGAINST THE 1991 BUDGET (ECU MILLION)

11.

		BELGIQUE	DANMARK	DEUTSCHLAND	ELLAS	ESPAÑA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNIT. KINGD	COMMUNITY	TOTALS
B01-160	REFUNDS ON PRODUCTS OF THE VINE-GROWING SECTOR	0,017	0,001	0,251	0,200	44,535	8,079	----	2,252	----	0,031	0,135	----	----	55,502
B01-1610	INTERVENTION STORAGE OF WINE AND GRAPE MUST(R. 822/87)	----	----	0,051	4,679	10,597	11,987	----	13,835	----	----	----	----	----	41,148
B01-1611	DISTILLATION OF WINE (REG. 822/87)	----	----	1,384	1,498	196,844	34,037	----	115,303	----	----	18,167	----	----	367,233
B01-1611 RN	DISTILLATION OF WINE (REG. 822/87)	----	----	----	----	----	----	----	6,000	----	----	----	----	----	6,000
B01-1611 TOT	DISTILLATION OF WINE (REG. 822/87)	----	----	1,384	1,498	196,844	34,037	----	121,303	----	----	18,167	----	----	373,233
B01-1612	COMPULSORY DISTILLATION OF THE BY-PRODUCTS OF WINE-MAKING (ART.35 822/87)	----	----	----	0,042	18,990	31,106	----	22,181	----	----	----	----	----	72,318
B01-161	INTERVENTION FOR PRODUCTS OF THE VINE-GROWING SECTOR	----	----	1,435	6,219	226,430	77,130	----	151,318	----	----	18,167	----	----	480,700
B01-161 RN	INTERVENTION FOR PRODUCTS OF THE VINE-GROWING SECTOR	----	----	----	----	----	----	----	6,000	----	----	----	----	----	6,000
B01-161 TOT	INTERVENTION FOR PRODUCTS OF THE VINE-GROWING SECTOR	----	----	1,435	6,219	226,430	77,130	----	157,318	----	----	18,167	----	----	486,700
B01-1620	TECHNICAL COSTS	----	----	----	----	2,674	1,726	----	5,627	----	----	----	----	----	10,027
B01-1621	FINANCIAL COSTS	----	----	----	----	0,886	0,271	----	0,871	----	----	----	----	----	2,029
B01-1622	OTHER COSTS	----	----	----	----	8,505	5,009	----	-1,040	----	----	----	----	----	12,474
B01-1623	DEPRECIATION OF STOCKS	----	----	----	----	100,387	54,859	----	30,999	----	----	----	----	----	186,244
B01-162	TAKING-OVER OF ALCOHOL FROM COMPULSORY DISTILLATION(ARTS.37 AND 40 OF R.822/87)	----	----	----	----	112,452	61,865	----	36,457	----	----	----	----	----	210,775
B01-163	AID FOR THE USE OF MUST	----	----	0,123	9,226	3,480	21,206	----	93,463	----	----	----	0,111	----	127,608
B01-163 RN	AID FOR THE USE OF MUST	----	----	----	----	----	----	----	20,000	----	----	----	----	----	20,000
B01-163 TOT	AID FOR THE USE OF MUST	----	----	0,123	9,226	3,480	21,206	----	113,463	----	----	----	0,111	----	147,608

EAGGF GUARANTEE
EXPENDITURE CHARGED AGAINST THE 1991 BUDGET (ECU MILLION)

12.

		BELGIQUE	DANMARK	DEUTSCHLAND	ELLAS	ESPAÑA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNIT.KINGD	COMMUNITY	TOTALS
B01-164	PERMANENT ABANDONMENT PREMIUMS IN RESPECT OF AREAS UNDER VINES	----	----	0,537	44,071	49,555	40,064	----	32,493	0,013	----	----	----	----	166,732
B01-164	RN PERMANENT ABANDONMENT PREMIUMS IN RESPECT OF AREAS UNDER VINES	----	----	0,635	32,930	43,457	28,310	----	99,040	0,010	----	----	----	----	204,382
B01-164	TOT PERMANENT ABANDONMENT PREMIUMS IN RESPECT OF AREAS UNDER VINES	----	----	1,172	77,001	93,012	68,374	----	131,532	0,023	----	----	----	----	371,115
B01-165	OTHER INTERVENTION	0,134	----	1,819	----	1,363	1,557	----	1,405	----	0,135	----	0,018	----	6,432
B01-16	PRODUCTS OF THE WINE-GROWING SECTOR	0,151	0,001	4,165	59,717	437,814	209,901	----	317,389	0,013	0,166	18,302	0,129	----	1.047,748
B01-16	RN PRODUCTS OF THE WINE-GROWING SECTOR	----	----	0,635	32,930	43,457	28,310	----	125,040	0,010	----	----	----	----	230,382
B01-16	TOT PRODUCTS OF THE WINE-GROWING SECTOR	0,151	0,001	4,800	92,647	481,271	238,211	----	442,429	0,023	0,166	18,302	0,129	----	1.278,130

EAGGF GUARANTEE
EXPENDITURE CHARGED AGAINST THE 1991 BUDGET (ECU MILLION)

13.

	BELGIQUE	DANMARK	DEUTSCHLAND	ELL. IS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNIT. KINGD	COMMUNITY	TOTALS
B01-170	REFUNDS ON TOBACCO	0,445	----	1,306	25,418	3,614	0,226	----	33,977	----	0,050	0,242	----	65,278
B01-171	PREMIUMS FOR TOBACCO	7,365	----	39,592	390,416	81,748	70,875	----	607,615	----	----	12,891	----	1.210,502
B01-1720	TECHNICAL COSTS OF PUBLIC STORAGE	----	----	0,151	22,705	----	----	----	11,351	----	----	----	----	34,208
B01-1721	FINANCIAL COSTS OF PUBLIC STORAGE	----	----	0,023	0,482	----	----	----	2,015	----	----	----	----	2,521
B01-1722	OTHER PUBLIC STORAGE COSTS	----	----	----	-4,888	----	----	----	0,440	----	----	----	----	-4,448
B01-1723	DEPRECIATION OF STOCKS	----	----	----	12,825	----	----	----	8,677	----	----	----	----	21,502
B01-172	INTERVENTION STORAGE OF TOBACCO	----	----	0,175	31,124	----	----	----	22,483	----	----	----	----	53,782
B01-173	OTHER INTERVENTION FOR TOBACCO	----	----	----	----	----	----	----	----	----	----	----	----	----
B01-17	TOBACCO	7,810	----	41,073	446,957	85,362	71,102	----	664,075	----	0,050	13,133	----	1.329,561

EAGGF GUARANTEE
EXPENDITURE CHARGED AGAINST THE 1991 BUDGET (ECU MILLION)

14.

		BELGIQUE	DANMARK	DEUTSCHLAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNIT.KINGD	COMMUNITY	TOTALS
B01-180	SEEDS	2,922	17,491	4,174	0,603	6,577	9,521	0,101	6,995	0,067	12,320	0,236	5,750	----	66,755
B01-181	HOPS	0,052	----	-0,087	----	0,592	0,210	0,009	----	----	----	0,125	-0,014	----	0,887
B01-182	POTATOES	----	----	----	----	----	----	----	----	----	----	----	----	----	----
B01-183	ETHYL ALCOHOL OF AGRICULTURAL ORIGIN	----	----	----	----	----	----	----	----	----	----	----	----	----	----
B01-184	POSEIDOM PROGRAMME - PLANT PRODUCTS	----	----	----	----	----	----	----	----	----	----	----	----	----	----
B01-189	OTHER	----	----	----	----	----	----	----	----	----	----	----	----	----	----
B01-189 RN	OTHER	34,408	20,012	46,863	----	2,074	49,705	14,424	7,558	----	43,242	0,995	3,307	28,817	251,406
B01-189	TOT OTHER	34,408	20,012	46,863	----	2,074	49,705	14,424	7,558	----	43,242	0,995	3,307	28,817	251,406
B01-18	OTHER SECTORS OR PLANT PRODUCTS	2,973	17,491	4,087	0,603	7,169	9,731	0,110	6,995	0,067	12,320	0,360	5,736	----	67,643
B01-18 RN	OTHER SECTORS OR PLANT PRODUCTS	34,408	20,012	46,863	----	2,074	49,705	14,424	7,558	----	43,242	0,995	3,307	28,817	251,406
B01-18	TOT OTHER SECTORS OR PLANT PRODUCTS	37,381	37,503	50,951	0,603	9,242	59,437	14,534	14,553	0,067	55,561	1,356	9,044	28,817	319,049
B01-1	PLANT PRODUCTS	920,800	419,435	2.310,619	1.813,161	2.260,374	3.863,012	18,931	4.171,613	-0,516	853,314	217,281	591,993	20,235	17.460,253
B01-1 RN	PLANT PRODUCTS	34,408	20,012	47,499	32,930	45,531	78,015	14,424	221,074	0,010	43,242	0,995	3,307	28,817	570,265
B01-1	TOT PLANT PRODUCTS	955,208	439,447	2.358,117	1.846,091	2.305,905	3.941,028	33,355	4.392,688	-0,506	896,556	218,276	595,301	49,052	18.030,518

EAGGF GUARANTEE
EXPENDITURE CHARGED AGAINST THE 1991 BUDGET (ECU MILLION)

15.

		BELGIQUE	DANMARK	DEUTSCHLAND	ELLAS	ESPAÑA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNIT. KINGD	COMMUNITY	TOTALS
B01-2000	REFUNDS ON BUTTER AND BUTTEROIL	8,871	32,272	241,198	0,026	1,911	83,352	21,963	0,524	0,052	210,951	0,031	9,421	----	610,575
B01-2001	REFUNDS ON SKIMMED-MILK POWDER	16,486	5,347	25,119	-----	6,373	4,484	20,531	0,006	0,029	32,757	0,044	12,719	----	123,894
B01-2002	REFUNDS ON CHEESE	3,873	166,734	69,278	3,788	9,174	60,107	3,867	48,110	0,017	135,757	0,212	32,215	----	533,133
B01-2003	REFUNDS ON OTHER MILK PRODUCTS	54,803	127,552	76,451	0,013	23,957	202,285	28,636	0,389	0,754	380,897	-----	85,678	----	981,417
B01-200	REFUNDS ON MILK AND MILK PRODUCTS	84,033	331,904	412,047	3,828	41,416	350,228	74,998	49,029	0,852	760,362	0,287	140,033	----	2.249,018
B01-2010	PRIVATE STORAGE	-----	-----	-----	-----	-----	-----	-----	-----	-----	0,053	-----	-----	-----	0,053
B01-2011	TECHNICAL COSTS OF PUBLIC STORAGE	0,486	-----	6,585	-----	0,652	0,739	4,586	-----	0,038	0,115	0,002	0,266	----	13,468
B01-2012	FINANCIAL COSTS OF PUBLIC STORAGE	1,193	-----	14,545	-----	2,021	1,734	7,976	-----	0,112	0,255	-----	0,658	----	28,493
B01-2013	OTHER PUBLIC STORAGE COSTS	-7,338	-----	-21,876	-----	-2,155	-0,952	-1,760	-----	-0,013	-0,654	-1,000	-0,117	----	-35,864
B01-2013 RN	OTHER PUBLIC STORAGE COSTS	-----	-----	8,034	-----	-----	1,949	-----	-----	-----	-----	-----	-----	----	9,983
B01-2013 TOT	OTHER PUBLIC STORAGE COSTS	-7,338	-----	-13,842	-----	-2,155	0,997	-1,760	-----	-0,013	-0,654	-1,000	-0,117	----	-25,882
B01-2014	DEPRECIATION OF STOCK	6,770	-----	104,909	-----	12,426	9,791	122,135	-----	0,239	3,035	0,162	4,899	----	264,366
B01-201	INTERVENTION STORAGE OF SKIMMED-MILK POWDER	1,111	-----	104,163	-----	12,944	11,311	132,937	-----	0,375	2,805	-0,836	5,705	----	270,515
B01-201 RN	INTERVENTION STORAGE OF SKIMMED-MILK POWDER	-----	-----	8,034	-----	-----	1,949	-----	-----	-----	-----	-----	-----	----	9,983
B01-201 TOT	INTERVENTION STORAGE OF SKIMMED-MILK POWDER	1,111	-----	112,197	-----	12,944	13,260	132,937	-----	0,375	2,805	-0,836	5,705	----	280,498
B01-2020	AID FOR SKIMMED-MILK POWDER FOR USE AS FEED FOR CALVES	19,142	1,582	160,702	-----	-----	294,379	8,921	10,478	0,065	145,528	-----	11,407	----	652,203
B01-2021	AID FOR LIQUID SKIMMED MILK FOR USE AS FEED FOR CALVES	8,133	5,402	25,046	-----	-----	2,151	0,840	6,653	-----	0,057	-----	1,570	----	49,850
B01-2022	AID FOR SKIMMED-MILK POWDER FOR USE AS FEED FOR ANIMALS OTHER THAN CALVES	-----	-----	8,081	-----	-----	-----	-----	-----	-----	-----	-----	-----	----	8,081

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EXPENDITURE CHARGED AGAINST THE 1991 BUDGET (ECU MILLION)

16.

	BELGIQUE	DANMARK	DEUTSCHLAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNIT. KINGD	COMMUNITY	TOTALS
B01-2023			9,654			-0,004	-0,031					-0,016		9,603
B01-2024		45,836	44,553			79,879	80,738			76,767		5,192		332,965
B01-2025														
B01-2029														
B01-202	27,275	52,820	248,035			376,405	90,468	17,130	0,065	222,351		18,152		1,052,701
B01-2030	11,973	1,752	3,982			12,061	4,859	0,145	0,063	6,748		2,204		43,786
B01-2031	0,416	0,385	3,718		2,909	1,666	8,832	0,694		6,252	0,016	2,625		27,514
B01-2032	1,902	1,024	29,670		4,905	8,433	19,361	1,794		26,757	0,013	18,252		112,110
B01-2033	-0,105	-0,093	0,440		-7,683	-6,028	-0,539	-2,194		-1,047	-1,698	-9,032		-27,979
B01-2033 RN			1,123			4,128								5,251
B01-2033 TOT	-0,105	-0,093	1,563		-7,683	-1,900	-0,539	-2,194		-1,047	-1,698	-9,032		-22,728
B01-2034	6,758	8,069	74,769		52,613	34,451	171,337	17,035		105,178	1,196	34,541		505,947
B01-203	20,944	11,137	112,580		52,744	50,583	203,849	17,474	0,063	143,889	-0,473	48,590		661,379
B01-203 RN			1,123			4,128								5,251
B01-203 TOT	20,944	11,137	113,703		52,744	54,711	203,849	17,474	0,063	143,889	-0,473	48,590		666,630
B01-2040							11,253							11,253
B01-2049	143,579	11,617	117,483	0,814	10,740	198,611	10,890	20,220	0,282	69,376		74,725		658,337

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EXPENDITURE CHARGED AGAINST THE 1991 BUDGET (ECU MILLION)

17.

		BELGIQUE	DANMARK	DEUTSCHLAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NERELAND	PORTUGAL	UNIT.KINGD	COMMUNITY	TOTALS
B01-204	OTHER MEASURES RELATING TO BUTTERFAT	143,579	11,617	117,483	0,814	10,740	198,611	22,143	20,220	0,282	69,376	-----	74,725	-----	669,590
B01-2050	STORAGE OF CHEESE	-----	-----	0,059	0,919	-----	5,860	0,202	142,288	-----	-----	-----	-----	-----	149,327
B01-2059	OTHER INTERVENTION	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
B01-205	INTERVENTION FOR OTHER MILK PRODUCTS	-----	-----	0,059	0,919	-----	5,860	0,202	142,288	-----	-----	-----	-----	-----	149,327
B01-2060	FINANC. CONTRIBUT. BY THE GUARANT. SECTION TO NON-MARKETING AND CONVERSION PREMIUMS	-----	-0,003	-0,114	-----	-----	-0,039	-0,018	-----	-----	-----	-----	-0,008	-----	-0,181
B01-2061	SCHOOL MILK	8,542	4,898	45,491	0,021	22,051	32,789	2,844	9,583	0,223	5,269	5,233	49,580	-----	186,523
B01-2062	MARKET DEVELOPMENT MEASURES	2,671	1,969	9,916	0,695	3,963	9,341	2,153	8,313	0,233	6,543	0,691	8,014	-----	54,503
B01-2063	IMPROVEMENT OF MILK QUALITY	0,591	-----	2,122	0,373	0,844	0,421	0,917	1,758	-----	-----	-----	-----	-----	7,027
B01-2064	OTHER MEASURES UNDER THE PROGRAMME TO EXPAND THE MARKET FOR MILK PRODUCTS	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	0,212	-----	0,212
B01-2066	PREMIUM FOR DEFINITIVE CESSATION OF MILK PRODUCTION	6,136	9,514	134,161	0,591	10,808	50,016	10,121	-----	0,534	7,910	-----	25,630	-----	255,421
B01-2067	COMPENSATION FOR TEMPORARY SUSPENSION OF QUOTAS	13,908	21,130	134,239	-----	21,652	107,205	22,461	0,091	1,157	52,050	-----	59,019	-----	432,913
B01-2069	OTHER MEASURES	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
B01-206	OTHER MEASURES IN THE MILK AND MILK PRODUCTS SECTOR	31,849	37,508	325,814	1,681	59,319	199,732	38,479	19,745	2,147	71,771	5,924	142,449	-----	936,417
B01-2070	LINEAR LEVY	-11,784	-20,180	-36,383	-----	-7,536	-72,609	-13,752	-33,845	-----	-49,545	-----	-46,332	-----	-291,965
B01-2071	ADDITIONAL LEVY(CO-RESPONSIBILITY - R. 856/84)	-4,017	-11,748	36,721	-----	-----	-31,087	-0,008	-3,342	-1,711	-32,364	-----	-12,892	-----	-60,448
B01-207	FINANCIAL CONTRIBUTION BY MILK PRODUCERS	-15,801	-31,928	0,338	-----	-7,536	-103,696	-13,760	-37,188	-1,711	-81,909	-----	-59,224	-----	-352,413

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18.

		BELGIQUE	DANMARK	DEUTSCHLAND	ELLAS	ESPAÑA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNIT.KINGD	COMMUNITY	TOTALS
B01-208	MEASURES TO ASSIST SMALL PRODUCERS	----	----	-0,006	----	----	-0,001	----	-0,001	----	----	----	----	----	-0,008
B01-20	MILK AND MILK PRODUCTS	292,988	413,058	1.320,513	7,241	169,627	1.089,034	549,317	228,698	2,073	1.188,646	4,902	370,430	----	5.636,527
B01-20	RN MILK AND MILK PRODUCTS	----	----	9,156	----	----	6,077	----	----	----	----	----	----	----	15,233
B01-20	TOT MILK AND MILK PRODUCTS	292,988	413,058	1.329,669	7,241	169,627	1.095,111	549,317	228,698	2,073	1.188,646	4,902	370,430	----	5.651,760

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EXPENDITURE CHARGED AGAINST THE 1991 BUDGET (ECU MILLION)

19.

	BELGIQUE	DANMARK	DEUTSCHLAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNIT. KINGD	COMMUNITY	TOTALS	
B01-210	REFUNDS ON BEEF/YEAL	37,778	28,829	522,358	0,015	15,379	267,689	146,514	120,368	0,012	123,599	----	19,877	----	1.282,426
B01-2110	PRIVATE STORAGE	0,003	----	-0,277	----	-0,044	0,337	0,423	-0,002	----	0,055	----	0,032	----	0,525
B01-2111	TECHNICAL COSTS OF PUBLIC STORAGE	0,695	9,499	65,219	----	4,222	34,829	72,711	28,232	----	0,433	----	40,655	----	256,496
B01-2112	FINANCIAL COSTS OF PUBLIC STORAGE	0,171	2,806	17,671	----	1,086	9,298	22,918	7,549	----	0,101	----	15,708	----	77,308
B01-2113	OTHER PUBLIC STORAGE COSTS	-1,223	1,812	51,111	-8,642	-7,294	15,849	8,373	26,620	-0,037	-1,503	-5,379	-8,566	----	71,121
B01-2113 RN	OTHER PUBLIC STORAGE COSTS	----	----	----	----	----	3,666	----	5,796	----	----	----	----	----	9,462
B01-2113 TOT	OTHER PUBLIC STORAGE COSTS	-1,223	1,812	51,111	-8,642	-7,294	19,515	8,373	32,416	-0,037	-1,503	-5,379	-8,566	----	80,583
B01-2114	DEPRECIATION OF STOCKS	9,205	76,846	393,711	----	7,665	328,786	519,575	256,871	----	4,385	----	300,292	----	1.897,337
B01-211	INTERVENTION STORAGE OF BEEF	8,850	90,962	527,434	-8,642	5,635	389,099	624,000	319,270	-0,037	3,472	-5,379	348,122	----	2.302,787
B01-211 RN	INTERVENTION STORAGE OF BEEF	----	----	----	----	----	3,666	----	5,796	----	----	----	----	----	9,462
B01-211 TOT	INTERVENTION STORAGE OF BEEF	8,850	90,962	527,434	-8,642	5,635	392,765	624,000	325,066	-0,037	3,472	-5,379	348,122	----	2.312,249
B01-2120	PREMIUMS FOR SUCKLER COWS	10,472	3,275	5,077	6,034	42,055	142,439	47,139	37,427	----	1,688	----	71,332	----	366,938
B01-2121	SPECIAL PREMIUM	10,960	14,046	60,504	4,790	22,090	67,433	42,615	34,818	1,011	11,228	----	65,445	----	334,938
B01-2122	CALF PREMIUMS	----	----	----	----	----	----	0,092	7,932	----	----	----	----	----	8,025
B01-2123	PREMIUMS FOR THE SLAUGHTER OF ADULT CATTLE OTHER THAN COWS	----	----	----	----	----	----	----	----	----	----	----	-0,094	----	-0,094
B01-2129	OTHER INTERVENTION	----	----	----	----	----	----	----	----	----	----	----	----	----	----
B01-212	INTERVENTION OTHER THAN STORAGE OF BEEF	21,432	17,320	65,581	10,824	64,145	209,872	89,846	80,177	1,011	12,916	----	136,683	----	709,808

EAGGF GUARANTEE
EXPENDITURE CHARGED AGAINST THE 1991 BUDGET (ECU MILLION)

20.

	BELGIQUE	DANMARK	DEUTSCHLAND	ELLAS	ESPAÑA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNIT.KINGD	COMMUNITY	TOTALS
B01-21 BEEF/VEAL	68,060	137,111	1.115,372	2,207	85,159	866,659	860,361	519,816	0,986	139,987	-5,379	504,682	-----	4.295,021
B01-21 RN BEEF/VEAL	-----	-----	-----	-----	-----	3,666	-----	5,796	-----	-----	-----	-----	-----	9,462
B01-21 TOT BEEF/VEAL	68,060	137,111	1.115,372	2,207	85,159	870,325	860,361	525,612	0,986	139,987	-5,379	504,682	-----	4.304,483

EAGGF GUARANTEE
EXPENDITURE CHARGED AGAINST THE 1991 BUDGET (ECU MILLION)

21.

	BELGIQUE	DANMARK	DEUTSCHLAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNIT. KINGD	COMMUNITY	TOTALS	
B01-220	EXPORT REFUNDS FOR SHEEPMET AND GOATMEAT	----	----	----	----	----	----	----	----	----	----	----	----	----	
B01-2210	PRIVATE STORAGE	----	0,078	0,070	----	0,698	0,972	0,211	----	----	0,007	----	0,971	----	3,007
B01-2219	OTHER INTERVENTION	----	----	----	----	----	----	----	----	----	----	----	----	----	
B01-221	INTERVENTION IN THE FORM OF STORAGE OF SHEEPMET AND GOATMEAT	----	0,078	0,070	----	0,698	0,972	0,211	----	----	0,007	----	0,971	----	3,007
B01-2220	EWE PREMIUMS	1,541	1,894	25,103	229,494	538,075	134,678	104,109	141,586	0,096	1,088	69,251	307,316	----	1.554,231
B01-2221	SLAUGHTER PREMIUMS	----	----	----	----	----	----	----	----	----	----	----	233,199	----	233,199
B01-2229	OTHER INTERVENTION	----	----	----	----	----	----	----	----	----	----	----	----	----	
B01-222	INTERVENTION OTHER THAN STORAGE OF SHEEPMET AND GOATMEAT	1,541	1,894	25,103	229,494	538,075	134,678	104,109	141,586	0,096	1,088	69,251	540,515	----	1.787,429
B01-22	SHEEPMET AND GOATMEAT	1,541	1,972	25,173	229,494	538,773	135,650	104,320	141,586	0,096	1,096	69,251	541,486	----	1.790,436

EAGGF GUARANTEE
EXPENDITURE CHARGED AGAINST THE 1991 BUDGET (ECU MILLION)

22.

		BELGIQUE	DANMARK	DEUTSCHLAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNIT.KINGD	COMMUNITY	TOTALS
B01-230	REFUNDS ON PIGMEAT	4,690	101,569	47,824	0,034	10,316	6,391	0,789	4,085	0,018	20,249	0,391	3,141	-----	199,496
B01-231	INTERVENTION FOR PIGMEAT	1,793	3,373	2,530	-----	2,322	1,928	0,654	0,702	0,019	3,440	0,020	0,227	-----	17,008
B01-239	OTHER INTERVENTION	35,709	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	35,709
B01-23	PIGMEAT	42,191	104,943	50,354	0,034	12,638	8,319	1,443	4,787	0,037	23,689	0,411	3,368	-----	252,213

EAGGF GUARANTEE
EXPENDITURE CHARGED AGAINST THE 1991 BUDGET (ECU MILLION)

23.

	BELGIQUE	DANMARK	DEUTSCHLAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNIT.KINGD	COMMUNITY	TOTALS	
B01-240	REFUNDS ON EGGS	1,672	0,744	9,614	0,047	1,520	2,352	0,003	0,080	0,001	19,105	----	0,546	----	35,684
B01-241	REFUNDS ON POULTRYMEAT	8,719	17,738	7,943	0,062	1,989	81,340	0,072	1,137	----	9,797	1,068	3,669	----	133,533
B01-249	OTHER INTERVENTION	----	----	----	----	----	----	----	----	----	----	----	----	----	----
B01-24	EGGS AND POULTRYMEAT	10,391	18,482	17,557	0,109	3,509	83,692	0,074	1,217	0,001	28,901	1,068	4,215	----	169,217

EAGGF GUARANTEE
EXPENDITURE CHARGED AGAINST THE 1991 BUDGET (ECU MILLION)

24.

		BELGIQUE	DANMARK	DEUTSCHLAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNIT.KINGD	COMMUNITY	TOTALS
B01-250	TRANSUMANCE	----	----	----	----	----	----	----	----	----	----	----	----	----	----
B01-251	POSEIDOM PROGRAMME - LIVESTOCK PRODUCTS SECTION	----	----	----	----	----	----	----	----	----	----	----	----	----	----
B01-252	BEE-KEEPING	----	----	----	----	----	----	----	-0,017	----	----	----	----	----	-0,017
B01-259	OTHER	----	----	----	----	----	----	----	----	----	----	----	----	----	----
B01-25	OTHER ANIMAL PRODUCT AID MEASURES	----	----	----	----	----	----	----	-0,017	----	----	----	----	----	-0,017
B01-2	ANIMAL PRODUCTS	415,172	675,565	2.528,970	239,085	809,706	2.183,353	1.515,515	896,087	3,193	1.382,319	70,253	1.424,180	----	12.143,397
B01-2	RN ANIMAL PRODUCTS	----	----	9,156	----	----	9,743	----	5,796	----	----	----	----	----	24,695
B01-2	TOT ANIMAL PRODUCTS	415,172	675,565	2.538,126	239,085	809,706	2.193,096	1.515,515	901,883	3,193	1.382,319	70,253	1.424,180	----	12.168,093

EAGGF GUARANTEE
EXPENDITURE CHARGED AGAINST THE 1991 BUDGET (ECU MILLION)

25.

		BELGIQUE	DANMARK	DEUTSCHLAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNIT.KINGD	COMMUNITY	TOTALS
B01-300	REFUNDS ON CEREALS EXPORTED IN THE FORM OF CERTAIN SPIRITUOUS BEVERAGES	-----	-----	-----	-----	0,058	-----	1,392	-----	-----	-----	-----	72,324	-----	73,773
B01-301	REFUNDS ON CERTAIN GOODS OBTAINED BY PROCESSING AGRICULTURAL PRODUCTS	25,022	57,494	91,618	3,969	23,471	72,816	38,685	76,632	0,058	167,409	1,624	71,556	-----	630,355
B01-30	REFUNDS ON CERTAIN GOODS OBTAINED BY PROCESSING AGRICULTURAL PRODUCTS	25,022	57,494	91,618	3,969	23,529	72,816	40,077	76,632	0,058	167,409	1,624	143,880	-----	704,129

EAGGF GUARANTEE
EXPENDITURE CHARGED AGAINST THE 1991 BUDGET (ECU MILLION)

26.

	BELGIQUE	DANMARK	DEUTSCHLAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNIT.KINGD	COMMUNITY	TOTALS
B01-310	0,018	-0,144	0,662	0,001	13,084	7,229	0,001	3,898	----	0,089	2,926	0,564	----	28,327
B01-31	0,018	-0,144	0,662	0,001	13,084	7,229	0,001	3,898	----	0,089	2,926	0,564	----	28,327

EAGGF GUARANTEE
EXPENDITURE CHARGED AGAINST THE 1991 BUDGET (ECU MILLION)

27.

		BELGIQUE	DANMARK	DEUTSCHLAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNIT.KINGD	COMMUNITY	TOTALS
B01-3200	M.C.A.ON IMPORTS GRANTED BY IMPORTING MEMBER STATES (WITH A DEPREC.CURRENCY)	-0,002	----	----	102,178	0,003	0,019	----	1,136	----	----	0,011	34,317	----	137,663
B01-3201	M.C.A.ON IMPORTS GRANTED BY EXPORT.MEMB. STAT.ON BEHALF OF IMP.MEMB.ST.(DEP.CUR.)	2,899	4,269	3,080	----	----	15,959	0,815	----	----	0,075	----	0,153	----	27,250
B01-3202	M.C.A.ON IMPORTS LEVIED BY IMPORTING MEMBER STATES (WITH AN APPREC.CURREN.)	----	----	-0,028	-0,138	-23,581	----	----	----	----	-0,490	----	----	----	-24,237
B01-3203	M.C.A.ON EXPORTS GRANTED BY EXPORTING MEMBER STATES (WITH AN APPREC.CURREN.)	----	----	-0,102	----	13,535	----	----	----	----	-0,010	----	-0,016	----	13,407
B01-3204	M.C.A.ON EXPORTS LEVIED BY EXPORTING MEMBER STATES (WITH A DEPREC.CURRENCY)	----	----	----	-7,536	----	-0,239	-0,012	-0,229	----	----	-0,006	-19,858	----	-27,880
B01-320	MONETARY COMPENSATORY AMOUNTS IN INTRA-COMMUNITY TRADE	2,896	4,269	2,950	94,504	-10,043	15,739	0,803	0,907	----	-0,425	0,005	14,597	----	126,203
B01-3210	PART.OF M.C.A.GRANTED ON IMP.(INTO MEMB. STAT.WITH A DEPREC.CURR.)EXC.IMPORT LEVY	----	----	----	0,602	----	----	----	0,024	----	----	----	3,793	----	4,419
B01-3211	M.C.A.ON EXPORTS GRANTED BY EXPORTING MEMBER STATES (WITH AN APPREC.CURRENCY)	----	----	0,015	----	0,021	----	----	----	----	-0,005	----	----	----	0,031
B01-321	MONETARY COMPENSATORY AMOUNTS IN TRADE WITH THIRD COUNTRIES	----	----	0,015	0,602	0,021	----	----	0,024	----	-0,005	----	3,793	----	4,450
B01-32	MONETARY COMPENSATORY AMOUNTS LEVIED OR PAID IN TRADE IN AGRICULTURAL PRODUCTS	2,896	4,269	2,965	95,106	-10,021	15,739	0,803	0,931	----	-0,430	0,005	18,390	----	130,653

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EAGGF GUARANTEE
EXPENDITURE CHARGED AGAINST THE 1991 BUDGET (ECU MILLION)

28.

		BELGIQUE	DANMARK	DEUTSCHLAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNIT.KINGD	COMMUNITY	TOTALS
B01-330	REFUNDS IN CONNECTION WITH COMMUNITY FOOD AID (CEREALS)	42,828	29,236	3,899	0,660	3,347	43,446	----	5,203	----	0,906	----	1,355	----	130,881
B01-331	REFUNDS IN CONNECTION WITH COMMUNITY FOOD AID (RICE)	1,102	----	----	----	1,352	----	----	9,278	----	----	----	----	----	11,733
B01-332	REFUNDS IN CONNECTION WITH COMMUNITY FOOD AID (SUGAR)	4,383	----	----	----	----	----	----	----	----	----	----	----	----	4,383
B01-333	REFUNDS IN CONNECTION WITH COMMUNITY FOOD AID (VEGETABLE OIL/OLIVE OIL)	----	----	----	----	----	----	----	----	----	----	----	----	----	----
B01-333 RN	REFUNDS IN CONNECTION WITH COMMUNITY FOOD AID (VEGETABLE OIL/OLIVE OIL)	----	----	----	----	----	----	----	6,591	----	----	----	----	----	6,591
B01-333 TOT	REFUNDS IN CONNECTION WITH COMMUNITY FOOD AID (VEGETABLE OIL/OLIVE OIL)	----	----	----	----	----	----	----	6,591	----	----	----	----	----	6,591
B01-334	REFUNDS IN CONNECTION WITH COMMUNITY FOOD AID (SKIMMED-MILK POWDER)	7,672	0,560	15,368	----	----	----	9,783	----	----	19,912	----	----	----	53,294
B01-335	REFUNDS IN CONNECTION WITH COMMUNITY FOOD AID (BUTTEROIL)	2,871	----	----	----	----	----	----	----	----	13,790	----	----	----	16,662
B01-33	REFUNDS IN CONNECTION WITH COMMUNITY FOOD AID	58,856	29,796	19,267	0,660	4,699	43,446	9,783	14,482	----	34,609	----	1,355	----	216,953
B01-33 RN	REFUNDS IN CONNECTION WITH COMMUNITY FOOD AID	----	----	----	----	----	----	----	6,591	----	----	----	----	----	6,591
B01-33 TOT	REFUNDS IN CONNECTION WITH COMMUNITY FOOD AID	58,856	29,796	19,267	0,660	4,699	43,446	9,783	21,072	----	34,609	----	1,355	----	223,544

EAGGF GUARANTEE
EXPENDITURE CHARGED AGAINST THE 1991 BUDGET (ECU MILLION)

29.

		BELGIQUE	DANMARK	DEUTSCHLAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNIT.KINGD	COMMUNITY	TOTALS
B01-340	INTEREST PAYMENTS TO M.S., AFTER CHANGES IN METHOD OF FINANC. EAGGF GUAR. EXPEND.	----	----	----	24,719	37,067	----	19,407	----	----	----	3,528	----	----	84,721
B01-34	INTEREST PAYMENTS TO M.S. FOLLOW. CHANGES IN METHOD USED FOR FINANCING EXPENDITURE	----	----	----	24,719	37,067	----	19,407	----	----	----	3,528	----	----	84,721

EAGGF GUARANTEE
EXPENDITURE CHARGED AGAINST THE 1991 BUDGET (ECU MILLION)

30.

	BELGIQUE	DANMARK	DEUTSCHLAND	ELLAS	ESPAÑA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNIT.KINGD	COMMUNITY	TOTALS	
B01-350	DISTRIBUTION OF AGRICULT. PRODUCTS TO DEPRIVED PERSONS IN THE COMMUNITY	2,092	0,699	0,002	8,628	35,546	30,110	4,489	25,041	0,061	2,493	10,403	25,442	-----	145,003
B01-35	DISTRIBUTION OF AGRICULTURAL PRODUCTS TO DEPRIVED PERSONS IN THE COMMUNITY	2,092	0,699	0,002	8,628	35,546	30,110	4,489	25,041	0,061	2,493	10,403	25,442	-----	145,003

		EAGGF GUARANTEE													
		EXPENDITURE CHARGED AGAINST THE 1991 BUDGET (ECU MILLION)											31.		
		BELGIQUE	DANMARK	DEUTSCHLAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NERderland	PORTUGAL	UNIT.KINGD	COMMUNITY	TOTALS
B01-360	MEASURES TO COMBAT FRAUD AFFECTING THE EAGGF GUARANTEE SECTION	----	----	----	----	----	----	----	----	----	----	----	----	20,100	20,100
B01-36	MEASURES TO COMBAT FRAUD AFFECTING THE EAGGF GUARANTEE SECTION	----	----	----	----	----	----	----	----	----	----	----	----	20,100	20,100

EAGGF GUARANTEE
EXPENDITURE CHARGED AGAINST THE 1991 BUDGET (ECU MILLION)

32.

		BELGIQUE	DANMARK	DEUTSCHLAND	ELLAS	ESPAÑA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNIT.KINGD	COMMUNITY	TOTALS
B01-370	CLEARANCE OF PREVIOUS YEARS' ACCOUNTS AND RESIDUAL APPROPRIATIONS	-3,782	7,219	-75,055	-7,847	-25,558	-115,176	-8,690	-176,645	0,019	-16,576	-0,503	-15,188	-----	-437,782
B01-37	CLEARANCE OF PREVIOUS YEARS' ACCOUNTS AND RESIDUAL APPROPRIATIONS	-3,782	7,219	-75,055	-7,847	-25,558	-115,176	-8,690	-176,645	0,019	-16,576	-0,503	-15,188	-----	-437,782

EAGGF GUARANTEE
EXPENDITURE CHARGED AGAINST THE 1991 BUDGET (ECU MILLION)

33.

		BELGIQUE	DANMARK	DEUTSCHLAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNIT.KINGD	COMMUNITY	TOTALS
B01-3800	AID FOR SMALL PRODUCERS OF ARABLE CROPS	----	----	----	----	----	----	----	----	----	----	----	----	----	----
B01-3801	ENCOURAGEMENT FOR GROWING TRADITIONAL CEREALS	----	----	----	----	----	----	----	----	----	----	----	----	----	----
B01-3802	AID FOR SMALL COTTON PRODUCERS	----	----	----	----	2,861	----	----	----	----	----	----	----	----	2,861
B01-3803	PURCHASE OF MILK QUOTAS	----	----	----	----	38,002	100,248	0,224	67,584	----	----	----	----	----	206,057
B01-3804	SUCKLER-COW PREMIUM FOR MIXED HERDS	0,358	----	2,304	----	----	0,613	----	----	----	0,034	----	----	----	3,308
B01-3805	EWE PREMIUM IN LESS-FAVOURED AND MOUNTAIN AND HILL AREAS	----	----	19,384	----	59,055	26,135	13,437	----	----	----	8,268	49,679	----	175,958
B01-3809	OTHER	----	----	----	----	----	----	----	----	----	----	----	----	----	----
B01-380	DIFFERENTIAL APPLICATION OF AGRICULTURAL MARKET MECHANISMS	0,358	----	21,687	----	99,918	126,995	13,661	67,584	----	0,034	8,268	49,679	----	388,184
B01-381	QUALITY PROMOTION MEASURES	----	----	----	----	----	----	----	----	----	----	----	----	----	----
B01-382	INFORMATION ON RURAL DEVELOPMENT	----	----	----	----	----	----	----	----	----	----	----	----	----	----
B01-389	OTHER RURAL DEVELOPMENT MEASURES	----	----	----	----	----	----	----	----	----	----	----	----	----	----
B01-38	RURAL DEVELOPMENT SCHEMES LINKED TO MARKET OPERATIONS	0,358	----	21,687	----	99,918	126,995	13,661	67,584	----	0,034	8,268	49,679	----	388,184
B01-3	ANCILLARY EXPENDITURE	85,460	99,333	61,145	125,236	178,264	181,159	79,531	11,922	0,138	187,627	26,252	224,123	20,100	1.280,288
B01-3	RN ANCILLARY EXPENDITURE	----	----	----	----	----	----	----	6,591	----	----	----	----	----	6,591
B01-3	TOT ANCILLARY EXPENDITURE	85,460	99,333	61,145	125,236	178,264	181,159	79,531	18,512	0,138	187,627	26,252	224,123	20,100	1.286,879

EAGGF GUARANTEE
EXPENDITURE CHARGED AGAINST THE 1991 BUDGET (ECU MILLION)

34.

		BELGIQUE	DANMARK	DEUTSCHLAND	ELLAS	ESPAÑA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNIT.KINGD	COMMUNITY	TOTALS
B01-400	SET-AIDE - GUARANTIE SECTION SHARE	0,061	0,245	24,088	0,006	0,989	9,035	0,091	32,786	0,003	1,225	-----	8,353	-----	76,883
B01-40	SET-ASIDE - GUARANTEE SECTION SHARE	0,061	0,245	24,088	0,006	0,989	9,035	0,091	32,786	0,003	1,225	-----	8,353	-----	76,883
B01-4	SET-ASIDE	0,061	0,245	24,088	0,006	0,989	9,035	0,091	32,786	0,003	1,225	-----	8,353	-----	76,883

EAGGF GUARANTEE
EXPENDITURE CHARGED AGAINST THE 1991 BUDGET (ECU MILLION)

35.

		BELGIQUE	DANMARK	DEUTSCHLAND	ELLI S	ESPAÑA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNIT.KINGD	COMMUNITY	TOTALS
B01-500	MONETARY RESERVE	----	----	----	----	----	----	----	----	----	----	----	----	----	----
B01-50	MONETARY RESERVE	----	----	----	----	----	----	----	----	----	----	----	----	----	----
B01-5	MONETARY RESERVE	----	----	----	----	----	----	----	----	----	----	----	----	----	----
B01	EUROPEAN AGRICULTURAL GUIDANCE AND GUARANTEE FUND, GUARANTEE SECTION	1.421,494	1.194,579	4.924,821	2.177,488	3.249,333	6.236,560	1.614,067	5.112,407	2,817	2.424,485	313,786	2.248,650	40,335	30.960,821
B01	RN EUROPEAN AGRICULTURAL GUIDANCE AND GUARANTEE FUND, GUARANTEE SECTION	34,408	20,012	56,655	32,930	45,531	87,758	14,424	233,461	0,010	43,242	0,995	3,307	28,817	601,551
B01	TOT EUROPEAN AGRICULTURAL GUIDANCE AND GUARANTEE FUND, GUARANTEE SECTION	1.455,901	1.214,591	4.981,477	2.210,417	3.294,864	6.324,318	1.628,492	5.345,868	2,827	2.467,726	314,781	2.251,957	69,152	31.562,372

EAGGF GUARANTEE
EXPENDITURE CHARGED AGAINST THE 1991 BUDGET (ECU MILLION)

36.

		BELGIQUE	DANMARK	DEUTSCHLAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNIT.KINGD	COMMUNITY	TOTALS
B02-500	SET-ASIDE	0,061	0,245	24,088	0,006	0,989	9,035	0,091	32,786	0,003	1,225	-----	8,353	-----	76,883
B02-501	INCOME AID	-----	-----	-----	-----	-----	2,705	-----	-----	-----	1,151	-----	-----	-----	3,856
B02-50	SET-ASIDE AND INCOME AID	0,061	0,245	24,088	0,006	0,989	11,740	0,091	32,786	0,003	2,376	-----	8,353	-----	80,739
B02-5	OTHER AGRICULTURAL OPERATIONS	0,061	0,245	24,088	0,006	0,989	11,740	0,091	32,786	0,003	2,376	-----	8,353	-----	80,739

EAGGF GUARANTEE
EXPENDITURE CHARGED AGAINST THE 1991 BUDGET (ECU MILLION)

37.

		BELGIQUE	DANMARK	DEUTSCHLAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNIT.KINGD	COMMUNITY	TOTALS
B02-900	REFUNDS ON FISHERY PRODUCTS	----	----	----	----	----	----	----	----	----	----	----	----	----	----
B02-901	INTERVENTION FOR FISHERY PRODUCTS	0,176	1,523	0,101	0,771	11,254	6,788	1,133	1,894	----	0,013	0,819	1,683	----	26,154
B02-90	FISHERIES GUARANTEE FUND	0,176	1,523	0,101	0,771	11,254	6,788	1,133	1,894	----	0,013	0,819	1,683	----	26,154
B02-9	COMMON POLICY ON FISHERIES AND THE SEA	0,176	1,523	0,101	0,771	11,254	6,788	1,133	1,894	----	0,013	0,819	1,683	----	26,154
B02	EUROPEAN STRUCTURAL OPERATIONS AND FISHERY PRODUCTS	0,238	1,769	24,189	0,776	12,243	18,528	1,224	34,680	0,003	2,389	0,819	10,036	----	106,893
TOTAL	TOTAL COSTS CONCERNING THE EAGGF, GUARANTEE SECTION, AND EQUIVALENT	1.434,228	1.200,502	5.201,915	2.178,264	3.269,761	6.318,325	1.716,751	5.152,753	2,820	2.638,495	314,604	2.396,312	40,335	31.865,064
TOTAL	RN TOTAL COSTS CONCERNING THE EAGGF, GUARANTEE SECTION, AND EQUIVALENT	34,408	20,012	56,655	32,930	45,531	87,758	14,424	233,461	0,010	43,242	0,995	3,307	28,817	601,551
TOTAL	TOT TOTAL COSTS CONCERNING THE EAGGF, GUARANTEE SECTION, AND EQUIVALENT	1.468,636	1.220,514	5.258,571	2.211,194	3.315,291	6.406,084	1.731,175	5.386,214	2,830	2.681,736	315,600	2.399,619	69,152	32.466,615

ANNEX 3 : EAGGF GUARANTEE EXPENDITURE BY SECTOR (1)

(ECU million)

CHAPTER	SECTOR OR TYPE OF MEASURE	1 9 8 7 (2)	1 9 8 8 (3)	1 9 8 9 (4)	1 9 9 0 (4)	1 9 9 1 (4)
B1 - 100 à 103	CEREALS	4.137,6	4.264,4	3.150,0	3.799,5	5.077,4
	Refunds	3.070,6	2.924,6	2.597,1	2.443,4	3.601,5
	Intervention, of which:	1.067,0	1.339,8	552,9	1.356,1	1.475,9
	- Production refunds	235,6	393,3	301,2	275,9	419,1
	- Aid for durum wheat	256,2	275,1	365,0	419,5	516,1
	- Storage	937,2	1.274,7	576,4	1.251,4	1.419,4
	- Co-responsibility levy	-378,7	-677,5	-720,5	-656,2	-924,3
B1 - 104	RICE	99,0	72,8	111,5	85,1	111,9
	Refunds	95,0	61,0	45,3	29,1	77,8
	Intervention	4,0	11,8	66,2	56,0	34,1
B1 - 11	SUGAR	2.035,6	2.081,8	1.979,8	1.388,3	1.814,9
	Refunds	1.515,8	1.566,2	1.451,3	925,9	1.251,2
	Intervention, of which:	519,8	515,6	528,5	462,4	563,7
	- Reimbursement of storage costs	469,0	428,9	421,6	383,3	460,9
B1 - 120 à 124	OLIVE OIL	1.139,2	945,0	1.464,5	1.168,2	1.874,2
	Refunds	23,2	64,2	93,1	134,9	111,8
	Intervention	1.116,0	880,8	1.371,4	1.033,3	1.762,4
B1 - 125 à 128	OILSEEDS	2.687,4	2.971,8	2.673,6	3.477,0	3.549,5
	Refunds	64,0	24,9	5,8	1,0	0,5
	Intervention, of which:	2.623,4	2.946,9	2.667,8	3.476,0	3.549,0
	- Rape and sunflower seed	2.189,0	2.341,0	2.176,6	2.856,2	2.876,7
	- Soya	405,3	570,2	460,4	581,3	594,6
	- Flax seed	29,7	33,3	30,0	37,6	76,4
B1 - 13	PROTEIN PLANTS	587,2	689,3	642,9	834,8	959,0
	Refunds	-	-	-	-	-
	Intervention, of which:	587,2	689,3	642,9	834,8	959,0
	- Peas and field beans	419,4	471,1	423,5	536,4	550,8
	- Dried fodder	167,3	217,5	218,9	298,0	403,9
B1 - 14	FIBRE PLANTS AND SILK WORMS, of which :	306,4	454,2	600,7	580,3	521,8
	- Flax and hemp	21,2	25,5	29,1	40,3	33,6
	- Cotton	284,7	428,2	570,9	539,8	487,9
B1 - 15	FRUIT AND VEGETABLES	967,1	708,2	1.018,6	1.253,0	1.106,5
	Refunds	66,8	64,6	78,7	80,6	94,8
	- Fresh	52,3	48,5	63,4	67,0	76,9
	- Processed	14,5	16,1	15,3	13,6	17,9
	Intervention	900,3	643,6	939,9	1.172,4	1.011,7
	- Fresh	533,7	234,0	433,1	603,4	412,0
	- Processed	366,6	409,6	506,8	569,0	599,7
B1 - 16	WINE PRODUCTS	800,3	1.545,6	1.147,7	745,2	1.047,8
	Refunds	20,4	43,5	45,3	54,7	55,5
	Intervention, of which:	779,9	1.502,1	1.102,4	690,5	992,3
	- Private storage aid	57,2	85,5	87,4	39,9	41,1
	- Compulsory distillation of the by-products of wine-making	91,4	96,9	78,5	68,3	72,3
	- Distillation	508,0	627,5	422,5	267,4	367,2
B1 - 17	TOBACCO	803,6	966,1	1.138,8	1.232,1	1.329,6
	Refunds	43,1	43,1	61,9	61,9	65,3
	Interventions	760,5	923,0	1.076,9	1.170,2	1.264,3

ANNEX 3 : EAGGF GUARANTEE EXPENDITURE BY SECTOR (1) (CTD)

(ECU million)

CHAPTER	SECTOR OR TYPE OF MEASURE	1 9 8 7 (2)	1 9 8 8 (3)	1 9 8 9 (4)	1 9 9 0 (4)	1 9 9 1 (4)
B1 - 18	<u>OTHER SECTORS OR PLANT PRODUCTS</u> , of which:	44,5	59,8	83,8	84,5	87,6
	- Seeds	41,9	50,4	62,2	73,5	66,7
	- Hops	1,5	8,5	21,0	10,8	0,9
TOTAL FOR TITLE B1 - 1		13.607,9	14.759,0	14.011,9	14.648,0	17.460,2
B1 - 20	<u>MILK AND MILK PRODUCTS</u>	5.013,0	5.915,1	4.987,0	4.955,9	5.636,6
	Refunds	2.257,9	3.013,9	2.868,6	1.930,8	2.249,0
	Intervention, of which:	2.755,1	2.901,2	2.118,4	3.025,1	3.387,6
	- Aid for skimmed milk	1.743,0	1.623,3	1.080,5	843,9	1.052,7
	- Storage of skimmed milk	244,4	-10,5	2,2	394,7	270,5
	- Storage of butter	705,5	708,1	456,4	580,5	661,4
	- Disposal of butter	252,5	241,5	354,9	524,9	669,6
	- Financial contribution of milk producers	-601,3	-535,6	-890,3	-348,3	-352,4
	- Expansion of the markets	239,9	187,6	225,8	268,6	248,3
B1 - 21	<u>BEEF/VEAL</u>	2.148,7	2.475,8	2.428,5	2.833,2	4.295,0
	Refunds	877,9	768,7	1.343,1	1.110,0	1.282,4
	Intervention, of which:	1.270,8	1.707,1	1.085,4	1.723,2	3.012,6
	- Public and private storage	1.050,5	1.245,6	663,0	997,7	2.302,8
	- Suckler cow premium	82,0	156,3	182,3	292,4	366,9
	- Special premium	73,8	192,2	158,1	401,5	334,9
B1 - 22	<u>SHEEPMEAT AND GOATMEAT</u>	573,8	1.293,7	1.452,8	1.452,3	1.790,4
	Refunds	-	-	-	-	-
	Intervention	573,8	1.293,7	1.452,8	1.452,3	1.790,4
B1 - 23	<u>PIGMEAT</u>	158,6	215,6	261,0	246,9	252,2
	Refunds	111,5	172,3	199,0	174,0	199,5
	Intervention	47,1	43,3	62,0	72,9	52,7
B1 - 24	<u>EGGS AND POULTRY</u>	152,0	194,1	234,1	178,5	169,2
	Refunds	152,0	194,1	234,1	178,5	169,2
	- Eggs	29,1	33,3	48,4	33,1	35,7
	- Poultry	122,9	160,8	185,7	145,4	133,5
B1 - 25	<u>OTHER MEASURES CONCERNING ANIMAL PRODUCTS</u>	-	-	-	-	p.m.
TOTAL FOR TITLE B1 - 2		8.046,1	10.094,3	9.363,4	9.666,8	12.143,4
B1 - 30	<u>REFUNDS ON CERTAIN GOODS OBTAINED BY PROCESSING AGRICULTURAL PRODUCTS</u>	590,3	602,4	552,1	511,5	704,1
B1 - 31	<u>ACCESSION COMPENSATORY AMOUNTS GRANTED IN INTRA-COMMUNITY TRADE</u>	18,0	64,3	41,5	36,6	28,3
B1 - 32	<u>MONETARY COMPENSATORY AMOUNTS LEVIED OR PAID IN INTRA-COMMUNITY TRADE</u>	636,9	505,2	322,8	270,9	130,7

ANNEX 3 : EAGGF GUARANTEE EXPENDITURE BY SECTOR (1) (CTD)

(ECU million)

CHAPTER	SECTOR OR TYPE OF MEASURE	1 9 8 7 (2)	1 9 8 8 (3)	1 9 8 9 (4)	1 9 9 0 (4)	1 9 9 1 (4)
B1 - 33	<u>REFUNDS IN CONNECTION WITH COMMUNITY FOOD AID</u>	259,4	242,7	132,6	85,6	217,0
B1 - 34	<u>INTEREST PAYMENTS TO MEMBER STATES AFTER CHANGES IN METHOD OF FINANCING EXPENDITURE</u>	-	37,5	48,5	66,6	84,7
B1 - 35	<u>DISTRIBUTION OF AGRICULTURAL PRODUCTS TO THE MOST DEPRIVED PERSONS IN THE COMMUNITY</u>	-	65,8	132,9	136,9	145,0
B1 - 36	<u>MEASURES TO COMBAT FRAUD IN CONNECTION WITH THE EAGGF GUARANTEE SECTION</u>	-	-	-	3,0	20,1
B1 - 37	<u>CLEARANCE OF ACCOUNTS OF PREVIOUS YEARS AND REMAINING APPROPRIATIONS</u>	-208,2	+29,2	-202,7	-377,9	-437,8
B1 - 38	<u>RURAL DEVELOPMENT MEASURES LINKED TO THE MARKETS</u>	-	-	-	-	388,2
TOTAL FOR TITLE B1 - 3		1.298,4	1.547,1	1.027,7	733,2	1.280,3
TOTAL FOR TITLES B1 - 1, B1 - 2, B1 - 3		22.950,4	26.400,4	24.403,0	25.048,0	30.883,9
B1 - 40	<u>SET-ASIDE - GUARANTEE SECTION</u>	-	-	3,0	21,2	76,9
TOTAL FINANCED WITHIN THE GUIDELINE		-	26.400,4	24.406,0	25.069,2	30.960,8
GUIDELINE		-	27.500,0	28.624,0	30.630,0	32.511,0
[B1 - 50]	<u>[MONETARY RESERVE]</u>	-	[1.000,0]	[1.000,0]	[1.000,0]	[1.000,0]
<u>EXPENDITURE FINANCED OUTSIDE THE GUIDELINE</u>						
B2 - 90	<u>FISHERES GUARANTEE FUND</u>	17,4	46,9	24,0	23,6	26,2
	Refunds	-	-0,1	0,1	-	-
	Intervention	17,4	47,0	23,9	23,6	26,2
B0 - 10	<u>REPAYMENT TO MEMBER STATES OF COST OF DEPRECIATION OF STOCKS OF AGRICULTURAL PRODUCTS AND SPECIFIC DISPOSAL OF BUTTER FROM PUBLIC STOCKS</u>	-	1.240,0	1.442,9	1.360,7	797,3
-	<u>EXPENDITURE USING APPROPRIATIONS CARRIED OVER FROM 1990</u>	-	-	-	-	601,6
TOTAL EAGGF GUARANTEE EXPENDITURE		22.967,8	27.687,3	25.872,9(5)	26.453,5(5)	32.385,9(5)

(1) The expenditure is based on the claims by the Member States under the advance payments arrangements and charged to each year in accordance with Article 100 of the Financial Regulation.

(2) Expenditure charged against the 1987 budget (1 January 1987 - end of October/beginning of November 1987)

(3) Expenditure charged against the 1988 budget (beginning of November 1987 - 15 October 1988)

(4) Expenditure charged from 16 October to 15 October of the following year

(5) Not including set-aside payments by the Guidance Section (item B02-500) and income support (item B02-501), which is not paid by the Guarantee Section but the Community's financial contribution for which is paid according to the EAGGF Guarantee financing rules.

ANNEX 4
 BREAKDOWN OF EXPENDITURE BY SECTOR AND ECONOMIC CATEGORY
 1991 (1) - (not including expenditure using appropriations carried over from 1990)

(2)	SECTOR	TOTAL EXPENDITURE		EXPORT REFUNDS		INTERVENTION (3)	
		ECU million	%	ECU million	%	ECU million	%
1.10	CEREALS, of which:	5.189,3	16,3	3.679,4	36,5	1.509,9*	6,9
	- Rice	(111,9)		(77,8)		(34,1)	
1.11	SUGAR	1.814,9	5,7	1.251,2	12,4	563,7	2,6
1.120-1.124	OLIVE OIL	1.874,2	5,9	111,8	1,1	1.762,4	8,1
1.125-1.128	OILSEEDS, of which:	3.549,5	11,2	0,5	p.m.	3.549,0	16,3
	- Rape and sunflower seed	(2.877,2)		(0,5)		(2.876,7)	
1.13	PROTEIN PLANTS, of which:	959,0	3,0	-		959,0	4,4
	- Peas and field beans	(550,8)		(-)		(550,8)	
	- Dried fodder	(403,9)		(-)		(403,9)	
1.14	FIBRE PLANTS, of which :	521,9	1,7	-		521,9	2,4
	- Flax and hemp	(33,6)		(-)		(33,6)	
	- Cotton	(487,9)		(-)		(487,9)	
1.15	FRUIT AND VEGETABLES, of which:	1.106,5	3,5	94,8	1,0	1.011,7	4,6
	- Processed fruit and vegetables	(617,6)		(17,9)		(599,7)	
1.16	WINE PRODUCTS	1.047,8	3,3	55,5	0,5	992,3	4,5
1.17	TOBACCO	1.329,6	4,2	65,3	0,6	1.264,3	5,8
1.18	OTHER SECTORS OR CROP PRODUCTS	67,6	0,2	-		67,6	0,3
	of which :	(66,7)				(66,7)	
	- Seeds	(0,9)				(0,9)	
	- Hops						
1.20	MILK PRODUCTS, of which :	5.636,5	17,7	2.249,0	22,3	3.387,5*	15,5
	- Skimmed milk	(1.447,1)		(123,9)		(1.323,2)	
	- Butter	(1.941,6)		(610,6)		(1.331,0)	
1.21	BEEF/VEAL	4.295,0	13,5	1.282,4	12,7	3.012,6	13,8
1.22	SHEEPMEAT AND GOATMEAT	1.790,4	5,6	-		1.790,4	8,2
1.23	PIGMEAT	252,2	0,8	199,5	2,0	52,7	0,3
1.24	EGGS AND POULTRY	169,2	0,5	169,2	1,7	-	
1.30	NON-ANNEX II PRODUCTS	704,1	2,2	704,1	7,0	-	
1.31	ACCESSION COMPENSATORY AMOUNTS	28,3	0,1	-		28,3	0,1
1.32	MONETARY COMPENSATORY AMOUNTS	126,2	0,4	p.m.		126,2	0,6
1.33	FOOD AID REFUNDS	217,0	0,7	217,0	2,2	-	
1.380	DIFFERENTIATION OF AGRICULTURAL MARKET MECHANISMS	388,2	1,2	-		388,2	1,8
2.90	FISHERIES GUARANTEE FUND	26,2	0,1	-		26,2	0,1
0.101	REPAYMENT TO M.S. OF COSTS FOR SPECIFIC DISPOSAL OF BUTTER FROM PUBLIC STOCKS	797,4	2,5	-		797,4	3,7
S U B T O T A L		31.891,0	100,3	10.079,7	100	21.811,3	100
1.37	CLEARANCE OF PREVIOUS YEARS	- 437,8	- 1,4	i.e. : 31,6 %		i.e. : 68,4 %	
	OTHER	331,1 (4)	1,1	of agricultural expenditure (31.891,0)			
T O T A L		31.784,3	100				

(1) Expenditure charged against the 1991 budget.

(2) Budget chapters or articles.

(3) The breakdown of intervention by economic category is shown in Annex 8.

(4) Including ECU 4.4 million in MCAs granted on imports (Item B01-3210).

(*) Including co-responsibility levies for cereals and the financial contribution of milk producers.

ANNEX 4a
EXPENDITURE USING APPROPRIATIONS CARRIED OVER FROM 1990, BROKEN DOWN BY SECTOR AND ECONOMIC CATEGORY
1991 (1)

(2)	SECTOR	TOTAL EXPENDITURE		EXPORT REFUNDS	INTERVENTION (3)
		ECU million	%	ECU million	ECU million
1.10	CEREALS, of which:	-	-	-	-
	- Rice	(-)	-	(-)	(-)
1.11	SUGAR	-	-	-	-
1.120-1.124	OLIVE OIL	86,0	14,3	-	86,0
1.125-1.128	OIL SEEDS, of which:	-	-	-	-
	- Rape and sunflower seed	(-)	-	(-)	(-)
1.13	PROTEIN PLANTS, of which:	1,0	0,2	-	1,0
	- Peas and field beans	(-)	-	(-)	(-)
	- Dried fodder	(1,0)	-	(-)	(1,0)
1.14	FIBRE PLANTS, of which :	-	-	-	-
	- Flax and hemp	(-)	-	(-)	(-)
	- Cotton	(-)	-	(-)	(-)
1.15	FRUIT AND VEGETABLES, of which:	1,5	0,2	-	1,5
	- Processed fruit and vegetables	(-)	-	(-)	(-)
1.16	WINE PRODUCTS	230,4	38,3	-	230,4
1.17	TOBACCO	-	-	-	-
1.18	OTHER SECTORS OR PLANT PRODUCTS	-	-	-	-
	of which:	251,4	41,8	-	251,4
	- Seeds	(-)	-	(-)	(-)
	- Hops	(-)	-	(-)	(-)
1.20	MILK PRODUCTS, of which :	15,2	2,5	-	15,2
	- Skimmed milk	(10,0)	-	(-)	(10,0)
	- Butter	(5,2)	-	(-)	(5,2)
1.21	BEEF/VEAL	9,5	1,6	-	9,5
1.22	SHEEPM EAT AND GOATMEAT	-	-	-	-
1.23	PIGMEAT	-	-	-	-
1.24	EGGS AND POULTRY	-	-	-	-
1.30	NON-ANNEX II PRODUCTS	-	-	-	-
1.31	ACCESSION COMPENSATORY AMOUNTS	-	-	-	-
1.32	MONETARY COMPENSATORY AMOUNTS	-	-	-	-
1.33	FOOD AID REFUNDS	6,6	1,1	6,6	-
0.101	REPAYMENTS TO M.S. OF COST OF SPECIFIC DISPOSAL OF BUTTER FROM PUBLIC STOCKS	-	-	-	-
2.90	FISHERIES GUARANTEE FUND	-	-	-	-
T O T A L		601,6	100	6,6	595,0

(1) Expenditure charged against the 1991 budget.

(2) Budget chapters or articles.

(3) The breakdown of intervention by economic category is shown in Annex 8a.

ANNEX 5

BREAKDOWN OF EXPENDITURE BY SECTOR AND ECONOMIC CATEGORY (1987-1991)

	1987		1988		1989		1990		1991 (4)	
	(1) (*) ECU mil.	%	(2) (*) ECU mil.	%	(*) ECU mil.	%	(*) ECU mil.	%	(*) ECU mil.	%
Total expenditure (including CAs)	23.175,9	100,0	27.554,8	100,0	25.840,0	100,0	26.527,5	100,0	31.891,0	100,0
Refunds (R)(**)	9.374,8	40,4	9.928,8	36,0	9.714,0	37,5	7.721,9	29,2	10.079,7	31,6
Intervention and similar measures (I)	13.801,1	59,6	17.626,0	64,0	16.126,0	62,5	18.805,6	70,8	21.811,3	68,4
Cereals (not including rice)										
R (**)	4.223,9	18,2	4.422,8	16,1	3.213,5	12,4	3.855,9	14,5	5.208,3	16,3
I	3.156,8	13,6	3.083,0	11,2	2.660,6	10,2	2.499,9	9,4	3.732,4	11,7
	1.067,1	4,6	1.339,8	4,9	552,9	2,2	1.356,0	5,1	1.475,9	4,6
Sugar										
R (**)	2.035,6	8,8	2.081,8	7,6	1.979,8	7,7	1.391,1	5,2	1.819,3	5,7
I	1.515,8	6,6	1.566,1	5,7	1.451,3	5,6	928,7	3,5	1.255,6	3,9
	519,8	2,2	515,7	1,9	528,5	2,1	462,4	1,7	563,7	1,8
Oilseeds										
R	2.687,4	11,6	2.971,8	10,8	2.673,6	10,3	3.477,0	13,1	3.549,5	11,1
I	64,0	0,3	24,9	0,1	5,8	-	1,0	-	0,5	p.m.
	2.623,4	11,3	2.946,9	10,7	2.667,8	10,3	3.476,0	13,1	3.549,0	11,1
Milk and milk products										
R (**)	5.182,3	22,3	5.983,5	21,7	5.040,7	19,5	4.971,7	18,8	5.706,4	17,9
I	2.427,2	10,4	3.082,3	11,2	2.922,3	11,3	1.946,6	7,4	2.319,0	7,3
	2.755,1	11,9	2.901,2	10,5	2.118,4	8,2	3.025,1	11,4	3.387,4	10,6
Beef/veal										
R	2.148,7	9,3	2.475,8	9,0	2.428,5	9,4	2.833,2	10,7	4.295,0	13,5
I	877,9	3,8	768,7	2,8	1.343,1	5,2	1.110,0	4,2	1.282,4	4,0
	1.270,8	5,5	1.707,1	6,2	1.085,4	4,2	1.723,2	6,5	3.012,6	9,5
Other products or headings (3)										
R (**)	6.898,0	29,8	9.619,1	34,8	10.503,9	40,7	9.998,6	37,7	11.312,5	35,5
I	1.333,1	5,7	1.403,8	5,0	1.330,9	5,2	1.235,7	4,7	1.489,8	4,7
	5.564,9	24,1	8.215,3	29,8	9.173,0	35,5	8.762,9	33,0	9.822,7	30,8

(*) Not including consequences of accounts clearance, set-aside or miscellaneous measures (interest payments (after the changes in financing methods, free distribution, fraud prevention, MCAs granted on imports).

(**) Including refunds in connection with food aid operations.

(1) Expenditure charged against the 1987 budget.

(2) Expenditure charged against the 1988 budget.

(3) Including depreciation of stocks and specific disposal of butter from public stocks (1.240,0 in 1988, 1.442,9 in 1989, 1.360,7 in 1990 and 797,3 in 1991).

(4) Not including expenditure using appropriations carried over from 1990.

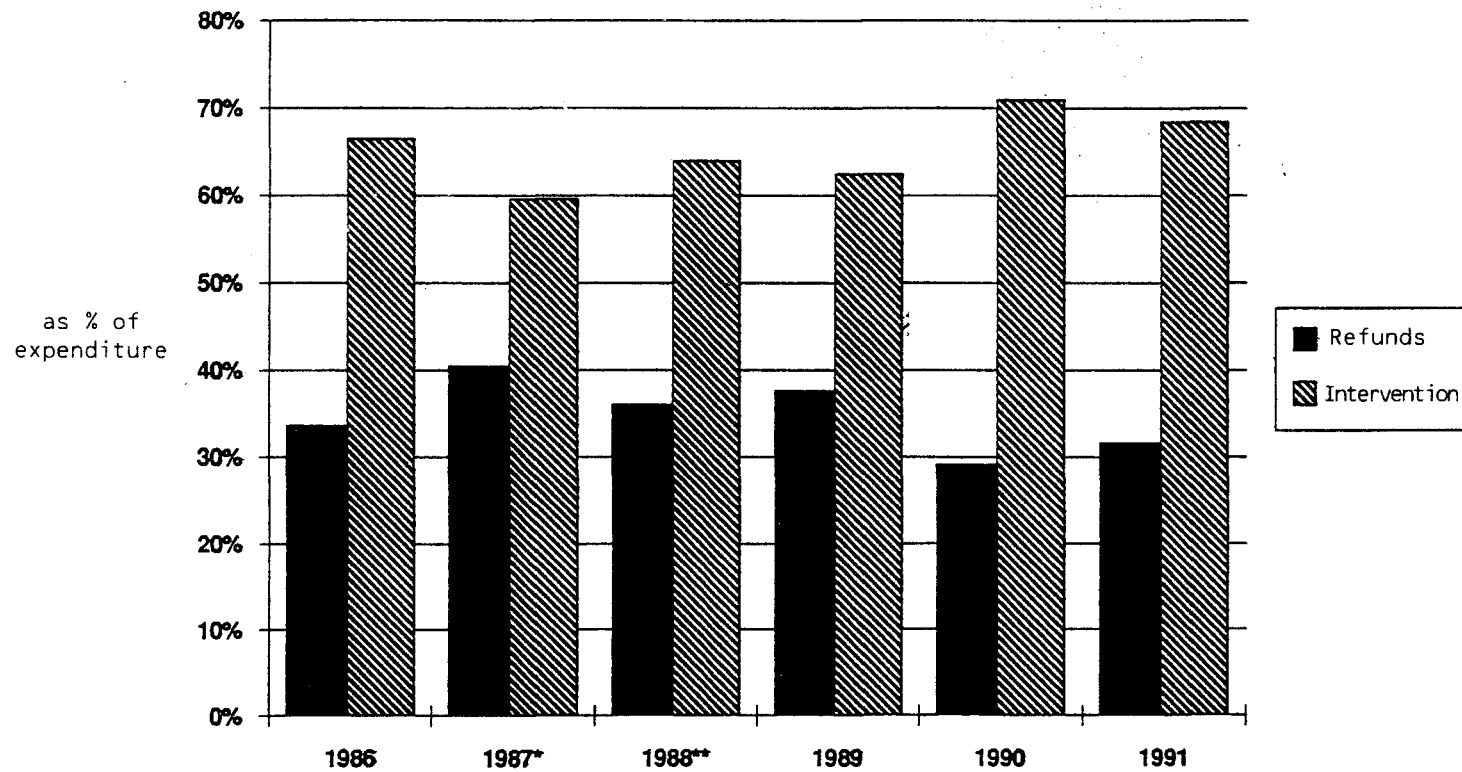
ANNEX 6 : EAGGF GUARANTEE EXPENDITURE: BREAKDOWN BY SECTOR AND PERCENTAGE (1987-1991) (1)

SECTOR	1987 (3)		1988 (4)		1989 (5)		1990 (5)		1991 (5)	
	ECU mil.	%	ECU mil.	%	ECU mil.	%	ECU mil.	%	ECU mil.	%
Cereals	4.137,6	17,8	4.264,4	15,4	3.150,0	12,1	3.799,5	14,2	5.077,4	15,8
Rice	99,0	0,4	72,8	0,3	111,5	0,4	85,1	0,3	111,9	0,3
Sugar	2.035,6	8,8	2.081,8	7,5	1.979,8	7,6	1.388,3	5,2	1.814,9	5,6
Olive oil	1.139,2	4,9	945,0	3,4	1.464,5	5,6	1.168,2	4,3	1.874,2	5,8
Oilseeds	2.687,4	11,6	2.971,8	10,7	2.673,6	10,3	3.477,0	13,0	3.549,5	11,0
Protein plants	587,2	2,5	689,3	2,5	642,9	2,5	834,8	3,1	959,0	3,0
Fibre plants and silkworms	306,4	1,3	454,2	1,6	600,7	2,3	580,8	2,2	521,8	1,6
Fruit and vegetables	967,0	4,2	708,2	2,5	1.018,6	3,9	1.253,0	4,6	1.106,5	3,4
Wine	800,3	3,5	1.545,6	5,6	1.147,7	4,4	745,2	2,8	1.047,8	3,3
Tobacco	803,6	3,5	966,1	3,5	1.138,8	4,4	1.232,1	4,6	1.329,6	4,1
Other sectors	44,5	0,2	59,8	0,2	83,8	0,3	84,5	0,3	67,6	0,2
Milk products	5.013,0	21,6	5.915,0	21,4	4.987,0	19,1	4.955,9	18,5	5.636,6	17,5
Beef/veal	2.148,7	9,3	2.475,8	9,0	2.428,5	9,3	2.833,2	10,6	4.295,0	13,3
Sheepmeat and goatmeat	573,8	2,5	1.293,7	4,7	1.452,8	5,6	1.452,3	5,4	1.790,4	5,6
Pigmeat	158,6	0,7	215,6	0,8	261,0	1,0	246,6	0,9	252,2	0,8
Eggs and poultry	152,0	0,7	194,1	0,7	234,1	0,9	178,8	0,7	169,2	0,5
Non-Annex II products	590,3	2,5	602,4	2,2	552,1	2,1	511,5	1,9	704,1	2,2
Fisheries	17,4	0,1	46,9	0,2	24,0	0,1	23,6	0,1	26,2	0,1
TOTAL AGRICULTURAL EXPENDITURE	22.261,6	96,1	25.502,6	92,2	23.951,4	91,9	24.849,9	92,7	30.333,9	94,1
Accession compensatory amounts	18,0	0,1	64,3	0,2	41,5	0,2	36,6	0,1	28,3	0,1
Monetary compensatory amounts	638,9	2,7	505,2	1,9	322,8	1,2	270,9	1,0	130,7	0,4
Depreciation of intervention stocks and disposal of butter from public stocks	-	-	1.240,0	4,5	1.442,9	5,5	1.360,7	5,1	797,3	2,5
Food aid refunds	259,4	1,1	242,7	0,9	132,6	0,5	85,6	0,3	217,0	0,7
Interest after change in financing method	-	-	37,5	0,1	48,5	0,2	66,6	0,2	84,7	0,3
Free distribution of intervention products	-	-	65,8	0,2	132,9	0,5	136,9	0,5	145,0	0,4
Set-aside (Guarantee Section)	-	-	-	-	3,0	p.m.	21,2	0,1	76,9	0,2
Fraud prevention measures	-	-	-	-	-	-	3,0	p.m.	20,1	0,1
Rural development measures linked to markets	-	-	-	-	-	-	-	-	388,2	1,2
TOTAL AGRICULTURAL EXPENDITURE EAGGF GUARANTEE SECTION	23.175,9	100,0	27.658,1	100,0	26.075,6	100,0	26.831,4	100,0	32.222,1	100,0
	22.967,7 (2)		27.687,3 (2)		25.872,9 (2) (6)		26.453,5 (2) (6)		31.784,3 (2) (6) (7)	

(1) Expenditure is based on the Member States' claims under the advance payments arrangements and charged against each year in accordance with Article 100 of the Financial Regulation.
(2) Taking into account the consequences of accounts clearance for previous years.
(3) Expenditure charged against the 1987 budget (1 January 1987 - 31 October 1987).
(4) Expenditure charged against the 1988 budget (1 November 1987 - 15 October 1988).
(5) Expenditure charged from 16 October to 15 October of the following year.
(6) Not including set-aside payments by the Guidance Section (Item B02-500) and income support (Item B02-501), which is not paid by the Guarantee section but for which the Community financial contribution is paid in accordance with the financing rules of the EAGGF Guarantee Section.
(7) Not including expenditure using appropriations carried over from 1990.

A N N E X 7

EAGGF Guarantee expenditure broken down by economic category



* Expenditure charged against 1987 budget (10 months)
** Expenditure charged against 1988 budget (11 1/2 months)

ANNEX 8
BREAKDOWN OF EXPENDITURE BY ECONOMIC CATEGORY

(ECU million)

BUDGET CHAPTER/ ARTICLE	SECTOR	TOTAL INTERVENTION (1)	STORAGE (2)	WITHDRAWALS AND SIMILAR OPERATIONS	PRICE COMPENSATING AIDS (3)	GUIDANCE PREMIUMS
B1.10	CEREALS, of which:	2.434,3	1.440,9	-	993,4(4)	-
	- Rice	(34,1)	(21,5)	-	(12,6)	-
B1.11	SUGAR	563,7	460,9	-	102,8	-
B1.120/124	OLIVE OIL	1.762,4	-18,5(6)	-	1.780,9	-
B1.125/128	OILSEEDS, of which:	3.549,0	0,5	-	3.548,5	-
	- Rape and sunflower seed	(2.876,7)	(0,5)	-	(2.876,2)	-
B1.13	PROTEIN PLANTS, of which:	959,0	-	-	959,0	-
	- Peas and field beans	(550,8)	-	-	(550,8)	-
	- Dried fodder	(403,9)	-	-	(403,9)	-
B1.14	FIBRE PLANTS, of which :	521,9	6,5	-	515,4	-
	- Flax and hemp	(33,6)	(6,5)	-	(27,1)	-
	- Cotton	(487,9)	-	-	(487,9)	-
B1.15	FRUIT AND VEGETABLES, of which:	1.011,7	0,9	187,1(6)	744,9	78,8
	- Processed fruit and veg.	(599,7)	(0,9)	-	(598,8)	-
B1.16	WINE PRODUCTS	992,3	251,9	439,6	134,1	166,7
B1.17	TOBACCO	1.264,3	53,8	-	1.210,5	-
B1.18	OTHER SECTORS OR CROP PRODUCTS of which:	67,6	-	-	67,6	-
	- Seeds	(66,7)	-	-	(66,7)	-
	- Hops	(0,9)	-	-	(0,9)	-
B1.20	MILK PRODUCTS, of which :	3.739,9	1.081,2*	-	1.970,6(5)	688,1
	- Skimmed milk	(1.323,2)	(270,5)*	-	(1.052,7)	(-)
	- Butter	(1.331,0)	(661,4)*	-	(669,6)	(-)
B1.21	BEEF/VEAL	3.012,6	2.302,8	-	701,8	8,0
B1.22	SHEEPMET AND GOATMEAT	1.790,4	3,0	-	1.787,4	-
B1.23	PIGMEAT	52,7	17,0	-	35,7	-
B1.24	EGGS AND POULTRY	-	-	-	-	-
B1.30	NON-ANNEX 11 PRODUCTS	-	-	-	-	-
B1.31	ACCESSION COMPENSATORY AMOUNTS	28,3	-	-	28,3	-
B1.32	MONETARY COMPENSATORY AMOUNTS (Intra-Community trade)	126,2	-	-	126,2	-
B1.380	DIFFERENTIATION OF AGRICULTURAL MARKET MECHANISMS	388,2	-	-	182,1	206,1
B2.90	FISHERIES GUARANTEE FUND	26,2	1,2	7,8	17,2	-
B0.10	REPAYMENT TO M.S. OF COST OF SPECIFIC DISPOSAL OF BUTTER FROM PUBLIC STOCKS	797,3	797,3	-	-	-
	SUBTOTAL	23.088,0	6.399,4	634,5	14.906,4	1.147,7
	%	100 %	27,7 %	2,7 %	64,6 %	5,0 %
	Co-responsibility levy cereals	- 924,3	-	-	-	-
	Fin. contrib. milk producers	- 352,4	-	-	-	-
	TOTAL	21.811,3	-	-	-	-

- (1) Expenditure charged against 1991 budget.
(2) Details of expenditure on storage are shown in Annex 9.
(3) The breakdown of expenditure on intervention in the form of price compensating aid is shown in Annex 10.
(4) This amount does not take into account the co-responsibility levy (ECU 924,3 million).
(5) This amount does not take into account the financial contribution of milk producers (ECU 352,4 million).
(6) Including the aid to Poland and Romania: 1991 - 1st instalment: olive oil: ECU 0.9 million; citrus fruit: ECU 0.1 million.
* Not including depreciation under Chapter B0.10.

ANNEX 9
Breakdown of intervention expenditure in the form of storage costs
(1991)

(ECU million)

PRODUCT	Total Storage	Total private storage	Total public storage	PUBLIC STORAGE						
				Technical costs	Financial costs	Difference between buying-in and selling prices	Depreciation			
							Total Depreciation	Depreciation on purchase	Special depreciation at beginning of year	Further depreciation at end of year
a-b+c	b	c-d+e+f+g	d	e	f	g-h+i+j	h	i	j	
Cereals, of which:	1.419,46	0,00	1.419,46	383,74	109,89	374,36	1.300,19	1.110,29	0,00	189,90
- common breadmaking wheat	511,75	0,00	511,75	189,85	48,26	-235,49	509,12	472,78	0,00	36,34
- feed wheat	3,23	0,00	3,23	4,50	1,32	-26,20	23,61	20,78	0,00	2,84
- durum wheat	379,44	0,00	379,44	31,29	14,63	-25,15	358,67	250,84	0,00	107,83
- barley	335,79	0,00	335,79	107,07	28,74	-38,83	238,80	220,19	0,00	18,61
- rye	234,33	0,00	234,33	48,87	16,50	-1,05	170,01	145,73	0,00	24,28
- maize	-42,31	0,00	-42,31	2,06	0,42	-44,77	-0,02	-0,02	0,00	0,00
- sorghum	-2,77	0,00	-2,77	0,10	0,01	-2,88	0,00	0,00	0,00	0,00
Rice	21,54	0,00	21,54	5,31	2,48	-17,57	31,32	29,17	0,00	2,15
Sugar	460,90	460,90	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Olive oil	19,56	0,00	19,56	8,63	7,51	-41,23	5,53	4,85	0,00	0,68
Oilseeds, of which:	0,48	0,00	0,48	1,29	0,54	-10,35	9,00	8,57	0,00	0,44
- rapeseed	3,63	0,00	3,63	0,26	0,15	0,00	3,22	2,79	0,00	0,43
- sunflower	-3,15	0,00	-3,15	1,03	0,39	-10,35	5,78	5,77	0,00	0,01
Fibre flax and hemp	6,51	6,51	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Dried figs/grapes	0,90	0,90	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Wine products/alcohol	251,92	41,15	210,78	10,03	2,03	12,47	186,25	148,27	0,00	37,97
Tobacco	53,78	0,00	53,78	34,21	2,52	-4,45	21,50	21,28	0,00	0,22
Milk products, of which:	1.081,22	193,17	888,06	40,96	140,60	-63,84	770,31	559,81	0,00	210,51
- skimmed milk	270,52	0,05	270,46	13,47	28,49	-35,86	264,37	173,09	0,00	91,28
- butter and cream	661,38	43,79	617,59	27,51	112,11	-27,98	505,95	386,72	0,00	119,23
- cheese	149,33	149,33	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Beef/veal	2.302,79	0,53	2.302,26	256,50	77,31	71,12	1.897,34	1.524,47	0,00	372,86
Sheepmeat and goatmeat	3,01	3,01	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Pigmeat	17,01	17,01	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Fishery products	1,17	1,17	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
TOTAL	5.601,13	724,34	4.876,79	740,68	342,87	-428,20	4.221,44	3.406,71	0,00	814,73

(1) Sugar storage costs are covered by charging storage levies to sugar manufacturers.

(2) This figure does not take account of compensatory aid of ECU 9.52 million to cover losses on sales of goods in private storage.

(3) The amount of the depreciation is broken down as follows: "public alcohol" (Art. 39): ECU 60.17 million and "mixed" alcohol (Arts. 35, 36): ECU 126.07 million.

N.B. - Excluding expenditure on products from public storage for emergency aid: (Poland/Romania, 1990) ECU 1.09 million, (USSR 1991 public storage) ECU 35.6 million and (Romania/Bulgaria 1991 public storage) ECU 33.53 million.

- Excluding expenditure on deferred payment for butter disposals (B00-101): ECU 797.35 million.

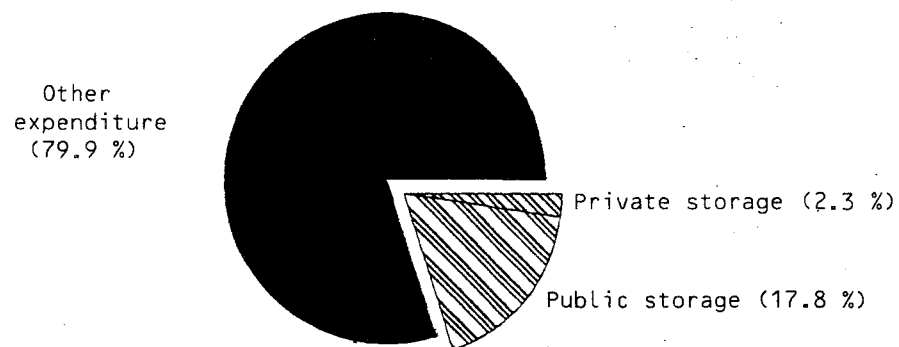
(1)

(2)

(3)

EAGGF GUARANTEE SECTION EXPENDITURE FOR 1991

Impact of expenditure on storage



EAGGF Guarantee Section Expenditure for 1991

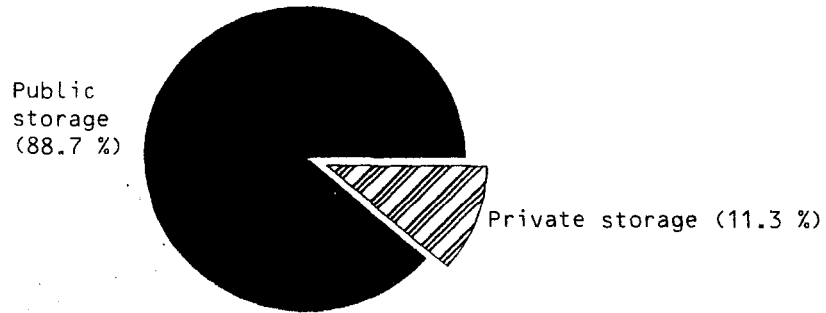
Other expenditure	ECU 25,466.6 million	(1)
Public storage	ECU 5,674.1 million	(2)
Private storage	ECU 724.3 million	
TOTAL	ECU 31,865.1 million	

(1) Other expenditure : not including expenditure using appropriations carried over from 1990.

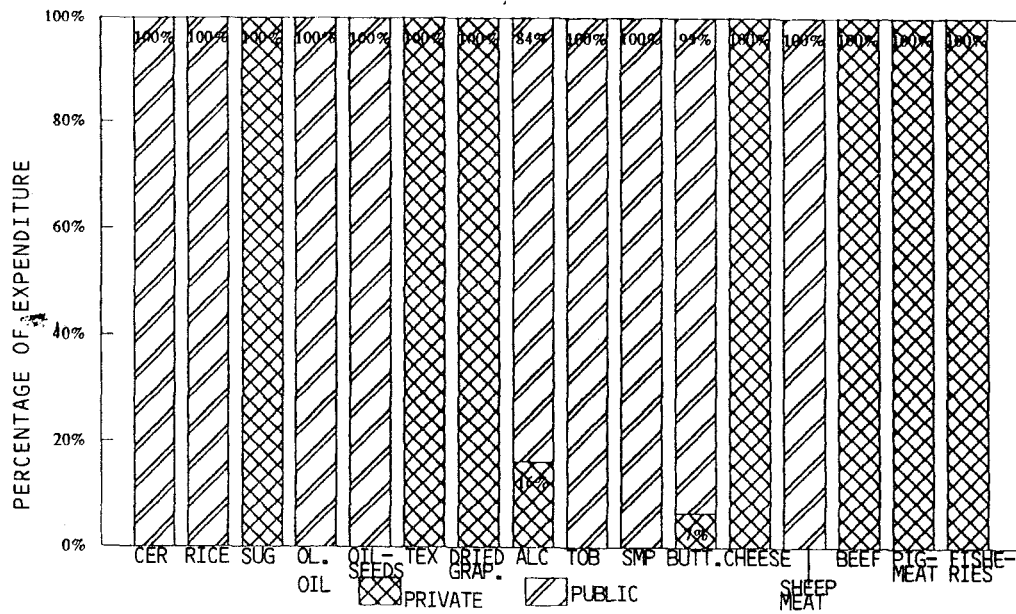
(2) Public storage : including deferred payment of special butter disposal (B00-101) at ECU 797.4 million.

BREAKDOWN OF EXPENDITURE IN THE FORM OF STORAGE COSTS

- 1991 -

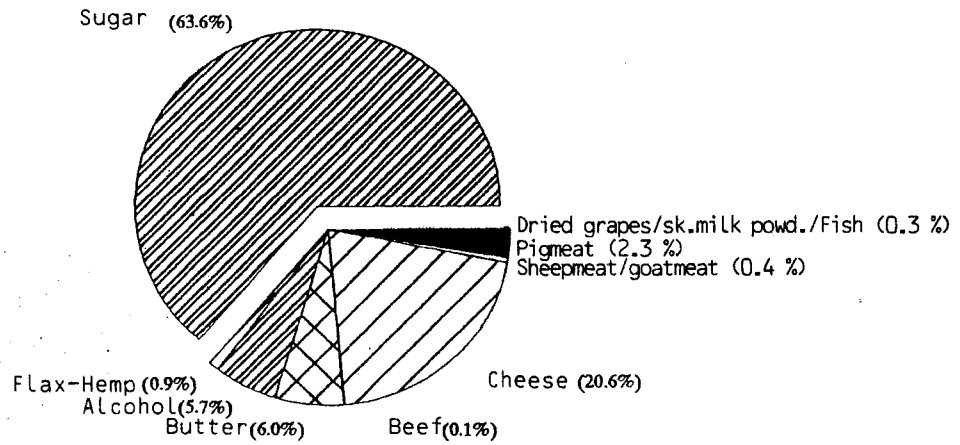


BREAKDOWN BY PRODUCT



- Skimmed milk powder + beef : the percentage for private storage is negligible.

PRIVATE STORAGE - Exercice 1991
Breakdown by product

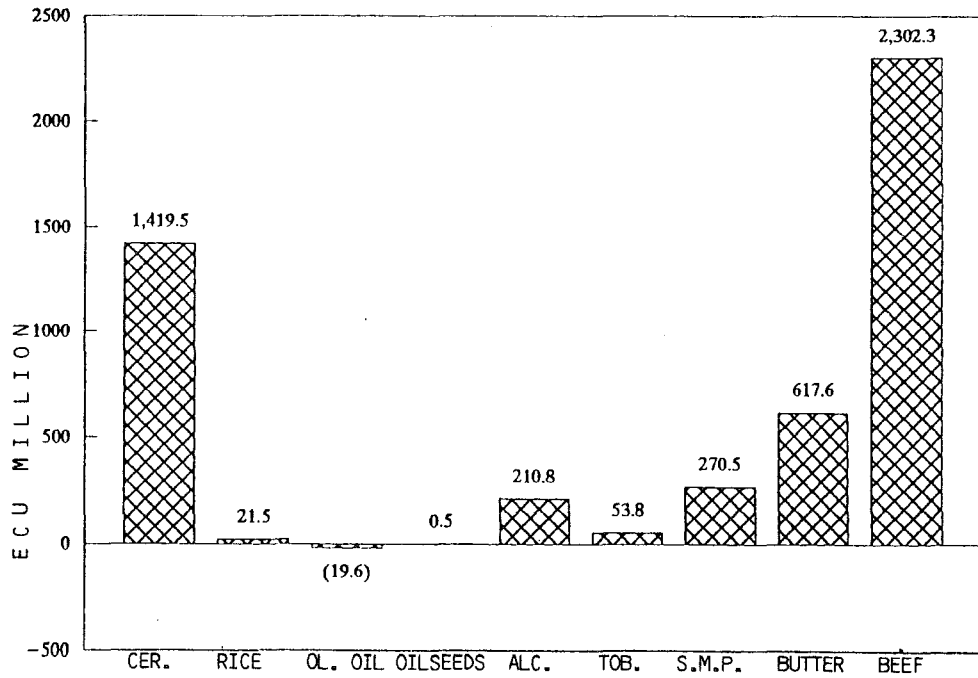
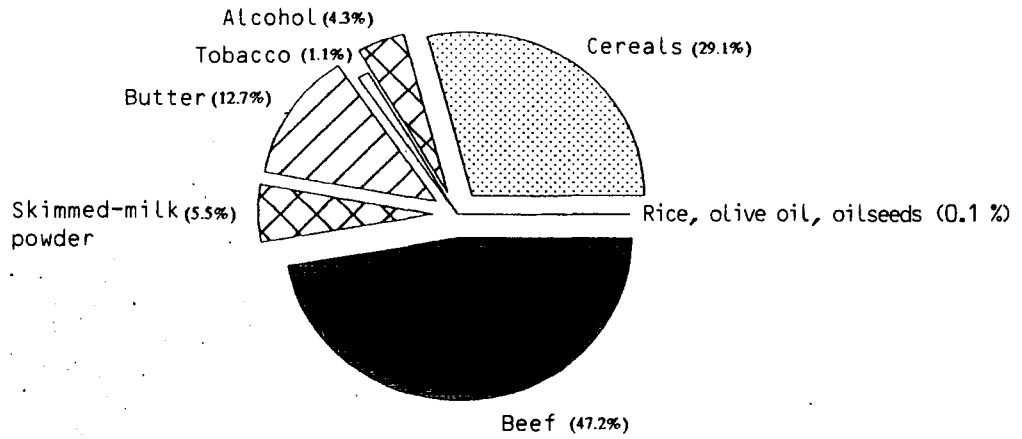


PRIVATE STORAGE

SUGAR	ECU 460.9 million
FLAX/HEMP	ECU 6.5 million
ALCOHOL	ECU 41.2 million
BUTTER	ECU 43.8 million
BEEF	ECU 0.5 million
CHEESE	ECU 149.3 million
SHEEPMEAT/GOATMEAT	ECU 3.0 million
PIGMEAT	ECU 17.0 million
DRIED GR./SMP/FISH.	ECU 2.1 million
TOTAL	ECU 724.4 million

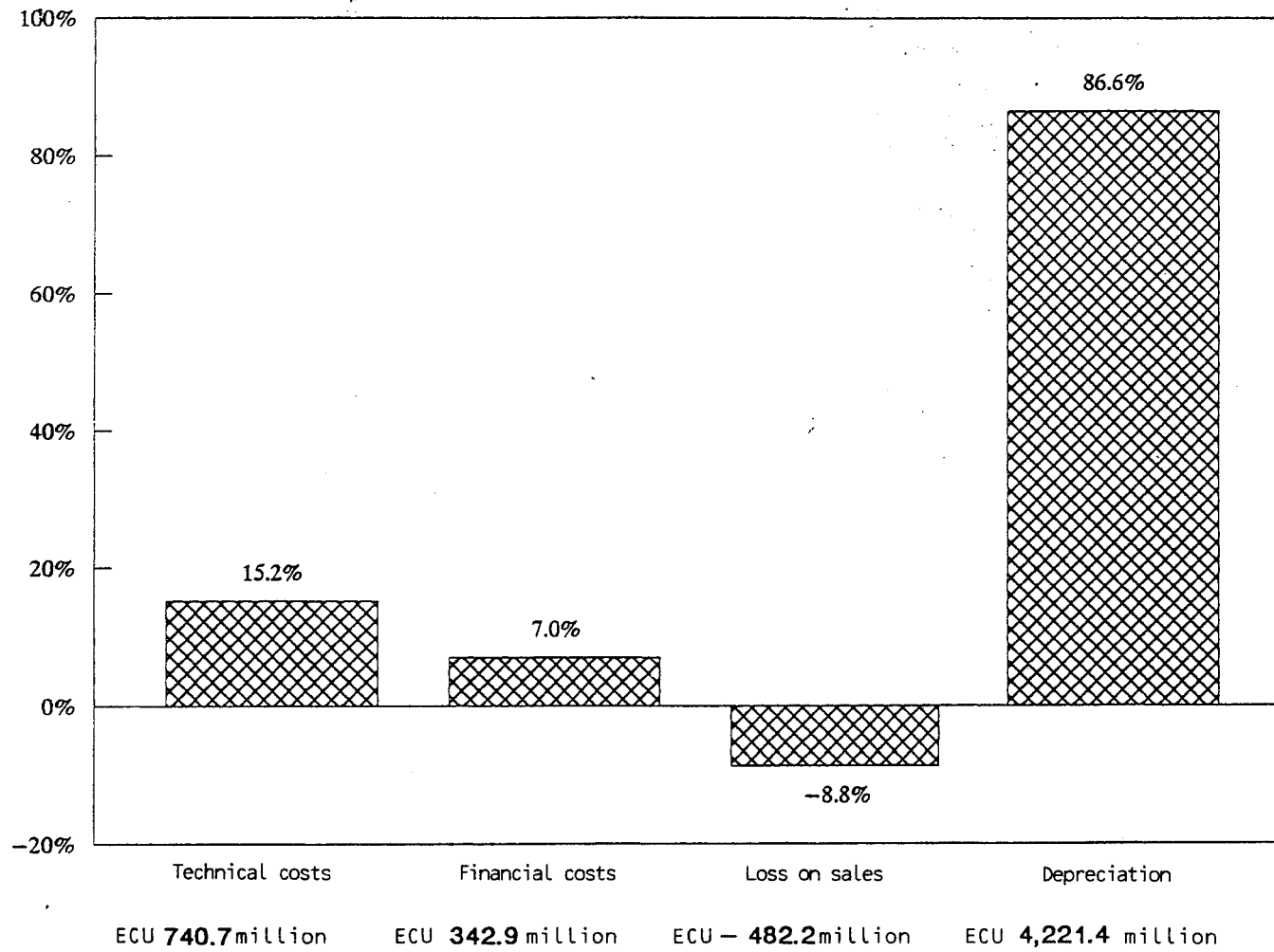
PUBLIC STORAGE - EXERCICE 1991

Breakdown by product



ANNEX 9e

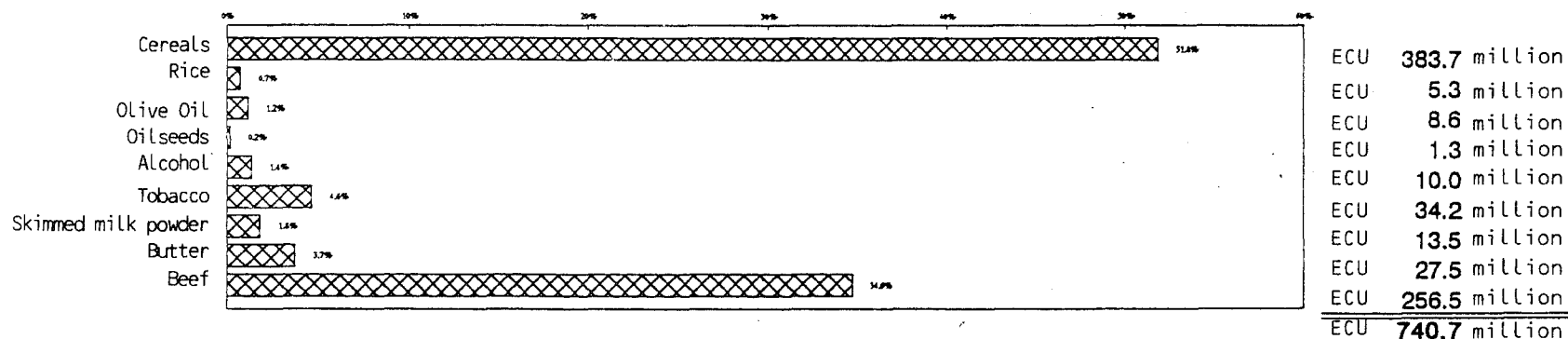
PUBLIC STORAGE - BREAKDOWN BY EXPENDITURE 1991



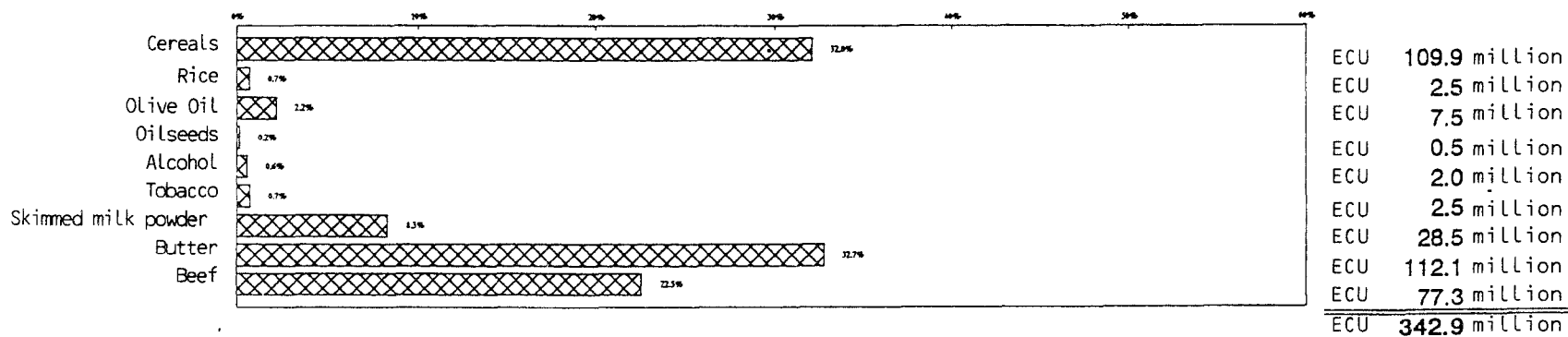
ANNEX 9 f

PUBLIC STORAGE - 1991

TECHNICAL COSTS



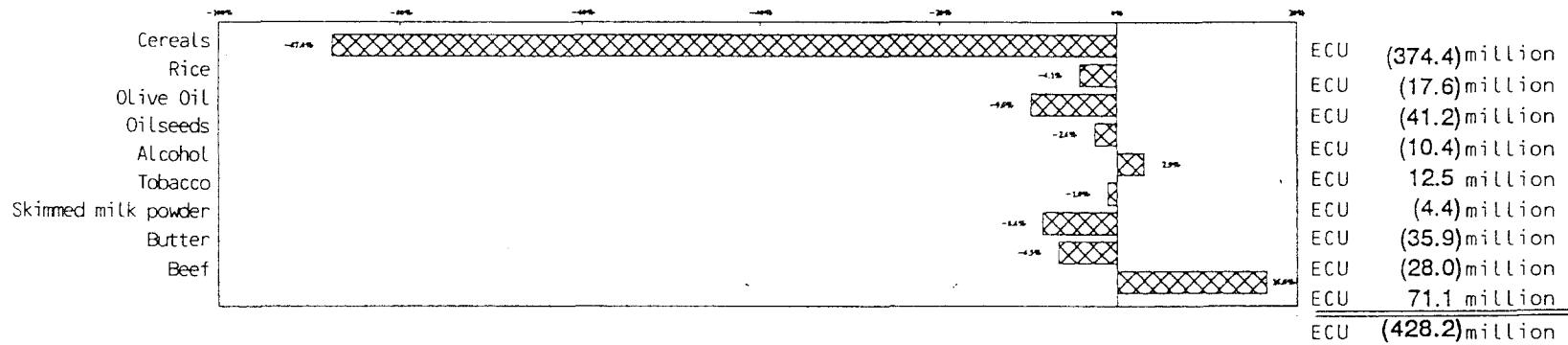
FINANCIAL COSTS



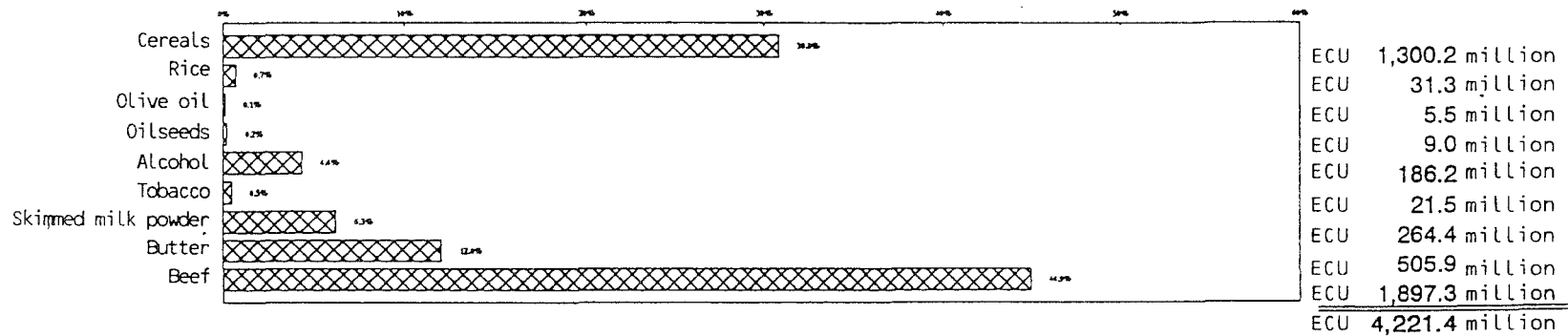
ANNEX 9g

PUBLIC STORAGE - 1991

LOSSES ON SALES

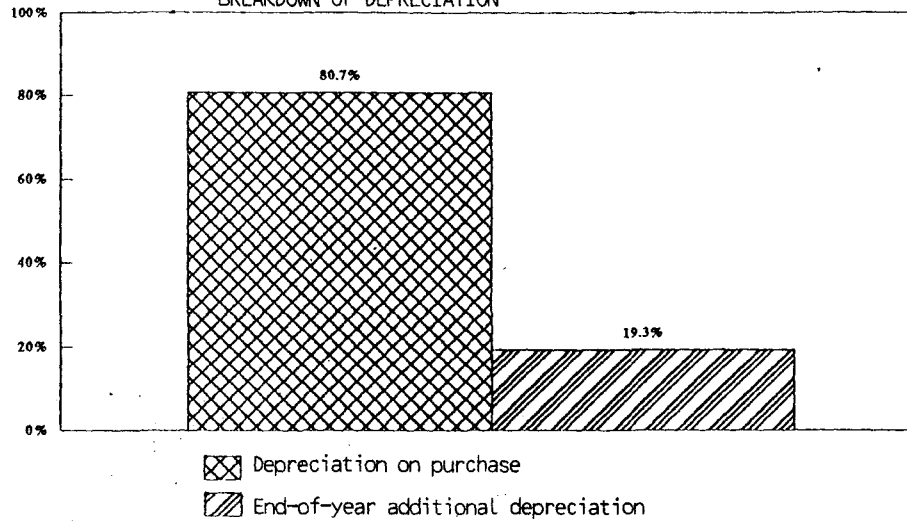


DEPRECIATION



PUBLIC STORAGE - 1991

BREAKDOWN OF DEPRECIATION

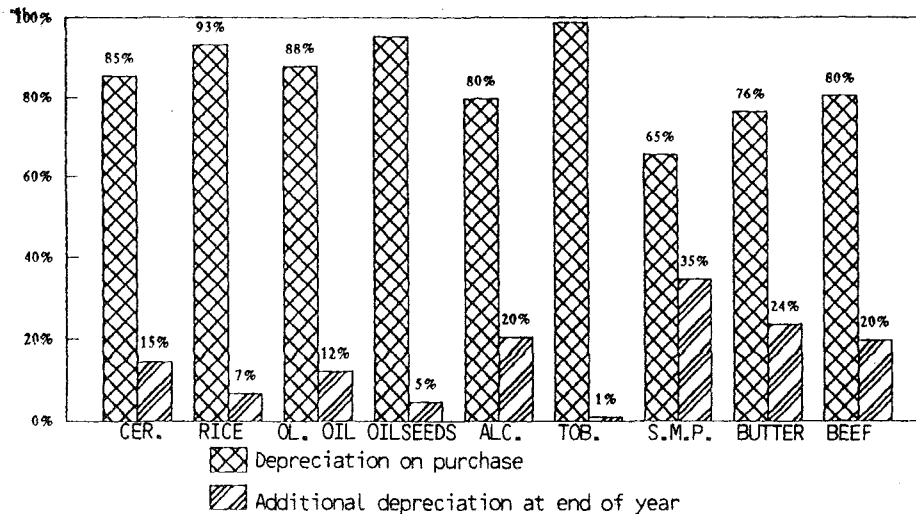


Special depreciation at beginning of year = 0

PRODUCT	DEPRECIATION		
	Depreciation on purchase	Spec. deprec. at beginning of year	Addition. depreciation at end of year
Cereals	1,110.3	0.0	189.9
Rice	29.2	0.0	2.1
Olive oil	4.9	0.0	0.7
Oilseeds	8.6	0.0	0.4
Alcohol	148.3	0.0	38.0
Tobacco	21.3	0.0	0.2
S.M.P.	173.1	0.0	91.3
Butter	386.7	0.0	119.2
Beef	1,524.5	0.0	372.9
TOTAL	3,406.7	0.0	814.7

ECU million

DEPRECIATION BY PRODUCT



Special depreciation at beginning of year = 0

ANNEX 10
Breakdown of intervention expenditure in the form
of price compensating aids

(ECU million)

SECTOR	TOTAL	Production aid	Aid for processing and final consumption
CEREALS, of which	993,4	554,8 (1)	438,6
- rice	(12,6)	(-)	(12,6)
SUGAR	102,8	-	102,8
OLIVE OIL	1.780,9	998,5	782,4
OISEEDS, of which	3.548,5	3.548,5	-
- rape and sunflower seed	(2.876,2)	(2.876,2)	(-)
PROTEIN PLANTS, of which	959,0	959,0	-
- peas and field beans	(550,8)	(550,8)	(-)
- dried fodder	(403,9)	(403,9)	(-)
FIBRE PLANTS, of which	515,4	515,4	-
- flax and hemp	(27,1)	(27,1)	(-)
- cotton	(487,9)	(487,9)	(-)
FRUIT AND VEGETABLES, of which	744,9	35,4	709,5
- processed fruit and veg	(598,8)	(17,8)	(581,0)
WINE	134,1	-	134,1
TOBACCO	1.210,5	1.210,5	-
OTHER SECTORS OR CROP PRODUCTS	67,6	67,6	-
of which: - seeds	(66,7)	(66,7)	(-)
- hops	(0,9)	(0,9)	(-)
MILK PRODUCTS, of which	1.970,6	-	1.970,6
- skimmed milk	(1.052,7)	(-)	(1.052,7)
- butter	(669,6)	(-)	(669,6)
BEEF/VEAL	701,8	701,8	-
SHEEPMET AND GOATMEAT	1.787,4	1.554,2	233,2
PIGMEAT	35,7	35,7	-
ACCESSION COMPENSATORY AMOUNTS	28,3	-	28,3
MONETARY COMPENSATORY AMOUNTS (intra-Community trade)	126,2	-	126,2
DIFFERENTIATION OF AGRICULTURAL MARKET MECHANISMS	182,1	182,1	-
FISHERIES GUARANTEE FUND	17,2	-	17,2
TOTAL	14.906,4	10.363,5	4.542,9

(1) Production aid for durum wheat = ECU 516,1 million.

ANNEX 11

QUANTITY AND VALUE OF PRODUCTS IN PUBLIC STORAGE
(Including additional depreciation at the end of the year)

PRODUCTS	Situation at 30.09.1989 (1)			Situation at 30.09.1990 (1)			Situation at 30.09.1991 (1)			
	Quantity (tonnes)	Book value (ECU million) (2)	% of book value	Quantity (tonnes)	Book value (ECU million) (3)	% of book value	Quantity (tonnes)	Book value (ECU million) (4)	% of book value	Foreseeable sales value (ECU million)
Common wheat	2.386.290	246,1	15,3	5.231.117	256,6	18,6	5.820.874	341,2	13,2	346,6
Common wheat not suitable for bread-making	263.773	25,4	1,6	144.876	7,3	0,5	173.201	10,6	0,4	10,1
Barley	3.210.852	276,2	17,1	3.556.509	170,4	12,3	5.381.602	307,6	11,9	314,2
Rye	1.087.886	95,0	5,9	1.520.197	74,8	5,4	3.158.524	184,0	7,1	184,4
Durum wheat	1.231.022	191,0	11,8	1.167.779	93,2	6,7	2.824.359	123,4	4,8	216,7
Maize	780.350	34,0	2,1	299.702	15,6	1,1	876	0,1	p.m.	0,1
Sorghum	2.680	0,2	p.m.	13.470	0,7	0,1	0	-	-	-
Rice	-	-	-	96.272	0,1	p.m.	190.750	25,5	1,0	25,8
Total cereals/rice	8.962.853	867,9	53,8	12.029.922	618,7	44,7	17.550.186	992,4	38,4	1.097,9
Olive oil	190.998	323,9	20,1	76.172	99,7	7,2	42.260	55,1	2,1	53,2
Rape	132	p.m.	-	129	p.m.	-	13.438	2,4	0,1	2,3
Sunflower	7.924	3,5	0,2	18.187	4,0	0,3	416	0,1	p.m.	0,1
Total oils and fats	199.054	327,4	20,3	94.488	103,7	7,5	56.114	57,6	2,2	55,6
Tobacco - leaf	7.821	2,2	0,2	13.916	0,6	p.m.	29	0	-	-
Tobacco - processed	3.355	1,3	0,1	10.193	2,6	0,2	22.130	3,0	0,1	6,6
Tobacco - baled	66.407	45,7	2,8	79.279	12,1	0,9	86.877	25,4	1,0	25,9
Total tobacco	77.583	49,2	3,1	103.388	15,3	1,1	109.036	28,4	1,1	32,5
Skimmed-milk powder	4.811	10,3	0,6	340.177	266,9	19,3	490.501	366,5	14,3	367,9
Butter	32.055	74,5	4,6	187.708	147,8	10,7	390.173	360,5	13,9	350,7
Total milk products	36.866	84,8	5,2	527.885	414,7	30,0	880.674	727,0	28,2	718,6
Beef (quarters)	127.386	193,8	12,0	185.602	63,8	6,4	425.549	368,4	14,3	382,5
Boned beef	23.586	52,8	3,3	119.058	126,8	9,1	315.121	401,5	15,5	414,9
Total beef	150.972	246,6	15,3	304.660	215,6	15,5	740.670	769,9	29,8	797,4
Sugar	-	-	-	-	-	-	-	-	-	-
Public alcohol (hl)	3.381.714	36,5	2,3	2.805.066	16,4	1,2	2.248.797	8,7	0,3	10,3
Pigmeat	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL	-	1.612,4	100 %	-	1.384,4	100 %	-	2.584,0	100 %	2.712,3

(1) Regulation (EEC) No 2776/88 provides that 2nd category expenditure to be claimed for a given year is to be calculated on the basis of the operations carried out during the period from October of one year to September of the next year.

(2) The value expressed in ecus has been obtained by applying to the carryover value in national currency the budgetary rates valid for the conversion of expenditure in September 1989.

(3) The value expressed in ecus has been obtained by applying to the carryover value in national currency the budgetary rates valid for the conversion of expenditure in September 1990.

(4) The value expressed in ecus has been obtained by applying to the carryover value in national currency the budgetary rates valid for the conversion of expenditure in September 1991.

ANNEX 12

Overall cost of the Guarantee Section as a percentage of gross
domestic product (GDP)

Year	EAGGF Guarantee Section expenditure (ECU billion) Gross (1)	Community gross domestic product at market prices (current rates and prices) (ECU billion) (Source : Cronos-secl) (2)	EAGGF Guarantee expendi- ture as % of Community gross domestic product Gross
a	b	c	d = 100 b/c
1982	12,406	2.489,4	0,50
1983	15,812	2.681,5	0,59
1984	18,346	2.887,3	0,64
1985	19,744	3.097,0	0,64
1986	22,137	3.535,7	0,63
1987	22,968 (*)	3.736,7	0,62
1988	27,687 (**)	4.054,8	0,68
1989	25,873	4.405,3	0,59
1990	26,454	4.738,5	0,56
1991	32,386 (3)	5.056,8 (4)	0,64

(1) Including consequences of accounts clearance

(2) 1981 to 1985 = EUR 10
from 1986 = EUR 12

(3) Including expenditure using appropriations carried over from 1990

(4) Estimate

(*) 1987 financial year

(**) 1988 financial year

ANNEX 13

REVENUE FROM THE CO-RESPONSIBILITY LEVY ON MILK AND ALLOCATION OF PROCEEDS AMONG VARIOUS SCHEMES

(ECU million)

MEASURE	FROM 16.09.1977 TO 31.12.1984	1985	1986	1987 (1)	1988 (2)	1989	1990	1991	FROM 16.09.1977 TO 15.10.1991
A. REVENUE FROM LEVY (3)	2.740,2	639,4	551,6	447,6	487,3	423,7	313,7	292,0	5.895,5
B. TOTAL EXPENDITURE	2.740,2	639,4	551,6	447,6	487,3	423,7	313,7	292,0	5.895,5
a) School milk (R.1080/77)	324,6	103,5	112,5	99,3	112,7	136,2	140,6	139,9	1.169,3
b) Butter for the manu- facture of ice-cream (R.232/75, R.262/79, R.1932/81, R.570/88)	190,1	36,0	27,9	40,6	49,6	32,0	29,3	53,5	459,0
c) Butter for pastry manufacture (R.262/79, R.1932/81, R.442/84, R.570/88)	125,7	95,1	135,8	122,3	117,2	120,1	19,7	35,6	771,5
d) Concentrated butter for direct consumption (R.349/73, R.649/78, R.3143/85)	39,0	4,6	37,0	pm (4)	pm (4)	57,7	43,1	1,3	182,7
e) Promotion, advertising and market research in the Community (R.723/78)	246,5	59,5	45,2	40,7	35,1	39,0	58,4	54,5	578,9
f) Market research outside the Community (R.1993/78, R.1024/78)									
g) Improvement of the quality of milk (R.1271/78, R.382/89)	61,1	9,3	9,0	5,2	1,5	5,3	22,6	7,2	121,2
h) Disposal for pig and poultry feed (R.368/77, R.443/77, R.1844/77)	494,1	244,3	53,5	-	-	-	-	-	791,9
i) Other butter destocking schemes	-	-	152,7	102,1	2,3	33,4	-	-	290,5
j) Financing of priority measures	1.259,1	87,1	-22,0	37,4	168,9	-	-	-	1.530,5

(1) Revenue from co-responsibility levy and expenditure against the 1987 budget (approximately 10 months).
(2) Revenue from co-responsibility levy and expenditure against the 1988 budget (approximately 11 1/2 months).
(3) Excluding appropriations carried over from one year to the next.
(4) Expenditure in the Member States on the disposal of concentrated butter was ECU 67,4 million in 1987 and ECU 162,8 million in 1988. That expenditure is being reimbursed to the Member States in four instalments from 1989 pursuant to Regulation (EEC) No 801/87.

ANNEX 14

EQUALIZATION OF STORAGE COSTS FOR SUGAR

COMMUNITY SUGAR

Situation at 31.01.1992

sugar year	Total levies (ECU A)	Total reimbursements (ECU A)	Annual balance		Cumulative balance		Duration of storage (months)
			absolute (ECU A)	% (a)	absolute (ECU A)	% (b)	
1968/69	64.844.437,00	63.916.054,19	+ 928.382,81	+ 1,43	+ 928.382,81	+ 1,43	5,63
1969/70	65.226.052,11	69.848.500,70	- 4.622.448,59	- 7,09	- 3.694.065,78	- 2,84	6,13
1970/71	69.029.052,44	65.111.106,99	+ 3.917.945,45	+ 5,68	+ 223.879,67	+ 0,11	5,38
1971/72	97.151.231,54	92.680.188,23	+ 4.471.043,31	+ 4,60	+ 4.694.922,98	+ 1,58	5,94
1972/73	91.067.000,23	90.747.372,33	+ 319.627,90	+ 0,35	+ 5.014.550,88	+ 1,29	5,81
1973/74	101.755.638,48	92.645.695,20	+ 9.109.943,28	+ 8,95	+ 14.124.494,16	+ 2,89	4,80
1974/75	104.267.684,38	97.929.484,41	+ 6.338.199,97	+ 6,08	+ 20.462.694,13	+ 3,45	4,64
1975/76	109.434.959,31	160.690.227,31	- 51.255.268,00	- 46,84	- 30.792.573,87	- 4,38	6,24
1976/77	201.167.705,37	184.974.731,36	+ 16.192.974,01	+ 8,05	- 14.599.599,86	- 1,62	5,99
1977/78	233.088.196,54	230.545.532,13	+ 2.542.664,41	+ 1,09	- 12.056.935,45	- 1,06	5,84
1978/79	248.919.064,38	239.524.266,97	+ 9.394.797,41	+ 3,77	- 2.662.138,04	- 0,19	6,35
1979/80	239.233.167,49	251.107.813,79	- 11.874.646,30	- 4,96	- 14.536.784,34	- 0,89	6,17
1980/81	326.428.745,59	316.364.823,82	+ 10.061.921,77	+ 3,08	- 4.474.862,57	- 0,23	6,09
1981/82	407.407.510,45	432.958.350,12	- 25.550.839,67	- 6,27	- 30.025.702,24	- 1,27	6,50
1982/83	478.721.551,25	540.741.171,60	- 62.019.620,35	- 12,96	- 92.045.322,59	- 3,24	7,62
1983/84	448.951.270,25	465.584.257,59	- 16.632.987,34	- 3,70	- 108.678.309,93	- 3,31	7,73
1984/85	482.847.708,67	407.810.922,59	+ 75.036.786,08	+ 15,54	- 33.641.523,85	- 0,89	6,77
1985/86	476.418.365,75	435.699.775,44	+ 40.718.590,31	+ 8,55	+ 7.077.066,46	+ 0,17	7,33
1986/87	499.316.786,40	486.192.118,11	+ 13.124.668,29	+ 2,63	+ 20.201.734,75	+ 0,43	7,35
1987/88	515.128.981,40	414.813.833,23	+ 100.315.148,17	+ 19,47	+ 120.516.882,92	+ 2,29	6,57
1988/89	445.577.811,00	387.667.718,99	+ 57.910.092,01	+ 13,00	+ 178.426.974,93	+ 3,13	6,21
1989/90	369.796.762,20	348.825.192,48	+ 20.971.569,72	+ 5,67	+ 199.398.544,65	+ 3,28	5,90
1990/91(c)	318.519.462,35	389.126.361,08	- 70.606.898,73	- 22,17	+ 128.791.645,92	+ 2,01	5,87

(a) % of annual levies.

(b) % of cumulative annual levies.

(c) amounts for the former GDR included until 31.12.1990 only.

ANNEX 15

REVENUE FROM LEVIES IN THE SUGAR SECTOR

1991

(Situation at 31.01.1992)

BUDG. HEAD.	TITLE	AMOUNT IN ECU (B)
110	Sugar production levies (1)	716.969.470
112	Isoglucose production levies (1)	5.330.638
116	Additional levy	11.243.893
118	Additional levy (2)	19.500.706
115	Elimination levy (3)	16.525.990
111	Sugar storage levies	371.778.451
113	Amounts charged on production of C sugar and isoglucose which is not exported	436.889
	TOTAL REVENUE BUDGET CHAPTER 11	1.141.786.037
<p>(1) Basic production levies and B levies pursuant to Article 28 of Council Regulation (EEC) No 1785/81.</p> <p>(2) Transfer to a separate account of an amount representing the additional levy not paid by an undertaking in Germany as a result of a judgment of the Court of Justice in Luxembourg.</p> <p>(3) Designed to eliminate, during the period covering marketing years 1986/87 to 1990/91, the deficit of ECU (A) 400 million recorded following application of the quota arrangements for marketing years 1981/82 to 1985/86, pursuant to Article 32a of Council Regulation (EEC) No 1785/81.</p>		

ANNEX 16

SELF-FINANCING ARRANGEMENTS IN THE SUGAR SECTOR (1)(2)(3)
1986/87 TO 1990/91 MARKETING YEARS

	MARKETING YEARS					Aggregate for 1986/87 to 1990/91
	1986/87	1987/88	1988/89	1989/90	1990/91	
A. EXPENDITURE CHARGED TO COMMUNITY SUGAR AND ISOGLUCOSE PRODUCERS	tonnes	tonnes	tonnes	tonnes	tonnes	tonnes
1. Production of A and B sugar and A and B isoglucose	12.790.202,8	12.667.742,9	12.775.277,4	12.750.147,1	13.621.086,7	64.604.456,9
2. Quantity of sugar and isoglucose disposed of for consumption within the Community	10.949.629,6	11.141.695,8	10.881.109,2	11.339.597,8	11.951.708,5	56.263.740,9
3. Surplus charged to Community producers (1 - 2)	1.840.573,2	1.526.047,1	1.894.168,2	1.410.549,3	1.669.378,2	8.340.716,0
4. Average loss per tonne	ECU (A)/t 446,38	ECU (A)/t 447,48	ECU (A)/t 385,06	ECU (A)/t 287,32	ECU (A)/t 387,18	ECU (A)/t -
5. Overall loss in marketing year charged to Community producers (3 x 4) Cumulative adjustment due to rectification of 1 to 4	ECU (A) 821.595.065 - 10.546.099	ECU (A) 682.875.556 - 2.560.467	ECU (A) 729.368.407 + 17.848.752	ECU (A) 405.279.025 + 2.217.016	ECU (A) 646.349.852 - 6.959.202	ECU (A) 3.285.467.905 -
6. Total overall loss	811.048.966 *****	680.315.089 *****	747.217.159 *****	407.496.041 *****	639.390.650 *****	3.285.467.905 *****
B. LEVIES IMPOSED	ECU (A)	ECU (A)	ECU (A)	ECU (A)	ECU (A)	ECU (A)
7. Basic production levies	136.921.227	135.573.194	136.701.929	133.704.264	142.672.867	685.573.481
8. B levies	447.100.841	443.098.255	451.875.859	273.791.777	481.536.463	2.097.403.195
9. Special elimination levies (marketing years 1986/87 and 1987/88)	227.026.898	101.643.640	-	-	-	328.670.538
10. Additional levy (marketing years 1988/89 TO 1990/91)	-	-	158.639.371	-	15.181.320	173.820.691
11. Total levies	811.048.966 *****	680.315.089 *****	747.217.159 *****	407.496.041 *****	639.390.650 *****	3.285.467.905 *****

(1) Application of Articles 28 and 28a of Council Regulation (EEC) No 1785/81.

(2) All the quantities are expressed as white sugar (sugar) or dry matter (isoglucose).

(3) Situation at the fixing in October 1991 of the amounts of the levies for the 1989/90 marketing year (Commission Regulation (EEC) No 2960/90.)

ANNEX 17a

ADVANCE PAYMENTS TO MEMBER STATES FOR 1991

In national currencies

DATE OF DECISION	B BFR	DK DKR	D DM	EL DRA	ES PTA	F FF
21.12.90	6.188.000.000,00	1.084.400.000,00	1.323.000.000,00	75.500.000.000,00	59.700.000.000,00	3.874.000.000,00
25.01.91	5.610.000.000,00	758.400.000,00	689.600.000,00	53.430.000.000,00	27.660.000.000,00	3.166.000.000,00
26.02.91(1)	6.274.000.000,00	965.300.000,00	620.900.000,00	36.470.000.000,00	40.460.000.000,00	3.324.000.000,00
25.03.91	5.828.000.000,00	769.700.000,00	992.100.000,00	36.150.000.000,00	29.460.000.000,00	3.725.000.000,00
28.04.91	6.017.000.000,00	920.000.000,00	850.000.000,00	37.730.000.000,00	40.030.000.000,00	3.936.000.000,00
29.05.91	4.225.000.000,00	745.800.000,00	1.326.700.000,00	32.870.000.000,00	25.000.000.000,00	5.636.000.000,00
27.06.91	4.314.000.000,00	613.800.000,00	867.500.000,00	29.950.000.000,00	30.280.000.000,00	3.897.000.000,00
23.07.91	5.396.000.000,00	822.000.000,00	837.800.000,00	43.260.000.000,00	40.290.000.000,00	5.147.000.000,00
27.08.91	4.798.000.000,00	758.600.000,00	762.600.000,00	28.150.000.000,00	21.370.000.000,00	3.649.000.000,00
25.09.91	4.004.000.000,00	475.500.000,00	788.300.000,00	31.490.000.000,00	37.200.000.000,00	2.689.000.000,00
28.10.91	5.616.000.000,00	1.069.000.000,00	1.015.200.000,00	39.720.000.000,00	43.240.000.000,00	2.529.000.000,00
28.11.91	4.062.000.000,00	645.400.000,00	727.200.000,00	32.090.000.000,00	31.980.000.000,00	2.982.000.000,00
17.12.91	252.765,00	84.141,26	26.651,48	- 3.224.208,00	6.178.125,00	8.909.507,68
TOTAL ADVANCE PAYMENTS (Nat.Cur)	62.130.252.765,00	9.627.984.141,26	10.800.926.651,48	476.806.775.792,00	426.676.178.125,00	44.562.909.507,68
ADVANCES TO M.S. IN ECUS	1.468.635.887,24	1.220.514.406,41	5.258.730.388,51	2.211.195.584,91	3.315.618.953,08	6.406.090.110,79
EXCH. RATE DIFFERENCE	54,51	- 76,56	198,40	1.643,38	317,57	6.608,09
TOTAL IN ECU (2)	1.468.635.832,73	1.220.514.482,97	5.258.730.190,11	2.211.193.941,53	3.315.618.635,51	6.406.083.502,70

(1) Including the consequences of the 1988 clearance of accounts.

(2) Allowing for exchange rate differences.

ANNEX 17b

ADVANCE PAYMENTS TO MEMBER STATES FOR 1991

In national currency

DATE OF DECISION	IRL IRL	I LIT	L LFR	NL HFL	P ESC	UK UKL	TOTAL EEC ECU
21.12.90	241.100.000,00	1.040.100.000.000,00	- 6.080.000,00	1.124.500.000,00	6.985.000.000,00	335.850.000,00	4.317.281.631,00
25.01.91	124.550.000,00	818.600.000.000,00	19.990.000,00	375.300.000,00	5.382.000.000,00	140.850.000,00	2.579.794.543,77
26.02.91(1)	52.900.000,00	273.500.000.000,00	11.490.000,00	357.700.000,00	3.100.000.000,00	134.300.000,00	2.147.618.827,31
25.03.91	53.100.000,00	664.400.000.000,00	- 2.760.000,00	451.900.000,00	2.227.000.000,00	132.050.000,00	2.543.195.898,53
26.04.91	60.350.000,00	824.200.000.000,00	- 13.240.000,00	519.600.000,00	1.966.000.000,00	82.000.000,00	2.689.302.205,02
29.05.91	134.000.000,00	512.300.000.000,00	31.590.000,00	453.300.000,00	3.446.000.000,00	190.150.000,00	2.989.361.570,00
27.06.91	110.600.000,00	1.032.600.000.000,00	40.870.000,00	567.200.000,00	3.250.000.000,00	132.700.000,00	2.805.594.364,40
23.07.91	82.150.000,00	864.500.000.000,00	13.900.000,00	518.900.000,00	2.661.000.000,00	93.450.000,00	2.931.865.525,75
27.08.91	107.650.000,00	723.700.000.000,00	4.110.000,00	524.400.000,00	4.382.000.000,00	83.150.000,00	2.378.578.969,23
25.09.91	86.700.000,00	476.200.000.000,00	4.770.000,00	380.500.000,00	8.503.000.000,00	51.400.000,00	2.041.726.630,61
28.10.91	89.450.000,00	547.200.000.000,00	6.120.000,00	422.000.000,00	8.860.000.000,00	155.800.000,00	2.567.380.726,16
28.11.91	191.850.000,00	483.900.000.000,00	8.970.000,00	566.600.000,00	5.862.000.000,00	147.350.000,00	2.405.955.100,71
17.12.91	15.693,65	6.141.275.383,00	1.290,00	36.117,22	- 5.966.485,00	33.915,16	5.400.126,35
TOTAL ADVANCE PAYMENTS (In national currency)	1.334.415.693,65	8.267.341.275.383,00	119.731.290,00	6.211.936.117,22	56.618.033.515,00	1.679.083.915,16	32.403.056.118,84
ADVANCE PAYMENTS TO M.S. IN ECU	1.735.942.186,04	5.386.215.070,51	2.829.794,45	2.682.064.721,75	315.599.834,81	2.399.619.180,34	32.403.056.118,84
EXCHANGE RATE DIFFERENCE	244,87	1.453,19	- 5,38	145,17	142,05	185,27	10.910,56
TOTAL IN ECU (2)	1.735.941.941,17	5.386.213.617,32	2.829.799,83	2.682.064.576,58	315.599.692,76	2.399.618.995,07	32.403.045.208,28

(1) Including the consequences of the 1988 clearance of accounts.

(2) Allowing for exchange rate differences.

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ANNEX 18Exchange rates 19911) Conversion of monthly expenditure into ECU - Budget rates

Expenditure	Rate on:	OJ:	B	DK	D	EL	ES	F	IRL	I	LUX	NL	P	UK
NOVEMBER 90	20.09.90 - C	237/90	42,3920	7,85591	2,06171	201,165	129,139	6,90382	0,768183	1537,37	42,3920	2,32394	182,935	0,698944
DECEMBER 90	19.10.90 - C	265/90	42,4101	7,85696	2,05943	207,486	129,366	6,90026	0,768147	1543,69	42,4101	2,32133	181,514	0,698091
JANUARY 91	20.11.90 - C	291/90	42,3351	7,86432	2,05031	210,655	130,151	6,91374	0,765895	1543,01	42,3351	2,31277	180,742	0,704398
FEBRUARY 91	20.12.90 - C	321/90	42,2015	7,88572	2,03966	213,760	130,422	6,94662	0,768303	1540,26	42,2015	2,30138	181,510	0,711441
MARCH 91	18.01.91 - C	13/91	42,2048	7,88874	2,04914	217,621	128,832	6,96272	0,767836	1540,44	42,2048	2,31005	182,433	0,701532
APRIL 91	20.02.91 - C	45/91	42,1918	7,88318	2,04991	219,476	127,637	6,97482	0,770299	1537,06	42,1918	2,31005	179,541	0,703462
MAY 91	20.03.91 - C	76/91	42,2906	7,87627	2,05223	220,954	127,562	6,98712	0,770407	1529,75	42,2906	2,31329	179,006	0,700656
JUNE 91	19.04.91 - C	105/91	42,4464	7,89639	2,06522	223,595	127,400	6,96899	0,772032	1526,28	42,4464	2,32683	178,358	0,689061
JULY 91	17.05.91 - C	128/91	42,3300	7,86263	2,05776	225,104	127,438	6,98081	0,768668	1532,60	42,3300	2,31832	179,648	0,694351
AUGUST 91	20.06.91 - C	162/91	42,2296	7,91608	2,05107	224,317	129,018	6,97630	0,767199	1528,55	42,2296	2,31033	179,959	0,700413
SEPTEMBER 91	19.07.91 - C	189/91	42,2970	7,94859	2,05495	224,875	128,507	6,97606	0,768212	1530,98	42,2970	2,31538	176,109	0,695904
OCTOBER 91	20.08.91 - C	218/91	42,2721	7,93897	2,05667	226,125	127,916	6,97542	0,768264	1532,08	42,2721	2,31639	175,600	0,695698

2) Average rates

Average rate = In ECU	Total expend. In NC	42,3047	7,88846	2,0539	215,633	128,687	6,95634	0,768698	1534,91	42,3109	2,3161	179,398	0,699729
	Total expend. In ECU												

ANNEX 19
AMOUNTS WITHHELD FROM PRODUCTION AND CONSUMPTION AID IN THE OLIVE OIL, FIBRE FLAX
AND GRAPE JUICE SECTORS AND THEIR UTILIZATION

(ECU)

YEAR	SCHEMES RELATED TO OLIVE OIL CONSUMPTION (Art.11(6) - R.136/66/EEC)		SCHEMES RELATED TO OLIVE OIL PRODUCTION (Art.5(2) and 4 - R.136/66/EEC)		SCHEMES RELATED TO OLIVE OIL PRODUCTION (Art.5(4) - R.136/66/EEC)		SCHEMES RELATED TO OLIVE OIL PRODUCTION (Art.20d(1) - R.136/66/EEC)		SPECIFIC SCHEMES CONCERNING FIBRE FLAX (Art.2 - R.(EEC) 1308/70)		SCHEMES RELATED TO THE CONSUMPTION OF GRAPE JUICE			
	INFORMATION AND PROMOTION SCHEMES		ESTABLISHMENT OF OLIVE OIL REGISTER		IMPROVEMENT OF THE QUALITY OF OLIVE OIL		CONTRIBUTIONS TO COSTS OF RECOGNIZED ORGANIZATIONS AND ASSOCIATIONS		INFORMATION AND PROMOTION SCHEMES		Art. 4(2) - R.2275/85/CEE	Art. 4(2) - R.2275/85/CEE	Art. 2a (1) and Art 3(4) R.3461/85/EEC	Art. 4 (4) R.3461/85/EEC
	WITHHELD	UTILIZATION	WITHHELD	UTILIZATION	WITHHELD	UTILIZATION	WITHHELD	UTILIZATION	WITHHELD	UTILIZATION	WITHHELD	UTILIZATION	UTILIZ.	UTILIZ.
Until 1979	314.322	-	11.596.900	154.567	-	-	-	-	-	-	-	-	-	-
1980	3.002.587	186.053	1.913.256	-	-	-	-	-	300.381	-	-	-	-	-
1981	2.450.465	228.892	2.478.668	10.217.222	-	-	-	-	637.351	537.151	-	-	-	-
1982	6.186.243	2.637.599	2.790.595	2.533.411	-	-	-	-	949.916	996.897	-	-	-	-
1983	184.079	178.198	7.269.763	10.560.376	-	-	-	-	1.218.506	244.931	-	-	-	-
1984	(61.380)	3.908.825	15.922.259	16.652.197	-	-	-	-	1.146.909	1.154.500	-	-	-	-
1985	7.385.034	4.469.156	9.841.270	13.510.537	-	-	5.840.301	477.096	1.698.562	1.073.342	-	-	-	-
1986	16.814.429	1.415.569	5.703.249	22.024.203	3.508.293	-	4.240.523	10.022.034	1.787.949	3.274.836	2.720.876	-	82.041	-
1987	1.904.138	1.529.035	14.574.601	16.887.665	8.468.414	-	11.758.762	9.709.384	2.015.517	500.500	3.156.545	3.901.559	8.093	-
1988	27.588.043	8.756.550	10.865.415	22.880.775	978.326	-	5.746.143	6.591.949	2.395.084	1.303.210	7.441.746	2.314.470	-	-
1989	24.056.214	9.781.272	27.264.705	23.026.556	13.276.843	4.135.329	14.975.002	5.033.263	2.646.533	2.829.373	5.601.457	5.293.257	-	-
1990	19.037.203	4.175.724	15.020.682	20.587.986	10.669.627	4.606.092	8.944.125	7.239.877	3.941.124	1.649.911	6.523.170	4.174.999	-	-
1991	29.760.024	17.477.966	28.302.535	8.178.986	20.400.643	10.611.885	14.847.811	7.186.494	2.556.035	1.654.170	6.493.761	6.298.229	-	-
		(2)								(2)				
TOTAL	136.561.400	54.744.836	153.543.898	167.214.481	57.302.146	19.353.307	66.352.667	46.260.097	21.293.865	15.218.822	31.937.555	21.980.514	90.134	-

(1) An amount of LIT 183.369.315.937 still has to be cleared, and no decision has yet been taken.

(2) Commitments.

ANNEX 20
EAGGF GUARANTEE SECTION - 1991
IRREGULARITIES REPORTED AND RECOVERY SITUATION

(ECU million)

SECTOR/COUNTRY	BELGIUM	DENMARK	GERMANY	FRANCE	GREECE	SPAIN	IRELAND	ITALY	LUXEMBOURG	NETHERLANDS	PORTUGAL	UK	TOTAL EEC (1)
CEREALS AND RICE	3 0,06	1 0,02	1 0,01	17 0,53	2 0,01	2 0,00		2 4,54		5 0,29		14 2,30	47 7,76
SUGAR AND ISOGLUCOSE			1 0,00	7 0,07						7 0,23		1 0,01	16 0,31
OILS AND FATS				1 0,05		3 0,22		24 15,22		2 0,02	1 0,01		31 15,52
PROTEIN CROPS		1 0,03	2 0,02	15 2,66	1 0,00	7 0,11				12 0,18		1 0,02	39 3,02
FRUIT AND VEGETABLES			1 0,00	2 0,02		2 0,21		24 18,31		1 0,04	2 0,01		32 18,59
WINE PRODUCTS				23 0,27	3 0,00	1 0,00							27 0,27
TOBACCO											2 0,07		2 0,07
OTHER CROP PRODUCTS						1 0,03				1 0,04			2 0,07
MILK AND MILK PRODUCTS		5 0,04	30 1,30	14 0,16	7 0,16	35 0,80	1 0,02	6 3,70		24 1,60		7 1,09	129 8,88
BEEF/YEAL	2 0,58	4 1,08	5 2,79	7 1,62		3 0,20	7 0,04			8 0,94		72 0,03	108 7,56
SHEEPMEAT AND GOATMEAT					1 0,00	4 0,04					5 0,00	16 0,08	26 0,13
PIGMEAT	18 2,57	7 0,05				4 0,07				5 0,03			34 2,72
EGGS AND POULTRY		2 0,03		3 0,02		1 0,01				8 0,29		1 0,11	15 0,46
NON-ANNEX II PRODUCTS	1 0,03	4 0,08	1 0,03	4 0,02			1 0			18 0,32	1 0,01	9 0,83	39 1,33
ACCESSION COMP. AMOUNTS				1 0,03							5 0,07	8 0,20	14 0,30
MONETARY COMP. AMOUNTS				7 0,13			1 0,00			2 0,00		1 0,13	11 0,26
OTHER GUAR. MEASURES						1 0,01						1 0,01	2 0,02
TOTAL	24 3,23	24 1,33	41 4,17	101 5,56	14 0,17	64 1,70	10 0,06	56 41,77	0 0,00	93 3,98	16 0,16	131 5,11	574 67,20
AMOUNTS RECOVERED	0 0,02	13 1,12	6 0,22	41 3,10	2 0,00	15 0,29	2 0,00	2 2,27		51 0,81	5 0,07	61 1,47	198 8,74
AMOUNTS LOST						1 0,00		1 0,32				10 0,73	12 1,05

(1) Luxembourg reported no irregularities in 1991
 (*) Number of cases reported
 (**) Amounts in ECU million

ANNEX 21
 GUARANTEE SECTION
 IRREGULARITIES REPORTED AND RECOVERY SITUATION

YEAR	< 1980		> 1980 < 1986		1986		1987		1988		1989		1990		1991		TOTAL	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
Belgium	* 12 ** 1,4	* 1 ** 0,2	23 6,9	7 0,7	26 6,1	1 0	13 2,7	2 0,2	4 0,1	1 0	7 0,1	6 0,1	1 0	0 0	24 3,2	0 0	*110 20,6	*18 1,2
Germany	92 6,3	76 4,6	1045 47,2	804 16,2	150 1,3	116 0,8	77 0,5	61 0,3	45 41,1	29 0,4	71 17,9	34 2,8	132 27,7	37 1,4	41 4,2	6 0,2	1653 146,2	1163 26,7
Denmark	23 0,1	19 0,1	214 1,7	151 1,1	25 0,3	23 0,3	16 0,1	16 0,1	16 0,9	13 0,9	30 12,7	20 2,6	29 1,5	13 0,2	24 1,3	13 1,1	377 18,7	280 6,4
Greece	0 0	0 0	0 0	0 0	0 0	0 0	1 0	0 0	0 0	0 0	3 0,1	0 0	18 0,6	11 0,1	14 0,2	2 0	36 0,9	13 0,1
Spain	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	6 0,1	6 0,1	13 0,3	6 0,1	57 1,8	12 0,1	64 1,7	15 0,3	140 3,8	39 0,6
France	36 1,2	28 0,2	197 1,9	171 1,7	64 1,5	58 1,4	75 3,8	69 1,3	70 3,6	48 0,6	121 7,5	96 5,8	115 2,7	84 1,6	101 5,6	41 2,5	779 27,8	595 15,1
Ireland	7 0,1	7 0,1	67 1,2	47 1,1	3 1,1	1 0	9 2,1	1 0,6	14 2,9	7 0,1	12 0,5	6 0,5	3 0	1 0	10 0,1	2 0	125 8	72 2,4
Italy	32 2,4	9 0	116 46,6	30 2,1	50 18,9	4 1,5	133 79,1	25 0,4	81 101,1	19 1,9	242 97,1	30 1,6	95 92,9	13 1,9	56 41,8	1 2,2	805 479,9	132 11,6
Luxembourg	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	1 0	0 0	0 0	0 0	0 0	0 0	1 0	0 0
Netherlands	36 1,2	35 0,1	84 2,7	68 1,2	14 0,1	12 0,1	94 0,3	88 0,3	41 0,3	38 0,1	81 12,6	46 1,4	132 6,9	114 3,7	93 3,9	51 0,8	575 28	452 7,6
Portugal	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	54 1,1	33 0,6	16 0,2	5 0,1	70 1,3	38 0,7
United Kingdom	194 3,4	90 1,5	279 3,5	237 1,9	53 0,5	46 0,5	100 1,2	84 0,2	109 2,6	89 0,7	164 7,2	130 0,9	188 3,2	132 0,8	131 5,1	61 1,5	1218 26,7	869 8
TOTAL EEC	*432 **16,2	* 265 ** 6,8	2025 112,1	1515 25,9	385 29,8	254 4,5	518 89,8	343 3,4	386 152,6	245 4,4	745 156,1	368 14,4	824 138,2	396 9,9	574 67,3	198 8,7	5889 762,3	3671 80,1
Unrecoverable	* 65	** 1,6	165	2,4	15	1,3	9	0,3	2	0	13	0,7	17	2,1	12	1	298	9,4

* Number of cases
 ** Amounts in ECU million
 A Reported cases
 B Amounts recovered