

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(87) 533 final

Brussels, 17 November 1987

## SIXTEENTH FINANCIAL REPORT

on the European Guidance and Guarantee Fund - 1986 -  
Guarantee Section and Food Aid Financing

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COM(87) 533 final

Average conversion rates used for 1986

(cf. Annex 18)

EUROPEAN COMMUNITY		1 ECU = (budgetary)
Belgium	BFR	44,1008
Denmark	DKR	7,95421
Germany	DM	2,14459
Greece	DRA	135,377
Spain	PTA	137,703
France	FF	6,78072
Ireland	IRL	0,727927
Italy	LIT	1.469,20
Luxembourg	LFR	44,0574
Netherlands	HFL	2,41613
Portugal	ESC	152,414
United Kingdom	UKL	0,647851

INTRODUCTORY NOTE

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 this expenditure and the conditions under which Community financing has been effected".

This Report covers the operations of the Guarantee Section of the EAGGF and the financing of Community food aid for 1986. The Guidance Section is dealt with in a separate report.

The Guarantee Section finances expenditure resulting from the common policy on agricultural markets and prices. Under Articles 2 and 3 of Regulation (EEC) No 729/70, expenditure consists of refunds on exports to non-member 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 (storage, product withdrawals, price compensating aids, guidance premiums).

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(1) The Annex to Reg. (EEC) No 1883/78 sets out, by way of declaration, the measures which are considered as intervention measures, for the purpose of regulating the agricultural markets in accordance with Article 3(1) of Reg. (EEC) No 729/70.

N.B.: This Report was completed on 14 September 1987.

SUMMARY OF THE SIXTEENTH FINANCIAL REPORT  
EAGGF GUARANTEE SECTION

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A. Community markets

1. In 1986, the appropriations entered in the General Budget of the European Communities totalled 22 153.3 million ECU for the EAGGF Guarantee Section, this sum including the fisheries market organization (41.3 million ECU).

Total expenditure for the year came to 22 137.4 million ECU an amount which is net of the financial contribution of cereals growers for the first time, (56.4 million ECU), and of that of dairy farmers (717.1 million ECU), and of sums recovered under the 1982 accounts clearance (55.3 million ECU). The figure includes Community compensation payments (1) (113.5 million ECU).

The volume of appropriations available, being limited, was not enough to cover all financial requirements, and a number of payments have been shifted from 1986 to 1987, the amount involved being 693 million ECU.

Compared with 1985 expenditure, which came to 19 744.2 million ECU, 1986 expenditure showed an increase of 12.1%, as against an increase of 7.6% for 1985. Increased expenditure was accounted for mainly by cereals, oilseeds, beef/veal, fibre plants and monetary compensatory amounts. On the other hand, expenditure on milk products, wine, and fruit and vegetables, declined.

2. The following points should be mentioned with regard to the breakdown of agricultural expenditure according to economic type:
  - expenditure on export refunds again rose in 1986 (by 10.3%). The increase expressed in absolute terms, was accounted for mainly by cereals, rice and milk products, with export refunds on beef/veal and sugar showing a decline. As a proportion of total expenditure for the year, refunds declined slightly, as in 1985, to only 33.6% of the total, compared with 34.1% in 1985. The product breakdown in 1986 shows milk products accounting for 29% of total refunds, cereals 23%, sugar 17% and beef/veal 16%.
  - intervention, costing nearly 14 700 million ECU, was up by about 13% over 1985, and the share in total expenditure was 66.4% compared with 65.9% in 1985. Price compensating aids were again the type of intervention costing most, totalling 8 272 million ECU, a 9% increase over the 1985 figure.

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(1) Dismantling of Monetary Compensatory Amounts (see Annex 2 page 84).

As a percentage of total guarantee expenditure for the year this was 38%, compared with 39% in 1985. The main products supported were oilseeds, milk products, tobacco, sheepmeat and goatmeat, fruit and vegetables, fibre plants and olive oil.

The payments made in 1986 as price compensating aids increased for oilseeds and fibre plants in particular, but declined for fruit and vegetables, milk products, cereals and olive oil; this showed a shift from cereals to oilseeds.

3. During the year, public stocks again increased. By the end of the year, their book value was 11 360 million ECU, compared with 10 580 million ECU in the preceding year. This increase (8%) fell well short of the 1985 increase (21%). The main areas where stocks built up were milk products, olive oil, and to a lesser extent, tobacco; the increase was partly offset by a reduction in stocks of cereals and beef. Pigmeat stocks were almost eliminated, but sunflower stocks were started, and sugar and rape, of which there were no stocks in 1985, had to be bought in again.

Valued at foreseeable selling prices, these stocks total only 4 594 million ECU; the difference being a potential burden which will have to be financed from budgets in coming years.

#### B. Cash situation and administration of appropriations

For the Member States taken as a whole, the annual rate of use of funds available was, at 99.9%, very high, and higher than that of 1985 (99.7%). On the other hand, the average utilization of advance payments, derived from a comparison of the average of funds available to cover expenditure for each month with the average funds available after such payments have been made, came to 93.7%, rather higher than that for 1985 (87.9%), slightly higher than that for 1983 (90.7%) and well short of that for 1984 (100.8%).

As the EAGGF budget was not changed during the year, chapter-to-chapter transfers involving 1 700 million ECU had to be made within the EAGGF to meet short-term fluctuations; this was only at the end of the year, following a number of events during the year engendering uncertainty as to the appropriations actually available.

Expenditure from the 1986 budget was effected broadly at the rate foreseen during the year, but gathered a little momentum about a third of the way through the year and at the end of the year.

C. Investigations and irregularities

During the year, the Commission asked Member States to organize 20 administrative investigations, concerning mainly wine, beef/veal and processed vegetables. It also organized itself 26 special checks, half of them concerning cereals.

The number of cases of irregularities notified by the Member States under Articles 3 and 5 of Regulation (EEC) No 283/72, apart from those concerning the milk non-marketing premium, came to 312, compared with 231 in 1985. The amount involved was 28.81 million ECU (11.77 million ECU in 1985) of which 2.38 million ECU have already been recovered.

The number of cases of irregularities concerning the milk non-marketing premium was 69 (180 cases in 1985), involving an amount of 0.56 million ECU (1.56 million ECU in 1985), of which 0.05 million ECU has been recovered.

In terms of number of cases of irregularities notified (Articles 3 and 5 of Reg. (EEC) No 283/72) and their financial implications, the distribution by Member State remains very uneven. The Commission is aware that these discrepancies must not be seen as reflecting differences in the extent of fraud in the different countries.

Work on building up the computerized data base IRENE continued in 1986 with the introduction of new cases of irregularities (1000 cases introduced by the end of the year) and with the development of procedures for scanning the base and presenting data.

As regards the verification of the commercial documents of firms, the Commission made suggestions for improving the application of Directive 77/436 and studied in particular the special chapter which the Member States must establish in their annual reports under Article 4 of Regulation (EEC) No 729/70.

D. Accounts clearance

Efforts to catch up with work on verifying EAGGF guarantee expenditure claims enabled the Commission to clear the 1983, 1984 and 1985 accounts in 1987.

In 1986, the Commission adopted formal clearance decisions for 1982 and decisions rectifying clearance decisions for Belgium and Denmark for 1980 and 1981. Taken together, these decisions released additional appropriations of 58.9 million ECU to be credited to the 1986 budget. This figure allows for the Order given by the Court of Justice halting the execution, up to an amount of 36.2 million ECU, of the 1982 clearance decision for Greece.

In 1983, 1984 and 1985 expenditure claimed rose steadily, from 11 822.2 million ECU in 1982 to 15 302.2 million ECU in 1983, 17 618.5 million ECU in 1984 and 19 271.9 million ECU in 1985. Verification concentrated mainly on the most expensive schemes and/or on those in respect of which observations had been made or claims disallowed in respect of previous years, following the Commission's decision to speed up accounts clearance and simplify verification.

The Commission endorsed the clearance of the 1983 accounts in early 1987 and this decision released, for crediting in 1987, additional resources of 76.7 million ECU. For 1984 and 1985, the Commission gave its decisions in July 1987.

None of the Member States' appeals against the 1980 and 1981 clearances have yet been judged. For 1982, Ireland, the Netherlands and Greece filed appeals.

#### E. Financial execution of Community food aid

The Community food aid programmes adopted by the Council for 1986 covered the supply of 1 160 000 tonnes of cereals, a maximum of 94 100 tonnes of skimmed-milk powder, 27 300 tonnes of butteroil, 3 900 tonnes of sugar, 8 600 tonnes of vegetable oil, 121 824 tonnes of other products and food aid in the products mentioned above designed to cover exceptional food shortages, up to a maximum of 386 700 tonnes of cereals equivalent.

The 1986 programmes were adopted by the Council in January 1986.

The expenditure in 1986 in respect of food aid totalled 412.1 million ECU, 24.2% down on the 1985 figure.

The monthly advance payments approved by the Commission in 1986<sup>1</sup> came to 320.8 million ECU, and the rate of use of Community funds was 92%, a figure rather down on that for 1985 (96%).

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<sup>1</sup> Including the balance available at 31.12.1985 as shown in the 15th Financial Report (cf. p. 109, Annex 28, col. (f)), a figure of 18 511 767.76 ECU.

As in previous years, Member States' expenditure was mainly on aid programmes in the form of cereals (130.4 million ECU) and milk products (144.3 million ECU).

Apart from advance payments to the Member States' intervention agencies, the Commission, as in the past, made direct payments to certain non-member countries and agencies responsible for food aid operations. These direct payments totalled 116.8 million ECU, up 31.2% on 1985.

To these amounts should be added the refunds for food aid operations charged to the EAGGF Guarantee Section accounts, i.e. 264 .3 million ECU (1985 = 187.2 million ECU).



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TITLE I

COMMUNITY FINANCING OF THE MARKETS

The appropriations entered in the General Budget of the European Communities for 1986 in respect of the EAGGF Guarantee Section totalled 22 153.3 million ECU, including fisheries (Chapter 40) which totalled 41.3 million ECU. In contrast with 1985, expenditure in 1986 was such that these appropriations, used in their entirety for advance payments to the Member States, fell short of the level required for payment. As a result the paying agencies in the Member States were obliged to suspend payments in the last two weeks of December. Amounts totalling 693 million ECU could not be paid in 1986 and will have to be charged to the 1987 appropriations. Following the difficulties in the financing of agricultural expenditure, no transfer of appropriations from the EAGGF could be made, as had been the case in 1985; on the other hand, agricultural products (butter and beef) in public storage were written down because of the funds available for this in the Budget.

Allowing for the reduction in expenditure of 55.3 million ECU under the clearance of the 1982 accounts and the payment of 113.5 million ECU made as Community compensation (dismantlement of the Community compensatory amounts), total agricultural expenditure chargeable to the EAGGF Guarantee Section for 1986 came to 22 137.4 million ECU.

1. General

1.1 Problems in connection with the financing of the Common Agricultural Policy

The operation of the EAGGF Guarantee Section was hampered in the first half of 1986 because no budget had been approved for the year, the budget only being adopted by the President of Parliament on 10 July.

Many Parliament members had found the budget for 1986 unsatisfactory when they examined it in December 1985: they found that as presented by the Council, it failed to take account of the integration of Spain and Portugal into the Community's financial mechanisms and neglected the build-up of commitments in the past under the structural fund. Despite a compromise offer from the Council, Parliament took its own initiative in establishing a more realistic budget by voting supplementary appropriations, and on 18 December 1985 the President recorded the definitive adoption of the 1986 budget. This budget granted the EAGGF Guarantee Section appropriations totalling 21 053.3 million ECU (including fisheries, 41.3 million ECU).

On 11 February 1986, the Council appealed to the Court of Justice for cancellation of the supplementary appropriations voted by Parliament and, therefore, against the final adoption of the general budget for 1986. This appeal was accompanied by appeals by certain Member States (Luxembourg, Netherlands, France, Germany and the United Kingdom) mainly to forestall the danger that the Court might declare the Council's appeal inadmissible.

Despite the constraints on the Community's budget because of the appeals and the uncertainty as to the Court's ruling, the Commission adopted on 30 April, with a view to its submission to the budgetary authority, a preliminary draft supplementary and amending budget (No 1/86).

This preliminary draft supplementary and amending budget proved indispensable because of the situation which developed, resulting in the additional resources made available to the Community as a result of the raising of the VAT ceiling to 1.4% being largely exhausted. As regards the EAGGF Guarantee Section in particular, this supplementary budget was justified by an increase in expenditure required by the common agricultural policy, because of, the agreement reached by the Council on 25 April on the prices for 1986/87, currency developments (new realignment of the central rates within the EMS), changes in general economic developments connected in particular with the decline in the US dollar, and the need to control agricultural stocks as commodities moved to more realistic prices on world markets. For the EAGGF Guarantee Section, the requirements in supplementary appropriations were estimated at 915.3 million ECU.

On 3 July, the Court handed down its judgment on the Council's appeal. This judgment annulled the act of the President of Parliament of 18 December 1985 recording the definitive adoption of the 1986 budget, but, at the same time, found that payments made and commitments entered into up to 3 July executing the 1986 budget were valid.

The cancellation of this act therefore entailed an "absence" of a budget for 1986 and the budgetary procedure had to be resumed at the point at which it was deemed to have been interrupted, i.e. at the second reading in Parliament.

In view of the very serious danger of a financial crisis, and to avoid disruption of the operation of the common market, it was vital that the budgetary bodies involved - Commission, Council and Parliament - should work together effectively and without delay with a view to the adoption of a definitive budget for 1986.

For this purpose, as soon as the Court's ruling was handed down, the Commission submitted to the Council an amending letter relating to the supplementary requirements for 1986 and confirming the content of its preliminary draft supplementary and amending budget No 1/1986.



On 8 July, the Council established a draft 1986 budget in which the increases in appropriations proposed by the Commission for the EAGGF Guarantee Section and the structural funds were raised to 1 100 million ECU.

Following an agreement between the two branches of the budgetary authority, Parliament adopted the 1986 budget on 10 July.

Within exactly a week, given the vital political and economic considerations at stake, the Community thus obtained a new 1986 budget.

This budget, incorporating the preliminary draft supplementary and amending budget presented by the Commission to the Council on 30 April, established, for the Guarantee Section, appropriations totalling 22 153.3 million ECU (including fisheries, 41.3 million ECU).

In September, the Commission submitted to the budgetary authority a preliminary draft amending budget for 1986 to take account of a revenue shortfall for that year against forecasts (appreciable decline in the yield from customs duties as a result of the sharp fall in the rate for the US dollar). A few days later, the Council, without acting on the Commission's proposal, noted the gravity of the financial situation and called upon the Commission to maintain budgetary equilibrium by an equitable reduction in expenditure. In October, Parliament, without endorsing the Council's declaration, called upon that body to establish an amending draft budget based on the preliminary draft submitted by the Commission.

At a meeting on 26 and 27 November, the Council concluded that it could not establish a draft amending budget for 1986. It noted, however, the foreseeable budget deficit for 1986 and the Commission's intention to submit a preliminary draft supplementary and amending budget when the accounts for 1986 were closed.

Thus, to enable agricultural expenditure to be kept within the limits set by the appropriations assigned to it and to comply with the reference framework fixed by the Council, the Commission was compelled to defer to 1987 payments totalling some 700 million ECU. Accordingly, it was not possible to exhaust the potential for depreciation of agricultural products held in intervention; lastly, the Commission was authorized to restrict the financing of storage costs through a temporary derogation to existing legislation.

#### 1.2 Agricultural prices and related measures for 1986/87

On 12 February 1986, the Commission laid before the Council proposals for agricultural prices and certain related measures for 1986/87.

On the same occasion, the Commission laid before the Council its proposals for the adjustment of the market organizations for cereals and beef/veal, which had been recommended in two memoranda presented at the end of 1985. These proposals were in addition to those for measures relating to definitive cessation of dairy farming, which the Commission had submitted in early November 1985.

The proposals for prices and related measures provided for savings for the Guarantee Section estimated at 408 million ECU for 1986 and 786 million ECU for 1987.

After a number of meetings, the Council reached political agreement on 25 April on the price proposals and related measures. Given formal effect on 27 May by the adoption of the necessary regulations, the agreement was achieved by qualified majority. This was the first annual price review since Spain and Portugal joined the Community.

In its price decisions, the Council followed, very broadly the Commission's approach. For most items, the common prices for 1985/86 were maintained; however, for a limited number of items, price adjustments were needed to allow for the market situation.

Among the related measures, major adjustments were made to certain market organizations. These measures, which fit into the guidelines adopted by the Commission following the consultations on the "Green Paper", are designed to gradually restore a better equilibrium between supply and demand and thus ensure that a growing proportion of budget resources is not taken up in the management of intervention stocks and the disposal of surplus products.

The most significant measures adopted concern the following product groups:

- (a) cereals: introduction of a coresponsibility levy of 3% of the intervention price applied since 1 July for 1986/87 and of an aid to small farmers designed to offset the impact of the levy on their incomes. Also, the market organization was adjusted in so far as quality criteria was tightened up and intervention arrangements restricted;
- (b) oilseeds and protein plants: replacement of the "guarantee thresholds" system by an arrangement limiting the guarantee to growers; the sanction for overruns of the maximum guaranteed quantity will be applied during the same marketing year of which the harvest entailed the sanction and no longer in the following marketing year;

- (c) milk products: milk quotas were reduced by 3% over a two-year period. To facilitate this, a Community scheme was introduced on 1 May 1986 facilitating definitive cessation of milk production (equivalent to a system of "buying back" of milk quotas). This system allows the payment to any farmer, on certain conditions, of an allowance against his undertaking to cease all milk production definitively;
- (d) fruit and vegetables: for processed lemon-based products, the arrangements relating to the aid to processors were tightened up.

1.3 Fundamental reform of the milk products and beef/veal market organizations

On 16 December 1986, the Council approved a set of measures mainly concerning these two product groups.

This was a political agreement, and one of the most important since the inception of the common agricultural policy, designed to restore sound conditions on the agricultural markets and to curb the expansion of output of excess items and of the resulting costs to the Community budget. The 16 December agreement is only one stage on the road to reform of the common agricultural policy but represents a major step towards control of overall agricultural expenditure by 1989.

As regards milk products, the decisions taken are designed to cut milk production by 9.5% over two years through an adjustment of the quota system and to introduce changes to the intervention rules with a view to reducing quantities of milk products qualifying for intervention. Also, the other points of the agreement include the Council's support for the Commission's policy of further implementation of a vigorous programme for the reduction of milk product stocks, the programme to be accompanied by an appropriate financial proposal.<sup>1</sup>

The decisions adopted by the Council concerning beef/veal relate to a stricter discipline as regards intervention ensuring better control of the market and to the introduction of a temporary compensation premium for all beef/veal producers not qualifying for the calf premium or the variable premium. The action taken with regard to intervention will have the main effect of discontinuing unconditional permanent intervention, although this can be restored by the Commission under certain conditions and within certain limits. The Commission will also have power to take any necessary action to assure market stability in the Community or in any parts of it (private storage aids, for example). Lastly, certain adjustments were made to the premium schemes.

<sup>1</sup> Regulation (EEC) No 801/87 (O.J. No L 79, 21.03.1987, p. 14).

The changes made to the intervention mechanism for milk products and beef/veal by the agreements obtained in the Council on 16 December should help to restore Community intervention arrangements to their original purpose, that is that of providing a safety net operating as a minimum limit for market prices.

#### 1.4 The accession of Spain and Portugal

The Treaty of Accession, under which Spain and Portugal joined the Community on 1 January 1986, stipulated that Community financing of the markets' policy would enter into force on 1 March 1986 for the two new Member States, subject to certain transitional arrangements.

As a result, 1986 saw the first Community expenditure resulting from the accession of these two countries. It would be, however, too early to draw conclusions from a comparative examination of Spanish and Portuguese expenditure with that of the other Member States, as a number of special factors must be allowed for.

For the two new Member States, Community financing of their agricultural expenditure began only on 1 March 1986 and therefore covers only a period of ten months; also, the machinery introduced by the Treaty of Accession to ensure harmonious integration of the two Member States into the Community includes transitional provisions peculiar to each country designed to ensure gradual phasing-in of the rules of the common policy. As described in the 1985 report on the Situation of Agriculture in the Community (see the Chapter entitled "Agricultural Aspects of Community Enlargement to include Portugal and Spain"), the diversity of the problems arising in the agricultural area in connection with the enlargement compelled the negotiators to establish a transitional period of an original character. This involves, depending on product groups, arrangements comparable to those made when other countries joined ("conventional" transition, under which EAGGF financing is restricted to certain types of expenditure) or measures of a new type entailing two stages ("transition by stages", under which the cost of financing expenditure resulting from market management is gradually transferred from the budget of the Member State concerned to the EAGGF).

#### 1.5 Intervention stocks in the Community

Intervention stocks in the Community constituted one of the main problems the Community had to contend with in 1986.

The book value of the products held by the Community's intervention agencies on 30 November 1986 reached 11 360 million ECU (1), i.e. more than half the expenditure accepted by the EAGGF Guarantee Section as at 31 December 1986 (22 137 million ECU), and this leaves no doubt that the problem of stock management has become a key aspect of market management.

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(1) A more detailed study of the quantitative and financial scale of stocks is given at point 2.4. of the Report.

Apart from the heavy cost of financing storage charges, the quantities involved tend to force down market prices; also, their disposal under the intervention arrangements means heavy losses for the EAGGF, especially for livestock products (butter, skimmed-milk powder, and beef/veal).

The build-up of stocks, and, as a result, of costs, is accounted for by a number of factors.

In the first place, high levels of production, even of persistent over-production, in 1985 and 1986, necessitated heavy withdrawals from the market under the Common Agricultural Policy; secondly internal consumption has become stagnant partly because of the general economic crisis and of a tendency for living standards to fall; lastly there have been difficulties in exporting agricultural products on the world market because of the foreign exchange shortages in certain importing member countries, and of aggressive marketing strategies operated by a number of competing non-member countries; lastly, fluctuations in the value of the US dollar, and its underlying downward trend, have also caused difficulties.

Accordingly, the Community authorities took action, with regard both to finance and market management, to remedy an alarming situation.

As regards finance, with a view to lightening the financial burden on the EAGGF and spreading it over several years, the Council adjusted current legislation; in particular it authorized the Commission to set at a level lower than their representative levels, the rate of interest at which the EAGGF finances national funds used for buying in products, and, the standard amounts by which the EAGGF finances physical operations resulting from the storage of agricultural products.

It also adopted provisions increasing the facilities for financial depreciation of stocks and authorizing the Commission to take such action at any time during the year (see point 3.1.1 of the Report).

As regards market management, the Council and the Commission, each exercising its own responsibilities, adopted a number of provisions affecting the most sensitive product groups. These provisions, some of them very complex, allowed of action at several levels the combination of which should, sooner or later, yield a reduction in stock levels.

The provisions include the introduction of a coresponsibility levy (cereals) and of a super-levy (milk) to curb the uncontrolled growth of production, the adoption of deterrents to prevent excessive use of the public intervention system and make it less attractive (milk), and efforts to dispose of existing stocks both by increasing facilities for reduced-price sales (milk) and by developing outlets in markets outside the Community (beef) (see also 1.3).

TABLE NO 1

## ORIGINAL APPROPRIATIONS IN THE 1986 BUDGET AND OUTTURN

PRODUCTS	(m ECU)							DIFFERENCE BETWEEN :	
	ORIGINAL APPROPS :	EXPENDITURE IN RESPECT OF 1986					ORIG APPROPS AND :	OUTTURN 1986 :	
	FOR 1986 :	TOTAL :	% :	Refunds :	of which :		m ECU :	% :	
(1)	(1)	(1)	(1)	(1)	1st category :	2nd category :	(1)	(1)	
a	b	c = e + f + g	d	e	f	g	h = c-b	i = h/b	
CEREALS	3.197,5	3.391,2	15,4	1.711,7	337,2	1.342,3	+ 193,7	+ 6,1	
RICE	102,5	93,7	0,4	91,9	1,8	-	- 8,8	- 8,6	
SUGAR	1.642,0	1.725,6	7,8	1.238,4	486,6	0,6	+ 83,6	+ 5,1	
OLIVE OIL	1.034,0	604,3	2,7	29,4	526,0	48,9	- 429,7	- 41,6	
OILSEEDS	1.716,0	2.027,5	9,2	2,3	2.025,1	0,1	+ 311,5	+ 18,2	
PROTEIN PLANTS	495,0	460,0	2,1	-	460,0	-	- 35,0	- 7,1	
- peas and field beans		386,0	305,4	1,4	-	305,4	- 80,6	- 20,9	
- dried fodder		106,0	154,1	0,7	-	154,1	+ 48,1	+ 45,4	
- lupins		3,0	0,5	0,0	-	0,5	- 2,5	- 83,3	
FIBRE PLANTS AND SILKWORMS	420,0	565,0	2,6	-	565,0	-	+ 145,0	+ 34,5	
- flax and hemp		32,0	32,3	0,1	-	32,3	+ 0,3	+ 0,9	
- cotton		387,0	532,2	2,4	-	532,2	+ 145,2	+ 11,7	
- silkworms		1,0	0,5	0,0	-	0,5	- 0,5	- 50,0	
FRUIT AND VEGETABLES	927,5	986,0	4,5	77,0	909,0	-	+ 58,5	+ 6,3	
WINE	1.087,0	630,8	2,8	11,2	615,8	3,8	- 456,2	- 42,0	
TOBACCO	792,0	782,2	3,5	32,1	733,9	16,2	- 9,8	- 1,2	
OTHER SECTORS	53,0	56,4	0,2	-	56,4	-	+ 3,4	+ 6,4	
- seeds		43,0	46,5	0,2	-	46,5	+ 3,5	+ 8,1	
- hops		9,0	8,7	0,0	-	8,7	- 0,3	- 3,3	
- bee-keeping		0,0	0,0	0,0	-	0,0	0,0	0,0	
- others		0,0	1,2	0,0	-	1,2	+ 1,2	+ 120,0	
MILK AND MILK PRODUCTS	6.100,0	5.405,7	24,5	2.154,9	1.890,7	1.360,1	- 694,3	- 11,4	
BEEF/VEAL	2.682,0	3.481,7	15,8	1.214,3	339,2	1.928,2	+ 799,7	+ 29,8	
SHEEP - AND GOATMEAT	526,0	616,9	2,8	-	616,9	-	+ 90,9	+ 17,3	
PIGMEAT	220,0	151,8	0,7	75,3	29,2	47,3	- 68,2	- 31,0	
EGGS AND POULTRY	131,0	97,8	0,4	97,8	-	-	- 33,2	- 25,3	
NON-ANNEX II PRODUCTS	514,0	502,9	2,3	502,9	-	-	- 11,1	- 2,2	
MCAs	466,0	481,7	2,2	170,0	311,7	-	+ 15,7	+ 3,4	
FISHERIES	41,3	18,0	0,1	-	18,0	-	- 23,3	- 56,4	
TOTAL	22.146,8	22.079,2	100,0	7.409,2	9.922,5	4.747,5	- 67,6	- 0,3	
%		100,0							
OTHER EXPENDITURE	6,5	58,2					+ 51,7	+ 795,4	
- accounts clearance 1982		- 170,0	- 55,3				+ 51,7	+ 48,3	
- Community compensation		+ 113,5	+ 113,5				0,0	0,0	
GRAND TOTAL	22.153,3	22.137,4					- 15,9	- 0,1	

(1) Appropriations entered in 1986 budget (O.J. No L 214 fo 4 August 1986).

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

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

2. Financing of the markets

Table No 1 above gives a comparison between the appropriations entered in the 1986 budget and outturn, broken down by product group.

Examination of more significant differences calls for the following comments:

2.1.1 Product groups for which utilization of appropriations exceeded original appropriations in 1986

(a) Fibre plants and silkworms (35%)

The growth of expenditure on these items, largely accounted for by cotton, was a result of the sharp decline in the value of the dollar, of a harvest well above budget forecasts and of the coverage in 1986 of a larger proportion of 1986/87 production than originally expected, especially in Spain.

(b) Beef/veal (30%)

The increase in expenditure on this product group was mainly due to a combination of the following three factors,

- quantities of beef bought in exceeding those foreseen, because of the depressed Community market,
- heavier exports than foreseen because of additional outlets available on the world market;
- because of export contracts concluded with certain non-Member countries, higher sales of intervention beef than expected at prices falling short of those set in the budget.

(c) Oilseed (18%)

The sharp decline in the value of the US dollar, combined with lower prices denominated in that currency and an increase in production exceeding forecasts, notable for sunflower and soya, entailing an increase in the cost of production premiums for these two items, entailed heavier utilization of appropriations than expected.

(d) Sheepmeat and goatmeat (17%)

The excess of expenditure over original appropriations was mainly due to the payment in 1986 of advances on the ewe premium in respect of the 1986 marketing year, which were not provided for in the budget and were paid because of the depressed Community market.

(e) Other expenditure (795%)

This wide discrepancy is accounted for by the difference between the results expected from the clearance of the 1982 accounts, on which the relevant estimates were based, and the outturn after the elimination, in favour of Member States, of certain negative reserves entered in previous decisions and of a judgment from the Court suspending certain aspects of a decision adopted in respect of one Member State.

2.1.2 Product groups for which utilization fell short of original appropriations

(a) Wine (42%)

Expenditure on this product group fell short of original appropriations, in particular as regards:

- refunds, as a result of a decline in exports due to the contraction of certain markets in non-member countries and bad publicity occasioned by certain scandals and fraud;
- distillation operations, falling short of estimates;
- wine enrichment, a field in which, in contrast with previous years, there was a decline;
- taking over of alcohol because of difficulty in disposing of this product on certain markets.

(b) Olive oil (42%)

The shortfall for this product was due to the following factors:

- delays in the advance payments for the production aid in respect of 1985-86, held over pending comparison of the figures given in the applications with those in the olive oil register. Because the later figures were not complete, there was an administrative hold-up, which meant that heavy expenditure originally forecast for 1986 was held over to 1987;
- a reduction in the expenditure on the consumption aid because of the unforeseen forfeit of import securities and of an administrative hold-up as a result of which some payments were deferred to 1987.
- much less olive oil was bought in to intervention than expected.



(c) Pigmeat (31%) and eggs and poultry (25%)

The shortfalls in respect of these products were mainly due to lower refund rates and lower exports than foreseen.

(d) Milk products (11%)

Because of slackening demand on the world market, exports of milk products fell short of forecasts. Also, the decline in disposals of butter mainly for cattle feed because of the delayed start of this scheme leading to heavier end-of-year stocks, and an increase in revenues due to the additional levy, also contributed to lower utilization of appropriations.

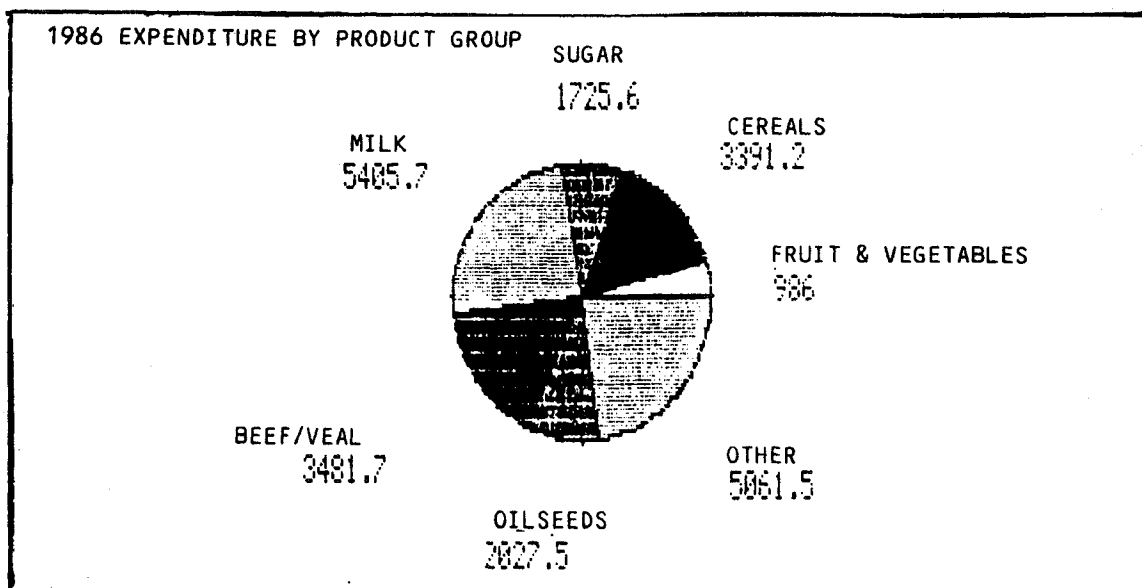
It must, however, be added that the savings achieved were partly offset by an increase in expenditure (losses on sales) in respect of storage of skimmed-milk powder due to the re-establishment of the skimmed-milk powder disposal programme for pigs.

(e) Fisheries (56%)

A decline in withdrawals meant lower expenditure on this product group.

TABLE No 2

Distribution by product group of expenditure in 1986



2.2. The agri-monetary situation

As regards the monetary compensatory amounts (MCAs), Table No 3 shows the difference between the assumptions made for the application of the MCAs when the budget was drawn up and the range of MCA points actually applied.

TABLE No 3

MCAs applied to trade

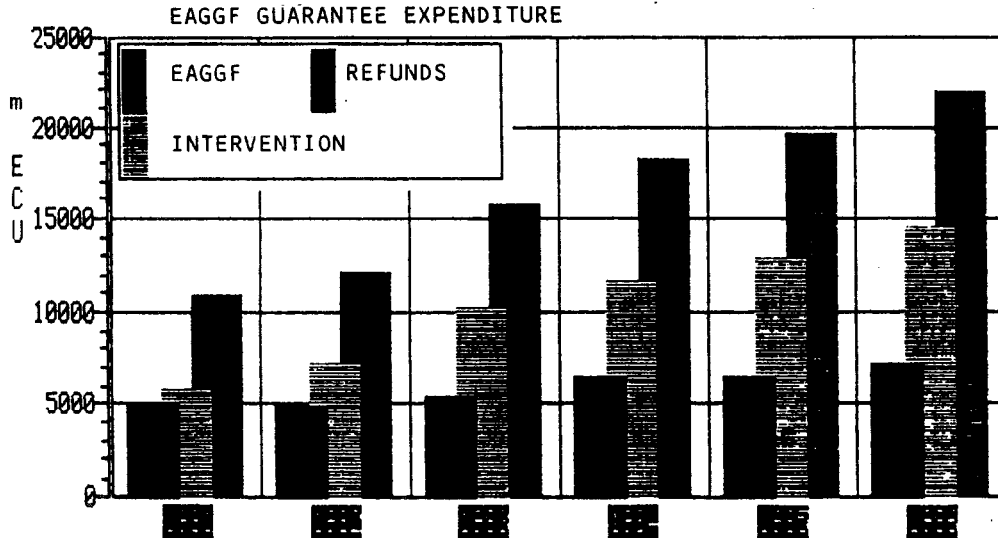
Currency	Product	Rate referred to for the 1986 budget (June 1985) from 1.1.185 to 31.10.86	Rates recorded relating to 1986	
			Minima	Maxima
DM	Milk	+ 2,9	+ 2,9	+ 2,9
	Cereals	+ 2,4	+ 2,4	+ 2,4
	Wine	0	0	+ 0
	Others	+ 1,8	+ 1,8	+ 1,8
BFR/LFR	All prods.	0	0	0
HFL	Milk	+ 2,9	+ 2,9	+ 2,9
	Cereals	+ 2,4	+ 2,4	+ 2,4
	Wine	0	0	0
	Others	+ 1,8	+ 1,8	+ 1,8
FF	Milk	0	- 4,7	0
	Wine, pigmeat	0	- 1,2	0
	Others	0	- 6,3	0
LIT	Wine	0	- 3,-	0
	Cereals	0	- 6,5	- 1,7
	Other prods.	0	- 4,6	- 1,-
UKL	Livestock products	)	- 23,6	0
	Pigmeat	) + 1,-	- 20,1	0
	Crop prods.	)	- 22,3	0
IRL	Livestock products	) 0	- 7,2	0
	Crop prods.	)	- 8,8	0
DKR	All prods.	0	0	0
DRA	Wine	) 0	- 38,3	- 24,4
	Other prods.	)	- 41,8	- 24,1
PTA	Livestock products	)	- 1,2	0
	Crop prods.	) 0	- 2,2	0
	Wine	)	0	0
	ESC	Sugar	0	- 9,5

When approving the 1986/87 prices, the Council decided:

- to undertake, in respect of animal products, an alignment of the green rate with the green pivot rate for the currencies of Belgium, Luxembourg and Denmark;
- to undertake, a partial devaluation of green rates for the currencies of the following countries : Ireland, United Kingdom, Italy, Greece, Spain and Portugal, as well as, but only for vegetable products, for the currencies of Belgium, Luxembourg and Denmark;
- to maintain unchanged the positive MCAs in Germany and the Netherlands.

2.3 Breakdown of expenditure by economic type

TABLE No 4



The figures in Annexes 4 and 5 show the following:

2.3.1 Refunds

Comparison of 1986 with 1985 reveals that the upward movement in export refund expenditure that started in 1983 continued in 1986.

Total refund expenditure, which came to 6 716 million ECU in 1985, was 7 409 million ECU in 1986, an increase of 693 million ECU or 10.3%. However, the share of refunds, as a percentage of total expenditure, was a little lower, in 1986, as had also been the case in 1985, and was down to 33.6% of total expenditure for 1986, compared with 34.1% of total expenditure for 1985. The breakdown by product group shows that in 1986 cereals accounted for 23% of total expenditure on refunds, sugar 17%, milk products 29%, beef/veal 16% and non-Annex-II products 7%.

The increase in absolute value of refund expenditure in 1986 was due mainly to an increase in payments in the following product groups:

- cereals: 1 712 million ECU in 1986, compared with 1 077 million ECU in 1985, an increase of 635 million ECU due to an increase in the level of the funds necessitated by the decline in the US dollar and world prices;
- rice: 92 million ECU in 1986 compared with 37 million ECU in 1985, an increase of 55 million ECU for the same reasons as those given above;
- milk products: 2 155 million ECU in 1986 compared with 2 028 million ECU in 1985, an increase of 127 million ECU necessitated by higher refund rates, although actual quantities exported were lower.

This upward movement was, however, partly offset by a decline in refund expenditures on a number of product groups, including:

- beef/veal: 1 214 million ECU in 1986 compared with 1 339 million ECU in 1985, a reduction of 125 million ECU. Despite an increase in the volume of exports in 1986, this reduction was accounted for by the fact that quantities of frozen meat exported, for which the refund rate is lower than for fresh meat, exceeded that of fresh meat exported, so that the average refund rate was lower;
- sugar: 1 238 million ECU in 1986 against 1 353 million ECU in 1985, a reduction of 115 million ECU. This was because the heavy exports of 1985 were not repeated in 1986.

### 2.3.2 Intervention

For all product groups, intervention totalled 14 670 million ECU, compared with 12 991 million ECU in 1985, an increase of 1 679 million ECU, representing an increment of 12.9%, exceeding the increase between 1984 and 1985 (10.5%).

As a proportion of total expenditure for the year, intervention cost 66.4%, a slightly higher share than in 1985 (65.9%).

In 1986, expenditure on intervention was accounted for mainly by the following product groups: cereals, 11% of total expenditure on intervention, oilseeds 14%, fruit and vegetables 6%, tobacco 5%, milk products 22% and beef/veal 15%.

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

2.3.2.1 The most important type of intervention was once again price compensating aids. This heading covers aids paid on the Community's internal market to ensure that the prices charged to consumers are lower than the cost of production and are competitive with the prices of imports from non-member countries, e.g., aids for the production and consumption of olive oil, aids for skimmed milk and aids for the production of processed fruit and vegetables etc. Expenditure on price-compensating aids rose from 7 577 million ECU in 1985 to 8 272 million ECU in 1986, an increase of 695 million ECU (9%), but rather lower than the increase between 1984 and 1985 (13%). The share of this type of expenditure in total expenditure for the year was nearly 38% (39% in 1985).

There was no consistent pattern in respect of all products, as the aids increased for some and declined for others.

The products for which this type of intervention increased appreciably were as follows:

- oilseeds:	+ 917 million ECU (+ 83%)
- protein plants:	+ 88 million ECU (+ 23%)
- fibre plants:	+ 324 million ECU (+135%)
of which, cotton (+320 million ECU);	
- sheepmeat and goatmeat:	+ 115 million ECU (+ 23%)
- compensatory amounts:	+ 250 million ECU (+408%)

The products for which less was spent on this type of aid were as follows:

- cereals:	- 145 million ECU (- 30%)
- rice:	- 12 million ECU (- 87%)
- olive oil:	- 142 million ECU (- 21%)
- fruit and vegetables:	- 373 million ECU (- 40%)
- wine:	- 75 million ECU (- 35%)
- tobacco:	- 85 million ECU (- 10%)
- milk products:	- 147 million ECU (- 8%)

This amount reflects conflicting changes: the figure for skimmed milk showed an increase (+ 123 million ECU, +7%), but that for butter showed a decline (- 201 million ECU, - 50%);

- beef/veal:	- 32 million ECU (- 16%)
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In 1986, the main products attracting price compensating aids were the following:

- oilseeds:	2.025 million ECU
- milk products:	1.744 million ECU
- tobacco:	734 million ECU
- sheepmeat and goatmeat:	617 million ECU
- fruit and vegetables:	570 million ECU
- fibre plants:	565 million ECU
(mainly cotton: 532 million ECU);	
- olive oil	526 million ECU

This type of expenditure was incurred for the first time also in the fisheries sector (4 million ECU) because of compensatory allowances paid in respect of tuna.

Annex 9, which shows the scale and breakdown of these aids, indicates that production aids went mainly to oilseeds (rape and sunflower), tobacco, sheepmeat, fibre plants (cotton), olive oil and protein plants. On the other hand, milk products (skimmed milk) and fruit and vegetables were the main beneficiaries of the processing aids.

- 2.3.2.2 The guidance premiums are paid only for milk products and beef/veal. In 1985 they had declined, and this continued in 1986; for milk products, the reduction was 32 million ECU as a result of the gradual scaling-down of payments in respect of the milk non-marketing and dairy herd conversion premiums; for beef/veal, the reduction was 45 million ECU, mainly because of lower calf premiums.

As a proportion of total expenditure, the guidance premiums amounted only to 82 million ECU for 1986, i.e. 0.4%, compared with 1.58 million ECU (0.8%) in 1985.

- 2.3.2.3 Storage intervention covers both private and public storage costs. Details of this kind of expenditure are given in Annex 7.

In 1986, expenditure under this heading increased by 25.5%, rising from 4 428 million ECU in 1985 to 5 555 million ECU in 1986. Within this last figure, 808 million ECU represent private storage (885 million ECU in 1985), of which more than half (470 million ECU) relates to sugar storage costs.<sup>1</sup>

In contrast with 1985, the total cost of private storage fell a little (by 9%); but there was no consistent pattern - there was an increase for sugar and cheese, a decline for wine, butter, beef and pigmeat, and there were new private storage costs for figs and dried grapes.

A detailed analysis of public storage is given in paragraph 2.4 and in Annex 8A. Compared with the total expenditure for the year, the share of storage costs rose again in 1986 by quite a wide margin, rising from 22% in 1985 to more than 25% for 1986.

<sup>1</sup> Sugar storage costs are covered by storage levies paid by the manufacturers (see Annex 12).

2.3.2.4 Only a small number of product groups are subject to withdrawals and similar operations. The share of this type of intervention in total expenditure fell from 4.2% in 1985 to 3.4% in 1986. For wine, as a result of the reduction in the quantities distilled due to the smaller harvest, intervention of this kind fell from 599 million ECU in 1985 to 406 million ECU in 1986 (- 32%); fisheries showed a small reduction in withdrawals (16 million ECU in 1985, 14 million ECU in 1986).

But withdrawals of fruit and vegetables increased by a very wide margin in 1986 (1985, 213 million ECU; 1986, 338 million ECU, an increase of 59%) as larger quantities of tomatoes, oranges and mandarins were withdrawn from the markets. There were also withdrawals of pigmeat (there had been none in 1985) costing 3 million ECU, because of action taken following an outbreak of African swine fever in Belgium.

2.3.3 Expenditure on monetary compensatory amounts, which had continued to decline in 1985, rose again quite sharply in 1986, from 190 million ECU in 1985 to 482 million ECU, an increase of about 154%. This increase is largely due to the sharp depreciation in sterling, the Italian lira and the Greek drachma in 1986; the share of MCAs in total expenditure rose from 1% in 1985 to 2.2% in 1986. The upward movement was particularly marked in the field of intervention, in which the MCAs charged on intra-Community trade and the accession compensatory amounts accounted for 312 million ECU in 1986, compared with 61 million ECU in 1985; the MCAs charged on intra-Community trade also increased, but by less (1985, 128 million ECU; 1986, 170 million ECU).

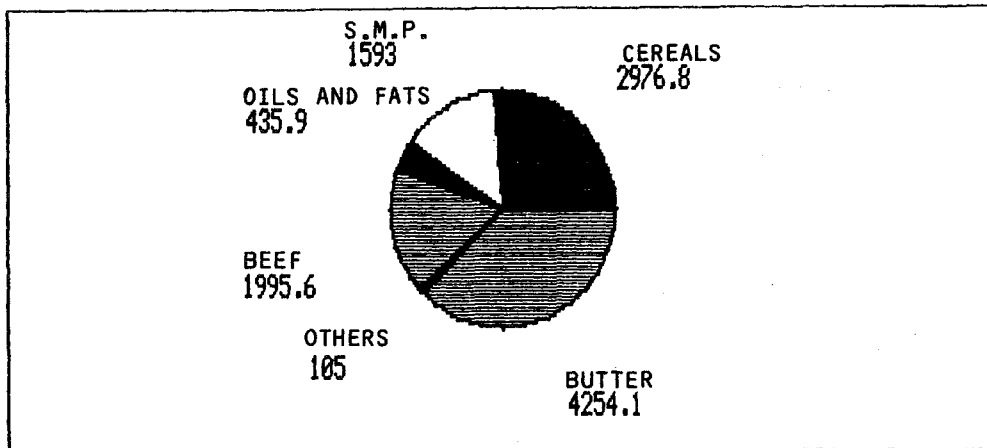
2.4 Public stocks (see Annexes 7 and 8A)

The cost of public storage (1986, 4 748 million ECU; 1985, 3 542 million ECU) rose fairly sharply (34%), notably for cereals (+ 79%), olive oil (+ 840%), alcohol (+ 153%), beef (+ 106%) and pigmeat (+ 58%). In absolute figures, this increase in expenditure mainly concerned cereals (591 million ECU) and beef (994 million ECU). But there were reductions for sugar (- 50%), skimmed-milk powder (- 34%) and butter (- 20%), these last two product groups also showing the sharpest reduction in actual expenditure (skimmed-milk powder, -196 million ECU; butter, - 251 million ECU) (see Annex 7).

Overall, public stocks (see Annex 8A) showed an increase in the book value of products held, which rose from 10 580 million ECU in 1985 to 11 360 million ECU in 1986, i.e. by nearly 8%.

The figures for the main items show that the pattern of the book value of stocks changed in 1986: the share of milk products was 51.5% of total value (comparing with 40.5% in 1985), that of cereals was 26.2% (1985: 36.1%) and that for beef was 17.6% (1985: 21.5%).

BOOK VALUE OF PUBLIC STOCKS (m ECU)



A more detailed analysis by product shows:

(a) For cereals:

- an overall decline in total quantities stored of 21% (1986, 14 717 000 tonnes; 1985, 18 647 000 tonnes). While there were reductions in stocks of common wheat (- 36%), non-bread-making common wheat (- 24%), barley (- 18%) because of the poor harvest in 1986 and active exports from intervention stocks, there were increases in the stocks of rye and durum wheat occasioned by developments as regards production, and new stocks of maize and sorghum, due to bumper harvests.

In 1986, non-bread-making common wheat accounted for 41% of stocks of cereals, and barley 26%;

- an overall reduction in the book value of stocks of cereals of 22% (1986, 2 977 million ECU; 1985, 3 821 million ECU). The value of stocks of common wheat and non-bread-making common wheat declined by 30% for each of these two items and that of barley declined by 22%.

(b) For olive oil:

- the quantities stored rose from 75 000 tonnes in 1985 to 283 000 tonnes, i.e. an increase of 277% due largely to the inclusion of Spanish stocks;



- the book value of olive oil stocks increased in parallel by 305 million ECU, to reach 421 million ECU, an increase of 263%.

(c) For tobacco:

- there was an overall increase in the quantities stored of 24 000 tonnes (+160%), thus giving a 1986 figure of 39 000 tonnes (1985, 15 000 tonnes). This increase was particularly sharp for leaf tobacco (+ 286%) and for processed tobacco (+ 76%) because of a deterioration in the world market combined with problems in finding outlets for certain varieties;
- the overall book value of this product also showed an increase, of 16 million ECU (110%), mainly accounted for by leaf tobacco (12 million ECU, i.e. 178%).

(d) For alcohol:

Comparison of the figures for 1986 with those for 1985 shows an increase in quantities (+ 165 000 hl, i.e. 33%) and in book value of stocks (+ 18 million ECU, i.e. 37%). This was due to the difficulty of disposing of stocks.

(e) For milk products

- the overall quantities show an increase of 612 000 tonnes (+ 40%), rising from 1 532 000 tonnes to 2 144 000 tonnes. For skimmed-milk powder, the increase was 330 000 tonnes (+ 65%), mainly due to increased production and, as a result, of increased buying-in, and for butter 279 000 tonnes (+ 27%) because of higher production also combined with greater difficulties in disposal;
- the overall book value of stocks of these products also showed an appreciable increase (+ 1 565 million ECU, i.e. 38%), as follows:
  - skimmed-milk powder: + 726 million ECU (+84%)
  - butter: + 838 million ECU (+25%)

With a book value of 4 254 million ECU, butter alone represents nearly 38% of the value of all agricultural products held by the intervention agencies.

(f) For beef:

As for cereals, total stocks of beef declined.

- as regards quantities, these fell from 803 000 tonnes in 1985 to 672 000 tonnes in 1986, i.e. a drop of 16%. However, this was mainly for carcass beef (1985, 589 000 tonnes; 1986, 452 000 tonnes, i.e. - 23%) because of heavier exports to non-member countries. On the other hand, stocks of boned beef rose slightly, by 3% (1985, 214 000 tonnes; 1986, 220 000 tonnes) following an extension in the practice of boning meat in store;
- the book value of beef stocks tended to follow that of quantities.

It fell, overall, from 2 270 million ECU in 1985 to 1 996 million ECU in 1986 (- 12%), broken down as follows:

- carcass beef: - 297 million ECU (- 20%)
- boned beef: + 22 million ECU (+ 3%)

(g) Other product groups

Also in 1986:

- stocks of pigmeat were almost eliminated;
- there were new stocks of sunflower (28 000 tonnes), due to Portuguese production;
- new stocks of sugar (16 000 tonnes) and rape (157 tonnes) were bought in (there had been none in 1985).

2.5 Corrections to be made to the breakdown of expenditure by Member States regarding monetary compensatory amounts (MCA)

Article 10 of Regulation (EEC) No 1677/85 relating to monetary compensatory amounts in the agricultural sector provides that, when a product exported by one Member State has been imported into another Member State before granting a monetary compensatory amount on imports, the exporting Member state may, with the agreement of the importing Member State, pay the MCA which should otherwise be paid by the importing Member State.

TABLE No 5

Breakdown of expenditure by Member state, allowing for the rules that exporting Member states may pay intra-Community MCAs for importing Member States

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

							(m ECU)
Member States	Expenditure	Application: Breakdown of expenditure taking					
		of Art. 10		of account of the application of			
	1	of		Article 10 of Reg. 1677/85			
		Reg.1677/85:		Amount	% 1986	% 1985	
Belgium	978,9	-	11,9	967,0	4,4	4,6	
Denmark	1.065,7	-	38,1	1.027,6	4,6	4,2	
Germany	4.400,8	-	60,7	4.340,1	19,6	18,3	
Greece	1.387,3		-	1.387,3	6,3	6,0	
Spain	271,4		-	271,4	1,2	-	
France	5.447,1	-	97,3	5.349,8	24,2	23,4	
Ireland	1.214,4	-	63,9	1.150,5	5,2	5,9	
Italy	3.068,9	+	167,6	3.236,5	14,6	17,6	
Luxembourg	2,0		-	2,0	p.m.	p.m.	
Netherlands	2.277,4	-	48,3	2.229,1	10,1	10,3	
Portugal	30,8		-	30,8	0,1	-	
United Kingdom	1.986,7	+	152,6	2.139,3	9,7	9,7	
Community <sup>2</sup>	6,0		-	6,0	p.m.	p.m.	
TOTAL EEC	22.137,4		-	22.137,4	100,0	100,0	

<sup>1</sup> Including financial consequences of the clearance of the 1982 accounts - Community compensation and other expenditure.

<sup>2</sup> Direct payments to beneficiaries for information and promotion schemes concerning olive oil and flax and hemp; for research programmes into bee-keeping and on the basis of a judgment of the Court of Justice on production refunds for cereals.

2.6 The total cost of the Guarantee Section

2.6.1 General expenditure

TABLE No 6

: Year :	Total expenditure :	Annual growth rate :
:	(m ECU) :	(%) :
: 1980 :	11.314,9 :	8,4 :
: 1981 :	10.980,2 :	- 3,0 :
: 1982 :	12.405,6 :	13,0 :
: 1983 :	15.811,6 :	27,5 :
: 1984 :	18.346,4 :	16,0 :
: 1985 :	19.744,2 :	7,6 :
: 1986 :	22.137,4 :	12,1 :

After losing momentum in the early 80s, with an actual decline in 1981, agricultural expenditure has consistently increased since, with particularly strong growth in 1983, and more moderate growth in 1984, 1985 and 1986. Leaving aside the two new Member States, Spain and Portugal, total expenditure would have been only 21 835.2 million ECU, and the annual rate of growth would have been 10.6% and not 12.1%.

The increase in absolute value of expenditure recorded in 1986 concerned mainly cereals (+ 1 080 million ECU), oilseeds (+ 917 million ECU), beef/veal (+ 736 million ECU), fibre plants (+ 324 million ECU), monetary compensatory amounts (+ 286 million ECU), and sheepmeat and goatmeat (+ 115 million ECU). On the other hand, expenditure on milk products (- 527 million ECU), wine (- 291 million ECU), fruit and vegetables (- 245 million ECU), olive oil (- 88 million ECU), tobacco (- 81 million ECU) and sugar (- 79 million ECU), declined in 1986.

Expressed in percentage terms, the changes in agricultural expenditure in 1986 as compared with 1985 reveal a rather different pattern. With reference only to the main headings, there were increases in monetary compensatory amounts (+ 151%), fibre plants (+ 135%) mainly because of cotton (+ 150%), rice (+ 87%), oilseeds (+ 83%), eggs and poultry (+ 55%) and cereals (+ 47%); the increase in the accession compensatory amounts which was due to the first impact of the enlargement of the Community to include Spain and Portugal, must be seen separately. Payments declined for wine (- 32%), fruit and vegetables (- 20%), olive oil (- 13%), tobacco (- 9%), milk products (- 9%) and pigmeat (- 8%).

2.6.2 Revenue

The common agricultural policy is a source of revenue as well as of expenditure, due to charges made under the market organizations. These charges, which accrue as the own resources of the Community, consists of levies on imports into the Community, of agricultural products from non-member countries and special levies charged under the Community's regulations on sugar, these being subdivided into production levies and storage levies.

Other revenues of agricultural origin rank as intervention designed to stabilize the agricultural markets and are thus deducted directly from the agricultural expenditure for the year. This includes:

- payments made by diary farmers since 1977, under the "coresponsibility levy", plus, since 1984, an additional levy where there are quota overruns. In 1986, this contribution came to about 717 million ECU;
- similar payments or coresponsibility levies on cereals growers since 1986. Because of the late introduction of this scheme (1 July 1986) and necessary adaptation measures, the contribution in 1986 was only about 56 million ECU and will only take full effect from 1987 onwards.

TABLE No 7

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

		(m ECU)					
: Nature of charge		: 1981	: 1982	: 1983	: 1984	: 1985	: 1986
: Ordinary levies		: 1.264,9	: 1.522,0	: 1.347,1	: 1.260,0	: 1.121,7	: 1.175,5
: Sugar levies of which,		: 482,5	: 705,8	: 948,0	: 1.176,4	: 1.057,4	: 1.111,5
: - production		: 125,8	: 276,9	: 469,4	: 708,4	: 548,5	: 612,3 <sup>1</sup>
: - storage costs		: 356,7	: 428,9	: 478,6	: 468,0	: 508,9	: 499,2
: TOTAL		: 1.747,4	: 2.227,8	: 2.295,1	: 2.436,4	: 2.179,1	: 2.287,0

<sup>1</sup> Including the "elimination" levy, totalling 68.3 million ECU.

The table shows that these accruals, after falling in 1985, moved upwards again in 1986 to much the same level as in 1983.

The ordinary levies, accounted for mainly by imports of cereals into the Community, had been tending to decline since 1983, but this trend came to a halt in 1986. The upward movement last year (+ 5%) was accounted for, despite the further decline in imports of cereals in 1986, by an increase in levy rates due to the decline in the US dollar and world prices; in addition the impact of the accession of Spain and Portugal, also influenced the 1986 figures.

The yield from the sugar levies in 1986 was also higher than in 1985 (+ 5%). This was mainly due to the introduction of an "elimination" levy by Regulation (EEC) No 934/86<sup>1</sup>, the purpose of which was to eliminate a deficit of 400 million ECU not covered by the levies charged from 1981/82 to 1985/86. From 1987 onwards, this special levy will be charged under the special budget heading forming part of the own resources. For 1986, the production levies proper came to 543.9 million ECU, virtually the same as in 1985.

The decline in storage levies of 10 million ECU between 1985 and 1986 is accounted for mainly by a moderate increase in stocks in 1986 the effect of which is to defer disposal, and thus the timing of the storage levy payments.

#### 2.6.3 Guarantee costs as a proportion of GDP

In the wider economic context, comparison of the overall cost of guarantee expenditure related to the most significant economic indicator, i.e. the Community's Gross Domestic Product at market prices (GDP), shows (Annex 10) that, for gross expenditure, the upward movement noted since 1982 stabilized in 1985 and even eased downwards in 1986; by that year the gross cost of the Guarantee Section was only 0.64% of the GDP, compared with 0.66% in 1984 and 1985. The net cost, i.e. after deduction of agricultural charges, has proved to be relatively stable (0.59% of GDP in 1985 - 0.58% in 1986).

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<sup>1</sup> OJ No L 87, 02.04.1986

3. Amendment and adjustment of legislation governing the Guarantee Section

3.1 Council legislation

- 3.1.1 On 25 March 1986, the Council adopted Regulation (EEC) No 964/86<sup>1</sup> amending Regulation (EEC) No 1883/78 on general rules on the financing of intervention by the EAGGF Guarantee Section<sup>2</sup>, the aim being to authorize a more extensive facility for the financial depreciation of stocks bought in.

The Commission may now, at any time during the year, fix the value of stocks bought in at a level allowing for future losses on disposal and thus use the appropriations entered for this purpose in the budget from the very beginning of the year; previously, stocks could be depreciated only at the end of the year.

- 3.1.2 In order to enable the authorities to continue proper execution of the Community budget for 1986 and comply with the reference framework set by the Council, it was necessary, given the budgetary difficulties, to authorize the Commission to waive the rules laid down in Articles 5 and 6 of Regulation (EEC) No 1883/78 stipulating that the interest costs to be financed by the EAGGF Guarantee Fund for national funds used for buying in agricultural products should be calculated on the basis of a standard interest rate for the Community, this rate to be representative of the interest rates actually borne by the Member States (Article 5); the regulation also stipulated that physical operations connected with storage should be financed by the Guarantee Section on the basis of uniform standard amounts for the Community, these amounts normally reflecting weighted costs in the Member States (Article 6).

To this effect, the Council adopted on 6 May 1986 Regulation (EEC) No 1334/86<sup>3</sup>, which amended once again Regulation (EEC) No 1883/78 by making additions to Articles 5 and 6. The new provisions, applicable from 1 December 1985 onwards, stated that, for 1986, 1987 and 1988, the Commission is authorized:

- to set the uniform interest rate at a level below its representative rate,
- for Member States for which the interest rate borne by themselves is below the rate fixed, to fix the uniform interest rate at that lower rate,
- to set the uniform standard amounts at a level corresponding to three-quarters of the uniform standard amounts established on the normal basis.

This authorization will be valid until there is a substantial reduction in stocks bought in, and, in view of estimates made at the time, it should remain in force for 1987 and 1988.

<sup>1</sup> OJ No L 89, 4 April 1986, p.1

<sup>2</sup> OJ No L 216, 5 August 1978, p. 1

<sup>3</sup> OJ No L 119, 8 May 1986, p. 18.

### 3.2 Commission regulations

- 3.2.1 Pursuant to the new provisions of Regulation (EEC) No 1833/78 (see 3.1.1), the Commission adopted on 21 May 1986 Regulation (EEC) No 1624/86 fixing the amount of, and detailed rules for, the reductions in value of certain intervention stocks of butter and beef<sup>1</sup>.

Noting that the conditions laid down in the regulations of financial depreciation of certain stocks were met and that the General Budget of the European Communities for 1986 provided, in this connection, appropriations totalling 471 million ECU, the Commission decided, with effect on 1 April 1986, to proceed with the financial depreciation of butter and of boned beef and beef in carcasses and quarters bought in before 1 March 1985, the disposal of which was scheduled to take place before the end of 1986 (\*). The amount of depreciation was set at 1 381 ECU per tonne for butter, 1 013 ECU per tonne for beef in quarters and 2 050 ECU per tonne for boned beef. The relevant quantities were dealt with in two instalments: the first, by Commission Decision of 23 May 1986, the second by Commission Decision of 1 October 1986 (see Table No 8).

- 3.2.2 On 3 June 1986, the Commission adopted Regulation (EEC) No 1730/86<sup>2</sup> concerning certain detailed rules for financing interventions by the EAGGF Guarantee Section, and amending Regulations (EEC) No 467/77<sup>3</sup>.

This regulation adapted the method of calculation of the cost of financing intervention following the depreciation of certain agricultural products in public storage (see 3.2.1). Also, pursuant to Regulation (EEC) No 1334/86 (see 3.1.2), it reduced, from 1 December 1985 onwards, the uniform interest rate, from 8% to 7%, and the standard amounts by 25%. These measures, adopted under the 1986/87 price proposals, should save the EAGGF Guarantee Section about 300 million per year.

In this context, the Commission adopted on 2 February 1987 Regulation (EEC) No 331/87<sup>4</sup>, which, supplementing Regulation (EEC) No 467/77, fixes, for the period beginning 1 December 1986, the special interest rate for Germany and the Netherlands at 6%.

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1 OJ No L 148, 31 May 1986, p. 1  
2 OJ No L 150, 4 June 1986, p. 14  
3 OJ No L 62, 8 March 1977, p. 9  
4 OJ No L 32, 3 February 1987, p. 10

(\*) The financial depreciation carried out during the year has also the advantage of creating a saving in the financing costs in respect of the immobilised capital held as stock. The saving corresponds to the amount of the depreciation multiplied by the fixed interest rate for the period between the date of the depreciation and the end of the year; this was not the case under the previous system where financial depreciation of stocks could not take place until the end of the year.



3.2.3 To buy in agricultural products, the Member States must themselves obtain the necessary funds, the Guarantee Section financing on a flat-rate basis the resulting interest costs, taking as basis for the calculation, the date of movement of the product as the operative date. Because of the large quantities of beef and butter bought in, the Commission had arranged, in respect of certain types of sales intended for export, a time-period for payment after removal of the product by the purchaser. This necessitated on each occasion an amendment to Regulation (EEC) No 467/77 to cover the increase in interest costs incurred by the intervention agencies as a result of the delay in payment. To overcome this difficulty, the Commission adopted on 3 September 1986, Regulation (EEC) No 2734/86<sup>1</sup>, which, adjusting Regulation (EEC) No 467/77, established a permanent framework in order to avoid frequent amendments to the latter Regulation.

3.2.4 On 26 May 1986, the Commission also adopted Regulation (EEC) No 1596/86<sup>2</sup>, amended on 1 December 1986 by Regulation (EEC) No 3667/86<sup>3</sup>, which established the prices to be used for the calculation of the value of agricultural products, held in intervention in Spain and Portugal, to be taken over by the Community on 1 March 1986 under Regulation (EEC) No 1883/78.

3.2.5 The first subparagraph of Article 8 of Regulation (EEC) No 1883/78 requires an annual valuation of agricultural products held in intervention at the end of the year at the average buying-in price.

Pursuant to this requirement, the Commission adopted on 2 December 1986 Regulation (EEC) No 3684/86<sup>4</sup> fixing the prices to be used for calculating the value of agricultural products in intervention storage at 30 November 1986 and those to be carried forward to 1987. This is the basis on which Annex 8A, which summarizes the total book values of stocks held in public intervention, is compiled annually.

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<sup>1</sup> OJ No L 252, 4 September 1986, p. 12

<sup>2</sup> OJ No L 140, 27 May 1986, p. 14

<sup>3</sup> OJ No L 339, 2 December 1986, p. 13

<sup>4</sup> OJ No L 340, 3 December 1986, p. 9

TABLE No 8

Depreciation of stocks in public intervention in 1986

(Budget headings 2034 and 2114)

Member States	Instalment	Beef in quarters			Boned beef			Butter		
		Quantities (tonnes)			Quantities (tonnes)			Quantities (tonnes)		
		Allocated	Disposed of	Balance	Allocated	Disposal of	Balance	Allocated	Disposed of	Balance
Belgium	1st instalment:	2.000	2.000	-	-	-	-	1.000	1.000	-
Denmark	1st instalment:	3.000(1)	1.265(1)	- (1)	4.000	3.992	8	2.000	1.675	325
Germany	1st instalment:	-	-	-	2.500	2.500	-	100.000	110.000	-
	2nd instalment:	-	-	-	-	-	-	10.000		
France	1st instalment:	12.000	12.000	-	2.500	2.481	19	25.000	10.605	14.395
Ireland	1st instalment:	9.500	11.500	-	8.000	8.000	-	10.000	10.685	315
	2nd instalment:	2.000			-	-	-	1.000		
Italy	1st instalment:	40.000	50.000	-	-	-	-	-	-	-
	2nd instalment:	10.000			-	-	-	-	-	-
Netherlands	1st instalment:	4.000	4.975	2.425	-	-	-	20.000	30.000	-
	2nd instalment:	4.000(2)			-	-	-	10.000		
United Kingdom	1st instalment:	9.500	2.985	14.515	3.000	3.000	-	20.000	26.014	9.486
	2nd instalment:	8.000			-	-	-	15.500		
TOTAL	1st instalment:	80.000	84.725	16.940	20.000	19.973	27	178.000	189.979	24.521
	2nd instalment:	24.000			-	-	-	36.500		

(1) This Member State received for depreciation an amount of 3 000t, but had only 1 265 tonnes in stock, which were disposed of.

(2) This Member State depreciated, for the second instalment, only 3 400 tonnes.

CASH POSITION AND MANAGEMENT OF APPROPRIATIONS

4. Advance payments (\*)

Article 5(2) of Council Regulation (EEC) No 729/70 on the financing of the common agricultural policy<sup>1</sup> provides that the Community funds needed to cover expenditure chargeable to the EAGGF Guarantee Section are to be placed at the disposal of the Member States.

5. Advance payments to the Member States<sup>2</sup>

5.1 Decisions on advance payments in 1986

In respect of 1986, the Commission adopted twenty-five decisions on advance payments, two of which were supplementary, and eight for extraordinary payments, following underestimates of expenditure. The latter concerned France in January, Belgium in February, Italy in March, Belgium in April, Portugal in May, Denmark and the Netherlands in June and Denmark in August. A ninth extraordinary advance payment for all the Member States except Portugal was approved in November, following extremely careful administration of end-of-year appropriations because of the lack of own resources given the payment requirements to be complied with by the Member States.

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<sup>1</sup> OJ No L 94, 28.4.1970, p. 13

<sup>2</sup> See Annexes 14 and 15

(\*) The details of this system and of its operation have been described in earlier financial reports.

Two supplementary advance payments were approved. The first, in May, for all the Member States, followed a review of their financial situation and of the funds still available to them after depreciation of the stocks of certain intervention products. The second, in September, for Greece, followed a judgment by the Court of Justice suspending part of the decision clearing Greece's 1982 accounts (see 8.3).

For the milk non-marketing and dairy herd conversion premiums (Reg. (EEC) No 1078/77)<sup>1</sup>, 60% of which are financed from the Guarantee Section and 40% from the Guidance Section, the Commission adopted 13 decisions for advance payments, one of which, for Luxembourg in March 1986, was an extraordinary decision.

#### 5.2 Funds available in the Member States during the year

Funds placed at the disposal of the Member States for 1986 expenditure totalled 22 154 million ECU<sup>2</sup>, of which 22 146.6 million ECU was for the Guarantee Section and 7.4 million ECU for the Guidance Section<sup>3</sup>.

22 137.7 million ECU of this figure was used, leaving a balance at 31 December 1986 of 16.3 million ECU, of which 15.2 million ECU was for the Guarantee Section.

#### 5.3 Rate of utilization of the funds available

The ratio of expenditure to the funds at the disposal of the Member States for this purpose was 99.9% in 1986 (Table No 9, column F).

A comparison between the average funds available to cover monthly expenditure, each month, and the average balances remaining after such monthly payments, gives an average rate of utilization of 93.7% (Table No 11, Column C) which is higher than the corresponding figure for 1985 (87.9%).

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<sup>1</sup> OJ No L 131, 26.05.1977, p. 1

In this Report, this expenditure is included in its entirety in respect of cash aspects, but only up to 60% in respect of budgetary aspects.

<sup>2</sup> Not including direct payments of 6.0 million ECU.

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

TABLE No 9

## FUNDS AVAILABLE TO AND EXPENDITURE BY MEMBER STATES FOR 1986

(Guarantee and milk premiums (100%))

m ECU

Member State	Balance at 01.01.86	Advance payments for 1986 (including exchange differences)	Total available for 1986	Expenditure from 01.01.86 to 31.12.86	Funds available at 31.12.86	Utilization of advance payments
	(a)	(b)	(c) = (a) + (b)	(d)	(e) = (c) - (d)	(f) = (d) / (c) . 100
Belgium	0,9	980,6	981,5	979,2	2,3	99,77
Denmark	- 0,1	1.066,6	1.066,5	1.066,3	0,2	99,98
Germany	13,9	4.392,6	4.406,5	4.404,8	1,7	99,96
Greece	- 0,1	1.387,7	1.387,6	1.387,3	0,3	99,98
Spain	-	271,9	271,9	271,4	0,5	99,82
France	0,5	5.455,6	5.456,1	5.448,2	7,9	99,86
Ireland	0,1	1.214,6	1.214,7	1.214,6	0,1	99,99
Italy	6,2	3.064,3	3.070,5	3.068,9	1,6	99,95
Luxembourg	0,1	2,2	2,3	2,1	0,2	91,30
Netherlands	28,3	2.250,2	2.278,5	2.277,4	1,1	99,95
Portugal	-	30,8	30,8	30,8	0,0	100,-
United Kingdom	1,0	1.986,1	1.987,1	1.986,7	0,4	99,98
TOTAL	50,8	22.103,2	22.154,0	22.137,7 (1)	16,3	99,93
of which						
. Guarantee	49,2	22.097,4	22.146,6	22.131,4	15,2	99,93
. Guidance	1,6	5,8	7,4	6,3	1,1	85,14

(1) Not including direct payments of 5 952 476.98 ECU.

TABLE No 10

FUNDS AVAILABLE TO AND EXPENDITURE BY MEMBER STATES IN 1986

(Guarantee and premiums (100%))

							(national currencies)
Member States	Balances at 01.01.86	Advance payments for 1986 (includ- ing exchange differences)	Total available for 1986	Expenditure from 01.01.86 to 31.12.86	Funds available at 31.12.86		
	(a)	(b)	(c) = (a) + (b)	(d)	(1)	(e) = (c) - (d)	
Belgium	42.253.129,-	43.240.900.000,-	43.283.153.129,-	43.181.781.095,-		101.372.034,-	
Denmark	- 374.751,45	8.483.600.000,-	8.483.225.248,55	8.481.873.980,63		1.351.267,92	
Germany	30.796.548,84	9.419.500.000,-	9.450.296.548,84	9.446.749.317,50		3.547.231,34	
Greece	- 15.948.336,-	187.871.000.000,-	187.855.051.664,-	187.811.863.627,-		43.188.037,-	
Spain	-	37.442.000.000,-	37.442.000.000,-	37.366.408.337,60		75.591.662,40	
France	3.095.496,75	36.993.400.000,-	36.996.495.496,75	36.942.428.231,43		54.067.265,32	
Ireland	37.314,48	884.119.000,-	884.156.314,48	884.141.791,88		14.522,60	
Italy	9.274.853.242,-	4.501.900.000.000,-	4.511.174.853.242,-	4.508.887.995.344,-		2.286.857.898,-	
Luxembourg	3.387.407,-	96.900.000,-	100.287.407,-	91.420.853,-		8.866.554,-	
Netherlands	70.537.018,14	5.434.600.000,-	5.505.137.018,14	5.502.574.572,23		2.562.445,91	
Portugal	-	4.691.500.000,-	4.691.500.000,-	4.691.475.642,10		24.357,90	
United Kingdom	615.643,64	1.286.800.000,-	1.287.415.643,64	1.287.103.378,49		312.265,15	

(1) Not including direct payments.

TABLE No 11

Average rate of utilization of Community funds in 1986

(Guarantee and milk premiums (100%))

			m ECU
:	:	Average Community	Average balance
:	:	funds available in:	available after
:	:	the Member States	the month's
:	:	for one month's	expenditure
:	:	expenditure	(see Annexes 16
:	:	(see Annexes 16	and 17 Lines E)
:	:	and 17 lines C)	
			Average rate
			of utilization
A) MEMBER STATES	(a)	(b)	(c) = $\frac{(a)-(b)}{(a)} \cdot 100$
BELGIUM	80,4	- 1,2	101,5 % (1)
DENMARK	88,7	- 0,2	100,2 % (1)
GERMANY	390,6	23,6	94,0 %
GREECE	108,9	- 6,7	106,2 % (1)
SPAIN	47,3	17,2	63,6 %
FRANCE	447,7	- 6,2	101,4 % (1)
IRELAND	104,4	3,3	96,8 %
ITALY	320,1	64,4	79,9 %
LUXEMBOURG	0,4	0,2	50,0 %
NETHERLANDS	185,0	- 4,8	102,6 % (1)
PORTUGAL	6,5	2,7	58,5 %
UNITED KINGDOM	198,5	33,0	83,4 %
<hr/>			
B) EEC	1.978,5	125,3	93,7 %

- (1) Rates exceed 10% because, in the course of the year, funds placed at the disposal of the Member States around the 20th of each month, for expenditure in the following month, can in fact be used as soon as they are received.

5.4 Direct payments

The Commission makes direct payments to operators in certain cases. These relate to certain schemes which are not conventional market measures. They include action to increase the scope for disposal of olive oil and flax products, financed from sums withheld from the aids to be paid to producers.

Thus, in 1986, the Commission paid directly to the beneficiaries, (a) a sum of 4 066 614.32 ECU against appropriations carried over from 1985,

(b) a sum of 2 457 061.47 ECU against appropriations for 1986.

Also, a sum of 3 495 415.51 ECU was committed in 1986 and carried over to 1987, i.e. a total of roughly 6.0 million ECU for 1986.

Annex 20 provides, for the various measures concerned, an overall picture of the amounts withheld from producers in relation to expenditure and commitments made.

Other schemes are financed from sums withheld from aids. Although this expenditure is financed by the paying agencies and does not therefore constitute direct payments by the Commission, it has also been shown in the Annex to bring out clearly the situation as regards amounts withheld and used.

6. Management of appropriations

A number of events occurring during the year left uncertainty as to appropriations actually available, whether overall or for individual chapters and items.

Thus, after the definitive adoption of the budget and with the Council submitting the preliminary draft amending and supplementary budget, the Council appealed for cancellation of the original budget, and the Court allowed the appeal in July. A new budget, incorporating the amending and supplementary budget, had to be adopted. However, shortage of funds soon forced the Commission to put forward a new amending budget, which substantially reduced the EAGGF Guarantee Section appropriations. At the end of the year, the Council had not yet adopted a decision (see 1.1).

6.1 Appropriations available (m ECU)

Original budget	22 153.3 <sup>1</sup>
Transfers of appropriations (from or to EAGGF)	- 0
Appropriations available	<u>22 153.3</u>
	=====

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<sup>1</sup> Titles 1 and 2 including 18.3 million ECU entered in Chapter 40 for the fisheries market organization.



## 6.2 Transfers of appropriations

To adjust the situation of funds available with regard to utilization of appropriations, the Commission proposed, on 27 February 1987, the end-of-year chapter-to-chapter transfers. The proposal was approved by the Council on 24 March 1987 and the appropriations thus transferred represented a total of 1 740 million ECU (see Table No 12 below).

The amount is a large one because of the appreciable unforeseeable developments during the year, particularly as regards cereals and rice and sugar (decline in world prices), oilseeds and fibre plants (expanding production and declining dollar), and in particular as regards beef/veal (larger quantities brought in and exported than foreseen, because of the depressed Community markets). On the other hand, expenditure was lower in some product groups mainly because smaller quantities were exported (pigmeat, milk products, eggs and poultry and wine), disposal was delayed (butter for animal feed), administrative delays in one Member State in the payment of aids (olive oil) and a reduction in expenditure on wine distillation and enrichment (see also Title I-2).

## 6.3 Expenditure

- 6.3.1 Expenditure charged in respect of 1986 totalled 22 137.4 million ECU. This amount comprises, in addition to expenditure declared by the Member States as paid in 1986 (22 073.2 m ECU), the accruals from the 1982 accounts clearance (-55.3 m ECU), Community compensation measures (+ 113.5 m ECU) and direct payments (+ 6.0 m ECU).

A detailed analysis of the expenditure by sector is given in Title I of this Report at Table No 1 and in Annex 2. Table No 13 breaks down the expenditure by Member State.

This breakdown 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.

TABLE No 12

Appropriations (with transfers)

							('000 ECU)
Sector	Chap.	Original appropriations	Transfers of appropriations	Appropriations available	Expenditure 1986	(1)	
Cereals and Rice	10	3.300.000	+ 185.000	3.485.000	3.484.909		
Sugar	11	1.642.000	+ 84.000	1.726.000	1.725.550		
Olive oil	12	1.034.000	- 427.500	606.500	604.329		
Oil and protein plants	13	2.211.000	+ 277.500	2.488.500	2.487.471		
Fibre plants and Silkworms	14	420.000	+ 145.500	565.500	565.015		
Fruit and Vegetables	15	927.500	+ 59.000	986.500	986.038		
Wine	16	1.087.000	- 454.500	632.500	630.755		
Tobacco	17	792.000	- 7.000	785.000	782.156		
Other sectors or agricultural prod	18	53.000	+ 3.500	56.500	56.362		
Milk and milk products	20	6.100.000	- 690.500	5.409.500	5.405.760		
Beef/veal	21	2.682.000	+ 800.000	3.482.000	3.481.720		
Sheepmeat and Goatmeat	22	526.000	+ 91.000	617.000	616.950		
Pigmeat	23	220.000	- 67.500	152.500	151.813		
Eggs and Poultry	24	131.000	- 33.000	98.000	97.774		
Non-Annex II refunds	25	514.000	- 11.000	503.000	502.948		
ACAs	27	32.000	- 26.000	6.000	5.750		
MCAs	28	434.000	+ 42.500	476.500	475.928		
Other expenditure	29	6.500	+ 52.000	58.500	58.178		
Fisheries Marketing Org.	40	41.300	- 23.000	18.300	17.974		
<b>TOTAUX</b>		<b>22.153.300</b>	<b>0</b>	<b>22.153.300</b>	<b>22.137.380</b>		

(1) Including the results of the 1982 clearance of accounts and net of Community compensation measures.

TABLE No 13

Expenditure recorded in the Member States in 1986  
by type of financing<sup>1</sup>

(m ECU)					
Member State	Refunds	Intervention	Totals 1986		1985
			m ECU	%	%
Belgium	554,8	421,3	976,1	4,42	4,65
Denmark	582,7	488,0	1.070,7	4,85	4,23
Germany	1.266,0	3.032,4	4.298,4	19,47	17,78
Greece	67,1	1.345,3	1.412,4	6,40	6,08
Spain	10,4	260,9	271,3	1,23	-
France	2.168,6	3.284,4	5.453,0	24,70	23,51
Ireland	430,5	784,6	1.215,1	5,50	5,93
Italy	494,1	2.568,6	3.062,7	13,87	17,52
Luxembourg	2,4	0,4	2,0	p.m.	0,02
Netherlands	1.249,7	1.031,1	2.280,8	10,33	10,53
Portugal	1,0	29,8	30,8	0,14	-
United Kingdom:	581,9	1.418,0	1.999,9	9,06	9,72
-----					
TOTAL M.S.	7.409,2	14.664,0	22.073,2	99,97	99,97
-----					
Direct payments	-	6,0	6,0	0,03	0,03
-----					
TOTAL EEC	7.409,2	14.670,0	22.079,2	100,00	100,00
-----					

<sup>1</sup> This does not allow for accruals from the 1982 accounts clearance (- 55.3 m ECU) or for Community compensation measures (+ 113.5 m ECU, i.e. 100 m ECU for Germany and 13.5 m ECU for the Netherlands). The totals by Member State, including these two items, are given in Annex 2.

6.3.2 Budget operations

6.3.2.1 Commitments

	ECU
- global provisional commitments corresponding to the advance payments made to Member States in respect of 1986	22 146 658 185.33
- commitments for direct payments	+ 5.952 476.98
Total	22 152 610 662.31
- commitments itemized in accordance with budget nomenclature	- 22 137 379 851.42 <sup>1</sup>
- balance of global commitments lapsed in respect of 1986 and re-committed to the EAGGF for 1987	15 230 810.89 =====

6.3.2.2 Sums charged as payments

The sums charged as payments total 22 133 884 435.91 ECU. The difference of 3 495 415.51 ECU vis-à-vis the itemized commitments corresponds to the appropriations committed with a view to expenditure made directly by the Commission, the payment of which had not yet taken place by the end of the year.

6.4 Carryover of appropriations

The following 1986 appropriations committed for direct payments (see above) were automatically carried over to 1987:

item 1221 (olive oil)	189 145.72 ECU
item 1401 (flax)	<u>3 306 269.79 ECU</u>
	3 495 415.51 ECU =====

4 066 614.32 ECU of the 4 411 622.97 ECU in 1985 appropriations which were automatically carried over to 1986 were used. The residual amount of 345.008.65 ECU lapsed.

To help restore equilibrium between revenue and expenditure in the execution of the 1986 budget, the Commission refrained from applying to the budgetary authority to carryover 1986 appropriations to 1987.

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<sup>1</sup> Including amounts accruing from the 1982 accounts clearance.

6.5 Summary of the execution of the 1986 budget

In early 1986, the tempo of expenditure was steady, but gathered momentum at the end of the first and into the beginning of the second quarter, partly because the Commission carried out its first depreciation in April of certain stocks held in intervention (butter and beef). In October, a second depreciation of the same products was effected. This exhausted the appropriations available for this scheme.

In the mid-year, the Commission had to contend with a budget which was cancelled but partly executed.

After the adoption of a new budget (incorporating the preliminary draft amending and supplementary budget), a shortage of own resources compelled the Commission to submit a new amending budget, one purpose of which was to reduce the EAGGF guarantee appropriations.

Despite a spurt in the tempo of expenditure in the last quarter, the Commission was thus compelled to show great care at the end of the year in adoption of decisions concerning advance payments.

This was partly because no decision had been taken by the Council on a reduction in the EAGGF guarantee appropriations proposed by the Commission in its preliminary draft amending budget and partly because of the need for equitable share-outs between the Member States of the remaining appropriations available, these being, at best, less than those needed to cover actual requirements.

In fact, some expenditure could not be made and will be a charge on 1987.

In summary, the execution of the EAGGF Guarantee Section <sup>1</sup> of the 1986 budget, is as follows:

Original budget	22 153 300 000.00 ECU
Transfers from EAGGF Guarantee Section	0.00 ECU
	<u>22 153 300 000.00 ECU</u>
Sums charged as payments	22 133 884 435.91 ECU
	19 415 564.09 ECU
Appropriations committed and automatically carried forward to 1987	<u>3 495 415.51 ECU</u>
Unused appropriations-lapsed	15 920 148.58 ECU
	=====

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<sup>1</sup> Including Chapter 40 - Fisheries

TITLE III

INVESTIGATIONS, IRREGULARITIES AND RELATED WORK

7.1 Verification of expenditure chargeable to the EAGGF Guarantee Section

The Member States' authorities are responsible for the proper implementation of Community regulations and it is therefore their task, in the first instance, to check that operations financed by the EAGGF have actually taken place in accordance with requirements, and to prevent or prosecute irregularities and recover any sums wrongly paid.

The checks made by the national authorities are supplemented on a case-by-case basis by the Commission. For this purpose, the Commission may use legal instruments (1 a and b) which, apart from checks made when the accounts are cleared, allow it either to ask the Member States to start administrative inquiries or to proceed itself with special verification, or to organize selective checks. The latter generally concern all the Member States, but relate to problems that have cropped up in respect of a given product group or sector.

7.2 Selective checks

The findings from the selective check of expenditure incurred in connection with butter disposal schemes for certain food processing industries were notified to the Member States during 1986.

7.3 Investigations and special checks

Where the Commission forms the view that operations financed by the EAGGF Guarantee Section have or may have involved irregularities, it sends to the Member State concerned a specific request for an administrative investigation, in which Commission officials may take part (1a) or proceeds itself with special checks with optional involvement of national officials(1b).

7.3.1 In 1986, 20 administrative investigations were started at the request of the Commission, broken down as follows:

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(1a) Article 6 of Regulation (EEC) No 283/72.

(1b) Article 9 of Regulation (EEC) No 729/70.

Product group	B	D	DK	ESP	F	GR	IRL	I	NL	P	UK	TAL
Wine					1	2		3				6
Beef/veal				1			2	1			1	5
Milk products		1	1						1			3
Processed fruit and veg.	1		1						1		1	4
Cereals								1				1
Oilseeds									1			1
TOTAL	1	1	2	1	1	2	2	5	3	1	1	20

One of the three investigations into wine in Italy was the one requested by the Commission from the Italian Government in connection with the detection of excessive quantities of methanol in wine.

The Italian authorities have not yet notified either the results of their checks or the findings of the inquiry. The Commission hopes to receive in 1987 the results of analyses of samples drawn at its request.

The samples have been sent by the Commission to a number of laboratories it has chosen.

7.3.2. The special checks carried out in 1986 by the Commission total 26 in number, broken down as follows:

Product group	B	D	DK	F	GR	IRL	I	L	NL	UK	TAL
Pigmeat	1										1
Oilseeds							1				1
Cereals	1	1	1	1	2	1	3	1	1	1	13
Milk products		1	1						1		3
Processed fruit and veg.							1				1
Wine				1							1
Beef/veal				1		1			1		3
Fruit and vegetables		1			1		1				3
TOTAL	2	3	2	3	3	2	6	1	3	1	26

Checks relating to pigmeat were made because of an outbreak of African swine fever. The cost came to about 100 m ECU, and the findings are now being worked out.

For cereals, quality was checked on sale of the product from intervention. This check is carried out on commercial samples which the Commission sends for analysis to laboratories it chooses itself.

The special check of the operation of fruit and vegetables producers' organizations in France was completed. An amount of FF 73.6 million in respect of 1973-1984 was disallowed under the accounts clearance procedure.

7.4. Mutual information system

This system, much used by the Member States and Commission's staff, comprises:

7.4.1. Prompt exchange of information, carried out on the basis of Article 4 of Regulation (EEC) No 283/72, on cases of irregularities which may have effects outside the Member State in which they have been discovered or which relate to a new fraudulent practice.

For 1986, these cases of irregularities break down as follows:

Year	B	D	DK	ESP	F	GR	IRL	I	L	NL	P	UK	COM	TAL	TO-
1972-1982	25	12	0	-	15	0	14	2	0	3	-	59	12	142	
1983	4	0	0	-	1	3	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	

The number of cases of irregularities notified continues to mark time at a level the Commission regards as quite unsatisfactory, especially if it is borne in mind that in 1986 it originated itself half of the cases notified.

The product groups concerned are pigmeat (1), milk products (2), wine products (3), meat products (1) and beef/veal (3).

7.4.2. Mutual assistance was introduced by Regulation (EEC) No 1468/81, which provides for assistance between the competent national authorities and cooperation between the national authorities and the Commission, with a view to ensuring proper application of customs and agricultural regulations.



This Regulation is administered by the Customs Union Service in close cooperation with the Directorate-General for Agriculture whenever agricultural provisions are involved. For 1986, 6 cases of irregularities concerning agricultural products were notified under this Regulation.

7.5. Irregularities detected

Irregularities detected are the subject of quarterly reports to the Commission under Articles 3 and 5 of Regulation (EEC) No 283/72. Details are given in Annex 21.

When the cases of irregularities notified under Articles 3 and 5 were input into the IRENE data base, the figures were "cleaned up", and this entailed some changes to the results for years previous to 1986. The changes concern both the numbers of cases notified and recovered and the relevant sums, which were updated.

7.5.1. Cases of irregularities detected and notified (not including the milk non-marketing premium):

	1971 - 1979	1980	1981	1982	1983	1984	1985	1986
m ECU								
of which	44,17	19,34	11,21	32,88	7,86	7,92	11,69	28,68
recovered:								
	26,25	3,63	4,19	1,99	3,09	1,33	1,34	2,31
Number of cases	Annual average, 106 cases (from 1971 to 1981)			192	180	127	230	311
Amounts in m ECU	Annual average 6.79 (from 1971 to 1981)			Annual average for the latest 5 years: 17,80				

The number of cases notified in 1986 and the relevant amounts are a good deal higher than the past. The drive to achieve rigorous and more homogeneous application of Regulation (EEC) No 283/72 may well have something to do with this.

Nonetheless, the figures do sustain the "tradition" of uneven distribution, so often regretted by the Commission in recent years, as regards the number of cases or irregularities notified and their financial implications, and corroborate the fact, already mentioned by the Commission, that the intensity of fraud in any given Member State cannot be measured only on the basis of the number of cases of irregularities notified.

For 1986, the number of cases of irregularities having financial implications for EAGGF funds breaks down by Member States as follows:

	B	D	DK	F	GR	IRL	I	L	NL	UK	TOTAL
Number of cases	24	124	19	57	-	3	50	-	13	21	311
Amounts in m ECU	4.033	1.087	383	2.281	-	5.282	15.061	-	61	489	28.678

7.5.2. Irregularities notified concerning the milk non-marketing premium:

	1979	1980	1981	1982	1983	1984	1985	1986
m ECU, of which recovered	0,178	0,460	0,737	1,520	1,528	1,739	2,153	0,579
recovered	0,111	0,230	0,286	0,605	0,561	0,657	0,786	0,053

For 1986, the breakdown of cases notified and relevant amounts by Member States is as follows:

	D	DK	F	NL	UK	TOTAL
Number of cases	26	6	7	1	32	72
m ECU, of which recovered	0,333	0,069	0,075	0,001	0,100	0,579
recovered	0,003	0,008	0,008	0,001	0,031	0,053

The number of cases of irregularities, not all of which constitute intentional fraud, and the relevant financial implications, detected on verification by the competent national authorities under Regulation No 1078/77 with a view to ensuring that the farmers meet the criteria for qualifying for each of the instalments of the premium, were well down in 1986 on the figures for 1985.

Whilst it is true that there is still an uneven distribution of the number of cases detected for the grant of the milk non-marketing premium in the Member States, the disequilibrium was less marked than in 1985 because of the decline in the total number of cases, and allowance must be made for the widely differing numbers of beneficiaries from one Member State to another.

7.6 Financial scale of irregularities

As compared with 1985, the number of cases of irregularities notified and the related amounts of expenditure wrongly paid increased in 1986 by 35.2% and 145% respectively. The main product groups were fruit and vegetables, beef/veal and milk products, accounting for 35.1%, 22.2% and 20.7% respectively of total expenditure wrongly disbursed.

7.7 Recovery of amounts wrongly paid

By the end of 1986, there had been recoveries, shown in the table in Annex 21, in 136 cases, i.e. 43.7% of the total number of cases notified but only 8% (2.309 million ECU) of the total amount to be recovered. The reason for this is that where the sums involved are very large, the operators explore all available legal remedies. Where the matter goes to court, the recovery is generally deferred until judgment, and sometimes until appeals have been completed. The Commission cannot speed up the work of the courts.

The table in Annex 22 shows expenditure wrongly made and recoveries for the period from 1971 to 1986 inclusive.

7.8 Meetings of the EAGGF Irregularities Group

These meetings, held pursuant to Article 7 of Regulation (EEC) No 283/72 are chaired by an EAGGF representative and attended by Commission staff members and Member States' representatives having special responsibilities for audit and investigation work.

In 1986, 19 restricted meetings were held at which a large number of specific cases were discussed, mainly concerning the investigation into the wine methanol scandal in Italy, intervention cereals sampling and analysis problems, and the beef/veal "merry-go-round" (USA, Canada, EEC). American and Canadian representatives attended one of the meetings on the last case.

In 1986, a plenary meeting was also held at which a number of presumed or known cases of irregularities were examined (some of which could well have substantial financial implications), and action to be taken was discussed.

A meeting in the wider framework was also held to discuss problems connected with the implementation of Regulation (EEC) No 283/72.

7.9 Quality control of cereals

This operation, discussed in detail in the Fifteenth Financial Report (1985), continued in 1986. The Commission decided that from November 1986 onwards it would collect only samples relating to consignments of intervention cereals sold as Community or national food aid. At the end of 1986, the Commission had received and sent for analysis 1 300 samples, representing 2.809 million tonnes of cereals. The results of these analyses are being processed.

7.10 Computerization

In 1986, work on developing the data base which has been dubbed IRENA (IRégularités, ENquêtes, Exploitation), continued with the introduction of new cases, the development of scanning procedures and improvement of the presentation of data.

By the end of 1986, 1 000 cases had been input into the base by the EAGGF. By the end of the first quarter of 1987, the number was nearly 2 700 cases. Although the base is still being run in, it can already be used. The tables in Annexes 21, 22 and 23 have been drawn directly from IRENE data.

7.11 Audit of commercial documents

Under Directive 77/435/EEC, it is the responsibility of the Member States' competent authorities to carry out regular and systematic verification of the commercial documents of firms receiving or owing sums under the EAGGF Guarantee Section.

The Commission, as in the past, monitored the implementation of the Directive and made suggestions to all the Member States with a view to improvements in procedures. Also, it reminded the Member States of the Commission's views on a number of questions relating to the interpretation of certain aspects of the Directive. In particular, it made a study of the special chapter which the Member States must include in their annual reports under Article 4 of Regulation (EEC) No 729/70, to enable the systems used and the results in the various Member States to be analysed.

TITLE IV

ACCOUNTS CLEARANCE

8.1 Verification of EAGGF Guarantee Expenditure

The drive to make good the time lost in verification of expenditure will lead, in 1987, to the clearance of the 1985 accounts, which should be completed in the second half of this year. In May 1987, i.e. even before receiving expenditure claims, the EAGGF staff began verifying, on the spot, expenditure for 1986.

8.1.1 1980 and 1981<sup>1</sup>

Formal accounts clearance decisions for 1980 and 1981, adopted by the Commission on 28 August 1985 and published on 9 October (OJ L No 267), deferred certain claims by Belgium for tobacco (BFR 168 541 883, i.e. 3.8 million ECU for 1980, and BFR 91 539 383, i.e. 2.1 million ECU for 1981) and by Denmark for cereals (DKR 2 235 750, i.e. 0.28 million ECU, and DKR 2 899 707, i.e. 0.36 million ECU).

On 11 June 1986 the Commission adopted decisions (published on 17 July 1986 in OJ L No 194), charging to the Community budget an amount of 11.1 million ECU mostly made up of differentiated amounts (6.4 million ECU) and of expenditure not accepted in respect of previous years (4.7 million ECU). These supplementary clearances released, under Article 99 of the Financial Regulation, additional appropriations of 0.62 million ECU to be credited to 1986. The overall financial results of the 1980-1981 clearance therefore totalled 99.8 million ECU, of which 99.2 million ECU is to be credited to the 1985 budget.

8.1.2 1982<sup>1</sup>

On 20 June 1986 the Commission adopted formal accounts clearance decisions for 1982 for Germany, Greece, France and Luxembourg, on 24 June for Denmark, and on 1 July for the other Member States. All these decisions were published on 9 September 1986 (OJ L No 256).

Expenditure claimed for 1982 totalled 11 822.2 million ECU (of which 89.2 million ECU under Regulation (EEC) No 1078/77 on the milk non-marketing and dairy herd conversion premiums).

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<sup>1</sup> Except where otherwise stated, the relevant sums have been converted into ECU, for 1980, 1981 and 1982, on the basis of the rates applying on 20.01.1986.

As for previous years, some expenditure - totalling 67 million ECU - was separated from the 1982 clearance and cleared with the expenditure claimed for 1983.

Including an amount for Italy of LIT 26 010 827 078 (i.e. 17.5 million ECU) provisionally disallowed under previous clearances, the 1982 clearance should have released, under Article 99 of the Financial Regulation, additional funds of 95.1 million ECU for 1986.

However, available funds were limited to 58.9 million ECU because the Court of Justice gave an order on 24 September 1986 halting the execution of the clearance decision for Greece in connection with a dispute on the Commission's view that an amount of DRA 4 804 749 841 (i.e. 36.2 million ECU), being certain refunds paid by that Member State, should be disallowed, because Greece had paid a national aid on exports of processed agricultural products.

Annexes 24 and 25 give a breakdown among the various Member States of expenditure claimed and the financial results.

### 8.1.3 1983<sup>1</sup>

For 1983, expenditure claimed totalled 15 302.4 million ECU, of which 94 million ECU was under Regulation (EEC) NO 1078/77. To the total should be added an amount of 67 million ECU corresponding to expenditure separated out from the 1982 clearance (see point 8.1.2 above).

In view of the Commission's decision to speed up the accounts clearance and simplify verification, checks were concentrated on the following three points:

- the conformity of the annual expenditure claims sent in by the Member States with the paying agencies' accounts;
- scrutiny of cases which in previous years had entailed observations or disallowance of some or all of the relevant amounts;
- certain specific checks of sensitive schemes or types of expenditure.

Most of the on-the-spot checks were carried out in the fourth quarter of 1985; a number of additional visits relating to schemes posing particular problems were, however, also made in January and February 1986. By the end of March 1986, all the Member States were informed of the results of the checks and the dialogue phase thus took place during May and June.

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<sup>1</sup> For 1983, the relevant amounts were converted into ECU on the basis of the rates applying on 20.10.1986.

The draft clearance decision established on the basis of the information notified by the Member States by 31 July 1986 was submitted for consultation to the EAGGF Committee. This draft proposed that some expenditure claimed, in a total amount of 128 million ECU, should be disallowed, and that expenditure totalling 18.2 million ECU, concerning cases for which a decision would be taken in connection with the 1984 clearance, should be separated out.

On 7 January 1987, the Commission discussed the 1983 clearance. The formal decision was adopted only in May 1987 on the basis of the results of a specific investigation carried out in February 1987 as regards national export aids paid by Greece on the basis of a Greek Decision 1574/70. The breakdown by Member State of expenditure claimed, separated expenditure and non-eligible expenditure is given in Annexes 26 and 27, which shows a financial result of 76.7 million ECU.

#### 8.1.4 1984 and 1985

The clearance for 1984 relates to an amount of 17 658.5 million ECU, and that for 1985 to an amount of 19 271.9 million ECU. Annex 28 summarizes the expenditure claimed by the Member States in respect of these two years. For 1984, a sum of 18.2 million ECU must be added, representing expenditure that had been separated from the 1983 clearance.

The dates of receipt of 1984 and 1985 expenditure claims are given in Table 14 below. The table shows that several Member States again failed to meet the deadline (30 June 1985 or 30 June 1986) and sent in corrections and supplementary information even much later. It goes without saying that this considerably complicated and delayed the clearance work.

Work on clearing 1984 and 1985 had to be adapted to achieve the objective of clearing these years by 30 June 1987 at latest.

In view of this deadline, the EAGGF organized its work as follows:

- for 1985: an annual verification programme was established in the light of the deadline and of the staff available to carry out on-the-spot checks; the schemes to be verified were selected on the basis of the scale of the expenditure involved and of criteria worked out to limit the risk of wrong application of Community regulations;
- for 1984: the results of the checks made in respect of 1985 and those for 1983 were used for the 1984 audit. Accordingly, schemes verified in respect of 1983 and 1985 without requiring financial correction were deemed to have been implemented properly in 1984. On the other hand, schemes which had entailed financial corrections in respect either of 1983 and/or of 1985 were also verified in respect of 1984;

- for 1984 and 1985, the conformity of the annual claims with the paying agencies' accounts was also verified.

On-the-spot checks were made during the period from March 1986 to January 1987. A total of 74 visits were made, involving 918 working days in the Member States.

The Member States were informed in early March 1986 of the timetable of inspection visits planned; before each visit a questionnaire was sent, enabling problems and questions resulting from verification of documents to be solved as far as possible. The dialogue with the Member States was held during the first quarter of 1987 and the deadline for the submission of additional information or documents was set by the Commission at 15 May 1987.

Table No 14

Member States	Dates of submission of clearance claims		
	1984	1985	
	Date of main claim	First claim	Last claim
Belgium	10.07.1985	01.07.1986	-
Denmark	30.04.1985	01.04.1986	24.06.1986
Germany	27.06.1985	26.06.1986	15.07.1986
France	23.07.1985	13.08.1986	-
Greece	28.06.1985	03.07.1986	23.07.1986
Ireland	27.06.1985	18.06.1986	18.07.1986
Italy	10.07.1985	03.09.1986	12.09.1986
Luxembourg	30.07.1985	05.08.1986	-
Netherlands	12.08.1985	08.07.1986	13.10.1986
United Kingdom	26.06.1985	18.06.1986	23.02.1987

8.2. Potential liabilities to or claims (1) on the Member States under the accounts clearance procedures

At 31 December 1986, the situation as regards potential liabilities to or claims on the Member states under accounts clearance procedures was as follows:

(1) "Potential liabilities or claims" are amounts, provisionally in suspense, awaiting a decision of the Court of Justice or supplementary information from Member States, which will lead to either an increase or a decrease in the expenditure of future exercises.



Table No 15

POTENTIAL LIABILITIES TO OR CLAIMS ON THE MEMBER STATES  
UNDER EAGGF GUARANTEE SECTION ACCOUNTS CLEARANCE PROCEDURES  
(at 31.12.1986)

Conversion rate: 19.12.1986

Member States	Potential liabilities to, in n.c.	Potential claims on, in n.c.	Balance in ECU
1. Following Court of Justice judgments made in 1985 and 1986:			
- Belgium	41.275	-	943,56
- France	1.615.129	-	236.337,63
- Ireland	18.900	-	24.712,86
- Italy	18.328.910.750	-	12.694.382,25
- United Kingdom	660.180	-	911.570,06
2. Pending Court of Justice judgments			
- Belgium	10.925.851	-	249.769,13
- Denmark	89.863.208,25	-	11.414.331,84
- Germany	309.084,24	-	148.488,25
- Greece	8.195.027.084	4.804.749.861 *	23.021.452,49
- France	17.764.676,04	-	2.599.458,88
- Ireland	3.254.908,53	-	4.255.984,08
- Italy	21.363.678.110	-	14.796.225,47
- Netherlands	144.678.997,52	-	61.488.866,01
- United Kingdom	11.192.644,42	-	15.454.693,40
3. Resulting from provisional disallowances			
Other cases:			
- France	10.862.788	-	1.589.523,54
- United Kingdom	365.757	-	505.033,67
TOTAL			149.391.773,12

\* Although, in its accounts clearance decision for Greece of 23.06.1986, the Commission provisionally disallowed this amount, it refrained from executing the decision in compliance with an Order from the President of the Court of Justice.  
Greece had, however, already filed an appeal against this case, in respect of which the Commission holds a potential claim, which should be settled in 1987 when the 1983 accounts are cleared

Timetable

The amounts given under heading 1 are definite liabilities which will be settled in 1987 when the 1983 accounts are cleared.

For the amounts under heading 2, the determination of the final amount of liability (or, where appropriate, of the claim) and the year of charging to the budget will depend on how long the proceedings before the Court last.

The amounts given under heading 3 were settled in May 1987, following the clearance of the 1983 accounts.

8.3. Appeals against accounts clearance decisions

Since the last Financial Report, the situation has shown little change as regards the appeals filed by the Member States against accounts clearance decisions. All the cases concerning the 1980-1981 clearance are still pending before the Court. For Case 337/85 (Ireland, export refunds), the Advocate-General made submissions favourable to Ireland at the end of February 1987; the judgment is expected in the latter half of 1987. For Case 347/86 (United Kingdom, financial implications of the behaviour of the Milk Marketing Boards), the Court has adopted a judgment in Case 23/84 relating to the infringement procedure introduced by the Commission as regards pricing on the internal United Kingdom market. While this judgment does not settle the question of amounts disallowed when the 1980-1981 accounts were cleared as regards the Milk Marketing Boards, it does endorse the Commission's views as to whether the regulations were infringed or not.

As regards the 1982 accounts, cleared in June 1986, the following appeals have been filed by the Member States:

Table No 16

: Case number :	: Member State :	: Expenditure concerned :	: Reference: to Summary Report : : VI/800/85 : : Rev. 1) :	: Amount, in n.c. :
: 214/86 :	: Greece :	: a) Export refunds: national export aids :	: 3.1.15.) :	: :
: :	: :	: b) Quality of durum wheat bought in :	: 3.2.5. ) :	: 8.195.027.084 :
: :	: :	: c) Sale of 47 000 t of durum wheat not complying with regulations :	: 3.2.6. ) :	: :
: 237/86 :	: Nether-lands :	: Overfishing :	: 3.13.1. : : 3.1.7. :	: 13.317.224,29 :
: 238/86 :	: Nether-lands :	: Aid to skimmed milk used for the manufacture of compound feed (Reg.1725/79) :	: 3.3.2.1.b) :	: 27.214.850,08 :
: 239/86 :	: Ireland :	: Overfishing :	: 3.13.1. : : 3.1.7. :	: 143.041,05 :
: 242/86 :	: Ireland :	: Export refunds - transshipment :	: 3.1.5. :	: 729.038 :

In case 214/86, the Court instructed the Commission, by Order of the President dated 24 September 1986, to refrain from any executory action in respect of an amount of DRA 4 804 749 681 relating to the grant of national export aids, because the Commission's Decision 86/475 of 20 June 1986 included a clause permitting Greece to produce supplementary evidence for the Commission within six weeks from the date of notification of the relevant decision.

As regards the clearance of the 1982 accounts, it should also be noted that the appeals filed in respect of previous years may have financial implications for 1982, in view of the general reserve entered to this effect in the accounts clearance decision.

Also, an appeal was filed against the 1981 accounts clearance decision by the company C.N.T.A. and a bank which had put up security for a given amount. The plaintiffs point out that the accounts clearance decision notified to France damages their interests since the decision to disallow a sunflower processing aid led to the calling in by France of a security guaranteeing reimbursement of the aid received by the beneficiary, the company C.N.T.A. This appeal raises the interesting question as to whether, in certain circumstances, accounts clearance decisions can be appealed by individuals.

#### 8.4 Illegal national aids and "upstream" infringements

The general lines of the Commission's approach to the scrutiny of incompatible national aids or infringements, from the angle of any impact they may have on agricultural expenditure, were described at point 8.3 of the last Financial Report. The 1982 clearance decisions include a number of cases for which the Commission, under the criteria adopted, felt that the claims must be corrected. The following are examples:

- national export aid in Greece;
- regional aid to distillation or exports in Italy;
- quota overfishing in the Netherlands, Ireland, the United Kingdom, France, Belgium and Denmark.

Appeals for annulment of some of these decisions have been filed with the Court of Justice. As the Court has not yet given rulings, these cases are still pending.

#### 8.5 The "Memorandum"

The Memorandum on the submission of expenditure claims by the Member States has, since its consolidation in 1983, been amended on many occasions, partly to allow for changes in the regulations, and, partly, to provide the Member States with all the guidance they need to help them submit the annual claim relating to EAGGF guarantee expenditure.

Changes in the regulations have become increasingly frequent, especially in respect of measures relating to intervention products (second category expenditure) and this has meant that the EAGGF staff have arranged more frequent adaptations of the Memorandum. For the second-category measures mentioned, the Memorandum now provides a guide for the establishment of monthly cash advance payment applications.

#### 8.6 Systems audit

In 1986, the Commission continued its work on extending the application of the systems audit method to other paying agencies and to other schemes financed by the Guarantee Section. It also called in private, international auditors to devise a guide or manual covering the most modern and effective audit methods.

Using this system, the Commission's inspectors audited two additional paying agencies: the Produktschap voor Vee en Vlees and the Hoofdproduktschap voor Akkerbouwprodukten, which are responsible for the payment of export refunds in the Netherlands.

Last year, the EAGGF also made a special verification of management, collection and control systems adopted by the Member States for the application of the superlevy on milk and milk products provided for in Article 5c of Regulation (EEC) No 804/68. The purpose of this operation was to check that the systems adopted allowed for:

- (i) management of the superlevy in accordance with Community regulations;
- (ii) the charging, and crediting to the EAGGF, of amounts actually due;
- (iii) the achievement of the objective set for the superlevy, that of the "control of the growth of milk production whilst allowing for necessary structural changes and adaptation "(Regulation (EEC) No 804/68, Article 5c(i)).

By the end of 1986, the EAGGF's inspectors had verified the systems operated by eight Member States. The Spanish and Greek systems will be examined during 1987; two Member States will not be visited, since Italy has not implemented the superlevy and Portugal is exempted from it. The EAGGF was assisted in its verification work by representatives of the Directorate-General for Financial Control and the milk product market division of the Directorate-General for Agriculture. It also operated closely with the Court of Auditors of the Communities, which carried out its own verification work.

This scrutiny revealed a number of shortcomings, in particular:

- (i) in a certain number of Member States some dairy farmers or purchasers were not paying the levy within the time-limits set by the regulations and
- (ii) the registers held by the dairies with regard to quotas by producer were not properly adapted and could not be matched up with the Member States' central registers;
- (iii) the procedures for implementing the rules on unacceptable increases in milk fat content fell short of requirements in certain Member States;
- (iv) many Member States had some difficulty in verifying, fully and accurately, the quantities of milk sold directly for human consumption.

In 1986, the Commission also initiated infringement procedures against the Member States which, in its opinion, had not applied (Italy) or had not applied properly (Germany, Netherlands, Denmark and France) Community legislation on the quotas.

However, for these latter Member States, the Commission decided in March 1987, to discontinue the infringement procedures whilst remaining free to disallow claims where appropriate under the accounts clearance procedure.

TITLE V

9. FINANCIAL EXECUTION OF COMMUNITY FOOD AID FOR PRODUCTS SUBJECT TO EEC MARKET ORGANIZATION

9.1 Main features of Community food aid arrangements

9.1.1 General situation

The Community aid programmes for 1986 adopted by the Council under Regulation (EEC) No 232/86 of 27 January 1986<sup>1</sup> were as follows:

- 1.16 million tonnes of cereals, with a first instalment of 927,700 tonnes and a second of up to 232 300 tonnes;
- a maximum of 94 100 tonnes of skimmed-milk powder;
- a maximum of 27 300 tonnes of butteroil;
- a maximum of 3 900 tonnes of sugar;
- a maximum of 8 600 tonnes of vegetable oils (oilseeds and olive oil);
- in other products: quantities equivalent to a maximum of 121 824 tonnes of grain equivalent;
- food aid in products mentioned above intended to meet exceptional food shortages, corresponding to an amount of up to 386 700 tonnes of grain equivalent.

The adoption of the 1986 programmes by the Council was obtained rather earlier than for the 1985 programmes, but a smaller proportion was implemented in the same year than had been the case in the previous year.

By 31 December 1986, there were still 382 331 tonnes of cereals, 45 052 tonnes of skimmed-milk powder and 14 541 tonnes of butteroil outstanding.

Irrespective of Community food aid as such, it should be noted that the annual contribution (1986) of the Member States under the 1980 Food Aid Convention, which entered into force on 1 July 1980 and was renewed until 30 June 1986, and the 1986 Food Aid Convention, which entered into force on 1 July 1986, came to about 742 300 tonnes of cereals (national aids under the conventions).

All these aids qualified for full or partial Community financing, according to case, by the charging to the EAGGF Guarantee Section of the budget, the amounts corresponding to the refunds, and with the equivalent of the aids expressed in world prices being charged to Chapter 92 (Community aids) or the national budgets (national aid under or outside the conventions).

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<sup>1</sup> OJ No L 29, 4 February 1986.

9.1.2 Mobilization procedure

The products to be supplied as food aid are normally mobilized under the EEC market organizations.

As a rule, a tendering procedure is used, whether the products come from public intervention stocks or are bought on the Community market. In the first case, the call for tenders covers freight and any processing required; in the latter case, it covers the value of the merchandise plus the other aforementioned costs.

Exceptionally, the products may be bought on the Community or world market by private contract (emergencies, non-availability on the Community market, etc.). Community financing may be f.o.b., c.i.f. or free-at-destination in the beneficiary country, depending on the terms laid down by the Council when the annual programmes or individual schemes are adopted.

9.1.3 Food supplied

The table below gives figures for the food supplied by group of products in 1986, based on tonnages delivered in that year.

TABLE No 17

Quantities delivered(1) in 1986 (compared with 1985)

					(tonnes)
: PRODUCTS	1986	PREVIOUS	1986	1985	
	PROGRAMME	PROGRAMME	TOTAL	TOTAL	
: Cereals (wheat equivalent)	: 533.161	: 402.071	: 935.232	1.087.713	:
: Skimmed-milk powder (SMP)	: 29.731	: 61.020	: 90.751	148.020	:
: Butteroil	: 7.257	: 17.753	: 25.010	33.142	:
: Sugar	: 3.600	: 200	: 3.800	10.184	:
: Vegetable oil	: 2.530	: 4.194	: 6.724	11.067	:
: Other products (2)	: 14.550	: 2.230	: 16.780	25.682	:

(1) The figures concern products actually loaded on ships and not only products awarded by tender (mobilization)

Until 1984, the two concepts were treated as identical.

(2) Including purchases by non-governmental organizations (NGO's) and international organizations.

MOBILIZATIONS  
1986 Programme

					(tonnes)
: QUANTITIES PROVIDED FOR BUDGET (1)	: QUANTITIES MO-BILIZED (delivered or to be delivered)	: QUANTITIES BEING MOBILIZED (to be delivered)	: QUANTITIES STILL TO BE EXECUTED		
				: Cereals	: 1.160.000 (2)
: SMP	: 94.100	: 47.223	: 1.825	: 45.052	:
: Butteroil	: 27.300	: 11.959	: 800	: 14.541	:

(1) And in implementing Regulation (EEC) No 232/86 of 27 January 1986.

(2) Including: - 100 000t of rice treated in the accounts for its equivalence in cereals (200 000t)  
- about 200 000t "ex-convention".

Source: Commission staff - Directorate-General for Development.



The deliveries made during 1986 fell short of those for 1985. Accordingly, the expenditure during this year was a good deal lower, amounting to 412 070 174.36 ECU, 24.2% down on 1985, and breaks down as follows (cf Table No 18):

- expenditure claimed by the Member States: 295.253.071,54 ECU  
 - direct payments made by the Commission: 116.817.102,82 ECU

TABLE No 18  
Overall expenditure in 1986 compared with 1985

Food Aid	1986 ECU	1985 ECU	Index of increase/ reduction (1985 = 100)
Expenditure claimed by Member State	295.253.071,54	454.781.662,74	65
Direct payments made by the Commission	116.817.102,82	89.071.337,89	131
<b>TOTAL</b>	<b>412.070.174,36</b>	<b>543.853.000,63</b>	<b>76</b>

9.1.4. Payments

Food Aid payments are made through the intervention agencies on presentation by the successful tenderer of the appropriate documents. The necessary funds for the Member states under Chapter 92 are provided by monthly advance payments in a similar way to the procedure for the Guarantee Section.

However, certain payments were made directly by the Commission, as indicated at point 9.3.3 (b).

9.2. Cash situation

9.2.1. Advance payments

The monthly advance payments requested by the Member States and approved by the Commission totalled 320 843 434.21 ECU for 1986 (see Annex 30, col. a + b)).

The table below gives a breakdown by Member State of the advance payments approved, expenditure disbursed and the rate of utilization of the advance payments.

Comparison of these figures with those of 1985 shows a decline, in expenditure disbursed under the monthly advance payments, of about 35.1%. The rate of utilization of the advance payments which had been 96% in 1985, showed very little change - at 92% - in 1986.

TABLE No 19  
Breakdown and utilization of monthly advance payments in 1986

Member States	Advance payments (ECU) (1)	Expenditure at 31.12.1986 (2) (ECU)	Rate of utilization (%)
Belgium	33.285.175,48	29.267.295,69	87,9
Denmark	4.547.073,34	3.799.963,06	83,6
Germany	127.236.007,12	123.558.450,23	97,1
Greece	918.715,88	491.654,26	53,5
Spain	3.331.577,13	2.346.856,69	70,4
France	77.629.126,82	73.753.203,63	95,0
Ireland	13.710.893,26	13.236.811,16	96,5
Italy	24.911.041,98	17.309.858,69	69,5
Luxembourg	1.219.849,04	1.218.190,40	99,9
Netherlands	17.060.903,68	16.514.532,58	96,8
Portugal	0,00	0,00	-
United Kingdom	16.993.070,48	13.756.255,15	81,0
<b>TOTAL EEC</b>	<b>320.843.434,21</b>	<b>295.253.071,54</b>	<b>92,0</b>

(1) Including the balance available at 31.12.1985 as shown in the Fifteenth Financial Report (cf. p. 109, Annex 28, col. f) an amount of 18 511 767.76 ECU

(2) Expenditure claimed by the Member States.

9.2.2. Changes in cash position

Annex 30 shows the cash position as at 31.12.1986. The sum available, before adjustment and broken down by Member State, totals 25 590 362.67 ECU for the Community as a whole. This amount, which corresponds to the advance payments not used by the Member States at 31.12.1986, has been readjusted on the basis of the ECU rate valid for advance payments in January 1987 (Annex 30, col. e).

This accounting operation has no impact on the balance of the food aid accounts held in national currency by the Member State.

9.3. Administration of appropriations

9.3.1. a) Commitment appropriations

The commitment appropriations entered in the 1986 budget totalled 693.6 million ECU. Transfers within Chapter 92 do not affect the total for commitment appropriations;

b) Commitments

The total commitments against 1986 appropriations were 668.644 million ECU.

c) Appropriations remaining in existence

An amount of 24.6 million ECU was not committed during 1986 and constitutes total appropriations remaining in existence.

d) Appropriations carried over

An amount of 356 000 ECU was not committed and as these were non-differentiated appropriations, an application for carryover to 1987 was made <sup>1</sup> and approved.

e) Commitments still to be settled from previous years and total commitments

An amount of 152 683 306.79 ECU represents the commitments still to be settled from previous years.

Thus total commitments to be settled in 1986 were as follows, in ECU:

- 1986 commitments:	668 644 000.00 ECU
- Commitments still to be settled from previous years	152 683 306.79 ECU
	-----
TOTAL	821 327 306.79 ECU
	=====

9.3.2. Payment appropriations

Payment appropriations available were as follows:

- appropriations carried over from 1985 because of deferment of certain schemes	24 950 406.79 ECU
- original payment appropriations entered in 1986 - Chapter 92	548 267 100.00 ECU
	-----
TOTAL	573 217 506.79 ECU
	=====

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<sup>1</sup> Pursuant to Article 6(3) of the Financial Regulation of 21 December 1977.

The corresponding amount for 1985 was 568 811 121.72 ECU, giving an increase in payment appropriations in 1986 of 0.8%.

9.3.3. Payments

a) Expenditure claimed by the Member States

Table No 19 and Annexes 30 to 34 show the expenditure claimed by the Member States, i.e. an amount of 295 253 071.54 ECU. This figure is 35.1% less than the corresponding figures for 1985.

It refers to expenditure made during 1986, subject to subsequent Commission accounts clearance decisions. The differences between the advance payments approved and actual expenditure constitutes the balances available at 31.12.1986.

b) Direct payments

Irrespective of the advance payments to the Member States' intervention agencies, the Commission made, as in the past, various payments to certain countries or beneficiary agencies as financial contributions in connection with the transport and distribution of food donations. Certain contracts for purchasing food on the world and Community markets were concluded through the Commission.

The total for these payments in 1986 was 116 817 102.82 ECU. A breakdown by beneficiary is shown in Table No 20 below.

The increase in direct payments over 1985 was 31.2%.

TABLE No 20

Breakdown of direct payments by beneficiary (1)

Beneficiary	Direct payments (ECU)
Algeria	167.718,37
Angola	5.286.527,71
Bangladesh	1.501.128,83
Bolivia	1.235.581,24
Botswana	1.073.951,01
Burkina Faso	1.561.515,80
Cape Verde	3.406.487,92
Chile	313.478,79
ICRC (2)	5.278.042,47
Comores	69.648,38
Djibouti	54.098,55
Egypt	4.092,47
Ethiopia	8.090.229,36
EURONAIID	<u>28.102.230,96</u>
Carried forward	56.144.731,86

:	:	:	:
:	Carried forward	56.144.731,86	:
:	:	-----	:
:	Gambia	29.609,73	:
:	Grenada	6.141,96	:
:	Guinea Bissau	15.942,33	:
:	Guinea Conakry	11.769,57	:
:	Haiti	52.901,07	:
:	Honduras	1.507.901,75	:
:	India	1.240.840,90	:
:	Indonesia	1.204,37	:
:	Israel	1.288,51	:
:	Kampuchea	356.610,66	:
:	Kenya	24.661,17	:
:	Lesotho	3.658,62	:
:	Lebanon	642.164,43	:
:	LICROSS (3)	1.872.841,03	:
:	Mali	2.425.945,06	:
:	Mauritania	12.196,72	:
:	Mozambique	5.235.824,21	:
:	Nicaragua	2.440.225,61	:
:	Niger	2.188.936,83	:
:	Uganda	10.782,78	:
:	Pakistan	4.342.696,36	:
:	W.F.P. (4)	10.023.676,81	:
:	Philippines	584.340,92	:
:	Rwanda	118.485,00	:
:	El Salvador	305.152,39	:
:	São Tomé and Príncipe	70.190,00	:
:	Senegal	11.213,94	:
:	Somalia	2.167.223,54	:
:	Sudan	3.990.995,42	:
:	Sri Lanka	752,18	:
:	Tanzania	1.908.074,30	:
:	Chad	2.213.842,97	:
:	Thailand	5.214.603,41	:
:	UNHCR (5)	3.155.996,77	:
:	UNRWA (6)	7.192.127,69	:
:	Vietnam	507.949,36	:
:	Zaire	221.636,31	:
:	Zambia	495.920,65	:
:	Miscellaneous	66.045,63	:
:	-----	-----	:
:	TOTAL	116.817.102,82	:
:	:	:	:

(1) Source: Commission staff - Directorate-General for Development

(2) International Committee of the Red Cross

(3) League of Red Cross and Red Crescent societies

(4) World Food Programme

(5) United Nations High Commission for Refugees

(6) United National Relief and Works Agency for Palestine Refugees  
in the Near East

9.3.4 Appropriations lapsed

An amount of 89 804.56 ECU carried over from 1985 was not used and lapsed (non-differentiated appropriations).

9.3.5 Charging

The charging to the budget of the Communities is effected once a month for expenditure claimed by the Member States and case-by-case for that made directly by the Commission's staff (direct payments) under the 1977 Financial Regulation.

9.3.6 Transfers

During the year, transfers within Chapter 92 proved necessary to adapt the appropriations made to specific headings, to the needs arising from the monthly declaration of expenditure claimed by the Member States and from those relating to payments made directly by the Commission. The table in Annex 32 shows all the transfers made in respect of 1986.

9.4 Appropriations carried forward to 1987 and commitments still to be settled at the end of the year.

Under the 1977 Financial Regulation, the 1986 budget appropriations were committed as soon as the programmes were adopted by the Council for that year, i.e. from 7 February 1986 onwards.

The commitments still to be settled at the end of 1986 totalled 409 167 327.87 ECU.

Also, carryovers of payment appropriations to 1987 totalled 161 057 527.87 ECU.

9.5 Closure of Accounts

9.5.1 Verification

- Each food aid scheme is the subject of an itemized statement of expenditure prepared by the intervention agency concerned according to procedures laid down in the financial regulations.

On receipt, these documents are checked on the basis of information available to the Commission, including the intervention prices, the tender award and the refund amounts. Normally this scrutiny is then supplemented by checks at the headquarters of the Member States' paying agents.

- With regard to payments made directly by the Commission, these are subject to the general rules of administration laid down in the 1977 Financial Regulation.

9.5.2. Accounts clearance

Preparatory work on the aggregated clearance of 1980, 1981, 1982 and 1983 continued in 1986, and is now close to completion. Preparatory work on clearing the 1984 and 1985 accounts has begun.

It should also be noted that a number of reserves 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 to list below the reserves still outstanding, made under clearance procedures since 1970.

TABLE No 21

List of reserves made since the clearance of the 1970 accounts

<u>Member State</u>	<u>Year</u>	<u>Amount</u>
Belgium	1975	BFR 16.308.614
	1976	1.541.816
	1978	32.425.916
Germany	1976 à 1979	DM 254.598,94
France	1970/71	FF 516.834,50
	1973	163.115,77
	1974	253.940,06
	1975	32.046,73
	1976	2.505.122,75
	1979	400.147,93
Italy	1976	LIT 6.058.883
	1979	2.161.252.980

ANNEX 1Summary of implementation for 1986

APPROPRIATIONS	m ECU	EXECUTION	m ECU
<b>A. 1986 appropriations</b>		<b>C. Commitments</b>	
1. Original appropriations	22.153,300	1. Appropriations available	22.157,712
2. Transfers of appropriations	0,-	2. Sum not committed	0,689
3. Appropriations available	22.153,300	3. Commitments	22.157,023
		4. Remainder from total	15,231
		5. Commitments detailed	22.141,792
<b>B. 1985 appropriations</b>		<b>D. Payments</b>	
Automatic carryover from 1985	4,412	1. Sums committed in detail	22.141,792
		2. Payments	22.137,952
		3. Amount committed to be carried over automatically	3,495
		4. Appropriations to be carried over (non-automatic)	0,-
		5. Appropriations lapsed (1)	16,265
<b>TOTAL</b>	<b>22.157,712</b>	<b>TOTAL</b>	<b>22.157,712</b>

(1) of which : - against automatic carryover from 1985 : 0,345  
- against 1986 appropriations : 15,920



ANNEX 2

EXPENDITURE CHARGES UNTIL THE END OF DECEMBER 1986 (m ECU)

ITEM	BELGIQUE	DANMARK	DEUTSCH-	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEM-	NEDER-	PORTUGAL	UNITED	COMMU-	TOTAL
			LAND						BOURG	LAND		KINGDOM	NITY	EEC
CEREALS AND RICE	175,504	152,111	699,276	60,648	28,780	1243,903	9,700	462,672	- 0,029	132,034		520,303	0,008	3.484,909
CEREALS REFUNDS	156,263	42,253	211,388	13,413	4,583	833,928	2,920	222,652		77,725		146,556		1.711,681
COMMON WHEAT GRAIN AND FLOUR REFUNDS	16,353	9,846	69,692	3,382	3,656	530,087		29,810		16,096		13,000		691,922
BARLEY GRAIN AND MALT REFUNDS	126,877	21,860	57,210			241,173	2,816	0,259		5,398		131,783		587,376
OTHER CEREALS REFUNDS	8,316	10,488	46,271	9,232	0,722	53,244	0,104	189,162		53,415		1,773		372,727
FOOD AID REFUNDS (CEREALS)	4,717	0,059	38,215	0,798	0,205	9,423		3,421		2,816				59,654
INTERVENTION STORAGE OF CEREALS	11,490	107,595	469,538	0,226	16,613	368,795	5,906	3,310	0,040	3,818		360,081		1.347,412
CARRYOVER PAYMENTS	1,002	0,014	- 0,074			3,504		0,543		0,001		0,109		5,100
TECHNICAL COSTS, PUBLIC STORAGE OF CEREALS	1,717	14,940	128,690	0,227	7,354	93,423	2,045	27,583	0,025	1,453		65,175		342,631
FINANCIAL COSTS, PUBLIC STORAGE OF CEREALS	1,268	11,709	78,811	0,006	6,946	31,420	0,637	19,312	0,031	0,942		65,504		216,585
OTHER PUBLIC STORAGE COSTS FOR CEREALS	7,504	80,932	262,115	- 0,007	2,313	240,448	3,224	- 44,127	- 0,016	1,422		229,293		783,100
OTHER STORAGE INTERVENTION (CEREALS)			- 0,004											- 0,004
INTERVENTION OTHER THAN FOR CEREAL STORAGE	12,329	4,058	34,066	47,885	4,114	50,306	1,640	162,378		48,406		23,334	0,008	388,523

## ANNEX 2 (cont'd 1)

## EXPENDITURE CHARGED UNTIL THE END OF DECEMBER 1986 (m ECU)

ITEM	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPAÑA	FRANCE	IRELAND	ITALIA	LUXEM- BOURG	NEDER- LAND	PORTUGAL	UNITED KINGDOM	COMMU- NITY	TOTAL EEC
PRODUCTION AID, DURUM WHEAT				47,207		12,992		150,597						210,796
REFUNDS FOR THE PRODUCTION OF POTATO STARCH		3,886	11,161			8,716				29,105		0,154		53,023
OTHER REFUNDS FOR CEREALS PRODUCTION	12,329	0,172	22,904	0,678	4,114	28,597	1,640	11,781		19,301		23,179	0,008	124,703
OTHER INTERVENTION (CEREALS)														
CO-RESPONSABILITY LEVY AND AID TO SMALL PRODUCERS	- 5,203	- 1,841	- 16,749	- 0,877		- 10,337	- 0,766	- 10,074	- 0,069	- 0,769		- 9,745		- 56,430
CO-RESPONSABILITY LEVY	- 5,203	- 1,841	- 16,749	- 0,877		- 10,337	- 0,766	- 10,074	- 0,069	- 0,769		- 9,745		- 56,430
AID TO SMALL PRODUCERS														
INTERVENTION RICE	0,625	0,045	1,033	0,003	3,469	1,212		84,406		2,854		0,077		93,724
RICE REFUNDS		0,045	1,033	0,003	0,601	0,065		55,443		2,822		0,077		60,088
FOOD-AID REFUNDS - RICE					2,868			28,933						31,801
INTERVENTION - RICE	0,625					1,147		0,031		0,032				1,834
SUGAR	318,894	80,887	313,855	5,868	11,209	703,632	5,934	45,481		137,780		102,010		1,725,550
REFUNDS ON SUGAR AND ISOGUCOSE	284,643	66,343	198,369	0,038	0,517	534,766	0,002	0,051		93,280		60,376		1,238,384

ANNEX 2 (cont'd 2)

EXPENDITURE CHARGED UNTIL THE END OF DECEMBER 1986 (m ECU)

ITEM	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPAÑA	FRANCE	IRELAND	ITALIA	LUXEM- BOURG	NEDER- LAND	PORTUGAL	UNITED KINGDOM	COMMU- NITY	TOTAL EEC
FOOD AID REFUNDS (SUGAR)														
INTERVENTION FOR SUGAR	34,251	14,544	115,485	5,830	10,693	168,866	5,931	45,431		44,500		41,634		487,165
REIMBURSEMENT OF STORAGE														
COSTS FOR SUGAR	34,100	14,482	114,710	5,830	10,693	157,439	5,931	44,905		42,740		39,346		470,175
PUBLIC STORAGE OF SUGAR			0,111					0,468						0,579
REFUNDS FOR USE IN CHEMICAL INDUSTRY	0,152	0,063	0,665			0,527		0,058		1,760		1,892		5,116
MEASURES ADOPTED FOR FRENCH OVERSEAS DEPARTMENTS						10,899						0,396		11,296
SUGAR IMPORT SUBSIDIES														
OTHER INTERVENTION FOR SUGAR														
OLIVE OIL		0,026	- 0,018	214,598	34,027	11,610	- 0,006	336,447		0,110	5,164	0,948	1,422	604,328
REFUNDS ON OLIVE OIL		0,001		7,147		0,278		20,937		0,053	0,955	0,012		29,385
FOOD AID REFUNDS (OLIVE OIL)														
PRODUCTION AND CONSUMPTION AIDS, OLIVE OIL			- 0,018	206,683	7,500	10,325	- 0,006	240,834		0,056		0,936		466,310
PRODUCTION AIDS, OLIVE OIL				171,704	7,500	1,034		68,931						249,169
CONSUMPTION AIDS, OLIVE OIL			- 0,018	34,979		9,290	- 0,006	171,903		0,056		0,936		217,141

## ANNEX 2 (cont'd 3)

## EXPENDITURE CHARGED UNTIL THE END OF DECEMBER 1986 (m ECU)

ITEM	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPAÑA	FRANCE	IRELAND	ITALIA	LUXEM- BOURG	NEDER- LAND	PORTUGAL	UNITED KINGDOM	COMMU- NITY	TOTAL EEC
SPECIFIC MEASURES FOR PRODUCTION AND CONSUMPTION OF OLIVE OIL						0,076:		21,949:					1,422:	23,447:
MEASURES IN CONNECTION WITH PRODUCTION OF OLIVE OIL						0,076:		21,949:						22,024:
MEASURES IN CONNECTION WITH CONSUMPTION OF OLIVE OIL													1,422:	1,422:
INTERVENTION IN THE FORM OF OLIVE OIL STORAGE				- 0,093:	26,527:			19,920:			2,519:			48,873:
TECHNICAL PUBLIC STORAGE COSTS FOR OLIVE OIL				0,011:	14,635:			12,971:			1,415:			29,032:
FINANCIAL PUBLIC STORAGE COSTS FOR OLIVE OIL				0,003:	11,892:			7,818:			1,290:			21,003:
OTHER PUBLIC STORAGE COSTS FOR OLIVE OIL				- 0,107:				- 0,869:			- 0,186:			- 1,162:
OTHER STORAGE INTERVENTION FOR OLIVE OIL														
OTHER INTERVENTION FOR OLIVE OIL		0,025:		0,861:		0,931:		32,808:			1,690:			36,315:
OILSEEDS AND PROTEIN PLANTS	199,989:	99,055:	690,891:	21,709:	10,273:	645,057:	1,793:	359,341:	0,005:	253,439:	13,232:	192,686:		2.487,471:
OILSEEDS	172,774:	56,585:	603,322:	20,985:	4,171:	488,457:		337,941:		170,846:	13,232:	159,189:		2.027,502:

ANNEX 2 (cont'd 4)

EXPENDITURE CHARGED UNTIL THE END OF DECEMBER 1986 (m ECU)

ITEM	BELGIQUE	DANMARK	DEUTSCH-	ELLAS	ESPAÑA	FRANCE	IRELAND	ITALIA	LUXEM-	NEDER-	PORTUGAL	UNITED	COMMU-	TOTAL
			LAND						BOURG	LAND		KINGDOM	NITY	EEC
REFUNDS ON OILSEEDS		2,174								0,123				2,297
PRODUCTION AID, RAPE	100,958	54,361	494,084		0,008	182,352		16,634		58,774		135,488		1,042,659
PRODUCTION AID, SUNFLOWER	68,120		109,228	20,965	4,163	272,224		139,447		109,831	13,169	21,991		759,139
PRODUCTION AID, SOYA				0,021		18,484		181,743						200,248
PRODUCTION AID, FLAX SEED	3,696	0,065	0,010			15,396		0,110		2,117		1,710		23,104
OTHER AIDS (OILSEEDS)								0,007						0,007
INTERVENTION IN THE FORM OF STORAGE FOR OILSEEDS		- 0,014									0,062			0,048
OTHER INTERVENTION FOR OILSEEDS														
PROTEIN PLANTS	27,215	42,470	87,569	0,724	6,102	156,600	1,793	21,400	0,005	82,593		33,497		459,969
PRODUCTION AID, PEAS AND FIELD BEANS	26,775	26,565	74,517		0,056	74,512	1,557	3,108	0,005	70,470		27,853		305,419
PRODUCTION AID, DRIED FODDER	0,440	15,905	13,051	0,724	6,046	81,724	0,236	18,292		12,123		5,535		154,075
PRODUCTION AID, LUPINS			0,001			0,364						0,110		0,475
OTHER INTERVENTION FOR PROTEIN PLANTS														
FIBRE PLANTS AND SILKWORMS	4,840	0,157	0,001	370,689	161,587	21,208		0,445		1,343		0,227	4,519	565,015
FIBRE FLAX AND HEMP	4,840	0,157	0,001			21,188				1,342		0,227	4,519	32,274

ANNEX 2 (cont'd 5)

EXPENDITURE CHARGED UNTIL THE END OF DECEMBER 1986 (m ECU)

ITEM	BELGIQUE	DANMARK	DEUTSCH-	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEM-	NEDER-	PORTUGAL	UNITED	COMMU-	TOTAL
	:	:	LAND	:	:	:	:	:	BOURG	LAND	:	KINGDOM	NITY	EEC
PRODUCTION AID, FIBRE FLAX	3,829	0,157	0,001			17,223				1,313		0,227		22,750
SPECIFIC MEASURES (FIBRE FLAX)													4,519	4,519
PRODUCTION AID, HEMP						2,062								2,062
OTHER INTERVENTION (FIBRE FLAX AND HEMP)	1,011					1,903				0,029				2,943
COTTON				370,584	161,587									532,171
SILKWORMS				0,105		0,020		0,445		0,001				0,570
OTHER (FIBRE PLANTS)														
FRUIT AND VEGETABLES	2,852	2,505	5,783	192,711		71,181	0,147	692,096		8,640	5,863	4,259		986,038
FRESH FRUIT AND VEGETABLES	1,380	0,274	1,704	71,580		22,982	0,089	450,903		5,810		2,116		556,839
EXPORT REFUNDS, FRESH FRUIT AND VEGETABLES	0,094	0,274	0,474	25,879		6,399		29,410		2,490		0,005		65,024
FINANCIAL COMPENSATION FOR WITHDRAWALS AND BUYING-IN AND FOR PROCESSING AND DISTRIBUTION	1,286		1,230	30,934		16,478	0,089	282,563		3,320		2,111		338,012
FINANCIAL COMPENSATION FOR PROMOTING COMMUNITY CITRUS FRUIT				8,066		0,105		18,810						26,982
FINANCIAL COMPENSATION FOR PROCESSING CITRUS FRUIT				6,701				120,121						126,822
OTHER INTERVENTION (FRESH FRUIT AND VEGETABLES)														

ANNEX 2 (cont'd 6)

EXPENDITURE CHARGED UNTIL THE END OF DECEMBER 1986 (m ECU)

ITEM	BELGIQUE	DANMARK	DEUTSCH-	ELLAS	ESPAÑA	FRANCE	IRELAND	ITALIA	LUXEM-	NEDER-	PORTUGAL	UNITED	COMMU-	TOTAL
	:	:	LAND	:	:	:	:	:	BOURG	LAND	:	KINGDOM	NITY	EEC
PROCESSED FRUIT AND VEGETABLES:	1,471:	2,231:	4,078:	121,131:	:	48,199:	0,058:	241,193:	:	2,830:	5,863:	2,143:	:	429,198:
EXPORT REFUNDS, PROCESSED	:	:	:	:	:	:	:	:	:	:	:	:	:	:
FRUIT AND VEGETABLES	0,425:	2,189:	0,335:	2,502:	:	1,477:	0,058:	1,527:	:	1,353:	:	2,143:	:	12,007:
PRODUCTION AID, TOMATO-BASED	:	:	:	:	:	:	:	:	:	:	:	:	:	:
PRODUCTS	:	:	:	34,436:	:	14,583:	:	195,598:	:	:	5,762:	:	:	250,378:
PRODUCTION AID, FRUIT-BASED	:	:	:	:	:	:	:	:	:	:	:	:	:	:
PRODUCTS	1,047:	0,043:	3,744:	84,193:	:	25,824:	:	44,068:	:	1,477:	0,102:	:	:	160,497:
PRODUCTION AID, TINNED	:	:	:	:	:	:	:	:	:	:	:	:	:	:
PINEAPPLE	:	:	:	:	:	6,316:	:	:	:	:	:	:	:	6,316:
OTHER INTERVENTION FOR	:	:	:	:	:	:	:	:	:	:	:	:	:	:
PROCESSED FRUIT AND VEGETABLES:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
WINE PRODUCTS	:	0,001:	6,617:	14,191:	1,481:	295,567:	:	312,750:	:	:	:	0,148:	:	630,755:
REFUNDS ON WINE PRODUCTS	:	:	0,221:	1,808:	1,364:	6,897:	:	0,893:	:	:	:	:	:	11,183:
INTERVENTION FOR WINE PRODUCTS:	:	0,001:	6,396:	12,383:	0,117:	288,671:	:	311,857:	:	:	:	0,148:	:	619,572:

## ANNEX 2 (cont'd 7)

## EXPENDITURE CHARGED UNTIL THE END OF DECEMBER 1986 (m ECU)

ITEM	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEM- BOURG	NEDER- LAND	PORTUGAL	UNITED KINGDOM	COMMU- NITY	TOTAL EEC
INTERVENTION IN THE FORM OF STORAGE OF WINE AND GRAPE MUST			0,056	3,957		38,814		27,714						70,541
DISTILLATION OF WINE			6,001	7,144		180,273		212,728						406,146
COMPULSORY DISTILLATION OF BY-PRODUCTS OF WINE-MAKING				0,210		32,520		23,025						55,755
AID FOR USE OF MUST		0,001	0,003	1,071	0,117	35,189		45,905				0,130		82,416
ACCEPTANCE OF ALCOHOL FROM COMPULSORY DISTILLATION						1,562		2,251						3,812
FINANCIAL COMPENSATION FOR RESTRICTION OF REPLANTING RIGHTS														
OTHER INTERVENTION FOR THE WINE-GROWING SECTOR			0,336			0,313		0,235				0,018		0,902
TOBACCO	6,968		49,487	283,863	13,164	86,863		335,943		0,486	5,383			782,156
REFUNDS ON TOBACCO	0,214		0,886	10,564		0,276		19,625		0,486				32,051
PREMIUM FOR TOBACCO	6,754		48,601	261,432	13,164	86,586		312,001			5,383			733,921
INTERVENTION IN THE FORM OF TOBACCO STORAGE				11,867				4,317						16,184
TECHNICAL PUBLIC STORAGE COSTS FOR TOBACCO				8,799				0,407						9,206
FINANCIAL PUBLIC STORAGE COSTS FOR TOBACCO				1,051				0,360						1,411
OTHER PUBLIC STORAGE COSTS FOR TOBACCO				2,017				3,550						5,567



## ANNEX 2 (cont'd 8)

## EXPENDITURE CHARGED UNTIL THE END OF DECEMBER 1986 (m ECU)

ITEM	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEM- BOURG	NEDER- LAND	PORTUGAL	UNITED KINGDOM	COMMU- NITY	TOTAL EEC
OTHER INTERVENTION FOR TOBACCO														
OTHER SECTORS OR AGRICULTURAL PRODUCTS	2,012	11,155	9,237	3,375		11,672	0,037	7,600	0,069	6,506		4,695	0,004	56,362
SEEDS	1,759	11,155	2,492	2,180		11,443	0,022	7,600	0,069	6,506		3,304		46,530
HOPS	0,253		6,745			0,229	0,015					1,391		8,633
POTATOES														
ETHYL ALCOHOL OF AGRICULTURAL ORIGIN														
BEE-KEEPING													0,004	0,004
OTHER				1,195										1,195
MILK AND MILK PRODUCTS	118,664	402,143	1658,785	4,862	0,458	1124,911	339,239	103,317	1,705	1242,301		409,377		5.405,760
REFUNDS, MILK AND MILK PRODUCTS	55,784	281,233	379,050	2,512	0,053	401,682	132,700	21,924	2,222	750,819		126,936		2.154,914

ANNEX 2 (cont'd 9)

EXPENDITURE CHARGED UNTIL THE END OF DECEMBER 1986 (m ECU)

ITEM	BELGIQUE	DANMARK	DEUTSCH-	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEM-	NEDER-	PORTUGAL	UNITED	COMMU-	TOTAL
			LAND						BOURG	LAND		KINGDOM	NITY	EEC
REFUNDS, BUTTER AND BUTTER-														
OIL	3,595	43,302	183,082	0,013	0,038	106,181	17,028	0,173	0,046	220,732		12,143		586,334
REFUNDS, SKIMMED-MILK POWDER	2,336	5,453	5,581			139,303	62,320	0,002		70,787		36,388		322,169
REFUNDS, CHEESE	1,004	105,767	46,315	2,461	0,014	44,651	1,222	21,462	0,031	67,757		12,517		303,200
REFUNDS, OTHER MILK PRODUCTS	24,359	124,634	63,140	0,038		94,697	32,791	0,288	0,743	377,618		52,072		770,379
FOOD AID REFUNDS, SKIMMED-														
MILK POWDER	20,322	2,077	42,219			13,991	3,018			6,202		10,884		98,712
FOOD AID REFUNDS, BUTTER OIL	4,168		38,712			2,860	16,322		1,403	7,723		2,932		74,120
INTERVENTION STORAGE OF														
SKIMMED-MILK POWDER	0,651	1,120	330,485		0,023	0,057	0,374		0,003	7,553		44,445		383,963
PRIVATE STORAGE FOR SKIMMED-														
MILK POWDER														
TECHNICAL PUBLIC STORAGE														
COSTS FOR SKIMMED-MILK POWDER:	0,071	0,198	17,328		0,023	0,153	0,209			0,089		1,039		19,109
FINANCIAL PUBLIC STORAGE														
COSTS FOR SKIMMED-MILK POWDER:	0,234	0,795	67,585			0,363	0,345			0,439		4,173		73,935
OTHER PUBLIC STORAGE COSTS														
FOR SKIMMED-MILK POWDER	0,346	0,127	245,573			0,459	0,928		0,003	7,025		39,233		290,919
INTERVENTION IN THE FORM OF														
AID FOR UTILIZATION OF														
SKIMMED MILK	54,553	111,674	510,149			622,658	193,096	14,440	0,668	350,024		93,043		1,950,306

ANNEX 2 (cont'd 10)

EXPENDITURE CHARGED UNTIL THE END OF DECEMBER 1986 (m ECU)

ITEM	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEM- BOURG	NEDER- LAND	PORTUGAL	UNITED KINGDOM	COMMU- NITY	TOTAL EEC
AID SKIMMED-MILK POWDER, CALF FEED	21,035	9,503	246,748			448,615	28,165	4,414	0,668	224,942		17,205		1,001,296
AID LIQUID SKIMMED MILK, CALF FEED	10,055	32,686	77,400			1,937	0,252	0,006		0,428		0,692		123,456
AID SKIMMED-MILK POWDER FOR FEED, OTHER ANIMALS						0,006						0,109		0,115
AID LIQUID SKIMMED MILK FOR FEED, OTHER ANIMALS	23,444	3,780	111,281			14,147	40,008	10,019		9,572		64,789		277,039
AID SKIMMED MILK PROCESSED INTO CASEIN		65,706	74,270			157,953	124,671			115,083		10,248		547,930
AID SKIMMED-MILK POWDER 10% FAT, CALF FEED														
OTHER AIDS (SKIMMED MILK)	0,020		0,450							- 0,001				0,470
INTERVENTION STORAGE OF BUTTER AND CREAM	14,325	15,581	491,569	0,150	0,383	88,563	32,705	2,296	0,331	242,380		147,129		1,035,413
PRIVATE STORAGE (BUTTER AND CREAM)	6,784	1,342	16,005			16,690	1,121	0,297	0,182	6,454		3,512		52,387
TECHNICAL PUBLIC STORAGE COSTS FOR BUTTER AND CREAM	2,118	1,772	44,946		0,376	16,114	12,997	0,135	0,074	26,387		22,563		127,482
FINANCIAL PUBLIC STORAGE COSTS FOR BUTTER AND CREAM	2,691	3,523	84,120		0,007	20,305	22,676	0,255	0,098	48,789		43,976		226,439
OTHER STORAGE COSTS FOR BUTTER AND CREAM	1,287	6,026	176,918	0,150	-	1,379	-19,915	1,609	- 0,022	114,254		31,187		310,116
DEPRECIATION OF BUTTER STOCKS	1,446	2,918	169,579			36,834	15,826			46,497		45,891		318,989
OTHER MEASURES FOR BUTTER FAT	12,620	6,422	46,549	0,094		91,887	5,734	5,077	0,277	10,428		22,570		201,658

ANNEX 2 (cont'd 11)

EXPENDITURE CHARGED UNTIL THE END OF DECEMBER 1986 (m ECU)

ITEM	BELGIQUE	DANMARK	DEUTSCH-	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEM-	NEDER-	PORTUGAL	UNITED	COMMU-	TOTAL
			LAND						BOURG	LAND		KINGDOM	NITY	EEC
CONSUMPTION AID, BUTTER AND WELFARE RECIPIENTS		- 0,135:					4,278:					- 0,284:		3,858:
OTHER MEASURES (BUTTERFAT)	12,620:	6,557:	46,549:	0,094:		91,887:	1,457:	5,077:	0,277:	10,428:		22,854:		197,800:
INTERVENTION FOR OTHER MILK PRODUCTS			0,456:	0,550:		8,685:	0,170:	68,368:						78,229:
STORAGE OF CHEESE			0,456:	0,550:		8,685:	0,170:	68,368:						78,229:
OTHER INTERVENTION (OTHER MILK PRODUCTS)														
OTHER MEASURES IN THE MILK AND MILK PRODUCTS SECTOR	9,963:	10,875:	50,744:	1,556:		56,645:	5,947:	14,539:	0,309:	10,484:		53,086:		214,147:
GUARANTEE SECTION	0,420:	0,909:	6,030:			1,619:	0,352:		0,038:	0,035:		0,071:		9,474:
FINANCIAL CONTRIBUTION TO MILK NON-MARKETING AND DAIRY HERD CONVERSION PREMIUMS														
SCHOOL MILK	7,044:	6,076:	33,013:	0,263:		42,564:	2,708:	8,718:	0,193:	5,312:		44,145:		150,037:
MARKET DEVELOPMENT SCHEMES	1,785:	3,358:	9,894:	0,123:		12,048:	1,576:	3,436:	0,078:	4,703:		8,178:		45,178:
IMPROVEMENT OF MILK QUALITY	0,713:	0,531:	1,807:	1,170:		0,414:	1,312:	2,384:		0,434:		0,195:		8,960:
OTHER MEASURES UNDER PROGRAMME TO EXPAND MILK PRODUCTS MARKET												0,496:		0,496:
OTHER MEASURES (MILK AND MILK PRODUCTS)														
FINANCIAL CONTRIBUTION BY MILK PRODUCERS	- 29,232:	-29,561:	-181,478:			-184,291:	-31,378:	- 36,573:	- 2,406:	-137,333:		- 84,830:		- 717,082:

ANNEX 2 (cont'd 12)

EXPENDITURE CHARGED UNTIL THE END OF DECEMBER 1986 (m ECU)

ITEM	BELGIQUE	DANMARK	DEUTSCH-	ELLAS	ESPAÑA	FRANCE	IRELAND	ITALIA	LUXEM-	NEDER-	PORTUGAL	UNITED	COMMU-	TOTAL
			LAND						BOURG	LAND		KINGDOM	NITY	EEC
LINEAR LEVY (CORESPONSABILITY)	- 21,495	-28,967	-137,802			-134,494	-31,082	- 36,573	- 1,466	- 77,204		- 82,519		- 551,603
ADDITIONAL LEVY (CORESPONSABILITY) (1)	- 7,737	- 0,594	- 43,676			- 49,797	- 0,296		- 0,940	- 60,129		- 2,311		- 165,479
MEASURES FOR SMALL PRODUCERS	- 0,001	4,800	31,260			39,024	0,637	13,247	0,300	7,945		6,999		104,212
BEEF/VEAL	44,983	165,828	693,283	3,788	9,712	1002,259	696,955	346,377	0,148	198,161		320,227		3.481,720
REFUNDS FOR BEEF/VEAL	23,979	73,416	343,992	0,019	0,003	282,901	249,094	48,567		124,696		67,660		1.214,327
INTERVENTION STORAGE OF BEEF	19,281	92,081	348,899		9,709	678,630	416,463	235,945		73,371		156,088		2.030,466
PRIVATE STORAGE BEEF	1,277	1,416	24,811			19,591	40,182	4,976		1,533		8,508		102,294
TECHNICAL PUBLIC STORAGE														
COSTS FOR BEEF	2,279	7,827	24,203		2,445	47,653	29,648	30,596		7,626		17,235		169,513
FINANCIAL PUBLIC STORAGE														
COSTS FOR BEEF	1,412	5,508	14,169		1,073	30,590	15,429	25,449		4,645		14,106		112,380
OTHER PUBLIC STORAGE COSTS														
FOR BEEF	12,192	65,453	280,070		6,190	562,632	301,949	123,793		51,212		93,760		1.497,251
DEPRECIATION OF BEEF														
STOCKS	2,121	11,877	5,647			18,165	29,254	51,131		8,354		22,479		149,027
INTERVENTION OTHER THAN BEEF STORAGE	1,723	0,332	0,391	3,769		40,728	31,397	61,866	0,148	0,094		96,479		236,927

(1) The amounts declared take account of payments to Germany of 17.8 million ECU and to the Netherlands for 2.8 million ECU under the terms of Reg. (EEC) No 1305/85.

ANNEX 2 (cont'd 13)

EXPENDITURE CHARGED UNTIL THE END OF DECEMBER 1986 (m ECU)

ITEM	BELGIQUE	DANMARK	DEUTSCH-	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEM-	NEDER-	PORTUGAL	UNITED	COMMU-	TOTAL
			LAND						BOURG	LAND		KINGDOM	NITY	EEC
PREMIUMS, SUCKLER COWS	1,723:	0,332:	0,392:	1,782:		40,728:	13,710:	13,287:	0,148:	0,094:		18,313:		90,509:
CALF PREMIUMS				1,987:			17,687:	48,579:				3,994:		72,247:
PREMIUMS FOR SLAUGHTER OF ADULT CATTLE OTHER THAN COWS			0,001:									74,172:		74,171:
OTHER INTERVENTION (BEEF/VEAL)														
SHEEPMET AND GOATMEAT	0,672:	0,446:	11,759:	20,705:		140,784:	62,023:	21,667:	0,028:	4,907:		353,958:		616,950:
REFUNDS FOR SHEEPMET AND GOATMEAT														
INTERVENTION FOR SHEEPMET AND GOATMEAT	0,672:	0,446:	11,759:	20,705:		140,784:	62,023:	21,667:	0,028:	4,907:		353,958:		616,950:
PREMIUMS FOR SHEEPMET AND GOATMEAT	0,672:	0,446:	11,759:	20,705:		140,784:	62,023:	21,667:	0,028:	4,907:		353,958:		616,950:
STORAGE OF SHEEPMET AND GOATMEAT														
OTHER INTERVENTION, SHEEPMET AND GOATMEAT														
PIGMEAT	56,000:	55,881:	7,631:	0,007:	0,062:	4,706:	1,331:	9,381:	0,052:	14,597:		2,166:		151,813:
REFUNDS FOR PIGMEAT	1,427:	54,878:	2,848:	0,007:	0,062:	2,624:	1,251:	3,077:	0,052:	7,162:		1,909:		75,297:
INTERVENTION FOR PIGMEAT	54,573:	1,002:	4,783:			2,082:	0,080:	6,304:		7,435:		0,257:		76,516:

ANNEX 2 (cont'd 14)

EXPENDITURE CHARGED UNTIL THE END OF DECEMBER 1986 (m ECU)

ITEM	BELGIQUE	DANMARK	DEUTSCH-	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEM-	NEDER-	PORTUGAL	UNITED	COMMU-	TOTAL
			LAND						BOURG	LAND		KINGDOM	NITY	EEC
EGGS AND POULTRY	7,119	10,107	8,738	0,004	0,174	45,500	0,009	0,266	0,004	23,387		2,466		97,774
REFUNDS ON EGGS	0,771	0,354	5,724		0,147	2,364	0,002	0,109	0,004	17,200		0,654		27,331
REFUNDS ON POULTRY	6,348	9,753	3,014	0,003	0,026	43,136	0,007	0,157		6,186		1,812		70,443
REFUNDS ON CERTAIN GOODS OBTAINED BY PROCESSING AGRI- CULTURAL PRODUCTS	24,860	49,832	70,587	3,051	0,226	51,767	44,483	40,800	0,066	116,553		100,724		502,948
REFUNDS FOR CEREALS EXPORTED IN THE FORM OF SPIRITUOUS BEVERAGES							1,611			0,122		43,254		44,986
REFUNDS ON CERTAIN GOODS OBTAINED BY PROCESSING AGRICULTURAL PRODUCTS	24,860	49,832	70,587	3,051	0,226	51,767	42,873	40,800	0,066	116,432		57,469		457,962
TOTAL SECTORS	963,356	030,134	4225,910	1200,069	271,153	5460,620	1161,645	3074,583	2,048	2140,243	29,642	2014,193	5,952	21.579,550
ACCESSION CAS GRANTED FOR INTRA-COMMUNITY TRADE	0,009	- 0,074	0,339	0,243		3,775	0,106	0,262		0,714	0,363	0,011		5,750

## ANNEX 2 (cont'd 15)

## EXPENDITURE CHARGED UNTIL THE END OF DECEMBER 1986 (m ECU)

ITEM	BELGIQUE	DANMARK	DEUTSCH-	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEM-	NEDER-	PORTUGAL	UNITED	COMMU-	TOTAL
			LAND						BOURG	LAND		KINGDOM	NITY	EEC
MCA's CHARGED OR GRANTED FOR														
TRADE IN AGRICULTURAL														
PRODUCTS	12,204	38,125	71,972	211,722	0,202	- 18,121	51,856	- 13,290	0,001	138,908	0,403	- 18,052		475,928
MCA's ON INTRA-COMMUNITY TRADE:	12,225	38,127	23,908	211,526	0,202	- 18,121	51,856	- 13,290	0,001	90,180	0,403	- 91,104		305,912
MCA's ON IMPORTS PAID BY														
IMPORTING MS (DEPRECIATING														
CURRENCY)	0,016			232,025	0,202	25,153	0,006	6,844			0,403	4,676		269,324
MCA's ON IMPORTS PAID BY														
EXPORTING MS FOR IMPORTING														
MS (DEPRECIATING CURRENCY)	11,894	38,127	60,727			97,252	64,929		0,001	48,239		5,233		326,402
MCA's ON IMPORTS CHARGED BY														
IMPORTING MS (APPR.														
CURRENCY)	0,076		-116,706	- 0,018						- 63,011		- 0,053		- 179,713
MCA's ON EXPORTS PAID BY														
EXPRTING MS (APPR. CURRENCY)	- 0,002		79,888	0,013						104,951		1,062		185,912
MCA's ON EXPORTS CHARGED BY														
EXPORTING MS (APPR. CURRENCY)	0,241		- 20,494			-140,527	-13,079	- 20,134				-102,022		- 296,014
MCA's ON EXTRA-COMMUNITY														
TRADE	- 0,021	- 0,002	48,064	0,196						48,728		73,052		170,016
PORTION OF MCA's GRANTED ON														
IMPORTS (INTO MS WITH DEPR.														
CURRENCY) EXCEEDING IMPORT														
LEVY)				0,196								69,233		69,428
MCA's ON EXPORTS PAID BY														
EXPORTING MS (APPR.														
CURRENCY)	- 0,021	- 0,002	48,064							48,728		3,819		100,588



## ANNEX 2 (cont'd 16)

## EXPENDITURE CHARGED UNTIL THE END OF DECEMBER 1986 (m ECU)

ITEM	BELGIQUE	DANMARK	DEUTSCH-	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEM-	NEDER-	PORTU-	UNITED	COMMU-	TOTAL
			LAND						BOURG	LAND	GAL	KINGDOM	NITY	EEC
SUBTOTAL COMPENSATORY AMOUNTS:	12,213:	38,050:	72,312:	211,965:	0,202:-	14,346:	51,962:-	13,028:	0,001:	139,622:	0,766:-	18,041:		481,678:
TOTAL SECTORS AND COMPENSATORY AMOUNTS	975,569:	1068,184:	4298,222:	1412,034:	271,355:	5446,274:	1213,607:	3061,554:	2,049:	2279,866:	30,408:	1996,152:	5,952:	22.061,228:
COMMON ORGANIZATION OF FISHERIES MARKETS	0,484:	2,539:	0,165:	0,389:		6,762:	1,505:	1,124:		0,903:	0,373:	3,731:		17,974:
REFUNDS ON FISHERY PRODUCTS														
INTERVENTION FOR FISHERY PRODUCTS	0,484:	2,539:	0,165:	0,389:		6,762:	1,505:	1,124:		0,903:	0,373:	3,731:		17,974:
WITHDRAWAL AND CARRYOVER PREMIUM FOR FISHERY PRODUCTS	0,484:	2,539:	0,165:	0,389:		3,094:	1,505:	1,124:		0,903:	0,373:	3,731:		14,306:
PRIVATE STORAGE AID FOR FISHERY PRODUCTS														
OTHER INTERVENTION FOR FISHERY PRODUCTS						3,668:								3,668:
GRAND TOTAL	976,052:	1070,723:	4298,386:	1412,424:	271,355:	5453,036:	1215,111:	3062,678:	2,049:	2280,769:	30,781:	1999,883:	5,952:	22.079,202:

ANNEX 2 (cont'd 17)

EXPENDITURE CHARGED UNTIL THE END OF DECEMBER 1986 (m ECU)

ITEM	BELGIQUE	DANMARK	DEUTSCH-	ELLAS	ESPANA	FRANCE	IRELAND	ITALIA	LUXEM-	NEDER-	PORTU-	UNITED	COMMU-	TOTAL
			LAND						BOURG	LAND	GAL	KINGDOM	NITY	EEC
OTHER EXPENDITURE	2,829:-	4,993:	102,388:-	25,100:		- 5,935:-	0,732:	6,254:		- 3,356:		- 13,175:		58,178:
CLEARANCE PREVIOUS YEARS	2,829:-	4,993:	2,388:-	25,100:		- 5,935:-	0,732:	6,254:		- 16,856:		- 13,175:		- 55,322:
COMMUNITY COMPENSATION MEASURES			100,000:							13,500:				113,500:
GRAND TOTAL AND CLEARANCES	978,881:	1065,730:	4400,774:	1387,324:	271,355:	5447,101:	1214,379:	3068,932:	2,049:	2277,413:	30,781:	1986,708:	5,952:	22.137,380:

ANNEX 3 : EAGGF GUARANTEE EXPENDITURE BY SECTOR (1)

NATURE OF EXPENDITURE	(m ECU)					
	1981	1982	1983	1984	1985	1986
<b>CEREALS</b>	1.921,4	1.824,5	2.441,2	1.650,0	2.310,2	3.391,2
Refunds	1.206,3	1.064,9	1.525,0	918,3	1.076,7	1.711,7
Intervention, of which :	715,1	759,6	916,2	731,7	1.233,5	1.679,5
- production refunds	129,2	135,4	129,7	175,5	180,8	177,7
- aid for durum wheat	171,2	165,8	218,5	200,3	242,5	210,8
- storage	341,7	453,4	565,6	355,8	810,1	1.347,4
<b>RICE</b>	21,7	50,3	92,9	47,8	50,1	93,7
Refunds	17,2	40,0	67,9	26,9	36,6	91,9
Intervention	4,5	9,3	25,0	20,9	13,5	1,8
<b>SUGAR</b>	767,5	1.241,9	1.316,2	1.631,5	1.804,5	1.725,5
Refunds	409,2	744,0	758,1	1.190,0	1.352,8	1.238,4
Intervention, of which :	358,3	497,0	558,1	441,5	451,7	487,2
- reimbursement of storage costs	344,3	489,9	550,5	429,8	440,1	470,8
<b>OLIVE OIL</b>	442,7	493,1	675,3	1.096,4	692,2	604,3
Refunds	2,9	8,8	9,7	8,1	19,2	29,4
Intervention	439,8	484,3	665,6	1.088,3	673,0	574,9
<b>OILSEEDS</b>	582,7	720,7	945,6	655,6	1.110,6	2.027,5
Refunds	5,4	3,8	3,7	0,4	3,4	2,3
Intervention, of which :	577,3	716,9	941,9	655,2	1.107,2	2.025,2
- Rape and sunflower seed	566,1	703,0	924,8	613,1	982,8	1.801,8
- Soya	2,2	7,3	6,2	32,7	115,5	200,2
- Flax seed	8,6	6,7	14,5	7,2	9,4	23,1
<b>PROTEIN PLANTS</b>	65,5	82,8	142,3	215,6	372,5	460,0
Refunds	-	-	-	-	-	-
Intervention, of which :	65,5	82,8	142,3	215,6	372,5	460,0
- peas and field beans	31,4	41,1	84,6	139,4	255,5	305,4
- dried fodder	34,1	41,7	57,7	76,1	116,9	154,1
<b>TEXTILE PLANTS AND SILKWORMS, of which :</b>	72,3	116,4	160,0	108,0	240,6	565,0
- flax and hemp	17,0	19,5	19,3	19,2	27,2	32,3
- cotton	54,9	96,2	140,1	88,2	212,7	532,2
<b>FRUIT AND VEGETABLES</b>	641,1	914,3	1.196,1	1.454,6	1.230,7	986,0
Refunds	42,8	59,5	58,1	58,6	74,5	77,0
- fresh	40,9	53,1	51,9	50,1	63,0	65,0
- processed	1,9	6,5	6,2	8,5	11,5	12,0
Intervention	598,3	854,8	1.138,0	1.396,0	1.156,2	909,0
- fresh	180,0	305,3	397,9	569,1	338,9	491,8
- processed	418,3	549,5	740,1	826,9	817,3	417,2
<b>WINE</b>	459,4	570,6	659,2	1.222,6	921,4	630,8
Refunds	25,8	31,9	20,2	18,6	18,9	11,2
Intervention, of which :	433,6	538,7	639,0	1.204,0	902,5	619,6
- private storage aid	85,7	108,4	142,5	135,6	87,6	70,5
- compulsory distillation of by-products of wine-making	0,3	9,0	63,1	88,6	65,3	55,8
- others (mainly distil.)	314,9	390,5	391,4	852,4	599,0	406,1
<b>TOBACCO</b>	361,8	622,6	671,3	776,4	862,9	782,2
Refunds	5,8	17,3	27,9	36,5	32,0	32,1
Intervention	356,0	605,3	643,4	739,9	830,9	750,1

: OTHER SECTORS, of which :	46,7	53,4	55,6	51,5	54,6	56,4		
: - seeds	38,8	43,4	43,0	42,4	46,4	46,5		
: - hops	5,9	5,4	8,2	8,4	8,2	8,6		
: MILK AND MILK PRODUCTS	3.342,7	3.327,7	4.396,1	5.441,7	5.933,2	5.405,8		
: Refunds	1.886,3	1.521,3	1.326,8	1.943,4	2.028,2	2.154,9		
: Intervention, of which :	1.456,4	1.806,4	3.069,3	3.498,3	3.905,0	3.250,9		
: - aid for skimmed milk	1.157,4	1.310,5	1.630,7	1.841,3	1.827,1	1.950,3		
: - storage of skimmed milk	83,4	135,4	634,5	819,5	580,0	384,0		
: - storage of butter	214,7	196,6	410,8	830,9	1.325,8	1.035,4		
: - disposal of butter	211,8	414,1	496,4	450,1	403,0	201,7		
: - financial participation :								
: by milk producers	- 478,5	- 537,3	- 527,4	- 749,2	- 637,3	- 717,1		
: - expansion of the markets:	106,2	105,7	154,2	183,7	210,0	204,7		
: BEEF/VEAL	1.436,9	1.158,6	1.736,5	2.546,8	2.745,8	3.481,7		
: Refunds	825,2	643,5	828,2	1.392,7	1.338,6	1.214,3		
: Intervention of which :	611,7	515,1	908,3	1.154,1	1.407,2	2.267,4		
: - public and private								
: storage	393,1	341,5	632,4	814,5	1.094,1	2.030,5		
: - calf premiums	102,4	74,4	103,0	152,4	116,6	72,2		
: SHEEPMEAT AND GOATMEAT	191,5	251,7	305,6	433,5	502,4	616,9		
: Refunds	-	-	0,0	-	-	-		
: Intervention	191,5	251,7	305,6	433,5	502,4	616,9		
: PIGMEAT	154,6	111,6	145,0	195,9	165,4	151,8		
: Refunds	132,6	96,1	120,2	157,0	102,9	75,3		
: Intervention	22,0	15,5	24,8	38,9	62,5	76,5		
: EGGS AND POULTRY	83,9	103,9	123,3	69,8	63,2	97,8		
: Refunds	83,9	103,9	123,3	69,8	63,2	97,8		
: - eggs	18,1	24,2	30,4	20,4	18,2	27,3		
: - poultry	65,8	79,7	92,9	49,4	45,0	70,5		
: NON-ANNEX II PRODUCTS	282,4	414,4	343,2	382,4	440,8	502,9		
: Refunds	282,4	414,4	343,2	382,4	440,8	502,9		
: FISHERIES	28,0	34,0	25,7	15,6	16,1	18,0		
: Refunds	12,6	13,8	8,2	0,9	- 0,1	-		
: Intervention	15,4	20,2	17,5	14,7	16,2	18,0		
: TOTAL AGRICULTURAL	10.902,8	12.092,5	15.431,1	17.995,7	19.517,2	21.597,5		
: EXPENDITURE								
: Accession compensatory								
: amounts	0,1	0,4	0,3	0,3	0,2	5,8		
: Monetary compensatory								
: amounts	238,3	312,7	488,3	375,9	189,6	475,9		
: Community compensation								
: measures	-	-	-	-	136,4	113,5		
: TOTAL EXPENDITURE	11.141,2/10.980,2	12.405,6	15.919,7/15.811,6	18.371,9/18.346,4	19.843,4/19.744,2	22.192,7/22.137,4		
: EAGGF GUARANTEE SECTION	(2)		(3)	(4)	(5)	(6)		

(1) The expenditure is based on the declarations from the Member States under the advance payments arrangement, charged to each year in accordance with Article 97 of the Financial Regulation.

(2) Including the reduction in expenditure of 161 m ECU disallowed when the 1974-1975 accounts were cleared.

(3) Including the reduction in expenditure of 108,1 m ECU disallowed when the 1976-1977 accounts were cleared.

(4) Including the reduction in expenditure of 25,5 m ECU disallowed when the 1978-1979 accounts were cleared.

(5) Including the reduction in expenditure of 99,2 m ECU disallowed when the 1980-1981 accounts were cleared.

(5) Including the reduction in expenditure of 55,3 m ECU disallowed when the 1982 accounts were cleared.

ANNEX 4 : BREAKDOWN OF EXPENDITURE BY SECTOR AND ECONOMIC CATEGORY - 1986

(m ECU)

SECTOR	Total expenditure	Export refunds	Breakdown of expenditure by economic category					Total
			Intervention					
			Storage (1)	Withdrawal and similar operations	Price compensatory measures	Guidance premiums		
1	2 = 3 + 8	3	4	5	6	7	8=4+5+6+7	
Cereals	3.391,2	1.711,7	1.342,3	-	-	337,2 (2)	-	1.679,5
Rice	93,7	91,9	-	-	-	1,8	-	1,8
Sugar	1.725,6	1.238,4	470,8 (3)	-	-	16,4	-	487,2
Olive oil	604,3	29,4	48,9	-	-	526,0	-	574,9
Oilseeds, of which :	2.027,5	2,3	0,1	-	-	2.025,1	-	2.025,2
- rape and sunflower seed	1.804,1	2,3	0,1	-	-	1.801,7	-	1.801,8
Protein plants, of which:	460,0	-	-	-	-	460,0	-	460,0
- peas and field beans	305,4	-	-	-	-	305,4	-	305,4
- dried fodder	154,1	-	-	-	-	154,1	-	154,1
Fibre plants, of which :	565,0	-	-	-	-	565,0	-	565,0
- flax and hemp	32,3	-	-	-	-	32,3	-	32,3
- cotton	532,2	-	-	-	-	532,2	-	532,2
- silkworms	0,5	-	-	-	-	0,5	-	0,5
Fruit and vegetables	986,0	77,0	0,7	338,0	-	570,3 (4)	-	909,0
Wine	630,8	11,2	74,6	406,1 (5)	-	138,9 (6)	-	619,6
Tobacco	782,2	32,1	16,2	-	-	733,9	-	750,1
Other sectors, of which :	56,4	-	-	-	-	56,4	-	56,4
- seeds	46,5	-	-	-	-	46,5	-	46,5
- hops	8,7	-	-	-	-	8,7	-	8,7
- beekeeping	0,0	-	-	-	-	0,0	-	0,0
Milk and milk products,	5.405,7	2.154,9	1.497,5	-	-	1.743,8 (7)	9,5 (8)	3.250,8
of which :								
- skimmed milk	2.755,1	420,9	383,9 (9)	-	-	1.950,3	-	2.334,2
- butter	1.897,6	660,5	1.035,4	-	-	201,7	-	1.237,1
Beef/veal	3.481,7	1.214,3	2.030,5	-	-	164,7	72,2(10)	2.267,4
Sheepmeat and goatmeat	616,9	-	-	-	-	616,9	-	616,9
Pigmeat	151,8	75,3	73,6	2,9	-	-	-	76,5
Eggs and poultry	97,8	97,8	-	-	-	-	-	-
Non-Annex II products	502,9	502,9	-	-	-	-	-	-
Fisheries	18,0	-	-	14,3	-	3,7	-	18,0
SUBTOTAL	21.597,5	7.239,2	5.555,2	761,3	3,5	7.960,1	81,7	14.358,3
%	100,0	33,5	25,7	3,5	-	36,9	0,4	66,5
COMPENSATORY AMOUNTS	481,7	170,0	-	-	-	311,7	-	311,7
TOTAL	22.079,2	7.409,2	5.555,2	761,3	3,4	8.271,8	81,7	14.670,0
%	100,0	33,6	25,2	3,4	-	37,5	0,4	66,4

FOOTNOTES TO ANNEX 4

- (1) Private and public storage. Details of expenditure on storage are given in Annex 7.
- (2) Including production refunds (177,7 m ECU) and aid for durum wheat (210,8 m ECU).
- (3) Reimbursement of private storage costs.
- (4) Promotion (27,0 m ECU) and processing (126,8 m ECU) of Community citrus fruit + intervention in respect of processed products (417,2 m ECU).
- (5) Distillation (406,1 m ECU).
- (6) Aid for concentrated wine must (82,4 m ECU).
- (7) The linear and additional co-responsability levies (717,1 m ECU) have been deducted.
- (8) Milk non-marketing and dairy herd conversion premiums.
- (9) Including 303,8 m ECU for skimmed-milk powder used for feeding pigs and poultry.
- (10) Calf premiums to promote the restocking of herds.

ANNEX 5

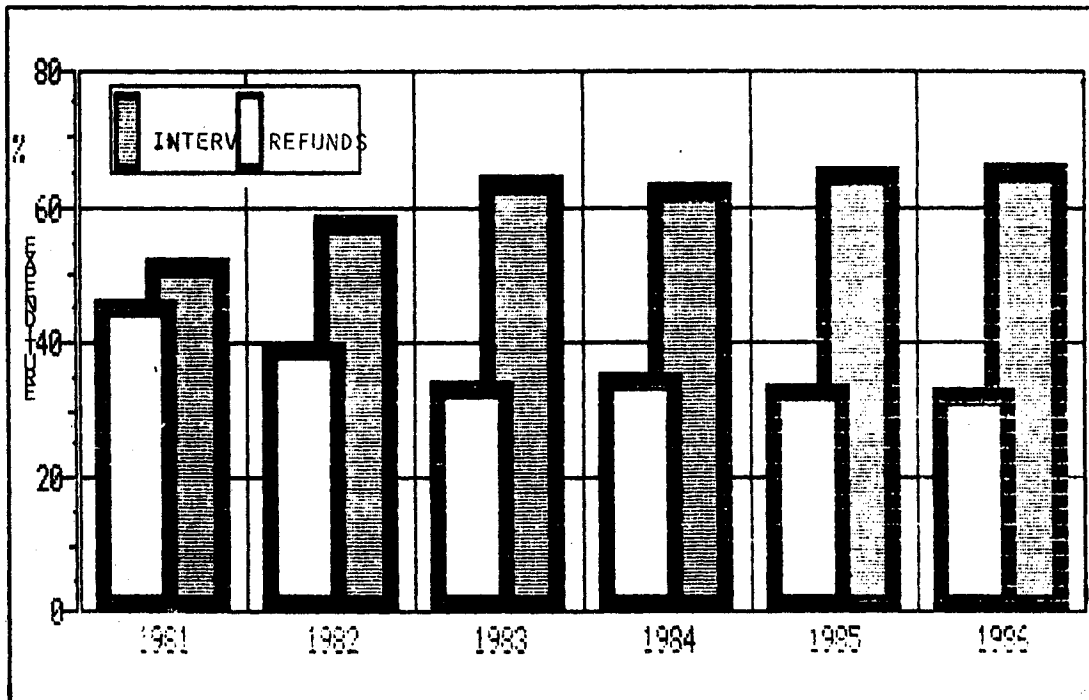
Breakdown of expenditure by sector and economic category (m ECU)

	1981	%	1982	%	1983	%	1984	%	1985	%	1986	%
	(*)				(*)		(*)		(*)		(*)	
Total expenditure (including CAs)	11.141,2	100,0	12.405,6	100,0	15.919,7	100,0	18.371,9	100,0	19.707,0	100,0	22.079,2	100,0
Refunds (R)	5.208,6	46,8	5.053,7	40,8	5.559,7	35,0	6.619,1	36,0	6.716,1	34,1	7.409,2	33,6
Intervention (I)	5.932,6	53,2	7.351,9	59,2	10.360,0	65,0	11.752,8	64,0	12.990,9	65,9	14.670,0	66,4
Cereals (excl. rice)	1.921,4	17,2	1.824,5	14,7	2.441,2	15,3	1.650,0	9,0	2.310,2	11,7	3.391,2	15,4
R	1.206,3	10,8	1.064,9	8,6	1.525,0	9,6	918,3	5,0	1.076,7	5,5	1.711,7	7,8
I	715,1	6,4	759,6	6,1	916,2	5,7	731,7	4,0	1.233,5	6,2	1.679,5	7,6
Sugar	767,5	6,9	1.241,9	10,0	1.316,2	8,3	1.631,5	8,9	1.804,5	9,2	1.725,6	7,8
R	409,2	3,7	744,0	6,0	758,1	4,8	1.190,0	6,5	1.352,8	6,9	1.238,4	5,6
I	358,3	3,2	497,9	4,0	558,1	3,5	441,5	2,4	451,7	2,3	487,2	2,2
Fruits and vegetables	641,1	5,8	914,3	7,4	1.196,1	7,5	1.454,6	7,9	1.230,7	6,3	986,0	4,4
R	42,8	0,4	59,5	0,5	58,1	0,4	58,6	0,3	74,5	0,4	77,0	0,3
I	598,3	5,4	854,8	6,9	1.138,0	7,1	1.396,0	7,6	1.156,2	5,9	909,0	4,1
Milk and milk products	3.342,7	30,0	3.327,7	26,8	4.396,1	27,6	5.441,7	29,6	5.933,2	30,1	5.405,7	24,5
R	1.886,3	16,9	1.521,3	12,3	1.326,8	8,3	1.943,4	10,6	2.028,2	10,3	2.154,9	9,8
I	1.456,4	13,1	1.806,4	14,5	3.069,3	19,3	3.498,3	19,0	3.905,0	19,8	3.250,8	14,7
Beef/veal	1.436,9	12,9	1.158,6	9,3	1.736,5	10,9	2.546,8	13,9	2.745,8	13,9	3.481,7	15,8
R	825,2	7,4	643,5	5,2	828,2	5,2	1.392,7	7,6	1.338,6	6,8	1.214,3	5,5
I	611,7	5,5	515,1	4,1	908,3	5,7	1.154,1	6,3	1.407,2	7,1	2.267,4	10,3
Other products	3.031,6	27,2	3.938,6	31,8	4.833,6	30,4	5.647,3	30,7	5.682,6	28,8	7.089,0	32,1
R	838,8	7,6	1.020,5	8,2	1.063,5	6,7	1.116,1	6,1	845,3	4,3	1.012,9	4,6
I	2.192,8	19,6	2.918,1	23,6	3.770,1	23,7	4.531,2	24,6	4.837,3	24,5	6.076,1	27,5

(\*) Not including consequences of accounts clearance or of Community compensation measures.

A N N E X 6

Breakdown (%) of expenditure  
according to economic nature of measures





ANNEX 7

BREAKDOWN OF INTERVENTION IN RESPECT OF STORAGE COSTS IN 1986

(m ECU)

PRODUCTS	Private storage	Public storage	of which		Difference between buying in and selling prices (1)
			Technical costs	Financing costs	
Cereals	-	1.342,3	342,6	216,6	783,1
Sugar	470,2 (2)	0,6	- 0,2	0,7	0,1
Olive oil	-	48,9	29,0	21,0	- 1,1
Oilseeds	-	0,1	p.m.	0,1	p.m.
Flax/hemp	-	-	-	-	-
Figs and raisins	0,7 (4)	-	-	-	-
Wine/alcohol (3)	70,8	3,8	1,1	3,9	-/- 1,2
Tobacco	-	16,2	9,2	1,4	5,6
Skimmed-milk powder	-	383,9	19,1	73,9	290,9
Butter	59,2 (5)	976,2	127,5	226,4	622,3
Cheese	78,2	-	-	-	-
Beef/veal	102,3	1.928,2	169,5	112,4	1.646,3
Pigmeat	26,3	47,3	3,4	1,3	42,6
<b>TOTAL</b>	<b>807,7</b>	<b>4.747,5</b>	<b>701,2</b>	<b>657,7</b>	<b>3.388,6</b>

- (1) Part of this difference may be due either to sales on the world market (in which case the equivalent of the export refund is included in the selling price) or to special schemes for disposal on the internal market.
- (2) Sugar storage costs are covered by charging storage levies to sugar manufacturers.
- (3) Wine : private storage  
Alcohol : public storage.
- (4) This figure does not take account of compensatory aid of 20.1 m ECU intended to cover the difference between the value of the merchandise at the time of entry into private storage and its value at the time of removal.
- (5) Including special schemes to dispose of butter held in private storage (6,8 m ECU).

ANNEX 8 A

QUANTITY AND VALUE OF PRODUCTS IN PUBLIC STORAGE

Product	Situation at 30.11.1985		Situation at 30.11.1986 (1)		Foreseeable sales value (5) (m ECU)
	Quantity (tonnes)	Value (2) (m ECU)	Quantity (tonnes)	Value (2) (m ECU)	
Common wheat	3.890.400	776,8	2.475.287	541,2	367,1
Common wheat not suitable for bread-making	8.012.260	1.613,6	6.084.585	1.135,4	653,4
Barley	4.650.697	940,5	3.792.777	728,8	458,3
Rye	1.108.185	225,7	1.147.888	248,1	136,2
Durum wheat	986.151	264,2	1.022.507	287,7	146,8
Maize	-	-	190.417	34,9	12,4
Sorghum	-	-	3.400	0,7	0,3
Sugar	-	-	15.703	9,7	9,7
Olive oil	75.413	115,6	283.140	421,1	421,1
Rape	-	-	157	0,1	0,1
Sunflower	-	-	27.599	14,7	14,7
Alcohol	501.365 (3)	47,3	666.421 (3)	64,8	1,5
Tobacco - leaf	6.987	6,7	26.893	18,6	10,7
Tobacco - processed	3.802	3,0	6.684	4,9	2,6
Tobacco - baled	3.886	4,8	5.826	6,9	0,3
Skimmed-milk powder	513.774	866,7	846.836	1.593,0	881,5
Butter	1.018.135	3.415,7	1.297.298	4.254,1	874,4
Beef (carcasses)	588.922	1.508,7	452.485	1.212,0	225,9
Boned beef	214.201	761,5	219.510	783,6	376,8
Pigmeat	25.797	28,9	97	0,1	-
TOTAL		10.579,8 (4)		11.360,4	4.593,8

- (1) Article 6(1) of Regulation (EEC) No 3184/83 lays down that second-category expenditure to be claimed for a given year must be calculated on the basis of the operations carried out during the period from December of one year to November the next year.
- (2) The values expressed in ECU have been obtained by applying to the carryover value in national currencies the budgetary rates valid for the conversion of expenditure in November.
- (3) Hectolitres, 100% vol.
- (4) This figure is net of financial depreciation of stocks of 434 m ECU, broken down as follows :  
 93 m ECU for cereals (breadmaking and non-breadmaking common wheat, barley and rye),  
 269 m ECU for milk products (butter),  
 72 m ECU for beef/veal (carcasses or quarters).
- (5) These amounts correspond to the accounting figures, net of potential costs resulting from losses foreseeable on disposal.

ANNEX B B

ESTIMATE OF POTENTIAL COST OF DISPOSING OF AGRICULTURAL PRODUCTS HELD IN INTERVENTION  
AT THE END OF 1986 (30.11.1986)

Product	Quantities in : store at end of year (30.11.86) (tonnes)	Quantities in : public store : regarded as : normal (tonnes)	Quantities in : public store : exceeding : normal storage : (tonnes)	Average : weighted : losses : on sale : (ECU/t) (1)	Potential : cost : (2) (m ECU)
1	2	3	4 = 2 - 3	5	6 = 4 x 5
Common wheat (for bread)	2.475.287	1.000.000	1.475.287	118	174,1
Common wheat not suitable for bread-making	6.084.585	2.000.000	4.084.585	118	482,0
Barley	3.792.777	1.500.000	2.292.777	118	270,5
Rye	1.147.888	200.000	947.888	118	111,9
Durum wheat	1.022.507	300.000	722.507	195	140,9
Maize	190.417	0	190.417	118	22,5
Sorghum	3.400	0	3.400	118	0,4
Olive oil	283.140	100.000	183.140	-	-
Rape	157	0	157	-	-
Sunflower	27.599	0	27.599	-	-
Alcohol	666.421 (3)	0	666.421 (3)	95 (4)	63,3
Sugar	15.703	-	-	-	-
Tobacco					
- leaf	26.893	0	26.893	293	7,9
- processed	6.684	0	6.684	345	2,3
- baled	5.826	0	5.826	1.128	6,6
Skimmed-milk powder	846.836	200.000	646.836	1.100	711,5
Butter	1.297.298	200.000	1.097.298	3.080 (2)	3.379,7
Beef					
- carcasses	452.485	50.000	402.485	2.450	986,1
- boned	219.510	50.000	169.510	2.400	406,8
Pigmeat	97	0	97	1.020	0,1
TOTAL					6.766,6

(1) The data are based on the loss prospects at the end of 1986, i.e. on the basis of the estimates referred to for the establishment of the 1987 budget appropriations, corrected by the adaptation in respect of short-term development contained in the 1987/88 price proposals.

(2) Figure estimated on the basis of foreseeable special disposals.

(3) Hectolitres, 100% vol.

(4) ECU/ht

ANNEX 9

Breakdown of intervention expenditure in the form of price compensating aids

(1986 data)

				(m ECU)
SECTOR	PRODUCTION AID	PROCESSING AID	TOTAL	
CEREALS, of which	159,5	177,7	337,2	
co-responsability	- 56,4	-	- 56,4	
RICE	1,8	-	1,8	
SUGAR	11,3	5,1 (1)	16,4	
OLIVE OIL	489,7	36,3	526,0	
OILSEEDS, of which :	2.025,1	-	2.025,1	
- rape and sunflower	1.801,7	-	1.801,7	
PROTEIN PLANTS,	460,0	-	460,0	
of which :				
- peas and field beans	305,4	-	305,4	
- dried fodder	154,1	-	154,1	
TEXTILE PLANTS,	565,0	-	565,0	
of which :				
- flax and hemp	32,3	-	32,3	
- cotton	532,2	-	532,2	
FRUIT AND VEGETABLES	27,0	543,3 (2)	570,3	
WINE	138,9	-	138,9	
TOBACCO	733,9	-	733,9	
OTHER SECTORS,	56,4	-	56,4	
of which :				
- seeds	46,5	-	46,5	
- hops	8,6	-	8,7	
MILK PRODUCTS, of which:	- 7,7	1.751,5	1.743,8	
- skimmed milk	400,5(3)	1.549,8(4)	1.950,3	
- butter	-	201,7	201,7	
- co-responsability (5):	- 717,1	-	- 717,1	
BEEF/VEAL	164,7 (6)	-	164,7	
SHEEPMEAT	616,9	-	616,9	
FISHERIES	-	3,7	3,7	
<b>SUBTOTAL</b>	<b>5.442,5</b>	<b>2.517,6</b>	<b>7.960,1</b>	
Intra-Community MCAs				
<b>+ accession CAs</b>	<b>311,7</b>	<b>-</b>	<b>311,7</b>	
<b>GRAND TOTAL</b>	<b>5.754,2</b>	<b>2.517,6</b>	<b>8.271,8</b>	

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

ANNEX 10

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

: Year :	: EAGGF Guarantee expenditure :		: Community gross :	: EAGGF Guarantee expenditure :	
	: ('000 m ECU) :			: as % of Community gross :	
	Gross	Net of agricultural charges	domestic product at market price ('000 m ECU) (source : CRONOS)	Gross	Net
: a :	b :	c :	d :	e = 100 b/d :	f = 100 c/d :
: 1976 :	5,587	4,414	1.275,9	0,44	0,35
: 1977 :	6,830	4,692	1.418,0	0,48	0,33
: 1978 :	8,673	6,390	1.574,0	0,55	0,41
: 1979 :	10,440	8,297	1.771,9	0,59	0,47
: 1980 :	11,315	9,313	1.998,3	0,57	0,47
: 1981 :	10,980	9,233	2.221,6	0,49	0,42
: 1982 :	12,406	10,178	2.420,6	0,51	0,42
: 1983 :	15,812	13,517	2.597,0	0,61	0,52
: 1984 :	18,346	15,910	2.785,5	0,66	0,57
: 1985 :	19,744	17,565	2.987,1	0,66	0,59
: 1986 :	22,137	19,850	3.438,5 (*)	0,64	0,58

(\*) Provisional

ANNEX II

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

(m ECU)										
Measure	From 16.9.77 to 31.12.79	1980	1981	1982	1983	1984	1985	1986	From 16.9.77 to 31.12.86	
A. Revenue from co-responsibility levy	274,4	222,9	478,5	537,3	527,4	699,7	639,4	551,6	3.931,2	
B. Total expenditure :	274,4	222,9	478,5	537,3	527,4	699,7	639,4	551,6	3.931,2	
a) school milk (R.1080/77)	40,3	45,7	41,4	49,1	59,8	88,3	103,5	112,5	540,6	
b) butter for the manufacture of ice-cream (R.232/75, R.262/79, R.1932/81)	59,8	24,-	24,4	22,6	30,9	28,4	36,-	27,9	254,-	
c) butter for pastry manufacture (R.262/79, R.1932/81, R.442/84)						125,7	95,1	135,8	356,6	
d) concentrated butter for direct consumption (R.349/73, R.649/78)	8,1	5,1	7,3	5,7	5,4	7,4	4,6	37,-	80,6	
e) promotion, advertising and market research in the Community (R/723/78)	)	)	)	)	)	)	)	)	)	)
	) 47,5	) 26,6	) 35,2	) 25,6	) 60,-	) 51,6	) 59,5	) 45,2	)	)
f) market research outside the Community (R.1993/78, R.1024/78)	)	)	)	)	)	)	)	)	) 430,6	)
g) Improvement of the quality of milk (R.1271/78)	15,5	8,-	8,8	6,5	10,6	11,7	9,3	9,-	)	)
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	152,7	
j) financing of priority schemes	103,2	113,5	361,4	339,6	192,3	149,1	87,1	- 22,-	1.324,2	

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

ANNEX 12

EQUALIZATION OF STORAGE COSTS FOR SUGAR

COMMUNITY SUGAR

Situation at 10.04.1987

: Sugar : year :	: Total : levies : (ECU)	: Total : reimbursement : (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	: 230.546.438,85	: + 2.541.757,69	: + 1,09	: - 12.057.842,17	: - 1,06	: 5,83
: 1978/79	: 248.919.064,38	: 239.528.446,20	: + 9.390.618,18	: + 3,77	: - 2.667.223,99	: - 0,19	: 6,35
: 1979/80	: 239.233.167,49	: 251.107.726,84	: - 11.874.559,35	: - 4,96	: - 14.541.783,34	: - 0,89	: 6,17
: 1980/81	: 326.426.745,59	: 316.367.940,32	: + 10.058.805,27	: + 3,08	: - 4.482.978,07	: - 0,23	: 6,08
: 1981/82	: 407.407.510,45	: 432.962.373,00	: - 25.554.862,55	: - 6,27	: - 30.037.840,62	: - 1,27	: 6,50
: 1982/83	: 478.721.551,25	: 540.755.119,80	: - 62.033.568,55	: - 12,96	: - 92.071.409,17	: - 3,24	: 7,62
: 1983/84	: 448.951.546,50	: 465.612.909,21	: - 16.661.362,71	: - 3,71	: - 108.732.771,88	: - 3,31	: 7,73
: 1984/85	: 482.906.177,45	: 407.898.838,99	: + 75.007.338,46	: + 15,53	: - 33.725.433,42	: - 0,89	: 6,77
: 1985/86	: 475.576.275,00	: 435.583.182,86	: + 39.993.092,14	: + 8,41	: + 6.267.658,72	: + 0,15	: 7,34

(a) % of annual levies

(b) % of cumulative annual levies

ANNEX 13

Sugar levies

1986

		(m ECU)
I.	Production levy	
	1. Sugar	540,04
	2. Isoglucose	<u>3,91</u>
		543,95
II.	"Elimination" levy	68,34
III.	Storage levy	499,16
IV.	Amounts charged on C sugar and isoglucose not exported or substituted	0,05
		<hr/>
		1.111,50



TABLE 1A

QUANTITATIVE RESTRICTIONS ADVANCE PA YURTES TO MEMBER STATES FOR 1968

Date of Transaction	BELGIUM BFL	DENMARK DKR	GERMANY DM	GREECE DBA	SPAIN PTA	FRANCE FF	IRELAND IRL	ITALY LIT	LUXEMBOURG LFB	NETHERLANDS FL	PORTUGAL ESC	UNITED KINGDOM UHL	EC TOTAL ECU
12.12.85	3,414,000,000,-	652,300,000,-	803,600,000,-	16,340,000,000,-	-	3,242,800,000,-	64,000,000,-	502,000,000,000,-	70,000,000,-	454,000,000,-	-	96,000,000,-	-
14.02.86	3,421,000,000,-	546,000,000,-	747,000,000,-	13,954,000,000,-	-	3,441,000,000,-	89,000,000,-	290,000,000,000,-	-	350,000,000,-	-	147,000,000,-	-
20.01.86	4,900,000,000,-	579,800,000,-	878,000,000,-	16,300,000,000,-	-	3,784,900,000,-	44,000,000,-	230,000,000,000,-	-	382,000,000,-	-	183,000,000,-	-
12.02.86	4,491,000,000,-	608,674,312,511,-	874,311,527,622,-	16,077,051,664,-	2,392,000,000,-	2,872,710,502,781,-	51,636,918,311,-	499,274,853,242,-	39,268,179,-	384,792,503,701,-	-	125,000,000,-	-
05.03.86	4,631,987,801,-	688,000,000,-	670,000,000,-	9,218,000,000,-	1,722,000,000,-	2,823,000,000,-	55,000,000,-	171,000,000,000,-	7,000,000,-	284,000,000,-	-	91,000,000,-	-
10.04.86	4,109,000,000,-	547,600,000,-	604,500,000,-	14,409,000,000,-	733,000,000,-	1,727,800,000,-	77,500,000,-	457,000,000,000,-	-	347,800,000,-	10,000,000,-	58,200,000,-	-
18.04.86	4,371,000,000,-	317,800,000,-	345,100,000,-	-	-	364,300,000,-	29,900,000,-	60,000,000,000,-	-	81,900,000,-	104,000,000,-	26,800,000,-	-
22.05.86	3,812,000,000,-	320,000,000,-	310,000,000,-	16,392,000,000,-	2,300,000,000,-	2,437,000,000,-	68,500,000,-	141,500,000,000,-	-	67,400,000,-	10,000,000,-	54,000,000,-	-
11.06.86	2,110,000,000,-	483,000,000,-	680,000,000,-	13,163,000,000,-	1,734,000,000,-	2,389,000,000,-	42,400,000,-	285,000,000,000,-	-	322,000,000,-	83,500,000,-	83,000,000,-	-
23.06.86	2,853,000,000,-	679,000,000,-	618,000,000,-	4,600,000,000,-	200,000,000,-	2,870,000,000,-	77,700,000,-	439,000,000,000,-	-	581,000,000,-	900,000,000,-	120,000,000,-	-
24.07.86	4,445,000,000,-	791,000,000,-	975,400,000,-	8,200,000,000,-	-	-	-	-	-	-	-	-	-
15.08.86	1,439,000,000,-	758,000,000,-	1,082,000,000,-	10,500,000,000,-	4,000,000,000,-	3,622,000,000,-	80,000,000,-	465,500,000,000,-	3,500,000,-	596,400,000,-	-	97,300,000,-	-
22.08.86	4,200,000,000,-	758,000,000,-	1,082,000,000,-	14,600,000,000,-	8,000,000,000,-	3,430,000,000,-	77,700,000,-	361,900,000,000,-	13,000,000,-	460,000,000,-	11,800,000,000,-	107,000,000,-	-
24.09.86	4,930,000,000,-	378,500,000,-	249,000,000,-	10,100,000,000,-	2,500,000,000,-	511,000,000,-	53,000,000,-	12,500,000,000,-	11,000,000,-	147,000,000,-	-	21,600,000,-	-
18.11.86	1,124,000,000,-	321,300,000,-	349,000,000,-	10,900,000,000,-	4,950,000,000,-	1,384,000,000,-	41,600,000,-	97,500,000,000,-	-	262,000,000,-	-	56,300,000,-	-
24.11.86	650,000,000,-	114,000,000,-	277,000,000,-	12,900,000,000,-	5,910,000,000,-	1,427,000,000,-	51,600,000,-	199,000,000,000,-	3,000,000,-	192,500,000,-	332,000,000,-	21,000,000,-	-
11.12.86	442,242,087,801,-	8,471,124,312,511,-	9,424,911,527,622,-	187,855,051,664,-	37,442,000,000,-	38,976,510,522,-	883,736,918,311,-	4,511,174,853,242,-	96,748,179,-	5,901,792,503,701,-	4,691,500,000,-	11,287,200,000,-	-
TOTAL	3,980,801,954,242,-	1,064,989,347,481,481,-	3,348,004,631,-	1,387,431,359,651,-	214,900,520,111,-	2,453,143,734,751,-	1,214,045,432,411,-	3,970,510,393,147,-	2,192,231,942,277,931,009,521,-	30,784,231,431,1,986,452,544,607,22,135,346,438,321,-	-	-	-

(1) Allow for exchange-rate differences  
 (2) The advance payment for April allows for balances remaining available at the end of 1985

## ANNEX 15

## PREMIUMS (100 %) : ADVANCE PAYMENTS TO MEMBER STATES FOR 1986 (1)

: Date :	BELGIUM	DENMARK	GERMANY	GREECE:SPAIN	FRANCE	IRELAND	ITALY	LUXEMBOURG	NETHERLANDS:	PORTU-:	UNITED	EEC
: of :												TOTAL
: decision:	BFR	DKR	DM	DRA : PTA	FF	IRL	LIT	LFR	HFL	ESC	UKL	ECU
: 13.12.85:	4.000.000,-	3.000.000,-	4.500.000,-	- : -	5.000.000,-	70.000,-	-	-	500.000,-	-	-	
: 20.01.86:	1.000.000,-	3.700.000,-	10.500.000,-	- : -	4.100.000,-	70.000,-	-	-	-	-	-	
: 19.02.86:	6.000.000,-	1.600.000,-	300.000,-	- : -	3.700.000,-	50.000,-	-	-	-	-	-	
: 11.03.86:	-	-	-	- : -	-	-	-	2.500.000,-	-	-	-	
: 19.03.86:	4.065.328,-	1.500.936,04	4.585.021,22	- : -	5.084.993,97	23.396,17	-	1.019.228,-	844.514,44	-	215.643,64	
: 18.04.86:	2.900.000,-	300.000,-	2.500.000,-	- : -	-	25.000,-	-	-	-	-	-	
: 22.05.86:	2.900.000,-	500.000,-	-	- : -	-	40.000,-	-	-	-	-	-	
: 23.06.86:	200.000,-	-	-	- : -	800.000,-	55.000,-	-	-	-	-	-	
: 24.07.86:	3.600.000,-	-	1.500.000,-	- : -	1.300.000,-	40.000,-	-	-	-	-	-	
: 19.08.86:	-	1.100.000,-	1.500.000,-	- : -	-	40.000,-	-	-	-	-	-	
: 22.09.86:	1.800.000,-	-	-	- : -	-	6.000,-	-	-	-	-	-	
: 17.10.86:	2.200.000,-	400.000,-	-	- : -	-	-	-	-	-	-	-	
: 19.11.86:	2.400.000,-	-	-	- : -	-	-	-	-	-	-	-	
: TOTAL :												
: ADVANCE:	31.065.328,-	12.100.936,04	25.385.021,22	- : -	19.984.993,97	419.396,17	-	3.519.228,-	1.344.514,44	-	215.643,64	
: PAYMENTS:												
: (2)												
: TOTAL IN:												
: ECU (3)	704.111,79	1.518.956,06	11.753.617,95	- : -	2.965.110,91	587.265,10	-	79.668,26	569.153,52	-	307.917,09	18.485.800,68

(1) Milk non-marketing and dairy herd conversion premiums financed 60% by the Guarantee Section and 40% by the Guidance Section. (This scheme does not concern Greece, Italy, Portugal or Spain.)

(2) The advance payment for April allows for balances remaining at the end of 1985.

(3) Allowing for exchange-rate differences.

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ANNEX 16

Funds available in Member States for 1986 : Guarantee Section (excl. premiums)

Member State	JAN.	FEB.	MARCH	APRIL	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	AVERAGE
BELGIUM	A: 0,9-	32,2-	33,7-	38,6-	0,3-	25,3-	13,1-	2,8-	0,7-	30,7-	12,9-	30,6-	1,3-
	B: 76,5-	93,1-	100,7-	128,6-	102,1-	86,8-	48,0-	60,4-	101,3-	32,7-	108,2-	41,0-	81,6-
	C: 77,4-	60,9-	67,-	90,-	101,8-	112,1-	61,1-	63,2-	100,6-	63,4-	95,3-	71,6-	80,3-
	D: 109,7-	94,5-	105,4-	90,3-	76,7-	99,0-	58,3-	63,9-	70,1-	76,2-	64,8-	69,3-	81,5-
	E: 32,3-	33,6-	38,4-	0,3-	25,1-	13,1-	2,8-	0,7-	30,5-	12,8-	30,5-	2,3-	1,2-
DENMARK	A:p.m.(-)	12,2-	18,3-	18,9-	13,8-	4,9-	22,5-	3,0-	1,0-	14,5-	21,7-	20,3-	0,2-
	B: 81,7-	68,7-	72,5-	76,1-	98,4-	86,7-	88,4-	114,7-	85,2-	99,7-	137,2-	55,5-	88,7-
	C: 81,7-	80,9-	90,8-	57,2-	84,6-	81,8-	110,9-	111,7-	86,2-	85,2-	115,5-	75,8-	88,5-
	D: 69,5-	62,6-	109,8-	71,0-	89,4-	59,2-	113,9-	110,8-	100,6-	106,9-	95,4-	75,6-	88,7-
	E: 12,2-	18,3-	19,-	13,8-	4,8-	22,6-	3,-	0,9-	14,4-	21,7-	20,1-	0,2-	0,2-
GERMANY	A: 11,9-	6,2-	5,3-	19,9-	54,4-	98,4-	78,7-	37,3-	28,3-	5,4-	47,9-	4,3-	22,4-
	B: 363,8-	341,5-	402,2-	392,6-	468,9-	188,1-	237,-	316,4-	290,5-	462,8-	617,5-	300,7-	365,1-
	C: 375,7-	335,3-	396,9-	412,5-	523,3-	286,5-	315,7-	353,7-	318,8-	457,4-	569,6-	305,-	387,5-
	D: 381,8-	340,6-	377,2-	358,1-	425,6-	207,7-	278,5-	325,7-	324,1-	504,9-	565,3-	305,-	366,2-
	E: 6,1-	5,3-	19,7-	54,4-	97,7-	78,8-	37,2-	28,-	5,3-	47,5-	4,3-	0,-	21,3-
GREECE	A: 0,1-	18,8-	39,6-	8,2-	4,6-	3,1-	8,3-	4,9-	17,7-	2,6-	26,3-	1,6-	6,7-
	B: 125,6-	106,6-	122,8-	120,9-	68,6-	108,2-	121,6-	97,3-	93,6-	76,1-	176,5-	169,6-	115,6-
	C: 125,5-	87,8-	83,2-	112,7-	73,2-	111,3-	113,3-	92,4-	111,3-	78,7-	150,2-	168,-	108,9-
	D: 144,4-	127,9-	91,4-	108,1-	70,1-	119,5-	118,2-	74,5-	108,7-	104,9-	151,8-	167,7-	115,6-
	E: 18,9-	40,1-	8,2-	4,6-	3,1-	8,2-	4,9-	17,9-	2,6-	26,2-	1,6-	0,3-	6,7-
SPAIN	A: -	-	-	-	17,6-	27,7-	18,8-	29,9-	33,1-	26,4-	0,1-	0,6-	17,1-
	B: -	-	-	-	17,5-	12,7-	5,4-	16,8-	12,6-	1,4-	29,3-	97,8-	78,4-
	C: -	-	-	-	17,5-	30,3-	33,1-	35,6-	42,5-	34,5-	55,7-	97,9-	79,-
	D: -	-	-	-	-	2,4-	14,3-	5,4-	9,9-	7,9-	55,6-	97,3-	78,5-
	E: -	-	-	-	17,5-	27,9-	18,8-	30,2-	32,6-	26,6-	0,1-	0,6-	17,2-
FRANCE	A: 0,1-	37,3-	11,9-	57,6-	5,1-	75,8-	11,4-	27,7-	70,1-	69,6-	53,5-	55,7-	7,4-
	B: 549,4-	542,5-	566,-	431,9-	448,8-	252,-	354,7-	348,3-	417,6-	527,1-	575,3-	440,8-	454,5-
	C: 549,5-	505,2-	554,1-	489,5-	453,9-	325,8-	343,3-	320,6-	347,5-	457,5-	521,8-	496,5-	447,1-
	D: 586,6-	517,0-	496,9-	484,4-	377,9-	337,2-	371,-	390,8-	417,1-	510,9-	466,3-	488,8-	453,7-
	E: 37,1-	11,8-	57,2-	5,1-	76,-	11,4-	27,7-	70,2-	69,6-	53,4-	55,5-	7,7-	6,6-
IRELAND	A: 0,1-	4,9-	41,3-	17,6-	3,9-	8,5-	26,1-	12,5-	17,9-	1,6-	22,4-	0,8-	3,3-
	B: 89,6-	124,7-	61,6-	72,0-	118,5-	109,7-	96,9-	59,8-	108,8-	105,2-	171,1-	95,8-	101,1-
	C: 89,7-	119,8-	102,9-	89,6-	114,6-	101,2-	123,-	72,3-	90,9-	103,6-	148,7-	96,6-	104,4-
	D: 94,6-	78,4-	89,3-	93,5-	123,-	75,1-	110,4-	90,3-	92,7-	126,1-	147,9-	96,6-	101,1-
	E: 4,9-	41,4-	17,6-	3,9-	8,4-	26,1-	12,6-	18,-	1,8-	22,5-	0,8 p.m. (+)	3,3-	
ITALY	A: 6,2-	237,9-	187,6-	131,8-	50,3-	19,3-	95,-	36,1-	8,3-	29,2-	108,2-	5,2-	64,9-
	B: 336,6-	194,2-	369,9-	332,5-	156,9-	310,1-	95,9-	179,8-	300,6-	320,6-	259,1-	205,8-	255,2-
	C: 342,8-	432,1-	557,5-	464,3-	207,2-	290,8-	190,9-	143,7-	292,3-	349,8-	367,3-	202,6-	320,1-
	D: 104,6-	245,3-	426,8-	414,1-	226,6-	195,7-	226,9-	151,9-	263,3-	242,1-	370,4-	201,0-	255,7-
	E: 238,2-	186,8-	130,7-	50,2-	19,4-	95,1-	36,-	8,2-	29,0-	107,7-	3,1-	1,6-	64,4-
LUXEMBOURG	A: 0,1-	0,5-	0,3+	0,3-	0,3 p.m. (+)	0,1 p.m. (+)	0,1 p.m. (+)	0,8-	0,2-	0,2-	0,3-	0,3-	0,2-
	B: 0,4-	-	-	0,8-	0,1-	-	-	-	0,1-	0,5-	0,1-	0,2-	0,2-
	C: 0,5-	0,5-	0,3-	1,1-	0,4 p.m. (+)	0,1 p.m. (+)	0,1 p.m. (+)	0,8-	0,3-	0,7-	0,4-	0,4-	0,4-
	D:p.m. (-)	0,2-	0,1-	0,8-	0,4-	0,1-	0,1-	0,7-	0,6-	0,1-	0,4-	0,2-	0,2-
	E: 0,5-	0,3-	0,2-	0,3 p.m. (+)	0,1 p.m. (+)	0,1 p.m. (+)	0,7-	0,2-	0,2-	0,3-	0,2-	0,2-	
NETHERLANDS	A: 27,7-	47,4-	46,7-	28,8-	34,8-	48,5-	35,4-	23,5-	47,8-	0,5-	19,2-	20,4-	3,1-
	B: 182,7-	142,-	155,4-	129,2-	192,3-	171,1-	215,3-	112,0-	242,2-	251,1-	263,3-	193,6-	187,5-
	C: 210,4-	189,4-	202,1-	158,-	157,5-	122,6-	179,9-	88,5-	194,4-	251,6-	244,1-	214,0-	184,4-
	D: 163,3-	142,8-	173,4-	192,9-	205,6-	158,0-	203,3-	136,0-	193,9-	270,7-	223,7-	213,4-	189,8-
	E: 47,1-	46,6-	28,7-	34,9-	48,1-	35,4-	23,4-	47,5-	0,5-	19,1-	20,4-	0,6-	5,4-
PORTUGAL	A: -	-	-	-	-	0,1-	0,8-	0,7-	1,1-	6,8-	4,5-	6,8-	2,6-
	B: -	-	-	-	0,1-	0,7-	0,1-	0,5-	6,1-	-	11,9-	11,6-	3,9-
	C: -	-	-	-	0,1-	0,8-	0,9-	1,2-	7,2-	6,8-	16,4-	18,4-	6,5-
	D: -	-	-	-	-	-	0,2-	0,1-	0,2-	2,2-	9,5-	18,4-	3,8-
	E: -	-	-	-	0,1-	0,8-	0,7-	1,1-	7,0-	4,6-	6,9 p.m. (+)	2,7-	
UNITED KINGDOM	A: -	21,8-	58,1-	96,2-	79,8-	59,7-	52,3-	0,6-	40,5-	10,2-	18,4-	28,7-	32,1-
	B: 162,-	240,7-	295,6-	193,7-	182,9-	91,4-	89,1-	130,2-	181,6-	142,2-	180,9-	105,6-	166,-
	C: 162,-	218,9-	353,7-	289,9-	262,7-	151,1-	137,4-	130,8-	222,1-	152,4-	162,5-	134,3-	198,1-
	D: 184,5-	160,1-	253,4-	210,2-	203,6-	99,-	136,8-	88,7-	211,6-	171,6-	132,9-	134,1-	165,5-
	E: 22,5-	58,8-	100,3-	79,7-	59,1-	52,1-	0,6-	42,1-	10,5-	19,2-	29,6-	0,2-	32,6-
EEC TOTALS	A: 46,9-	176,8-	261,8-	286,5-	159,3-	206,9-	252,3-	11,4-	22,3-	15,5-	109,3-	163,7-	123,9-
	B: 1.968,3-	1.854,-	2.146,7-	1.895,8-	1.850,3-	1.410,2-	1.359,8-	1.432,-	1.828,9-	2.046,9-	2.599,3-	1.698,5-	1.849,6-
	C: 2.015,2-	2.030,8-	2.408,5-	2.182,3-	2.009,6-	1.617,1-	1.612,1-	1.420,6-	1.806,6-	2.062,4-	2.490,-	1.862,2-	1.973,5-
	D: 1.839,-	1.769,4-	2.119,7-	2.023,4-	1.801,3-	1.364,6-	1.623,-	1.441,9-	1.790,8-	2.172,2-	2.325,7-	1.848,6-	1.851,9-
	E: 176,2-	261,4-	288,8-	158,9-	208,3-	252,5-	10,9-	21,3-	15,8-	109,8-	164,3-	13,6-	121,6-

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

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

ANNEX 17

Funds available in Member States for 1986  
Milk non-marketing and dairy herd conversion premiums (100 %)

Member State	JAN.	FEB.	MARCH	APRIL	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	AVERAGE
BELGIUM	A: 0,01	- 0,01	0,01	0,01	pm (+)	pm (+)	pm (+)	pm (+)	pm (+)	pm (+)	0,01	0,05	0,01
	B: 0,09	0,02	0,13	0,08	0,07	0,07	pm	0,08	-	0,04	0,05	0,05	0,05
	C: 0,10	0,01	1,14	0,09	0,07	0,07	pm (+)	0,08	pm (+)	0,04	0,06	0,10	0,06
	D: 0,11	-	0,13	0,09	0,07	0,07	pm	0,08	-	0,03	0,01	0,10	0,05
	E: - 0,01	0,01	0,01	pm (+)	pm (+)	pm (+)	pm (+)	pm (+)	pm (+)	0,01	0,05	pm (+)	0,01
DENMARK	A: pm (+)	pm (+)	pm (+)	0,04	0,09	0,04	0,07	0,01	pm (+)	0,03	0,01	0,02	0,03
	B: 0,37	0,46	0,20	0,19	0,03	0,06	-	-	0,14	-	0,05	-	0,12
	C: 0,37	0,46	0,20	0,23	0,12	0,10	0,07	0,01	0,14	0,03	0,06	0,02	0,15
	D: 0,37	0,46	0,17	0,14	0,08	0,03	0,06	0,01	0,11	0,02	0,04	0,02	0,13
	E: pm (+)	pm (+)	0,03	0,09	0,04	0,07	0,01	pm (+)	0,03	0,01	0,02	pm (+)	0,02
GERMANY	A: 2,03	3,61	5,21	3,57	1,98	2,35	1,21	0,72	1,34	1,82	1,84	1,76	2,29
	B: 2,04	4,80	0,14	0,04	1,15	-	-	0,70	0,71	-	-	-	0,80
	C: 4,07	8,41	5,35	3,61	3,13	2,35	1,21	1,42	2,05	1,82	1,84	1,76	3,09
	D: 0,50	3,21	1,81	1,63	0,79	1,14	0,49	0,09	0,24	pm (-)	0,08	0,06	0,84
	E: 3,57	5,20	3,54	1,98	2,34	1,21	0,72	1,33	1,81	1,82	1,76	1,70	2,25
GREECE	A:												
	B:												
	C:												
	D:												
	E:												
SPAIN	A:												
	B:												
	C:												
	D:												
	E:												
FRANCE	A: 0,35	0,39	0,39	0,65	0,87	0,50	0,22	0,22	0,36	0,34	0,31	0,30	0,40
	B: 0,74	0,61	0,55	0,41	-	-	0,11	0,19	-	-	-	-	0,22
	C: 1,09	1,00	0,94	1,06	0,87	0,50	0,33	0,41	0,36	0,34	0,31	0,30	0,62
	D: 0,70	0,61	0,29	0,19	0,35	0,28	0,11	0,05	0,02	0,03	0,02	0,03	0,22
	E: 0,39	0,39	0,65	0,87	0,52	0,22	0,22	0,36	0,34	0,31	0,29	0,27	0,40
IRELAND	A: pm (+)	pm (+)	pm (+)	pm (+)	pm (+)	pm (+)	pm (+)	pm (+)	0,01	0,01	0,01	0,01	pm (+)
	B: 0,09	0,09	0,07	0,03	0,03	0,06	0,08	0,06	0,05	0,01	-	-	0,05
	C: 0,09	0,09	0,07	0,03	0,03	0,06	0,08	0,06	0,06	0,02	0,01	0,01	0,05
	D: 0,09	0,09	0,07	0,03	0,03	0,06	0,08	0,05	0,04	0,01	pm (+)	0,01	0,05
	E: pm (+)	pm (+)	pm (+)	pm (+)	pm (+)	pm (+)	pm (+)	pm (+)	0,01	0,01	0,01	pm (+)	pm (+)
ITALY	A:												
	B:												
	C:												
	D:												
	E:												
LUXEMBOURG	A: pm (+)	pm (+)	pm (+)	0,03	0,01	0,01	0,01	0,01	0,01	0,01	0,01	0,01	0,01
	B: -	-	0,06	0,02	-	-	-	-	-	-	-	-	0,01
	C: pm (+)	pm (+)	0,06	0,05	0,01	0,01	0,01	0,01	0,01	0,01	0,01	0,01	0,02
	D: -	-	0,03	0,04	-	-	-	-	-	-	-	-	0,01
	E: pm (+)	pm (+)	0,03	0,01	0,01	0,01	0,01	0,01	0,01	0,01	0,01	0,01	0,01
NETHERLANDS	A: 0,70	0,89	0,88	0,88	0,52	0,51	0,50	0,50	0,51	0,52	0,52	0,52	0,62
	B: 0,20	-	-	- 0,36	-	-	-	-	-	-	-	-	- 0,01
	C: 0,90	0,89	0,88	0,52	0,52	0,51	0,50	0,50	0,51	0,52	0,52	0,52	0,61
	D: 0,02	0,01	-	-	0,01	0,01	pm	pm	pm (-)	pm (-)	0,01	0,01	0,01
	E: 0,88	0,88	0,88	0,52	0,51	0,50	0,50	0,50	0,51	0,52	0,51	0,51	0,60
PORTUGAL	A:												
	B:												
	C:												
	D:												
	E:												
UNITED KINGDOM	A: 1,04	0,93	0,91	0,86	0,23	0,22	0,22	0,22	0,27	0,26	0,25	0,24	0,47
	B: -	-	-	- 0,62	-	-	-	-	-	-	-	-	- 0,05
	C: 1,04	0,93	0,91	0,24	0,23	0,22	0,22	0,22	0,27	0,26	0,25	0,24	0,42
	D: 0,07	0,01	0,01	pm	0,01	pm	pm	- 0,06	pm (+)	pm (-)	pm (+)	pm (-)	pm (+)
	E: 0,97	0,92	0,90	0,24	0,22	0,22	0,22	0,28	0,27	0,26	0,25	0,24	0,42
EEC TOTALS	A: 4,13	5,81	7,40	6,04	3,70	3,63	2,23	1,68	2,50	2,99	2,96	2,91	3,83
	B: 3,53	5,98	1,15	- 0,21	1,28	0,19	0,19	1,03	0,90	0,05	0,10	0,05	1,19
	C: 7,66	11,79	8,55	5,83	4,98	3,82	2,42	2,71	3,40	3,04	3,06	2,96	5,02
	D: 1,86	4,39	2,51	2,12	1,34	1,59	0,74	0,22	0,41	0,09	0,16	0,23	1,31
	E: 5,80	7,40	6,04	3,71	3,64	2,23	1,68	2,49	2,99	2,95	2,90	2,73	3,71

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

The discrepancies between the amounts against E and those against A of the following month are due to exchange-rate differences. The balances still available at the end of the month represent the difference between the amount available at the beginning of each month and the expenditure declared for that month to the Commission, without taking into account sums paid after the 20th of the month in respect of the following months. This procedure

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

ANNEX 18

EXCHANGE RATES - 1986

1) Conversion of monthly expenditure into ECU - Budget rates

: Expenditure : : disbursed in :	Rate on :	O.J.:	: B :	: DK :	: D :	: EL :	: ES :	: F :	: IRL :	: I :	: L :	: NL :	: P :	: GB :	: EC :
: JANUARY	: 20.11.85 - C	: 298/85	: 44,6096:	: 7,97961:	: 2,20878:	: 130,034:	: 136,177:	: 6,73185:	: 0,713792:	: 1491,52:	: 44,6096:	: 2,48445:	: 138,262:	: 0,592507:	:   :
: FEBRUARY	: 20.12.85 - C	: 333/85	: 44,6905:	: 7,95116:	: 2,18752:	: 130,945:	: 130,945:	: 6,71118:	: 0,713330:	: 1493,02:	: 44,6905:	: 2,46430:	: 139,997:	: 0,610638:	:   :
: MARCH	: 20.01.86 - C	: 13/86	: 44,5603:	: 7,98925:	: 2,18278:	: 132,785:	: 136,457:	: 6,69044:	: 0,714692:	: 1486,81:	: 44,5603:	: 2,45843:	: 140,208:	: 0,618965:	:   :
: APRIL	: 20.02.86 - C	: 40/86	: 44,3124:	: 7,99411:	: 2,16482:	: 133,060:	: 136,376:	: 6,64874:	: 0,715993:	: 1473,79:	: 44,3124:	: 2,44518:	: 141,640:	: 0,645278:	:   :
: MAY	: 20.03.86 - C	: 66/86	: 44,3368:	: 7,98246:	: 2,16472:	: 134,312:	: 135,984:	: 6,66037:	: 0,716225:	: 1472,21:	: 44,3368:	: 2,44307:	: 142,057:	: 0,644194:	:   :
: JUNE	: 18.04.86 - C	: 93/86	: 43,9234:	: 7,93031:	: 2,14997:	: 135,069:	: 136,768:	: 6,85532:	: 0,706523:	: 1473,39:	: 43,9234:	: 2,42612:	: 143,106:	: 0,636987:	:   :
: JULY	: 20.05.86 - C	: 121/86	: 43,9202:	: 7,96610:	: 2,15191:	: 134,808:	: 136,548:	: 6,85695:	: 0,707123:	: 1475,47:	: 43,9202:	: 2,42414:	: 144,059:	: 0,634651:	:   :
: AUGUST	: 20.06.86 - C	: 155/86	: 43,9277:	: 7,97511:	: 2,14888:	: 135,232:	: 137,578:	: 6,85879:	: 0,709445:	: 1473,67:	: 43,9277:	: 2,41905:	: 145,189:	: 0,637627:	:   :
: SEPTEMBER	: 18.07.86 - C	: 181/86	: 43,8817:	: 7,96610:	: 2,12706:	: 136,748:	: 135,533:	: 6,87147:	: 0,714022:	: 1460,50:	: 43,8817:	: 2,39793:	: 146,889:	: 0,660751:	:   :
: OCTOBER	: 20.08.86 - C	: 210/86	: 43,6337:	: 7,93270:	: 2,10768:	: 137,947:	: 136,626:	: 6,87141:	: 0,760270:	: 1451,63:	: 43,6337:	: 2,37565:	: 149,403:	: 0,683889:	:   :
: NOVEMBER	: 19.09.86 - C	: 238/86	: 43,3714:	: 7,91855:	: 2,09071:	: 139,938:	: 138,068:	: 6,84930:	: 0,763888:	: 1445,28:	: 43,3714:	: 2,36212:	: 151,827:	: 0,710653:	:   :
: DECEMBER	: 20.10.86 - C	: 265/86	: 43,2353:	: 7,83922:	: 2,08184:	: 140,342:	: 138,545:	: 6,81949:	: 0,775483:	: 1440,39:	: 43,2353:	: 2,35297:	: 153,300:	: 0,731759:	:   :

2) Average rates

: Average	: Total exp. in N.C.	:	:	:	:	:	:	:	:	:	:	:	:	:	:
: rate =	: -----	:	44,1008:	7,95421:	2,14459:	135,377:	137,703:	6,78072:	0,727927:	1469,20:	44,0574:	2,41613:	152,414:	0,647851:	:
: in ECU	: Total exp. in ECU	:	:	:	:	:	:	:	:	:	:	:	:	:	:

ANNEX 19

EXCHANGE RATE DIFFERENCES - 1986 (1)

					(ECU)
Member State	Guarantee (without premiums)	Premiums		TOTAL	
		Guarantee Section (60 %) (2)	Premiums Guidance Section (40 %) (2)		
	(a)	(b)	(c)	(d) = (a + b + c)	
Belgium	174.496,37	185,93	123,95	174.806,25	
Denmark	- 98.292,69	241,04	160,63	- 97.891,02	
Germany	619.947,46	86.607,53	57.738,37	764.293,36	
Greece	281.588,61	-	-	281.588,61	
Spain	- 33.554,21	-	-	- 33.554,21	
France	- 1.723.934,57	- 4.543,25	- 3.028,84	- 1.731.506,66	
Ireland	33.884,89	- 700,50	- 466,99	32.717,40	
Italy	2.144.865,21	-	-	2.144.865,21	
Luxembourg	5.316,84	354,01	235,99	5.906,84	
Netherlands	- 92.478,55	+ 21.928,29	+ 14.618,85	- 55.931,41	
Portugal	- 281.341,49	-	-	- 281.341,49	
United Kingdom	- 5.242.853,24	- 71.494,31	- 47.660,32	- 5.362.007,87	
EEC TOTAL	- 4.212.355,37	32.578,74	21.721,64	- 4.158.054,99	

- (1) For each Member State there is a discrepancy between the balance at the end of each month as converted into ECU at that month's rate and the same balance as converted into ECU at the following month's rate. This table shows the total exchange differences recorded for each Member State for the whole of 1986.
- (2) Milk non-marketing and dairy herd conversion premiums (Reg. (EEC) No 1078/77).

ANNEX 20

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

(in Ecu)														
Schemes	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 (Art. 2b(1): (Art. 4 (2) R. 2275/85/: R. 3461/85/: R. 3461/85/: R. 2275/85/ EEC) : Promo- tion : Financing : Over- : heads :			
	Information and promotion schemes	Establishment of olive cultivation register	Improvement of the quality of olive oil	Contributions to costs of recognized organization and associations	Information and promotion scheme	EEC	EEC	EEC	EEC	EEC	EEC	EEC	EEC	EEC
Year	Withheld	Utilization	Withheld	Utilization	Withheld	Utilization	Withheld	Utilization	Withheld	Utilization	Withheld	Utilization	Withheld	Utilization
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	116.715,02	178.195,52	7.269.735,60	10.560.376,47	-	-	-	-	1.218.397,26	244.931,36	-	-	-	-
1984	- 144.853,80 (1)	3.908.825,34	15.922.254,88	16.652.197,17	-	-	-	-	1.153.946,30	1.154.500,00	-	-	-	-
1985	7.741.296,06	4.469.155,87	9.841.267,98	13.510.537,03	-	-	5.840.274,85	477.095,54	1.697.759,80	1.073.341,64	-	-	-	-
1986	16.814.428,88	1.422.333,43 (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	4.518.500,00	2.720.876,01	-	82.041,14	-
TOTALS	36.481.202,74	13.031.055,10	57.515.927,08	75.652.513,65	3.508.292,70	-	10.080.797,37	10.499.129,53	7.745.700,38	8.525.320,74	2.720.876,01	-	82.041,14	-

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

(2) Commitments.

ANNEX 21  
EAGGF GUARANTEE SECTION - 1986  
IRREGULARITIES REPORTED AND AMOUNTS RECOVERED  
(m ECU)

SECTOR	BELGIUM	DENMARK	GERMANY	GREECE	FRANCE	IRELAND	ITALIE	LUXEMBOURG	NETHERLANDS	UNITED KINGDOM	TOTAL EEC
CEREALS			(7) 0,116		(1) 0,756						(8) 0,961
BEEF/VEAL	(10) 0,579	(3) 0,034	(7) 0,081		(1) 0,004	(2) 5,282			(1) 0,0005	(20) 0,396	(44) 6,374
PIGMEAT	(13) 1,065	(4) 0,007			(1) -	(1) -			(9) 0,031		(28) 1,092
MILK PRODUCTS		(7) 0,275	(49) 0,319		(25) 0,929		(12) 4,419				(93) 5,942
WINE			(47) 0,395		(10) 0,040						(57) 0,435
SUGAR			(4) 0,033		(2) 0,010						(6) 0,043
OILS AND FATS			(1) 0,004		(1) 0,031		(16) 0,749				(18) 0,785
FRUIT AND VEGETABLES		(1) 0,014			(9) 0,166		(22) 9,893				(32) 10,073
TOBACCO											
EGGS					(1) -						(1) -
NON-ANNEX-II PRODUCTS		(2) 0,003	(3) 0,125		(3) 0,297				(3) 0,029		(11) 0,455
FISHERIES											
OTHER SECTORS	(1) 2,388	(2) 0,048	(6) 0,012		(3) 0,046					(1) 0,092	(13) 2,557
TOTAL	(24) 4,033	(19) 0,383	(124) 1,087		(57) 2,281	(3) 5,282	(50) 15,061		(13) 0,061	(21) 0,488	(311) 28,678
AMOUNTS RECOVERED	(1) 0,020	(12) 0,343	(70) 0,440		(32) 0,969	(0) -	(3) 0,045		(4) 0,017	(12) 0,473	(136) 2,309
AMOUNTS BEING RECOVERED	(23) 4,012	(7) 0,040	(54) 0,647		(25) 1,312	(3) 5,282	(47) 15,016		(9) 0,044	(9) 0,015	(175) 26,369

N.B. : The figures in brackets are the number of cases of irregularities reported.



**ANNEX 22**  
**EAGGF GUARANTEE SECTION**  
**IRREGULARITIES REPORTED AND AMOUNTS RECOVERED**

(m ECU)

MEMBER STATES	1971 to 1979	1980	1981	1982	1983	1984	1985	1986	TOTAL PER MEMBER STATE
B	10: 1.544,7 : 4: 294,5	4: 4.772,7 : 1: 1,3	1: 170,0 : 0: 0	1: 213,8 : 0: 0	2: 134,1 : 2: 134,1	2: 6,5 : 0: 6,5	10: 813,1 : 0: 0	24: 4.033,3 : 1: 20,5	54: 11.688,3 : 13: 457,0
D	399: 25.779,9 : 360: 20.212,9	85: 11.952,1 : 60: 1.580,1	82: 9.407,7 : 56: 3.509,2	108: 7.517,8 : 62: 1.092,2	139: 6.406,4 : 94: 1.933,8	77: 3.406,3 : 47: 537,7	116: 4.544,2 : 74: 908,6	124: 1.087,8 : 72: 440,6	1130: 70.102,5 : 825: 30.215,3
DK	67: 1.376,5 : 64: 972,1	5: 38,0 : 5: 38,0	14: 79,9 : 10: 19,5	13: 58,2 : 13: 58,2	18: 59,4 : 18: 59,4	8: 42,8 : 8: 42,8	17: 390,2 : 8: 259,1	19: 382,9 : 12: 342,9	161: 2.428,2 : 138: 1.792,1
GR									
F	52: 4.950,1 : 30: 543,2	13: 300,8 : 11: 224,3	25: 282,9 : 15: 153,8	8: 91,4 : 5: 70,9	3: 82,1 : 1: 46,4	6: 84,9 : 5: 71,1	28: 568,8 : 13: 151,7	57: 2.281,4 : 32: 968,8	192: 8.642,5 : 112: 2.230,3
IRL	18: 1.090,4 : 16: 1.022,4		1: 0 : 0		3: 60,9 : 2: 60,9	1: 53,5 : 1: 53,5	1: 0 : 0	3: 5.282,4 : 0: 0	27: 6.487,3 : 20: 1.136,8
I	31: 768,8 : 6: 6,9	20: 31,2 : 17: 17,0	2: 850,6 : 0: 0	34: 24.893,9 : 2: 753,9	4: 863,3 : 1: 693,1	15: 3.905,7 : 3: 251,7	40: 4.582,2 : 0: 0	50: 15.061,7 : 3: 45,6	196: 50.957,5 : 32: 1.768,2
L									
NL	37: 2.019,9 : 36: 952,5	30: 1.678,4 : 16: 1.599,2	10: 63,7 : 9: 57,9	6: 11,7 : 3: 8,3	5: 183,3 : 3: 153,7	7: 154,4 : 6: 152,2	3: 0 : 0	13: 61,4 : 4: 17,0	111: 4.172,9 : 80: 2.940,9
UK	217: 6.639,0 : 111: 2.251,3	25: 570,8 : 12: 167,8	22: 360,3 : 13: 181,0	22: 93,7 : 10: 13,7	6: 70,1 : 1: 10,1	11: 268,0 : 7: 219,3	15: 794,1 : 2: 24,2	21: 488,8 : 12: 473,7	339: 9.284,9 : 168: 3.341,2
EEC	831: 44.169,7 : 629: 26.255,8	182: 19.343,9 : 123: 3.627,8	157: 11.215,3 : 103: 3.921,5	192: 32.879,4 : 95: 1.997,1	180: 7.859,8 : 122: 3.091,7	127: 7.922,3 : 79: 1.335,0	230: 11.692,6 : 101: 1.343,7	311: 28.678,5 : 136: 2.309,2	2210: 163.764,3 : 1388: 43.881,9

Note : (1) The first line shows for each Member State the number of cases reported and the amounts involved.

The second line indicates the recoveries already made (number of cases and amounts).

(2) The cases of irregularities for the years 1971 to 1979 inclusive have not yet been computerized. The data, grouped, are identical with those in the Fifteenth Financial Report (1985).

(3) All the figures relating to cases of irregularities notified from 1980 onwards are drawn from the IRENE data base. The amounts had been updated with the ECU conversion rates in force on 1.12.1986.

ANNEX 23

EAGGF GUARANTEE SECTION

Irregularities reported concerning the milk non-marketing and dairy herd conversion premiums  
(Regulations Nos 1078/77, 1041/78 and 1391/78)

(ECU)

MEMBER STATES	1979	1980	1981	1982	1983	1984	1985	1986	TOTAL PER MEMBER STATE
B		1 : 20.904							1 : 20.904
		0 : 0							0 : 0
D	2 : 19.588	3 : 21.865	40 : 308.962	69 : 610.297	113 : 865.995	140 : 1.057.502	70 : 888.998	26 : 333.583	463 : 4.106.790
	1 : 8.617	1 : 4.344	18 : 161.622	36 : 326.191	66 : 404.382	76 : 395.753	26 : 258.421	1 : 3.415	225 : 1.562.745
DK	5 : 43.644	8 : 64.187	24 : 212.669	40 : 395.691	31 : 334.135	22 : 267.595	14 : 160.477	6 : 69.596	150 : 1.547.994
	3 : 1.887	4 : 10.285	5 : 4.654	25 : 86.240	15 : 21.732	10 : 9.297	10 : 12.815	3 : 8.091	75 : 155.001
F	14 : 82.939	26 : 125.119	15 : 122.298	56 : 302.011	6 : 52.257	4 : 28.041	7 : 46.606	7 : 75.071	135 : 834.342
	14 : 82.939	18 : 89.621	11 : 81.643	27 : 162.588	3 : 33.381	4 : 28.041	2 : 17.112	2 : 8.630	81 : 503.955
IRL							53 : 953.432		53 : 953.432
							8 : 418.341		8 : 418.341
NL		2 : 19.530		11 : 137.692	2 : 13.107	8 : 197.127	1 : 25.767	1 : 1.281	25 : 394.504
		0 : 0		1 : 12.275	2 : 13.107	5 : 103.994	1 : 25.767	1 : 1.281	10 : 156.424
UK	10 : 32.354	29 : 208.839	22 : 93.548	16 : 74.599	43 : 263.276	33 : 188.740	38 : 77.894	32 : 99.904	223 : 1.039.154
	4 : 17.562	17 : 125.667	5 : 38.120	4 : 17.926	18 : 88.924	22 : 120.108	23 : 54.221	17 : 31.650	110 : 494.178
	31 : 178.525	69 : 460.444	101 : 737.477	192 : 1.520.290	195 : 1.528.770	207 : 1.739.005	183 : 2.153.174	72 : 579.435	1050 : 8.897.120
TOTAL	22 : 111.005	40 : 229.917	39 : 286.039	93 : 605.220	104 : 561.526	117 : 657.193	70 : 786.677	24 : 53.067	509 : 3.290.644

N.B. : (1) The first line shows, for each Member State, the number of cases reported and the amounts involved.

The second line indicates the recoveries already made (number of cases and amounts).

(2) All the figures have been drawn from the IRENE data base and the amounts have been updated on the basis of ECU conversion rates in force on 1.12.1986.

## ANNEX 24

## FINANCIAL RESULTS OF WORK ON CLEARING 1982 ACCOUNTS AND OF RECTIFYING CLEARANCES FOR 1980 AND 1981

(Excl. milk non-marketing and dairy herd conversion premiums)

m ECU - Conversion rates at 20.01.1986

	Belgium	Denmark	Germany	Greece	France	Ireland	Italy	Luxembourg	Netherl.	United Kingdom	TOTAL EC
a) 1982 expenditure claimed	529,2	558,2	2.185,7	336,1	2.727,0	480,0	2.228,0	2,6	1.516,0	1.170,2	11.733,0
b) Expenditure excluded from 1982 clearance	-	-	-	-	34,5	-	-	-	30,2	2,3	67,0
c) Expenditure claimed in 1980 and 1981 and excluded from clearance for those years	5,9 (1)	0,65 (2)	-	-	-	-	-	-	-	-	6,55
d) Expenditure covered by present clearance (a - b + c)	535,1	558,8	2.185,7	336,1	2.692,5	480,0	2.228,0	2,6	1.485,8	1.167,9	11.672,5
e) Expenditure disallowed	- 1,9 (1)	- 4,9 (2)	+ 0,1	- 64,4	- 6,8	- 1,2	- 15,5	-	- 16,7	- 13,8	- 125,1
f) Expenditure disallowed in respect of a previous year but approved in present clearance	+ 4,7 (3)	-	-	-	-	-	+ 17,5 (3)	-	-	-	+ 22,2
g) Total expenditure recognized (d - e + f)	537,9	553,9	2.185,8	271,7	2.685,7	478,8	2.230,0	2,6	1.469,1	1.154,1	11.569,6
h) Expenditure charged, subject of present clearance (to be compared with (d))	535,1	558,8	2.183,4	336,1	2.691,8	479,5	2.223,8	2,6	1.485,7	1.167,9	11.664,7
i) Financial results of clearance (h - g) (4)	- 2,8	4,9	- 2,4	64,4	6,1	0,7	- 6,2	-	16,6	13,8	95,1
j) Financial result allowing for partial non-execution of Greek decision ordered by Court of Justice	- 2,8	4,9	- 2,4	28,2	6,1	0,7	- 6,2	-	16,6	13,8	58,9

- (1) Out of this amount of 5,9 m ECU, the rectifying decision for 1980 and 1981 endorsed 5,3 m ECU and disallowed 0.5 m ECU; this latter amount is part of the -1,9 m ECU given at line e.
- (2) Out of this amount of 0,65 m ECU, the rectifying decisions for 1980 and 1981 endorsed 0,62 m ECU and left 0,03 m ECU disallowed; this latter amount is included in the -4,9 m ECU at line e.
- (3) The amount of 4,7 m ECU is included in the rectifying decision for 1980 and that of 17,5 m ECU in the decision for 1982.
- (4) The positive amounts are to be paid by the Member States to the Community budget and the negative amounts are to be received by the Member States.

ANNEX 25

FINANCIAL RESULTS OF WORK ON CLEARING 1982 ACCOUNTS

Expenditure on schemes under Reg. (EEC) No 1078/77  
(milk products - milk non-marketing and dairy herd conversion premiums)  
to be charged to the EAGGF Guarantee Section  
The amounts below represent 60% of total expenditure

m ECU  
Conversion rates at 20.01.1986

	Belgium	Denmark	Germany	Greece	France	Ireland	Italy	Luxembourg	Nether-lands	U.K.	EC TOTAL
1. Expenditure claimed	1,0	10,1	38,7	-	11,7	3,2	-	0,1	7,3	17,1	89,2
2. Expenditure disallowed	-	-	-	-	-	-	-	-	-	-	-
3. Expenditure endorsed	1,0	10,1	38,7	-	11,7	3,2	-	0,1	7,3	17,1	89,2
4. Expenditure charged	1,0	10,1	38,7	-	11,7	3,2	-	0,1	7,3	17,1	89,2
5. Differences (4 - 3)	-	-	-	-	-	-	-	-	-	-	-

## ANNEX 26

**FINANCIAL RESULTS OF WORK ON CLEARING 1983 ACCOUNTS**  
(Excl. milk non-marketing and dairy herd conversion premiums)

	m ECU - conversion rates at 20.10.1986										
	Belgium	Denmark	Germany	Greece	France	Ireland	Italy	Luxembourg	Netherl.	U.K.	EC TOTAL
a) 1983 expenditure claimed	644,7	696,5	3.318,4	543,8	3.561,8	565,6	2.681,1	4,5	1.846,7	1.345,3	15.208,4
b) Expenditure excluded from 1983 clearance	-	-	-	-	10,4	-	7,7	-	0,1	-	18,2
c) Expenditure claimed in 1982 and excluded from clearance for that year (1)	-	-	-	-	33,8	-	-	-	31,5	1,9	67,2
d) Expenditure claimed in 1982 and for which the decision was not executed (1)	-	-	-	34,2	-	-	-	-	-	-	34,2
e) Expenditure coming under clearance (a - b + c + d)	644,7	696,5	3.318,4	578,0	3.585,2	565,6	2.673,4	4,5	1.878,1	1.347,2	15.291,6
f) Expenditure disallowed	- 0,5	- 6,9	- 0,5	- 9,6	- 12,7	- 0,9	- 10,0	- 0,4	- 16,4	- 30,1	- 88,0
g) Expenditure disallowed in respect of a year but accepted: in respect of 1983 clearance	+ 0,01	-	-	-	+ 0,2	+ 0,02	+ 12,7	-	-	+ 0,9	13,8
h) Total expenditure endorsed (e - f + g)	644,2	689,6	3.317,9	568,4	3.572,8	564,7	2.676,3	4,1	1.861,7	1.318,0	15.217,7
i) Expenditure charged, subject of present clearance (to be compared with e)	645,3	695,9	3.316,9	579,2	3.586,5	567,7	2.673,4	4,5	1.878,0	1.347,0	15.294,4
k) Financial result of clearance (i - h) (2)	1,1	6,3	- 1,0	10,8	13,7	3,0	- 2,9	0,4	16,3	29,0	76,7

(1) The amounts given in lines c and d differ from that in line b and from that used for the determination of line j (Greece) to Annex 24 on the clearance of the 1982 accounts because they were converted into ECU at two different dates.

(2) The positive amounts are to be paid by the Member States to the Community budget and the negative amounts are to be received by the Member States.

ANNEX 27

FINANCIAL RESULTS OF WORK ON CLEARING 1983 ACCOUNTS

Expenditure on schemes under Reg. (EEC) No 1078/77  
(Milk products - milk non-marketing and dairy herd conversion premiums)  
to be charged to the EAGGF Guarantee Section  
The amounts given below represent 60% of total expenditure

m ECU

Conversion rates as at 20.10.1986

	Belgium	Denmark	Germany	Grèce	France	Ireland	Italy	Luxembourg	Nether-lands	U.K.	TOTAL EC
1. Expenditure claimed	1,5	11,2	52,2	-	9,3	2,8	-	0,2	5,0	11,8	94,0
2. Expenditure disallowed	-	-	-	-	-	-	-	-	-	-	-
3. Expenditure endorsed	1,5	11,2	52,2	-	9,3	2,8	-	0,2	5,0	11,8	94,0
4. Expenditure charged	1,5	11,2	52,2	-	9,3	2,8	-	0,2	5,0	11,8	94,0
5. Differences (4 - 3)	-	-	-	-	-	-	-	-	-	-	-

ANNEX 28

ANNUAL DECLARATION, BY MEMBER STATES, OF EAGGF GUARANTEE EXPENDITURE FOR 1984-1985  
 excl. milk non-marketing and dairy herd conversion premiums  
 (Regulation No 1078/77)

Member States	1984		1985	
	n.c.	ECU	n.c.	ECU
Belgium	31.961.604,548	747.339.188,63	41.132.018.672	961.765.527,60
Denmark	7.138.646.758,12	916.148.413,13	6.634.385.339,78	851.433.304,81
Germany	7.398.613.692,57	3.582.534.145,80	8.037.401.385,07	3.891.845.973,04
Greece	84.080.109.468	555.303.107,84	120.895.262.866	798.447.047,91
France	24.258.062.617,25	3.527.332.117,31	31.638.831.574,36	4.600.559.761,40
Ireland	644.937.931,50	830.785.472,47	835.230.135,71	1.075.912.935,23
Italy	5.424.878.650.817	3.693.433.813,42	4.863.202.214.820	3.311.026.228,95
Luxembourg	158.477.025	3.705.574,01	213.583.708	4.994.100,78
Netherlands	4.953.338.562,90	2.122.989.796,33	5.259.616.427,79	2.254.259.802,15
United Kingdom	1.234.751.338,04	1.678.896.760,42	1.119.118.912,24	1.521.670.848,53
E.E.C.		17.658.468.389,36		19.271.915.530,40

N.B. : Conversion rates at 31.03.1987

ANNEX 29

FOOD AID

SUMMARY OF EXECUTION FOR 1986  
CHAPTER 92

I. Commitment appropriations	m ECU	Execution	m ECU	II. Payment appropriations	m ECU	Execution	m ECU	% Utilization
<b>A. 1986 Appropriations</b>		<b>B. 1986 Commitments</b>	668,6	<b>A. 1986 Appropriations</b>		<b>C. Payments</b>		
1. Original appropriations	693,6	C. Appropriations remaining	24,6	1. Original appropriations	548,3	1. Execution of 1986 appropriations		
2. Transfers	-0-	D. Appropriations not committed and carried over (1) (2)	0,4	2. Transfers	-0-	a) Payments	387,2	70,6
				3. Lapsed (1)	-0-	b) Carry-over to 87		
						- automatic	160,7	29,3
						- non-automatic	0,4	0,1
						(1) (2)		
<b>TOTAL</b>	<b>693,6</b>	<b>TOTAL</b>	<b>693,6</b>	<b>TOTAL X</b>	<b>548,3</b>	<b>TOTAL X</b>	<b>548,3</b>	<b>100</b>
		<b>E. Commitments still to be settled at 31.12.1986</b>				<b>2. Execution of carry-overs from 1985</b>		
		1. Execution of 1986 commitments				a) Payments on automatic carry-over	24,9	
		a) Commitment	668,6	<b>B. 1985 Appropriations</b>		b) Payments on non-automatic carry-over		
		b) Payments	267,8	1. Automatic carry-over from 1985 (1)	25,-	c) Lapsed	0,1	
		<b>TOTAL X (a - b)</b>	<b>400,8</b>	2. Non-automatic carry-over	-			
				<b>TOTAL Y</b>	<b>25,-</b>	<b>TOTAL Y</b>	<b>25,-</b>	
		2. Execution of commitments still to be settled from previous years		<b>TOTAL FUNDS AVAILABLE (X + Y)</b>	<b>573,3</b>	<b>TOTAL X + Y</b>	<b>573,3</b>	
		a) Commitments	152,7					
		b) Payments	144,3					
		c) Cancellation (1)	0,1					
		<b>TOTAL Y (a-b-c)</b>	<b>8,3</b>					
		<b>TOTAL X + Y</b>	<b>409,1</b>					

(1) Non-differentiated appropriations

(2) Pursuant to Article 6(3) of the Financial Regulation.



FOOD AID

ANNEX 30

CASH POSITION AT 31.12.1986

Member States	Funds available at 01.01.1986	Advance payments approved: from 01.01.1986 to 31.12.1986	Expenditure claimed: from 01.01.1986 to 31.12.1986	Funds available at 31.12.1986	Funds available adjusted at 31.12.1986 (1)
	a	b	c	d	e
Belgium	BFR : - 3.688.068,00	1.465.800.000,00	1.288.117.012,00	173.994.920,00	173.994.920,00
	ECU : - 82.674,31	33.367.849,79	29.267.295,69	4.017.879,79	4.023.813,35
Denmark	DKR : 1.615.388,13	34.570.000,00	30.164.383,35	6.021.004,78	6.021.004,78
	ECU : 202.439,48	4.344.633,86	3.799.963,06	747.110,28	766.036,99
Germany	DM : 16.882,72	273.400.000,00	265.874.615,91	7.542.266,81	7.542.266,81
	ECU : 7.643,46	127.228.363,66	123.558.450,23	3.677.556,89	3.625.654,04
Greece	DR : 0,00	120.000.000,00	63.552.697,00	56.447.303,00	56.447.303,00
	ECU : 0,00	918.715,88	491.654,26	427.061,62	392.011,49
Spain	PTA : 0,00	456.000.000,00	323.755.321,00	132.244.679,00	132.244.679,00
	ECU : 0,00	3.331.577,13	2.346.856,69	984.720,44	943.344,81
France	FF : 66.712.136,71	458.700.000,00	499.847.383,95	25.564.752,76	25.564.752,76
	ECU : 9.909.926,20	67.719.200,62	73.753.203,63	3.875.923,19	3.754.167,26
Ireland	IRL : 1.520.555,74	8.472.000,00	9.670.739,45	321.816,29	321.816,29
	ECU : 2.130.250,47	11.580.642,79	13.236.811,16	474.082,10	421.167,63
Italy	LIT : 8.606.498.638,00	28.220.000.000,00	25.488.247.735,00	11.338.250.903,00	11.338.250.903,00
	ECU : 5.770.287,12	19.140.754,86	17.309.858,69	7.601.183,29	7.869.577,31
Luxembourg	LFR : 7.883.657,00	46.100.000,00	53.906.496,00	77.161,00	77.161,00
	ECU : 176.725,57	1.043.123,47	1.218.190,40	1.658,64	1.784,43
Netherlands	HFL : 606.738,91	40.700.000,00	40.048.792,96	1.257.945,95	1.257.945,95
	ECU : 244.214,58	16.816.689,10	16.514.532,58	546.371,10	535.309,82
Portugal	ESC : 0,00	0	0	0	0
	ECU : 0,00	0	0	0	0
United Kingdom	UKL : 90.627,02	10.930.000,00	8.795.711,78	2.224.915,24	2.224.915,24
	ECU : 152.955,19	16.840.115,29	13.756.255,15	3.236.815,33	3.030.835,66
Total EEC	ECU : 18.511.767,76	302.331.666,45	295.253.071,54	25.590.362,67	25.363.702,79

(1) On the basis of the rate valid for advance payments of January 1987 (rate of 20.11.1986).

FOOD AID

ANNEX 31

EXPENDITURE CLAIMED BY THE MEMBER STATES

Member State	ECU							
	Cereals and rice	%	Milk products	%	Various products and other expenditure (1)	%	Totals	%
Belgium	6.019.861,35	4,6	21.671.596,81	15,0	1.575.837,53	7,7	29.267.295,69	9,9
Denmark	1.165.256,78	0,9	2.525.616,49	1,8	109.089,79	0,5	3.799.963,06	1,3
Germany	49.223.230,56	37,7	65.612.001,20	45,5	8.723.218,47	42,4	123.558.450,23	41,8
Greece	491.654,26	0,4	-	0	-	0	491.654,26	0,2
Spain	2.003.835,05	1,5	-	0	343.021,64	1,7	2.346.856,69	0,8
France	50.797.566,09	39,0	16.501.464,74	11,4	6.454.172,80	31,4	73.753.203,63	25,0
Ireland	-	0	12.676.937,32	8,8	559.873,84	2,7	13.236.811,16	4,5
Italy	15.179.575,15	11,6	-	0	2.130.283,54	10,4	17.309.858,69	5,9
Luxembourg	-	0	1.201.312,67	0,8	16.877,73	0,1	1.218.190,40	0,4
Netherlands	5.747.900,87	4,4	10.345.239,11	7,2	421.392,60	2,0	16.514.532,58	5,6
Portugal	-	0	-	0	-	0	-	0
United Kingdom	- 199.249,48	- 0,1	13.738.142,84	9,5	217.361,79	1,1	13.756.255,15	4,6
	130.429.630,63	100,0	144.272.311,18	100,0	20.551.129,73	100,0	295.253.071,54	100,0
		44,2		48,9		6,9		100,0

(1) Including freighting costs for products delivered beyond the f.o.b. stage.

## DEVELOPMENT AND USE OF BUDGET APPROPRIATIONS IN 1986

## A. - COMMITMENTS AND PAYMENTS - 1986 APPROPRIATIONS

## CHAPTER 92

		m ECU - position at 31.12.1986)													
Head- ing	Programme	1986 APPROPRIATIONS						Commit-		Expendi-		Payments		1986	
		Entry in 1986 budget	Transfers	Total appropriations	Com- mit-	ment still for	Expendi- ture by the Member States	Com- mit- ment 1986	ment still for	Expendi- ture by the Member States	Com- mit- ment 1986	Expendi- ture by the Member States	Payments made against 1986 commit- ments	1986 commit- ments	Payments made against 1986 commit- ments
		a	b	c	d	e=a+c	f=b+d	g	h=e-g	i	j	k=i+j	l	m=g-l	n = f-k
:920	CEREALS	:	:	:	:	:	:	:	:	:	:	:	:	:	:
:9200	Cereals	188,-	138,5	-	-	188,-	138,5	188,-	-	103,9	5,3	109,2	102,2	85,8	29,3
:9201	Rice	33,4	16,2	-	-	33,4	16,2	33,4	-	10,4	4,2	14,6	5,7	27,7	1,6
:9202	Supplementary cereals aid	78,-	73,-	22,-	24,4	56,-	48,6	31,4	24,6	-	12,8	12,8	-	31,4	35,8
:921	MILK PRODUCTS	:	:	:	:	:	:	:	:	:	:	:	:	:	:
:9210	Milkpowder	150,-	97,-	-	1,-	150,-	98,-	150,-	-	98,-	-	98,-	57,3	92,7	0
:9211	Butteroil	83,-	75,3	4,2	1,-	78,8	74,3	78,8	-	46,3	-	46,3	9,-	69,8	28,-
:922	SUGAR	:	:	:	:	:	:	:	:	:	:	:	:	:	:
:9220	Sugar	3,-	1,8	-	-	3,-	1,8	3,-	-	-	1,7	1,7	1,2	1,8	0,1
:9221	UNRWA sugar	-	-	-	-	-	-	-	-	-	-	-	-	-	-
:923	VEGETABLE OIL	10,-	8,3	4,2	-	14,2	8,3	14,2	-	-	5,-	5,-	3,4	10,8	3,3
:924	OTHER PRODUCTS	30,-	20,-	-	2,4	30,-	22,4	30,-	-	-	18,6	18,6	7,9	22,1	3,8
:925	TRANSPORT (1)	102,2	102,2	-	-	102,2	102,2	102,2	-	17,6	33,7	51,3	51,4	50,8	50,9
:926	EEC-UNRAWA CONVENTION (1)	4,-	4,-	-	-	4,-	4,-	4,-	-	-	4,-	4,-	4,-	0	0
:927	Exceptional measures (1)	0,8	0,8	-	-	0,8	0,8	0,8	-	-	0,7	0,7	0,7	0,1	0,1
:9271	Control measures (1)	1,2	1,2	-	-	1,2	1,2	1,2	-	-	0,7	0,7	0,7	0,5	0,5
:928	EMERGENCY RESERVE	-	-	22,-	22,-	22,-	22,-	22,-	-	16,2	-	16,2	16,2	5,8	5,8
:929	REPLACEMENT PROJECTS (1)	10,-	10,-	-	-	10,-	10,-	9,6	0,4	-	8,1	8,1	8,1	1,5	1,9
	TOTAL	693,6	548,3	0	0	693,6	548,3	668,6	25,-	292,4	94,8	387,2	267,8	400,8	161,1
						(2)	(2)	(2)	(2)						(2)

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(1) Non-differentiated appropriations

(2) An amount of 0,4 m ECU was not committed and was carried over under Article 6(3) of the Financial Regulation.

## B. COMMITMENTS STILL TO BE SETTLED FROM PREVIOUS YEARS - PAYMENT APPROPS. CARRIED OVER FROM 1985 - SITUATION AT 31.12.1986

## CHAPTER 92

(m. ECU)

Heading	Programme	Commitments still to be settled from previous years	Payments	Lapsed (1)	Total commitments still to be settled from previous years at 31.12.1986	1985 Payment approps. carried over to 1986	Expenditure claimed by the Member States	Expenditure by the Commission	Total expenditure	Payment approps. lapsed
		a	b	c	d = a - b - c	e	f	g	h = f + g	i = e - h
920	CEREALS	6,9	6,9	-	0	-	-	-	-	-
9201	Rice 1985	12,4	8,9	-	3,5	-	-	-	-	-
9202	Supplementary cereals aid	12,8	12,8	-	0	-	-	-	-	-
921	MILK PRODUCTS									
9210	Milk powder 1985	40,7	40,7	-	0	-	-	-	-	-
9211	Butteroil 1985	42,-	37,2	-	4,8	-	-	-	-	-
922	SUGAR									
9220	Sugar 1985	0,5	0,5	-	0	-	-	-	-	-
923	VEGETABLE OIL	2,6	2,6	-	0	0,9	-	0,9	0,9	0
924	OTHER PRODUCTS	14,7	14,7	-	0	4,-	-	4,-	4,-	0
925	TRANSPORTS									
9250	1985 Prog.	17,1	17,1	-	0	17,1	2,9	14,2	17,1	0
927										
9270	Exceptional measures	0,8	0,8	-	0	0,8	-	0,8	0,8	0
9271	Control measures	0,6	0,6	-	0	0,6	-	0,6	0,6	0
929	Replacement projects	1,6	1,5	0,1	0	1,6	-	1,5	1,5	0,1
	TOTAL	152,7	144,3	0,1	8,3	25,-	2,9	22,-	24,9	0,1

(1) Non-differentiated appropriations.

FOOD AID

ANNEX 34

SUMMARY OF COMMITMENTS, PAYMENT APPROPS. AND EXPENDITURE IN 1986

(m ECU)

Description	Commitments	Commitments still to be settled in 1986	Total commitments	Payment approps. carried over from 1985	Payment approps. available in 1986	Expenditure claimed by Member States	Expenditure by the Commission	Total expenditure	Commitments from previous years	Commitments from Approps. lapsed	Commitments still to be settled at 31.12.1986	Payment approps. carried over	Commitments still existing & carried over (c.f. Annex 32)	
	a	b	c = a+b	d	e	f = d + e	g	h	i = g + h	j	k	l = c - i - j	m = f - i - k	n
Cereals and rice	252,8	32,1	284,9	203,3	-	203,3	114,3	22,3	136,6	-	-	148,3	66,7	24,6
Milk products	228,8	82,7	311,5	172,3	-	172,3	144,3	-	144,3	-	-	167,2	28,-	-
Sugar	3,-	0,5	3,5	1,8	-	1,8	-	1,7	1,7	-	-	1,8	0,1	-
Other products (1)	44,2	17,3	61,5	30,7	4,9	35,6	-	28,5	28,5	-	-	33,-	7,1	-
Transport costs	102,2	17,1	119,3	102,2	17,1	119,3	20,5	47,9	68,4	-	-	50,9	50,9	-
Exceptional measures and control measures (1)	2,-	1,4	3,4	2,-	1,4	3,4	-	2,8	2,8	-	-	0,6	0,6	-
Emergency reserve (1)	22,-	-	22,-	22,-	-	22,-	16,2	-	16,2	-	-	5,8	5,8	-
Replacement projects (1)	9,6	1,6	11,2	10,-	1,6	11,6	-	9,6	9,6	0,1	0,1	1,5	1,9	0,4
Convent. EEC-UNRWA (1)	4,-	-	4,-	4,-	-	4,-	-	4,-	4,-	-	-	0	0	-
<b>TOTAL</b>	<b>668,6</b>	<b>152,7</b>	<b>821,3</b>	<b>548,3</b>	<b>25,-</b>	<b>573,3</b>	<b>295,3</b>	<b>116,8</b>	<b>412,1</b>	<b>0,1</b>	<b>0,1</b>	<b>409,1</b>	<b>161,1</b>	<b>25,-</b>

(1) Non-differentiated appropriations.

**FOOD AID**

**ANNEX 35**

**APPROPRIATIONS AND THEIR IMPLEMENTATION SINCE 1972**

(Food aid Chapter)

Year	(m ECU)											
	Cereals and rice		Milk products		Sugar		Other products		Transport and other expenditure		Total approps.	Total expend.
	Approps.	Expend.	Approps.	Expend.	Approps.	Expend.	Approps.	Expend.	Approps.	Expend.	(1)	
1972	65,3	23,8	-	-	-	-	2,-	-	-	-	67,3	23,8
1973	61,1	77,4	-	23,3	-	2,4	-	1,5	-	-	61,1	104,6
1974	113,-	105,6	15,-	0,7	2,-	-	-	-	5,-	-	135,-	106,3
1975	116,3	125,-	106,4	63,5	2,3	2,4	1,-	-	-	-	226,-	190,9
1976	103,6	44,3	182,7	64,7	2,3	2,3	1,-	-	-	4,2	289,6	115,5
1977	87,2	97,-	88,5	78,4	1,7	1,9	1,-	-	-	0,1	178,4	177,4
1978	88,8	114,3	132,4	120,-	1,5	1,4	-	-	1,-	0,1	223,7	235,8
1979	100,9	88,4	184,5	169,9	1,5	0,3	-	0,3	0,5	0,2	287,4	259,1
1980	116,2	108,9	212,2	180,7	1,8	3,5	-	9,7	59,7	11,-	389,9	313,8
1981	121,1	167,4	274,5	356,8	1,9	4,6	40,-	9,7	67,7	62,4	505,2	600,9
1982 (2)	144,4	172,8	263,0	267,5	2,8	2,3	10,-	27,4	77,9	66,9	498,1	536,9
1983 (3)	168,-	143,5	281,7	167,5	3,7	1,4	27,-	8,9	71,1	43,2	551,5	364,5
1984	181,1	275,-	214,-	275,8	3,-	1,2	36,-	31,-	68,-	126,2	502,1	709,2
1985 (4)	228,9	228,9	200,4	200,4	2,5	2,5	27,6	29,1	102,-	82,9	561,4	543,8
1986 (4)	225,3	136,6	172,3	144,3	1,8	1,7	30,7	28,5	118,2	101,-	548,3	412,1

(1) Appropriations for the financial year, including any amending budgets and transfers from other chapters, but not including carryovers from previous years.

Source : General budgets of the Communities and EAGGF Financial Reports.

(2) A sum of 16 m ECU was transferred to Item 9260 for the implementation of the UNRWA education programme.

(3) A sum of 16 m ECU was transferred to Item 9590 for the implementation of the UNRWA education programme.

(4) Payment appropriations.