

COMMISSION OF THE EUROPEAN COMMUNITIES

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EIGHTEENTH FINANCIAL REPORT

on

THE EUROPEAN AGRICULTURAL GUIDANCE

AND GUARANTEE FUND

EAGGF

- 1988 -

GUARANTEE SECTION

and

FOOD AID CLOSURE

(presented by the Commission)

Average conversion rates used for 1988

(cf. Annex 17)

:	:	:	:
:	EUROPEAN COMMUNITY	:	1 ECU =
:	:	:	(budgetary)
:	:	:	:
:	Belgium	BFR	43,3025
:	:	:	:
:	Denmark	DKR	7,94494
:	:	:	:
:	Germany	DM	2,07209
:	:	:	:
:	Greece	DRA	164,638
:	:	:	:
:	Spain	PTA	138,095
:	:	:	:
:	France	FF	6,99485
:	:	:	:
:	Ireland	IRL	0,775623
:	:	:	:
:	Italy	ITL	1.524,58
:	:	:	:
:	Luxembourg	LFR	43,2382
:	:	:	:
:	Netherlands	HFL	2,32980
:	:	:	:
:	Portugal	ESC	168,261
:	:	:	:
:	United Kingdom	UKL	0,678343
:	:	:	:

INTRODUCTORY NOTE

- a) Article 10 of Regulation (EEC) No 729/70 on the financing of the common agricultural policy requires the Commission to send each year to the Council and Parliament "a financial report on the administration of the Fund during the preceding financial year and, in particular, on the state of its resources and the nature of its expenditure and the conditions under which Community financing has been effected".

This Report covers the operations of the EAGGF Guarantee Section and the closure in respect of Community food aid for 1988. The Guidance Section is dealt with in a separate report.

The Guarantee Section finances the expenditure from the common policy on agricultural markets and prices. Under Articles 2 and 3 of Regulation (EEC) No 729/70, expenditure consists of refunds on exports to non-Community countries, paid under the EEC market organizations to bridge the gap between internal EEC prices and the prices obtaining on world markets, and a wide range of market intervention measures (1) designed to stabilize the agricultural markets (price compensating aids, guidance premiums, storage, product withdrawals).

- b) *Up to and including 1986, the financial year was always the same as the calendar year. The budgetary problems encountered by the Community in 1987 and the amendments to the regulations governing the financing of the common agricultural policy resulted, as regards the Guarantee Section, in adjustments in the dates of closure of the accounts for the 1987 (2) and 1988 (3) financial years, with a gap opening up between the calendar year and the Guarantee Section financial year. This may make it difficult to compare 1987 and 1988 with previous years, and should be taken into account in examining the various tables and annexes.*

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* *

N.B.: This Report was completed on 22 June 1989.

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- (1) The Annex to Regulation (EEC) No 380/88 (OJ No L 38 of 11.02.1988), as last updated by Regulation (EEC) No 961/89 (OJ No L 102 of 14.04.1989) sets out, by way of declaration, the measures which are considered as market intervention measures for the purposes of regulating the agricultural markets in accordance with Article 3(1) of Regulation (EEC) No 729/70.
- (2) *Financial year 1987 : expenditure here covers a period of 10 months, from 1 January 1987 to end October/beginning November 1987.*
- (3) *Financial year 1988 : expenditure here covers a period of 11 and a half months, from beginning November 1987 to 15 October 1988.*

SUMMARY OF THE EIGHTEENTH FINANCIAL REPORT
EAGGF - GUARANTEE SECTION

A. Community expenditure on markets

1. The appropriations available to the Guarantee Section of the EAGGF for 1988, covering a period of eleven and a half months from the beginning of November 1987 to 15 October 1988, amounted to ECU 28.795 million, including the common organization of the market in fishery products (ECU 55 million) and the appropriations entered in Chapter 81 of the budget to cover the depreciation of agricultural stocks (ECU 1.240 million).

Allowing for the financial contribution of cereal producers (ECU 677,5 million) and milk producers (ECU 535,6 million), and also the balance from the clearance of accounts for 1985 and preceding years (ECU 29,5 million), total agricultural expenditure chargeable to the Guarantee Section for 1988 stood at ECU 27.687,3 million.

2. An examination of the breakdown of agricultural expenditure by economic category shows that, on the basis of total expenditure taken into consideration for the 1988 budget excluding the consequences of the clearance of accounts (ECU 29,5 million) and miscellaneous payments (ECU 103 million), i.e. ECU 27.555 million, export refunds amounted to ECU 9.929 million (36%) and market intervention measures to ECU 17.626 million (64%).

In the case of refunds, 60% of total expenditure was taken up by milk products and cereals alone, followed by sugar (16%).

The product areas mainly responsible for expenditure on intervention were oilseeds and milk products (17% each), followed by beef (10%). Compared with the total for intervention, price compensating aids came to ECU 10.267 million (58%), followed by aid to storage of ECU 5.820 million (33%).

3. The trend of public stocks in 1988 was marked overall by a very sharp decline in their book value from ECU 10.575 million on 30 September 1987 to ECU 4.663 million on 30 September 1988, a drop of ECU 5.912 million (56%). This encouraging development is the result of a more dynamic disposal policy and of the depreciation exercise undertaken in 1988. Owing to a lack of budgetary resources no such exercise had been possible for agricultural products in 1987 but in 1988 the sum of ECU 2.598 million was used on cereals, butter, beef, tobacco and alcohol.

The proportion of the book value of stocks accounted for by the major products changed between 1987 and 1988. Milk products' share fell from 46% to 13%, while that of cereals rose from 28% to 32%, that of oils and fats from 5% to 16% and that of beef from 20% to 34%.

As regards the quantities in stock, between 1987 and 1988 there was :

- a considerable drop for cereals generally and a plunge for milk products from 1.780.000 tonnes in 1987 to 235.000 tonnes in 1988;
- an appreciable increase for oils and fats, alcohol and tobacco, and a slight increase for beef.

B. Cash position and management of appropriations

The delay in the adoption of the budget (1 June 1988) meant that 1988 began with a system of provisional twelfths.

Following the adjustment of the system of advance payments, the budget that was adopted covered all expenditure and released unused appropriations amounting to around ECU 1.100 million.

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

Having improved its arrangements for monitoring utilization of appropriations (the 'early warning system'), the Commission was able on three occasions to make transfers between chapters before the appropriations were used up.

C. Investigations and irregularities

In 1988 the Commission carried out four administrative enquiries in Member States, covering cereals, milk products and tobacco. An enquiry was carried out in a non-member country (the Bahamas) into refunds on cheese exports to that country.

The number of cases of irregularities notified by the Member States under Articles 3 and 5 of Regulation (EEC) No 283/72 (except those relating to the premium for the non-marketing of milk) was 365 in 1988, as against 489 in 1987. The amount involved was ECU 120,314 million (ECU 87,18 million in 1987), of which only ECU 1,11 million was recovered. It is worth noting that only 7% of the irregularity cases account for 90% of the amount (7 cases notified by the Federal Republic of Germany accounting for ECU 39 million).

A breakdown by Member State of the number of irregularity cases shows that, while the differences pointed to on many occasions by the Commission persist, instead of one Member State alone notifying 40% to 60% of all cases as in the past, there are now seven countries notifying a total of 326 cases proportionally to the size of the country. The number of cases notified by Belgium and Spain was rather small. The only countries not notifying any cases of irregularity were Greece, Luxembourg and Portugal.

At the end of 1988 the IRENE data base held records of 3.740 cases notified by the Member States since the entry into force of Regulation (EEC) No 283/72. The data base has been considerably improved. In addition, data have been corrected or supplemented, as the case may be.

Checks on the olive oil sector have been reinforced following the setting up of specific agencies in the producing Member States.

D. Clearance of accounts

In November 1988 the Commission formally approved Member States' expenditure chargeable to the Guarantee Section for 1986. The amount involved was ECU 21.700 million.

Expenditure for 1986 was checked mainly by the systems audit method, which is clearly explained in an EAGGF Guarantee Section audit manual and was developed in association with a consultancy firm. The financial benefit to the Community budget was ECU 214,7 million.

Four Member States (Germany, Greece, Italy and the Netherlands) brought proceedings in the Court of Justice against Commission clearance decisions for 1986.

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

The verification of expenditure pertaining to 1987, amounting to ECU 25.800 million, was carried out by the paying agencies mainly in 1988.

The memorandum used by Member States to standardize their annual claims (declarations), with all its technical explanations, was also amended in 1988 to accommodate in particular changes in the breakdown of the budget and in the rules governing the common agricultural policy.

E. Financial closure in respect of Community food aid

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

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

Financing for 1988 was therefore carried out directly by the Commission, apart from some amounts outstanding charged to food aid schemes under the old system.

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

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

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TITLE I

Community expenditure on markets

The original appropriations for the EAGGF Guarantee Section in the General Budget of the European Communities for 1988 (1) amounted to :

- European Agricultural Guidance and Guarantee Fund, Guarantee Section (total of Titles 1 and 2)	ECU 27.500 million
Common organisation of the market in fishery products (Chapter 40)	ECU 30 million
Depreciation of stocks (Chapter 81)	<u>ECU 1.240 million</u>
TOTAL	ECU 28.770 million

The adoption of Supplementary and Amending Budget No. 1 (2), the main purpose of which was to bring the original budget into line with the Council Decision on the system of the Communities' own resources (3), had no effect on the amount of EAGGF appropriations. However, following the approval on 31 October 1988 of appropriation transfer No. 6/88, which increased the appropriations for Chapter 40 (Fisheries) from ECU 30 million to ECU 55 million, total appropriations available to the Guarantee Section for 1988 stood at ECU 28.795 million (*).

Allowing for the balance from the clearance of accounts for 1985 and preceding years, amounting to ECU 29,2 million, and also the financial contributions of cereal producers (ECU 677,5 million) and milk producers (ECU 535,6 million), total agricultural expenditure chargeable to the Guarantee Section for 1988, covering a period of only eleven and a half months, amounted to ECU 27.687,3 million.

(1) OJ No L 226, 01.6.1988.

(2) OJ No L 265, 26.9.1988.

(3) OJ No L 185, 15.7.1988.

(*) In addition to the ECU 27.500 million provided for in Titles 1 and 2 of the budget, there are additional availabilities of ECU 1.000 million from the monetary reserve in Chapter 102. This is to cover any additional expenditure due to major unforeseeable fluctuations in the exchange rate between the US dollar and the ecu as against the rate used in the budget, if this expenditure exceeds ECU 400 million. No recourse to this reserve was necessary in 1988.

1. GENERAL

1.1. Problems in financing the common agricultural policy

Over the last few years the main factor affecting the financing of the CAP has been the very difficult budget situation which the Community has had to face, caused by the growing gap between the limited appropriations allocated to the Guarantee Section and the increase in expenditure on agriculture.

In view of the inadequacy both of own resources and the appropriations allocated to the Guarantee Section for 1987, the European Council, meeting in Brussels on 29 and 30 June 1987, decided that the EAGGF Guarantee Section budget ceiling for 1987 would be complied with, and agricultural expenditure covered, by means of an adjustment in the system of advance payments which had been in operation since 1971.

This adjustment was adopted in the form of Council Regulation (EEC) No 3183/87 of 19 October 1987 introducing special rules for the financing of the common agricultural policy (1). This was accompanied by three Commission Regulations laying down detailed rules and measures for implementing the Council Regulation.

Under these rules, once Guarantee Section appropriations for 1987 were used up, which happened in November 1987, the Member States had themselves to make available the financial resources needed for prefinancing expenditure chargeable to the EAGGF Guarantee Section, with the Commission paying advances for expenditure at the beginning of the second month following that in which the disbursing agencies effected the expenditure. By means of this adjustment, about ECU 4.500 million paid to recipients in 1987 were charged to the 1988 budget.

1.2 The 1988 budget

The Council's delay in adopting the 1988 draft budget led Parliament and the Commission to bring an action, as provided for in Article 175 of the EEC Treaty, before the Court of Justice to have it established that, by not adopting the draft budget for 1988, the Council had failed to fulfil its obligations. The Court of Justice's judgment was given on 12 July 1988, after the 1988 budget was adopted on 1 June, and it stated that there was no longer any reason for the Court to give a ruling.

The delays also compelled the Community to have recourse to the system of provisional twelfths in 1988, until June.

(1) OJ No L 304, 27.10.1987.

During the budget procedure, the situation on agricultural markets led the Commission to make use of its right of initiative and to send to the budget authority, on 23 December 1987, letter of amendment No. 1/1988 to the preliminary draft budget for 1988 which it had adopted on 14 May 1987. This letter reflected the Commission's desire to allow for various factors which had not been known at the time the preliminary draft was drawn up; it set out a new schedule for the financing of agricultural expenditure.

Following the meeting of the European Council in Brussels in February 1988, the Commission sent the budget authority, on 19 February, letter of amendment No. 2 to its preliminary draft budget for 1988.

On the basis of the latest assessment of revenue, this letter of amendment's main proposal was an increase of ECU 250 million for financing EAGGF Guarantee Section expenditure, as against letter of amendment No 1/1988, giving total expenditure of ECU 27.250 million which was less than the ceiling of ECU 27.500 million set by the European Council.

Concluding the budget procedure, which led to the appropriations for the Guarantee Section being increased from ECU 27.250 million to ECU 27.500 million the President of the European Parliament was able, on 1 June, to declare the 1988 budget definitively adopted. Since then there has been supplementary amending budget No. 1/88 of 6 July 1988, which had no impact on Guarantee Section appropriations.

1.3 The European Council meeting in Brussels in February 1988

In order to contain the rise in agricultural expenditure, the European Council meeting in Brussels on 11, 12 and 13 February 1988 reached an agreement on the financing of the Community and its annual budgets from 1988 to 1992. This covers the system of own resources, budgetary discipline, the management of appropriations and the reform of the CAP and the structural funds. The agreement was embodied in Council Decision 88/377/EEC of 24 June 1988 concerning budgetary discipline (1).

As regards agricultural expenditure, a reference framework was set up to limit the annual growth of EAGGF Guarantee Section expenditure to 74% of the annual growth in the Community's GNP. The reference basis for the definition of the annual allocations for EAGGF guarantee expenditure is the 1988 expenditure figure (ECU 27,5 billion), including expenditure on set-aside of land up to an annual maximum of ECU 150 million, less the amounts for the disposal of ACP sugar, food-aid refunds, sugar and isoglucose levy payments by producers and any other revenue raised from the agricultural sector in the future.

(1) OJ No L 185, 15.7.1988.

For the financial years 1988 to 1992, systematic depreciation costs for newly formed stocks, commencing at the time they were established, are also to be financed from the same allocations.

In order to normalize the stock situation generally by 1992, the Council agreed to enter each year in its draft budget the necessary appropriations to finance the costs of stock depreciation. The 1988 budget thus already includes for this purpose an appropriation of ECU 1.2 billion (Chapter 81), and from 1989 to 1992 some ECU 1.4 billion are budgeted for, for depreciation of surplus stocks (at 1988 prices). These sums are outside the agricultural guideline and must be used during the first few months of the financial year (*).

In addition, to cover developments caused by significant and unforeseen movements in the dollar/ecu market rate compared with the rate used in the budget, a monetary reserve of one billion ecus is to be entered each year in the budget (Chapter 102). Transfers will be made from the reserve to the corresponding guarantee headings, or vice versa, up to the amount of one billion ecus, depending on whether the parity changes lead to additional expenditure or to savings. The transfers will, however, be effected only when the additional costs or savings exceed ECU 400 million. These appropriations will be added to the reference framework, but they are provisional and recourse to the reserve requires a decision by the budget authority. It was not necessary in 1988 to have recourse to the reserve.

The European Council Meeting in February 1988 also decided to strengthen the budgetary management of EAGGF expenditure by introducing an "early warning system" enabling the Commission to follow trends in agricultural expenditure, chapter by chapter, and to take the appropriate action, so ensuring that the agricultural guideline is complied with.

Since April 1988 the Commission has been sending monthly reports on this matter to the Council and Parliament. When the rate of actual expenditure is likely to exceed, or does exceed, the expenditure profile defined by the Commission before the beginning of each financial year (**), the Commission is to use the management powers at its disposal, including those under the stabilizing measures, to remedy the situation. If these measures are insufficient, the Commission is to examine the operation of agricultural stabilizers in the sector concerned and, if necessary, put proposals to the Council for strengthening them. The Council is to act within a period of two months in order to remedy the situation.

(*) Thus, in October 1988, from an updated amount of ECU 1.449 million, stocks were depreciated under the 1989 budget to the extent of ECU 649 million, the balance of ECU 800 million being used to finance the special programme for the disposal of butter.

(**) This profile is defined for each budget chapter, on the basis of a comparison of monthly expenditure with the profile of expenditure over the three preceding years.

The agricultural guideline must be complied with every year. This imperative must be taken into consideration when the Commission makes its price proposals. If it takes the view that the Council's way of thinking, departing from its initial proposal, is liable to give rise to additional costs, it may ask for the final decision to be taken at a special Council meeting attended by the Finance Ministers as well as the Agriculture Ministers.

Finally, it may be relevant at this stage to give a brief reminder of the changes made in the system of "own resources" in the light of the conclusions of the European Council in February 1988, adopted formally by a Council decision of 24 June 1988 (88/376/EEC, Euratom) (1).

Given the new prospects opened to the Community by the Single Act, and in particular the impending completion of the internal market on 31 December 1992, it is essential for the Community to have stable, guaranteed revenue at its disposal to enable it to remedy the flaws in the present situation and implement the common policies. The limit of 1.4% for the rate applied to the uniform basis for assessing the value added tax (VAT) has proved to be insufficient to cover the Community's expected expenditure.

Consequently, it has been decided that, by 1992, the Commission should be provided with own resources corresponding to 1.2% of aggregate gross national product in the Community for payment appropriations. However, own resources currently entered in the Community budget remain as follows :

- customs duties on products covered by the Treaty establishing the European Coal and Steel Community are now included in the Community's own resources;
- the maximum rate to be applied to the uniform basis of assessment of VAT in each Member State stays at 1.4%, but the assessment basis of a Member State to be taken into consideration may not exceed 55% of its GNP;
- an additional resource for the Community, based on the aggregate GNP of the Member States, has been introduced into the system to enable budget revenue and expenditure to be brought into balance. In this connection, a directive on the harmonization of the compilation of GNP at market prices was adopted by the Council on 13 February 1989 (2).

1.4. Generalization of agricultural stabilizers

In view of the steep and continuous upward trend of agricultural spending as a result of surplus production, confirmation was given at the European Council meetings in Brussels in June 1987 and February 1988 for the Commission's recommendations as regards the urgent need to adjust supply to demand by measures placing greater emphasis on the regulatory or "stabilizing" role of the market.

(1) OJ No L 185, 15.7.1988.

(2) OJ No L 49, 21.2.1989.

The purpose of the generalization of stabilizers in the market organizations is basically threefold:

- it extends the co-responsibility of farmers for the costs engendered by market surpluses and thus heightens their awareness of the problem;
- it provides farmers with an indication of the price trend for a given product, estimated on a multiannual basis;
- it enables a more reliable reference framework to be given for the budget, at least in that it is cushioned against the uncertainties stemming from fluctuating production inside the Community.

Each stabilizer mechanism is tailored to the specific characteristics of the sector concerned, but all are based on the same idea: maximum guaranteed quantities are laid down and certain automatic mechanisms trigger adjustments in market management, i.e. the level of support is automatically reduced for the product concerned whenever production exceeds a pre-determined level.

Efforts to reduce support whenever production exceeds a certain level have already been made in the past. The novelty resides in the fact that the reduction no longer needs to be decided by the Council, which often proved very difficult, or even impossible, in the past. It now rests with the Commission, as the Community executive body, to establish, after analysing all the information at its disposal, whether the maximum guaranteed quantity (laid down by the Council) has been exceeded and to decide, in accordance with well-defined rules, whether to reduce the level of support. Thus, the mechanism functions almost automatically. This fact is all the more important as reductions in support can now be much greater than in the past, when downward adjustments often could not exceed certain limits.

Some stabilizers have been in existence for a considerable time; they differ according to the product and the market support arrangements. This is illustrated by the following examples:

- production quotas : sugar and milk,
- production guarantee thresholds : oilseeds, cotton,
- processing guarantee thresholds : certain species of fruit and vegetables,
- intervention thresholds : fresh tomatoes, butter, milk powder,
- direct financial co-responsibility : sugar, milk, cereals.

In February 1988 the European Council decided to reinforce and extend to other sectors the existing stabilizing mechanisms, with effect from 1988/89.

The sectors concerned are cereals, oilseeds and protein crops, sheepmeat and goatmeat, sugar, milk, fruit and vegetables, raw tobacco (cf OJ No L 110, 29.4.1988) and wine (OJ No L 132, 28.5.1988).

The only major sector not being included is beef/veal. Since the adjustments to the market organization for beef/veal introduced in 1986 were provisional, the Commission undertook to submit in autumn 1988 a proposal for radical reform of the organization in order to stabilize the market. The proposal was duly submitted but the Council was unable to take the necessary decisions before the end of 1988. They are to be made in the course of 1989.

1.5. Set-aside measures

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

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

The set-aside programme comprises the following features:

- 1) The proposed measures are intended to complement the market policy measures.
- 2) They are compulsory for the Member States, but optional for the producers.
- 3) Regional exemptions from compulsory application are possible. In Portugal's case, the set-aside programme will be applied optionally during the transitional period.
- 4) The fallowing period must be at least five years. Land taken out of farm production must be left fallow, or planted with trees or used for non-farming purposes (see point 10 below).

(1) OJ No L 106, 27.4.1988.

(2) OJ No L 93, 30.3.1985.

(3) OJ No L 121, 11.5.1988.

- 5) Set-aside applies to not less than 20% of arable land used on the holding for growing crops covered by a market organization.
- 6) Premiums per hectare for land set aside compensate for the farmers' loss of earnings.
- 7) The maximum amount of the premium is ECU 600 per ha per year and the minimum amount is ECU 100 per ha per year. The Commission may set a maximum amount of ECU 700 per ha per year in exceptional cases.
- 8) Farmers setting aside 30% of their land are eligible, in addition to the premium, for exemption from the basic co-responsibility levy and the additional levy on 20 tonnes of cereals marketed.
- 9) The EAGGF contribution towards payment of the premium varies between 50% and 15%, according to the amount of the premium granted.
- 10) Member States may offer farmers the following options,
 - to use the land set aside as grazing land for extensive livestock production
 - to diversify into the production of lentils, chickpeas and vetch.In this case the premiums are equivalent to about 50% of the amount granted for total set-aside.
- 11) The EAGGF contribution towards the financing of these measures is funded as to 50% from the Guarantee Section and as to 50% from the Guidance Section.

1.6. Fixing of farm prices and related measures for 1988/89

On 19 July 1988 (1) the Council adopted formally the proposals on farm prices and certain related measures for 1988/89. The proposals submitted by the Commission on 25 March and 8 April confirmed the line of reform pursued for several years by the Community in order to take closer account of the economic and social constraints confronting the agricultural industry and could not be dissociated from the adjustments introduced in the form of agricultural stabilizers.

At the end of June 1988, the Commission was forced to recognize that, despite successive meetings, the Council had been unable to reach a decision on the Commission's proposals on farm prices and related measures for 1988/89.

(1) OJ No L 197, 198 and 199, 26.7.1988.

Given this situation and the "legal vacuum" facing certain sectors, in which the prices and related measures for 1987/88 expired on 30 June, the Commission found itself obliged to adopt all the necessary interim protective measures for the sectors concerned, in order to ensure the continuity and normal functioning of the common agricultural policy (CAP). These measures, by definition provisional, concerned prices, premiums and aid, together with the various factors determining prices for cereals, beef/veal, milk, sugar, certain fruit and vegetable species and oilseeds.

With the July agreement, which was consistent with the approach agreed on by the European Council in February 1988, the Council expressed general approval of the initial proposals submitted by the Commission, which advocated a general standstill for prices in ecus, subject to a few adjustments. However, on account of the agri-monetary measures decided at the same time, there was an average 1,6 % increase in prices in national currencies from 1 January 1989 onwards.

The most significant measures adopted in July 1988 concern the following products:

a) Cereals

- To supplement the basic co-responsibility levy already in force (ECU 5.38 per tonne), fixed at the same level as the preceding marketing year, an additional levy of 3% of the intervention price for common wheat was introduced, to be charged in accordance with the amended procedures adopted in the previous year (the new levy is also fixed at ECU 5.38 per tonne by the Commission).
- Aid for small producers, already granted in the previous year, must not exceed ECU 220 million, to be funded from the basic co-responsibility levy and additional co-responsibility levy proceeds. The Council agreed to maintain for 1988/89 the arrangements authorizing Member States to pay the levy, by direct exemption, for small producers, up to the limit of 25 tonnes per producer and within an overall amount laid down for each of the Member States.
- Monthly increases, applicable to all common prices, are reduced by 25%.

b) Sugar

From 1987/88 to 1990/91, aid equivalent to ECU 0.8 per tonne is granted to Community refineries for the quantities of preferential raw sugar (ACP and DOM cane sugar) refined by them. This aid is extended to raw sugar from Community beet where it is eligible for disposal aid.

c) Olive oil

The Council decided to increase production aid by 1% for producers whose output does not exceed 300 kg per year. The rate of aid is unchanged for other producers.

Part of the aid is to be used for funding the activities of producers' organizations and their associations, and for schemes to improve the quality of olive oil. Another deduction from the aid will be used, as in the past, for funding the establishment of an olive cultivation register.

d) Oilseeds

- Monthly increases are reduced by 20 %.
- Intervention for sunflower is to begin on 1 August in Spain and Portugal.

e) Fruit and vegetables

The Council decided to apply a "degressive" threshold for withdrawals of peaches, oranges and lemons. If the threshold is exceeded in the course of a marketing year, the basic price and buying-in price for the following year is reduced by 1 % per excess band of 18.000 tonnes for peaches, 6.600 tonnes for lemons and 20.000 tonnes for oranges, with a maximum reduction of 20%.

f) Wine

The Council decided that the quantity of alcohol delivered in the form of by-products should be 10% (instead of 8%) of the volume of alcohol contained in the wine produced, in the event of direct vinification of grapes, and 5% (instead of 3%) in cases where the wine is obtained by vinification of grape must.

g) Tobacco

The prices and premiums for the 1988 harvest are adjusted as follows, in relation to the preceding year:

Group	Premiums	Guide price
I	+ 2 %	0 %
II	+ 1 %	0 %
III	0 %	0 %
IV	- 6 %	- 6 %
V	- 8 %	- 8 %

The maximum guaranteed quantity, fixed at 385.000 t, is distributed by variety or varietal group, taking account of demand.

h) Milk products

In view of the market and stocks situation, the Council decided to maintain the present co-responsibility levy system for a further two years. For 1988/89, the rate of the levy is the same as in 1987/88.

i) Beef/veal

The provisions on the start of intervention buying will be applied subject to market conditions.

j) Agri-monetary measures

The Council and the Commission declared their intention to dismantle any negative real monetary gaps for currencies adhering to the discipline of the European Monetary System (EMS), by the adjustment of the green rates in four stages between now and 1992.

For other currencies affected by real monetary gaps which are not already subject to automatic dismantling arrangements, the Council agreed that appropriate dismantling measures would have to be taken.

The first stage of dismantling, equivalent to about 25%, took place on 1 January 1989.

- k) On the question of administrative procedures, in the light of experience to date the Council decided to simplify the conditions for triggering intervention buying for cereals, rice, oilseeds and beef. In principle, intervention buying would be automatically open throughout the period specifically designated for each of the market organizations concerned.
- l) At the meeting on 13 - 17 June 1988, the Council and the Commission made a number of statements and commitments on the future development of the "acquis agricole". These statements and commitments concern a number of products, particularly cereals and nuts. On cereals, the Council agreed to act before 31 October 1988 on the introduction of a premium for the incorporation of cereals in animal feed from 1989/90 onwards. The proposal for a regulation is still before the Council (COM(88)614 final). With regard to nuts, the Commission undertook to send a report to the Council before 31 October 1988, together with proposals for storage and processing measures to adapt production to present marketing conditions, possibly involving a Community contribution. This document, bearing the reference COM(88) 597 final, was examined by the Council and the proposals have been published as Regulations (EEC) Nos 789/89 and 790/89 (1).

(1) OJ No L 85, 30.3.1989.

1.7. "Free food" scheme

The Community scheme launched during the 1986/87 winter to help the most deprived persons in the Community through the supply of free foodstuffs has had encouraging results. It benefited the recipients, but caused some financing and distribution difficulties for certain charities taking part.

The Council therefore decided to make the appropriate adjustments and improvements to the distribution arrangements for the "free food" scheme by laying down general rules on how any schemes of this kind are to be organized in future. It thus adopted Regulation (EEC) No 3730/87 of 10 December 1987 laying down the general rules for the supply of food from intervention stocks to designated organizations for distribution to the most deprived persons in the Community (1).

The Commission took the view that implementation of the scheme should commence as soon as possible and on 14 December 1987 it adopted Regulation (EEC) No 3744/87 laying down detailed rules for the implementation of the above-mentioned Council Regulation, in particular providing that distribution measures relating to the 1988 budget year are to be "subject to a limit of ECU 100 million, including administration and transport costs".

Since December 1987 the Commission has adopted a number of decisions within the framework of this Regulation, allocating funds to most Member States for 1988 and allowing them to withdraw limited quantities of food from intervention for distribution in their territory.

The free food allocations for 1988 have been used almost entirely: of a total of ECU 100 million available under the 1988 budget, the allocated funds amount to a total of ECU 97 million for all the Member States. Spain received ECU 22 million, France ECU 18,6 million, Italy ECU 17,9 million and the United Kingdom ECU 15 million. The quantities of food involved, which reached the ceilings fixed, amounted to 4 000 tonnes of common wheat, 24.000 tonnes of durum wheat, 9.500 tonnes of butter, 18.200 tonnes of beef and 2.100 tonnes of olive oil.

1.8. Situation of intervention stocks in the Community

For the first time, the 1988 budget included specific budget headings for the systematic depreciation of stocks of agricultural products sold into public intervention.

(1) OJ No L 352, 15.12.1987.

Initially allocated appropriations amounting to ECU 835 million, the headings were supplemented at the end of the budget year by further appropriations totalling ECU 200 million for beef and ECU 352 million for alcohol, which it had not been possible to use for the disposal of stocks.

In addition, Chapter 81 of the 1988 budget provides for an appropriation of ECU 1 240 million for the depreciation of existing stocks of agricultural products. This appropriation is outside the agricultural guideline and will have to figure in the budgets from 1989 to 1992 at a level of ECU 1 400 million each year, ECU 800 million of which will be earmarked for the reimbursement of expenditure arising from the special arrangements for the disposal of butter in 1987 and 1988, which was financed in advance by the Member States; the remainder is to cover depreciation, where the book value of the stocks at the beginning of a budget year exceeds their disposal value.

Within the framework of these appropriations, the Commission carried out the following depreciations during 1988:

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

Products	Regulations/ Decisions	Expend- iture	Appropriations after transfer
Cereals	2095/88	306,8	308
Butter	2095/88	121,9	123
Beef	2095/88	343,6	344
	+ Dec. of 13/10/88		
Tobacco	2095/88	9,4	10
Alcohol (public)			
	2095/88	145,7)
	+ Dec. of 13/10/88) 586
)
Alcohol (mixed)*	Dec. of 29/9/88	430,6)
-----		1.358,0	1.371

* Part payment of disposal costs (Art. 37 (2) of Reg. (EEC) No 822/87)

b) On the basis of Article 810

Products	Regulations	Expend.	Appropriations
Cereals	743/88	747,3)
Butter	743/88	306,2) 1.240
Beef	743/88	186,5)
-----		1.240,0	1.240

Commission Regulation (EEC) No 2822/88 fixed the depreciation coefficients to be applied when agricultural products are bought in. The financial implications of this Regulation, which became applicable on 1 October 1988, will be included in the 1989 budget.

TABLE I

(PBUD/1258-17)

ORIGINAL APPROPRIATIONS IN THE 1988 BUDGET AND OUTTURN

PRODUCTS	ORIG. APPROPS for 1988 (1)	EXPENDITURE IN RESPECT OF 1988					(in ECU million)	
		TOTAL	%	of which			DIFFERENCE BETWEEN ORIGINAL APPROPRIATIONS AND OUTTURN 1988	
				Refunds	1st category Intervention (2)	2nd category Intervention (3)	ECU million h = c-b	% i = h/b
a	b	c = e + f + g	d	e	f	g	h = c-b	i = h/b
CEREALS	4.365	4.264,4 (*)	16,4	2.924,6	65,1	1.274,7	-100,6	- 2,3
RICE	75	72,8 (*)	0,3	61,0	11,8	-	- 2,2	- 2,9
SUGAR	2.010	2.081,8	8,0	1.566,2	516,4	- 0,8	+ 71,8	+ 3,6
OLIVE OIL	1.365	945,1	3,6	64,2	794,9	86,0	-419,9	- 30,8
OILSEEDS	3.236	2.971,8	11,4	24,9	2.944,5	2,4	-264,2	- 8,2
PROTEIN PLANTS	688	689,3	2,6	-	689,3	-	+ 1,3	+ 0,2
- Peas and field beans	502	471,1	1,8	-	471,1	-	-30,9	- 6,2
- Dried fodder	182	217,5	0,8	-	217,5	-	+35,5	+19,5
- Lupins	4	0,7	0,0	-	0,7	-	- 3,3	-82,5
FIBRE PLANTS AND SILKWORMS	448	454,2	1,7	-	454,2	-	+ 6,2	+ 1,3
- Flax and hemp	31	25,5	0,1	-	25,5	-	- 5,5	-17,7
- Cotton	416	428,2	1,6	-	428,2	-	+12,2	+ 2,9
- Silkworms	1	0,5	0,0	-	0,5	-	- 0,5	-50,0
FRUIT AND VEGETABLES	1.091	708,2	2,7	64,6	643,6	-	-382,8	- 35,1
WINE	1.659	1.545,6	5,9	43,5	910,2	591,9	-113,4	- 6,8
TOBACCO	948	966,1	3,7	43,2	895,3	27,6	+ 18,1	+ 1,9
OTHER SECTORS	73	59,8	0,2	-	59,8	-	- 13,2	- 18,1
- Seeds	59	50,4	0,2	-	50,4	-	- 8,6	-14,6
- Hops	13	8,5	-	-	8,5	-	- 4,5	-34,6
- Transhumance	1	0,9	-	-	0,9	-	- 0,1	-10,0
MILK AND MILK PRODUCTS	5.662	5.915,1 (*)	22,7	3.013,9	2.276,3	624,9	+253,1	+ 4,5
BEEF/VEAL	2.825	2.475,8	9,5	768,7	521,6	1.185,5	-349,2	- 12,4
SHEEP- AND GOATMEAT	1.000	1.293,6	5,0	-	1.293,6	-	+293,6	+ 29,4
PIGMEAT	183	215,6	0,8	172,3	43,3	-	+ 32,6	+ 17,8
EGGS AND POULTRY	178	194,1	0,8	194,1	-	-	+ 16,1	+ 9,0
NON-ANNEX II PRODUCTS	597	602,4	2,3	602,4	-	-	+ 5,4	+ 0,9
MCAs	516	569,5	2,2	142,7	426,8	-	+ 53,5	+ 10,4
FISHERIES	30	46,9	0,2	- 0,1	47,0	-	+ 16,9	+ 56,3
TOTAL	26.949	26.072,1	100,0	9.686,2	12.593,7	3.792,2	-876,9	- 3,3
OTHER EXPENDITURE	1.821	1.615,2					-205,8	- 11,3
- Accounts clearance								
for previous years	p.m.	29,2					29,2	-
- Refunds on food aid	386,0	242,7					-143,3	- 37,1
- Interest payments to								
Member States	35,0	37,5					2,5	7,1
- Direct income aid	60,0	0,0					- 60,0	-100,0
- Distribution to most								
deprived	100,0	65,8					- 34,2	- 34,2
- Repayment stock								
depreciation	1.240,0	1.240,0				1.240,0	0,0	0,0
GRAND TOTAL	28.770	27.687,3				5.032,2	-1.082,7	- 3,8

(1) Appropriations entered in the 1988 budget (OJ No L 226, 16 August 1988) and amending supplementary budget No I (OJ No L 265, 20 September 1988).

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

(3) Intervention consisting of buying in, storage and disposal for which the expenditure financed by the EAGGF is determined on the basis of annual accounts with flat-rate components.

(*) Not including expenditure on refunds for Community food aid schemes.

2. FINANCING OF THE MARKETS

- 2.1. Table No 1 above gives a comparison between the original appropriations entered in the 1988 budget and outturn against that budget, broken down by product group. Such outturn does not cover all of 1988, but only a period of eleven and a half months, from the beginning of November 1987 to 15 October 1988. Accordingly, conclusions based on the following analysis, which is limited to the most significant percentage differences, cannot be extended to all of 1988.

From total original appropriations of ECU 27.500 million (Titles 1 and 2 of the budget), not including the appropriations originally allocated for fishery products (ECU 30 million) and those intended for the depreciation of stocks (ECU 1.240 million), agricultural expenditure for the 1988 budget year amounted to ECU 26.400.4 million.

From this figure, which represents total expenditure (ECU 27.687.3 million) after deduction of expenditure in the fisheries sector (ECU 46.9 million) and on stock depreciation (ECU 1.240 million), it can be seen that the total amount of the original appropriations for 1988 that was not taken up amounts to almost ECU 1.100 million.

Before making a more detailed analysis of this situation, it should be emphasized that agricultural expenditure greatly depends throughout the year on external factors (weather conditions, trends in international trade, size of harvests in non-member countries, general economic conditions) and often does not coincide with initial forecasts. This was the case in 1988, as a result of various circumstances such as the size of certain harvests in the Community (cereals, fruit and vegetables) and the influence of the summer drought in the United States on world prices.

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

The total amount of appropriations not taken up during the 1988 budget year can for the most part be traced to seven chapters in which utilization fell considerably short : they account for a total surplus of ECU 1.851 million in relation to the appropriations originally provided for. These available funds made it possible to cover additional needs in relation to the original forecasts amounting to ECU 751 million in other chapters.

2.1.1. Product groups for which utilization of appropriations fell short of original appropriations

a) Oils and fats

Unutilized appropriations : ECU 684 million (1).

There are two main reasons for this shortfall :

1. unexpectedly low expenditure on production aid for oilseeds due to:

- a continuous improvement in world prices throughout the year in relation to original budget estimates,
- a smaller quantity of oilseeds from the new harvest placed under control for the same period (July to October) than in the previous year.

2. part of the production aid for olive oil in respect of the 1986/87 and previous marketing years (ECU 360 million) which was due to be paid in 1988 will not be paid until 1989. This delay is mainly attributable to certain control procedures (olive cultivation register).

b) Fruit and vegetables

Unutilized appropriations : ECU 383 million (1).

The shortfall in this sector is due to short-term factors, namely the very poor harvest in 1987/88, particularly as regards citrus fruit. A normal harvest for lemons, mandarins and oranges would amount to an average of about 4 million tonnes, while the 1987/88 harvest for these three crops has been estimated at about 3 million tonnes. This has resulted in withdrawals being lower than assumed for purposes of the budget, and lower expenditure on premiums (market penetration, processing).

c) Beef

Unutilized appropriations : ECU 349 million (1).

To finance the disposal of beef the 1988 budget provided for an appropriation of ECU 370 million for a programme for the release of an additional 200 000 tonnes. This programme has only been partially completed, since the majority of the corresponding export contracts will affect the 1989 budget year.

(1) In relation to original appropriations.

d) Other expenditure

Unutilized appropriations : ECU 206 million (1).

The contents of Chapter 29 "Other expenditure" are fairly heterogeneous. Expenditure on certain of the component parts has fallen short of the original appropriations:

- the ECU 60 million entered for direct aid to agricultural income have not been utilized;
- of the ECU 100 million made available in the 1988 budget for the distribution of agricultural products to deprived persons in the Community, only ECU 66 million have been paid out for the 1988 budget year;
- as regards the refunds in connection with Community food aid, expenditure (ECU 243 million) fell short of the appropriations for that purpose (ECU 386 million).

e) Wine-growing sector

Unutilized appropriations : ECU 113 million (1).

The shortfall in the utilization of appropriations is mainly due to the fact that compulsory distillation carried out by the Member States did not reach the anticipated levels.

f) Cereals (including rice)

Unutilized appropriations : ECU 103 million (1).

Despite the high level of payments at the beginning of the year, expenditure in this sector finally proved to be lower than expected. This trend can be attributed to the coincidence of the following two factors :

- a slowdown in cereals exports from February and March onwards,
- the collection at the end of the year of a larger part of the co-responsibility levy than anticipated during the year.

2.1.2. Products for which utilization of appropriations exceeded original appropriations

Expenditure exceeded the original budget limits chiefly in respect of three product groups.

(1) In relation to the initial appropriations

a) Sheepmeat and goatmeat

Expenditure over the initial appropriations : ECU 294 million.

Inflated expenditure in this sector can be attributed to an increase in the number of animals in respect of which the ewe premium was paid.

b) Milk products

Expenditure over the initial appropriations: ECU 253 million.

The original appropriations proved to be insufficient for two reasons:

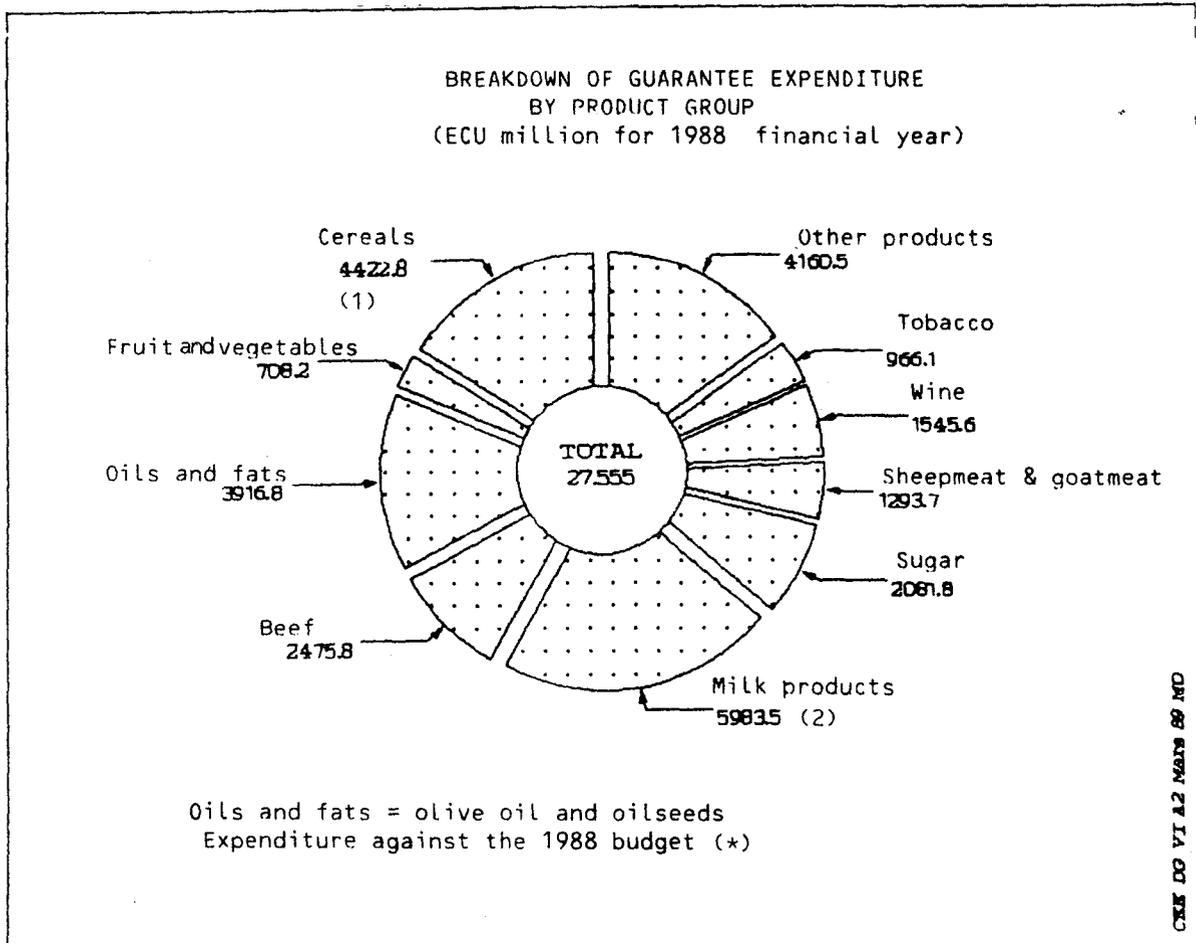
- an increase in the volume of exports which considerably exceeded initial estimates, in particular from spring 1988.
- payment of part of the sum from the co-responsibility levy which was intended to take place at the end of 1988 was carried over to 1989.

c) Sugar

Expenditure over the initial appropriations: ECU 72 million.

The appropriations for this sector were insufficient because the operators made wide use of export licences at a late stage in the year, which led to concentrated payment in 1988 in respect of exported quantities which were higher than anticipated.

TABLE 2



(*) Without the impact of clearance of the accounts (+ ECU 29 million) and not including interest payable to the Member State following the reform of the method of financing EAGGF Guarantee Section expenditure (+ ECU 37 million) and the distribution of agricultural products to the less well off in the Community (+ ECU 66 million).

(1) Not including rice but including refunds for Community food aid schemes (ECU 158,4 million)

(2) Including refunds for Community food aid schemes (ECU 68,4 million)

2.2. The agri-monetary situation

When adopting its decision on prices and related measures for 1988/89, the Council said it intended dismantling the negative real monetary gaps for currencies within the EMS in four stages, and laying down suitable measures for stocks of real monetary gaps for floating currencies.

A measure was adopted concerning the first stage, of approximately 25%, which was to operate as follows:

- 1 point for Denmark,
- 1 point for Spain (sheepmeat),
- 1,5 points for France,
- 1,55 points for Ireland,
- 2,5 points for Italy (excluding sheepmeat),
- 3,2 points for the United Kingdom,
- all gaps for the BLEU.

These provisions took effect on 1 January 1989, except for beef where the dismantling was linked with the adoption of the reform of the market organization for this product.

It was decided also:

- to dismantle all existing MCAs for Portugal at the beginning of the 1988/89 marketing year or on 25 July 1988 for marketing years that had already begun;
- to dismantle by 15 points for livestock products and by 20 points for plant products in Greece from the 1988/89 marketing year onwards or from 25 July 1988 for marketing years already begun;
- to align the green rate for milk with that for cereals in the Netherlands.

TABLE 3
MCA's applied to trade

Currency	Product	Rate referred to for the 1988 budget (June 1987) from 1.9.87 to 15.8.1988	Rates recorded relating to 1988	
			Minima	Maxima
DM	Milk	0	0	+ 1,4
	Cereals	0	0	+ 1,0
	Other	0	0	0
BFR/LFR	All products	0	0	0
HFL	Milk	0	0	+ 1,4
	Cereals	0	0	+ 1,0
	Other	0	0	0
FF	Milk	- 3,0	- 3,5	- 3,5
	Pigmeat	0	0	0
	Eggs & Poul.	0	0	0
	Other animal prod.	- 1,5	- 1,0	- 1,0
	Wine	0	- 1,0	- 1,0
	Other plant prod.	- 3,0	- 3,5	- 3,5
	LIT	Pigmeat	- 3,4	- 5,1
	Eggs + Poul.	- 3,4	- 3,0	- 1,3
	Cereals	- 3,4	- 6,5	- 4,8
	Wine	0	- 2,6	0
	Olive oil	-	0	0
	Other prod.	- 3,4	- 5,5	- 3,8
UKL	Milk	- 24,5	- 16,9	- 8,0
	Beef	- 18,1	- 9,4	- 1,0
	Pigmeat	- 19,3	- 15,8	- 2,0
	Eggs + Poul.	- 21,7	- 15,1	- 3,0
	Olive oil	-	- 14,7	- 1,0
	Wine	-	0	0
	Other plant prod.	- 26,2	- 18,7	- 9,5
IRL	Milk	- 3,0	- 3,5	- 3,5
	Beef	- 3,0	- 2,0	- 2,0
	Pigmeat	- 1,6	- 2,8	- 2,1
	Eggs + Poul.	0	0	0
	Olive oil	-	- 0,8	0
	Wine	-	-	-
	Other plant prod.	- 3,0	- 3,6	- 3,6
DKR	Pigmeat	0	0	0
	Eggs + Poul.	- 2,0	0	0
	Other animal prod.	- 1,5	0	0
	Wine	0	0	0
	Other plant prod.	- 2,0	0	0
	DRA	Pigmeat	- 35,8	- 46,3
	Eggs + Pou.	- 37,3	- 34,1	- 14,3
	Other animal prod.	- 37,3	- 48,0	- 33,2
	Wine	- 33,8	- 34,3	- 27,4
	Olive oil	-	- 41,9	- 25,3
	Other plant prod.	- 37,3	- 37,6	- 17,8
PTA	Pigmeat	- 3,1	- 2,8	0
	Eggs + Poul.	- 2,9	0	0
	Other animal prod.	- 2,8	0	+ 1,3
	Wine	0	0	0
	Other	- 2,9	- 1,3	0
ESC	Sugar	- 3,8	- 9,6	0

TABLE 4

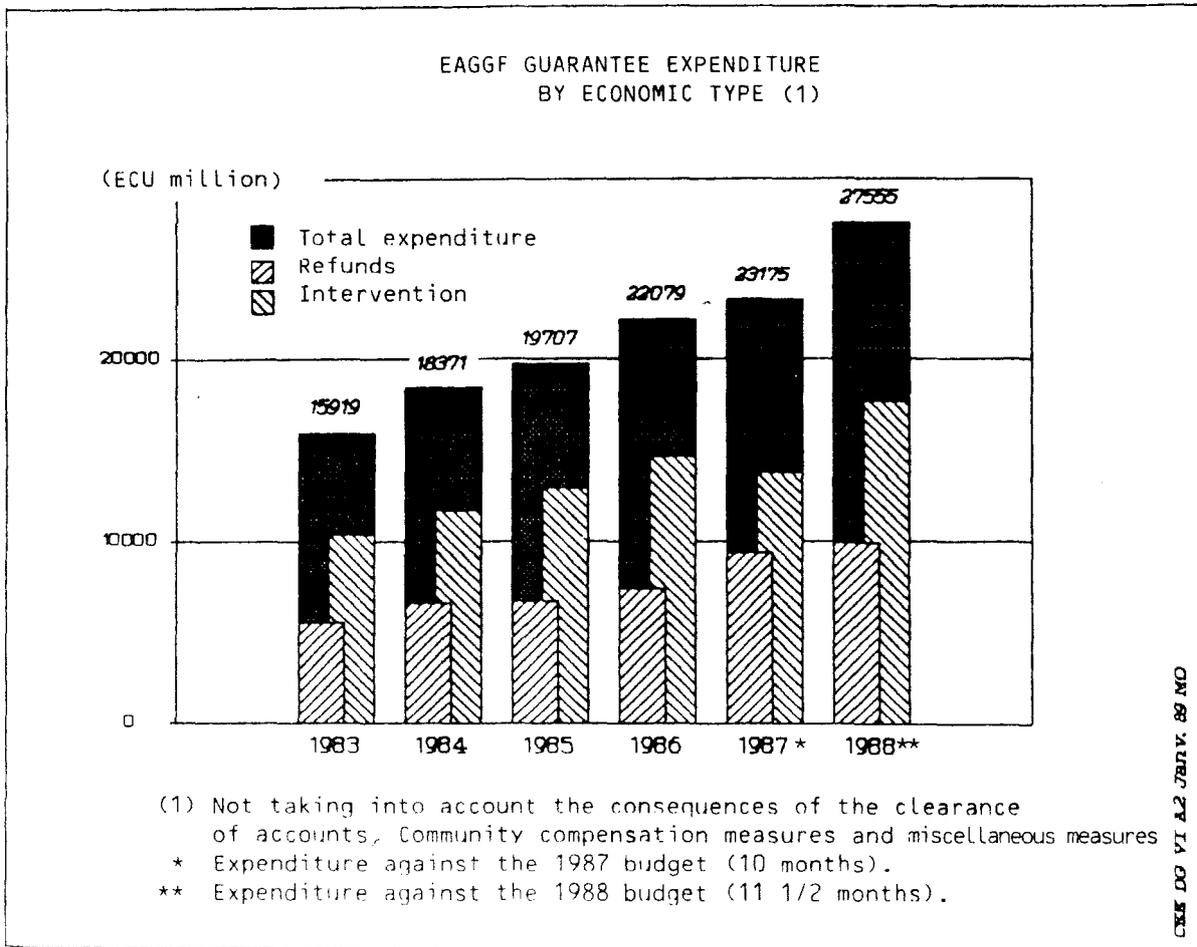


TABLE 5

Breakdown of agricultural expenditure by economic type (1)
(ECU million)

Chapter	Export refunds		Storage		Price	Other intervention		Gross total	Co-responsibility: levy	Budget expenditure: (2)
		of which, food aid		of which, depreciation	compensating aids		of which, guidance premiums			
	a	a'	b	b'	c	d	d'	e=a+b+c+d	f	g=e-f
10 Cereals and Rice	3.159,8	174,2	2.022,0	1.054,1(3)	754,4	-	-	5.936,2	- 677,5	5.258,7
11 Sugar	1.566,1	-	429,0	-	86,7	-	-	2.081,8	-	2.081,8
120 Olive oil	64,2	-	86,0	-	794,8	-	-	945,0	-	945,0
121 Oilseeds	24,9	-	2,4	-	2.944,5	-	-	2.971,8	-	2.971,8
13 Protein crops	-	-	-	-	689,3	-	-	689,3	-	689,3
14 Fibre plants	-	-	1,2	-	453,0	-	-	454,2	-	454,2
15 Fruit and vegetables										
- fresh	48,5	-	-	-	64,8	169,2	-	282,5	-	282,5
- processed	16,0	-	2,0	-	407,7	-	-	425,7	-	425,7
16 Wine	43,5	-	677,4	576,3	100,2	724,4	-	1.545,5	-	1.545,5
17 Tobacco	43,2	-	27,6	9,4	895,3	-	-	966,1	-	966,1
18 Other products	-	-	-	-	59,8	-	-	59,8	-	59,8
20 Milk products	3.082,5	68,5	1.096,0	428,1(3)	2.052,2	594,7	594,7	6.825,4	- 535,6	6.289,8
21 Beef/veal	768,7	-	1.432,1	530,1(3)	419,1	42,4	42,4	2.662,3	-	2.662,3
22 Sheepmeat and goatmeat	-	-	0,8	-	1.292,8	-	-	1.293,6	-	1.293,6
23 Pigmeat	172,3	-	43,4	-	-	-	-	215,7	-	215,7
24 Eggs and poultry	194,1	-	-	-	-	-	-	194,1	-	194,1
25 Non-Annex II products	602,4	-	-	-	-	-	-	602,4	-	602,4
40 Fisheries	- 0,1	-	-	-	38,6	8,4	-	46,9	-	46,9
27 ACAs	-	-	-	-	64,4	-	-	64,4	-	64,4
28 MCAs	142,7	-	-	-	362,5	-	-	505,2	-	505,2
TOTAL	9.928,8	242,7	5.819,9	2.598,0	11.480,1	1.539,1	637,1	28.767,9	- 1.213,1	27.554,8
%	34,5 %	0,8 %	20,2 %	9,0 %	39,9 %	5,4 %	2,2 %	100 %	- 4,2 %	95,8 %

(1) Expenditure against the 1988 budget.

(2) Before clearance of the accounts and not including "Interest following changes in the method of financing" and "Distribution free of charge".

(3) Including depreciation on the basis of Article 810 (ECU 1.240 million : Cereals ECU 747,3 million, butter ECU 306,2 million and beef 186,5 million).

2.3. Breakdown of expenditure by economic type

On the basis of the total expenditure set against the 1988 budget, i.e. ECU 27 555 million (*), expenditure on export refunds amounted to ECU 9 929 million (36%) and on intervention to ECU 17 626 million (64%) (see Annexes 4 to 9). Last year, set against the 1987 budget, out of total expenditure of ECU 23 176 million, expenditure on refunds amounted to ECU 9 375 million (40.4%) and on intervention to ECU 13 801 million (59.6%).

2.3.1. Refunds

The breakdown by product group shows that milk products accounted for 30.3% of total expenditure on refunds (1987: 24,1 %), cereals for 30% (1987: 33,8 %), sugar for 15,7 % (1987: 16,2 %) and beef/veal for 7,7 % (1987: 9,4 %).

2.3.2. Intervention

On the basis of expenditure against the 1988 budget, expenditure on intervention related mainly to the following product groups :

	<u>1988</u>	<u>1987</u>
- oilseeds:	16,7 %	19 %
- milk products:	16,5 %	20 %
- beef/veal:	9,6 %	9,2 %
- Wine:	8,5 %	5,7 %
- Cereals and rice:	7,6 %	7,8 %
- Sheepmeat and goatmeat:	7,3 %	4,1 %

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

Compared with the total for intervention (ECU 17.626 million), price compensating aids came to ECU 10.267 million (58,3 %), aids to storage to ECU 5.820 million (33 %), withdrawals and similar operations to ECU 902 million (5,1 %) and guidance premiums to ECU 637 million (3,6 %).

(*) Excluding the balance of the clearance of the accounts for 1985 and previous financial years (+ECU 29 million) and the items covering interest payments following changes in the method used for financing EAGGF expenditure (+ECU 37 million) and distribution free of charge to the less well-off (+ECU 66 million).

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

This type of aid accounts for 58,3 % of total intervention (1987: 65,2 %) and 37,3 % of total expenditure set against the 1988 budget, excluding clearance of accounts and miscellaneous expenditure (1987: 38,8 %).

For 1988, the product groups benefiting most from price compensating aids were the following:

	<u>1988</u>	<u>1987</u>
- oilseeds:	ECU 2.945 million	2.624 million
- milk products:	ECU 1.517 million	1.657 million
- sheepmeat and goatmeat:	ECU 1.293 million	574 million
- tobacco:	ECU 895 million	734 million
- olive oil:	ECU 795 million	1.055 million
- protein crops:	ECU 689 million	587 million

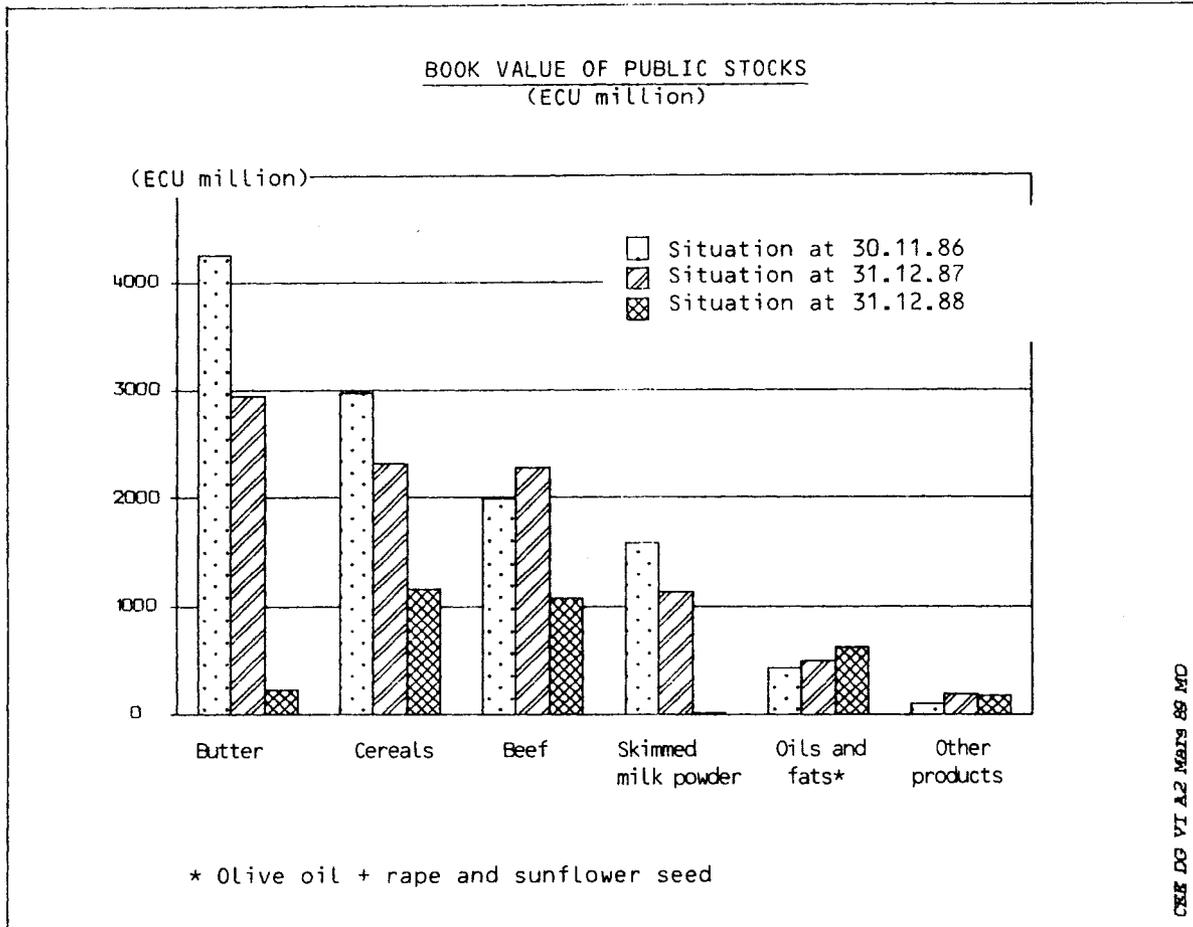
Annex 9, which gives the breakdown of those aids, shows that production aids are mainly granted for oilseeds (rape and sunflower), sheepmeat and goatmeat, tobacco and protein crops. However, aids for processing and final consumption are concentrated on milk products (skimmed milk), olive oil and fruit and vegetables.

2.3.2.2. Storage intervention covers both private and public storage costs. Details of this kind of expenditure are given in Annex 8. It accounts for 33% of total intervention (1987: 26.7%) and 21.1% of total expenditure against the 1988 budget, excluding clearance and miscellaneous expenditure (1987: 15,9 %).

Storage expenditure (ECU 5.820 million)(1987: ECU 3.684 million) breaks down into private storage (ECU 788 million) and public storage (ECU 5 032 million). The cost of private storage may be put down mainly to sugar storage costs (ECU 430 million), but the latter are covered by the collection of storage levies from sugar manufacturers (see Annex 13); then come storage costs for milk products (ECU 165 million), and for wine products (ECU 86 million) and beef (ECU 60 million).

A detailed analysis of public storage is given in 2.4. and in Annex 10.

TABLE 6



- 2.3.2.3. Withdrawals and similar operations affect only a limited number of sectors. They account for 5.1% of total intervention booked to the 1988 budget and 3.3 % of total expenditure, clearance and miscellaneous expenditure excluded, compared with 7.4% and 4,4 % respectively for 1987.
- 2.3.2.4. Guidance premiums are granted only in the milk and beef sectors. They account for 3.6% of total intervention booked to the 1988 budget and 2.3% of total expenditure, clearance and miscellaneous expenditure excluded.

In the milk sector premiums are granted for permanent abandonment of milk production and as compensation for temporary suspension of milk quotas; in the beef sector, a calf premium is granted.

2.4. Trend of public stocks (see Annexes 8 and 10)

Between 30 September 1987 and 30 September 1988, the date on which public storage accounts are closed following introduction of the new system of advances, the book value of public stocks declined very sharply from ECU 10 575 million to ECU 4 663 million, a drop of ECU 5 912 million (56%). This encouraging development is the result of both a more dynamic disposal policy and of the depreciation exercise undertaken in 1988. Owing to a lack of budgetary resources no such exercise had been possible for agricultural products in 1987 but in 1988 the sum of ECU 2 611 million was available and of this ECU 2 598 million was used.

An initial scrutiny shows that the proportion of total book value of stocks accounted for by each of the most important sectors changed between 1987 and 1988 : milk products fell from 46,4 % to 13,1 %, while cereals rose from 27,8 % to 32,4 %, oils and fats from 4,6 % to 15,9 % and beef from 20 % to 34,2 %.

More detailed analysis of the 1987 and 1988 figures shows the following:

a) Cereals:

- An overall drop in stocks of 20 % (1987: 13 764 800 tonnes, 1988: 10.951.600 tonnes). Stocks of common wheat, non-breadmaking common wheat, barley, rye and maize fell but those of durum wheat and sorghum rose.

- A drop in the book value of cereal stocks of 49 % (1987: ECU 2 937 million, 1988: ECU 1 509 million). This results in part from the 1988 stock depreciation exercise, which reduced value by ECU 1 054.1 million.

b) Oils and fats

- A substantial 82% increase in stock quantities (1987: 325 400 tonnes, 1988: 593 300 tonnes), affecting not only olive oil but sunflower seed in particular (1987: 142 tonnes, 1988: 147.100 tonnes). On 30 September 1988 there was nearly 38 000 tonnes of rapeseed in store compared with none a year earlier.
- The book value of these products likewise increased, by 51 % from ECU 491 million to ECU 743 million.

c) Alcohol

Comparison of the 1987 and 1988 figures shows an increase in quantity from 1.091.600 to 2.892.000 hectolitres and a smaller increase in book value, from ECU 102 million to ECU 136 million, the amount written off as depreciation amounting to ECU 145 700 000.

d) Tobacco

- Total stocks rose by 62% from 28 700 tonnes to 46 600 tonnes. The increase was particularly large for baled tobacco, from 5 200 tonnes to 39 800 tonnes, but this was counterbalanced by falls for leaf tobacco and in particular processed tobacco.
- Total book value also rose, by nearly ECU 48 million to ECU 72 million. In fact the rise applied to baled tobacco only (1987: ECU 6 million, 1988: ECU 68 million), as the book value of both leaf and processed dropped. Depreciation in the book value of stocks amounted to ECU 9.4 million.

e) Milk products

Stocks collapsed completely, from 721 800 to 14 000 tonnes of skimmed milk powder and from 1 058 400 tonnes to 221 000 tonnes of butter. This particularly encouraging development was the outcome of the action taken by the Council from December 1986 to toughen the arrangements for curbing production and to adjust the deferred financing arrangement for the disposal of certain butter stocks, and of a particularly vigorous export policy for butter.

The book value of stocks likewise dropped considerably, from ECU 4 904 million to ECU 612 million, a figure lower than that for olive oil whereas 12 months before it had been ten times as great. The value of butter stocks was written down by a total of ECU 428 million.

f) Beef

- Quantities in stock increased slightly by 32 000 tonnes (4.6%) from 691 100 to 723 000 tonnes. The increase was in fact accounted for by quarters, stocks of boned meat falling by 43 000 tonnes.
- Book value on the other hand dropped significantly, by 25% from ECU 2 117 million to ECU 1 593 million. Boned meat was written down more strongly than quarters and the total depreciation amounted to ECU 530 million.

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

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

TABLE 7

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

(Article 10 of Regulation (EEC) No 1677/85)

(ECU million)						
Member State	Expenditure (1)	Impact of Art. 10 of Reg(EEC) No 1677/85	Breakdown of expenditure allowing for impact of Art. 10 of Reg No 1677/85			
			Amount	% 1988	% 1987	
Belgium	721,5	- 17,5	704,-	2,5	3,5	
Denmark	1.212,4	- 58,5	1.153,9	4,2	4,3	
Germany	4.904,4	- 80,2	4.824,2	17,4	17,0	
Greece	1.318,8	-	1.318,8	4,8	5,8	
Spain	1.887,2	-	1.887,2	6,8	2,6	
France	6.209,7	- 165,1	6.044,6	21,8	24,1	
Ireland	1.081,3	- 81,8	999,5	3,6	3,6	
Italy	4.349,7	+ 203,4	4.553,1	16,5	17,7	
Luxembourg	3,-	-	3,-	p.m.	p.m.	
Netherlands	3.831,5	- 56,4	3.775,1	13,6	11,5	
Portugal	157,2	-	157,2	0,6	0,6	
United Kingdom	1.992,8	+ 256,1	2.248,9	8,1	9,2	
Community (2)	17,8	-	17,8	0,1	p.m.	
TOTAL EEC	27.687,3	0,-	27.687,3	100,0	100,0	

(1) Expenditure for 1988 including impact of clearance of the accounts for 1985 and earlier years.

(2) Direct payments to recipients for information and promotion schemes relating to olive oil, flax and hemp, and milk products.

2.6. Overall cost of Guarantee Section

2.6.1. Overall trend of expenditure

TABLE 8

Year	Total expenditure(*) (ECU million)	Annual growth rate %
1983	15.811,6	27,5
1984	18.346,4	16,0
1985	19.744,2	7,6
1986	22.137,4	12,1
1987 (1)	22.967,7	3,8
1988 (2)	27.687,3	20,5

The large (20.5%) increase in expenditure from 1987 to 1988 arises from the conjunction of four factors:

- a) in 1987 expenditure covered only ten months, in 1988 eleven and a half;
- b) in the sheepmeat sector the number of animals on which the ewe premium was paid increased considerably and low market prices made the premium higher;
- c) in the wine sector expenditure incurred by taking over alcohol from compulsory distillation increased sharply and this coincided with depreciation of the "newly constituted" alcohol stocks;
- d) in 1988 an appropriation of ECU 1 240 million to cover the cost of financial depreciation of public stocks of agricultural products (Article 810 of the budget) was used.

(*) Including impact of clearance of accounts.

(1) 1987 financial year (10 months).

(2) 1988 financial year (11 1/2 months).

2.6.2. Revenue of agricultural origin

The common agricultural policy is also a source of revenue arising from charges made under the market organizations. These charges, which count as own resources of the Community, consist of import levies on regulated agricultural products and of production and storage levies imposed under the sugar market organization.

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

These receipts arise in the milk and cereals sectors, producers making a financial contribution termed "co-responsibility levy" and, if milk production quotas or maximum guaranteed cereal quantities are overrun, an additional levy. These funds help reduce the cost of disposing of surpluses and in the case of milk products are also used for financing specific measures. In 1988 these producers' contributions amounted to ECU 536 million in the milk sector and ECU 678 million in the cereals sector.

TABLE 9

Revenue under the common agricultural policy
accruing as own resources of the Community

(in ECU million)						
: Nature of the charge	: 1983	: 1984	: 1985	: 1986	: 1987	: 1988
: Import levies	: 1.347,1	: 1.260,0	: 1.121,7	: 1.175,5	: 1.626,1	: 1.504,6
: Sugar levies,	: 948,0	: 1.176,4	: 1.057,4	: 1.111,5	: 1.471,7	: 1.391,2
: of which:	:	:	:	:	:	:
: - production (1)	: 469,4	: 708,4	: 548,5	: 612,3	: 924,6	: 846,3
: - storage costs	: 478,6	: 468,0	: 508,9	: 499,2	: 547,1	: 544,9
: TOTAL	: 2.295,1	: 2.436,4	: 2.179,1	: 2.287,0	: 3.097,8	: 2.895,8

(1) Including the elimination levy (ECU 68.3 million in 1986, ECU 87 million in 1987 and ECU 90.6 million in 1988) and the special elimination levy (ECU 234.2 million in 1987 and ECU 114.6 million in 1988)

Import levies, which mainly affect cereals, rose in 1987 but fell slightly in 1988 owing to an upward movement in world prices, which reduced their rates.

The sugar levies, in particular those on production, were slightly lower in 1988 than in 1987, essentially because of a reduction in income from the special elimination levy due to an increase in consumption coupled with a reduction in the unit cost of disposal of excess sugar following a rise in world prices.

2.6.3. Guarantee costs compared with GDP

In a wider economic context, comparison of the overall cost of guarantee expenditure with the most significant economic indicator, viz. the Community's gross domestic product at market prices (GDP), shows (Annex 12) that, with due account taken of the relative durations of the 1987 and 1988 financial years, the gross cost of the Guarantee Section amounted to 0.69% of GDP in 1988 against 0.62% in 1987. The net cost, i.e. after deduction of agricultural revenue, also rose, from 0.53% in 1987 to 0.62% in 1988.

3. ADJUSTMENTS TO LEGISLATION GOVERNING THE GUARANTEE SECTION

3.1. Council legislation

3.1.1. In 1987, the Council, by Regulation (EEC) No 3183/87 (1), had amended Regulation (EEC) No 729/70 on the financing of the common agricultural policy (2), in order to enable the Community to fund the expenditure provided for by the various market organization rules once the appropriations made available for this purpose have been exhausted. This adjustment, relating to the system of advances which had been in force since 1971, consisted primarily in providing for a two-month delay between payments made by the Member States from their own funds and the entry into the accounts of this expenditure in the form of advances paid to the Member States by the Community.

In order to ensure continuity of the payments provided for in the above-mentioned legislation, the Council, by Regulation (EEC) No 2048/88 of 24 June 1988 (3), increased the delay from two months to two and a half months in the case of expenditure in the second two weeks of October.

3.1.2. In accordance with the new guidelines on the financing of agricultural expenditure contained in the conclusions of the European Council of 11 and 12 February 1988, according to which the storage situation must be brought back to normal by 1992, it proved necessary to adjust the provisions concerning the depreciation of products in store laid down in Regulation (EEC) No 1883/78 laying down general rules for the financing of interventions by the EAGGF Guarantee Section (4).

Against this background, the Council, by Regulation (EEC) No 2050/88 of 24 June 1988 (3), established the requisite legal framework for effecting extraordinary financial depreciations of the value of current stocks at the beginning of each financial year from 1989 to 1992, in the light of the appropriations entered in the budget for that purpose, and also the financial depreciation of newly constituted agricultural stocks directly on buying-in.

3.1.3. Again in accordance with the European Council guidelines of February 1988 designed to eliminate the potential costs inherent in stocks of agricultural products, a specific provision had to be inserted into Regulation (EEC) No 822/87 on the common organization of the market in wine (5) by Council Regulation (EEC) No 2964/88 of 26 September 1988 (6).

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- (1) OJ No L 304, 27.10.1987.
 - (2) OJ No L 94, 28. 4.1970.
 - (3) OJ No L 185, 15. 7.1988.
 - (4) OJ No L 216, 05. 8.1978.
 - (5) OJ No L 84, 27. 3.1987.
 - (6) OJ No L 269, 29. 9.1988.

This provision enables the value of alcohol from distillation as referred to in Articles 35 and 36 of Regulation (EEC) No 822/87 to be adjusted in a similar way to that of alcohol from distillation as referred to in Article 39 of the same Regulation.

3.2. Commission legislation

- 3.2.1. On 1 February 1988 the Commission adopted Regulation (EEC) No 295/88 (1), amending Regulation (EEC) No 1723/72 on making up accounts for the EAGGF Guarantee Section (2). This amendment clarifies what information the Member States are required to provide the Commission with in connection with the clearance of the accounts.
- 3.2.2. On 10 February the Commission approved Regulation (EEC) No 380/88 (3) drawing up the list of measures which comply with the concept of intervention intended to stabilize the agricultural markets, within the meaning of Article 3(1) of Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy. This list, which is updated periodically, constitutes an inventory of intervention measures financed by the EAGGF Guarantee Section and amounts merely to a formal statement. It was last amended by Regulation (EEC) No 2938/88 (4).
- 3.2.3. On 12 February it also approved Regulation (EEC) No. 411/88 on the method and the rate of interest to be used for calculating the costs of financing intervention measures comprising buying-in, storage and disposal (5). This Regulation consolidated and repealed Regulation (EEC) No 467/77 (6) which, since its adoption, had been amended on numerous occasions.
- 3.2.4. On 15 March, the Commission used the power conferred upon it to adopt Regulation (EEC) No 674/88 (7) which amends Regulation (EEC) No 411/88 for 1988.

This Regulation reflects the drop in interest rates seen in 1986 and continuing into 1987 in the Federal Republic of Germany and the Netherlands. For the period 1 January to 31 December 1988 it cuts the interest rates financed by the EAGGF for the national funds used for intervention buying-in of agricultural products from 6% in both of these Member States to 5% and 5.5% respectively. For the other Member States, the interest rate, set at 7% on 1 December 1985, remains unchanged.

- (1) OJ No L 30, 2.2.1988.
(2) OJ No L 186, 16.8.1972.
(3) OJ No L 38, 11.2.1988.
(4) OJ No L 264, 24.9.1988.
(5) OJ No L 40, 13.2.1988.
(6) OJ No L 62, 8.3.1977.
(7) OJ No L 70, 16.3.1988.

- 3.2.5. On 21 March it also adopted Regulation (EEC) No 743/88 fixing the amounts and laying down the procedure for the depreciation of certain stocks of cereals, butter and beef in public storage (1).

This Regulation notes that the conditions laid down in the relevant legislation are met for the value assigned to stocks of the above-mentioned products to be lowered in 1988 and sets for each of them the amount of the depreciation applicable from 1 March 1988. It was thus decided to depreciate stocks by an estimated total of ECU 1 240 million as follows:

- cereals: ECU 750 million
- butter: ECU 300 million
- beef: ECU 190 million

- 3.2.6. On 14 July the Commission adopted Regulation (EEC) No 2095/88 establishing amounts and detailed rules for the depreciation of certain stocks of cereals, butter, beef, alcohol and tobacco in public intervention (2).

This Regulation notes that the conditions laid down in the relevant legislation are again met for the value assigned to stocks of the above-mentioned products to be lowered in 1988 and sets, for each of them, the amount of the depreciation applicable from 1 July 1988. It was thus decided to depreciate stocks by an estimated total of ECU 700 million as follows:

- cereals: ECU 300 million
- butter: ECU 135 million
- beef: ECU 140 million
- alcohol: ECU 115 million
- tobacco: ECU 10 million

- 3.2.7. Following the decision reached at the European Council on 11 and 12 February 1988 that agricultural products are to be depreciated systematically as soon as they are bought in, the Council adopted the amendment to Regulation (EEC) No 1883/78 establishing the legal basis for this measure (see point 3.1.2.).

Article 8 of this Regulation lays down the rules for applying the depreciation to products bought in and gives the Commission the option of applying the depreciation in two stages during the financial year.

In connection with this provision, the Commission, on 13 September, approved Regulation (EEC) No 2822/88 fixing the depreciation coefficients to be applied when agricultural products are bought in (3). It determines the coefficients to be applied by the intervention agencies to the monthly buying-in values of products to enable the agencies to establish the depreciation amounts and notify the Commission of the expenditure thus determined.

(1) OJ No L 76, 22.3.1988.
(2) OJ No L 184, 15.7.1988.
(3) OJ No L 254, 14.9.1988.

3.2.8. Pursuant to Article 7 of Regulation (EEC) No 1883/78, the Commission, on 14 September 1988, adopted Regulation (EEC) No 2831/88 fixing the prices to be used to calculate the value of agricultural products in intervention storage to be carried forward to 1989 (1). This Regulation takes into account the delay introduced by the new system of advances and lays down that the value of stocks at the end of the year is to be calculated on the basis of stocks at 30 September.

(1) OJ No L 255, 15.9.1988.

TITLE II

Cash position and management of appropriations

4. System of advance payments and adjustment thereof

Council Regulation (EEC) No 3183/87 of 19 October 1987 introduced special rules for the financing of the common agricultural policy under which the Member States themselves mobilize the funds necessary for the pre-financing of expenditure chargeable to the EAGGF Guarantee Section and the Commission makes the advance payments on entry of expenditure in the accounts at the beginning of the second month following that in which the expenditure was incurred by the paying agencies. In consequence the budget covered expenditure by the paying agencies from November 1987 to the end of October 1988.

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

As a result the 1988 budget covered the payments entered in the accounts as made to recipients during the period 1 November 1987 to 15 October 1988.

In following years the budget will cover expenditure on payments to recipients from 16 October to 15 October of the following year.

5. Advance payments to the Member States

5.1. Decisions on advance payments in respect of 1988

The Commission adopted 15 decisions, 12 of which were routine. Two supplementary advances were passed, one in June, to cover entry in the accounts of interest on behalf of the four least prosperous Member States, made possible by adoption of the budget, and the other in January 1989 to cover entry in the accounts of certain expenditure the eligibility of which it had not been possible to establish earlier. Lastly, an extraordinary advance to adjust the advances granted to total expenditure chargeable to the year was passed in December.

No specific advances were needed for the premiums for the non-marketing of milk and the conversion of dairy herds (Regulation (EEC) No 1078/77), which are financed 60% from the Guarantee Section and 40% from the Guidance Section. The amounts in question (essentially recoveries) were included in total EAGGF Guarantee advances.

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

Funds placed at the disposal of the Member States for expenditure chargeable to 1988 amounted to ECU 27 669.4 million, ECU 27 669.5 million for the Guarantee Section and - ECU 100 000 for the Guidance Section. Since the extraordinary advance in December 1988 adjusted the advances granted to total expenditure chargeable to the year the Member States' accounts at the end of the year show a nil balance.

5.3. Direct payments

In certain cases the Commission makes direct payments to operators, in connection with certain schemes that are not conventional market measures but are intended to increase the scope for disposal in the olive oil, flax and milk sectors. They are financed by withholding a proportion of the aid to be paid to producers.

Thus in 1988 the Commission paid directly to operators

- a) ECU 460 267.72 from appropriations carried over from 1987,
- b) ECU 6 591 643.12 from appropriations for 1988. In addition the sum of ECU 11 223 740.40 was committed in 1988 and carried over to 1989.

Annex 18 gives for the various schemes an overall picture of the amounts withheld from producers in relation to expenditure and commitments.

Other schemes are financed from sums withheld from aid and although the expenditure is financed by the paying agencies and does not therefore take the form of direct payments by the Commission it has been thought useful to include it in the Annex to make the position as regards amounts withheld and used clear.

6. Management of appropriations

The provisional twelfths arrangement was in application until adoption of the budget (1 June 1988), the only noteworthy difficulty being in regard to the partial acceptance of the interest charges borne by the four least prosperous Member States following the change in pre-financing of expenditure financed by the EAGGF Guarantee Section.

Since this expenditure was not accepted in principle in the last budget to be regularly adopted, it was necessary to await the end of the provisional twelfths arrangement before it could be entered in the accounts by means of an additional advance.

6.1. Appropriations available (ECU million)

Original budget	28.770,-
Transfer of appropriations to Chapter 40 from other chapters of the budget	+ 25,-

Total appropriations available	28.795,-

6.2. Transfers of appropriations

Pursuant to the conclusions of the European Council of 11 and 13 February 1988 the Commission has improved its "early warning system" in connection with the surveillance of utilization of EAGGF Guarantee appropriations.

In its anxiety wherever possible to adjust appropriations before exhaustion of one or more chapters the Commission on three occasions, in July, September and October 1988, proposed transfers of appropriations from chapter to chapter so that appropriations would be available before payment of advances against entry in the accounts.

The total amount transferred within Titles 1B and 2B was ECU 1 109 million, to which must be added a transfer (non-EAGGF Guarantee) of ECU 25 million to Chapter 40.

The sectors in which substantial extra funds were required were milk products, sheepmeat, sugar and tobacco. For cereals a transfer of ECU 100 million was requested and authorized since there was some fear that it would not be possible to collect the additional co-responsibility levy at the end of the financial year. The sum transferred was not in fact required.

The additional requirement for dairy products stems largely from the fact that the whole of the co-responsibility levy was not collected.

In the case of sugar and tobacco there was a concentration of payments in 1988 some of which would normally have been spread over two years, while in the case of sheepmeat the number of ewes eligible for the premium increased substantially.

The sectors where expenditure was considerably lower were oils and fats, fruit and beef/veal.

Most of the savings on oils and fats arose from a sustained improvement in world oilseed prices during the 1987/88 marketing year and from a delay in paying the olive oil production aid.

Fruit and vegetable crops were smaller than expected and beef/veal exports were weak.

6.3. Expenditure

A total of ECU 27 687.3 million was charged to 1988:

- Expenditure claimed by the Member States (including ECU 1 240 million for depreciation of old intervention stocks)	ECU 27 640.3 million
- Impact of clearance of accounts for 1985 and earlier years	+ ECU 29.2 million
- Direct payments	+ ECU 17.8 million

	ECU 27 687.3 million
	=====

The breakdown in Table 10 can in no circumstances be treated as a reliable indication of the actual shares of the Member States, since payment deadlines vary widely from one Member State to another and since expenditure by paying agencies in any given Member State is not necessarily attributable to that State, the Community being a unified economic area for agricultural products. Thus, for example, certain export refunds for products from one Member State are in fact paid by another Member State.

6.3.2. Budget operations

6.3.2.1. Commitments

- Global provisional commitments corresponding to advance payments made to Member States in respect of 1988 (1)	(ECU) 27 669 362 869.45
- Commitments for direct payments	+ 17 815 383.52
	<hr/>
TOTAL	27 687 178 252.97 =====

6.3.2.2. Sums charged as payments

The sums charged as payments total ECU 27 676 032 544.18. The difference of ECU 11 223 740.40 vis-à-vis the itemized commitments corresponds to the appropriations committed for direct expenditure by the Commission that had not yet occurred by the end of the year.

6.4. Carryover of appropriations

The following 1988 appropriations committed for direct payments (see above) were automatically carried over to 1989:

Item 1221 (olive oil)	ECU 5.686.987,25
Item 1401 (flax)	ECU 138.453,15
Item 2062	ECU 5.398.300,00
	<hr/>
	ECU 11.223.740,40 =====

(1) Including the impact of rectifying decisions in regard to clearance of the accounts for 1985 and earlier years and the release of ECU 78 031.61 in connection with recovery of expenditure on marketing premiums (40% Guidance Section).

Of the ECU 697 957.27 of 1987 appropriations automatically carried over to 1988 ECU 460 267.72 was used.
A residual amount of ECU 237 389.55 lapsed.

6.5. Summary of execution of 1988 budget

Following the exhaustion around the end of October 1987 of the Community funds made available to the Member States for that year expenditure by the paying departments and agencies of the Member States was entered in the accounts under 1988.

Since the budget was not adopted until 1 June 1988 the year began on the provisional twelfths system, the main effect of which was to delay entry in the accounts of the interest paid for to the four least prosperous Member States.

Expenditure recorded in the opening months of the year was slightly higher than the monthly average of the appropriations available but then slowed down considerably because of depreciation operations which absorbed a large proportion of the public storage losses (in the first part of the year), high world oilseed prices and weak beef/veal exports. The year closed with a large volume of unused appropriations.

Execution of the EAGGF Guarantee appropriations in the 1988 budget, including fisheries, can be summarized as follows:

Original budget	ECU 28 770 000 000.00
Transfer to EAGGF Guarantee Section	+ ECU 25 000 000.00

	ECU 28 795 000 000.00
Sums charged as payments	ECU 27 676 032 544.18

	ECU 1 118 967 455.82
Appropriations committed and automatically carried forward to 1989	ECU 11 223 740.40

Unused appropriations lapsed	ECU 1 107 743 715.42
	=====

TABLE 10

FUNDS AVAILABLE TO AND EXPENDITURE BY MEMBER STATES FOR 1988

(Guarantee and milk premiums (100 %)) (1)

					(in ECU)	
:	: Advance payments	: Exchange differen-	: Total available	: Expenditure charged		
:	: for 1988	: ces in 1988 (2)	: for 1988	: to 1988		
:	: (a)	: (b)	: (c) = (a) + (b)	: (d)		
:						
: Belgium	: 721.448.762	: - 626	: 721.448.136	: 721.448.136		
: Denmark	: 1.212.844.411	: - 481.100	: 1.212.363.312	: 1.212.363.312		
: Germany	: 4.904.362.840	: - 5.465	: 4.904.357.374	: 4.904.357.374		
: Greece	: 1.318.798.533	: - 13.054	: 1.318.785.479	: 1.318.785.479		
: Spain	: 1.887.144.210	: - 31.387	: 1.887.175.597	: 1.887.175.597		
: France	: 6.210.411.564	: - 722.278	: 6.209.689.286	: 6.209.689.286		
: Ireland	: 1.081.304.714	: - 107	: 1.081.304.821	: 1.081.304.821		
: Italy	: 4.349.963.324	: - 288.739	: 4.349.674.586	: 4.349.674.586		
: Luxembourg	: 3.000.666	: - 84	: 3.000.582	: 3.000.582		
: Netherlands	: 3.831.471.520	: - 42.349	: 3.831.513.869	: 3.831.513.869		
: Portugal	: 157.223.934	: - 134	: 157.224.067	: 157.224.067		
: United Kingdom	: 1.992.096.370	: - 729.391	: 1.992.825.761	: 1.992.825.761		
: TOTAL EEC	: 27.670.070.848	: - 707.978	: 27.669.362.870	: 27.669.362.870(3)		

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

(2) For each Member State there is a discrepancy between the balance at the end of each month as converted into ecus at that month's rate and the same balance as converted into ecus at the following month's rate. This table shows the sum of the exchange differences recorded for each Member State for the whole of 1988.

(3) Not including direct payments of ECU 17,815,383.52.

TABLE 11
Development of Appropriations

(in ECU '000)					
Sector	:Chap.	: Original : appropriations	: Transfers : of approp- : riations	: Appropriations : available	: Expenditure : 1987 : (1)
: Cereals and rice	: 10	: 4.440.000	: + 100.000	: 4.540.000	: 4.337.242
: Sugar	: 11	: 2.010.000	: + 125.000	: 2.135.000	: 2.081.831
: Oils and fats	: 12	: 4.601.000	: - 575.000	: 4.026.000	: 3.916.841
: Protein plants	: 13	: 688.000	: + 20.000	: 708.000	: 689.324
: Fibre plants and silkworms	: 14	: 448.000	: + 10.000	: 458.000	: 454.194
: Fruit and vegetables	: 15	: 1.091.000	: - 299.000	: 792.000	: 708.185
: Wine	: 16	: 1.659.000	: -	: 1.659.000	: 1.545.550
: Tobacco	: 17	: 948.000	: + 80.000	: 1.028.000	: 966.132
: Other sectors or agricult. prod.	: 18	: 73.000	: -	: 73.000	: 59.764
: Milk and milk products	: 20	: 5.662.000	: + 325.000	: 5.987.000	: 5.915.093
: Beef/veal	: 21	: 2.825.000	: - 175.000	: 2.650.000	: 2.475.787
: Sheepmeat and goatmeat	: 22	: 1.000.000	: + 295.000	: 1.295.000	: 1.293.641
: Pigmeat	: 23	: 183.000	: + 34.000	: 217.000	: 215.637
: Eggs and poultry	: 24	: 178.000	: + 30.000	: 208.000	: 194.079
: Refunds processed products	: 25	: 597.000	: + 25.000	: 622.000	: 602.392
: ACAs	: 27	: 20.000	: + 50.000	: 70.000	: 64.330
: MCAs	: 28	: 496.000	: + 15.000	: 511.000	: 505.183
: Other expenditure	: 29	: 581.000	: - 60.000	: 521.000	: 375.133
: Fisheries market org.	: 40	: 30.000	: + 25.000(2)	: 55.000	: 46.918
: Depreciation intervention stocks	: 80	: 1.240.000	: -	: 1.240.000	: 1.240.000
: TOTAL	:	: 28.770.000	: + 25.000	: 28.795.000	: 27.687.256

(1) Including the impact of the clearance of accounts for 1985 and previous years.

(2) Transfer from outside EAGGF.

TABLE 12

Expenditure recorded in the Member States against the 1988 budget
by type of financing (1)

(ECU million)					
Member States	Refunds	Intervention	Totals 1988		
			ECU million	%	
Belgium	296,7	424,8	721,5	2,61	
Denmark	689,5	521,7	1.211,2	4,38	
Germany	1.571,4	3.334,6	4.906,0	17,74	
Greece	78,9	1.239,9	1.318,8	4,77	
Spain	394,8	1.492,4	1.887,2	6,82	
France	2.576,8	3.630,6	6.207,4	22,44	
Ireland	317,2	759,8	1.077,0	3,89	
Italy	557,0	3.784,0	4.341,0	15,70	
Luxembourg	0,4	2,6	3,0	0,01	
Netherlands	2.726,8	1.090,9	3.817,7	13,80	
Portugal	2,1	155,1	157,2	0,57	
United Kingdom	717,2	1.275,1	1.992,3	7,20	
TOTAL M.S.	9.928,8	17.711,5	27.640,3	99,94	
Direct payments	-	17,8	17,8	0,06	
TOTAL EEC	9.928,8	17.729,3	27.658,1	100,00	

(1) This does not take into account the financial impact of the clearance of accounts for 1985 and previous years (ECU 29.2 million). The totals by Member State including the impact of the clearances are given in Annex 2.

TITLE III

INVESTIGATIONS, IRREGULARITIES AND RELATED WORK

7.1. General remarks

The application of Community rules is in the first instance the responsibility of national administrations. It is their task to check that operations financed by the EAGGF Guarantee Section did actually take place and in accordance with requirements, and to forestall and pursue irregularities and recover sums wrongly paid out. The Commission's role is to encourage, coordinate and monitor. It supplements the control work of the national administrations on the basis of legal instruments (point 7.2.) that, apart from checks for clearance of accounts purposes, allow it to ask Member States to open administrative enquiries, to proceed itself to verification, and to organize selective checks (see 7.3.) which generally cover all Member States and are concerned with the problems of a particular sector.

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

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

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

7.2. Special checks and investigations

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

- a) Article 9 of Regulation (EEC) No 729/70 enabling it to make any checks that it deems necessary, including on-the-spot checks; officials of the Member State concerned may take part in these checks.
- b) Article 6 of Regulation (EEC) No 283/72 enabling it to request a Member State to investigate a specific matter if it considers that irregularities may have or have in fact occurred in the course of operations financed by the EAGGF Guarantee Section. Commission officials may participate in the investigation.

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

7.2.1. In 1988, three investigations under Article 9 of Regulation (EEC) No 729/70 were made :

- in Italy, concerning soya production aid,
- in Ireland, concerning intervention for skimmed milk powder,
- in France, concerning export refunds on durum wheat.

In August 1988 the EAGGF commenced an investigation in Italy involving the checking of areas in connection with the soya production aid. A representative sample of 400 producers located in four regions - Veneto, Lombardy, Friuli and Emilia-Romagna - was picked out for inspection in September and at the end of November a visit was made to the paying agency to examine control procedures and follow the accounting chain from the collection and storage centres to the first buyer and the processor.

The results of the investigation are being studied in the Directorate-General for Agriculture and will be passed on to the Italian authorities in the near future.

Information was received that skimmed milk powder sold by the Irish intervention agency for denaturing for use as pig feed had re-entered the normal distribution chain and not been denatured. An investigation at the Department of Agriculture failed to confirm these claims.

An enquiry has been made in France concerning export refunds on durum wheat. The dossier has been passed to the unit for the coordination of fraud prevention, which will pursue enquiries.

In 1987 all Member States producing wine were asked to take a certain number of samples (650 for EUR 12), have them analysed and make part of each sample available to the Commission for its own check. One Member State refused to let samples be analysed other than in its own laboratories. The Commission in 1988 then decided formally to notify the Member State of its intention to exercise the full extent of the supervisory powers granted to it in connection with financing of the CAP and insist on independent analysis to check conformity with the rules on Community intervention.

Pending the outcome of these proceedings and in order to avoid any inequality of treatment, analysis of the samples from the other Member States is suspended. The analysis results provided by the Member States will, however, be used.

- 7.2.2. In 1988 an investigation under Article 6 of Regulation (EEC) No 283/72 was made in Italy into intervention in the tobacco sector.

In 1987 the EAGGF, under Article 6 of Regulation (EEC) No 283/72, carried out an investigation in connection with the production aid for durum wheat. The Italian authorities' report was subsequently transmitted to the EAGGF and the data contained therein subjected to statistical analysis. The analysis results and the EAGGF's observations on the control procedure followed by Italy, together with a statement of the financial implications, will be transmitted to the Italian authorities in the very near future.

7.2.3. In 1988, three information missions were made to Italy covering :

- intervention in the form of storage of cereals (quality control);
- premiums for the maintenance of suckler herds;
- olive oil production aid.

Comparison of statistics had shown that in Italy the number of premiums paid by the paying agency was 400.000 to 500.000 more than the number of qualifying cows indicated by the Italian central statistics institute. The mission visited Sicily and Sardinia, the two regions with the highest number of premiums. On the basis of the results of that visit the EAGGF made known its views to the Italian authorities.

The cereals mission permitted assessment of quality control arrangements. The dossier has been passed to the EAGGF Accounts Clearance Division (systems audit) which will incorporate the results in a wider study.

In November 1988 Commission officials took part in an operation to check the quality and origin of virgin olive oil from the 1987/88 marketing year taken into intervention in July 1988. On their own account they took samples covering 148.000 quintals of virgin (fine) olive oil, approximately 50% of the total, and had them analysed. The results showed that the quality of the olive oil taken into intervention three months previously had been consistently lower than that declared on entry. Instead of being virgin olive oil (fine) 93% of the oil sampled was of lampante quality, i.e. unsuitable for consumption without rectification, and 7% of ordinary quality. Italy has not yet given its view on the conclusions resulting from this enquiry; consequently, these cannot yet be considered definitive.

Information missions concerning the general application of Regulation (EEC) No 283/72 were continued in 1988. Visits were made to Denmark, the United Kingdom, Ireland, Belgium, France and Spain.

7.2.4. While a certain number of investigations initiated by the authorities of the Member States before 1988 were continued, the latter were requested to commence investigations in 11 cases opened by the Commission because of suspicion of fraud.

7.2.5. A mission to the Bahamas in 1988 was arranged under Article 15 of Regulation (EEC) No 1468/81 to look at refunds on cheese exports to that country. It turned out that most consignments used the Bahamas as a transit point to a final destination in the United States or Canada. A total of ECU 850.000 in refunds (71 containers) had been wrongly paid out; recovery procedures have been initiated.

It was found in the course of the mission to South Africa in November 1987 that certain beef consignments declared for export to South Africa with payment of refund were in fact intended for Zimbabwe. The Member States were informed of the outcome of the investigation in 1988 and recovery procedures initiated in the countries concerned, ECU 6.1 million in refunds having been wrongly paid out on 359 containers.

7.3. Selective checks

The report on the selective check on calculation of the export refund on the beef content of beef preparations of Common Customs Tariff heading No 16 02 50 90 has been completed and both the conclusions and a proposal for action to prevent sums being paid out wrongly have been discussed with the relevant authorities. The report has been accepted by the Commission.

In the last quarter of 1988, Financial Control carried out a selective check on the olive oil control agencies set up pursuant to Council Regulation (EEC) No 2262/84. The four agencies set up in Greece, Spain, Italy and Portugal are structures of an original type both in their legal form and in regard to the method of financing by the Community

Financial Control looked at the functioning of these agencies and considered to what extent they could serve as an example in other Community fields.

7.4. Irregularities detected

These are notified quarterly to the Commission pursuant to Articles 3 and 5 of Regulation (EEC) No 283/72. Details of notifications in 1988 are given in Annex 19.

7.4.1. Irregularities detected and notified (except those relating to the premium for the non-marketing of milk (1) :

(1) For figures relating to this premium see Annex 21.

	1971-1979	1980-1983	1984	1985	1986	1987	1988
ECU million	17,49	74,21	6,69	12,39	23,26	87,18	120,31
of which recovered:	3,54	14,27	1,32	2,25	3,59	1,68	1,11

7.4.2. For 1988, the breakdown by Member State of irregularity cases affecting EAGGF funds is :

	B	D	DK	EL	ES	F	IRL	I	L	NL	P	UK	TOTAL
Number of cases	4	43	17	-	6	64	14	81	-	41	-	97	365
Amount in ECU million	0,098	40,343	0,797	-	0,045	2,115	2,698	70,793	-	0,310	-	3,116	120,315
Average/case in ECU million	0,025	0,938	0,047	-	0,007	0,033	0,193	0,874	-	0,008	-	0,032	0,330

The number of cases notified does not necessarily reflect the scale of irregularities in a Member State. A comparison of the cases notified by the Member States gives grounds for believing that some States do not notify all irregularities. It is clear, too, that the less effective the national arrangements for detecting irregularities, the smaller the number of cases notified.

7.4.3. Attention is also drawn to the fact that the sums involved in the individual cases notified by the Member States vary very widely and it is therefore necessary to break them down by category. Some 7% of the cases accounted for 90% of the amount wrongly paid whereas 69% accounted for less than 1%. This variance arises from the fact that communications pursuant to Article 3 of Regulation (EEC) No 283/72 cover all irregularities, ranging from simple cases with no financial implications or involving an amount already recovered at the time of notification, to fraud on a massive scale. The following table gives a breakdown :

Breakdown of irregularity notifications (Article 3) in 1988
by sum involved

	ENTIRE EEC			
	Number of cases	Amount (in ECU)	% of cases	% of total amount
(a) Nil (1)	80	-	20,81	0,00
(b) Recovery made	83	837.884	21,56	0,70
(c) Case not closed				
- ECU 5.000	82	208.507	21,31	0,17
5 to 10.000	22	168.463	5,69	0,14
10 to 50.000	44	1.173.578	11,44	0,97
50 to 100.000	13	924.715	3,38	0,77
100 to 500.000	34	8.567.300	8,81	7,12
more than 500.000	26	108.513.904	6,75	90,13
TOTAL	384	120.394.351	100,00	100,00

7.4.4. In 1988, the number of irregularity cases has decreased compared with 1987 but the amount paid out wrongly increased.

In 1988, 60 cases each involving more than ECU 100.000 were notified, accounting for 97% (ECU 117.083.204) of the total sum involved in all notified cases together. Since most of these 60 cases unmistakably involved fraud it is on them that the Commission will concentrate in 1989.

Most of the increase is accounted for by seven cases notified by Germany (ECU 39.499.088) relating to export refunds on cattle and beef.

7.5. Recovery of amounts wrongly paid out

As shown in Annex 19, by the end of the 1988 financial year there had been recoveries in 120 cases, 33% of the total number notified during the year. The amount of ECU 1.112 million recovered was only 0.92% of the total amount to be recovered. The reason for this is that, where the sums involved are very large, operators normally explore all possible legal defences and the recovery procedure is generally suspended pending the outcome and the hearing of any appeal. In serious cases, moreover, the parties are very often bankrupt.

Annex 20 gives, for 1971 to 1988 inclusive, a breakdown of wrongly incurred expenditure and recoveries effected.

(1) Nil: no financial impact or financial impact not yet known.

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

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

A total of 75 cases in which there is no possibility of recovery have been identified and decisions of final acceptance of the expenditure by the Community are being prepared. These will be preceded by consultations with the Member States concerned.

In a number of cases the Member State has been asked to provide an explanatory memorandum to enable the Commission to come to a decision on the financial implications of the irregularities involved.

7.6. Mutual information system

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

7.6.1. Under Article 4 of Regulation (EEC) No 283/72 information is rapidly circulated on irregularity cases where there is likely to be an effect outside the Member State of discovery or where a new fraudulent practice has appeared.

The breakdown of cases for 1972 to 1987 is as follows :

Years	B	D	DK	EL	ESP	F	IRL	I	L	NL	P	UK	COM	TAL	TO-
1972-1982	25	12	0	0	-	15	14	2	0	3	-	59	12	142	
1983	4	0	0	3	-	1	3	0	0	0	-	2	0	13	
1984	1	0	0	1	-	1	0	0	0	0	-	0	3	6	
1985	1	1	0	1	-	1	0	0	0	0	-	1	2	7	
1986	1	1	1	0	0	0	0	0	0	0	0	1	4	8	
1987	0	0	0	0	0	0	0	0	0	3	0	0	7	10	
1988	0	0	0	0	0	0	0	0	0	1	0	0	3	4	

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

The notification of cases of irregularity between Member States and between the latter and the Commission as provided for in Article 4 of Regulation (EEC) No 289/72 is supplemented by information transmitted on the basis of Regulation (EEC) No 1468/81.

7.7. Meetings of EAGGF Irregularities Group

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

In 1988, 19 restricted meetings were held at which many specific cases were examined, mainly concerning the wine sector (five meetings) and beef (six meetings). A plenary meeting was also held at which numerous presumed or known irregularity cases, some of which had serious financial implications, were discussed and the action to be taken in each case was considered.

7.8. Control agencies for olive oil

Council Regulation (EEC) No 2262/84⁽¹⁾ provides that each Member State which produces more than 3 000 tonnes of olive oil in the course of a reference period is to set up an agency responsible for performing certain checks and other tasks in connection with the production aid scheme for olive oil. The Regulation describes the type of checks to be carried out and stipulates that the agencies are to have administrative autonomy. It also provides for them to draw up a work schedule and a budget estimate, introduces arrangements for them to be financed from the Community budget for a certain period and defines certain infringements and the appropriate penalties.

Commission Regulation (EEC) No 27/85⁽²⁾, which lays down the detailed implementing rules, is more specific regarding the nature of the agency's administrative autonomy, the recruitment and qualifications of staff and their powers, and the contents of the work schedule and budget estimate and the timetable for drawing them up. It also provides for quarterly reports to be sent to the Commission.

Legal and administrative obstacles caused delays in setting up the agencies in the four Member States concerned. Agencies were set up in Greece on 9 May 1985 (OEEE), in Italy on 5 November 1985 (Agecontrol), in Portugal on 26 June 1987 (ACACSA) and in Spain on 23 December 1987 (AAO).

The Italian and Greek agencies were operational at the end of 1987/88. In the first two years of their existence they performed checks on mills and on producers' organizations and associations thereof. The Italian agency also collected, checked and processed the data necessary for determining olive oil and oil yields and performed checks relating to consumption aid.

In Italy, the agency is completely operational. It currently employs 140 persons and possesses computer facilities appropriate to its needs. It commenced work in the field in July 1986 and developed these activities fully in the course of 1986/87 and 1987/88.

(1) OJ No L 208, 3.8.1984.

(2) OJ No L 4, 5.1.1985.

During the period from July 1986 to October 1988 the agency performed checks in respect of 6 associations of producers' organizations (out of 6), 241 producers' organizations (100% of recognized organizations), 1 378 mills (20% of approved mills) and 13 packaging plants. The situation of over 20 000 producers belonging to organizations was examined (either on the spot or by means of checks on organizations) and 513 producers not belonging to organizations were also checked. As far as determining yields is concerned, the agency collected data in respect of about 100 zones (278 communes), representing around 70% of Italian production.

As regards penalties, it proposed to the competent authority that recognition be withdrawn from 22 producers' organizations and that approval be withdrawn from 222 mills. The situation of 3 525 producers was found to be irregular as a result of checks on organizations and 2 709 were found to be in possession of irregular pressing declarations as a result of checks on mills. The agency proposed that the paying agency should block payment of production aid to the producers concerned.

In Greece the agency currently employs 104 persons in 6 regional offices. It developed its organization and facilities in the course of 1985/86, and recruited and trained part of its staff. It began performing checks in the field at the end of 1986/87.

By the end of the 1987/88 marketing year the agency had performed checks on 143 mills, 76 producers' organizations and 1 association of organizations and had examined 20 000 applications for aid and carried out 100 inspection visits. Penalties have been proposed to the competent authority.

In Portugal the agency commenced operations in the course of 1987/88 and will develop its capacity in the course of 1988/89.

In Spain the agency will commence operations in 1988/89 and will not be fully operational until 1989/90.

TITLE IV

Accounts clearance

8.1. Verification of EAGGF Guarantee Section expenditure and clearance procedure - 1986

8.1.1. On 29 November 1988 the Commission, as provided for in Article 5(2)(b) of Commission Regulation (EEC) No 729/70, after consulting the EAGGF Committee, cleared the accounts for 1986 (Decision 88/630/EEC).

This clearance covered claimed expenditure of ECU 21 726.7 million. The following table shows how this amount breaks down by Member State.

EAGGF Guarantee Section: expenditure claimed (1986)

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

Member State	Amount in national currency	Amount in ECU
Belgium	43 082 459 100	998 434 705
Denmark	8 498 238 731.66	1 069 690 305
Germany	9 426 085 737.00	4 575 026 121
Greece	191 203 940 557	1 162 454 949
Spain	34 846 979 255	247 904 198
France	36 917 486 578.15	5 286 510 243
Ireland	883 866 189.87	1 136 236 503
Italy	4 511 943 678 667	2 965 141 099
Luxembourg	88 483 157	2 050 411
Netherlands	5 543 598 503.77	2 391 935 256
Portugal	5 826 808 968.00	34 383 184
United Kingdom	1 293 904 668.65	1 856 947 285
EEC	-	21 726 714 259

8.1.2. The 1986 financial year is the first to which the systems audit method applies in accordance with the methods described in the EAGGF Guarantee Section audit manual. Its introduction, however, involves a very heavy workload in the first few years, in view of the time limits laid down for clearance of accounts. A transitional period of several years is therefore to be expected before the new system is comprehensively applied.

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

The EAGGF adopted its final position on the basis of the information it received up to 30 June 1988, the date set by Commission decision for expiry of the time limit.

- 8.1.3. As in previous operations the EAGGF worked in close cooperation with Financial Control and the Legal Service during the various stages of the procedure.

The financial corrections were carried out in accordance with the rules laid down by the Commission in its Decision of 20 December 1985. These concern EAGGF action both in conventional cases of formal and substantive failure to observe Community law and in all cases of granting of illegal national aid and of infringements in regard to clearance of accounts. The figures for 1986 are set out in detail in Annex 22 to this report.

8.2. 1985

By Decision 88/362/EEC of 7 June 1988 the Commission amended the accounts clearance decisions for 1985 in the light of the judgments given by the Court of Justice in various cases relating to earlier years.

In its judgment in Case 337/85 the court annulled the clearance decision for 1981 for Ireland on the grounds of failure to charge to the EAGGF an amount of IRL 2 281 956.56 paid out as refunds on exports to third countries. The Court's decision means that under Article 176 of the Treaty the financing of this amount falls to the Community. Further amounts of IRL 729 038 for 1982 and IRL 123 643 for 1983, disallowed on the same grounds, must also be accepted.

By its judgments in Cases 342/85 and 343/85 the Court annulled the accounts clearance decisions for 1980 and 1981 for Italy, which did not charge to the EAGGF amounts of LIT 655 750 and LIT 677 198 690 in respect of aid for skimmed milk powder from intervention. Under Article 176 of the Treaty these amounts must therefore be financed by the Community. The same applies to LIT 204 799 785 for 1982 disallowed on similar grounds.

By its judgments in Cases 325/85, 326/85, 332/85, 336/85, 346/85, 348/85, 237/86 and 239/86 the Court annulled accounts clearance decisions for certain Member States for 1981 and 1982 refusing Community financing for certain amounts in the fisheries sector. These likewise must be accepted by the Community under Article 176 of the Treaty. The corresponding amounts for 1982 refused for the same reasons must also be accepted although no proceedings have been brought, the Commission having undertaken to review its clearance decisions in the light of the Court's judgments.

8.3. 1987

The clearance for 1987 relates to expenditure claimed amounting to ECU 22 100 million. The dates on which the figures for 1987 expenditure were communicated to the Commission staff are given in Table 13. Several Member States again failed to meet the deadlines for forwarding claims, often providing further information several months later. This has complicated the work considerably and seriously delayed completion.

TABLE 13

Member State	Submission of clearance claims	
	Date	Amount in national currency
	Deadline: 31 March '88:	1987
Belgium	29.06.1988	35.355.008.415
Denmark	16.06.1988	8.445.886.493,05
Germany	01.07.1988	8.297.323.175,84
Greece	15.07.1988	204.756.329.605
Spain	30.06.1988	86.135.974.854
France	28.07.1988	39.266.318.811,07
Ireland	15.07.1988	744.392.600,36
Italy	02.09.1988	5.807.192.426.385
Luxembourg	20.04.1988	65.512.485
Netherlands	14.07.1988	6.429.253.259,86
Portugal	15.07.1988	22.267.141.756,00
United Kingdom	31.05.1988	781.024.763,83

8.4. Systems audit - Verification procedure

As indicated in point 8.1.2, systems auditing was introduced with effect from the 1986 accounts clearance operation, the procedure set out in the audit manual being applied. It was mainly during 1988 that the EAGGF verified expenditure pertaining to 1987 (1 January to 31 October) by scrutiny of the documents transmitted and inspections in the Member States. The work concentrated on the following:

In 1987 30 systems covering 18 different schemes were audited in respect of 1986. Fifteen paying agencies in 11 Member States were involved. Details are given in point 8.4 of the 1987 Financial Report.

In 1988 a further 25 systems were audited for clearance of the 1987 accounts:

- Aid for skimmed milk powder (Regulations (EEC) Nos 1624/76 and 1725/79)	Italy
- Aid for skimmed milk powder (Regulation (EEC) No 1725/79)	Netherlands
- Public storage of butter (Regulation (EEC) No 685/69)	France, Belgium
- Distillation of wine	Greece
- Private storage of wine and grape must	Greece
- Sugar : reimbursement of storage costs	France
- Production aid for processed fruit products	Greece
- Production aid for processed tomato products	Italy
- Ewe premiums	Greece, Spain, Portugal
- Suckler cow premiums	Greece, Spain
- Slaughter premiums (beef and sheepmeat)	United Kingdom
- Private storage beef and pigmeat	Germany, Netherlands
- Public storage beef (part audit of various components of sytem)	Germany, Ireland, Netherlands
- Additional levy milk products	Spain
- Production aid rapeseed	Germany, Netherlands, United Kingdom
- Production aid soya	Italy

Selective checks were also made on a number of other schemes. For all expenditure the EAGGF verified that the annual claims submitted by the Member States were complete, arithmetically exact and consistent.

The EAGGF also examined the correspondence between these claims and the accounts of the paying agencies.

8.5. Memorandum

The memorandum on the uniform presentation of expenditure claims (or 'declarations') by the Member States has been amended on many occasions since its consolidation in 1983, partly to accommodate changes in schemes and partly to provide the Member States with all the guidance they need for preparation of the annual claim relating to EAGGF guarantee expenditure. The tenth updating is a more thorough consolidation and the eleventh takes in the new presentation of budget headings introduced in the final budget for 1988, available only in August 1988.

8.6. Appeals against accounts clearance decisions

Since the last financial report, the Court of Justice has handed down only a few judgments in cases filed by the Member States against clearance decisions.

In Case 214/86 (Greece/Commission) concerning the 1982 clearance and involving approximately ECU 45 million, the Court, by its judgment given on 21 February 1989, confirmed the financial corrections made by the Commission. In the course of the proceedings Greece withdrew its arguments against the corrections made with reference to the national aid granted on exportation of agricultural products. The Court did not therefore need to give judgment on this particular correction.

On 8 June 1988 Case 242/86 (Ireland/Commission) concerning the 1982 clearance and involving approximately ECU 1 110 000 was ordered to be removed from the Court register since the point at issue, relating to the granting of export refunds in cases where transshipment occurs had already been settled in the Member State's favour by the judgment given on 22 October 1987 in Case 337/85.

Case 260/87 (United Kingdom/Commission) concerning the 1983 clearance and involving approximately ECU 55 million was also ordered to be removed from the register on 8 June 1988 since the matter in dispute (Milk Marketing Boards) was identical to that in Case 347/85 (United Kingdom/Commission), settled entirely in the Commission's favour by a judgment given on 24 March 1988.

In connection with the 1983 clearance, the Court gave judgment on 2 February 1989 in a case involving overfishing (Case 262/87, Netherlands), the amount involved being approximately ECU 4.700.000. It rejected the Member State's appeal, recalling its constant position that the Commission can charge to the EAGGF only amounts paid out in conformity with the rules laid down for the agricultural product sector in question, any other amount being left as a charge to the Member State. It followed therefore that refunds granted and intervention undertaken in breach of obligations under Community conservation measures could not be financed by the EAGGF. The Court added that when the Commission disallows expenditure on the ground that it arises as a result of infringements by a Member State of Community rules it is up to the Member State to show that the qualifying requirements for the financing refused by the Commission are met.

On the question, lastly, of the clearance of accounts for 1983, 1984 and 1985, the Court gave judgment on 11 May 1989 in a case involving export refunds on Grana type cheese produced elsewhere than in Italy (Case 263/87 Denmark) and dismissed the Member State's appeal. It held that the terms Grana Padano appearing since 1979 in the lists of products attached to regulations adopted at intervals by the Commission were intended to cover Grana Padano cheese produced in Italy only. Since there was a shortfall in the production of milk in Italy and since this milk is more costly than milk produced elsewhere in the Community, the costs of Italian Grana Padano producers were themselves increased, with the result that the gap between the Community price and the world price was greater for Grana Padano cheese produced in Italy than for other cheeses and a special refund had had to be introduced to offset the difference. It was not contrary to the principle of equality of treatment, therefore, to treat the Italian cheese more favourably in so far as refunds are concerned. In addition, in fixing the export refunds, the Commission was under an obligation to take account also of considerations of trade policy. To extend the benefit of the high refund to Grana type cheese produced in other parts of the Community would more than offset the gap between the Community price and the world price and, by making it possible to sell such cheese at a price lower than the world price, would threaten the harmonious development of world trade.

As regards the clearance of the 1986 accounts decided by the Commission on 29 November 1988, the following appeals have been filed by the Member States:

TABLE 14

List of appeals filed by the Member States
in connection with the clearance of accounts for 1986

Case	Member State	Subject	Reference to Summary Report	Amount in national currency
22/89	Netherlands	Public storage of butter - early conservation test	3.3.4.2./86	1 624 796
28/89	Germany	Milk - public storage of SMP Homogeneity of finished product Early butter conservation test Public storage of butter - time limit for acceptance Refunds- placing of unprocessed products under customs control	3.3.1.1./86 3.3.1.1.4./86- Add. 3.3.4.2./86 3.3.4.3.2./86 3.3.4.3.2./86- Add. 3.1.3.3.1./86 3.1.3.3.1./86- Add. 2	61 337 605.77 1 947 053 1 789 856.23 190 427.76
32/89	Greece	Refunds and MCAs Cereals Milk Oils and fats Fruit and vegetables	3.1.3.4.1./86- Add. 3.2.1.10./86- Add. 3.3.6.1.1./86 3.3.6.1.4./86 3.3.6.1.4./86- Add. 3.4.1.2.1./86 3.4.1.3.1./86 3.7.3.2./86	6 840 546 206 26 358 604 194 009 406 029 50 762 546 12 696 180 6 173 884
34/89	Italy	Olive oil - production aid Fruit and vegetables - producer groups	3.4.1.1.1./86 3.7.4.1./86 3.7.4.1.5./86- Add. 3.7.4./86-Add2	10 410 055 894 54 186 548 420

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

It should also be pointed out that Greece has applied for interim measures to suspend execution of the accounts clearance decision for 1986 for one year. The application was dismissed by Order of 26 April 1989 (Case 32/89R).

8.7. Illegal national aid and "upstream" infringements

The general lines of the Commission's approach to the scrutiny of incompatible national aid or infringements, from the angle of any impact they may have on agricultural expenditure, were described in point 8.3 of the Financial Report on 1985. That approach continued to be followed when the 1986 accounts were cleared. The following cases where financing was disallowed may be quoted as examples :

- quota overfishing by several Member States;
- disposal of butter at a reduced price in Italy;
- KYDEP monopoly in Greece (programme controls). This matter was looked at as part of the EAGGF investigation into management of the cereals market in Greece.

TITLE V

FINANCIAL CLOSURE IN RESPECT OF COMMUNITY FOOD AID
FOR PRODUCTS SUBJECT TO EEC MARKET ORGANIZATIONS

9.1. Reform of the system of financing Community food aid

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

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

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

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

9.2. Amounts outstanding from old system

In 1988 the EAGGF Guarantee Section charged a number of payments to Chapter 92 and likewise entered a number of receipts, on the basis of settlements notified by the Member States under the old system.

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

9.3. Accounts clearance

Preparatory work on the aggregated clearance of 1980, 1981, 1982 and 1983 continued in 1988. The Commission was thus able by Decision 89/36/EEC of 23 December 1988 to clear the food aid expenditure accounts for 1980, 1981, 1982 and 1983 for Germany, Denmark, Ireland, Greece and Luxembourg. The decisions covering the other Member States for these years will be taken in 1989. Preparatory work has begun on clearing the 1984 and 1985 accounts.

Also a number of reservations have been entered and are given in annexes to the decisions published in the Official Journal of the European Communities. The opportunity is taken in this Report of listing below the reservations still outstanding, which were made in connection with the clearance decided on 23 December 1988.

TABLE 15

List of reservations made since the clearance of the 1970 accounts

Member State	Year	Amount
Belgium	1975	BFR 16 308 614
	1976	BFR 1 541 816
	1978	BFR 32 425 916
Germany		
- Reg. (EEC) No 558/81 - 500 t of wheat - Ethiopia	1980/1981/1982/1983	security
- Reg. (EEC) No 1644/81 - 2.190 t of wheat - Guinea		security
- Reg. (EEC) No 812/82 - lot F - 50 t of butter- oil - Burundi		DM 135 720.48
- Reg. (EEC) No 2831/83 - lots K, Q, R and S		securities provided for in Art. 26(5) of Reg. 1354/83
France	1970/71	FF 516 834.50
	1973	FF 163 115.77
	1974	FF 253 940.06
	1975	FF 32 046.73
	1976	FF 2 505 122.75
	1979	FF 400 147.93
Italy	1976	LIT 6 058 883
	1979	LIT 2 161 252 980

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

ANNEX 1Summary of implementation for 1988

APPROPRIATIONS	ECU million	IMPLEMENTATION	ECU million
<u>A. 1988 appropriations</u>		<u>C. Commitments</u>	
1. Original appropriations	28.770,000	1. Appropriations available	28.795,698
2. Transfers of appropriations	+ 25,000	2. Sum not committed	1.107,744
3. Appropriations available	28.795,000	3. Commitments	27.687,954
		4. Remainder from total	-
		5. Commitments detailed	27.687,954
<u>B. 1987 appropriations</u>		<u>D. Payments</u>	
Automatic carryover from 1987	0,698	1. Sums committed in detail	27.687,954
		2. Payments	27.676,492
		3. Amount committed to be carried over automatically	11,224
		4. Appropriations to be carried over (non-automatic)	-
		5. Appropriations lapsed (1)	1.107,982
TOTAL	28.795,698	TOTAL	28.795,698

(1) of which : - from automatic carryover from 1987 : 0,238
- from 1988 appropriations : 1.107,744

EXPENDITURE CHARGED AGAINST THE 1988 BUDGET (ECU million)

	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEM- BOURG	NEDER- LAND	PORTUGAL	UNITED KINGDOM	COMMU- NAUTE	TOT. CEE
10 CEREALS AND RICE	145,685	136,152	1251,384	42,209	352,858	1313,055	10,364	875,904	-0,100	430,045	0,000	526,966	-747,281	4337,241
100 REFUNDS ON CEREALS	129,792	61,630	404,346	37,705	199,800	1226,863	7,690	196,182	0,000	362,501	0,000	298,117	0,000	2924,625
1000 REFUNDS ON COMMON WHEAT GRAIN AND FLOUR	40,054	15,278	177,450	9,565	10,563	720,456	0,000	47,688	0,000	157,726	0,000	49,209	0,000	1227,989
1001 REFUNDS ON BARLEY GRAIN AND MALT	67,476	31,410	131,820	0,000	126,454	351,035	7,406	0,002	0,000	84,958	0,000	231,664	0,000	1032,227
1002 REFUNDS ON DURUM WHEAT AND ON DURUM WHEAT FLOUR, GROATS AND MEAL	0,013	0,000	0,979	28,139	33,940	25,899	0,000	120,166	0,000	0,361	0,000	0,000	0,000	209,497
1003 REFUNDS ON OTHER CEREALS	22,249	14,942	94,097	0,000	28,842	129,473	0,284	28,326	0,000	119,456	0,000	17,244	0,000	454,913
101 INTERVENTION STORAGE OF CEREALS	13,623	71,701	878,960	-11,870	123,146	290,617	9,990	385,288	0,181	1,480	0,000	258,899	-747,281	1274,734
1010 CARRYOVER PAYMENTS	0,000	0,000	0,000	0,000	0,000	-0,001	0,000	0,056	0,000	0,000	0,000	-0,000	0,000	0,055
1011 TECHNICAL COSTS OF PUBLIC STORAGE	1,381	6,645	99,760	8,865	15,231	43,121	1,147	28,360	0,019	0,149	0,000	20,930	0,000	225,609
1012 FINANCIAL COSTS OF PUBLIC STORAGE	0,281	4,261	35,157	0,171	8,054	11,929	0,121	20,363	0,015	0,026	0,000	12,792	0,000	93,171
1013 OTHER public storage costs	6,534	18,534	347,906	-21,771	6,912	103,453	2,037	74,813	0,021	1,240	0,000	109,412	0,000	649,091
1014 DEPRECIATION OF CEREALS STOCKS	5,427	42,260	396,137	0,866	92,965	132,116	6,685	261,697	0,126	0,064	0,000	115,765	-747,281	306,826
1019 OTHER INTERVENTION STORAGE	0,000	0,000	0,000	0,000	-0,017	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	-0,017
102 INTERVENTION, OTHER THAN STORAGE, OF CEREALS	14,826	12,404	100,344	21,947	52,439	100,097	2,073	270,435	0,000	85,421	0,000	41,752	0,000	701,738
1020 PRODUCTION AID FOR DURUM WHEAT	0,000	0,000	0,000	21,350	2,318	9,608	0,000	241,788	0,000	0,000	0,000	0,000	0,000	275,063
1021 PRODUCTION REFUNDS FOR POTATO STARCH	0,342	2,716	9,946	0,000	0,006	7,634	0,000	0,123	0,000	54,241	0,000	6,439	0,000	81,448
1022 OTHER PRODUCTION REFUNDS	14,484	9,688	90,407	0,597	17,481	82,855	2,073	28,391	0,000	30,572	0,000	35,313	0,000	311,862
1029 OTHER INTERVENTION	0,000	0,000	-0,009	0,000	32,634	0,000	0,000	0,133	0,000	0,608	0,000	0,000	0,000	33,365
103 CORESPONSIBILITY LEVY AND AID TO SMALL PRODUCERS	-13,814	-9,615	-132,853	-6,084	-33,971	-305,016	-9,390	-33,589	-0,280	-20,210	0,000	-71,837	0,000	-636,660
1030 CORESPONSIBILITY LEVY	-15,538	-14,621	-148,822	-9,204	-33,971	-315,827	-9,434	-33,589	-0,325	-21,249	0,000	-74,924	0,000	-677,505
1031 AID TO SMALL PRODUCERS	1,725	5,006	15,969	3,120	0,000	10,812	0,044	0,000	0,044	1,039	0,000	3,087	0,000	40,845

EXPENDITURE CHARGED AGAINST THE 1988 BUDGET (ECU.million)														
	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEM- BOURG	NEDER- LAND	PORTUGAL	UNITED KINGDOM	COMMU- NAUTE	TOT. CEE
104 RICE	1,257	0,032	0,587	0,512	11,444	0,494	0,000	57,588	0,000	0,853	0,000	0,035	0,000	72,804
1040 REFUNDS ON RICE	0,935	0,032	0,587	0,512	3,461	0,140	0,000	54,491	0,000	0,834	0,000	0,035	0,000	61,028
1041 INTERVENTION FOR RICE	0,322	0,000	0,000	0,000	7,983	0,353	0,000	3,097	0,000	0,019	0,000	0,000	0,000	11,775

EXPENDITURE CHARGED AGAINST THE 1988 BUDGET (ECU million)														
	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEM- BOURG	NEDER- LAND	PORTUGAL	UNITED KINGDOM	COMMU- NAUTE	TOT. CEE
11 SUGAR	80,475	60,339	385,472	2,802	105,926	654,516	14,909	116,496	0,000	549,314	5,362	106,220	0,000	2081,831
110 REFUNDS ON SUGAR AND ISOGLUCOSE	54,910	46,924	274,233	0,054	78,770	479,765	9,095	50,718	0,000	501,090	0,000	70,600	0,000	1566,159
1100	54,910	46,924	274,233	0,054	78,770	479,765	9,095	50,718	0,000	501,090	0,000	70,600	0,000	1566,159
111 INTERVENTION FOR SUGAR	25,565	13,414	111,239	2,748	27,156	174,751	5,814	65,778	0,000	48,225	5,362	35,620	0,000	515,672
1110 REIMBURSEMENT OF STORAGE COSTS	23,456	12,614	102,746	2,488	18,144	133,503	5,757	62,946	0,000	40,048	0,902	27,151	0,000	429,755
1111 PUBLIC STORAGE	0,000	0,000	0,000	0,000	0,000	0,000	0,000	-0,847	0,000	0,000	0,000	0,000	0,000	-0,847
1112 REFUNDS ON SUGAR USED IN THE CHEMICAL INDUSTRY	2,108	0,801	8,493	0,260	9,011	21,465	0,057	3,680	0,000	8,176	0,458	8,469	0,000	62,978
1113 MEASURES TO AID THE DISPOSAL OF RAW SUGAR	0,000	0,000	0,000	0,000	0,000	19,783	0,000	0,000	0,000	0,000	1,151	0,000	0,000	20,935
1114 SUGAR IMPORT SUBSIDIES	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
1115 DEPRECIATION OF SUGAR STOCKS	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
1119 OTHER INTERVENTION	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	2,851	0,000	0,000	2,851

EXPENDITURE CHARGED AGAINST THE 1988 BUDGET (ECU million)

	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEM- BOURG	NEDER- LAND	PORTUGAL	UNITED KINGDOM	COMMU- NAUTE	TOT. CEE
12 OILS AND FATS	215,736	85,066	716,955	130,903	280,876	686,439	0,000	1258,041	0,000	199,172	81,016	252,137	10,499	3916,841
120 OLIVE OIL	0,003	0,017	0,174	104,917	147,610	12,239	0,000	663,596	0,000	0,082	4,523	1,383	10,499	945,044
1200 REFUNDS ON OLIVE OIL	0,000	0,000	0,021	1,220	26,296	0,298	0,000	34,336	0,000	0,050	1,934	0,008	0,000	64,163
1201 PRODUCTION AID	0,000	0,000	0,000	46,263	72,648	0,169	0,000	177,556	0,000	0,000	0,000	0,000	0,000	296,836
1202 SPECIFIC PRODUCTION MEASURES	0,000	0,000	0,000	0,000	0,000	0,000	0,000	22,848	0,000	0,000	0,000	0,000	0,000	22,848
1203 CONSUMPTION AID	0,000	0,000	0,152	56,971	0,000	10,729	0,000	352,283	0,000	0,032	0,000	1,375	0,000	421,543
1204 SPECIFIC CONSUMPTION MEASURES	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	10,499	10,499
1205 TECHNICAL COSTS OF PUBLIC STORAGE	0,000	0,000	0,000	0,000	25,024	0,000	0,000	12,280	0,000	0,000	0,906	0,000	0,000	38,209
1206 FINANCIAL COSTS OF PUBLIC STORAGE	0,000	0,000	0,000	0,000	18,571	0,000	0,000	12,028	0,000	0,000	0,277	0,000	0,000	30,877
1207 OTHER PUBLIC STORAGE COSTS	0,000	0,000	0,000	0,000	2,025	0,000	0,000	15,908	0,000	0,000	-1,011	0,000	0,000	16,922
1208 DEPRECIATION OF OLIVE OIL STOCKS	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
1209 OTHER INTERVENTION FOR OLIVE OIL	0,003	0,016	0,000	0,464	2,847	1,043	0,000	36,358	0,000	0,000	2,417	0,000	0,000	43,147
121 OILSEEDS	215,733	85,050	716,781	25,966	133,266	674,200	0,000	594,445	0,000	199,089	76,493	250,755	0,000	2971,797
1210 REFUNDS	1,206	0,000	0,000	0,000	0,189	23,374	0,000	0,000	0,000	0,135	0,000	0,000	0,000	24,905
1211 PRODUCTION AID FOR rapeseed	118,589	81,669	535,592	0,000	0,048	246,568	0,000	9,511	0,000	64,709	0,000	214,289	0,000	1270,976
1212 PRODUCTION AID FOR SUNFLOWER SEED	91,259	0,000	180,852	25,279	131,226	317,701	0,000	83,175	0,000	131,837	76,620	32,029	0,000	1069,978
1213 PRODUCTION AID FOR SOYA BEANS	0,000	0,000	0,041	0,707	0,001	68,055	0,000	501,438	0,000	0,000	0,000	0,000	0,000	570,241
1214 PRODUCTION AID FOR FLAX SEED	4,678	3,381	0,296	0,000	0,000	17,614	0,000	0,262	0,000	2,408	0,000	4,648	0,000	33,287
1215 OTHER AID	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,058	0,000	0,000	0,000	0,000	0,000	0,058
1216 INTERVENTION STORAGE	0,000	0,000	0,002	0,000	1,802	0,888	0,000	0,000	0,000	0,000	-0,126	-0,211	0,000	2,354
1219 OTHER INTERVENTION	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000

EXPENDITURE CHARGED AGAINST THE 1988 BUDGET (ECU million)

	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEM- BOURG	NEDER- LAND	PORTUGAL	UNITED KINGDOM	COMMU- NAUTE	TOT. CEE
13 PROTEIN PLANTS	29,353	76,398	124,340	0,899	20,454	280,690	2,275	34,595	0,075	93,516	0,022	26,709	0,000	689,324
130 PRODUCTION AID FOR PEAS AND FIELD BEANS	28,921	51,825	108,814	0,000	1,089	176,035	1,955	4,372	0,075	77,234	0,022	20,734	0,000	471,077
1300	28,921	51,825	108,814	0,000	1,089	176,035	1,955	4,372	0,075	77,234	0,022	20,734	0,000	471,077
131 PRODUCTION AID FOR DRIED FODDER	0,431	24,572	15,524	0,899	19,365	103,926	0,319	30,224	0,000	16,282	0,000	5,975	0,000	217,516
1310	0,431	24,572	15,524	0,899	19,365	103,926	0,319	30,224	0,000	16,282	0,000	5,975	0,000	217,516
132 PRODUCTION AID FOR LUPINS	0,000	0,000	0,002	0,000	0,000	0,730	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,731
1320	0,000	0,000	0,002	0,000	0,000	0,730	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,731
139 OTHER INTERVENTION	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
1390	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000

EXPENDITURE CHARGED AGAINST THE 1988 BUDGET (ECU million)															
	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEM- BOURG	NEDER- LAND	PORTUGAL	UNITED KINGDOM	COMMU- NAUTE	TOT. CEE	
14 Fibre PLANTS AND SILKWORMS	3,812	0,230	0,211	294,956	133,418	18,120	0,012	0,430	0,000	1,650	0,000	0,038	1,317	454,194	
140 FIBRE FLAX AND HEMP	3,812	0,230	0,211	0,000	0,080	18,105	0,012	0,000	0,000	1,650	0,000	0,038	1,317	25,455	
1400 PRODUCTION AID FOR FIBRE FLAX	3,246	0,230	0,211	0,000	0,000	15,930	0,012	0,000	0,000	1,650	0,000	0,038	0,000	21,316	
1401 SPECIFIC MEASURES	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	1,317	1,317	
1402 PRODUCTION AID FOR HEMP	0,000	0,000	0,000	0,000	0,080	1,560	0,000	0,000	0,000	0,000	0,000	0,000	0,000	1,640	
1409 OTHER INTERVENTION	0,566	0,000	0,000	0,000	0,000	0,616	0,000	0,000	0,000	0,000	0,000	0,000	0,000	1,182	
141 COTTON	0,000	0,000	0,000	294,879	133,338	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	428,217	
1410	0,000	0,000	0,000	294,879	133,338	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	428,217	
142 SILKWORMS	0,000	0,000	0,000	0,076	0,000	0,016	0,000	0,430	0,000	0,000	0,000	0,000	0,000	0,522	
1420	0,000	0,000	0,000	0,076	0,000	0,016	0,000	0,430	0,000	0,000	0,000	0,000	0,000	0,522	
149 OTHER	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	
1490	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	

EXPENDITURE CHARGED AGAINST THE 1988 BUDGET (ECU million)														
	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPAÑA	FRANCE	IRELAND	ITALIA	LUXEM- BOURG	NEDER- LAND	PORTUGAL	UNITED KINGDOM	COMMU- NAUTE	TOT. CEE
15 FRUIT AND VEGETABLES	1,271	2,236	5,906	172,811	35,528	78,717	0,105	385,925	0,000	5,227	16,327	4,133	0,000	708,185
150 FRESH FRUIT AND VEGETABLES	0,826	0,093	1,111	57,340	3,222	31,524	0,029	182,604	0,000	4,245	0,146	1,388	0,000	282,528
1500 EXPORT REFUNDS	0,130	0,093	0,548	16,631	0,000	6,162	0,000	22,597	0,000	2,294	0,000	0,009	0,000	48,464
1501 COMPENSATION FOR WITHDRAWALS AND BUYING IN AND FOR FREE DISTRIBUTION OPERATIONS	0,696	0,000	0,524	31,222	0,000	25,348	0,029	108,001	0,000	1,952	0,000	1,379	0,000	169,151
1502 COMPENSATION TO PROMOTE COMMUNITY CITRUS FRUITS	0,000	0,000	0,000	4,482	0,000	0,013	0,000	6,475	0,000	0,000	0,000	0,000	0,000	10,971
1503 COMPENSATION TO ENCOURAGE PROCESSING OF CITRUS FRUITS	0,000	0,000	0,000	5,005	3,222	0,000	0,000	45,530	0,000	0,000	0,146	0,000	0,000	53,903
1509 OTHER INTERVENTION	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
151 PROCESSED FRUIT AND VEGETABLES	0,445	2,143	4,795	115,471	32,306	47,192	0,076	203,321	0,000	0,981	16,182	2,745	0,000	425,657
1510 EXPORT REFUNDS	0,445	2,143	1,373	3,319	1,580	1,302	0,076	2,098	0,000	0,969	0,040	2,745	0,000	16,090
1511 PRODUCTION AID FOR TOMATO-BASED PRODUCTS	0,000	0,000	0,000	35,898	17,665	14,119	0,000	167,819	0,000	0,000	15,376	0,000	0,000	250,877
1512 PRODUCTION AID FOR FRUIT-BASED PRODUCTS	0,000	0,000	3,422	76,253	13,061	31,950	0,000	33,403	0,000	0,012	0,727	0,000	0,000	158,829
1513 Aid for tinned pineapple	0,000	0,000	0,000	0,000	0,000	-0,178	0,000	0,000	0,000	0,000	0,000	0,000	0,000	-0,178
1519 OTHER INTERVENTION	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,039	0,000	0,000	0,039

EXPENDITURE CHARGED AGAINST THE 1988 BUDGET (ECU million)

	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEM- BOURG	NEDER- LAND	PORTUGAL	UNITED KINGDOM	COMMU- NAUTE	TOT. CEE
16 PRODUCTS OF THE WINE-GROWING SECTOR	0,019	0,000	7,936	14,363	322,710	508,922	0,000	691,150	0,000	0,000	0,000	0,449	0,000	1545,550
160 REFUNDS ON PRODUCTS OF THE WINE-GROWING SECTOR	0,019	0,000	0,152	1,064	31,582	7,342	0,000	3,374	0,000	0,000	0,000	-0,026	0,000	43,508
1600	0,019	0,000	0,152	1,064	31,582	7,342	0,000	3,374	0,000	0,000	0,000	-0,026	0,000	43,508
161 INTERVENTION FOR PRODUCTS OF THE WINE-GROWING SECTOR	0,000	0,000	7,783	13,299	291,129	501,580	0,000	687,776	0,000	0,000	0,000	0,475	0,000	1502,042
1610 INTERVENTION STORAGE OF WINE AND GRAPE MUST (R. 822/87)	0,000	0,000	0,517	4,323	15,511	30,080	0,000	35,090	0,000	0,000	0,000	0,000	0,000	85,522
1611 DISTILLATION OF WINE (REG. 822/87)	0,000	0,000	5,863	6,548	115,706	174,216	0,000	325,165	0,000	0,000	0,000	0,000	0,000	627,497
1612 COMPULSORY DISTILLATION OF THE BY-PRODUCTS OF WINE-MAKING (ART.35 822/87)	0,000	0,000	0,000	0,036	24,981	39,664	0,000	32,196	0,000	0,000	0,000	0,000	0,000	96,876
1613 AID FOR THE USE OF MUST	0,000	0,000	0,003	2,332	2,419	48,482	0,000	44,535	0,000	0,000	0,000	0,344	0,000	98,115
1614 BUYING-IN OF ALCOHOL FROM COMPULSORY DISTILLATION (ARTS.37 AND 40 OF R.822/87)	0,000	0,000	0,000	0,061	85,455	175,065	0,000	185,625	0,000	0,000	0,000	0,000	0,000	446,206
1615 FINANCIAL COMPENSATION FOR RESTRICTION OF THE RIGHT TO REPLANT	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
1616 DEPRECIATION OF ALCOHOL STOCKS	0,000	0,000	0,000	0,000	46,920	33,710	0,000	65,090	0,000	0,000	0,000	0,000	0,000	145,720
1619 OTHER INTERVENTION (WINE SECTOR)	0,000	0,000	1,400	0,000	0,138	0,363	0,000	0,075	0,000	0,000	0,000	0,131	0,000	2,106

EXPENDITURE CHARGED AGAINST THE 1988 BUDGET (ECU million)

	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEM- BOURG	NEDER- LAND	PORTUGAL	UNITED KINGDOM	COMMU- NAUTE	TOT.CEE
17 TOBACCO	4,296	0,000	47,470	251,729	72,431	76,327	0,000	508,505	0,000	0,094	5,280	0,000	0,000	966,132
170 REFUNDS ON TOBACCO	0,525	0,000	3,682	8,869	0,000	0,568	0,000	29,442	0,000	0,094	0,000	0,000	0,000	43,181
1700	0,525	0,000	3,682	8,869	0,000	0,568	0,000	29,442	0,000	0,094	0,000	0,000	0,000	43,181
171 PREMIUMS FOR TOBACCO	3,771	0,000	43,788	223,362	72,431	75,506	0,000	471,193	0,000	0,000	5,280	0,000	0,000	895,330
1710	3,771	0,000	43,788	223,362	72,431	75,506	0,000	471,193	0,000	0,000	5,280	0,000	0,000	895,330
172 INTERVENTION STORAGE OF TOBACCO	0,000	0,000	0,000	19,498	0,000	0,253	0,000	7,870	0,000	0,000	0,000	0,000	0,000	27,621
1720 TECHNICAL COSTS OF PUBLIC STORAGE	0,000	0,000	0,000	5,655	0,000	0,166	0,000	1,498	0,000	0,000	0,000	0,000	0,000	7,318
1721 FINANCIAL COSTS OF PUBLIC STORAGE	0,000	0,000	0,000	2,687	0,000	0,003	0,000	1,423	0,000	0,000	0,000	0,000	0,000	4,112
1722 OTHER PUBLIC STORAGE COSTS	0,000	0,000	0,000	7,133	0,000	0,000	0,000	-0,326	0,000	0,000	0,000	0,000	0,000	6,807
1723 DEPRECIATION OF TOBACCO STOCKS	0,000	0,000	0,000	4,024	0,000	0,064	0,000	5,276	0,000	0,000	0,000	0,000	0,000	9,384
173 OTHER INTERVENTION FOR TOBACCO	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
1730	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000

EXPENDITURE CHARGED AGAINST THE 1988 BUDGET (ECU million)

	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPAÑA	FRANCE	IRELAND	ITALIA	LUXEM- BURG	NEDER- LAND	PORTUGAL	UNITED KINGDOM	COMMU- NAUTE	TOT. CEE
18 OTHER AGRICULTURAL SECTORS OR PRODUCTS	1,700	13,790	10,194	3,067	2,287	8,614	0,095	8,803	0,059	7,457	0,103	3,595	0,000	59,764
180 SEEDS	1,693	13,790	2,512	2,221	1,763	8,384	0,081	8,803	0,059	7,457	0,037	3,595	0,000	50,397
1800 .	1,693	13,790	2,512	2,221	1,763	8,384	0,081	8,803	0,059	7,457	0,037	3,595	0,000	50,397
181 HOPS	0,007	0,000	7,682	0,000	0,524	0,229	0,014	0,000	0,000	0,000	0,066	-0,000	0,000	8,522
1810	0,007	0,000	7,682	0,000	0,524	0,229	0,014	0,000	0,000	0,000	0,066	-0,000	0,000	8,522
182 POTATOES	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
1820	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
183 ETHYL ALCOHOL OF AGRICULTURAL ORIGIN	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
1830	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
184 APICULTURE	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
1840	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
185 TRANSUMANCE	0,000	0,000	0,000	0,845	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,845
1850	0,000	0,000	0,000	0,845	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,845
189 OTHER	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
1890	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000

EXPENDITURE CHARGED AGAINST THE 1988 BUDGET (ECU million)

	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPAÑA	FRANCE	IRELAND	ITALIA	LUXEM- BOURG	NEDER- LAND	PORTUGAL	UNITED KINGDOM	COMMU- NAUTE	TOT. CEE
20 MILK AND MILK PRODUCTS	119,499	470,980	1381,938	3,464	87,202	1266,986	348,477	69,975	1,683	2080,705	0,000	384,405	-300,222	5915,092
200 REFUNDS ON MILK AND MILK PRODUCTS	39,803	348,286	474,995	2,640	22,119	308,107	83,162	30,761	0,319	1571,143	0,000	132,581	0,000	3013,916
2000 REFUNDS ON BUTTER AND BUTTEROIL	3,364	43,050	71,855	0,008	1,531	82,036	9,178	0,212	0,013	626,139	0,000	9,344	0,000	846,731
2001 REFUNDS ON SKIMMED-MILK POWDER	4,342	11,765	237,586	0,000	0,223	8,131	25,584	0,035	0,000	199,301	0,000	28,915	0,000	515,881
2002 REFUNDS ON CHEESE	1,721	143,932	70,368	2,623	4,036	61,468	3,279	30,188	0,009	101,431	0,000	16,200	0,000	435,254
2003 REFUNDS ON OTHER MILK PRODUCTS	30,377	149,538	95,187	0,009	16,329	156,473	45,121	0,326	0,296	644,272	0,000	78,123	0,000	1216,050
201 INTERVENTION STORAGE OF SKIMMED-MILK POWDER	-0,006	-0,204	-8,914	-1,226	0,830	0,000	-0,327	-0,045	0,000	-0,006	0,000	-0,619	0,000	-10,517
2010 PRIVATE STORAGE	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
2011 TECHNICAL COSTS OF PUBLIC STORAGE	0,001	0,030	8,783	0,054	0,158	0,000	0,019	0,000	0,000	0,000	0,000	0,052	0,000	9,097
2012 FINANCIAL COSTS OF PUBLIC STORAGE	0,008	0,062	36,812	0,248	1,395	0,000	0,050	0,000	0,000	0,000	0,000	0,144	0,000	38,719
2013 OTHER PUBLIC STORAGE COSTS	-0,015	-0,296	-54,509	-1,579	-0,122	0,000	-0,396	-0,045	0,000	-0,006	0,000	-0,615	0,000	-58,333
2014 DEPRECIATION OF STOCKS	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
202 AID FOR SKIMMED MILK	35,349	92,333	414,793	0,000	0,000	551,974	156,603	17,879	0,617	324,719	0,000	29,046	0,000	1623,313
2020 AID for skimmed-milk powder for use as feed for calves	12,742	6,574	252,984	0,000	0,000	342,446	14,560	4,431	0,617	202,998	0,000	13,147	0,000	850,499
2021 AID FOR LIQUID SKIMMED MILK FOR USE AS FEED FOR CALVES	13,292	18,884	67,096	0,000	0,000	1,621	0,729	0,218	0,000	0,836	0,000	4,622	0,000	107,298
2022 AID FOR SKIMMED-MILK POWDER FOR USE AS FEED FOR ANIMALS OTHER THAN CALVES	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
2023 AID FOR LIQUID SKIMMED MILK FOR USE AS FEED FOR ANIMALS OTHER THAN CALVES	9,315	0,220	8,768	0,000	0,000	10,258	5,414	13,230	0,000	2,205	0,000	4,226	0,000	53,636
2024 AID FOR SKIMMED MILK PROCESSED INTO CASEIN	0,000	66,655	85,946	0,000	0,000	197,649	135,899	0,000	0,000	118,679	0,000	7,055	0,000	611,884
2025 AID FOR POWDERED MILK WITH 10% FAT FOR USE AS FEED FOR CALVES	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	-0,004	0,000	-0,004
2029 OTHER AID	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
203 INTERVENTION STORAGE OF BUTTER AND CREAM	23,657	21,693	343,918	0,000	35,766	223,725	87,717	-40,278	0,227	167,308	0,000	150,565	-306,221	708,077
2030 PRIVATE STORAGE OF butter	8,899	0,230	11,281	0,000	0,000	12,545	5,353	0,508	0,107	12,522	0,000	2,088	0,000	53,534
2031 TECHNICAL COSTS OF PUBLIC STORAGE	0,984	0,376	20,528	0,000	2,152	8,183	10,703	1,462	0,036	12,063	0,000	10,931	0,000	67,418
2032 FINANCIAL COSTS OF PUBLIC STORAGE	4,862	1,864	68,739	0,000	4,411	31,273	37,567	3,276	0,084	56,769	0,000	53,442	0,000	262,285

EXPENDITURE CHARGED AGAINST THE 1988 BUDGET (ECU million)

	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEM- BOURG	NEDER- LAND	PORTUGAL	UNITED KINGDOM	COMMU- NAUTE	TOT. CEE
2033 OTHER STORAGE COSTS (BUTTER)	4,988	17,491	123,965	0,000	12,335	116,899	-36,730	-55,747	-0,140	12,601	0,000	7,266	0,000	202,928
2034 DEPRECIATION OF BUTTER STOCKS	3,924	1,732	119,406	0,000	16,869	56,824	70,824	10,222	0,140	73,354	0,000	76,838	-306,221	121,913
204 OTHER MEASURES RELATING TO BUTTERFAT	10,918	4,711	59,512	0,654	3,837	97,800	14,489	7,009	0,321	19,914	0,000	22,289	0,000	241,452
2040 CONSUMPTION AID FOR BUTTER AND FOR THOSE RECEIVING SOCIAL ASSISTANCE	0,000	0,000	0,000	0,000	0,000	0,000	10,893	0,000	0,000	0,000	0,000	-0,052	0,000	10,842
2049 OTHER MEASURES (butter bought on the market)	10,918	4,711	59,512	0,654	3,837	97,800	3,596	7,009	0,321	19,914	0,000	22,341	0,000	230,611
205 INTERVENTION FOR OTHER MILK PRODUCTS	0,000	0,000	0,137	0,647	0,000	6,973	0,136	84,272	0,000	0,000	0,000	0,000	0,000	92,165
2050 STORAGE OF CHEESE	0,000	0,000	0,137	0,647	0,000	6,973	0,136	84,272	0,000	0,000	0,000	0,000	0,000	92,165
2059 OTHER INTERVENTION	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
206 OTHER MEASURES IN THE MILK AND MILK PRODUCTS SECTOR	30,825	38,986	211,499	0,749	29,048	207,814	36,504	12,217	2,064	68,116	0,000	138,485	6,000	782,306
2060 FINANC. CONTRIBUT. BY THE GUARANT. SECTION TO NON-MARKETING AND CONVERSION PREMIUMS	0,000	0,002	-0,075	0,000	0,000	-0,024	-0,012	0,000	0,005	0,000	0,000	-0,014	0,000	-0,117
2061 SCHOOL MILK	7,602	6,026	35,162	0,001	5,803	34,745	2,431	8,924	0,161	5,697	0,000	43,967	0,000	150,518
2062 MARKET DEVELOPMENT MEASURES	1,769	1,280	6,308	0,338	0,860	7,244	1,401	3,231	0,098	1,968	0,000	4,636	6,000	35,132
2063 IMPROVEMENT OF MILK QUALITY	0,000	0,000	0,289	0,410	0,000	0,102	0,480	0,062	0,000	0,002	0,000	0,167	0,000	1,512
2064 OTHER MEASURES UNDER THE PROGRAMME TO EXPAND THE MARKET FOR MILK PRODUCTS	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,488	0,000	0,488
2066 PREMIUM FOR DEFINITIVE CESSATION OF MILK PRODUCTION	7,423	10,621	60,469	0,000	12,701	60,559	9,966	0,000	0,639	4,668	0,000	32,959	0,000	200,004
2067 COMPENSATION FOR TEMPORARY SUSPENSION OF QUOTAS	14,031	21,057	109,346	0,000	9,683	105,189	22,238	0,000	1,161	55,782	0,000	56,282	0,000	394,769
2069 OTHER MEASURES	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
207 FINANCIAL CONTRIBUTION BY MILK PRODUCERS	-21,049	-34,825	-113,950	0,000	-4,398	-129,405	-29,806	-41,839	-1,864	-70,505	0,000	-87,961	0,000	-535,603
2070 LINEAR LEVY	-19,083	-27,804	-115,559	0,000	0,000	-115,239	-28,198	-41,839	-1,296	-65,962	0,000	-72,330	0,000	-487,310
2071 ADDITIONAL LEVY (CO-RESPONSIBILITY - R. 856/84)	-1,966	-7,020	1,609	0,000	-4,398	-14,167	-1,609	0,000	-0,568	-4,542	0,000	-15,631	0,000	-48,293
208 MEASURES TO ASSIST SMALL PRODUCERS	0,001	0,000	-0,051	0,000	0,000	-0,003	0,000	-0,001	0,000	0,016	0,000	0,020	0,000	-0,017
2080 .	0,001	0,000	-0,051	0,000	0,000	-0,003	0,000	-0,001	0,000	0,016	0,000	0,020	0,000	-0,017

EXPENDITURE CHARGED AGAINST THE 1988 BUDGET (ECU million)

	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEM- BOURG	NEDER- LAND	PORTUGAL	UNITED KINGDOM	COMMU- NAUTE	TOT. CEE
21 BEEF/VEAL	43,327	104,077	641,366	8,440	32,303	710,277	500,695	244,312	1,007	133,532	0,000	242,947	-186,498	2475,787
210 REFUNDS ON BEEF/VEAL	20,000	39,116	203,720	0,029	4,964	210,396	152,026	52,353	0,000	53,123	0,000	33,007	0,000	768,734
2100	20,000	39,116	203,720	0,029	4,964	210,396	152,026	52,353	0,000	53,123	0,000	33,007	0,000	768,734
211 INTERVENTION STORAGE OF BEEF	12,233	56,018	344,975	-0,004	20,950	377,275	283,897	148,057	-0,033	77,377	0,000	111,396	-186,498	1245,644
2110 PRIVATE STORAGE	0,815	0,906	15,443	0,000	0,000	2,668	31,015	5,657	0,000	1,478	0,000	2,222	0,000	60,204
2111 TECHNICAL COSTS OF PUBLIC STORAGE	1,735	6,858	46,427	0,000	3,914	46,896	28,028	19,680	0,000	9,415	0,000	11,914	0,000	174,868
2112 FINANCIAL COSTS OF PUBLIC STORAGE	1,272	4,307	20,477	0,000	2,653	29,113	18,824	14,315	0,000	5,381	0,000	7,719	0,000	104,562
2113 OTHER PUBLIC STORAGE COSTS	3,344	24,330	123,045	-0,004	2,712	153,652	121,776	47,683	-0,033	33,148	0,000	53,274	0,000	562,926
2114 DEPRECIATION OF BEEF STOCKS	5,067	19,618	139,584	0,000	11,671	144,946	84,254	60,722	0,000	27,954	0,000	36,267	-186,498	343,584
212 INTERVENTION OTHER THAN STORAGE OF BEEF	11,093	8,942	92,672	8,415	6,389	122,606	64,773	43,902	1,040	3,032	0,000	98,544	0,000	461,408
2120 PREMIUMS FOR SUCKLER COWS	3,649	0,618	0,882	4,969	0,426	76,482	20,166	21,134	0,275	0,190	0,000	27,515	0,000	156,306
2121 SPECIAL PREMIUM	7,444	8,324	91,790	2,857	5,962	46,124	28,888	0,000	0,766	0,000	0,000	0,000	0,000	192,155
2122 CALF PREMIUMS	0,000	0,000	0,000	0,590	0,000	0,000	15,719	22,768	0,000	0,000	0,000	3,303	0,000	42,380
2123 PREMIUMS FOR THE SLAUGHTER OF ADULT CATTLE OTHER THAN COWS	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	2,842	0,000	67,725	0,000	70,567
2129 OTHER INTERVENTION	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000

EXPENDITURE CHARGED AGAINST THE 1988 BUDGET (ECU million)

	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPAÑA	FRANCE	IRELAND	ITALIA	LUXEM- BOURG	NEDER- LAND	PORTUGAL	UNITED KINGDOM	COMMU- NAUTE	TOT. CEE
22 SHEEPMEAT AND GOATMEAT	1,697	1,850	34,709	161,498	332,218	190,323	81,299	69,908	0,142	28,468	41,135	350,392	0,000	1293,641
220 Refunds on sheepmeat and goatmeat	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
2200	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
221 INTERVENTION FOR SHEEPMEAT AND GOATMEAT	1,697	1,850	34,709	161,498	332,218	190,323	81,299	69,908	0,142	28,468	41,135	350,392	0,000	1293,641
2210 PREMIUMS	1,697	1,850	34,709	161,498	331,392	190,323	81,299	69,908	0,142	28,468	41,135	350,392	0,000	1292,816
2211 STORAGE	0,000	0,000	0,000	0,000	0,825	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,825
2219 OTHER INTERVENTION	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000

EXPENDITURE CHARGED AGAINST THE 1988 BUDGET (ECU million)														
	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEM- BOURG	NEDER- LAND	PORTUGAL	UNITED KINGDOM	COMMU- NAUTE	TOT.CEE
23 PIGMEAT	10,225	128,907	13,020	0,001	10,322	15,174	1,993	10,673	0,040	23,564	0,000	1,719	0,000	215,637
230 REFUNDS ON PIGMEAT	3,406	120,023	6,035	0,001	7,675	12,560	1,852	2,988	0,040	16,424	0,000	1,280	0,000	172,285
2300	3,406	120,023	6,035	0,001	7,675	12,560	1,852	2,988	0,040	16,424	0,000	1,280	0,000	172,285
231 INTERVENTION FOR PIGMEAT	6,819	8,884	6,985	0,000	2,647	2,614	0,141	7,685	0,000	7,140	0,000	0,439	0,000	43,352
2310	6,819	8,884	6,985	0,000	2,647	2,614	0,141	7,685	0,000	7,140	0,000	0,439	0,000	43,352

EXPENDITURE CHARGED AGAINST THE 1988 BUDGET (ECU million)

	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPAÑA	FRANCE	IRELAND	ITALIA	LUXEM- BOURG	NEDER- LAND	PORTUGAL	UNITED KINGDOM	COMMU- NAUTE	TOT. CEE
24 EGGS AND POULTRYMEAT	11,723	17,723	15,980	0,129	6,020	102,232	0,145	0,844	0,003	34,447	0,000	4,833	0,000	194,079
240 REFUNDS ON EGGS	1,017	0,426	7,131	0,001	2,428	2,684	0,001	0,110	0,003	18,715	0,000	0,816	0,000	33,333
2400	1,017	0,426	7,131	0,001	2,428	2,684	0,001	0,110	0,003	18,715	0,000	0,816	0,000	33,333
241 REFUNDS ON POULTRYMEAT	10,705	17,296	8,849	0,128	3,592	99,548	0,144	0,735	0,000	15,732	0,000	4,017	0,000	160,745
2410	10,705	17,296	8,849	0,128	3,592	99,548	0,144	0,735	0,000	15,732	0,000	4,017	0,000	160,745

EXPENDITURE CHARGED AGAINST THE 1988 BUDGET (ECU million)

	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEM- BOURG	NEDER- LAND	PORTUGAL	UNITED KINGDOM	COMMU- NAUTE	TOT. CEE
25 REFUNDS ON CERTAIN GOODS OBTAINED BY PROCESSING AGRICULTURAL PRODUCTS	25,123	53,388	90,237	2,412	7,318	66,925	60,543	56,025	0,017	148,675	0,152	91,579	0,000	602,392
250 REFUNDS ON CEREALS EXPORTED IN THE FORM OF CERTAIN SPIRITUOUS BEVERAGES	0,000	0,000	0,000	0,000	0,000	0,000	0,798	0,000	0,000	0,099	0,000	44,744	0,000	45,641
2500	0,000	0,000	0,000	0,000	0,000	0,000	0,798	0,000	0,000	0,099	0,000	44,744	0,000	45,641
251 REFUNDS ON CERTAIN GOODS OBTAINED BY PROCESSING AGRICULTURAL PRODUCTS	25,123	53,388	90,237	2,412	7,318	66,925	59,745	56,025	0,017	148,576	0,152	46,835	0,000	556,751
2510	25,123	53,388	90,237	2,412	7,318	66,925	59,745	56,025	0,017	148,576	0,152	46,835	0,000	556,751

EXPENDITURE CHARGED AGAINST THE 1988 BUDGET (EcU million)

	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPAÑA	FRANCE	IRELAND	ITALIA	LUXEM- BOURG	NEDER- LAND	PORTUGAL	UNITED KINGDOM	COMMU- NAUTE	TOT. CEE
27 ACCESSION COMPENSATORY AMOUNTS GRANTED IN INTRA-COMMUNITY TRADE	0,045	-0,029	-0,467	1,264	18,882	29,427	-0,182	3,258	0,000	0,169	2,727	9,238	0,000	64,330
270 ACCESSION COMPENSATORY AMOUNTS GRANTED IN INTRA-COMMUNITY TRADE	0,045	-0,029	-0,467	1,264	18,882	29,427	-0,182	3,258	0,000	0,169	2,727	9,238	0,000	64,330
2700	0,045	-0,029	-0,467	1,264	18,882	29,427	-0,182	3,258	0,000	0,169	2,727	9,238	0,000	64,330

EXPENDITURE CHARGED AGAINST THE 1988 BUDGET (ECU million)

	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEM- BOURG	NEDER- LAND	PORTUGAL	UNITED KINGDOM	COMMU- NAUTE	TOT. CEE
28 MONETARY COMPENSATORY AMOUNTS LEVIED OR PAID IN TRADE IN AGRICULTURAL PRODUCTS	17,442	58,210	104,556	215,205	4,335	33,953	42,458	-18,894	0,004	75,532	3,300	-30,919	0,000	505,183
280 MONETARY COMPENSATORY AMOUNTS IN INTRA-COMMUNITY TRADE	17,442	58,206	76,388	212,052	4,335	33,953	42,456	-18,964	0,004	46,085	3,300	-112,786	0,000	362,472
2800 M.C.A.ON IMPORTS GRANTED BY IMPORTING MEMBER STATES (WITH A DEPREC.CURRENCY)	0,000	0,003	0,000	267,491	7,128	43,257	0,267	3,909	0,000	0,000	3,340	18,767	0,000	344,162
2801 M.C.A.ON IMPORTS GRANTED BY EXPORT.MEMB. STAT.ON BEHALF OF IMP.MEMB.ST.(DEP.CUR.)	17,442	58,496	80,175	0,000	0,000	165,100	87,678	0,000	0,004	56,348	0,000	13,367	0,000	478,610
2802 M.C.A.ON IMPORTS LEVIED BY IMPORTING MEMBER STATES (WITH AN APPREC.CURREN.)	0,000	0,000	-22,382	-0,085	0,000	-0,008	0,000	0,000	0,000	-24,289	0,000	-0,159	0,000	-46,922
2803 M.C.A.ON EXPORTS GRANTED BY EXPORTING MEMBER STATES (WITH AN APPREC.CURREN.)	0,000	0,000	18,595	0,209	0,012	0,000	0,000	0,000	0,000	14,026	0,000	0,907	0,000	33,749
2804 M.C.A.ON EXPORTS LEVIED BY EXPORTING MEMBER STATES (WITH A DEPREC.CURRENCY)	0,000	-0,292	0,000	-55,563	-2,805	-174,397	-45,489	-22,673	0,000	0,000	-0,040	-145,668	0,000	-447,127
281 MONETARY COMPENSATORY AMOUNTS IN TRADE WITH NON-MEMBER COUNTRIES	0,000	0,004	28,168	3,154	0,000	0,000	0,002	0,070	0,000	29,447	0,000	81,666	0,000	142,711
2810 PART OF M.C.A.GRANTED ON IMP.(INTO MEMB. STAT.WITH A DEPREC.CURR.)EXC.IMPORT LEVY	0,000	0,004	0,000	3,154	0,000	0,000	0,002	0,070	0,000	0,000	0,000	81,645	0,000	84,875
2811 M.C.A.ON EXPORTS GRANTED BY EXPORTING MEMBER STATES (WITH AN APPREC.CURRENCY)	0,000	0,000	28,168	0,000	0,000	0,000	0,000	0,000	0,000	29,447	0,000	0,221	0,000	57,836

EXPENDITURE CHARGED AGAINST THE 1988 BUDGET (ECU million)

	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEM- BOURG	NEDER- LAND	PORTUGAL	UNITED KINGDOM	COMMU- NAUTE	TOT.CEE
29 OTHER EXPENDITURE	9,945	1,501	72,711	12,296	42,703	150,787	17,147	30,936	0,068	20,012	1,325	15,703	0,000	375,133
290 CLEARANCE OF PREVIOUS YEARS' ACCOUNTS AND RESIDUAL APPROPRIATIONS	-0,001	1,172	-1,630	0,000	0,000	2,284	4,344	8,644	0,000	13,789	0,000	0,582	0,000	29,183
2900	-0,001	1,172	-1,630	0,000	0,000	2,284	4,344	8,644	0,000	13,789	0,000	0,582	0,000	29,183
291 COMMUNITY COMPENSATING MEASURES	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
2910	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
292 REFUNDS IN CONNECTION WITH COMMUNITY FOOD AID	8,651	0,089	67,331	1,180	4,976	130,777	2,637	20,766	0,000	5,681	0,000	0,582	0,000	242,669
2920 REFUNDS IN CONNECTION WITH COMMUNITY FOOD AID (CEREALS)	7,949	0,000	4,666	1,180	4,976	130,743	0,000	4,878	0,000	3,963	0,000	0,000	0,000	158,356
2921 REFUNDS IN CONNECTION WITH COMMUNITY FOOD AID (RICE)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	15,888	0,000	0,000	0,000	0,000	0,000	15,888
2922 REFUNDS IN CONNECTION WITH COMMUNITY FOOD AID (SUGAR)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
2923 REFUNDS IN CONNECTION WITH COMMUNITY FOOD AID (VEGETABLE OIL/OLIVE OIL)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
2924 REFUNDS IN CONNECTION WITH COMMUNITY FOOD AID (SKIMMED-MILK POWDER)	0,702	0,089	43,299	0,000	0,000	0,034	2,637	0,000	0,000	1,718	0,000	0,582	0,000	49,061
2925 REFUNDS IN CONNECTION WITH COMMUNITY FOOD AID (BUTTEROIL)	0,000	0,000	19,365	0,000	0,000	0,000	0,000	0,000	0,000	-0,000	0,000	0,000	0,000	19,365
294 INTEREST PAYMENTS TO M.S., AFTER CHANGES IN METHOD OF FINANC.EAGGF GUAR.EXPEND.	0,000	0,000	0,000	11,115	15,906	0,000	9,114	0,000	0,000	0,000	1,325	0,000	0,000	37,460
2940	0,000	0,000	0,000	11,115	15,906	0,000	9,114	0,000	0,000	0,000	1,325	0,000	0,000	37,460
295 DIRECT AIDS TO AGRICULTURAL INCOME	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
2950	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000

! ! !
 ! EXPENDITURE CHARGED AGAINST THE 1988 BUDGET (ECU million) !
 ! ! !

!	!	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPAÑA	FRANCE	IRELAND	ITALIA	LUXEM- BOURG	NEDER- LAND	PORTUGAL	UNITED KINGDOM	COMMU- NAUTE	TOT.CEE	!
!	297	1,295	0,240	7,010	0,000	21,820	17,726	1,052	1,526	0,068	0,543	0,000	14,540	0,000	65,821	!
!																!
!	2970	1,295	0,240	7,010	0,000	21,820	17,726	1,052	1,526	0,068	0,543	0,000	14,540	0,000	65,821	!

EXPENDITURE CHARGED AGAINST THE 1988 BUDGET (ECU million)

	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPAÑA	FRANCE	IRELAND	ITALIA	LUXEM- BOURG	NEDER- LAND	PORTUGAL	UNITED KINGDOM	COMMU- NAUTE	TOT. CEE
40 COMMON ORGANIZATION OF THE MARKET IN FISHERY PRODUCTS	0,076	1,546	0,488	0,339	19,384	18,221	0,978	2,786	0,000	-0,065	0,474	2,690	0,000	46,918
400 REFUNDS ON FISHERY PRODUCTS	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	-0,129	0,000	0,000	0,000	-0,129
4000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	-0,129	0,000	0,000	0,000	-0,129
401 INTERVENTION FOR FISHERY PRODUCTS	0,076	1,546	0,488	0,339	19,384	18,221	0,978	2,786	0,000	0,064	0,474	2,690	0,000	47,047
4010 INTERVENTION FOR FISHERY PRODUCTS	0,076	1,546	0,488	0,339	19,384	18,221	0,978	2,786	0,000	0,064	0,474	2,690	0,000	47,047

EXPENDITURE CHARGED AGAINST THE 1988 BUDGET (ECU million)														
	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEM- BOURG	NEDER- LAND	PORTUGAL	UNITED KINGDOM	COMMU- NAUTE	TOT.CEE
81 DEPRECIATION OF INTERVENTION STOCKS	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	1240,000	1240,000
810 DEPRECIATION OF INTERVENTION STOCKS	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	1240,000(1)	1240,000
8100	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	1240,000	1240,000
TOTAL	721,448	1212,362	4904,407	1318,785	1887,276	6209,705	1081,313	4349,675	2,997	3831,514	157,224	1992,835	17,815	27687,256

N.B.: This expenditure covers an overall period of about eleven and a half months, from beginning of November 1987 to 15 October 1988.

(1) This amount is divided among budget headings 1014 (cereals), 2034 (milk products) and 2114 (beef).

ANNEX 3 : EAGGF GUARANTEE EXPENDITURE BY SECTOR (1)

(PBUD/1272-5)

NATURE OF EXPENDITURE	(ECU million)					
	1983	1984	1985	1986	1987 (7)	1988 (8)
CEREALS	2.441,2	1.650,0	2.310,2	3.391,2	4.137,6	4.264,4
Refunds	1.525,0	918,3	1.076,7	1.711,7	3.070,6	2.924,6
Intervention, of which :	916,2	731,7	1.233,5	1.679,5	1.067,0	1.339,8
- production refunds	129,7	175,5	180,8	177,7	235,6	393,3
- aid for durum wheat	218,5	200,3	242,5	210,8	256,2	275,1
- storage	565,6	355,8	810,1	1.347,4	937,2	1.274,7
- co-resp. levy	-	-	-	56,4	378,7	677,5
RICE	92,9	47,8	50,1	93,7	99,0	72,8
Refunds	67,9	26,9	36,6	91,9	95,0	61,0
Intervention	25,0	20,9	13,5	1,8	4,0	11,8
SUGAR	1.316,2	1.631,5	1.804,5	1.725,5	2.035,6	2.081,8
Refunds	758,1	1.190,0	1.352,8	1.238,4	1.515,8	1.566,2
Intervention, of which :	558,1	441,5	451,7	487,2	519,8	515,6
- reimburs. storage costs	550,5	429,8	440,1	470,8	469,0	428,9
OLIVE OIL	675,3	1.096,4	692,2	604,3	1.139,2	945,0
Refunds	9,7	8,1	19,2	29,4	23,2	64,2
Intervention	665,6	1.088,3	673,0	574,9	1.116,0	880,8
OILSEEDS	945,6	655,6	1.110,6	2.027,5	2.687,4	2.971,8
Refunds	3,7	0,4	3,4	2,3	64,0	24,9
Intervention, of which :	941,9	655,2	1.107,2	2.025,2	2.623,4	2.946,9
- Rape and sunflower seed	924,8	613,1	982,8	1.801,8	2.189,0	2.341,0
- Soya	6,2	32,7	115,5	200,2	405,3	570,2
- Flax seed	14,5	7,2	9,4	23,1	29,7	33,3
PROTEIN PLANTS	142,3	215,6	372,5	460,0	587,2	689,3
Refunds	-	-	-	-	-	-
Intervention, of which :	142,3	215,6	372,5	460,0	587,2	689,3
- peas and field beans	84,6	139,4	255,5	305,4	419,4	471,1
- dried fodder	57,7	76,1	116,9	154,1	167,3	217,5
FIBRE PLANTS AND SILKWORMS, of which :	160,0	108,0	240,6	565,0	306,4	454,2
- flax and hemp	19,3	19,2	27,2	32,3	21,2	25,5
- cotton	140,1	88,2	212,7	532,2	284,7	428,2
FRUIT AND VEGETABLES	1.196,1	1.454,6	1.230,7	986,0	967,1	708,2
Refunds	58,1	58,6	74,5	77,0	66,8	64,6
- fresh	51,9	50,1	63,0	65,0	52,3	48,5
- processed	6,2	8,5	11,5	12,0	14,5	16,1
Intervention	1.138,0	1.396,0	1.156,2	909,0	900,3	643,6
- fresh	397,9	569,1	338,9	491,8	533,7	234,0
- processed	740,1	826,9	817,3	417,2	366,6	409,6
WINE	659,2	1.222,6	921,4	630,8	800,3	1.545,6
Refunds	20,2	18,6	18,9	11,2	20,4	43,5
Intervention, of which :	639,0	1.204,0	902,5	619,6	779,9	1.502,1
- private storage aid	142,5	135,6	87,6	70,5	57,2	85,5
- compulsory distillation	-	-	-	-	-	-
- of by-products of	-	-	-	-	-	-
- wine-making	63,1	88,6	65,3	55,8	91,4	96,9
- other (mainly distil.)	391,4	852,4	599,0	406,1	508,0	627,5
TOBACCO	671,3	776,4	862,9	782,2	803,6	966,1
Refunds	27,9	36,5	32,0	32,1	43,1	43,1
Intervention	643,4	739,9	830,9	750,1	760,5	923,0

: OTHER SECTORS, of which :	55,6	51,5	54,6	56,4	44,5	59,8
: - seeds	43,0	42,4	46,4	46,5	41,9	50,4
: - hops	8,2	8,4	8,2	8,6	1,5	8,5
: MILK AND MILK PRODUCTS	4.396,1	5.441,7	5.933,2	5.405,8	5.013,0	5.915,1
: Refunds	1.326,8	1.943,4	2.028,2	2.154,9	2.257,9	3.013,9
: Intervention, of which :	3.069,3	3.498,3	3.905,0	3.250,9	2.755,1	2.901,2
: - aid for skimmed milk	1.630,7	1.841,3	1.827,1	1.950,3	1.743,0	1.623,3
: - storage of skimmed milk	634,5	819,5	580,0	384,0	244,4	- 10,5
: - storage of butter	410,8	830,9	1.325,8	1.035,4	705,5	708,1
: - disposal of butter	496,4	450,1	403,0	201,7	252,5	241,5
: - partic.by milk producers:	- 527,4	- 749,2	- 637,3	- 717,1	- 601,3	- 535,6
: - expansion of the markets:	154,2	183,7	210,0	204,7	310,9	782,3
: BEEF/VEAL	1.736,5	2.546,8	2.745,8	3.481,7	2.148,7	2.475,8
: Refunds	828,2	1.392,7	1.338,6	1.214,3	877,9	768,7
: Intervention, of which :	908,3	1.154,1	1.407,2	2.267,4	1.270,8	1.707,1
: - public and private						
: storage	632,4	814,5	1.094,1	2.030,5	1.050,3	1.245,6
: - calf premiums	103,0	152,4	116,6	72,2	19,4	42,4
: SHEEPMET AND GOATMEAT	305,6	433,5	502,4	616,9	573,8	1.293,7
: Refunds	0,0	-	-	-	-	-
: Intervention	305,6	433,5	502,4	616,9	573,8	1.293,7
: PIGMEAT	145,0	195,9	165,4	151,8	158,6	215,6
: Refunds	120,2	157,0	102,9	75,3	111,5	172,3
: Intervention	24,8	38,9	62,5	76,5	47,1	43,3
: EGGS AND POULTRY	123,3	69,8	63,2	97,8	152,0	194,1
: Refunds	123,3	69,8	63,2	97,8	152,0	194,1
: - eggs	30,4	20,4	18,2	27,3	29,1	33,3
: - poultry	92,9	49,4	45,0	70,5	122,9	160,8
: NON-ANNEX II PRODUCTS	343,2	382,4	440,8	502,9	590,3	602,4
: Refunds	343,2	382,4	440,8	502,9	590,3	602,4
: FISHERIES	25,7	15,6	16,1	18,0	17,4	46,9
: Refunds	8,2	0,9	- 0,1	-	-	- 0,1
: Intervention	17,5	14,7	16,2	18,0	17,4	47,0
: TOTAL AGRICULTURAL EXPENDITURE	15.431,1	17.995,7	19.517,2	21.597,5	22.261,6	25.502,6
: Accession compensatory amounts	0,3	0,3	0,2	5,8	18,0	64,3
: Monetary compensatory amounts	488,3	375,9	189,6	475,9	636,9	505,2
: Depreciation of intervention stocks	-	-	-	-	-	1.240,0
: Community compensation measures	-	-	136,4	113,5	-	-
: Food aid refunds (*)	-	-	-	-	259,4	242,7
: Interest following changes in financing method	-	-	-	-	-	37,5
: Free distribution of intervention products	-	-	-	-	-	65,8
: TOTAL EXPENDITURE	15.919,7/15.811,6	18.371,9/18.346,4	19.843,4/19.744,2	22.192,7/22.137,4	23.175,9/	27.658,1/
: EAGGF GUARANTEE SECTION	(2)	(3)	(4)	(5)	22.967,7 (6)	27.687,3 (9)

- (1) The expenditure is based on the claims by the Member States under the advance payments arrangements and charged to each year in accordance with Article 97 of the Financial Regulation.
- (2) Including the reduction in expenditure of ECU 108.1 m disallowed when the 1976/1977 accounts were cleared.
- (3) Including the reduction in expenditure of ECU 25.5 m disallowed when the 1978/1979 accounts were cleared.
- (4) Including the reduction in expenditure of ECU 99.2 m disallowed when the 1980/1981 accounts were cleared.
- (5) Including the reduction in expenditure of ECU 55.3 m disallowed when the 1982 accounts were cleared.
- (6) Including the reduction in expenditure of ECU 208.2 m disallowed when the 1983/1985 accounts were cleared.
- (7) Expenditure charged against the 1987 budget (1 January 1987/end of October/beginning of November 1987).
- (8) Expenditure charged against the 1988 budget (beginning of November 1987/15 October 1988).
- (9) Including the balance outstanding for the clearance of accounts for 1985 and previous years (+ ECU 29.2 million).
- (*) Before 1987 such refunds were incorporated in the heading "Refunds" for the different sectors.

ANNEX 4

Breakdown of expenditure by sector and economic category - 1988 (1)

(2)	Sector	Total expenditure		Export refunds		Intervention (3)	
		ECU million	%	ECU million	%	ECU million	%
10	CEREALS, of which	4.337,2	15,6	2.985,6	30,0	1.351,6	7,6
	- rice	(72,8)		(61,0)		(11,8)	
11	SUGAR	2.081,8	7,5	1.566,1	15,7	515,7	2,9
120	OLIVE OIL	945,0	3,4	64,2	0,6	880,8	5,0
121	OILSEEDS, of which	2.971,8	10,7	24,9	0,3	2.946,9	16,7
	- rape and sunflower seed	(2.368,3)		(24,9)		(2.343,4)	
13	PROTEIN PLANTS, of which	689,3	2,5	-		689,3	4,0
	- peas and field beans	(471,1)		(-)		(471,1)	
	- dried fodder	(217,5)		(-)		(217,5)	
14	FIBRE PLANTS, of which	454,2	1,6	-		454,2	2,6
	- flax and hemp	(25,5)		(-)		(25,5)	
	- cotton	(428,2)		(-)		(428,2)	
	- silkworms	(0,5)		(-)		(0,5)	
15	FRUIT AND VEGETABLES, of which	708,2	2,6	64,5	0,7	643,7	3,7
	- processed fruit and vegetables	(425,7)		(16,0)		(409,7)	
16	WINE PRODUCTS	1.545,5	5,6	43,5	0,4	1.502,0	8,5
17	TOBACCO	966,1	3,5	43,2	0,4	922,9	5,2
18	OTHER SECTORS, of which	59,8	0,2	-		59,8	0,4
	- seeds	(50,4)				(50,4)	
	- hops	(8,5)				(8,5)	
20	MILK PRODUCTS, of which	5.915,1	21,3	3.014,0	30,3	2.901,1	16,5
	- skimmed milk	(4.119,0)		(2.167,3)		(1.951,7)	
	- butter and cream	(1.796,1)		(846,7)		(949,4)	
21	BEEF/VEAL	2.475,8	9,0	768,7	7,7	1.707,1	9,6
22	SHEEPMEAT AND GOATMEAT	1.293,6	4,7	-		1.293,6	7,3
23	PIGMEAT	215,7	0,8	172,3	1,8	43,4	0,2
24	EGGS AND POULTRY	194,1	0,7	194,1	2,0	-	
25	NON-ANNEX II PRODUCTS	602,4	2,2	602,4	6,2	-	
40	FISHERIES	46,9	0,2	- 0,1		47,0	0,3
27	ACCESSION COMPENSATORY AMOUNTS	64,4	0,2	-		64,4	0,4
28	MONETARY COMPENSATORY AMOUNTS	505,2	1,8	142,7	1,4	362,5	2,1
292	FOOD AID REFUNDS	242,7	0,9	242,7	2,5	-	
810	DEPRECIATION OF STOCKS	1.240,0	4,5	-		1.240,0	7,0
	SUBTOTAL	27.554,8	99,5	9.928,8	100	17.626,0	100
291	CLEARANCE PREVIOUS YEARS	29,2	0,1	i.e. 36,0 %		i.e. 64,0 %	
	OTHER	103,2	0,4	of agricultural expenditure (27.554,8)			
	TOTAL	27.687,2	100				

(1) Expenditure charged against 1988 budget.

(2) Budget chapters.

(3) Breakdown of intervention by economic category is shown in Annex 7.

ANNEX 5

(PBUD/1272-9)

Breakdown of expenditure by sector and economic category (ECU million)

	1983	%	1984	%	1985	%	1986	%	1987	%	1988	%
	(*)		(*)		(*)		(*)		(1)(*)		(2)(*)	
Total expenditure (including CAs)	15.919,7	100,0	18.371,9	100,0	19.707,0	100,0	22.079,2	100,0	23.175,9	100,0	27.554,8	100,0
Refunds (R)	5.559,7	35,0	6.619,1	36,0	6.716,1	34,1	7.409,2	33,6	9.374,8	40,4	9.928,8	36,0
Intervention (I)	10.360,0	65,0	11.752,8	64,0	12.990,9	65,9	14.670,0	66,4	13.801,1	59,6	17.626,0	64,0
Cereals (excl. rice)	2.441,2	15,3	1.650,0	9,0	2.310,2	11,7	3.391,2	15,4	4.223,9	18,2	4.422,8	16,1
R	1.525,0	9,6	918,3	5,0	1.076,7	5,5	1.711,7	7,8	3.156,8	13,6	3.083,0	11,2
I	916,2	5,7	731,7	4,0	1.233,5	6,2	1.679,5	7,6	1.067,1	4,6	1.339,8	4,9
Sugar	1.316,2	8,3	1.631,5	8,9	1.804,5	9,2	1.725,6	7,8	2.035,6	8,8	2.081,8	7,6
R	758,1	4,8	1.190,0	6,5	1.352,8	6,9	1.238,4	5,6	1.515,8	6,6	1.566,1	5,7
I	558,1	3,5	441,5	2,4	451,7	2,3	487,2	2,2	519,8	2,2	515,7	1,9
Fruit and vegetables	1.196,1	7,5	1.454,6	7,9	1.230,7	6,3	986,0	4,4	967,1	4,2	708,2	2,5
R	58,1	0,4	58,6	0,3	74,5	0,4	77,0	0,3	66,8	0,3	64,5	0,2
I	1.138,0	7,1	1.396,0	7,6	1.156,2	5,9	909,0	4,1	900,3	3,9	643,7	2,3
Milk and milk products	4.396,1	27,6	5.441,7	29,6	5.933,2	30,1	5.405,7	24,5	5.182,3	22,3	5.983,5	21,7
R	1.326,8	8,3	1.943,4	10,6	2.028,2	10,3	2.154,9	9,8	2.427,2	10,4	3.082,3	11,2
I	3.069,3	19,3	3.498,3	19,0	3.905,0	19,8	3.250,8	14,7	2.755,1	11,9	2.901,2	10,5
Beef/veal	1.736,5	10,9	2.546,8	13,9	2.745,8	13,9	3.481,7	15,8	2.148,7	9,3	2.475,8	9,0
R	828,2	5,2	1.392,7	7,6	1.338,6	6,8	1.214,3	5,5	877,9	3,8	768,7	2,8
I	908,3	5,7	1.154,1	6,3	1.407,2	7,1	2.267,4	10,3	1.270,8	5,5	1.707,1	6,2
Other products or headings (3)	4.833,6	30,4	5.647,3	30,7	5.682,6	28,8	7.089,0	32,1	8.618,3	37,2	11.882,7	43,1
R	1.063,5	6,7	1.116,1	6,1	845,3	4,3	1.012,9	4,6	1.330,3	5,7	1.364,2	4,9
I	3.770,1	23,7	4.531,2	24,6	4.837,3	24,5	6.076,1	27,5	7.288,0	31,5	10.518,5	38,2

(*) Not including consequences of accounts clearance, Community compensation measures or miscellaneous measures (interest, change in financing method and free distribution).

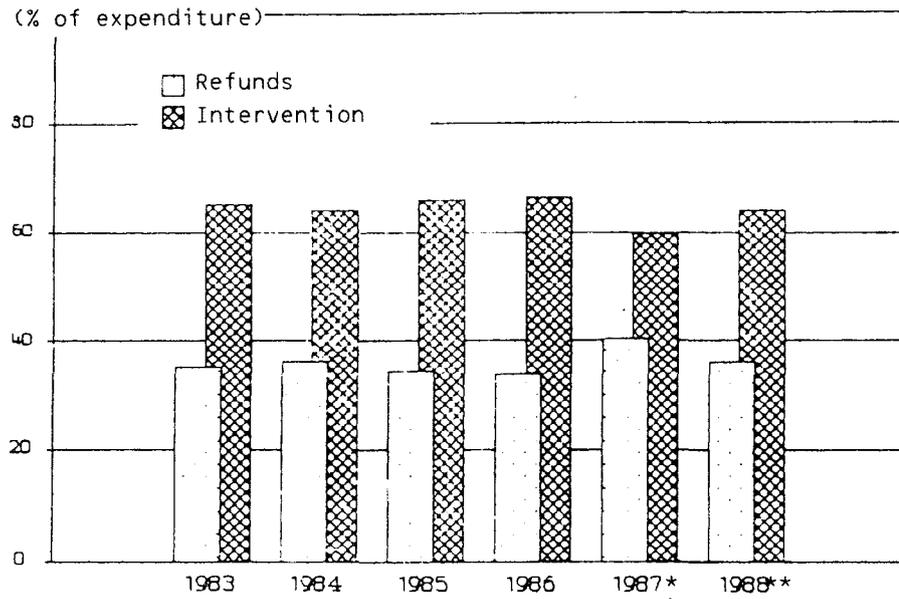
(1) Expenditure charged against 1987 budget.

(2) Expenditure charged against 1988 budget.

(3) of which "Depreciation of stocks" (1,240.0).

ANNEX 6

Breakdown of expenditure by economic category



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

ANNEX 7

Breakdown of expenditure by economic category

		(ECU million)				
Budg: Chap:	Sector	Total intervention (1)	Storage (2)	Withdrawals and similar operations	Price compen- sating aids (3)	Guidance premiums
10	CEREALS, of which	1.351,6	1.274,7 *	-	76,9(4)	-
	- rice	(11,8)	(-)		(11,8)	
11	SUGAR	515,7	429,0	-	86,7	-
12	OLIVE OIL	880,8	86,0	-	794,8	-
130	OILSEEDS, of which	2.946,9	2,4	-	2.944,5	-
	- rape and sunflower	(2.343,4)	(2,4)		(2.341,0)	
131	PROTEIN PLANTS, of which	689,3	-	-	689,3	-
	- peas and field beans	(471,1)			(471,1)	
	- dried fodder	(217,5)			(217,5)	
14	FIBRE PLANTS, of which	454,2	1,2	-	453,0	-
	- flax and hemp	(25,5)	(1,2)		(24,3)	
	- cotton	(428,2)			(428,2)	
	- silkworms	(0,5)			(0,5)	
15	FRUIT AND VEGETABLES, of which	643,7	2,0	169,2	472,5	-
	- processed fruit and veget.	(409,7)	(2,0)	(-)	(407,7)	
16	WINE	1.502,0	677,4	724,4	100,2	-
17	TOBACCO	922,9	27,6	-	895,3	-
18	OTHER SECTORS, of which	59,8	-	-	59,8	-
	- seeds	(50,4)			(50,4)	
	- hops	(8,5)			(8,5)	
20	MILK PRODUCTS, of which	2.901,1	789,8 *	-	1.516,6(5)	594,7
	- skimmed milk	(1.951,7)	(-10,5)		(1.623,3)	(-)
	- butter and cream	(949,4)	(708,0)*		(241,4)	(-)
21	BEEF/VEAL	1.707,1	1.245,6 *	-	419,1	42,4
22	SHEEP- AND GOATMEAT	1.293,6	0,8	-	1.292,8	-
23	PIGMEAT	43,4	43,4	-	-	-
24	EGGS AND POULTRY	-	-	-	-	-
25	NON-ANNEX II PRODUCTS	-	-	-	-	-
40	FISHERIES	47,0	-	8,4	38,6	-
27	ACCESSION COMPENSATORY AMOUNTS	64,4	-	-	64,4	-
28	MONETARY COMPENSATORY AMOUNTS (intra-Community trade)	362,5	-	-	362,5	-
810	DEPRECIATION OF INTERV. STOCKS	1.240,0	1.240,0 **	-	-	-
TOTAL		17.626,0	5.819,9	902,0	10.267,0	637,1
%		100 %	33,0 %	5,1 %	58,3 %	3,6 %

(1) Expenditure charged against 1988 budget.

(2) Details of expenditure on storage are given in Annex 8.

(3) The breakdown of expenditure on intervention in the form of price compensating aids is given in Annex 9.

(4) This amount takes into account the collection of the co-responsibility levy (- ECU 677.5 million).

(5) This amount takes account of the financial contribution of milk producers (- ECU 535.6 million).

* Not including depreciation under Article 810.

** of which ECU 77.3 million for cereals, ECU 306.2 million for butter and ECU 186.5 million for beef/veal.

ANNEX 8

Breakdown of intervention expenditure in the form of storage costs

(1988)

(ECU million)

Products	Total	Private storage	Public storage	of which			
				Technical costs	Financing costs	Difference between: buying-in and selling prices	Depreciation
	a=b+c	b	c=d+e+f+g	d	e	f	g
Cereals	2.022,0	0,0	2.022,0	225,6	93,2	649,1	1.054,1
Rice	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Sugar	429,0	429,8	- 0,8	0,6	0,7	- 2,1	0,0
Olive oil	86,0	0,0	86,0	38,2	30,9	16,9	0,0
Oilseeds (rape and sunflower)	2,4	0,0	2,4	1,9	1,1	- 0,6	0,0
Fibre flax and hemp	1,2	1,2	0,0	0,0	0,0	0,0	0,0
Figs and dried grapes	2,0	2,0	0,0	0,0	0,0	0,0	0,0
Wine/alcohol	677,4	85,5	591,9	4,4	11,2	0,0	576,3
Tobacco	27,6	0,0	27,6	7,3	4,1	6,8	9,4
Milk products	1.096,0	164,9	931,1	76,5	301,0	125,5	428,1
- skimmed milk powder	(- 10,5)	(0,0)	(- 10,5)	(9,1)	(38,7)	(- 58,3)	(0,0)
- butter and cream	(1.014,3)	(72,7)	(941,6)	(67,4)	(262,3)	(183,8)	(428,1)
- cheese	(92,2)	(92,2)	(0,0)	(0,0)	(0,0)	(0,0)	(0,0)
Beef/veal	1.432,1	60,1	1.372,0	174,9	104,0	563,0	530,1
Sheep- and goatmeat	0,8	0,8	0,0	0,0	0,0	0,0	0,0
Pigmeat	43,4	43,4	0,0	0,0	0,0	0,0	0,0
Fisheries	0,0	0,0	0,0	0,0	0,0	0,0	0,0
TOTAL	5.819,9	787,7	5.032,2	529,4	546,2	1.358,6	2.598,0

- (1) Sugar storage costs are covered by charging storage levies to sugar manufacturers.
- (2) This figure does not take account of compensatory aid of ECU 22.4 million to cover losses on sales of goods in private storage.
- (3) The amount of the depreciation is broken down as follows : "mixed" alcohol ECU 430.6 million and "public" alcohol ECU 145.7 million.

ANNEX 9

Breakdown of intervention expenditure in the form of price compensating aids

(ECU million)

Sector	Total	Production aid	Aid for processing and final consumption
CEREALS, of which	76,9	- 361,6 (1)	438,5
- rice	(11,8)	(-)	(11,8)
- co-responsibility	(- 677,5)	(- 677,5)	(-)
SUGAR	86,7	-	86,7
OLIVE OIL	794,8	319,6	475,2
OILSEEDS, of which	2.944,5	2.944,5	-
- rape and sunflower	(2.341,0)	(2.341,0)	(-)
PROTEIN PLANTS, of which	689,3	689,3	-
- peas and field beans	(471,1)	(471,1)	(-)
- dried fodder	(217,5)	(217,5)	(-)
FIBRE PLANTS, of which	453,0	453,0	-
- flax and hemp	(24,3)	(24,3)	(-)
- cotton	(428,2)	(428,2)	(-)
- silkworms	(0,5)	(0,5)	(-)
FRUIT AND VEGETABLES, of which	472,5	11,0	461,5
- processed fruit and veget.	(407,7)	(-)	(407,7)
WINE	100,2	-	100,2
TOBACCO	895,3	895,3	-
OTHER SECTORS, of which	59,8	59,8	-
- seeds	(50,4)	(50,4)	(-)
- hops	(8,5)	(8,5)	(-)
MILK PRODUCTS, of which	1.516,6	- 535,6	2.052,2
- skimmed milk	(1.623,3)	(-)	(1.623,3)
- butter and cream	(241,4)	(-)	(241,4)
- co-responsibility	(- 535,6)	(- 535,6)	(-)
BEEF/VEAL	419,1	-	419,1
SHEEPMEAT AND GOATMEAT	1.292,8	1.292,8	-
FISHERIES	38,6	-	38,6
ACAs	64,4	-	64,4
MCAs (intra-Community trade)	362,5	-	362,5
TOTAL	10.267,0	5.768,1	4.498,9

(1) Production aid for durum wheat = + ECU 275.1 million.

ANNEX 10

QUANTITY AND VALUE OF PRODUCTS IN PUBLIC STORAGE

Product	Situation at 30.9.1987		Situation at 30.9.1988			Situation at 31.12.1988		
	(1)		Quantity	Book value	Foreseeable sales value	Quantity	Book value	Foreseeable sales value
	Quantity	Book value						
	(tonnes)	(ECU million)	(tonnes)	(ECU million)	(ECU million)	(tonnes)	(ECU million)	(ECU million)
Common wheat	3.406.150	750,1	2.381.683	325,7	168,5	2.669.429	306,9	189,5
Common wheat not suitable for bread-making	3.417.301	659,2	1.756.038	219,2	89,3	1.105.525	115,2	56,4
Barley	4.326.100	856,3	3.572.186	415,4	201,1	3.066.886	300,1	171,7
Rye	1.055.059	231,5	876.367	109,2	33,8	905.454	90,2	35,3
Durum wheat	1.529.732	434,3	2.336.107	436,4	228,5	2.165.299	344,1	212,2
Maize	22.297	4,1	18.357	1,5	0,8	18.393	1,2	0,7
Sorghum	8.205	1,6	10.885	1,2	0,4	7.885	0,7	0,3
Sugar	0	-	0	-	-	0	-	-
Olive oil	325.225	491,3	408.197	656,6	656,6	349.207	565,9	565,9
Rape	0	-	37.974	15,2	6,4	9.935	3,4	1,7
Sunflower	142	0,1	147.108	70,7	26,1	146.149	60,1	26,0
Alcohol	1.091.601 hl	102,2	2.891.986 hl	135,9	20,2	3.307.691	128,7	23,2
Tobacco - leaf	3.369	2,2	1.155	1,0	0,2	2	p.m.	p.m.
Tobacco - processed	20.146	15,2	5.660	2,8	1,2	6.630	2,9	1,4
Tobacco - baled	5.231	6,3	39.777	67,8	8,4	44.868	51,6	9,5
Skimmed milk powder	721.753	1.380,1	14.116	27,7	20,8	9.598	17,0	14,2
Butter	1.058.353	3.523,6	221.079	584,0	298,1	101.194	233,3	136,5
Beef (quarters)	483.973	1.355,6	558.605	1.147,4	388,3	445.908	752,9	309,9
Boned beef	207.125	760,9	164.320	445,1	286,0	136.681	329,1	238,0
Pigmeat	-	-	-	-	-	-	-	-
TOTAL		10.574,6		4.662,8	2.434,7		3.303,3	

FOOTNOTES (ANNEX 10)

- (1) Article 6(1) of Regulation (EEC) No 3184/83, as amended by Regulation (EEC) No 3188/87, provides that second-category expenditure to be claimed for a given year is to be calculated on the basis of the operations carried out during the period from October of one year to September of the next year.
- (2) The value expressed in ecus has been obtained by applying to the carryover value in national currency the budgetary rates valid for the conversion of expenditure in September 1987.
- (3) The value expressed in ecus has been obtained by applying to the carryover value in national currency the budgetary rates valid for the conversion of expenditure in September 1988.
- (4) These amounts correspond to the book values less the potential costs resulting from losses foreseeable on disposal (cf. Annex 11).
- (5) Claims made by Member States on 31 December 1988 : the value expressed in ecus has been obtained by applying to the value of stocks in national currency the budgetary rates valid for the conversion of expenditure in December 1988.

ANNEX 11

ESTIMATE OF POTENTIAL COST OF DISPOSING OF AGRICULTURAL PRODUCTS HELD IN INTERVENTION

Product	Quantities in store at 30.9.88 (tonnes)	Losses on sale ECU (B)/t (1)	Potential cost ECU million(B)	Quantities in store at 31.12.88 (tonnes)	Losses on sale ECU(B)/t (1)	Potential cost ECU million(B)
Common wheat	2.381.683	66	157,2	2.669.429	44	117,4
Common wheat not suitable for bread-making	1.756.038	74	129,9	1.105.525	53	58,6
Barley	3.572.186	60	214,3	3.066.886	42	128,8
Rye	876.367	86	75,4	905.454	61	55,2
Durum wheat	2.336.107	89	207,9	2.165.299	61	132,0
Maize	18.357	39	0,7	18.393	27	0,5
Sorghum	10.885	72	0,8	7.885	50	0,4
Sugar	-	-	-	-	-	-
Olive oil	408.197	-	-	349.207	-	-
Rape	37.974	233	8,8	9.935	175	1,7
Sunflower	147.108	303	44,6	146.149	233	34,1
Alcohol	2.891.986 (hl)	40	115,7	3.307.691	32	105,8
Tobacco - leaf	1.155	663	0,8	2	460	p.m.
Tobacco - processed	5.660	275	1,6	6.630	234	1,6
Tobacco - baled	39.770	1.494	59,4	44.868	940	42,2
Skimmed milk powder	14.116	486	6,9	9.598	294	2,8
Butter	221.079	1.293	285,9	101.194	956	96,7
Beef (quarters)	558.605	1.359	759,1	445.908	993	442,8
Boned beef	164.320	968	159,1	136.681	667	91,2
TOTAL, public storage			2.228,1			1.311,8
+ "mixed" alcohol (3)	6.603.463 (hl)	17 (2)	111,7	6.870.131(hl)	14 (2)	96,4
GRAND TOTAL			2.339,8			1.408,2

(1) The data are based on the loss prospects at the end of 1988 and on the estimates used for the establishment of the 1989 budget appropriations.

(2) Estimated losses in ECU/hl.

(3) Stocks of alcohol held by Member States, the losses on which are borne by the EAGGF Guarantee Section on disposal, in accordance with Article 37(1) of Regulation (EEC) No 822/87.

ANNEX 12Overall cost of the Guarantee Section as a percentage of gross domestic product (GDP)

Year	EAGGF Guarantee expenditure (ECU billion)		Community gross domestic product at market prices (current rates and prices) (ECU billion) (Source : Cronos-secl)(2):	EAGGF Guarantee expenditure as % of Community gross domestic product	
	Gross (1)	Net of agricultural charges		Gross	Net
a	b	c	d	e = 100 b/d	f = 100 c/d
1978	8,673	6,390	1.613,2	0,54	0,40
1979	10,441	8,297	1.815,4	0,58	0,46
1980	11,315	9,312	2.050,1	0,55	0,45
1981	10,980	9,233	2.285,3	0,48	0,40
1982	12,406	10,178	2.489,4	0,50	0,41
1983	15,812	13,517	2.681,5	0,59	0,50
1984	18,346	15,910	2.887,3	0,64	0,55
1985	19,744	17,565	3.097,0	0,64	0,57
1986	22,137	19,850	3.535,7	0,63	0,56
1987	22,968 (*)	19,870	3.721,2	0,62	0,53
1988	27,687 (**)	24,791	3.987,9 (3)	0,69	0,62

(1) Including consequences of accounts clearances

(2) 1978 to 1980 = EUR 9

1981 to 1985 = EUR 10

From 1986 = EUR 12

(3) Estimate

(*) 1987 financial year

(**) 1988 financial year

ANNEX 13

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

(ECU million)

Measure	From								From
	16.9.77 to: 31.12.81	1982	1983	1984	1985	1986	1987 (1)	1988 (2)	16.9.77 to: 15.10.88
A. Revenue from co-responsibility levy (3)	975,8	537,3	527,4	699,7	639,4	551,6	447,6	487,3	4.866,1
B. Total expenditure :	975,8	537,3	527,4	699,7	639,4	551,6	447,6	487,3	4.866,1
a) school milk (R. 1080/77)	127,4	49,1	59,8	88,3	103,5	112,5	99,3	112,7	752,6
b) butter for the manufacture of ice-cream (R. 232/75, R. 262/79, R. 1932/81, R. 570/88)	108,2	22,6	30,9	28,4	36,0	27,9	40,6	49,6	344,2
c) butter for pastry manufacture (R.262/79, R.1932/81, R.442/84, R.570/88)				125,7	95,1	135,8	122,3	117,2	596,1
d) concentrated butter for direct consumption (R.349/73, R.649/78, R.3143/85)	20,5	5,7	5,4	7,4	4,6	37,0	p.m.(4)	p.m.(4)	80,6
e) promotion, advertising and market research in the Community (R. 723/78))))))))))
f) market research outside the Community (R. 1993/78, R. 1024/78))))))))))
g) improvement of the quality of milk (R. 1271/78)	32,3	6,5	10,6	11,7	9,3	9,0	5,2	1,5	86,1
h) disposal for pig and poultry feed (R. 368/77, 443/77, 1844/77)		88,2	168,4	237,5	244,3	53,5	-	-	791,9
i) other butter destocking schemes						152,7	102,1	2,3	257,1
j) financing of priority schemes	578,1	339,6	192,3	149,1	87,1	- 22,0	37,4	168,9	1.530,5

(1) Revenue from co-responsibility levy and expenditure against the 1987 budget (approximately 10 months).

(2) Revenue from co-responsibility levy and expenditure against the 1988 budget (approximately 11 1/2 months).

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

(4) Expenditure in the Member States on the disposal of concentrated butter was ECU 67,4 million in 1987 and ECU 162,8 million in 1988. That expenditure will be reimbursed to the Member States in four instalments from 1989 pursuant to Regulation (EEC) No 801/87.

EQUALIZATION OF STORAGE COSTS FOR SUGAR

COMMUNITY SUGAR

Situation at 31.1.1989

Sugar year	Total levies (ECU)	Total reimbursements (ECU)	Annual balance		Cumulative balance		Duration of storage: (months)
			absolute (ECU)	% (a)	absolute (ECU)	% (b)	
1968/69	64.844.437,00	63.916.054,19	+ 928.382,81	+ 1,43	+ 928.382,81	+ 1,43	5,63
1969/70	65.226.052,11	69.848.500,70	- 4.622.448,59	- 7,09	- 3.694.065,78	- 2,84	6,13
1970/71	69.029.052,44	65.111.106,99	+ 3.917.945,45	+ 5,68	+ 223.879,67	+ 0,11	5,38
1971/72	97.151.231,54	92.680.188,23	+ 4.471.043,31	+ 4,60	+ 4.694.922,98	+ 1,58	5,94
1972/73	91.067.000,23	90.747.372,33	+ 319.627,90	+ 0,35	+ 5.014.550,88	+ 1,29	5,81
1973/74	101.755.638,48	92.645.695,20	+ 9.109.943,28	+ 8,95	+ 14.124.494,16	+ 2,89	4,80
1974/75	104.267.684,38	97.929.484,41	+ 6.338.199,97	+ 6,08	+ 20.462.694,13	+ 3,45	4,64
1975/76	109.434.959,31	160.690.227,31	- 51.255.268,00	- 46,84	- 30.792.573,87	- 4,38	6,24
1976/77	201.167.705,37	184.974.731,36	+ 16.192.974,01	+ 8,05	- 14.599.599,86	- 1,62	5,99
1977/78	233.088.196,54	230.545.532,13	+ 2.542.664,41	+ 1,09	- 12.056.935,45	- 1,06	5,84
1978/79	248.919.064,38	239.528.446,20	+ 9.390.618,18	+ 3,77	- 2.666.317,27	- 0,19	6,35
1979/80	239.233.167,49	251.107.813,79	- 11.874.646,30	- 4,96	- 14.540.963,57	- 0,89	6,17
1980/81	326.426.745,59	316.364.823,82	+ 10.061.921,77	+ 3,08	- 4.479.041,80	- 0,23	6,09
1981/82	407.407.510,45	432.964.550,32	- 25.557.039,87	- 6,27	- 30.036.081,67	- 1,27	6,50
1982/83	478.721.551,25	540.754.039,98	- 62.032.488,73	- 12,96	- 92.068.570,40	- 3,24	7,62
1983/84	448.951.270,25	465.604.211,01	- 16.652.940,76	- 3,71	- 108.721.511,16	- 3,31	7,73
1984/85	482.847.708,67	407.845.788,11	+ 75.001.920,56	+ 15,53	- 33.719.590,60	- 0,89	6,77
1985/86	476.399.755,00	435.688.219,32	+ 40.711.535,68	+ 8,55	+ 6.991.945,08	+ 0,16	7,33
1986/87	499.623.687,44	486.353.256,66	+ 13.270.430,78	+ 2,66	+ 20.262.375,86	+ 0,43	7,35
1987/88	515.489.423,08	414.884.456,86	+ 100.604.966,22	+ 19,52	+ 120.867.342,08	+ 2,30	6,57

(a) % of annual levies.

(b) % of cumulative annual levies.

ANNEX 15

Sugar levies
(situation at 31.1.1989)

1988

(ECU million)

I.	Production levy		
	1. Sugar	635,98	
	2. Isoglucose	<u>5,02</u>	641,0
II.	"Elimination" levy		90,94
III.	Special "elimination" levy		113,96
IV.	Storage levy		544,84
V.	Amounts charged on C sugar and isoglucose not exported or substituted		0,05
			<hr/>
			1.390,79

ANNEX 16 a

ADVANCE PAYMENTS TO MEMBER STATES FOR 1988 (1)

Date of decision	BELGIUM BFR	DENMARK DKR	GERMANY DM	GREECE DRA	SPAIN PTA	FRANCE FF
22.12.87	2.437.000.000,-	495.500.000,-	711.000.000,-	19.790.000.000,-	20.700.000.000,-	5.050.000.000,-
25.01.88 (2)	3.019.000.000,-	995.100.000,-	841.700.000,-	13.200.000.000,-	15.220.000.000,-	4.192.000.000,-
23.02.88	2.835.000.000,-	726.600.000,-	907.000.000,-	19.910.000.000,-	14.240.000.000,-	4.268.000.000,-
23.03.88	2.920.000.000,-	916.800.000,-	997.100.000,-	19.400.000.000,-	15.410.000.000,-	3.947.000.000,-
20.04.88	3.198.000.000,-	1.035.600.000,-	683.700.000,-	16.680.000.000,-	18.820.000.000,-	3.506.000.000,-
30.05.88	3.608.000.000,-	1.067.400.000,-	1.433.000.000,-	15.530.000.000,-	26.730.000.000,-	4.808.000.000,-
13.06.88 (3)	35.000.000,-	10.300.000,-	13.800.000,-	888.414.171,-	944.582.429,-	47.000.000,-
24.06.88	2.453.000.000,-	817.400.000,-	1.083.500.000,-	15.940.000.000,-	26.730.000.000,-	3.956.000.000,-
27.07.88	3.372.000.000,-	954.500.000,-	798.500.000,-	20.950.000.000,-	19.100.000.000,-	3.165.000.000,-
23.08.88	2.270.000.000,-	733.200.000,-	687.400.000,-	23.280.000.000,-	24.660.000.000,-	2.617.000.000,-
22.09.88	1.970.000.000,-	862.000.000,-	1.069.100.000,-	17.610.000.000,-	33.050.000.000,-	3.305.000.000,-
25.10.88	1.781.000.000,-	644.900.000,-	724.900.000,-	15.970.000.000,-	18.170.000.000,-	2.449.000.000,-
29.11.88	1.342.531.565,-	370.250.826,08	210.506.913,10	17.974.062.975,-	25.595.820.631,-	2.014.202.092,63
14.12.88		368,66	4.210,60		1.016.086.688,-	111.641.426,19
23.01.90		2.599.275,13	1.040.451,24		223.428.047,-	
D.Change						
TOTAL						
ADVANCE PAYMENTS	31.240.531.565,-	9.632.150.469,87	10.162.243.153,74	217.122.477.146,-	260.609.917.795,-	43.435.843.518,82
TOTAL IN						
ECU (4)	721.448.136,28	1.212.363.311,61	4.904.357.374,15	1.318.785.479,25	1.887.175.596,54	6.209.689.286,24

(1) Including 100 % milk premiums.

(2) Including the corrections to the 1984/1985 clearance.

(3) Following the adoption of the budget, payment of interest for the previous months (R. 3187) and of the amounts owing.

(4) Allowing for exchange rate differences.

ANNEX 16 b

ADVANCE PAYMENTS TO MEMBER STATES FOR 1988 (1)

Date of decision	IRELAND IRL	ITALY LIT	LUXEMBOURG LFR	NETHERLANDS HFL	PORTUGAL ESC	UNITED KINGDOM UKL	TOTAL EEC ECU
22.12.87	89.300.000,-	598.100.000.000,-	1.040.000,-	731.700.000,-	2.426.000.000,-	99.850.000,-	2.449.787.931,47:
25.01.88 (2)	79.300.000,-	378.200.000.000,-	3.380.000,-	274.300.000,-	1.718.000.000,-	124.650.000,-	2.062.299.940,83:
23.02.88	57.750.000,-	632.200.000.000,-	11.500.000,-	859.000.000,-	2.299.000.000,-	104.750.000,-	2.455.964.675,02:
23.03.88	74.500.000,-	617.600.000.000,-	5.510.000,-	875.800.000,-	1.082.000.000,-	139.600.000,-	2.547.251.275,55:
20.04.88	52.550.000,-	706.300.000.000,-	32.740.000,-	791.000.000,-	1.853.000.000,-	114.000.000,-	2.323.889.628,94:
30.05.88	107.450.000,-	1.130.000.000.000,-	60.960.000,-	898.800.000,-	1.768.000.000,-	188.600.000,-	3.440.715.610,01:
13.06.88 (3)	3.917.267,75:	10.900.000.000,-	590.000,-	8.700.000,-	94.743.346,-	1.850.000,-	47.016.481,90:
24.06.88	56.150.000,-	546.100.000.000,-	-22.790.000,-	803.600.000,-	2.317.000.000,-	110.650.000,-	2.485.148.366,93:
27.07.88	72.200.000,-	396.300.000.000,-	23.920.000,-	1.132.800.000,-	1.540.000.000,-	211.200.000,-	2.461.302.530,63:
23.08.88	57.600.000,-	485.900.000.000,-	3.720.000,-	721.200.000,-	1.044.000.000,-	75.400.000,-	1.984.310.645,55:
22.09.88	84.150.000,-	402.100.000.000,-	12.760.000,-	830.500.000,-	7.250.000.000,-	96.800.000,-	2.401.164.086,61:
25.10.88	64.850.000,-	222.300.000.000,-	5.670.000,-	568.500.000,-	1.193.000.000,-	43.550.000,-	1.591.498.072,91:
29.11.88	38.968.077,76:	505.438.029.594,-	-9.743.284,-	430.653.187,17:	1.869.995.508,-	40.918.937,14:	1.393.974.285,61:
14.12.88	- 133,21:		5.227,-	104.084,82:			23.300.045,60:
23.01.90			477.879,-				2.447.269,86:
D.Change							- 707.977,97:
TOTAL							
ADVANCE PAYMENTS	838.685.212,30:	6.631.438.029.594,-	129.739.822,-	8.926.657.271,99:	26.454.738.854,-	1.351.818.937,14:	
TOTAL IN ECU (4)	1.081.304.821,-	4.349.674.585,88:	3.000.581,64:	3.831.513.868,93:	157.224.067,31:	1.992.825.760,62:	27.669.362.869,45:

(1) Including 100 % milk premiums.

(2) Including the corrections to the 1984/1985 clearance.

(3) Following the adoption of the budget, payment of interest for the previous months (R. 3187) and of the amounts owing.

(4) Allowing for exchange rate differences.

ANNEX 17

EXCHANGE RATES - 1988

1) Conversion of monthly expenditure into ecus - Budget rates

: Expenditure :	Rate on :	O.J.:	B :	DK :	D :	EL :	ES :	F :	IRL :	I :	LUX :	NL :	P :	UK :
: for :	:	:	:	:	:	:	:	:	:	:	:	:	:	:
: NOVEMBER 87 :	19.09.87 - C 251/87 :		43,1118 :	7,99379 :	2,07666 :	159,048 :	138,942 :	6,92354 :	0,773650 :	1499,27 :	43,1118 :	2,33695 :	163,824 :	0,694347 :
: DECEMBER 87 :	20.10.87 - C 283/87 :		43,2093 :	7,97933 :	2,07608 :	159,861 :	135,245 :	6,93416 :	0,775157 :	1498,26 :	43,2093 :	2,33526 :	163,879 :	0,692915 :
: JANUARY 88 :	20.11.87 - C 311/87 :		43,1873 :	7,95043 :	2,06197 :	163,217 :	139,140 :	7,01396 :	0,776212 :	1519,53 :	43,1873 :	2,32082 :	167,726 :	0,690601 :
: FEBRUARY 88 :	18.12.87 - C 342/87 :		43,1926 :	7,95047 :	2,06417 :	163,533 :	140,216 :	6,98096 :	0,776587 :	1520,34 :	43,1926 :	2,32275 :	168,680 :	0,692454 :
: MARCH 88 :	20.01.88 - C 16/88 :		43,1785 :	7,93464 :	2,06656 :	164,865 :	140,263 :	6,97215 :	0,777465 :	1516,39 :	43,1785 :	2,32165 :	168,754 :	0,693230 :
: APRIL 88 :	19.02.88 - C 48/88 :		43,2125 :	7,88781 :	2,06538 :	165,255 :	139,004 :	6,98353 :	0,775970 :	1520,87 :	43,2125 :	2,31892 :	168,797 :	0,692407 :
: MAY 88 :	18.03.88 - C 73/88 :		43,3253 :	7,94093 :	2,07200 :	165,870 :	138,986 :	7,03562 :	0,775267 :	1533,22 :	43,3253 :	2,32750 :	169,430 :	0,670808 :
: JUNE 88 :	20.04.88 - C 105/88 :		43,4425 :	7,97983 :	2,07604 :	166,783 :	137,236 :	7,05492 :	0,777769 :	1543,60 :	43,4425 :	2,32864 :	169,821 :	0,659217 :
: JULY 88 :	20.05.88 - C 132/88 :		43,4386 :	7,93695 :	2,08175 :	166,870 :	137,597 :	7,04066 :	0,778730 :	1544,59 :	43,4386 :	2,33132 :	169,811 :	0,656164 :
: AUGUST 88 :	20.06.88 - C 162/88 :		43,4920 :	7,90161 :	2,07793 :	166,249 :	137,183 :	7,00774 :	0,773261 :	1542,08 :	43,4920 :	2,33781 :	169,436 :	0,663457 :
: SEPTEMBER 88 :	20.07.88 - C 192/88 :		43,5483 :	7,91186 :	2,08021 :	166,630 :	137,766 :	7,01377 :	0,773026 :	1540,69 :	43,5483 :	2,34756 :	168,824 :	0,658112 :
: OCTOBER 88 :	19.08.88 - C 218/88 :		43,6650 :	7,97208 :	2,08286 :	167,073 :	136,493 :	7,05985 :	0,776387 :	1541,63 :	43,6650 :	2,35149 :	169,377 :	0,646441 :
: :	:	:	:	:	:	:	:	:	:	:	:	:	:	:

2) Average rates

: Average	: Total expend. in N.C. :	:	:	:	:	:	:	:	:	:	:	:	:	:
: rate =	: ----- :	43,3025 :	7,94494 :	2,07209 :	164,638 :	138,095 :	6,99485 :	0,775623 :	1524,58 :	43,2382 :	2,32980 :	168,261 :	0,678343 :	:
: in ECU	: Total expend. in ECU :	:	:	:	:	:	:	:	:	:	:	:	:	:

ANNEX 18

Amounts withheld from production and consumption aid in the olive oil, fibre flax and grape juice sectors and their utilization

Year	Schemes related to olive oil consumption (Art. 11(6), R. 136/66/EEC)		Schemes related to olive oil production (Art. 5(2) and (4), R. 136/66/EEC)		Schemes related to olive oil production (Art. 5(4), R. 136/66/EEC)		Schemes related to olive oil production (Art. 20d(1), Reg. 136/66/EEC)		Specific schemes concerning fibre flax (Art. 2, Reg. (CEE) No 1308/70)		Schemes related to the consumption of grape juice (Art. 4 (2) R. 2275/85/EEC)			
	Withheld	Utilization	Withheld	Utilization	Withheld	Utilization	Withheld	Utilization	Withheld	Utilization	Withheld	Utilization	Utiliza.	Utiliza.
Until 1979	314.321,72	-	11.596.900,13	154.567,06	-	-	-	-	-	-	-	-	-	-
1980	3.002.586,67	186.053,42	1.913.256,21	-	-	-	-	-	300.380,92	-	-	-	-	-
1981	2.450.464,92	228.892,06	2.478.668,31	10.217.221,94	-	-	-	-	637.351,43	537.151,-	-	-	-	-
1982	6.186.243,27	2.637.599,46	2.790.594,51	2.533.410,95	-	-	-	-	949.915,85	996.896,74	-	-	-	-
1983	164.078,70	178.195,52	7.269.762,53	10.560.376,47	-	-	-	-	1.218.505,93	244.931,36	-	-	-	-
1984	61.379,87 (1)	3.908.825,34	15.922.258,52	16.652.197,17	-	-	-	-	1.146.908,53	1.154.500,00	-	-	-	-
1985	7.385.033,94	4.469.155,87	9.841.270,28	13.510.537,03	-	-	5.840.300,57	477.095,54	1.698.561,64	1.073.341,64	-	-	-	-
1986	16.814.428,88	1.415.568,83 (2)	5.703.249,46	22.024.203,03	3.508.292,70	-	4.240.522,52	10.022.033,99	1.787.948,82	3.274.836,39	2.720.876,01	-	82.041,14	-
1987	1.981.326,09	1.529.034,59 (2)	14.574.162,03	16.887.665,33	8.468.406,28	-	11.758.402,17	9.709.384,11	2.015.382,35	500.500,00	3.490.445,99	3.274.847,61	8.092,65	-
1988	27.526.160,69	10.499.219,91	10.948.748,60	22.847.681,56	212.614,48	-	5.753.277,19	6.609.141,86	2.367.324,23	1.316.663,61	6.301.522,76	1.695.308,80	-	-
TOTAL	65.763.265,01	25.052.545,00	83.038.870,58	115.387.860,54	12.189.313,46	-	27.592.502,45	26.817.655,50	12.122.279,70	9.098.820,74	12.512.844,76	4.970.156,41	90.133,79	-

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

2) Commitments.

ANNEX 19
GUARANTEE SECTION 1988 (3)
IRREGULARITIES REPORTED AND RECOVERY SITUATION

(ECU million)										
SECTOR (2)	BELGIUM	GERMANY	DENMARK	FRANCE	SPAIN	IRELAND	ITALIE	NETHERLANDS	UNITED KINGDOM	TOTAL EEC
CEREALS							(6) 0	(4) 0,049		(10) 0,049
BEEF/VEAL	(1) 0,017	(10) 39,905	(6) 0,008	(4) 1,432		(11) 2,605		(21) 0,208	(70) 2,136	(123) 46,311
PIGMEAT	(2) 0,010	(1) 0,005	(4) 0,028	(2) 0,003			(2) 0,541			(11) 0,588
SHEEPMEAT AND GOATMEAT								(10) 0	(13) 0,304	(23) 0,304
MILK PRODUCTS		(20) 0,255	(4) 0,761	(23) 0,525	(1) -		(3) 0	(1) 0,003	(2) 0,486	(54) 2,030
WINE		(2) 0,069		(11) 0,065	(2) 0,041		(4) 0,168			(19) 0,343
SUGAR		(1) 0,030	(1) -	(4) 0,021				(1) 0,039		(7) 0,089
OILS AND FATS				(2) -			(2) 0,119			(4) 0,119
FRUIT & VEGETABLES				(5) 0,022	(3) 0,004		(64) 69,964			(72) 69,990
PROTEIN CROPS		(6) 0,060		(6) 0,003				(2) 0,010	(1) 0,021	(15) 0,094
EGGS	(1) 0,071			(2) 0,005				(2) 0,002		(5) 0,077
NON-ANNEX II PRODUCTS				(1) 0,018					(1) 0,077	(2) 0,095
FISHERIES				(2) 0,007						(2) 0,007
OTHER SECTORS		(3) 0,019		(2) 0,015		(3) 0,093			(10) 0,092	(18) 0,219
TOTAL	(4) 0,098	(43) 40,343	(15) 0,797	(64) 2,115	(6) 0,045	(14) 2,698	(81) 70,793	(41) 0,310	(97) 3,116	(365) 120,314
AMOUNTS RECOVERED	(1) -	(20) 0,384	(2) 0,249	(11) 0,072	(4) 0,004	(7) 0,032	(2) 0,156	(35) 0,044	(38) 0,171	(120) 1,112
AMOUNTS BEING RECOVERED	(3) 0,098	(23) 39,959	(13) 0,548	(53) 2,043	(2) 0,041	(7) 2,666	(79) 70,637	(6) 0,266	(59) 2,945	(245) 119,206

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

(2) No cases reported by Greece, Luxembourg or Portugal.

(3) All figures from IRENE data base; amounts updated using ECU rate of exchange valid on 1.12.88.

ANNEX 20

(PBUD/1259-3)

GUARANTEE SECTION

IRREGULARITIES REPORTED AND RECOVERY SITUATION

MEMBER STATE	(ECU million)													
	1971 to 1979	1980 to 1983	1984	1985	1986	1987	1988	TOTAL						
B	(12) 1,388 (1) 0,236	(8) 5,278 (4) 0,134	(2) 0,007 (2) 0,008	(12) 1,490 (0) -	(26) 3,989 (1) 0,020	(13) 2,615 (0) 0	(3) 0,098 (1) 0	(77) 14,865 (9) 0,398						
D	(90) 7,614 (51) 2,383	(416) 39,218 (287) 11,106	(78) 2,382 (61) 0,515	(116) 4,669 (80) 0,961	(124) 1,034 (91) 0,636	(64) 0,433 (40) 0,201	(35) 40,343 (15) 0,384	(931) 95,693 (630) 16,186						
DK	(18) 0,426 (15) 0,017	(50) 0,265 (48) 0,252	(8) 0,042 (8) 0,042	(17) 0,403 (17) 0,404	(19) 0,308 (17) 0,303	(12) 0,103 (11) 0,091	(9) 0,797 (2) 0,249	(139) 2,344 (118) 1,358						
EL						(1) 0		(1) 0						
ES							(6) 0,045 (4) 0,004	(6) 0,045 (4) 0,004						
F	(19) 0,698 (6) 0,058	(49) 0,694 (42) 0,548	(6) 0,082 (5) 0,067	(28) 0,549 (19) 0,397	(57) 2,187 (43) 1,040	(75) 3,775 (50) 0,962	(64) 2,115 (11) 0,072	(298) 10,100 (176) 3,144						
IRL	(7) 0,114 (6) 0,101	(12) 0,582 (11) 0,480	(1) 0,053 (1) 0,053	(1) 0 (1) 0	(3) 1,012 (1) 0	(8) 1,893 (0) 0	(14) 2,698 (7) 0,032	(46) 6,352 (27) 0,666						
I	(32) 2,443 (6) 0,007	(61) 24,962 (18) 0,722	(15) 3,660 (3) 0,236	(40) 4,374 (1) 0	(50) 14,114 (3) 1,033	(133) 75,412 (1) 0	(81) 70,793 (2) 0,156	(412) 194,758 (34) 2,154						
L														
NL	(35) 1,179 (34) 0,032	(52) 1,942 (32) 0,543	(7) 0,155 (6) 0,153	(3) 0 (3) 0	(13) 0,062 (4) 0,017	(90) 0,366 (75) 0,242	(41) 0,310 (35) 0,044	(241) 4,014 (189) 1,031						
P														
UK	(183) 3,628 (62) 0,711	(71) 1,256 (44) 0,489	(11) 0,305 (7) 0,249	(15) 0,907 (7) 0,491	(21) 0,555 (13) 0,540	(93) 3,587 (64) 0,187	(97) 3,116 (38) 0,171	(491) 13,354 (235) 2,838						
EEC	(396) 17,490 (181) 3,545	(719) 74,197 (486) 14,274	(128) 6,686 (93) 1,323	(232) 12,392 (128) 2,253	(313) 23,261 (173) 3,589	(489) 87,184 (241) 1,683	(365) 120,315 (98) 1,112	(2.642) 341,525 (1.422) 27,779						

- N.B. : (1) The first line shows the number of cases reported and the amount involved and the second the recoveries already made (number of cases and amount).
 (2) Where cases from before 1980 are concerned, only files still open when IRENE was set up are included in the table.
 (3) Amounts converted at the ECU rate valid on 1.12.1988.

ANNEX 21

EAGGF GUARANTEE

Irregularities notified in connection with the premiums for non-marketing of
milk and milk products and conversion of dairy herds
(Regulations 1078/77, 1041/78, 1391/78, etc.)

(ECU million)										
:MEM-	:	:	:	:	:	:	:	:	:	: TOTAL
:BER	: 1979 to 1983	: 1984	: 1985	: 1986	: 1987	: 1988	:	:	:	:
:STATE:	:	:	:	:	:	:	:	:	:	:
: B	: 1 : 0,020	:	:	:	:	:	:	:	:	: 1 : 0,020
:	: 0 : -	:	:	:	:	:	:	:	:	: 0 : 0
: D	: 228 : 1,759	: 140 : 1,059	: 70 : 0,899	: 26 : 0,331	: 13 : 0,209	: 2 : 0,008	:	:	:	: 479 : 4,265
:	: 149 : 0,954	: 87 : 0,516	: 32 : 0,350	: 7 : 0,070	: 4 : 0,030	: 1 : 0,001	:	:	:	: 280 : 1,921
: DK	: 108 : 1,027	: 22 : 0,245	: 14 : 0,158	: 6 : 0,069	: 4 : 0,009	:	:	:	:	: 154 : 1,508
:	: 54 : 0,128	: 12 : 0,015	: 11 : 0,011	: 4 : 0,008	: 3 : 0,012	:	:	:	:	: 84 : 0,174
: F	: 117 : 0,665	: 4 : 0,027	: 7 : 0,045	: 7 : 0,073	:	:	: 5 : 0,047	:	:	: 140 : 0,857
:	: 83 : 0,488	: 4 : 0,027	: 2 : 0,018	: 2 : 0,010	:	:	: 0 : 0	:	:	: 91 : 0,543
: IRL	:	:	: 53 : 0,623	:	: 1 : 0,005	:	:	:	:	: 54 : 0,628
:	:	:	: 13 : 0,344	:	: 0 : 0	:	:	:	:	: 13 : 0,344
: NL	: 14 : 0,163	: 8 : 0,191	: 1 : 0,026	: 1 : 0,001	: 4 : 0,016	:	:	:	:	: 28 : 0,397
:	: 4 : 0,030	: 5 : 0,105	: 1 : 0,026	: 1 : 0,001	: 1 : 0,004	:	:	:	:	: 12 : 0,166
: UK	: 120 : 0,722	: 33 : 0,200	: 38 : 0,086	: 32 : 0,107	: 7 : 0,026	: 12 : 0,025	:	:	:	: 242 : 1,166
:	: 61 : 0,385	: 25 : 0,138	: 27 : 0,064	: 20 : 0,039	: 1 : 0,005	: 7 : 0,013	:	:	:	: 141 : 0,644
:	: 588 : 4,356	: 207 : 1,722	: 183 : 1,837	: 72 : 0,581	: 29 : 0,265	: 19 : 0,080	:	:	:	: 1098 : 8,841
:TOTAL:	:	:	:	:	:	:	:	:	:	:
:	: 351 : 1,985	: 133 : 0,801	: 86 : 0,813	: 34 : 0,128	: 9 : 0,051	: 8 : 0,014	:	:	:	: 621 : 3,792
:	:	:	:	:	:	:	:	:	:	:

- N.B. : (1) The first line shows the number of cases reported and the amount involved and the second the recoveries already made (number of cases and amount).
- (2) All figures from IRENE data base; amounts updated using ECU rate of exchange valid on 1.12.1988.
- (3) Although this measure (premium for non-marketing of milk) expired at the end of the 1981 milk year the budget heading covering it still carries a certain amount to honour contracts entered into before it expired. Obviously the number of contracts, the amount entered and in consequence the number of irregularity cases found are falling off sharply. These premiums are dealt with separately because they are financed jointly from the Guarantee and Guidance Sections.

ANNEX 22

FINANCIAL RESULTS OF WORK ON CLEARING 1986 ACCOUNTS
(Including milk non-marketing and dairy herd conversion premiums)

ECU million - Conversion rates at 31.12.87													
	B	DK	DE	EL	ES	F	IR	IT	L	NL	PO	UK	EC TOTAL
a) 1986 expenditure claimed	999,1	1.071,2	4.585,6	1.162,5	247,9	5.289,1	1.136,8	2.965,1	2,1	2.392,0	34,4	1.857,0	21.742,8
b) Expenditure excluded from 1986 clearance	-	-	-	-	-	-	-	-	-	-	-	-	0,0
c) Expenditure claimed in previous years and excluded from clearance of those years	-	-	-	138,6	-	-	-	0,4	-	-	-	-	139,0
d) Expenditure coming under clearance (a - b + c)	999,1	1.071,2	4.585,6	1.023,9	247,9	5.289,1	1.136,8	2.964,7	2,1	2.392,0	34,4	1.857,0	21.603,8
e) Expenditure disallowed	- 4,8	- 2,3	- 31,9	- 41,8	+ 0,4	- 83,4	- 0,1	- 92,9	0,0	- 2,0	0,0	+ 40,0	- 218,7
f) Expenditure disallowed in respect of a previous year but accepted in respect of 1986 clearance	- 3,1	-	0,0	-	-	+ 7,8	0,0	-	-	-	-	1,2	5,8
g) Total expenditure endorsed (d - e + f)	991,1	1.068,9	4.553,8	982,1	248,3	5.213,5	1.136,7	2.871,8	2,1	2.390,0	34,4	1.898,2	21.390,9
h) Expenditure charged, subject of present clearance (to be compared with d))	999,0	1.072,4	4.582,9	1.023,9	247,5	5.303,3	1.138,3	2.955,8	2,1	2.391,4	34,4	1.854,8	21.605,7
i) Financial result of clearance (h - g)	7,9	3,5	29,1	41,8	- 0,8	89,8	1,6	84,0	0,0	1,4	0,0	- 43,5	214,8