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**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND
THE COUNCIL**

**9th FINANCIAL REPORT FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT AND THE COUNCIL on the EUROPEAN AGRICULTURAL
GUARANTEE FUND**

2015 FINANCIAL YEAR

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Note: A detailed Commission Staff Working Document accompanies this report. The full text of this Working Document (in English) and the annexed tables (in English) will be also available on DG Agriculture's Europa website (http://ec.europa.eu/agriculture/cap-funding/financial-reports/eagf/index_en.htm).

1. BUDGET PROCEDURE¹

1.1. Initial Draft Budget 2015 and Amending Letter 1/2015

The initial 2015 Draft Budget was adopted by the Commission and proposed to the Budgetary Authority on 24 June 2014. The commitment appropriations proposed for the European Agricultural Guarantee Fund (EAGF) under heading 2 of the Multiannual Financial Framework 2014-2020 totalled EUR 43 903.8 million.

The Council adopted its position on the initial 2015 Draft Budget on 2 September 2014, reducing the commitment appropriations for EAGF by EUR 48.5 million. The European Parliament adopted its position on 22 October 2014, increasing the commitment appropriations for EAGF by EUR 41 million.

On 15 October 2014 the Commission adopted Amending Letter (AL) No 1 to the 2015 Draft Budget, lowering the requested commitment appropriations for EAGF by EUR 448 million compared to the initial Draft Budget.

1.2. Adoption of the 2015 budget

The Commission submitted a new Draft Budget 2015 on 27 November 2014 requesting commitment appropriations for EAGF at EUR 43 455.8 million. Following the presentation of this new Draft Budget for 2015, an intensive trilogue between the 3 parties (Commission, Council and European Parliament) took place on 8 December 2014. The Council agreed to the compromise package on 12 December 2014. Finally, the 2015 budget was adopted by the European Parliament on 17 December 2014. The budget's total commitment appropriations for EAGF amounted to EUR 43 455.8 million and its payment appropriations amounted to EUR 43 447.6 million.

The difference between commitment and payment appropriations is due to the fact, that for certain measures, which are directly implemented by the Commission, differentiated appropriations are used. These measures relate mainly to the promotion of agricultural products, to policy strategy and coordination measures for agriculture.

Specifically, of the voted EAGF commitment appropriations for policy area 05 amounting to EUR 43 455.8 million, EUR 2 400.7 million were foreseen for market measures under chapter 05 02, EUR 40 908.6 million were foreseen for direct aids under chapter 05 03, EUR 87.3 million were foreseen for audit of agricultural expenditure under chapter 05 07 and EUR 50.9 million for policy strategy and coordination under chapter 05 08.

For details, please see Annex 1.

Subsequently, in the course of the financial year 2015, the EAGF's appropriations for articles 05 08 06 (enhancing public awareness of the common agricultural policy) and 05 08 09 (EAGF – operational technical assistance) were reduced by EUR 0.1 million and EUR 0.8 million respectively through Amending Budget 7.

¹ This procedure is presented in Annex 1.

1.3. Revenue assigned to the EAGF²

In accordance with Article 43 of Regulation (EC) No 1306/2013 on the financing of the Common Agricultural Policy³, revenue originating from financial corrections under conformity clearance decisions, from irregularities and from the milk levy are designated as revenue assigned to the financing of EAGF expenditure. According to these rules, assigned revenue can be used to cover the financing of any EAGF expenditure. If a part of this revenue is not used, then this part will be automatically carried forward to the following budget year.

At the time of establishment of the 2015 budget, an estimate of the revenue was made both for the amount expected to be collected in the course of the 2015 budget year as well as of the amount which was expected to be carried over from the budget year 2014 into 2015. This estimate amounted to EUR 1 768.6 million and it was taken into consideration when the Budgetary Authority adopted the 2015 budget. Specifically:

- Revenue from the conformity clearance corrections and from irregularities was estimated at EUR 868.6 million and EUR 165 million respectively while the receipts from the milk levy were estimated at EUR 405 million. Thus, the total amount of assigned revenue expected to be collected in the course of the 2015 budget year was estimated at EUR 1 438.6 million.
- The amount of assigned revenue expected to be carried over from the budget year 2014 into 2015 was estimated at EUR 330 million.

In the 2015 budget, this initially estimated revenue of EUR 1 768.6 million was assigned to six schemes, i.e.:

- EUR 362.4 million for the operational funds for producer organisations in the fruits and vegetables sector including the exceptional support measures for members of these organisations,
- EUR 106.9 million for the exceptional support measures for non-members of producer organisations under other measures for the fruits and vegetables sector,
- EUR 0.9 million for storage measures for skimmed milk powder in the milk and milk products sector,
- EUR 2.9 million for storage measures for butter and cream in the milk and milk products sector,
- EUR 50.5 million for the exceptional support measures for milk producers and for the private storage for cheese under other measures for the milk and milk products sector,
- EUR 1 245 million for the single payment scheme (direct aids).

For the aforementioned schemes, the sum of the voted appropriations by the Budgetary Authority and the assigned revenue mentioned above corresponds to a total estimate of available appropriations of:

² These amounts are not entered in the revenue lines of the budget (Article 670 for the revenue assigned to the EAGF), which mention "p.m." ("pour mémoire"), but the forecast amount is mentioned in the budgetary remarks for this article.

³ OJ L 347 of 20.12.2013, p. 549.

- EUR 903.9 million for the operational funds for producer organisations in the fruits and vegetables sector including the exceptional support measures for members of these organisations,
- EUR 107.6 million for the exceptional support measures for non- members of producer organisations under other measures for the fruits and vegetables sector,
- EUR 50.6 million for the exceptional support measures for milk producers and for the private storage for cheese under other measures for the milk and milk products sector,
- EUR 29 587 million for the single payment scheme (direct aids).

It should be noted that the Budgetary Authority did not vote any appropriations for the storage measures for skimmed milk powder and for butter and cream in the milk and milk products sector.

1.4. Part of the EAGF budget in total EU budget

The final EAGF budget's (commitment appropriations) part of the total EU budget for each year of the period 2009-2015 appears in Annex 2.

2. CASH POSITION AND MANAGEMENT OF APPROPRIATIONS

2.1. Management of appropriations

2.1.1. Appropriations available for the 2015 financial year

In EUR

| Expenditure section of budget (1) | Commitment appropriations | Payment appropriations | Revenue section of budget (AR) (2) | Forecasts |
|---|---------------------------|------------------------|------------------------------------|----------------------|
| 1. Initial appropriations for EAGF of which | 43 455 780 762 | 43 447 624 585 | 1. Clearance decisions | 868 600 000 |
| 1a. Appropriations under shared management | 43 388 597 789 | 43 388 597 789 | 2. Irregularities | 165 000 000 |
| 1b. Appropriations under direct management | 67 182 973 | 59 026 796 | 3. Super levy from milk producers | 405 000 000 |
| 2. Amending Budget | -900 000 | -900 000 | Total forecast of AR | 1 438 600 000 |
| 3. Transfer to / out of EAGF in the year | | -107 268 | | |
| 4. Final appropriations for EAGF of which | 43 454 880 762 | 43 446 617 317 | | |
| 4a. Appropriations under shared management | 43 388 791 789 | 43 388 791 789 | | |
| 4b. Appropriations under direct management | 66 088 973 | 57 825 528 | | |

(1) Appropriations entered in the 2015 budget after deducting the expected assigned revenue to be collected in 2015 and the one carried over from 2014 to 2015 in accordance with Article 14 of Regulation (EU, EURATOM) No 966/2012.

(2) AR: Assigned revenue to be collected. There are no amounts of revenue entered on the revenue line (p.m.)⁴, but the forecast amount is indicated in the budget remarks.

2.1.2. Budget execution of appropriations available for the 2015 financial year

In EUR

| | Execution of commitment appropriations | Execution of payment appropriations |
|-------------------------------------|--|-------------------------------------|
| Shared management (1) | 44 883 460 321.82 | 44 883 460 321.82 |
| Expenditure under direct management | 64 654 779.75 | 56 154 302.09 |
| Total | 44 948 115 101.57 | 44 939 614 623.91 |

(1) Committed amounts. Commitments and payments less assigned revenue of EUR 1 631 635 502.23 (see point 5 and Annex 4-I) received for shared management: EUR 43 251 824 819.59.

For the financial year 2015, the actual amount of commitment appropriations used amounted to EUR 44 948 115 101.57 while that for payment appropriations amounted to EUR 44 939 614 623.91.

⁴ p.m.: "pour mémoire".

2.1.3. *Budget execution of voted appropriations - Expenditure under direct management made by the Commission*

In EUR

| Expenditure under direct management | Commitment appropriations | De-commitments | Payment appropriations | Carry over to 2016 (2) |
|--|---------------------------|----------------|------------------------|------------------------|
| Appropriations (C1) (1) | 66 088 973.00 | - | 57 825 528.22 | - |
| Execution (C1) | 64 654 779.75 | - | 41 675 092.27 | 13 821 274.51 |
| Appropriations cancelled | 1 434 193.25 | - | 2 329 161.44 | - |

(1) C1 denotes the budget's voted appropriations. This amount includes transfers to "shared management" for a total amount of EUR -194 000.00 for commitment and payment appropriations, a transfer "out" of EAGF of EUR -107 267.78 for payment appropriations and an Amending Budget of EUR -900 000.00 for commitment and payment appropriations.

(2) Carry over to 2016 only for non-differentiated appropriations.

The available commitment appropriations for expenditure under direct management in the 2015 budget were EUR 66.1 million. An amount of EUR 64.7 million was committed in 2015. The balance of these appropriations, EUR 1.4 million, was cancelled.

The majority of EAGF commitment appropriations for expenditure under direct management made by the Commission are differentiated appropriations.

The automatic carry over to 2016, which relates only to non-differentiated appropriations, amounts to EUR 13.8 million.

2.2. Monthly payments

2.2.1. Monthly payments to Member States under shared management

2.2.1.1. Monthly payments on the provision for expenditure

Article 18(1) of Regulation (EU) No 1306/2013 states that "*monthly payments shall be made by the Commission for expenditure effected by Member States' accredited paying agencies during the reference month*". Monthly payments shall be made to each Member State at the latest on the third working day of the second month following that in which the expenditure is incurred.

The monthly payments are a reimbursement of net expenditure (after deduction of revenue) which has been already carried out and are made available on the basis of the monthly declarations forwarded by the Member States⁵. The monthly booking of expenditure and revenue is subject to checks and corrections on the basis of these declarations. Moreover, these payments will become final following the Commission's verifications under the accounting clearance of accounts procedure.

Payments made by the Member States from 16 October 2014 to 15 October 2015 are covered by the system for monthly payments.

For financial year 2015, the total net amount of monthly payments made, after the deduction of clearance and other corrections, was EUR 43 251 824 819.59.

⁵ These monthly declarations of expenditure are transmitted by the Member States by the declaration of the 12th of the month N+1.

2.2.1.2. Decisions on monthly payments for 2015

For the financial year 2015, the Commission adopted twelve decisions on monthly payments. Furthermore, an additional monthly payment decision, adjusting those already granted for the total expenditure chargeable to the year, was adopted in December 2015.

3. THE IMPLEMENTATION OF THE 2015 EAGF BUDGET

3.1. The uptake of the EAGF budget appropriations

The implementation of the budget amounted to EUR 44 948.1 million. This expenditure was funded by the budget's initial appropriations and by using the revenue assigned to policy area 05-Agriculture and Rural Development, composed of the entire amount of EUR 341.3 million carried over from 2014 and of a part of the assigned revenue collected in 2015 amounting to EUR 735.2 million out of a total EUR 1 631.6 million.

Within policy area 05-Agriculture and Rural Development, the expenditure for market measures amounted to EUR 2 666.9 million and for direct aids to EUR 42 168 million. The expenditure incurred for certain market measures and direct aids exceeded the budget's voted appropriations and it was partly covered by transfers of appropriations from other items of the budget and partly by the revenue which was assigned to the EAGF budget.

For details of the budget's implementation by policy area, please see Annex 3.

Annex 5 presents a breakdown of the expenditure on market measures, direct aids and audit of agricultural expenditure by article and by Member State.

4. COMMENTS ON THE IMPLEMENTATION OF THE 2015 EAGF BUDGET

A brief commentary for the most significant sectors on the implementation of the 2015 EAGF budget's appropriations as well as on the use of the assigned revenue available in 2015 is presented hereafter based on details appearing in the Annexes 3, 4-I and 4-II.

4.1. Chapter 05 02: Interventions in agricultural markets

4.1.1. Introduction

Total payments for this chapter of the 2015 budget amounted to EUR 2 666.9 million and they were funded by the voted appropriations amounting to EUR 2 343 million and by assigned revenue amounting to EUR 323.8 million. The latter was used to cover the expenditure incurred in the fruits and vegetables and in the milk and milk products sectors (NB: for details, see points 4.1.3 and 4.1.6). Appropriations amounting to EUR 54.9 million were transferred to other parts of the EAGF budget. The remaining balance of assigned revenue collected in 2015 amounted to EUR 199.8 million and it was carried over to 2016. In items where the needs exceeded the budgetary appropriations, the additional expenditure was covered through transfers from other items of the budget. Equally, for the market measures where the budget's appropriations were under-spent, the resulting available appropriations were transferred to other items of the budget in order to cover additional expenditure as needed.

4.1.2. *Olive oil*

The under-execution of EUR 2 million was due to the slightly lower expenditure incurred by some Member States for the 2014/2015 work programmes included in their quality improvement measures compared to the expenditure foreseen in the 2015 budget for these programmes.

4.1.3. *Fruits and vegetables*

The 2015 budget foresaw total available appropriations amounting to EUR 1 305.5 million in order to cover the needs of all the measures for this sector. The Budgetary Authority voted appropriations of EUR 836.2 million as it took into account the estimated revenue assigned to this sector which amounted to EUR 469.3 million. The expenditure incurred by Member States in 2015 amounted to EUR 1 118.6 million. All the schemes funded under this article were under-implemented compared to the total estimated needs foreseen in the 2015 budget. The balance of the unused assigned revenue of EUR 147 million was carried over to the budget year 2016 to cover the needs of that year (NB: the staff working document presents more details on this point).

4.1.4. *Products of the wine-growing sector*

The under-execution of EUR 63.2 million compared to the forecasted 2015 budget needs regarding national support programmes was due to the lower expenditure incurred by some Member States for the promotion and investment components of their national wine programmes compared to their respective budget ceilings foreseen in the 2015 budget for these programmes.

1.1.1. *Promotion*

As regards promotion measures-payments by Member States, the over-execution of EUR 2.3 million compared to the forecasted 2015 budget needs was due to the higher expenditure incurred by some Member States for their promotion programmes which are approved by the Commission compared to the expenditure foreseen in the 2015 budget for these programmes.

As regards direct payments made by the European Union, the Commission committed appropriations of around EUR 1.2 million which was almost equal to the amount foreseen in the 2015 budget for these payments.

4.1.6. *Milk and milk products*

The 2015 budget foresaw total available appropriations amounting to EUR 131.4 million in order to cover the needs of all the measures for this sector. The Budgetary Authority voted appropriations of EUR 77.1 million as it took into account the estimated revenue assigned to this budget article which amounted to EUR 54.3 million. The expenditure incurred by Member States in 2015 amounted to EUR 119.6 million. All the schemes funded under this article were under-implemented compared to the total estimated needs foreseen in the 2015 budget. The balance of the unused assigned revenue of EUR 52.7 million was carried over to the budget year 2016 to cover the needs of that year (NB: the staff working document presents more details on this point).

4.1.7. *Pig meat, eggs and poultry, bee-keeping and other animal products*

The 2015 budget foresaw total available appropriations amounting to EUR 40.8 million in order to cover the needs of all the measures for this sector. The

expenditure incurred by Member States in 2015 amounted to EUR 44.2 million and it was funded both by the voted appropriations of EUR 40.8 million and by transfers of appropriations amounting to EUR 3.4 million from other areas of the 2015 budget (NB: the staff working document presents more details on this point).

4.2. Chapter 05 03: Direct Aids

Total payments for this chapter of the 2015 budget amounted to EUR 42 168 million and they were funded by the voted appropriations amounting to EUR 40 561.4 million and by assigned revenue amounting to EUR 752.7 million. The latter was used to cover the expenditure incurred for the single payment scheme (NB: for details, see point 4.2.1). The unused voted appropriations amounted to EUR 347.2 million as evidenced by the difference between the voted appropriations of EUR 40 561.4 million used for the reimbursement to Member States and the initial voted appropriations of EUR 40 908.6 million included in the 2015 budget. These unused voted appropriations were reinforced with a transfer of voted appropriations amounting to EUR 85.8 million from other parts of the EAGF budget, thus, allowing the reconstitution of the unused amount of the reserve for crises of EUR 433 million, which was established from the proposed financial discipline in 2015, and which was transferred to budget article 05 03 09 so that, the amount of the effectively applied financial discipline of EUR 409.8 million, could be carried over into 2016 for its reimbursement to the Member States concerned. The remaining balance of assigned revenue collected in 2015 amounted to EUR 696.6 million and it was carried over to 2016. In items where the needs exceeded the budget's voted appropriations, the additional expenditure was covered through transfers of voted appropriations from other items of the budget or of assigned revenue. Equally, for direct payments where the budget's appropriations were under-spent, the resulting available appropriations were transferred to other items of the budget in order to cover additional expenditure as needed.

4.2.1. Article 05 03 01: Decoupled direct aids

The main schemes funded by this article's appropriations are the single payment scheme (SPS), the single area payment scheme (SAPS) and the decoupled specific support under Article 68 of Council Regulation (EC) No 73/2009. All aid schemes in this article are paid independently of production but on certain conditions e.g. respect of cross-compliance. The 2015 budgetary needs for decoupled direct aids amounted to EUR 38 642 million for which the Budgetary Authority voted appropriations amounting to EUR 37 397 million after taking into consideration assigned revenue for this sector amounting to EUR 1 245 million. The expenditure incurred by Member States for all schemes in this article amounted to EUR 38 293.5 million, thus, exceeding the 2015 voted appropriations of EUR 37 397 million by EUR 896.5 million. This latter amount of expenditure declared was partly covered by transfers from other budget items amounting to EUR 143.8 million and partly by assigned revenue amounting to EUR 752.7 million. (NB: the staff working document presents more details on this point).

4.2.2. Article 05 03 02: Other direct aids

The appropriations of this article cover expenditure for other direct aids for which Member States have chosen to maintain a limited link between the payment of these aids and production for a number of sectors, under well defined conditions and within clear limits, in order to avoid the abandonment of this production. Thirteen schemes are funded under this article.

For these schemes, the Commission had estimated that appropriations amounting to EUR 3 078.4 million were needed in 2015. Member States incurred expenditure amounting to EUR 3 020.5 million (NB: the staff working document presents more details on this point).

4.2.3. Article 05 03 09: Reimbursement of direct aids in relation to financial discipline

No appropriations are allocated to this article by the Budgetary Authority. This article was established for the first time in budget year 2014 to facilitate the collection of non-committed voted appropriations involving only the budget year 2014 supplemented by the appropriations of the unused reserve for crises in order to be carried over into the next budget year 2015 and finance the reimbursement of the financial discipline applied to direct aids in respect of calendar year 2014⁶.

From the amount of EUR 868.2 million, corresponding to the financial discipline applied during financial year 2014, which was carried over to budget 2015 for reimbursement, Member States reimbursed EUR 854 million. The difference of EUR 14.2 million reverts to the 2015 budget for its return to Member States via the first Amending Budget of the following budget year (NB: the staff working document presents more details on this point; see also point 4.2.4 below).

4.2.4. Article 05 03 10: Reserve for crises in the agricultural sector

The appropriations of this article are intended to cover expenditure for measures which have to be taken in order to cope with major crises affecting agricultural production or distribution. The reserve is to be established by applying, at the beginning of each year, a reduction to the direct aids through the financial discipline mechanism in accordance with Articles 25 and 26 of Regulation (EU) No 1306/2013 as well as Article 8 of Regulation (EU) No 1307/2013. This reserve may not exceed a maximum annual amount of EUR 400 million (in 2011 prices). For the budget year 2015, the equivalent amount of the crisis reserve in current prices was EUR 433 million. The reserve was not used in financial year 2015.

For the 2015 claim year, the financial discipline was calculated exclusively for the constitution of the crisis reserve of EUR 433 million. However, by the end of the financial year, non-committed voted appropriations corresponding to the amount of financial discipline effectively applied for claim year 2015 (taking into account the unused amount of the reserve) was transferred to budget article 05 03 09 in order to be carried-over to the next financial year and, in this way, fund the reimbursement of financial discipline imposed on farmers in the calendar year 2015.

4.3. Chapter 05 07: Audit of agricultural expenditure

4.3.1. Article 05 07 01: Control of agricultural expenditure

This article involves the measures taken in order to reinforce the means of on-the-spot controls and to improve the systems of verification so as to limit the risk of frauds and irregularities in detriment of the Union budget. It also includes the expenditure which could be necessary in order to fund possible accounting and

⁶ These appropriations may be carried over, in accordance with Article 169(3) of the Financial Regulation (EU, Euratom) No 966/2012, and in accordance with Article 26(5) of Regulation (EU) No 1306/2013, Member States shall reimburse the final recipients who are subject, in the financial year to which the appropriations are carried over, to the application of financial discipline in accordance with Article 26, paragraphs (1) to (4) thereof.

conformity corrections in favour of Member States (NB: the staff working document presents more details on this point).

4.3.2. *Article 05 07 02: Settlement of disputes*

The appropriations in this article are intended to cover expenditure for which the Commission could be held liable by decision of a court of justice, including the cost of settling claims for damages and interest. On 27 September 2012, the European Court of Justice delivered its judgment in joined cases C-113/10, C-147/10 and C-234/10 (the Jülich-II judgement). The 2015 budget foresaw appropriations amounting to EUR 60.5 million for the payment of compensatory interest to operators under this judgement. However, Member States incurred and declared expenditure amounting to around EUR 1.7 million for these payments. Therefore, appropriations amounting to EUR 58.8 million were transferred to other items of the 2015 budget in order to fund needs for these items.

5. IMPLEMENTATION OF ASSIGNED REVENUE

5.1. Revenue assigned to EAGF

The assigned revenue actually carried over from 2014 into 2015, amounted to EUR 341.3 million and has been entirely used in financing expenditure of the 2015 budget year in accordance with Article 14 of the Financial Regulation. As presented in Annex 4-II, this amount covered expenditure of EUR 280.6 million for the operational funds for producer organisations and for other measures (temporary exceptional measures) in the fruits and vegetables sector, of EUR 11 million for storage measures for skimmed powder and butter as well as for other measures (temporary exceptional measures) in the milk and milk products sector and of EUR 49.7 million for the single payment scheme.

As regards the assigned revenue collected in 2015, Annex 4-I shows that this revenue amounted to EUR 1 631.6 million and it originated from:

- The corrections of the conformity clearance procedure which amounted to EUR 1 066.6 million.
- The receipts from irregularities which amounted to EUR 155.5 million.
- The milk levy collections which amounted to EUR 409.6 million.

The assigned revenue collected in 2015 was used to cover expenditure incurred for the following measures:

- EUR 30.7 million for the exceptional support measures for non- members of producer organisations under other measures in the fruits and vegetables sector,
- EUR 0.2 million and EUR 0.9 million for storage measures for skimmed milk powder and for butter and cream correspondingly in the milk and milk products sector,
- EUR 0.5 million for the exceptional support measures for milk producers and for the private storage for cheese under other measures in the milk and milk products sector,
- EUR 703 million for the single payment scheme (direct aids).

The balance of the assigned revenue collected in 2015 amounting to EUR 896.4 million was automatically carried over into the 2016 budget in order to fund budgetary needs of that year.

For details, please see Annexes 4-I and 4-II.

6. BREAKDOWN BY TYPE OF EXPENDITURE

The total EAGF expenditure amounted to EUR 44 948.1 million. Hereafter, this expenditure is presented broken down into the main reporting categories along with the percentage that these represent in the total EAGF expenditure for 2015:

Storage

Expenditure for storage amounted to EUR 18.4 million, i.e. 0.04% of the total expenditure. This amount mainly represents the expenditure incurred for the private storage of butter.

Export refunds

Spending on export refunds amounted to EUR 0.3 million, i.e. 0.001% of the total expenditure and it related to paying outstanding balances for past exports of non-Annex I products, beef, pigmeat and poultry.

Other market measures

In addition to storage and export refunds, the expenditure for other market measures amounted to EUR 2 698 million, i.e. 6% of the year's total. This category covers expenditure mainly relating to olive oil, fruit and vegetables, wine, textile plants, POSEI, promotion measures, milk and milk products and bee-keeping. This expenditure incorporates other minor amounts and it includes the corrections arising from the clearance of accounts and settlement of disputes.

Direct aids

Expenditure for direct aids amounted to EUR 42 168 million, i.e. 93.8% of the total.

Expenditure under direct management

This expenditure amounted to EUR 64.7 million (in commitment appropriations), i.e. 0.1% of the total, and it was paid directly by the Commission. It mostly covered the expenditure relating to farm accounting, surveys on farm structures, information on the CAP, technical assistance, etc.

Rural development under ex-EAGGF-Guarantee

No commitment appropriations can be made anymore for these programmes. Member States are now closing these programmes and they recover unduly paid amounts. The final net amount recovered under this article was around EUR 1.3 million.

The evolution of the breakdown of EAGF expenditure by type for the period 2009-2015 is presented in Annex 6.