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**on the EUROPEAN AGRICULTURAL GUIDANCE AND GUARANTEE FUND,
Guarantee section**

– 2005 FINANCIAL YEAR –

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Note: A Commission staff working document accompanies this report. The full text of this working document (in English) and the annexed tables (either in English or French) will be available on DG Agriculture's website.

1. BUDGET PROCEDURE

1.1. Preliminary draft budget 2005

The 2005 Preliminary Draft Budget was adopted by the Commission and proposed to the Budgetary Authority in May 2004. The commitment appropriations proposed for the EAGGF-Guarantee section totalled EUR 50 675.5 million, i.e. EUR 43 834.5 million for sub-heading 1a and EUR 6 841.0 million for sub-heading 1b for which the payment appropriations totalled EUR 6 279.4 million due to the inclusion of the Transitional Instrument for the new Member States which is implemented on the basis of differentiated appropriations.

1.2. Draft budget 2005

The Council adopted the 2005 Draft Budget in July 2004. The appropriations in sub-heading 1a were reduced by EUR 1 000.0 million as compared to the PDB while the ones for sub-heading 1b were maintained at the level of the PDB.

1.3. Letter of amendment for 2005

At the end of October 2004 the Commission adopted Letter of Amendment No 3 to the 2005 PDB setting appropriation requirements for sub-heading 1a at EUR 43 610.5 million which was lower by EUR 224.0 million compared to the corresponding amount in the Preliminary Draft Budget. The proposed appropriation requirements for sub-heading 1b did not change.

1.4. Adoption of the 2005 Budget

In December 2004, the 2005 budget was adopted. The Budgetary Authority rejected the amounts proposed in the Amending Letter No 3 for sub-heading 1a and adopted a budget for 2005 at the level of the Draft Budget. The appropriations for sub-heading 1a amounted to EUR 42 835.5 million an amount lower by EUR 775.5 million compared to the corresponding amount in the Amending Letter No 3. The proposed appropriation requirements for sub-heading 1b did not change. For the details, please see Annex 1.

1.5. Amending budget BR 8/2005

In December 2005, the Commission proposed and the Budgetary Authority accepted an adjustment, through BR 8/2005, of the 2005 budget's commitment appropriations, by cancelling an amount of EUR 650.0 million for sub-heading 1a, which, then, amounted to EUR 42 185.5 million. For the details, please see point 2.5.

The part of the final EAGGF-Guarantee budget (commitment appropriations) in the total EU Budget for the period 2001–2005 appears in Annex 2.

2. CASH POSITION AND MANAGEMENT OF APPROPRIATIONS

A. MANAGEMENT OF APPROPRIATIONS

2.1. Appropriations available for exercise 2005

The appropriations finally available for EAGGF Guarantee for the financial year amount to EUR 49 026 450 000. The budget authority approved a non-automatic carryover from 2004 to 2005 of EUR 49 500 000.

2.2. Utilisation of appropriations available for exercise 2005

2.2.1. Budget operations

The table below details the budget operations carried out in 2005:

EUR

1. Appropriations available	
– normal appropriations	49 026 450 000,00
– non-automatic carryovers	49 500 000,00
2. Commitments	
– for Member States' expenditure against normal appropriations	46 690 243 602,43
– for expenditure against non-automatic carryovers	49 000 000,00
– for direct payments	257 947 288,72
– for Member States' expenditure – RDTI EU 10	1 931 000 000,00
Total commitments	48 928 190 891,15
3. Amounts charged	
– for Member States' expenditure against normal appropriations	46 690 243 602,43
– for expenditure against non-automatic carryovers	49 000 000,00
– for direct payments	16 019 711,99
– for Member States' expenditure – RDTI EU 10	316 264 683,00
Total charged	47 071 527 997,42
4. Automatic carryovers	
– for Member States' expenditure – RDTI EU 10	1 614 735 317,00
– for Member States' expenditure against non-automatic carryovers	0.00
– for direct payments	241 927 576,73
Total automatic carryovers	1 856 662 893,73
5. Non-automatic carryovers	43 400 000,00
6. Appropriations lapsing (= 1 – 2 – 5)	104 359 108,85

2.2.2. Automatic carryovers

The automatic carryovers represent the difference between commitments and amounts charged. For 2005, an amount of EUR 1 856.7 million is concerned corresponding to the

appropriations committed by the Commission for which no payments have been made by the end of the exercise.

2.2.3. *Non-automatic carryovers*

Under Articles 9 and 149 of the Financial Regulations (Council Regulation (EC) No 1605/2002 of 25 June 2002), the Commission decided non-automatic carryovers from exercise 2005 to exercise 2006 for a total amount of EUR 43.4 million for the item 05.040105 « Early retirement – New system ».

2.3. Automatic carryovers from exercise 2004 to 2005

The table below gives an overview of the utilisation of these carryovers in 2005 at the global level:

EUR

1. Commitments carried over	
– for Member States' expenditure – RDTI EU 10	1 104 080 140,00
– for direct payments	348 125 257,83
Total commitments	1 452 205 397,83
2. Decommitments from carryovers	
– for Member States' expenditure	–
– for direct payments	–5 418 456,25
Total decommitments	–5 418 456,25
3. Payments	
– for Member States' expenditure – RDTI EU 10	1 098 312 232,00
– for direct payments	295 928 756,46
Total of the amounts charged	1 394 240 988,46
4. Appropriations lapsing (= 1 + 2 – 3)	
– for Member States' expenditure	0
– for direct payments	46 778 045,12
Total carryovers cancelled	46 778 045,12
5. Automatic carryovers	
– – for Member States' expenditure – RDTI EU 10	5 767 908,00

2.4. Non-automatic carryovers from 2004

Under Articles 9 and 149 of the Financial Regulation (Council Regulation (EC) No 1605/2002 of 25 June 2002), the Commission decided non-automatic carryovers from exercise 2004 to 2005 for a total amount of EUR 49.5 million.

The amount is broken down as followed:

- EUR 8.3 million for item 05.040101 « Investments agricultural holdings »
- EUR 8.1 million for item 05.040107 « Agri-environment »

- EUR 2.5 million for item 05.040109 « Improving processing and marketing agricultural products »
- EUR 14.2 million for item 05.040110 « Forestry – former system »
- EUR 9.6 million for item 05.040112 « Promotion adaptation and development rural areas »
- EUR 6.3 million for item 05.040113 « Other rural development measures »;
- EUR 0.5 million for item 17.010404 « Pilot study: risk financing model for livestock epidemics ».

2.5. Transfers and amending budget of appropriations within EAGGF-Guarantee

In 2005, the Budget Authority approved the chapter-to-chapter transfer No 18/05, from chapter 5.03 « animal products » (– EUR 241.5 million), 05.07 « audit of agriculture expenditure » (– EUR 14.0 million), 05.08 « policy strategy and coordination of agriculture policy area » (– EUR 18.0 million), to chapter 05.02 « plant products » (+ EUR 273.5 million).

In 2005, the Budget Authority was informed of the chapter-to-chapter transfer No 19/05, from chapter 05.03 « animal products » (– EUR 82.9 million), to chapter 5.02 « plant products » (+ EUR 82.9 million).

In 2005, the Budget Authority approved amending budget No 8/2005 thereby cancelling total appropriations by an amount of EUR 650.0 million involving chapters 5.03 « animal products » (– EUR 446 million), 05.07 « audit of agriculture expenditure » (– EUR 169.0 million) and 17.04 « food safety, animal health, animal welfare and plant health » (– EUR 35.0 million).

B. ADVANCES

2.6. Advances to Member States

2.6.1. Monthly advances on the provision for expenditure

Council Regulation (EC) No 1258/1999 of 17 Mai 1999 on the financing of the common agricultural policy¹ states in Article 7 that the Commission shall decide on « monthly advances on the provisions for expenditure effected by the accredited paying agencies». Advances are paid to the Member State at the beginning of the second month following that in which the expenditure was effected by the paying agency.

In the strict meaning of the term, it is not a payment of advances, but a reimbursement of expenditure which has been already carried out. The expression « advance » underlines the provisional character of these payments: advances are made available on the basis of the monthly declarations forwarded by the Member States²; the monthly booking of expenditure is subject to checks and corrections on the basis of the detailed declaration³.

¹ OJ L 160, 26.6.1999, p. 103.

² These payments are transmitted monthly by the Member States by the fax of the 10th.

³ The detailed declaration is transmitted monthly by the Member States by table 104.

Moreover, they will become final after the verification during the following exercises in the light of the clearance of accounts decisions.

Payments made by the Member States from 16.10.2004 to 15.10.2005 are covered by the system for advance payments. For the remaining payments, the Commission carries out direct payments for a limited number of measures and as it regards management for the (RDTI-EU 10) Rural Development Transitional Instrument for the new Member States.

For exercise 2005, the total net amount of advances paid was EUR 46 739 243 602,43.

2.6.2. Decisions on advances for 2005

For exercise 2005, the Commission adopted twelve decisions on monthly advances. An additional advance, adjusting those already granted for the total expenditure chargeable to the year, was adopted in December 2005. For details please see Annex 6 of the Working Document accompanying this report.

3. EXECUTION OF THE 2005 BUDGET

The initially available credit appropriations of EAGGF-Guarantee for the 2005 budget year amounted to EUR 49 725.9 million, including the amounts carried forward from 2004 (NB: EUR 49.0 million for sub-heading 1b and EUR 0.5 million for DG SANCO). An amount of EUR 42 835.9 million was allocated to sub-heading 1a and the rest EUR 6 890.0 million to sub-heading 1b.

The implementation of the budget for sub-heading 1a amounted to EUR 42 100.8 million, i.e: to approximately 98.3% of the initial credit appropriations and for sub-heading 1b to EUR 6 827.3 million, i.e: to approximately 99.1% of the corresponding credit appropriations.

Concerning in particular sub-heading 1a, the budget's implementation resulted to an under-spending of EUR 735.1 million. In order to reduce the Member States contributions to the community budget, the Commission proposed, via the Amending Budget No 8/2005, to cancel an amount of EUR 650.0 million out of EAGGF-Guarantee's credit appropriations. Thus, the finally available appropriations for sub-heading 1a amounted to EUR 42 185.9 million and the resulting under-implementation was reduced to EUR 85.1 million.

The execution of the 2005 budget with the differences between this execution and the appropriations included in the initial budget and in the amending budget No 8/2005 are presented in Annex 3. The expenditure incurred by Member State and by measure is presented in Annex 4.

4. COMMENTS ON THE EXECUTION OF THE BUDGET

The 2005 agricultural year was marked by an increase in cereals production and a slight decrease in the production of animal products accompanied with favourable prices for animal products and lower prices for crops.

4.1. Sub-heading 1a

For sub-heading 1a, the budget's appropriations were over-implemented in plant products while they were under-implemented in the milk and pig-meat sectors, audit, policy strategy and coordination, fisheries and veterinary expenditure. The annexed table presents the implementation details for the various articles of the budget. The reasons for the implementation pattern of certain articles of the budget when compared to the budget's final appropriations are briefly presented below:

4.1.1. Market measures on cereals

The over-implementation of this sector's appropriations results mainly from the increased quantities of cereals going into public storage following the over-abundant 2004/05 cereals harvest. Indeed, it is estimated that approximately 14.7 mt of cereals have been purchased into public storage in the course of the budget year as opposed to the quantity of 2.6 mt which corresponds to the appropriations made available by the Budgetary Authority for the 2005 budget.

4.1.2. Direct payments for arable crops

At the time of adoption of the budget, the Budgetary Authority reduced the credits requested for this article especially with regard to the payments of area aids for cereals, oilseeds, proteins etc. However, the expenditure incurred by the Member States for the direct payments for arable crops was higher than the appropriations included in the budget, thus, over-spending these appropriations by approximately EUR 173.4 million.

4.1.3. Textile plants

The over-implementation concerns mainly the cotton sector. The appropriations of this item were reduced by the Budgetary Authority by approximately EUR 53.0 million. The expenditure incurred by the Member States for this measure was higher at EUR 952.0 million, thus leading to an over-spending of the budget's appropriations.

4.1.4. Fruits and vegetables

The favourable conditions in the fruits and vegetables market resulted to the withdrawal of lower quantities of fruits and vegetables, thus, leading to lower than otherwise expenditure. In addition, favourable developments have led to increases in the market price for bananas, therefore, leading to reductions in the rate of aid paid for this product. The overall amount of savings resulting from these two measures was partly compensated by an increase in the granting of operational funds for producer organisations which was observed in the course of the year.

4.1.5. Other plant products and measures

The under-implementation in this sector results both from a slowdown in the rhythm of payments of the aids for dried fodder and from lower payments made by Member States as it regards the various POSEI programmes.

4.1.6. Direct aids of a horizontal nature

This sector's over-execution of appropriations concerns the Simplified Area Payments Scheme (SAPS) and it is due to the double rate effect arising from the payment of aids in national currency. In particular, the currencies of Hungary and Poland have appreciated against the Euro, thus, resulting to the incurred higher expenditure.

4.1.7. Milk and milk products

Favourable internal and external market conditions in the milk sector allowed the Commission to reduce the level of export refund rates and of internal market aid rates for the disposal of the different milk products when compared to the levels retained in the 2005 budget. This reduction lowered expenditure for the different measures and led to savings in this sector. Furthermore, the super-levy was collected for a total excess quantity of more than 1.0 mt of milk compared with the quantity of 0.25 million tonnes of the budget, thus, further increasing this sector's savings.

4.1.8. Beef and veal

The over-implementation in this sector concerns mainly the payments for the 2004 animal premiums which were significantly higher than in past years. It should be reminded that the appropriations of this article have been reduced by the Budgetary Authority by approximately EUR 226.0 million particularly in regard to the suckler-cow and special beef premiums.

4.1.9. Pigmeat, eggs and poultry, beekeeping

This sector's under-implementation results from the good market situation in 2005 in the pigmeat sector which allowed the Commission to eliminate the payment of export refunds for fresh, chilled and frozen pigmeat. Export refunds were only paid for sausages for which the exported quantities were lower than the ones forecasted in the 2005 budget.

4.1.10. Conformity clearance of accounts

As a result of the conformity clearance of accounts procedure, the amounts clawed back from the Member States were higher compared to the amount retained in the 2005 budget.

4.2. Sub-heading 1b

4.2.1. Rural Development (EU-15)

The EAGGF-Guarantee section uses the sub-heading 1b appropriations to co-finance (Regulation (EC) No 1257/1999) the 89 rural development programmes of the EU-15 which were adopted for the period 2000–2006. In 2005, 99.1% of available appropriations were paid out in respect of expenditure actually incurred for these programmes. The principal measures for which there was a significant under-utilisation of the budget's appropriations were: Early retirement (new system), Agri-environment (new system) and Forestry (new system). On the other hand, the support measures for less favoured areas were significantly over-implemented.

4.2.2. *Transitional Instrument for the financing of Rural Development by the EAGGF-Guarantee section for the new Member States*

The EAGGF-Guarantee section under this instrument co-finances (Regulation (EC) No1257/1999), on the basis of differentiated appropriations, the rural development programmes, adopted in 2004, for the 10 new Member States for the period 2004–2006. All the amounts foreseen in the budget were committed while payments amounted to approximately EUR 1 414.6 million, ie: they were higher by EUR 45.2 million.

4.3. Breakdown by type of expenditure

The EAGGF Guarantee Section expenditure for sub-heading 1a can be broken down into the following principal categories. Hereafter, the corresponding expenditure involved along with the percentage that this expenditure represents in the total EAGGF-Guarantee section expenditure for 2005 are given:

4.3.1 *Export refunds*

Spending on export refunds amounted to EUR 3 051.9 million, ie: 6.2% of the total.

4.3.2 *Direct aids*

Expenditure under this heading amounted to EUR 33 700.8 million, i.e. 68.9% of the total. The expenditure that counts as direct aid is defined in the Annex to Regulation (EC) No 1259/1999 of 17 May 1999 (OJ L 160, p. 113).

4.3.3 *Storage*

Expenditure for storage amounted to EUR 851.5 million, ie: 1.7% of the total. The main products involved were cereals, sugar, wine and milk products.

4.3.4 *Others*

Other intervention expenditure amounted to EUR 4 496.6 million, i.e. 9.2% of the year's total. This heading covers expenditure not falling into the above categories.

The evolution of this breakdown of expenditure for the period 2001 to 2005 is presented in Annex 5.

ANNEX 1

Article
Chapter
Title

BUDGETARY PROCEDURE FOR 2005 - EUR - 25 - EAGGF - Guarantee

mio euros		PDB		DB		DB		Letter		Council		Budget	
		CA	PA	Council first reading CA	PA	EP first reading CA	PA	of amendment CA	PA	second reading CA	PA	CA	PA
05	POLICY AREA 05 : AGRICULTURE AND RURAL DEVELOPMENT												
05 01	Management and support expenditure of DG AGRI												
05 01 04	Support expenditure for operations of policy area Agriculture	4,3	4,3	4,3	4,3	5,3	5,3	4,8	4,8	4,8	4,8	4,8	4,8
05 02	Plant products	29.792,4	29.792,4	29.134,6	29.134,6	29.793,9	29.793,9	29.916,4	29.916,4	29.134,6	29.134,6	29.134,6	29.134,6
05 02 01	Market measures on cereals	395,0	395,0	395,0	395,0	395,0	395,0	639,0	639,0	395,0	395,0	395,0	395,0
05 02 02	Rice	469,0	469,0	469,0	469,0	469,0	469,0	473,0	473,0	469,0	469,0	469,0	469,0
05 02 03	Direct payments for arable crops	17.403,0	17.403,0	16.972,3	16.972,3	17.403,0	17.403,0	17.403,0	17.403,0	16.972,3	16.972,3	16.972,3	16.972,3
05 02 04	Food programmes	223,0	223,0	223,0	223,0	223,0	223,0	221,0	221,0	223,0	223,0	223,0	223,0
05 02 05	Sugar and monetary measures	1.815,0	1.815,0	1.770,1	1.770,1	1.815,0	1.815,0	1.669,0	1.669,0	1.770,1	1.770,1	1.770,1	1.770,1
05 02 06	Olive oil	2.355,0	2.355,0	2.296,7	2.296,7	2.355,0	2.355,0	2.281,0	2.281,0	2.296,7	2.296,7	2.296,7	2.296,7
05 02 07	Textile plants	936,0	936,0	912,9	912,9	936,0	936,0	966,0	966,0	912,9	912,9	912,9	912,9
05 02 08	Fruit and vegetables	1.860,0	1.860,0	1.814,0	1.814,0	1.861,5	1.861,5	1.945,0	1.945,0	1.814,0	1.814,0	1.814,0	1.814,0
05 02 09	Products of wine-growing sector	1.259,0	1.259,0	1.227,8	1.227,8	1.259,0	1.259,0	1.260,0	1.260,0	1.227,8	1.227,8	1.227,8	1.227,8
05 02 10	Tobacco	952,4	952,4	928,8	928,8	952,4	952,4	954,4	954,4	928,8	928,8	928,8	928,8
05 02 11	Other plant products/measures	737,0	737,0	737,0	737,0	737,0	737,0	733,0	733,0	737,0	737,0	737,0	737,0
05 02 12	Direct aids of a horizontal nature	1.388,0	1.388,0	1.388,0	1.388,0	1.388,0	1.388,0	1.398,0	1.398,0	1.388,0	1.388,0	1.388,0	1.388,0
05 02 99	Recoveries	0,0	0,0	0,0	0,0	0,0	0,0	-26,0	-26,0	0,0	0,0	0,0	0,0
05 03	Animal products	14.026,0	14.026,0	13.683,8	13.683,8	14.019,3	14.019,3	13.677,0	13.677,0	13.683,8	13.683,8	13.683,8	13.683,8
05 03 01	Milk and milk products	3.901,0	3.901,0	3.804,5	3.804,5	3.902,0	3.902,0	3.534,0	3.534,0	3.804,5	3.804,5	3.804,5	3.804,5
05 03 02	Beef and veal	8.088,0	8.088,0	7.887,9	7.887,9	8.080,3	8.080,3	8.114,0	8.114,0	7.887,9	7.887,9	7.887,9	7.887,9
05 03 03	Sheepmeat and goatmeat	1.840,0	1.840,0	1.794,5	1.794,5	1.840,0	1.840,0	1.841,0	1.841,0	1.794,5	1.794,5	1.794,5	1.794,5
05 03 04	Pigmeat, eggs and poultry, bee-keeping & other animal prod.	197,0	197,0	197,0	197,0	197,0	197,0	203,0	203,0	197,0	197,0	197,0	197,0
05 03 99	Recoveries	0,0	0,0	0,0	0,0	0,0	0,0	-15,0	-15,0	0,0	0,0	0,0	0,0
05 07	Audit	-374,9	-374,9	-374,9	-374,9	-374,9	-374,9	-374,9	-374,9	-374,9	-374,9	-374,9	-374,9
05 07 01	Control of agricultural expenditure	-374,9	-374,9	-374,9	-374,9	-374,9	-374,9	-374,9	-374,9	-374,9	-374,9	-374,9	-374,9
05 07 02	Settlement of disputes	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
05 08	General operational support and coordination	66,0	66,0	66,0	66,0	66,0	66,0	66,0	66,0	66,0	66,0	66,0	66,0
Total 1a - CAP excluding rural development		43.513,8	43.513,8	42.513,8	42.513,8	43.509,6	43.509,6	43.289,3	43.289,3	42.514,3	42.514,3	42.514,3	42.514,3
Fish (Policy area 11)		33,2	33,2	33,2	33,2	33,2	33,2	33,2	33,2	33,2	33,2	33,2	33,2
Veterinary, phytosanitary and public health (Policy area 17)		287,5	287,5	287,5	287,5	330,5	330,5	288,0	288,0	288,0	288,0	288,0	288,0
Total 1a		43.834,5	43.834,5	42.834,5	42.834,5	43.873,3	43.873,3	43.610,5	43.610,5	42.835,5	42.835,5	42.835,5	42.835,5
05 04 01	Rural development in the EAGGF-Guarantee EUR-15	4.910,0	4.910,0	4.910,0	4.910,0	4.910,0	4.910,0	4.910,0	4.910,0	4.910,0	4.910,0	4.910,0	4.910,0
05 04 04	Transitional Instrument for the financing of rural development by the EAGGF Guarantee Section for the new Member States	1.931,0	1.369,4	1.931,0	1.369,4	1.931,0	1.369,4	1.931,0	1.369,4	1.931,0	1.369,4	1.931,0	1.369,4
Total 1b		6.841,0	6.279,4	6.841,0	6.279,4	6.841,0	6.279,4	6.841,0	6.279,4	6.841,0	6.279,4	6.841,0	6.279,4
TOTAL EAGGF Guarantee		50.675,5	50.113,9	49.675,5	49.113,9	50.714,3	50.152,7	50.451,5	49.889,9	49.676,5	49.114,9	49.676,5	49.114,9

ANNEX 2

PART OF THE EAGGF-GUARANTEE BUDGET IN THE EU BUDGET FOR THE PERIOD 2001 _ 2005

BUDGET YEAR	2001	2002	2003	2004	2005
	%	%	%	%	%
EU BUDGET	100%	100%	100%	100%	100%
EAGGF - Guarantee	41,9%	44,7%	45,2%	41,4%	42,5%
of which 1A	37,6%	40,0%	40,4%	35,4%	36,5%
of which 1B	4,3%	4,7%	4,8%	6,0%	6,0%

ANNEX 3

ANALYSIS OF 2005 BUDGETARY EXECUTION

F P H	T	C	A	HEADING	INITIAL BUDGET 2005	AB n° 8/2005	EXECUTION 2005 (10/2005) final	DIFF EXE. - INITIAL BUDGET	DIFF EXE. - AB n° 8/2005
					(0)	(1)	(2)	(3) = (2) - (0)	(4) = (2) - (1)
				05 AGRICULTURE (1a)	42.514.275.000	41.899.275.000	41.831.410.228	-682.864.772	-67.864.772
				05 01 Administrative expenditure	4.775.000	4.775.000	3.215.846	-1.559.154	-1.559.154
1.1				05 01 04 Support expenditure for operations of Policy Area Agriculture	4.775.000	4.775.000	3.215.846	-1.559.154	-1.559.154
				05 02 Plant products	29.134.620.000	29.134.620.000	29.469.318.780	334.698.780	334.698.780
1.1				05 02 01 Market measures on cereals	395.000.000	395.000.000	665.637.810	270.637.810	270.637.810
1.1				05 02 02 Rice	469.000.000	469.000.000	436.242.621	-32.757.379	-32.757.379
1.1				05 02 03 Direct payments for arable crops	16.972.330.000	16.972.330.000	17.145.765.857	173.435.857	173.435.857
1.1				05 02 04 Food programmes	223.000.000	223.000.000	222.107.401	-892.599	-892.599
1.1				05 02 05 Sugar	1.770.080.000	1.770.080.000	1.792.878.103	22.798.103	22.798.103
1.1				05 02 06 Olive oil	2.296.720.000	2.296.720.000	2.311.307.786	14.587.786	14.587.786
1.1				05 02 07 Textile plants	912.850.000	912.850.000	972.495.889	59.645.889	59.645.889
1.1				05 02 08 Fruit and vegetables	1.813.970.000	1.813.970.000	1.748.367.995	-65.602.005	-65.602.005
1.1				05 02 09 Products of wine-growing sector	1.227.840.000	1.227.840.000	1.267.182.652	39.342.652	39.342.652
1.1				05 02 10 Tobacco	928.830.000	928.830.000	922.676.960	-6.153.040	-6.153.040
1.1				05 02 11 Other plant products/measures	737.000.000	737.000.000	600.993.937	-136.006.063	-136.006.063
1.1				05 02 12 Direct aids of a horizontal nature	1.388.000.000	1.388.000.000	1.453.075.212	65.075.212	65.075.212
1.1				05 02 99 Recoveries	0	0	-69.413.441	-69.413.441	-69.413.441
				05 03 Animal products	13.683.780.000	13.237.780.000	12.888.547.728	-795.232.272	-349.232.272
1.1				05 03 01 Milk and milk products	3.804.460.000	3.383.460.000	2.755.132.352	-1.049.327.648	-628.327.648
1.1				05 03 02 Beef and veal	7.887.850.000	7.887.850.000	8.176.038.373	288.188.373	288.188.373
1.1				05 03 03 Sheepmeat and goatmeat	1.794.470.000	1.794.470.000	1.837.300.978	42.830.978	42.830.978
1.1				05 03 04 Pigmeat, eggs and poultry, bee-keeping and other animal products	197.000.000	172.000.000	140.899.093	-56.100.907	-31.100.907
1.1				05 03 99 Recoveries	0	0	-20.823.069	-20.823.069	-20.823.069
				05 07 Audit of agricultural expenditure	-374.900.000	-543.900.000	-566.132.154	-191.232.154	-22.232.154
1.1				05 07 01 Control of agricultural expenditure	-374.900.000	-543.900.000	-566.132.154	-191.232.154	-22.232.154
1.1				05 07 02 Settlement of disputes	0	0	0	0	0
				05 08 Policy strategy and coordination	66.000.000	66.000.000	36.460.028	-29.539.972	-29.539.972
1.1				05 08 04 Promotion measures, Payments by Member States	48.500.000	48.500.000	30.230.113	-18.269.887	-18.269.887
1.1				05 08 05 Promotion measures, Direct payments by the European Community	11.000.000	11.000.000	2.349.421	-8.650.579	-8.650.579
1.1				05 08 06 Enhancing public awareness of the CAP	6.500.000	6.500.000	3.972.765	-2.527.235	-2.527.235
1.1				05 08 99 Other measures in connection with promotion	0	0	-92.271	-92.271	-92.271
				11 Fisheries	33.200.000	33.200.000	28.535.537	-4.664.463	-4.664.463
				11 02 Fisheries markets - EAGGF Guarantee Section	33.200.000	33.200.000	28.535.537	-4.664.463	-4.664.463
1.1				11 02 01 Intervention in fishery products	18.200.000	18.200.000	13.091.271	-5.108.729	-5.108.729
1.1				11 02 02 Other measures	0	0	-60.535	-60.535	-60.535
1.1				11 02 03 Fisheries programme for the outermost regions	15.000.000	15.000.000	15.504.802	504.802	504.802
				17 Veterinary expenditure - EAGGF Guarantee Section	288.475.000	253.475.000	240.899.369	-47.575.631	-12.575.631
				17 01 Administrative Expenditure	5.700.000	5.700.000	3.697.571	-2.002.429	-2.002.429
1.1				17 01 04 Support exp. for operations of Policy Area Health & consumer protection (1)	5.700.000	5.700.000	3.697.571	-2.002.429	-2.002.429
				17 03 Public health	14.400.000	14.400.000	14.271.439	-128.561	-128.561
1.1				17 03 02 Community tobacco fund, Direct payments by the European Union	14.400.000	14.400.000	14.271.439	-128.561	-128.561
				17 04 Food safety, animal health, an. welfare & plant health	268.375.000	233.375.000	222.930.359	-45.444.641	-10.444.641
1.1				17 04 01 Animal disease eradication & monit. prog. & monit. of physical conditions of animals that could pose a public-health risk linked to an external factor	203.500.000	203.500.000	200.468.000	-3.032.000	-3.032.000
1.1				17 04 02 Other measures in the veterinary, animal welfare and public-health field	10.000.000	10.000.000	14.390.813	4.390.813	4.390.813
1.1				17 04 03 Emergency fund for veterinary complaints and other animal contaminations which are a risk to public health	48.000.000	13.000.000	4.835.834	-43.164.166	-8.164.166
1.1				17 04 04 Plant-health measures	3.000.000	3.000.000	1.832.527	-1.167.473	-1.167.473
1.1				17 04 05 Other measures	0	0	0	0	0
1.1				17 04 07 Feed and food safety and related activities	3.875.000	3.875.000	1.403.185	-2.471.815	-2.471.815
				TOTAL Heading 1a (Titles 05, 11, 17) (1)	42.835.950.000	42.185.950.000	42.100.845.135	-735.104.865	-85.104.865
				05 Rural Development (1b)	6.890.000.000	6.890.000.000	6.827.345.756	-62.654.244	-62.654.244
				05 04 Rural D. expenditure in the EAGGF Guarantee Section	6.890.000.000	6.890.000.000	6.845.751.205	-44.248.795	-44.248.795
1.2				05 04 01 Rural development in the EAGGF Guarantee Section (2)	4.959.000.000	4.959.000.000	4.914.751.205	-44.248.795	-44.248.795
1.2				05 04 04 Transitional Instrument for the financing of RD by the EAGGF Guarantee Section for the new M.	1.931.000.000	1.931.000.000	1.931.000.000	0	0
				05 07 Audit of agricultural expenditure	0	0	-18.405.449	-18.405.449	-18.405.449
1.2				05 07 01 Clearance of accounts of RD 1b	0	0	-18.405.449	-18.405.449	-18.405.449
				TOTAL Heading 1b (Title 05) (2)	6.890.000.000	6.890.000.000	6.827.345.756	-62.654.244	-62.654.244
				TOTAL EAGGF 1a + 1b (1) & (2)	49.725.950.000	49.075.950.000	48.928.190.891	-797.759.109	-147.759.109

(1) An amount of EUR 0.5 million was carried forward from 2004. This amount was not committed in 2005

(2) An amount of EUR 49.0 million was carried forward from 2004 and it was committed in 2005

ANNEX 4

EAGGF-GUARANTEE EXPENDITURE BY ARTICLE AND BY MEMBER STATE - EXERCISE 2005

(in EUR Million)

Article	Heading	BE	CZ	DK	DE	EE	GR	ES	FR	IE	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	GB	CE	TOTAL	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25			
05 01 04	Support exp. operations PA Agriculture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,2	3,2	
05 01	Administrative expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,2	3,2	
05 02 01	Market measures on cereals	6,4	33,6	13,6	236,0	0,6	0,0	-3,1	127,9	0,3	4,4	-	1,3	6,0	-	104,2	-0,1	45,5	11,2	32,5	-0,7	0,0	12,3	7,4	21,2	5,2	-	665,6	
05 02 02	Rice	-0,5	-	0,0	-	-	33,0	123,2	20,4	-	240,2	-	-	-	-	0,0	-0,1	-	-	-4,3	24,3	0,0	-	-	-	0,0	-	436,2	
05 02 03	Direct payments for arable crops	169,5	-	682,2	3.623,7	-	503,4	1.832,3	5.170,1	131,1	1.876,5	-	-	-	10,9	-	0,1	218,9	364,9	-	178,5	9,8	-	364,5	453,7	1.555,4	-	17.145,8	
05 02 04	Food programmes	4,3	-	0,0	-	-	3,1	46,8	50,2	-	63,4	-	-	-	0,0	-	0,2	0,2	-	37,7	13,7	-	-	2,6	-	-	-	222,1	
05 02 05	Sugar	253,6	2,5	96,8	268,9	0,0	2,1	53,2	363,7	21,7	68,7	0,1	0,3	19,5	-	61,3	-	90,9	78,4	82,9	10,5	0,3	16,7	22,2	48,3	230,2	-	1.792,9	
05 02 06	Olive oil	-	-	0,1	-	-	461,7	1.028,5	5,3	-	769,1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.311,3	
05 02 07	Textile plants	3,9	0,0	-	0,2	-	726,6	226,3	13,7	-	0,0	-	-	-	-	-	-	-	1,5	0,0	-	-	-	-	-	0,2	-	972,5	
05 02 08	Fruit and vegetables	37,7	1,5	3,3	25,7	-	222,5	485,9	262,1	5,6	511,2	1,9	-	0,0	-	0,0	5,0	0,3	74,6	3,5	7,0	58,0	0,1	1,1	0,3	3,5	37,8	-	1.748,4
05 02 09	Products of wine-growing sector	-	1,1	-	27,2	-	20,1	461,7	270,5	-	364,4	23,5	-	-	0,7	13,0	0,2	-	7,4	-	73,7	3,2	0,1	-	-	0,4	-	1.267,2	
05 02 10	Tobacco	4,1	-	-	32,3	-	361,8	111,4	74,8	-	322,0	-	-	-	-	-	-	-	0,8	-	15,4	-	-	-	-	-	-	922,7	
05 02 11	Other plant products/measures	2,7	2,0	38,6	35,5	-	26,5	239,4	128,9	0,3	64,9	-	-	0,0	0,2	3,7	-	22,1	0,5	0,3	23,5	0,2	0,2	1,3	3,7	6,5	-	601,0	
05 02 12	Direct aids of a horizontal nature	0,0	212,4	0,0	-	21,2	-	0,0	0,0	0,0	3,8	7,9	25,1	81,8	0,0	316,0	-	-	702,0	-	-	-	82,8	0,0	-	0,1	-	1.453,1	
05 02 99	Recoveries	-0,3	0,0	-2,7	-7,6	0,0	-1,1	-19,9	-3,8	-0,1	-21,2	-	0,0	-	0,0	0,0	-	-2,2	-1,2	0,0	-2,2	0,0	-	0,0	-0,1	-6,9	-	-69,4	
05 02	Plant products	481,3	253,0	832,0	4.242,1	21,8	2.369,7	4.585,5	6.483,8	169,0	4.267,5	33,3	26,6	107,3	11,8	503,2	0,6	451,5	465,5	858,1	441,1	13,7	113,1	398,3	530,3	1.829,0	-	29.469,3	
05 03 01	Milk and milk products	250,7	28,1	179,3	391,0	5,2	6,5	95,0	591,5	232,3	-69,6	0,3	0,9	12,4	2,7	8,7	-	529,1	30,4	5,4	22,4	5,0	1,2	77,0	81,8	267,9	-	2.755,1	
05 03 02	Beef and veal	242,7	0,5	154,6	1.030,1	-	93,0	829,5	1.868,6	954,6	560,5	0,1	0,0	7,3	13,7	0,8	0,2	184,4	254,6	11,9	191,4	12,8	-	88,2	168,5	1.508,2	-	8.176,0	
05 03 03	Sheepmeat and goatmeat	1,5	-	1,7	44,8	-	249,8	510,7	175,0	108,2	181,0	-	-	-	0,1	-	0,0	14,4	4,9	-	61,1	0,6	-	1,4	4,4	477,7	-	1.837,3	
05 03 04	Pigmeat, eggs, poultry & bee-keeping	2,8	0,1	11,5	6,4	0,0	2,2	7,1	76,1	0,1	10,8	-	0,1	0,1	0,0	2,3	0,0	11,2	1,6	2,4	2,9	0,9	0,1	0,4	0,4	1,5	-	140,9	
05 03 99	Recoveries	-1,1	0,0	-1,2	0,6	0,0	-0,3	-3,3	-3,7	-5,1	-0,4	-	-	0,0	0,0	-	-	-0,6	-0,5	-0,1	-1,3	-	-	0,0	-0,1	-3,9	-	-20,8	
05 03	Animal products	496,5	28,8	345,9	1.472,9	5,2	351,1	1.439,1	2.707,5	1.290,2	682,3	0,4	1,0	19,8	16,4	11,8	0,2	738,6	290,9	19,7	276,6	19,3	1,3	166,9	255,0	2.251,2	-	12.888,5	
05 07 01	Control of agricultural expenditure	-0,3	-	-0,1	-18,5	-	-114,1	-161,5	-99,7	-2,7	-137,4	-	-	-	-	0,8	0,0	-	-0,3	-1,6	-	-14,3	-	-	0,4	-	-24,2	7,4	-666,1
05 07 02	Settlement of disputes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
05 07	Audit of agricultural expenditure	-0,3	-	-0,1	-18,5	-	-114,1	-161,5	-99,7	-2,7	-137,4	-	-	-	-	0,8	0,0	-	-0,3	-1,6	-	-14,3	-	-	0,4	-	-24,2	7,4	-666,1
05 08 04	Promot. measures. Paymts. by M States	1,1	-	0,3	2,7	-	-	2,6	8,4	0,2	7,2	-	-	-	-	-	-	-	2,8	1,7	0,2	1,2	-	-	0,3	0,1	1,4	-	30,2
05 08 05	Promot. measures. Direct paymts. by the EC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,3	2,3	
05 08 06	Enhancing public awareness of CAP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,0	4,0	
05 08 99	Other meas. in connection with promotion	-	-	0,0	0,0	-	-	0,0	-	-	-	-	-	-	-	-	-	-	0,0	-	-	-	-	-	-	0,0	-	-0,1	
05 08	Policy strategy and coordination	1,1	-	0,2	2,7	-	-	2,6	8,4	0,2	7,2	-	-	-	-	-	-	-	2,8	1,7	0,2	1,2	-	-	0,3	0,1	1,3	6,3	36,5
11 02 01	Intervention in fishery products	0,1	-	0,8	0,3	-	-	1,9	4,1	2,0	0,5	-	-	-	-	-	-	-	0,3	-	0,0	2,2	-	-	0,2	0,4	0,1	-	13,1
11 02 02	Other measures	-	-	-	-	-	-	-	-0,1	-	-	-	-	-	-	-	-	-	-	-	0,0	-	-	-	-	-	-	-0,1	
11 02 03	Fish. Prog. for the outermost regions	-	-	-	-	-	-	5,1	4,9	-	-	-	-	-	-	-	-	-	-	-	5,5	-	-	-	-	-	-	15,5	
11 02	Fisheries markets - EAGGF Guarantee	0,1	-	0,8	0,3	-	-	7,0	9,0	2,0	0,5	-	-	-	-	-	-	-	0,3	-	0,0	7,7	-	-	-	0,2	0,4	0,1	28,5
17 01 04	Support exp. for operations of PA Health & consumer protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,7	3,7	
17 01	Administrative Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,7	3,7	
17 03 02	Comm. Tobacco fund, Direct paymts. by EU	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,3	14,3	
17 03	Public health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,3	14,3	
17 04 01	Animal disease eradication & others mont.progr.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	200,5	200,5	
17 04 02	Other measures in the veterinary, animal welfare and public-health field	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,4	14,4	
17 04 03	Emergency fund for veterinary complaints	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,8	4,8	
17 04 04	Plant-health measures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,8	1,8	
17 04 05	Other measures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
17 04 07	Feed & food safety & related activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,4	1,4	
17 04	Food safety, animal health, animal welfare & plant health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	222,9	222,9	
TOTAL sub heading 1a		978,8	281,8	1.178,8	5.699,5	27,0	2.596,7	5.872,7	9.108,9	1.448,8	4.820,1	33,7	27,5	127,1	29,1	514,9	0,9	1.192,9	756,6	878,0	712,3	32,9	114,4	566,0	785,6	4.057,8	257,9	42.100,6	
05 04 01	RD in the EAGGF Guarantee Section (1)	56,1	-	46,2	803,8	-	157,3	533,9	879,5	357,5	679,8	-	-	-	16,0	-	-	63,5	479,1	-	178,9	-	-	336,9	170,7	155,6	-	4.914,8	
05 04 04	Transitional instr. for financing of RD by the EAGGF Guarantee Section for the new M.	-	182,0	-	-	-	50,4	-	-	-	-	-	25,1	110,0	164,1	-	201,9	9,0	-	961,0	-	133,1	-	-	-	-	-	1.931,0	
05 04	Rural Development (1b)	56,1	182,0	46,2	803,8	50,4	157,3	533,9	879,5	357,5	679,8	25,1	110,0	164,1	16,0	201,9	9,0	63,5	479,1	961,0	178,9	94,4	133,1	336,9	170,7	155,6	0,0	6.845,8	
05 07 01	Clearance of accounts of RD 1b	-0,3	-	0,0	-0,2	-	-	-0,1	-19,5	-0,1	-0,2	-	-	-	-0,1	-	-	-0,1	-	-	0,6	-	-	0,0	-				

ANNEX 5

EVOLUTION OF THE BREAKDOWN OF EAGGF-GUARANTEE EXPENDITURE FOR THE PERIOD 2001 - 2005 (in EUR million)

EXERCISE	BUDGET EXECUTION (1)		STORAGE	EXPORT REFUNDS	DIRECT AIDS	OTHERS MEASURES	RURAL DEVELOPMENT
	1a	1b					
2001	37.719,5	4.363,8	1.059,9	3.400,6	27.430,3	5.828,7	4.363,8
2002	36.862,9	4.349,4	1.163,1	3.432,3	28.800,8	3.466,7	4.349,4
2003	37.778,6	4.679,6	928,1	3.729,6	29.692,4	3.428,5	4.679,6
2004	38.298,5	6.462,0	322,4	3.384,2	29.824,6	4.767,4	6.462,0
2005	42.100,8	6.827,4	851,5	3.051,9	33.700,8	4.496,6	6.827,4

(1) Non-automatic carryovers included