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

**4th FINANCIAL REPORT FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT AND THE COUNCIL on the EUROPEAN AGRICULTURAL
GUARANTEE FUND
2010 FINANCIAL YEAR**

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

1. BUDGET PROCEDURE¹

1.1. Preliminary draft budget 2010

The 2010 Preliminary Draft Budget (PDB) was adopted by the Commission and proposed to the Budgetary Authority on 29.04.2009. The commitment appropriations proposed for the European Agricultural Guarantee Fund (EAGF) under heading 2 of the Financial Framework 2007-2013 totalled EUR 43 744.9 million.

1.2. Draft budget 2010

The Council adopted the 2010 Draft Budget in July 2009. The commitment appropriations of EAGF were reduced by EUR 354.9 million compared to the PDB to EUR 43 389.98 million.

1.3. Amending Letter for 2010

In October 2009 the Commission adopted Amending Letter (AL) No 2 to the 2010 PDB, setting commitment appropriation requirements for EAGF at EUR 44 049.8 million which was higher by EUR 304.9 million compared to the Preliminary Draft Budget. This increase mostly involved an amount of EUR 280 million foreseen for the specific support for the dairy sector following the dairy crisis.

1.4. Adoption of the 2010 budget

The Council held its second reading in November 2009. The commitment appropriations of EAGF were reduced by EUR 231 million, compared to the level included in the Amending Letter, to EUR 43 818.8 million² which now included EUR 300 million for the specific support for the dairy sector as well as an increase in the negative expenditure relating to the accounting clearance of EAGF accounts by – EUR 230 million.

The European Parliament adopted the 2010 budget in its plenary session of December 2009.

The voted EAGF commitment appropriations amounted to EUR 43 819.8 million in total. Within this total, commitment appropriations amounting to EUR 4 395.3 million were foreseen for market measures under chapter 05 02 while EUR 39 273.0 million were foreseen for direct aids under chapter 05 03. Furthermore, the 2010 budget foresaw commitment appropriations of EUR 371.9 million under policy area 17-Health and Consumer Protection and EUR 30.5 million under policy area 11-Maritime Affairs and Fisheries.

For details, please see annex 1.

¹ This procedure is presented in annex 1.

² The amount of EUR 300 million foreseen for the specific support for the dairy sector was initially in reserve.

1.5. Revenue assigned to EAGF³

In accordance with Article 34 of the CAP Financing Regulation (EC) No 1290/2005, the receipts originating from financial corrections under conformity clearance decisions, from irregularities and from the milk levy are designated as revenue assigned to the financing of EAGF expenditure. This assigned revenue can be used, partly or wholly, to cover the financing of EAGF expenditure if the budget appropriations granted by the Budgetary Authority are not sufficient to finance the expenditure incurred by the Member States. In the case where all or part of this revenue is not used, then, it will be automatically carried over into the following budget year in order to finance budgetary needs of that year.

At the time of establishment of the 2010 budget, an estimate of the revenue was made both for the amount expected to be collected in the course of the 2010 budget year as well as of the amount which was expected to be carried over from the budget year 2009 into 2010. This estimate was taken into consideration when the Budgetary Authority adopted the 2010 budget's appropriations. Specifically:

- Revenue from the conformity clearance corrections and from irregularities was estimated at EUR 600.0 million and EUR 91.0 million respectively while the receipts from the milk levy were estimated at EUR 98.0 million. Thus, the total amount of assigned revenue expected to be collected in the course of the 2010 budget year was estimated at EUR 789.0 million.
- The amount of assigned revenue expected to be carried over from the budget year 2009 into 2010 was estimated at EUR 133.0 million.

The total amount of EUR 922.0 million was taken into consideration by reducing the appropriations requested for the operational funds for producer organisations in the fruits and vegetables sector by EUR 222.0 million and for the single payment scheme by EUR 700.0 million. After taking account of these amounts, the Budgetary Authority eventually granted appropriations amounting to EUR 547.0 million and EUR 28 480.0 million respectively for these schemes.

1.6. Temporary restructuring amounts in the sugar sector⁴

The temporary restructuring amounts in the sugar sector, as set out in article 11 of Council Regulation No 320/2006, are treated as assigned revenue intended to finance the sugar restructuring aid and other aids foreseen in the Sugar Restructuring Fund. For each marketing year, starting with 2006/07 up to 2008/09, these amounts relate to the sugar, inulin syrup and isoglucose quotas held by operators in each Member State and they are to be paid by the Member States into the Fund in two instalments, the deadlines of which are 31 March and 30 November respectively for each year.

At the time of establishment of the 2010 budget, the estimate of this revenue expected to be transferred to the EU budget within the year amounted to

³ These amounts are not entered in the revenue lines of the budget (article 670 for the revenue assigned to the EAGF) but they are mentioned in the budgetary comments for this article.

⁴ These amounts are not entered in the revenue lines of the budget (article 680 for the temporary restructuring amounts for the sugar sector) but they are mentioned in the budgetary comments for this article.

EUR 606.8 million. At the same time, an amount of EUR 717.9 million was expected to be carried over from the budget year 2009 into 2010.

1.7. Part of the EAGF budget in total EU budget

The final EAGF budget's (commitment appropriations) part of the total EU budget for the period 2004–2010 appears in annex 2.

2. CASH POSITION AND MANAGEMENT OF APPROPRIATIONS

2.1. Management of appropriations

2.1.1. Appropriations available for the 2010 financial year:

In EUR

Expenditure section of budget (1)	Commitment appropriations	Payment appropriations	Revenue section of budget (AR) (2)	Forecasts
1. Initial appropriations for EAGF	43 819 801 768	43 917 807 586	1. Conformity clearance	600 000 000
2. Amending budgets	0	0	2. Irregularities	91 000 000
3. Sub-Total Initial appropriations for EAGF of which	43 819 801 768	43 917 807 586		
3a. Appropriations under shared management (excluding TRDI EU 10) (3)	43 360 100 000	43 360 100 000	3. Super levy from milk producers	98 000 000
3b. Appropriations under centralised management (4)	459 701 768	341 107 586	4. Temporary restructuring amounts for sugar sector (5)	607 000 000
3c. Appropriations for TRDI EU 10	0	216 600 000	Total forecast of AR	1 396 000 000
4. Transfer to / out of EAGF in the year	-83 529	45 666 471		
5. Final appropriations for EAGF of which	43 819 718 239	43 963 474 057		
5a. Appropriations under shared management (excluding TRDI EU 10)	43 360 100 000	43 360 100 000		
5b. Appropriations under centralised management	459 618 239	400 024 057		
5c. Appropriations for TRDI EU 10 (6)	0	203 350 000		

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- (1) Appropriations entered in the 2010 budget taking into account the assigned revenue expected to be collected in 2010 and the revenue carried over from 2009 to 2010 in accordance with Article 10 of the Council Regulation (EC) No 1605/2002.
 - (2) AR: Assigned revenue to be collected. There are no amounts of revenue entered on the revenue line (p.m.)⁵, but the forecasted amount is indicated in the budget remarks.
 - (3) TRDI: Transitional Rural Development Instrument for EU 10.
 - (4) 80% of commitment appropriations concern expenditure for veterinary and phyto-sanitary measures under policy area 17- Health and Consumer Protection. The rest concern equally expenditure for policy strategy and coordination under policy area 05 - Agriculture and Rural Development and for fisheries markets under policy area 11- Maritime Affairs and Fisheries.
 - (5) This revenue is used to provide appropriations for the payment of Sugar Restructuring Fund aids.
 - (6) In the course of the budget year, the original payment appropriations of EUR 216.6 million were decreased to EUR 203.35 million through an internal budget transfer
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⁵ p.m.: "pour mémoire".

2.1.2. Execution of appropriations available for the 2010 financial year:

In EUR

	Execution commitment appropriations	Execution payment appropriations
Shared management (non-differentiated appropriations):	43 932 376 108.90	43 932 376 108.90
Expenditure under centralised management (1)	443 936 238.44	344 004 974.21
TRDI EU 10	0.00	199 348 292.50
Total (including Sugar Restructuring Fund)	44 376 312 347.34	44 475 729 375.61
<i>Sugar Restructuring Fund</i>	330 297 466.97	330 297 466.97
Total (excluding Sugar Restructuring Fund)	44 046 014 880.37	44 145 431 908.64

(1) The total expenditure under centralised management includes an amount of EUR 4.98 million funded by assigned revenue

For the financial year 2010, the actual amount of commitment appropriations used amounted to EUR 44 376 312 347.34 while that for payment appropriations amounted to EUR 44 475 729 375.61.

2.1.3. Budget execution - Expenditure under centralised management made by the Commission

In EUR

Expenditure under centralised management	Commitment appropriations	De-commitments	Payment appropriations	Carry over to 2011 (2)
Appropriations (C1) (1)	459 618 239.00	-	400 024 057.00	-
Execution (C1)	438 956 113.58	-	314 076 513.37	31 740 465.18
Appropriations cancelled	20 662 125.42	-	85 947 543.63	-

(1) Includes transfers to / out EAGF: -EUR 83 529 for commitment appropriations and EUR 58 916 471 for payment appropriations

(2) Carry over to 2011 only for non-differentiated appropriations

Commitment appropriations of EUR 459.6 million were foreseen for expenditure under centralised management in the 2010 budget. An amount of EUR 439 million was committed in 2010. The balance of these appropriations, EUR 20.6 million, was cancelled. Approximately 80% of commitment appropriations concern expenditure

for veterinary and phyto-sanitary measures under policy area 17 - Health and Consumer Protection. The rest concern equally expenditure for policy strategy and coordination under policy area 05 -Agriculture and Rural Development and for fisheries markets under policy area 11 - Maritime affairs and Fisheries.

Since 2007, and in accordance with article 149 of the Financial Regulation, the majority of EAGF appropriations for expenditure under centralised management made by the Commission are differentiated appropriations. The automatic carry over to 2011, which relates only to non-differentiated appropriations, amounts to EUR 31.7 million.

2.2. Monthly payments

2.2.1. Monthly payments to Member States

2.1.1.1. Monthly payments on the provision for expenditure

Council Regulation (EC) No 1290/2005 of 21 June 2005 on the financing of the Common Agricultural Policy⁶ states in Article 15 that "*monthly payments shall be made by the Commission ... for expenditure performed by Member States' accredited paying agencies during the reference month*". Monthly payments shall be made to each Member State at the latest on the third working day of the second month following that in which the expenditure is incurred.

The monthly payments are a reimbursement of net expenditure (after deduction of revenue) which has been already carried out and are made available on the basis of the monthly declarations forwarded by the Member States⁷. The monthly booking of expenditure and revenue is subject to checks and corrections on the basis of the detailed declaration⁸. Moreover, these payments will become final following the accounting clearance of accounts decisions.

Payments made by the Member States from 16.10.2009 to 15.10.2010 are covered by the system for monthly payments. The remaining payments are made directly by the Commission for a limited number of measures.

For financial year 2010, the total net amount of monthly payments made was EUR 42 315 080 082.3.

2.1.1.2. Decisions on monthly payments for 2010

For the financial year 2010, the Commission adopted twelve decisions on monthly payments. Furthermore, an additional monthly payment decision, adjusting those already granted for the total expenditure chargeable to the year, was adopted in December 2010.

⁶ OJ L 209 of 11.8.2005, p. 1.

⁷ These monthly declarations of expenditure are transmitted by the Member States by the declaration of the 10th of the month N+1

⁸ The detailed declarations are transmitted monthly by the Member States (by table 104) on the 20th of the month N+1

3. THE IMPLEMENTATION OF THE 2010 EAGF BUDGET

3.1. Introduction

The 2010 agricultural year was characterised by an increase in agricultural output prices, both in the EU and in world markets. The favourable situation in agricultural markets was further supported by the overall general economic situation as countries gradually started emerging from the deepest recession in decades. The level of EAGF expenditure and the use of available commitment appropriations for market measures, kept almost at its 2009 level, was influenced mostly by the increased needs to cover cereals intervention, the operational funds for producer organisations in the fruits and vegetables sector and by the payment of the aid for the measures taken by the Commission in the dairy sector in 2009. As regards direct payments, the level of EAGF expenditure was higher compared to the one of 2009 because of the continuing phasing-in of these payments to the EU-12 in 2010.

3.2. The uptake of the EAGF budget appropriations

The implementation of the budget amounted to EUR 44 046.0 million. This expenditure was funded by the budget's initial appropriations, by using the entire amount of assigned revenue, of EUR 141.7 million, carried over from 2009 and a part of the assigned revenue collected in 2010 amounting to EUR 105.4 million, out of a total EUR 1 010.5 million.

Within Policy area 05-Agriculture and Rural Development, the expenditure for market measures amounted to EUR 3 983.8 million and for direct aids to EUR 39 675.7 million. The expenditure incurred for direct aids exceeded the budget's voted appropriations and it was partly covered by transfers of appropriations from other items of the budget and partly by the revenue which was assigned to the EAGF budget.

Furthermore, the aforementioned total implementation amount includes expenditure of EUR 30.4 million for fisheries market measures as well as expenditure amounting to EUR 359.9 million⁹ for veterinary and phyto-sanitary measures.

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

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

4. COMMENTS ON THE IMPLEMENTATION OF THE 2010 EAGF BUDGET

A brief commentary on the implementation of the agricultural budget's appropriations is presented hereafter based on details appearing in the annex 3.

⁹ This amount includes payments of EUR 4.8 million made for policy area 17 on the basis of both assigned revenue carried over from 2009 into 2010 and of assigned revenue freshly collected in 2010.

4.1. Chapter 05 02: Interventions in agricultural markets

4.1.1. Introduction

Total payments for this area of the budget amounted to EUR 3 983.8 million and they were funded by the budget's voted appropriations amounting to EUR 4 395.3 million. The appropriations, thus, made available were transferred to other items of the budget in order to cover additional expenditure needed for the single payment scheme and for the accounting clearance of EAGF accounts. As regards assigned revenue, EUR 1.9 million was used to cover the expenditure incurred in the fruits and vegetables sector and the available balance was carried forward to 2011.

4.1.2. Cereals

Following the significant harvest and the general decline of cereals prices, the sector's over-implementation was primarily due to the fact that intervention stocks increased from around 1.56 million tonnes at the start of the year to around 5.56 million tonnes, mainly from the purchases of barley, by the end of the year.

4.1.3. Refunds on Non-Annex I products

Member States incurred lower expenditure than foreseen mainly for the payment of refunds for dairy products incorporated in the exported processed agricultural products as the Commission set the refund rate at 0 in November 2009 following the significant improvement in the dairy market.

4.1.4. Food programmes

The sector's slight under-implementation was primarily due to the fact that certain Member States did not completely implement their approved 2010 distribution plan for cereals and skimmed milk powder and that smaller, than foreseen, administrative, transfer and transport costs for the 2010 distribution operations were declared. These costs are expected to be declared in 2011.

4.1.5. Fruits and vegetables

The sector's over-implementation was primarily due to higher payments incurred by Member States for the operational funds for producer organisations and for the aid to producer groups for preliminary recognition compared to the budget's voted appropriations. These higher payments were covered by transfers of appropriations from other items of the budget and from the revenue which had been assigned to this sector.

4.1.6. Products of the wine growing sector

The primary measures funded in this sector are the national support programmes and the grubbing up scheme. Member States incurred slightly lower expenditure for their national support programmes, compared to the amounts foreseen in these programmes, which were nevertheless satisfactorily implemented at approximately 99% of foreseen appropriations. They also incurred lower expenditure for the aids paid for the grubbing up scheme compared to the amount foreseen in the budget.

4.1.7. *Milk and milk products*

The sector's appropriations were based on expected needs arising from the 2009 difficult dairy market situation. Eventually, despite higher payments made for the sector in 2010, the budget's voted appropriations were under-implemented primarily because of the significant improvement of the dairy market conditions prevailing in late 2009 which led the Commission to set the export refund rate for dairy products at zero in November 2009 and stopped the inflow of skimmed milk powder and butter in public storage. Thus, Member States incurred lower payments for export refunds while removals from public storage of both butter and skimmed milk powder led to overall net gain from the public storage of these products.

4.2. **Chapter 05 03: Direct Aids**

The voted appropriations for this chapter of the 2010 budget amounted to EUR 39 273.0 million while payments amounted to approximately EUR 39 675.7 million. This apparent over-implementation was, primarily, attributable to the single payment scheme whose appropriations had been reduced to take account of assigned revenue and it was covered partly by the revenue which was assigned to this scheme in the 2010 budget and partly by transfers of appropriations from other items of the budget.

4.3. **Chapter 05 07: Audit of agricultural expenditure**

4.3.1. *Article 05 07 01: Control of agricultural expenditure*

This article mainly includes the amounts credited to the EAGF budget through the corrections from accounting clearance of accounts and from the non-respect of deadlines for payments to beneficiaries. The final total amount of these corrections amounted to - EUR 54.2 million. The 2010 budget appropriations adopted by the Budgetary Authority amounted to – EUR 310 million for these corrections. The Commission closed this account by transferring voted appropriations amounting to EUR 256 million which remained available in the market interventions part of the budget.

5. **IMPLEMENTATION OF ASSIGNED REVENUE**

5.1. **Revenue assigned to EAGF**

The assigned revenue actually carried over from 2009 into 2010, amounted to EUR 141.7 million and has entirely been used in financing expenditure of the 2010 budget year in accordance with article 10 of the Financial Regulation. This amount covered expenditure of EUR 0.7 million for the operational funds for producer organisations, of EUR 140.7 million for the single payment scheme, of EUR 0.1 million for the accounting clearance of previous years' accounts and of EUR 0.2 million for the surveys on the structure of agricultural holdings.

The assigned revenue collected in 2010 amounted to EUR 1 010.5 million. A part of the assigned revenue collected in 2010 amounting to EUR 105.4 million was used in order to cover expenditure incurred within the year for the fruits and vegetables sector and for the single payment scheme. The balance amounting to

EUR 905.1 million was automatically carried over into the 2011 budget in order to fund budgetary needs of that year.

For details please see annexes 4-I and 4-II

5.2. Assigned revenue concerning the temporary restructuring amounts in the sugar sector

The total amount of assigned revenue paid by Member States in 2010 was EUR 606.8 million equal to the initially estimated amount. In addition, the assigned revenue carried over from 2009 into 2010 amounted to EUR 768.3 million. Therefore, the total amount of assigned revenue available to the EU budget in 2010 in the form of temporary restructuring amounts came to EUR 1 375.1 million. After the aid payments made to the beneficiaries of the sugar restructuring fund, the temporary restructuring amounts present a balance of EUR 1 044.8 million which was carried forward into 2011.

For details please see annexes 4-I and 4-II

5.3. Sugar Restructuring Fund

In the course of the 2010 budget year, Member States made total net payments for aids to the restructured sugar industry, for diversification aids as well as for aids to sugar refining which amounted to approximately EUR 330.3 million. These aids were paid from the aforementioned revenue originating from the temporary restructuring amounts in the sugar sector and specifically from the assigned revenue carried over from 2009 into 2010.

For details please see annex 3.

6. BREAKDOWN BY TYPE OF EXPENDITURE

The total EAGF expenditure amounts to EUR 44 046 million (excluding the Sugar Restructuring Fund). Hereafter, this expenditure is presented broken down into the most significant categories along with the percentage that these represent in the total EAGF expenditure for 2010:

Storage

Expenditure for storage amounted to EUR 93.6 million, i.e.: 0.21% of the total. The main products involved were cereals, wine, olive oil and cheese.

Export refunds

Spending on export refunds amounted to EUR 385.1 million, i.e.: 0.87% of the total and it related mainly to dairy products, pig-meat, non-annex I products and beef meat.

Other market measures

In addition to storage and export refunds, the expenditure for other market measures amounted to EUR 3 454.8 million, i.e.: 7.84% of the year's total. This category

covers expenditure mainly relating to cereals, food programmes, fruit and vegetables, wine, milk and milk products, beef and veal and pig meat markets. . This expenditure incorporates other minor amounts and it includes the corrections arising from the audit of agricultural expenditure.

Direct payments

Expenditure for direct payments amounted to EUR 39 675.7 million, i.e.: 90.1% of the total.

Direct expenditure under centralised management

This expenditure amounting to EUR 443.9 million, i.e.: 1.01% was paid directly by the Commission and it mostly covered the expenditure relating to veterinary and phyto-sanitary measures as well as to the farm accounting and agricultural surveys.

Rural development

No commitment appropriations were foreseen in the 2010 budget for the Guarantee Section of the ex-EAGGF¹⁰. At the same time, Member States declared recoveries of previously paid amounts of -EUR 7.1 million.

The evolution of this breakdown by type of expenditure for the period 2005-2010 is presented in annex 6.

¹⁰ Rural development financed by the ex-European Agricultural Guidance and Guarantee Fund-Guarantee Section (EAGGF) –Programming period 2000-2006.

ANNEX 1
EAGF Budgetary procedure for 2010

Article Chapter Title	Heading	In EUR Million											
		PDB		DB***		DB****		Amending Letter		Council second reading		BUDGET	
		CA-	PA-	CA-	PA-	CA-	PA-	CA-	PA-	CA-	PA-	CA-	PA-
05 01	MANAGEMENT AND SUPPORT EXPENDITURE OF POLICY AREA AGRICULTURE AND RURAL DEVELOPMENT	9,02	9,02	8,02	8,02	9,02	9,02	9,02	9,02	9,02	9,02	9,02	9,02
05 01 04	Support expenditure for operations of Policy Area Agriculture (1)	4.041,91	4.042,63	3.923,14	3.923,86	4.386,91	4.387,63	4.395,31	4.396,03	4.395,31	4.396,03	4.395,31	4.396,03
05 02	INTERVENTIONS IN AGRICULTURAL MARKETS	86,10	86,10	81,09	81,09	86,10	86,10	115,10	115,10	115,10	115,10	115,10	115,10
05 02 01	Cereals	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
05 02 02	Rice	93,00	93,00	83,00	83,00	93,00	93,00	114,00	114,00	114,00	114,00	114,00	114,00
05 02 03	Refunds on non-Annex 1 products	500,10	500,10	500,10	500,10	515,10	515,10	500,10	500,10	500,10	500,10	500,10	500,10
05 02 04	Food programmes	10,50	10,50	10,49	10,49	10,50	10,50	1,50	1,50	1,50	1,50	1,50	1,50
05 02 05	Sugar	48,50	48,50	48,49	48,49	48,50	48,50	30,00	30,00	30,00	30,00	30,00	30,00
05 02 06	Olive oil	29,00	29,00	28,00	28,00	29,00	29,00	30,00	30,00	30,00	30,00	30,00	30,00
05 02 07	Textile plants	720,10	720,10	686,09	686,09	735,10	735,10	720,10	720,10	720,10	720,10	720,10	720,10
05 02 08	Fruit and vegetables (2)	1.335,00	1.335,00	1.276,01	1.276,01	1.335,00	1.335,00	1.338,30	1.338,30	1.338,30	1.338,30	1.338,30	1.338,30
05 02 09	Products of wine-growing sector	57,21	57,21	51,21	51,21	57,21	57,21	57,21	57,21	57,21	57,21	57,21	57,21
05 02 10	Promotion	372,20	372,20	372,20	372,20	372,20	372,20	356,20	356,20	356,20	356,20	356,20	356,20
05 02 11	Other plant products/measures	619,00	619,00	619,00	619,00	619,00	619,00	943,10	943,10	943,10	943,10	943,10	943,10
05 02 12	Milk and milk products	35,10	35,10	33,10	33,10	35,10	35,10	26,10	26,10	26,10	26,10	26,10	26,10
05 02 13	Beef and veal	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
05 02 14	Sheepmeat and goatmeat	136,10	136,10	134,35	134,35	136,10	136,10	136,10	136,10	136,10	136,10	136,10	136,10
05 02 15	Pigmeat, eggs and poultry, bee-keeping and other animal products	39.325,50	39.325,50	39.325,50	39.325,50	39.325,50	39.325,50	39.273,00	39.273,00	39.273,00	39.273,00	39.273,00	39.273,00
05 03	DIRECT AIDS	33.374,00	33.374,00	33.374,00	33.374,00	33.374,00	33.374,00	33.272,00	33.272,00	33.272,00	33.272,00	33.272,00	33.272,00
05 03 01	Decoupled direct aids (3)	5.951,50	5.951,50	5.951,50	5.951,50	5.951,50	5.951,50	5.995,00	5.995,00	5.995,00	5.995,00	5.995,00	5.995,00
05 03 02	Other direct aids	0,00	0,00	0,00	0,00	0,00	0,00	6,00	6,00	6,00	6,00	6,00	6,00
05 03 03	Additional amounts of aid	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
05 04	RURAL DEVELOPMENT (3)	0,00	219,40	0,00	218,60	0,00	219,40	0,00	219,30	0,00	219,30	0,00	219,30
05 04 01	Rural development financed by the EAGF-Guarantee section - Programming period 2000-2006 (4)	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
05 04 03	Plant and animal genetic resources - Completion of earlier measures	2,80	2,80	2,80	2,80	2,80	2,80	2,70	2,70	2,70	2,70	2,70	2,70
05 04 04	TRDI - by the EAGF Guarantee Section for the new Member States (5)	216,60	216,60	216,60	216,60	216,60	216,60	216,60	216,60	216,60	216,60	216,60	216,60
05 07	AUDIT OF AGRICULTURAL EXPENDITURE	-73,50	-73,50	-303,50	-303,50	-73,50	-73,50	-70,50	-70,50	-300,50	-300,50	-300,50	-300,50
05 07 01	Control of agricultural expenditure (6)	-73,50	-73,50	-303,50	-303,50	-73,50	-73,50	-73,50	-73,50	-303,50	-303,50	-303,50	-303,50
05 07 02	Settlement of disputes	0,00	0,00	0,00	0,00	0,00	0,00	3,00	3,00	3,00	3,00	3,00	3,00
05 08	POLICY STRATEGY AND COORDINATION OF POLICY AREA AGRICULTURE & RURAL DEVELOPMENT	40,59	36,27	38,54	34,22	40,59	36,27	40,59	36,27	40,59	36,27	40,59	36,27
05 08 01	Farm Accountancy Data Network (FADN)	13,98	13,62	13,98	13,62	13,98	13,62	13,98	13,62	13,98	13,62	13,98	13,62
05 08 02	Surveys on the structure of agricultural holdings	15,10	10,85	15,10	10,85	15,10	10,85	15,10	10,85	15,10	10,85	15,10	10,85
05 08 03	Restructuring of systems for agricultural surveys	1,46	1,75	1,46	1,75	1,46	1,75	1,46	1,75	1,46	1,75	1,46	1,75
05 08 06	Enhancing public awareness of the common agricultural policy	8,00	8,00	7,00	7,00	8,00	8,00	8,00	8,00	8,00	8,00	8,00	8,00
05 08 09	EAGF - Operational technical assistance	2,05	2,05	1,00	1,00	2,05	2,05	2,05	2,05	2,05	2,05	2,05	2,05
EAGF under policy area 05 (Agriculture and rural development)		43.343,52	43.559,32	42.991,70	43.206,70	43.688,52	43.904,32	43.647,42	43.863,12	43.417,42	43.633,12	43.417,42	43.633,12
EAGF under policy area 11 (Maritime affairs and fisheries)		29,50	30,00	27,40	29,90	29,50	30,00	30,50	31,00	30,50	31,00	30,50	31,00
EAGF under policy area 17 (Health and consumer protection)		371,91	253,71	370,89	250,69	371,89	253,69	371,91	253,71	370,89	250,69	371,89	253,69
TOTAL 2010 EAGF APPROPRIATIONS (7)		43.744,93	43.843,03	43.389,98	43.487,29	44.089,90	44.188,01	44.049,83	44.147,83	43.818,80	43.914,81	43.818,80	43.917,81
05 02 16	Sugar Restructuring Fund												
TOTAL 2010 APPROPRIATIONS (7)		43.744,93	43.843,03	43.389,98	43.487,29	44.089,90	44.188,01	44.049,83	44.147,83	43.818,80	43.914,81	43.818,80	43.917,81

(1) The budget item concerning EAGF is 05 01 04 01.
(2) Preliminary Draft Budget PDB; Additional needs, to be covered by assigned revenue: estimated at € 160 mio. Amending Letter AL: Additional needs, to be covered by assigned revenue estimated at 222 mio.
(3) Preliminary Draft Budget PDB; Additional needs, to be covered by assigned revenue: estimated at € 595 mio. Amending Letter AL: Additional needs, to be covered by assigned revenue estimated at 700 mio.
(4) RURAL DEVELOPMENT financed by the ex-European Agricultural Guidance and Guarantee Fund-Guarantee section (EAGGF) - Programming period 2000-2006
(5) Transitional instrument for the financing of rural development by ex-EAGGF Guarantee Section for the new Member States - Completion of programmes 2004-2006
(6) Control of agricultural expenditure - Article 05.07.01, except items 05.07.01.10 and 05.07.01.11.
(7) Reserves included

* CA : Commitment Appropriations
** PA: Payment Appropriations
*** PDB : Preliminary Draft Budget
**** DB: Draft Budget
***** EP: European Parliament

ANNEX 2

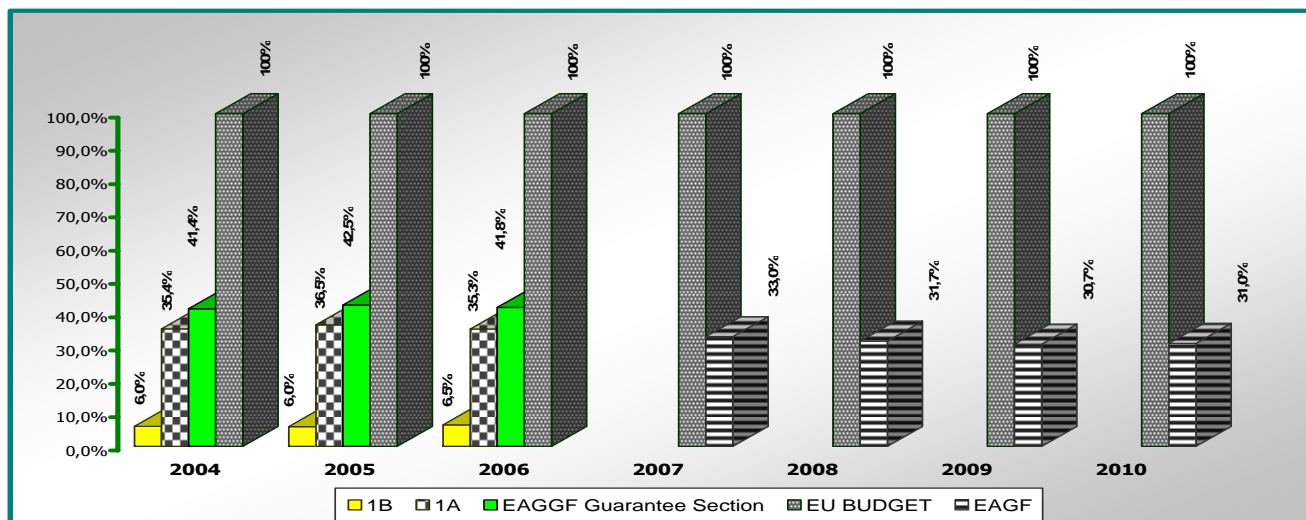
**PART OF THE EUROPEAN AGRICULTURAL GUARANTEE FUND - EAGF IN THE EU (Commission) BUDGET
2004 to 2010 FINANCIAL YEARS (*)**

Commitment Appropriations

BUDGET YEAR	2004	2005	2006	2007	2008	2009	2010
European Union BUDGET**	100%	100%	100%	100%	100%	100%	100%
European Agricultural Guidance and Guarantee Fund - Guarantee Section	41,4%	42,5%	41,8%				
of which 1a	35,4%	36,5%	35,3%				
of which 1b	6,0%	6,0%	6,5%				
European Agricultural Guarantee Fund				33,0%	31,7%	30,7%	31,0%

(*) Financial years 2004 to 2006: European Agricultural Guidance and Guarantee Fund-Guarantee Section (EAGGF). Financial years 2007 to 2010: European Agricultural Guarantee Fund (EAGF).
(**) Commission Budget of the European Union Budget

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ANNEX 3
ANALYSIS OF BUDGETARY EXECUTION - 2010 FINANCIAL YEAR

Commitment Appropriations

In EUROS

T	C	A	HEADING	ADOPTED BUDGET 2010	ASSIGNED REVENUE	TRANSFERS	TOTAL AVAILABLE APPROPRIATIONS	EXECUTION 2010	DIFFERENCE EXECUTION / TOTAL AVAILABLE APPROPRIATIONS	ASSIGNED REVENUE CARRIED OVER TO 2011	DIFFERENCE EXECUTION / TOTAL AVAILABLE APPROPRIATIONS AFTER CARRY OVER TO 2011 OF ASSIGNED REVENUE	% EXECUTION / TOTAL AVAILABLE APPROPRIATIONS AFTER CARRY OVER TO 2011 OF ASSIGNED REVENUE
				(1)	(2)	(3)	(4) = (1) + (2) + (3)	(5)	(6) = (4) - (5)	(7)	(8) = (6) - (7)	(9) = ((5) + (7)) / (4)
05	01		ADMINISTRATIVE EXPENDITURE OF AGRICULTURE AND RURAL DEVELOPMENT POLICY AREA	9 019 000	0	0	9 019 000	7 555 848	1 463 152	0	1 463 152	84%
05	01	04	Support expenditure **	9 019 000	0	0	9 019 000	7 555 848	1 463 152	0	1 463 152	84%
05	02		INTERVENTIONS IN AGRICULTURAL MARKETS	4 395 310 000	405 531 402	-410 000 000	4 390 841 402	3 983 765 392	407 076 010	403 600 317	3 475 693	100%
05	02	01	Cereals	115 100 000	0	20 000 000	135 100 000	135 066 817	33 183	0	33 183	100%
05	02	02	Rice	0	0	0	0	0	0	0	0	-
05	02	03	Refunds on non-Annex I products	114 000 000	0	-62 000 000	52 000 000	51 349 172	650 828	0	650 828	99%
05	02	04	Food programmes	500 100 000	0	-34 500 000	465 600 000	465 547 096	52 904	0	52 904	100%
05	02	05	Sugar	1 500 000	0	8 500 000	10 000 000	9 985 353	14 647	0	14 647	100%
05	02	06	Olive oil	57 500 000	0	-3 870 000	53 630 000	53 174 201	455 799	0	455 799	99%
05	02	07	Textile plants	30 000 000	0	0	30 000 000	28 814 756	1 185 244	0	1 185 244	96%
05	02	08	Fruits and vegetables	720 100 000	405 531 402	114 800 000	1 240 431 402	836 721 871	403 709 532	403 600 317	109 214	100%
05	02	09	Products of the wine-growing sector	1 338 300 000	0	-28 800 000	1 309 500 000	1 309 239 864	260 136	0	260 136	100%
05	02	10	Promotion	57 210 000	0	-9 500 000	47 710 000	47 610 763	99 237	0	99 237	100%
05	02	11	Other plant products/measures	356 200 000	0	290 000	356 490 000	356 466 991	23 009	0	23 009	100%
05	02	12	Milk and Milk products	943 100 000	0	-413 550 000	529 550 000	529 085 819	464 181	0	464 181	100%
05	02	13	Beef and Veal	26 100 000	0	-1 450 000	24 650 000	24 555 775	94 225	0	94 225	100%
05	02	14	Sheepmeat and goatmeat	0	0	0	0	0	0	0	0	-
05	02	15	Pigmeat, eggs & poultry, bee-keeping and other animal products	136 100 000	0	80 000	136 180 000	136 146 915	33 085	0	33 085	100%
05	03		DIRECT AIDS	39 273 000 000	746 347 908	158 400 000	40 177 747 908	39 675 730 609	502 017 299	501 496 069	521 230	100%
05	03	01	Decoupled direct aids	33 272 000 000	746 347 908	308 250 000	34 326 597 908	33 825 038 675	501 559 233	501 496 069	63 164	100%
05	03	02	Other direct aids	5 995 000 000	0	-147 550 000	5 847 450 000	5 847 021 687	428 313	0	428 313	100%
05	03	03	Additional amounts of aid	6 000 000	0	-2 300 000	3 700 000	3 670 247	29 753	0	29 753	99%
05	04		RURAL DEVELOPMENT	0	0	-6 600 000	-6 600 000	-7 136 211	536 211	0	536 211	108%
05	04	01	Rural development financed by the ex-EAGGF-Guarantee Section — Programming period 2000 - 2006	0	0	-6 600 000	-6 600 000	-7 136 211	536 211	0	536 211	108%
05	04	03	Other measures	0	0	0	0	0	0	0	0	-
05	07		AUDIT OF AGRICULTURAL EXPENDITURE	-300 500 000	170 186	258 200 000	-42 129 814	-42 586 223	456 409	0	456 409	101%
05	07	01	Control of agricultural expenditure	-303 500 000	170 186	261 200 000	-42 129 814	-42 586 223	456 409	0	456 409	101%
05	07	02	Settlement of disputes	3 000 000	0	-3 000 000	0	0	0	0	0	-
05	08		POLICY STRATEGY & COORDINATION OF AGRICULTURE AND RURAL DEVELOPMENT P.A. ***	40 591 000	226 988	0	40 817 988	38 387 906	2 430 082	8 420	2 421 662	94%
05	08	01	Farm Accountancy Data Network (FADN)	13 981 000	0	0	13 981 000	13 769 069	211 931	0	211 931	98%
05	08	02	Surveys on the structure of agricultural holdings	15 100 000	221 588	0	15 321 588	14 998 022	323 566	8 420	315 146	98%
05	08	03	Restructuring of systems for agricultural surveys	1 460 000	5 400	0	1 465 400	1 459 512	5 888	0	5 888	100%
05	08	06	Enhancing public awareness of the common agricultural policy	8 000 000	0	0	8 000 000	7 021 461	978 539	0	978 539	88%
05	08	09	EAGF - Operational technical assistance	2 050 000	0	0	2 050 000	1 139 843	910 157	0	910 157	56%
11	02		FISHERIES MARKETS	30 496 768	0	0	30 496 768	30 440 315	56 453	0	56 453	100%
11	02	01	Intervention in fishery products	15 500 000	0	0	15 500 000	15 443 547	56 453	0	56 453	100%
11	02	03	Fisheries programme for the outermost regions	14 996 768	0	0	14 996 768	14 996 768	0	0	0	100%
17	01		ADMINISTRATIVE EXPENDITURE OF VETERINARY COSTS	2 285 000	0	-83 529	2 201 471	2 015 634	185 837	0	185 837	92%
17	01	04	Support expenditure for operations of 'Health and consumer protection' Policy Area	2 285 000	0	-83 529	2 201 471	2 015 634	185 837	0	185 837	92%
17	03		PUBLIC HEALTH	16 900 000	0	0	16 900 000	16 900 000	0	0	0	100%
17	03	02	Community tobacco fund — Direct payments by the European Union	16 900 000	0	0	16 900 000	16 900 000	0	0	0	100%
17	04		FOOD SAFETY, ANIMAL HEALTH, ANIMAL WELFARE AND PLANT HEALTH	352 700 000	5 247 084	0	357 947 084	340 941 611	17 005 473	468 951	16 536 523	95%
17	04	01	Animal disease eradication & monitoring programmes & monitoring of the physical conditions of animals that could pose a public health risk linked to an external factor	275 000 000	5 110 190	-2 797 817	277 312 373	274 082 000	3 230 373	450 373	2 780 000	99%
17	04	02	Other measures in the veterinary, animal welfare and public health field	18 500 000	0	0	18 500 000	12 528 635	5 971 365	0	5 971 365	68%
17	04	03	Emergency fund for veterinary complaints & other animal contaminations which are a risk to public health	30 000 000	107 139	-7 244 076	22 863 063	15 089 083	7 773 980	0	7 773 980	66%
17	04	04	Plant health measures	3 200 000	0	5 087 161	8 287 161	8 287 161	0	0	0	100%
17	04	05	Community Plant Variety Office	0	0	0	0	0	0	0	0	-
17	04	07	Feed and food safety and related activities	26 000 000	29 754	4 954 732	30 984 486	30 954 731	29 756	18 578	11 178	100%
TOTAL 2010 EAGF - European Agricultural Guarantee Fund (****)				43 819 801 768	1 157 523 568	-83 529	44 977 241 807	44 046 014 880	931 226 926	905 573 757	25 653 170	100%
05	02	16	Sugar Restructuring Fund	0	1 375 054 272	0	1 375 054 272	330 297 467	1 044 756 805	1 044 756 805	0	100%
05	02	17	Support for farmers *****	4 500 000	0	0	4 500 000	1 454 303	3 045 697	0	3 045 697	32%
05	08	10	Assessing end-user costs of compliance with EU legislation in the fields of environment, animal welfare & food safety *****	0	0	0	0	0	0	0	0	-
TOTAL 2010 (****)				43 824 301 768	2 532 577 839	-83 529	46 356 796 078	44 377 766 650	1 979 029 428	1 950 330 561	28 698 867	100%

(*) T = Title / C = Chapter / A = Article.

(**) The budget item concerning EAGF is 05 01 04 01.

(***) P.A. = Policy Area

(****) Reserve of 300 000 000 € included

(*****) Pilot projects

ANNEX 4-I

Assigned revenue for policy area 05 (under shared management)* Appropriations C4

Commitment Appropriations

in EUROS

Assigned Revenue 2010					Use of Assigned Revenue					Carried forward to 2011	
ITEM	Funds	Description	Amount	Link - Budgetary Attribution		Budgetary Expenditure Line	Funds	Description	Amount		
				Budgetary Line	Amount				Detail		Total
CHAPTER 67 : REVENUE CONCERNING EAGF											
6 7 0 1	IC4	Clearance of EAGF accounts – Assigned revenue	735.114.995,57	05 02 08 99	404.863.969,54	05 02 08 99	C4	Other measures (Fruits & vegetables)	1.263.652,24		
										403.600.317,30	
6 7 0 2	IC4	EAGF Irregularities – Assigned revenue	172.373.829,43	05 03 01 99	172.373.829,43						
6 7 0 3	IC4	Superlevy from milk producers – Assigned revenue	103.044.369,90	05 03 01 99	103.044.369,90	05 03 01 01	C4	SPS (single payment scheme)	104.173.156,37		
6 7 0	IC4	Revenue concerning EAGF	1.010.533.194,90								
6 7	IC4	REVENUE CONCERNING EAGF * TOTAL Chapter 67	1.010.533.194,90		1.010.533.194,90				105.436.808,61	905.096.386,29	
CHAPTER 68 : TEMPORARY RESTRUCTURING AMOUNTS											
6 8 0 1	IC4	Temporary restructuring amounts – Assigned revenue	606.762.831,87	05 02 16 00	606.762.831,87	05 02 16 00	C4	Sugar Restructuring Fund	-3.959.109,00		
6 8 0 2		Irregularities concerning the temporary restructuring fund – Assigned revenue	0,00								
6 8 0 3		Clearance with regard to the temporary restructuring fund – Assigned revenue	0,00								
6 8 0	IC4	Temporary restructuring amounts	606.762.831,87								
6 8	IC4	TEMPORARY RESTRUCTURING AMOUNTS	606.762.831,87						-3.959.109,00	610.721.940,87	
TOTAL			1.617.296.026,77			TOTAL			101.477.699,61	1.515.818.327,16	

* Under centralised direct management, for the commitments of article 05 08 02, assigned revenue (C4) amounting to EUR 8 419.77 has not been used and it will be also carried over to 2011.

ANNEX 4-II

Assigned revenue for policy area 05 (under shared management)* Appropriations C5

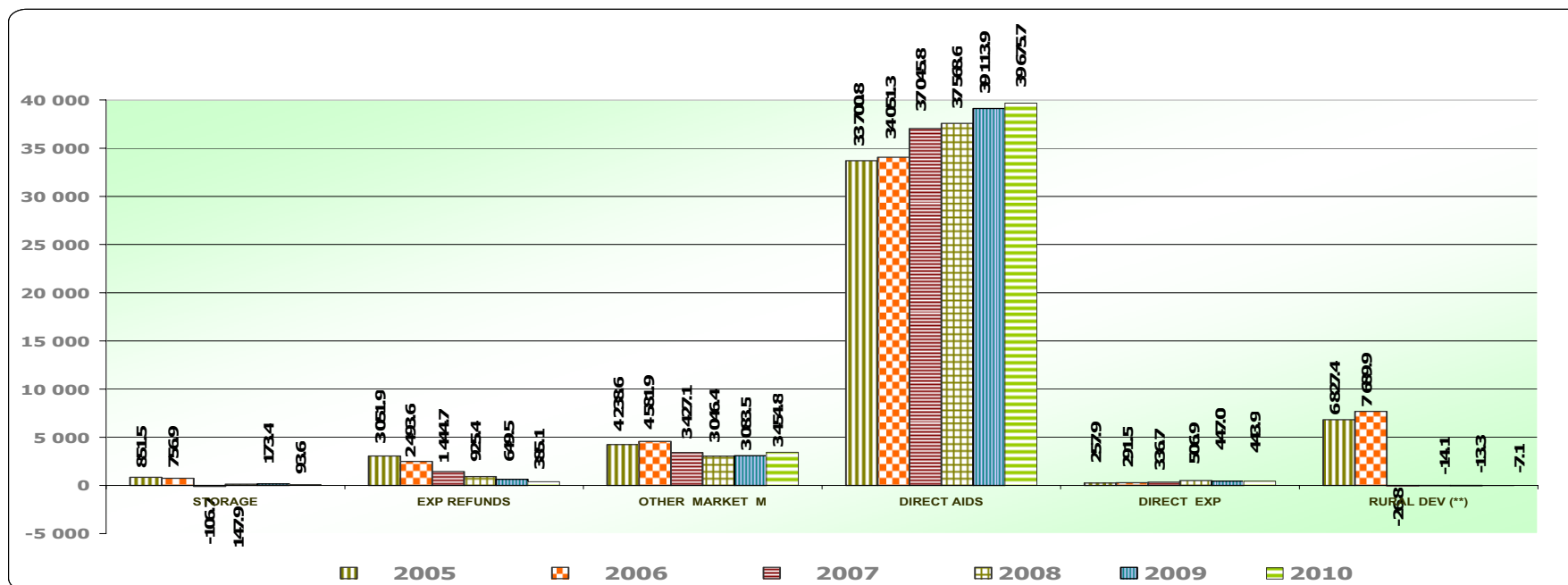
Commitment Appropriations							in EUROS				Carried forward to 2011**	
Assigned Revenue 2010							Use of Assigned Revenue					
ITEM	Funds	Description	Amount	Link - Budgetary Attribution			Budgetary Expenditure Line	Funds	Description	Amount		
				Budgetary Line	Amount					Detail		Total
CHAPTER 67 : REVENUE CONCERNING EAGF												
6 7 0 1	IC5	Clearance of EAGF accounts – Assigned revenue	667.432,82	05 02 08 99	663.407,34		05 02 08 03	C5	Operational funds for producers organisations	667.432,82		
				05 02 12 01	4.025,48							
						667.432,82				667.432,82		-
6 7 0 2	IC5	EAGF Irregularities – Assigned revenue	140.848.868,17	05 03 01 99	140.852.893,65		05 03 01 01	C5	SPS (single payment scheme)	140.678.682,26		
				05 02 12 01	-4.025,48		05 07 01 06	C5	Accounting clearance of previous years' accounts with regard to shared management expenditure under the EAGF Guarantee Section (previous measures) and under the EAGF	170.185,91		
6 7 0 3	IC5	Superlevy from milk producers – Assigned revenue										
						140.848.868,17				140.848.868,17		-
6 7 0	IC5	Revenue concerning EAGF	141.516.300,99									
6 7	IC5	REVENUE CONCERNING EAGF *										
		TOTAL Chapter 67	141.516.300,99			141.516.300,99					141.516.300,99	
CHAPTER 68 : TEMPORARY RESTRUCTURING AMOUNTS												
6 8 0 1	IC5	Temporary restructuring amounts – Assigned revenue	768.291.439,67	05 02 16 00	768.291.439,67		05 02 16 00	C5	Sugar Restructuring Fund	334.256.575,97		
						768.291.439,67				334.256.575,97		434.034.863,70
6 8 0 2		Irregularities concerning the temporary restructuring fund – Assigned revenue	0,00									
6 8 0 3		Clearance with regard to the temporary restructuring fund – Assigned revenue	0,00									
6 8 0	IC5	Temporary restructuring amounts	768.291.439,67									
6 8	IC5	TEMPORARY RESTRUCTURING AMOUNTS **	768.291.439,67								334.256.575,97	
TOTAL			909.807.740,66				TOTAL			475.772.876,96	434.034.863,70	

* Under centralised direct management, the total commitments made for article 05 08 02 were partly funded by assigned revenue (C5) amounting to EUR 213 168,44. Therefore, the total overall amount of assigned revenue (C5) used, under both shared and centralised direct management amounted to EUR 141,7 million

** The amount of EUR 434 034 863,70, involving temporary restructuring amounts (C5 appropriations) , was exceptionally carried over to 2011.

ANNEX 6

EVOLUTION of THE BREAKDOWN of EAGF EXPENDITURE - 2005 to 2010 Financial years*



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Commitment Appropriations

in EUR Million

FINANCIAL YEAR (*)	BUDGET EXECUTION		STORAGE	EXPORT REFUNDS	DIRECT AIDS	OTHER MARKET MEASURES	DIRECT EXPENDITURE	RURAL DEVELOPMENT (**)
	1a	1b						
2005	42 100.8	6 827.4	851.5	3 051.9	33 700.8	4 238.6	257.9	6 827.4
2006	42 175.3	7 689.9	756.9	2 493.6	34 051.3	4 581.9	291.5	7 689.9
2007		42 120.9	-106.7	1 444.7	37 045.8	3 427.1	336.7	-26.8
2008		42 181.2	147.9	925.4	37 568.6	3 046.4	506.9	-14.1
2009		43 454.1	173.4	649.5	39 113.9	3 083.5	447.0	-13.3
2010		44 046.0	93.6	385.1	39 675.7	3 454.8	443.9	-7.1

(*) For the financial years 2005 & 2006: European Agricultural Guidance and Guarantee Fund-Guarantee Section (EAGGF), under Heading 1, of which sub-Heading 1a concerned Market Measures and Direct Aids and sub-Heading 1b concerned Rural Development (financed by the EAGGF-Guarantee Section).

(**) RURAL DEVELOPMENT financed by the ex-European Agricultural Guidance and Guarantee Fund-Guarantee section (EAGGF) - Programming period 2000-2006