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NINETEENTH FINANCIAL REPORT

on

THE EUROPEAN AGRICULTURAL GUIDANCE
AND GUARANTEE FUND
E.A.G.G.F.

- 1989 -

GUARANTEE SECTION
and
FOOD AID AND ACCOUNTS CLEARANCE

(presented by the Commission)

Average conversion rates used for 1989

(cf. Annex 18)

EUROPEAN COMMUNITY	1 ECU = (budgetary)
Belgium	43,5263 BFR
Denmark	8,04673 DKR
Germany	2,07717 DM
Greece	174,158 DRA
Spain	132,534 PTA
France	7,06493 FF
Ireland	0,776112 IRL
Italy	1525,86 LIT
Luxembourg	43,5691 LFR
Netherlands	2,34321 HFL
Portugal	171,947 ESC
United Kingdom	0,654745 UKL

INTRODUCTORY NOTE

- a) Article 10 of Regulation (EEC) N° 729/70 on the financing of the common agricultural policy required 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 1989. The Guidance Section is dealt with in a separate report.

The Guarantee Section finances the expenditure arising from the common policy on agricultural markets and prices. Under Articles 2 and 3 of Regulation (EEC) N° 729/70, expenditure consists of refunds on exports to non-Community countries, paid under the EEC market organizations to bridge the gap between internal EEC prices and the prices obtaining on world markets, and a wide range of market intervention measures (1) designed to stabilize the agricultural markets (price compensating aids, guidance premiums, storage, product withdrawals).

- 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 in the dates of closure of the accounts for 1987(2), 1988 (3) and subsequent (4), financial years, with a gap opening up between the calendar year and the Guarantee Section financial 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.*

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N.B. : This Report was completed on 20 June 1990

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- (1) The Annex to Regulation (EEC) N° 380/88 (OJ N° L 38 of 11.02.1988), as last updated by Regulation (EEC) N° 961/89 (OJ N° L 102 of 14.04.1989) sets out, by way of declaration, the measures which are considered as market intervention measures for the purpose of regulating the agricultural markets in accordance with Article 3(1) of Regulation (EEC) N° 729/70.
- (2) *Financial year 1987: expenditure here covers a period of 10 months, from 1 January 1987 to end October 1987.*
- (3) *Financial year 1988: expenditure here covers a period of 11 and a half months, from beginning November 1987 to 15 October 1988.*
- (4) *Financial year 1989 et seq.: expenditure here covers a period of 12 months from 16 October to 15 October.*

SUMMARY OF THE NINETEENTH FINANCIAL REPORT
EAGGF - GUARANTEE SECTION

A. Community expenditure on markets

1. The appropriations available for the Guarantee Section of the EAGGF for 1989 after transfers, covering, unlike the two previous financial years, a period of twelve months from 16 October 1988 to 15 October 1989, amounted to ECU 27,14.5 million (initial appropriations : ECU 28,247.3 million), including the set-aside of arable land (Chapter 39 - ECU 20 million), the common organization of the market in fishery products (Chapter 40 - ECU 27.3 million) and, finally, repayments to Member States of expenditure on the depreciation of agricultural stocks, on the one hand, and the special disposal of public stocks of butter, on the other (Chapter 81 - ECU 1,449.0 million).

Allowing for a reduction in expenditure resulting from the clearance of the accounts for 1986 of ECU 202.7 million, the financial contribution of cereal producers (ECU 799.3 million) and milk producers (ECU 890.3 million), total agricultural expenditure chargeable to the Guarantee Section for 1989 stood at ECU 25,872.9 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 1989 budget excluding the consequences of the clearance of accounts (ECU 202.7 million) and miscellaneous payments (ECU 235.6 million), i.e. ECU 25,840.0 million, export refunds amounted to ECU 9,714 million (37.6 %) and market intervention measures to ECU 16,126 million (62.4 %).

In the case of refunds, almost 57 % of total expenditure was taken up by milk products and cereals alone, followed by sugar (15 %).

The product areas mainly responsible for expenditure on intervention were oilseeds (17 %) and milk products (13 %), followed by sheepmeat and goatmeat (9 %) and olive oil (9 %). Price compensatory measures accounted for ECU 10,110 million whilst storage aid amounted to ECU 4,24 million (63 % and 26 % of total intervention respectively).

3. The book value of public stocks fell very sharply during 1989, confirming the trend observed in the previous financial year. The value of stocks fell from ECU 4,663 million on 30 September 1988 to ECU 1,612 million on 30 September 1989, a fall of ECU 3,051 million (65 %). This situation should be compared with the position on 30 September 1987 when the book value of stocks stood at ECU 10,575 million.

This encouraging development is not only the result of a more dynamic disposal policy, but also of the depreciation measures taken during the 1988 and 1989 financial years, the costs of which were ECU 2,598 million and ECU 1,826 million respectively. In 1989 these depreciation measures were used in the following sectors : cereals, milk products, tobacco, beef, oils and fats and alcohol.

The proportion of the book value of stocks accounted for by the major products changed between 1987 and 1989. The share of milk products fell from 46.4 % in 1987 to 13.1 % in 1988 and then to 5.3 % in 1989. That of cereals rose from 27.8 % to 32.4 % and then to 53.8 %. That of oils and fats rose from 4.6 % to 15.9 % and then to 20.3 %. Finally, that of beef rose from 20 % in 1987 to 34.2 % in 1988 and then fell back to 15.3 % in 1989.

As regards the quantities in stock, between 1988 and 1989 there was :

- a fall, varying in size from sector to sector, for cereals in general, oils and fats, milk products and beef;
- an increase for alcohol and tobacco.

B. Cash position and management of appropriations

The 1989 budget was adopted in December 1988 and was implemented without any particular difficulties.

The budget adopted covered all expenditure and produced a balance of unused appropriations of the order of ECU 1,291 million.

For the Guarantee Section, twelve normal advances and one extraordinary advance were adopted during the year, including ECU 17 million for set-aside from the Guidance Section.

As a result of the non-payment by Member States of the additional co-responsibility levy in the milk sector, the Commission had to reduce the advances against entry in the accounts in July 1989 by a total of ECU 140.625 million. At the end of 1989 a balance of ECU 57.417 million which had been committed remained uncollected for the 1989 financial year.

Following improvements in the arrangements for the monitoring of appropriations (the Early Warning System) the Commission was able to make two transfers between chapters before the appropriations were used up. A final transfer was made at year's end in the tobacco and hops sectors.

C. Investigations and irregularities

The fight against fraud was a priority task for the Commission in 1989⁽¹⁾. Parliament and the Council paid special attention to the subject throughout the year. This political support produced some results.

The Commission stepped up its on-the-spot investigations, particularly in those sectors regarded as sensitive, and in 1989 it carried out 24 administrative enquiries in Member States covering cereals, beef and veal, sheepmeat, fruit and vegetables, olive oil, milk products and citrus fruits.

The number of cases of irregularities notified by the Member States under Articles 3 and 5 of Regulation (EEC) No 283/72 (except those relating to the premium for the non-marketing of milk) was 729 in 1989, as against 367 in 1988. The amount involved was ECU 154.321 million (ECU 154.944 million in 1988) of which only ECU 10.71 million was recovered. It is worth noting that only 5 % of the cases represented 74 % of the total amount.

(1) The fight against fraud: Report on work done and progress achieved in 1989 - Document SEC (90) 156 final of 31 January 1990.

A breakdown by Member State of the number of irregularity cases shows that, while the differences pointed to on many occasions by the Commission persist, instead of one Member State alone notifying 40 % to 60 % of all cases as in the past, now, with the exception of Greece, Spain and Portugal, the number of cases notified by Member States is proportionate to their size. The number of cases notified by Greece and Spain was rather small. Portugal was the only country not notifying any cases at all.

At the end of 1989 4,487 irregularity cases notified by Member States since the entry into force of Regulation (EEC) No 283/72 were held on the COMA35 computerized database. The database has been considerably improved and data has been corrected or supplemented, as the case may be.

D. Clearance of accounts

In November 1989 the Commission formally approved Member States' expenditure chargeable to the Guarantee Section for 1987. The amount involved was ECU 22,970 million.

The systems audit method was again used for checking expenditure for 1987. The method is clearly explained in an EAGGF Guarantee Section audit manual and was developed in association with a consultancy firm. The financial benefit to the Community budget for 1990 was ECU 374.5 million.

Two Member States (Greece and France) brought proceedings in the Court of Justice against Commission clearance decisions for 1987.

In 1988 the Court delivered judgment in various cases in respect of old clearance decisions. The Commission took note of these where appropriate and adapted its decisions.

The verification of expenditure pertaining to 1988, amounting to ECU 27,500 million, was carried out by the paying agencies mainly in 1989.

The memorandum used by Member States to standardize their annual claims (declarations), with all its technical explanations, was also amended in 1989 to accommodate, in particular, changes in the breakdown of the budget and in the rules governing the common agricultural policy.

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 1989 was therefore carried out directly by the Commission, apart from some amounts outstanding charged to food aid schemes under the old system.

Presentation of data relating to the quantity 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 I

COMMUNITY EXPENDITURE ON MARKETS

1. GENERAL

1.1. Financing of the common agricultural policy (CAP) in 1989

In the early part of the 1970s, the financing of the CAP took place against the background of the very difficult budget situation facing the Community; this state of affairs resulted from the growing imbalance between the limits placed on budget funds allocated to the EAGGF Guarantee Section and the increase in the volume of agricultural expenditure.

The process of reform of the CAP began in 1983 and 1984 and gathered pace during the following years, culminating in the conclusions of the Brussels European Council of February 1988.

The 1988 reform, which took practical shape in the decisions of 24 June 1988 and the Inter-Institutional agreement signed on 29 June 1988 between Parliament, the Council and the Commission, established a reinforced budgetary discipline capable of imposing effective control on expenditure by setting in particular a series of ceilings for the period 1988-92.

With particular respect to the CAP, several measures were taken to stem the increase in agricultural expenditure, as described in the previous Financial Report (pages 3 et seq).

1.2. 1989 budget and original appropriations

The preliminary draft budget for 1989, sent by the Commission to budget authority on 13 June 1988, reflects the conclusions of the February 1988 European Council and seeks to see implemented the main features of the 1988 financial reform. With the advent of new elements since the preparation of the preliminary draft, from the point of view of both revenue and expenditure (downward revision of EAGGF Guarantee Section requirements reflecting the movement of world agricultural prices and the production levels of certain products), the Commission sent to the budget authority on 25 October 1988 amending letter No 1/89 in respect of the preliminary draft.

Concluding a budget procedure whose smooth conduct reflects the positive results of the inter-institutional agreement which entered into force on 1 July 1988, the 1989 budget was finally adopted on 15 December 1988 (1).

(1) OJ No L 26. 30 January 1989.

For the EAGGF Guarantee Section, this budget provides for appropriations which originally totalled ECU 28 247.3 million, broken down as follows :

O R I G I N A L B U D G E T 1 9 8 9	
	ECU
European Agricultural Guidance and Guarantee Fund, Guarantee Section (Titles 1 and 2)	26.741.000.000
Set-aside of arable land (Item 3900)	20.000.000
Common organization of the market in fishery products (Chapter 40)	37.300.000
Depreciation of stocks and disposal of butter (Chapter 81)	1.449.000.000
Total for Guarantee Section	28.247.300.000

Added to the ECU 26 741 million entered under Titles 1 and 2 of the budget are the additional funds totalling ECU 1000 million from the monetary reserve entered in Chapter 102. The appropriations in this chapter are to cover any supplementary expenditure due to large or unforeseeable fluctuations in the USD-ECU exchange rate compared with the rate used in the budget and which exceed a margin of ECU 400 million; they may also be increased by transfers from Titles 1 and 2 if the USD-ECU parity evolves favourably, as was the case in 1989.

Supplementary and amending budget No 1/89

This budget, adopted by Parliament on 13 April 1989 ⁽¹⁾, does not affect the agriculture side and involves only the appropriations required to ensure the commencement of operation, in September 1989, of the Court of First Instance of the European Communities.

1.3. 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; these, indeed, 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 Report, page 4), the Commission can now monitor more closely the trend of agricultural expenditure, chapter by chapter, act accordingly and thus ensure adherence to the agricultural guideline. Hence, certain adjustments had to be made throughout the budget year, according to the rate of utilization of the appropriations.

(1) OJ No L 132, 16 May 1989.

Consequently the budget authority decided to make a number of transfers totalling ECU 1 099.8 million, details of which are given in Table 1 (see above). As a result, the total amount of appropriations available for the EAGGF Guarantee Section for 1989 was reduced from ECU 28 247.3 million to ECU 27 147.5 million. The figures for the appropriations available and the original appropriations are, as is appropriate, lower than the agricultural guideline, which for 1989 was set at ECU 28 624 million.

1.4. Agricultural expenditure

Taking into account, firstly, the reduction in expenditure of 202,7 million by virtue of the clearance of accounts for 1988 and, secondly, the financial contribution of cereals producers (ECU 799.3 million) and of milk producers (ECU 890.3 million), the total agricultural expenditure chargeable to the EAGGF Guarantee Section for 1989 and to the budget for that year amounted to ECU 25 872.9 million. It should be noted here that, unlike the two previous budget years, the 1989 budget year covered a period of twelve months from 16 October 1988 to 15 October 1989. A detailed analysis of the financing of the different sectors is given below (cf. points 2.1. and seq.).

1.5. Fixing of farm prices and related measures for 1989/90

On 22 April 1989, the Ministers of Agriculture reached agreement, formalized on 27 April and 3 May, on all the proposals relating to the fixing of farm prices and related measures for 1989/90.

This agreement - not since 1984 have the price negotiations been concluded so early in the year - was achieved unanimously; it does not differ, on the key points, from the Commission's proposals and reaffirms the policies adopted in the most recent past : full application of agricultural stabilizers, pursuit of a market-oriented policy, adherence to budgetary discipline, progressive elimination of MCAs with a view to their total abolition in 1992. The agreement (*) includes a standstill for prices in ECU, except for sugar, citrus fruits and wheat, whose prices were reduced.

(*) The details of this agreement are contained in a special edition of "Green Europe" (1/89) featuring the decisions of the Council on farm prices for 1989/90.

The Council also decided to step up measures to assist small producers or farmers in less-favoured regions, in particular in the case of durum wheat (increased aid for traditional production regions and extension to new regions in the case of Spain and Greece), olive oil (modification of the definition of small producer) and milk (abolition of the co-responsibility levy for less-favoured areas and, in other areas, adjustment according to the quantities produced).

The decision also involved a scaling-down of intervention in the case of cereals, rice and oilseeds (one month reduction) and a further phasing-out of monetary compensatory amounts; the stabilizers arrangements were extended to apples and cauliflowers.

The reductions in the co-responsibility levies in the milk sector are offset notably by a reduction in the intervention price for butter (- 2 %).

The increases in prices in national currency determined by the phasing-out of the negative MCAs remain, on the whole, below the rate of inflation in the various countries concerned.

1.6. Revision of the rules on sheepmeat and goatmeat

In connection with its communication sent to the Council in August 1987 on the application of agricultural stabilizers, the Commission, in September of the same year, presented a report, accompanied by proposals, on the operation of the common organization of the market in sheepmeat and goatmeat. This report concluded that the rules in respect of sheepmeat had made for inevitably slow progress towards the achievement of a single market and that, in view of the 1992 target date, it was important to accelerate this process.

Finalizing, after adjustments and amendments, the options contained in this report, the Commission presented in August 1989 a proposal for a regulation on the common organization of the market in sheepmeat and goatmeat, formalized in September as Council Regulation (CEE) n° 3013/89⁽¹⁾.

The approach adopted is to lead - at the end of a transitional period terminating not later than 1 January 1993 - to a single market involving a system of premiums based on the two principal types of production in the Community; firstly, production of sheepmeat in the form of heavy lambs and, secondly, milk-related sheepmeat production resulting in light lambs. A distinction is ultimately drawn not between areas (or regions), but between production systems, with different procedures for calculating the premium.

⁽¹⁾ O.J. No L 289, 07.10.1989.

1.7. Emergency operation in support of Poland

Following the Paris (Arche) summit held on 14-16 July 1989 which notably included discussion of the question of East-West relations, the "General Affairs" Council meeting on 17 and 18 July approved the guidelines proposed by the Commission concerning the substance of the operations envisaged and its coordinating role in this sphere. Included in the three types of operation concerned is the supply of food products to Poland, which will incorporate an emergency food aid component.

Finalizing this agreement, the "Agriculture" Council adopted on 24 July Regulation (EEC) No 2247/89 (1) on an emergency measure for the free supply of certain agricultural products to Poland.

For the purposes of implementing this measure, the Community has put up for sale at a fixed price products from intervention stocks and has also made available products to be disposed of following buying-in operations.

Under this Regulation, provision is made for the supply to Poland of :

- 500.000 tonnes of wheat of bread-making quality,
- 300.000 tonnes of fodder cereals (maize, barley, rye),
- 10.000 tonnes of beef/veal,
- 5.000 tonnes of olive oil,
- 20.000 tonnes of citrus fruits.

The cost of this operation is estimated at ECU 110 million plus a further ECU 15-20 million in transport costs, the entire sum to be covered by the EAGGF(2).

(1) O.J. No L 216, 27.07.1989.

(2) In 1990, this measure was supplemented by :

- a further emergency aid operation for Poland involving 300 000 tonnes of wheat of bread-making quality (Regulation (EEC) No 457/90 of 12 February 1990);
- two similar operations in support of Romania :
 - . the first involving 62 500 tonnes of maize, 62 500 tonnes of rye, 2 500 tonnes of butter, 2 500 tonnes of olive oil and 10 000 tonnes of beef/veal (Regulation (EEC) No 282/90 of 23 January 1990),
 - . the second involving the same products and the same quantities (Regulation (EEC) No 456/90 of 22 February 1990).

1.8. Distribution of agricultural products to disadvantaged persons in the Community

During 1989, the Commission pursued its programme, launched during the winter of 1986-87, of food aid for disadvantaged persons. Based at present on Regulation (EEC) No 3730/87 of 10 December 1987,⁽¹⁾ this operation involves the supply to certain charitable organizations of foodstuffs from intervention stocks for distribution to the most deprived persons in the Community. Distribution is made on the basis of an annual plan drawn up by the Commission based on information supplied by the Member States.

For 1989, the appropriations earmarked for this purpose total ECU 150 million (compared with ECU 100 million for the previous year) and the plan, adopted for 1989 following Commission Decision 89/19/EEC of 23 December 1988,⁽²⁾ divides between the various Member States the financial resources required and indicates the quantity of each type of product that may be withdrawn from intervention stocks for distribution.

This information is contained in the following table :

Member States	Amount in ECU mill.	Quantity in tonnes				
		Common wheat	Durum wheat	Olive oil	Butter	Beef/veal
Belgium	2,22	550	-	-	-	800
Denmark	2,04	-	-	-	70	550
Germany	12,08	-	-	-	3.875	-
Greece	12,37	-	-	-	-	3.000
Spain	31,67	17.250	4.600	4.025	2.875	3.450
France	25,52	4.500	6.000	-	2.300	4.200
Ireland	3,83	-	-	-	50	1.450
Italy	22,45	-	8.500	850	850	5.500
Luxembourg	0,11	30	-	-	25	20
Netherlands	3,01	-	-	-	300	600
Portugal	8,80	750	550	725	375	1.725
United Kingdom	22,90	-	-	-	4.075	2.975
SUBTOTAL	147,00	-	-	-	-	-
Reserve for Intra-Community transport costs	3,00	-	-	-	-	-
TOTAL	150,00	23.080	19.650	5.600	14.795	24.270

(1) O J No L 352, 15 December 1987.

(2) O J No L 8, 11 January 1989.

1.9. Set-aside measures

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 as a supplement to the stabilizer mechanisms and other market policy measures.

The set-aside programme, and other structural provisions (extensification and diversification), was defined in Council Regulation (EEC) No 1094/88 of 25 April 1988⁽¹⁾, which incorporates these structural measures into Regulation (EEC) No 797/85 of 12 March 1985 on improving the efficiency of agricultural structures⁽²⁾. The detailed rules for aid arrangements to encourage the set-aside of arable land are laid down in Regulation (EEC) No 1272/88⁽³⁾, enabling Member States to apply set-aside from 1988/89 onwards.

It was therefore not until the second half of 1988 that most Member States could bring their national rules into line with those of the Community and put forward set-aside programmes. The Netherlands, the United Kingdom and the Federal Republic of Germany began applying the scheme in August 1988, Belgium in October 1988, Ireland, France, Spain and Greece in December 1988, Italy in February 1989 and Luxembourg in April 1989. Denmark has not yet (in April 1990) applied the measure. Portugal is exempt until the end of 1994.

Taking the Community as a whole, initial results are more modest than expected, not to say disappointing. A total of 365,746 hectares were set aside during 1988/89 of which almost 85 % were in three Member States : Germany, Italy and the United Kingdom.

A breakdown by Member State of the first year's figures is given in the table below.

(1) O.J. No L 106, 27.04.1988

(2) O.J. No L 93, 30.03.1985

(3) O.J. No L 121, 11.05.1988

1988 - 1989

Member States	Number of applicat.	Areas in hectares
Belgium	36	352
Germany	24.469	165.125
Spain	518	34.229
France	1.002	15.707
Ireland	77	1.310
Italy	5.991 (1)	91.617 (1)
Luxembourg	1	6
Netherlands	195	2.621
U.K.	1.750	54.779
TOTAL	34.039	365.746
(1) Provisional figures		

There are several reasons for these modest results :

- the late introduction of the scheme;
- the inadequacy of Member States' efforts to explain the scheme and its benefits to farmers;
- the low levels of aid paid by certain Member States which were not sufficient to compensate for the loss of income resulting from set-aside.

In addition, the land left fallow in almost all Member States was of a very low productive level.

To make the set-aside measures more attractive and to revive the Community's policy on the withdrawal of land, the rates of reimbursement of Member States' expenditure by the EAGGF were therefore increased by Regulation (EEC) No 752/90⁽¹⁾, which also provides for appropriate publicity in the Member States. The three aid bands were reduced to two :

- 1) not exceeding ECU 300 per hectare, with a Community contribution of 60 %;
- 2) between ECU 300 and ECU 600 per hectare, with a Community contribution of 25 %.

Under the above-mentioned Regulation, these figures are valid until 31 December 1989. After that date the rates of reimbursement will be fixed by the Commission.

1.10. The impact of agricultural stabilizers on budgetary expenditure

The guidelines adopted by the European Council meeting in Brussels on 11, 12 and 13 February 1988 and the subsequent decisions taken by the Council of Ministers were concerned to a great extent with agriculture.

In particular, the introduction of stabilizers involved important changes to the rules on the common agricultural policy with a view to better control of agricultural production and the resulting budgetary expenditure.

Although the effect of stabilizers on production cannot be assessed for several years, they began to have an impact on agricultural expenditure in the 1989 financial year. Savings in 1989 due to stabilizers are estimated at around ECU 1,140 million. This is essentially the result of a reduction in prices and aid for oilseeds, protein crops, cotton and sheepmeat after the relevant maximum guaranteed quantities (MGQs) were exceeded.

It should be pointed out that the effect on the 1989 budget of the 3 % reduction in cereal prices after the 1988 harvest exceeded the maximum guaranteed quantity was very slight owing to the fact that this reduction applies to the prices for the following marketing year which essentially affects the 1990 financial year.

To this figure of ECU 1,140 million should be added, for the cereals and milk products sectors, receipts of ECU 655 million from the additional co-responsibility levies and ECU 957 million from the basic co-responsibility levies.

(1) O.J. No L 83, 30.03.1990

In addition, the stabilization of milk production resulting from the introduction of quotas in 1984 and the improvement of the stock situation in 1987 and 1988 changed the situation on the world milk products market, producing a world price increase and consequent budgetary savings on export refunds of an estimated ECU 440 million for 1989.

Considered in their widest sense, the application of measures to stabilize the agricultural markets produced an overall saving to the Community budget of an estimated ECU 3,190 million, equal to 13.1 % of total EAGGF Guarantee Section expenditure during the 1989 financial year (ECU 24,406 million).

In other words, EAGGF Guarantee Section expenditure would have reached ECU 27,596 million without the application of stabilizers, leaving a margin of ECU 1,028 million compared with the 1989 agricultural guideline (ECU 28,624 million).

Since this margin is smaller than the savings of ECU 1,220 million resulting from the upward movement of the dollar compared to the rate used in the budget, it is clear that the 1989 agricultural guideline would have been exceeded without the application of agricultural stabilizers and the favourable movement of the ECU/US dollar rate.

1.11. Situation of intervention stocks in the Community

The systematic depreciation of stocks of agricultural products sold into public intervention continued in 1989. Initially a total of ECU 1,878 million was specifically allocated to headings under Titles 1 and 2 for depreciation.

To enable the depreciation of existing stocks of agricultural products as in the previous year, the 1989 budget provided for an appropriation of ECU 1,449 million under Chapter 81, i.e. outside the agricultural guideline. This appropriation is to cover, on the one hand, the depreciation of existing agricultural stocks (ECU 649 million) and, on the other hand, the reimbursement of expenditure arising from the special disposal of butter in 1987 and 1988 which was financed in advance by the Member States (ECU 800 million).

Within the framework of these appropriations, the Commission carried out the following depreciations during 1989 :

a) on the basis of Titles 1 and 2 of the budget

ECU million

PRODUCTS	DECISIONS	EXPENDITURE
Cereals	553,245	553,245
Butter	1,183	1,183
Beef	270,143	270,143
Tobacco	81,533	81,533
Olive oil	0,427	0,427
Oilseeds	0,981	0,981
Skimmed milk powder	-	-
Alcohol (public)	116,740	116,740
Alcohol (mixed) (*)	151,325	151,325
T O T A L	1.175,577	1.175,577
(*) Part-payment of disposal costs (Art.37(2) of Regulation (EEC) No 822/87)		

b) on the basis of Article 810

ECU million

PRODUCTS	DECISIONS	EXPENDITURE
Cereals	230,175	230,175
Butter	70,271	70,271
Beef	234,385	234,385
Tobacco	17,282	17,282
Olive oil	-	-
Oilseeds	11,739	11,739
Skimmed milk powder	2,441	2,441
Alcohol (public)	34,899	34,899
Alcohol (mixed) (*)	48,993	48,993
T O T A L	650,185	650,185
(*) Part-payment of disposal costs (Art.37(2) of Regulation (EEC) No 822/87)		

Thus, allowing for the reduction in the quantities in storage, in two years there was a large reduction in the value of public intervention stocks which fell from ECU 10,000 million at the end of the 1987 financial year to ECU 1,000 million at the end of 1989.

This considerable financial effort has been achieved two years ahead of plan and the residual value of stocks is today equal to their value on the world market.

Potential losses have therefore been totally absorbed and the disposal of the quantities now in storage will involve no additional expenditure from the Community budget. The quantities and values of stocks at the end of the 1989 financial year are given in Annex 11.

TABLE No 1
Original appropriations in the 1989 budget,
appropriations available following transfers and expenditure

(ECU million)

BUDGET CHAPTERS PRODUCTS	Orig. approps. 1989 (*)	Transfers (***)	Approps. avail- able following transfers	Expenditure from 16.10.88 to 15.10.89	% of expendi- ture in rela- tion to orig. appropriations	Difference between original appropriations and expenditure	
						ECU million (f)=(d)-(a)	% (g)=(f)/(a)
	(a)	(b)	(c)	(d)	(e)		
10 Cereals and rice	4.086	- 624	3.462,0	3.261,4	79,8 %	- 824,6	- 20,2 %
11 Sugar	2.051	0	2.051,0	1.979,9	96,5 %	- 71,1	- 3,5 %
12 Oils and fats	4.709	- 312	4.397,0	4.138,1	87,9 %	- 570,9	- 12,1 %
13 Protein plants	706	0	706,0	642,9	91,1 %	- 63,1	- 8,9 %
14 Fibre plants	646	0	646,0	600,7	93,0 %	- 45,3	- 7,0 %
15 Fruit and vegetables	1.221	- 120	1.101,0	1.018,6	83,4 %	- 202,4	- 16,6 %
16 Wine	1.466	- 158,1	1.307,9	1.147,7	78,3 %	- 318,3	- 21,7 %
17 Tobacco	975	+ 165	1.140,0	1.138,8	116,8 %	+ 163,8	+ 16,8 %
18 Other products	77	+ 7	84,0	83,8	108,8 %	+ 6,8	+ 8,8 %
20 Milk products	4.720	+ 300	5.020,0	4.987,0	105,7 %	+ 267,0	+ 5,7 %
21 Beef/veal	2.589	- 80	2.509,0	2.428,5	93,8 %	- 160,5	- 6,2 %
22 Sheepmeat and goatmeat	1.454	0	1.454,0	1.452,8	99,9 %	- 1,2	- 0,1 %
23 Pigmeat	237	+ 35	272,0	261,0	110,1 %	+ 24,0	+ 10,1 %
24 Eggs and poultry	221	+ 30	251,0	234,1	105,9 %	+ 13,1	+ 5,9 %
25 Non-Annex II products	624	0	624,0	552,1	88,5 %	- 71,9	- 11,5 %
SUB-TOTAL 1, including - refunds (excluding food aid)	25.782	- 757,1	25.024,9	23.927,4	92,8 %	- 1.854,6	- 7,2 %
- Intervention	8.935		9.936,0				
	16.847		-				
27 ACAs	45	0	45,0	41,4	92,0 %	- 3,6	- 8,0 %
28 MCAs	370	0	370,0	322,8	87,2 %	- 47,2	- 12,8 %
29 Other expenditure	544	- 332,7	211,3	111,4	20,5 %	- 432,6	- 79,5 %
SUB-TOTAL 2	26.741	- 1.089,8	25.651,2	24.403,0	91,3 %	- 2.338,0	- 8,7 %
39 Set-aside (**)	20	0	20,0	3,0	15,0 %	- 17,0	- 85,0 %
40 Fisheries	37,3	- 10,0	27,3	24,0	64,3 %	- 13,3	- 35,7 %
81 Depreciat. + disposal	1.449	0	1.449,0	1.442,9	99,6 %	- 6,1	- 0,4 %
TOTAL	28.247,3	- 1.099,8	27.147,5	25.872,9	91,6 %	- 2.374,4	- 8,4 %

(*) Appropriations entered in the 1989 budget (OJ No L 26, 30.1.1989) and supplementary and amending Budget No 1 (OJ No L 132, 16.5.1989).

(**) Devoiving exclusively upon the EAGGF Guarantee Section.

(***) Including a transfer of ECU 819 million to the monetary reserve (Chapter 102) following the appreciation of the US dollar.

TABLE 1A

Refunds (excluding food aid and fisheries)

Comparison between initial transfers and expenditure
(1989)

(ECU million)

PRODUCT GROUP (budget items)	Initial approp- riations 1989 (1)	Approp- riations (2)	Appropriations available after transfers (3)	1989 expend- iture (4)	Comparison (expenditure/budget)	
					(5) = (4) - (1)	
Cereals (100)	2.640	+ 115	2.775	2.597,1	- 42,9	98,4 %
Rice (1040)	59	- 9	50	45,2	- 13,8	76,8 %
Sugar (110)	1.420	+ 75	1.495	1.451,3	+ 31,3	102,2 %
Olive oil (120)	125	0	125	93,2	- 31,8	74,6 %
Oilseeds (125)	24	- 15	9	5,8	- 18,2	24,2 %
Fresh fruit and veg. (1500)	69	0	69	63,4	- 5,6	91,9 %
Processed fruit and veg. (1510)	18	0	18	15,3	- 2,7	85,0 %
Wine (160)	45	+ 0,3	45,3	45,3	+ 0,3	100,7 %
Tobacco (170)	49	+ 13,7	62,7	62,0	+ 13,0	126,5 %
Milk and milk products (200)	2.255	+ 614	2.869	2.868,6	+ 613,6	127,2 %
Beef (210)	1.209	+ 152	1.361	1.343,1	+ 134,1	111,1 %
Sheep and goat meat (220)	p.m.	0	p.m.	0	0	0
Pigmeat (230)	177	+ 25	202	199,0	+ 22,0	112,4 %
Eggs and poultry (240+241)	221	+ 30	251	234,1	+ 13,1	105,9 %
Prod. not in Annex II (250+251)	624	0	624	552,1	- 71,9	88,5 %
TOTAL	8.935	+ 1.001	9.936	9.575,5	+ 640,5	107,2 %

2. FINANCING OF THE MARKETS

2.1. Comparison between original appropriations and expenditure in 1989

Table 1 above gives a comparison between the original appropriations entered in the 1989 budget, appropriations available following transfers and expenditure against the 1989 budget, broken down by product group. Unlike the situation in 1987 and 1988, such expenditure covers a period of 12 months from 16 October 1988 to 15 October 1989.

From total original appropriations of ECU 26 741 million for Titles 1 and 2, agricultural expenditure for the 1989 budget year amounted to ECU 24 403.0 million.

The difference between the original appropriations and actual expenditure is therefore ECU 2 338 million; this figure is however reduced to a balance of ECU 1 248.2 million as a result of transfers totalling ECU 1 089.8 million.

Before making a more detailed analysis of this situation, it should be emphasized that agricultural expenditure depends greatly 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, does not coincide with the 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 adjustments to the appropriations between chapters throughout the budget year.

The differences between the original appropriations and expenditure, i.e. ECU 2 338 million in total, result from two types of factor :

- A) "non-market" factors, i.e. ECU 1 604.4 million, which represent the impact of variations in the US dollar/ECU exchange rate, the result of the clearance of accounts for previous years, and food aid,
- B) "market" factors, totalling ECU 733.6 million, which represent the impact of factors affecting the markets, including monetary movements within the EMS.

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

CHAPTER	GAP	NON-MARKET FACTORS	MARKET FACTORS
10. Cereals	- 825	- 471*	- 354
11. Sugar	- 71	-	- 71
12. Oils and fats	- 571	- 257*	- 314
13. Protein plants	- 63	- 73*	+ 10
14. Fibre plants	- 45	- 37*	- 8
15. Fruit and vegetables	- 202	-	- 202
16. Wine	- 318	-	- 318
17. Tobacco	+ 164	-	+ 164
18. Other sectors	+ 7	-	+ 7
20. Milk products	+ 267	- 262*	+ 529
21. Beef/veal	- 161	- 57*	- 104
22. Sheepmeat and goatmeat	- 1	-	- 1
23. Pigmeat	+ 24	- 24*	+ 48
24. Eggs and poultry	+ 13	- 38*	+ 51
25. Non-Annex II products	- 72	-	- 72
Subtotal	- 1.854	- 1.219	- 635
27. ACAs	- 4	-	- 4
28. MCAs	- 47	-	- 47
29. Other expenditure	- 433	Food - 183 aid Clear.- 203 of accounts	- 47
TOTAL	- 2.338	- 1.605	- 733

* Impact of US dollar

A) "Non-market" factors

The "non-market" factors have the following three components :

A1) **Impact of variations in the US dollar/ECU exchange rate**
(ECU - 1 219 million)

The total savings achieved during the year as a result of the difference between the actual average US dollar/ECU exchange rate and the conventional parity adopted in the budget were estimated at ECU 1 219 million⁽¹⁾.

Under the rules on budgetary discipline the fraction of such savings exceeding the "franchise" of ECU 400 million, i.e. ECU 819 million, was transferred to the monetary reserve (Article 102). Only the sum of ECU 400 million, representing the "franchise", therefore goes to make up the balance of the unutilized appropriations.

A2) **Result of the clearance of accounts for the preceding years**
(ECU - 202.7 million)

The Commission decisions on the clearance of accounts for the preceding years resulted in the sums recovered from the Member States, ECU 202.7 million, being set off against budget year 1989. This sum appears in its entirety in the end-of-year surplus. The ECU -202.7 million reflects :

- the decisions taken in 1989 concerning the clearance of accounts for 1986 involving ECU - 207.7 million;
- the corrections made to the clearance of accounts for previous years involving ECU 5 million.

A3) **The movements of appropriations in connection with food aid**
(ECU - 182.7 million)

The rise in world prices, associated with a slowing down of the 1989 food programme in terms of volume during 1989 due to the non-availability of sufficient commitment appropriations in Title 9 of the budget, resulted in an underutilization of the appropriations earmarked for food aid refunds. A proportion of the unutilized appropriations, i.e. ECU 182.7 million, was transferred to Chapter 92 of the budget.

B) "Market" factors

With respect to the original budget, "market" factors resulted in an appropriation surplus totalling ECU 733 million; this sum represents the difference between the surplus or deficit of the various budget chapters concerned.

(1) Cf. report on the impact on EAGGF Guarantee Section expenditure of movements of the dollar/ECU exchange rate : SEC(89) 1626 final, 9.10.1989.

Deficit chapters		Surplus chapters	
13. Protein crops	+ 10	10. Cereals	- 354
17. Tobacco	+ 164	11. Sugar	- 71
18. Other products	+ 7	12. Oils and fats	- 314
20. Milk products	+ 529	14. Fibre plants	- 8
23. Pigmeat	+ 48	15. Fruit and veget.	- 202
24. Eggs and poultry	+ 51	16. Wine	- 318
		21. Beef/veal	- 104
		22. Sheapmeat and goatmeat	- 1
		25. Non-Annex II products	- 72
		27. ACAs	- 4
		28. MCAs	- 47
		29. Other expenditure	- 47
	+ 809		- 1.542
Total : ECU - 733 million			

B1) Deficit chapters

13. Protein crops: ECU + 10 million

The production of dried fodder for which aid was paid (approx. 2.7 million tonnes) exceeded by approximately 35% the budget estimate (2 million tonnes).

17. Tobacco : ECU + 164 million

The additional appropriation requirements which have become apparent and necessitated an increase in the original appropriation are due to the concurrence of a number of factors :

- an increase in expenditure resulting from the changed monetary circumstances of the two principal tobacco producers : Italy and Greece;
- the upward revision, notified in 1989 by the Member States, of the 1988 production level, which increased the amount of the premiums to be paid for this harvest, with consequent impact for 1989;

- a catching-up in the payment of the balances of the premiums for the previous years and an acceleration of payments for the 1988 harvest compared with the rate of payments recorded in the past;
- an increase in the quantities bought into intervention, estimated at 38 000 t for the current budget year compared with an average of 27 000t for the last three years.

18. Other products : ECU + 7 million

The budget had made provision for the payment, during the budget year, of production aid for hops in respect of a single year, namely 1988/89. For several years, in fact, the payment of aid in respect of the new marketing years did not commence before 15 October. However, the payment of aid for 1989/90 began this year, against all expectation, before this date. Hence, budget year 1989 had to cover expenditure in excess of the level corresponding to a single marketing year.

20. Milk products : ECU + 529 million

The volume of exports of milk products, notably of butter, cheese and skimmed milk powder, consequent upon an above-quota volume of milk production, caused an expenditure surplus relative to the budget figure. This surplus was not fully offset by the full payment of additional milk levies.

In addition, the Commission, during the budget year, took various management measures, notably to reduce the rates of refund and of aid. In spite of these measures and the reduced requirement for appropriations caused by the dollar/ECU exchange rate, the original appropriations had to be increased through an appropriation transfer.

Note should be taken of high expenditure in respect of aid for casein by virtue of the large quantities for which aid was provided in 1989 (approx. 6.4 million tonnes compared with the 5.5 million tonnes scheduled in the budget). The impact of this increase in quantities far exceeded the impact of the reduction in the rate of the aid.

23. Pigmeat : ECU + 48 million

This chapter, exclusive of the dollar effect, experienced an increase in appropriation requirements by virtue of an increase in the volume of exports, and this despite the successive reductions in the refund rates.

The advance fixing procedure postponed the downward effects of the reductions in the rates.

24. Eggs and poultry : ECU + 51 million

In spite of the successive reductions in the export refund rates, the volume of exports in respect of which refunds were paid during the year led to an increase in expenditure.

As in the case of pigmeat, the impact of the reduction in refund rates was deferred by virtue of the advance fixing mechanism.

B2) Surplus chapter

10. Cereals : ECU - 354 million

The key factors giving rise to this situation are the level of the 1988 harvest, lower than the budget estimate, and the high volume of exports achieved during the year which reduced the volume of cereals bought in and thereby lessened both the depreciation on the bought-in goods and the public storage costs.

11. Sugar : ECU - 71 million

In spite of the payment of export refunds for quantities exceeding those originally specified, the relative stability of world prices over the same period made possible an overall decrease in the budget expenditure in respect of the exports concerned.

12. Oils and fats : ECU - 314 million

In spite of the increase in expenditure on aid to encourage olive oil consumption, connected with the increase in the quantities in receipt of such aid, this chapter has included unutilized appropriations.

This situation may be attributed to the fact that the payment of production aid experienced a certain delay during the budget year compared with the programme adopted in the budget and the intentions expressed by the Member States, and this despite a sharp acceleration recorded at the end of the year.

14. Fibre plants : ECU - 8 million

The world market price for cotton proved to be in excess of original estimates, thus resulting in lower expenditure in respect of this product.

15. Fruit and vegetables : ECU - 202 million

Appropriation requirements were lower in this sector on account of the fact that withdrawals, particularly of citrus fruits, proved to be well below the level forecast.

Another, less important factor was the fact that the quantities of processed products in receipt of production aid were also below the levels forecast.

16. Wine : ECU - 318 million

The underutilization of appropriations is primarily the result of a level of production in 1988 well below the budget forecast.

In addition was the fact that neither compulsory distillation expenditure in respect of 1988/89, nor the depreciation of the alcohol produced, could yet be paid out of the 1989 budget.

It will be noted that although the envisaged sale of alcohol during the year did not occur, the appropriations earmarked to cover sale losses were however used to cover an exceptional depreciation of some ECU 101.6 million, thereby avoiding transfer of the potential loss to budget year 1990.

21. Beef/veal : ECU - 104 million

This situation derived from two factors :

- 1) the fact that exports during the year, intervention buying-in and, consequently, expenditure to cover the depreciation of bought-in goods fell short of the relevant appropriations;
- 2) the appropriations for financing the reform of the market organization for beef and veal, in particular those relating to the anticipated increase in the suckler cow premium and the special premium and notably the extension of the latter to new Member States, were not utilized since the impact of the reform on payments took longer to occur than expected.

The large volume of exports decided on by the Commission caused an increase in refund expenditure, albeit within the level of the appropriations.

25. Non-Annex II products : ECU - 72 million

The high level of world prices for basic agricultural products in 1988 and 1989 reduced the rate of refunds on such products and, accordingly, the rates of refund on the non-Annex II products incorporating them.

28. MCAs : ECU - 47 million

The lower expenditure recorded reflects both the impact of the dismantling of MCAs at the beginning of the 1989/90 marketing years and the impact on MCAs of the monetary changes during the budget year.

29. Other expenditure : ECU - 47 million

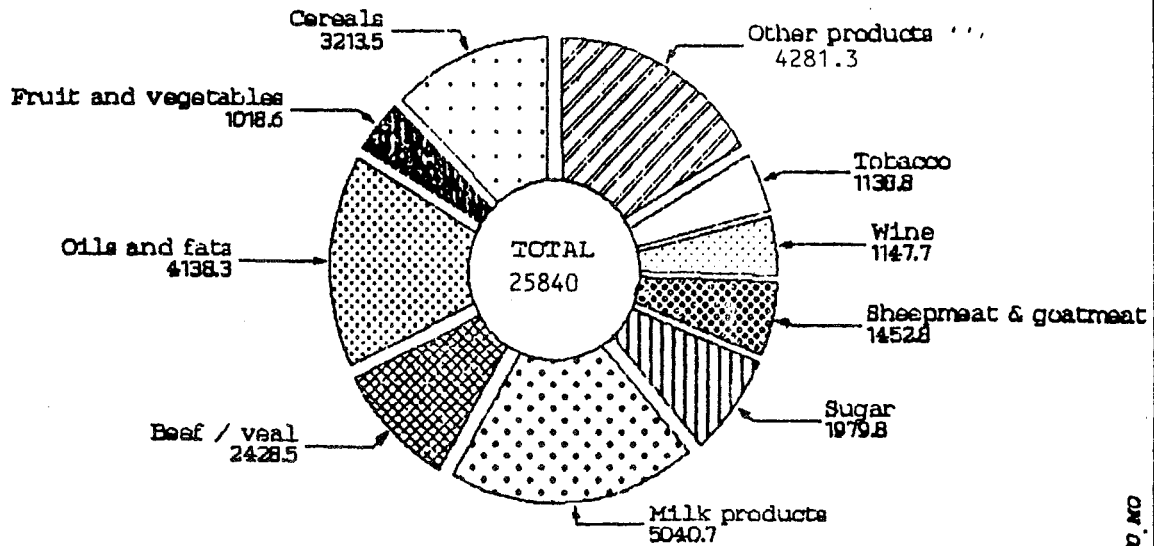
This chapter covers the financing of different measures. The lower expenditure recorded results chiefly from the existence of unutilized appropriations for the payment of refunds for certain quantities of food aid. In addition, at the end of the budget year, the programme involving the removal from intervention storage of agricultural products for the benefit of deprived persons had not yet been completed. Payments made in respect of this operation therefore fell short of the appropriations allocated.

In conclusion, taking into account the share (50 %) attributable to the EAGGF Guarantee Section in the payments made in respect of the set-aside of arable land (ECU 3 million), the expenditure covered by the agricultural guideline amounts to only ECU 24 406 million, i.e. ECU 4 218 million below the ceiling set for the 1989 budget year (ECU 28 624 million).

Table No 2

Breakdown of guarantee expenditure
by product group

(ECU million for 1989 financial year*)



Oils and fats = olive oil and oilseeds

* Expenditure against the 1989 budget

CEE DG VI 15 MAI 80 NO

2.2. The agri-monetary situation

When adopting its decision on prices and related measures for 1989/90, the Council took the first step towards dismantling the real monetary gaps (RMGs) :

(a) Negative gaps

- France : reduction by 2 points of the real monetary gap for all products, except for pigmeat and beef/veal where the existing residual gap was wholly eliminated
- Denmark : total elimination of the remaining RMGs for all products
- Ireland : reduction of the RMGs by 2 points for all products except beef/veal where the RMG is totally eliminated
- Italy : dismantling of half the existing RMGs on 1 January 1989
- United Kingdom : dismantling of half the existing RMGs on 24 April 1989, except for beef/veal where all is dismantled
- Greece : dismantling by 16.5 points of the RMGs for all products, except sheepmeat
- Portugal : complete dismantling of the existing RMGs on 24 April 1989

(b) Positive gaps

- FRG : dismantling by 0.4 points of the RMGs for products of animal origin
- Netherlands : abolition of the RMGs for all products, except cereals
- Spain : dismantling of 1/3 of the RMGs in force on 1 January 1989 for rice, olive oil, oilseeds, wine, fruit and vegetables, dried fodder and silkworms

In June 1989 the peseta joined the EMS with a margin of fluctuation around the central rate of 6 %.

In addition, on 21 September 1989 the Spanish peseta and the Portuguese escudo joined the currencies which make up the ECU.

TABLE 3 : NCAs APPLIED TO TRADE

CURRENCY	PRODUCT	RATE REFERRED TO FOR THE 1989 BUDGET (OCTOBER '88)		RATES RECORDED RELATING TO 1989	
		FROM 15.08.88 TO 31.12.88	FROM 01.01.89 TO 14.08.89	MINIMA	MAXIMA
DM	Milk Cereals Other	0 0 0	0 0 0	0 0 0	0 0 0
BFR/LFR	All products	0	0	0	0
HFL	Milk Cereals Other	0 0 0	0 0 0	0 0 0	0 0 0
FF	Milk Pigmeat Eggs and poultry Other animal products Wine Other plant products	- 3,5 0 0 - 1 - 1 - 3,5	- 2 0 0 - 1 0 - 2	- 3,5 0 0 - 1,0 - 1,0 - 3,5	0 0 0 0 0 0
LIT	Pigmeat Eggs and poultry Cereals Wine Olive oil Other products	- 1,6 - 3 - 6,5 - 2,6 0 - 5,5	0 0 - 4 0 0 - 3	- 1,6 - 3,0 - 6,5 - 2,6 0 - 5,5	0 0 0 0 0 0
UKL	Milk Beef Pigmeat Eggs and poultry Olive oil Wine Other plant products	- 8,2 + 1,8 - 2,4 - 6,6 - 1,8 - - 9,7	- 5,9 - 2,1 0 - 4 0 - - 7,5	- 9,1 - 2,1 - 2,7 - 7,2 - 2,2 0 - 10,7	- 1,9 0 0 0 0 0 - 3,6
IRL	Milk Beef Pigmeat Eggs and poultry Olive oil Wine Other plant products	- 3,5 - 2 - 2,1 0 0 - - 3,6	- 2 - 2 0 0 0 - - 2,1	- 3,5 - 2,0 - 2,1 0 - 0,8 - 0	0 0 0 0 0 - 0
DKR	Pigmeat Eggs and poultry Other animal products Wine Other plant products	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0
DRA	Pigmeat Eggs and poultry Other animal products Wine Olive oil Other plant products	- 22,5 - 14,1 - 33 - 14,1 - 9,1 - 17,6	- 22,5 - 14,1 - 33 - 14,1 - 9,1 - 17,6	- 22,5 - 18,1 - 37,5 - 18,1 - 30,7 - 21,6	- 16,3 0 - 18,6 - 11,9 - 6,9 - 3,1
PTA	Pigmeat Eggs and poultry Other animal products Wine Other	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 + 1,7 + 6,1 + 1,7 + 5,2
ESC	Sugar	0	0	- 1,1	0

Table No 4

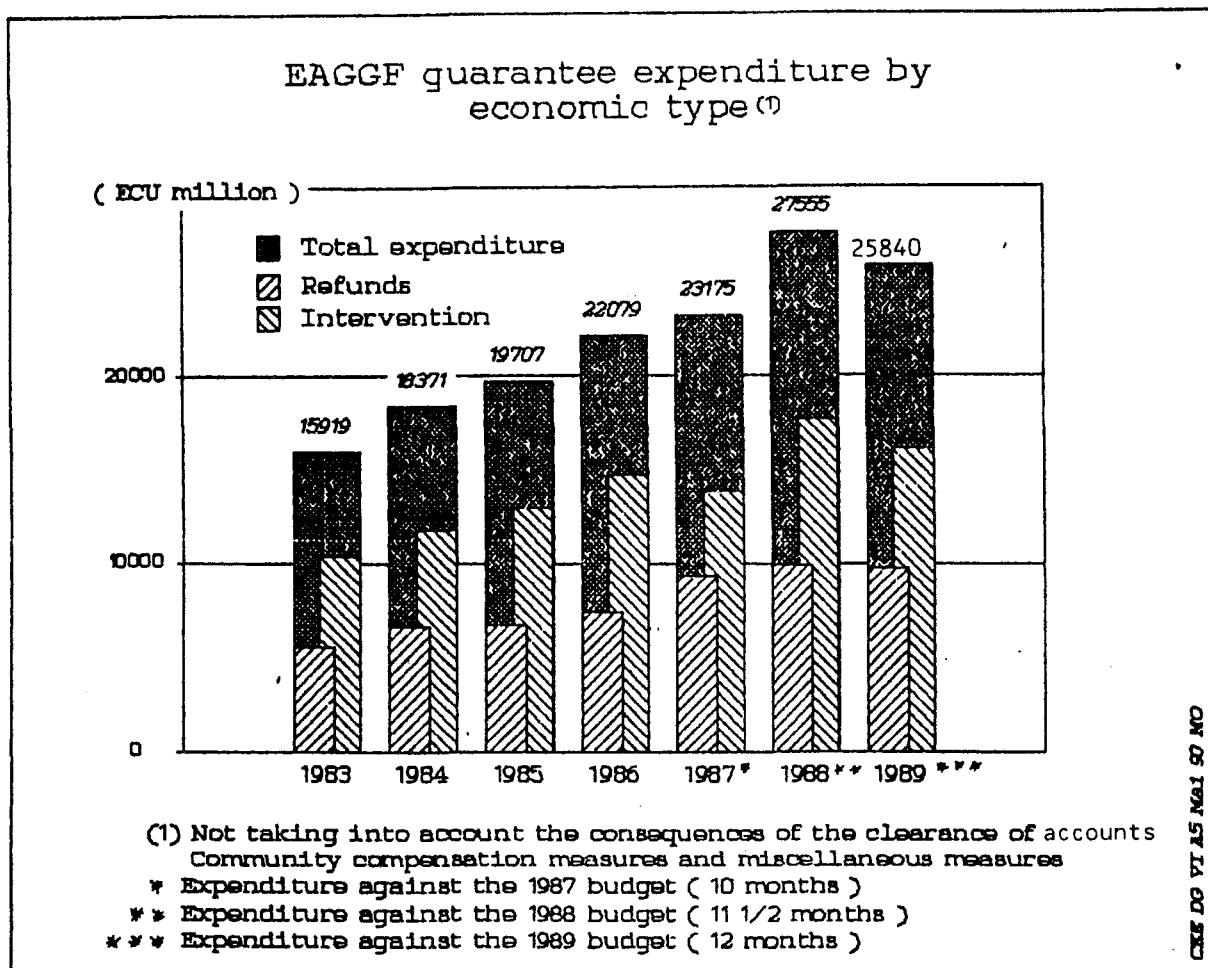


TABLE No 5

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 (2)
		of which food aid		of which depreciation			of which guidance premiums			
	a	a'	b	b'	c	d	d'	e=a+b+c+d	f	g=e-f
10 Cereals and rice	2.721,0	78,7	787,4	764,2(3)	842,0	-	-	4.350,4	- 799,3	3.551,1
11 Sugar	1.451,3	-	421,6	-	106,9	-	-	1.979,8	-	1.979,8
120 Olive oil	93,4	0,2	54,6	0,4	1.316,8	-	-	1.464,8	-	1.464,8
125 Oilseeds	5,8	-	6,2	11,6(3)	2.672,2	-	-	2.684,2	-	2.684,2
13 Protein crops	-	-	-	-	642,9	-	-	642,9	-	642,9
14 Fibre plants	-	-	1,4	-	599,3	-	-	600,7	-	600,7
15 Fruit and vegetables										
- fresh	63,4	-	-	-	148,1	285,0	-	496,5	-	496,5
- processed	15,3	-	0,5	-	506,3	-	-	522,1	-	522,1
16 Wine	45,3	-	438,2	202,7(3)	91,3	658,9	157,9	1.233,7	-	1.233,7
17 Tobacco	62,0	-	121,6	98,5(3)	972,4	-	-	1.156,0	-	1.156,0
18 Other products	-	-	-	(4)	83,8	-	-	83,8	-	83,8
20 Milk products	2.922,2	53,7	1.445,4	875,0(3)	1.661,3	775,7	775,7	6.804,6	- 890,3	5.914,3
21 Beef/veal	1.343,1	-	907,5	514,6(3)	381,8	40,6	40,6	2.673,0	-	2.673,0
22 Sheepmeat and goatmeat	-	-	p.m.	-	1.452,8	-	-	1.452,8	-	1.452,8
23 Pigmeat	199,0	-	62,0	-	-	-	-	261,0	-	261,0
24 Eggs and poultry	234,1	-	-	-	-	-	-	234,1	-	234,1
25 Non-Annex II products	552,1	-	-	-	-	-	-	552,1	-	552,1
40 Fisheries	0,1	-	0,1	-	14,3	9,5	-	24,0	-	24,0
27 ACAs	-	-	-	-	41,5	-	-	41,5	-	41,5
28 MCAs	5,9	-	-	-	265,7	-	-	271,6	-	271,6
TOTAL	9.714,0	132,6	4.246,5	2.467,0	11.799,4	1.769,7	974,2	27.529,6	- 1.689,6	25.840,0
%	35,3 %	0,5 %	15,4 %	9,0 %	42,9 %	6,4 %	3,5 %	100 %	- 6,1 %	93,9 %

(1) Expenditure against the 1989 budget.

(2) Before clearance of the accounts and not including "Interest following changes in the method of financing", "Distribution free of charge", "Set-aside" and "Portion of MCAs granted on imports (Item 2810)".

(3) Including depreciation on the basis of Article 810 (ECU 650,2 million : cereals ECU 211,0 million, oilseeds ECU 10,6 million, alcohol ECU 86,0 million, tobacco ECU 17,0 million, milk powder ECU 2,1 million, butter ECU 79,0 million and beef ECU 244,5 million).

(4) of which ECU 792,7 million representing the 1st tranche of reimbursement under the special butter disposal programme.

2.3. Breakdown of expenditure by economic type

On the basis of the total expenditure set against the 1989 budget, i.e. ECU 25 840 million(*), expenditure on export refunds amounted to ECU 9 714 million (37.6 %) and on intervention to ECU 16 126 million (62.4%) (see Annexes 4 to 10). Last year, set against the 1988 budget, out of total expenditure of ECU 27 555 million, expenditure on refunds amounted to ECU 9 929 million(36 %) and on intervention to ECU 17 626 million (64%).

2.3.1. Refunds

The breakdown by product group shows that milk products accounted for 29.5% of total expenditure on refunds (1988:30.3%), cereals for 27.2% (1988:30%), sugar for 14.9% (1988:15.7%) and beef for 13.8% (1988:7.7%).

2.3.2. Intervention

On the basis of expenditure against the 1989 budget, expenditure on intervention related mainly to the following product groups:

	1988	1989
- Oilseeds	16,7 %	16,5 %
- Milk products	16,5 %	13,1 %
- Sheepmeat and goatmeat	7,3 %	9,0 %
- Olive oil	5,0 %	8,5 %
- Wine	8,5 %	6,8 %
- Beef	9,6 %	6,7 %
- Tobacco	5,2 %	6,7 %
- Cereals and rice	7,6 %	3,8 %

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.

(*) Excluding the balance of the clearance of the accounts for 1986 (-ECU 203 million) and the items covering interest payments following changes in the method used for financing EAGGF expenditure (+ECU 48 million), distribution free of charge to the less well-off (+ECU 133 million), set-aside (ECU 3 million) and the portion of MCAs granted on imports - Item 2810 (ECU 51.2 million).

Compared with the total for intervention (ECU 16 126 million), price compensating aids came to ECU 10 110 million (62.7%), aids to storage to ECU 4 247 million (26.3%), withdrawals and similar operations to ECU 795 million (4.9%) and guidance premiums to ECU 974 million (6.1%).

- 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 price offered for consumption is lower than the production price and is competitive with products imported from non-member countries (for example, production and consumption aids for olive oil, aids for skimmed milk, production aids for processed fruit and vegetable products, etc.).

This type of aid accounts for 62.7% of total intervention (1988:58.3%) and 39.0% of total expenditure set against the 1989 budget, excluding clearance of accounts and miscellaneous expenditure (1988:37.3%).

For 1989, the product groups benefitting most from price compensating aids were the following:

	1988	1989
Oilseeds	2.945	2.672
Sheepmeat and goatmeat	1.293	1.453
Olive oil	795	1.317
Tobacco	895	972
Milk and milk products	1.517	771
Fruit and vegetables	473	654
Protein crops	689	643

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 and protein crops. However, aids for processing and final consumption are concentrated on milk products (skimmed milk), olive oil and fruit and vegetables.

- 2.3.2.2. Storage intervention, ECU 4 246.5 million, covers both private and public storage costs. It accounts for 26.5% of total intervention (1988:33%) and 16.4% of total expenditure against the 1989 budget, excluding clearance and miscellaneous expenditure (1988:21%).

Details of this kind of expenditure are given in Annex 9. Based on a total of ECU 3 446.7 million, that is excluding reimbursements to Member States for expenditure incurred in disposing of public butter stocks (ECU 792.7 million) and aid to Poland (ECU 2.7 million in cereals and ECU 4.6 million in beef), private storage costs came to ECU 849.1 million and public storage costs were ECU 2 597.6 million.

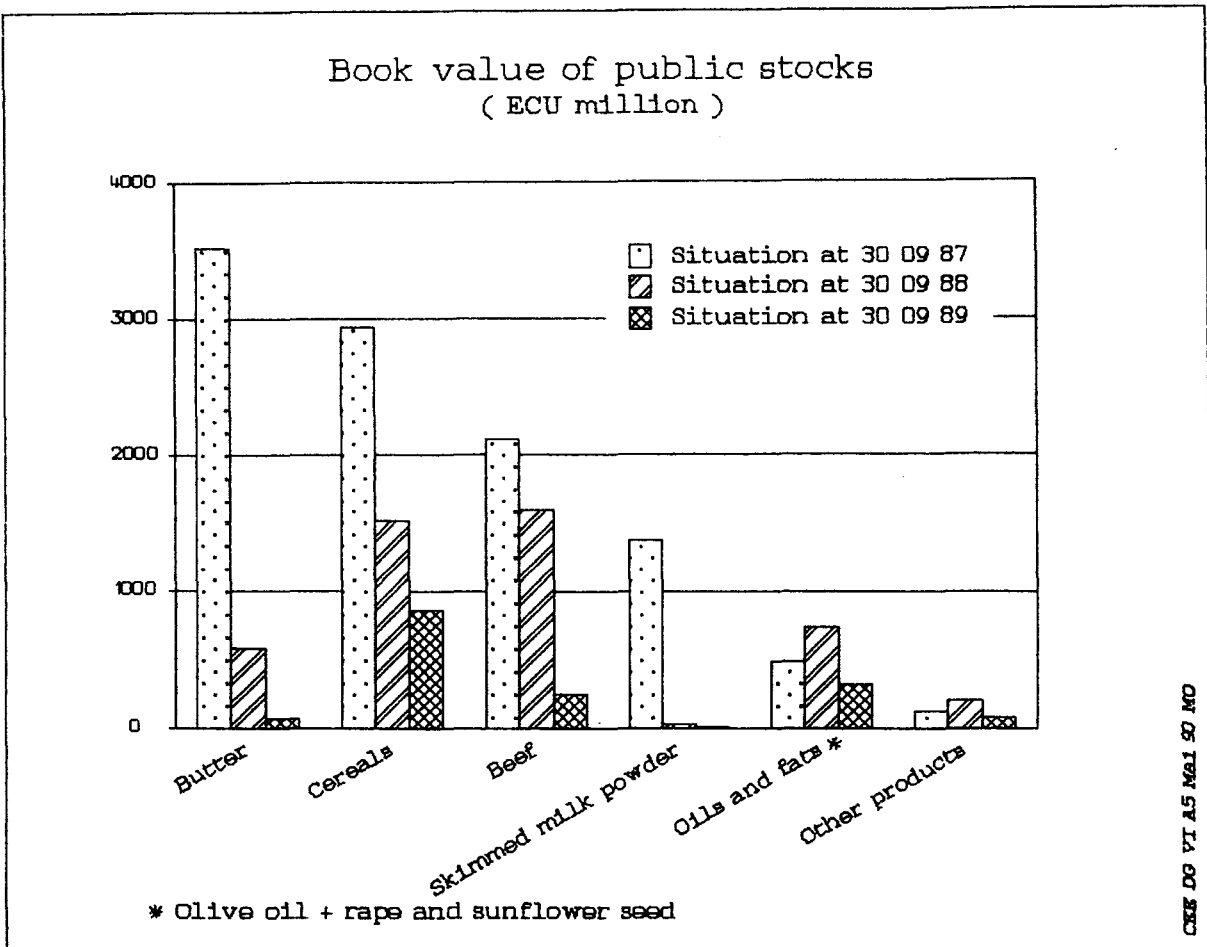
The cost of private storage may be mainly put down to sugar storage (ECU 423 million) but this is covered by the collection of storage levies from sugar manufacturers (see Annex 14); then come storage costs for milk products (ECU 185 million), beef (ECU 102 million) and wine products (ECU 67 million).

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 4.9% of total intervention booked to the 1989 budget and 3.1% of total expenditure, clearance and miscellaneous expenditure excluded, compared with 5.1% and 3.3% respectively for 1988.
- 2.3.2.4. Guidance premiums are granted only in the wine, milk and beef sectors. They account for 6.1% of total intervention and 3.8% of total expenditure booked to the 1989 budget, clearance and miscellaneous expenditure excluded.

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 and as compensation for temporary suspension of milk quotas; in the beef sector, a calf premium is granted.

Table No 6



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

Between 30 September 1988 and 30 September 1989, the date on which public storage accounts are closed, the book value of public stocks declined very sharply from ECU 4 663 million in 1988 to ECU 1 612 million in 1989, a drop of ECU 3 051 million (65 %). By comparison, the book value of stocks on 30 September 1987 was ECU 10 575 million. This encouraging development is the result of both a more dynamic disposal policy and of the depreciation exercise undertaken in 1988 and 1989. Owing to a lack of budgetary resources, no such exercise had been possible for agricultural products in 1987, but in 1988 and 1989 the sums of ECU 2 611 million and ECU 2 527 million respectively were available and of these ECU 2 598 million and ECU 1 826 million were utilized in 1988 and 1989 respectively.

An initial scrutiny shows that the proportion of total book value of stocks accounted for by each of the most important sectors changed between 1987 and 1989 : milk products fell from 46.4 % in 1987 to 13.1 % in 1988 and subsequently to 5.3 % in 1989, while cereals rose from 27.8 % to 32.4 % and subsequently to 53.8 %, oils and fats from 4.6 % to 15.9 % and subsequently to 20.3 % and beef from 20 % in 1987 to 34.2 % in 1988, subsequently falling to 15.3 % in 1989.

More detailed analysis of the 1988 and 1989 figures shows the following :

(a) Cereals

- An overall drop in stocks of 18 % (1988 : 10 951 600 tonnes, 1989 : 8 962 900 tonnes). Stocks of non-breadmaking common wheat, durum wheat and sorghum fell sharply, with a moderate fall in the case of barley; by contrast, the rise in stocks was sharp in the case of maize, average for rye and small for common wheat.
- A drop in the book value of cereals stocks of 42 % (1988: ECU 1 509 million, 1989: ECU 868 million). This results in part from the 1989 stock depreciation exercise, which reduced the value by ECU 783.4 million.

(b) Oils and fats

- A 66 % drop in stock quantities (1988: 593 300 tonnes, 1989: 199 100 tonnes), affecting not only olive oil and sunflower seed but in particular stocks of rapeseed which disappeared almost completely from store (1988: 37 974 tonnes, 1989: 132 tonnes).
- The book value of these products likewise fell between 1988 and 1989, by 56 % from ECU 743 million to ECU 327 million. For 1989, the depreciation amounts to ECU 13.2 million.

(c) Alcohol

Comparison of the 1988 and 1989 figures shows an increase in quantity from 2 892 000 to 3 381 700 hectolitres, but there was a sharp drop in book value from ECU 136 million in 1988 to ECU 37 million in 1989, the amount written off as depreciation amounting to ECU 352 million.

(d) Tobacco

- Total stocks rose by nearly 67 % from 46 600 tonnes in 1988 to 77 600 tonnes in 1989. The increase was particularly large for baled tobacco (1988: 39 800 tonnes, 1989: 66 400 tonnes) and leaf tobacco (1988: 1 200 tonnes, 1989: 7 800 tonnes), but this was counterbalanced by a fall in stocks of processed tobacco.
- Total book value fell, however, by nearly ECU 23 million to only ECU 49 million in 1989. In fact this fall applied to baled tobacco only (1988: ECU 68 million, 1989: ECU 46 million), as the book value of leaf tobacco rose between 1988 and 1989. This situation resulted from a financial depreciation in the book value of stocks in 1989 to ECU 99 million.

(e) Milk products

- Stocks, which had collapsed completely between 1987 and 1988, continued to fall in 1989 from 14 000 tonnes to 5 000 tonnes of skimmed milk powder and from 221 000 tonnes to 32 000 tonnes of butter.
- The book value of stocks of these two products likewise dropped considerably, from ECU 612 million in 1988 to ECU 85 million in 1989. The value of skimmed milk powder and butter stocks was written down by a total of ECU 73.9 million.

(f) Beef

- Quantities in stock also fell sharply in 1989 by 572 000 tonnes (79 %), from 723 000 tonnes in 1988 to 151 000 tonnes in 1989.
- Book value also fell substantially by 84 %, from ECU 1 593 million in 1988 to ECU 247 million in 1989. Both types of products in question were written down in the same proportions and the financial depreciation in 1989 amounted to ECU 504.5 million.

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) N° 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 7

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 (EEC) N° 1677/85)

MEMBER STATES	EXPEND- ITURE (1)	IMPACT OF ARTICLE 10 OF REG (EEC) N° 1677/85	TOTAL
Belgium	585,80	- 11,30	574,50
Denmark	1.015,10	- 23,50	991,60
Germany	4.191,70	- 48,40	4.143,30
Greece	1.650,90	0,00	1.650,90
Spain	1.903,20	0,00	1.903,20
France	4.810,50	- 120,70	4.689,80
Ireland	1.241,30	- 30,50	1.210,80
Italy	4.621,80	161,40	4.783,20
Luxembourg	1,80	0,00	1,80
Netherlands	3.749,90	- 27,10	3.722,80
Portugal	174,40	0,00	174,40
United Kingdom	1,917,00	100,10	2.017,10
TOTAL MEMBER STATES	25.863,40	0,00	25.863,40
COMMUNITY (2)	12,60	0,00	12,60
TOTAL EEC	25.876,00	0,00	25.876,00
<p>(1) Expenditure for 1989 including impact of clearance of the accounts for 1986 and the cost to the EAGGF, Guidance Section of the set-aside of arable land (ECU 2.99 million). (2) Direct payments to recipients for information and promotion schemes relating to olive oil, flax and hemp, and milk products.</p>			

2.6. Overall cost of Guarantee Section

2.6.1. Overall trend of expenditure

TABLE 8

OVERALL TREND OF EAGGF (GUARANTEE SECTION) EXPENDITURE

YEAR	TOTAL EXPENDITURE * ECU million	ANNUAL GROWTH RATE %
1983	15.811,6	27,5
1984	18.346,4	16,0
1985	19.744,2	7,6
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]**
- Total expenditure	25.872,9	-6,6
<p>* Including impact of clearance of accounts</p> <p>** Compared with the 1988 guideline</p> <p>(1) Budget year 1987 (10 months)</p> <p>(2) Budget year 1988 (11 1/2 months)</p> <p>(3) The guideline includes all agricultural expenditure charged to the EAGGF Guarantee Section, minus expenditure under Chapter 40 (common organization of the market in fishery products) and Chapter 81 (depreciation of stocks and disposal of butter)</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, under the market organizations, of agricultural products from non-member countries; these charges are intended to offset the difference 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 the support measures in this market, and especially 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 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 1989 these producers' contributions amounted to ECU 890 million in the milk sector and ECU 799 million in the cereals sector.

TABLE 9

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

(ECU million)

NATURE OF THE CHARGE	1984	1985	1986	1987	1988	1989
Import levies	1.260,0	1.121,7	1.175,5	1.626,1	1.504,6	1.282,5
Sugar levies, of which :	1.176,4	1.057,4	1.111,5	1.471,7	1.390,7	1.381,6
- production (1)	708,4	548,5	612,3	924,6	845,9	912,4
- storage costs	468,0	508,9	499,2	547,1	544,8	469,2
TOTAL	2.436,4	2.179,1	2.287,0	3.097,8	2.895,3	2.664,1
(1) Including the elimination levy (ECU 68.3 million in 1986, ECU 87 million in 1987, ECU 94.1 million in 1988 and ECU 89.3 million in 1989) and the special elimination levy (ECU 234.2 million in 1987, ECU 110.8 million in 1988 and ECU 175.5 million in 1989).						

Import levies, which mainly affect cereals, after rising in 1987 fell more sharply in 1989 than in 1988 owing to an upward movement in world prices, which reduced their rates.

The sugar levies were slightly lower in 1989 than in 1988, essentially because of a reduction in the unit amount of storage costs.

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, viz. the Community's gross domestic product at market prices (GDP), shows (Annex 12) that, with due account taken of the relative durations of the 1987 and 1988 financial years, the gross cost of the Guarantee Section amounted to 0.59 % of GDP in 1989 against 0.69 % in 1988 and 0.62 % in 1987.

3. ADJUSTMENTS TO LEGISLATION GOVERNING THE EAGGF GUARANTEE SECTION

During 1989, a number of adjustments were made to the legislation directly concerning the EAGGF Guarantee Section :

- on 22 February the Commission adopted Regulation (EEC) No 439/89 (1) amending Regulation (EEC) No 411/88 (2) of 12 February 1988 on the method to be used and the interest rates to be applied for the calculation of the cost of financing intervention in the form of buying-in, storage and disposal. This Regulation reflects the previously observed evolution of the interest rates. It fixes the uniform interest rate applicable to the Member States at 7.7 % instead of 7 %. However, for the period from 1 January to 30 September 1989, the specific interest rate is fixed at 6 % for the Federal Republic of Germany instead of 5 %, and at 6,5 % for Luxembourg and the Netherlands instead of 7 % and 5.5 % respectively;
- on 20 March the Council adopted :
 - . Regulation (EEC) No 787/89 (3) amending Regulation (EEC) No 1883/78 (4) of 2 August 1978 laying down general rules for the financing of interventions by the EAGGF Guarantee Section. As a result of this amendment, costs arising from special measures designed to guarantee the utilization and/or destination of products held by intervention agencies will in future be financed by the Community by means of standard amounts uniform throughout the Community,
 - . Regulation (EEC) No 788/89 (3) amending Regulation (EEC) No 3247/81 (5) of 9 November 1981 on the financing by the EAGGF Guarantee Section of certain intervention measures, particularly those involving the buying-in, storage and sale of agricultural products by intervention agencies. This Regulation adjusts, inter alia, the method of calculating the prices to be repaid to the EAGGF Guarantee Section should the agricultural product taken into storage by an intervention agency have deteriorated or been destroyed;
- on 13 April the Commission adopted Regulation (EEG) No 961/89 (6) amending Regulation (EEC) No 380/88 (7) drawing up the list of measures which comply with the concept of intervention intended to stabilize the agricultural markets, within the meaning of Article 3(1) of Council Regulation (EEC) No 729/70 of 21 April 1970.(8) This amendment consists of updating the list of the measures concerned;

(1) OJ L 51, 23.02.1989.
(2) OJ L 40, 13.02.1988.
(3) OJ L 85, 30.03.1989.
(4) OJ L 216, 05.08.1978.
(5) OJ L 327, 14.11.1981.
(6) OJ L 102, 14.04.1989.
(7) OJ L 38, 11.02.1988.
(8) OJ L 94, 28.04.1970.

- on 19 April the Commission also adopted Regulation (EEC) No 1019/89 (1) amending Regulation (EEC) No 2275/88 (2) of 7 September 1988 laying down detailed rules for the application of Article 5a of Council Regulation (EEC) No 729/70.(3) This Regulation increases the rates of interest repaid to the four least prosperous Member States of the Community (Greece, Spain, Ireland and Portugal) from 6.8 % to 7.7 % with effect from the beginning of budget year 1989;
- on 12 June the Commission adopted two Regulations concerning the public storage of agricultural products and its financing :
 - . Regulation (EEC) No 1643/89 (4) defining the standard amounts to be used for financing material operations arising from the public storage of agricultural products; it sets out various improvements to the system, namely definition of the operations covered and a new rule concerning the method of calculation based on a weighting of the lowest real costs, with a view to aligning them with modern warehouse management costs;
 - . Regulation (EEC) No 1644/89 (4) amending Regulation (EEC) No 411/88 on the method and the rate of interest to be used for calculating the costs of financing intervention measures comprising buying-in, storage and disposal; it establishes the rate for the ecu as the reference for fixing the uniform interest rate and lays down rules for applying weightings in respect of the different forward rates.

These two Regulations were adopted following a detailed examination by a group of experts of the financing conditions for storage operations.

- on 24 July the Council adopted Regulation (EEC) No 2277/89 (5) amending Regulation (EEC) No 3247/81 (6) as regards the financing of the costs of disposal of alcohol provided for in Article 37(2) of Regulation (EEC) No 822/87 on the common organization of the market in wine. This amendment specifies the rules applicable in respect of the drawing-up of accounts for the disposal of alcohol.
- on 8 September the Commission adopted the following three Regulations :
 - . Regulation (EEC) No 2734/89 (8) on the factors to be taken into consideration for determining expenditure pursuant to Article 37(2) of Council Regulation (EEC) No 822/87 (7) to be financed by the EAGGF Guarantee Section. This Regulation determines the cost of measures to dispose of the products of the distillation operations carried out under the common organization of the market in wine with effect from 1 October 1987;

(1) OJ L 109, 20.04.1989.

(2) OJ L 249, 08.09.1988.

(3) OJ L 94, 28.04.1970.

(4) OJ L 162, 13.06.1989.

(5) OJ L 218, 28.07.1989.

(6) OJ L 327, 14.11.1981.

(7) OJ L 84, 27.03.1987.

(8) OJ L 263, 09.09.1989.

- . Regulation (EEC) No 2735/89 (1) amending Regulation (EEC) No 2776/88 (2) on data to be sent in by the Member States with a view to the booking of expenditure financed under the Guarantee Section of the EAGGF. This amending Regulation determines the detailed rules on the financing of the products of the distillation referred to in Article 37 of Regulation (EEC) No 822/87 (3) on the common organization of the market in wine and of the food products intended for distribution to the most deprived persons in the Community. It also specifies the period within which the material operations to be covered in the declaration of intervention expenditure must fall;
 - . Regulation (EEC) No 2736/89 (1) amending Regulation (EEC) No 3744/87 (4) on the supply of food from intervention stocks to designated organizations for distribution to the most deprived persons in the Community. This Regulation stipulates that if an intervention price has not been fixed for a Member State the book value of the product intended for distribution is the intervention price for the Community of Ten;
- on 29 September the Commission adopted the following two Regulations :
- . Regulation (EEC) No 2963/89 (5) on the rate of interest to be used for calculating the costs of financing intervention measures comprising buying-in, storage and disposal. This measure, which replaces Regulation (EEC) No 439/90 of 22 February (see above), fixes, before the beginning of financial year 1990, the uniform interest rate for the financing of public storage; this rate is 9.1 % compared with 7.7 % for the previous year. However, in view of the evolution of interest costs in certain Member States, a specific interest rate has been fixed for them; this rate is 8.1 % for the Federal Republic of Germany instead of 6 % and 7.2 % for the Netherlands instead of 6.5 %; it is maintained at 6.5 % for Luxembourg and fixed at 8.7 % for France compared with 7.7 % previously;
 - . Regulation (EEC) No 2964/89 (5) fixing depreciation percentages to be applied when agricultural products are bought in. The rules laid down provide for a systematic depreciation of agricultural products in two stages. This Regulation fixes, for 1990, the depreciation coefficients for each product, which will enable an initial depreciation instalment to be effected when the products are bought in.

(1) OJ L 263, 09.09.1989.

(2) OJ L 249, 08.09.1988.

(3) OJ L 84, 27.03.1987.

(4) OJ L 352, 15.12.1987.

(5) OJ L 281, 30.09.1989.

- on 30 October, in the framework of Council Regulation (EEC) No 1883/78 of 2 August 1978 (1) laying down general rules for the financing of interventions by the EAGGF Guarantee Section, the Commission adopted Regulation (EEC) No 3271/89 (2) concerning the prices to be used for calculating the value of agricultural products in intervention storage, to be carried over to financial year 1990. The purpose of this Regulation, based on Article 7 of the abovementioned Council Regulation, is to organize the end-of-the year closure of accounts in respect of public storage;
- on 11 December the Council adopted Regulation (EEC) No 3757/89 (3) amending Regulation (EEC) No 3247/81 on the financing by the EAGGF Guarantee Section of certain intervention measures, particularly those involving the buying-in, storage and sale of agricultural products by intervention agencies. With a view to the proper management of intervention, it is necessary to establish inventories of products stored at regular intervals in order to compare them with stock and financial accounts. This Regulation creates the legal basis for such inventories;
- lastly, on 21 December, the Council adopted Regulation (EEC) No 4045/89 on scrutiny by the Member States of transactions forming part of the system of financing by the EAGGF Guarantee Section. This Regulation replaces Directive 77/435/EEC (5) which provided for the same type of scrutiny. It forms part of the initiatives taken by the Commission in the context of measures to combat fraud and irregularities prejudicial to the Community budget and involves scrutiny, following payment, of the commercial documents of entities receiving or making payments to the EAGGF Guarantee Section, with special emphasis on the prevention and detection of fraud and irregularities.

(1) OJ L 216, 05.08.1978.
(2) OJ L 317, 31.10.1989.
(3) OJ L 365, 15.12.1989.
(4) OJ L 388, 30.12.1989.
(5) OJ L 172, 12.07.1977.

TITLE II

CASH POSITION AND MANAGEMENT OF APPROPRIATIONS

4. System of advance payments and adjustment thereof

Council Regulation (EEC) No 2048/88 of 24 June 1988 amending Regulation (EEC) No 729/70 made permanent the system of monthly advances on entry of expenditure in the accounts and altered the cut-off date for the expenditure booked to each financial year.

As a result the 1989 budget covered the payments entered in the accounts as made to recipients during the period 16 October 1988 to 15 October 1989. Unlike in the two previous years, it covers expenditure over twelve months.

5. Advance payments to the Member States

5.1. Decisions on advance payments in respect of 1989

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.

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

Funds placed at the disposal of the Member States for expenditure chargeable to 1989 amounted to ECU 25,863.3 million : ECU 25,860.3 million for the Guarantee Section and ECU 3.0 million for the Guidance Section.

The extraordinary advance in December 1989 adjusted the advances granted to total expenditure chargeable to the year

5.3 Direct payments

In certain cases the Commission makes direct payments to operators 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, flax, grape juice and dairy products sectors. They are financed by withholding a proportion of the aid to be paid to producers.

Thus in 1989 the Commission paid directly to operators :

- a) ECU 6,050,416.93 from appropriations carried over from 1988;
- b) ECU 6,418,859.53 from appropriations for 1989. In addition, the sum of ECU 6,191,785.44 was committed in 1989 and carried over to 1990.

Annex 19 gives for the various schemes an overall picture of the amounts withheld from producers in relation to expenditure and commitments.

Other schemes are financed from sums withheld from aid and although the expenditure is financed 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.

6. Management of appropriations

The 1989 budget was adopted in December 1988 and was implemented without any significant problems.

In July 1989, however, the Commission had to reduce the advances on entry of expenditure by ECU 140,625,158.89 following the non-payment of the additional co-responsibility levy in the milk sector by Member States.

At the end of 1989 ECU 83,207,330.96 of this had been collected by Member States.

The remaining total of ECU-57,417,827.93 was only committed and therefore carried forward automatically to be released as the 1989 levy was collected.

6.1. Appropriations available

The 1989 budget amounted to ECU 28,267.3 million including ECU 20 million under Chapter 39 for the Guidance Section and ECU 1,449 million under Chapter 81 to cover losses of previously formed stock.

Appropriations available

Titles 1 and 2	26,741,000,000.0 ECU
Chapter 39 including 50 % for the Guidance Section	40,000,000.0 ECU
Fisheries (Chapter 40)	37,300,000.0 ECU
Chapter 81	1,449,000,000.0 ECU
TOTAL	28,267,300,000.0 ECU

Transfers outside the EAGGF

Food aid	- 192,700,000.0 ECU
Repayments to Spain and Portugal	- 88,128,930.0 ECU
Transfer to the monetary reserve	- 819,000,000.0 ECU
<u>Total appropriations available</u>	27,167,471,070.0 ECU

6.2. Transfers of appropriations

Pursuant to the conclusions of the European Council of 11 and 13 February 1988 the Commission has improved its "Early Warning System" in connection with the surveillance of utilization of EAGGF Guarantee Section appropriations.

In its anxiety wherever possible to adjust appropriations before exhaustion of one or more chapters, the Commission on two occasions, in June and September 1989, proposed transfers of appropriations from chapter to chapter so that appropriations would be available before payment of advances against entry in the accounts.

A final transfer in November 1989 was made necessary, however, by unforeseen developments in the tobacco sector and certain early payments in the hop sector.

Transfer to the monetary reserve

Council Decision 88/377/EEC of 24 June 1988 concerning budgetary discipline lays down an annual monetary reserve of ECU 1,000 million to cover the consequences of significant and unforeseen movements in the US dollar/ECU rate compared to the rate used in the budget.

Movements in the rate produced a saving of ECU 1,219 million in EAGGF Guarantee Section expenditure during the 1989 financial year.

After taking account of the franchise of ECU 400 million provided for in the Decision on the monetary reserve, a transfer of ECU 819 million was made in Chapter 102.

Transfers totalling ECU 537 million were made within Titles 1B and 2B during the 1989 financial year. The following transfers outside the EAGGF Guarantee Section were also made :

- ECU 192.7 million to Chapter 92, of which
ECU 10.0 million were from Chapter 40,
- ECU 88.13 million to Chapter 86,
- ECU 819.0 million to the monetary reserve,

making a total of ECU 1,099.83 million.

Significant additional amounts were required for the dairy products, tobacco, pigmeat and eggs and poultry sectors (see above 2.1.B1.).

Expenditure was considerably lower in the cereals, oils and fats, wine, fruit and vegetables and beef and veal sectors (see above 2.1.B2.).

6.3. Expenditure

A total of ECU 25,875,9 million was charged to 1989 (of which ECU 2,992 million were charged to the Guidance Section under Chapter 39).

This sum breaks down as follows :

- expenditure claimed by the Member States (including ECU 1,442.8 million for depreciation of old intervention stocks and disposal of butter)	ECU 26,066.0 million
- impact of clearance of accounts for 1986 and earlier years	ECU - 202.7 million
- direct payments	ECU 12.6 million

	<u>ECU 25.875,9 million</u>

The breakdown in Table 10 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. This, for example, certain export refunds for products from one Member State are in fact paid by another Member State.

6.3.1 Budget operations

6.3.1.1. Commitments

- Global provisional commitments corresponding to advance payments made to Member States in respect of 1989 ⁽¹⁾	25,705,414,044.36 ECU
- Commitments for the abandonment premium (wine)	157,911,583.07 ECU
- Commitments for direct payments	12,610,644.97 ECU

	25,875,936,272.40 ECU

6.3.1.2. Sums charged as payments

The sums charged as payments totalled ECU 25,927,162,314.89. The difference of ECU 51,226,042.49 vis-à-vis the itemized commitments corresponds, on the one hand, to the appropriations committed to direct expenditure by the Commission that had not yet occurred by the end of the year and, on the other hand, to the balance of the milk levy already entered for the 1989 financial year but not yet received by the Member States.

(1) Including the impact of the clearance of the accounts for 1986 and the advances withheld owing to the non-receipt of the additional milk levy.

6.4. Carryover of appropriations

The following appropriations committed for the 1989 financial year were automatically carried over to 1990.

Direct payments

Item 1221 (olive oil)	4,557,412.44 ECU
Item 1401 (fibre flax)	1,634,373.00 ECU

	6,191,785.44 ECU

Collection of the additional milk levy

Item 2071 - 57,417,827.93 ECU

Of these ECU 11,223,740.40 of 1988 appropriations automatically carried over to 1989, ECU 6,050,416.93 were used. The balance of ECU 5,173,323.47 lapsed.

6.5. Summary of execution of 1989 Budget

The 1989 financial year closed with a balance of ECU 1,291,534,797.60 of unused appropriations lapsing.

Three factors need to be considered :

- 1) the effect of a stronger US dollar than foreseen in the budget;
- 2) transfers of appropriations connected with food aid. The 1989 implementation programme was executed slowly as regards volume;
- 3) the budgetary impact of the clearance of the accounts.

Execution of the EAGGF Guarantee appropriations in the 1989 budget, including fisheries, can be summarized as follows :

Original budget	28,267,300,000.00 ECU
Transfers outside the EAGGF-Guarantee	- 1,099,828,930.00 ECU

Appropriations available	27,167,471,070.00 ECU
Sums charged as payments	25,927,162,314.89 ECU

	1,240,308,755.11 ECU
Appropriations committed and automatically carried forward to 1990	- (-) 51,226,042.49 ECU

Appropriations lapsed	1,291,534,797.60 ECU

TABLE 10

FUNDS AVAILABLE TO AND EXPENDITURE BY MEMBER STATES FOR 1989

(In ECU)

Member States	Advance payments in 1989	Exchange differences (1)	Total available for 1989	Expenditure charged to 1989
	(a)	(b)	(c) = (a) + (b)	(d)
Belgium	585.838.047	24	585.838.071	585.838.071
Denmark	1.015.081.252	70	1.015.081.322	1.015.081.322
Germany	4.191.659.824	- 615	4.191.659.209	4.191.659.209
Greece	1.647.176.728	- 149.497	1.647.027.231	1.647.027.231
Spain	1.889.793.946	- 34.771	1.889.759.174	1.889.759.174
France	4.739.050.001	10.679	4.739.060.680	4.739.060.680
Ireland	1.241.333.226	- 11.890	1.241.321.335	1.241.321.335
Italy	4.552.589.816	11.959	4.552.601.775	4.552.601.775
Luxembourg	1.845.570	- 72	1.845.498	1.845.498
Netherlands	3.749.891.719	- 1.934	3.749.889.785	3.749.889.785
Portugal	174.365.375	26	174.365.402	174.365.402
United Kingdom	1.916.935.825	28.737	1.916.964.562	1.916.964.562
TOTAL EEC	27.705.561.327	- 147.283	25.705.414.044	25.705.414.044 (2)

- (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 ecus at the following month's rate. This table shows the sum of the exchange differences recorded for each Member State for the whole of 1989.
- (2) Not including direct payment of ECU 12,610,644.97, or the payment of ECU 157,911,583.07 (to Greece, Spain, France and Italy) as permanent abandonment premiums in respect of areas under vines.

TABLE 11

EXPENDITURE RECORDED IN THE MEMBER STATES AGAINST THE
1989 BUDGET BY TYPE OF FINANCING

MEMBER STATES	REFUNDS	INTERVENTION	TOTALS 1989	
			ECU million	%
Belgium	198,1	395,6	593,7	2,28
Denmark	710,6	304,1	1.014,7	3,89
Germany	1.635,9	2.581,7	4.217,6	16,17
Greece	97,5	1.591,2	1.688,7	6,48
Spain	322,0	1.580,5	1.902,5	7,29
France	2.156,1	2.742,9	4.899,0	18,79
Ireland	540,5	702,4	1.242,9	4,77
Italy	615,8	4.087,4	4.703,2	18,04
Luxembourg	1,5	0,3	1,8	0,01
Netherlands	2.774,8	976,4	3.751,2	14,38
Portugal	5,0	169,3	174,3	0,67
Untd Kingdom	656,0	1.166,2	1.822,2	6,99
TOTAL M.S.	9.713,8	16.298,0	26.011,8	99,75
DIRECT PAYMENTS	0,0	12,6	12,6	0,05
MCAs third country imports (2)	51,2	0,0	51,2	0,20
TOTAL EEC	9.765,0	16.310,6 (1)	26.075,6 (3)	100,00
<p>(1) Including "interest accrued as a result of the reform of the financing method (ECU 48.5 million), "free distribution of intervention products" (ECU 132.9 million) and "set-aside "(ECU 3 million)".</p> <p>(2) MCAs granted on imports - Item 2810 (ECU 51,2 million)</p> <p>(3) This does not take into account the financial impact of the clearance of accounts for 1986 and previous years (-ECU 202.7 million).</p>				

TITLE III

INVESTIGATIONS, IRREGULARITIES AND RELATED WORK

7.1. General remarks

The application of Community rules is the responsibility of national administrations. It is their task to check that operations financed by the EAGGF Guarantee Section did actually take place and 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 (see point 7.2.) that, apart from checks for clearance of accounts purposes, allow it to ask Member States to open administrative enquiries, to proceed itself to verification, and to organize selective checks (these generally cover all Member States and are connected with the problems of a particular sector - see point 7.3.).

Member States inform the Commission of irregularities uncovered by their national agencies (see point 7.4.), of the financial implications and of the progress of national procedures for recovery (see point 7.5.).

Arrangements for contact between the Member States and between them and the Commission exist in order to increase the effectiveness of the fight against fraud (see points 7.6. and 7.7.).

Controls have been stepped up in the olive oil sector by the establishment of special agencies in the producer Member States (see point 7.8.).

Regulation (EEC) No 4045/89⁽¹⁾ steps up a posteriori controls by Member States of measures financed by the EAGGF Guarantee Section (see point 7.9.).

Within the framework of measures to prevent fraud and irregularities, the controls laid down in Community rules on the CAP were examined with a view to their harmonization (see point 7.10.).

7.2. 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;

⁽¹⁾ OJ No L 318, 30.12.1989, p. 18

- b) Article 6 of Regulation (EEC) No 283/72 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.

7.2.1. In 1989, 16 cases of detected or presumed irregularities gave rise to 24 investigations carried out in the Member States by Commission staff :

- 1) In Spain and Italy into measures in the olive oil sector;
- 2) In Italy into refunds for the export of beef to Malta;
- 3) In Germany, France and Ireland into private storage aid for beef;
- 4) In Spain and the United Kingdom into export aid for sheepmeat (including clawback);
- 5) In Spain and Greece into ewe premiums;
- 6) In Italy into processing aid for butter and butteroil;
- 7) In Italy into aid to the citrus fruit sector;
- 8) In Italy and Germany into the set-aside of arable land;
- 9) In Ireland and Germany into exports of beef to Togo and Zaire;
- 10) In France and the Netherlands into exports of agricultural products;
- 11) In Greece into durum wheat intended for export to Madeira but diverted to Portugal;
- 12) In Greece into production aid for durum wheat;
- 13) In the Netherlands into the public storage of butter by NIZO;
- 14) In Italy into the quality of beef bought in;
- 15) In Italy into aid for the withdrawal of fruit and vegetables;
- 16) In France into the export of cereals to several African countries.

As a result of the findings of the investigations in Italy into intervention in the olive oil sector (point 1), the Commission's departments refused to finance the measure for part of 1987 and for almost the whole of 1988.

Checks in France and the Netherlands on the procedures for the export of agricultural products receiving refunds (point 10) showed that existing checks are insufficient to guarantee that these operations have actually taken place in a correct manner and contain serious deficiencies which should be corrected as soon as possible.

It should be pointed out that on 12 February 1990 the Council adopted Regulation (EEC) No 386/90⁽¹⁾ laying down a minimum number of physical checks to be carried out at the time of export of agricultural products receiving refunds or other amounts (minimum number of checks based on the number of export declarations : 1990 = 3 %; 1991 = 4 %; from 01.01.1992 = 5 %).

(1) OJ No L 42, 16.02.1990, p. 6

The results of the on-the-spot checks in Greece on production aid for durum wheat (point 12) showed that the system of checks set up by the Greek authorities cannot guarantee that the areas for which Community aid has been applied for have in fact been sown.

In numerous cases the Community inspectors found that the areas declared did not exist and that the areas declared tended to be larger than the areas actually cultivated.

The failures of the inspection arrangements were so marked that, in addition to the measures to be taken by the Member State on detected cases of fraud, the EAGGF is to propose to the Commission that financial adjustments be made when the accounts are cleared.

The other investigations are continuing and the financial consequences cannot yet be calculated.

7.2.2. A certain number of investigations begun by Member States before 1989 were continued.

In view of their importance, the action taken with regard to the following investigations carried out by Commission staff is given below :

- intervention buying of wine containing methanol,
- soya production aid,
- premiums for the maintenance of suckler herds.

Wine containing methanol - various Member States (1987 EAGGF Report, p. 42 and 1988 EAGGF Report, p. 47)

This affair began in Italy in 1986. In 1986 and 1987 the EAGGF organized numerous on-the-spot checks involving the taking of wine samples which were analysed in laboratories designated by the Commission.

The results were as follows :

- almost all the adulterated wines had left the production stage and were therefore no longer eligible for the EAGGF aid intended for producers; the total of ECU 159,100 of aid wrongly paid out was recovered;
- the analyses were unable to show any definite cases of wine not in accordance with the requirements;
- as a result of the checks the Italian authorities considerably improved their control arrangements.

Soya investigations - Italy (1988 EAGGF Report, p. 47)

The conclusions of the investigations were sent to the Italian authorities in May 1989. Following their reply, a meeting was organized in the context of the clearance of the accounts. The EAGGF is awaiting a response from the Italian authorities to clear up some of the points discussed at the meeting before drawing up a proposal for an adjustment within the clearance of accounts procedure.

The new Commission Regulation (EEC) No 2537/89 on the special measures for soya makes extensive amendments to the control arrangements in the soya sector on the basis of experience gained during the investigations.

Suckler cows - Italy (1988 EAGGF Report, p. 48)

The results of the investigations were sent to the Italian authorities at the same time as the EAGGF request for a considerable strengthening of the control arrangements in this sector. At the same time, it was decided that, in those regions where there was a discrepancy between statistics on eligible livestock and the total applications for payment of the premium, payments would be limited to a maximum calculated from the ISTAT statistics.

During discussions held with the Italian authorities in the context of the clearance of the accounts the Italian delegation expressed their intention of strengthening and intensifying controls in this sector. The EAGGF wrote requesting details of the new arrangements and is awaiting a reply. A proposal for a financial adjustment under the clearance of accounts procedure will be drawn up shortly.

7.2.3. As well as continuing national investigations the Member States concerned were requested in 1989 to open investigations into the export of beef to South Africa, of dairy products and cereals to several African countries and of olive oil of Greek origin.

7.2.4. Finally, at the end of 1989, an inspection and fact-finding mission to Poland was organized in connection with the food aid programme decided upon by the Community.

7.3. Selective checks

Between May and November 1989 Financial Control carried out selective checks on the granting of the premium for sheepmeat producers. The aim was to verify that the various types of on-the-spot checks actually took place, with particular attention to the problems of counting and identifying sheep.

Visits were made to all the Member States, accompanied by the responsible staff of the EAGGF Guarantee Section in three of them.

The summary report on these checks is being drawn up.

7.4. Irregularities detected

These are notified quarterly to the Commission pursuant to Articles 3 and 5 of Regulation (EEC) No 283/72. Details of notifications in 1989 are given in Annex 20.

7.4.1. Irregularities detected and notified

	1971-1979	1980-1984	1985	1986	1987	1988	1989
ECU million	16,63	85,91	22,25	29,84	91,35	154,94	154,30
of which recovered	5,45	18,06	2,49	4,38	3,25	3,44	10,71

7.4.2. Attention is also drawn to the fact that the sums involved in individual cases notified by the Member States vary very widely and it is therefore necessary to break them down by category. Some 5 % of the cases accounted for 74 % of the amounts wrongly paid whereas 40 % accounted for 1 %. This variance arises from the fact that communications pursuant to Article 3 of Regulation (EEC) No 283/72 cover all irregularities, ranging from simple cases with no financial implications, or involving an amount already recovered at the time of notification, to fraud on a massive scale. The figures are broken down in the table in Annex 21.

7.4.3. For 1989, the breakdown by Member State of irregularity cases affecting EAGGF funds is :

	B	D	DK	EL	ES	F	IRL	I	L	NL	P	UK	TOTAL
Number of cases	6	71	27	3	13	121	11	242	1	73	-	161	729
Amount in ECU million	0,023	18,064	13,096	0,043	0,341	6,247	0,212	99,311	-	12,584	-	4,400	154,321
Average/case (in ECU million)	0,004	0,254	0,485	0,014	0,026	0,052	0,019	0,410	-	0,172	-	0,027	0,213

A preliminary critical analysis of the reliability of the figures provided by each Member State can be made by comparing the number of irregularities notified by them and the amounts involved. It seems unlikely that the differences in the figures notified by the Member States reflect the actual situation as regards fraud and irregularities. The EAGGF will pay particular attention to this problem.

7.4.4. In 1989, the number of irregularity cases increased considerably compared with 1988, although the amount paid out wrongly was unchanged.

During 1989, 118 cases each involving more than ECU 100,000 were notified, accounting for 93 % (ECU 144,267,000) of the total sum involved in all notified cases together. Since most of these cases unmistakably involve fraud it is on them that the Commission will concentrate in 1990.

The detailed breakdown is given in the table in Annex 22.

7.5. Recovery of amounts wrongly paid out

As shown in Annex 20, by the end of the 1989 financial year there had been recoveries in 287 cases, 40 % of the total number notified during the year. The amount of ECU 10.7 million recovered was only 7 % 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 1971-1989 inclusive, a breakdown of wrongly incurred expenditure and recoveries effected.

The amounts declared as recovered in 1989 were much greater than in previous years, mainly due to the initiatives taken by the EAGGF to encourage Member States to follow up all their outstanding cases.

Particular attention was given to closing old files for which recovery and legal procedures (generally very long) were completed. When, for these cases, the sums lost following irregularities had not been able to be recovered either in total or in part, a decision had to be made pursuant to Article 8 of Regulation (EEC) No 729/70 on whether the Member State or the Community had to bear the financial implications.

Under Article 8(2) of Regulation (EEC) No 729/70, the cost of fraud and irregularities is normally met by the Community, except where the loss arises from administrative error or negligence on the part of the national administration, when it falls to the Member State.

When a Member State declares that an amount is not recoverable it must, under Article 5(3) of Regulation (EEC) No 283/72, inform the Commission in detail (by means of an explanatory memorandum) of the circumstances and of the reasons why recovery is impossible.

The Commission has agreed to meet the costs of 67 (involving a total of ECU 2,166,724) of the 74 cases already closed without recovery. In another 7 cases (involving ECU 400,364) the financial implications have been accepted by the Member States.

A total of 92 cases in which there is no possibility of recovery have been identified and decisions on final acceptance of the expenditure by the Community are being prepared. These will be preceded by consultations with the Member States concerned.

7.6. Mutual Information system

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

Under Article 4 of Regulation (EEC) No 283/72 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.

Regulation (EEC) No 1468/81 makes provision for mutual assistance between the administrative authorities of the Member States and cooperation between the latter and the Commission to ensure correct application of the customs and agricultural rules.

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 283/72 is supplemented by information transmitted on the basis of Regulation (EEC) No 1468/81.

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

YEARS	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	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

7.7. Meetings of the EAGGF Irregularities Group

These meetings, held pursuant to Article 7 of Regulation (EEC) No 283/72, bring together, with an EAGGF official in the chair, Commission officials and Member States' representatives responsible for control and investigation work.

In 1989, 5 plenary meetings were held at which numerous presumed or known irregularity cases, some of which had serious financial implications, were discussed and the action to be taken in each case was considered. There were also 20 restricted meetings at which many specific cases were examined.

7.8. Control agencies for olive oil

Pursuant to Council Regulation (EEC) No 2262/84⁽¹⁾ and Commission Regulation (EEC) No 27/85⁽²⁾ control agencies for olive oil were set up in four producer Member States : Italy, Greece, Spain and Portugal (see pages 53-54 of the 1988 EAGGF Report).

During 1989 the progress of the agencies varied according to their state of development, which differed from country to country.

The agencies set up in Italy and Greece, which were already operational, continued their inspections in line with the programmes of activity and budget approved by the authorities of the Member States and the Commission for the 1988/89 marketing year.

The Portuguese agency consolidated its organization and the agency set up in Spain began to operate.

In Italy : the agency continued to carry out checks during the 1988/89 marketing year. Since beginning operations it has carried out checks on 1,944 mills (30 % of approved mills), all six associations of recognized producers' organizations (several times), 172 recognized producers' organizations and more than 18,000 olive growers. The agency has also begun checks into consumption aid, carrying out 191 checks on packaging plants. It has also helped in determining oil yields in more than 500 communes.

As regards penalties, the agency has to date proposed the withdrawal of recognition from 23 producers' organizations and the withdrawal of approval from more than 300 mills. The situation of a total of more than 6,000 producers has been found to be irregular and their dossiers have been sent to the paying agency so that the paying of production aid can be blocked.

In addition, more than 1,000 mills, more than 250 cases involving recognized producers' organizations and several hundred olive growers have been reported to various national authorities (legal authorities, Guardia di Finanza).

In Greece : the agency continued its work during the 1988/89 marketing year, carrying out checks at more than 530 mills. It helped in the determination of the homogenous production zones for calculating oil yields in 15 departments covering 82 of the 229 zones concerned.

(1) OJ No L 208, 03.08.1984

(2) OJ No L 4, 05.01.1985

It carried out checks on 76 recognized producers' organizations and several checks on the single association of recognized producers' organizations. It examined the files of more than 26,000 olive growers and carried out almost 600 checks in the field.

The agency also proposed penalties against 6 producers' organizations and around 20 producers belonging to organizations in connection with the 1987/88 marketing year and against more than 100 mills for the 1987/88 and 1988/89 marketing years.

In Portugal : in 1988/89 the agency increased its capacity for carrying out checks. It presently employs 32 people, of whom more than half are directly involved in the checking operations.

The agency carried out checks at 90 mills (100 % of the mills approved for the marketing year). It checked the cultivation declarations for 1986/87 and carried out on-site checks on around 400 olive growers, most of whom were members of recognized producers' organizations. The checks revealed that in some cases the number of olive trees declared was inflated. The agency has reported this to INGA so that the necessary adjustments can be made when production aid for the next marketing year is paid.

The agency did not carry out any checks on recognized producers' organizations owing to delays in the recognition procedure. Checks are planned for the 1989/90 marketing year.

In Spain : the agency began operations in 1988/89, essentially working to develop its organization (premises, recruitment and, above all, staff training).

The agency presently employs 46 people, 60 % of whom are involved in carrying out checks. It has its own premises and is acquiring the material required for its checks : office equipment, means of transport. It drew up and sent to the Commission a plan for the installation of computing equipment which is now being implemented.

It began actual checking operations in June 1989 and checks were made on 44 of the 77 presently recognized producers' organizations, on the single association of organizations and on-site on olive growers.

The agency was involved in determining oil yields in all production zones and drew up a number of legal standards for the application of the production aid scheme.

7.9. Regulation (EEC) No 4045/89

Acting on a proposal from the Commission, on 21 December 1989 the Council adopted Regulation (EEC) No 4045/89⁽¹⁾ 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. This Regulation repeals Directive 77/435/EEC⁽²⁾ which laid down the same type of checks.

(1) OJ No L 388, 30.12.1989, p. 18

(2) OJ No L 172, 12.07.1977, p. 17

This Regulation forms part of the Commission's actions against fraud and irregularities to the detriment of the Community budget⁽¹⁾. It provides for checks on the commercial documents of beneficiaries and debtors of the EAGGF Guarantee Section after payment, with particular emphasis on the prevention and detection of fraud and irregularities.

The new Regulation differs in several important respects from the Directive mentioned above : the number of checks is considerably greater, national scrutiny programmes are submitted to the Commission enabling harmonization at Community level, and in each Member State a special department is made responsible for the checks and their coordination.

It was decided that the additional expenditure on the remuneration and training of staff and the setting up of the new departments required for these extra checks would be part-financed by the Community for five years.

7.10. Harmonization of controls

As part of the procedure for the clearance of the 1986 accounts, on 26 October 1988 the Commission set up an interdepartmental working party (DG VI, XIV, XIX, XX, the Legal Service and the Unit for the Coordination of Fraud Prevention) on the harmonization of controls connected with the common agricultural policy.

Work continued through 1989 to draw up, for each category of measure, standard control provisions which could be incorporated into proposals for new regulations or into regulations already in force where these could be amended.

An interim report from the working party [SEC(89)191] was adopted by the Commission during the first quarter of 1990.

(1) The fight against fraud: Report on work done and progress achieved in 1989 - Document SEC (90) 156 final of 31 January 1990.

TITLE IV

ACCOUNTS CLEARANCE

8.1. Verification of EAGGF Guarantee Section expenditure and clearance procedure - 1987

On 25 September 1989 the Commission, as provided for in Article 5(2)(b) of Commission Regulation (EEC) No 729/70, after consulting the EAGGF Committee, cleared the accounts for 1987 (Decision 89/627/EEC).

This clearance covered claimed expenditure of ECU 22,972 million. The following table shows how this amount breaks down by Member State.

EAGGF Guarantee Section : expenditure claimed (1987)

[Excluding premiums for non-marketing of milk and milk products and conversion of dairy herds (Regulation (EEC) No 1078/77)]

Member State	In national currency	In ECU
Belgium	35.355.008.415	819.277.248
Denmark	8.445.886.493,05	1.063.101.778
Germany	8.297.323.175,84	4.027.162.107
Greece	206.447.861.073	1.255.131.905
Spain	89.379.391.464	635.853.560
France	39.266.318.811,07	5.622.848.463
Ireland	744.392.600,36	956.940.588
Italy	5.807.192.426.385	3.816.353.473
Luxembourg	65.512.485	1.513.085
Netherlands	6.429.253.259,86	2.774.075.672
Portugal	22.267.141.756	131.395.149
United Kingdom	1.301.835.357,14	1.868.324.391
E.E.C.	-	22.971.977.419

8.1.2. The 1987 financial year is the second to which the systems audit method applies in accordance with the methods described in the EAGGF Guarantee Section audit manual. Its introduction, however, involves a very heavy workload in the first few years, in view of the time limits laid down for clearance of accounts. A transitional period of several years is therefore to be expected before the new system is comprehensively applied.

The verifications made are indicated in the summary report, which also sets out the main results of the dialogue with the Member States, and in particular the final position adopted by the EAGGF and the financial outcome.

The EAGGF adopted its final position on the basis of the information it received up to 15 June 1989, the date set by Commission decision for expiry of the time limit.

- 8.1.3. As in previous operations 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 financial corrections were carried out in accordance with the rules laid down by the Commission in its Decision of 20 December 1985. These concern EAGGF action both in conventional cases of formal and substantive failure to observe Community law and in all cases of granting of illegal national aid and of infringements in regard to clearance of accounts. The figures for 1987 are set out in detail in Annex 23 to this report.

- 8.1.4. The Commission decided to amend the Decision clearing the accounts for 1987 after consulting the EAGGF Committee on 20 March 1990. There were two main reasons for this amendment :

- the Commission decided to delay clearance of certain expenditure claimed by Member States for 1987 so it could examine it in the light of additional information to be supplied by Member States before 31 December 1989;
- the Commission refused to finance some expenditure but was to reexamine the cases in question in the light of further information supplied by Member States. The expenditure arising from this amendment amounts to ECU 142.3 million and is chargeable to the Community budget.

8.2. 1988

The clearance for 1988 relates to expenditure claimed amounting to ECU 27,516 million. The dates on which the figures for 1988 expenditure were communicated to the Commission staff are given in Table 12. Several Member States again failed to meet the deadlines for forwarding claims, often providing further information several months later. This has complicated the work considerably and seriously delayed completion.

TABLE 12

MEMBER STATE	SUBMISSION OF CLEARANCE CLAIMS	
	DATE	1 9 8 8
	(Deadline : 31.3.89)	Amount in nat. curr.
Belgium	10.05.1989	31.242.058.323
Denmark	30.03.1989	9.707.246.246,92
Germany	29.05.1989	10.152.712.681,85
Greece	14.04.1989	215.292.459.926
Spain	12.05.1989	246.462.149.588
France	26.05.1989	43.548.342.550,09
Ireland	20.10.1989	822.438.852,16
Italy	26.09.1989	6.714.737.597.462
Luxembourg	10.04.1989	129.591.267
Netherlands	16.05.1989	8.894.749.689,45
Portugal	16.05.1989	26.370.942.141
United Kingdom	16.05.1989	1.348.115.030,62

8.3. Systems audit - Verification procedure

As indicated in point 8.4. of last year's Financial Report, the systems audit method was introduced in 1987 when 30 systems covering 18 different schemes were audited. In 1988 another 25 systems covering 16 schemes were audited.

In 1989, the following schemes were audited for the first time :

- public storage of cereals : Belgium, Germany, Italy
- withdrawal of fruit and vegetables : Greece
- production aid (tomatoes) : Portugal
- consumption aid for olive oil : Greece, Italy
- production aid for rape and sunflower seed : Denmark, Portugal
- production aid for peas and field beans : France
- distillation of wine : Germany
- distillation of the by-products of wine-making : Spain, France
- taking over of alcohol : Spain, France, Italy
- tobacco premium : France
- public storage of tobacco : Greece, France, Italy

- aid for skimmed milk powder (calves) : Germany
- aid for caseln : Denmark
- public storage of butter : Spain
- private storage of cheese : Italy
- milk for schoolchildren : United Kingdom
- co-responsibility levy (milk) : Belgium, Germany, France, Ireland, Italy, Netherlands, United Kingdom

- public storage of beef : France, United Kingdom
- suckler cow premium : Belgium, Ireland, Italy Luxembourg
- special premium : Belgium, Denmark, Ireland, Luxembourg
- calf premium : Ireland, Italy
- ewe premium : Belgium, France, Ireland, Italy, Luxembourg, Portugal

As regards export refunds, the EAGGF audited the systems of customs authorities for the following products :

- cereals : Germany, France, Netherlands
- sugar : Germany, France
- beef and veal : Germany, France

As regards measures and Member States not listed above, the EAGGF used previous years' systems audits and, where appropriate, additional selective checks.

For all expenditure, the EAGGF verified that the annual claims submitted by the Member States were complete, arithmetically exact and consistent. The EAGGF also examined the correspondence between these claims and the accounts of the paying agencies.

8.4. Memorandum

The memorandum on the uniform presentation of expenditure claims (or "declarations") by the Member States has been amended on many occasions since its consolidation in 1983, partly to accommodate changes in schemes and partly to provide the Member States with all the guidance they need for preparation of the annual claim relating to EAGGF guarantee expenditure. For the first part of 1989, the memorandum is divided into two parts, Part I covering solely annual claims for first category intervention (direct aids, etc.) and Part II covering monthly and annual claims for second category intervention (public storage).

8.5. Appeals against accounts clearance decisions

Since the last Financial Report, the Court of Justice has handed down two judgments in cases filed by Member States against clearance decisions.

On 19 October 1989 the Court handed down a judgment in joined Cases 258/87, 337/87 and 338/87 concerning sales of skimmed milk powder from public storage, the processing of oranges and lemons and the special carry-over premium for fish in Italy in the 1983, 1984 and 1985 financial years. The three appeals involved a total of around ECU 18 million. The Court rejected the Member State's appeal.

In connection with the 1984 and 1985 clearances, the Court gave judgment on 16 November 1989 in a case involving special aid for liquid milk (farm butter) in Germany (Case 333/87). The Member State's appeal, involving around ECU 2 million, was rejected.

The appeals made by Member States with regard to the 1987 clearance adopted on 19 November 1989 are given in Table 13.

TABLE 13

List of appeals filed by the Member States
in connection with the clearance of accounts for 1987

CASE	MEMBER STATE	SUBJECT	REFERENCE TO SUMMARY REPORT	AMOUNT IN NATIONAL CURRENCY
C-385/89	Greece	Refunds	4.1.4.1/87 4.1.4.2/87	590.204.259
		Cereals - Co-responsibility levy	4.2.2.2/87 4.2.2.2/87 Add.2 Rev.1	258.108.000
		Tobacco	4.9.1/87 4.9.1/87 Add.2 Rev.1	1.391.045.367
C-22/90	France	Milk - Additional levy	4.3.11.4/87 Add.2 Rev.1	10.569.874

It should be noted that appeals filed in respect of a financial year may have financial implications for the following financial years, in view of the general reservation provided to that end in each clearance decision. The reservation is made in order to avoid unnecessary repetition of appeals on the same point.

It should also be pointed out that Greece applied for interim measures to suspend execution of the accounts clearance decision for 1987. The application was dismissed by Order of 23 February 1990 (C-385/89 R).

8.6. Legal national aid and "upstream" infringements

The general lines of the Commission's approach to the scrutiny of incompatible national aid or infringements, from the point of view of any impact they may have on agricultural expenditure, were described in point 8.3. of the 1985 Financial Report. That approach continued to be followed when the 1987 accounts were cleared. The following cases where financing was disallowed may be quoted as examples :

- KYDEP monopoly in Greece (contracts for programmes for meal and the management of animal feedingstuffs),
- non-application of Regulation (EEC) No 3143/85 on concentrated butter in Italy,
- the additional premium in the milk sector,
- failure to respect catch quotas in the fishery sector.

TITLE V

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

9.1. 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 takes 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 aid, which is based on Council Regulation (EEC) No 3972/86 on food-aid policy and food-aid management.

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

Financial and budgetary management is 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/recovery of amounts outstanding from operations covered by the old system.

9.2. Amounts outstanding from old system

In 1989 the EAGGF Guarantee Section charged a number of payments to Chapter 92 and likewise entered a number of receipts, on the basis of settlements notified by the Member States under the old system.

The transactions will be covered in the statistics and reports of the Directorate-General for Development, which is taking over management of Chapter 92 (Food aid) of the Community budget.

9.3. Accounts clearance

Preparatory work on the aggregated clearance for 1980, 1981, 1982 and 1983 continued in 1989. The Commission was thus able, by Decision 89/255/EEC of 28 March 1989, to clear the food aid expenditure accounts for 1980, 1981, 1982 and 1983 for Belgium, Italy, the United Kingdom, France and the Netherlands. The decisions covering the other Member States for these years were taken in 1988. Preparatory work has begun on clearing the 1984, 1985, 1986 and 1987 accounts.

Also a number of reservations have been entered and 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.

TABLE 14

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

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

These reservations will be the subject of scrutiny in connection with future accounts clearances and will be withdrawn as far as possible.

ANNEX 1

Summary of Implementation for 1989

APPROPRIATIONS	ECU million	IMPLEMENTATION	ECU million
<u>A. 1988 appropriations</u>		<u>C. Commitments</u>	
1. Original appropriations	28.267,300	1. Appropriations available	27.178,695
2. Transfers of appropriations	- 1.099,829	2. Sum not committed	1.291,535
	-----		-----
3. Appropriations available	27.167,471	3. Commitments	25.887,160
		4. Remainder from total	-

		5. Commitments detailed	25.887,160
<u>B. 1987 appropriations</u>		<u>D. Payments</u>	
Automatic carryover from 1988	11,224	1. Sums committed in detail	25.887,160
	-----	2. Payments	25.933,213

		3. Amount committed to be carried over automatically	- 51,226
		4. Appropriations to be carried over (non-automatic)	-
		5. Appropriations lapsed (1)	1.296,708
TOTAL	27.178,695	TOTAL	27.178,695

(1) of which: - from automatic carryover from 1988: 5,173
- from 1989 appropriations: 1.291,535

ANNEX 2

FEDGA GARANTIE

EXPENDITURE CHARGED AGAINST THE 1989 BUDGET (ECU million)

1.

	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUKEMBURG	NETHERLAND	PORTUGAL	UNITED COMMUNAUTE KINGDOM	TOTAUX		
1000	REFUNDS ON COMMON WHEAT GRAIN AND FLOUR	24,442	17,401	178,225	1,150	17,659	747,636	---	40,692	---	35,363	---	94,579	---	1.157,147
1001	REFUNDS ON BARLEY GRAIN AND MALT	57,675	73,825	74,047	0,452	92,189	246,664	2,674	0,001	---	39,087	---	213,067	---	799,682
1002	REFUNDS ON DURUM WHEAT AND ON DURUM WHEAT FLOUR, GROATS AND MEAL	2,556	---	0,228	38,918	13,077	8,024	---	195,196	---	---	---	0,001	---	257,999
1003	REFUNDS ON OTHER CEREALS	12,309	6,366	36,111	---	3,796	182,118	0,199	33,143	---	103,419	---	4,780	---	382,241
100	REFUNDS ON CEREALS	96,983	97,591	288,611	40,520	126,721	1.184,442	2,874	269,033	---	177,868	---	312,427	---	2.597,069
1010	CARRYOVER PAYMENTS	---	---	---	---	---	---	0,006	---	---	---	---	---	---	0,006
1011	TECHNICAL COSTS OF PUBLIC STORAGE	1,080	4,433	90,086	---	18,332	29,853	1,075	48,760	0,016	0,060	---	15,779	---	209,476
1012	FINANCIAL COSTS OF PUBLIC STORAGE	0,463	1,913	21,946	-0,074	2,995	5,896	0,060	18,485	0,008	0,024	---	7,893	---	59,611
1013	OTHER INTERVENTION STORAGE	-1,147	-4,587	-84,382	-0,126	3,730	-69,109	-1,334	-29,928	-0,002	-0,088	-0,328	-58,603	---	-245,903
1014	DEPRECIATION OF CEREALS STOCKS	4,871	4,149	254,446	---	75,450	139,068	1,106	73,890	---	---	---	0,263	---	553,242
101	INTERVENTION STORAGE OF CEREALS	5,266	5,908	282,097	-0,199	100,507	105,710	0,908	111,212	0,022	-0,002	-0,328	-34,668	---	576,431
1020	PRODUCTION AID FOR DURUM WHEAT	---	---	---	87,518	4,746	19,423	---	253,281	---	---	---	---	---	364,968
1021	PRODUCTION REFUNDS FOR POTATO STARCH	0,336	2,299	8,249	---	0,006	8,736	---	1,885	---	35,014	---	4,554	---	61,081

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FEDGA GARANTIE

EXPENDITURE CHARGED AGAINST THE 1989 BUDGET (ECU million)

2.

	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPAÑA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NETERLAND	PORTUGAL	UNITED KINGDOM COMMUNAUTE	TOTAUX		
1022	OTHER PRODUCTION REFUNDS	10,370	7,434	57,492	0,572	14,927	78,526	1,618	26,473	---	19,258	---	23,429	---	240,099
1029	OTHER INTERVENTION	---	---	-0,461	---	-0,005	---	---	---	---	-0,015	---	---	---	-0,480
102	INTERVENTION, OTHER THAN STORAGE, OF CEREALS	10,706	9,733	65,280	88,090	19,675	106,686	1,618	281,639	---	56,258	---	27,984	---	665,668
1030	CORESPONSIBILITY LEVY	-14,714	-24,744	-54,539	-13,918	-71,743	-195,136	-5,665	-66,053	-0,306	-7,872	---	-77,812	---	-532,502
1031	AID TO SMALL PRODUCERS	1,611	5,115	1,770	5,745	---	12,717	1,098	---	0,130	1,129	---	1,918	---	31,233
1032	ADDITIONAL CORESPONSIBILITY LEVY	-0,218	-15,765	-50,149	---	---	-133,968	-5,151	---	-0,170	---	---	-61,339	---	-266,760
1033	REIMBURSEMENT OF THE ADDITIONAL CORESPONSIBILITY LEVY	0,430	---	35,768	1,982	1,834	4,780	3,037	9,809	0,049	---	---	21,122	---	78,812
103	CORESPONSIBILITY LEVY AND AID TO SMALL PRODUCERS	-12,891	-35,394	-67,149	-6,190	-69,909	-311,607	-6,681	-56,245	-0,297	-6,743	---	-116,111	---	-689,217
1040	REFUNDS ON RICE	---	0,042	0,918	1,321	4,163	0,077	---	36,733	---	1,910	---	0,070	---	45,234
1041	INTERVENTION FOR RICE	0,147	---	---	0,954	16,026	7,276	---	41,806	---	0,004	0,017	---	---	66,230
104	RICE	0,147	0,042	0,918	2,275	20,189	7,353	---	78,539	---	1,914	0,017	0,070	---	111,464
10	CEREALS AND RICE	100,211	77,881	569,756	124,495	197,182	1.092,583	-1,281	684,178	-0,275	227,295	-0,311	189,701	---	3.261,416

FEOGA GARANTIE

EXPENDITURE CHARGED AGAINST THE 1989 BUDGET (ECU million)

3.

	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NERLAND	PORTUGAL	UNITED COMMUNAUTE KINGDOM	TOTAUX		
110	REFUNDS ON SUGAR AND ISOGLUCOSE	11,171	52,152	345,735	0,549	65,267	92,109	5,455	28,114	---	806,613	---	44,165	---	1,451,330
1110	REIMBURSEMENT OF STORAGE COSTS	25,213	13,206	89,696	4,709	29,866	125,935	7,146	56,857	---	32,490	0,853	36,994	---	422,964
1111	PUBLIC STORAGE	---	---	---	---	---	---	---	-1,352	---	---	---	---	---	-1,352
1112	REFUNDS ON SUGAR USED IN THE CHEMICAL INDUSTRY	0,902	2,154	10,570	0,259	9,505	22,095	1,250	2,682	---	8,351	0,282	11,222	---	69,271
1113	MEASURES TO AID THE DISPOSAL OF RAW SUGAR	---	---	---	---	---	13,559	---	---	---	---	1,562	---	---	15,121
1119	OTHER INTERVENTION	---	---	---	---	---	9,228	---	---	---	---	3,528	9,765	---	22,521
111	INTERVENTION FOR SUGAR	26,115	15,360	100,266	4,968	39,371	170,817	8,395	58,186	---	40,841	6,225	57,981	---	528,525
11	SUGAR	37,286	67,511	446,002	5,517	104,638	262,926	13,851	86,300	---	847,454	6,225	102,146	---	1,979,856

FEOGA GARANTIE

EXPENDITURE CHARGED AGAINST THE 1989 BUDGET (ECU million)

4.

	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NETHERLAND	PORTUGAL	UNITED COMMUNAUTE KINGDOM	TOTAUX		
120	REFUNDS ON OLIVE OIL	0,002	0,007	0,063	1,857	37,157	0,637	---	48,970	---	0,100	4,362	0,004	---	95,158
1210	PRODUCTION AID	---	---	---	160,324	120,197	3,048	---	303,681	---	---	3,354	---	---	790,604
1211	SPECIFIC PRODUCTION MEASURES	---	---	---	4,135	0,465	---	---	22,043	---	---	0,518	---	---	27,162
121	PRODUCTION AID AND SCHEMES RELATED TO PRODUCTION OF OLIVE OIL	---	---	---	164,459	120,663	3,048	---	525,724	---	---	3,872	---	---	817,766
1220	CONSUMPTION AID	0,009	---	0,122	56,948	---	17,253	---	365,282	---	---	---	2,166	---	441,781
1221	SCHEMES RELATED TO CONSUMPTION	---	---	---	---	---	---	---	---	---	---	---	---	9,781	9,781
122	CONSUMPTION AID AND SCHEMES RELATED TO CONSUMPTION OF OLIVE OIL	0,009	---	0,122	56,948	---	17,253	---	365,282	---	---	---	2,166	9,781	451,562
1230	TECHNICAL COSTS OF PUBLIC STORAGE	---	---	---	---	27,970	---	---	12,070	---	---	0,798	---	---	40,838
1231	FINANCIAL COSTS OF PUBLIC STORAGE	---	---	---	---	24,621	---	---	12,235	---	---	0,570	---	---	37,426
1232	OTHER PUBLIC STORAGE COSTS	---	---	---	---	-20,718	---	---	-4,562	---	---	-6,205	---	---	-31,485
1233	DEPRECIATION OF OLIVE OIL STOCKS	---	---	---	---	0,012	---	---	0,414	---	---	0,001	---	---	0,427
1239	OTHER STORAGE MEASURES	---	---	---	0,222	7,146	---	---	0,010	---	---	0,033	---	---	7,411
123	STORAGE MEASURES FOR OLIVE OIL	---	---	---	0,222	39,031	---	---	20,160	---	---	-4,804	---	---	54,617

FEDGA GARANTIE

EXPENDITURE CHARGED AGAINST THE 1989 BUDGET (ECU million)

5.

	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNITED COMMUNAUTE KINGDOM	TOTAUX	
124	OTHER INTERVENTION FOR OLIVE OIL	---	0,017	---	0,273	3,035	1,240	---	40,204	---	---	2,674	---	47,444
125	REFUNDS ON OIL SEEDS	---	---	---	---	0,561	5,193	---	---	---	0,001	---	---	5,755
1260	PRODUCTION AID FOR COLZA AND RAPE SEED	126,400	95,228	530,221	---	0,205	245,608	---	12,395	---	61,402	0,043	216,743	1.288,245
1261	PRODUCTION AID FOR SUNFLOWER SEED	60,879	---	92,429	13,110	173,795	241,310	---	118,841	---	94,521	74,331	23,553	892,770
1262	PRODUCTION AID FOR SOYA BEANS	---	---	0,529	1,105	---	63,574	---	395,169	---	---	---	---	460,377
1263	PRODUCTION AID FOR FLAX SEED	3,401	0,584	0,508	---	---	16,267	0,017	0,048	---	1,949	---	7,226	30,001
1269	OTHER AID	---	---	---	---	---	0,788	---	---	---	---	---	---	0,788
126	PRODUCTION AID FOR OIL SEEDS	190,681	95,812	623,687	14,215	174,000	567,547	0,017	526,453	---	157,873	74,373	247,522	2.672,180
1270	TECHNICAL COSTS OF PUBLIC STORAGE	---	---	0,001	---	1,078	1,099	---	---	---	---	0,001	---	2,179
1271	FINANCIAL COSTS OF PUBLIC STORAGE	---	---	0,001	---	1,328	1,217	---	---	---	0,001	-0,003	---	2,543
1272	OTHER PUBLIC STORAGE COSTS	---	---	-0,009	---	-4,522	-5,447	---	---	---	-0,065	-0,045	---	-10,088
1273	DEPRECIATION OF OIL SEED STOCKS	---	---	---	---	0,981	---	---	---	---	---	---	---	0,981
127	STORAGE MEASURES FOR OIL SEEDS	---	---	-0,007	---	-1,135	-3,132	---	---	---	---	-0,064	-0,047	-4,386

FEOGA GARANTIE

EXPENDITURE CHARGED AGAINST THE 1989 BUDGET (ECU million)

6.

	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPAÑA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNITED COMMUNAUTE KINGDOM	TOTAUX	
12 OILS AND FATS	190,692	95,837	623,864	237,974	373,312	591,787	0,017	1.526,801	---	157,974	80,413	249,645	9,781	4.138,097

FEOGA GARANTIE

EXPENDITURE CHARGED AGAINST THE 1989 BUDGET (ECU million)

7.

	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NETHERLAND	PORTUGAL	UNITED COMMUNAUTE KINGDOM	TOTAUX		
130	PRODUCTION AID FOR PEAS AND FIELD BEANS	31,340	30,653	90,133	---	5,016	157,456	1,369	2,621	0,075	66,327	0,352	38,122	---	423,464
131	PRODUCTION AID FOR DRIED FODDER	0,298	19,139	17,145	0,848	28,021	98,724	0,349	31,483	---	16,646	0,038	6,214	---	218,904
132	PRODUCTION AID FOR LUPINS	---	---	0,001	---	---	0,520	---	---	---	---	---	---	---	0,521
13	PROTEIN PLANTS	31,637	49,792	107,279	0,848	33,036	256,700	1,718	34,104	0,075	82,973	0,390	44,336	---	642,889

FEDGA GARANTIE

EXPENDITURE CHARGED AGAINST THE 1989 BUDGET (ECU million)

8.

	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPAÑA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNITED KINGDOM COMMUNAUTE	TOTAUX		
1400	PRODUCTION AID FOR FIBRE FLAX	4,044	0,076	0,525	---	---	17,760	0,003	---	---	1,446	---	0,014	---	23,868
1401	SPECIFIC MEASURES	---	---	---	---	---	---	---	---	---	---	---	2,829	---	2,829
1402	PRODUCTION AID FOR HEMP	---	---	---	---	0,017	1,015	---	---	---	---	---	---	---	1,032
1409	OTHER INTERVENTION	0,651	---	---	---	---	0,747	---	---	---	0,006	---	---	---	1,404
140	FIBRE FLAX AND HEMP	4,694	0,076	0,525	---	0,017	19,522	0,003	---	---	1,452	---	0,014	2,829	29,133
141	COTTON	---	---	---	329,485	241,401	---	---	0,060	---	---	---	---	---	570,946
142	SILKWORMS	---	---	---	0,164	---	0,013	---	0,397	---	---	---	---	---	0,575
14	TEXTILE PLANTS AND SILKWORMS	4,694	0,076	0,525	329,449	241,418	19,536	0,003	0,457	---	1,452	---	0,014	2,829	600,653

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FEOGA GARANTIE

EXPENDITURE CHARGED AGAINST THE 1989 BUDGET (ECU million)

9.

	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPAÑA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNITED KINGDOM COMMUNAUTE	TOTAUX		
1500	EXPORT REFUNDS	0,133	0,181	0,782	22,648	---	6,927	---	30,031	---	2,652	---	0,032	---	63,388
1501	COMPENSATION FOR WITHDRAWALS AND BUYING IN AND FOR FREE DISTRIBUTION OPERATIONS	1,154	---	4,618	100,908	8,523	49,820	0,058	114,389	---	2,780	---	1,506	---	283,756
1502	COMPENSATION TO PROMOTE COMMUNITY CITRUS FRUITS	---	---	---	8,590	---	---	---	11,158	---	---	---	---	---	19,748
1503	COMPENSATION TO ENCOURAGE PROCESSING OF CITRUS FRUITS	---	---	---	10,160	3,624	---	---	114,325	---	---	0,262	---	---	128,371
1509	OTHER INTERVENTION	---	---	1,224	---	---	---	---	---	---	---	---	---	---	1,224
150	FRESH FRUIT AND VEGETABLES	1,287	0,181	6,625	142,307	12,147	56,747	0,058	269,902	---	5,433	0,262	1,538	---	496,487
1510	EXPORT REFUNDS	0,302	2,240	0,695	5,103	1,408	1,356	0,048	1,082	---	1,025	0,043	2,006	---	15,305
1511	PRODUCTION AID FOR TOMATO-BASED PRODUCTS	---	---	---	46,042	24,563	18,119	---	206,026	---	---	18,634	---	---	313,385
1512	PRODUCTION AID FOR FRUIT-BASED PRODUCTS	---	---	0,024	103,994	16,907	34,173	---	28,390	---	0,010	1,060	---	---	184,560
1513	PRODUCTION AID FOR TINNED PINEAPPLE	---	---	---	---	---	8,048	---	---	---	---	---	---	---	8,048
1519	OTHER INTERVENTION	---	---	---	---	0,723	---	---	---	---	0,068	---	---	---	0,791
151	PROCESSED FRUIT AND VEGETABLES	0,302	2,240	0,720	155,139	43,601	61,696	0,048	235,498	---	1,035	19,805	2,006	---	522,088
15	FRUIT AND VEGETABLES	1,589	2,421	7,345	297,446	55,748	118,443	0,105	505,400	---	6,467	20,068	3,544	---	1.018,575

FEDGA GARANTIE

EXPENDITURE CHARGED AGAINST THE 1989 BUDGET (ECU million)

10.

	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPAÑA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNITED KINGDOM	COMMUNAUTE	TOTAUX
160	REFUNDS ON PRODUCTS OF THE WINE-GROWING SECTOR	0,040	---	0,384	1,537	27,619	7,766	---	7,949	---	---	---	---	43,297
1610	INTERVENTION STORAGE OF WINE AND GRAPE MUST(R. 822/87)	---	---	0,126	4,677	14,895	21,247	---	26,465	---	---	---	---	67,410
1611	DISTILLATION OF WINE (REG. 822/87)	---	---	3,439	7,179	27,457	100,786	---	283,644	---	---	---	---	422,505
1612	COMPULSORY DISTILLATION OF THE BY-PRODUCTS OF WINE-MAKING (ART.35 822/87)	---	---	---	0,047	23,838	31,176	---	23,465	---	---	---	---	78,526
161	INTERVENTION FOR PRODUCTS OF THE WINE-GROWING SECTOR	---	---	3,565	11,903	66,190	153,208	---	333,574	---	---	---	---	568,440
1620	(ART.40) TECHNICAL COSTS OF PUBLIC STORAGE	---	---	---	---	2,221	1,400	---	3,635	---	---	---	---	7,256
1621	(ART.40) FINANCIAL COSTS OF PUBLIC STORAGE	---	---	---	---	2,457	1,526	---	4,470	---	---	---	---	8,453
1622	OTHER PUBLIC STORAGE COSTS	---	---	---	---	57,882	56,464	---	37,958	---	---	---	---	152,303
1623	DEPRECIATION OF ALCOHOL STOCKS	---	---	---	---	26,255	18,559	---	71,927	---	---	---	---	116,741
162	BUYING-IN OF ALCOHOL FROM COMPULSORY DISTILLATION(ARTS.37 AND 40 OF R.822/87)	---	---	---	---	88,814	77,950	---	117,989	---	---	---	---	284,753
1630		---	---	0,045	8,200	2,829	29,096	---	45,797	---	---	0,128	---	86,096
163	AID FOR THE USE OF MUST	---	---	0,045	8,200	2,829	29,096	---	45,797	---	---	0,128	---	86,096

FEDGA GARANTIE

EXPENDITURE CHARGED AGAINST THE 1989 BUDGET (ECU million)

11.

	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNITED COMMUNAUTE KINGDOM	TOTAUX
164				3,898	13,433	71,431		69,150					157,912
1650			1,548		1,882	1,569		0,225				0,023	5,248
165			1,548		1,882	1,569		0,225				0,023	5,248
16	0,040		5,542	25,539	200,767	341,021		574,685				0,151	1,147,746

FEDGA GARANTIE

EXPENDITURE CHARGED AGAINST THE 1989 BUDGET (ECU million)

12.

	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NETERLAND	PORTUGAL	UNITED COMMUNAUTE KINGDOM	TOTAUX		
170	REFUNDS ON TOBACCO	0,764	---	3,253	17,820	1,659	0,787	---	37,505	---	0,114	0,040	---	---	61,961
1710		4,972	---	43,750	241,129	57,653	66,510	---	545,356	---	---	10,943	---	---	972,315
171	PREMIUMS FOR TOBACCO	6,972	---	43,750	241,129	57,653	66,510	---	545,356	---	---	10,943	---	---	972,315
1720	TECHNICAL COSTS OF PUBLIC STORAGE	---	---	0,028	3,866	---	0,171	---	4,389	---	---	---	---	---	8,455
1721	FINANCIAL COSTS OF PUBLIC STORAGE	---	---	0,025	1,231	---	0,008	---	2,550	---	---	---	---	---	3,815
1722	OTHER PUBLIC STORAGE COSTS	---	---	---	3,512	---	0,042	---	7,214	---	---	---	---	---	10,769
1723	DEPRECIATION OF TOBACCO STOCKS	---	---	3,400	10,673	---	-0,024	---	67,486	---	---	---	---	---	81,534
172	INTERVENTION STORAGE OF TOBACCO	---	---	3,453	19,283	---	0,198	---	81,639	---	---	---	---	---	104,573
17	TOBACCO	7,736	---	50,457	278,232	59,312	67,495	---	664,500	---	0,114	11,003	---	---	1.138,849

FEOGA GARANTIE

EXPENDITURE CHARGED AGAINST THE 1989 BUDGET (ECU million)

13.

	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNITED COMMUNAUTE KINGDOM	TOTAUX	
1800	2,254	18,636	3,533	1,270	4,856	9,733	0,076	8,165	0,109	8,873	0,156	4,584	---	62,246
180 SEEDS	2,254	18,636	3,533	1,270	4,856	9,733	0,076	8,165	0,109	8,873	0,156	4,584	---	62,246
181 HOPS	0,531	---	15,470	---	0,625	0,360	0,014	---	---	---	0,071	3,895	---	20,966
183 TRANSUMANCE	---	---	---	0,621	---	---	---	---	---	---	---	---	---	0,621
18 OTHER AGRICULTURAL SECTORS OR PRODUCTS	2,785	18,636	19,003	1,891	5,481	10,093	0,090	8,165	0,109	8,873	0,227	8,479	---	83,834

FEOGA GARANTIE

EXPENDITURE CHARGED AGAINST THE 1989 BUDGET (ECU million)

14.

		BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNITED KINGDOM	COMMUNAUTE	TOTAUX
2000	REFUNDS ON BUTTER AND BUTTERDIL	4,131	37,540	143,745	0,016	0,885	46,433	21,585	0,315	0,079	641,187	---	7,760	---	903,676
2001	REFUNDS ON SKIMMED-MILK POWDER	6,090	2,091	136,992	---	0,113	2,118	44,304	0,013	0,001	180,424	---	26,059	---	398,204
2002	REFUNDS ON CHEESE	1,506	148,455	67,675	1,739	5,061	65,031	2,892	32,680	0,070	139,000	---	19,264	---	483,374
2003	REFUNDS ON OTHER MILK PRODUCTS	11,618	125,153	124,104	0,003	14,433	112,811	35,097	0,287	1,213	563,652	---	94,947	---	1,083,317
200	REFUNDS ON MILK AND MILK PRODUCTS	23,345	313,238	472,516	1,758	20,491	226,393	103,878	33,296	1,363	1,524,263	---	148,030	---	2,868,571
2011	TECHNICAL COSTS OF PUBLIC STORAGE	---	---	0,162	0,023	0,101	---	---	---	---	---	---	0,002	---	0,288
2012	FINANCIAL COSTS OF PUBLIC STORAGE	---	---	0,634	0,068	0,865	---	---	---	---	---	---	0,012	---	1,580
2013	OTHER PUBLIC STORAGE COSTS	-0,002	---	-1,261	2,577	-1,230	---	---	---	---	---	---	0,217	---	0,301
201	INTERVENTION STORAGE OF SKIMMED-MILK POWDER	-0,002	---	-0,465	2,668	-0,264	---	---	---	---	---	---	0,232	---	2,169
2020	AID FOR SKIMMED-MILK FOR USE AS FEED FOR CALVES	9,843	2,181	146,554	---	---	241,593	10,078	4,735	0,315	126,722	---	9,968	---	551,989
2021	AID FOR LIQUID SKIMMED MILK FOR USE AS FEED FOR CALVES	9,014	9,740	23,021	---	---	3,527	0,812	6,831	---	0,240	---	2,560	---	55,745
2023	AID FOR LIQUID SKIMMED MILK FOR USE AS FEED FOR ANIMALS OTHER THAN CALVES	0,004	---	0,042	---	---	0,559	0,042	6,418	---	0,024	---	0,011	---	7,099
2024	AID FOR SKIMMED MILK PROCESSED INTO CASEIN	---	60,499	71,773	---	---	142,612	103,749	---	---	84,013	---	3,048	---	465,694

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FEODA GARANTIE

EXPENDITURE CHARGED AGAINST THE 1989 BUDGET (ECU million)

16.

		BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNITED KINGDOM COMMUNAUTE	TOTAUX	
2060	FINANC. CONTRIBUT. BY THE GUARANT. SECTION TO NON-MARKETING AND CONVERSION PREMIUMS	---	-0,005	-0,042	---	---	-0,005	-0,028	---	---	---	---	-0,025	---	-0,104
2061	SCHOOL MILK	7,488	5,305	35,352	0,020	20,884	43,185	2,805	11,213	0,139	5,188	3,654	46,337	---	181,570
2062	MARKET DEVELOPMENT MEASURES	0,983	2,243	10,143	0,454	0,930	8,874	1,391	3,436	0,193	2,791	---	7,650	---	38,988
2063	IMPROVEMENT OF MILK QUALITY	0,318	---	---	3,244	---	---	0,826	-0,010	---	---	---	---	---	4,378
2064	OTHER MEASURES UNDER THE PROGRAMME TO EXPAND THE MARKET FOR MILK PRODUCTS	---	---	---	---	---	---	---	---	---	---	---	0,912	---	0,912
2066	PREMIUM FOR DEFINITIVE CESSATION OF MILK PRODUCTION	6,088	10,285	49,042	---	14,076	49,092	10,085	---	0,520	43,277	---	27,727	---	212,192
2067	COMPENSATION FOR TEMPORARY SUSPENSION OF QUOTAS	19,558	29,022	149,023	---	24,242	148,001	30,988	---	1,605	75,664	---	85,502	---	563,604
206	OTHER MEASURES IN THE MILK AND MILK PRODUCTS SECTOR	34,433	46,751	243,519	3,718	60,131	249,147	46,068	14,640	2,457	128,919	3,654	168,103	---	1.001,539
2070	LINEAR LEVY	-15,722	-24,756	-88,477	---	-10,239	-96,964	-19,092	-37,783	-0,903	-61,558	---	-68,235	---	-423,730
2071	SUPER LEVY (CO-RESPONSIBILITY - R.856/84)	-28,588	-17,013	-68,828	---	---	-169,013	-8,766	-31,086	-2,446	-117,119	---	-23,466	---	-466,527
207	FINANCIAL CONTRIBUTION BY MILK PRODUCERS	-44,310	-41,770	-157,306	---	-10,239	-245,978	-27,858	-48,869	-3,350	-178,677	---	-91,901	---	-890,256
2080	.	0,111	---	-0,025	---	---	---	---	---	---	0,004	---	---	---	0,090
208	MEASURES TO ASSIST SMALL PRODUCERS	0,111	---	-0,025	---	---	---	---	---	---	0,004	---	---	---	0,090

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FEDGA GARANTIE

EXPENDITURE CHARGED AGAINST THE 1989 BUDGET (ECU million)

17.

	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPAÑA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNITED COMMUNAUTE KINGDOM	TOTAUX	
20 MILK AND MILK PRODUCTS	87,163	397,767	1.043,809	9,438	76,809	761,231	298,041	122,355	1,103	1.851,029	2,709	335,506	---	4.986,960

FEOGA GARANTIE

EXPENDITURE CHARGED AGAINST THE 1989 BUDGET (ECU million)

18.

	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNITED COMMUNAUTE KINGDOM	TOTAUX	
210 REFUNDS ON BEEF/VEAL	15,508	29,679	366,510	0,052	6,253	387,839	385,592	56,173	---	62,590	---	32,906	---	1,343,102
2110 PRIVATE STORAGE	1,894	0,919	21,484	---	0,014	16,172	54,228	3,801	---	1,399	---	2,544	---	102,455
2111 TECHNICAL COSTS OF PUBLIC STORAGE	0,944	1,853	45,663	---	1,852	22,390	15,895	7,357	---	6,718	---	6,748	---	109,420
2112 FINANCIAL COSTS OF PUBLIC STORAGE	0,481	1,556	14,644	---	0,823	14,545	7,820	3,236	---	2,881	---	3,123	---	49,109
2113 OTHER PUBLIC STORAGE COSTS	-3,153	-1,664	16,042	-1,063	2,771	79,728	31,368	19,955	-0,035	-17,214	-3,265	8,429	---	131,899
2114 DEPRECIATION OF BEEF STOCKS	0,453	0,528	162,916	---	3,065	8,522	61,755	2,291	---	3,277	---	27,335	---	270,142
211 INTERVENTION STORAGE OF BEEF	0,619	3,193	260,749	-1,063	8,526	141,357	171,066	36,640	-0,035	-2,939	-3,265	48,179	---	663,025
2120 PREMIUMS FOR SUCKLER COWS	4,101	0,818	0,950	4,836	21,390	72,211	23,633	7,577	0,184	0,267	---	46,341	---	182,309
2121 SPECIAL PREMIUM	6,951	5,460	34,958	2,715	7,213	48,805	16,623	---	0,399	2,410	---	32,531	---	158,064
2122 CALF PREMIUMS	---	---	---	---	---	---	15,800	20,952	---	---	---	3,884	---	40,636
2123 PREMIUMS FOR THE SLAUGHTER OF ADULT CATTLE OTHER THAN COWS	---	---	---	---	---	---	---	---	---	---	---	41,392	---	41,392
212 INTERVENTION OTHER THAN STORAGE OF BEEF	11,052	6,278	35,907	7,552	28,603	121,016	56,056	28,529	0,583	2,677	---	124,148	---	422,401

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FEDGA GARANTIE

EXPENDITURE CHARGED AGAINST THE 1989 BUDGET (ECU million)

19.

	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPAÑA	FRANCE	IRELAND	ITALIA LUXEMBOURG	NEDERLAND	PORTUGAL	UNITED COMMUNAUTE KINGDOM	TOTAUX		
21 BEEF/VEAL	27,179	39,150	663,165	6,541	43,382	650,212	612,714	121,342	0,548	62,328	-3,265	205,233	---	2.428,528

FEDGA GARANTIE

EXPENDITURE CHARGED AGAINST THE 1989 BUDGET (ECU million)

20.

	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNITED KINGDOM COMMUNALITE	TOTALX		
2210	PREMIUMS	1,433	0,362	25,865	184,615	350,205	196,268	88,386	122,705	0,068	16,533	42,658	423,722	---	1.452,818
2211	STORAGE	---	---	---	---	---	---	---	---	---	0,002	---	---	---	0,002
221	INTERVENTION FOR SHEEPMEAT AND GOATMEAT	1,433	0,362	25,865	184,615	350,205	196,268	88,386	122,705	0,068	16,533	42,660	423,722	---	1.452,820
22	SHEEPMEAT AND GOATMEAT	1,433	0,362	25,865	184,615	350,205	196,268	88,386	122,705	0,068	16,533	42,660	423,722	---	1.452,820

FEDGA GARANTIE

EXPENDITURE CHARGED AGAINST THE 1989 BUDGET (ECU million)

21.

	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNITED COMMUNAUTE KINGDOM	TOTAUX		
230	REFUNDS ON PIGMEAT	2,492	139,833	6,028	0,002	9,707	12,657	2,844	3,457	0,097	19,605	---	2,250	---	198,973
231	INTERVENTION FOR PIGMEAT	9,235	11,307	6,984	---	8,522	12,610	0,306	5,350	---	7,172	---	0,356	---	62,042
23	PIGMEAT	11,727	151,340	13,012	0,002	18,230	25,267	3,151	8,808	0,097	26,776	---	2,606	---	261,015

FEDGA GARANTIE

EXPENDITURE CHARGED AGAINST THE 1989 BUDGET (ECU million)

22.

	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NERLAND	PORTUGAL	UNITED COMMUNAUTE KINGDOM	TOTAUX	
240 REFUNDS ON EGGS	1,939	0,386	8,564	0,006	2,048	3,844	---	0,191	0,005	30,614	---	0,798	---	48,395
241 REFUNDS ON POULTRYMEAT	11,627	24,490	8,603	0,098	3,090	116,526	0,142	0,642	---	16,164	---	4,358	---	185,741
24 EGGS AND POULTRYMEAT	13,566	24,876	17,167	0,105	5,138	120,370	0,142	0,833	0,005	46,778	---	5,156	---	234,136

FEDGA GARANTIE

EXPENDITURE CHARGED AGAINST THE 1989 BUDGET (ECU million)

23.

	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPAÑA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNITED COMMUNAUTE KINGDOM	TOTAUX	
2500	---	---	---	---	---	---	0,373	---	---	0,072	---	30,176	---	30,621
250	---	---	---	---	---	---	0,373	---	---	0,072	---	30,176	---	30,621
REFUNDS ON CEREALS EXPORTED IN THE FORM OF CERTAIN SPIRITUOUS BEVERAGES														
251	27,559	50,807	72,809	3,074	15,494	59,159	39,329	45,046	0,084	129,399	0,549	78,140	---	521,449
REFUNDS ON CERTAIN GOODS OBTAINED BY PROCESSING AGRICULTURAL PRODUCTS														
25	27,559	50,807	72,809	3,074	15,494	59,159	39,703	45,046	0,084	129,471	0,549	108,316	---	552,070
REFUNDS ON CERTAIN GOODS OBTAINED BY PROCESSING AGRICULTURAL PRODUCTS														

FEDGA GARANTIE

EXPENDITURE CHARGED AGAINST THE 1989 BUDGET (ECU million)

24.

	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNITED COMMUNAUTE KINGDOM	TOTAUX		
270	ACCESSION COMPENSATORY AMOUNTS GRANTED IN INTRA-COMMUNITY TRADE	0,140	-0,249	-1,555	0,959	14,144	13,836	-0,032	7,607	---	0,311	5,683	0,603	---	41,446
27	ACCESSION COMPENSATORY AMOUNTS GRANTED IN INTRA-COMMUNITY TRADE	0,140	-0,249	-1,555	0,959	14,144	13,836	-0,032	7,607	---	0,311	5,683	0,603	---	41,446

FEOGA GARANTIE

EXPENDITURE CHARGED AGAINST THE 1989 BUDGET (ECU million)

25.

	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPAÑA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNITED KINGDOM	COMMUNAUTÉ	TOTAUX	
2800	M.C.A.ON IMPORTS GRANTED BY IMPORTING MEMBER STATES (WITH A DEPREC.CURRENCY)	---	---	---	212,957	0,275	30,721	0,077	11,487	---	---	0,257	9,220	---	264,993
2801	M.C.A.ON IMPORTS GRANTED BY EXPORT.MEMB. STAT.ON BEHALF OF IMP.MEMB.ST.(DEP.CUR.)	11,257	23,498	48,364	---	---	120,731	34,885	---	0,013	27,102	---	7,929	---	273,778
2802	M.C.A.ON IMPORTS LEVIED BY IMPORTING MEMBER STATES (WITH AN APPREC.CURREN.)	---	---	-0,143	---	---	---	---	---	0,088	---	---	-0,004	---	-0,059
2803	M.C.A.ON EXPORTS GRANTED BY EXPORTING MEMBER STATES (WITH AN APPREC.CURREN.)	---	---	0,292	---	7,903	0,001	---	---	0,093	---	---	0,074	---	8,363
2804	M.C.A.ON EXPORTS LEVIED BY EXPORTING MEMBER STATES (WITH A DEPREC.CURRENCY)	0,007	0,008	---	-62,891	-0,008	-112,239	-20,655	-14,228	---	---	-0,131	-71,203	---	-281,340
280	MONETARY COMPENSATORY AMOUNTS IN INTRA-COMMUNITY TRADE	11,263	23,506	48,514	150,066	8,170	39,213	14,306	-2,740	0,013	27,283	0,126	-53,985	---	265,735
2810	PART.OF M.C.A.GRANTED ON IMP.(INTO MEMB. STAT.WITH A DEPREC.CURR.)EXC.IMPORT LEVY	---	---	---	2,721	---	---	---	0,138	---	---	---	48,345	---	51,204
2811	M.C.A.ON EXPORTS GRANTED BY EXPORTING MEMBER STATES (WITH AN APPREC.CURRENCY)	---	---	3,709	---	0,006	---	---	---	1,781	---	---	0,382	---	5,879
281	MONETARY COMPENSATORY AMOUNTS IN TRADE WITH NON-MEMBER COUNTRIES	---	---	3,709	2,721	0,006	---	---	0,138	1,781	---	---	48,727	---	57,082
28	MONETARY COMPENSATORY AMOUNTS LEVIED OR PAID IN TRADE IN AGRICULTURAL PRODUCTS	11,263	23,506	52,223	152,787	8,177	39,213	14,306	-2,602	0,013	29,064	0,126	-5,258	---	322,817
SDUSTOTAL															
10 - 28															
INCL	556,700	999,713	3.716,268	1.659,113	1.802,472	4.626,138	1.070,913	4.510,684	1,826	3.494,891	166,477	1.673,901	12,611	24.291,707	

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FEDGA GARANTIE

EXPENDITURE CHARGED AGAINST THE 1989 BUDGET (ECU million)

26.

	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEderland	PORTUGAL	UNITED COMMUNAUTE KINGDOM	TOTAUX		
290	CLEARANCE OF PREVIOUS YEARS' ACCOUNTS AND RESIDUAL APPROPRIATIONS	-7,836	0,383	-28,910	-40,433	0,749	-88,528	-1,597	-81,595	-0,021	-1,361	0,061	46,400	---	-202,689
2920	REFUNDS IN CONNECTION WITH COMMUNITY FOOD AID (CEREALS)	6,191	---	3,056	1,103	0,325	50,397	---	2,062	---	---	---	0,319	---	63,452
2921	REFUNDS IN CONNECTION WITH COMMUNITY FOOD AID (RICE)	---	---	---	---	---	---	---	15,253	---	---	---	---	---	15,253
2923	REFUNDS IN CONNECTION WITH COMMUNITY FOOD AID (VEGETABLE OIL/OLIVE OIL)	---	---	---	---	---	---	---	0,230	---	---	---	---	---	0,230
2924	REFUNDS IN CONNECTION WITH COMMUNITY FOOD AID (SKIMMED-MILK POWDER)	---	---	31,307	---	---	---	---	---	---	---	---	0,005	---	31,312
2925	REFUNDS IN CONNECTION WITH COMMUNITY FOOD AID (BUTTEROIL)	---	---	22,378	---	---	---	---	---	---	---	---	---	---	22,378
292	REFUNDS IN CONNECTION WITH COMMUNITY FOOD AID	6,191	---	56,742	1,103	0,325	50,397	---	17,545	---	---	---	0,324	---	132,625
294	INTEREST PAYMENTS TO M.S., AFTER CHANGES IN METHOD OF FINANC. EAGGF GUAR. EXPEND.	---	---	---	16,094	18,554	---	12,151	---	---	---	1,708	---	---	48,507
2970	*****	2,192	0,456	3,519	1,063	31,687	25,522	4,288	42,967	0,041	2,664	5,391	13,141	---	132,929
297	DISTRIBUTION OF AGRICULT. PRODUCTS TO THE MOST DEPRIVED PERSONS IN THE COMMUNITY	2,192	0,456	3,519	1,063	31,687	25,522	4,288	42,967	0,041	2,664	5,391	13,141	---	132,929
29	OTHER EXPENDITURE	0,547	0,839	31,350	-22,174	51,314	-12,609	14,842	-21,083	0,019	1,303	7,160	59,864	---	111,372

FEDGA GARANTIE

EXPENDITURE CHARGED AGAINST THE 1989 BUDGET (ECU million)

27.

	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNITED COMMUNAUTE KINGDOM	TOTAUX	
SOUSTOTAL TITRE 1&2	557,247	1.000,551	3.747,618	1.636,939	1.853,787	4.613,529	1.085,755	4.489,601	1,845	3.496,194	173,637	1.733,766	12,611	24.403,080

FEDGA GARANTIE

EXPENDITURE CHARGED AGAINST THE 1989 BUDGET (ECU million)

28.

		BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNITED COMMUNAUTE KINGDOM	TOTAUX
3900	SET-ASIDE OF FARMLAND	---	---	5,818	---	---	---	0,167	---	---	---	---	---	5,985
390	SET-ASIDE OF FARMLAND AND INCOME AIDS	---	---	5,818	---	---	---	0,167	---	---	---	---	---	5,985
39	SET-ASIDE OF FARMLAND AND INCOME AIDS	---	---	5,818	---	---	---	0,167	---	---	---	---	---	5,985 (1)

(1) This amount is charged, in equal proportions, to the Guarantee and Guidance sections of the EAGGF. The sum charged to the Guarantee section is therefore ECU $\frac{5,985}{2} = 2,992$ millions

FEDGA GARANTIE

EXPENDITURE CHARGED AGAINST THE 1989 BUDGET (ECU million)

29.

	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEREDLAND	PORTUGAL	UNITED COMMUNAUTE KINGDOM	TOTAUX
400 REFUNDS ON FISHERY PRODUCTS	---	---	---	---	---	---	---	---	---	0,065	---	---	0,065
4010	0,306	1,598	0,267	0,429	8,679	6,124	0,914	2,282	---	0,215	0,728	2,389	23,933
401 INTERVENTION FOR FISHERY PRODUCTS	0,306	1,598	0,267	0,429	8,679	6,124	0,914	2,282	---	0,215	0,728	2,389	23,933
40 COMMON ORGANIZATION OF THE MARKET IN FISHERY PRODUCTS	0,306	1,598	0,267	0,429	8,679	6,124	0,914	2,282	---	0,280	0,728	2,389	23,998

FEDGA GARANTIE

EXPENDITURE CHARGED AGAINST THE 1989 BUDGET (ECU million)

30.

	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEMBOURG	NEDERLAND	PORTUGAL	UNITED COMMUNAUTE KINGDOM	TOTAUX		
810	REPAYMENT TO M.S.OF COSTS FOR DEPRECIAT. OF STOCKS OF AGRICULTURAL PRODUCTS	16,096	8,827	185,947	13,557	40,727	128,902	53,471	124,231	---	43,177	---	35,253	---	650,188
811	REPAYMENT TO M.S.OF COSTS UNDER SPECIF. MEASURES OF BUTTER FROM PUBLIC STOCKS	12,188	4,105	252,009	---	---	61,936	101,015	5,637	---	210,239	---	145,557	---	792,686
81	REPAYM.TO M.S.OF COSTS DEPREC.OF STOCKS & SPECIF.MEAS.BUTTER FROM PUBLIC STOCKS	28,285	12,932	437,956	13,557	40,727	190,839	154,485	129,869	---	253,416	---	180,810	---	1.442,874
	TOTAL GENERAL	585,838	1.015,061	4.191,659	1.650,925	1.903,192	4.810,491	1.241,321	4.621,752	1,845	3.749,890	174,365	1.916,965	12,611	25.875,936

ANNEX 3 : EAGGF GUARANTEE EXPENDITURE BY SECTOR (1)

(ECU million)

NATURE OF EXPENDITURE	1984	1985	1986	1987 (8)	1988 (9)	1989 (10)
CEREALS	1.650,0	2.310,2	3.391,2	4.137,6	4.264,4	3.150,0
Refunds	918,3	1.076,7	1.711,7	3.070,6	2.924,6	2.597,1
Intervention, of which :	731,7	1.233,5	1.679,5	1.067,0	1.339,8	552,9
- production refunds	175,5	180,8	177,7	235,6	393,3	301,2
- aid for durum wheat	200,3	242,5	210,8	256,2	275,1	365,0
- storage	355,8	810,1	1.347,4	937,2	1.274,7	576,4
- co-responsibility levy	-	-	-56,4	-378,7	-677,5	-799,3
RICE	47,8	50,1	93,7	99,0	72,8	111,5
Refunds	26,9	36,6	91,9	95,0	61,0	45,3
Intervention	20,9	13,5	1,8	4,0	11,8	66,2
SUGAR	1.631,5	1.804,5	1.725,5	2.035,6	2.081,8	1.979,8
Refunds	1.190,0	1.352,8	1.238,4	1.515,8	1.566,2	1.451,3
Intervention, of which :	441,5	451,7	487,2	519,8	515,6	528,5
- reimbursement storage costs	429,8	440,1	470,8	469,0	428,9	421,6
OLIVE OIL	1.096,4	692,2	604,3	1.139,2	945,0	1.464,5
Refunds	8,1	19,2	29,4	23,2	64,2	93,1
Intervention	1.088,3	673,0	574,9	1.116,0	880,8	1.371,4
OILSEEDS	655,6	1.110,6	2.027,5	2.687,4	2.971,8	2.673,6
Refunds	0,4	3,4	2,3	64,0	24,9	5,8
Intervention, of which :	655,2	1.107,2	2.025,2	2.623,4	2.946,9	2.667,8
- rape and sunflower seed	613,1	982,8	1.801,8	2.189,0	2.341,0	2.176,6
- soya	32,7	115,5	200,2	405,3	570,2	460,4
- flax seed	7,2	9,4	23,1	29,7	33,3	30,0
PROTEIN PLANTS	215,6	372,5	460,0	587,2	689,3	642,9
Refunds	-	-	-	-	-	-
Intervention, of which :	215,6	372,5	460,0	587,2	689,3	642,9
- peas and field beans	139,4	255,5	305,4	419,4	471,1	423,5
- dried fodder	76,1	116,9	154,1	167,3	217,5	218,9
FIBRE PLANTS AND SILKWORKS, of which :	108,0	240,6	565,0	306,4	454,2	600,7
- flax and hemp	19,2	27,2	32,2	21,2	25,5	29,1
- cotton	88,2	212,7	532,2	284,7	428,2	570,9
FRUIT AND VEGETABLES	1.454,6	1.230,7	986,0	967,1	708,2	1.018,6
Refunds	58,6	74,5	77,0	66,8	64,6	78,7
- fresh	50,1	63,0	65,0	52,3	48,5	63,4
- processed	8,5	11,5	12,0	14,5	16,1	15,3
Intervention	1.396,0	1.156,2	909,0	900,3	643,6	939,9
- fresh	569,1	338,9	491,8	533,7	234,0	433,1
- processed	826,9	817,3	417,2	366,6	409,6	506,8
WINE	1.222,6	921,4	630,8	800,3	1.545,6	1.147,7
Refunds	18,6	18,9	11,2	20,4	43,5	45,3
Intervention, of which :	1.204,0	902,5	619,6	779,9	1.502,1	1.102,4
- private storage aid	135,6	87,6	70,5	57,2	85,5	67,4
- compulsory distillation of by-products of wine-making	88,6	65,3	55,8	91,4	96,9	78,5
- distillation	852,4	599,0	406,1	508,0	627,5	422,5
TOBACCO	776,4	862,9	782,2	803,6	966,1	1.138,8
Refunds	36,5	32,0	32,1	43,1	43,1	61,9
Intervention	739,9	830,9	750,1	760,5	923,0	1.076,9

(ECU million)

NATURE OF EXPENDITURE	1984	1985	1986	1987 (8)	1988 (9)	1989 (10)
<u>OTHER SECTORS, of which :</u>	51,5	54,6	56,4	44,5	59,8	83,8
- seeds		42,4	46,4	46,5	50,4	62,2
- hops		8,4	8,2	8,6	8,5	21,0
<u>MILK AND MILK PRODUCTS</u>	5.441,7	5.933,2	5.405,8	5.013,0	5.915,1	4.987,0
Refunds	1.943,4	2.028,2	2.154,9	2.257,9	3.013,9	2.868,6
Intervention, of which :	3.498,3	3.905,0	3.250,9	2.755,1	2.901,2	2.118,4
- aid for skimmed milk	1.841,3	1.827,1	1.950,3	1.743,0	1.623,3	1.080,5
- storage of skimmed milk	819,5	580,0	384,0	244,4	-10,5	2,2
- storage of butter	830,9	1.325,8	1.035,4	705,5	708,1	456,4
- disposal of butter	450,1	403,0	201,7	252,5	241,5	354,9
- particip. by milk producers	-749,2	-637,3	-717,1	-601,3	-535,6	-890,3
- expansion of the markets	183,7	210,0	204,7	310,9	782,3	1.001,5
<u>BEEF/VEAL</u>	2.546,8	2.745,8	3.481,7	2.148,7	2.475,8	2.428,5
Refunds	1.392,7	1.338,6	1.214,3	877,9	768,7	1.343,1
Intervention, of which :	1.154,1	1.407,2	2.267,4	1.270,8	1.707,1	1.085,4
- public and private storage	814,5	1.094,1	2.030,5	1.050,3	1.245,6	663,0
- calf premiums	152,4	116,6	72,2	19,4	42,4	40,6
<u>SHEEPMEAT AND GOATMEAT</u>	433,5	502,4	616,9	573,8	1.293,7	1.452,8
Refunds	-	-	-	-	-	-
Intervention	433,5	502,4	616,9	573,8	1.293,7	1.452,8
<u>PIGMEAT</u>	195,9	165,4	151,8	158,6	215,6	261,0
Refunds	157,0	102,9	75,3	111,5	172,3	199,0
Intervention	38,9	62,5	76,5	47,1	43,3	62,0
<u>EGGS AND POULTRY</u>	69,8	63,2	97,8	152,0	194,1	234,1
Refunds	69,8	63,2	97,8	152,0	194,1	234,1
- eggs	20,4	18,2	27,3	29,1	33,3	48,4
- poultry	49,4	45,0	70,5	122,9	160,8	185,7
<u>NON-ANNEX II PRODUCTS</u>	382,4	440,8	502,9	590,3	602,4	552,1
Refunds	382,4	440,8	502,9	590,3	602,4	552,1
<u>FISHERIES</u>	15,6	16,1	18,0	17,4	46,9	24,0
Refunds	0,9	-0,1	-	-	-0,1	0,1
Intervention	14,7	16,2	18,0	17,4	47,0	23,9
TOTAL AGRICULTURAL EXPENDITURE	17.995,7	19.517,2	21.597,5	22.261,6	25.502,6	23.951,4
Accession compensatory amounts	0,3	0,2	5,8	18,0	64,3	41,5
Monetary compensatory amounts	375,9	189,6	475,9	636,9	505,2	322,8
Depreciation of intervention stocks	-	-	-	-	1.240,0	1.442,9
Community compensation measures	-	136,4	113,5	-	-	-
Food aid refunds (*)	-	-	-	259,4	242,7	132,6
Interest following changes in financing method	-	-	-	-	37,5	48,5
Free distribution of Intervent. products	-	-	-	-	65,8	132,9
Set-aside	-	-	-	-	-	3,0
TOTAL EXPENDITURE EAGGF GUARANTEE SECTION	18.371,9 / 18.346,4 (2)	19.843,4 / 19.744,2 (3)	22.192,7 / 22.137,4 (4)	23.175,9 / 22.967,7 (5)	27.658,1 / 27.687,3 (6)	26.075,6 / 25.872,9 (7)

- (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 97 of the Financial Regulation.
- (2) Allowing for the reduction in expenditure of ECU 25.5 million when the 1978/79 accounts were cleared.
- (3) Allowing for the reduction in expenditure of ECU 99.2 million when the 1980/81 accounts were cleared.
- (4) Allowing for the reduction in expenditure of ECU 55.3 million when the 1982 accounts were cleared.
- (5) Allowing for the reduction in expenditure of ECU 208.2 million when the 1983/85 accounts were cleared.
- (6) Including the balance outstanding for the clearance of accounts for 1985 and previous years (+ ECU 29.2 million).
- (7) Allowing for the reduction in expenditure of ECU 202.7 million when the 1986 accounts were cleared.
- (8) Expenditure charged against the 1987 budget (1 January 1987/end of October/beginning of November 1987).
- (9) Expenditure charged against the 1988 budget (beginning of November 1987/15 October 1988).
- (10) Expenditure charged against the 1989 budget (16 October 1988/15 October 1989).
- (*) Before 1987 such refunds were incorporated in the heading "Refunds" for the different sectors.

ANNEX 4
BREAKDOWN OF EXPENDITURE BY SECTOR AND ECONOMIC CATEGORY - 1989 (1)

(2)	SECTOR	TOTAL EXPENDITURE		EXPORT REFUNDS		INTERVENTION (3)	
		ECU million	%	ECU million	%	ECU million	%
10	CEREALS, of which	3.261,5	12,6	2.642,4	27,2	619,1	3,8
	- rice	(111,5)		(45,3)		(66,2)	
11	SUGAR	1.979,8	7,7	1.451,3	14,9	528,5	3,3
120 to 124	OLIVE OIL	1.464,5	5,7	93,1	1,0	1.371,4	8,5
125 to 128	OILSEEDS, of which	2.673,6	10,3	5,8	0,1	2.667,8	16,5
	- rape and sunflower seed	(2.182,4)		(5,8)		(2.176,6)	
13	PROTEIN PLANTS, of which	642,9	2,5	-		642,9	4,0
	- peas and field beans	(423,5)		(-)		(423,5)	
	- dried fodder	(218,9)		(-)		(218,9)	
14	FIBRE PLANTS, of which	600,7	2,3	-		600,7	3,7
	- flax and hemp	(29,1)		(-)		(29,1)	
	- cotton	(570,9)		(-)		(570,9)	
15	FRUIT AND VEGETABLES, of which	1.018,6	3,9	78,7	0,8	939,9	5,8
	- processed fruit and vegetables	(522,1)		(15,3)		(506,8)	
16	WINE PRODUCTS	1.147,7	4,4	45,3	0,5	1.102,4	6,8
17	TOBACCO	1.138,8	4,4	61,9	0,6	1.076,9	6,7
18	OTHER SECTORS, of which	83,8	0,3	-		83,8	0,5
	- seeds	(62,2)				(62,2)	
	- hops	(21,0)				(21,0)	
20	MILK PRODUCTS, of which	4.987,0	19,3	2.868,6	29,5	2.118,4	13,1
	- skimmed milk	(1.480,9)		(398,2)		(1.082,7)	
	- butter and cream	(1.715,0)		(903,7)		(811,3)	
21	BEEF/VEAL	2.428,5	9,4	1.343,1	13,8	1.085,4	6,7
22	SHEEPMEAT AND GOATMEAT	1.452,8	5,6	-		1.452,8	9,0
23	PIGMEAT	261,0	1,0	199,0	2,0	62,0	0,4
24	EGGS AND POULTRY	234,1	0,9	234,1	2,4	-	
25	NON-ANNEX II PRODUCTS	552,1	2,1	552,1	5,7	-	
40	FISHERIES	24,0	0,1	0,1	p.m.	23,9	0,2
27	ACCESSION COMPENSATORY AMOUNTS	41,5	0,2	-		41,5	0,3
28	MONETARY COMPENSATORY AMOUNTS	271,6	1,1	5,9	0,1	265,7	1,7
292	FOOD AID REFUNDS	132,6	0,5	132,6	1,4	-	
81	DEPRECIATION OF STOCKS	1.442,9	5,6	-		1.442,9	9,0
SUBTOTAL		25.840,0	99,9	9.714,0	100	16.126,0	100
290	CLEARANCE PREVIOUS YEARS OTHER	- 202,7 235,6 (4)	-0,8 0,9	i.e. 37,6 %		i.e. 62,4 %	
T O T A L		25.872,9	100	of agricultural expenditure (25.840,0)			

(1) Expenditure charged against 1989 budget.

(2) Budget chapters or articles.

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

(4) Including ECU 51,2 million in MCAs granted on imports (Item 2810)

ANNEX 5 : BREAKDOWN OF EXPENDITURE BY SECTOR AND ECONOMIC CATEGORY (1984-1989)

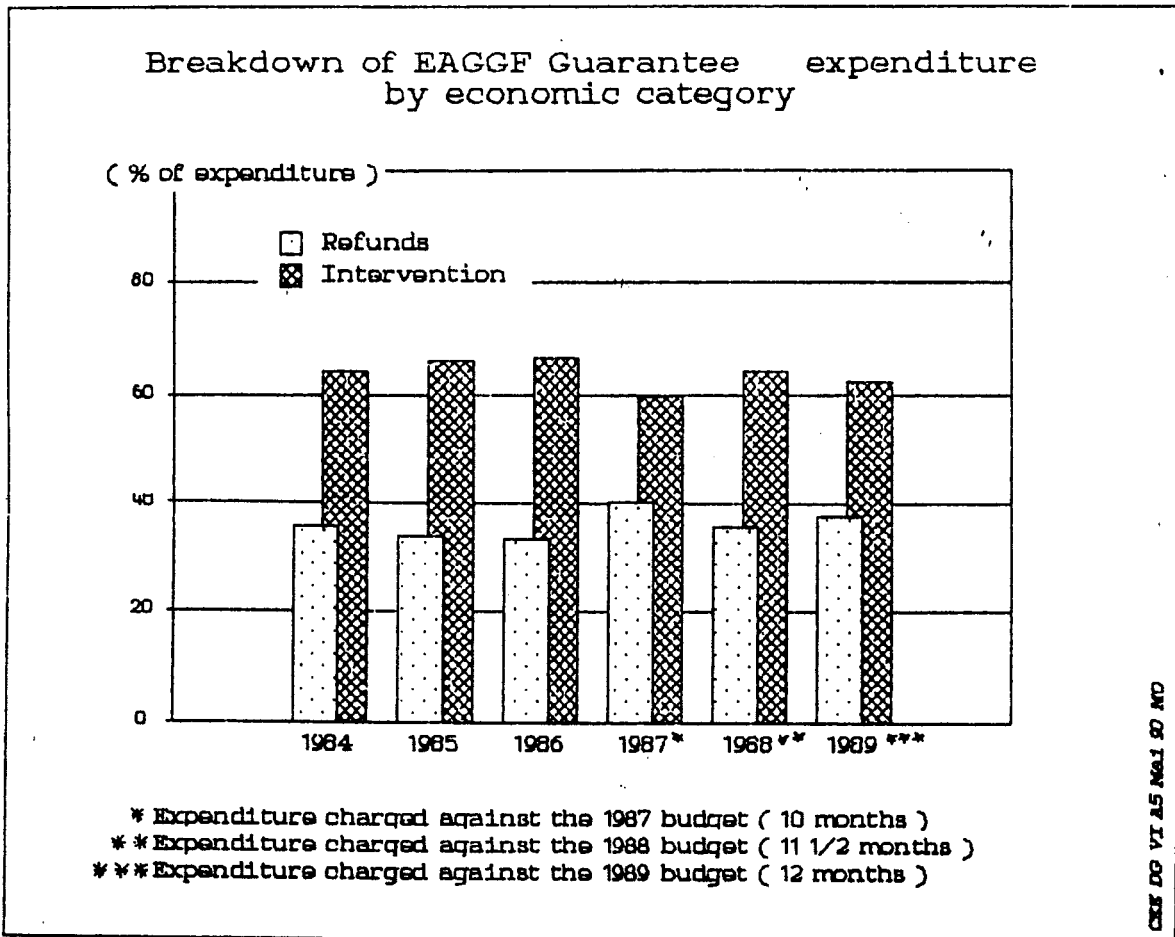
	1984		1985		1986		1987		1988		1989	
	(*) ECU mill.	%	(*) ECU mill.	%	(*) ECU mill.	%	(1)(*) ECU mill.	%	(2)(*) ECU mill.	%	(*) ECU mill.	%
Total expenditure (including CAs)	18.371,9	100,0	19.707,0	100,0	22.079,2	100,0	23.175,9	100,0	27.554,8	100,0	25.840,0	100,0
Refunds Intervention and similar measures	(R)(**) (1) 6.619,1 11.752,8	36,0 64,0	6.716,1 12.990,9	34,1 65,9	7.409,2 14.670,0	33,6 66,4	9.374,8 13.801,1	40,4 59,6	9.928,8 17.626,0	36,0 64,0	9.714,0 16.126,0	37,5 62,5
Cereals (excl. rice)	R (**) I 1.650,0 918,3 731,7	9,0 5,0 4,0	2.310,2 1.076,7 1.233,5	11,7 5,5 6,2	3.391,2 1.711,7 1.679,5	15,4 7,8 7,6	4.223,9 3.156,8 1.067,1	18,2 13,6 4,6	4.422,8 3.083,0 1.339,8	16,1 11,2 4,9	3.213,5 2.660,6 552,9	12,4 10,2 2,2
Sugar	R I 1.631,5 1.190,0 441,5	8,9 6,5 2,4	1.804,5 1.352,8 451,7	9,2 6,9 2,3	1.725,6 1.238,4 487,2	7,8 5,6 2,2	2.035,6 1.515,8 519,8	8,8 6,6 2,2	2.081,8 1.566,1 515,7	7,6 5,7 1,9	1.979,8 1.451,3 528,5	7,7 5,6 2,1
Fruit and vegetables	R I 1.454,6 58,6 1.396,0	7,9 0,3 7,6	1.230,7 74,5 1.156,2	6,3 0,4 5,9	986,0 77,0 909,0	4,4 0,3 4,1	967,1 66,8 900,3	4,2 0,3 3,9	708,2 64,5 643,7	2,5 0,2 2,3	1.018,6 78,7 939,9	3,9 0,3 3,6
Milk and milk products	R (**) I 5.441,7 1.943,4 3.498,3	29,6 10,6 19,0	5.933,2 2.028,2 3.905,0	30,1 10,3 19,8	5.405,7 2.154,9 3.250,8	24,5 9,8 14,7	5.182,3 2.427,2 2.755,1	22,3 10,4 11,9	5.983,5 3.082,3 2.901,2	21,7 11,2 10,5	5.040,7 2.922,3 2.118,4	19,5 11,3 8,2
Beef/veal	R I 2.546,8 1.392,7 1.154,1	13,9 7,6 6,3	2.745,8 1.338,6 1.407,2	13,9 6,8 7,1	3.481,7 1.214,3 2.267,4	15,8 5,5 10,3	2.148,7 877,9 1.270,8	9,3 3,8 5,5	2.475,8 768,7 1.707,1	9,0 2,8 6,2	2.428,5 1.343,1 1.085,4	9,4 5,2 4,2
Other products or headings (3)	R (**) I 5.647,3 1.116,1 4.531,2	30,7 6,1 24,6	5.682,6 845,3 4.837,3	28,8 4,3 24,5	7.089,0 1.012,9 6.076,1	32,1 4,6 27,5	8.618,3 1.330,3 7.288,0	37,2 5,7 31,5	11.882,7 1.364,2 10.518,5	43,1 4,9 38,2	12.158,9 1.258,0 10.900,9	47,1 4,9 42,2
(*) Not including consequences of accounts clearance, Community compensation measures, set-aside or miscellaneous measures (interest following change in financing method, free distribution etc.). (**) Including refunds for food aid operations. (1) Expenditure charged against 1987 budget. (2) Expenditure charged against 1989 budget. (3) Including "Depreciation of stocks" (1.240,0 in 1988 and 1.442,9 in 1989).												

ANNEX 6 : EAGGF GUARANTEE EXPENDITURE BY SECTOR AND AS PERCENTAGE (1983-1989) (1)

SECTOR	1983		1984		1985		1986		1987 (3)		1988 (4)		1989 (5)	
	ECU mill.	%	ECU mill.	%	ECU mill.	%	ECU mill.	%	ECU mill.	%	ECU mill.	%	ECU mill.	%
Cereals	2.411,2	15,3	1.650,0	9,0	2.310,2	11,7	3.391,2	15,3	4.137,6	17,8	4.264,4	15,4	3.150,0	12,1
Rice	92,9	0,6	47,8	0,3	50,1	0,3	93,7	0,4	99,0	0,4	72,8	0,3	111,5	0,4
Sugar	1.316,2	8,3	1.631,5	8,9	1.804,5	9,1	1.725,5	7,8	2.035,6	8,8	2.081,8	7,5	1.979,8	7,6
Olive oil	675,3	4,3	1.096,4	5,9	692,2	3,5	604,3	2,7	1.139,2	4,9	945,0	3,4	1.464,5	5,6
Oilseeds	945,6	5,9	655,6	3,6	1.110,6	5,6	2.027,5	9,1	2.687,4	11,6	2.971,8	10,7	2.673,6	10,3
Protein plants	142,3	0,9	215,6	1,2	372,5	1,9	460,0	2,1	587,2	2,5	689,3	2,5	642,9	2,5
Fibre plants & silkworms	160,0	1,0	108,0	0,6	240,7	1,2	565,0	2,5	306,4	1,3	454,2	1,6	600,7	2,3
Fruit and vegetables	1.196,1	7,5	1.454,6	7,9	1.230,7	6,2	986,0	4,4	967,0	4,2	708,2	2,5	1.018,6	3,9
Wine	659,2	4,1	1.222,6	6,6	921,4	4,7	630,8	2,8	800,3	3,5	1.545,6	5,6	1.147,7	4,4
Tobacco	671,3	4,2	776,4	4,2	862,9	4,3	782,2	3,5	803,6	3,5	966,1	3,5	1.138,8	4,4
Other sectors	55,6	0,3	51,5	0,3	54,7	0,3	56,4	0,3	44,5	0,2	59,8	0,2	83,8	0,3
Milk products	4.396,1	27,6	5.441,7	29,6	5.933,2	29,9	5.405,8	24,4	5.013,0	21,6	5.915,1	21,4	4.987,0	19,1
Beef/veal	1.736,5	10,9	2.546,8	13,9	2.745,7	13,8	3.481,7	15,7	2.148,7	9,3	2.475,8	9,0	2.428,5	9,3
Sheepmeat and goatmeat	305,6	1,9	433,5	2,3	502,4	2,5	616,9	2,8	573,8	2,5	1.293,7	4,7	1.452,8	5,6
Pigmeat	145,0	0,9	195,9	1,1	165,3	0,8	151,8	0,7	158,6	0,7	215,6	0,8	261,0	1,0
Eggs and poultry	123,3	0,8	69,8	0,4	63,2	0,3	97,8	0,4	152,0	0,7	194,1	0,7	234,1	0,9
Non-Annex II products	343,2	2,2	382,4	2,1	440,9	2,2	502,9	2,3	590,3	2,5	602,4	2,2	552,1	2,1
Fisheries	25,7	0,2	15,6	0,1	16,1	0,1	18,0	0,1	17,4	0,1	46,9	0,2	24,0	0,1
TOTAL AGRICULT. EXPENDITURE	15.431,1	96,9	17.995,7	98,0	19.517,4	98,4	21.597,5	97,3	22.261,6	96,1	25.502,6	92,2	23.951,4	91,9
Accession compens. amounts	0,3	0,0	0,3	0,0	0,2	0,0	5,8	0,0	18,0	0,1	64,3	0,2	41,5	0,2
Monetary compens. amounts	488,3	3,1	375,9	2,0	189,6	0,9	475,9	2,2	636,9	2,7	505,2	1,9	322,8	1,2
Commun. compensat. measures	-	-	-	-	136,4	0,7	113,5	0,5	-	-	-	-	-	-
Deprec. Intervention stocks	-	-	-	-	-	-	-	-	-	-	1.240,0	4,5	1.442,9	5,5
Food aid refunds (*)	-	-	-	-	-	-	-	-	259,4	1,1	242,7	0,9	132,6	0,5
Interest following changes in financing method	-	-	-	-	-	-	-	-	-	-	37,5	0,1	48,5	0,2
Free distribution of Inter- vention products	-	-	-	-	-	-	-	-	-	-	65,8	0,2	132,9	0,5
Set-aside	-	-	-	-	-	-	-	-	-	-	-	-	3,0	p.m.
TOTAL AGRICULT. EXPENDITURE EAGGF GUARANTEE SECTION	15.919,7 15.811,6 (2)	100,0	18.371,9 18.346,4 (2)	100,0	19.843,4 19.744,2 (2)	100,0	22.192,7 22.137,4 (2)	100,0	23.175,9 22.967,7 (2)	100,0	27.658,1 27.687,3 (2)	100,0	26.075,6 25.872,9 (2)	100,0

- (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 97 of the Financial Regulation.
- (2) Including the consequences of the clearance of accounts 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 against the 1989 budget (16 October 1988 - 15 October 1989).
- (*) Before 1987, such refunds were incorporated in the heading "Refunds" for the different sectors.

Annex 7



ANNEX 8 : BREAKDOWN OF EXPENDITURE BY ECONOMIC CATEGORY

(ECU million)

BUDG. CHAP./ ART.	SECTOR	TOTAL INTERVENTION (1)	STORAGE (2)	WITH-DRAWALS AND SIMILAR OPERATIONS	PRICE COMPENSATING AIDS (3)	GUIDANCE PREMIUMS
10	CEREALS, of which	619,1	576,4*(6)	-	42,7(4)	-
	- rice	(86,2)	(-)	-	(66,2)	-
11	SUGAR	528,5	421,6	-	106,9	-
120/124	OLIVE OIL	1.371,4	54,6	-	1.316,8	-
125/128	OILSEEDS, of which	2.667,8	-4,4*	-	2.672,2	-
	- rape and sunflower	(2.176,6)	(-4,4)*	-	(2.181,0)	-
13	PROTEIN PLANTS, of which	642,9	-	-	642,9	-
	- peas and field beans	(423,5)	-	-	(423,5)	-
	- dried fodder	(218,9)	-	-	(218,9)	-
14	FIBRE PLANTS, of which	600,7	1,4	-	599,3	-
	- flax and hemp	(29,1)	(1,4)	-	(27,7)	-
	- cotton	(570,9)	-	-	(570,9)	-
	- silkworms	(0,6)	-	-	(0,6)	-
15	FRUIT & VEGETABLES, of which	939,9	0,5	285,0	654,4	-
	- processed fruit & veget.	(506,8)	(0,5)	(-)	(506,3)	-
16	WINE	1.102,4	352,2*	501,0	91,3	157,9
17	TOBACCO	1.076,9	104,6*	-	972,3	-
18	OTHER SECTORS, of which	83,8	-	-	83,8	-
	- seeds	(62,2)	-	-	(62,2)	-
	- hops	(21,0)	-	-	(21,0)	-
20	MILK PRODUCTS, of which	2.118,4	571,6*	-	771,1(5)	775,7
	- skimmed milk	(1.082,7)	(2,2)*	-	(1.080,5)	(-)
	- butter and cream	(811,3)	(456,4)*	-	(354,9)	(-)
21	BEEF/VEAL	1.085,4	863,0*(6)	-	381,8	40,6
22	SHEEPMEAT AND GOATMEAT	1.452,8	p.m.	-	1.452,8	-
23	PIGMEAT	62,0	62,0	-	-	-
24	EGGS AND POULTRY	-	-	-	-	-
25	NON-ANNEX II PRODUCTS	-	-	-	-	-
40	FISHERIES	23,9	0,1	9,5	14,3	-
27	ACCESSION COMPENS. AMOUNTS	41,5	-	-	41,5	-
28	MONETARY COMPENS. AMOUNTS	265,7	-	-	265,7	-
	(Intra-Community trade)	-	-	-	-	-
81	DEPRECIATION OF STOCKS AND DISPOSAL OF BUTTER	1.442,9	1.442,9**	-	-	-
	TOTAL	16.126,0	4.246,5	795,5	10.109,8	974,2
	%	100 %	26,3 %	4,9 %	62,7 %	6,1 %

(1) Expenditure charged against the 1989 budget.

(2) Details of expenditure on storage are given in Annex 9.

(3) The breakdown of expenditure on intervention in the form of price compensating aids is given in Annex 10.

(4) This amount takes into account the collection of the co-responsibility levy and additional co-responsibility levy (- ECU 799,3 million) (Items 1030 and 1032).

(5) This amount takes account of the financial contribution of milk producers (- ECU 890,3).

(6) Including aid to Poland (cereals : ECU 2,7 million and beef : ECU 4,6 million).

* Not including depreciation under Chapter 81.

** Of which ECU 230,2 million for cereals, ECU 11,7 million for oilseeds, ECU 83,9 million for alcohol, ECU 17,3 million for tobacco, ECU 70,3 million for butter, ECU 2,4 million for milk powder and ECU 234,4 million for beef/veal; the sum of ECU 792,7 million has also made up the first instalment of reimbursement under the special butter disposal programme.

ANNEX 9
Breakdown of intervention expenditure in the form of storage costs
(1989)

(ECU million)

PRODUCTS	Total	Private storage	Public storage	of which			
				Technical costs	Financing costs	Difference between buying-in and selling prices	Depreciation
				a = b + c	b	c=d+e+f+g+h	d
Cereals	803,87	0,00	803,87	209,48	59,61	- 248,64	783,42
Rice	0,22	0,22	0,00	0,00	0,00	0,00	0,00
Sugar	421,61	422,96	- 1,35	- 1,35	0,00	0,00	0,00
Olive oil	54,62	7,41	47,21	40,84	37,43	- 31,49	0,43
Oilseeds (rape and sunflower)	7,35	0,00	7,35	2,18	2,54	- 10,09	12,72
Fibre flax and hemp	1,40	1,40	0,00	0,00	0,00	0,00	0,00
Figs and dried grapes	0,49	0,49	0,00	0,00	0,00	0,00	0,00
Wine/alcohol	436,05	67,41	368,64	7,26	8,45	0,98	351,96
Tobacco	121,85	0,00	121,85	8,46	3,82	10,77	98,82
Milk products	644,29	184,58	459,72	10,09	172,61	203,12	73,90
- skimmed milk powder	4,61	0,00	4,61	0,29	1,58	0,30	2,44
- butter and cream	526,69	71,59	455,11	9,80	171,03	202,82	71,46
- cheese	112,99	112,99	0,00	0,00	0,00	0,00	0,00
Beef	892,77	102,46	790,32	109,42	49,11	127,26	504,53
Sheep and goatmeat	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Pigmeat	62,04	62,04	0,00	0,00	0,00	0,00	0,00
Fisheries	0,11	0,11	0,00	0,00	0,00	0,00	0,00
TOTAL	3.446,70 (*)	849,09	2.597,61	386,36	333,57	51,92	1.825,76

(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 8.06 million to cover losses on sales of goods in private storage.

(3) The amount of the depreciation is broken down as follows: "mixed" alcohol ECU 200.32 million and "public" alcohol ECU 151.64 million.

(*) Including reimbursements to Member States of expenditure in connection with the depreciation of agricultural product stocks (Art. 810: ECU 650.2 million) but excluding reimbursements to Member States for expenditure incurred in disposing of public butter stocks (Art. 811: ECU 792.7 million) and aid to Poland (ECU 2.7 million in cereals and ECU 4.6 million in beef).

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	42,7	- 324,2 (1)	366,9
- rice	(66,2)	(-)	(66,2)
- co-responsibility	(- 799,3)	(- 799,3)	(-)
SUGAR	106,9	-	106,9
OLIVE OIL	1.316,8	817,8	499,0
OILSEEDS, of which	2.672,2	2.672,2	-
- rape and sunflower	(2.181,0)	(2.181,0)	(-)
PROTEIN PLANTS, of which	642,9	642,9	-
- peas and field beans	(423,5)	(423,5)	(-)
- dried fodder	(218,9)	(218,9)	(-)
FIBRE PLANTS, of which	599,3	599,3	-
- flax and hemp	(27,7)	(27,7)	(-)
- cotton	(570,9)	(570,9)	(-)
- silkworms	(0,6)	(0,6)	(-)
FRUIT AND VEGETABLES, of which	654,4	19,7	634,7
- processed fruit and vegetabl.	(506,3)	(-)	(506,3)
WINE	91,3	-	91,3
TOBACCO	972,3	972,3	-
OTHER SECTORS, of which	83,8	83,8	-
- seeds	(62,2)	(62,2)	(-)
- hops	(21,0)	(21,0)	(-)
MILK PRODUCTS, of which	771,1	- 890,2	1.661,3
- skimmed milk	(1.080,5)	(-)	(1.080,5)
- butter and cream	(354,9)	(-)	(354,9)
- co-responsibility	(- 890,3)	(- 890,3)	(-)
BEEF/VEAL	381,8	381,8	-
SHEEPMEAT AND GOATMEAT	1.452,8	1.452,8	-
FISHERIES	14,3	-	14,3
ACAs	41,5	-	41,5
MCAs (Intra-Community trade)	265,7	-	265,7
TOTAL	10.109,8	6.428,2	3.681,6

(1) Production aid for durum wheat = + ECU 365,0 million.

ANNEX 11

QUANTITY AND VALUE OF PRODUCTS IN PUBLIC STORAGE

PRODUCT	Situation at 30.09.1987 (1)		Situation at 30.09.1988 (1)			Situation at 30.09.1989 (1)		
	Quantity	Book value	Quantity	Book value	Foreseeable sales value	Quantity	Book value	Foreseeable sales value
	(tonnes)	(2) (ECU million)	(tonnes)	(3) (ECU million)	(4) (ECU million)	(tonnes)	(5) (ECU million)	(4) (ECU million)
Common wheat	3.406.150	750,1	2.381.683	325,7	168,5	2.386.290	246,1	169,4
Common wheat not suitable for bread-making	3.417.301	659,2	1.756.038	219,2	89,3	263.773	25,4	15,0
Barley	4.326.100	856,3	3.572.188	415,4	201,1	3.210.852	276,2	183,0
Rye	1.055.059	231,5	876.367	109,2	33,8	1.087.886	95,0	62,0
Durum wheat	1.529.732	434,3	2.336.107	436,4	228,5	1.231.022	191,0	113,2
Malze	22.297	4,1	18.357	1,5	0,8	780.350	34,0	34,0
Sorghum	8.205	1,6	10.885	1,2	0,4	2.680	0,2	0,2
Sugar	0	-	0	-	-	0	-	-
Olive oil	325.225	491,3	408.197	656,6	656,6	190.998	323,9	242,8
Rape	0	-	37.974	15,2	6,4	132	p.m.	p.m.
Sunflower	142	0,1	147.108	70,7	26,1	7.924	3,5	1,7
Alcohol	1.091.601 hl	102,2	2.891.986 hl	135,9	20,2	3.381.714 hl	36,5	27,1
Tobacco - leaf	3.369	2,2	1.155	1,0	0,2	7.821	2,2	2,2
Tobacco - processed	20.146	15,2	5.660	2,8	1,2	3.355	1,3	1,0
Tobacco - baled	5.231	6,3	39.777	67,8	8,4	66.407	45,7	19,0
Skimmed milk powder	721.753	1.380,1	14.116	27,7	20,8	4.811	10,3	4,4
Butter	1.058.353	3.523,6	221.079	584,0	298,1	32.055	74,5	35,1
Beef (quarters)	483.973	1.355,6	558.605	1.147,4	388,3	127.386	193,8	117,5
Boned beef	207.125	760,9	164.320	445,1	286,0	23.586	52,8	43,1
Pigmeat	-	-	-	-	-	-	-	-
TOTAL		10.574,6		4.662,8	2.434,7		1.612,4	1.070,7

- (1) Article 6(1) of Regulation (EEC) No 3184/83, as amended by Regulation (EEC) No 3188/87, provides that second-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 ECU has been obtained by applying to the carryover value in national currency the budgetary rates valid for the conversion of expenditure in September 1987.
- (3) The value expressed in ECU has been obtained by applying to the carryover value in national currency the budgetary rates valid for the conversion of expenditure in September 1988.
- (4) These amounts correspond to the book values less the potential costs resulting from losses foreseeable on disposal.
- (5) The value expressed in ECU has been obtained by applying to the carryover value in national currency the budgetary rates valid for the conversion of expenditure in September 1989.

ANNEX 12

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

Year	EAGGF Guarantee expenditure (ECU billion) Gross (1)	Community gross domestic product at market prices (current rates and prices) (ECU billion) (Source : Cronos-secl) (2)	EAGGF Guarantee expenditure as % of Community gross domestic product Gross
a	b	c	d = 100 b/c
1978	8,673	1.613,2	0,54
1979	10,441	1.815,4	0,58
1980	11,315	2.050,1	0,55
1981	10,980	2.285,3	0,48
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 (*)	3.720,1	0,62
1988	27,687 (**)	4.021,6 (3)	0,69
1989	25,873	4.376,6 (3)	0,59

(1) Including consequences of accounts clearances

(2) 1978 to 1980 = EUR 9

1981 to 1985 = EUR 10

from 1986 = EUR 12

(3) 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 31.12.1982	1983	1984	1985	1986	1987 (1)	1988 (2)	1989	FROM 16.09.1977 TO 15.10.1989
A. REVENUE FROM CO-RESPONSIBILITY (3)	1.513,1	527,4	699,7	639,4	551,6	447,6	487,3	423,7	5.289,8
B. TOTAL EXPENDITURE	1.513,1	527,4	699,7	639,4	551,6	447,6	487,3	423,7	5.289,8
a) Schoolmilk (R.1080/77)	176,5	59,8	88,3	103,5	112,5	99,3	112,7	136,2	888,8
b) Butter for the manufacture of ice-cream (R.232/75, R.262/79, R.1932/81, R.570/88)	130,8	30,9	28,4	36,0	27,9	40,6	49,6	32,0	376,2
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	716,2
d) Concentrated butter for direct consumption (R.349/73, R.649/78, R.3143/85)	26,2	5,4	7,4	4,6	37,0	pm (4)	pm (4)	57,7	138,3
e) Promotion, advertising and market research in the Community (R.723/78)	134,9	60,0	51,6	59,5	45,2	40,7	35,1	39,0	466,0
f) Market research outside the Community (R.1993/78, R.1024/78)	38,8	10,6	11,7	9,3	9,0	5,2	1,5	5,3	91,4
g) Improvement of the quality of milk (R.1271/78, R.382/89)	88,2	168,4	237,5	244,3	53,5	-	-	-	791,9
h) Disposal for pig and poultry feed (R.368/77, R.443/77, R.1844/77)	-	-	-	-	152,7	102,1	2,3	33,4	290,5
i) Other butter destocking schemes	917,7	192,3	149,1	87,1	-22,0	37,4	168,9	-	1.530,5
j) Financing of priority schemes									

(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 31.01.1990

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	101.755.838,48	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	326.426.745,59	316.364.823,82	+ 10.061.921,77	+ 3,08	- 4.474.862,57	- 0,23	6,09
1981/82	407.407.510,45	432.967.580,24	- 25.560.069,79	- 6,27	- 30.034.932,36	- 1,27	6,50
1982/83	478.721.551,25	540.741.567,87	- 62.020.016,62	- 12,96	- 92.054.948,98	- 3,24	7,62
1983/84	448.951.270,25	465.605.840,64	- 16.654.570,39	- 3,71	- 108.709.519,37	- 3,31	7,73
1984/85	482.847.708,67	407.845.639,18	+ 75.002.069,49	+ 15,53	- 33.707.449,88	- 0,89	6,77
1985/86	476.418.365,75	435.685.542,82	+ 40.732.822,93	+ 8,55	+ 7.025.373,05	+ 0,17	7,33
1986/87	499.310.626,40	486.328.930,19	+ 12.981.696,21	+ 2,60	+ 20.007.069,26	+ 0,42	7,35
1987/88	515.046.181,40	414.901.554,17	+ 100.144.627,23	+ 19,44	+ 120.151.696,49	+ 2,28	6,58
1988/89	445.284.798,42	385.915.945,99	+ 59.368.852,43	+ 13,33	+ 179.520.548,92	+ 3,15	6,19

(a) % of annual levies.

(b) % of cumulative annual levies.

ANNEX 15

REVENUE FROM LEVIES IN THE SUGAR SECTOR

(Situation at 31.01.1990)
Financial year 1989

BUDG. HEAD.	TITLE	AMOUNT IN ECU (B)
110	Sugar production levies (1)	642.191.925
112	Isoglucose production levies (1)	5.437.206
118	Additional levy (2)	175.456.094
115	Elimination levy (3)	89.285.854
111	Sugar storage levies	469.183.724
113	Amounts charged on production of sugar and isoglucose C not exported	46.924
	TOTAL REVENUE BUDGET CHAPTER 11	1.381.601.727
<p>(1) Basic production levies and B levies in respect of marketing year 1988/89, pursuant to Article 28 of Council Regulation (EEC) No 1785/81.</p> <p>(2) Additional levy to cover fully that part of the overall loss in respect of marketing year 1988/89 not covered by the receipts from the basic production levies and B levies, pursuant to Article 28a of Council Regulation (EEC) No 1785/81.</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 SYSTEM IN THE SUGAR SECTOR (1)(2)(3)

	MARKETING YEAR			AGGREGATE 1986/87 to 1988/89
	1986/87	1987/88	1988/89	
A. EXPENDITURE CHARGED TO COMMUNITY SUGAR AND ISOGLUCOSE PRODUCERS	tonnes	tonnes	tonnes	tonnes
1. Production of A and B sugar and of A and B isoglucose	12.790.202,8	12.667.698,8	12.774.015,1	38.231.916,7
2. Quantity of sugar and isoglucose disposed of for consumption within the Community	10.949.629,6	11.139.051,7	10.874.653,7	32.963.335,0
3. Surplus charged to Community producers (1-2)	1.840.573,2	1.528.647,1	1.899.361,4	5.268.581,7
	ECU (A)/t	ECU (A)/t	ECU (A)/t	ECU (A)/t
4. Average loss per tonne	446,38	447,48	385,79	
	ECU (A)	ECU (A)	ECU (A)	ECU (A)
5. Overall loss in marketing year charged to Community producers (3x4) Cumulative adjustment due to rectification of 1 to 4	821.595.065 - 10.546.099	684.039.004 - 3.728.570	732.754.635 + 14.274.669	2.238.388.704 -
6. Total overall loss	811.048.966 =====	680.310.434 =====	747.029.304 =====	2.238.388.704 =====
B. LEVIES IMPOSED	ECU (A)	ECU (A)	ECU (A)	ECU (A)
7. Basic production levies	136.921.227	135.572.995	136.688.216	409.182.438
8. B levies	447.100.841	443.094.495	451.743.614	1.341.938.950
9. Special elimination levies (market- ing years 1986/87 and 1987/88)	227.026.898	101.642.944	-	328.669.842
10. Additional levy (marketing years 1988/89 to 1990/91)	-	-	158.597.474	158.597.474
11. Total levies	811.048.966 =====	680.310.434 =====	747.029.304 =====	2.238.388.704 =====

(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 1989 of the amounts of the levies for the marketing year 1988/89 (Commission Regulation (EEC) No 3098/89).

ANNEX 17a

ADVANCE PAYMENTS TO MEMBER STATES FOR 1989

DATE OF DECISION	BELGIUM BFR	DENMARK DKR	GERMANY DM	GREECE DRA	SPAIN PTA	FRANCE FF
21.12.88	3.653.000.000,00	1.019.600.000,00	2.118.900.000,00	39.230.000.000,00	27.240.000.000,00	5.129.000.000,00
31.01.89 (1)	1.117.000.000,00	672.000.000,00	680.400.000,00	15.930.000.000,00	33.160.000.000,00	2.039.000.000,00
28.02.89	2.572.000.000,00	1.102.600.000,00	688.600.000,00	38.640.000.000,00	17.950.000.000,00	3.200.000.000,00
29.03.89	2.054.000.000,00	813.000.000,00	525.200.000,00	25.480.000.000,00	19.590.000.000,00	2.133.000.000,00
27.04.89	1.984.000.000,00	869.400.000,00	592.300.000,00	21.790.000.000,00	21.510.000.000,00	3.635.000.000,00
30.05.89	3.058.000.000,00	709.300.000,00	1.011.500.000,00	10.910.000.000,00	19.090.000.000,00	3.866.000.000,00
29.06.89	1.922.000.000,00	552.900.000,00	566.600.000,00	23.660.000.000,00	20.470.000.000,00	2.684.000.000,00
28.07.89	3.269.000.000,00	525.300.000,00	578.100.000,00	29.940.000.000,00	20.580.000.000,00	2.995.000.000,00
30.08.89	1.064.000.000,00	509.000.000,00	602.000.000,00	18.251.000.000,00	22.528.000.000,00	2.301.000.000,00
27.09.89	1.503.000.000,00	549.100.000,00	453.000.000,00	17.410.000.000,00	19.800.000.000,00	2.162.000.000,00
26.10.89	2.144.000.000,00	574.000.000,00	525.000.000,00	26.580.000.000,00	17.290.000.000,00	2.094.000.000,00
28.11.89	1.159.000.000,00	271.800.000,00	364.700.000,00	19.020.000.000,00	11.240.000.000,00	1.242.000.000,00
21.12.89	389.380,00	81.643,90	489.567,49	1.465.120,00	9.543.712,00	1.113.796,54
Diff.Chang.						
TOTAL ADVANCE PAYMENTS	25.499.389.380,00	8.168.081.643,90	8.706.789.567,49	286.842.465.120,00	250.457.543.712,00	33.481.113.796,54
TOTAL IN ECU (2)	585.838.071,20	1.015.081.321,91	4.191.659.208,86	1.647.027.230,59	1.889.759.174,43	4.739.060.679,96

(1) Including the corrections to the 1986 clearance.

(2) Allowing for exchange rate difference.

ANNEX 17b

ADVANCE PAYMENTS TO MEMBER STATES FOR 1989

DATE OF DECISION	IRELAND IRL	ITALY LIT	LUXEMBOURG LFR	NETHERLANDS HFL	PORTUGAL ESC	UNITED KINGDOM UKL	TOTAL EEC ECU
21.12.88	258.300.000,00	802.000.000.000,00	520.000,00	2.029.700.000,00	4.209.000.000,00	292.150.000,00	4.581.053.883,53
31.01.89 (1)	113.200.000,00	840.100.000.000,00	6.110.000,00	743.500.000,00	4.532.000.000,00	98.550.000,00	2.247.309.677,40
28.02.89	105.150.000,00	400.400.000.000,00	- 1.560.000,00	683.300.000,00	1.769.000.000,00	124.050.000,00	2.224.029.481,25
29.03.89	64.350.000,00	649.500.000.000,00	- 780.000,00	629.300.000,00	1.370.000.000,00	78.000.000,00	1.898.320.426,50
27.04.89	43.850.000,00	857.000.000.000,00	34.030.000,00	798.900.000,00	1.381.000.000,00	124.900.000,00	2.400.201.767,96
30.05.89	62.500.000,00	588.900.000.000,00	- 1.550.000,00	871.000.000,00	1.416.000.000,00	129.550.000,00	2.443.261.304,01
29.06.89	34.050.000,00	501.700.000.000,00	29.590.000,00	708.100.000,00	1.109.000.000,00	106.900.000,00	1.903.395.637,88
28.07.89	67.100.000,00	507.600.000.000,00	10.000.000,00	527.700.000,00	1.787.000.000,00	77.400.000,00	1.944.135.266,55
30.08.89	53.000.000,00	425.192.000.000,00	- 16.000.000,00	386.000.000,00	1.385.000.000,00	34.000.000,00	1.551.725.781,91
27.09.89	70.800.000,00	237.100.000.000,00	- 1.490.000,00	637.100.000,00	7.466.000.000,00	59.850.000,00	1.530.786.770,24
26.10.89	69.550.000,00	615.900.000.000,00	17.330.000,00	416.500.000,00	2.109.000.000,00	73.900.000,00	1.753.625.509,71
28.11.89	21.500.000,00	521.200.000.000,00	4.200.000,00	355.600.000,00	1.448.000.000,00	55.850.000,00	1.227.045.012,83
21.12.89	54.665,89	45.598.082,00	6.656,00	82.694,16	671.709,00	23.466,80	670.807,57
Diff. Chang.							- 147.282,98
TOTAL ADVANCE PAYMENTS	963.404.665,89	6.946.637.598.082,00	80.406.656,00	8.786.782.694,16	29.981.671.709,00	1.255.123.466,80	
TOTAL IN ECU (2)	1.241.321.335,35	4.552.601.775,48	1.845.497,77	3.749.889.785,25	174.365.401,51	1.916.964.562,05	25.705.414.044,36

(1) Including the corrections to the 1988 clearance.

(2) Allowing for exchange rate difference.

ANNEX 18

EXCHANGE RATES - 1989

1) Conversion of monthly expenditure into ecus - Budget rates

Expenditure for	Rate on: O.J.	B	DK	D	EL	ES	F	IRL	I	LUX	NL	P	UK
NOVEMBER 88	20.09.88 - C 247/88	43,4650	7,95166	2,07309	168,133	138,280	7,04884	0,771921	1544,94	43,4650	2,33922	170,738	0,660001
DECEMBER 88	20.10.88 - C 272/88	43,4893	7,99934	2,07403	170,030	136,491	7,08602	0,775993	1544,81	43,4893	2,33859	171,212	0,652908
JANUARY 89	18.11.88 - C 295/88	43,4284	7,99938	2,07199	172,115	136,543	7,08234	0,776275	1541,32	43,4284	2,33590	172,247	0,656851
FEBRUARY 89	20.12.88 - C 328/88	43,5789	8,03517	2,07814	172,759	134,392	7,10173	0,777452	1530,66	43,5789	2,34606	171,831	0,647913
MARCH 89	20.01.89 - C 17/89	43,8354	8,08513	2,08452	173,021	130,247	7,10589	0,779229	1528,73	43,8354	2,35312	170,832	0,639898
APRIL 89	20.02.89 - C 42/89	43,6879	8,10910	2,08379	174,390	129,820	7,09631	0,781922	1528,51	43,6879	2,35214	171,104	0,640604
MAY 89	20.03.89 - C 73/89	43,6163	8,12184	2,08286	174,932	129,638	7,05225	0,779150	1528,02	43,6163	2,34986	171,566	0,648004
JUNE 89	20.04.89 - C 100/89	43,5423	8,09880	2,08011	177,433	129,107	7,03986	0,779805	1525,32	43,5423	2,34632	172,133	0,653959
JULY 89	19.05.89 - C 125/89	43,5807	8,10898	2,08193	176,862	130,034	7,04961	0,778470	1517,23	43,5807	2,34680	171,977	0,653155
AUGUST 89	20.06.89 - C 153/89	43,3732	8,05889	2,07230	178,383	131,721	7,02721	0,776880	1502,30	43,3732	2,33406	172,752	0,674575
SEPTEMBER 89	20.07.89 - C 184/89	43,4303	8,05471	2,07343	179,195	130,280	7,03480	0,775238	1499,41	43,4303	2,33984	173,425	0,671537
OCTOBER 89	18.08.89 - C 213/89	43,4037	8,06110	2,07515	178,511	129,532	7,00740	0,777387	1490,41	43,4037	2,33950	173,225	0,676954

2) Average rates

Average rate = In ECU	Total expend. in N.C.	43,5263	8,04673	2,07717	174,158	132,534	7,06493	0,776112	1525,86	43,5691	2,34321	171,947	0,654745
	Total expend. In ECU												

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) & (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 CULTIVATION 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/EEC	Art.4(2) - R.2275/85/EEC	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	314.321,72	-	11.596.900,13	154.567,06	-	-	-	-	-	-	-	-	-	-
1980	3.002.586,67	186.053,42	1.913.256,21	-	-	-	-	-	300.380,92	-	-	-	-	-
1981	2.450.464,92	228.892,06	2.478.668,31	10.217.221,94	-	-	-	-	637.351,43	537.151,00	-	-	-	-
1982	6.186.243,27	2.637.599,46	2.790.594,51	2.533.410,95	-	-	-	-	949.915,85	996.896,74	-	-	-	-
1983	164.078,70	178.195,52	7.269.762,53	10.560.376,47	-	-	-	-	1.218.505,93	244.931,36	-	-	-	-
1984	- 61.379,87	3.908.825,34	15.922.258,52	16.652.197,17	-	-	-	-	1.146.908,53	1.154.500,00	-	-	-	-
1985	⁽¹⁾ 7.385.033,94	4.469.155,87	9.841.270,28	13.510.537,03	-	-	5.840.300,57	477.095,54	1.698.561,64	1.073.341,64	-	-	-	-
1986	16.814.428,88	1.415.568,83	5.703.249,46	22.024.203,03	3.508.292,70	-	4.240.522,52	10.022.033,99	1.787.948,82	3.274.836,39	2.720.876,01	-	82.041,14	-
1987	1.904.138,18	⁽²⁾ 1.529.034,59	14.574.601,04	16.887.665,33	8.468.414,24	-	11.758.761,54	9.709.384,11	2.015.516,92	500.500,00	3.156.544,66	3.901.558,94	8.092,65	-
1988	27.526.160,69	⁽²⁾ 10.499.219,91	10.967.980,65	22.847.681,56	962.664,57	-	5.753.277,19	6.609.141,86	2.367.324,23	1.316.663,61	5.965.430,20	2.314.470,42	-	-
1989	24.056.213,57	9.781.271,97	27.264.704,88	23.026.555,69	13.276.843,19	4.135.328,86	14.975.002,43	5.033.263,47	2.646.533,36	2.829.373,00	5.601.457,10	5.293.256,82	-	-
TOTAL	89.742.290,67	34.833.816,97	110.323.246,52	138.414.416,23	26.216.206,74	4.135.328,86	42.567.864,25	31.850.918,97	14.768.947,63	11.928.193,74	17.444.307,97	11.509.286,18	90.133,79	-

(1) The amount is negative because of securities forfeited on quantities imported from non-member countries.

(2) Commitments

ANNEX 20
GUARANTEE SECTION 1989 (3)
IRREGULARITIES REPORTED AND RECOVERY SITUATION

(ECU million)

SECTOR (2)	BELGIUM	GERMANY	DENMARK	FRANCE	GREECE	SPAIN	IRELAND	ITALY	LUXEMBOURG	NETHERL.	U.K.	TOTAL EEC
CEREALS AND RICE				(5) 0,591	(1) -	(1) 0,040	(1) 0,140	(8) 0,057		(25) 0,231	(2) -	(43) 1,059
SUGAR AND ISOGLUCOSE			(1) 0,737	(22) 0,195						(2) 0,003		(25) 0,935
OILS AND FATS		(1) 0,506		(1) 0,021		(1) 0,181		(125) 49,245		(1) 0,167		(129) 50,120
PROTEIN CROPS	(3) 0,001	(3) 1,583		(4) 0,518		(1) 0,030				(9) 0,063		(20) 2,195
FRUITS AND VEGETABLES				(6) 0,009	(1) 0,013			(24) 35,505				(31) 35,527
VINE PRODUCTS				(33) 0,533		(6) 0,070						(39) 0,603
TOBACCO								(4) 0,447				(4) 0,447
OTHER AGRIC. SECTORS		(1) 0,003										(1) 0,003
MILK PRODUCTS	(3) 0,022	(53) 1,526	(4) 0,759	(23) 3,303		(4) 0,020		(4) 5,837		(13) 0,810		(104) 12,277
BEEF AND VEAL		(12) 14,374	(14) 11,572	(6) 0,975	(1) 0,030		(8) 0,029	(64) 6,954	(1) -	(10) 10,991	(115) 0,318	(231) 45,243
SHEEPM/GOATMEAT				(4) 0,014				(11) 0,036			(37) 1,164	(52) 1,214
PIGMEAT			(5) 0,010	(2) 0,018				(2) 1,230		(3) 0,008	(1) 0,005	(13) 1,271
EGGS AND POULTRY										(3) 0,281	(1) 0,157	(4) 0,438
NON-ANNEX II PRODUCTS		(1) 0,072	(1) -	(6) 0,019						(7) 0,030	(1) 0,014	(16) 0,135
MONET. COMP. AMOUNTS			(2) 0,018	(8) 0,031			(2) 0,043				(3) 2,738	(15) 2,830
FISHERIES				(1) 0,020								(1) 0,020
OTHER SECTORS											(1) 0,004	(1) 0,004
TOTAL	(6) 0,023	(71) 18,064	(27) 13,096	(121) 6,247	(3) 0,043	(13) 0,341	(11) 0,212	(242) 99,311	(1) -	(73) 12,584	(161) 4,400	(729) 154,321
AMOUNTS RECOVERED	(5) 0,023	(14) 1,580	(9) 2,332	(73) 2,922	-	(2) 0,030	(2) 0,140	(28) 1,582		(46) 1,433	(108) 0,668	(287) 10,710
AMOUNTS LOST			(1) 0,002								(6) 0,473	(7) 0,475
AMOUNTS BEING RECOVERED	(1) -	(57) 16,484	(17) 10,762	(48) 3,325	(3) 0,043	(11) 0,311	(9) 0,072	(214) 97,729	(1) -	(27) 11,151	(47) 3,259	(435) 143,136

N.B. : (1) Figures in brackets are the number of cases reported.

(2) No cases reported by Portugal.

(3) All figures from COMA35 database; amounts updated using ECU rate of exchange valid on 1.12.1989.

ANNEX 21
GUARANTEE SECTION
IRREGULARITIES REPORTED AND RECOVERY SITUATION

(PBUD/EN/0060)

(ECU million)

MEMBER STATES	1971 - 1979		1980 - 1984		1985		1986		1987		1988		1989		TOTAL PER MEMBER STATE	
B	(12) (1)	1,413 0,240	(10) (7)	5,315 0,712	(12) (0)	1,529 -	(26) (1)	5,972 -	(13) (2)	2,663 0,231	(4) (1)	0,100 -	(6) (5)	0,023 0,023	(83) (17)	17,015 1,206
D	(90) (64)	6,919 4,035	(494) (355)	42,104 11,915	(116) (87)	4,735 1,050	(124) (94)	1,053 0,659	(64) (42)	0,442 0,223	(43) (27)	41,180 0,416	(71) (14)	18,064 1,580	(1002) (683)	114,497 19,878
DK	(18) (16)	0,128 0,036	(58) (56)	0,311 0,299	(17) (17)	0,409 0,409	(19) (18)	0,311 0,307	(12) (12)	0,137 0,137	(16) (8)	0,807 0,309	(27) (9)	13,097 2,332	(167) (136)	15,200 3,829
EL	- -	-	-	-	-	-	-	-	(1) -	-	-	-	(3) -	0,043 -	(4) -	0,043 -
ES	- -	-	-	-	-	-	-	-	-	-	(6) (4)	0,046 0,003	(13) (2)	0,341 0,030	(19) (6)	0,387 0,033
F	(12) (12)	1,168 0,071	(55) (51)	0,779 0,686	(28) (27)	0,544 0,544	(57) (53)	1,463 1,378	(75) (65)	3,823 1,308	(65) (40)	3,509 0,462	(121) (73)	6,247 2,922	(422) (321)	17,533 7,371
IRL	(7) (7)	0,115 0,115	(13) (13)	0,536 0,536	(1) (1)	- -	(3) (1)	1,020 -	(8) (0)	1,907 0,497	(14) (7)	2,718 0,035	(11) (2)	0,211 0,140	(57) (31)	6,507 1,323
I	(32) (9)	2,500 0,010	(76) (25)	33,481 2,068	(40) (5)	14,224 0,017	(50) (4)	19,468 1,501	(133) (25)	80,831 0,422	(81) (19)	103,507 1,891	(242) (28)	99,311 1,582	(654) (115)	353,322 7,491
L	- -	-	-	-	-	-	-	-	-	-	-	-	(1) -	- -	(1) -	- -
NL	(36) (35)	1,204 0,033	(58) (54)	2,394 1,079	(3) (3)	0 0	(13) (11)	0,054 0,049	(90) (84)	0,339 0,262	(41) (38)	0,315 0,052	(73) (46)	12,584 1,433	(314) (271)	16,890 2,908
P	- -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UK	(183) (71)	3,183 0,906	(83) (63)	0,994 0,760	(15) (9)	0,806 0,474	(21) (13)	0,494 0,481	(93) (66)	1,207 0,166	(97) (57)	2,762 0,275	(161) (108)	4,400 0,669	(653) (387)	13,846 3,731
EEC	(399) (215) (26)	16,630 5,446 1,037	(847) (624) (24)	85,914 18,055 0,096	(232) (149) (12)	22,247 2,494 0,051	(313) (195) (4)	29,835 4,375 1,020	(489) (296) (5)	91,349 3,246 0,308	(367) (201) (1)	154,944 3,443 0,494	(729) (287) (7)	154,321 10,711 0,475	(3376) (1967) (79)	555,240 47,770 3,481

Remarks : (1) The first line shows the number of cases reported and the amount involved and the second the recoveries already made (number of cases and amount). The third line of the EEC total shows the number of cases and the amounts declared irrecoverable of which the Commission has accepted the financial consequences.
(2) Where cases from before 1980 are concerned, only files still open when COMA35 was set up are included in the table.
(3) Amounts converted at the ECU rate valid on 1.12.1989.

ANNEX 22

Breakdown by sum involved and by Member State of communications made pursuant to
Article 3 of Regulation (EEC) No 283/72

1. Breakdown of communications (cases and amounts) (ECU '000) (1)

	GERMANY	FRANCE	ITALY	BELGIUM	LUXEM.	NETHER- LANDS	DENMARK	IRELAND	UNITED KINGDOM	GREECE	SPAIN	PORTUG.	TOTAL EEC
Insignific.	0 0	5 0	12 0	4 0	0 0	13 0	3 0	6 0	5 0	1 0	2 0	0 0	51 0
Recov. made	14 191	70 2356	26 1457	2 23	0 0	34 1377	9 1375	1 140	107 354	0 0	1 30	0 0	264 7303
- 5000. ECU	29 63	18 48	87 167	0 0	1 0	19 48	8 23	0 0	40 79	0 0	5 18	0 0	207 446
5 - 10	8 50	9 64	6 41	0 0	0 0	4 28	1 7	2 18	2 14	0 0	2 18	0 0	34 240
10 - 50	3 88	10 192	23 629	0 0	0 0	8 131	2 33	3 72	4 85	2 43	1 41	0 0	56 1314
50 - 100	1 64	2 131	6 447	0 0	0 0	1 60	0 0	0 0	1 84	0 0	1 53	0 0	12 839
100 - 500	7 1770	4 901	43 11800	0 0	0 0	0 0	2 672	0 0	3 481	0 0	1 181	0 0	60 15805
500 - 1000	3 2378	2 1448	14 9798	0 0	0 0	0 0	0 0	0 0	1 579	0 0	0 0	0 0	20 14203
+ 1 M. ECU	6 13460	1 1107	25 74972	0 0	0 0	2 10992	3 10991	0 0	1 2736	0 0	0 0	0 0	38 114258
TOTAL	71 18064	121 6247	242 99311	6 23	1 0	81 12636	28 13101	12 230	164 4412	3 43	13 341	0 0	742 154408

(1) By Member State (and total EEC) : Column 1 = number of cases
Column 2 = amount

2. Breakdown of communications (percentages) (2)

	GERMANY	FRANCE	ITALY	BELGIUM	LUXEMBOURG	NETHER- LANDS	DENMARK	IRELAND	UNITED KINGDOM	GREECE	SPAIN	PORTUGAL	TOTAL EEC
Insignific;	0.0 0.0	4.1 0.0	5.0 0.0	66.7 0.0	0.0 0.0	16.0 0.0	10.7 0.0	50.0 0.0	3.0 0.0	33.3 0.0	15.4 0.0	0.0 0.0	6.9 0.0
Recov. made	19.7 1.1	57.8 37.7	10.6 1.5	33.3 100.0	100.0 0.0	42.0 10.9	32.2 10.5	8.3 60.9	65.2 8.0	0.0 0.0	7.7 8.8	0.0 0.0	35.6 4.7
- 5000. ECU	40.8 0.3	14.9 0.8	36.0 0.2	0.0 0.0	0.0 100.0	23.5 0.4	28.6 0.2	0.0 0.0	24.4 1.8	0.0 0.0	38.4 5.4	0.0 0.0	27.9 0.3
5 - 10	11.3 0.3	7.4 1.0	2.5 0.0	0.0 0.0	0.0 0.0	4.9 0.2	3.6 0.1	16.7 7.7	1.2 0.3	0.0 0.0	15.4 5.4	0.0 0.0	4.6 0.2
10 - 50	4.2 0.5	8.3 3.1	9.5 0.6	0.0 0.0	0.0 0.0	9.9 1.0	7.1 0.3	25.0 31.4	2.4 1.9	66.7 100.0	7.7 11.9	0.0 0.0	7.5 0.9
50 - 100	1.4 0.4	1.7 2.1	2.5 0.4	0.0 0.0	0.0 0.0	1.2 0.5	0.0 0.0	0.0 0.0	0.6 1.9	0.0 0.0	7.7 15.5	0.0 0.0	1.6 0.5
100 - 500	9.9 9.8	3.3 14.4	17.8 11.9	0.0 0.0	0.0 0.0	0.0 0.0	7.1 5.1	0.0 0.0	1.8 10.9	0.0 0.0	7.7 53.0	0.0 0.0	8.1 10.2
500 - 1000	4.2 13.2	1.7 23.2	5.8 9.9	0.0 0.0	0.0 0.0	0.0 0.0	0.0 0.0	0.0 0.0	0.7 13.1	0.0 0.0	0.0 0.0	0.0 0.0	2.7 9.2
+ 1 M. ECU	8.5 74.4	0.8 17.7	10.3 75.5	0.0 0.0	0.0 0.0	2.5 87.0	10.7 83.8	0.0 0.0	0.7 62.1	0.0 0.0	0.0 0.0	0.0 0.0	5.1 74.0
TOTAL	100.0 100.0	100.0 100.0	100.0 100.0	100.0 100.0	100.0 100.0	100.0 100	100.0 100.0	100.0 100.0	100.0 100	100.0 100.0	100.0 100.0	100.0 100.0	100.0 100.0

(2) By Member State (and total EEC) : Column 1 = percentage of total cases notified
 Column 2 = percentage of total amount notified by size band

ANNEX 23
FINANCIAL RESULTS OF WORK ON CLEARING 1987 ACCOUNTS (1)
 (Including milk non-marketing and dairy herd conversion premiums)

(ECU million) (2)

	B	DK	DE	EL	ES	F	IR	IT	L	NL	PO	UK	EC TOTAL
a) 1987 expenditure claimed	811,4	1.051,9	3.993,1	1.194,0	672,6	5.532,0	956,3	3.792,8	1,5	2.740,7	129,7	2.007,3	22.883,3
b) Expenditure excluded from 1987 clearance	-	-	-	-	-	-	-	-	-	-	-	-	-
c) Expenditure claimed in previous years and excluded from clearance for those years	-	-	-	-	-	-	-	-	-	-	-	-	-
d) Expenditure coming under clearance (a-b+c)	811,4	1.051,9	3.993,1	1.194,0	672,6	5.532,0	956,3	3.792,8	1,5	2.740,7	129,7	2.007,3	22.883,3
e) Expenditure disallowed	0,3	- 4,9	- 194,5	- 5,4	- 24,2	- 44,6	- 1,4	- 96,4	-	- 5,5	- 0,2	- 7,9	- 384,7
f) Expenditure disallowed in respect of a previous year but accepted in respect of 1987 clearance	0,5	-	- 8,4	- 8,0	-	- 1,5	-	8,3	-	-	-	0,1	- 9,0
g) Total expenditure endorsed (d-e+f)	812,2	1.047,0	3.790,2	1.180,6	648,4	5.485,9	954,9	3.704,7	1,5	2.735,2	129,5	1.999,5	22.489,6
h) Expenditure charged, subject of present clearance (to be compared with d))	811,3	1.055,0	3.988,6	1.194,0	673,8	5.525,2	955,4	3.781,7	1,5	2.740,7	129,8	2.007,1	22.864,1
i) Financial result of clearance (h-g)	- 0,9	8,0	198,4	13,4	25,4	39,3	0,5	77,0	-	5,5	0,3	7,6	374,5

(1) Based on Decision 89/627/EEC, as amended by Decision 90/213/EEC.

(2) Conversion rate at 30.12.1988.