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ELEVENTH FINANCIAL REPORT

on the

EUROPEAN AGRICULTURAL GUIDANCE AND GUARANTEE FUND

- YEAR 1981 -

GUARANTEE SECTION

and

FOOD AID FINANCING

COM(82) 439 final

AVERAGE RATES OF CONVERSION USED IN 1981

(see annex 15)

	BELGIUM	DENMARK	GERMANY	GREECE	FRANCE	IRELAND	ITALY	LUXEMBURG	NETHERLAND	UNITED KINGDOM
1 ECU =	41,2513	7,90507	2,52720	61,4798	6,00118	0,690622	1.247,04	41,3308	2,79794	0,556891

INTRODUCTORY NOTE

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

The present report covers the operations of the Guarantee Section of the EAGGF and the financing of Community food aid for 1981. The work of the Guidance Section is dealt with in a separate report.

The Guarantee Section finances expenditure resulting from the common policy on agricultural markets and prices. Under Articles 2 and 3 of Regulation (EEC) No 729/79, this is divided into refunds on exports to non-member countries to bridge the difference between Community prices and world markets and intervention measures to stabilise the agricultural markets (storage, withdrawal from the market, price compensation, guide premiums).

N.B. This draft of the Report was completed on June 16, 1982.

SUMMARY OF THE ELEVENTH FINANCIAL REPORT

EAGGF GUARANTEE SECTION

A. Community financing of markets

1. Original appropriations for 1981 totalled 12 897.5 million ECU. The financial implications of the decisions to increase agricultural prices for the 1981/82 marketing year were covered from existing appropriations. Total expenditure eventually reached 10 980.2 million ECU, considerably below the appropriations.

After reduction of the original appropriations in two supplementary and amending budgets and a number of transfers and carryovers, 428.6 million ECU of appropriations remained, and were cancelled. For the first time since 1974, actual EAGGF Guarantee Section spending fell short of the sum for the previous year, the margin on this occasion being 3%.

The main reasons for this were the favourable conditions on world markets for certain products, including milk products, and more effective management of the markets.

While expenditure was well down for milk products (- 1 409 million ECU), it rose a little for oils and fats (+ 338 million ECU), cereals (+ 252 million ECU), sugar (+ 192 million ECU).

2. In contrast with trends in 1980, expenditure on refunds declined both in total and as a percentage in comparison with intervention expenditure (5 209 million ECU, or 46.8% of total expenditure, compared with 5 695 million ECU (50.3%) in 1980; intervention expenditure in 1981 came to 5 933 million ECU, or 53.2% of total expenditure, compared with 5 620 million ECU (49.7%) in 1980. The decline is largely accounted for by a decline in refunds on milk and milk products, partly offset by an increase in refund expenditure in the sugar, beef/veal and pigmeat sectors.

As in 1980, the largest share of intervention spending was accounted for by price compensation aids (32.6% of total expenditure in 1981, against 31% in 1980), the slight increase being mainly due to an increase in aids for oils and fats and cereals.

As for the assessment of the overall cost of EAGGF guarantee spending, the figures show that the gross cost as a percentage of GDP, having risen from an exceptional low point of 0.34% in 1974 to a peak of 0.60% in 1979, fell to 0.57% in 1980 and 0.50% in 1981. The net cost, after deduction of agricultural levies, declined from 0.47% in 1980 to 0.42% in 1981.

B. Cash position and financial management

3. The system of monthly advances, one of the key elements in the financing of the common agricultural policy, is designed to combine centralization of cash control in the Commission with decentralized management by the Member States.

Since 1981, data sent each month by the Member States of payments and forecast expenditure of paying agencies have been processed by computer, thus speeding up the dissemination of information on consumption of appropriations and facilitating compliance with deadlines set in the Financial Regulation. In 1981, the Commission adopted nineteen decisions for payment of advances, seven of which were extraordinary decisions, compared with fifteen decisions in 1980, three of which were extraordinary. The Commission endeavours to ensure that the rate of utilization of appropriations is as high as possible. Thus, expenditure paid out in 1981 by the Member States for the EAGGF Guarantee Section was 97.6% of the funds placed at their disposal, a figure only a little lower than that for 1980 (98.6%).

C. Investigations and irregularities

4. In 1981, the Commission organized 13 specific investigations (compared with 14 in 1980) and made a selective check in the fruit and vegetables sector.

The irregularities notified, apart from those concerning premiums for the non-marketing of milk, totalled 150 as against 179 in 1980. The total sum involved was 15.39 million ECU, of which 1.41 million ECU has been recovered.

On instructions from the Commission given in May 1981, a centralized computer file on irregularities is being set up by the various departments involved.

D. Clearance of accounts

5. As in 1980, the EAGGF staff again made every endeavour in 1981 to make good the delays with regard to the clearance of accounts and to improve the audit procedure.

In November 1981, the Commission adopted decisions relating to clearance of accounts for the years 1974 and 1975, entailing disallowance of expenditure totalling 161 million ECU (9.9 million ECU in respect of 1974 and 151.1 million ECU in respect of 1975). The Commission's staff also began the dialogue phase with the Member States on problems relating to 1976 and 1977. With regard to 1978 and 1979, scrutiny of documents and on-the-spot checks, begun in March 1981, have been completed and the dialogue phase will be completed during the second half of 1982. Scrutiny of documents relating to expenditure declared in respect of 1980 has already begun.

As part of its effort to improve clearance of accounts procedures, the Commission is planning the gradual introduction of "Systems Audit"; the preparatory work was started in 1981.

E. Financing of Community food aid

6. The procedures for financing food aid are similar to those employed in guarantee financing. The Commission made monthly advances totalling 563.7 million ECU (including the balance in hand at 31.12.1980), an increase of nearly 76% over 1980.

Of this amount, 543.1 million ECU were spent mainly on aid programmes for milk products (356.8 m ECU) and cereals and rice (158.5 m ECU).

In addition, 57.8 million ECU were paid directly to the beneficiary countries or to agencies carrying out food aid operations.

To these amounts are to be added refunds for food aid operations charged to the Guarantee Section, totalling 182 million ECU.

SUMMARY

	<u>Pages</u>
<u>TITLE I : COMMUNITY FINANCING OF THE MARKETS</u>	1
1. <u>Agricultural prices and adjustments to market mechanisms with financial consequences</u>	2
1.1 Agricultural prices	
1.2 Adjustments in certain sectors having financial consequences	3
2. <u>Analysis of the financing of the markets</u>	7
2.1 Original appropriations and actual expenditure	7
2.2 Breakdown of expenditure by economic type	14
2.3 Public stocks	16
2.4 Corrections to be made to the breakdown of expenditure by Member States in the field of monetary compensatory amounts (MCAs)	17
2.5 Assessment of the total cost of the Guarantee Section	18
3. <u>Changes in the regulations governing the EAGGF Guarantee Section</u>	20
3.1 Council legislation	20
3.2 Commission legislation	20
<u>TITLE II : CASH POSITION AND FINANCIAL ADMINISTRATION</u>	23
4. <u>The system of advance payments</u>	23
5. <u>Advance payments to Member States</u>	24
5.1 Advance decisions taken in 1981	24
5.2 Funds available in the Member States during the financial year	24
5.3 Rate of utilization of funds available	26
5.4 Direct payments	26
6. <u>Administration of appropriations</u>	26
6.1 Appropriations available	28
6.2 Transfers of appropriations	28
6.3 Expenditure	28
6.4 Carryovers of appropriations	31
6.5 Summary of the implementation of the 1981 budget	32

	<u>Pages</u>
TITLE III : <u>INVESTIGATIONS, IRREGULARITIES AND RELATED ACTIVITIES</u>	33
7.1 Specific investigations and investigations carried out by the Member States at the request of the Commission	33
7.2 Selective checks	34
7.3 Information and coordination system provided for in Regulation No 283/72	34
7.4 Irregularities detected	36
7.5 The financial impact of irregularities	38
7.6 Recovery of amounts unduly paid	39
7.7 Computer treatment of irregularities	39
7.8 Training of EAGGF inspectors	39
7.9 Audit of commercial documents	39
7.10 The press and public opinion	40
TITLE IV : <u>CLEARANCE OF ACCOUNTS</u>	42
8.1 1974 and 1975 accounts	42
8.2 Accounts for 1976 to 1979	47
8.3 1980 accounts	47
8.4 Appeals filed by the Member States following 1974/75 clearance decisions	48
8.5 Strengthening of preventive action in connection with the audit of EAGGF guarantee expenditure	50
8.6 Reorientation of audit methods	50
TITLE V : <u>FINANCING OF COMMUNITY FOOD AID FOR PRODUCTS FALLING UNDER THE COMMON MARKET ORGANISATION</u>	52
9.1 Main features of Community food aid programmes	52
9.2 Cash position	55
9.3 Administration of appropriations	57
9.4 Appropriations carried forward to 1982	60
9.5 Closure of accounts	61

LIST OF TABLES

	<u>Pages</u>
 <u>GUARANTEE SECTION</u>	
1. Original appropriations in the 1981 budget and actual expenditure	1
2. MCA percentages applied in trade	13
3. Breakdown of expenditure by Member State after correction.	17
4. General development of expenditure	18
5. Receipts under the common agricultural policy	19
6. Optional financial depreciation of certain products in intervention storage at 31 December 1981	21
7. Funds available and expenditure by Member States for 1981	25
8. Average rate of utilization of Community funds for 1981	27
9. Appropriations	29
10. Breakdown of 1981 expenditure by Member State and by type of financing	30
11. Financial results of clearance work on 1974 accounts	45
12. Financial results of clearance work on 1975 accounts	46
13. Dates of declarations for clearance of Accounts	48
 <u>FOOD AID</u>	
14. Products supplied	54
15. Breakdown and utilization of monthly advances in 1981	56
16. Breakdown of direct payments by beneficiary	59

LIST OF ANNEXES

	<u>Pages</u>
<u>Guarantee Section</u>	
1. Summary of implementation for the 1981 financial year	62
2. Expenditure charged until the end of 1981	63-73
3. EAGGF guarantee expenditure by sector (1976-1981)	74 and 75
4. Breakdown of expenditure by sector and economic category	76 and 77
5. Breakdown of intervention in respect of storage costs	78
6. Quantity and value of products in public storage	79
7. Breakdown of intervention expenditure in the form of price compensation aids	80
8. Overall cost of the Guarantee Section in relation to GDP	81
9. Revenue from the co-responsibility levy on milk and allocation of proceeds among various schemes	82
10. Equalization of storage costs for sugar	83
11. Guarantee Section advances and funds available in Member States	84
12. Advances and funds available for milk premiums	85
13. Funds available in Member States (excluding premiums)	86
14. Milk premiums funds available in Member States	87
15. Exchange rates 1981	88
16. Exchange differences 1981	89
17. Cases of irregularity (1981) and amounts recovered	90
18. Cases of irregularity (1971-81) and recovery of overpayments	91
 <u>Food Aid</u>	
19. Summary of implementation for the 1981 financial year	92
20. Cash position at 31.12.1981	93
21. Expenditure declared by the Member States	94
22. Budget appropriations 1981 - A. 1981 appropriations	95
23. Budget appropriations 1981 - B. carried over appropriations	96
24. Appropriations committed and expenditure carried out, 1981	97
25. Appropriations and their implementation since 1972	98

TITLE I

COMMUNITY FINANCING OF THE MARKETS

The original appropriations totalled 12 897.5 million ECU (1). Because of a slowing down of the growth of production of many products in the Community, improvements in market management and above all, world market prices for a range of products, including milk products, remained buoyant, the original appropriations were reduced in supplementary and amending budgets No 1 and No 2 by 1 285 million ECU. In addition, apart from a transfer of 42 million ECU outside the EAGGF Guarantee Section and the carryover of appropriations of 161.7 million ECU, 428.6 million ECU in unused appropriations were cancelled.

Expenditure by the EAGGF Guarantee Section for 1981 came to 10 980.2 million ECU, representing, for the first time since 1974, a decline of 334.7 million ECU as compared with the preceding year. The reduction - of 3% - was a little more than would otherwise have been the case because the clearance of accounts for 1974/75, carried out in 1981, entailed disallowance of expenditure totalling 161 million ECU.

Excluding the clearance of accounts, the reduction would amount to 173.7 million ECU.

(1) Including fisheries and the 195 million ECU of provisional appropriations entered at Chapter 10.0

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

Expenditure was influenced by the adjustments to the agricultural prices for the 1981/82 marketing year and by the various changes made in the operation of the common market organizations, either when the prices and related measures were adopted or during the course of 1981.

Greece having joined on 1 January 1981, the Community regulations, and therefore their financing, were extended to include a number of products which had previously not been included, for example cotton, dried grapes and dried figs. In certain sectors, accession compensatory amounts had to be introduced, as had been the case when three countries joined in 1973.

1.1 Agricultural prices

As regards the adjustment of prices for 1981/82, it was agreed to increase them by an average, expressed in ECU, of 9.4% (1). For certain crop products, notably those from the Community's southern areas, the increase was larger. If account is taken of agri-monetary adaptations, which were designed as far as possible to reduce the monetary compensatory amounts, the price increase, expressed in national currencies, comes to 10.9%.

The Council's decisions on "prices and related measures" entailed additional expenditure for 1981 estimated at 350 million ECU. For a twelve-month period, the additional expenditure should reach 1,100 million ECU.

(1) Council Decisions taken at its meetings on 30 March and 1 April 1981.

1.2 Adjustments in certain sectors having financial consequences

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

1.2.1. Milk products

(a) Co-responsibility levy and related measures

This measure, which represents the financial contribution of milk producers towards achieving equilibrium on the market (Regulation (EEC) No 1079/77), was fixed at 0.5% of the target price for milk during the period from June 1978 to June 1980. For 1980/81 the rate was 2%, and for 1981/82 it was raised to 2.5%.

The revenue from the levy, which ranks as an intervention measure, totalled 478.5 million ECU for 1981. These funds are used in the first place to finance specific schemes designed to promote the disposal of milk and milk products (see Annex 9 for details) and the remainder is a contribution to the financing of the heavy expenditure incurred in the milk and milk products sector (1). In its fifth and sixth communications to the Council concerning the programme for the use of co-responsibility funds, the Commission stressed that, in addition to the specific schemes, other priority measures will be needed to intensify certain schemes for the disposal of surpluses if stocks are not to build up to excessive levels. With a view to the implementation of these priority measures, and especially those aimed at reducing public stocks of skimmed milk powder by methods established after consultation with the trade, the Commission proposed the carryover to 1982 of appropriations of 100 million ECU, and this was agreed by the Council in April 1982. (see also § 6.4.3)

(1) This expenditure (gross) was

2,948.2 m ECU in 1977

4,170.8 m ECU in 1978

4,621.7 m ECU in 1979

4,974.9 m ECU in 1980

3,821.2 m ECU in 1981

- (b) The specific measures designed to facilitate the disposal of milk product surpluses were renewed as a package in 1981. However, because quantities in public storage were lower, sales at reduced prices for certain purposes (confectionary and ice-cream) were replaced temporarily by an equivalent aid to the purchase of butter for these purposes, in order to ensure maintenance of this form of disposal. Aid for concentrated butter was suspended on 1 October 1981.

1.2.2. Beef/veal

For this sector, the various premiums were renewed or maintained:

- calf premiums of 32 ECU (Regulation (EEC) No 1120/81 (1)), for which expenditure in 1981 was 102.4 million ECU,
- slaughter premiums in respect of certain adult cattle (Regulation (EEC) No 870/77(2) and No 1121/81(3)), for which expenditure in 1981 was 11.5 million ECU,
- premiums for suckler cows (Regulation (EEC) No 1357/80 (4)) for the 1981/82 marketing year; the premiums were maintained at their original level, namely 20 ECU for the basic premium chargeable to the EAGGF and 20 ECU for the optional supplementary premium, which is financed by the member country. For 1981, EAGGF expenditure on these premiums was 95.4 million ECU.

In addition to this premium scheme for suckler cows, an additional premium of 20 ECU was paid in 1981 in Ireland and Northern Ireland, chargeable to the EAGGF (Regulation (EEC) No 1056/81 (5)). The expenditure in respect of the supplementary premium is estimated at 10 million ECU per year.

(1) OJ No L 118, 30. 4.1981, p.12
(2) OJ No L 106, 29. 4.1977, p.14
(3) OJ No L 118, 30. 4.1981, p.13
(4) OJ No L 140, 5. 6.1980, p.1
(5) OJ No L 111, 23. 4.1981, p.6

Finally, with respect to buying-in, a Community scale for the classification of carcasses was adopted and will be used from 1983/84 onwards; buying-in of certain categories of meat was suspended.

1.2.3. Sugar

On 30 June 1981, the Council adopted Regulation (EEC) No 1785/81(1), on the common organization of the market in the sugar sector. This Regulation, entering into force on 1 July 1981, now associates sugar obtained from beet and cane with its direct industrial substitute, isoglucose. The new Regulation maintains the principle of production quotas and defines arrangements for the next five marketing years. With respect to financing, the following points should be stressed:

- maintenance of the arrangement for compensating storage costs, designed to ensure even disposal of production, financed by the EAGGF; manufacturers pay a storage levy, ranking as an "own resource" accruing to the Community budget, which is to offset storage costs financed by the EAGGF (the amount is about 250 million ECU/year);
- maintenance and actual increase in financial participation by producers, which was originally introduced, in the form of a production levy, when the common market organization was set up. Under the present arrangements, the levy is chargeable not only on sugar produced under quota B (surplus production) but also, partly, on quota A sugar (non-surplus production). The levy revenues, which can total several hundred million ECU, rank as "own resources" accruing to the Community budget and are used to finance the disposal of the surplus production produced under quotas A and B;
- sugar produced outside the quotas (often called C sugar) still receives no Community support (refund on disposal).

(1) OJ NO L 177, 1. 7.1981, p.4

- Thus, for sugar produced in the Community, the levies paid by the producers should assure budgetary neutrality because, taking one campaign with another, they should cover the cost of disposal of the surplus quantity (after taking account of the disposal of a quantity equivalent to preferential imports from ACP countries)".

1.2.4. Cereal-based spirituous beverages

Having regard to Protocol No 19 of the Act of Accession of 1972, and as there is no common organization of the markets in alcohol, the Council, on a proposal from the Commission, adopted Regulation (EEC) No 1188/81(1), laying down general rules for granting refunds adjusted in the case of cereals exported in the form of certain spirituous beverages. On the basis of the Protocol, the Regulation also provides for the payment of the refunds for cereals used for these beverages since 1973. These are mainly cereals used for the manufacture of whisky. Given the complexity of the rules for refunds for this product, especially those to be granted retroactively, the expenditure recorded for 1981 was only 41.1 million ECU.

1.2.5. Cotton

Further to Protocol No 4 of the Act of Accession of 1979, the Council adopted Regulation (EEC) No 2169/81 (2) fixing the general rules for the cotton aid system (fibre): as imports of cotton (not carded or combed) are unrestricted, production in the enlarged Community requires some degree of guarantee in the form of a production aid. This aid becomes effective whenever world market prices fall below the Community target price. It is granted at first processing stage.

Protocol No 4 also provides for limitation of the aid to a certain quantity, taking account of production in recent years. For the 1981/82 marketing year, the quantity was fixed at 430 000 t. However, for 1981/82, the crop fell short of this quantity, at about 375 000 t (3). On the basis of the average aid granted of 310 ECU/t, for this first marketing year, expenditure should be about 115 million ECU.

(1) OJ No L 121, 5. 5.1981, p.3

(2) OJ No L 211, 31. 7.1981, p.2

(3) Provisional figure

For 1981, expenditure recorded by the EAGGF was 55 million ECU. Thus at 31 December 1981 nearly half the aid had been granted.

1.2.6. Fruit and vegetables: dried grapes and dried figs

The 1979 Act of Accession also provided for the addition of dried figs and dried raisins to the products coming under the common organization of the markets in processed fruit and vegetables. The Council therefore adopted Regulation (EEC) No 2194/81 (1) providing for a production aid system similar to that in force for other products and a system of storage by storage agencies guaranteeing the producer disposal of his production. The storage agencies receive an aid to private storage financed by the EAGGF. In addition, if the agencies have to dispose of the fruit at a loss, financial compensation, also covered by the EAGGF, is paid. Expenditure for this scheme has been estimated at 33 million ECU per year. Since these aid measures only came into effect from the 1981/82 season and aid is granted only after transformation, no expenditure has yet been incurred.

2. Analysis of the financing of the markets

2.1 Original appropriations and actual expenditure

Table No 1 below compares original appropriations in the budget (12 897.5 m ECU) with actual expenditure for the year.

2.1.1. The agricultural sectors (2)

A detailed examination of the various sectors prompts the following observations:

(a) Cereals

With a record harvest of 124 million tonnes in 1980 and also a good harvest in 1981, the effect of the supply situation in the Community, where consumption was marking time and imports of cereal substitutes were increasing, was to necessitate an increase in exports.

(1) OJ No L 214, 1. 8.1981, p.1

(2) For the comparison with previous years, see Annex 3

TABLE 1
ORIGINAL APPROPRIATIONS IN THE 1981 BUDGET AND ACTUAL EXPENDITURE

SECTEURS	EXPENDITURE IN RESPECT OF 1981										DIFFERENCE BETWEEN	
	ORIGINAL									ORIGINAL APPROPS. AND:		
	APPROPRIATIONS	TOTAL	%	Refunds	of which			2nd category:	m ECU	%	ACTUAL EXPENDITURE '81:	
1981 (1)					1st Category:	intervention:	intervention:					
					(2)	(3)						
a	b	c	d	e	f	g	h	i = h/b				
CEREALS	2 205.0	1 921.4	17.2	1 206.3	373.4	341.7	- 283.6	- 12.9				
- excluding durum wheat	2 052.1	1 750.2	15.7	1 206.3	202.2	341.7	-301.9	- 14.7				
- durum wheat	152.9	171.2	1.5	-	171.2	-	+ 18.3	+ 12.0				
RICE	62.7	21.7	0.2	17.2	4.5	-	- 41.0	- 65.4				
MILK/MILK PRODUCTS	4 313.0	3 342.7	30.0	1 886.3	1 241.7	214.7	-970.3	- 22.5				
OILS AND FATS	976.1	1 025.4	9.2	8.4	971.3	45.7	+ 49.3	+ 5.1				
- olive oil	571.4	442.7	4.0	3.0	388.7	51.0	-128.7	- 22.5				
- oilseeds	404.3	582.7	5.2	5.4	582.6	- 5.3	+178.4	+ 44.1				
SUGAR	739.9	767.5	6.9	409.2	358.3	-	+ 27.6	+ 3.7				
BEEF AND VEAL	1 353.4	1 436.9	12.9	825.2	231.6	380.1	+ 83.5	+ 6.2				
PIGMEAT	127.4	154.6	1.4	132.6	22.0	-	+ 27.2	+21.4				
EGGS AND POULTRY	101.9	83.9	0.8	83.9	-	-	- 18.0	-17.7				
FRUIT AND VEGETABLES	730.1	641.1	5.8	42.8	598.3	-	- 89.0	-12.2				
WINES	456.7	459.4	4.1	25.8	433.6	-	+ 2.7	+ 0.6				
TOBACCO	333.2	361.8	3.2	5.8	286.3	69.7	+ 28.6	+ 8.6				
SHEEPMEAT	258.7	191.5	1.7	-	191.5	-	- 67.2	-26.0				
FLAX/HEMP	21.6	17.0	0.2	-	17.0	-	- 4.6	-21.3				
SEED	38.2	38.8	0.3	-	38.8	-	+ 0.6	+ 1.6				
HOPS	7.8	5.9	0.1	-	5.9	-	- 1.9	-24.4				
SILKWORMS	1.0	0.3	0.0	-	0.3	-	- 0.7	-70.0				
DRIED FODDER	58.8	34.1	0.3	-	34.1	-	- 24.7	-42.0				
COTTON	33.3	54.9	0.5	-	54.9	-	+ 21.6	+64.9				
PEAS AND FIELD BEANS	32.3	31.4	0.3	-	31.4	-	- 1.1	- 3.4				
OTHER	-	2.1	0.0	-	2.1	-	+ 2.1	-				
NON-ANNEX II PRODUCTS	294.0	282.4	2.5	282.4	-	-	- 11.6	- 3.9				
MONETARY COMPENSATORY AMOUNTS	275.4	238.4	2.1	270.1	- 31.7	-	- 37.0	-13.4				
FISHERIES	27.5	28.0	0.3	12.6	15.4	-	+ 0.5	+ 1.8				
PROVISIONAL APPROPRIATIONS	254.5	-	-	-	-	-	- 254.5	-				
PROVISIONAL APPROPS. CHAP.10	195.0	-	-	-	-	-	- 195.0	-				
TOTAL	12 897.5	11 141.2	100	5 208.6	4 880.7	1 051.9	- 1 756.3	-13.6				
%	-	100	100	46.8	43.8	9.4	-	-				
ACCOUNTS CLEARANCE 74/75	-	- 161.0	-	-	-	-	- 161.0	-				
GRAND TOTAL	12 897.5	10 980.2	-	-	-	-	- 1 917.3	-14.9				

(1) Appropriations entered in OJ No L 378. 31 December 1980

(2) Interventions for which unit amounts of expenditure are fixed by Community regulations.

(3) Intervention consisting in buying-in, storage and disposal, for which EAGGF financial expenditure is determined on the basis of annual accounts containing standard rates.

World market prices proved firmer than had been predicted when the budget estimates were being drafted (these are based on average prices recorded in recent years), and as a result expenditure on refunds in 1981 (1 206.3 m ECU) only slightly exceeded that for 1980 (1 174.7 m ECU) and fell well short of original forecasts (1 582.7 m ECU).

Thanks to an active export policy and despite two successive heavy crops, intervention stocks, while still at a high level, were, by the end of 1981 (4 468 000t) lower than they had been 12 months previously (6 686 000 t). As already announced in the Tenth Financial Report, the expenditure impact of the increase in intervention stocks in 1980 was felt only during 1981: expenditure rose from 201.7 million ECU in 1980 to 341.7 million ECU in 1981. From the latter total, 121.3 million ECU represented technical storage costs, 80.5 million ECU interest on funds immobilized for buying-in cereals and 140.0 million ECU covering other expenditure, including that resulting from the sale of products on the world market.

(b) Rice

With prices rising on the world market, export levies had to be charged instead of the usual refunds for a time (from February to September 1981). As a result, expenditure in this sector was only 21.7 million ECU, instead of the 62.7 million ECU forecast.

(c) Milk

After years of vigorous expansion, expenditure dropped sharply in 1981 for the first time - from 4 752 million ECU in 1980 to 3 342.7 million ECU in 1981, or, if the corresponsibility levies are excluded, from 4974.9 million ECU to 3,821.2 million ECU. In addition, the share of expenditure in the milk sector of total EAGGF expenditure declined from 42% in 1980 to 30.4% in 1981.

There are a number of reasons for this. With regard to supply and demand on the internal market, production increased less than it had in preceding years. At the same time consumption of fresh milk products (yoghurt and cream) and of cheese, for which no aid is paid, continued to expand.

As for exports, world market prices continued to develop along favourable lines and larger quantities were exported with lower refunds. In fact, the level of refunds for butter, for example, declined from 125 to 105 ECU/100 kg. between the beginning and end of 1981. A contributory factor was the Commission's policy in recent years aimed at reducing Community stocks of milk products. Thus, expenditure on refunds for commercial exports totalled 1,727.9 million ECU in 1981 (forecast: 2,327.5 m ECU,) well short of the figure for 1980 (2 587.8 m ECU).

This change was reflected in general in the measures promoting disposal on the internal market, where the different rates of aid could be maintained at relatively moderate levels.

Intervention expenditure for skimmed milk (1 240.7 million ECU) fell a little short of the estimates (1 324 m ECU), and expenditure for 1980 (1 302.2 m ECU); however public stocks rose from 231,000 at the beginning of 1981 to 298,000 t at the end.

Intervention expenditure on butter totalled 426.5 million ECU (estimates for 1981 - 564.5 m ECU; expenditure 1980 - 647.1 m ECU). There were reductions in respect of all the measures, but above all for public storage, following a sharp decline in stocks (147 289 t on 31.12.1980 and 13 804 t on 31.12.81).

(d) Oils and fats

With regard to olive oil, expenditure on production aid and consumption aid (274.3 and 105.7 m ECU respectively) fell short of estimates (378.28 and 154.84 m ECU respectively).

In this sector, despite the arrangements for advance payments, disbursements in production aid were slower than forecast, partly because the Commission had asked for stricter controls. The quantities qualifying for consumption aid were smaller than estimated.

For oilseeds, expenditure on production aid (571.4 m ECU) exceeded estimates (365.54 m ECU) partly because the sunflower crop was larger than expected and partly because a decline in world prices entailed an increase in the rate of production aid.

(e) In the beef and veal sector, the surpluses, bringing pressure on the internal market, continued in 1981. As a result, expenditure in this sector again increased, rising from 1,363.3 million ECU in 1980 to 1,436.9 million ECU in 1981. However, this increase includes expenditure on the premiums for suckler cows, which started in 1980 and were fully operative for the first time in 1981 (95.4 m ECU).

A breakdown of expenditure as between the various measures shows that expenditure on public storage declined and that on refunds increased. This confirms the Commission's policy, which is that surplus meat should not go through public storage when it is intended for export.

(f) In the fruit and vegetables sector, for the first time for a number of years, expenditure (641.1 m ECU) fell short of estimates (730.1 m ECU) and expenditure in the previous year (687.3 m ECU). The main reason for this was the decline in expenditure on premiums for the processing of fruit and vegetables.

This expenditure fell from 484.1 million ECU in 1980 to 412.6 million ECU in 1981, largely because the unit rate of the premium was reduced for tomatoes to curb the expansion of processing and thus of expenditure which had occurred in preceding years.

(g) The common market organization for sheepmeat was set up in 1980 and 1981 was the first year in which it operated throughout the year. Prices were better than expected so that the premiums to producers were reduced. Also, because of this, Community-aided private storage and public storage were avoided. As a result, instead of the 258.7 million ECU estimated, expenditure was about 191.5 million ECU in 1981.

(h) For dried fodder, world market prices were fairly high for the second year running. As a result, the supplementary aid available under the regulations for Community production was less than expected and actual expenditure (34.1 m ECU) fell well short of estimates (58.8 m ECU).

(i) For cotton, production aid expenditure (54.9 m ECU) exceeded estimates (33.3 m ECU) because world market prices dropped in 1981, entailing an increase in production aid. In addition, good weather meant a high production yield, so that production in 1981 was well above the normal crop.

(j) In a matter concerning several sectors, the Community supported Poland in 1981 by placing at its disposal certain quantities of various agricultural products at low prices, i.e. with a price reduction of about 15% of the world market price. The relevant additional expenditure chargeable to the EAGGF Guarantee Section was about 55 million ECU, of which 20 million ECU was provided by an appropriation carryover to 1982.

2.1.2. The agri-monetary situation

With regard to the monetary compensatory amounts (MCAs), Table 2 shows the differences between the hypotheses used for the application of the MCAs when the budget was being prepared and the range of MCAs (in percentage points) actually applied.

TABLE No 2
MCA percentage points applied in trade(1)

: Currencies		: Rates used	: Rates recorded in 1981	
:	:	: for preparation	:	:
:	:	: of the budget	:	:
:	:	: (20.10.80)	: Minima	: Maxima
: DM	:	+ 8.8	: + 3.2	: + 11.4
: BFR/LFR	:	+ 1.7	: 0	: + 2.2
: HFL	:	+ 1.7	: 0	: + 4.3
: FF	:	0	: 0	: 0
: LIT	:	- 2.0	: 0	: - 4.4
: UKL	:	0	: + 1.9	: + 18.2
: IRL	:	0	: 0	: 0
: DKR	:	0	: 0	: 0
: DFA	:	0	: 0	: 0

Currency developments within the European Monetary System in 1981 proved less stable than in 1980: in March and in October the central rates of certain currencies within the EMS were changed; this necessitated adaptations to the representative ("green") rates to avoid or lessen the widening of differentials between these rates and the central rates, which would otherwise have entailed increases in the relevant MCAs. In addition, quotations for sterling were again somewhat volatile, necessitating wide variations in the MCAs.

In terms of actual costs, currency developments meant lower EAGGF guarantee spending on the MCAs. The total fell from 298.5 million ECU in 1980 to 238.4 million ECU in 1981.

(1) For milk products, the rates are slightly different from those given in this table.

With regard to conversion rates between the ECU and the national currencies, it should be remembered that before 1978 there had been a dual rate effect because of the discrepancy between conversions according to the rates fixed by the Council and those of the IMF unit of account used for charging to the budget. Since the ECU was introduced into the agricultural policy in 1979 and into the budget in 1981, the dual rate would no longer exist were it not that the representative (green) rates fixed by the Council are different for certain currencies from the conversion rates used within the EMS. This does entail a dual-rate effect which is quite different from that before 1978, and the cost of which, for 1981, can be estimated at 125 million ECU (including the effect of monthly variations in the rates used for charging to the budget).

2.2 Breakdown of expenditure by economic type

The following conclusions can be drawn from the table in Annex 4:

(a) Refunds

A comparison of 1981 with 1980 shows a decline in total expenditure in the form of refunds, from 5 695 million ECU in 1980 to 5 209 million ECU in 1981, a reduction of 8.5%. Refunds were only 46.8% of total expenditure in 1981, compared with 50.3% in 1980.

This saving was accounted for mainly by a reduction in the refunds on milk products (which totalled 1 886 m ECU in 1981, compared with 2 746 m ECU in 1980). On the other hand, examination of the main items other than milk products shows an increase in expenditure on refunds for

- sugar	409 m ECU in 1981 against 286 m ECU in 1980
- beef/veal	825 m ECU in 1981 against 716 m ECU in 1980
- pigmeat	133 m ECU in 1981 against 92 m ECU in 1980

The following comments should be made:

- for milk products, expenditure on refunds fell appreciably because of a decline in the unit rate of refunds, although quantities exported increased,
- for sugar, the swing in rates in the spring of 1981 tended to increase expenditure in this sector,
- exports of beef/veal remained high in 1981, and this entailed an increase in refund costs.

(b) Intervention

The major component of expenditure, i.e. the price support measures for the internal market, increased from 31% in 1980 to 32.6 in 1981.

The reason for this was mainly an increase in aids: for oils and fats (971.3m ECU in 1981 against 654.1 m ECU in 1980), for cereals (373.4 m ECU in 1981 as against 292.9 m ECU in 1980), for beef and veal (116.2 m ECU in 1981 as against 66.0 m ECU in 1980) and for sheepmeat (191.5 m ECU in 1981 as against 53.5 m ECU in 1980). A new factor was aid for cotton (54.9 m ECU in 1981).

There were reductions in respect of milk products (996.9 m ECU in 1981 as against 1 398.7 m ECU in 1980) due mainly to savings in respect of skimmed milk, and there were also reductions for fruit and vegetables (492.3 m ECU in 1981, compared with 554.7 m ECU in 1980).

The price support measures constitute an income supplement for the producer if they are paid to him directly and a guarantee for the disposal of his produce if they encourage the processing of basic products. Annex 7 shows the volume of these aids and gives a breakdown.

As regards "second category" intervention, relating to the buying-in, storage and disposal of products by the intervention agencies, Annex 5 gives a breakdown into technical costs of storage, interest charges and expenditure resulting from the difference between the buying-in price and the yield on sales. The last two items account for the bulk of disbursements(1).

(c) Expenditure on monetary compensatory amounts (MCAs) continued to fall (see 2.1.2.). It amounted to 238.4 million ECU (298.5 m ECU in 1980), representing no more than 2.1% of total guarantee spending (2.6% in 1980; 6.8% in 1979). It was incurred mainly in respect of sales to non-member countries by some Member States with positive MCAs, including Germany (146.2 m ECU), the United Kingdom (84.1 m ECU) and the Netherlands (30.6 m ECU). In intra-Community trade, the MCA system yielded net levies (31.7 m ECU).

2.3 Public stocks (see Annex 6)

Stocks of common wheat and barley, which had been running at 6 million tonnes at the end of 1980 because of the exceptional cereals crop that year, entailing a heavy build-up of stocks by the big producing countries, fell to just under 4 million tonnes at the end of 1981 as a result of an active export policy. These products accounted for the bulk of quantities in public storage at the end of 1981. For milk products, stocks of butter declined from 147 000 tonnes at the end of 1980 to just under 14 000 tonnes at the end of 1981. On the other hand, stocks of skimmed-milk powder increased from 231,000 tonnes at the end of 1980 to 298 000 tonnes by the end of 1981 mainly due to falling sales.

(1) See Ninth Financial Report, point 2.2., p.17

For all these stocks, the countervalue in terms of immobilized capital decreased substantially (1,875 m ECU as against 2,583 m ECU).

2.4 Corrections to be made to the breakdown of expenditure by Member States in the field of monetary compensatory amounts (MCAs)

The Council agreed in April 1976, on the basis of Article 2(a) of Regulation (EEC) No 974/71 concerning the application of monetary compensatory amounts, that the MCAs payable in trade with the United Kingdom and Italy would be paid by the exporting country, and not the importing country. This agreement has since been renewed.

Article 3 of Regulation (EEC) No 1172/76 of 17 May 1976, which set up a financing facility, stipulates that, for the purposes of establishing net balances for Member States, the monetary compensatory amounts are to be attributed to the country for which changes in the currency exchange rates have made them necessary. The table below shows the corrections to be made as a result of this rule.

TABLE No 3
Breakdown of expenditure by Member State after correction to take account of the rule that the exporting Member State pays intra-Community MCAs for the importing Member State

m ECU						
: Member States	: Expenditure : : not corrected:	: Corrections:	Corrected expenditure :			
			: Amounts	: % 1981	: % 1980	:
: Belgium	: 500.1	: - 2.9	: 497.2	: 4.5	: 5.1	:
: Denmark	: 513.6	: - 3.8	: 509.8	: 4.6	: 5.4	:
: Germany	: 2 058.-	: - 14.-	: 2 044.-	: 18.3	: 21.7	:
: Greece	: 146.2	: -	: 146.2	: 1.3	: -	:
: France	: 3 146.8	: - 14.2	: 3 132.6	: 28.1	: 25.-	:
: Ireland	: 441.-	: - 0.4	: 440.6	: 4.-	: 5.-	:
: Italy	: 2 065.-	: + 42.-	: 2 107.-	: 18.9	: 16.2	:
: Luxembourg	: 4.-	: p.m.	: 4.-	: p.m.	: 0.1	:
: Netherlands	: 1 179.5	: - 7.4	: 1 172.1	: 10.5	: 13.6	:
: United Kingdom(1)	: 1 086.2	: + 0.7	: 1 086.9	: 9.8	: 7.8	:
: Community (2)	: 0.8	: -	: 0.8	: p.m.	: 0.1	:
: EEC TOTAL	: 11.141.2	: 0	: 11.141.2	: 100.-	: 100.-	:

(1) For the United Kingdom, positive MCAs were introduced during 1980. Since then, the system has been inoperative for exports to this country. The figure of 0.7 m ECU concerns payments for operations in 1980.

(2) Direct payments to beneficiaries for information and promotion schemes concerning olive oil and flax and hemp.

2.5 Assessment of the total cost of the Guarantee Section

2.5.1. General development of expenditure

TABLE No 4

: Years	: Total expenditure	: Annual growth rate	:
:	: m ECU	: (%)	:
: 1976	: 5 587.1	: 23.5	:
: 1977	: 6 830.4	: 22.3	:
: 1978	: 8 672.7	: 27.0	:
: 1979	: 10 440.7	: 20.4	:
: 1980	: 11 314.9	: 8.4	:
: 1981	: 10 980.2	: - 3.0	:

Whilst the annual rate of growth of expenditure averaged 23% from 1976 to 1979, it fell to 8.6% for the 1979 to 1981 period thanks to a sharp decline in the growth in expenditure.

In 1981, there was an actual decline in total expenditure (by 3%), confirming the trend. This was due to a slowdown of the growth of production within the EEC, to a further improvement in market management and above all to continuing firm prices on world markets for a fairly large number of products, including milk products. This meant that refund rates for exports to non-member countries were lower for a large number of products.

2.5.2. Agricultural receipts

The common agricultural policy involves expenditure but also constitutes a source of revenue for the Community budget in the form of levies (including sugar levies), which, for 1981, totalled 1,747.4 million ECU.

TABLE No 5

Receipts under the common agricultural policy

m ECU

: Type of Receipt	: 1976	: 1977	: 1978	: 1979	: 1980	: 1981
: Levies	1.040.1	1.816.9	1.872.7	1.678.6	1.535.4	1.264.9
: Sugar levy	133.2	320.8	410.6	464.9	466.9	482.5
: of which	:	:	:	:	:	:
: - production	:)	:)	183.3	217.0	219.8	125.8
:	:)	320.8	:	:	:	:
: - storage costs	:)	:)	227.3	247.9	247.1	356.7
: TOTAL	1.173.3	2.137.7	2.283.3	2.143.5	2.002.3	1.747.4

The figures show that these resources stopped increasing in 1978 and that since 1979 there has been a decline because of the relatively high level of world prices, the stabilization of imports and import concessions made to certain non-member countries.

With regard to the sugar levies, Annex 10 shows, since 1968/69 and by sugar marketing year, the relationship between the levies charged and the storage cost refunds made. The aim under the common organization of the sugar market is equilibrium, over a number of years, between levies and storage cost refunds.

2.5.2. Cost as a proportion of GDP

A comparison of total EAGGF guarantee expenditure in 1981 with the most significant indicator of the general performance of the economy, Community gross domestic product at market prices (GDP), shows that expenditure growth has slowed down in relation to 1980. Having risen from an exceptional low point of 0.34% in 1974 to a peak of 0.60% in 1979, it fell to 0.57% in 1980 and to 0.50% in 1981. The corresponding net figures (after deduction of agricultural levies) are 0.30% in 1974, 0.48 in 1979, 0.47 in 1980 and 0.42% in 1981. (see Annex 8).

3. Changes in the regulations governing the EAGGF Guarantee Section

3.1 Council legislation

- (a) In November 1981, the Council adopted Regulation (EEC) No 3247/81 (1), relating to EAGGF Guarantee Section financing of certain intervention measures, particularly those consisting in the buying-in, storage and sale of agricultural products by intervention agencies. This Regulation, which entered into force on 1 January 1982, consolidates and replaces the nine specific Regulations concerning the financing of these measures for each sector concerned (oils and fats, cereals and rice, pigmeat, sugar, beef and veal, milk and milk products, raw tobacco, fisheries, fruit and vegetables.)

On the basis of experience gained in recent years, this Regulation was also used to make a number of adjustments to existing legislation, notably with regard to the financial responsibility for the proper preservation of agricultural products stored under public storage arrangements.

- (b) Measures ranking as intervention for the purposes of control of the agricultural markets, and therefore financed by the Guarantee Section, are listed in and annexed to Regulation (EEC) No 1883/78 (2). This is regularly updated to bring in new measures or delete those which have lapsed.

The last updating was carried out by Regulation (EEC) No 1303/81 of 12 May 1981 (3). A further amendment of the list was proposed in December 1981.

3.2 Commission legislation

- (a) The first paragraph of Article 8 of Regulation (EEC) No 1883/78 stipulates that intervention stocks must be valued on 31 December at the average buying-in price. Consequently, the Commission adopted on 11 January 1982 Regulation (EEC) No 53/82 (4) fixing the prices to be referred to for the purposes of calculating the value of the agricultural products stored at 31 December 1981 and to be carried over to 1982.

(1) OJ No L 327, 14.11.1981, p.1
(2) OJ No L 216, 5. 8.1978, p.1
(3) OJ No L 130, 16. 5.1981, p.2
(4) OJ No L 7, 12. 1.1982, p.12

The same Regulation provides in effect that the carryover value for quantities of meat (8 000 t) transferred without consideration under Commission Regulation (EEC) No 3563/81 of 10 December 1981 to Poland is to be the "sale" price (0).

The second paragraph of Article 8 of Regulation (EEC) No 1883/78 provides for financial depreciation of quantities held in intervention at 31 December. This is allowed if forecasts of prices on leaving intervention are appreciably below the value of the stocks to be carried over. However, the price established in these circumstances must be at least equal to the average of buying-in prices and prices obtained on resale, and the cost must be kept within available appropriations.

At the end of 1978, the Commission had applied the second paragraph of this Article for the first time. At the end of 1981, the conditions for optional depreciation were met. On this occasion, the products concerned were barley, skimmed-milk powder and tobacco, as their average selling prices were considerably below their buying-in prices and the maximum depreciation authorized by Regulation (EEC) No 1883/78 was applied. As Table 6 shows, the financial impact on 1981 was 86.4 million ECU and represents an anticipation of the losses to be incurred on subsequent resale of these products. But the depreciation will also allow saving of 5 million ECU in respect of interest charges to be financed for funds immobilized to cover the value of the products stored.

TABLE 6

Optional financial depreciation of certain products in intervention storage at 31 December 1981

: Products	: Quantities stored	: Financial depreciation:	: Price after depreciation:	: Financial impact on 1981
:	:	: ECU/T	: ECU/T	:
: Barley	: 847 806 T	: 17.585	: 144.50	: 14.9 mio ECU
: Skimmed milk powder:	: 298 324 T	: 91.405	: 1 096.50	: 27.3 mio ECU
: Tobacco	: 38 732 T	: 1 142.160	: 1 244.00	: 44 2 mio ECU
			TOTAL	: 86 4 mio ECU

The heavy depreciation for tobacco at 31 December 1981 is in line with the new provision in Council Regulation (EEC) No 3247/81 (see 3.1.), which stipulates that from 1 January 1982 onwards the "premium component" in the buying-in price is chargeable to the EAGGF when the product is bought in and not, as was previously the case, on resale.

(b) On 22 January 1981 the Commission adopted Regulation (EEC) No 175/81 (1), which increased from 8 to 9% for 1981 the interest rate on member countries' capital immobilized because of intervention in respect of agricultural products. The rate has been maintained at 9% for 1982 (Regulation (EEC) No 3651/81 of 18 December 1981 (2)).

(1) OJ No L 20, 23. 1.1981, p.14

(2) OJ No L 364, 19.12.1981, p.18

TITLE II

CASH POSITION AND FINANCIAL ADMINISTRATION

4. The system of advance payments

- 4.1 Article 5(2) of Council Regulation (EEC) No 729/70 on the financing of the Common Agricultural Policy (1) provided for the transfer to the Member States of the Community funds needed to cover expenditure chargeable to the EAGGF Guarantee Section.
- 4.2 Commission Regulation (EEC) No 380/78 laid down detailed rules for operating a system of advance payments. These rules and those relating to the charging of the member countries' disbursements to the Community budget are set out in Title VIII of the Financial Regulation (3) (cf. Tenth Financial Report (1980), pp. 20 to 22).
- 4.3 Data sent every month by the Member States on actual payments and forecast payments by the paying departments were processed by computer in 1981.

This made it possible to speed up distribution of information relating to the consumption of appropriations and to comply with deadlines set out in Article 97 of the Financial Regulation.

(1) OJ No L 94, 28. 4.1970, p.13

(2) OJ No L 56, 27. 2.1978, replacing Regulation (EEC) No 2697/70 as amended by Regulation (EEC) No 1823/73.

(3) OJ No L 356, 31.12.1977

5. Advance payments to Member States (1)

5.1 In respect of 1981, the Commission adopted 19 decisions for advance payments, including 7 extraordinary advance payments. One of the 7 extraordinary payments replaced ordinary advance payments for July and August, which the United Kingdom had had to forego because of a strike preventing the continuation of payments, four concerned only one Member State following an underestimate of expenditure for August, September, November and December; the two others (the first concerning only one Member State and the other six Member States) are accounted for by the adoption of measures permitting expenditure in December, after the decision for an ordinary advance payment had been adopted.

For expenditure on milk non-marketing premiums and dairy herd conversion (Regulation (EEC) No 1078/77), 60% of which is chargeable to the Guarantee Section and 40% to the Guidance Section, the Commission adopted 14 decisions on advance payments, two of which were extraordinary, the first concerning the United Kingdom for the same reasons as those mentioned above, the second concerning Germany because of an underestimate of expenditure to be incurred in December.

In this report, this expenditure is shown in full with regard to the cash position and only at 60% with regard to the budgetary situation.

5.2 Funds available in the Member States during the financial year

Total funds available to the Member States for disbursements in 1981 amounted to 11 509.5 million ECU (2), of which 11 416.5 were for the Guarantee Section and 93.0 for the Guidance Section (3).

(1) See Annexes 11 and 12

(2) Not including direct payments of 0.8 m ECU

(3) These funds constitute the share of the Guidance Section (40%) in the milk non-marketing and dairy herd conversion premiums

TABLE 7
FUNDS AVAILABLE TO AND EXPENDITURE BY THE MEMBER STATES FOR 1981
(Guarantee + milk premiums 100%)

Million ECU

Member State	Net balances at 31.12.80 (a)	Advances for 1981 (including ex- change differences) (b)	Total available for 1981 (c) = (a) + (b)	Expenditure from 1.1.81 to 31.12.81 (d)	Funds available on 31.12.81 (e) = (c) - (d)	Use of advances (f) = (d)/(c).100%
Belgium	25.4	480.8	506.2	501.0	5.2	99.0
Denmark	16.6	526.2	542.8	520.8	22.0	95.9
Germany	32.8	2 093.0	2 125.8	2 100.7	25.1	98.8
Greece	-	161.4	161.4	146.1	15.3	90.5
France	16.4	3 297.1	3 313.5	3 158.4	155.1	95.3
Ireland	12.4	451.6	464.0	444.7	19.3	95.8
Italy	(1) 43.3	2 039.8	2 083.1	(2) 2 074.1	9.0	99.6
Luxembourg	P.M.	4.6	4.6	4.3	0.3	93.5
Netherlands	22.1	1 167.6	1 189.7	1 183.7	6.0	99.5
United Kingdom	0.4	1 118.0	1 118.4	1 102.7	15.7	98.6
TOTALS	169.4	11 340.1	11 509.5	(3) 11 236.5	273.0	97.6
Of which:						
. Guarantee	166.8	11 249.7	11 416.5	11 149.4	267.1	97.7
. Guidance	2.6	90.4	93.0	87.1	5.9	93.7

- (1) The net balance for Italy on 1.1.81 was increased by 8 712 852 ECU following the recovery of sums in 1980 reported late.
(2) Including an amount of 9 040 150.03 ECU charged to Article 590 relating to expenditure related to the donation of certain intervention products to victims of the earthquake in Italy in November 1980.
(3) Not including an amount of 846 050.30 ECU in direct payments.

Utilization of these funds was 11 236.5 million ECU, thus leaving a balance at 31.12.1981 of 273 million ECU, 267.1 million of which were for the Guarantee Section.

5.3 Rate of utilization of funds available

The ratio between payments made in 1981 and the funds available to the Member States for this purpose shows that 97.6% of these funds were used (Table 7, column f).

A comparison of the average of the funds available to cover expenditure in each month with the average of the balances available after payment indicates an average rate of utilization of 81.3% (Table 8, column c).

5.4 Direct payments

The Commission makes direct payments to operators in certain cases. These are payments for certain measures designed to broaden the scope for disposal of olive oil and flax and hemp, financed on the basis of sums withheld from producers. Further to a ruling by the Court of Justice, payments have also had to be made to certain operators dealing in maize grits.

Thus, during 1980, the Commission paid directly to the beneficiaries
(a) a sum of 8 730 885.19 ECU against appropriations carried over from 1980
(b) a sum of 141 514.35 ECU against appropriations for 1981.

In addition, a sum of 704 535.95 ECU was committed in 1981 and carried over to 1982.

6. Administration of appropriations

Two amending budgets were adopted in 1981, the first on 17 September (1) and the second on 21 December (2).

(1) OJ No L 305, 24.10.1981
(2) OJ No L 371, 28.12.1981

TABLE 8
AVERAGE RATE OF UTILIZATION OF COMMUNITY FUNDS FOR 1981
(Guarantee + milk premiums 100%)

Million ECU			
: Member State	: Average Community	: Average balance	: Average rate of
:	: funds available in:	: available after :	: utilization :
:	: the Member States :	: the month's :	:
:	: for one month's :	: expenditure (see:	:
:	: expenditure (see :	: Annexes 13 and :	:
:	: annexes 13 and 14 :	: 14 lines E) :	:
:	: lines C) :	:	:
:	: (A) :	: (b) :	: (c) = $\frac{(a)-(b)}{(a)} \cdot 100$:
:	:	:	: (a) :
:Belgium	: 52.2	: 10.5	: 79.8%
:Denmark	: 49.2	: 5.8	: 88.2%
:Germany	: 206.7	: 31.7	: 84.6%
:Greece	: 30.6	: 18.4	: 39.8%(1)
:France	: 308.7	: 45.6	: 85.2%
:Ireland	: 42.9	: 5.8	: 86.4%
:Italy	: 182.9	: 10.1	: 94.4%
:Luxemburg	: 0.5	: 0.1	: 80.-%
:Netherlands	: 122.8	: 24.1	: 80.3%
:United Kingdom	: 154.7	: 62.8	: 59.4%(2)
: EEC	: 1 151.2	: 214.9	: 81.3%(3)

6.1 Appropriations available (m ECU)

Original budget	12 897.5 (4)
Amending budget No 1	<u>- 561.0</u>
	12 336.5
Amending budget No 2	<u>- 724.0</u>
	11 612.5 (5)
Transfer out of EAGGF, Guarantee	<u>- 42.0</u>
	11 570.5

-
- (1) The rate is very low because payments started much later than expected.
 - (2) Rate affected by strikes which stopped payments for a number of months.
 - (3) Without Greece and the United Kingdom, the rates would be 86.2%
 - (4) Titles 6 and 7 including 195 m ECU entered in Chapter 10.0 and 27.5 m ECU in Chapter 88 for the common organization of the markets in fisheries products.
 - (5) Titles 6 and 7 and 32.5 m ECU in Chapter 88 for the common organization of the markets in fisheries products.

6.2 Transfers of appropriations

Given the expenditure situation, the Commission proposed and the budgetary authority approved two transfers from the EAGGF Guarantee Section. The first was 20 million ECU from Chapter 78 (monetary compensatory amounts) to Chapter 95 to cover the financing of emergency aid to victims of events in Kampuchea and to Afghan refugees in Pakistan; the second from Chapter 62 (milk products) to Chapter 83 to cover the payment of milk non-marketing premiums (40% chargeable to the EAGGF Guidance Section).

The Commission proposed in February 1982, a batch of chapter-to-chapter transfers within Titles 6 and 7 totalling 285 million ECU. This type of transfer is inherent in the FEOGA Guarantee Section financial system of decentralised payments by Member States, using advances from the Community. Accordingly it is only after payment of expenditure by the national authorities that the Commission can be informed accurately of the size of the expenditure for each measure and each budgetary line under the CAP. On this occasion the total of the transfers is rather high due to the fact that, since the preparation of the draft rectifying and supplementary budget no. 2/81 in September 1981 (presented to the budgetary authority on 2 October 1981 and agreed on 21 December 1981), some important changes in market circumstances in three sectors (monetary compensatory amounts, oil seeds, sugar) have arisen. This led to additional expenditure of an amount of 230 m ECU, around 80% of the total of the transfers in question, and of which 100 m ECU were on account of monetary compensatory amounts.

Moreover, these expenditure came about in the month of December and consequently their communication to the Commission was only possible towards the end of January 1982.

6.3 Expenditure

6.3.1. Expenditure charged for 1981 totals 10 980.2 million ECU. In addition to expenditure declared by the Member States as having been disbursed in 1981 (11 140.4 million ECU), this includes direct payments of 0.8 million ECU and the consequences of accounts clearances for 1974 and 1975 (- 161 m ECU).

TABLE 9
APPROPRIATIONS

1 000 ECU

Sector	Chap.	Original appropriations	Amending budgets	Transfers of appropriations	Appropriations available	Expenditure for 1981
Cereals	60	2 205 000	- 274 000	-	1 931 000	1 921 378
Rice	61	62 720	- 30 720	7 000	25 000	21 677
Milk products	62	4 312 960	- 637 960	- 159 000	3 516 000	3 342 736
Oils and fats	63	976 080	- 18 080	+ 70 000	1 028 000	1 025 427
Sugar	64	739 900	- 39 900	+ 70 000	770 000	767 505
Beef and veal	65	1 353 380	+ 143 620	- 20 000	1 477 000	1 436 904
Pigmeat	66	127 400	+ 34 600	-	162 000	154 621
Eggs, poultry	67	101 920	+ 2 080	- 13 000	91 000	83 920
Fruit and vegetables	68	730 100	- 15 100	- 40 000	675 000	641 126
Wine	69	456 680	+ 161 320	- 68 000	550 000	459 416
Tobacco	70	333 200	- 6 200	+ 37 500	364 500	361 800
Sheepmeat	71	258 720	- 68 720	+ 1 700	191 700	191 512
Other common organizations	73	193 060	- 10 060	+ 5 800	188 800	184 280
Non-Annex II	74	294 000	+ 66 000	-	360 000	282 440
ACAs	75	24 500	- 19 500	-	5 000	115
MCAs	78	250 880	87 880	+ 80 000	243 000	238 304
Provisional appropriations and clearances	79	254 500	- 294 500	-	40 000	- 160 961
Fisheries	88	27 500	+ 5 000	-	32 500	28 021
TOTAL		12 702 500	-1 090 000	- 42 000(*)	11 570 500	10 980 221

* This amount was transferred- 22 million ECU to heading 8312, milk non-marketing and dairy herd conversion premiums, Guidance part
- 20 million ECU to Article 950, aid to disaster victims in developing countries and other non-member countries

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

This breakdown cannot be treated as a reliable indication of actual shares of the Member States, since payment lead times vary widely from Member State to Member State and since expenditure by paying agencies in any given Member State cannot really be treated as peculiar to this Member State because the Community is a unified economic area for agricultural products.

TABLE 10

Breakdown of 1981 expenditure by Member State and by type of financing (1)

: Member States :	: Refunds in m ECU :	: Interventions m ECU :	: Totals 1981 m. ECU :	: 1980 % :	: 1980 % :
: Belgium :	: 344.1 :	: 156.- :	: 500.1 :	: 4.49 :	: 5.14 :
: Denmark :	: 364.4 :	: 149.2 :	: 513.6 :	: 4.61 :	: 5.62 :
: Germany :	: 776.5 :	: 1 281.5 :	: 2 058.- :	: 18.47 :	: 21.94 :
: Greece :	: 26.6 :	: 119.6 :	: 146.2 :	: 1.31 :	: - :
: France :	: 1 631.8 :	: 1 515.- :	: 3 146.8 :	: 28.24 :	: 25.53 :
: Ireland :	: 304.5 :	: 136.5 :	: 441.- :	: 3.96 :	: 5.17 :
: Italy :	: 248.4 :	: 1 816.6 :	: 2 065.- :	: 18.53 :	: 15.11 :
: Luxembourg :	: 1.2 :	: 2.8 :	: 4.- :	: 0.04 :	: 0.10 :
: Netherlands :	: 841.2 :	: 338.3 :	: 1 179.5 :	: 10.59 :	: 13.91 :
: United Kingdom :	: 400.- :	: 686.2 :	: 1 086.2 :	: 9.75 :	: 7.37 :
: Totals Member States :	: 4 938.7 :	: 6 201.7 :	: 11 140.4 :	: 99.99 :	: 99.89 :
: Direct payments :	: - :	: 0.8 :	: 0.8 :	: 0.01 :	: 0.11 :
: EEC Totals :	: 4 938.7 :	: 6 202.5 :	: 11 141.2 :	: 100.- :	: 100.- :

(1) This takes no account of corrections to the breakdown of expenditure by Member State under the arrangement whereby the exporting Member State pays intra-Community MCAs for the importing Member State (see Table 3) or of the transfers of receipts between intervention agencies when agricultural products are transferred at "nil" prices.

6.3.2. Budget operations

6.3.2.1. Commitments

	ECU
- Global provisional commitments corresponding to the advances paid to Member States in respect of 1981	11 246 483 278.72
- Commitments for direct payments	846 050.30
- Commitments itemized in accordance with budget nomenclature	10 980 220 555.24
- Balance of global commitments cancelled in respect of 1981 and recommitted for 1982	267 108 773.78

6.3.2.2. Charges for payments

With the exception of a sum of 704 535.95 ECU committed for direct payment by the Commission, the amounts charged for payment, which totalled 10 979 516 019.29 ECU, correspond to the itemized commitments.

6.4 Carryovers of appropriations

6.4.1. All of the 1980 appropriations carried over automatically to 1981 - 8 730 885.19 ECU (1) were used for payments

(1) The figure of 9 m ECU given in the previous report had been rounded up.

6.4.2. The following 1981 appropriations committed for direct payments by the Commission were carried over automatically to 1982:

Item 6314 (olive oil)	157 808.95 ECU
Item 7302 (flax)	<u>546 727.00 ECU</u>
	704 535.95 ECU

6.4.3. The Commission also proposed, and the Council approved, the carryover to 1982 under Article 6(3) of the Financial Regulation of the following appropriations:

6429 - Other measures concerning the milk and milk products sector:	100 m ECU
Miscellaneous - refunds on products for Poland:	<u>61.7 m ECU</u>
	<u>161.7 m ECU</u>

6.5 Summary of the implementation of the 1981 budget

Implementation of the EAGGF Guarantee Section part of the 1981 budget (1) can be summarized as follows (in ECU):

Amending budget No 2	11 612 500 000.00
Transfers to Chapters 83 and 95	<u>42 000 000.00</u>
	11 570 500 000.00
Charges for payments	<u>10 979 516 019.29</u>
	590 983 980.71
Appropriations committed and carried over automatically to 1982	704 535.95
	<u>590 279 444.76</u>
Appropriations unused to be carried over with authorization	161 700 000.00
	<u>428 579 444.76</u>
Unused appropriations cancelled	-----

(1) Including Chapter 88 (Fisheries)

TITLE III

7. INVESTIGATIONS, IRREGULARITIES AND RELATED ACTIVITIES

7.1 Specific investigations and investigations carried out by the Member States at the request of the Commission

For the control of expenditure financed by the Guarantee Section of the EAGGF, Article 9 of Regulation (EEC) No 729/70 and Article 6 of Regulation (EEC) No 283/72 empower the Commission to organize specific investigations into doubtful operations or presumed irregularities, quite apart from on-the-spot work concerning accounts clearances (1).

In 1981, the Commission used its powers on 13 occasions for control work of this kind. Six of these investigations concerned beef/veal, the others concerned sheepmeat, milk products, cereals, oils and fats and fisheries.

The investigations concerned one or more Member States, as follows:

:-----:											
: B	: DK	: G	: F	: GR	: IRL	: IT	: LUX	: NL	: UK	: TOTAL:	
:-----:											
: 0	: 0	: 3	: 2	: 0	: 3	: 3	: 0	: 0	: 2	: 13	:
:-----:											

These figures show that the number of investigations was unchanged in comparison with the preceding year. This work, of great value in efforts to prevent irregularities, is kept under close review by the Commission's staff. In four cases, the suspicion that there was an irregularity proved unfounded; nine investigations had not been completed by the end of 1981, two of which will probably have financial implications.

Twelve investigations already in hand - some of which attracted a great deal of attention in the press - were still not complete at the end of 1981; four of these will have financial consequences to be dealt with in connection with the clearance of accounts.

(1) A preinvestigation procedure has been developed for the implementation of Regulation (EEC) No 283/72 (see Fifth Financial Report, 1975).

7.2. Selective checks

Under Article 9 of Regulation (EEC) No 729/70, the Commission's staff are also empowered to carry out "selective checks", which are made in all the Member States and concern specific problems in a given sector or field.

In 1981 a selective check was carried out in the fruit and vegetable sector to study the implementation, by all the Member States, of specific measures concerning withdrawal from the market and processing aids. Reports were sent to the Commission in March 1982; it will be followed by the transmission to the Member States of the remarks concerning them; the Commission will study the lessons to be drawn from this check with regard to Community legislation and will take account of certain controversial points when clearing the accounts.

7.3 Information and coordination system provided for in Regulation (EEC) No 283/72

The Member States and the Commission's staff have cooperated actively in this field on:

- (a) prompt exchange of information,
- (b) meetings of the EAGGF Irregularities Group and
- (c) in a more general framework, mutual assistance for the proper implementation of customs and agricultural regulations.

- Prompt exchange of information concerns irregularities which are liable to exert effects very rapidly outside the Member State concerned, or irregularities revealing new fraudulent practices.

The number of notifications under the prompt exchange of information system was as follows:

	B	DK	G	F	GR	IRL	IT	LUX	NL	UK	COM	TOTAL
TOTAL 1972-1980	13	0	10	12	0	11	1	0	2	50	11	110
TOTAL 1981	4	0	2	0	0	3	1	0	0	6	0	16

The figure of 16 notifications is more than double that for 1970 (seven). This definite improvement shows that this system, approved in respect of its procedures by the Member States, has helped to step up cooperation between the Member States and the Commission's staff.

- The meetings of the EAGGF Irregularities Group, at which experts from the member countries departments examine with the Commission information exchanges and action to be taken on it. In 1981, apart from the regular meetings, several special meetings were convened involving only the delegations directly concerned with a specific problem. These included meetings organized to examine action to be taken to prevent smuggling of farm products between the United Kingdom and Ireland. The main products smuggled were beef/veal, sheepmeat, pigmeat, cereals and butter. The action taken following discussion between the national departments concerned and the Commission's staff, including new supervision measures in the slaughterhouses and control arrangements for the verification of the final use of the merchandise, have appreciably reduced smuggling.

The conclusions reached at these meetings were reported to the whole Group.

- Mutual assistance "to ensure the proper implementation of the customs and agricultural regulations".

Council Regulation (EEC) No 1468/81, of 19 May 1981, which entered into force on 1 July 1981, provides for mutual assistance between the administrative authorities of the Member States and cooperation between these authorities and the Commission with a view to ensuring the proper implementation of the customs and agricultural regulations. The regulation is administered by the Customs Union Service, working with the Directorate-General for Agriculture whenever agricultural legislation is concerned. A number of meetings have already been held with the Member States and a good deal of information has been exchanged, especially with regard to merchandise trade.

The breakdown of the number of cases by Member State was as follows in 1981:

	B	DK	G	F	GR	IRL	IT	LUX	NL	UK	TOTAL
	1	12	78	25	0	6	2	0	5	21	150

II. Irregularities reported concerning milk non-marketing premiums:

	1979	1980	1981
m ECU	0,29	0,48	0,72
Recoveries	0,19	0,22	0,18

The breakdown of cases and amounts concerned by Member State was thus as follows in 1981:

	DK	G	FR	UK	Total
number of cases	20	36	15	21	92
m ECU	0,21	0,25	0,14	0,12	0,72
Recoveries	0,02	0,07	0,05	0,04	0,18

An examination of the cases shown in the main table reveals that more cases were notified in 1980 and 1981 than in previous years, the difference being accounted for by the milk products sector.

Thirty-three cases concern aid to liquid skimmed milk and skimmed-milk powder for animal feed, involving an amount of

3.9 million ECU. Twenty of these cases represented only a small amount of 0.7 million ECU, whereas the 13 other cases come under the very large "milk powder" case (see the relevant paragraph in the comments on the financial volume of the irregularities).

The "disequilibrium" already noted in previous years in the number of cases of irregularities notified by the Member States is a matter of concern to the EAGGF staff. Efforts will none the less be made to continue the review of possible administrative or interpretative causes of this.

The information obtained in 1982 on the application of Directive No 77/435/EEC shows that the Federal Republic of Germany verified in 1981 more firms than the directive required, probably because the machinery for carrying out this kind of work has been working for years in Germany. As it has been shown that up to 80% of the irregularities detected have been discovered by verification of commercial documents, it is not surprising that this Member State has detected a large number of irregularities by this process.

7.5. The financial impact of irregularities

In 1981, two sectors accounted for 91.1% of amounts unduly paid: cereals (37.8%) and milk products (53.3%).

Overall, the breakdown according to type of expenditure was as follows:

	<u>1981</u>	<u>(1971-1981)</u>
Refunds	54.88%	(48.53%)
Intervention	36.87%	(34.63%)
MCAs	8.25%	(16.84%)

- Exports of maize meal, for which a lower fat content had been reported than was the case, now concerns an amount of 9.9 million ECU (notifications for 1980 and 1981, for the period 1975 to 1980);

- the "milk powder" case, details of which were given in the last Financial Report, has been reduced for the preceding years to only 17 cases concerning 3 million ECU following decisions on appeal in 13 cases of no irregularity. In 1981, the 13 new cases reported in this connection represent an amount of 3.2 million ECU.

7.6. Recovery of amounts unduly paid

The overall situation as regards amounts recovered is shown in Annex 18.

7.7. Computer treatment of irregularities

In a decision adopted on 27 May 1981, the Commission instructed the Directorate-General for Agriculture, working with other departments concerned, to set up a centralized computer file on irregularities. A panel of officials from various departments of the Commission has been elaborating a work time table and studying ways and means of harnessing appropriate Technical assistance.

7.8. Training of EAGGF inspectors

As in previous years, the Commission made arrangements to help inspectors in the Member States to familiarize themselves with the EAGGF sector, by:

- organizing a seminar on rulings of the Court of Justice of the Communities;
- providing assistance to a seminar for representatives of fraud control in the wine sector in Germany;
- providing assistance to a seminar for fraud control staff in the wine sector in France.

7.9. Audit of commercial documents

By the end of 1981, all the Member States except two had complied with their obligation to make the arrangements necessary for the implementation of Council Directive No 77/435/EEC. Additional information was promised by one Member State. The infringement case

prepared for the Member State which had not complied with its obligations went to the Court of Justice in October 1981.

The Commission has endeavoured to help the Member States implement the directive by working documents and by the organization of meetings for the experts referred to in Article 9(2). Other analyses of the directive have been carried out by the Commission's staff and the national experts responsible for the implementation of the directive, in particular to find an appropriate approach for the calculation of the minimum annual number of enterprises to be visited. The Commission's staff have endeavoured to simplify the requirements connected with the work of mustering the information required in the "special Chapter" (Article 9(1)) reviewing the application of the directive, to be attached to the annual reports for the clearance of accounts. Two Member States have followed the outlines suggested and the analysis of their "special Chapters" confirmed the effectiveness of the directive. The other Member States seemed to have applied the directive, but the information obtained by the end of 1981 was not enough to assess application in all the Member States for that year.

Difficulties persist in certain Member States for the implementation of this directive at national level, and also within the Commission, which had administrative difficulties in 1981 in this field.

7.10 The press and public opinion

A large number of written questions asked by Members of the European Parliament and requests for information from Parliament's Committee on Budgetary Control, prompted by critical articles in the press, have compelled the EAGGF's irregularities staff to spend a great deal of time checking facts supplied without careful verification to a public all too prone to take such information at its face value.

Often, the information given was ill-founded ; some of it referred to cases which have long ago been closed.

As the same articles hardly ever mention the efforts made by the Member

States and the Community authorities to combat irregularities, or the results obtained, a publication was prepared on this subject in 1981 for the media and the public. It will be published in 1982.

TITLE IV

8. CLEARANCE OF ACCOUNTS

In 1981 the EAGGF staff continued their drive to make good the time lost on accounts clearance work and to improve the clearance procedure by strengthening preventive action with regard to auditing and by a reorientation of verification methods.

On 16 November 1981, the Commission adopted its decisions on accounts clearance relating to the expenditure for 1974 and 1975. The "dialogue" with the Member States on problems relating to 1976 and 1977 was also started, in early August 1981, by official letters. It is to be completed by bilateral meetings with the various delegations in May 1982 so that draft decisions can be laid before the Commission before August 1982.

With regard to 1978 and 1979, on-the-spot checks of expenditure, started in March 1981, were completed and the "dialogue" stage should be completed in October 1982 so that draft decisions can go to the Commission before the end of 1982. Documentary audit of expenditure declared in respect of 1980 has begun and on-the-spot verification should be started in the last quarter of 1982.

8.1 1974 and 1975 accounts

In an effort to make good the time lost on clearance work, the accounts for 1974 and 1975 were audited together, so that the total declared expenditure concerned was about 7 400 million EUA.

The following points should be stressed:

- the 1974/75 period was the first during which the dialogue procedure between the EAGGF and the Member States was fully operative. The purpose of this procedure is to solve as far as possible disputes on the application of Community regulations and to enable the Commission's staff to establish findings on the financing of expenditure on the basis of all relevant information.

It cannot be denied that the consultation stage for the 1974/75 clearance took a great deal of time ; this was due in the first place to the fact that a very large number of problems arose in connection with auditing and many of these were particularly complex ; another point was that the Member States had administrative difficulties to contend with because it was six or seven years since the expenditure being audited had been made. While the Member States have expressed their satisfaction with regard to this dialogue, it is also clear that every effort must be made not only by the EAGGF staff but also by the Member States to ensure that the work goes much faster in future.

- Criticized in regard to their assessment of the proper implementation of Community regulations by the Member States, the EAGGF staff made an innovation in the clearance procedure relating to 1974 and 1975 by sending to the Commission five proposals, with reasons, that expenditure should not be disallowed although not all the Community rules had been complied with to the letter by the Member States. In these five cases the EAGGF took account of exceptional situations or special circumstances peculiar to each and conceded that in a number of cases the Community also bore some responsibility because Community texts were not clear or because there was no Community legislation at all on certain specific situations. The EAGGF staff satisfied themselves, however, that there had in no case been a slackening of control, that the expenditure had been carried out properly and that the expenditure declared did not exceed expenditure which would have been the result of strict application of Community rules.

The decision not to disallow this expenditure is in no circumstances to be taken as indicating recognition of the management carried out by the Member State as being in line with the relevant rules. It is therefore clear that the Member States concerned must change their management of the schemes involved in accordance with Commission comments in order to comply in full with Community regulations.

While the Commission accepted the EAGGF staff's proposals in this instance, the importance of proper implementation of the agricultural regulations by the Member States must be stressed. This means compliance with all aspects of the rules, including procedural aspects, since only rigorous application will ensure full observance of Article 189 of the Treaty and genuine equality of treatment of operations.

- The financial results of the clearance work can be summarized as follows (see Tables 11 and 12):

(a) The expenditure declared in respect of clearance of the 1974 accounts totalled 3,118.2 million EUA while expenditure for this year had been charged, under the advance payment system, for a total of 3 086.9 million EUA (- 31.3).

The corrections entailed by the clearance work yielded a reduction in Community financing of 41.1 million EUA, corresponding to about 1.3% of declared expenditure.

Under Article 99 of the Financial Regulation, the clearance of the 1974 accounts led to the deduction of 9.8 million EUA from expenditure for 1981.

(b) Expenditure declared in respect of clearance of the 1975 accounts totalled 4,299.5 million EUA, while expenditure for this year had been charged for an amount of 4 325.9 million EUA (+ 26.4).

The corrections entailed by clearance work yield a reduction in Community financing of 124.8 million EUA, which corresponds to about 2.9% of expenditure declared.

Under Article 99 of the Financial Regulation, clearance of the 1975 accounts therefore entails deduction of 151.2 million EUA from expenditure for 1981.

It should, however, be noted that for certain measures, a proportion of the expenditure was not considered, because an additional examination was needed, and may subsequently be recognized at latest when the 1976 accounts are cleared; the amounts thus earmarked total 3.0 million EUA for 1974 and 88.9 million EUA for 1975.

TABLE 11

FINANCIAL RESULTS OF CLEARANCE WORK ON 1974 ACCOUNTS

Conversion rate as at 18 September 1981

	Belgium (BFR m)	Denmark (DKR m)	Germany (DM m)	France (FF m)	Ireland (IRL m)	Italy (LIT m)	Luxemburg (LFR m)	Netherlands (HFL m)	U.K. (UKL m)	Total EC
1. Expenditure declared										
National currency	7 414.3	2 152.3	2 119.0	3 883.2	76.1	321 317.3	98.8	1 629.0	111.6	...
EUA (m)	182.8	275.5	856.2	653.8	111.9	254.6	2.4	593.6	187.4	3 118.2
2. Expenditure disallowed										
National currency	- 301.5	- 1.6	- 17.6	- 90.2	- 0.4	- 1 162.7	p.m	- 22.1	- 0.9	...
EUA (m)	- 7.4	- 0.2	- 7.1	- 15.2	- 0.6	- 0.9	p.m	- 8.1	- 1.6	- 41.1
3. Expenditure eligible										
National currency	7 103.8	2 150.7	2 101.4	3 793.0	75.7	320 154.6	98.8	1 606.9	110.7	...
EUA (m)	175.4	275.3	849.1	638.6	111.3	253.7	2.4	585.5	185.8	3 077.1
4. Expenditure provisionally charged										
National currency	7 411.8	2 148.1	2 114.6	3 802.4	63.8	324 947.3	98.8	1 628.8	111.5	...
EUA (m)	182.7	275.0	854.5	640.1	93.9	257.5	2.4	593.5	187.3	3 086.9
5. Differences between (4 - 3)										
National currency	308.1	- 2.6	13.2	9.4	- 11.9	4 792.7	p.m.	21.9	0.8	...
EUA (m)	+ 7.3	- 0.3	+ 5.4	+ 1.5	- 17.4	+ 3.8	p.m.	+ 8.0	+ 1.5	+ 9.8

TABLE 12

FINANCIAL RESULTS OF CLEARANCE WORK ON 1975 ACCOUNTS

Conversion rate as at 18 September 1981

	Belgium (BFR m)	Denmark (DKR m)	Germany (DM m)	France (FF m)	Ireland (IRL m)	Italy (LIT m)	Luxemburg (LFR m)	Netherlands (HFL m)	U.K. (UKL m)	Total EC
1. Expenditure declared										
National currency	8 829.1	2 321.2	2 193.1	6 511.2	97.0	579 613.8	271.8	1 711.8	339.4	...
EUA (m)	217.7	297.1	886.1	1 096.2	142.7	459.3	6.7	623.8	569.9	4 299.5
2. Expenditure disallowed										
National currency	- 40.0	+ 13.1	- 32.9	- 633.8	+ 1.6	- 9 819.8	-	+ 1.8	- 0.4	...
EUA (m)	- 1.0	+ 1.7	- 13.3	- 106.7	+ 2.4	- 7.8	-	+ 0.6	- 0.7	- 124.8
3. Expenditure eligible										
National currency	8 789.1	2 334.3	2 160.2	5 877.4	98.6	569 794.0	271.8	1 713.6	339.0	...
EUA (m)	216.7	298.8	872.8	989.5	145.1	451.5	6.7	624.4	569.2	4 174.7
4. Expenditure provisionally charged										
National currency	8 837.4	2 342.6	2 182.5	6 568.3	110.5	578 272.1	271.8	1 709.6	339.4	...
EUA (m)	217.8	299.9	881.9	1 105.8	162.6	458.3	6.7	623.0	569.9	4 325.9
5. Differences between (4 - 3)										
National currency	+ 48.3	+ 8.3	+ 22.3	+ 690.9	+ 11.9	+ 8 478.1	-	- 4.0	+ 0.4	...
EUA (m)	+ 1.1	+ 1.1	+ 9.1	+ 116.3	+ 17.5	+ 6.8	-	- 1.4	+ 0.7	+ 151.2

8.2 Accounts for 1976 to 1979

(a) The checks of documents and on-the-spot checks were grouped together for 1976 and 1977; they covered a total declared amount of 12.0 million EUA¹ and accounted for about 670 days of visits to 26 paying agencies. The dialogue procedure should be completed in May 1982 and it is planned to send the draft decisions to the Commission in July.

(b) The checks of documents and on-the-spot checks were also grouped for 1978 and 1979, covering a total declared amount of 18.9 million EUA¹. This work was finished by the end of the first quarter of 1982, accounting for about 166 days of visits to 29 paying agencies. It is planned to complete the dialogue phase in October 1982 and to send draft decisions to the Commission in December.

8.3 1980 accounts

As stated in last year's report (paragraph 8.3.1.), the EAGGF Committee had agreed that accounts clearance declarations relating to 1980 should be available at latest by July 1981.

Although there has been an improvement in comparison with the declarations for 1979, only four Member States were able to comply with this deadline, as the table below shows.

¹ : Calculated at the conversion rate for 19 March 1982.

TABLE 13

Member States	Dates when accounts clearance declarations sent in (date of main report)	
	1979	1980
Belgium	12.08.1980	3.07.1981
Denmark	27.06.1980	25.06.1981
Federal Republic of Germany	14.07.1980	17.07.1981
France	21.10.1980	9.10.1981
Ireland	21.11.1980	28.09.1981
Italy	1.09.1980	26.10.1981
Luxembourg	18.08.1980	26.06.1981
Netherlands	22.08.1980	23.09.1981
United Kingdom	15.09.1980	19.08.1981

Since clearance work is now catching up, it is vital that the deadline set for the submission of expenditure declarations by the Member States for 1981 should be met if the auditing is to be carried out properly. It should be noted in this context that, in accordance with the arrangements agreed for updating the Memorandum on the clearance of accounts, the EAGGF sent out the updating for 1981 in March 1982.

8.4 Appeals filed by the Member States following 1974/75 clearance decisions

Three Member States appealed to the Court of Justice for annulment of the 1974 and 1975 clearance decisions:

(a) Netherlands (Case No 45/82)¹

Appeal filed on 5 February 1982 against the Commission decision in respect of 1974 to disallow an amount of HFL 4 255 409.86 concerning an aid to the processing of skimmed-milk powder into compound feed.

⁽¹⁾ OJ C 72, 23.3.1982

(b) Germany (Case No 46/82)⁽¹⁾

Appeal filed on 11 February 1982 against the Commission decision of 1975 to disallow:

- an amount of DM 16 978 093.28 concerning monetary compensatory amounts paid on the occasion of the supply of national food aid in the form of wheat and wheat meal;
- an amount of DM 945.51 concerning an aid paid in connection with private storage of table wine (4).

(c) Italy (Case No 61/82)²

Appeal filed on 11 February 1982 against a Commission decision in respect of 1974 to disallow:

- an amount of LIT 2 264 702.642 concerning the sale of intervention cereals transferred from other Member States;
- an amount of LIT 721 953 044 concerning aid granted on skimmed-milk powder incorporated into compound feed;
- an amount of LIT 1 143 616 575 concerning aid granted for the private storage of Grana padano and Parmigiano Reggiano cheeses;
- an amount of LIT 10 852 510 concerning aid granted for the private storage of table wines.

(d) Italy (Case No 62/82)³

Appeal filed on 11 February 1982 against the Commission's decision in respect of 1975 to disallow:

- an amount of LIT 880 058 997 concerning an aid granted in respect of skimmed-milk powder incorporated into animal feed;

(1) OJ C 62, 12.3.1982

(2) OJ C 67, 16.3.1982

(3) OJ C 67, 16.3.1982

(4) The problem will be settled during 1982.

- an amount of LIT 3 727 568 990 concerning aid granted for the private storage of Grana padano and Parmigiano Reggiano cheeses;
- an amount of LIT 78 596 145 concerning aid granted for the private storage of dried and/or smoked pigmeat;
- an amount of LIT 3 610 555 765 concerning aid granted for the private storage of table wines;
- an amount of LIT 98 951 625 concerning aid granted for the re-storage of table wines.

8.5 Strengthening of preventive action in connection with the audit of EAGGF guarantee expenditure

Experience during the work on clearance of the accounts for 1971 to 1975 showed that preventive action designed to ensure full and proper application of Community regulations by the Member States must be strengthened.

The purpose of this action is to improve and strengthen verification arrangements contained in the Community regulations and ensure better applicability of Community agricultural rules having financial implications.

In recent years, the number of questions raised both by Member States and by operators concerning the interpretation of rules under the common agricultural policy having financial implications has increased sharply. In this connection, it should be noted that since 1981 important interpretative questions raised by one Member State have been systematically sent to all the other Member States for information with the answers given by the Commission's staff.

8.6 Reorientation of audit methods

The Commission is aware that the verification methods now used have deficiencies - especially with regard to the time it takes to carry out checks and the selectivity of control work - and it is therefore planning

to adapt them by the introduction of systems audits into the procedures for clearance of accounts. The Commission would hope to introduce systems audits gradually from 1982 onwards; the speed with which this can be done will, however, depend on the availability of enough skilled staff and on the help the Member States can give.

The Member States were informed of the Commission's intentions in this connection at the meeting of the EAGGF Committee held in November 1981. The preparatory work for the introduction of the system has now reached the stage at which the Member States can be involved. For this purpose, an informal discussion between the Commission and the Member States on the best way of carrying out systems audits to cope with the problem of checking EAGGF guarantee expenditure has been arranged in a seminar to be held in June 1982.

TITLE V

FINANCING OF COMMUNITY FOOD AID FOR PRODUCTS FALLING UNDER THE COMMON
ORGANIZATION OF MARKETS

9.1. Main features of Community food aid programmes

9.1.1. General situation

The Community food aid programmes for 1981, adopted in May of that year ¹, covered delivery to beneficiary countries and organizations of 150 000 tonnes of skimmed-milk powder, 45 000 tonnes of butteroil, 727 663 tonnes of cereals, 100 000 tonnes of rice and 6 086 tonnes of sugar.

On 31 December 1981, of these amounts, 200 000 tonnes of cereals, 44 000 tonnes of skimmed-milk powder, 19 000 tonnes of butteroil and 7 000 tonnes of sugar had still not been supplied from the 1981 and previous programmes.

To cope with special and emergency situations in certain non-member countries, it was also decided to provide food aid of 3 195 tonnes of red kidney beans, 8 000 tonnes of colza oil and 3 000 tonnes of sunflower oil.

Exceptional food aid was also approved by the Council on 21 December 1981 by Regulation (EEC) No 3723/81². It totals 40 million ECU and is to cover the delivery of diversified food products such as cereals, oils, vegetable foods and sugar to the less advanced countries. The first consignments under this arrangement were shipped in early 1982.

Apart from Community food aid as such, the Member States' annual participation (1981) under the Food Aid Convention of 1980, which came into force on 1 July 1980 for one year and was renewed until 30 June 1983, was about 660 000 tonnes of cereals (agreed national aids).

(1) OJ L 141, 27. 5.1981

(2) OJ L 373, 29.12.1981

All these aids qualified for full or partial Community financing, by the charging to the EAGGF guarantee budget of amounts corresponding to the refunds, the equivalent of the aids expressed in world prices being charged to Chapter 92 (Community aids) or the national budgets (agreed national aids or aids outside the convention).

This Title discusses only expenditure under Chapter 92 of the budget of the European Communities, not including Item 9250 (expenditure under the agreement between the EEC and UNRWA), Item 9260 (exceptional implementing measures) or Item 9261 (quality control of products supplied as food aid), as these items are managed by another department (Directorate-General for Development).

9.1.2. Mobilization procedure

Products to be supplied as food aid are normally Community products. As a rule mobilization takes the form of a tendering procedure, whether the products come from public intervention stocks or are bought on the Community market. In the former case, the call for tenders applies to freighting and any processing required, in the latter to the value of the merchandise plus the other costs.

In rare cases, the products are purchased on the Community or world market by private contract (emergencies, non-availability on the Community market, etc.). The stage to which Community financing extends is either f.o.b., c.i.f. or free at destination within the recipient country, depending on the terms laid down by the Council when adopting annual programmes or individual schemes.

9.1.3. Food supplied

The table below gives figures for the food supplied by groups of products in 1981, based on tonnages supplied during the year at least to the f.o.b. stage.

TABLE 14
Products supplied (tonnes)

Products	1981 programme	Previous programmes	Various	Total 1981	Total 1980
Cereals (wheat equivalent)	692 329	233 578	-	925 907	678 691
Butteroil	19 246	28 036	-	47 282	48 905
Skimmed-milk powder	70 767	96 232	-	166 999	169 477
Sugar	-	5 270	-	5 270	6 086
Red kidney beans	-	-	3 195	3 195	-
Colza oil	-	-	8 000	8 000	-
Sunflower oil	-	-	3 000	3 000	-

There was a sharp increase in the quantities of cereals supplied (36%). This is one of the factors entailing a major increase in total expenditure for 1981, namely 600 984 951.06 ECU, an increase of 91.5% over 1980 expenditure.

The increase is also due to the following factors:

- general increase in prices and consequently in the cost of merchandise to be delivered and in freighting costs;
- a lower refund following the increase in world market prices, especially in respect of the schemes coming under the 1981 programme.

9.1.4. Payments

Payments for food aid are made by the intervention agencies on presentation of the required documents by the successful tenderer. The necessary funds under Chapter 92 are made available to Member States by the monthly advance system, following a procedure similar to that used for Guarantee Section funds.

However, where merchandise was bought on the world market, the payments were made directly by the Commission. With regard to aid in the form of non-traditional agricultural products (colza and sunflower oil) bought on the Community market, the contracts relating to their financial execution were also handled by the Commission's staff.

9.2. Cash position

9.2.1. Advances

The monthly advances requested by Member States and approved by the Commission totalled 519 483 555.12 ECU for 1981 (see Annex 20, column (b)).

The table below gives a breakdown among the Member States of the advances approved, the expenditure made and the rate of utilization of the advances.

TABLE 15 : Breakdown and utilization of monthly advances in 1981

Member State	Advances in ECU(1)	Expenditure to 31.12.1981 (2)	Utilization rate: %
Belgium	78 831 727.93	73 081 485.05	93
Denmark	4 453 873.79	2 986 784.58	67
Germany	217 122 802.41	209 922 279.93	97
Greece	3 452 823.95	3 437 143.58	99
France	170 691 475.14	175 873 499.31	103
Ireland	9 222 777.45	8 807 802.44	96
Italy	24 021 161.11	19 596 066.50	82
Luxembourg	542 725.77	533 984.83	98
Netherlands	27 371 563.44	20 691 534.29	76
United Kingdom	28 034 327.31	28 186 803.55	101
TOTAL EEC	563 745 258.30	543 117 384.06	96

A comparison of these figures with those of the previous year shows that food aid expenditure increased by about 96.3%. At 96%, the rate of utilization of advance payments was up by 10 percentage points over the figure for 1980 (86%).

9.2.2. Changes in the cash position

Annex 20 shows the cash position as at 31 December 1981. The sum available for the Community was 20 627 874.24 ECU (before adjustment and given in a breakdown by Member State). This amount, corresponding to advance payments not used by the Member States as at 31 December 1981, has been re-adjusted on the basis of the ECU rate valid for advance payments in January 1982 (Annex 20, col. e).

(1) Including the balance available at 31.12.1980 as given in the Tenth Financial Report (c.f. p. 83, Table 19, col. e), a figure of 44 261 703.18 ECU (ECU rate valid for advance payments in January 1981, namely that of 20.11.1980).

(2) Expenditure declared by the Member States.

This book-keeping operation has no effect on the net balance of the food aid accounts kept in national currencies by the Member States.

9.3. Administration of appropriations

9.3.1. Total appropriations available and committed in 1981

The appropriations available and committed in 1981 were the following (c.f. Annexes 22, 23 and 24) in ECU:

- carried forward from 1980 because of deferred implementation of some food aid schemes	213 077 505.87
- original appropriations entered in the 1981 budget - Chap. 92	366 431 000.00
- amending budget No 1 for 1981	100 000 000.00
- amending budget No 2 for 1981	40 000 000.00
- appropriations administered by the D.G. for Development:	
(a) Item 9260	- 1 100 000.00
(b) transfer to Item 9250 from other Items in Chap. 92	- 210 000.00
	<hr/>
	718 198 505.87

The corresponding amount for 1980 was 526 943 239.40 ECU (the increase is 36.3%).

9.3.2. Payments

(a) Expenditure declared by the Member States

Table 15 and Annexes 20, 21 and 24 show the expenditure declared by the Member States, namely an amount of 543 117 384.06 ECU.

The amounts charged to the budget in 1981 will not necessarily be the same as those in the final annual accounts to be shown subsequently in the Commission's clearance decisions. The differences between the advance payments approved and actual expenditure constitute the balances available at 31 December 1981. They are considered as advances for 1982 and the Member States may accordingly use them to meet expenditure incurred in 1982.

(b) Direct payments

Apart from the advance payments made to intervention agencies in the Member States, the Commission - as in the past - made a number of direct payments to certain recipient countries and agencies as contributions towards the cost of transporting and distributing food aid supplies. A number of contracts were also concluded through the Commission for purchases of food on the world market and the EAGGF Guarantee Section made the relevant payments.

The total for these direct payments in 1981 was 57 867 567.00 ECU (c.f. Annex 24). The breakdown by beneficiary is given in Table 16.

TABLE 16

Breakdown of direct payments by beneficiary

Beneficiary	Direct payments (ECU)
Nicaragua	5 595 030.44
Somalia	200 531.30
Algeria	223 028.60
India	6 844 785.09
Bangladesh	7 726 659.12
Peru	77 688.58
Ethiopia	732 704.35
Tanzania	489 001.63
Sri Lanka	172 987.53
Central African Republic	3 666.88
Zambia	241 411.84
China	5 888 127.30
Chad	46 811.82
WFP	15 239 707.42
UNHCR	3 293 249.80
UNRWA	1 337 644.31
ICRC	932 685.52
LICROSS	160 000.00
Catholic Committee	123 594.97
Caritas	845.735.59
NGO (various)	7 692 514.85
Rounding	0.06
TOTAL	57 867 567.00

The increase in direct payments over 1980 is 55%.

9.3.3. Charging to the budget

The amounts of expenditure declared by the Member States are normally charged as a global sum to the budget every month, while direct expenditure by the Commission staff under the 1977 Financial Regulation is charged on a case-by-case basis.

9.3.4. Transfers

During the year, transfers within Chapter 92 proved necessary to adapt the appropriations under items to needs arising from the monthly charging of expenditure declared by the Member States and payments made for aids in other products for which only a token entry had been made against the corresponding budget item. The table in Annex 22 shows all the transfers made under the appropriations for 1981. The negative balance of 210 000 ECU represents an amount transferred from Item 9250 of the budget, administered by the Directorate-General for Development, to cover expenditure under the Convention concluded between the EEC and UNRWA (Palestine refugees).

It should also be noted that no appropriations had been entered against the items for previous programmes on cereals, rice and sugar, hence the need for transfers to cover expenditure declared by the Member States.

The other transfers and the two amending budgets were necessary because of the unforeseeable general increase in prices (products and freighting) and the reduction in the amounts corresponding to the refund (see point 9.1.3.).

9.4. Appropriations carried forward to 1982

Under the 1977 Financial Regulation, the 1981 budget appropriations were committed as soon as the programmes were adopted by the Council for that year, i.e. from the end of May 1981 onwards. Not all the appropriations committed led to payments, because of the relatively late date (19 May) by which the programmes were adopted by the Council. The difference between the appropriations committed and total payments was therefore carried over automatically to 1982.

Thanks to a speed-up in the rate of execution of schemes planned, the appropriations to be carried over to 1982 are lower than for the preceding year, the amount being 107 577 692.46 ECU(1), i.e. 21.3% of 1981 appropriations (the rate was 54.7% in 1980).

9.5. Closure of accounts

9.5.1. Verification

- For each food aid scheme a detailed statement of expenditure is made out by the relevant intervention agency, following procedures laid down in the Financial Regulations. As soon as they are received, the vouchers and documents are thoroughly verified on the basis of information available to the Commission, including the intervention prices, the tender award prices and the amounts relating to refunds. Further verification is then carried out at the headquarters of the paying agency.
- Payments are made directly by the Commission, under the general management rules laid down in the 1977 Financial Regulation.

9.5.2. Clearance of accounts

The main problem in connection with the clearance of accounts is the need to make good time lost in the past and speed up clearance procedures. At the same time, the sharp increase in budgetary funds earmarked for Community food aid (c.f. 9.1.3. and 9.3.1.) have made their financial management all the more complex and taxing for the Commission's staff. In these circumstances, no significant progress could be made in 1981 on accounts clearance work. In December, 10 days (EAGGF officials) were devoted to verification of the expenditure of one Member State relating to 1976 and 1977. Action has been taken to overcome this problem by increasing staff and improving selectivity with regard to verification.

(1) This amount includes all the credits of the special programme for the L.D.C. (Least Developed Countries) (40 million ECU, none of which has been spent since it was approved by the Council on 21.12.81).

ANNEX 1

SUMMARY OF IMPLEMENTATION FOR THE 1981 FINANCIAL YEAR

Appropriations	mio ECU	Implementation	mio ECU
<u>A. 1981 appropriations</u>		<u>C. Commitments</u>	
1. Appropriations amending budget no. 2	11.612,5	1. Appropriations available	11.570,5
2. Transfer ¹⁾	42,-	2. Sum not committed	323,2
3. Appropriations available	11.570,5	3. Commitments	11.247,3
		4. Reminder from total commitments (released)	267,1
		5. Commitments allocated	10.980,2
<u>B. 1980 appropriations</u>	0	<u>D. Payments</u>	
		1. Total sum allocated	10.980,2
		2. Payments	10.979,5
		3. Automatic carryover	0,7
		4. Appropriations to be carried over	161,7
		5. Appropriations lapsed	428,6
TOTAL	11.570,5	TOTAL	11.570,5

(1) Transfers to Item 8312 and to Article 950.

Expenditure charged until the end of 1981

ITEM	mio. ECU											
	BELGIUM	DENMARK	GERMANY	GREECE	FRANCE	IRELAND	ITALY	LUXEM- BOURG	NETHER- LANDS	UNITED KINGDOM	COMMO- NITY	TOTAL EEC
CEREALS	108,484	32,592	318,049	19,158	878,354	3,049	256,370	0,613	83,143	221,527		1,921,378
REFUNDS	97,290	23,252	115,332	18,590	707,325	2,335	69,272	0,069	45,635	127,217		1,206,317
General refunds	96,359	23,204	113,575	18,590	691,269	2,335	68,265	0,069	45,005	126,349		1,185,019
Refunds on food aid, 1981	0,507		1,174		11,691				0,587	0,819		14,778
Refunds on food aid under preceding programmes	0,424	0,048	0,584		4,365		1,006		0,043	0,049		6,519
INTERVENTION, VARIOUS	7,112	2,924	23,768	0,568	38,448	0,031	174,853		35,834	23,615		307,152
Premiums for incorporation of cereals in animal feed			-0,001									-0,001
Production refunds for potato starch		2,809	6,032		7,296				22,579			38,716
Other production refunds	6,963	0,115	17,736	0,568	23,533	0,031	10,216		13,256	18,023		90,440
Production aid for durum wheat					6,640		164,547					171,187
Other intervention	0,149				0,979		0,089			5,592		6,810
STORAGE INTERVENTION	4,082	6,415	178,949		132,581	0,683	12,245	0,544	1,714	70,696		407,909
Carryover payments	3,172	0,770	15,424		25,717	0,401	1,990	0,110	1,947	6,843		56,374
Costs of financing public storage	0,765	1,553	40,256		24,112	0,011	6,377	0,070	0,355	7,011		80,512
Technical costs of public storage	0,801	1,950	51,795		51,545	0,029	5,057	0,069	0,447	9,642		121,336
Other costs of public storage	-0,946	2,142	69,443		23,726	0,242	-1,179	0,294	-1,034	47,199		139,886
Special intervention measures	0,289		2,031		7,481							9,801
Other intervention measures												
NICE	0,573		0,894		0,363		19,341		0,058	0,447		21,677

ITEM	mio ECU											TOTAL CEE
	BELGIUM	DENMARK	GERMANY	GREECE	FRANCE	IRELAND	ITALY	LUXEM-BOURG	NETHERLANDS	UNITED KINGDOM	COMMUNAUTE	
REFUNDS	0,011		0,865		0,016		15,887		0,008	0,447		17,235
General refunds	0,011		0,865		0,016		13,516		0,008	0,447		14,864
Refunds on food aid, 1981							0,357					0,357
Refunds on food aid under preceding programmes							2,014					2,014
INTERVENTION/RICE	0,562		0,029		0,347		3,454		0,051			4,442
MILK AND MILK PRODUCTS												
REFUNDS	100,157	171,584	311,406	0,076	462,933	119,299	18,965	1,078	579,875	120,947		1.886,319
General refunds	71,820	170,806	231,594	0,076	437,042	115,068	18,965	0,881	571,467	110,203		1.727,923
Refunds on food aid for skimmed-milk powder, 1981	2,709		16,655		0,746	0,002			0,146			20,257
Refunds on food aid for butter oil, 1981	5,350				7,741				2,382			15,473
Refunds on food aid for skimmed-milk powder under preceding programmes	9,822	0,339	40,742		1,024	3,207		0,196	1,965	2,908		60,293
Refunds on food aid for butter oil under preceding programmes	10,456	0,439	22,415		16,379	0,932			3,916	7,836		62,373
INTERVENTION/ SKIMMED MILK	42,368	76,160	392,193		74,830	62,014	31,846	0,871	158,467	82,017		1.240,767
Aid for skimmed-milk powder for calves	16,108	10,494	194,062		319,883	15,975	3,856	0,826	120,551	14,539		696,293
Aid for skimmed-milk powder for animals other than calves	0,903					0,013			0,004	-0,015		0,905
Aid for liquid skimmed-milk for calves	9,243	35,637	47,664		2,073	0,465	0,254	0,052	1,230	1,638		98,255
Aid for liquid skimmed-milk feed for animals other than calves	16,365	20,279	73,908		4,449	15,040	5,781	0,054	3,613	52,202		191,691
Aid for processing into casein		8,660	31,376		62,882	28,677			33,425	5,250		170,270

Expenditure charged until the end of 1981

ITEM	mio- ECU											
	BELGIUM	DENMARK	GERMANY	GREECE	FRANCE	IRELAND	ITALY	LUXEM- BOURG	NETHER- LANDS	UNITED KINGD.	COMMUNITY	TOTAL EEC
Private storage												
Costs of financing public storage	0,631	0,083	18,777		1,952	0,302	1,759	0,001		1,729		25,233
Technical costs of public storage	0,152	0,055	5,474		0,735	0,130	3,958	0,002		0,655		11,161
Other costs of public storage and special disposal measures	-1,033	0,952	20,932		2,857	1,413	16,238	-0,063	-0,355	6,020		46,959
Other intervention												
INTERVENTION/BUTTER AND CREAM	43,699	24,079	126,426		47,462	26,979	1,317	1,588	36,334	118,587		426,471
Private storage	3,310	1,593	28,303		19,359	3,195	0,274	0,265	21,129	5,901		83,330
Costs of financing public storage	0,066	0,007	7,026		0,750	0,013			0,007	0,687		8,555
Technical costs of public storage	0,045	0,005	5,175		0,641	0,008		0,002	0,015	0,682		6,575
Other costs of public storage and special measures	3,188	0,262	79,697		15,181	0,602	0,001	0,203	8,652	8,407		116,192
Absorption of butterfat surplus	37,091	22,210	6,225		11,531	23,161	1,041	1,118	6,531	102,910		211,819
Other intervention												
INTERVENTION/OTHER MILK PRODUCTS					5,690		25,203					30,893
Storage of Cheese					5,690		25,203					30,893
Other intervention												
Other measures in the milk and milk products sector	5,477	14,937	98,849	0,279	32,891	8,226	5,605	0,764	12,294	57,460		236,782
Non-marketing premiums (Guarantee Section Share)	1,372	10,849	64,072		17,420	5,531		0,497	6,267	24,614		130,623
School milk	1,741	2,656	22,901		5,290	0,325	0,302	0,025	2,917	25,951		62,108
Market development	2,081	1,432	9,674	0,279	7,941	1,290	3,443	0,206	2,716	6,188		35,249
Improvement of quality of milk	0,283		2,201		2,241	1,080	1,860	0,036	0,394	0,707		8,803
Programme to promote the expansion of the market in milk products												
Other measures												
Financial participation by milk producers	-16,922	-25,632	-118,735		-114,886	-23,522	-25,018	-1,201	-64,318	-88,262		-478,497
Co-responsibility levy	-16,922	-25,632	-118,735		-114,886	-23,522	-25,018	-1,201	-64,318	-88,262		-478,497
Additional levy												

ITEM	mio ECU										TOTAL EEC	
	BELGIUM	DENMARK	GERMANY	GREECE	FRANCE	IRELAND	ITALY	LUXEM- BOURG	NETHER- LANDS	UNITED KINGD.		COMMU- NITY
OILS AND FATS	16,076	4,631	223,536	43,609	173,000		442,104		18,563	103,609	0,299	1,025,427
Refunds/Olive oil				0,933	0,005		1,974			0,020		2,932
Intervention/Olive oil	0,001	0,008		42,676	-0,141		396,549		-0,002	0,372	0,299	439,762
Production aid				16,179	1,124		256,995					274,298
Consumption aid					-1,805		107,132		-0,002	0,385		105,709
Special consumer schemes (aid set aside)					-0,056		-3,355			-0,013		-3,424
Special consumer schemes (spending)											0,299	0,299
Storage				26,497			24,518					51,015
Other intervention	0,001	0,008			0,597		11,259					11,865
REFUNDS/COLZA, RAPE AND SUNFLOWER SEEDS		0,547			4,528				0,344	0,004		5,423
INTERVENTION/COLZA, RAPE AND SUNFLOWER SEEDS	14,806	4,057	223,535		160,168		43,094		17,320	103,118		566,099
Production aid	14,810	4,563	222,855		165,201		43,094		17,473	103,415		571,411
Storage	-0,004	-0,506	0,681		-5,033				-0,153	-0,297		-5,312
Other intervention												
Intervention/other seeds (CCT 12.01)	1,268	0,019	0,001		8,439		0,487		0,900	0,096		11,211
Aid for cotton seed							0,404					0,404
Aid for soya seed					2,105		0,083					2,188
Aid for flax seed	1,268	0,019	0,001		6,334				0,900	0,096		8,619
Aid for other oil seeds												
Aid for degerming maize												

ITEM	mio. ECU										
	BELGIUM	DENMARK	GERMANY	GREECE	FRANCE	IRELAND	ITALY	LUXEM- BOURG	NETHER- LANDS	UNITED KINGD.	COMMUNITY TOTAL EEC
SUGAR	88,156	29,587	156,342	2,761	317,749	3,879	64,463		51,503	53,065	767,505
REFUNDS/SUGAR, ISOGLUCOSE	66,000	17,628	76,445		203,265		13,749		25,671	6,422	409,179
General refunds	66,000	17,628	76,445		203,265		13,749		25,671	6,422	409,179
Refunds on food aid, 1981											
Refunds on food aid under preceding programmes											
INTERVENTION/SUGAR	22,157	11,959	79,897	2,761	114,484	3,879	50,714		25,832	46,643	358,326
Denaturing premiums					0,075					0,002	0,077
Refunds for use in chemi- cal industry	0,020	0,036	0,690		0,368		0,041		0,494	0,731	2,381
Reimbursement of storage costs	22,136	11,923	79,207	2,761	102,632	3,879	50,486		25,338	45,910	344,272
Public storage											
Measures for sugar produced in French overseas de- partments					11,410		0,187				11,597
Sugar import subsidy											
Other intervention											
BEEF/VEAL	19,090	54,554	288,221		402,550	219,241	213,072	0,069	101,452	138,655	1,436,904
REFUNDS/BEEF/VEAL	15,915	40,697	214,959		165,224	166,764	59,987		85,510	76,204	825,259
General refunds	15,915	40,697	214,959		165,224	166,764	59,987		85,510	76,204	825,259
Refunds on food aid, 1981											
INTERVENTION/STORAGE BEEF/VEAL	1,779	13,771	72,732		187,661	46,081	38,651		13,976	18,434	393,086
Private storage	1,772	0,673	1,922		3,250	0,279	3,566		0,212	1,343	13,017

Expenditure charged until the end of 1981

ITEM	mio ECU										TOTAL EEC	
	BELGIUM	DENMARK	GERMANY	GREECE	FRANCE	IRELAND	ITALY	LUXEM- BOURG	NETHER- LANDS	UNITED KINGD.		COMMU- NITY
Costs of financing public storage	0,001	2,568	9,249		16,541	10,434	3,073		2,435	4,695		48,996
Technical costs of public storage	0,001	4,118	13,767		25,294	14,887	4,633		3,212	6,113		72,027
Other costs of public storage	0,005	6,412	47,793		142,575	20,482	27,380		8,116	6,283		259,047
Other intervention	1,396	0,086	0,530		49,665	6,395	114,433	0,069	1,966	44,017		218,558
Aid for social security recipients												
Premiums for orderly marketing and slaughter of adult cattle		-0,003	-0,129							11,610		11,478
Galving premiums							102,369					102,369
Suckler cow premiums	1,396	0,089	0,544		43,958	6,395	10,456	0,069	0,054	32,408		95,368
Other intervention			0,116		5,707		1,609		1,912			9,343
PIGMEAT	9,299	44,765	19,807		7,103	0,437	11,400	0,006	19,814	1,990		154,621
REFUNDS	6,694	82,827	16,925		4,890	0,387	3,065	0,002	16,076	1,718		132,584
INTERVENTION	2,605	1,938	2,882		2,213	0,050	8,335	0,004	3,738	0,272		22,036
EGGS/POULTRYMEAT	1,471	6,067	10,290	0,263	40,666	0,001	0,191	0,001	23,329	1,641		83,920
REFUNDS ON EGGS	0,276	0,152	3,601		1,793		0,132	0,001	11,376	0,746		18,076
REFUNDS ON POULTRY MEAT	1,195	5,915	6,690	0,263	38,873	0,001	0,059		11,953	0,895		65,844
FRUIT/VEGETABLES	5,746	0,682	19,274	20,505	106,674	0,095	479,905		6,147	2,098		641,126

Expenditure charged until the end of 1981

ITEM	mio ECU										TOTAL REC	
	BELGIUM	DENMARK	GERMANY	GREECE	FRANCE	IRELAND	ITALY	LUXEM- BOURG	NETHER- LANDS	UNITED KINGD.		COMMU- NITY
REFUNDS	0,090	0,456	0,689	6,711	12,115	0,014	21,309		1,149	0,298		42,831
Refunds on fresh fruit and veg.	0,082	0,259	0,590	6,711	11,875		20,401		0,981			40,898
Refunds on products proces- sed from fruit and vege- tables	0,009	0,197	0,099		0,240	0,014	0,908		0,168	0,299		1,933
INTERVENTION/Fresh fruit and vegetables	3,935		3,964	13,794	25,226	0,081	128,484		2,677	1,799		179,960
Withdrawal and buying-in	3,935		3,302	7,650	24,771	0,081	61,820		2,677	1,799		106,034
Processing and distribution			0,662		0,009							0,671
Promotion of citrus fruits					0,446		10,888					11,334
Processing of citrus fruits				6,144			55,776					61,920
Other intervention												
INTERVENTION/PROCESSED PRODUCTS	1,721	0,226	14,621		69,333		330,113		2,321			418,335
Aid for tinned pineapple					5,701							5,701
Premiums for the processing of fruit and vegetables	1,721	0,226	14,621		63,632		330,113		2,321			412,634
Other intervention												
WINE		0,018	0,453	3,346	215,030		240,375			0,195		459,416
REFUNDS			0,111	0,015	4,587		21,057					25,769
INTERVENTION		0,018	0,342	3,332	210,443		219,318			0,195		433,648
Private storage aid			0,027	2,277	55,564		27,847					85,715
Aid for re-storage of table wines					4,245		0,734					4,979
Distillation			0,312	1,054	126,874		186,673					314,914
Aid for wine musts		0,018	0,002		23,761		3,938			0,195		27,915
Other intervention							0,125					0,125
Other expenditure												

ITEM	mio ECU										TOTAL EEC	
	BELGIUM	DENMARK	GERMANY	GREECE	FRANCE	IRELAND	ITALY	LUXEM- BOURG	NETHER- LANDS	UNITED KINGD.		COMU- NITY
TOBACCO	2,213		27,022		79,508		253,035		0,021			361,800
REFUNDS	0,012		0,848				4,961		0,021			5,842
INTERVENTION	2,202		26,174		79,508		248,074					355,958
Premiums	2,202		26,174		79,508		178,247					286,130
Storage							69,665					69,665
Other Intervention							0,163					0,163
Sheepmeat							3,983			187,528		191,512
Refunds												
Intervention							3,983			187,528		191,512
Premiums							3,983			187,528		191,512
Storage												
Other interventions												
Alcohol												
Refunds												
Intervention												
Other common organizations	6,654	12,301	11,770	56,117	52,437	0,193	10,743	0,018	16,780	16,720	0,547	184,280

Expenditure charged until the end of 1981

ITEM	mio ECU										TOTAL EEC	
	BELGIUM	DENMARK	GERMANY	GREECE	FRANCE	IRELAND	ITALY	LUXEM- BOURG	NETHER- LANDS	UNITED KINGD.		COMMU- NITY
Intervention fibre flax and hemp	2,126		0,008		13,063		0,355		0,934		0,547	17,033
Production aid/fibre flax	2,081		0,008		11,457		0,316		0,933			14,794
Aid set aside for publicity											0,547	0,547
Production aid for hemp					1,490		0,039					1,529
Storage of fibre flax and hemp	0,046				0,116				0,002			0,163
SEEDS	0,809	8,467	1,834	0,722	7,929	0,081	3,802	0,016	5,960	9,129		38,749
HOPS	0,172		4,103		0,161	0,016				1,451		5,902
STALKWORKS					0,017		0,244					0,262
DRIED FODDER	0,191	3,367	1,877	0,039	20,071	0,092	3,955		1,917	2,561		34,069
POTATOES												
COTTON				54,922								54,922
PEAS AND FIELD BEANS AND OTHER PROTEINS PLANTS	3,356	0,468	2,858		10,939	0,004	2,386	0,002	7,908	3,414		31,336
OTHER			1,091	0,434	0,256				0,061	0,165		2,007
REFUNDS ON GOODS OBTAINED FROM PROCESSING AGRICUL- TURAL PRODUCTS	56,415	21,121	27,494		26,240	14,231	17,956	0,024	55,914	63,043		282,440
ALL SECTORS	488,956	507,446	1913,292	146,113	3128,594	438,105	2066,872	3,830	1099,418	1081,269	0,846	10.874,741

Expenditure charged until the end of 1981

mio ECU

ITEM	BELGIUM	DENMARK	GERMANY	GREECE	FRANCE	IRELAND	ITALY	LUXEM- BOURG	NETHER- LANDS	UNITED KINGD.	COMMU- NITY	TOTAL EEC
MCAs paid on Intra- Community trade	0,005	0,001	0,006	0,040		0,030	0,028		0,004	0,001		0,115
MCAs paid or levied on agricultural trade	10,690	4,867	142,232		14,484	0,309	-6,499	0,156	71,632	0,433		238,304
Intra-community MCAs	2,508	3,825	-3,921		14,484	0,309	-6,573	0,128	41,073	-83,564		-31,732
MCAs on imports paid or levied by importing Member States	-8,604		-203,871		0,072	0,009	0,248	-0,141	-13,180	-227,502		-452,969
MCAs on imports paid by exporting Member States for importing Member States	2,957	3,825	13,991		14,158	0,420		0,001	7,390	0,487		43,228
MCAs on exports paid or levied by exporting Member States	8,156		185,959		0,255	-0,119	-6,821	0,268	46,862	143,451		378,009
MCAs on EXTRA-COMMUNITY TRADE	8,182	1,043	146,153				0,074	0,028	30,560	83,997		270,036
PORTION OF MCA PAID ON IM- PORTS OVER AND ABOVE LEVY							0,074			-0,053		0,021
MCAs PAID ON EXPORTS	8,182	1,043	146,153					0,028	30,560	84,050		270,015
SUB-TOTAL MCAS	10,695	4,868	142,238	0,040	14,484	0,339	-6,470	0,156	71,636	0,434		238,419
ALL SECTORS PLUS MCAS	499,651	512,314	2055,530	146,153	3143,078	438,444	2060,402	3,985	1171,054	1081,703	0,846	11.113,160

- 72 -

Expenditure charged until the end of 1981

ITEM	mio ECU											TOTAL EEC
	BELGIUM	DENMARK	GERMANY	GREECE	FRANCE	IRELAND	ITALY	LUXEM- BOURG	NETHER- LANDS	UNITED KINGD.	COMMU- NITY	
FISHERIES	0,405	1,291	2,447		3,701	2,596	4,623		8,440	4,518		28,021
REFUNDS		0,273	1,147		0,024	1,441			7,665	2,080		12,630
INTERVENTION	0,405	1,018	1,300		3,677	1,155	4,623		0,775	2,438		15,391
Withdrawals and buying-in Private storage aid Other intervention	0,405	1,018	1,300		3,677	1,155	4,623		0,775	2,438		15,391
GRAND TOTAL	500,055	513,605	2057,977	146,153	3146,779	441,041	2065,024	3,985	1179,494	1086,222	0,846	11.141,182
Previous years' clearances	-8,564	-0,725	-14,383	-	-117,890	-0,106	-10,517	-P.M.	-6,543	-2,233		-160,961
Grand total and clearances	491,491	512,880	2043,594	146,153	3028,889	440,935	2054,507	3,985	1172,951	1083,989	0,846	10.980,221
CORRECTED GRAND TOTAL	488,6	509,1	2029,6	146,2	3014,7	440,5	2096,5	4,-	1165,5	1084,7	0,8	10.980,2

(1) Article 2a of Regulation (EEC) No 974/71 is taken account of (see Table 3).

ANNEX 3 : EAGGF GUARANTEE EXPENDITURE BY SECTOR

(1)

mla ECU

TYPE OF EXPENDITURE	1976	1977	1978	1979	1980	1981
CEREALS	655,9	629,9	1.112,5	1.563,7	1.609,0	1.921,4
Refunds	403,3	355,6	831,9	1.184,7	1.174,7	1.206,3
Intervention, of which:	252,6	264,3	280,6	379,1	494,3	715,1
-production refunds	51,2	76,6	117,0	143,3	148,1	129,2
-aid for durum wheat	82,8	134,8	89,0	115,4	129,0	171,2
-storage	118,2	52,4	72,3	88,9	212,8	407,9
RICE	18,4	13,5	17,9	42,9	58,7	21,7
Refunds	18,2	13,3	16,8	41,7	44,4	17,2
Intervention	0,2	0,2	1,1	1,2	14,3	4,5
MILK AND MILK PRODUCTS	2.277,7	2.924,1	4.014,6	4.527,5	4.752,0	3.342,7
Refunds	765,6	1.417,4	1.565,0	2.087,9	2.745,9	1.886,3
Intervention of which:	1.512,1	1.506,7	2.449,6	2.439,6	2.006,1	1.456,4
-aid for skimmed milk	755,5	853,1	1.131,7	1.310,2	1.281,6	1.157,4
-storage of skimmed milk	520,4	310,0	682,1	361,1	20,6	83,4
-storage of butter	215,1	274,3	506,1	475,6	439,5	214,7
-disposal of butter	31,0	81,5	112,8	154,9	207,6	211,8
-financial participation by milk producers	-	- 24,1	- 156,1	- 94,2	- 222,9	- 478,5
-expansion of the markets	-	-	49,9	110,3	109,4	106,2
OILS AND FATS	247,1	268,5	324,8	606,0	687,3	1.025,4
Refunds	10,3	1,0	0,1	1,2	3,7	8,4
Intervention, of which:	236,8	267,5	324,7	604,8	683,4	1.017,0
-aid for olive oil	128,7	161,4	143,6	357,8	290,2	376,9
-aid for colza, rape and sunflower seeds	92,8	84,9	131,0	202,3	340,4	571,4
SUGAR	229,3	598,4	878,0	939,8	575,2	767,5
Refunds	62,0	409,1	640,4	685,1	286,2	409,2
Intervention, of which:	167,3	189,3	237,6	254,7	289,0	358,3
-reimbursement of storage costs	147,7	177,8	227,9	240,0	272,6	344,3
BEEF AND VEAL	615,9	467,7	638,7	748,2	1.363,3	1.436,9
Refunds	133,6	132,1	145,4	270,2	715,5	825,2
Intervention, of which:	482,3	335,6	493,3	478,0	647,8	611,7
-public and private storage	347,7	290,5	413,0	417,2	504,1	393,1
-re-stocking premium	46,6	41,1	76,9	60,3	77,7	102,4
SHEEPMEAT	-	-	-	-	53,5	191,5
Intervention	-	-	-	-	53,5	191,5

PIGMEAT	29,0	37,3	45,0	104,9	115,6	154,6
Refunds	26,7	29,3	32,2	78,4	91,6	132,6
Intervention	4,3	8,0	12,8	26,5	24,0	22,0
EGGS AND POULTRYMEAT						
(Refunds)	15,1	25,6	38,1	79,5	85,5	83,9
FRUIT AND VEGETABLES	185,1	178,2	100,7	442,9	687,3	641,1
Refunds	43,8	50,0	47,8	34,5	41,3	42,8
Intervention, of which:	141,3	128,2	52,9	408,4	646,0	598,3
-fresh fruit and vegetables	141,3	124,6	49,1	123,4	155,7	180,0
-processed fruit and vegetables	-	3,6	3,8	284,9	490,3	418,3
WINE	133,8	89,9	63,7	61,9	299,5	459,4
Refunds	1,5	1,1	1,6	4,6	26,4	25,8
Intervention, of which:	129,7	81,3	52,3	57,3	273,1	433,6
-private storage aid	38,7	35,6	35,3	22,5	71,4	85,7
-distillation	88,6	44,5	10,9	14,5	194,5	314,9
Obligatory distillation of by-products of wine-making						
	2,6	7,5	9,8	8,9	0,1	-
TOBACCO	185,4	205,2	216,1	225,4	309,3	361,8
Refunds	1,7	4,3	2,7	3,7	4,5	5,8
Intervention	183,7	200,9	213,4	221,7	304,8	356,0
FISHERIES	11,0	8,8	15,4	17,0	23,0	28,0
OTHER PRODUCTS (Intervention)						
Intervention, of which:	76,2	56,6	91,2	120,2	115,8	184,5
-flax and hemp	20,3	14,5	15,4	17,6	16,8	17,0
-seeds	24,1	18,1	20,3	30,1	32,0	38,8
-hops	16,0	9,9	11,1	10,1	6,2	5,9
-peas and field beans	-	-	-	15,3	27,0	31,4
-dried fodder	15,4	13,8	42,6	46,6	33,5	34,1
REFUNDS FOR NON-ANNEX II PROCESSED PRODUCTS	67,0	136,3	208,5	252,1	221,3	282,4
TOTAL AGRICULTURAL EXPENDITURE	4746,9	5.640,0	7.765,2	9.732,0	11.016,4	10.902,8
Accession compensatory amounts	402,0	201,1	27,2	1,1	-	0,1
Monetary compensatory amounts	433,2	989,3	880,3	708,4	298,5	238,3
TOTAL EXPENDITURE EAGGF GUARANTEE SECTION	5.587,1	6.830,4	8.672,7	10.440,7	11.314,9	11.141,2/10.980,2 (2)

(1) The expenditure is based on the declarations from the Member States under the advances arrangement and charged to each year in accordance with article 109 of the Financial Regulation.

(2) Including the reduction in expenditure of 161 m ECU as a result of the clearance of accounts for 1974/75

BREAKDOWN OF EXPENDITURE BY SECTOR AND ECONOMIC CATEGORY - 1981

mio ECU

SECTOR	TOTAL EXPENDITURE	BREAKDOWN ACCORDING TO ECONOMIC CATEGORY OF OPERATIONS					
		EXPORT REFUNDS	INTERVENTION				TOTAL
			STORAGE (1)	WITHDRAWAL AND SIMILAR OPERATIONS	PRICE COMPENSATORY MEASURES	GUIDANCE PREMIUMS	
a	b	c	d	e	f	g	h = d+e+f+g
Cereals	1 921,4	1 206,3	341,7	-	373,4 (2)	-	715,1
Rice	21,7	17,2	-	-	4,5	-	4,5
Milk products, of which:	3 342,7	1 886,3	328,9	-	996,9 (3)	130,6 (4)	1 456,4
- skimmed milk	1 415,4	174,6	83,4	-	1 157,4	-	1 240,8
- butter	1 126,3	699,8	214,7	-	211,8	-	426,5
Oils and fats, of which:	1 025,4	8,4	45,7	-	971,3	-	1 017,0
- olive oil	442,7	2,9	51,0	-	388,8	-	439,8
- colza, rape and sunflower seeds	571,5	5,4	- 5,3	-	571,4	-	566,1
Sugar	767,5	409,2	344,3	-	14,0	-	358,3
Beef and veal	1 436,9	825,2	393,1	-	116,2	102,4 (6)	611,7
Pigmeat	154,6	132,6	22,0	-	-	-	22,0
Sheepmeat	83,9	83,9	-	-	-	-	-
Eggs and poultrymeat	641,1	42,8	-	106,0	492,3 (7)	-	598,3
Fruit and vegetables	459,4	25,8	85,7	315,0 (8)	32,9 (9)	-	433,6
Wine	361,8	5,8	69,7	-	286,3	-	356,0
Tobacco	191,5	-	-	-	191,5	-	191,5
Fisheries	28,0	12,6	-	15,4	-	-	15,4
Flax and hemp	17,0	-	0,2	-	16,8	-	17,0
Seeds	38,8	-	-	-	38,8	-	38,8
Hops	5,9	-	-	-	5,9	-	5,9
Silkworms	0,3	-	-	-	0,3	-	0,3
Dried fodder	34,1	-	-	-	34,1	-	34,1
Cotton	54,9	-	-	-	54,9	-	54,9
Peas and field beans	31,4	-	-	-	31,4	-	31,4
Others	2,1	-	-	-	2,1	-	2,1
Non-Annex II products	282,4	282,4	-	-	-	-	-
TOTAL A	10 902,8	4 938,5	1 631,3	436,4	3 663,6	233,0	5 964,3
x	100	45,3	15,0	4,0	33,6	2,1	54,7
MONETARY COMPENSATORY AMOUNTS	238,4	270,1	-	-	- 31,7	-	- 31,7
TOTAL B	11 141,2	5 208,6	1 631,3	436,4	3 631,9	233,0	5 932,6
x	100	46,8	14,6	3,9	32,6	2,1	53,2
CLEARANCE OF ACCOUNTS 1974/75	- 161,0						
GRAND TOTAL %	10 980,2						

Footnotes to Annex 4

- (1) Private and public storage. Details of expenditure on storage are given in Annex 5.
- (2) Including production refunds (129.2mio ECU) & aid for durum wheat (171.2 mio ECU).
- (3) The co-responsibility levy (478.5mio ECU) has been deducted.
- (4) Milk non-marketing and dairy herd conversion premiums.
- (5) Reimbursement of private storage costs.
- (6) Calving premiums to promote the restocking of herds.
- (7) Promotion of Community citrus fruit (11.3 mio ECU) + processing of Community citrus fruit (61.9mio ECU) + intervention in respect of processed products (418.3mio ECU).
- (8) Including distillation measures (314.9 mio ECU).
- (9) Aid for the re-storage of table wines (5.0 mio ECU) and aid for concentrated wine musts (27.9 mio ECU).

ANNEX 5

BREAKDOWN OF INTERVENTION IN RESPECT OF STORAGE COSTS IN THE 1981 FINANCIEL YEAR

mio ECU

Sector	Private storage	Public storage	of which		
			Technical costs	Financial costs	Difference ⁽¹⁾ between buying-in and selling prices
Cereals	-	341,7	121,3	80,5	139,9
Milk and milk products	(2) 114,2	214,7	17,7	33,8	(3) 163,2
Oils and fats	-	45,7	23,6	18,6	3,5
Sugar (4)	344,3	-	-	-	-
Beef and veal	13,0	380,1	72,0	49,0	259,1
Pigmeat	22,0	-	-	-	-
Wine	85,7	-	-	-	-
Tobacco	-	69,7	3,6	8,0	58,1
Flax/hemp	0,2	-	-	-	-
TOTAL	579,4	1.051,9	238,2	189,9	623,8

(1) Part of this difference is due to sales by tender on the world market; the export refund is thus included in the selling price.

(2) Including storage of cheese (30.9 mio ECU).

(3) Mainly special measures for disposal of milk products on the internal market under Articles 6 and 12 of Regulation (EEC) No 804/68 to welfare beneficiaries, armed forces and associations, and on the external market.

(4) This expenditure is covered by storage levies, ranking as own resources.

ANNEX 6

Quantity and value of products in public storage (1)

Product	Situation at 31.12.1980		Situation at 31.12.1981	
	Quantity (tonnes)	Value (mio ECU)	Quantity (tonnes)(2)	Value (mio ECU)
Common wheat	4.930.290	830,070	2.965.850	515,571
Common wheat not suitable for Grend-making	-	-	2.120	0,356
Barley	1.081.885	181,275	847.806	130,060
Rye	516.657	93,602	342.803	65,027
Durum wheat	157.473	29,838	309.172	59,221
Skimmed-milk powder	230.609	253,633	298.324	350,810
Butter	147.289	331,817	13.804	30,551
Olive oil	73.808	95,926	(3) 140.150	220,611
Colza	81.631	22,734	23.906	6,771
Beef (carcasses)	208.537	414,595	145.965	289,154
Boned beef	105.267	267,546	64.281	159,858
Tobacco	28.783	62,312	38.732	46,789
TOTAL		2.583,348		1.874,779

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

(2) Incl. quantities offered to Poland.

(3) In the case of Greece abnormal stocks are excluded in accordance with Article 71 of the Act of Accession.

ANNEXE 7

Breakdown of intervention expenditure in the form
of price compensation aids

(1981 data)

mio ECU

Sector	Production aid	Processing aid	Total
Cereals	244,2	129,2	373,4
Rice	4,5	-	4,5
Milk products, of which:	- 82,3	1 079,2	996,9
- skimmed milk	(1) 290,0	(2) 867,4	1 157,4
- butter	-	211,8	211,8
- co-responsibility (6)	- 478,5	-	- 478,5
Oils and fats, of which:	959,4	11,9	971,3
- olive oil	336,6	11,9	388,5
- colza, rape and sunflower seeds	571,4	-	571,4
Sugar	11,6	2,4 (3)	14,0
Beefmeat	116,2 (4)	-	116,2
Sheepmeat	191,5	-	191,5
Fruit and vegetables	11,3	481,0 (5)	492,3
Wine	32,9	-	32,9
Tobacco	286,3	-	286,3
Other products, of which:	118,8	65,5	184,3
- flax and hemp	16,8	-	16,8
- seeds	38,8	-	38,8
- dried fodder	-	34,1	34,1
- peas and field beans	-	31,4	31,4
- hops	5,9	-	5,9
- cotton	54,9	-	54,9
SUB-TOTAL	1 894,4	1 769,2	3 663,6
MGAs on intra-Community trade	- 31,7	-	- 31,7
Grand total	1 862,7	1 769,2	3 631,9

- 1) Aid in respect of liquid skimmed-milk for animal feed (calves, etc.).
- 2) Aid in respect of skimmed-milk powder for animal feed (calves, etc.) and aid in respect of skimmed-milk processed into casein.
- 3) Refund for the use of sugar in the chemical industry.
- 4) Premiums for orderly marketing and slaughtering of adult cattle and for suckler cows.
- 5) Processing and distribution of fruit and vegetables withdrawn from the market, financial compensation for the processing of citrus fruit, aid for tinned pineapple and premiums for the processing of fruit and vegetables.
- 6) The figures are negative because co-responsibility takes the form of a levy.

ANNEX 8

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

Year	EAGGF Guarantee expenditure ('000 mio ECU)		Community gross domestic product at market prices ('000 mio ECU)	EAGGF Guarantee expenditure as % of Community GDP	
	Gross	Minus agricultural levies		Gross	Net
a	b	c	d	e = 100 b/d	f = 100 c/d
1975	4,523	3,903	1.107,6	0,41	0,35
1976	5,587	4,414	1.265,6	0,44	0,35
1977	6,830	4,692	1.405,0	0,49	0,33
1978	8,673	6,390	1.553,2	0,56	0,41
1979	10,440	8,297	1.742,0	0,60	0,48
1980	11,315	9,313	1.990,0	0,57	0,47
1981	10,980	9,233	2.204,3	0,50	0,42

ANNEX 9

Revenue from the co-responsibility levy on milk and
allocation of proceeds among various schemes

	mio ECU					
	1977	1978	1979	1980	1981	16.9.77 to 31.12.1981
Measure	(from 16.9)					
A. Revenue from co-responsibility levy (1)	24,0	156,1	94,2	222,9	478,5	975,7
B. Total expenditure	7,5	53,3	110,3	109,4	117,1	397,6
a) School milk (Reg. 1080/77)	-	10,3	30,-	45,7	41,4	127,4
b) Butter for the manufacture of ice-cream (Reg. 262/79)	7,5	28,2	25,9	24,-	24,4	110,0
c) Concentrated butter for direct consumption (Reg. 649/78)	-	4,7	1,5	5,1	7,3	18,6
d) Promotion, advertising and market research in the Community (Reg. 723/78))))	37,4	26,7	35,2
e) Market research outside the Community (Reg. 1993/78))	10,1))))	141,6
f) Improvement of the quality of milk (Reg. 1271/78 and 723/78)))	15,5	7,9	8,8)
Expenditure/revenue (%)	31%	34%	117,2%	49,1%	24,5%	40,8%

(1) Excluding appropriations carried over from one year to the next.

ANNEX 10 - EQUALIZATION OF STORAGE COSTS FOR SUGAR

A. COMMUNITY SUGAR

Situation at 15.4.1981

Sugar year	Total levies (ECU)	Total reimburse- ment (ECU)	Annual balance		Cumulative balance		Duration of storage (months)
			absolute (ECU)	% (a)	absolute (ECU)	% (a)	
1968/69	64.844.437,00	63.916.054,19	+ 928.382,81	1,43	+ 928.382,81	1,43	5,63
1969/70	65.226.052,11	69.848.500,70	- 4.622.448,59	7,09	- 3.694.065,78	2,84	6,13
1970/71	69.029.052,44	65.111.106,99	+ 3.917.945,45	5,68	+ 223.879,67	0,11	5,38
1971/72	97.151.231,54	92.680.188,23	+ 4.471.043,31	4,60	+ 4.694.922,98	1,58	5,94
1972/73	91.067.000,23	90.747.372,33	+ 319.627,90	0,35	+ 5.014.550,88	1,29	5,81
1973/74	101.755.638,48	92.645.695,20	+ 9.109.943,28	8,95	+ 14.124.494,16	2,89	4,80
1974/75	104.267.686,01	97.932.192,29	+ 6.335.493,72	6,08	+ 20.459.987,88	3,45	4,64
1975/76	109.434.955,76	160.507.251,46	- 51.072.295,70	46,67	- 30.612.307,82	4,36	6,23
1976/77	201.167.701,35	184.993.625,49	+ 16.174.075,86	8,04	- 14.438.231,96	1,60	5,99
1977/78	233.020.516,42	230.585.451,16	+ 2.435.065,26	1,05	- 12.003.166,70	1,06	5,84
1978/79	248.916.337,29	239.254.119,29	+ 9.662.218,00	3,88	- 2.340.948,70	0,17	6,34
1979/80	239.151.961,34	251.017.773,55	- 11.865.812,21	4,96	- 14.206.760,91	0,87	6,17
1980/81 p.	326.412.133,80	315.973.385,40	+ 10.438.748,40	3,20	- 3.768.012,51	0,19	6,08

B. PREFERENTIAL SUGAR

1977/78	10.160.109,06	9.681.379,28	+ 478.729,78	4,71	+ 478.729,78	4,71	2,26
1978/79	10.010.546,90	7.425.328,27	+ 2.585.218,63	25,82	+ 3.063.948,41	15,19	1,61
1979/80	7.165.060,66	6.910.087,07	+ 254.973,59	3,56	+ 3.318.922,00	12,14	1,54
1980/81 p.	6.209.931,40	11.565.360,50	- 5.355.429,10	13,76	- 2.036.507,10	6,07	2,06

(a) % of levies

ANNEX 11

GUARANTEE SECTION ADVANCES AND FUNDS AVAILABLE IN MEMBER STATES FOR 1980

Date of decision	BELGIUM BFR	DENMARK DKR	GERMANY DM	GREECE DRA	FRANCE FF	IRELAND IRL	ITALY LIT	LUXEMBOURG LFR	NETHERLANDS HFL	UNITED KINGDOM UKL	EEC TOTAL ECU
18.12.80	1.200.000.000,-	273.000.000,-	428.000.000,-	371.900.000,-	1.800.000.000,-	23.000.000,-	250.000.000.000	16.000.000,-	327.000.000,-	65.000.000,-	
19.01.81	1.130.000.000,-	287.000.000,-	476.000.000,-	1.207.000.000,-	1.437.000.000,-	17.500.000,-	230.000.000.000	10.000.000,-	310.000.000,-	22.000.000,-	
18.02.81	855.000.000,-	382.000.000,-	445.000.000,-	541.386.000,-	1.355.000.000,-	15.000.000,-	240.000.000.000	18.000.000,-	348.000.000,-	41.000.000,-	
19.03.81	2.039.000.000,-	357.000.000,-	405.200.000,-	70.000.000,-	1.478.000.000,-	19.000.000,-	230.000.000.000	11.000.000,-	261.500.000,-	45.000.000,-	
15.04.81	1.711.000.000,-	381.000.000,-	398.000.000,-	-	1.800.000.000,-	21.000.000,-	218.000.000.000	15.000.000,-	227.500.000,-	48.000.000,-	
18.05.81	1.839.000.000,-	344.000.000,-	341.000.000,-	-	1.600.000.000,-	24.500.000,-	110.000.000.000	20.000.000,-	117.000.000,-	39.500.000,-	
19.06.81	990.000.000,-	246.000.000,-	310.000.000,-	-	1.021.000.000,-	22.000.000,-	150.000.000.000	4.000.000,-	150.000.000,-	-	
20.07.81	1.578.000.000,-	215.000.000,-	253.000.000,-	911.800.000,-	1.360.000.000,-	44.000.000,-	200.000.000.000	14.000.000,-	256.000.000,-	-	
29.07.81	-	-	-	-	-	-	-	-	150.000.000,-	-	
06.08.81	-	-	-	-	-	-	-	-	-	127.000.000,-	
07.08.81	1.716.000.000,-	298.000.000,-	405.000.000,-	462.000.000,-	1.405.000.000,-	26.000.000,-	222.000.000.000	8.000.000,-	202.000.000,-	-	
26.08.81	-	-	199.000.000,-	-	-	-	-	-	-	-	
18.09.81	3.660.000.000,-	482.000.000,-	454.000.000,-	-	2.033.000.000,-	30.000.000,-	170.000.000.000	15.000.000,-	295.000.000,-	94.000.000,-	
20.10.81	2.720.000.000,-	357.000.000,-	502.000.000,-	1.200.000.000,-	2.150.000.000,-	30.000.000,-	185.000.000.000	1.500.000,-	224.000.000,-	50.000.000,-	
09.11.81	-	-	-	-	150.000.000,-	-	-	-	-	-	
19.11.81	307.000.000,-	387.000.000,-	329.000.000,-	1.909.000.000,-	2.000.000.000,-	26.000.000,-	240.000.000.000	15.000.000,-	237.000.000,-	70.000.000,-	
11.12.81	-	-	-	-	-	-	-	-	60.000.000,-	-	
14.12.81	-	-	-	1.700.000.000,-	-	-	-	-	-	-	
18.12.81	-	-	67.000.000,-	1.550.000.000,-	-	7.000.000,-	100.000.000.000	10.000.000,-	60.000.000,-	-	
Total advances	9.745.000.000,-	4.009.000.000,-	5.012.200.000,-	9.923.086.000,-	19.589.000.000,-	305.000.000,-	2.545.000.000.000	157.500.000,-	3.225.000.000,-	601.500.000,-	
Balance on 1.1.81	1.038.457.113,-	114.705.393,99	82.800.759,06	-	84.944.289,09	8.727.191,41	(2)53.128.989.685	-1.564.173,-	62.724.918,46	-1.582.157,44	
Total funds available	20.783.457.113,-	4.123.705.393,99	5.095.000.759,06	9.923.086.000,-	19.673.944.289,09	313.727.191,41	2.598.128.989.685	155.935.827,-	3.287.724.918,46	599.917.842,56	
Total in ECU (1)	503.894.056,98	521.861.124,59	520.016.923.612,39	161.432.633,04	3.275.843.041,33	454.367.226,59	2.083.093.091,70	3.777.221,97	1.179.494.660,63	1.076.242.517,97	11.276.929.187,-

(1) Including exchange differences.

(2) Including an amount of LIT 11 287 064 120 relating to sums recovered in 1980 but not taken into account because of delay in communication.

ANNEX 12

Milk premiums (100%): Advances and funds available in Member States for 1981 1)

Date of decision	BELGIUM BFR	DENMARK DK	GERMANY DM	GREECE DRA	FRANCE FF	IRLANDE IRL	ITALY LIT	LUXEMBOURG LFR	NETHERLANDS HFL	UNITED KINGDOM UKL	EEC TOTAL ECU
18.12.80	8.000.000,-	15.000.000,-	19.000.000,-	-	26.000.000,-	300.000,-	-	1.100.000,-	2.500.000,-	3.800.000,-	/
19.01.81	8.000.000,-	-	22.000.000,-	-	28.000.000,-	650.000,-	-	3.800.000,-	1.700.000,-	3.000.000,-	
18.02.81	14.500.000,-	9.000.000,-	19.000.000,-	-	32.000.000,-	460.000,-	-	3.500.000,-	4.000.000,-	1.000.000,-	
19.03.81	5.500.000,-	18.000.000,-	44.100.000,-	-	-	2.000.000,-	-	3.200.000,-	2.600.000,-	1.200.000,-	
15.04.81	10.000.000,-	12.000.000,-	34.300.000,-	-	-	2.000.000,-	-	2.400.000,-	7.300.000,-	1.500.000,-	
18.05.81	9.000.000,-	16.000.000,-	14.600.000,-	-	-	-	-	4.700.000,-	1.800.000,-	1.500.000,-	
19.06.81	11.000.000,-	13.000.000,-	43.300.000,-	-	11.200.000,-	100.000,-	-	-	2.000.000,-	-	
20.07.81	5.000.000,-	16.000.000,-	24.300.000,-	-	5.500.000,-	700.000,-	-	6.100.000,-	1.700.000,-	-	
06.08.81	-	-	-	-	-	-	-	-	-	5.600.000,-	
07.08.81	5.000.000,-	15.000.000,-	27.000.000,-	-	27.500.000,-	700.000,-	-	2.500.000,-	2.100.000,-	-	
18.09.81	8.000.000,-	6.000.000,-	400.000,-	-	6.800.000,-	-	-	1.400.000,-	3.000.000,-	2.500.000,-	
20.10.81	5.000.000,-	11.000.000,-	15.600.000,-	-	4.700.000,-	-	-	2.500.000,-	1.300.000,-	-	
19.11.81	5.000.000,-	19.000.000,-	8.600.000,-	-	73.300.000,-	-	-	2.500.000,-	-	1.500.000,-	
16.12.81	-	-	2.500.000,-	-	-	-	-	-	-	-	
Total advances	94.000.000,-	150.000.000,-	274.700.000,-	-	215.000.000,-	6.910.000,-	-	33.700.000,-	30.000.000,-	21.600.000,-	
Balance on 01.01.81	495.208,-	15.174.131,49	1.061.185,39	-	11.611.569,56	-252.693,74	-	3.443.378,-	-1.632.168,73	1.795.341,88	
Total funds available	94.495.208,-	165.174.131,49	275.761.185,39	-	226.611.569,56	6.657.306,26	-	37.143.378,-	28.367.831,27	23.395.341,88	
Total in ECU (2)	2.287.078,63	20.899.509,02	108.909.019,26	-	37.651.685,-	9.636.682,94	-	900.031,80	10.172.047,27	42.136.032,48	232.592.086,40

(1) Milk non-marketing and dairy herd conversion of premiums financed 60% by the Guarantee Section and 40% by the Guidance Section.

(2) Including exchange differences.

FUNDS AVAILABLE IN MEMBER STATES FOR 1981 GUARANTEE SECTION
(EXCLUDING PREMIUMS)

mio ECU

Member State		Jan	Feb	Mar	April	May	June	Jul	Aug	Sept	Oct	Nov	Dec	Average
BELGIUM	A	25,3	27,9	25,7	1,6	4,1	6,3	9,7	1,-	-3,5	-16,2	18,3	44,9	12,1
	B	29,2	27,4	20,5	48,9	41,1	44,3	24,-	38,2	41,6	89,3	67,-	7,5	39,9
	C	54,5	55,3	46,2	50,5	45,2	50,6	33,7	39,2	38,1	73,1	85,3	52,4	52,-
	D	26,5	29,4	44,6	46,4	38,9	40,9	32,7	42,7	54,2	55,-	40,2	47,2	41,5
	E	28,0	25,9	1,6	4,1	6,3	9,7	1,-	-3,5	-16,1	18,1	45,1	5,2	10,5
DENMARK	A	14,6	6,2	-3,2	-8,6	-5,4	9,2	14,6	10,9	17,2	-11,7	4,5	5,4	4,5
	B	34,7	36,6	48,1	44,9	47,7	43,1	30,9	27,1	37,8	60,8	45,7	49,5	42,2
	C	49,3	42,8	44,9	36,3	42,3	52,3	45,5	38,-	55,-	49,1	50,2	54,9	46,7
	D	43,1	46,1	53,5	41,7	33,1	37,7	34,6	20,9	66,8	44,7	44,8	35,8	41,9
	E	6,2	-3,3	-8,6	-5,4	9,2	14,6	10,9	17,1	-11,8	4,4	5,4	19,1	4,8
GERMANY	A	32,4	23,3	19,9	21,2	19,-	44,4	58,6	10,8	-42,4	20,-	45,2	112,7	30,4
	B	167,5	185,7	172,5	157,5	156,6	134,5	122,3	100,1	239,4	180,-	202,8	162,7	165,1
	C	199,9	209,-	192,4	178,7	175,6	178,9	180,9	110,9	197,-	200,-	248,-	275,4	195,5
	D	176,6	188,9	171,3	159,9	131,2	120,4	170,1	153,2	177,-	155,7	137,2	252,4	166,1
	E	23,3	20,1	21,1	18,8	44,4	58,6	10,8	-42,3	20,-	44,3	110,8	23,3	29,4
GREECE	A	-	5,8	25,1	32,3	32,2	29,5	25,9	16,8	21,8	20,2	1,8	-5,6	17,1
	B	6,1	19,7	8,9	1,1	-	-	-	14,7	7,5	-	19,7	84,1	13,5
	C	6,1	25,5	34,-	33,4	32,2	29,5	25,9	31,5	29,3	20,2	21,5	78,5	30,6
	D	0,2	0,6	0,9	1,4	2,8	3,6	9,1	9,7	9,1	18,4	27,1	63,2	12,2
	E	5,9	24,9	33,1	32,-	29,4	25,9	16,8	21,8	20,2	1,8	-5,6	15,3	18,4
FRANCE	A	14,3	55,9	19,2	1,4	-33,2	59,7	67,9	16,2	9,5	-5,4	29,4	118,8	29,5
	B	303,7	242,6	226,9	246,6	300,5	266,9	167,2	224,6	234,9	336,7	387,2	327,7	272,1
	C	318,0	298,5	246,1	248,-	267,3	326,6	235,1	240,8	244,4	331,3	416,6	446,5	301,6
	D	262,1	279,1	244,7	281,2	207,6	257,4	219,1	231,4	249,9	302,4	294,5	300,-	260,8
	E	55,9	19,4	1,4	-33,2	59,7	69,2	16,-	9,4	-5,5	28,9	122,1	146,5	40,8
IRELAND	A	12,7	15,6	23,4	21,7	17,3	14,1	-2,6	-22,4	-0,5	-11,6	-2,7	-4,2	5,1
	B	33,6	25,5	21,7	27,3	30,2	35,2	31,7	63,6	37,5	43,6	44,1	48,-	36,8
	C	46,3	41,1	45,1	49,-	47,5	49,3	29,1	41,2	37,-	32,-	41,4	43,8	41,9
	D	30,6	17,5	23,3	31,7	33,4	51,9	51,5	41,7	48,5	34,7	45,7	25,-	36,3
	E	15,7	23,6	21,8	17,3	14,1	-2,6	-22,4	-0,5	-11,5	-2,7	-4,3	18,8	5,6
ITALY	A	(2) 43,2	47,4	15,2	21,2	84,3	113,-	4,2	-62,-	11,1	49,9	-17,8	-153,5	13,-
	B	205,9	188,9	195,8	186,4	175,6	87,1	118,8	158,7	176,6	135,2	146,6	262,5	169,9
	C	249,1	236,3	211,-	207,6	259,9	200,1	123,-	96,7	187,7	185,1	128,8	109,-	182,9
	D	201,6	221,1	189,7	122,8	145,2	195,8	184,9	85,6	137,8	202,9	286,7	99,9	172,8
	E	47,5	15,2	21,3	84,8	114,7	4,3	-61,9	11,1	49,9	-17,8	-157,9	9,1	10,1
LUXEMBOURG	A	-P.M.	0,5	0,3	-0,1	0,1	-0,2	0,1	-0,4	-0,3	P.M.	0,2	-0,2	P.M.
	B	0,4	0,2	0,4	0,3	0,3	0,5	0,1	0,3	0,2	0,4	0,1	0,6	0,3
	C	0,4	0,7	0,7	0,2	0,4	0,3	0,2	-0,1	-0,1	0,4	0,3	0,4	0,3
	D	-0,1	0,4	0,8	0,1	0,6	0,2	0,6	0,2	-0,1	0,2	0,5	0,1	0,3
	E	0,5	0,3	-0,1	0,1	-0,2	0,1	-0,4	-0,3	P.M.	0,2	-0,2	0,3	P.M.
NETHERLANDS	A	22,6	38,6	58,-	75,7	76,3	75,-	27,-	-50,-	-2,3	-8,2	3,8	-8,5	25,7
	B	118,-	111,3	124,-	92,9	80,9	41,6	53,2	144,4	71,9	105,3	81,6	132,9	96,5
	C	140,6	149,9	182,-	168,6	157,2	116,6	80,2	94,4	69,6	97,1	85,4	124,4	122,2
	D	101,8	91,5	106,1	92,4	82,1	89,6	130,-	96,7	77,7	93,4	93,8	118,1	97,8
	E	38,8	58,4	75,9	76,2	75,1	27,-	-49,8	-2,3	-8,1	3,7	-8,4	6,3	24,4
UNITED KINGDOM	A	-2,8	37,8	11,6	6,6	3,3	49,8	133,3	120,8	144,8	71,2	57,9	30,5	55,4
	B	115,9	39,7	76,9	84,9	88,6	73,3	-	142,8	90,7	171,3	84,-	117,5	90,5
	C	113,1	77,5	88,5	91,5	91,9	123,1	133,3	263,6	235,5	242,5	141,9	148,-	145,9
	D	75,8	66,3	82,-	88,1	42,4	-7,8	10,3	115,6	164,6	179,6	111,3	133,4	88,5
	E	37,3	11,2	6,5	3,4	49,5	130,9	123,-	148,-	70,9	62,9	30,6	14,6	57,4
EEC TOTAL (1)	A	(2) 162,3	259,-	195,2	173,-	198,-	400,8	338,7	41,7	155,4	108,2	140,6	140,3	192,8
	B	1015,-	877,6	895,7	890,8	921,5	726,5	548,2	914,5	938,1	1122,6	1078,8	1193,-	926,8
	C	1177,3	1136,6	1090,9	1063,8	1119,5	127,3	886,9	956,2	1093,5	1230,8	1219,4	1333,3	1119,6
	D	918,2	940,9	916,9	865,7	717,3	789,7	842,9	797,7	985,5	1087,-	1081,8	1075,1	918,2
	E	259,1	195,7	174,-	198,1	402,2	337,6	44,-	158,5	108,-	143,8	137,6	258,2	201,4

(1) Advance payments and expenditure include 9 040 154,03 ECU charged to Article 590 following the earthquake in Italy in November 1980.

(2) Including 8,7^{mi} ECU relating to sums recovered in 1980.

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

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

ANNEX 14

FUNDS AVAILABLE IN MEMBER STATES FOR 1981, PREMIUM FOR THE NON-MARKETING OF MILK AND MILK PRODUCTS AND PREMIUM FOR THE CONVERSION OF DAIRY HERDS (100%)

mio ECU

Member State		Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Average
BELGIUM	A	0,01	P.M.	P.M.	0,01	P.M.	P.M.	P.M.	P.M.	P.M.	P.M.	P.M.	0,10	0,01
	B	0,20	0,20	0,35	0,13	0,24	0,22	0,27	0,12	0,12	0,19	0,12	0,12	0,19
	C	0,21	0,20	0,35	0,14	0,24	0,22	0,27	0,12	0,12	0,19	0,12	0,22	0,20
	D	0,21	0,20	0,34	0,14	0,24	0,22	0,27	0,12	0,12	0,19	0,12	0,22	0,19
	E	P.M.	P.M.	0,01	P.M.	P.M.	P.M.	P.M.	P.M.	P.M.	P.M.	P.M.	0,10	P.M.
DENMARK	A	1,93	2,34	0,43	0,01	0,38	0,39	0,34	0,42	1,25	1,77	0,89	1,32	0,95
	B	1,91	-	1,13	2,26	1,50	2,01	1,63	2,02	1,90	0,76	1,41	2,43	1,58
	C	3,84	2,34	1,56	2,27	1,88	2,40	1,97	2,44	3,15	2,53	2,30	3,75	2,53
	D	1,50	1,91	1,55	1,89	1,49	2,06	1,55	1,19	1,37	1,66	0,98	0,93	1,50
	E	2,34	0,43	0,01	0,38	0,39	0,34	0,42	1,25	1,78	0,87	1,32	2,82	1,03
GERMANY	A	0,41	1,08	-3,13	-7,13	2,41	1,63	-4,15	2,83	7,79	11,11	7,63	5,83	2,19
	B	7,44	8,58	7,37	17,14	13,50	5,76	17,08	9,61	10,70	0,16	6,30	4,56	9,02
	C	7,85	9,66	4,24	10,01	15,91	7,39	12,93	12,44	18,49	11,27	13,93	10,39	11,21
	D	6,77	12,81	11,34	7,63	14,28	11,54	10,11	4,67	7,38	3,79	8,20	8,27	8,90
	E	1,08	-3,15	-7,10	2,38	1,63	-4,15	2,82	7,77	11,11	7,48	5,73	2,12	2,31
GREECE		-	-	-	-	Not applicable				-	-	-	-	-
FRANCE	A	1,96	2,43	4,70	7,14	5,33	4,28	3,29	3,45	3,83	7,22	5,75	0,80	4,18
	B	4,38	4,73	5,36	-	-	-	1,83	0,91	4,60	1,12	0,80	12,01	2,98
	C	6,34	7,16	10,06	7,14	5,33	4,28	5,12	4,36	8,43	8,34	6,55	12,81	7,16
	D	3,91	2,43	2,90	1,81	1,05	0,93	1,69	0,57	1,15	2,68	5,72	4,19	2,42
	E	2,43	4,73	7,16	5,33	4,28	3,35	3,43	3,79	7,28	5,66	0,83	8,62	4,74
IRLANDE	A	-0,37	-0,96	-1,45	-2,07	-0,13	1,50	0,56	0,18	0,83	1,52	1,22	0,82	0,14
	B	0,44	0,94	0,66	2,88	2,87	-	0,15	1,01	1,01	-	-	-	0,83
	C	0,07	-0,02	-0,79	0,81	2,74	1,50	0,71	1,19	1,84	1,52	1,22	0,82	0,97
	D	1,03	1,44	1,29	0,94	1,24	0,94	0,53	0,36	0,33	0,31	0,40	0,40	0,77
	E	-0,96	-1,46	-2,08	-0,13	1,50	0,56	0,18	0,83	1,51	1,21	0,82	0,42	0,20
ITALY		-	-	-	-	Not applicable				-	-	-	-	-
LUXEMBOURG	A	0,08	0,11	0,09	0,17	0,25	-0,02	0,06	0,05	0,03	0,09	0,07	0,01	0,08
	B	0,03	0,09	0,08	0,08	0,06	0,11	-	0,15	0,06	0,06	0,06	0,06	0,07
	C	0,11	0,20	0,17	0,25	0,31	0,09	0,06	0,20	0,09	0,13	0,13	0,07	0,15
	D	-	0,11	-	-	0,33	0,03	0,01	0,17	P.M.	0,06	0,12	P.M.	0,07
	E	0,11	0,09	0,17	0,25	-0,02	0,06	0,05	0,03	0,09	0,07	0,01	0,07	0,08
NETHERLANDS	A	-0,59	-0,35	-1,95	-1,89	-1,69	0,29	0,22	-0,13	-0,01	0,14	1,02	0,81	-0,34
	B	0,90	0,61	1,43	0,92	2,60	0,64	0,71	0,60	0,75	1,07	0,47	-	0,89
	C	0,31	0,26	-0,52	-0,97	0,91	0,93	0,93	0,47	0,74	1,21	1,49	0,81	0,55
	D	0,66	2,22	1,38	0,72	0,62	0,71	1,06	0,48	0,60	0,21	0,70	1,08	0,87
	E	-0,35	-1,96	-1,90	-1,69	0,29	0,22	-0,13	-0,01	0,14	1,00	0,79	-0,27	-0,32
UNITED KINGDOM	A	3,21	5,47	7,17	5,81	5,17	5,29	8,00	7,67	4,22	7,05	6,15	1,74	5,58
	B	6,77	5,42	1,87	2,27	2,77	2,78	-	5,56	4,72	4,56	-	2,52	3,27
	C	9,98	10,89	9,04	8,08	7,94	8,07	8,00	13,23	8,94	11,61	6,15	4,26	8,85
	D	4,58	3,99	3,26	2,79	2,68	0,21	0,19	8,92	1,92	4,93	4,41	3,15	3,42
	E	5,40	6,90	5,78	5,29	5,26	7,86	7,81	4,31	7,02	6,68	1,74	1,11	5,43
TOTAL EEC	A	6,64	10,12	5,86	2,05	11,72	13,36	8,32	14,47	17,94	28,90	22,73	11,43	12,79
	B	22,07	20,57	18,25	25,68	23,54	11,52	21,67	19,98	23,86	7,90	9,16	21,70	18,83
	C	28,71	30,69	24,11	27,73	35,26	24,88	29,99	34,45	41,80	36,80	31,89	33,13	31,62
	D	18,66	25,11	22,06	15,92	21,93	16,64	15,41	16,48	12,87	13,83	20,55	18,24	18,14
	E	10,05	5,58	2,05	11,81	13,33	8,24	14,58	17,97	28,93	22,97	11,34	14,89	13,48

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

The balances remaining available at the end of the month represent the difference between the amount available at the beginning of each month and the expenditure declared for that month to the Commission, without taking into account sums paid after the 20th of the month in respect of the following month.

This procedure explains why negative balances are shown at the end of the month for some Member States.

ANNEX 15

EXCHANGE RATES - 1981

1) Conversion of monthly expenditure into ECU - budget rates

Expenditure paid in	Rate on:	OJ:	BFR	DKR	DM	FF	DR	IRL	LIT	LFR	HFL	UKL
JANUARY	20.11.80 - C	304/80	41,0950	7,85665	2,55525	60,6764	5,92765	0,685559	1.213,93	41,0950	2,77200	0,560729
FEBRUARY	19.12.80 - C	334/80	41,2264	7,85550	2,56288	61,2952	5,92336	0,687214	1.217,66	41,2264	2,78579	0,553967
MARCH	20.01.81 - C	14/81	41,5456	7,93910	2,58051	60,9348	5,97315	0,691956	1.225,90	41,5456	2,80677	0,533046
APRIL	20.02.81 - C	38/81	41,7107	7,94724	2,57298	62,3377	5,99375	0,695235	1.234,04	41,7107	2,81362	0,529860
MAY	20.03.81 - C	62/81	41,6417	7,98958	2,54105	62,0537	5,99080	0,696285	1.241,32	41,6417	2,81157	0,541810
JUNE	16.04.81 - C	91/81	41,5822	7,97136	2,53621	61,8041	5,99302	0,695840	1.262,42	41,5822	2,81376	0,539179
JULY	20.05.81 - C	118/81	41,3684	7,96065	2,53464	61,9365	6,10626	0,693049	1.262,62	41,3684	2,81891	0,529491
AUGUST	19.06.81 - C	152/81	41,3452	7,94286	2,52816	61,8113	6,05405	0,691962	1.260,27	41,3452	2,81156	0,539230
SEPTEMBER	20.07.81 - C	179/81	41,2931	7,89153	2,52291	61,7434	5,98228	0,692081	1.256,66	41,2931	2,81018	0,551153
OCTOBER	20.08.81 - C	212/81	40,9768	7,92549	2,52172	61,7167	6,03750	0,688395	1.257,81	40,9768	2,80175	0,548672
NOVEMBER	18.09.81 - C	241/81	40,5647	7,81225	2,47488	61,1094	5,93983	0,679545	1.261,77	40,5647	2,74440	0,595527
DECEMBER	20.10.81 - C	269/81	40,7094	7,81911	2,43339	61,3645	6,10368	0,686971	1.295,45	40,7094	2,68592	0,595737
2) average rates			Belgium	Denmark	Germany	France	Greece	Ireland	Italy	Luxem- bourg	Nether- lands	Un. Kingd.
Average rate in ECU =	$\frac{\text{Total expenditure in national currency}}{\text{Total expenditure in ECU}}$		41,2513	7,90507	2,52720	61,4798	6,00118	0,690622	1.247,04	41,3308	2,79794	0,556891

ANNEX 16

EXCHANGE DIFFERENCES - 1981 (1)

ECU

Member state	Guarantee (without premiums)	Guarantee premiums (2)	Guidance premiums (40%)(2)
Belgium	- 480.848,98	- 274,43	- 183,02
Denmark	+ 359.793,93	+ 4.829,38	+ 3.219,61
Germany	+ 2.858.744,40	+ 177.362,92	+ 118.241,96
Greece	- 338.038,98	-	-
France	- 4.040.338,18	- 33.895,93	- 22.597,27
Irlande	- 513.171,89	+ 26.044,22	+ 17.362,80
Italy	+ 1.675.062,87	-	-
Luxembourg	- 756,57	- 64,95	- 43,32
Netherlands	- 1.169.751,52	+ 35.197,48	+ 23.465,-
United Kingdom	- 6.611.907,52	- 150.569,54	- 100.379,67
TOTAL	- 8.261.212,44	+ 58.629,15	+ 39.086,09

- 89 -

(1) For each Member State there is a difference between the balance at the end of each month as converted into ECU at that month's rate and the same balance as converted into ECU at the following month's rate. This table shows the total exchange differences recorded for each Member State for the whole of 1981.

(2) Milk non-marketing and dairy herd conversion premiums (Regulation (EEC) No 1078/77).

EAGGF GUARANTEE SECTION - 1981
IRREGULARITIES REPORTED AND AMOUNTS RECOVERED

(ECU)

SECTOR	Belgium		Denmark		Germany		France		Ireland		Italy		Luxembourg		Netherlands		United Kingdom		Total EEC		
	No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount	
Cereals	R 1)				4	5.594,821	1	3.425											5	5.598.246	
	I 2)				6	10.726									1	1.081			7	11.807	
	Tot.				10	5.605.547													12	5.610.053	
Milk and milk products	R		4	86.398	13	2.529.453	6	107.584							2	5.115			25	2.728.550	
	I		1	1.345	42	3.986.603					1	943.971			1	45.043	3	163.558	48	5.140.520	
	Tot.		5	87.743	55	6.516.056									3	50.158			73	7.869.070	
Pigmeat	R		5	23.314	1	4.191											1	3.337	7	30.842	
	Tot.																				
Eggs	R																				
Poultrymeat	R																				
Beef and veal	R		1	6.225			6	153.473		1	302.451						1	11.571	9	473.720	
	I				3	7.170											5	10.414	8	17.584	
	Tot.																6	21.985	17	491.304	
Oils and fats	R										1	26.215							1	26.215	
	Tot.																				
Fruit and vegetables	R				2	18.766													2	18.766	
	Tot.																				
Sugar	R		1	2.223	1	9.214													2	11.437	
	Tot.																				
Non-Annex II products	R																				
Other sectors	R				2	3.950	1	1.475											3	5.425	
	I																				
MCAs	R	1	177.910			4	446.587	3	15.799							1	4.948	11	284.036	33	1.329.137
	I							8	36.946	(M.C.A.)	5	362.911									
	Tot.							11	52.745												
Total M.S.	R			11	118.160	19	8.137.679	13	264.482		1	302.451			2	5.115	2	14.908	48	8.842.795	
	I			1	1.345	55	4.027.215	1	1.475						2	46.124	8	173.972	69	5.220.317	
	Tot.	1	177.910	12	119.505	78	12.611.481	25	318.702		6	665.362			5	56.187	21	472.916	150	15.392.249	
of which:																					
1. amounts recovered or expenditure justified			2	3.568	41	1.118.499	5	93.521		1	134.145			1	1.081	7	58.044	57	1.408.858		
2. amounts being recovered	1	177.910	10	115.937	37	11.492.982	20	225.181		5	531.217	2	970.186		4	55.106	14	414.872	93	13.983.391	

-1) R = refunds

2) I = intervention

EAGGF GUARANTEE SECTION
IRREGULARITIES REPORTED AND RECOVERY OF OVERPAYMENTS

(ECU)

M.S.	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	TOTAL M.S.
B			2 8.279		1 5.059	3 12.169	4 1.696.357			4 4.993.006	1 177.910	15 6.892.780
			2 8.279		1 5.059	2 4.029	275.071			173.546		5 465.984
D	4 11.962.693	15 1.052.914	31 246.929	63 1.363.341	69 1.883.529	86 2.219.664	53 2.581.888	43 929.523	37 669.330	83 12.278.817	78 12.611.481	562 47.800.109
	3 11.832.068	15 1.052.914	30 244.971	54 378.246	64 690.071	74 1.013.935	43 1.196.117	36 767.201	33 512.120	45 798.165	41 1.118.499	438 39.604.307
DK			1 6.612	7 586.132	26 358.328	1 2.681	13 280.223	11 131.696	8 27.219	5 37.672	12 119.505	84 1.550.068
			1 6.612	6 286.836	26 358.328	1 2.681	12 206.198	10 95.408	7 24.916	4 30.256	2 3.568	69 1.014.803
FR		5 1.243.344	6 847.939	6 2.072.752	7 129.472	4 456.653	8 789.185	9 166.404	8 78.776	16 295.967	25 318.702	94 6.399.194
		1 2.334	4 372.231	3 32.848	3 58.950	2 10.884	2 12.685	7 34.878	6 42.734	13 182.988	5 93.521	46 844.053
IRL			1 8.757	1 180.892	1 178.523	9 549.411	5 204.590	1 1.427	1 6.058	1 ?	6 665.362	26 1.795.020
			1 8.757	1 180.892	1 178.523	5 320.982	3 200.015	1 1.427	1 6.058		1 134.145	14 1.030.795
IT			3 127.431	7 9.343	14 43.550	2 1.042	5 581.968		2 120.599	21 1.494.220	2 970.186	56 3.348.339
			1 1.826	3 3.614	2 2.344					17 19.719		22 27.503
LUX												
NL	4 23.175		4 33.983	3 75.126	6 34.819	2 5.065	9 983.768	4 34.198	5 641.942	25 589.812	5 56.187	67 2.478.075
	4 23.175		4 33.983	3 75.126	6 34.819	2 5.065	8 15.573	4 34.198	5 641.942	6 249.048	1 1.081	43 1.114.010
UK			1 687		4 253.031	116 2.587.699	50 2.135.860	37 1.752.379	11 328.747	24 560.259	21 472.916	264 8.091.578
			1 687		1 12.784	59 1.370.588	16 615.064	7 241.640	5 21.807	8 200.548	7 58.044	104 2.521.162
EEC	8 11.985.868	20 2.296.258	49 1.280.617	87 4.287.586	128 2.886.311	223 5.834.384	147 9.253.839	105 3.015.627	72 1.872.671	179 20.249.753	150 15.392.249	1168 78.355.163
	7 11.855.243	16 1.055.248	43 677.346	70 957.562	104 1.340.878	145 2.728.164	84 2.520.723	65 1.174.752	57 1.249.577	93 1.634.270	57 1.408.858	741 26.622.621

Milk non-marketing and dairy herd conversion premiums (Reg. No 1078/77, No 1041/78, and 1391/78)

B	1	21.870				1	21.870	
	2	16.187	3	18.069	36	246.654	41	280.910
D	1	7.121	1	3.590	5	70.854	7	81.565
DK	3	31.128	6	53.933	20	209.916	29	294.977
			1	10.189	1	13.716	2	23.905
FR	24	169.909	23	127.456	15	137.759	62	435.124
	22	169.004	14	74.674	7	52.896	43	296.574
UK	10	51.126	28	279.901	21	125.366	59	456.393
	1	17.112	11	136.492	3	41.303	15	194.907
CEE	40	290.220	60	479.359	92	719.695	192	1.489.274
	24	193.237	27	224.945	16	178.769	67	596.951

ANNEX 19

SUMMARY OF IMPLEMENTATION FOR 1981

Chapter 92 - Community food aid
(except Articles 925 and 926)

Appropriations available	mic ECU	Implementation	mic ECU	% utilization
A. APPROPRIATIONS FOR THE FINANCIAL YEAR		C. COMMITMENTS		
1. Initial appropriations	365,331	1. Total commitments a)	<u>505,121</u>	100 %
2. Supp. appropriations	140,000	2. Automatic carryovers to 1982	107,578	
3. Transfers	- 0,210	3. Sums not committed b)	-	0 %
TOTAL x	<u>505,121</u>	total x = a + b	<u>505,121</u>	100 %
B. APPROPRIATIONS FOR THE PREVIOUS FINANCIAL YEAR		D. PAYMENTS		
- automatic carryovers from 1980	213,078	1. Application of carryovers from 1980		
- non-automatic carryovers	-	- payments (a) from automatic carryovers	203,442	
TOTAL y	<u>213,078</u>	(b) from non-automatic carryovers	-	
		- lapsed	<u>9,636</u>	
		TOTAL CARRYOVER FROM 1980 y =	213,078	29,7 %
		2. Application of 1981 appropriations		
		(a) payments	397,543	55,3 %
		(b) carryovers to 1982		
		- automatic	107,578	
		- non-automatic	-	
		TOTAL CARRYOVERS FROM 1981 to 1982	<u>107,578</u>	15 %
		3. Appropriations lapsed		
		- out of 1981 allocation	-	
		- out of 1980 carryovers	<u>9,636</u>	
		TOTAL APPROPRIATIONS LAPSED	<u>9,636</u>	
TOTAL APPROPRIATIONS AVAILABLE x + y = z	z 718,199	TOTAL x + y = z	z 718,199	100 %

ANNEX 20

COMMUNITY FOOD AID - CHAPTER 92

CASH POSITION AT 31 DECEMBER 1981

MEMBER STATE		Amount available at 1 January 1981	Advances granted from 1 January 1981 to 31 December 1981	Expenditure from 1 January 1981 to 31 December 1981	Amount available at 31 Dec. 1981	Adjusted availability at 31/12/81 (1)
		a	b	c	d = a+b-c	e
BELGIUM	BFR	63.295.468,00	3.303.200.000,00	3.013.672.715,00	226.231.817,00	226.231.817,00
	ECU	1.540.223,09	80.371.951,02	73.081.485,05	5.750.242,88	5.517.041,82
DENMARK	DKR	0	35.200.000,00	23.697.161,10	11.502.838,90	11.502.838,90
	ECU	0	4.453.873,79	2.986.784,58	1.467.089,21	1.457.511,22
GERMANY	DM	81.700.068,71	466.300.000,00	529.737.882,01	18.262.186,70	18.262.186,70
	ECU	31.973.415,01	185.149.387,40	209.922.279,93	7.200.522,48	7.454.258,01
GREECE	DR	0	211.000.000,00	210.264.123,00	735.877,00	735.877,00
	ECU	0	3.452.823,95	3.437.143,58	15.680,37	11.870,09
FRANCE	FF	2.403.187,90	1.032.200.000,00	1.059.298.073,70	29.501.261,60	29.501.261,60 (2)
	ECU	405.420,01	171.096.895,15	175.873.499,31	5.182.024,17	4.769.615,06
IRELAND	IRL	1.382.330,22	5.000.000,00	6.086.058,29	296.271,93	296.271,93
	ECU	2.016.354,86	7.206.422,59	8.807.802,44	414.975,01	429.069,93
ITALY	LIT	1.113.927.476,00	28.850.000.000,00	24.296.146.166,00	5.667.781.310,0	5.667.781.310,00
	ECU	917.620,85	23.103.540,26	19.596.066,50	4.425.094,61	4.338.307,10
LUXEMBOURG	LFR	38.004.615,00	- 15.819.895,00	22.184.720,00	0	0
	ECU	924.799,00	- 382.073,23	533.984,83	8.740,94	0
NETHERLANDS	HFL	5.709.021,41	80.740.000,00	57.015.998,23	18.014.980,36	18.014.980,36
	ECU	2.059.531,53	29.431.094,97	20.691.534,29	6.680.029,15	6.722.133,00
UNITED KING.	UKL	6.972.490,22	8.650.000,00	15.489.134,28	133.355,94	133.355,94
	ECU	12.434.688,09	15.599.639,22	28.186.803,55	152.476,24	+ 233.248,22
TOTAL EEC	ECU	44.261.703,18	519.483.555,12	543.117.384,06	20.627.874,24	21.393.824,33

(1) Based on conversion rate valid for advance payments in January 1982.

(2) This negative balance corresponds to payments made by France in December 1981 with funds placed at their disposal as advance payments for January 1982, which is compatible with the availability of appropriations of about 107.6mb ECU at 31 December 1981.

ANNEX 21

EXPENDITURE DECLARED BY THE MEMBER STATES

MEMBER STATES	in ECU							
	Cereals and rice		Milk products		Sugar, various products and other expenditure (1)		TOTALS	
Belgium	5.430.659,08	3,4 %	65.716.567,77	18,4 %	1.934.258,20	7,0 %	73.081.485,05	13,5 %
Denmark	333.550,62	0,2 %	2.147.099,32	0,6 %	506.134,64	1,8 %	2.986.784,58	0,6 %
Germany	11.600.383,48	7,3 %	190.692.469,48	53,4 %	7.629.426,97	27,5 %	209.922.279,93	38,7 %
Greece	2.622.334,41	1,6 %	-	-	814.809,17	3,0 %	3.437.143,58	0,6 %
France	115.483.595,19	72,9 %	48.584.112,69	13,6 %	11.805.791,43	42,5 %	175.873.499,31	32,4 %
Ireland	-	-	8.662.912,72	2,4 %	144.889,72	0,5 %	8.807.802,44	1,6 %
Italy	16.738.086,15	10,6 %	-	-	2.857.980,35	10,3 %	19.596.066,50	3,6 %
Luxembourg	-	-	533.984,83	0,2 %	-	-	533.984,83	0,1 %
Netherlands	2.712.832,33	1,7 %	17.303.290,33	4,9 %	675.411,63	2,4 %	20.691.534,29	3,8 %
UK	3.586.240,85	2,3 %	23.207.709,62	6,5 %	1.392.853,08	5,0 %	28.186.803,55	5,2 %
EEC	158.507.682,11	100 %	356.848.146,76	100 %	27.761.555,19	100 %	543.117.384,06	100 %
		29,2 %		65,7 %		5,1 %		100 %

(1) Including transport costs for products to be delivered.

ANNEX 22

BUDGET APPROPRIATIONS, 1981 (ECU); POSITION AT 31 DECEMBER 1981

A - 1981 APPROPRIATIONS

- 95 -

Articles	Programmes	Amounts available			Appropriations committed	Expenditure declared by Member States	Commission expenditure	Total expenditure	Automatic carryovers Art. 111(c) Fin. Regul.	Lapsed appropriations
		Entered in 1981	Transfers	Total						
		a	b	c						
92	920									
	9200		5 622 221,64	5 622 221,64	5 622 221,64	5 622 221,64	-	5 622 221,64	-	-
	9201	88 400 000	16 650 830,18	105 050 830,18	105 050 830,18	102 934 786,43	2 116 043,75	105 050 830,18	-	-
	9202	-	3 508 450,57	3 508 450,57	3 508 450,57	597 254,89	2 911 195,68	3 508 450,57	-	-
	9203	32 700 000	-25 781 502,39	6 918 497,61	6 918 497,61	4 031 421,02	1 448 368,88	5 479 789,90	1 438 707,71	-
	921									
	9210									
	9210	20 016 000	62 354 145,80	82 370 145,80	82 370 145,80	82 370 145,80	-	82 370 145,80	-	-
	9211	132 911 000	-68 761 426,77	64 149 573,23	64 149 573,23	55 221 432,93	-	55 221 432,93	8 928 140,30	-
	9212	25 389 000	29 297 440,53	54 686 440,53	54 686 440,53	54 686 440,53	-	54 686 440,53	0	-
	9213	96 189 000	-34 297 440,53	61 891 559,47	61 891 559,47	30 077 709,58	-	30 077 709,58	31 813 849,89	-
	922									
	9220	-	2 452 415,85	2 452 415,85	2 452 415,85	2 038 778,40	413 637,45	2 452 415,85	-	-
	9221	1 973 000	- 1 200 134,88	772 865,12	772 865,12	-	-	-	772 865,12	-
	923									
	9230	40 000 000	10 188 699,35	50 188 699,35	50 188 699,35	-	9 375 602,11	9 375 602,11	40 813 097,24	-
	924									
	9240	11 493 000	17 535 450,43	29 028 450,43	29 028 450,43	9 442 587,43	16 124 061,86	25 566 649,29	3 461 801,14	-
	9241	56 260 000	-17 779 149,78	38 480 850,22	38 480 850,22	7 398 400,94	10 733 218,22	18 131 619,16	20 349 231,06	-
	TOTAL	505 331 000	- 210 000,00(2)	505 121 000,00	505 121 000,00	354 421 179,59	43 122 127,95	397 543 307,54	107 577 692,46	-

1) Including the two amending budgets of 1981.

2) This amount was transferred to Item 9250 (expenditure under the agreement between the EEC and UNRWA).

ANNEX 23

BUDGET APPROPRIATIONS 1981 (ECU), POSITION AT 31 DECEMBER 1981

B. - APPROPRIATIONS CARRIED OVER

Chapter	Article	Item	Programme	Amounts available	Expenditure	Expenditure	Total expenditure	Lapsed appropriations ⁵	
				1980 appropriations carried over to 1981	declared by Member States	by Commission			
			a	b	c	d	e	f	
92	920		<u>Food aid</u>						
			<u>CEREALS</u>						
	9201	before		40 582 665,00	40 582 665,00	-	40 582 665,00	-	
	9203	rice 1981		16 568 014,90	4 739 333,13	2 391 986,11	7 131 319,24	9 436 695,66	
	921		<u>MILK PRODUCTS</u>						
		9210	before milk						
			powder		724 455,46	724 455,46	-	724 455,46	-
	9211	milk powder 1981		74 841 958,16	74 841 958,16	-	74 841 958,16	-	
	9213	butteroil 1981		58 926 004,30	58 926 004,30	-	58 926 004,30	-	
	922		<u>SUGAR</u>						
		9220	before		176 860,51	1 168,03	-	1 168,03	175 692,48
		9221	1981		2 129 000,00	1 353 302,31	775 697,69	2 129 000,00	-
	923		<u>OTHER PRODUCTS</u>						
		9230	1981		400 000,00	-	376 525,79	376 525,79	23 474,21
924		<u>TRANSPORT COSTS</u>							
	9240	before		4 829 298,59	2 797 177,90	2 032 120,69	4 829 298,59	-	
	9241	1981		13 899 248,95	4 730 140,18	9 169 108,77	13 899 248,95	-	
			TOTAL	213 077 505,87	188 696 204,47	14 745 439,05	203 441 643,52	9 635 862,35	

ANNEX 24

APPROPRIATIONS COMMITTED AND EXPENDITURE CARRIED OUT, 1981

ECU

Food aid	Total budget funds available	Expenditure declared by Member States	Expenditure by Commission	Total expenditure
	Appopr. committed			
Cereals & rice	178 250 679,90	158 507 682,11	8 867 594,42	167 375 276,53
Milk products	397 590 136,95	356 848 146,76	-	356 848 146,76
Sugar	5 531 141,48	3 393 248,74	1 189 335,14	4 582 583,88
Other products	50 588 699,35	-	9 752 127,90	9 752 127,90
Transport costs	86 237 848,19	24 368 306,45	38 058 509,54	62 426 815,99
TOTAL	718 198 505,87	543 117 384,06	57 867 567,00	600 984 951,06

ANNEX 25

Appropriations and their implementation
since 1972
(Food Aid Chapter)

(in mio ECU)

Year	Cereals and rice		Milk products		Sugar		Other products		Transport and other expenditure		total funds available (1)	total expenditure
	Original Appropri.	Expendi- ture	Original Appropri.	Expendi- ture	Original Appropri.	Expendi- ture	Original Appropri.	Expendi- ture	Original Appropri.	Expendi- ture		
1972	65.3	23,8	-	-	-	-	2.-	-	-	-	67,3	23,8
1973	61.1	77,4	-	23,3	-	2,4	-	1,5	-	-	61,1	104,6
1974	113.-	105,6	15.-	0,7	2.-	-	-	-	5.-	-	135.-	106,3
1975	116.3	125.-	106,4	63,5	2.3	2,4	1.-	-	-	-	226.-	190,9
1976	103.6	44,3	182,7	64,7	2.3	2,3	1.-	-	-	4,2	289,6	115,5
1977	87.2	97.-	88,5	78,4	1,7	1,9	1.-	-	-	0,1	178,4	177,4
1978	88.8	114,3	132,4	120,-	1,5	1,4	-	-	1.-	0,1	223,7	235,8
1979	100.9	88,4	184,5	169,9	1.5	0,3	-	0,3	0,5	0,2	287,4	259,1
1980	116.2	108,9	212,2	180,7	1.8	3,5	-	9,7	59,7	11,-	389,9	313,8
1981	121.1	167,4	274,5	356,8	1.9	4,6	40,-	9,7	67,7	62,4	505,20	600,9

(1) Including, where appropriate, amending budgets and transfers from other chapters

Source: General budgets of the Communities and EAGGF Financial Reports