

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(86) 631 final

Brussels, 19 November 1986

FIFTEENTH FINANCIAL REPORT
on the
EUROPEAN GUIDANCE AND GUARANTEE FUND

- 1985 -

GUARANTEE SECTION
and
FOOD AID FINANCING

COM(86) 631 final

Average conversion rates used for 1985

(cf. Annex 17)

:	:	:	:
:	Belgium	44,9640	:
:	:	:	:
:	Denmark	8,03036	:
:	:	:	:
:	Germany	2,23003	:
:	:	:	:
:	Greece	101,189	:
:	:	:	:
:	France	6,81248	:
:	:	:	:
:	Ireland	0,715889	:
:	:	:	:
:	Italy	1.423,68	:
:	:	:	:
:	Luxembourg	44,9878	:
:	:	:	:
:	Netherlands	2,51694	:
:	:	:	:
:	United Kingdom	0,588051	:
:	:	:	:
:	:	= 1 ECU	:
:	:	:	:

INTRODUCTORY NOTE

Article 10 of Regulation (EEC) No 720/79 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".

The present report covers the operations of the Guarantee Section of the EAGGF and the financing of Community food aid for 1985. 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 to bridge the difference between Community prices and world market prices and a wide range of market intervention measures designed to stabilize the agricultural markets (storage, product withdrawal, price compensating aids, guidance premiums).

N.B.: This report was completed on 16 September 1986.

SUMMARY OF THE FIFTEENTH FINANCIAL REPORT

EAGGF GUARANTEE SECTION

A. Community financing of markets

1. In 1985, the appropriations definitively adopted totalled 19 979.1 million ECU (including fisheries - 24.1 m ECU).

Total expenditure for the year came to 19 744.2 million ECU, an amount which is net of the financial contribution of dairy farmers (- 637.3 m ECU, compared with - 749.2 m ECU in 1984) and of expenditure recovered under the procedures for clearing the 1980 and 1981 accounts (- 99.2 m ECU).

Compared with expenditure for 1984, which totalled 18 346.4 million ECU, expenditure for 1985 shows an increase of 7.6%. As the increment for 1984 was 16% and for 1983 even higher, this confirms a slowdown in expenditure growth, which was due, in 1985, partly to the restrictive decisions adopted under the common agricultural policy and partly to favourable short-term fluctuations in respect of certain products which more than offset increases for others. Heavier costs to the Community for cereals and rice, oilseeds and protein plants, milk products, beef/veal, sugar and fibre plants, due to increases in production and the decline in world prices despite the high rate for the dollar, were offset by lower payments mainly in respect of olive oil, wine products and fruit and vegetables, these being reductions to more normal levels after the very sharp, even exceptional, increases in respect of these products in 1984.

2. The following points should be mentioned with regard to the breakdown of agricultural expenditure according to economic type:
 - in 1985, expenditure on export refunds again rose, but much less than in 1984 (1.5% compared with 19%). The increase, expressed in absolute terms, was accounted for mainly by sugar, cereals and milk products, with a decline in this type of expenditure on beef/veal and pigmeat and for certain types of MCA. As a proportion of total expenditure, refunds declined slightly to 34%, compared with 36% in 1984;
 - intervention, costing nearly 13 million ECU, showed a 10.5% increase over 1984, and the share in total expenditure was 66% against 64%.

The type of intervention costing most was again price compensating aids. Expenditure on these totalled 4 577 million ECU in 1985, 13% up on the 1984 figure. Compared with total expenditure, the share was nearly 39%, against 36% in 1984. Payments of this type increased for fibre plants, protein plants, oilseeds, cereals and sheepmeat and goatmeat, but declined for olive oil and rice.

3. During the year, public stocks continued to grow, both in quantity and in value (21%). By the end of the year, their value was 10 580 million ECU (8 751 m ECU in 1984), with a potential cost to the Community budgets estimated at 4 500 million ECU. This increase was accounted for by cereals (in particular non-breadmaking common wheat) and beef/veal, offset to some extent by a relative decline in olive oil and milk products. During the year, stocks of sugar and rapeseed were eliminated but alcohol and pigmeat had to be bought in, forming new stocks.
4. The slowdown in the growth rate for agricultural expenditure since 1984 was reflected in the comparison of the overall cost of the Guarantee Section as a proportion of Community gross domestic product: the figure for 1985 was 0.66% of GDP, exactly the same as 1984; however, net cost, i.e. after deduction of agricultural charges, showed a slight increase, from 0.57% to 0.59%.

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 99.7% - once again high, only a shade below the rate for 1984 (99.8%). The average rate of 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 87.9% (compared with 100.8% in 1984), close to the 1983 figure (90.7%).

There were two transfers from the EAGGF guarantee appropriations during 1985, totalling 96 million ECU, made, to strengthen food aid appropriations (36 m ECU) and guidance appropriations (60 m ECU). Also, within the Guarantee Section, in order to adjust budget funds available to the differing rates of use of appropriations, transfers totalling 990.5 million ECU were made, i.e. a total well short of that for 1984 (1 706 m ECU), accounted for by short-term fluctuations at the end of the year with regard to beef/veal and oilseeds, in particular.

The main features of the execution of the 1985 budget were the fairly high rate of expenditure early in the year, partly due to carryover of expenditure which could not be effected in 1984, and the fact that appropriations were managed during part of the year under the provisional twelfths arrangement.

The rate of payments slowed down in mid-year, and, despite a modest recovery thereafter, appropriations available proved adequate to cover requirements, so that not only could appropriations be transferred outside the Guarantee Section but certain agricultural products held in public storage could also be depreciated - by 434 million ECU.

C. Investigations and irregularities

In 1985, the Commission asked Member States to organize 10 special investigations, mainly concerning milk products, wine and sugar.

The number of cases of irregularities reported by the Member States under Articles 3 and 5 of Regulation (EEC) No 283/72, except for those concerning the milk non-marketing premiums, totalled 219, as against 129 in 1984. These irregularities involve an amount of 11.9 million ECU (5.9 m ECU in 1984), of which 1.28 million has been recovered.

The number of cases of irregularities reported relating to the milk non-marketing premiums totalled 180 in 1985 (204 in 1984), concerning 1.56 million ECU (1.73 m ECU in 1984), of which 0.35 million ECU has been recovered.

Irregularities notified, in terms of numbers, (Articles 3 and 5 of Regulation (EEC) 283/72) were once again very unevenly distributed among the Member States. The Commission's staff is studying this problem, and seeking additional information needed to make a more thorough and accurate assessment of it.

In 1985, work on the construction of the computerized data base continued and reached the final phase. The base should be operational in about September 1986. As had already been the case in 1983 and 1984, for practical reasons, the Commission was unable to continue training EAGGF inspectors.

D. Clearance of accounts

As in previous years, EAGGF staff in collaboration with that of financial control continued their drive to catch up with accounts clearance work and improve clearance procedures.

The accounts clearance work for 1980 and 1981, concerning about 21 000 million ECU, being finished, the Commission adopted formal decisions on 28 August 1985 (except for certain disbursements declared by Belgium and Denmark). Including, for 1980, some of the expenditure provisionally disallowed when the 1978 and 1979 accounts were cleared, closure of the 1980 and 1981 accounts yielded a sum of 99.2 million ECU for crediting to 1985, to be deducted from 1985 expenditure.

For 1982, declared expenditure totals 11 800 million ECU. On-the-spot inspections having been completed in September 1985, the dialogue phase following these took place from September to November 1985, and the Commission adopted its formal decisions in July 1986.

For 1983, most of the on-the-spot inspections were carried out in the fourth quarter of 1985 and the dialogue phase took place in May and June 1986. Accordingly, the Commission should be in a position to adopt clearance decisions before the end of 1986.

The on-the-spot inspections for 1984 and 1985 began in March 1986.

For export refunds and the MCAs, which, unlike the other sectors, are subject to the systems audit procedure, Commission staff made a round of visits to certain paying agencies between November 1984 and December 1985. These visits concerned expenditure declared for 1982 and 1983 and some expenditure declared for 1984.

The Court of Justice handed down judgments on the appeals by Italy and the United Kingdom concerning Commission accounts clearance decisions for 1978 and 1979. For 1980 and 1981, Italy, the United Kingdom, Ireland, Denmark, Germany, France and the Netherlands have filed appeals.

E. Food aid financing

The Community food aid programmes adopted by the Council for 1985 concerned mainly the supply of a maximum of 1 160 000 tonnes of cereals, 108 600 tonnes of skimmed-milk powder and 28 700 tonnes of butteroil, 11 000 tonnes of sugar, 9 100 tonnes of vegetable oil and 211 700 tonnes of other products.

The 1985 programmes were adopted by the Council fairly promptly (February 1985) so that aid operations could be carried out on a large scale during the year.

Food aid expenditure in 1985 totalled 543.8 million ECU, 25% down on 1984. This is mainly because of the exceptional increase in the rate of execution of measures in the previous year.

The monthly advance payments made by the Commission in 1985¹ totalled 473.7 million ECU and the rate of use of Community funds was 96%, i.e. a little below the 1984 figure (98.4%).

As for previous years, the bulk of the Member States' aid concerned cereals (212.8 m ECU) and milk products (200.4 m 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 89 million ECU, i.e. 35.3% down on 1984, which was, as already stated, an exceptional year.

To these amounts should be added the refunds for food aid operations, charged to EAGGF Guarantee Section accounts, i.e. 187.2 million ECU (1984, 232.1 m ECU).

¹Including the balance available on 31 December 1984 as shown in the Fourteenth Financial Report (cf. page 100, Annex 24, col. e), which was 22 720 057.91 ECU, and allowing for a settlement of - 8 974 682.13 ECU in connection with the clearance of the 1979 accounts for Denmark.

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TITLE I

COMMUNITY FINANCING OF THE MARKETS

The appropriations entered in the General Budget of the European Communities for 1985 for the EAGGF Guarantee Section totalled 19 979.1 million ECU, including fisheries (24.1 m ECU). Because of the way expenditure developed in the course of the year, these sums proved sufficient to cover requirements; as a result, public stocks of agricultural products could be depreciated by 434 million ECU and transfers of appropriations to Food Aid (36 m ECU) and to the Guidance Section (60 m ECU) could be made.

The effect of the two transfers was that the appropriations available to the Guarantee Section for 1985 were reduced from 19 979.1 million ECU to 19 883.1 million ECU, including fisheries.

Allowing for a reduction in expenditure of 99.2 million ECU as a result of the clearance of the 1980 and 1981 accounts and the payment of 136.5 million ECU as Community compensation (agreed in connection with the dismantlement of monetary compensatory amounts), total agricultural expenditure chargeable to the EAGGF Guarantee Section for 1985 was 19 744.2 million ECU, 1.18% short of original appropriations and 0.70% within the appropriations available for the year.

For a more complete picture of the agricultural financial situation in 1985, it should be noted that in view of the appropriations available in 1984 and despite those allocated in a supplementary budget, i.e. altogether 18 376 million ECU (including fisheries), there were still some difficulties with regard to payment at the end of 1984 and some payments due from the agencies had to be held over until 1985. This meant additional expenditure, assessed at 202 million ECU, chargeable to 1985.

1. General

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

The operation of the Guarantee Section was hampered throughout most of the first half of 1985 by the lack of a current budget, its adoption being formally recorded by the President of Parliament only on 13 June.

The original draft budget established by the Council had been rejected in December 1984 by Parliament because that Institution felt that it covered only ten months of revenue and expenditure, and not twelve. The Council, on its side, had based its draft budget on "own resources" available then within a VAT ceiling of 1%. To balance revenue and expenditure, the Council had reduced certain compulsory expenditure items, notably those under the EAGGF Guarantee Section. In its preliminary draft budget, the Commission had proposed, for the Guarantee Section, appropriations totalling 19 346 million ECU, including fisheries (31 m ECU). This amount was cut by the Council, for political reasons mentioned previously, to 18 024.1 million ECU, including fisheries (24.1 m ECU). Parliament felt that a total of 20 629 million ECU, including fisheries (31 m ECU) must be maintained as line of credit for the Guarantee Section.

Because of the rejection of the budget, Community expenditure had to be covered from 1 January 1985 onwards under the provisional twelfths system as in 1980. This system enabled the continuity of the Community's operation and policies to be ensured, but under restrictive procedures. Partly because the rate of payment remained within appropriations during the first half of 1985, the provisional twelfths system did not cause major difficulties for the operation of the Guarantee Section.

In April, the Commission presented amending letter No 3 to its original preliminary draft budget. As a result of this initiative, the budgetary procedure was resumed, and in fact completed on 13 June. At the same time, the Commission adjusted its estimates to allow both for short-term economic developments since the Autumn of 1984 and its proposals to the Council with regard to agricultural prices and related measures for 1985/86 - thus bringing EAGGF appropriations for 1985 to 19 979.1 million ECU, i.e. an increase of 63.1 million ECU over its proposal in the preliminary draft budget. All this expenditure was financed under an intergovernmental agreement placing additional resources at the disposal of the Community beyond the "own resources" available to balance the budget in the form of a non-refundable advance payment of 1 981 million ECU.

With the budget adopted in June, the appropriations of the EAGGF Guarantee Section therefore totalled 19 979.1 million ECU, including fisheries (24.1 m ECU).

1.2. Agricultural prices and related measures for 1985/86

On 30 January 1985, the Commission laid before the Council its proposals for agricultural prices and certain related measures for 1985/86.

After a large number of Council meetings, the Commission, guided by views expressed during the discussions, presented a compromise proposal entailing a number of price adaptations for certain products. Related or additional measures and certain adjustments concerning the monetary compensatory amounts were also proposed.

On 16 May, the Council endorsed the Commission's amended proposals, except for the prices of cereals, colza and rapeseed: the German Delegation stressed that for Germany very important interests were at stake with regard to cereals and the Council agreed to endeavour to reach, at a later date, solutions acceptable to all its members. As no such consensus had been achieved, the Commission, which has an obligation to ensure the continuity of the Common Agricultural Policy and the protection of Community finance, had no choice but to note formally the Council's failure to act and therefore to adopt, on 19 June, the necessary protective measures to be implemented through the EEC market organizations involved.

Including these protective measures, the effect of the Council's decisions on the prices expressed in national currencies was an increase of 1.8% for the main products. With regard to the Community budget, the Council's decisions on the prices and related measures entailed additional expenditure estimated at 195 million ECU for the EAGGF for 1985.

The main related measures adopted in connection with the price review will be examined, for each product, at point 2 - "Financing of the markets".

1.3. "Perspectives for the Common Agricultural Policy": the Commission's "Green Paper"

Taking stock of developments in the area coming under the Common Agricultural Policy, the Commission published on 13 July a "Green Paper"¹ in which it drew attention to the implications of current economic developments and to the fact that the tendency for growth of production to exceed growth of consumption of agricultural products was leading to a build-up of surpluses for more and more products. The Commission suggested points for study and presented options. At the end of a wide-ranging discussion with the other institutions and the farming organizations, the Commission submitted in December its guidelines², followed at the end of the year and in 1986 by a set of proposals, some of them in connection with the review of prices for 1986/87.

¹COM (85) 333 final.

²COM (85) 750 final.

These proposals should serve to improve market equilibrium and thus yield savings on the budget and curb the growth of guarantee expenditure.

1.4. The accession of Spain and Portugal

On 11 June the Treaty of Accession of Spain and Portugal to the Community as of 1 January 1986 was signed. The Treaty provided that the Community financing of the markets policy in respect of these two countries should start only on 1 March 1986, subject to certain transitional measures. In the second half of 1985 preparatory work and bilateral contacts were built up with a view to preparing for the application of the EAGGF to these two new Member States.

TABLE No 1

ORIGINAL APPROPRIATIONS IN THE 1985 BUDGET AND ACTUAL EXPENDITURE

PRODUCT	(m ECU)								
	ORIGINAL APPROPRIATIONS 1985	EXPENDITURE IN 1985						DIFFERENCE BETWEEN :	
	(1)	TOTAL	%	Refunds	of which	of which	ORIG APPROPS AND	ACTUAL EXPEND 1985	
	a	b	c = e + f + g	d	e	f	g	h = c-b	i = h/b
				1st category	2nd category		m ECU	%	
				intervention (2)	intervention (3)				
CEREALS	2.325,0	2.310,2	11,7	1.076,7	481,7	751,8	- 14,8	- 0,6	
RICE	90,0	50,1	0,3	36,6	13,5	-	- 39,9	- 44,3	
SUGAR	1.689,0	1.804,5	9,2	1.352,8	450,5	1,2	+ 115,5	+ 6,8	
OLIVE OIL	897,0	692,2	3,5	19,2	667,8	5,2	- 204,8	- 22,8	
OILSEEDS	938,0	1.110,6	5,6	3,4	1.107,7	- 0,5	+ 172,6	+ 18,4	
PROTEIN PLANTS	272,0	372,5	1,9	-	372,5	-	+ 100,5	+ 36,9	
- peas and field beans		207,0	255,5	1,3	-	255,5	+ 48,5	+ 23,4	
- dried fodder		62,0	116,9	0,6	-	116,9	+ 54,9	+ 88,5	
- lupins		3,0	0,1	0,0	-	0,1	- 2,9	- 96,7	
TEXTILE PLANTS AND SILKWORMS	213,0	240,6	1,2	-	240,6	-	+ 27,6	+ 13,0	
- flax and hemp		28,5	27,2	0,1	-	27,2	- 1,3	- 4,6	
- cotton		183,5	212,7	1,1	-	212,7	+ 29,2	+ 15,9	
- silkworms		1,0	0,7	-	-	0,7	- 0,3	- 30,0	
FRUIT AND VEGETABLES	1.356,0	1.230,7	6,2	74,5	1.156,2	-	- 125,3	- 9,2	
WINE	998,0	921,5	4,7	18,9	901,1	1,5	- 76,5	- 7,7	
TOBACCO	841,0	862,8	4,4	32,0	819,0	11,8	+ 21,8	+ 2,6	
OTHER SECTORS	54,0	54,6	0,3	-	54,6	-	+ 0,6	+ 1,1	
- seeds		44,9	46,4	0,3	-	46,4	+ 1,5	+ 3,3	
- hops		9,0	8,2	0,0	-	8,2	- 0,8	- 8,9	
- bee-keeping		0,1	0,0	0,0	-	0,0	- 0,1	- 100,0	
MILK AND MILK PRODUCTS	6.602,0	5.933,2	30,1	2.028,2	2.098,1	1.806,9	- 668,8	- 10,1	
BEEF/VEAL	2.460,0	2.745,8	13,9	1.338,6	472,7	934,5	+ 285,8	+ 11,6	
SHEEP- AND GOATMEAT	451,0	502,4	2,6	-	502,4	-	+ 51,4	+ 11,4	
PIGMEAT	163,0	165,4	0,8	102,9	32,5	30,0	+ 2,4	+ 1,5	
EGGS AND POULTRY	124,0	63,2	0,3	63,2	-	-	- 60,8	- 49,0	
NON-ANNEX II PRODUCTS	402,0	440,8	2,2	440,8	-	-	+ 38,8	+ 9,7	
MCA's	110,0	189,8	1,0	128,4	61,4	-	+ 79,8	+ 72,5	
FISHERIES	24,1	16,1	0,1	- 0,1	16,2	-	- 8,0	- 33,2	
TOTAL	20.009,1	19.707,0	100,0	6.716,1	9.448,5	3.542,4	- 302,1	- 1,5	
%		100,0	100,0	34,1	47,9	18,0			
OTHER EXPENDITURE	- 30,0	37,2					+ 67,2		
- accounts clearance 80/81	- 150,0	- 99,2					+ 50,8	33,9	
- Community compensation	120,0	136,4					+ 16,4	13,7	
GRAND TOTAL	19.979,1	19.744,2					- 234,9	- 1,2	

(1) Appropriations entered in 1985 budget (OJ No L 206, 5.8.1985).

(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

2.1. Individual product groups

This Chapter gives details, product by product, of changes in or adjustments to the regulations made both when the 1985/86 prices were agreed and in the course of the year, and, in each case, a comparison between the appropriations originally entered in the 1985 budget and actual expenditure as ascertained at the end of the year (see Table No 1 above).

2.1.1. Cereals

As noted at point 1.2., because the Council was unable to agree on cereals prices for 1985/86, the Commission adopted essential protective measures to ensure the proper operation of the market organization.

A comparison between original appropriations (2 325 m ECU) and actual expenditure for the year (2 310 m ECU) shows that overall this sector was managed in compliance with the original budget. It may, however, be noted that expenditure on refunds for barley grain and malt exceeded estimates (+ 86 m ECU) following an increase in the refund rate after world prices expressed in ECU deteriorated. Excess expenditure (+ 177 m ECU) is also noted at the heading "Other public storage costs" and was a result of heavier losses on sales for cereals exported and of the cost of the financial depreciation of stocks at the end of the year (93 m ECU). On the other hand, expenditure in respect of carryover payments fell short of original appropriations, because of adjustments to the regulations concerning this kind of intervention (- 195 m ECU).

2.1.2. Sugar

Comparison between original appropriations and actual expenditure reflects economic developments, in which low prices persist on the world market as a result of the persistent disequilibrium between production and consumption, so that heavy stocks built up. This meant an increase in expenditure, which reached 1 805 million ECU by the end of the year, although original estimates were 1 689 million ECU¹. The increase is mainly accounted for by expenditure on export refunds, with refund rates, reaching 452 ECU per tonne in July (+ 114 m ECU).

¹ Some of the expenditure is covered by the sugar levies, which are charged under the sugar market organization and accrue as own resources (see paragraph 2.6.2.).

2.1.3. Olive oil

Comparison between original appropriations and actual expenditure shows that the latter (692 m ECU) fell short of original estimates (897 m ECU). The discrepancy of 205 million ECU is mainly a matter of lower expenditure on production aids (- 144 m ECU) because the Italian harvest was poor and the Greek harvest only average. This also meant that less oil had to be bought in.

In addition, the devaluation of the lira in July and the drachma in October meant that expenditure in Italy and Greece was less when expressed in ECU.

Also, oil was sold from intervention stocks at a better price differential than that originally foreseen in the budget.

2.1.4. Oilseeds and protein plants

Comparison of original appropriations with actual expenditure shows that utilization of appropriations in this sector (1 483 m ECU) exceeded original estimates (1 210 m), a reversal of the 1984 outturn.

For oilseeds, aids to rapeseed exceeded original appropriations (+ 92 m ECU) because of a sharp deterioration in the world market from July onwards. Expenditure on soya production aids exceeded by about 70 million ECU the original appropriations, because of an above-average harvest.

For protein plants, production aids to peas and field beans and those for dried fodder exceeded original estimates by 49 million ECU in the first case and 55 million ECU in the second. This was because of appreciably higher rates of aid than those foreseen, as the predicted recovery in the market failed to materialize.

2.1.5. Textile plants and silkworms

The comparison between the original appropriations (213 m ECU) and actual expenditure (241 m ECU) shows that the latter exceeded original estimates by about 28 million ECU. This was largely due to higher rates of aid to cotton production because of a deterioration in the world markets and an expansion of production itself.

2.1.6. Fruit and vegetables

2.1.6.1. Fresh fruit and vegetables

With regard to adjustments to the regulations, the marketing premiums for citrus fruit were kept at their 1984/85 level for oranges and mandarins. For clementines and lemons, on the other hand, they were reduced by a half and a third respectively under a previous Council Decision on their gradual dismantlement.

Comparison between original appropriations and actual expenditure shows that total expenditure in 1985 for this sector, at 402 million ECU, fell short of original estimates (488 m ECU). Withdrawals still account for the bulk of the expenditure. In contrast with developments in 1984, expenditure was down by about 85 million ECU. This was because the quantities of certain products, mainly citrus fruit and pears, withdrawn were much less than foreseen for 1984/85 (170 000 tonnes instead of 700 000 tonnes), despite a sharp increase in withdrawals of tomatoes during 1985/86 (478 000 tonnes).

2.1.6.2. Processed fruit and vegetables

With regard to changes in the regulations, following an overrun of the guarantee threshold set in 1984 for tomato-based processed products, the production aid paid for this type of product was, for the first time, reduced, by about 23.56% on average, in proportion to the excess. This entailed repercussions with regard to the volume of withdrawals of fresh tomatoes, which increased sharply.

Comparison of original appropriations with actual expenditure shows that the original appropriations for processed fruit and vegetables (868 m ECU) exceeded eventual total expenditure (829 m ECU). This situation was mainly accounted for by developments with regard to production aids for tomato-based products, which occasioned a decline in expenditure of 39 million ECU, due to reduced aid because the guarantee threshold was exceeded.

2.1.7. Wine

With regard to adjustments to the regulations, the Council, following up the conclusions of the European Council held in Dublin in December 1984, approved the reform of the wine arrangements both as regards the market and as regards structures.

In January, on the basis of the old regulations, it was decided for the first time to organize compulsory distillation of table wine, involving a total of 12 million hectolitres.

In view of the growing disequilibrium on the wine market, the Council decided in March to step up the drive to reduce the Community wine-growing potential. For this purpose, it agreed to encourage abandonment of wine-growing areas by the grant of premiums for the definitive abandonment of vineyards. The amounts will be related to the productivity of the areas concerned and the grants would apply for the next five wine years.

This premium entails, for the wine-grower, the right to compensation of 900 ECU per hectare of vineyard grubbed up, 90% of which is financed by the Guarantee Section.

During the summer, the Commission adopted a number of regulations (which entered into force with the 1985/86 wine year) concerning intervention:

- compulsory distillation operations for by-products of wine-making and wine from table grapes,
- detailed rules of implementation for distillation of wine held by long-term storage contract holders,
- reduction in the buying-in price of enriched wines for distillation,
- aid to the relocation of table wine covered by a storage contract,
- aids to the use of concentrated must. Part of this aid (35%) is intended for the organization of promotion campaigns for the consumption of grape juice.

With regard to the comparison between the original appropriations and the actual expenditure, in contrast with 1984, when expenditure was well up on original appropriations, expenditure in 1985 (912 m ECU) eventually fell short of estimates (998 m ECU). This was the result of the low production of wine during the 1984/85 wine year (147.3 m hectolitres) compared with that of preceding years (1983/84, 168.2 m hectolitres; 1982/83, 171.9 m hectolitres).

The lower production in 1984/85 was reflected in the utilization of appropriations in 1985, not only with regard to compulsory distillation of by-products of wine making (original appropriations, 88 m ECU - actual expenditure 65 m ECU), but also with regard to refunds (original appropriations, 35 m ECU - actual expenditure, 19 m ECU) because of lower exports and the devaluation of the lira and the drachma.

The heading "Buying-in of alcohol from compulsory distillation" also shows expenditure (1.5 m ECU) well below original appropriations (22 m ECU), but for a different reason: the Council adopted only in January 1986 the regulation establishing general rules relating to the disposal by the agencies of alcohol obtained from distillation.

On the other hand, expenditure on aids to the use of must (148 m ECU) exceeded, by a small margin, the original appropriations (134 m ECU).

2.1.8. Tobacco

Comparison of original appropriations and actual expenditure shows a slight excess (863 m ECU over 841 m ECU).

This was mainly because of an increase in expenditure on premiums due to a harvest exceeding forecasts and a faster rate of payments. On the other hand, storage intervention entailed expenditure falling short of original appropriations partly because of the implementation of a policy designed to cut, to a minimum, public stocks of tobacco and partly because of a sales price for Greek tobacco, in public storage, higher than foreseen. Expenditure on refunds also fell short of original estimates: keener competition on the world market because of the lower rate of the dollar tended to inhibit exports.

2.1.9. Other products

This heading covers seeds, hops, and bee-keeping. Expenditure in 1985 for these products taken together (55 m ECU) was very close to the estimate (54 m ECU).

2.1.10. Milk and milk products

With regard to adjustments to the regulations, the Council, when adopting the measures related to the 1984/85 price review, agreed to cut the co-responsibility levy by 1 percentage point, from 3% to 2%. On the other hand, it maintained previous decisions concerning the quotas: the Community reserve of 335 000 tonnes agreed in 1984 and shared out between Ireland, Luxembourg and the United Kingdom was renewed, but an additional quantity of 58 000 tonnes was granted to Ireland for 1984/85 and 1985/86. The Council also agreed to extend for one year the facility accorded to Member States to make quota transfers within regions and between regions. Further, the Council authorized, for 1985/86, the transfer to Greece of 7 000 tonnes of skimmed-milk powder from the intervention stock held in Germany. The time limit for payment for butter bought in was shortened from 120 days to 90 days for 1985/86.

To facilitate the operations of small dairy farmers, the Commission agreed in September to authorize the Member States to shorten from 90 days to 60 days, for 1985/86, the time limit by which butter bought in from such farmers must be paid for.

Following an improvement in the situation with regard to stocks of skimmed-milk powder, the Commission suspended in August the special aid scheme for skimmed-milk powder intended for feeding animals other than young calves; this type of aid had proved very costly.

In view of the scale of butter stocks held by the agencies, the Commission approved in September an extension of the "pastry butter" and "concentrated butter for cooking" schemes with the purpose of disposing of substantial quantities of the product on the Community market. However, the financial effects of these measures will not have been fully felt until 1986. On the other hand, it decided not to renew for 1985/86 the "Christmas butter" scheme because the marginal increase gained in 1984 had been so small and because of the very heavy cost of the scheme (nearly 800 ECU for each additional sale of 100 kg of butter).

Following its statement to the Council when the agricultural prices and the related measures were adopted in May, the Commission submitted in November proposals to allow a reduction in the global volume of quotas by a Community system of compensation to farmers, who withdraw from dairy production definitively. The proposals are incorporated in the measures relating to the adoption of the 1986/87 prices.

Comparison between the original appropriations and actual expenditure shows that the latter, at 5 933 million ECU, fell short of the estimate, 6 602 million ECU. This was partly because of the introduction in March of 1984 of the dairy quota system, which entailed a reduction in the dairy herd and consequently in deliveries of milk to dairies, and partly because of the difficulty in finding outlets for certain dairy products.

A more detailed review of this sector, which is the largest single area of EAGGF guarantee expenditure, brings out the following points:

- expenditure on refunds (original appropriations, 2 375 m ECU - actual expenditure, 2 028 m ECU) fell short of estimates mainly because exports of butter, butteroil and cheese were smaller despite an increase in the rates for the first two of these products;
- the suspension in August of the system of aid to skimmed-milk powder for feeding animals other than calves entailed a reduction in expenditure under this heading: while the original appropriations for this scheme under the headings "Other public storage costs" and "Aid for skimmed-milk powder for use as feed for animals other than calves" totalled 756 million ECU, actual expenditure was only 507 million ECU,
- the scheme for aids to milk powder with 10% fat content for feeding calves, introduced in 1984, was not as successful as had been hoped. As a result, the original appropriations of 406 million ECU which had been earmarked for these aids were practically not used. On the other hand, aids to skimmed-milk powder for feeding calves were again fully used, which entailed expenditure (923 m ECU) well outside the estimate of 649 million ECU,
- the use of revenue from the coresponsibility levy for schemes to expand the market (promotion, advertising, market expansion and research) and for the improvement of the quality of milk fell short of expectations, so that expenditure was about 24 million ECU less than the original appropriations,
- with regard to intervention in the form of storage of butter and cream, expenditure (1 326 m ECU) fell short of original appropriations (1 460 m ECU): the quantities of butter in private storage were less than expected, as was disposal for specific uses of butter from public stocks. This expenditure shortfall enabled the authorities to depreciate at the end of the year the value of the butter still stored in intervention (269 m ECU),

- payments of aids for specific uses of butter (ice cream, confectionery) were, on the other hand, heavier, which led to an expenditure overrun (376 m ECU) compared with original estimates (255 m ECU),
- appropriations approved for measures to help small dairy farmers (125 m ECU) were used more slowly than estimated (outturn: 88 m ECU) and the payments under this heading ran over into 1986,
- lastly, with regard to the additional coresponsibility levy, revenue estimated at 148 million ECU was included in the original budget. During negotiations on the 1985/86 prices, an agreement was reached to extend by 1 year the facility granted to Member States to transfer milk quotas from one region to another; also, Germany obtained reimbursement of the excess additional levy charged in 1984. For these two reasons, this heading showed expenditure of 2 million ECU instead of the revenue expected.

2.1.11. Beef/veal

In 1985, this sector again suffered the impact of the introduction of the dairy quota system. Stocks of beef, despite heavy exports, were still running ahead of forecasts, by the end of the year.

As regards adjustments to regulations, the Community continued to implement a set of measures to underpin the market:

- export refunds with possibility of advance fixing,
- direct buying-in by intervention agencies,
- aids to private storage in the spring and autumn,
- incentives to consumption, such as the supply to processors of frozen meat from intervention stocks with a view to their processing in the Community,
- renewal until 6 April 1986 of the variable slaughter premium for certain adult bovine animals in the United Kingdom, the premium not to exceed 65 ECU,

- renewal until 6 April 1986 also of the calf premium in Greece, Ireland, Italy and Northern Ireland, with the Guarantee Section's contribution being reduced from 13 ECU to 9 ECU,
- renewal for 1985/86 of the additional premium for the maintenance of the suckler cow herd in Ireland and Northern Ireland, the premium for the maintenance of the dairy cow herd remaining in force,
- adjustment of the intervention system: as for previous years, the Commission restricted buying-in to certain classes and certain presentations in view of changes, including seasonal changes, in the market situation; for its part, the Council adopted the Regulation determining the Community scale for the classification of carcasses of adult bovine animals.

With regard to expenditure as compared with original appropriations, the difficulties with regard to beef/veal in 1985 inevitably had financial repercussions. Expenditure for the year, at 2 746 million ECU, exceeded the original appropriations (2 460 m ECU), the main item being once again refunds (original appropriations, 1 148 m ECU - actual expenditure, 1 339 m ECU), the excess expenditure being due to an end-of-year upsurge in exports due mainly to the Commission's September decision for the sale for export of at least 75 000 tonnes of beef held by the agencies. Premiums for the slaughter of adult cattle also showed an increase because slaughtering exceeded estimates. On the other hand, with regard to storage intervention, public storage costs other than technical and financial costs, which cover mainly the difference between buying-in value and sales value of the beef, fell short of original appropriations: during three-quarters of the year, sales ran below the estimates; the sharp increase in the last quarter, in particular in the form of exports to non-member countries, was not so large as to eliminate the shortfall. As a result, financial depreciation of the value of stored beef proved possible (72 m ECU).

2.1.12. Pigmeat

- With regard to adjustments to the regulations, aid to private storage was reintroduced from 6 May to 19 July. Granted for nearly 35 000 tonnes, it enabled weak prices to be underpinned and market stability to be restored. An additional quantity of 45 000 tonnes had to be put into private storage with a disposal price guarantee after an outbreak of African swine fever in Belgium; when the private storage contracts ran out, the bulk of the meat was transferred to public storage,

- As for the comparison between original appropriations and actual expenditure, the latter (165 m ECU) was very close to the estimate (163 m ECU). A more detailed examination reveals that this apparent stability was achieved because use of appropriations (103 m ECU) for refunds fell short of estimates (136 m ECU) following a decline in rates for exports to the United States, Canada and Australia, while intervention expenditure (62 m ECU) exceeded original estimates (27 m ECU) by a wide margin. For intervention, the outbreak of African swine fever in Belgium entailed an increase in payments despite expenditure lower than foreseen on private storage aid in the other Member States.

2.1.13. Sheepmeat and goatmeat

Changes to the regulations included the institution of an aid for the transhumance of sheep, goats and cattle in Greece for a five-year period and the extension of the premium currently paid to sheep farmers to goatmeat producers also, from the 1986 marketing year onwards.

The comparison between original appropriations and actual expenditure shows that the relatively sharp excess of expenditure (502 m ECU) over original estimates (451 m ECU) is mainly accounted for by the premiums and is a result of the payment, in 1985, of the advance amount to sheep farmers in respect of the 1985 marketing year, which had not been foreseen when the original appropriations were estimated. For 1984, the advance payment had not been made until early in 1985.

2.1.14. Eggs and poultry

In 1985, as in 1984, actual expenditure (63 m ECU) fell short of original appropriations (124 m ECU): refund rates for these products remained low and quantities of poultry exported fell sharply.

2.1.15. Refunds on merchandise derived from the processing of agricultural products

The excess of expenditure over original estimates was due, as in 1984, to the expansion of exports of processed food.

2.1.16. Monetary compensatory amounts charged or paid out on trade in agricultural products

Comparison of the original appropriations (109 m ECU) with actual expenditure at the end of the year (190 m ECU) shows a relatively sharp increase in the latter. This was largely accounted for by intra-Community trade.

It was due partly to the realignment of the central rates within the European Monetary System on 22 July and partly to the emergence and increase in the last quarter of negative MCAs in Italy and Greece and MCAs, first negative then positive, in the United Kingdom. For the currencies of these Member States, the original budget did not provide for expenditure on MCAs.

2.2. The agri-monetary situation

Table 2 shows the differences between the assumptions made with regard to the application of the monetary compensatory amounts (MCAs) when the budget was established and the range of MCA points actually charged or paid.

TABLE No 2

MCAs applied to trade

Currency	Product	Rates assumed for the 1985 budget (May 1984)		Rates established relative to the 1985 financial year	
		1.11.84 to 31.12.84	1.01.85 to 31.10.85	Minimum	Maximum
DM	Milk	+ 7,9	+ 2,9	+ 2,9	+ 7,9
	Cereals	+ 7,4	+ 2,4	+ 2,4	+ 7,4
	Wine	+ 1,8	0	0	+ 1,8
	Other	+ 6,8	+ 1,8	+ 1,8	+ 6,8
BFR/LFR	All prod.	0	0	0	0
HFL	Milk	+ 3,5	+ 2,9	+ 2,9	+ 3,5
	Cereals	+ 3,1	+ 2,4	+ 2,4	+ 3,2
	Wine	0	0	0	0
	Other	+ 2,6	+ 1,8	+ 1,8	+ 2,6
FF	Milk	- 1	- 1	0	- 1
	Wine, pigmeat	0	0	0	0
	Other	- 2	- 2	0	- 2
LIT	All prod.	0	0	- 7,3	0
UKL	All prod.	0	0	- 4,9	+ 5,5
IRL	All prod.	0	0	0	0
DKR	All prod.	0	0	0	+ 1
DRA	All prod.	0	0	- 15,8	0

When the 1985/86 prices were agreed, the Council decided:

- to dismantle the negative MCAs in France, Italy and Greece,
- to maintain unchanged the positive MCAs in Germany and the Netherlands.

2.3. Breakdown of expenditure by economic type

The following observations relate to the tables in Annexes 4 and 5.

2.3.1. Refunds

A comparison of 1985 with 1984 reveals that the tendency for expenditure on export refunds to grow which began in 1983 continued in 1985, but at a lower rate.

Total expenditure under this heading, which was 6 619 million ECU in 1984, reached 6 716 million ECU in 1985, i.e. an increase of 97 million ECU, or 1.5%. However, in contrast with 1984, the share of refunds as a percentage of the total was rather less, at only 34% of total expenditure, against 36% in 1984. The increase in absolute value of expenditure on refunds in 1985 was accounted for mainly by an increase in payments of this nature for the following products:

- sugar: 1 353 million ECU in 1985 against 1 190 million ECU in 1984, an increase of 163 million ECU accounted for essentially by the high refund rate;
- cereals: 1 077 million ECU in 1985 against 918 million ECU in 1984, an increase of 159 million ECU, the result of an increase in the quantity of cereals exported from the 1984/85 harvest and an increase in the refund rate itself, because of the lower rate for the dollar;
- milk products: 2 028 million ECU in 1985, compared with 1 943 million ECU in 1984, i.e. an increase of 85 million ECU, due to a higher refund rate despite a smaller volume of exports for most items in this group.

This slight upward movement was partly offset by a decline in refund expenditure on a number of other products, including:

- monetary compensatory amounts for extra-Community trade: 128 million ECU in 1985, compared with 416 million ECU in 1984, i.e. a reduction of 288 million ECU, due to the dismantlement of the MCAs for Member States with currencies that had appreciated and a reduction in the volume of exports, especially of milk products;
- beef/veal: 1 339 million ECU in 1985, compared with 1 393 million ECU in 1984, a reduction of 54 million ECU, because of a slight decline in the average refund rate;
- pigmeat: 103 million ECU in 1985, compared with 157 million ECU in 1984, i.e. a reduction of 54 million ECU caused by a lower refund rate, which inhibited exports.

2.3.2. Intervention

For all products taken together, intervention totalled 12 991 million ECU, compared with 11 753 million ECU in 1984, i.e. an increase of 1 328 million ECU, or 10.5%, a little lower than the increment for 1984 (13%).

The share of intervention expenditure in total guarantee expenditure for the year was 66%, a little higher than for 1984 (64%).

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 prices paid to farmers and are competitive with the prices of imports from non-member countries, e.g. aids to the production and consumption of olive oil, aids to skimmed milk, and aids to the production of processed fruit and vegetables. Expenditure on price compensating aids rose from 6 688 million ECU in 1984 to 7 577 million ECU in 1985, i.e. an increase of 889 million ECU (13%), well above the increase for 1984 (2%). As a proportion of total expenditure, these aids were nearly 39%, against 36% in 1984.

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 are the following:

- cereals: + 65 million ECU (16%),
- oilseeds: + 455 million ECU (70%), of which rapeseed and sunflower showed an increase of 330 million ECU partly because of a deterioration of world prices expressed in ECU and partly because of a sharp increase in production,
- protein plants: + 157 million ECU (73%), of which peas and field beans showed an increase of 117 million ECU for the same reasons as in the case of oilseeds,
- fibre plants: + 133 million ECU (123%), of which cotton showed an increase of 125 million ECU as a result of declining world prices and changes in currency exchange rates,
- tobacco: + 107 million ECU (15%),
- milk products: + 162 million ECU (9%),
- sheepmeat and goatmeat: + 68 million ECU (16%).

The products for which less was spent on this type of aid are the following:

- rice: - 7 million ECU (33%),
- olive oil: - 354 million ECU (35%) because of the poor harvest and the devaluation of the lira.

In 1985, the main products attracting price compensating aids were the following:

- | | |
|---------------------------|--------------------|
| - milk products: | 1 891 million ECU, |
| - oilseeds: | 1 108 million ECU, |
| - fruit and vegetables: | 943 million ECU, |
| - tobacco: | 819 million ECU, |
| - olive oil: | 668 million ECU, |
| - sheepmeat and goatmeat: | 502 million ECU. |

Annex 8, which shows the scale and breakdown of these aids, indicates that production aids went mainly to oilseeds (rape and sunflower), tobacco, olive oil and sheepmeat. 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 1984 they declined, by 18 million ECU (31%) for milk products, because of the gradual reduction in payments for milk non-marketing and dairy herd conversion premiums, and by 35 million ECU (23%) for beef/veal, as a result of a change in the tempo of expenditure (catching-up in 1984 in calf premium payments). The share of these premiums in total expenditure fell from 1.2% in 1984 to 0.8%.

- 2.3.2.3. Storage intervention covers both private and public storage costs. Details of this type of expenditure are given in Annex 6.

In 1985, expenditure under this heading rose by 25%, from 3 540 million ECU to 4 428 million ECU. Within this last figure, 885 million ECU is private storage (831 m ECU in 1984), nearly half of which (439 m ECU) is sugar¹.

A detailed analysis of public storage is given in paragraph 2.4. and in Annex 7. Compared with the total expenditure for the year, the share of storage costs rose by a substantial margin, from 19% to 22%.

- 2.3.2.4. Only fruit and vegetables, wine and fishery products are subject to withdrawals and similar operations. The share of this item in total expenditure declined from 7% in 1984 to 4%. The contraction was accounted for solely by frozen vegetables (- 233 m ECU, a reduction of 52%) and wine (- 253 m ECU, a reduction of 30%), two items, for which, especially in the case of wine, there had been sharp increases in this type of expenditure in the previous year. For fruit and vegetables, this reduction is a result of less substantial withdrawals for most products except tomatoes and for wine, of reduced distillation measures because of a smaller harvest. On the other hand, withdrawals of fishery products increased a little.
- 2.3.3. Expenditure on monetary compensatory amounts (MCAs), which had already declined in 1984, declined further. It totalled only 190 million ECU, against 376 million ECU in 1984, and the share in total expenditure was down to 1% (1984, 2%). The downward movement was strongest in respect of refunds, for which the MCAs on extra-Community trade dropped from 416 million ECU to 128 million ECU.

2.4. Public storage (cf. Annexes 6 and 7)

- 2.4.1. The overall cost of private storage rose slightly (+ 6%), but the pattern was by no means uniform for all products: sugar, cheese and pigmeat showed little change; wine and butter declined; beef rose very sharply. On the other hand, the cost of public storage (3 542 m ECU compared with 2 710 m ECU in 1984) increased more sharply, notably for cereals (by 139%), butter (by 81%) and beef (by 17%). There were reduction for most of the other products, especially olive oil (by 93%) and skimmed-milk powder (by 29%).

¹Sugar storage costs are covered by storage levies paid by the manufacturers (see Annex 11).

Public storage costs were also incurred for pigmeat (30 m ECU) because of the outbreak of swine fever in Belgium, and new stocks of wine cost 1.5 million ECU; in the case of the wine, this concerns the alcohol derived from the compulsory distillation of table wines (Annex 6).

With regard to the situation of public stocks (Annex 7), these increased both in quantities and in value. Their total value rose from 8 751 million ECU in 1984 to 10 580 million ECU, i.e. by 21%¹.

In respect of quantities and value, there was an increase for cereals and beef and a reduction for olive oil and milk products. In terms of both quantities and their value, stocks of tobacco, overall, remained relatively stable.

More detailed analysis by product shows:

- (a) for cereals, an increase of nearly 99% in total quantities stored (1984, 9 394 000 tonnes; 1985, 18 647 000 tonnes). While quantities of breadmaking common wheat declined a little (- 13%), there were increases, small for durum wheat (16%), sharp for rye (151%) and barley (184%), and very sharp indeed for non-breadmaking common wheat (298%), caused, for the last three products, by the fact that the exceptional 1984 harvest was not entirely absorbed and that exports fell short of expectations. The overall value of stocks of cereals, rising from 1 902 million ECU to 3 821 million ECU, more than doubled. Also, while in 1984 bread-making common wheat was the product of which stocks were heaviest (4.5 m tonnes), first place was taken in 1985 by non-breadmaking common wheat (8 m tonnes), followed by barley (4.7 m tonnes), so that bread wheat came only in third position (3.9 m tonnes);
- (b) for beef, quantities stored rose by 35% (1984, 595 000 tonnes; 1985, 803 000 tonnes). This movement concerned both carcasses (26%) and boned meat (69%); the increase in availabilities of this product was mainly a result of the dairy quota system, though some of the stocks are already sold but not yet disposed of. The value of beef stocks rose overall in 1985 by 31% (1984, 1 732 000 ECU; 1985, 2 270 000 ECU), i.e. 16% for carcasses and 75% for boned meat;

¹ Under Regulation (EEC) No 318/85, stocks are valued as at 30 November of each year. (For 1985, the valuation allowed for a financial depreciation, chargeable to the 1985 budget, of 434 m ECU).

- (c) for olive oil, a reduction of 55% in the quantities stored, falling from 167 000 tonnes in 1984 to 75 000 tonnes in 1985 as a result of a smaller harvest and satisfactory disposal of stocks. The value of olive oil stored fell by 58%;
- (d) for milk products, an overall reduction of 12% in quantities stored (1984, 1 746 000 tonnes; 1985, 1 532 000 tonnes). The reduction was nearly 34% for skimmed-milk powder, because of the effective operation of a programme of disposal of SMP for pigfeed. On the other hand, because of a reduction in exports, butter stocks rose by nearly 5%, from 973 000 tonnes to 1 018 000 tonnes. The overall value of milk products in store fell by 10% (from 4 779 m ECU to 4 283 m ECU). This was true not only for skimmed-milk powder (- 30%) but also for butter (- 3%) because of lower intervention prices;
- (e) the elimination of sugar and rape stocks in 1985;
- (f) the emergence firstly of alcohol stocks following the implementation in early 1985 of regulations allowing compulsory distillation of table wines and therefore the constitution of public stocks of alcohol, and secondly of stocks of pigmeat as a result of an outbreak of swine fever in Belgium and exceptional market support measures adopted in this connection under Article 20 of Regulation (EEC) No 2759/75.

2.4.2. In August, the Commission sent, for the first time, to Parliament, the Council and the Court of Auditors an information memorandum on potential costs relating to the disposal of stocks exceeding the level of normal public stocks. This potential cost, chargeable at the time to the 1985 budget, was estimated at 3 400 million ECU. For the closure of the accounts at 30 November 1985, the estimate was adjusted to define the potential cost to the Community budgets, which, at that date, was about 4 500 million ECU. This amount corresponds to the difference between the total accounting value (10 600 m ECU) and the foreseeable total sale (6 100 m ECU) given in Annex 7.

2.5. Correction to be made to the breakdown of expenditure by Member States on 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, the exporting Member State can, with the agreement of the importing Member State pay the MCM which should be paid by the importing Member State.

TABLE No 3

(information only)

Breakdown of expenditure by Member State, taking account of the rule that the exporting Member State pays intra-Community MCAs for the importing Member State

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

							(m ECU)
Member State	Expenditure (1)	Application of Article 10 of R. 1677/85	Breakdown of expenditure taking account of the application of Article 10 of R. 1677/85	Amount	% 1985	% 1984	
Belgium	916,8	- 2,6	914,2	4,6	3,7		
Denmark	829,3	- 7,1	822,2	4,2	4,8		
Germany	3.625,9	- 22,5	3.603,4	18,3	18,1		
Greece	1.192,9	-	1.192,9	6,0	5,2		
France	4.637,9	- 18,1	4.619,8	23,4	19,6		
Ireland	1.168,5	- 5,1	1.163,4	5,9	4,8		
Italy	3.412,7	+ 53,0	3.465,7	17,6	21,5		
Luxembourg	4,8	p.m.	4,8	p.m.	p.m.		
Netherlands	2.048,5	- 10,8	2.037,7	10,3	10,7		
United Kingdom	1.900,5	+ 13,2	1.913,7	9,7	11,6		
Community (2)	6,4	-	6,4	-	-		
TOTAL EEC	19.744,2	-	19.744,2	100	100		

- (1) Including financial consequences of the clearance of 1980 and 1981 accounts, Community compensation and other expenditure.
- (2) Direct payments to beneficiaries for information and promotion programmes concerning olive oil and flax and hemp, for research programmes in bee-keeping and on the basis of a judgment of the Court of Justice on production refunds for cereals.

2.6. Assessment of the total cost of the Guarantee Section

2.6.1. General expenditure

TABLE NO 4

Year	Total expenditure (m ECU)	Annual growth rate (%)
1979	10.440,7	20,4
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

After losing momentum at the beginning of the eighties and even actually declining in 1981, agricultural expenditure has since been growing, rapidly in 1983, although rather more slowly in 1984 and 1985.

The increase in absolute value in expenditure in 1985 was accounted for mainly by cereals and rice (+ 663 m ECU), milk products (+ 492 m ECU), oilseeds (+ 455 m ECU) and, to a lesser extent, beef/veal (+ 199 m ECU), sugar (+ 173 m ECU), protein plants (+ 157 m ECU), and fibre plants (+ 133 m ECU). On the other hand, expenditure on olive oil (- 404 m ECU), wine (- 301 m ECU) and fruit and vegetables (- 224 m ECU) declined as did that on monetary compensatory amounts (- 186 m ECU).

In percentage terms, these changes in agricultural expenditure from 1984 to 1985 show a rather different pattern. In respect of the main products only, increases have been noted for fibre plants (+ 123%), mainly because of cotton (+ 125 m ECU, an increase of 1.41%), protein plants (+ 73%), oilseeds (+ 69%) and cereals and rice (+ 39%), while there is a downward movement for payments made in respect of monetary compensatory amounts (- 50%), olive oil (- 37%) and wine (- 25%).

The increase, although moderate, in agricultural expenditure in 1985 is the composite result of trends differing from product to product. In general, there was consistent over-production of the main items, which, in view of stagnating internal demand and the reduction in the scope for sales on the world market, forced up the stocks held by the agencies.

Disposal difficulties have meant longer storage times. For this reason, market management is becoming more and more a matter of stock management. The size of the stocks, reviewed above, is not only depressing the common prices and tending to force world market prices down but also generating high storage costs and interest payments.

Other factors have tended to boost agricultural expenditure; these include erratic movements in the United States dollar (which compelled the Commission to vary export refund rates frequently), the consequences of the introduction of the milk quota scheme (which entailed heavy slaughtering of cattle and thus a sharp increase in beef supplies), and the Council's inaction, in particular with regard to the 1985/86 cereals prices, which at the outset caused difficulties for dealers and distributors and thus slowed down the conclusion of forward contracts.

2.6.2. Revenue

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

TABLE NO 5

Revenue under the common agricultural policy

(m ECU)

	1980	1981	1982	1983	1984	1985
Nature of revenue						
Ordinary levies	1.535,4	1.264,9	1.522,0	1.347,1	1.260,0	1.121,7
Sugar levies, of which	466,9	482,5	705,8	948,0	1.176,4	1.057,4
- production	219,8	125,8	276,9	469,4	708,4	548,5
- storage costs	247,1	356,7	428,9	478,6	468,0	508,9
TOTAL	2.002,3	1.747,4	2.227,8	2.295,1	2.436,4	2.179,1

The table shows that the increase in revenue since 1982 gave way to a reduction, of about 11% in 1985.

The levies, mainly due to imports of cereals into the Community, have been slowly declining since 1983, from 1 522 million ECU in 1982 to 1 260 million ECU in 1984 and 1 122 million ECU in 1985, a decline of nearly 11% in the last two years. This is the combined result of a reduction in imports of cereals and relatively low levy rates early in 1985; however, the latter were recently raised because of the reduction in world prices as expressed in US dollars.

Sugar levies fell by about 10% over those for 1984. This is, however, the net result of divergent trends. Despite an increase in production, production levies actually fell substantially (by about 23%) between 1984 and 1985. This reduction arose for the essentially technical reason that payment of the balance of 1983/84 levies, which was originally scheduled for January 1985, was in fact made in 1984. On the other hand, the increase in production, combined with stable consumption, led to an increase in levies for storage costs of about 5%. Annex 11 shows, in this connection, the ratio between storage levies charged and reimbursements of storage costs.

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 9) that, for gross expenditure, the upward movement noted since 1982 stabilized in 1985. As in 1984, the gross cost of the Guarantee Section represented only 0.66% of GDP. On the other hand, its net cost, i.e. after deduction of agricultural charges, shows a slight increase, from 0.57% in 1984 to 0.59% of GDP in 1985.

3. Amendment and adjustment of legislation governing the Guarantee Section

3.1. Council legislation

3.2.1. In connection with the decisions concerning the 1985/86 prices and related measures, the Commission had expressed the intention to allow the Member States to cut from 90 to 60 days the payment deadline for deliveries of butter and cereals sent to intervention by small farmers during 1985/86, the additional expenditure arising to be borne by the Member States themselves. Accordingly, the Council, in order to account for the national financing of extra expenditure resulting from the use of this facility, supplemented Regulation (EEC) No 3247/81² on the financing by the EAGGF Guarantee Section of certain intervention measures, by Regulation (EEC) No 2139/85¹.

3.1.2. Following an amendment to the regulation on the common organization of the wine market (extension of public storage financed by the EAGGF to alcohol of a certain strength obtained by distillation) and in view of the need to clarify the rules applicable where a Member State foregoes use of the tolerance limit, the Council, in Regulation (EEC) No 2632/85³, made a further adjustment to Regulation (EEC) No 3247/81 mentioned above; this adjustment also covers certain special provisions applicable to olive oil.

3.2. Commission Regulations

3.2.1. During the year, Regulation (EEC) No 467/77, on the method and the rate of interest to be used for calculating the costs of financing intervention measures comprising buying in, storage and disposal⁴, was adapted on several occasions.

3.2.1.1. Because of the exceptionally large quantities of butter bought in by the end of 1984, the Commission approved, for certain sales of butter for export, extra time for payment after removal of the product by the purchaser.

¹OJ No L 199, 31 July 1985.

²OJ No L 327, 14 November 1981.

³OJ No L 251, 20 September 1985.

⁴OJ No L 62, 8 March 1977.

As this entailed, for the agencies, additional interest costs on funds immobilized for a longer time, the calculation of interest to be financed by the EAGGF (Regulation (EEC) No 400/85)¹ was adjusted to allow for these costs.

- 3.2.1.2. A similar situation having arisen by the end of 1985 in view of the very large quantity of beef and cereals bought in, the Commission also approved, for certain export sales of beef and sales of cereals to drought-stricken areas of France, extra time for payment after removal of the product by the purchaser. The consequences of this were covered, in respect of the EAGGF, by Regulation (EEC) No 3446/85².
- 3.2.1.3. More generally, the regulations governing the market organizations for certain products lay down, in case of sale of the products by the agencies, that there may be a period of time for their removal after payment by the purchasers. As a result, the agencies have less interest to defray on funds immobilized. Regulation (EEC) No 1550/85³ allows for this situation in the calculation of interest chargeable to the EAGGF, and provides for a reduction in such interest costs.
- 3.2.2. The first subparagraph of Article 8 of Regulation (EEC) No 1883/78 on general rules on the financing of intervention by the EAGGF Guarantee Section⁴ requires annual end-of-year valuation of intervention stocks at average buying-in prices.

Pursuant to this provision, the Commission adopted on 29 November Regulation (EEC) No 3375/85⁵ fixing the prices to be referred to for the valuation of products, in store on 30 November 1985, to be carried over to 1986. The Regulation allows for the fact that, for certain products, the new intervention prices were below the average buying-in price.

- 3.2.3. The second subparagraph of Article 8 of Regulation (EEC) No 1883/78 empowers the authorities to depreciate stocks in intervention at the end of the year⁶, if estimates with regard to price on removal from intervention fall well short of the value of the stocks to be carried over. If this is the case, the Commission has discretion, within the limits of appropriations still available, to replace this price by another, lower, price.

¹ OJ No L 48, 16 February 1985.

² OJ No L 328, 7 December 1985.

³ OJ No L 148, 7 June 1985.

⁴ OJ No L 216, 5 August 1978.

⁵ OJ No L 321, 30 November 1985.

⁶ This clause was amended by Regulation (EEC) No 964/86 of 25 March 1986 (OJ No L 89, 4 April 1986) to allow the authorities to depreciate stocks at any time and to allow adaptation of the degree of depreciation to that of foreseeable losses.

The "depreciated" price, which replaces the average buying-in price, may not be less than the average of the buying-in prices and the prices obtained on disposal of the intervention stocks.

In December, the criteria allowing optional financial depreciation of the following products were met: breadmaking and non-breadmaking common wheat, barley, rye, butter and beef in quarters or carcasses. At the same time, the degree of utilization of appropriations both for these products (because of disposal of intervention stocks lower than forecast) and for the EAGGF Guarantee Section overall left a sufficient margin to allow financial depreciation of the carryover values for the above-mentioned products.

Accordingly, on 20 December, the Commission decided, in Regulation (EEC) No 615/85¹, to amend Regulation (EEC) No 3375/85, replacing the prices of these six products in intervention to be carried over, by other, lower, prices.

- 3.2.4. In Regulation (EEC) No 3184/83 on the operation of the system of advance payments in respect of expenditure financed by the EAGGF Guarantee Section (see Thirteenth Financial Report on the Guarantee Section p. 35), the Commission had set itself payment deadlines as part of a reorganisation of the system,. Experience has shown that continuity in the flow of payments from paying departments and agencies can be ensured, while deadlines for the decisions and payment of advances are simultaneously adapted to actual availability of cash funds. Accordingly, the Commission amended Regulation (EEC) No 3184/83 by Regulation (EEC) No 3462/85³, while making a number of clarifications and adjustments to the annexes of this latter Regulation.

¹OJ No L 344, 21 December 1985.

²OJ No L 320, 17 November 1983.

³OJ No L 332, 10 December 1985.

TITLE II

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 policy¹ 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.

Commission Regulation (EEC) No 3184/83² renews the detailed rules for the operation of the system of advance payments which were originally laid down in Regulation (EEC) No 380/78. These rules and those relating to the charging of the member countries' disbursements to the Community budget are set out in Title VIII of the Financial Regulation³ and were outlined in the Financial Report for 1980, pp. 20 to 22. The new provisions, mainly concerning the charging to the Community budget of public storage costs (2nd category) are mentioned on p. 35 of the 1983 Report.

The data sent in every month by the Member States on the paying departments' or agencies' actual and forecast payments are processed by computer, so that dissemination of information on the utilization of appropriations can be speeded up and the deadlines set in Article 97 of the Financial Regulation can be complied with.

5. Advance payments to the Member States⁴

5.1. Decisions on advance payments in 1985

In respect of 1985, the Commission adopted twenty decisions on advance payments, one of which was supplementary, and five decisions for extraordinary payments, following underestimates of expenditure. The latter concerned Italy in June, Greece in July, Greece and the Netherlands in August, France in October and France and the United Kingdom in December.

¹OJ No L 94, 28 April 1970, p. 13.

²OJ No L 320, 17 November 1983.

³OJ No L 356, 31 December 1977.

⁴See annexes 13 and 14.

A supplementary advance payment was approved in December, following a review of the Member States' financial situation and the funds still available to them after depreciation of the stocks of certain intervention products to be carried over to 1986.

For the milk non-marketing and dairy herd conversion premiums (Regulation (EEC) No 1078/77)¹, 60% of the expenditure of which is chargeable to the Guarantee Section and 40% to the Guidance Section, the Commission adopted fourteen decisions for advance payments, one of which was an extraordinary payment for Luxembourg in December and one of which a supplementary advance payment in October for Germany, the latter necessitated because of the availabilities of appropriations under Item 3312 (40% guidance).

5.2. Funds available in the Member States during the year

Total funds placed at the disposal of the Member States for expenditure to be disbursed in 1985 came to 19 816.1 million ECU², 19 787.0 million ECU for the Guarantee Section and 29.1 million ECU for the Guidance Section³.

19 765.2 million ECU of this figure was used, leaving a balance at 31 December of 50.9 million ECU, of which 49.2 million ECU was for the Guarantee Section.

5.3. Rate of utilization of the funds available

The ratio of expenditure in 1985 to the funds at the disposal of the Member States for this purpose was 99.7% (Table No 6 below, Column f).

A comparison of the average of the funds available to cover expenditure in each month with the average of the balances available after payment indicates an average rate of utilization of 87.9% (Table No 7, Column c).

¹ OJ No L 131, 26 May 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.

² Not including direct payments of 6.4 million ECU.

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

TABLE No 6

FUNDS AVAILABLE TO AND EXPENDITURE BY MEMBER STATE IN 1985

(Guarantee and 100% of premiums)

m ECU

Member State	Balance at 01.01.85	Advance for 1985 :(including exchange differences)	Total available for 1985	Expenditure from 1 January to 31 December 1985	Funds available at 31.12.85	Utilization of advance payments
	(a)	(b)	(c) = (a) + (b)	(d)	(e) = (c) - (d)	(f)=(d)/(c).100
Belgium	3,5	914,7	918,2	917,3	0,9	99,9
Denmark	1,2	830,7	831,9	832,0	- 0,1	100,0
Germany	3,6	3.650,4	3.654,0	3.640,0	14,0	99,6
Greece	1,9	1.190,9	1.192,8	1.192,9	- 0,1	100,0
France	10,3	4.631,9	4.642,2	4.641,7	0,5	100,0
Ireland	1,1	1.169,2	1.170,3	1.170,2	0,1	100,0
Italy	0,8	3.418,1	3.418,9	3.412,7	6,2	99,8
Luxembourg	0,1	4,8	4,9	4,8	0,1	98,0
Netherlands	8,3	2.069,4	2.077,7	2.049,5	28,2	98,6
United Kingdom	0,6	1.904,6	1.905,2	1.904,1	1,1	99,9
TOTAL	31,4	19.784,7	19.816,1	19.765,2	(1)	99,7
of which						
Guarantee	29,4	19.757,6	19.787,0	19.737,8	49,2	99,8
Guidance	2,0	27,1	29,1	27,4	1,7	94,2

(1) Not including direct payments of 6.401.936,26 ECU.

TABLE NO 6a

FUNDS AVAILABLE TO AND EXPENDITURE BY MEMBER STATES IN 1985

(Guarantee and premiums (100%))

						(national currencies)
Member States	Balances at 01.01.85	Advances for 1985 (including exchange differences)	Total available for 1985	Expenditure from 01.01.85 to 31.12.85	Funds available at 31.12.85	
	(a)	(b)	(c) = (a) + (b)	(d)	(e) = (c) - (d)	
Belgium	156.727.410,-	41.128.194.532,-	41.284.921.942,-	41.242.668.813,-	42.253.129,-	
Denmark	9.740.483,93	6.671.059.516,07	6.680.800.000,-	6.681.174.751,45	- 374.751,45	
Germany	7.887.656,19	8.140.172.343,81	8.148.060.000,-	8.117.263.451,16	30.796.548,84	
Greece	172.592.458,-	120.519.907.542,-	120.692.500.000,-	120.708.448.336,-	- 15.948.336,-	
France	70.613.402,83	31.554.286.597,17	31.624.900.000,-	31.621.804.503,25	3.095.496,75	
Ireland	795.657,81	836.989.342,19	837.785.000,-	837.747.685,52	37.314,48	
Italy	956.833.936,-	4.866.928.101.944,-	4.867.884.935.880,-	4.858.610.082.638,-	9.274.853.242,-	
Luxembourg	3.756.777,-	216.970.992,-	220.727.769,-	217.340.362,-	3.387.407,-	
Netherlands	20.896.012,85	5.208.020.710,82	5.228.916.723,67	5.158.379.705,53	70.537.018,14	
United Kingdom	377.450,69	1.119.995.875,89	1.120.373.326,58	1.119.757.682,94	615.643,64	

TABLE No 7

Average rate of utilization of Community funds in 1985

(Guarantee + 100 % of premiums)

				m ECU
MEMBER STATE	Average Community funds available in the Member States for one month's expenditure (see Annexes 15 and 16 line C)	Average balance available after the month's expenditure (see Annexes 15 and 16 line E)	Average rate of utilization	
	(a)	(b)	(c) = $\frac{(a)-(b)}{(a)} \cdot 100$	
BELGIUM	74,3	- 2,1	102,8 % (1)	
DENMARK	86,4	17,0	80,3 %	
GERMANY	352,1	48,8	86,1 %	
GREECE	110,8	11,5	89,6 %	
FRANCE	376,7	- 10,1	102,7 % (1)	
IRELAND	109,9	12,4	88,7 %	
ITALY	401,9	116,9	70,9 % (2)	
LUXEMBOURG	0,5	0,1	80,0 %	
NETHERLANDS	171,9	1,2	99,3 %	
UNITED KINGDOM	189,7	31,0	83,7 %	
EEC	1.874,2	226,7	87,9 %	

(1) Rates exceed 100% 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.

(2) This abnormally low level results from difficulties experienced in 1985 by the principal payment agency in Italy.

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:

- contracts for research into a bee disease (varroatosis);
- action to increase the scope for disposing of olive oil and flax products; this is financed from amounts held back from subsidies to the producers.

Thus, in 1985, the Commission paid directly to beneficiaries

- (a) a sum of 2 252 534.49 ECU from appropriations brought forward from 1984,
- (b) a sum of 1 990 313.29 ECU from 1985 appropriations. Also, the sum of 4 411 622.97 ECU was committed in 1985 and carried over in 1986, i.e. a total of 6.4 million ECU for 1985.

Annex 19 provides, for the various measures concerned, an overall picture of amounts withheld from producers in relation to expenditure and commitments made.

Another measure, financed by amounts withheld on olive oil production subsidies, concerns expenditure relating to the setting up of an olive oil register. Although this expenditure is financed by the paying agencies and does not therefore have the nature of direct Commission payments, it has also been shown in the annex to show the situation as regards amounts withheld and used.

6. Administration of appropriations

Because the budget was adopted late - on 13 June - financing was based in the early months of the year on the provisional twelfths system (Article 8 of the Financial Regulation). In order to cope with seasonal expenditure on fibre plants (cotton), payments for which tend to cluster in the early part of the year, the budgetary authority granted three additional twelfths for this sector.

6.1. Appropriations available (m ECU)

Original budget	19 979.085 ¹
Transfers of appropriations	- 96.000
Appropriations available	19 883.085
	=====

¹ Titles 1 and 2 including 24.085 million ECU entered in Chapter 40 for the fisheries market organization.

6.2. Transfer of appropriations

In December, the Commission proposed, and the budgetary authority approved, two transfers totalling 96 million ECU from the Guarantee Section to strengthen appropriations for food aid (36 m ECU transferred to Chapter 92) and for the Guidance Section (60 m ECU transferred to Chapter 32 for measures for less-favoured areas).

Also, within the Guarantee Section (Titles 1 and 2), in order to adjust funds available to the rate of utilization of appropriations, the Commission proposed chapter-to-chapter transfers on two occasions (November 1985 and February 1986), and these were approved by the Council in November and March. The sums transferred totalled 990.5 million ECU (see Table No 8 below).

These transfers - the total for which is much smaller than in 1984 - were needed because of appreciable short-term fluctuations towards the end of the year, in particular as regards beef/veal (more rapid rate of export refund payments and an increase in public storage expenditure) and oilseeds (decline in world prices expressed in ECU) while spending on olive oil and milk products fell short of estimates.

6.3. Expenditure

- 6.3.1. Expenditure charged for 1985 totalled 19 744.2 million ECU. The figure includes, in addition to the expenditure declared by the Member States as paid in 1985 (19 700.6 m ECU), the results of the clearance of the 1980 and 1981 accounts (- 99.2 m ECU), Community compensation measures (136.4 m ECU) and direct payments (6.4 m ECU).

A detailed analysis of the expenditure by sector is given in the first part of this report, at Table 1, and in Annex 2. Table 9 gives the breakdown of 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 peculiar 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 8

Appropriations

						('000 ECU)
Sector	: Chap.	: Original : : appropriations :	: Transfers : : of appro- : : priations :	: Apropiations : : available :	: Expenditure : : 1985 :	: (1) :
: Cereals and Rice	: 10	: 2.415.000	: - 21.000	: 2.394.000	: 2.360.288	:
: Sugar	: 11	: 1.689.000	: + 118.000	: 1.807.000	: 1.804.543	:
: Olive oil	: 12	: 897.000	: - 191.500	: 705.500	: 692.226	:
: Oil and protein plants	: 13	: 1.210.000	: + 277.000	: 1.487.000	: 1.483.148	:
: Textile plants and Silkworms	: 14	: 213.000	: + 30.000	: 243.000	: 240.645	:
: Fruit and Vegetables	: 15	: 1.356.000	: - 120.000	: 1.236.000	: 1.230.715	:
: Wine	: 16	: 998.000	: - 73.000	: 925.000	: 921.360	:
: Tobacco	: 17	: 841.000	: + 24.000	: 865.000	: 862.850	:
: Other sectors or agricultural prod.	: 18	: 54.000	: + 2.000	: 56.000	: 54.638	:
: Milk and milk products	: 20	: 6.602.000	: - 621.000	: 5.981.000	: 5.933.234	:
: Beef/veal	: 21	: 2.460.000	: + 291.000	: 2.751.000	: 2.745.731	:
: Sheep and goatmeat	: 22	: 451.000	: + 52.000	: 503.000	: 502.424	:
: Pigmeat	: 23	: 163.000	: + 3.000	: 166.000	: 165.301	:
: Eggs and poultry	: 24	: 124.000	: - 60.000	: 64.000	: 63.189	:
: Non-Annex II refunds	: 25	: 402.000	: + 40.000	: 442.000	: 440.846	:
: ACAs	: 27	: 1.000	: -	: 1.000	: 201	:
: MCAs	: 28	: 109.000	: + 86.000	: 195.000	: 189.563	:
: Clearance of previous years	: 29	: - 30.000	: + 67.500	: 37.500	: 37.234	:
: Fisheries MO	: 40	: 24.085	: -	: 24.085	: 16.054	:
TOTAL		19.979.085	- 96.000	19.883.085	19.744.190	

(1) Including the results of the clearing of 1980-1981 and net of Community compensation measures.

TABLE No 9

Expenditure recorded in the Member States in 1985
by type of financing (1)

						(m ECU)
Member State	Refunds	Intervention	1985 totals		1984	
			m ECU	%	%	
Belgium	558,3	357,8	916,1	4,65	3,82	
Denmark	500,2	333,5	833,7	4,23	4,79	
Germany	963,5	2.541,2	3.504,7	17,78	18,09	
Greece	93,1	1.104,1	1.197,2	6,08	5,23	
France	2.026,8	2.606,9	4.633,7	23,51	19,12	
Ireland	499,2	670,1	1.169,3	5,93	4,86	
Italy	300,5	3.151,5	3.452,0	17,52	21,74	
Luxembourg	2,1	2,6	4,7	0,02	0,02	
Netherlands	1.150,0	924,5	2.074,5	10,53	10,69	
United Kingdom	622,4	1.292,3	1.914,7	9,72	11,61	
Total MS	6.716,1	12.984,5	19.700,6	99,97	99,97	
Direct payments	-	6,4	6,4	0,03	0,03	
Total EEC	6.716,1	12.990,9	19.707,0	100	100	

(1) This does not allow for sums yielded as a result of the clearance of the 1980 and 1981 accounts (- 99.2 m ECU), or for Community compensation measures (+ 136.5 m ECU: 121 m ECU for Germany and 16.5 m ECU for the Netherlands). The totals by Member State, including these two components, 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 1985	19 786 979 601.51
- Commitments for direct payments	+ 6 401 936.26
Total	19 793 381 537.77
- Commitments itemized in accordance with budget nomenclature	- 19 744 189 600.95 ¹
- Balance of global commitments lapsed in respect of 1985 and recommitted for 1986	49 191 936.82 =====

6.3.2.2. Sums charged as payments

The sums charged as payments total 19 739 777 977.98 ECU. The difference of 4 411 622.97 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. Carryovers of appropriations

The following 1985 appropriations committed for direct payments (see above) were automatically carried over to 1986.

- Item 1221 (olive oil)	3 288 000.00 ECU
- Item 1401 (flax)	608 159.07 ECU
- Item 1022 (cereals)	515 463.90 ECU
	4 411 622.97 ECU =====

2 252 534.49 ECU of the 2 646 909.07 ECU in 1984 appropriations carried over automatically to 1985 were used. The residue of 394 374.58 ECU lapsed.

To facilitate equilibrium between revenue and expenditure in the execution of the 1985 budget, the Commission did not ask the budgetary authority to carry over any 1985 appropriations to 1986.

¹ Including amounts becoming available as a result of the clearance of the 1980 and 1981 accounts.

6.5. Summary of the implementation of the 1985 budget

The year began with a fairly vigorous rate of expenditure, the appropriations being administered on the basis of provisional twelfths. Expenditure carried over from 1984 because of insufficient appropriations helped to speed up utilization in the first quarter. The rate of spending lost momentum in the middle of the year, coinciding also with the adoption of the budget.

Despite the recovery of some categories of expenditure at the end of the year, total payments fell short of available appropriations. This enabled the Commission to depreciate certain stocks of intervention products to be carried over to 1986.

Briefly, the execution of the EAGGF Guarantee Section¹ part of the 1985 budget is as follows:

Original budget	19 979 085 400.- ECU
Transfers from EAGGF Guarantee Section	<u>96 000 000.- ECU</u>
	19 883 085 400.- ECU
Sums charged as payments	<u>19 739 777 977.98 ECU</u>
	143 307 422.02 ECU
Appropriations committed and automatically carried forward to 1986	<u>4 411 622.97 ECU</u>
Unused appropriations lapsed	<u>138 895 799.05 ECU</u> =====

¹Including 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 implementation of Community regulations and it is therefore their task, in the first instance, to ensure 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 of expenditure financed by the EAGGF Guarantee Section are supplemented on a case-by-case basis by the Commission. Apart from on-the-spot checks made in connections with the clearance of the accounts, the Commission can use the legal instruments¹ which enable it both to carry out special verification work and to ask the Member States to start administrative enquiries where irregularities are suspected or operations require detailed auditing. The Commission can also, on the basis of the legal instruments referred to above, organize selective checks. These concern a given product group or area in respect of which problems have arisen involving generally all the Member States.

7.2. Selective checks

In 1985, Financial Control, in collaboration with the EAGGF and the Customs Union Service, concluded the audit visits undertaken in all Member States for the Contrôle orienté with regard to expenditure resulting from disposal measures for butter in certain food industries. The resulting internal report was approved by the Commission on 20 December and relevant conclusions of this report will be communicated to the Member States in 1986.

7.3. Special investigations and checks

Where, as a result of information from various sources, the Commission takes the view that operations financed by the EAGGF Guarantee Section may have or have been the subject of irregularities, it starts, itself, a special enquiry involving national officials or sends to the Member State concerned a specific request for an enquiry, in which Commission officials may take part.

In 1985, the Commission asked Member States to start ten investigations. These investigations, which may last a few weeks or several years in complex cases, break down as follows:

¹Article 6 of Regulation (EEC) No 283/72.
Article 9 of Regulation (EEC) No 729/70.

: Product	: B	: D	: F	: I	: Total	:
: Sugar	: 1	: 1	: :	: :	: 2	:
: Fruit and vegetables	: :	: :	: :	: 1	: 1	:
: Wine	: :	: :	: 1	: 1	: 2	:
: Beef/veal	: :	: 1	: :	: :	: 1	:
: Milk products	: :	: :	: 1	: 2	: 3	:
: Beekeeping	: :	: :	: :	: 1	: 1	:
: Total	: 1	: 2	: 2	: 5	: 10	:

On the basis of the results of the investigations carried out in Belgium and Germany with regard to sugar, the Commission asked for reimbursement of the refunds since the product had not been released for consumption in the countries of designation. For Belgium, the amount to be recovered is about BFR 30 million.

Irregularities committed in Italy with regard to fruit and vegetables concern the processing of citrus fruit. The judicial procedure is not yet finished. The financial consequences will be determined by the Commission after the Court has given its judgement.

With regard to beekeeping, the Commission sent Italy formal notice in respect of its failure to comply with its obligations to prosecute irregularities and recover sums wrongly paid (aids are said to have been granted to a group of beekeepers not meeting Community requirements).

The other investigations are still continuing. At the present time, the financial implications cannot be estimated.

The four special investigations organized by the Commission (Article 9 of Regulation (EEC) No 729/70) concerned the operation of fruit and vegetables producers' organizations in France, the verification of the existence and quality of olive-residue oil bought in Italy in 1983/84, verification of the supervision and actual implementation of citrus fruit withdrawal and processing operations in Italy and of suspected fraud committed against Community funds by the Mafia in Sicily. This last special investigation, which will be supplemented by on-the-spot verifications to be made as part of general control missions in the Member States, was carried out at the request of Parliament, in accordance with resolutions adopted in February. A report on the results of this investigation was sent by the Commission to Parliament on 18 December (COM(86)49, 28.1.1986).

Of the ten investigations started in 1984, three are still in hand, and for two of these the recovery procedure for sums wrongly paid is being implemented. Of the seven investigations completed, six had no financial effect; the seventh entailed the recovery of about DM 389 600.

Of the 11 investigations started in 1983, two are still in hand and two were completed in 1985. The latter revealed no irregularity.

7.4. Mutual information system

The mutual information system between the Member States and the Commission staff has two different but complementary forms:

- 7.4.1. Prompt exchange of information concerns cases of irregularities which may have immediate repercussions in Member States other than those in which they have been detected or which derive from a new fraudulent practice. These are notified under Article 4 of Regulation (EEC) No 283/72.

The table below gives a breakdown by Member State of cases of irregularities notified for 1985 under this arrangement:

: Year	: B	: D	: DK	: F	: GR	: IRL	: I	: L	: NL	: UK	: COM	: Total
: 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

The steady decline in the number of cases of irregularities notified in recent years seems to have stopped in 1985. It is too early to draw conclusions with regard to this change, which, as the table shows, leaves a situation that cannot be regarded as satisfactory.

The products concerned are fruit and vegetables (1), pigmeat (2), fishery products (1), cereals (1) and beef/veal (2).

- 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 authorities and the Commission. Assistance takes the form of notifying all relevant information on operations carried out and methods used which are, or may be, in conflict with the proper implementation of customs and agricultural regulations. Regulation (EEC) No 1468/81 is administered by the Customs Union Service in close cooperation with the Directorate-General for Agriculture in so far as agricultural provisions are involved. In 1985, three cases of irregularities concerning agricultural products were notified under the Regulation.

7.5. Irregularities detected

These cases of irregularities are the subject of quarterly reports to the Commission under Articles 3 and 5 of Regulation (EEC) No 283/72. The table in Annex 20 gives details of these notifications.

The notifications concerning the non-marketing premium are not included in the table at point 7.5.1. below, but are given in the table under point 7.5.2.

7.5.1. Cases of irregularities detected and notified:¹

	: 1975:	1976:	1977:	1978:	1979:	1980:	1981:	1982:	1983:	1984:	1985:	
: m ECU	: 3.08:	5.90:	9.03:	2.93:	1.96:	20.43:	16.33:	33.43:	10.49:	5.87:	11.92:	
: of which,	:	:	:	:	:	:	:	:	:	:	:	
: recovered	: 1.45:	2.93:	2.72:	1.37:	1.38:	2.32:	6.56:	1.87:	1.39:	0.77:	1.28:	
: Number	:	annual average, 127					:	218	:	175	:	129
: of cases	:	(from 1971 to 1985)					:	:	:	:	:	:
: Amounts	:	annual average, 9.51					:	annual average over				
: in m ECU	:	(from 1971 to 1985)					:	last four years, 15.43:				

The number of cases notified in 1985 and the relevant amounts are almost double those for 1984.

For 1985, the breakdown by Member State in the number of cases of irregularities having financial impact on the EAGGF funds is as follows:

	: B :	D :	DK :	F :	GR :	IRL :	I :	L :	NL :	UK :	Total :
: Number of cases	: 11 :	106 :	16 :	28 :	1 :	- :	41 :	- :	1 :	15 :	219 :
: Amounts in	: 754 :	4 611:	332 :	578 :	* :	- :	4 637:	- :	11 :	997 :	11 923 :
: '000 ECU	:	:	:	:	:	:	:	:	:	:	:

* Not yet quantified.

The figures in the above table show clearly how widely the number of cases of irregularities noted by the Member States and their financial impact still vary from country to country. It is clear that the underlying reasons for the persistence over several years of a phenomenon, to which the Commission regularly draws attention, are other than the mere differences between inspection arrangements and definitions of irregularity.

The Commission realizes, however, that the large number of cases notified by certain Member States does not necessarily mean that fraud is rife in these countries and not elsewhere. Factors such as the verification techniques used, the take-up of differing aid schemes, for some of these schemes the number of operations carried out, and the number of types of beneficiary, all of which differ from Member State to Member State, are relevant to any exhaustive and accurate assessment of the uneven pattern.

The Commission is endeavouring to obtain as far as possible such additional data as are needed with a view to a more thorough and more accurate assessment of the situation.

¹Except cases relating to the milk non-marketing premium.

To supplement the information on cases of irregularities notified, the table below gives figures concerning cases which have had no financial consequences for the EAGGF (attempted frauds).

	DK	IRL	NL	Total MS
Beef/veal	1	1	1	3
Milk products			1	1
Total	1	1	2	4

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

	1979	1980	1981	1982	1983	1984	1985
m ECU,	0.267	0.449	0.736	1.413	1.750	1.735	1.561
of which							
recovered	0.180	0.253	0.277	0.401	0.413	0.286	0.354

In 1985, the breakdown by Member State of cases notified and relevant amounts was as follows:

	D	DK	F	IRL	NL	UK	TOTAL
Number of cases	69	11	7	53	1	39	180
m ECU, of which	0.837	0.148	0.046	0.351	0.024	0.155	1.561
recovered	0.100	0.006	0.007	0.171	-	0.070	0.354

Verification work carried out by the competent authorities of the Member States under Regulation (EEC) No 1078/77 with a view to ensuring that producers who have benefited from marketing premiums still meet the criteria for qualifying for the second and/or the third instalment has led to the discovery of what is still a large number of cases of irregularities. However, some cases are in fact failures to comply with contractual provisions and not cases of deliberate fraud. The breakdown by Member State of the number of cases notified (see table above) shows that the pattern here is also quite uneven.

A relevant factor here is that the number of beneficiaries also varies widely from one Member State to another.

7.6. Financial scale of irregularities

The number of cases of irregularities notified and the total amount of expenditure disbursed wrongly increased in 1985, by 173.8% and 202.6% respectively. Beef/veal and fruit and vegetables accounted for 30% and 35.5% respectively of total expenditure wrongly disbursed.

7.7. Recovery of amounts wrongly paid

The sums recovered are shown in the table in Annex 20. By the end of 1985, the recoveries concerned 70 cases, i.e. 32% of the total number of cases notified, and related to 1.283 million ECU, i.e. 10.76% of the total to be recovered.

The table in Annex 21 shows the progress made with regard to recoveries relating to previous years, updated to 3.12.1985.

7.8. Meetings of the EAGGF Irregularities Group

This Group meets, under Article 7 of Regulation (EEC) No 283/72, to review, with the Member States' representatives responsible for auditing and investigations, cases of presumed and/or detected irregularities and to consider what guidance is to be drawn from these with regard to prevention measures to be taken and follow-up action.

In 1985, the Group, which also deals with less specific subjects, met once, to discuss general questions of the application of the Regulation.

Also, eight ad hoc or restrictive meetings were held to review, with the experts of the Member States concerned alone, specific problems. The main subjects included butter exports, tomato processing, sampling of cereals sent to intervention and exports of beef/veal ("merry-go-round" trade between North America and the EEC). The latter case was reviewed under Regulations (EEC) No 1468/81 (mutual assistance) and 283/72 (fraud and irregularities).

7.9. Quality control of cereals

In line with the policy of improving the quality of cereals and in order to ensure that EAGGF funds are properly disbursed, the Commission agreed with the Member States that the latter would keep at the disposal of EAGGF (from 1984/85 onwards, for durum wheat and from 1985/86 onwards for the other cereals) a commercial sample drawn on the occasion of each sale of lots of cereals stored under Community intervention, intended for the internal market, for export or as food aid.

This operation covers only the Member States or the regions in which sealed samples are drawn either by the storage agency duly represented or on an "adversary" basis in the presence of the buyer. A further investigation will be necessary elsewhere.

The samples thus prepared are received by the Commission staff and sent for analysis to a laboratory of established reputation located in a Member State other than that from which the samples come.

More than 1 200 samples, representing more than 2 million tonnes of cereals sold, have been sent to the laboratories; analyses are now being carried out.

On the basis of the results, the Commission will decide as to what the consequences should be and what action should be taken.

7.10. Computerization

Work carried out throughout 1985 brought the Commission to the final stage of the development of the data base which has been dubbed IRENE (IRrégularités, ENquêtes, Exploitation), i.e. to the establishment of interrogation procedures and procedures for the presentation of data.

The Directorate-General for Agriculture has introduced 450 cases out of a total of more than 3 000. It is planned that the database will be operational in September 1986 for the departments concerned, namely Agriculture, Financial Control, Budgets and the Customs Union Service.

7.11. Training of the EAGGF inspectors

In 1985, as in the two preceding years, the Commission was unable to organize the inspectors training seminar due to a lack of resources.

7.12. Audit of commercial documents

Under Directive 77/435, it is the responsibility of the Member States' competent authorities to carry out regular and systematic verification of the commercial documents of firms receiving EAGGF funds. The Commission staff and the Member States' qualified representatives meet whenever necessary to review problems arising in connection with the implementation of this Directive.

In 1985, the Commission, as in the past, monitored the implementation of the Directive in the Member States and assessed existing required data on the basis of which the Member States establish each year their reports on the results obtained.

As the application of this Directive raises a number of implementing problems in Greece and in Italy, bilateral talks with the Member States were held on the occasion of visits to these two countries.

TITLE IV

ACCOUNTS CLEARANCE

8.1. Verification of EAGGF guarantee expenditure

The EAGGF staff continued in 1985 their drive to make good the delays in verification of expenditure and to improve the accounts clearance procedure. This work was carried out in close cooperation with the staff of the Financial Control and the Legal Service.

In view of the objective set to make good by June 1987 the delays in accounts clearance work, the comments below are not confined restrictively to work carried out in 1985, but cover the salient events in the early months of 1986 as well.

8.1.1. 1980 and 1981

On 28 August 1985, the Commission adopted formal accounts clearance decisions for 1980 and 1981. The decisions were published on 9 October (OJ L No 267). For the two years concerned, declared expenditure totalled 21 160 million ECU, to which must be added 260 million ECU corresponding to 60% of expenditure disbursed under Regulation (EEC) No 1078/77 setting up a milk non-marketing and dairy herd conversion scheme.

These decisions adopted for 1980 and 1981 do not cover expenditure declared by Belgium in respect of tobacco (BFR 260 081 266) or Denmark for cereals (DKR 5 135 457); the Commission will give rulings on this expenditure later. For Luxembourg, the decision for 1980 also amends the decisions clearing the 1976 and 1977 accounts, in the light of the judgment handed down by the Court of Justice on 12 July in Case No 49/83. In this judgment, the Court cancelled Decisions Nos 83/38/COM and 83/49/COM in so far as they disallowed expenditure of LFR 4 935 444 (109 056 ECU) effected by the Grand Duchy of Luxembourg in 1976 and 1977 on wine.

Allowing for the charging under 1980 of part of the expenditure provisionally disallowed under the 1978 and 1979 clearances¹, the clearance of the 1980 and 1981 accounts yielded, under Article 99 of the Financial Regulation, scope for additional expenditure of 99.2 million ECU for 1985.

8.1.2. 1982

For 1982, expenditure declared totalled 11 810 million ECU, of which 90 million ECU under Regulation (EEC) No 1078/77.

¹See Annex No 23 on the financial results of work on clearing the 1980 EAGGF Guarantee Section accounts - line 3.

On-the-spot checks were carried out from October 1983 to September 1985. The dialogue phase following up these visits, with the purpose of settling, through bilateral meetings, outstanding disputes, took place from September to November 1985.

The Summary Report covering all the aspects brought to the attention of the Commission's staff as at 15 January 1986 was laid before the EAGGF Committee in March 1986 and the Commission adopted formal decisions at the beginning of July 1986.

8.1.3. 1983

In the first half of 1985, the Commission's staff examined declarations submitted in respect of 1983, and telexed to the Member States a questionnaire advising them of anomalies or problems arising during this scrutiny.

The on-the-spot checks were held mostly in the fourth quarter of 1985; some additional visits covering measures raising particular problems were made, however, 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 stage was thus held during May and June 1986. Accordingly, the Commission should be in a position to adopt clearance decisions before the end of 1986.

8.1.4. 1984 and 1985

As table 10 below shows, the situation with regard to the submission of clearance declarations for the Member States showed little improvement in 1984 over previous years despite frequent reminders from EAGGF staff.

The dates given in the table are those of the main submission; for certain Member States, the last tables sometimes come in more than six months after the date given.

Table No 10

Member State	Date of submission of clearance declarations (main submission)	
	1983	1984
Belgium	04.07.1984	10.07.1985
Denmark	22.06.1984	30.04.1985
Germany	20.04.1984	27.06.1985
France	02.08.1984	23.07.1985
Greece	15.07.1984	28.06.1985
Ireland	09.07.1984	27.06.1985
Italy	09.07.1984	10.07.1985
Luxembourg	19.06.1984	30.07.1985
Netherlands	06.07.1984	12.08.1985
United Kingdom	06.07.1984	26.06.1985

Even before receiving the 1985 declarations, EAGGF staff began their on-the-spot checks for 1984 and 1985 in March 1986 on the basis of the declarations for 1984.

The EAGGF staff hope in this way to enable the Commission to adopt its formal decisions by 30 June 1987 in compliance with a commitment made to Parliament.

8.2. Member States' appeals against clearance decisions

- (a) In the Fourteenth Financial Report, it was stated that the Court of Justice had given judgments on appeals filed by Luxembourg (Case No 49/83) and Italy (Cases No 55/83 and 56/83) against the clearance decisions relating to 1976 and 1977.

The financial consequences of these judgments have been allowed for in favour of Luxembourg in an amount of LFR 4 935 444 in the decision clearing 1980 and will be allowed for in respect of Italy, partly, in an amount of LIT 1 747 478 622 under the 1982 clearance. For Italy, a balance of LIT 12 600 589 574 will be the subject of a decision under a subsequent clearance procedure, since bilateral consultation is still required to agree the final claim.

For 1978 and 1979, three appeals had been filed, two by Italy (Cases 129 and 130/84) and one by the United Kingdom (Case 133/84). The Court gave judgments on 28 January 1986 for the Italian appeals and on 17 April 1986 for that submitted by the United Kingdom.

In Case 129/84, the Court annulled the 1978 clearance decisions in so far as the Commission had not accepted as chargeable to the EAGGF expenditure on milk products of LIT 1 103 318 170 but dismissed the rest of the appeal concerning expenditure on fruit and vegetables. In Case 130/84, the appeal, concerning only expenditure on fruit and vegetables, was dismissed.

In Case 133/84, the Court annulled decisions clearing 1978 and 1979 in so far as the Commission had not accepted as chargeable to the EAGGF expenditure on public storage of butter and skimmed-milk powder in a total amount of UKL 658 680.48 (of which UKL 1 662 for 1978 and UKL 657 518.48 for 1979) and dismissed the appeal for the rest, concerning aids to peas and field beans. The financial consequences of the judgments given in Cases 129/84 and 133/84, which, apart from Italy and the United Kingdom, concern France (FF 1 615 128.81), Belgium (BFR 41 275) and Ireland (IRL 18 990.53), and which relate to 1978 to 1981, will be included in the decisions clearing 1983.

- (b) For 1980 and 1981, the following appeals have been filed:

Italy: Cases 342 and 343/85 (milk products, oils and fats, fisheries, MCAs)

United Kingdom: Cases 347/85 (milk products)
346/85 (fisheries)

Ireland: Cases 337/85 (export refunds)
325/85 (fisheries)

Denmark: Cases 349/85 (export refunds)
348/85 (fisheries)

Germany: Case 332/85 (fisheries)

France: Case 336/85 (fisheries)

Netherlands: Cases 327/85 (milk products)
326/85 (fisheries)

Six of these cases concern the same subject - the Commission's decision to disallow intervention expenditure and export refunds for fishery products because the countries, in the Commission's view, had exceeded the quotas for 1981. Case 347/85 filed by the United Kingdom, concerns the Commission's decision to disallow expenditure which, in the Commission's view, was generated by the Milk Marketing Boards' practice of setting differentiated prices. These cases are of special interest for the EAGGF since they should enable the Court to state how far infringements of Community regulations which do not concern directly physical and procedural conditions of entitlement to Community aid ("upstream" infringements) may justify decisions to disallow expenditure. They also raise other questions of fundamental interest such as the question as to which party to a dispute - the Member State or the Commission - must shoulder the burden of proof and should therefore constitute an important step along the road to the establishment of proper case-law concerning the Community financing of the CAP.

8.3. Illegal national aids and "upstream" infringements

On the occasion of the clearance of the 1980-1981 accounts, the Directorate-General for Agriculture proposed to the Commission that a number of claims be disallowed either because of the illegal payment of national aids by the regional authorities of the member country or because of illegal acts performed under the responsibility of the Member State, these being negative decisions not concerning directly the physical and procedural conditions of the granting of Community aid ("upstream" infringements: in particular the case of the Milk Marketing Boards and the excess over the fisheries quotas). The Commission had already stated its intention to withhold, in a few particular cases, EAGGF advance payments or to refuse the charging of expenditure to the EAGGF accounts (cf. OJ C 318, 24.11.1983, p. 3, and Commission Memorandum COM(83)500 final 28.07.1983). The clearance of the 1980-1981 accounts provided the Commission with an opportunity to make clear its position on this question. Further to a very thorough high-level review of the complex questions arising with regard to the selection of cases which may lead to refusal of claims and with regard to the determination of the actual sums to be disallowed, it set out relevant guidelines, subject to rulings from the Court due in a number of cases.

The Commission's conclusions were communicated to the Member States in Document VI/662/85, circulated to the EAGGF Committee in February 1986.

8.4. The "Memorandum"

The "Memorandum" on the submission of expenditure declarations by the Member States has, since its consolidation in 1983, been amended on four occasions, partly to accommodate changes in the regulations and partly to provide the Member States with all the information necessary for preparation of the annual EAGGF guarantee expenditure declaration.

The EAGGF Committee examined in detail the latest amendment proposals in the course of three meetings of a working group held in January and February 1986.

8.5. Amendment of Regulation (EEC) No 1723/72

It is established practice, for the purposes of the clearance of guarantee expenditure accounts, that the Member States may, having sent in their expenditure declarations by the 31 March deadline of the following year, provide additional information. Such information is generally needed following checks made by Commission staff. However, it often reaches the Commission very belatedly, sometimes even only a short time before the clearance decision. This cannot be reconciled with the clearance deadlines and in 1985 the Commission sought the opinion of the EAGGF Committee on a draft regulation (made under Regulation (EEC) No 1723/72) by which the Commission would have power to set a deadline for the submission of additional information by the Member States taking particular account of the increase in work required to furnish the additional information. Failing compliance with the deadline, the Commission will have power to adopt this decision on the basis of the information available at that date, except where submission is delayed by exceptional circumstances.

This Regulation was adopted on 25 February 1986¹. It will apply for the first time in respect of the clearance of the 1983 accounts.

¹Regulation (EEC) No 422/86, OJ L 48, 26 February 1986.

8.6. Systems audit

From June 1983 to July 1984, the Commission audited the systems operated by a paying agency in each Member State, with a view to verifying, for the purposes of accounts clearance, expenditure on export refunds and MCAs declared for 1982 and 1983. The information relating to these checks is given in Table No 11.

Before visiting each paying agency, the Commission wrote to the Member State concerned asking it to place at its disposal, before the visit, certain documents enabling the Commission's inspectors to prepare for their work. Most of the Member States reacted very constructively to the Commission's request, even providing detailed descriptions of the agency's systems. Having studied the information received, the Commission's inspectors visited the agencies to examine and assess procedures and carry out checks.

In general, the Commission's inspectors came to the conclusion that the procedures implemented by the agencies visited had many valuable features allowing of effective verification of EAGGF guarantee expenditure, notably in the following three fields:

- (i) separation of functions between the administrative unit which examines applications and authorizes payments and the administrative unit making the payment and establishing its justification;
- (ii) the proper supervision of officials responsible for major activities in connection with management of applications and payments;
- (iii) the provision for officials of full, accurate and up-to-date information.

However, the Commission's inspectors made some criticism of certain weaknesses in the procedures applied by all the agencies, in which there is still progress to be made to improve further the verification of EAGGF guarantee expenditure.

TABLE No 11

CHECKS CARRIED OUT IN 1983 AND 1984
WITH REGARD TO EXPORT REFUND AND MCA EXPENDITURE

<u>Member State</u>	<u>Paying agency inspected</u>	<u>Other agencies visited</u>	<u>Expenditure* verified (m ECU)</u>	
			1982 (12 months in all cases)	1983 (Number of months in brackets)
Belgium	OCCL	-	367	127 (6)
Denmark	EF Direktoratet	Customs	380	414 (12)
Germany	Hamburg Jonas	BALM - computer	1 297	855 (6)
Greece	YDAGEP	Customs - computer	88	74 (6)
France	ONIC	Customs	548	324 (4)
Ireland	Dept. of Agriculture	Customs	298	292 (10)
Italy	Intendenza di Finanza de Roma	Customs - Ministero commercio estero	297	166 (6)
Luxembourg	Min. de l'Agriculture	Customs - Office des Licences	2	1 (6)
Netherlands	Produktschap voor Zuivel	-	670	352 (6)
United Kingdom	IBAP	Customs	939	0 (0)
			4 886**	2 605

Notes :

* Absolute sum of "negative" and "positive" expenditure

** I.e. 89% of total expenditure on export refunds and MCAs in the Community.

After each systems audit, a full report was sent to the Member State concerned, including analysis of the systems of the paying agency, established by the Commission's inspectors, with their assessment. Certain Member States reacted constructively and have altered their procedures to eliminate the shortcomings noted by the inspectors.

Between November 1984 and December 1985, the Commission organized the second round of inspections of the paying agencies listed in Table No 11. As the EAGGF inspectors had already audited the systems of these paying agencies, they were in a position, to some extent, to restrict their verification work, e.g. to examining only the changes made to the systems since their first visit. However, they still checked that the paying agency's system was continuing to operate properly.

The work carried out by the Commission's inspectors in 1983, 1984 and 1985 enabled them to verify expenditure declared on export refunds and MCAs for 1982, 1983 and much of 1984. Thus, the Commission was, to a great extent, able to satisfy itself that all the expenditure declared by the agencies under these headings was properly carried out. Also, the Commission's inspectors were able to help shorten the time-lag between the "operative event" relating to expenditure and subsequent verifications. However, examination of the payment files, as part of the inspection work in each of the agencies, revealed, in some cases, mistakes in application of the Community regulations.

TITLE V

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

9.1. Main features of Community food aid

9.1.1. General situation

The 1985 Community food aid programmes adopted by the Council under Regulation (EEC) No 457/85 of 19 February 1985¹ were as follows:

- 1 160 000 tonnes of cereals, with a first tranche of 927 700 tonnes and a second of up to 232 300 tonnes;
- a maximum of 108 600 tonnes of skimmed-milk powder;
- a maximum of 28 700 tonnes of butteroil;
- a maximum of 11 000 tonnes of sugar;
- a maximum of 9 100 tonnes of vegetable oil (seed oil and olive oil);
- other products (fish, dried vegetables and dried vegetable meal, etc.) in quantities equivalent to a maximum of the value of 211 700 tonnes of cereals.

The adoption of the 1985 programmes by the Council was achieved earlier than for the 1984 programmes, but their execution in the same year fell short of that for the preceding year, for certain products (cereals, skimmed-milk powder, butteroil, vegetable oil).

At 31 December, outstanding quantities not yet implemented included 431 758 tonnes of cereals, 44 793 tonnes of skimmed-milk powder and 15 953 tonnes of butteroil, lower figures than in 1984.

Irrespective of Community food aid as such, the Member States' annual participation (1985) under the 1980 Food Aid Convention, which entered into force on 1 July 1980 and has been renewed until 30 June 1986, totalled about 725 000 tonnes of cereals (national aid under the Convention).

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

¹OJ No L 54, 23 February 1985.

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 former 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 costs mentioned.

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 within 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 1985, based on tonnages delivered in that year.

TABLE NO 12

Quantities delivered (1) in 1985 (compared with 1984)
(tonnes)

PRODUCTS	1985 PROGRAMME	PREVIOUS PROGRAMMES	1985 TOTAL	1984 TOTAL
Cereals (wheat equivalent)	637 601	450 112	1 087 713	1 505 167
Skimmed-milk powder (SMP)	41 875	106 145	148 020	173 094
Butteroil	6 400	26 742	33 142	49 854
Sugar	6 750	3 434	10 184	302
Vegetable oil	4 036	7 031	11 067	8 686
Other products ²	23 582	2 100	25 682	27 953

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

No distinction was made between the two concepts before 1984.

The adaptation of the statistics to this new criterion, more accurate and above all more uniform, does none the less mean that some quantities offered for tender in 1984 but only loaded on board in 1985 were included in the 1984 statistics for quantities delivered. These quantities are about:

150 000 t for cereals

45 000 t for skimmed-milk powder

9 000 t for butteroil.

² Including purchases by non-governmental organizations (NGOs) and international organizations.

MOBILIZATIONS
1985 programme

	QUANTITIES PROVIDED FOR IN BUDGET (1) (t)	QUANTITIES MOBILIZED (t) (delivered or to be delivered)	QUANTITIES BEING MOBILIZED (t) (to be delivered)	STILL TO BE EXECUTED (t)
Cereals	1 160 000 (2)	686 499	41 743	431 758
SMP	108 600	57 437	6 370	44 793
Butteroil	28 700	10 347	2 400	15 953

Source: Commission staff - Directorate-General for Development

¹ And in implementing Regulation (EEC) No 457/85 of 19 February 1985.

² Including:

- 100 000 t of rice recorded in terms of cereals equivalent (200 000 t)
- about 200 000 t outside the Convention.

Deliveries in 1985 fell short of those in 1984 except for sugar and vegetable oils, although the 1985 programmes were adopted by the Council on 19 February (7 May 1984 for the 1984 programmes). The main reason for this is the spurt in rate of execution of aid schemes in 1984, as a result of which, using appropriations carried over from 1983, much of the delay that had built up in respect of previous aid programmes was eliminated.

For this reason, expenditure in 1985 was a good deal lower than in 1984. It totalled 543 853 000.63 ECU, 25% down on 1984, breaking down as follows (cf. Table No 13):

- expenditure declared by the Member States: 454 781 662.74 ECU
 - direct payments made by the Commission staff: 89 071 337.89 ECU

TABLE NO 13

Overall expenditure in 1985 compared with 1984
 (ECU)

	1985	1984	Index of increase/ reduction (1984 = 100)
Food aid			
Expenditure declared by Member States	454 781 662.74	584 716 659.81	78
Direct payments made by the Commission	89 071 337.89	137 706 539.74	65
TOTAL	543 853 000.63	722 423 199.55	75

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 Sections.

However, certain payments were made directly by the Commission, as shown at point 9.3.2(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 473 746 950.21 ECU for 1985 (see Annex 28, col. a + c).

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 for 1984 shows a reduction in expenditure under the monthly advance payments of about 20.3%. The rate of utilization of the advance payments, which was 98.4% in 1984, showed very little change in 1985, — 96%.

TABLE NO 14

Breakdown and utilization of monthly advance payments in 1985 (ECU)

: Member States :	Advance payments:	Expenditure at :	Rate of utilization :
:	(1) :	31.12.1985 (2) :	(%) :
: Belgium :	49 204 617.90 :	49 183 476.38 :	100 :
: Denmark :	1 719 790.36 :	1 463 036.77 :	85.1 :
: Germany :	105 384 052.12 :	105 367 009.84 :	100 :
: Greece :	2 414 865.34 :	2 196 692.74 :	91 :
: France :	191 570 530.87 :	181 762 942.66 :	94.9 :
: Ireland :	23 719 998.94 :	21 591 615.99 :	91 :
: Italy :	40 149 736.77 :	33 944 626.42 :	84.5 :
: Luxembourg :	1 190 343.74 :	1 014 295.94 :	85.2 :
: Netherlands :	30 667 566.51 :	30 434 320.66 :	99.2 :
: United Kingdom :	27 725 447.66 :	27 823 645.34 :	100.4 :
-----	-----	-----	-----
: TOTAL EEC :	473 746 950.21 :	454 781 662.74 :	96 :

9.2.2. Cash position

Annex 28 shows the cash position as at 31.12.1985. The sum available for the Community (before adjustment and given as a breakdown by Member State) was 18 965 287.47 ECU. This amount, corresponding to advance payments not used by the Member States as at 31.12.1985, has been readjusted in relation with the ECU rate valid for the advance payments of January 1986 (Annex 28, col. f).

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

¹ Including the balance available at 31.12.1984 as shown in the Fourteenth Financial Report (cf. p. 100, Annex 24, col. e) totalling 22 720 057.91 ECU, and allowing for an adjustment of - 8 974 682.13 ECU relating to the clearance of the Danish 1979 accounts.

² Expenditure declared by the Member States.

9.3. Administration of appropriations

9.3.1. Total appropriations available in 1985 (cf. Annexes 30 to 32)

In 1985, for the first time, certain budget headings in Chapter 92 were given differentiated appropriations.

The appropriations for commitment total 635 594 800 ECU and the appropriations for payment 507 861 900 ECU, not including transfers to Chapter 92 from other Titles of the budget. These transfers were needed to make good overall appropriation shortfalls.

(a) The appropriations for payment available are as follows (ECU):

- carried forward from 1984 because of deferred implementation of certain schemes	7 449 221.73
- original appropriations for payment entered in the 1985 budget - Chapter 92	507 861 900.00
- transfers concerning Chapter 92(1)	16 000 000.00
" " "	20 000 000.00
" " "	17 500 000.00

	568 811 121.72
	=====

The corresponding amount for 1985 being 721 596 742.25 ECU, the reduction in appropriations for payment for 1985 was 21.2%.

(b) The appropriations for commitment are the following (ECU):

- original appropriations for commitment entered in the 1985 budget	635 594 800
- transfers concerning Chapter 92(1)	53 500 000

	689 094 800
	=====

This amount was committed in its entirety.

9.3.2. Payments

(a) Expenditure declared by the Member States.

Table No 14 and Annexes 28 to 32 show the expenditure declared by the Member States, i.e. an amount of 454 781 662.74 ECU. The reduction in this expenditure as compared with 1984 was 22.2%.

This is expenditure disbursed during 1985, subject to subsequent Commission accounts clearance decisions. Differences between the advance payments approved and actual expenditure disbursed constitute the balances available at 31.12.1985.

¹Decision of the budgetary authority of 02.12.1985.

(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's departments.

The total for these payments in 1985 was 89 071 337.89 ECU. A breakdown by beneficiary is shown in Table No 15 below.

The figure for direct payments is 35.3% below that for 1984.

TABLE NO 15

Breakdown of direct payments by beneficiary¹

Beneficiary	Direct payments (ECU)
Angola	1 879 874.96
Bangladesh	858 896.10
Bolivia	1 955 096.49
Botswana	66 535.60
Burkina Faso	28 320.75
Burundi	817 050.60
Cape Verde	51 172.34
Central African Republic	970.22
Chile	136 414.00
ICRC ²	4 240 394.18
Djibouti	6 033.63
Egypt	814 600.00
El Salvador	595 369.00
Ecuador	714.18
Ethiopia	6 827 742.17
EURONAIID	16 576 526.09
Gambia	33 400.00
Ghana	8 956.23
Haiti	32 003.28
Honduras	13 686.60
India	2 262 576.38
Indonesia	3 500.05
Jamaica	145 092.39
Kampuchea	1 083 326.91
Kenya	291 841.15
Lebanon	1 066 894.70
Lesotho	146 989.50
LORCS ³	1 908 155.00
Mali	417 615.98
Morocco	4 785.22
Mauritania	329 874.66
Mozambique	5 978 039.85
Nicaragua	4 008 628.67
Niger	60 837.29
Uganda	245.20
Pakistan	14 836.89
WFP ⁴	5 119 103.08

:	:	:	:
:	Philippines	:	152 054.79
:	Ruanda	:	879 167.79
:	Sao Tome	:	170 473.30
:	Senegal	:	2 862 564.34
:	Sri Lanka	:	91 236.81
:	Somalia	:	1 273 120.79
:	Sudan	:	4 147 507.14
:	Syria	:	1 208.50
:	Tanzania	:	207 109.60
:	UNHCR ⁵	:	1 524 046.11
:	UNICEF ⁶	:	120 000.00
:	UNRWA ⁷	:	8 741 634.45
:	Zaire	:	9 521.59
:	Zambia	:	10 623 664.13
:	Zimbabwe	:	230 556.25
:	Miscellaneous	:	251 372.96

:	TOTAL	:	89 071 337.89
:	:	:	:

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 Nations Children's Fund

⁷ United Nations Relief and Works Agency for Palestine Refugees
in the Near East

9.3.3. Charging to the budget

The expenditure amounts declared by the Member States are charged as global sums to the budget every month, while direct expenditure by the Commission's staff under the 1977 Financial Regulation (direct payments) is charged on a case-by-case basis.

9.3.4. Transfers

During the year, transfers within Chapter 92 proved necessary to adapt the appropriations made to specific headings to the needs arising from the monthly charging of expenditure declared by the Member States and from that concerning payments made directly by the Commission. The table in Annex 30 shows all the transfers made in respect of 1985.

9.4. Appropriations carried forward to 1986 and commitments still to be settled at the end of the year

Under the 1977 Financial Regulation, the 1985 budget appropriations were committed as soon as the programmes were adopted by the Council for that year, i.e. from 19 February 1985 onwards.

The commitments still to be settled at the end of 1985 total
152 683 306.79 ECU.

Also, appropriations for payment carried over to 1986 totalled
24 950 406.79 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, the vouchers and 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 departments.

- 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 1985; the decisions clearing the accounts for these years should normally be taken in 1987. Also, preparation for the clearance of the 1984 accounts has begun.

It should also be noted that a number of reservations have been entered and are given in annexes to the decisions published in the Official Journal of the EEC. The opportunity is taken in this report to list below the reservations, still outstanding, made under clearance procedures since 1970.

TABLE NO 16

List of reservations 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 to 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 1

Summary of implementation for 1985

APPROPRIATIONS	m ECU	IMPLEMENTATION	m ECU
<u>A. 1985 appropriations</u>		<u>C. Commitments</u>	
1. Original appropriations	19.979,085	1. Appropriations available	19.885,732
2. Transfer of appropriations	- 96,000	2. Sum not committed	89,703
	-----		-----
3. Appropriations available	19.883,085	3. Commitments	19.796,029
		4. Remainder from total	49,192

		5. Commitments allocated	19.746,837
<u>B. 1984 appropriations</u>		<u>D. Payments</u>	
Automatic carryover from 1984	2,647	1. Total sum allocated	19.746,837
	-----	2. Payments	19.742,031

		3. Amount committed to be carried over automatically	4,412
		4. Appropriations to be carried over (non-automatic)	0,-
		5. Appropriations lapsed (1)	139,289
TOTAL	19.885,732	TOTAL	19.885,732

(1) of which : - against automatic carryover from 1984 : 0,394
- against 1985 appropriations : 138,895

ANNEX 2

EXPENDITURE CHARGED UNTIL THE END OF DECEMBER 1985

ITEM	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	FRANCE	IRELAND	ITALIA	LUXEM- BOURG	NEDERLAND	UNITED KINGDOM	COMMUNITY	TOTAL EEC	m. ECU
CEREALS AND RICE	143,737	74,858	434,822	50,773	706,158	13,091	450,596	0,275	89,066	315,597	0,515	2,360,288	
CEREALS REFUNDS	123,287	20,180	72,058	21,313	556,280	4,179	109,202	0,003	40,634	128,744		1,076,680	
COMMON WHEAT GRAIN AND FLOUR REFUNDS	23,737	2,401	25,845	16,710	369,273	0,090	14,572		11,010	14,269		477,926	
BARLEY GRAIN AND MALT REFUNDS	93,215	13,567	21,179	0,001	151,418	4,064	3,163		2,670	112,629		398,907	
OTHER CEREALS REFUNDS	4,899	4,040	22,661	3,645	33,034	0,025	93,554	0,003	22,778	1,703		186,141	
FOOD AID REFUNDS (CEREALS)	1,436	0,172	3,173	0,958	2,555		1,113		4,176	0,123		13,707	
INTERVENTION STORAGE OF CEREALS	6,922	49,930	323,637	0,045	179,489	8,137	75,187	0,272	6,290	160,181		810,089	
CARRYOVER PAYMENTS	3,008	1,804	14,387		16,918	0,754	3,729	0,186	2,197	15,337		58,319	
TECHNICAL COSTS, PUBLIC STORAGE OF CEREALS	1,676	20,476	137,765	0,804	89,362	2,153	18,261	0,036	2,336	80,644		353,511	
FINANCIAL COSTS, PUBLIC STORAGE OF CEREALS	0,820	11,206	68,371	0,273	32,185	0,144	17,821	0,023	1,232	42,739		174,815	
OTHER PUBLIC STORAGE COSTS FOR CEREALS	1,419	16,445	103,116	-1,032	41,024	5,086	35,376	0,027	0,525	21,462		223,448	
OTHER STORAGE INTERVENTION (CEREALS)			-0,003									-0,003	
INTERVENTION OTHER THAN FOR CEREAL STORAGE	12,895	4,738	37,988	29,414	49,293	1,575	218,615		41,753	26,624	0,515	423,371	
PRODUCTION AID, DURUM WHEAT				28,564	8,275		205,639					242,478	
REFUNDS FOR THE PRODUCTION OF POTATO STARCH		4,637	12,344		10,232				22,632			49,844	
OTHER REFUNDS FOR CEREALS PRODUCTION	12,895	0,101	25,601	0,850	30,785	1,575	12,976		19,122	26,624	0,515	131,045	
OTHER INTERVENTION (CEREALS)			0,004									0,004	
RICE	0,633	0,009	0,379		1,096		47,593		0,389	0,048		50,148	
RICE REFUNDS	0,006	0,009	0,379		0,040		35,772		0,355	0,048		36,609	
FOOD AID REFUNDS (RICE)													

EXPENDITURE CHARGED UNTIL THE END OF DECEMBER 1985

ITEM	m ECU										TOTAL EEC	
	BELGIUM	DANMARK	DEUTSCH- LAND	ELLAS	FRANCE	IRELAND	ITALIA	LUXEM- BOURG	NETHERLAND	UNITED KINGDOM		COMMUNITY
INTERVENTION, RICE	3,627				1,056		11,822		0,034			13,539
SUGAR	278,835	64,880	320,214	5,677	774,830	13,970	56,136	0,002	162,130	127,868		1,804,543
REFUNDS ON SUGAR AND ISOGLUCOSE	246,033	49,846	222,133	0,078	613,608	6,940	0,309	0,002	123,800	90,088		1,352,807
REFUNDS ON SUGAR AND ISOGLUCOSE	246,033	49,846	222,133	0,078	613,608	6,940	0,309	0,002	123,800	90,088		1,352,807
FOOD AID REFUNDS (SUGAR)												
INTERVENTION FOR SUGAR	32,833	15,035	98,081	5,598	161,222	7,030	55,827		38,330	37,780		451,736
REIMBURSEMENT OF STORAGE COSTS FOR SUGAR	32,756	14,984	95,609	5,598	152,630	7,030	56,025		37,354	36,904		438,899
PUBLIC STORAGE OF SUGAR			1,507				-0,289					1,218
REFUNDS FOR USE IN CHEMICAL INDUSTRY	0,067	0,050	0,965		0,514		0,009		0,976	0,876		3,459
MEASURES TAKEN FOR OVERSEAS DEPARTMENTS					8,078		0,082					8,160
SUGAR SUBSIDIES TO IMPORTS OF SUGAR												
OTHER INTERVENTION FOR SUGAR												
OLIVE OIL	0,025	0,018	-0,030	118,387	5,554		562,544		0,150	0,766	4,813	692,226
REFUNDS ON OLIVE OIL				8,867	0,363		9,879		0,066	0,012		19,188
REFUNDS ON OLIVE OIL				8,867	0,363		9,879		0,066	0,012		19,188
FOOD AID REFUNDS (OLIVE OIL)												
PRODUCTION AND CONSUMPTION AIDS, OLIVE OIL	0,023		-0,030	127,308	3,798		492,299		0,084	0,753		624,157
PRODUCTION AIDS, OLIVE OIL				102,402	1,738		339,226					443,406

EXPENDITURE CHARGED UNTIL THE END OF DECEMBER 1985

ITEM	in ECU											
	BELGIQUE	DANMARK	DEUTSCH- LAND	FLIAS	FRANCE	IRELAND	ITALIA	LUXEM- BOURG	NEDERLAND	UNITED KINGDOM	Community EEC	TOTAL EEC
CONSUMPTION AIDS, OLIVE OIL	3,023		-0,030	24,867	1,981		153,073		0,084	0,753		180,751
SPECIFIC MEASURES FOR PRODUCTION AND CONSUMPTION OF OLIVE OIL							13,511				0,813	18,324
MEASURES IN CONNECTION WITH PRODUCTION OF OLIVE OIL							13,511					13,511
MEASURES IN CONNECTION WITH CONSUMPTION OF OLIVE OIL											0,813	4,813
INTERVENTION IN THE FORM OF OLIVE OIL STORAGE				-17,972			23,208					5,237
TECHNICAL PUBLIC STORAGE COSTS FOR OLIVE OIL				2,512			17,447					19,960
FINANCIAL PUBLIC STORAGE COSTS FOR OLIVE OIL				1,399			12,743					14,142
OTHER PUBLIC STORAGE COSTS FOR OLIVE OIL				-21,883			-6,982					-28,865
OTHER STORAGE INTERVENTION FOR OLIVE OIL												
OTHER INTERVENTION FOR OLIVE OIL	3,001	0,018		0,182	1,472		23,647					28,321
OILSEEDS AND PROTEIN PLANTS	104,659	51,273	413,209	12,197	382,828	1,655	194,899	0,014	169,938	152,475		1,483,148
OILSEEDS	94,747	24,373	344,438	11,577	264,578		174,989		90,298	115,628		1,110,628
REFUNDS ON OILSEEDS		3,184							0,230	-0,002		3,411
PRODUCTION AID, COLZA RAPE	50,195	21,584	279,215		139,526		5,757		26,593	110,907		643,777
PRODUCTION AID, SUNFLOWER	22,929		65,278	11,575	105,013		67,451		62,462	4,379		338,986
PRODUCTION AID, SOYA				0,002	13,832		101,700					115,534
PRODUCTION AID, FLAX SEED	1,723	3,001	0,003		8,208		0,081		1,014	0,344		9,373

EXPENDITURE CHARGED UNTIL THE END OF DECEMBER 1985

ITEM	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	FRANCE	IRELAND	ITALIA	LUXEM- BOURG	NEDERLAND	UNITED KINGDOM	Community	TOTAL EEC	m. ECU
OTHER AIDS (OILSEEDS) INTERVENTION IN THE FORM OF STORAGE FOR OILSEEDS OTHER INTERVENTION FOR OILSEEDS		-0,396	-0,057										-0,452
PROTEIN PLANTS	19,912	25,900	68,771	0,620	118,251	1,655	19,910	0,014	79,639	36,847		372,519	
PRODUCTION AID, PEAS AND FIELD BEANS	19,743	14,270	59,011		57,040	1,007	2,564	0,014	69,699	31,780		255,528	
PRODUCTION AID, DRIED FODDER	0,170	12,630	9,759	0,620	61,095	0,248	17,346		9,940	5,049		116,858	
PRODUCTION AID, LUPINS OTHER INTERVENTION FOR PROTEIN PLANTS					0,116					0,018		0,133	
TEXTILE PLANTS AND SILKWORMS	3,285			212,984	21,237		0,455		1,535	0,075	1,073	240,645	
FIBRE FLAX AND HEMP	3,285				21,219				1,534	0,075	1,073	27,186	
PRODUCTION AID, FIBRE FLAX SPECIFIC MEASURES (FIBRE FLAX)	3,285				19,767				1,534	0,075		24,661	
PRODUCTION AID, HEMP OTHER INTERVENTION (FIBRE FLAX AND HEMP)					1,453						1,073	1,453	
COTTON				212,741								212,741	
SILKWORMS				0,243	0,018		0,455		0,001			0,716	
OTHER (TEXTILE PLANTS)													

EXPENDITURE CHARGED UNTIL THE END OF DECEMBER 1985

ITEM	m. ECU									TOTAL EEC	
	BELGIQUE	DANMARK	DEUTSCH- LAND	FLIAS	FRANCE	IRELAND	ITALIA	LUXEM- BOURG	NEDERLAND		UNITED KINGDOM	Community
FRUIT AND VEGETABLES	3,006	1,996	6,372	341,423	123,217	0,181	742,064		6,617	5,840	1,230,715
FRESH FRUIT AND VEGETABLES	1,533	0,262	2,026	92,411	49,024	0,102	248,250		4,934	3,393	401,936
EXPORT REFUNDS, FRESH FRUIT AND VEGETABLES	0,042	0,262	0,701	29,634	6,586		23,676		2,138	0,001	63,039
FINANCIAL COMPENSATION FOR WITH- DRAWALS AND BUYING-IN AND FOR PROCESSING AND DISTRIBUTION	1,491		1,326	44,135	42,206	0,102	117,926		2,795	3,393	213,374
FINANCIAL COMPENSATION FOR PROMOTING COMMUNITY CITRUS FRUIT				8,620	0,232		16,648				25,500
FINANCIAL COMPENSATION FOR PROCESSING CITRUS FRUIT				10,022			90,000				100,023
OTHER INTERVENTION (FRESH FRUIT AND VEGETABLES)											
PROCESSED FRUIT AND VEGETABLES	1,473	1,734	4,346	249,012	74,193	0,078	493,814		1,683	2,446	828,779
EXPORT REFUNDS, PROCESSED FRUIT AND VEGETABLES	0,523	1,687	0,143	2,665	1,813	0,078	1,084		1,050	2,446	11,489
PRODUCTION AID, TOMATO-BASED PRODUCTS				79,682	31,799		417,072				528,553
PRODUCTION AID, FRUIT-BASED PRODUCTS	0,950	0,047	4,203	166,665	33,055		75,658		0,633		281,211
AID, TINNED PINEAPPLE					7,526						7,526
OTHER INTERVENTION FOR PROCESSED FRUIT AND VEGETABLES											
PRODUCTS OF THE WINE-GROWING SECTOR		0,004	8,475	34,611	329,470		548,234		0,565		921,360
REFUNDS ON PRODUCTS OF THE WINE-GROWING SECTOR			0,418	7,566	6,591		4,285		-0,001		18,858

EXPENDITURE CHARGED UNTIL THE END OF DECEMBER 1985

ITEM	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	FRANCE	IRELAND	ITALIA	LUXEM- BOURG	NEDERLAND	UNITED KINGDOM	Community	m. ECU TOTAL EEC
INTERVENTION FOR PRODUCTS OF THE WINE-GROWING SECTOR		0,004	8,056	27,046	322,879		543,949			0,567		902,501
INTERVENTION IN THE FORM OF STORAGE OF WINE AND GRAPE MUST			0,189	6,404	38,915		41,992					87,580
DISTILLATION OF WINE COMPULSORY DISTILLATION OF BY-PRODUCTS OF WINE-MAKING			7,334	18,922	196,051		376,704					599,010
				0,425	37,260		27,620					65,305
AID FOR UTILIZATION OF MUST ACCEPTANCE OF ALCOHOL FROM COMPULSORY DISTILLATION		0,004	0,006	1,214	49,928		96,595			0,464		148,212
					0,584		0,866					1,450
OTHER INTERVENTION FOR THE WINE-GROWING SECTOR			0,527		0,142		0,173			0,102		0,945
TOBACCO	6,721		44,069	352,063	81,807		377,521		0,669			862,850
REFUNDS ON TOBACCO	0,013		1,538	16,958	0,737		12,099		0,669			32,014
PREMIUMS FOR TOBACCO	6,708		42,530	327,973	81,070		360,708					818,989
INTERVENTION IN THE FORM OF TOBACCO STORAGE				7,132			4,715					11,847
TECHNICAL PUBLIC STORAGE COSTS FOR TOBACCO				6,350			0,563					6,913
FINANCIAL PUBLIC STORAGE COSTS FOR TOBACCO				1,029			0,513					1,543
OTHER PUBLIC STORAGE COSTS FOR TOBACCO				-0,248			3,639					3,391
OTHER INTERVENTION FOR TOBACCO												
OTHER SECTORS OR AGRICULTURAL PRODUCTS	1,624	15,225	8,537	0,891	8,534	0,111	6,234	0,070	7,719	5,629		54,638

EXPENDITURE CHARGED UNTIL THE END OF DECEMBER 1985

ITEM	BELGIUM	DENMARK	DEUTSCH- LAND	GREECE	FRANCE	IRELAND	ITALY	LUXEM- BOURG	NETHERLAND	UNITED KINGDOM	Community	TOTAL EEC
SEEDS	1,449	15,225	2,300	0,891	8,292	0,089	6,238	0,070	7,719	4,097		46,371
HOPS	0,235		6,237		0,207	0,023				1,532		8,235
POTATOES												
ETHYL ALCOHOL OF AGRICULTURAL ORIGIN												
BEE-KEEPING			-0,001		0,034					-0,001		0,032
OTHER (OTHER SECTORS OR AGRICULTURAL PRODUCTS)												
MILK AND MILK PRODUCTS	256,868	387,257	1617,321	8,036	1273,729	477,040	150,714	4,144	1257,374	500,750		5,933,234
REFUNDS, MILK AND MILK PRODUCTS	138,921	246,457	214,584	2,298	410,060	125,698	21,877	1,999	701,553	164,753		2,028,201
REFUNDS, BUTTER AND BUTTEROIL	58,808	29,804	17,854	0,048	174,370	31,987	0,181	0,017	216,878	13,958		553,985
REFUNDS, SKIMMED-MILK POWDER	13,346	7,377	10,219		104,308	43,835	0,005	0,009	52,973	64,901		296,975
REFUNDS, CHEESE	1,048	108,809	47,739	2,245	52,614	5,623	21,429	0,016	66,062	16,953		322,539
REFUNDS, OTHER MILK PRODUCTS	22,761	99,793	66,568	0,005	63,090	26,544	0,262	0,414	352,401	49,414		681,252
FOOD AID REFUNDS, SKIMMED-MILK POWDER	26,585	0,592	49,101		9,293	7,714			5,746	11,968		111,000
FOOD AID REFUNDS, BUTTEROIL	6,372		23,103		6,385	9,995		1,543	7,494	7,558		62,451
INTERVENTION STORAGE OF SKIMMED-MILK POWDER	4,691	19,984	358,945		1,682	81,902	15,560	0,390	29,110	67,732		579,997
PRIVATE STORAGE FOR SKIMMED-MILK POWDER												

EXPENDITURE CHARGED UNTIL THE END OF DECEMBER 1985

ITEM	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	FRANCE	IRELAND	ITALIA	LUXEM- BOURG	NEderland	UNITED KINGDOM	M. ECU	
											Community	TOTAL EEC
TECHNICAL PUBLIC STORAGE COSTS FOR SKIMMED-MILK POWDER	0,083	0,301	13,066		0,101	0,980	0,075	0,002	0,444	1,843		16,904
FINANCIAL PUBLIC STORAGE COSTS FOR SKIMMED-MILK POWDER	0,188	0,754	45,839		0,209	2,787	0,087	0,001	1,523	6,400		57,789
OTHER PUBLIC STORAGE COSTS FOR SKIMMED-MILK POWDER	4,420	18,929	300,040		1,372	78,127	15,397	0,386	27,143	59,489		505,304
INTERVENTION IN THE FORM OF AID FOR UTILIZATION OF SKIMMED MILK	45,852	107,437	519,020		569,269	180,425	14,817	0,982	298,362	90,924		1,827,089
AID SKIMMED-MILK POWDER, CALF FEED	21,437	11,061	251,121		395,305	30,333	4,515	0,970	191,126	16,692		922,642
AID LIQUID SKIMMED MILK, CALF FEED	7,473	35,352	73,285		2,310	0,612	0,052	0,012	0,745	0,621		120,462
AID SKIMMED-MILK POWDER FOR FEED, OTHER ANIMALS					0,211				1,144			1,354
AID LIQUID SKIMMED MILK FOR FEED, OTHER ANIMALS	16,941	10,699	127,373		12,109	42,439	10,250		6,980	65,256		292,047
AID SKIMMED MILK PROCESSED INTO CASEIN		50,325	67,240		159,255	107,042			98,286	8,354		490,503
AID SKIMMED-MILK POWDER 10% FAT, CALF FEED									0,082			0,082
OTHER AID (SKIMMED MILK)												
INTERVENTION STORAGE OF BUTTER AND CREAM	32,275	14,912	494,736	0,227	239,945	93,224	1,564	1,052	287,384	160,451		1,325,771
PRIVATE STORAGE (BUTTER AND CREAM)	7,941	1,299	26,442		10,252	1,418	0,464	0,261	15,053	4,536		67,667
TECHNICAL PUBLIC STORAGE COSTS FOR BUTTER AND CREAM	1,394	1,807	53,346		14,533	12,271	0,135	0,108	26,182	24,561		134,339
FINANCIAL PUBLIC STORAGE COSTS FOR BUTTER AND CREAM	2,149	2,406	102,638		20,751	18,511	0,173	0,078	46,978	40,801		234,485
OTHER STORAGE COSTS FOR BUTTER AND CREAM	20,791	9,401	312,310	0,227	194,408	61,024	0,791	0,605	199,171	90,553		889,281
OTHER MEASURES FOR BUTTER	45,627	14,310	64,781	1,684	113,870	8,984	53,347	0,617	40,340	59,395		402,956
CONSUMPTION AID, BUTTER AND SOCIAL WELFARE RECIPIENTS		2,338				7,289		0,307		16,811		26,744
OTHER MEASURES (BUTTER)	45,627	11,972	64,781	1,684	113,870	1,695	53,347	0,310	40,340	42,585		376,212
INTERVENTION FOR OTHER MILK PRODUCTS			0,185	0,548	8,458	0,159	57,679					67,029
STORAGE OF CHEESE (OTHER MILK PRODUCTS)			0,185	0,548	8,458	0,159	57,679					67,029
OTHER MEASURES IN THE MILK AND MILK PRODUCTS SECTOR	11,765	13,737	66,618	2,477	49,379	9,148	25,469	0,608	8,775	63,191		251,167
GUARANTEE SECTION FINANCIAL CONTRIBUTION TO NON-MARKETING AND DAIRY HERD CONVERSION PREMIUMS	0,685	4,001	21,055		5,766	2,584		0,004	1,535	5,488		41,160

EXPENDITURE CHARGED UNTIL THE END OF DECEMBER 1985

ITEM											m ECU	
	BELGIQUE	DANMARK	DEUTSCH- LAND	ELLAS	FRANCE	IRELAND	ITALIA	LUXEM- BOURG	NEDERLAND	UNITED KINGDOM	Community	TOTAL EEC
SCHOOL MILK	8,374	5,355	30,955	0,900	33,152	2,183	9,856	0,113	3,236	47,104		141,228
MARKET DEVELOPMENT MEASURES	2,705	4,249	14,326	0,075	10,438	2,726	11,278	0,322	3,438	9,950		59,501
IMPROVEMENT OF MILK QUALITY		0,132	0,287	1,501	0,024	1,655	4,335	0,129	0,567	0,649		9,279
OTHER MEASURES UNDER PROGRAMME TO EXPAND MILK PRODUCTS MARKET OTHER MEASURES (MILK AND MILK PRODUCTS)												
FINANCIAL CONTRIBUTION BY MILK PRODUCERS	-22,261	-34,379	-123,430		-159,150	-34,838	-39,573	-1,805	-116,164	-105,699		-637,300
LINEAR LEVY (CORESPONSIBILITY)	-22,261	-34,378	-156,367		-159,150	-34,027	-39,573	-1,805	-86,119	-105,699		-639,380
ADDITIONAL LEVY (CORESPONSIBILITY)		-0,001	32,936			-0,811			-30,045			2,080
MEASURES FOR SMALL PRODUCERS	-0,001	4,800	21,883	0,802	40,214	12,337	-0,026	0,300	8,013	0,001		88,323
BEEF/VEAL	32,340	111,550	526,214	6,212	722,110	560,607	317,659	0,088	138,827	330,124		2,745,731
REFUNDS FOR BEEF/VEAL	19,590	60,417	328,028	0,030	344,021	324,579	45,562		94,109	122,229		1,338,565
INTERVENTION STORAGE OF BEEF/VEAL	11,214	50,836	197,844		328,501	164,024	203,465		44,641	93,595		1,094,122
PRIVATE STORAGE (BEEF/VEAL)	2,356	1,689	60,506		24,996	38,456	7,059		12,055	12,512		159,630
TECHNICAL PUBLIC STORAGE COSTS FOR BEEF/VEAL	1,514	11,472	26,911		60,357	30,098	40,269		6,452	21,054		198,128
FINANCIAL PUBLIC STORAGE FOR BEEF/VEAL	0,918	6,324	18,316		38,276	20,663	29,087		3,783	10,828		128,195
OTHER PUBLIC STORAGE COSTS FOR BEEF/VEAL	6,426	31,350	92,110		204,872	74,807	127,050		22,351	49,201		608,169
INTERVENTION OTHER THAN BEEF/VEAL STORAGE	1,536	0,298	0,342	6,182	49,587	72,004	68,632	0,088	0,077	114,299		313,045
PREMIUMS, SUCLER COWS	1,536	0,298	0,343	2,156	49,587	24,420	13,130	0,088	0,077	21,665		113,300

EXPENDITURE CHARGED UNTIL THE END OF DECEMBER 1985

ITEM	BELGIQUE	DANMARK	DEUTSCH- LAND	FLLAS	FRANCE	IRELAND	ITALIA	LUXEM- BOURG	NEDERLAND	UNITED KINGDOM	m ECU.	
											Community	TOTAL EEC
CALF PREMIUMS				4,025		47,583	55,503				9,461	116,572
PREMIUMS FOR SLAUGHTER OF ADULT CATTLE OTHER THAN COWS											83,174	83,173
OTHER INTERVENTION (BEEF/VEAL)												
SHEEP AND GOATMEAT	0,637	0,367	11,610	11,547	46,928	57,356	4,854	0,025	4,717	364,383		502,424
REFUNDS FOR SHEEP AND GOATMEAT												
INTERVENTION FOR SHEEP AND GOATMEAT	0,637	0,367	11,610	11,547	46,928	57,356	4,854	0,025	4,717	364,383		502,424
PREMIUMS FOR SHEEP AND GOATMEAT	0,637	0,367	11,610	11,547	46,928	57,356	4,854	0,025	4,717	364,383		502,424
STORAGE OF SHEEP AND GOATMEAT												
OTHER INTERVENTION, SHEEP AND GOATMEAT												
PIGMEAT	54,493	76,530	5,553	0,008	5,773	1,030	5,771	0,033	12,877	3,233		165,301
REFUNDS FOR PIGMEAT	2,189	75,514	3,109	0,008	4,841	1,008	2,428	0,033	10,915	2,846		102,892
INTERVENTION FOR PIGMEAT	52,303	1,016	2,443		0,932	0,022	3,343		1,962	0,387		62,409

EXPENDITURE CHARGED UNTIL THE END OF DECEMBER 1985

ITEM	m ECU										TOTAL EEC	
	BELGIUM	DENMARK	DEUTSCH- LAND	GREECE	FRANCE	IRELAND	ITALY	LUXEM- BOURG	NETHERLAND	UNITED KINGDOM		Community
EGGS AND POULTRY	4,324	5,367	5,425	0,076	32,653	0,012	0,150	0,002	14,683	1,492		63,189
REFUNDS ON EGGS	0,388	0,176	3,440	0,004	2,544	0,004	0,062	0,002	11,069	0,481		18,168
REFUNDS ON POULTRY	2,940	5,191	1,985	0,071	30,110	0,009	0,089		3,615	1,011		45,021
REFUNDS ON CERTAIN GOODS OBTAINED BY PROCESSING AGRICULTURAL PRODUCTS	24,378	37,178	55,741	3,609	49,222	36,755	34,164	0,038	108,088	91,715		440,846
REFUNDS FOR CEREALS EXPORTED IN THE FORM OF SPIRITUOUS BEVERAGES						0,277			0,115	25,174		25,565
REFUNDS ON CERTAIN GOODS OBTAINED BY PROCESSING AGRICULTURAL PRODUCTS	24,378	37,178	55,741	3,609	49,222	36,478	34,164	0,038	107,933	66,541		415,281
TOTAL SECTORS	913,995	826,505	3457,531	1158,493	4644,050	1162,610	3452,001	4,690	1974,351	1900,510	6,402	19,501,138
ACCESSION CAS GRANTED FOR INTRA-COMMUNITY TRADE				0,230			-0,028					0,201

EXPENDITURE CHARGED UNTIL THE END OF DECEMBER 1985

ITEM	BELGIQUE	DANMARK	DEUTSCH- LAND	ELIAS	FRANCE	IRELAND	ITALIA	LUXEM- BOURG	NEDERLAND	UNITED KINGDOM	Community	m.ECU TOTAL EEC
MCAs CHARGED OR GRANTED FOR TRADE IN AGRICULTURAL PRODUCTS	1,597	7,221	46,802	38,075	-14,899	5,028	-1,788	0,002	99,070	8,454		189,563
MCAs ON INTRA-COMMUNITY TRADE	1,602	7,173	-11,724	38,075	-14,899	5,028	-1,797	0,002	47,275	-9,525		61,213
MCAs ON IMPORTS PAID BY IMPORTING MS (DEPRECIATING CURRENCY)	2,176			41,589	23,927		1,624			0,369		67,685
MCAs ON IMPORTS PAID BY EXPORTING MS FOR IMPORTING MS (DEPR. CURRENCY)	2,657	7,163	22,473		18,104	5,031		0,002	10,801	0,106		66,336
MCAs ON IMPORTS CHARGED BY IMPOR- TING MS (APPR. CURRENCY)	0,016	0,005	-133,305	-0,007	0,001				-57,095	-23,493		-213,878
MCAs ON EXPORTS PAID BY EXPORTING MS (APPR. CURRENCY)	-0,002	0,006	99,108	0,203					93,569	20,488		213,373
MCAs ON EXPORTS CHARGED BY EXPOR- TING MS (APPR. CURRENCY)	-1,245			-3,710	-56,930	-0,003	-3,421			-6,994		-72,303
MCAs ON EXTRA-COMMUNITY TRADE	-0,005	0,048	58,526				0,008		51,794	17,979		128,350
PORTION OF MCAs GRANTED ON IMPORTS (INTO MS WITH DEPR. CURRENCY) EXCEEDING IMPORT LEVY							0,008			4,068		4,076
MCAs ON EXPORTS PAID BY EXPORTING MS (APPR. CURRENCY)	-0,005	0,048	58,526						51,794	13,911		124,274
SUBTOTAL COMPENSATORY AMOUNTS	1,597	7,221	46,802	38,305	-14,899	5,028	-1,816	0,002	99,070	8,454		189,764

EXPENDITURE CHARGED UNTIL THE END OF DECEMBER 1985

ITEM	BELGIE	DANMARK	DEUTSCH- LAND	ELLAS	FRANCE	IRELAND	ITALIA	LUXEM- BOURG	NEDERLAND	UNITED KINGDOM	Community	TOTAL EEC
TOTAL SECTORS AND COMPENSATORY AMOUNTS	915,593	833,726	3504,333	196,798	4629,151	1167,638	3450,185	4,692	2073,420	1908,964	6,402	19,690,902
COMMON ORGANIZATION OF FISHERIES MARKETS	0,456		0,354	0,356	4,577	1,673	1,843		1,065	5,732		16,054
REFUNDS ON FISHERY PRODUCTS			-0,085						-0,041	0,037		-0,089
INTERVENTION FOR FISHERY PRODUCTS	0,456		0,438	0,356	4,577	1,673	1,843		1,105	5,695		16,143
WITHDRAWAL AND CARRYOVER PREMIUM FOR FISHERY PRODUCTS	0,456		0,438	0,356	4,577	1,673	1,843		1,105	5,695		16,143
PRIVATE STORAGE AID FOR FISHERY PRODUCTS												
OTHER INTERVENTION FOR FISHERY PRODUCTS												
GRAND TOTAL	916,049	833,727	3504,687	197,154	4633,728	1169,311	3452,028	4,692	2074,485	1914,695	6,402	19,706,956
OTHER EXPENDITURE	0,732	-4,402	121,258	-4,247	4,174	-0,814	-39,306	0,110	-26,048	-14,224		37,234
CLEARANCE PREVIOUS YEARS	0,732	-4,402	1,302	-4,247	4,174	-0,814	-39,306	0,110	-42,548	-14,224		-99,223

EXPENDITURE CHARGED UNTIL THE END OF DECEMBER 1985

ITEM	BELGIQUE	DANMARK	DEUTSCH- LAND	FLIAS	FRANCE	IRELAND	ITALIA	LUXEM- BOURG	NEDERLAND	UNITED KINGDOM	Community	m. ECU
												TOTAL EEC
COMMUNITY COMPENSATORY MEASURES			119,956						16,500			136,456
SPECIAL STORAGE REDUCTION MEASURES												
GRAND TOTAL AND CLEARANCES	916,781	829,325	3625,945	1192,907	4637,902	1168,497	3412,722	4,802	2048,437	1900,471	6,402	19.744,190

ANNEX 3 : EAGGF GUARANTEE EXPENDITURE BY SECTOR (1)

NATURE OF EXPENDITURE	(m ECU)					
	1980	1981	1982	1983	1984	1985
CEREALS	1.669,0	1.921,4	1.824,5	2.441,2	1.650,0	2.310,2
Refunds	1.174,7	1.206,3	1.064,9	1.525,0	918,3	1.076,7
Intervention, of which:	494,3	715,1	759,6	916,2	731,7	1.233,5
- production refunds	148,1	129,2	135,4	129,7	175,5	180,8
- aid for durum wheat	129,0	171,2	165,8	218,5	200,3	242,5
- storage	212,8	341,7	453,4	565,6	355,8	810,1
RICE	58,7	21,7	50,3	92,9	47,8	50,1
Refunds	44,4	17,2	40,0	67,9	26,9	36,6
Intervention	14,3	4,5	9,3	25,0	20,9	13,5
SUGAR	575,2	767,5	1.241,9	1.316,2	1.631,5	1.804,5
Refunds	286,2	409,2	744,0	758,1	1.190,0	1.352,8
Intervention, of which:	289,0	358,3	497,0	558,1	441,5	451,7
- reimbursement of						
storage costs	272,6	344,3	489,9	550,5	429,8	440,1
OLIVE OIL	317,9	442,7	493,1	675,3	1.096,4	692,2
Refunds	0,0	2,9	8,8	9,7	8,1	19,2
Intervention	317,9	439,8	484,3	665,6	1.088,3	673,0
OILSEEDS	369,4	582,7	720,7	945,6	655,6	1.110,6
Refunds	3,7	5,4	3,8	3,7	0,4	3,4
Intervention, of which:	365,7	577,3	716,9	941,9	655,2	1.107,2
- Rape and sunflower seed	349,4	566,1	703,0	924,8	613,1	982,8
- Soya	6,3	2,2	7,3	6,2	32,7	115,5
- Flax seed	9,8	8,6	6,7	14,5	7,2	9,4
PROTEIN PLANTS	60,5	65,5	82,8	142,3	215,6	372,5
Refunds	-	-	-	-	-	-
Intervention, of which:	60,5	65,5	82,8	142,3	215,6	372,5
- peas, and field beans	27,0	31,4	41,1	84,6	139,4	255,5
- dried fodder	33,5	34,1	41,7	57,7	76,1	116,9
TEXTILE PLANTS AND SILKWORMS, of which:	17,2	72,3	116,4	160,0	108,0	240,6
- flax and hemp	16,8	17,0	19,5	19,3	19,2	27,2
- cotton	-	54,9	96,2	140,1	88,2	212,7
FRUIT AND VEGETABLES	687,3	641,1	914,3	1.196,1	1.454,6	1.230,7
Refunds	41,3	42,8	59,5	58,1	58,6	74,5
- fresh	39,3	40,9	53,1	51,9	50,1	63,0
- processed	1,9	1,9	6,5	6,2	8,5	11,5
Intervention	646,0	598,3	854,8	1.138,0	1.396,0	1.156,2
- fresh	155,7	180,0	305,3	397,9	569,1	338,9
- processed	490,3	418,3	549,5	740,1	826,9	817,3
WINE	299,5	459,4	570,6	659,2	1.222,6	921,4
Refunds	26,4	25,8	31,9	20,2	18,6	18,9
Intervention, of which:	273,1	433,6	538,7	639,0	1.204,0	902,5
- private storage aid	71,4	85,7	108,4	142,5	135,6	87,6
- compulsory distillation						
of by-products of						
wine-making	0,1	0,3	9,0	63,1	88,6	65,3
- others (mainly distil.)	194,5	314,9	390,5	391,4	852,4	599,0
TOBACCO	309,3	361,8	622,6	671,3	776,4	862,9
Refunds	4,5	5,8	17,3	27,9	36,5	32,0
Intervention	304,8	356,0	605,3	643,4	739,9	830,9

: OTHER SECTORS, of which:	: 38,2	: 46,7	: 53,4	: 55,6	: 51,5	: 54,6	:
: - seeds	: 32,0	: 38,8	: 43,4	: 43,0	: 42,4	: 46,4	:
: - hops	: 6,2	: 5,9	: 5,4	: 8,2	: 8,4	: 8,2	:
: MILK AND MILK PRODUCTS	: 4.752,0	: 3.342,7	: 3.327,7	: 4.396,1	: 5.441,7	: 5.933,2	:
: Refunds	: 2.745,9	: 1.886,3	: 1.521,3	: 1.326,8	: 1.943,4	: 2.028,2	:
: Intervention, of which:	: 2.006,1	: 1.456,4	: 1.806,4	: 3.069,3	: 3.498,3	: 3.905,0	:
: - aid for skimmed milk	: 1.281,6	: 1.157,4	: 1.310,5	: 1.630,7	: 1.841,3	: 1.827,1	:
: - storage of skimmed milk	: 20,6	: 83,4	: 135,4	: 634,5	: 819,5	: 580,0	:
: - storage of butter	: 439,5	: 214,7	: 196,6	: 410,8	: 830,9	: 1.325,8	:
: - disposal of butter	: 207,6	: 211,8	: 414,1	: 496,4	: 450,1	: 403,0	:
: - financial participation	:	:	:	:	:	:	:
: - by milk producers	: - 222,9	: - 478,5	: - 537,3	: - 527,4	: - 749,2	: - 637,3	:
: - expansion of the markets:	: 109,4	: 106,2	: 105,7	: 154,2	: 183,7	: 210,0	:
: BEEF/VEAL	: 1.363,3	: 1.436,9	: 1.158,6	: 1.736,5	: 2.546,8	: 2.745,8	:
: Refunds	: 715,5	: 825,2	: 643,5	: 828,2	: 1.392,7	: 1.338,6	:
: Intervention, of which:	: 647,8	: 611,7	: 515,1	: 908,3	: 1.154,1	: 1.407,2	:
: - public and priv. storage:	: 504,1	: 393,1	: 341,5	: 632,4	: 814,5	: 1.094,1	:
: - calf premiums	: 77,7	: 102,4	: 74,4	: 103,0	: 152,4	: 116,6	:
: SHEEP AND GOATMEAT	: 53,5	: 191,5	: 251,7	: 305,6	: 433,5	: 502,4	:
: Refunds	:	:	:	: 0,0	:	:	:
: Intervention	: 53,5	: 191,5	: 251,7	: 305,6	: 433,5	: 502,4	:
: PIGMEAT	: 115,6	: 154,6	: 111,6	: 145,0	: 195,9	: 165,4	:
: Refunds	: 91,6	: 132,6	: 96,1	: 120,2	: 157,0	: 102,9	:
: Intervention	: 24,0	: 22,0	: 15,5	: 24,8	: 38,9	: 62,5	:
: EGGS AND POULTRYMEAT	: 85,5	: 83,9	: 103,9	: 123,3	: 69,8	: 63,2	:
: Refunds	: 85,5	: 83,9	: 103,9	: 123,3	: 69,8	: 63,2	:
: - eggs	: 17,5	: 18,1	: 24,2	: 30,4	: 20,4	: 18,2	:
: - poultrymeat	: 68,0	: 65,8	: 79,7	: 92,9	: 49,4	: 45,0	:
: NON-ANNEX II PRODUCTS	: 221,3	: 282,4	: 414,4	: 343,2	: 382,4	: 440,8	:
: Refunds	: 221,3	: 282,4	: 414,4	: 343,2	: 382,4	: 440,8	:
: FISHERIES	: 23,0	: 28,0	: 34,0	: 25,7	: 15,6	: 16,1	:
: Refunds	: 11,4	: 12,6	: 13,8	: 8,2	: 0,9	: - 0,1	:
: Intervention	: 11,6	: 15,4	: 20,2	: 17,5	: 14,7	: 16,2	:
: TOTAL AGRICULTURAL	: 11.016,4	: 10.902,8	: 12.092,5	: 15.431,1	: 17.995,7	: 19.517,2	:
: EXPENDITURE	:	:	:	:	:	:	:
: Accession compensatory	:	: 0,1	: 0,4	: 0,3	: 0,3	: 0,2	:
: amounts	:	:	:	:	:	:	:
: Monetary compensatory	: 298,5	: 238,3	: 312,7	: 488,3	: 375,9	: 189,6	:
: amounts	:	:	:	:	:	:	:
: Community compensation	:	:	:	:	:	: 136,4	:
: measures	:	:	:	:	:	:	:
: TOTAL EXPENDITURE	: 11.314,9	: 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	:
: EAGGF GUARANTEE SECTION	:	: (2)	:	: (3)	: (4)	: (5)	:

(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.

ANNEX 4 : BREAKDOWN OF EXPENDITURE BY SECTOR AND ECONOMIC CATEGORY - 1985

(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	2.310,2	1.076,7	751,8	-	481,7 (2)	-	1.233,5	
Rice	50,1	36,6	-	-	13,5	-	13,5	
Sugar	1.804,5	1.352,8	440,1 (3)	-	11,6	-	451,7	
Olive oil	692,2	19,2	5,2	-	667,8	-	673,0	
Oilseeds, of which:	1.110,6	3,4	- 0,5	-	1.107,7	-	1.107,2	
- rape and sunflower seed	986,2	3,4	- 0,5	-	983,3	-	982,8	
Protein plants, of which:	372,5	-	-	-	372,5	-	372,5	
- peas, beans and field								
beans	255,5	-	-	-	255,5	-	255,5	
- dried fodder	116,9	-	-	-	116,9	-	116,9	
Textile plants, of which:	240,6	-	-	-	240,6	-	240,6	
- flax and hemp	27,2	-	-	-	27,2	-	27,2	
- cotton	212,7	-	-	-	212,7	-	212,7	
- silkworms	0,7	-	-	-	0,7	-	0,7	
Fruit and vegetables	1.230,7	74,5	-	213,4	942,8 (4)	-	1.156,2	
Wine	921,4	18,9	89,6	599,0 (5)	213,9 (6)	-	902,5	
Tobacco	862,9	32,0	11,9	-	819,0	-	830,9	
Other sectors, of which:	54,6	-	-	-	54,6	-	54,6	
- seeds	46,4	-	-	-	46,4	-	46,4	
- hops	8,2	-	-	-	8,2	-	8,2	
- beekeeping	p.m.	-	-	-	p.m.	-	p.m.	
Milk and milk products,	5.933,2	2.028,2	1.972,8	-	1.891,0 (7)	41,2 (8)	3.905,0	
of which:								
- skimmed milk	2.815,1	408,0	580,0 (9)	-	1.827,1	-	2.407,2	
- butter	2.345,2	616,4	1.325,8	-	403,0	-	1.728,8	
Beef/veal	2.745,8	1.338,6	1.094,1	-	196,5	116,6(10)	1.407,1	
Sheep and goatmeat	502,4	-	-	-	502,4	-	502,4	
Pigmeat	165,4	102,9	62,5	-	-	-	62,5	
Eggs and poultrymeat	63,2	63,2	-	-	-	-	-	
Non-Annex II products	440,8	440,8	-	-	-	-	-	
Fisheries	16,1	- 0,1	-	16,2	-	-	16,2	
SUBTOTAL	19.517,2	6.587,7	4.427,5	828,6	7.515,6	157,8	12.929,5	
%	100,0	33,8	22,7	4,2	38,5	0,8	66,2	
COMPENSATORY AMOUNTS	189,8	128,4	-	-	61,4	-	61,4	
TOTAL	19.707,0	6.716,1	4.427,5	828,6	7.577,0	157,8	12.990,9	
%	100,0	34,1	22,4	4,2	38,5	0,8	65,9	

FOOTNOTES TO ANNEX 4

- (1) Private and public storage. Details of expenditure on storage are given in Annex 6.
- (2) Including production refunds (180.8 m ECU) and aid for durum wheat (242.5 m ECU).
- (3) Reimbursement of private storage costs.
- (4) Promotion (25.5 m ECU) and processing (100.0 m ECU) of Community citrus fruit + intervention in respect of processed products (817.3 m ECU).
- (5) Distillation (599.0 m ECU).
- (6) Aid for the re-storage of table wines (12.3 m ECU) and aid for concentrated wine musts (148.2 m ECU).
- (7) The linear and additional co-responsibility levies (637.3 m ECU) have been deducted.
- (8) Milk non-marketing and dairy herd conversion premiums.
- (9) Including 573.0 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	%
		(*)				(*)		(*)		(*)	
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
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
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
Cereals (excluding 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
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
I		715,1	6,4	759,6	6,1	916,2	5,7	731,7	4,0	1.233,5	6,2
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
R		409,2	3,7	744,0	6,0	758,1	4,8	1.190,0	6,5	1.352,8	6,9
I		358,3	3,2	497,9	4,0	558,1	3,5	441,5	2,4	451,7	2,3
Fruit 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
R		42,8	0,4	59,5	0,5	58,1	0,4	58,6	0,3	74,5	0,4
I		598,3	5,4	854,8	6,9	1.138,0	7,1	1.396,0	7,6	1.156,2	5,9
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
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
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
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
R		825,2	7,4	643,5	5,2	828,2	5,2	1.392,7	7,6	1.338,6	6,8
I		611,7	5,5	515,1	4,1	908,3	5,7	1.154,1	6,3	1.407,2	7,1
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
R		838,8	7,6	1.020,5	8,2	1.063,5	6,7	1.116,1	6,1	845,3	4,3
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

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

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ANNEX 6

BREAKDOWN OF INTERVENTION IN RESPECT OF STORAGE COSTS IN 1985

						(m ECU)
PRODUCTS	Private storage	Public storage	of which		Difference between buying and selling prices (1)	
			Technical costs	Financing costs		
Cereals	-	751,8	353,5	174,8	223,5	
Sugar	438,9 (2)	1,2	1,7	2,0	-/- 2,5	
Olive oil	-	5,2	20,0	14,1	-/- 28,9	
Oilseeds	-	-/- 0,5	0,7	1,1	-/- 2,3	
Flax/hemp	-	-	-	-	-	
Wine/alcohol (3)	88,1	1,5	0,6	0,9	-	
Tobacco	-	11,8	6,9	1,5	3,4	
Skimmed-milk powder	-	580,0	16,9	57,8	505,3	
Butter	98,8 (4)	1.226,9	134,3	234,5	858,1	
Cheese	67,0	-	-	-	-	
Beef/veal	159,6	934,5	198,1	128,2	608,2	
Pigmeat	32,5	30,0	0,7	0,3	29,0	
TOTAL	884,9	3.542,4	733,4	615,2	2.193,8	

- (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 : private storage.
- (4) Including special measures to dispose of butter held in private storage (29.3 m ECU).

ANNEX 7

QUANTITY AND VALUE OF PRODUCTS IN PUBLIC STORAGE

PRODUCT	Situation at 30.11.84 (1)		Situation at 30.11.85 (1)		
	Quantity (tonnes)	Value (2) (m ECU)	Quantity (tonnes)	Value (2) (m ECU)	Sales value foreseeable (m ECU) (5)
Common wheat	4.448.350	872,397	3.890.400	776,736	1.936,333
Common wheat not suitable for bread-making	2.014.940	390,839	8.012.260	1.613,633	
Barley	1.636.448	319,733	4.650.697	940,463	727,791
Rye	441.427	91,884	1.108.185	225,663	164,361
Durum wheat	853.022	226,849	986.151	264,221	198,351
Sugar	42.900	25,701	-	-	-
Olive oil	167.280	272,560	75.413	115,629	115,629
Colza	58.368	26,227	-	-	-
Tobacco - leaf	3.194	2,756	6.987	6,719	
Tobacco - processed	6.562	5,168	3.802	3,036	5,913
Tobacco - baled	4.455	5,605	3.886	4,831	
Alcohol	-	-	501.365(3)	47,260	7,151
Skimmed-milk powder	773.377	1.242,394	513.774	866,715	490,186
Butter	972.760	3.536,807	1.018.135	3.415,732	1.251,765
Beef (carcasses)	468.007	1.297,084	588.922	1.508,729	658,310
Boned beef	127.469	434,778	214.201	761,495	549,676
Pig meat	-	-	25.797	28,920	16,022
TOTAL		8.750,782		10.579,782	6.121,488
				(4)	

- (1) Article 6(1) of Regulation (EEC) No 3184/83 lays down that second-category expenditure to be declared for a year is 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 after 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 of the products.

ANNEX 8

Breakdown of intervention expenditure in the form of price compensation aids

(1985 data)

	(m ECU)		
SECTOR	PRODUCTION AID	PROCESSING AID	TOTAL
Cereals	300,8	180,9	481,7
Rice	13,5	-	13,5
Sugar	8,2	3,4(1)	11,6
Olive oil	642,5	25,3	667,8
Oilseeds, of which :	1.107,7	-	1.107,7
- rape and sunflower seeds	983,3	-	983,3
Protein plants, of which :	372,5	-	372,5
- peas and field beans	255,5	-	255,5
- dried fodder	116,9	-	116,9
Textile plants, of which :	240,6	-	240,6
- flax and hemp	27,2	-	27,2
- cotton	212,7	-	212,7
Fruit and vegetables	25,5	917,3(2)	942,8
Wine	213,9	-	213,9
Tobacco	819,0	-	819,0
Other sectors, of which :	54,6	-	54,6
- seeds	46,4	-	46,4
- hops	8,2	-	8,2
Milk products, of which :	73,4	1.817,6	1.891,0
- skimmed milk	412,5(3)	1.414,6(4)	1.827,1
- butter	-	403,0	403,0
- co-responsibility (5)	-637,3	-	-637,3
Beef/veal	196,5(6)	-	196,5
Sheepmeat	502,4	-	502,4
SUBTOTAL	4.571,1	2.944,5	7.515,6
Intra-Community MCAs + accession CAS	61,4	-	61,4
GRAND TOTAL	4.632,5	2.944,5	7.577,0

- 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-responsibility takes the form of a levy.
- 6) Premiums for orderly marketing and slaughtering of adult cattle and for suckler cows.

ANNEX 9

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

Year	EAGGF Guarantee expenditure ('000 m ECU)		Community gross domestic product at market prices ('000 m ECU) (source: CRONOS)	EAGGF guarantee expenditure as % of Community gross domestic product	
	Gross	Net of agricultural levies		Gross	Net
a	b	c	d	e = 100 b/d	f = 100 c/d
1976	5,587	4,414	1.275,6	0,44	0,35
1977	6,830	4,692	1.417,5	0,48	0,33
1978	8,673	6,390	1.573,5	0,55	0,41
1979	10,440	8,297	1.771,2	0,59	0,47
1980	11,315	9,313	1.997,5	0,57	0,47
1981	10,980	9,233	2.220,9	0,49	0,42
1982	12,406	10,178	2.421,3	0,51	0,42
1983	15,812	13,517	2.593,1	0,61	0,52
1984	18,346	15,910	2.776,2	0,66	0,57
1985	19,744	17,565	2.975,1 (*)	0,66	0,59

(*) Provisional.

ANNEX 10

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

(m ECU)										
Measure	1977	1978	1979	1980	1981	1982	1983	1984	1985	16.9.77 to 31.12.85
A. Revenue from co-responsibility levy (1)	24,1	156,1	94,2	222,9	478,5	537,3	527,4	699,7	639,4	3.379,6
B. Total expenditure :	7,5	53,4	110,3	109,4	117,1	197,7	335,1	550,6	552,3	2.033,4
a) school milk (R.1080/77)	-	10,3	30,-	45,7	41,4	49,1	59,8	88,3	103,5	428,1
b) butter for the manufacture of ice-cream (R.232/75, R.262/79, R.1932/81)	7,5	28,5	23,8	24,-	24,4	22,6	30,9	28,4	36,-	226,1
c) butter for pastry manufacture (R.262/79, R.1932/81, R.442/84)	-	-	-	-	-	-	-	125,7	95,1	220,8
d) concentrated butter for direct consumption (R.349/73, R.649/78)	-	4,5	3,6	5,1	7,3	5,7	5,4	7,4	4,6	43,6
e) promotion, advertising and market research in the Community (R/723/78)	)	)	37,4	26,6	35,2	25,6	60,-	51,6	59,5)
f) market research outside the Community (R.1993/78, R.1024/78)	)	) 10,1	)	)	)	)	)	)	)	) 376,4
g) Improvement of the quality of milk (R.1271/78)	)	)	15,5	8,-	8,8	6,5	10,6	11,7	9,3)
h) disposal for pig and poultry feed (R.368/77, 443/77, 1844/77)	)	)	)	)	)	88,2	168,4	237,5	244,3	738,4
EXPENDITURE/REVENUE (%)	31,1%	34,2%	117,1%	49,1%	24,5%	36,8%	63,5%	78,7%	86,4%	60,2%

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

ANNEX 11

EQUALIZATION OF STORAGE COSTS FOR SUGAR

COMMUNITY SUGAR

Situation at 20.05.1986

: Sugar : year :	: Total : levies : (ECU)	: Total : reimbursement : (ECU)	: Annual balance		: Cumulative balance		: Duration : of storage: : (months)
			: absolute (ECU)	: % (a)	: absolute (ECU)	: % (a)	
: 1968/69	: 64.844.437,00	: 63.916.054,19	: + 928.382,81	: + 1,43	: + 928.382,81	: + 1,43	: 5,63
: 1969/70	: 65.226.052,11	: 69.848.500,70	: - 4.622.448,59	: - 7,09	: - 3.694.065,78	: - 2,84	: 6,13
: 1970/71	: 69.029.052,44	: 65.111.106,99	: + 3.917.945,45	: + 5,68	: + 223.879,67	: + 0,11	: 5,38
: 1971/72	: 97.151.231,54	: 92.680.188,23	: + 4.471.043,31	: + 4,60	: + 4.694.922,98	: + 1,58	: 5,94
: 1972/73	: 91.067.000,23	: 90.747.372,33	: + 319.627,90	: + 0,35	: + 5.014.550,88	: + 1,29	: 5,81
: 1973/74	: 101.755.638,48	: 92.645.695,20	: + 9.109.943,28	: + 8,95	: + 14.124.494,16	: + 2,89	: 4,80
: 1974/75	: 104.267.684,38	: 97.929.484,41	: + 6.338.199,97	: + 6,08	: + 20.462.694,13	: + 3,45	: 4,64
: 1975/76	: 109.434.955,76	: 160.690.238,39	: - 51.255.282,63	: - 46,84	: - 30.792.588,50	: - 4,38	: 6,24
: 1976/77	: 201.167.703,48	: 184.974.737,03	: + 16.192.966,45	: + 8,05	: - 14.599.622,05	: - 1,62	: 5,99
: 1977/78	: 233.088.197,63	: 230.546.438,85	: + 2.541.758,78	: + 1,09	: - 12.057.863,27	: - 1,06	: 5,84
: 1978/79	: 248.919.068,53	: 239.528.446,20	: + 9.390.622,33	: + 3,77	: - 2.667.240,94	: - 0,19	: 6,35
: 1979/80	: 239.233.167,49	: 251.107.726,84	: - 11.874.559,35	: - 4,96	: - 14.541.800,29	: - 0,89	: 6,17
: 1980/81	: 326.426.745,59	: 316.367.940,32	: + 10.058.805,27	: + 3,08	: - 4.482.995,02	: - 0,23	: 6,09
: 1981/82	: 407.407.510,45	: 432.962.373,00	: - 25.554.862,55	: - 6,27	: - 30.037.857,57	: - 1,27	: 6,50
: 1982/83	: 478.721.551,25	: 540.755.119,80	: - 62.033.568,55	: - 12,96	: - 92.071.426,12	: - 3,24	: 7,62
: 1983/84	: 448.951.546,50	: 465.612.909,21	: - 16.661.362,71	: - 3,71	: - 108.732.788,83	: - 3,31	: 7,73
: 1984/85	: 482.906.177,70	: 407.898.839,00	: + 75.007.338,70	: + 15,53	: - 33.725.450,13	: - 0,89	: 6,77

(a) % of levies

ANNEX 12

SUGAR PRODUCTION LEVIES

(Application of Article 28 of Regulation (EEC) No 1785/81)

Situation at 1.03.1986

Marketing year	Surplus available for export (a) ('000 t)	Average loss (b) (ECU/t)	Total loss (2 x 3) (m ECU)	Production levies (m ECU)	Losses not covered (4 - 5) (m ECU)	Levies as % of intervention price of white sugar	
						A Sugar	B Sugar
1	2	3	4	5	6	7a	7b
1981/82 I (c)	1.889	252,61	477	410	67	2,0	32,0
II (d)	1.889	252,61	477	410	67		
1982/83 I	2.038	351,12	717	517	200	2,0	39,5
II	3.927	303,77	1.193	927	265		
1983/84 I	1.673	352,20	589	453	136	2,0	39,5
II	5.600	321,94	1.803	1.380	422		
1984/85 I	1.585	419,52	665	507	158	2,0	39,5
II	7.185	347,57	2.497	1.887	610		

- (a) Quantities of A and B sugar and isoglucose net of quantities of sugar and isoglucose sold for consumption on internal Community market.
- (b) Export commitments.
- (c) Result of current marketing year.
- (d) Cumulative result as from 1981/82 pursuant to Article 28(2) and adjusted in accordance with Article 29(1) of Regulation (EEC) No 1785/81.

ANNEX 13

GUARANTEE SECTION ADVANCE PAYMENTS AND FUNDS AVAILABLE IN MEMBER STATES FOR 1985

Date of decision	BELGIUM BFR	DENMARK DKR	GERMANY DM	GREECE DRA	FRANCE FF	IRELAND IRL	ITALY LIT	LUXEMBOURG LFR	NETHERLANDS HFL	UNITED KINGDOM UEL	PEC TOTAL ECU
21.12.84	1.360.000.000,-	336.300.000,-	444.500.000,-	4.978.500.000,-	1.459.000.000,-	45.200.000,-	426.600.000.000,-	20.000.000,-	206.300.000,-	62.900.000,-	
16.01.85	1.010.000.000,-	351.000.000,-	452.000.000,-	5.742.000.000,-	1.311.000.000,-	42.800.000,-	426.600.000.000,-	22.000.000,-	316.700.000,-	49.000.000,-	
23.01.85	2.970.000.000,-	597.000.000,-	611.400.000,-	9.280.000.000,-	2.263.400.000,-	73.800.000,-	660.000.000.000,-	20.000.000,-	510.200.000,-	103.000.000,-	
20.02.85	3.600.000.000,-	670.000.000,-	559.000.000,-	6.910.000.000,-	1.890.000.000,-	46.800.000,-	316.600.000.000,-	2.000.000,-	430.000.000,-	74.000.000,-	
04.03.85	800.000.000,-	139.000.000,-	113.000.000,-	1.404.000.000,-	387.000.000,-	9.500.000,-	64.000.000.000,-	1.000.000,-	90.000.000,-	15.000.000,-	
20.03.85	2.200.000.000,-	657.000.000,-	593.000.000,-	3.070.000.000,-	2.803.000.000,-	85.000.000,-	407.000.000.000,-	32.000.000,-	424.000.000,-	47.000.000,-	
19.04.85	4.481.000.000,-	500.000.000,-	500.000.000,-	6.260.000.000,-	2.181.000.000,-	53.200.000,-	432.000.000.000,-	-	170.000.000,-	74.000.000,-	
20.05.85	3.600.000.000,-	553.000.000,-	540.000.000,-	9.341.000.000,-	2.161.000.000,-	66.800.000,-	80.000.000.000,-	12.000.000,-	290.000.000,-	95.000.000,-	
05.06.85	-	-	-	-	-	-	100.000.000.000,-	-	-	-	
19.06.85	4.890.000.000,-	483.000.000,-	420.000.000,-	8.030.000.000,-	2.570.000.000,-	63.000.000,-	323.000.000.000,-	19.000.000,-	400.000.000,-	85.000.000,-	
11.07.85	-	-	-	3.000.000.000,-	-	-	-	-	-	-	
15.07.85	1.876.000.000,-	300.000.000,-	573.000.000,-	6.350.000.000,-	2.241.000.000,-	54.000.000,-	260.000.000.000,-	6.000.000,-	420.000.000,-	90.000.000,-	
12.08.85	-	-	-	8.000.000.000,-	-	-	-	-	95.500.000,-	-	
19.08.85	3.540.000.000,-	669.000.000,-	937.000.000,-	10.000.000.000,-	2.358.000.000,-	71.000.000,-	140.000.000.000,-	28.000.000,-	352.000.000,-	95.000.000,-	
20.09.85	3.412.000.000,-	593.000.000,-	657.000.000,-	13.136.000.000,-	2.743.000.000,-	45.000.000,-	415.000.000.000,-	10.000.000,-	541.000.000,-	117.000.000,-	
03.10.85	-	-	-	-	209.000.000,-	-	-	-	-	-	
18.10.85	3.399.000.000,-	309.000.000,-	661.400.000,-	11.252.000.000,-	2.477.000.000,-	79.700.000,-	650.000.000.000,-	8.000.000,-	309.000.000,-	68.700.000,-	
19.11.85	4.430.000.000,-	470.000.000,-	759.000.000,-	13.938.000.000,-	3.734.000.000,-	76.500.000,-	184.000.000.000,-	32.000.000,-	545.000.000,-	79.000.000,-	
18.12.85	-	-	-	-	330.600.000,-	-	-	-	-	8.000.000,-	
20.12.85	334.700.000,-	-	245.000.000,-	-	439.000.000,-	22.700.000,-	5.637.000.000,-	5.300.000,-	121.000.000,-	51.700.000,-	
TOTAL FUNDS AVAILABLE (3)	41.233.300.000,-	6.627.300.000,-	8.065.300.000,-	120.692.500.000,-	31.557.000.000,-	834.700.000,-	4.867.884.935.880,-	217.300.000,-	5.220.700.000,-	1.114.300.000,-	
TOTAL IN ECU (1)	917.032.910,43	825.276.740,54	3.616.800.398,49	1.192.783.785,50	4.632.241.240,19	1.165.964.707,06	3.418.940.132,60	4.830.479,04	2.074.478.367,74	1.894.992.639,36	19.743.341.400,95

(1) Allowing for exchange-rate differences.

(2) Released following 1980-1981 clearance decisions.

(3) The advance payment for April allows for balances remaining available at the end of 1984.

ANNEX 14

PREMIUMS (100 %) : ADVANCE PAYMENTS TO MEMBER STATES FOR 1985 (1)

Date of decision :	BELGIUM BFR	DENMARK DKR	GERMANY DM	GREECE DRA	FRANCE FF	IRELAND IRL	ITALY LIT	LUXEMBOURG LFR	NETHERLANDS HFL	U.K. UKL	EEC TOTAL ECU
21.12.84	8.200.000,-	2.400.000,-	1.060.000,-	-	4.500.000,-	195.000,-	-	800.000,-	245.000,-	1.630.000,-	
23.01.85	13.200.000,-	2.300.000,-	11.700.000,-	-	5.800.000,-	235.000,-	-	160.000,-	1.400.000,-	1.170.000,-	
20.02.85	8.000.000,-	5.000.000,-	-	-	8.000.000,-	450.000,-	-	-	-	1.300.000,-	
20.03.85	26.021.942,-	6.900.000,-	9.000.000,-	-	6.500.000,-	250.000,-	-	167.769,-	1.971.723,67	73.326,58	
19.04.85	7.000.000,-	8.000.000,-	10.000.000,-	-	5.000.000,-	260.000,-	-	-	-	-	
20.05.85	-	9.000.000,-	5.000.000,-	-	5.300.000,-	135.000,-	-	1.000.000,-	-	-	
19.06.85	-	6.000.000,-	7.600.000,-	-	4.000.000,-	260.000,-	-	-	900.000,-	1.000.000,-	
15.07.85	-	3.700.000,-	11.500.000,-	-	3.500.000,-	200.000,-	-	-	2.000.000,-	400.000,-	
19.08.85	-	2.000.000,-	5.000.000,-	-	15.500.000,-	500.000,-	-	-	1.700.000,-	500.000,-	
20.09.85	-19.000.000,-	-	3.000.000,-	-	3.300.000,-	200.000,-	-	-	-	-	
03.10.85	-	-	3.400.000,-	-	-	-	-	-	-	-	
18.10.85	-	4.700.000,-	11.800.000,-	-	500.000,-	200.000,-	-	100.000,-	-	-	
19.11.85	8.200.000,-	3.500.000,-	3.700.000,-	-	6.000.000,-	200.000,-	-	-	-	-	
13.12.85	-	-	-	-	-	-	-	1.200.000,-	-	-	
TOTAL FUNDS AVAILABLE (3)	51.621.942,-	53.500.000,-	82.760.000,-	-	67.900.000,-	3.085.000,-	-	3.427.769,-	8.216.723,67	6.073.326,58	
TOTAL IN ECU (2)	1.148.991,81	6.668.296,46	37.122.590,87	-	9.963.396,49	4.307.265,44	-	76.373,19	3.265.123,09	10.178.283,74	72.730.321,09

- (1) Milk non-marketing and dairy herd conversion premiums financed 60% by the Guarantee Section and 40% by the Guidance Section.
(2) Allowing for exchange-rate differences.
(3) The advance payment for April allows for balances remaining available at the end of 1984.

ANNEX 15

Funds available in Member States for 1985 : Guarantee Section (excl. premiums)

		(m ECU)												
Member State		JAN.	FEB.	MARCH	APRIL	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	AVERAGE
BELGIUM	A:	2,9	8,9	10,0	8,0	27,1	3,6	3,4	26,8	2,3	6,6	9,7	24,9	2,6
	B:	52,7	66,4	98,8	46,2	99,9	79,9	108,4	41,4	78,1	75,7	75,5	91,5	76,2
	C:	55,6	57,5	88,8	54,2	72,8	83,5	111,8	68,2	75,8	82,3	65,8	66,6	73,6
	D:	64,4	67,5	80,8	81,4	69,2	80,1	84,9	70,5	69,2	92,0	90,4	65,7	76,3
	E:	8,8	10,0	8,0	27,2	3,6	3,4	26,9	2,3	6,6	9,7	24,6	0,9	2,7
DENMARK	A:	1,2	0,9	1,1	22,6	32,4	35,3	34,6	26,7	9,0	16,4	36,4	10,7	17,1
	B:	85,2	74,8	101,8	81,3	62,7	68,5	60,0	37,2	82,5	73,5	38,3	58,7	68,7
	C:	86,4	73,9	100,7	103,9	95,1	103,8	94,6	63,9	73,5	89,9	74,7	69,4	85,8
	D:	87,2	74,9	78,1	71,4	59,3	69,3	67,9	72,9	57,2	72,9	64,0	69,5	68,8
	E:	0,8	1,0	22,6	32,5	35,8	34,5	26,7	9,0	16,3	36,5	10,7	0,1	17,0
GERMANY	A:	-	6,0	15,9	84,1	62,9	79,6	37,3	9,8	8,6	100,4	97,0	84,8	46,2
	B:	401,6	274,4	302,3	266,4	224,3	241,6	187,4	255,2	415,8	295,3	296,7	454,5	301,3
	C:	401,6	268,4	318,2	350,5	287,2	321,2	224,7	245,4	424,4	395,7	393,7	539,3	347,5
	D:	407,6	252,5	233,9	287,4	207,4	283,8	234,4	236,8	325,3	298,6	309,6	527,4	300,4
	E:	6,0	15,9	84,3	63,1	79,8	37,4	9,7	8,6	99,1	97,1	84,1	11,9	47,1
GREECE	A:	1,9	20,6	51,6	50,2	15,8	22,3	7,0	27,7	7,2	6,6	37,5	16,8	11,4
	B:	116,3	101,8	91,7	31,9	66,0	95,7	111,9	143,9	98,4	124,6	105,4	107,4	99,5
	C:	118,2	122,4	143,3	82,1	81,8	73,4	104,9	116,2	91,2	131,2	142,9	124,2	110,9
	D:	97,9	71,0	93,1	65,6	104,7	80,5	123,5	84,4	93,3	122,1	124,3	124,3	99,4
	E:	20,3	51,4	50,2	16,5	22,9	7,1	27,9	7,3	6,8	37,9	20,8	0,1	11,5
FRANCE	A:	10,4	0,1	42,6	23,9	19,4	7,0	7,0	35,1	18,2	0,5	11,3	37,0	9,7
	B:	404,4	331,7	334,3	401,2	319,8	316,5	375,8	327,2	344,7	434,4	364,2	667,8	385,2
	C:	414,8	331,6	291,7	377,3	339,2	323,5	368,8	292,1	326,5	433,9	375,5	630,8	375,5
	D:	414,9	374,1	315,6	357,9	332,2	330,5	403,9	310,3	327,0	422,6	412,2	630,7	386,0
	E:	0,1	42,5	23,9	19,4	7,0	7,0	35,1	18,2	0,5	11,3	36,7	0,1	10,5
IRELAND	A:	1,0	24,2	48,2	14,7	10,4	1,6	8,6	19,3	6,5	20,0	0,2	8,0	12,4
	B:	122,4	103,4	78,3	117,8	74,3	93,4	87,9	75,3	98,8	62,9	111,2	139,0	97,1
	C:	123,4	127,6	126,5	132,5	84,7	95,0	96,5	94,6	92,3	82,9	111,4	147,0	109,5
	D:	99,4	79,4	111,8	122,2	83,1	86,4	77,1	101,1	72,4	82,6	103,4	146,9	97,1
	E:	24,0	48,2	14,7	10,3	1,6	8,6	19,4	6,5	19,9	0,3	8,0	0,1	12,4
ITALY	A:	22,2	324,3	210,0	69,4	189,1	132,1	79,3	94,4	122,4	45,8	140,3	20,7	113,7
	B:	614,7	481,4	278,8	295,2	305,7	125,8	225,2	181,3	95,8	278,2	456,8	119,5	288,2
	C:	592,5	805,7	488,8	364,6	494,8	257,9	304,5	275,7	218,2	324,0	597,1	98,8	401,9
	D:	272,5	596,5	418,9	170,3	361,1	178,4	210,1	151,1	171,5	183,0	614,4	92,6	285,0
	E:	320,0	209,2	69,9	194,3	133,7	79,5	94,4	124,6	46,7	141,0	17,3	6,2	116,9
LUXEMBOURG	A:	0,1	0,2	0,2	0,1	0,4	0,1	0,0	0,3	0,1	0,1	0,1	0,1	0,1
	B:	0,9	0,5	0,1	0,6	-	0,3	0,4	0,1	0,6	0,2	0,1	0,8	0,4
	C:	1,0	0,3	0,3	0,5	0,4	0,2	0,4	0,4	0,7	0,1	0,2	0,9	0,5
	D:	1,2	-	0,4	0,1	0,5	0,2	0,1	0,3	0,8	-	0,1	0,8	0,4
	E:	0,2	0,3	0,1	0,4	0,1	0,1	0,3	0,1	0,1	0,1	0,1	0,1	0,1
NETHERLANDS	A:	7,5	22,6	3,9	73,6	94,1	4,1	27,0	63,1	30,2	18,0	6,3	20,1	1,0
	B:	207,7	202,8	207,0	160,6	67,6	114,9	158,0	203,6	138,8	215,9	123,3	267,0	172,2
	C:	215,2	180,2	210,9	234,2	161,7	110,4	131,0	140,5	108,6	197,9	117,0	246,9	171,2
	D:	237,7	176,4	137,0	140,3	165,8	137,4	194,0	170,7	126,3	204,1	137,5	219,3	170,5
	E:	22,5	3,8	73,9	93,9	4,1	27,0	63,0	30,2	17,7	6,2	20,5	27,6	0,7
UNITED KINGDOM	A:	0,5	77,9	85,2	55,5	1,4	7,0	58,3	50,6	7,2	12,1	12,5	5,4	30,2
	B:	187,2	167,7	142,6	76,1	123,9	163,3	147,7	157,8	170,1	203,2	120,2	235,8	158,0
	C:	187,7	245,6	227,8	131,6	125,3	170,3	206,0	208,4	177,3	215,3	132,7	230,4	188,2
	D:	107,6	159,1	173,2	130,2	118,5	112,7	155,8	201,4	164,8	202,9	138,3	230,4	157,9
	E:	80,1	86,5	54,6	1,4	6,8	57,6	50,2	7,0	12,5	12,4	5,6	0,0	30,3
EEC TOTAL	A:	3,3	408,3	361,3	354,1	398,8	239,7	180,5	82,4	64,9	189,3	319,3	12,3	217,8
	B:	2.193,1	1.804,9	1.635,7	1.477,3	1.344,2	1.299,5	1.462,3	1.423,0	1.523,6	1.763,9	1.691,7	2.142,0	1.646,8
	C:	2.196,4	2.213,2	1.997,0	1.831,4	1.743,0	1.539,2	1.642,8	1.505,4	1.588,5	1.953,2	2.011,0	2.154,3	1.864,6
	D:	1.790,4	1.851,4	1.642,8	1.426,8	1.501,8	1.359,3	1.560,6	1.438,6	1.398,9	1.632,5	1.992,0	2.107,6	1.641,8
	E:	406,0	361,8	354,2	404,6	241,2	179,9	82,2	66,8	189,6	320,7	19,0	46,7	222,8

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 differences 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 16

Funds available in Member States for 1985

Milk non-marketing and dairy herd conversion premiums (100 %)

													(m ECU)			
Member State	JAN.	FEB.	MARCH	APRIL	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	AVERAGE			
BELGIUM	A:	0,58	0,56	0,85	0,83	0,71	0,86	0,86	0,72	0,72	0,53	0,01	0,01	0,60		
	B:	0,18	0,29	0,18	-	0,16	-	-	-	-	0,42	-	0,18	0,05		
	C:	0,76	0,85	1,03	0,83	0,87	0,86	0,86	0,72	0,72	0,11	0,01	0,19	0,65		
	D:	0,21	-	0,20	0,12	p.m.	-	0,14	-	0,19	0,10	-	0,18	0,09		
	E:	0,55	0,85	0,83	0,71	0,87	0,86	0,72	0,72	0,53	0,01	0,01	0,01	0,56		
DENMARK	A:	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	0,06	-	0,12	0,26	0,05	p.m.	-	0,01	0,02
	B:	0,30	0,29	0,63	0,86	1,00	1,12	0,75	0,46	0,25	-	0,58	0,44	0,56		
	C:	0,30	0,29	0,63	0,86	1,00	1,12	0,81	0,34	0,51	0,05	0,58	0,43	0,58		
	D:	0,30	0,29	0,63	0,87	1,00	1,05	0,93	0,08	0,46	0,05	0,59	0,43	0,56		
	E:	p.m.	p.m.	p.m.	-	0,01	p.m.	0,07	-	0,12	0,26	0,05	p.m.	-	0,01	p.m.	0,02
GERMANY	A:	3,54	3,25	3,66	1,70	0,18	1,74	0,05	0,28	0,12	0,78	1,28	5,55	1,84		
	B:	0,47	5,25	-	0,50	4,49	2,24	3,39	5,12	2,22	2,88	5,29	1,67	2,79		
	C:	4,01	8,50	3,66	2,20	4,67	3,98	3,44	5,40	2,34	3,66	6,57	7,22	4,63		
	D:	0,76	4,85	1,96	2,02	2,92	3,95	3,16	5,28	1,56	2,38	1,07	5,19	2,92		
	E:	3,25	3,65	1,70	0,18	1,75	0,05	0,28	0,12	0,78	1,28	5,50	2,03	1,71		
GREECE	A:															
	B:															
	C:															
	D:															
	E:															
FRANCE	A:	0,03	0,12	0,49	0,32	0,54	0,52	0,65	0,29	-	0,13	1,28	0,70	0,04	0,40	
	B:	0,66	0,85	1,18	0,99	0,73	0,78	0,58	0,51	2,27	0,49	0,07	0,89	0,83		
	C:	0,63	0,97	1,67	1,31	1,27	1,30	1,23	0,80	2,14	1,77	0,77	0,93	1,23		
	D:	0,51	0,48	1,35	0,76	0,75	0,64	0,94	0,93	0,87	1,07	0,73	0,58	0,80		
	E:	0,12	0,49	0,32	0,55	0,52	0,66	0,29	-	0,13	1,27	0,70	0,04	0,35	0,43	
IRELAND	A:	0,08	p.m.	p.m.	p.m.	0,01	0,01	0,01	0,01	0,01	0,01	0,01	0,01	0,01		
	B:	0,27	0,33	0,63	0,27	0,36	0,19	0,36	0,28	0,70	0,28	0,27	0,28	0,35		
	C:	0,35	0,33	0,63	0,27	0,37	0,20	0,37	0,29	0,71	0,29	0,28	0,29	0,36		
	D:	0,35	0,33	0,63	0,26	0,36	0,19	0,36	0,28	0,70	0,28	0,27	0,28	0,35		
	E:	p.m.	p.m.	p.m.	0,01	0,01	0,01	0,01	0,01	0,01	0,01	0,01	0,01	0,01		
ITALY	A:															
	B:															
	C:															
	D:															
	E:															
LUXEMBOURG	A:	p.m.	0,02	0,02	0,02	0,02	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	0,01		
	B:	0,02	p.m.	-	-	-	0,02	-	-	-	-	0,01	0,03	0,01		
	C:	0,02	0,02	0,02	0,02	0,02	0,02	-	-	-	-	0,01	0,03	0,02		
	D:	-	-	-	-	0,02	0,02	-	-	-	-	0,01	0,02	0,01		
	E:	0,02	0,02	0,02	0,02	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	0,01		
NETHERLANDS	A:	0,78	0,72	0,85	0,57	0,57	0,14	-	0,20	-	0,58	0,18	0,77	0,75	0,44	
	B:	0,10	0,56	-	-	-	-	0,36	0,79	0,67	-	-	-	0,21		
	C:	0,88	1,28	0,85	0,57	0,57	0,14	0,16	0,21	0,85	0,77	0,77	0,75	0,65		
	D:	0,16	0,43	0,28	p.m.	0,44	0,34	0,73	0,03	0,09	p.m.	0,02	0,05	0,21		
	E:	0,72	0,85	0,57	0,57	0,13	-	0,20	-	0,57	0,18	0,76	0,77	0,75	0,44	
UNITED KINGDOM	A:	0,12	-	0,55	1,93	1,14	p.m.	-	0,67	0,43	0,76	1,30	1,24	1,05	0,65	
	B:	2,73	1,90	2,08	-	-	-	1,74	0,70	0,89	-	-	-	0,84		
	C:	2,85	1,88	2,63	1,93	1,14	p.m.	1,07	1,13	1,65	1,30	1,24	1,05	1,49		
	D:	2,87	1,32	0,73	0,82	1,14	0,66	0,64	0,35	0,32	0,07	0,20	0,01	0,76		
	E:	0,02	0,56	1,90	1,11	p.m.	-	0,66	0,43	0,78	1,33	1,23	1,04	1,04	0,73	
EEC TOTAL	A:	5,07	4,65	6,42	5,37	3,17	3,27	0,76	1,03	1,92	4,72	4,01	7,40	3,97		
	B:	4,73	9,47	4,70	2,62	6,74	4,35	7,18	7,86	7,00	3,23	6,22	3,49	5,64		
	C:	9,80	14,12	11,12	7,99	9,91	7,62	7,94	8,89	8,92	7,95	10,23	10,89	9,61		
	D:	5,16	7,70	5,78	4,85	6,63	6,83	6,90	6,95	4,19	3,95	2,89	6,74	5,70		
	E:	4,64	6,42	5,34	3,14	3,28	0,79	1,04	1,94	4,73	4,00	7,34	4,15	3,91		

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 still available

The differences 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

EXCHANGE RATES - 1985

1) Conversion of monthly expenditure into ECU - Budget rates

: Expenditure:	Rate on :	O.J.:	B	DK	D	GR	F	IRL	I	L	NL	UK
: paid in :												
: JANUARY	: 20.11.84 - C 310/84	:	: 45,0160	: 8,06975	: 2,23252	: 92,1810	: 6,84978	: 0,718847	: 1387,86	: 45,0160	: 2,51830	: 0,597648
: FEBRUARY	: 20.12.84 - C 341/84	:	: 44,6995	: 7,97987	: 2,22777	: 91,1269	: 6,82233	: 0,713758	: 1370,85	: 44,6995	: 2,51585	: 0,614159
: MARCH	: 18.01.85 - C 18/85	:	: 44,5138	: 7,94709	: 2,22245	: 90,6549	: 6,81084	: 0,715180	: 1365,11	: 44,5138	: 2,51115	: 0,623886
: APRIL	: 20.02.85 - C 49/85	:	: 44,7729	: 7,96279	: 2,22638	: 90,6786	: 6,80978	: 0,715043	: 1375,56	: 44,7729	: 2,52153	: 0,613876
: MAY	: 20.03.85 - C 75/85	:	: 44,8587	: 7,97818	: 2,22945	: 94,8849	: 6,81943	: 0,715540	: 1413,03	: 44,8587	: 2,51616	: 0,597223
: JUNE	: 19.04.85 - C 100/85	:	: 45,0643	: 8,07133	: 2,23519	: 97,6218	: 6,82872	: 0,715068	: 1430,31	: 45,0643	: 2,53177	: 0,581581
: JULY	: 20.05.85 - C 124/85	:	: 45,1294	: 8,04957	: 2,24130	: 98,9190	: 6,83825	: 0,716544	: 1434,12	: 45,1294	: 2,53182	: 0,575352
: AUGUST	: 20.06.85 - C 152/85	:	: 45,2743	: 8,07125	: 2,24526	: 99,7202	: 6,84838	: 0,717290	: 1434,07	: 45,2743	: 2,53214	: 0,570452
: SEPTEMBER	: 19.07.85 - C 194/85	:	: 45,3148	: 8,10760	: 2,25359	: 101,664	: 6,84032	: 0,718483	: 1460,47	: 45,3148	: 2,53612	: 0,558405
: OCTOBER	: 20.08.85 - C 210/85	:	: 45,0923	: 8,06914	: 2,22485	: 105,374	: 6,79481	: 0,715748	: 1491,75	: 45,0923	: 2,50682	: 0,575877
: NOVEMBER	: 20.09.85 - C 240/85	:	: 45,0461	: 8,07483	: 2,22892	: 106,755	: 6,80038	: 0,716605	: 1498,38	: 45,0461	: 2,50522	: 0,571430
: DECEMBER	: 18.10.85 - C 268/85	:	: 44,7524	: 8,00629	: 2,20911	: 129,788	: 6,74305	: 0,713947	: 1491,54	: 44,7524	: 2,49421	: 0,588030

2) Average rates

: Average	: Total exp. in N.C.	:	:	:	:	:	:	:	:	:	:	:
: rate =	: -----	:	: 44,9640	: 8,03036	: 2,23003	: 101,189	: 6,81248	: 0,715889	: 1423,68	: 44,9878	: 2,51694	: 0,588051
: in ECU	: Total exp. in ECU	:	:	:	:	:	:	:	:	:	:	:

ANNEX 18

EXCHANGE RATE DIFFERENCES - 1985 (1)

Member State	Guarantee (without premiums)	Premiums (Guarantee Section (60%) (2))	Premiums (Guidance Section (40%) (2))	TOTAL
	(a)	(b)	(c)	(d) = (a + b + c)
Belgium	- 342.214,53	- 1.848,86	- 1.232,58	- 345.295,97
Denmark	- 334.218,76	- 307,49	- 204,99	- 334.731,24
Germany	1.315.274,13	33.802,35	22.534,90	1.371.611,38
Greece	- 3.791.900,34	-	-	- 3.791.900,34
France	- 449.802,65	4.053,03	2.701,97	- 443.047,65
Ireland	151.302,47	- 42,72	- 28,49	151.231,26
Italy	- 9.791.778,14	-	-	- 9.791.778,14
Luxembourg	- 2.045,94	46,63	31,11	- 1.968,20
Netherlands	98.928,99	6.342,29	4.228,18	109.499,46
United Kingdom	- 1.326.515,99	3.891,88	2.594,21	- 1.320.029,90
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EEC TOTAL	- 14.472.970,76	45.937,11	30.624,31	- 14.396.409,34

(1) For each Member State there is a difference between the balance at the end of each month as converted into ECU at that month's rate and the same balance as converted into ECU at the following month's rate. This table shows the total exchange differences recorded for each Member State for the whole of 1985.

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

ANNEX 19

Amounts withheld from production and consumption aids to olive oil
and fibre flax, and utilization

Year	Schemes related to olive oil consumption (Art. 11(6), Reg. 136/66/EEC)		Schemes related to olive oil production (Art. 5(2) and (4), Reg. 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)	
	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	6.366.585,49	2.637.599,46	2.790.623,28	2.533.410,95	-	-	949.837,70	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	(1) -144.853,80	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	(2) 4.813.130,72	9.841.267,98	13.510.537,03	5.840.274,85	477.095,54	1.697.759,80	(2) 1.073.341,64
Totals	19.847.116,08	11.952.696,52	51.812.706,39	53.628.310,62	5.840.274,85	477.095,54	5.957.673,41	4.006.820,74

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

(2) Commitments.

ANNEX 20

EAGGF GUARANTEE SECTION - 1985

IRREGULARITIES REPORTED AND AMOUNTS RECOVERED

ECU

SECTOR	BELGIUM	DENMARK	GERMANY	GREECE	FRANCE	IRELAND	ITALY	LUXEMBOURG	NETHERLANDS	UNITED KINGDOM	EEC TOTAL
CEREALS			(6) 169.377							(6) 396.828	(12) 566.205
BEEF/ VEAL	(7) 286.899	(2) 2.650	(13) 2.758.557		(1) 23.564					(5) 501.756	(28) 3.573.426
PIGMEAT	(4) 467.736	(3) 10.629	(4) 590.597		(1) 4.140				(1) 11.725		(13) 1.084.827
MILK PRODUCTS		(5) 305.333	(27) 132.290		(13) 197.123		(1) 243.890			(3) 53.194	(49) 931.830
WINE			(46) 780.370		(3) 17.346		(3) 182.444				(52) 980.160
SUGAR			(6) 94.505		(5) 51.827						(11) 146.332
OILS AND FATS			(1) 43.755				(26) ?				(27) 43.755
FRUIT AND VEGETABLES					(1) 32.148		(10) 4.209.635				(11) 4.241.783
TOBACCO							(1) 1.141				(1) 1.141
EGGS										(1) 45.879	(1) 45.879
NON-ANNEX || PRO- DUCTS		(5) 13.685	(2) 13.347								(7) 27.032
FISHERIES		(1) ?									(1) ?
OTHER SECTORS			(1) 28.376	(1) ?	(4) 252.465						(6) 280.841
TOTAL	(11) 754.635	(16) 332.297	(106) 4.611.174	(1) ?	(28) 578.613	-	(41) 4.637.110	-	(1) 11.725	(15) 997.657	(219) 11.923.211
AMOUNTS RECOVERED	(0) -	(3) 12.304	(41) 720.932	(0) -	(24) 520.354	-	(0) -	-	(0) -	(2) 30.400	(70) 1.283.990
AMOUNTS BEING RECOVERED	(11) 754.635	(13) 319.993	(65) 3.890.242	(1) ?	(4) 58.259	-	(41) 4.637.110	-	(1) 11.725	(13) 967.257	(149) 10.639.221

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

ANNEX 21

GUARANTEE SECTION

IRREGULARITIES REPORTED AND AMOUNTS RECOVERED (ECU)

MEMBER STATES	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	TOTAL
A	13,485,475	13,186,892	13,280,353	13,545,222	68,714,829	65,215,578	53,290,087	42,973,827	740,651	13,908,707	13,841,775	7,439,637	7,385,937	91,384,516	4,411,174	993,74,537,725
B	7,604	7,604	7,604	7,604	4,446	31,174	1,521,274	4,521,765	160,650	187,624	187,624	205,408	98,998	113,940	734,635	7,427,990
D	13,338,222	13,186,892	13,280,353	13,545,222	68,714,829	65,215,578	53,290,087	42,973,827	740,651	13,908,707	13,841,775	7,439,637	7,385,937	91,384,516	4,411,174	993,74,537,725
DE	6,523	6,523	6,523	6,523	282,944	333,317	203,430	282,944	282,944	282,944	282,944	282,944	282,944	282,944	282,944	282,944
FR	1,022,345	1,022,345	1,022,345	1,022,345	1,022,345	1,022,345	1,022,345	1,022,345	1,022,345	1,022,345	1,022,345	1,022,345	1,022,345	1,022,345	1,022,345	1,022,345
F	2,070	2,070	2,070	2,070	80,043	9,649	35,713	30,972	41,545	108,153	198,487	197,542	46,348	75,999	570,354	1,485,093
IRL	8,452	8,452	8,452	8,452	172,371	530,225	197,483	1,377	5,447	7	321,839	31,412	31,369	37,142	-	1,744,378
I	133,045	133,045	133,045	133,045	73,244	925	518,340	107,003	501,742	840,811	813,694	33,252,202,106	813,694	1,739,464	4,637,110	34,583,924
L	820	820	820	820	2,400	-	-	17	17,496	-	-	742,819	701,818	254,710	-	1,742,510
M	25,552	25,552	25,552	25,552	82,832	38,390	1,084,672	31,766	707,786	650,308	61,950	41,202	310,215	126,349	11,725	3,283,740
N	37,469	37,469	37,469	37,469	38,390	5,584	17,170	37,706	707,786	274,592	50,855	11,246	133,263	3,317	-	1,428,004
UK	446	446	446	446	23,496	2,432,942	607,200,947	1,448,277	309,271	509,180	439,717	131,340	74,169	338,728	997,657	9,123,900
EEC	13,531,077	13,280,353	13,186,892	13,545,222	68,714,829	65,215,578	53,290,087	42,973,827	740,651	13,908,707	13,841,775	7,439,637	7,385,937	91,384,516	4,411,174	993,74,537,725
EEC	13,342,774	13,186,892	13,280,353	13,545,222	68,714,829	65,215,578	53,290,087	42,973,827	740,651	13,908,707	13,841,775	7,439,637	7,385,937	91,384,516	4,411,174	993,74,537,725

Note: The first line shows for each Member State the number of cases reported and the amount involved. The second line indicates the number of cases already made (number of cases and amount).

ANNEX 22

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)

M.S.	1979	1980	1981	1982	1983	1984	1985	TOTAL MEMBER STATES
B	1 : 20.085	-	-	-	-	-	-	1 : 20.085
D	2 : 18.247	3 : 20.369	38 : 284.596	66 : 605.082	115 : 979.088	137 : 1.021.788	69 : 837.188	430 : 3.766.358
DK	1 : 8.027	2 : 14.278	15 : 125.208	23 : 202.308	33 : 202.276	43 : 191.623	8 : 100.604	125 : 844.324
F	3 : 30.700	6 : 53.208	20 : 208.467	29 : 339.528	30 : 339.284	22 : 261.528	11 : 148.426	121 : 1.381.141
IRL	-	1 : 10.052	4 : 32.411	8 : 98.085	4 : 23.379	4 : 10.492	3 : 6.140	24 : 180.559
NL	24 : 150.641	23 : 113.002	15 : 122.137	46 : 208.123	6 : 51.908	4 : 28.011	7 : 46.474	125 : 720.296
UK	24 : 150.641	15 : 79.650	9 : 64.804	16 : 66.098	3 : 32.318	4 : 28.011	1 : 7.674	72 : 429.196
TOTAL	-	-	-	14 : 157.174	7 : 57.481	8 : 183.873	53 : 350.715	53 : 350.715
	-	-	-	2 : 13.014	5 : 41.666	-	53 (1) : 171.454	53 (1) : 171.454
	-	-	-	-	-	1 : 24.035	-	30 : 422.563
	10 : 48.208	27 : 263.057	22 : 121.569	17 : 103.646	43 : 322.422	34 : 240.057	39 : 155.303	192 : 1.254.262
	3 : 22.149	14 : 149.757	6 : 55.298	3 : 22.357	19 : 114.077	20 : 51.288	12 : 70.776	77 : 485.702
	40 : 267.881	59 : 449.636	95 : 736.769	172 : 1.413.553	201 : 1.750.183	205 : 1.735.257	128 : 1.562.141	952 : 7.915.420
	28 : 180.817	32 : 253.737	34 : 277.721	52 : 401.862	64 : 413.716	71 : 286.976	77 : 356.648	358 : 2.171.477

N.B. : 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).

(1) Of which four cases which have led to total recovery of an amount of 3 670 ECU and 49 cases yielding partial recovery, the amount recovered being 167 784 ECU.

ANNEX 23
FINANCIAL RESULTS OF WORK ON CLEARING 1980 ACCOUNTS
 (EAGGF Guarantee Section)

NC and ECU, million (LIT, '000 million)
 Conversion rates as at 17.05.1985

	Belgium	Denmark	Germany	Greece	France	Ireland	Italy	Luxembourg	Nether-	United	TOTAL
	(BFR)	(DKR)	(DM)	(DRA)	(FF)	(IRL)	(LIT)	(LFR)	lands	Kingdom:	EC
	(1)	(2)								(3)	
1. Expenditure declared*											
NC	22.677,8	4.669,7	6.020,4	-	16.583,0	378,7	2.018,4	461,4	4.103,6	482,8	
ECU	502,3	580,3	2.685,8		2.424,1	528,5	1.410,8	10,2	1.620,2	838,8	10.601,0
2. Expenditure not eligible					(3)		(3)			(3)	
NC	+ 50,2**	- 18,3	+ 1,0**	-	- 31,7	- 0,1	- 36,0	-	- 67,7	- 9,8	
ECU	+ 1,1	- 2,3	+ 0,5		- 4,6	- 0,2	- 25,2	-	- 26,7	- 17,1	- 74,5
3. Elimination of reservations in respect of previous years											
NC	-	-	+ 1,5	-	+ 114,5	-	+ 7,6	+ 4,9	+ 0,8	+ 0,8	
ECU	-	-	+ 0,7		+ 16,7	-	+ 5,3	+ 0,1	+ 0,3	+ 1,4	+ 24,5
4. Expenditure eligible	(1)	(2)									
NC	22.728,0	4.651,5	6.022,9	-	16.665,8	378,6	1.990,0	466,3	4.036,6	473,8	
ECU	503,4	578,0	2.686,9		2.436,2	528,3	1.391,0	10,3	1.593,8	823,1	10.551,0
5. Expenditure recognized	(1)	(2)									
NC	22.677,8	4.649,0	6.051,8	-	16.575,8	377,8	2.012,3	461,4	4.103,6	482,9	
ECU	502,3	577,7	2.699,7		2.423,1	527,2	1.406,6	10,2	1.620,2	839,0	10.606,0
6. Differences (5 - 4)											
NC	- 50,2	- 2,5	28,9	-	- 90,0	- 0,8	22,3	4,9	67,0	9,1	
ECU	- 1,1	- 0,3	12,8		- 13,1	- 1,1	15,6	0,1	26,4	15,9	55,0

* Not including expenditure under Regulation (EEC) No 1078/77 (milk non-marketing and dairy herd conversion premiums).

** The correction is a positive one, i.e. additional eligible expenditure.

- (1) An amount of BFR 168.5 m relating to expenditure declared in respect of the leaf tobacco premium is not included in the amounts given under 1, 4 and 5.
- (2) An amount of DKR 2.2 m relating to expenditure declared in respect of the cereals homogenization premium is not included in the amounts given under 1, 4 and 5.
- (3) Of which an amount for which final decision is reserved in respect of 1982: France, FF - 0.5 m ECU; Italy, LIT - 17 000 m; United Kingdom, UKL - 0.7 m.

ANNEX 24

FINANCIAL RESULTS OF WORK ON CLEARING 1981 ACCOUNTS
(EAGGF Guarantee Section)

NC and ECU, million (LIT '000 million)
Conversion rates as at 17.05.1985

	Belgium	Denmark	Germany	Greece	France	Ireland	Italy	Luxembourg	Nether-lands	United Kingdom	TOTAL
	(BFR)	(DKR)	(DM)	(DRA)	(FF)	(IRL)	(LIT)	(LFR)	(HFL)	(UKL)	EC
1. Expenditure declared*	(1)	(2)									
NC	20.479,8	3.972,6	5.068,1	8.985,5	18.783,5	302,2	2.584,4	144,2	3.270,9	572,2	
ECU	453,6	493,6	2.260,9	90,9	2.745,8	421,7	1.806,4	3,2	1.291,4	994,1	10.561,8
2. Expenditure not eligible	(3)				(3)		(3)			(3) **	
NC	- 17,2	- 39,2	+ 2,7**	- 423,5	- 65,0	- 2,9	- 43,1	-	- 40,8	+ 2,4	
ECU	- 0,4	- 4,9	+ 1,2	- 4,3	- 9,5	- 4,0	- 30,2	-	- 16,1	+ 4,3	- 63,8
3. Expenditure eligible	(1)	(2)									
NC	20.462,7	3.933,4	5.070,8	8.561,9	18.718,5	299,4	2.541,3	144,2	3.230,1	574,6	
ECU	453,3	488,7	2.262,1	86,6	2.736,3	417,8	1.776,3	3,2	1.275,3	998,4	10.498,0
4. Expenditure recognized	(1)	(2)									
NC	20.479,8	3.971,4	5.039,0	8.985,5	18.779,9	300,8	2.575,4	144,2	3.270,9	591,2	
ECU	453,6	493,5	2.247,9	90,9	2.745,3	419,7	1.800,1	3,2	1.291,4	1.027,1	10.572,8
5. Differences (4 - 3)											
NC	17,2	38,0	- 31,8	423,5	61,3	1,4	34,1	-	40,8	16,6	
ECU	0,4	4,7	- 14,2	4,3	9,0	1,9	23,8	-	16,1	28,8	74,8

* Not including expenditure under Regulation (EEC) No 1078/77 (milk non-marketing and dairy herd conversion premiums).

** The correction is a positive one, i.e. additional eligible expenditure.

- (1) An amount of BFR 91.5 m relating to expenditure declared in respect of the leaf tobacco premium is not included in the amounts given under 1, 3 and 4.
- (2) An amount of DKR 2.9 m relating to expenditure declared in respect of the cereals homogenization premium is not included in the amounts given under 1, 3 and 4.
- (3) Of which an amount for which final decision is reserved in respect of 1982: Belgium, BFR - 0.04 m; France, FF - 65.0 m ECU; Italy, LIT - 18 000 m; United Kingdom, UKL - 1.8 m.

ANNEX 25

FINANCIAL RESULTS OF WORK ON CLEARING 1980 ACCOUNTS

Expenditure concerning measures under Regulation (EEC) No 1078/77
(Milk non-marketing and dairy herd conversion premiums)
(Chargeable to the EAGGF Guarantee Section)

The amounts given below represent 60% of total expenditure

NC and ECU, millions

Conversion rates as of 17.05.1985

	Belgium	Denmark	Germany	Greece	France	Ireland	Italy	Luxembourg	Nether-	United	TOTAL
	(BFR)	(DKR)	(DM)	(DRA)	(FF)	(IRL)	(LIT)	(LFR)	lands	Kingdom	EC
									(HFL)	(UKL)	
1. Expenditure declared:											
NC	45,9	103,9	131,0	-	94,6	3,4	-	7,7	19,3	17,3	
ECU	1,3	12,9	58,4	-	13,8	4,7	-	0,2	7,6	30,1	129
2. Expenditure not eligible											
NC	-	-	-	-	-	-	-	-	-	-	
ECU	-	-	-	-	-	-	-	-	-	-	
3. Expenditure eligible:											
NC	45,9	103,9	131,0	-	94,6	3,4	-	7,7	19,3	17,3	
ECU	1,3	12,9	58,4	-	13,8	4,7	-	0,2	7,6	30,1	129
4. Expenditure recognized											
NC	45,9	103,9	131,0	-	94,6	3,4	-	7,7	19,3	17,3	
ECU	1,3	12,9	58,4	-	13,8	4,7	-	0,2	7,6	30,1	129
5. Differences (4 - 3)											
NC	-	-	-	-	-	-	-	-	-	-	
ECU	-	-	-	-	-	-	-	-	-	-	

ANNEX 26

FINANCIAL RESULTS OF WORK ON CLEARING 1981 ACCOUNTS

Expenditure concerning measures under Regulation (EEC) No 1078/77
(Milk non-marketing and dairy herd conversion premiums)
(Chargeable to the EAGGF Guarantee Section)
The amounts given below represent 60% of total expenditure

												NC and ECU, millions	
												Conversion rates as of 17.05.1985	
	Belgium	Denmark	Germany	Greece	France	Ireland	Italy	Luxembourg	Nether-	United	TOTAL		
	(BFR)	(DKR)	(DM)	(DRA)	(FF)	(IRL)	(LIT)	(LFR)	lands	Kingdom	EC		
									(HFL)	(UKL)			
1. Expenditure allowed													
NC	56,7	85,9	162,4	-	104,4	3,8	-	20,5	17,5	13,7			
ECU	1,3	10,7	72,4	-	15,3	5,3	-	0,5	6,9	23,7	136,1		
2. Expenditure not eligible													
NC	-	-	-	-	-	-	-	-	-	-			
ECU	-	-	-	-	-	-	-	-	-	-			
3. Expenditure eligible:													
NC	56,7	85,9	162,4	-	104,4	3,8	-	20,5	17,5	13,7			
ECU	1,3	10,7	72,4	-	15,3	5,3	-	0,5	6,9	23,7	136,1		
4. Expenditure recognized													
NC	56,7	85,9	162,3	-	104,4	3,8	-	20,5	17,5	13,7			
ECU	1,3	10,7	72,4	-	15,3	5,3	-	0,5	6,9	23,7	136,1		
5. Differences (4 - 3)													
NC	-	-	-	-	-	-	-	-	-	-			
ECU	-	-	-	-	-	-	-	-	-	-			

FOOD AID

ANNEX 27

IMPLEMENTATION OF FOOD AID, 1985
CHAPTER 92 - FOOD AID

I. Appropriations for commitment				II. Appropriations for payment					
	m ECU	Implementation	m ECU		m ECU	Implementation	m ECU	% utilization	
<u>A. 1985 appropriations</u>				<u>A. 1985 appropriations</u>				<u>C. Payments</u>	
1. Original appropriations	635,595	1. Total commitments	689,095	1. Original appropriations	507,862	1. Implementation of 1985 appropriations			
2. Transfers	53,500	TOTAL	689,095	2. Transfers	53,500	a) Payments	536,411	95,555	
TOTAL	689,095			TOTAL X	561,362	b) Carryover in 1986			
		<u>C. Commitments still outstanding at 31.12.1985</u>				-automatic	24,951	4,445	
		1. Commitments	689,095	<u>B. 1984 appropriations</u>		-non-automatic	-		
		2. Payments	- 536,411	1. Automatic carryover from 1984 (1)	7,449	TOTAL X	561,362	100	
		TOTAL	152,684	2. Non-automatic carryover	-				
				TOTAL Y	7,449	2. Implementation of carryovers from 1984:			
		<u>D. 1984 commitments still outstanding</u>		TOTAL FUNDS AVAILABLE (X + Y)	568,811	a) Payment on automatic carryover	7,442		
		(1)				b) Payment on non-automatic carryover	-		
		1. Commitments	7,449			c) Lapsed	0,007		
		2. Payments	- 7,442			TOTAL Y	7,449		
		3. Lapsed	- 0,007			TOTAL X + Y	568,811		
		TOTAL	0						

(1) Non-differentiated appropriations.

ANNEX 28

FOOD AID

CASH POSITION AT 31 DECEMBER 1985

		Regularization	Advance	Expenditure	Funds available	Funds available
	Funds available	after clearance of	payments approved:	declared	at 31.12.1985	adjusted
	at 01.01.1985	1976, 1977, 1978,	from 01.01.1985	from 01.01.1985	at 31.12.1985	31.12.1985 (1)
		1979 accounts	to 31.12.1985	to 31.12.1985		
	a	b	c	d	e = a + b + c - d	f
BELGIUM	BFR : 1.983.354,00	-	2.205.200.000,00	2.210.871.422,00	- 3.688.068,00	- 3.688.068,00
	ECU : 44.058,87		49.160.559,03	49.183.476,38	21.141,52	- 82.674,31
DENMARK	DKR : 72.871.461,73	- 72.871.188,00	13.396.000,00	11.780.885,60	1.615.388,13	1.615.388,13
	ECU : 9.030.200,65	- 8.974.682,13	1.664.271,84	1.463.036,77	256.753,59	202.439,48
GERMANY	DM : 10.850.425,02	-	224.180.000,00	235.013.542,30	16.882,72	16.882,72
	ECU : 4.860.169,23		100.523.882,89	105.367.009,84	17.042,28	7.643,46
GREECE	DR : 4.437.304,00	-	262.500.000,00	266.937.304,00	0,00	0,00
	ECU : 48.136,86		2.366.728,48	2.196.692,74	218.172,60	0,00
FRANCE	FF : 11.917.092,17	-	1.294.480.000,00	1.239.684.955,46	66.712.136,71	66.712.136,71
	ECU : 1.739.777,36		189.830.753,51	181.762.942,66	9.807.588,21	9.909.926,20
IRELAND	IRL : 2.437.205,20	-	14.544.000,00	15.460.649,46	1.520.555,74	1.520.555,74
	ECU : 3.390.436,63		20.329.562,31	21.591.615,99	2.128.382,95	2.130.250,47
ITALY	LIT : 5.602.819.353,00	-	51.673.000.000,00	48.669.320.715,00	8.606.498.638,00	8.606.498.638,00
	ECU : 4.037.020,56		36.112.716,21	33.944.626,42	6.205.110,35	5.770.287,12
LUXEMBOURG	LFR : - 4.696,00	-	53.700.000,00	45.811.647,00	7.883.657,00	7.883.657,00
	ECU : - 104,32		1.190.448,06	1.014.295,94	176.047,80	176.725,57
NETHERLANDS	HFL : - 4.168.782,86	-	81.310.000,00	76.534.478,23	606.738,91	606.738,91
	ECU : - 1.655.395,65		32.322.962,16	30.434.320,66	233.245,85	244.214,58
UNITED KINGDOM	UKL : 732.571,65	-	15.829.000,00	16.470.944,63	90.627,02	90.627,02
	ECU : 1.225.757,72		26.499.689,94	27.823.645,34	- 98.197,68	152.955,19
TOTAL EEC	ECU : 22.720.057,91	- 8.974.682,13	460.001.574,43	454.781.662,74	18.965.287,47	18.511.767,76

(1) Based on the rate valid for advance payments of January 1986 (rate of 20.11.1985).

(2) The negative balances correspond to payments made by the Member States concerned in 1985 with funds placed at their disposal in December 1985 in respect of advance payments for January 1986, which is compatible with the carryover of 1985 appropriations to 1986.

FOOD AID

ANNEX 29

EXPENDITURE DECLARED BY THE MEMBER STATES

Member State	ECU							
	Cereals and rice	%	Milk products	%	Various products and other expenditure (1)	%	Totals	%
Belgium	9.876.229,05	4,6	37.220.516,91	18,6	2.086.730,42	5,0	49.183.476,38	10,8
Denmark	626.846,38	0,3	836.190,39	0,4	-	0	1.463.036,77	0,3
Germany	16.933.856,02	8,0	82.200.814,04	41,0	6.232.339,78	15,1	105.367.009,84	23,2
Greece	2.196.692,74	1,0	-	0	-	0	2.196.692,74	0,5
France	136.137.996,68	64,0	18.215.339,22	9,1	27.409.606,76	66,0	181.762.942,66	40,0
Ireland	-	0	20.887.247,01	10,4	704.368,98	1,7	21.591.615,99	4,7
Italy	30.809.230,92	14,5	-	0	3.135.365,50	7,5	33.944.626,42	7,5
Luxembourg	-	0	995.079,09	0,5	19.216,85	-	1.014.295,94	0,2
Netherlands	13.225.490,87	6,2	15.959.173,61	8,0	1.249.656,18	3,0	30.434.320,66	6,7
United Kingdom	2.985.312,12	1,4	24.126.033,53	12,0	712.299,69	1,7	27.823.645,34	6,1
	212.791.684,79	100,0	200.440.393,80	100,0	41.549.584,16	100,0	454.781.662,74	100,0
		46,8		44,1		9,1		100,0

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

ANNEX 31

FOOD AID

DEVELOPMENT OF BUDGET APPROPRIATIONS IN ECU, SITUATION AT 31.12.1985

B. - APPROPRIATIONS CARRIED OVER FROM 1984 (1)

: Chap. :	: Art. :	: Item :	: Programme :	Amounts	Expenditure	Expenditure	Total	Lapsed
				available					declared by	by	expenditure	approps.
				1984 approps.	Member States	Commission		
				carried over				
				to 1985				
			a	b	c	d	e = c + d	f = b - e
: 92 :			: Food aid					
	: 920 :		: CEREALS					
		: 9203 :	: Rice 1984	-	-	-	-	-
		: 9204 :	: Supplementary aid					
			: in cereals	-	-	-	-	-
	: 921 :		: MILK PRODUCTS					
		: 9211 :	: Milk powder 1984	-	-	-	-	-
		: 9212 :	: Prior progr. (butteroil)	-	-	-	-	-
		: 9213 :	: Butteroil 1984	-	-	-	-	-
	: 922 :		: SUGAR					
		: 9221 :	: Sugar 1984	-	-	-	-	-
	: 923 :		: VEGETABLE OIL	3.375.402,50	-	3.375.402,50	3.375.402,50	0
	: 924 :		: OTHER PRODUCTS	3.035.876,76	-	3.035.876,76	3.035.876,76	0
	: 925 :		: TRANSPORT COSTS					
		: 9250 :	: Prior programmes	537.842,25	-	537.842,25	537.842,25	0
		: 9251 :	: 1984 programme	-	-	-	-	-
	: 927 :							
		: 9270 :	: Exceptional measures	6.780,73	-	-	-	6.780,73
		: 9271 :	: Control measures	492.319,49	-	492.385,91	492.385,91	933,58
	: 929 :		: Replacement projects	-	-	-	-	-
			: TOTAL	7.449.221,73	-	7.441.507,42	7.441.507,42	7.714,31

(1) Non-differentiated appropriations.

FOOD AID

ANNEX 32

SUMMARY OF COMMITMENTS, APPROPRIATIONS FOR PAYMENT AND ACTUAL EXPENDITURES IN 1985

Food aid	(ECU)											
	Commitments 1985	1984 commit- ments still to be settled (1)	Total commit- ments to be settled in 1985	Approps. for payment 1985	Approps. carried over from 1984 (1)	Total funds available	Expenditure declared by Member States	Expenditure effected by Commission	Total expenditure	Approps. lapsed and commitments lapsed (1)	Approps. for payment carried over	Commitments still to be settled at 31.12.1985
	a	b	c = a + b	d	e	f = d + e	g	h	i = g + h	j	k = f - i - j	l = c - i - j
Cereals and rice	261.020.000	-	261.020.000,00	228.899.481,17	-	228.899.481,17	212.791.684,78	16.107.796,39	228.899.481,17	-	-	32.120.518,83
Milk products	283.152.774,97	-	283.152.774,97	200.440.393,80	-	200.440.393,80	200.440.393,80	-	200.440.393,80	-	-	82.712.381,17
Sugar	3.000.000	-	3.000.000,00	2.500.000,00	-	2.500.000,00	-	2.474.508,77	2.474.508,77	-	25.491,23	525.491,23
Other products (1)	40.000.000	6.411.279,26	46.411.279,26	27.600.000,00	6.411.279,26	34.011.279,26	-	29.128.106,50	29.128.106,50	-	4.883.172,76	17.283.172,76
Transport costs	94.762.225,03	537.842,25	95.300.067,28	94.762.225,03	537.842,25	95.300.067,28	41.549.584,16	36.674.846,60	78.224.430,76	-	17.075.636,52	17.075.636,52
Except. measures and control measures (1)	2.000.000	500.100,22	2.500.100,22	2.000.000,00	500.100,22	2.500.100,22	-	1.091.279,63	1.091.279,63	7.714,31	1.401.106,28	1.401.106,28
Replacement projects (1)	1.565.000	-	1.565.000,00	1.565.000,00	-	1.565.000,00	-	-	-	-	1.565.000,00	1.565.000,00
EEC-UMRA Convention	3.594.800	-	3.594.800,00	3.594.800,00	-	3.594.800,00	-	3.594.800,00	3.594.800,00	-	-	-
TOTAL	689.094.800	7.449.221,73	696.544.021,73	561.361.900,00	7.449.221,73	568.811.121,73	454.781.662,74	89.071.337,89	543.853.000,63	7.714,31	24.950.406,79	152.683.306,79

(1) Non-differentiated appropriations.

FOOD AID

ANNEX 33

APPROPRIATIONS AND THEIR IMPLEMENTATION SINCE 1972

(Food aid Chapter)

													(m ECU)	
Year	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	505,-	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		

(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) Appropriations for payment.