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

**5th FINANCIAL REPORT FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT AND THE COUNCIL on the EUROPEAN AGRICULTURAL
GUARANTEE FUND**

2011 FINANCIAL YEAR

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TABLE OF CONTENTS

1.	BUDGET PROCEDURE.....	3
2.	CASH POSITION AND MANAGEMENT OF APPROPRIATIONS	6
3.	THE IMPLEMENTATION OF THE 2011 EAGF BUDGET.....	9
4.	COMMENTS ON THE IMPLEMENTATION OF THE 2011 EAGF BUDGET	9
5.	IMPLEMENTATION OF ASSIGNED REVENUE	11
6.	BREAKDOWN BY TYPE OF EXPENDITURE	12

ANNEX 1	BUDGETARY PROCEDURE FOR 2011 EAGF COMMITMENT APPROPRIATIONS
ANNEX 2	PART OF THE EAGF BUDGET IN THE EU BUDGET 2005 TO 2011
ANNEX 3	ANALYSIS OF EAGF BUDGETARY EXECUTION – 2011 FINANCIAL YEAR
ANNEX 4-I	ANALYSIS OF EAGF BUDGETARY EXECUTION – 2011 FINANCIAL YEAR. ASSIGNED REVENUE. C4
ANNEX 4-II	ANALYSIS OF EAGF BUDGETARY EXECUTION – 2011 FINANCIAL YEAR. ASSIGNED REVENUE. C5
ANNEX 5	EAGF BUDGETARY EXECUTION BY ARTICLE AND BY MEMBER STATE – 2011 FINANCIAL YEAR
ANNEX 6	EVOLUTION OF THE BREAKDOWN OF EAGF EXPENDITURE 2006 TO 2011 FINANCIAL YEARS

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).

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1. BUDGET PROCEDURE¹

1.1. Draft budget 2011

The 2011 Draft Budget (DB) was adopted by the Commission and proposed to the Budgetary Authority on 27.04.2010. The commitment appropriations proposed for the European Agricultural Guarantee Fund (EAGF) under heading 2 of the Financial Framework 2007-2013 totalled EUR 43 747.4 million.

The Council adopted its position on the 2011 Draft Budget on 08.07.2010 whereby it reduced commitment appropriations for EAGF by EUR 470.2 million, when compared to the Commission's DB, to EUR 43 277.2 million. On the other hand, the European Parliament adopted its position on the 2011 Draft Budget on 13.10.2010 whereby it increased commitment appropriations for EAGF by EUR 365.8 million, when compared to the Commission's DB, to EUR 44 113.4 million.

1.2. Amending Letter for 2011

On 20.10.2010 the Commission adopted Amending Letter (AL) No 3 to the 2011 DB, setting commitment appropriation requirements for EAGF at EUR 43 401.2 million. This amount was lower by EUR 346.2 million compared to the one foreseen for the Draft Budget. This decrease was mostly attributable to the favourable situation in agricultural markets to the tune of – EUR 136 million as well as to the increase of the expected available assigned revenue in 2011 by EUR 229 million.

1.3. Adoption of the 2011 budget

2011 was the first time that the new annual budgetary procedure provided for by the Lisbon Treaty, under article 314 of the Treaty on the Functioning of the EU (TFEU) was applied. Following their divergent positions on the Commission's draft budget, the Council and the European Parliament met within a Conciliation Committee for a 21-day conciliation period. However, by the time this period expired on 15 November 2010, they had not reached an agreement on the 2011 budget. Therefore, in line with Article 314 of the Treaty on the Functioning of the EU (TFEU), the Commission made a new draft budget proposal on 26 November 2010.

¹ This procedure is presented in annex 1.

The Budgetary Authority accepted the Commission's new draft budget which was approved by Parliament in a vote on 15 December 2010. The 2011 EAGF budget included commitment and payment appropriations amounting to:

- EUR 42 508.3 million and to EUR 42 509.1 million respectively for agricultural market measures and direct aids (policy area 05).
- EUR 352.9 million and to EUR 253.7 million respectively for veterinary and phyto-sanitary measures (policy area 17).
- EUR 30 million and to EUR 25.8 million respectively for fisheries (policy area 11).

The budget's total commitment appropriations for EAGF amounted to EUR 42 891.2 million and its payment appropriations amounted to EUR 42 788.5 million. The difference between commitment and payment appropriations is due to the fact, that for certain measures, which are directly implemented by the Commission, differentiated appropriations are used. These measures relate mainly to the promotion of agricultural products, to policy strategy and coordination measures for agriculture as well as to fisheries and to veterinary and phyto-sanitary measures.

Specifically, of the voted EAGF commitment appropriations amounting to EUR 42 891.2 million, EUR 2 964.9 million were foreseen for market measures under chapter 05 02 while EUR 39 771.1 million were foreseen for direct aids under chapter 05 03. Furthermore, the 2011 budget foresaw commitment appropriations of EUR 352.9 million for veterinary and phyto-sanitary measures under policy area 17-Health and Consumer Protection and EUR 30 million for fisheries markets under policy area 11-Maritime Affairs and Fisheries.

For details, please see annex 1.

1.4. Revenue assigned to EAGF²

In accordance with Article 34 of Council Regulation (EC) No 1290/2005 on the financing of the CAP, 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 2011 budget, an estimate of the revenue was made both for the amount expected to be collected in the course of the 2011 budget year as well as of the amount which was expected to be carried over from the budget

²

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 remarks for this article.

year 2010 into 2011. This estimate was taken into consideration when the Budgetary Authority adopted the 2011 budget. Specifically:

- Revenue from the conformity clearance corrections and from irregularities was estimated at EUR 600 million and EUR 88 million respectively while the receipts from the milk levy were estimated at EUR 19 million. Thus, the total amount of assigned revenue expected to be collected in the course of the 2011 budget year was estimated at EUR 707 million.
- The amount of assigned revenue expected to be carried over from the budget year 2010 into 2011 was estimated at EUR 540 million.

The total amount of EUR 1 247 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 500 million and for the single payment scheme by EUR 747 million. After taking account of these amounts, the Budgetary Authority eventually granted appropriations amounting to EUR 292 million and EUR 30 389 million respectively for these schemes in accordance with the Commission's proposals. The sum of the voted appropriations and the assigned revenue mentioned above corresponds to a total estimate of needs of EUR 792 million for the operational funds for producer organisations in the fruits and vegetables sector and EUR 31 136 million for the single payment scheme.

1.5. Temporary restructuring amounts in the sugar sector³

The temporary restructuring amounts in the sugar sector, as set out in article 11 of Council Regulation (EC) 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 the marketing years 2006/07 up to 2008/09, these amounts related to the sugar, inulin syrup and isoglucose quantitative quotas held by operators in each Member State and they were paid by Member States into the Fund.

At the time of establishment of the 2011 budget an amount of EUR 1 015 million was expected to be carried over from the budget year 2010 into 2011.

1.6. 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.

³ 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 remarks for this article.

2. CASH POSITION AND MANAGEMENT OF APPROPRIATIONS

2.1. Management of appropriations

2.1.1. Appropriations available for the 2011 financial year:

In EUR

Expenditure section of budget (1)	Commitment appropriations	Payment appropriations	Revenue section of budget (AR) (2)	Forecasts
1. Initial appropriations for EAGF of which	42 891 201 900	42 788 499 841	1. Conformity clearance	600 000 000
1a. Appropriations under shared management	42 465 900 000	42 465 900 000	2. Irregularities	88 000 000
1b. Appropriations under centralised direct management (3)	425 301 900	322 599 841	3. Super levy from milk producers	19 000 000
2. Amending Budget 6/2011	-23 140 000	0	4. Temporary restructuring amounts for sugar sector (4)	0
3. Transfer to / out of EAGF in the year	500 000	3 110 000	Total forecast of AR	707 000 000
4. Final appropriations for EAGF of which	42 868 561 900	42 791 609 841		
4a. Appropriations under shared management	42 465 900 000	42 465 900 000		
4b. Appropriations under centralised direct management	402 661 900	325 709 841		

(1) Appropriations entered in the 2011 budget taking into account the assigned revenue to be collected in 2011 and the one carried over from 2010 to 2011 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.)⁴, but the forecast amount is indicated in the budget comments.

(3) 83% of commitment appropriations concern expenditure for veterinary and phyto-sanitary measures under policy area 17 - Health and Consumer Protection). The rest concern expenditure for policy strategy and coordination under policy area 05 - Agriculture and rural development (10%) and for fisheries markets under policy area 11 - Maritime Affairs and Fisheries (7%).

(4) This revenue is used to provide appropriations for the payment of Sugar Restructuring Fund aids.

⁴ p.m.: "pour mémoire".

2.1.2. *Execution of appropriations available for the 2011 financial year:*

In EUR

	Execution of commitment appropriations	Execution of payment appropriations
Shared management (1)	43 772 404 535.48	43 772 404 535.48
Expenditure under centralised direct management	385 606 709.61	344 507 317.37
Total (including Sugar Restructuring Fund)	44 158 011 245.09	44 116 911 852.85
<i>Sugar Restructuring Fund</i>	187 935 635.21	187 935 635.21
Total (excluding Sugar Restructuring Fund)	43 970 075 609.88	43 928 976 217.64

(1) Committed amounts. Commitments and payments less assigned revenue received for shared management: EUR 43 105 570 603.39.

For the financial year 2011, the actual amount of commitment appropriations used amounted to EUR 44 158 011 245.09 while that for payment appropriations amounted to EUR 44 116 911 852.85.

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

In EUR

Expenditure under centralised direct management	Commitment appropriations	De- commitments	Payment appropriations	Carry over to 2012 (2)
Appropriations (C1) (1)	402 661 900.00	-	325 709 841.00	-
Execution (C1)	385 156 336.70	-	304 613 983.52	15 480 489.32
Appropriations cancelled	17 505 563.30	-	5 615 368.16	-

(1) C1 denotes the budget's voted appropriations. This amount includes transfers to / out EAGF: EUR 500 000 for commitment appropriations and EUR 3 110 000 for payment appropriations

(2) Carry over to 2012 only for non-differentiated appropriations

Commitment appropriations of EUR 402.7 million were foreseen for expenditure under centralised direct management in the 2011 budget. An amount of EUR 385.2 million was committed in 2011. The balance of these appropriations, EUR 17.5 million, was cancelled. 81.9% of commitment appropriations concern Policy area 17-Veterinary and phyto-sanitary measures expenditure. The rest concern Policy area 05-Agriculture and Rural Development (10.5%) and Policy area 11-Fisheries (7.6%).

Since 2007, and in accordance with article 149 of the Financial Regulation, the majority of EAGF appropriations for expenditure under direct management made by the Commission are differentiated appropriations. The automatic carry over to 2012, which relates only to non-differentiated appropriations, amounts to EUR 15.5 million.

2.2. Monthly payments

2.2.1. Monthly payments to Member States

2.2.1.1. Monthly payments on the provision for expenditure

Council Regulation (EC) No 1290/2005 of 21 June 2005 on the financing of the Common Agricultural Policy⁵ 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 States⁶. The monthly booking of expenditure and revenue is subject to checks and corrections on the basis of the detailed declaration⁷. Moreover, these payments will become final following the Commission's verifications under the accounting clearance of accounts procedure.

Payments made by the Member States from 16.10.2010 to 15.10.2011 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 2011, the total net amount of monthly payments made was EUR 43 105 570 603.39

2.2.1.2. Decisions on monthly payments for 2011

For the financial year 2011, 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 2011.

⁵ OJ L 209 of 11.8.2005, p. 1.

⁶ These monthly declarations of expenditure are transmitted by the Member States by the declaration of the 10th of the month N+1

⁷ 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 2011 EAGF BUDGET

3.1. The uptake of the EAGF budget appropriations

The implementation of the budget amounted to EUR 43 970.1 million. This expenditure was funded by the budget's initial appropriations, by using the entire amount of assigned revenue of EUR 905.1 million carried over from 2010 and a part of the assigned revenue collected in 2011 amounting to EUR 225.3 million out of a total EUR 666.8 million.

Within Policy area 05-Agriculture and Rural Development, the expenditure for market measures amounted to EUR 3 334.1 million and for direct aids to EUR 40 178 million. The expenditure incurred for market measures and direct aids exceeded the budget's voted appropriations and it was partly covered by transfers of appropriations from other items of the budget and partly by the revenue which was assigned to the EAGF budget.

Furthermore, the aforementioned total implementation amount includes expenditure for Policy area 11-Fisheries market measures of EUR 30 million as well as expenditure amounting to EUR 314.6 million for Policy area 17-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 item and by Member State.

4. COMMENTS ON THE IMPLEMENTATION OF THE 2011 EAGF BUDGET

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

4.1. Chapter 05 02: Interventions in agricultural markets

4.1.1. Introduction

Total payments for this area of the budget amounted to EUR 3 344.1 million and they were funded by the budget's voted appropriations amounting to EUR 2 964.9 million and by assigned revenue amounting to EUR 639.7 million. It should be noted that C1 appropriations amounting to EUR 247.5 million were transferred to item 05 07 01 06 to cover the negative expenditure of – EUR 272 million which was finally included in the 2011 budget for the accounting clearance of EAGF accounts. As regards assigned revenue, EUR 628.9 million was used to cover the expenditure incurred in the fruits and vegetables sector and the available balance was carried forward to 2012. In items where the budget's appropriations were under-spent, the available appropriations were transferred to other items of the budget in order to cover additional expenditure as needed.

4.1.2. *Cereals*

The expenditure incurred amounted to - EUR 156.2 million. This negative amount represents the gains realized for the 2011 budget as a result of total removals of 5.4 million tonnes of cereals from public storage at average prices higher than buying in prices.

4.1.3. *Food programmes*

Member States implemented almost fully the 2011 plan for food distribution to the most deprived persons. In addition, Member States paid administrative and transport costs for the previous years' plans. This resulted in an over-execution of the 2011 budget's appropriations by EUR 15 million.

4.1.4. *Fruits and vegetables*

The sector's over-implementation was primarily due to the expenditure incurred by Member States for the exceptional support measures for the fruit and vegetables sector, adopted by the Commission following the E.coli crisis (Regulation (EU) No 585/2011) and for the aid to producer groups for preliminary recognition. These payments were covered by transfers of appropriations from other items of the budget and from the revenue which had been assigned to this sector.

4.1.5. *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 98% 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.

4.1.6. *Beef and veal*

The sector's over-implementation was primarily due to higher payments made by Member States for refunds for the exports of higher quantities of fresh and frozen meat and live animals. This over-implementation was funded by transfer of voted appropriations from other items of the budget.

4.1.7. *Article 05 02 15: Pig meat, eggs and poultry, bee-keeping and other animal products*

The sector's over-implementation was primarily due to the payments made by Member States for export refunds for poultry and for the private storage aid scheme for pigmeat which was adopted by the Commission in January 2011 (Regulation (EU) No 68/2011). This over-implementation was covered by transfer of voted appropriations from other items of the budget.

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

The voted appropriations for this chapter of the 2011 budget amounted to EUR 39 771.1 million while direct payments amounted to approximately EUR 40 178 million. This level of 2011 EAGF expenditure was higher compared to

the 2010 mainly because of the continuing phasing-in of these aids to the EU-12 in that year. A part of the single payment scheme was foreseen to be funded by assigned revenue, thus, leading to this apparent over-implementation which was covered partly by this revenue and partly by transfers of voted 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. However, this year the Commission made overall positive corrections to Member States' accounts amounting EUR 66.6 million. The 2011 budget appropriations adopted by the Budgetary Authority amounted to – EUR 272 million for the negative clearance of accounts corrections. The Commission closed this account by transferring voted appropriations amounting to EUR 338.6 million from other items of the budget.

5. IMPLEMENTATION OF ASSIGNED REVENUE

5.1. Revenue assigned to EAGF

The assigned revenue actually carried over from 2010 into 2011, amounted to EUR 905.1 million and has entirely been used in financing expenditure of the 2011 budget year in accordance with article 10 of the Financial Regulation. This amount covered expenditure of EUR 403.6 million for the operational funds for producer organisations and of EUR 501.5 million for the single payment scheme.

As far as the assigned revenue collected in 2011, annex 4-I shows that this revenue amounted to EUR 666.8 million and it originated from:

- The corrections of the conformity clearance procedure which amounted to approximately EUR 467.3 million.
- The receipts from irregularities which amounted to approximately EUR 177.6 million.
- The milk levy collections which amounted to approximately EUR 21.9 million.

A part of the assigned revenue collected in 2011 amounting to EUR 225.3 million was used in order to cover expenditure incurred within the year in the fruits and vegetables sector.

The balance of the assigned revenue collected in 2011 amounting to EUR 441.5 million was automatically carried over into the 2012 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

In line with the legislation, no new temporary restructuring amounts have been collected from the Member States since November 2009. Therefore, the total assigned revenue available to the Sugar Restructuring Fund equals the amount of EUR 1 044.8 million carried over from 2010. After reimbursing Member States the amount of EUR 187.9 million incurred for Sugar Restructuring Fund aids (see point 5.3 below), the balance of approximately EUR 856.8 million will be carried over into the 2012 budget year and it will be intended to finance the Sugar Restructuring Fund payments to be made in that year.

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

5.3. Sugar Restructuring Fund

The reimbursement to Member States for payments made for aids concerning restructuring measures, for diversification aids or for aids to sugar refining amounted to EUR 187.9 million. These aids were reimbursed to Member States from the assigned revenue of EUR 1 044.8 million mentioned in point 5.2 above.

For details, please see annex 3.

6. BREAKDOWN BY TYPE OF EXPENDITURE

The total EAGF expenditure amounts to EUR 43 970.1 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 2011:

Storage

Expenditure for storage amounted to - EUR 194.6 million. This negative amount represents the gains realized for the 2011 budget, mainly, as a result of the removals of cereals, butter and skimmed milk powder from public storage at average prices higher than the buying in prices. (For details please see point 4.1.2 above).

Export refunds

Spending on export refunds amounted to EUR 179.4 million, i.e.: 0.4% of the total and it related mainly to beef, poultry, pig-meat, dairy and non-annex I products.

Other market measures

In addition to storage and export refunds, the expenditure for other market measures expenditure amounted to EUR 3 428.3 million, i.e.: 7.8% 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. This expenditure incorporates other minor amounts and it includes the corrections arising from the financial clearance of accounts.

Direct payments

Expenditure for direct payments amounted to EUR 40 178 million, i.e.: 91.4% of the total.

Direct expenditure under centralised management

This expenditure amounting to EUR 385.6 million, i.e.: 0.9% was paid directly by the Commission and it mostly covered the expenditure relating to veterinary and phyto-sanitary measures as well as to farm accounting and information on the CAP.

Rural development under ex-EAGGF-Guarantee

No commitment appropriations can be made anymore for these programmes under ex-EAGGF-Guarantee. Member States are now closing these programmes and they recover unduly paid amounts. The final net amount recovered under this article was equal to –EUR 6.6 million.

The evolution of this breakdown by type of expenditure for the period 2006-2011 is presented in annex 6.

ANNEX 1
EAGF Budgetary procedure for 2011

In EUR Million

Title	Chapter	Article	Heading	DB ***		DB Council position		DB EP**** position		Amending Letter 3		New DB		BUDGET	
				CA*	PA**	CA*	PA**	CA*	PA**	CA*	PA**	CA*	PA**	CA*	PA**
05	01		ADMINISTRATIVE EXPENDITURE OF POLICY AREA AGRICULTURE AND RURAL DEVELOPMENT	9.06	9.06	8.00	8.00	9.06	9.06	9.06	9.06	9.06	9.06	9.06	9.06
05	01	04	Support expenditure for operations of Policy Area Agriculture (1)	9.06	9.06	8.00	8.00	9.06	9.06	9.06	9.06	9.06	9.06	9.06	9.06
05	02		INTERVENTIONS IN AGRICULTURAL MARKETS (6)	3 491.11	3 491.81	3 452.36	3 453.06	3 847.11	3 847.81	3 154.91	3 155.61	2 964.91	2 965.50	2 964.91	2 965.49
05	02	01	Cereals	126.10	126.10	126.10	126.10	126.10	126.10	18.10	18.10	18.10	18.10	18.10	18.10
05	02	02	Rice	pm	pm	pm	pm	pm	pm	pm	pm	pm	pm	pm	pm
05	02	03	Refunds on non-Annex 1 products	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00
05	02	04	Food programmes	500.10	500.10	500.05	500.05	525.10	525.10	500.10	500.10	500.10	500.10	500.10	500.10
05	02	05	Sugar	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
05	02	06	Olive oil	49.60	49.60	49.30	49.30	49.60	49.60	49.60	49.60	49.60	49.60	49.60	49.60
05	02	07	Textile plants	30.00	30.00	28.00	28.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
05	02	08	Fruit and vegetables (2)	915.30	915.30	893.30	893.30	928.30	928.30	691.10	691.10	491.10	491.10	491.10	491.10
05	02	09	Products of wine-growing sector	1 145.70	1 145.70	1 135.20	1 135.20	1 145.70	1 145.70	1 143.70	1 143.70	1 143.70	1 143.70	1 143.70	1 143.70
05	02	10	Promotion	59.11	59.81	57.01	57.71	59.11	59.81	59.11	59.81	59.11	59.70	59.11	59.69
05	02	11	Other plant products/measures	380.90	380.90	380.90	380.90	380.90	380.90	388.90	388.90	388.90	388.90	388.90	388.90
05	02	12	Milk and milk products	104.00	104.00	103.20	103.20	414.00	414.00	90.00	90.00	100.00	100.00	100.00	100.00
05	02	13	Beef and veal	24.10	24.10	23.10	23.10	24.10	24.10	35.10	35.10	35.10	35.10	35.10	35.10
05	02	14	Sheepmeat and goatmeat	pm	pm	pm	pm	pm	pm	pm	pm	pm	pm	pm	pm
05	02	15	Pigmeat, eggs and poultry, bee-keeping and other animal products	124.00	124.00	124.00	124.00	132.00	132.00	117.00	117.00	117.00	117.00	117.00	117.00
05	03		DIRECT AIDS	39 911.10	39 911.10	39 911.10	39 911.10	39 911.10	39 911.10	39 901.10	39 901.10	39 771.10	39 771.10	39 771.10	39 771.10
05	03	01	Decoupled direct aids (3)	36 489.00	36 489.00	36 489.00	36 489.00	36 489.00	36 489.00	36 454.00	36 454.00	36 324.00	36 324.00	36 324.00	36 324.00
05	03	02	Other direct aids	3 422.00	3 422.00	3 422.00	3 422.00	3 422.00	3 422.00	3 447.00	3 447.00	3 447.00	3 447.00	3 447.00	3 447.00
05	03	03	Additional amounts of aid	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
05	04		RURAL DEVELOPMENT	0.00	2.08	0.00	2.08	0.00	2.08	0.00	2.08	0.00	1.95	0.00	1.94
05	04	01	Rural development financed by the EAGGF-Guarantee section - Programming period 2000-2006 (4)	pm	pm	pm	pm	pm	pm	pm	pm	pm	pm	pm	pm
05	04	03	Plant and animal genetic resources - Completion of earlier measures	pm	2.08	pm	2.08	pm	2.08	pm	2.08	pm	1.95	pm	1.94
05	07		AUDIT OF AGRICULTURAL EXPENDITURE	-62.50	-62.50	-482.50	-482.50	-62.50	-62.50	-62.50	-62.50	-262.50	-262.50	-262.50	-262.50
05	07	01	Control of agricultural expenditure (5)	-65.50	-65.50	-485.50	-485.50	-65.50	-65.50	-65.50	-65.50	-265.50	-265.50	-265.50	-265.50
05	07	02	Settlement of disputes	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
05	08		POLICY STRATEGY AND COORDINATION OF POLICY AREA AGRICULTURE & RURAL DEVELOPMENT (6)	25.73	24.92	24.73	23.92	25.73	24.92	25.73	24.92	25.73	23.98	25.73	23.95
05	08	01	Farm Accountancy Data Network (FADN)	14.23	13.27	14.23	13.27	14.23	13.27	14.23	13.27	14.23	12.46	14.23	12.44
05	08	02	Surveys on the structure of agricultural holdings	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.52	0.55	0.52
05	08	03	Restructuring of systems for agricultural surveys	1.46	1.61	1.46	1.61	1.46	1.61	1.46	1.61	1.46	1.51	1.46	1.51
05	08	06	Enhancing public awareness of the common agricultural policy	8.00	8.00	7.50	7.50	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
05	08	09	EAGF - Operational technical assistance	1.49	1.49	0.99	0.99	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49
EAGF under policy area 05 (Agriculture and rural development)				43 374.51	43 376.46	42 913.69	42 915.65	43 730.51	43 732.46	43 028.31	43 030.26	42 508.31	42 509.09	42 508.31	42 509.05
EAGF under policy area 11 (Maritime affairs and fisheries)				30.00	27.50	30.00	27.50	30.00	27.50	30.00	27.50	30.00	25.83	30.00	25.77
EAGF under policy area 17 (Health and consumer protection)				342.90	252.80	333.53	237.93	352.90	252.80	342.90	252.80	352.90	253.69	352.90	253.69
TOTAL 2011 EAGF APPROPRIATIONS				43 747.40	43 656.76	43 277.21	43 181.07	44 113.40	44 012.76	43 401.20	43 310.56	42 891.20	42 788.60	42 891.20	42 788.50
05	02	16	Sugar Restructuring Fund	pm	pm	pm	pm	pm	pm	pm	pm	pm	pm	pm	pm
TOTAL 2011 APPROPRIATIONS				43 747.40	43 656.76	43 277.21	43 181.07	44 113.40	44 012.76	43 401.20	43 310.56	42 891.20	42 788.60	42 891.20	42 788.50

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

(2) Additional needs to be covered by assigned revenue: for the DB estimated at EUR 100 million, for the AL estimated at EUR 300 million and for the new DB estimated at 500 million

(3) Additional needs to be covered by assigned revenue: for the DB estimated at EUR 588 million, for the AL estimated at EUR 617 million and for the new DB estimated at 747 million

(4) Rural Development financed by the ex-European Agricultural Guidance and Guarantee Fund-Guarantee section (EAGGF) - Programming period 2000-2006

(5) Control of agricultural expenditure: Article 05 07 01, except Items 05 07 01 10 and 05 07 01 11.

(6) Budget lines 05 02 08 13, 05 02 17 and 05 08 10 concern pilot projects and are excluded

* CA : Commitment Appropriations

** PA: Payment Appropriations

*** DB: Draft Budget

**** EP: European Parliament

ANNEX 2

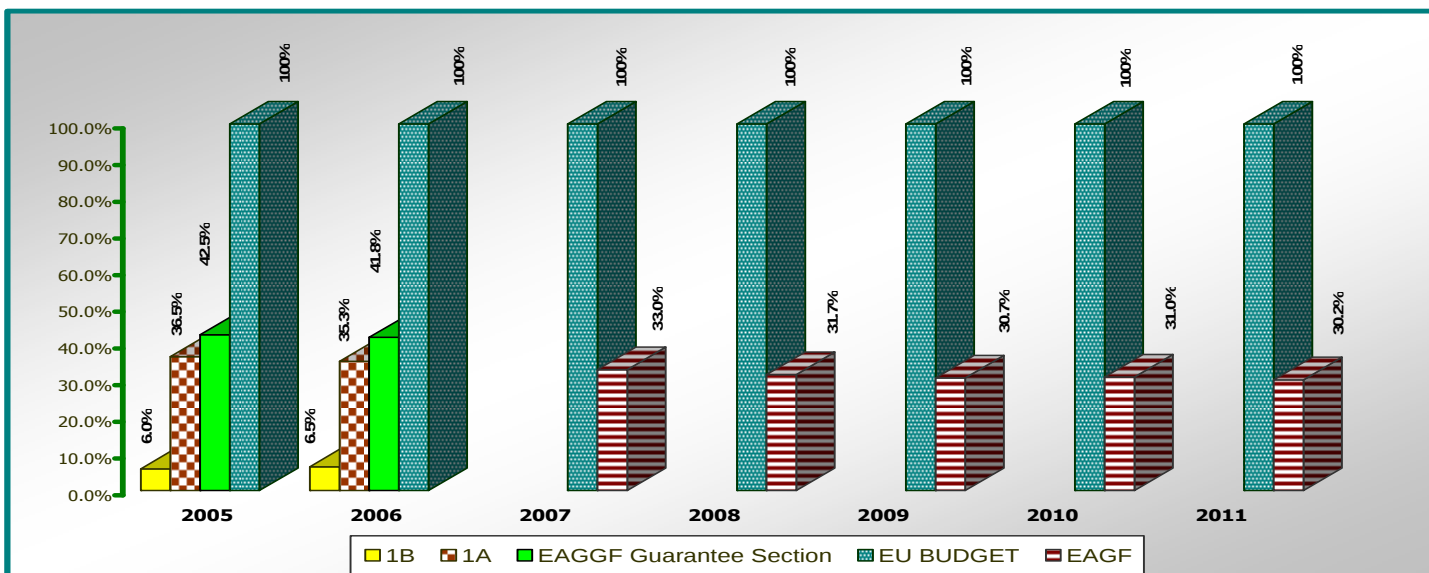
**PART OF THE EUROPEAN AGRICULTURAL GUARANTEE FUND - EAGF IN THE EU (Commission) BUDGET
2005 to 2011 FINANCIAL YEARS (*)**

Commitment Appropriations

BUDGET YEAR	2005	2006	2007	2008	2009	2010	2011
European Union BUDGET**	100%	100%	100%	100%	100%	100%	100%
European Agricultural Guidance and Guarantee Fund - Guarantee Section	42.5%	41.8%					
of which 1A	36.5%	35.3%					
of which 1B	6.0%	6.5%					
European Agricultural Guarantee Fund			33.0%	31.7%	30.7%	31.0%	30.2%

(*) Financial years 2005 and 2006: European Agricultural Guidance and Guarantee Fund-Guarantee Section (EAGGF). Financial years 2007 to 2011: European Agricultural Guarantee Fund (EAGF).

(**) Commission Budget of the European Union Budget.



ANNEX 3
ANALYSIS OF BUDGETARY EXECUTION - 2011 FINANCIAL YEAR

Commitment Appropriations

			HEADING	ADOPTED BUDGET 2011	AMENDING BUDGET 6/2011 (1)	ASSIGNED REVENUE	TRANSFERS	TOTAL AVAILABLE APPROPRIATIONS	EXECUTION 2011	DIFFERENCE EXECUTION / TOTAL AVAILABLE APPROPRIATIONS	ASSIGNED REVENUE CARRIED OVER TO 2012	DIFFERENCE EXECUTION / TOTAL AVAILABLE APPROPRIATIONS AFTER CARRY OVER TO 2012 OF ASSIGNED REVENUE	% EXECUTION / TOTAL AVAILABLE APPROPRIATIONS AFTER CARRY OVER TO 2012 OF ASSIGNED REVENUE
T	C	A											
				(1)	(2)	(3)	(4)	(5) = (1) + (2) + (3) + (4)	(6)	(7) = (5) - (6)	(8)	(9) = (7) - (8)	(10) = ((6) + (8)) / (5)
05 01			ADMINISTRATIVE EXPENDITURE OF AGRICULTURE AND RURAL DEVELOPMENT POLICY AREA	9 062 600	0	0	0	9 062 600	8 442 043	620 557	0	620 557	93%
05 01 04			Support expenditure **	9 062 600	0	0	0	9 062 600	8 442 043	620 557	0	620 557	93%
05 02			INTERVENTIONS IN AGRICULTURAL MARKETS	2 964 910 000	0	639 711 562	-247 500 000	3 357 121 562	3 344 123 911	12 997 652	10 767 945	2 229 707	100%
05 02 01			Cereals	18 100 000	0	0	-173 700 000	-155 600 000	-156 215 024	615 024	0	615 024	100%
05 02 02			Rice	p.m.	0	0	50 000	50 000	6 975	43 025	0	43 025	14%
05 02 03			Refunds on non-Annex I products	31 000 000	0	0	-18 200 000	12 800 000	12 737 349	62 651	0	62 651	100%
05 02 04			Food programmes	500 100 000	0	0	15 000 000	515 100 000	514 980 026	119 974	0	119 974	100%
05 02 05			Sugar	1 200 000	0	0	1 100 000	2 300 000	2 200 764	99 236	0	99 236	96%
05 02 06			Olive oil	49 600 000	0	0	-5 300 000	44 300 000	44 154 284	145 716	0	145 716	100%
05 02 07			Textile plants	30 000 000	0	0	300 000	30 300 000	30 278 365	21 635	0	21 635	100%
05 02 08			Fruits and vegetables	491 100 000	0	639 711 562	7 850 000	1 138 661 562	1 127 882 300	10 779 262	10 767 945	11 317	100%
05 02 09			Products of the wine-growing sector	1 143 700 000	0	0	-39 200 000	1 104 500 000	1 104 263 249	236 751	0	236 751	100%
05 02 10			Promotion	59 110 000	0	0	-11 700 000	47 410 000	47 254 869	155 131	0	155 131	100%
05 02 11			Other plant products/measures	388 900 000	0	0	-21 200 000	367 700 000	367 546 589	153 411	0	153 411	100%
05 02 12			Milk and Milk products	100 000 000	0	0	-94 600 000	5 400 000	5 082 232	317 768	0	317 768	94%
05 02 13			Beef and Veal	35 100 000	0	0	20 600 000	55 700 000	55 648 071	51 929	0	51 929	100%
05 02 14			Sheepmeat and goatmeat	p.m.	0	0	0	0	0	0	0	0	-
05 02 15			Pigmeat, eggs & poultry, bee-keeping and other animal products	117 000 000	0	0	71 500 000	188 500 000	188 303 860	196 140	0	196 140	100%
05 03			DIRECT AIDS	39 771 100 000	0	932 211 443	-85 700 000	40 617 611 443	40 178 029 637	439 581 806	430 715 374	8 866 432	100%
05 03 01			Decoupled direct aids	36 324 000 000	0	932 211 443	5 200 000	37 261 411 443	36 830 388 047	431 023 396	430 715 374	308 022	100%
05 03 02			Other direct aids	3 447 000 000	0	0	-91 400 000	3 355 600 000	3 347 044 371	8 555 629	0	8 555 629	100%
05 03 03			Additional amounts of aid	100 000	0	0	500 000	600 000	597 219	2 781	0	2 781	100%
05 04			RURAL DEVELOPMENT	p.m.	0	0	-6 000 000	-6 000 000	-6 631 997	631 997	0	631 997	111%
05 04 01			Rural development financed by the ex-EAGGF-Guarantee Section — Programming period 2000 - 2006	p.m.	0	0	-6 000 000	-6 000 000	-6 631 997	631 997	0	631 997	111%
05 04 03			Other measures	p.m.	0	0	0	0	0	0	0	0	-
05 07			AUDIT OF AGRICULTURAL EXPENDITURE	-262 500 000	0	0	339 200 000	76 700 000	76 445 352	254 648	0	254 648	100%
05 07 01			Control of agricultural expenditure	-265 500 000	0	0	342 200 000	76 700 000	76 445 352	254 648	0	254 648	100%
05 07 02			Settlement of disputes	3 000 000	0	0	-3 000 000	0	0	0	0	0	-
05 08			POLICY STRATEGY & COORDINATION OF AGRICULTURE AND RURAL DEVELOPMENT P.A.***	25 732 532	0	48 580	0	25 781 112	25 132 468	648 644	40 160	608 484	98%
05 08 01			Farm Accountancy Data Network (FADN)	14 232 532	0	0	0	14 232 532	14 230 188	2 344	0	2 344	100%
05 08 02			Surveys on the structure of agricultural holdings	550 000	0	48 580	-51 000	547 580	201 455	346 125	40 160	305 965	44%
05 08 03			Restructuring of systems for agricultural surveys	1 460 000	0	0	51 000	1 511 000	1 443 608	67 392	0	67 392	96%
05 08 06			Enhancing public awareness of the common agricultural policy	8 000 000	0	0	0	8 000 000	7 987 291	12 709	0	12 709	100%
05 08 09			EAGF - Operational technical assistance	1 490 000	0	0	0	1 490 000	1 269 926	220 074	0	220 074	85%
11 02			FISHERIES MARKETS	29 996 768	0	0	500 000	30 496 768	29 957 773	538 995	0	538 995	98%
11 02 01			Intervention in fishery products	15 000 000	0	0	500 000	15 500 000	14 961 005	538 995	0	538 995	97%
11 02 03			Fisheries programme for the outermost regions	14 996 768	0	0	0	14 996 768	14 996 768	0	0	0	100%
17 01			ADMINISTRATIVE EXPENDITURE OF VETERINARY COSTS	2 800 000	0	0	0	2 800 000	2 206 290	593 710	0	593 710	79%
17 01 04			Support expenditure for operations of 'Health and consumer protection' Policy Area	2 800 000	0	0	0	2 800 000	2 206 290	593 710	0	593 710	79%
17 03			PUBLIC HEALTH	p.m.	0	0	0	0	0	0	0	0	-
17 03 02			Community tobacco fund — Direct payments by the European Union	p.m.	0	0	0	0	0	0	0	0	-
17 04			FOOD SAFETY, ANIMAL HEALTH, ANIMAL WELFARE AND PLANT HEALTH	350 100 000	-23 140 000	1 605 445	0	328 565 445	312 370 134	16 195 312	1 136 495	15 058 817	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	270 000 000	-19 810 000	1 273 221	0	251 463 221	238 015 000	13 448 221	822 848	12 625 373	95%
17 04 02			Other measures in the veterinary, animal welfare and public health field	18 100 000	-3 330 000	0	-241 737	14 528 263	13 506 115	1 022 148	0	1 022 148	93%
17 04 03			Emergency fund for veterinary complaints & other animal contaminations which are a risk to public health	20 000 000	0	0	-9 946 881	10 053 119	10 053 119	0	0	0	100%
17 04 04			Plant health measures	12 000 000	0	0	10 188 618	22 188 618	21 256 677	931 940	0	931 940	96%
17 04 05			Community Plant Variety Office	p.m.	0	0	0	0	0	0	0	0	-
17 04 07			Feed and food safety and related activities	30 000 000	0	332 224	0	30 332 224	29 539 222	793 002	313 646	479 356	98%
TOTAL 2011 EAGF - European Agricultural Guarantee Fund				42 891 201 900	-23 140 000	1 573 577 030	500 000	44 442 138 930	43 970 075 610	472 063 320	442 659 973	29 403 347	100%
05 02 16			Sugar Restructuring Fund	p.m.	0	1 044 764 118	0	1 044 764 118	187 935 635	856 828 482	856 828 482	0	100%
05 02 08			05.02.08.13: Fruit and vegetable consumption ****	1 000 000	0	0	0	1 000 000	1 000 000	0	0	0	100%
05 02 17			Support for farmers ****	3 500 000	0	0	0	3 500 000	0	3 500 000	0	3 500 000	0%
05 08 10			Assessing end-user costs of compliance with EU legislation in the fields of environment, animal welfare & food safety ****	1 500 000	0	0	0	1 500 000	1 468 172	31 828	0	31 828	98%
TOTAL 2011				42 897 201 900	-23 140 000	2 618 341 148	500 000	45 492 903 048	44 160 479 417	1 332 423 631	1 299 488 456	32 935 175	100%

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

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

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

(****) Pilot projects

(1) For EAGF, the Amending Budget No 6/2011 concerns only items 17 04 01 01 and 17 04 02 01: commitment appropriations were reduced by respectively 19.81 ME and 3.33 ME.

ANNEX 4-I

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

Commitment Appropriations

in EUROS

Assigned Revenue 2011						Use of Assigned Revenue					Carriedforward to 2012											
ITEM	Fund s	Description	Amount	Link - Budgetary Attribution			Budgetary Expenditure Line	Funds	Description	Amount												
				Budgetary Line	Amount					Detail		Total										
CHAPTER 67 : REVENUE CONCERNING EAGF			666 826 618.99		05 02 08 99	236 111 245.16		05 02 08 03	C4		Operational funds for producer organisations		90 230 386.59									
6 7 0 1	IC4	Clearance of EAGF accounts – Assigned revenue		467 339 394.15																		
6 7 0 2	IC4	EAGF Irregularities – Assigned revenue	177 592 514.88	05 03 01 99	231 228 148.99																	
6 7 0 3	IC4	Superlevy from milk producers – Assigned revenue	21 894 709.96	05 03 01 99	21 894 709.96																	
						</																

* Under direct management, for the commitments of article 05 08 02 there exists assigned revenue (C4) amounting to EUR 40 160.01 which has not been used and it will be carried over to 2012.

ANNEX 4-II

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

Commitment Appropriations						Assigned Revenue for policy area 05 (under shared management) Appropriations 05						in EUROS		Carriedforward to 2012 *													
Assigned Revenue 2011						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			403 600 317.30	05 02 08 99	403 600 317.30				05 02 08 03	C5	Operational funds for producers organisations	403 600 317.30															
6 7 0 1	IC5	Clearance of EAGF accounts – Assigned revenue																									
6 7 0 2	IC5	EAGF Irregularities – Assigned revenue	501 496 068.99	05 03 01 01 05 03 01 99	26 843.63 501 469 225.36				05 03 01 01	C5	SPS (single payment scheme)	501 496 068.99															
6 7 0 3	IC5	Superlevy from milk producers – Assigned revenue																									
6 7 0	IC5	Revenue concerning EAGF	905 096 386.29																								
6 7	IC5	REVENUE CONCERNING EAGF TOTAL Chapter 67	905 096 386.29			905 096 386.29							905 096 386.29														
CHAPTER 68 : TEMPORARY RESTRUCTURING AMOUNTS			1 044 756 804.57	05 02 16 01	1 044 756 804.57				05 02 16 01	C5	Sugar Restructuring Fund	192 873 821.41															
6 8 0 1	IC5	Temporary restructuring amounts – Assigned revenue																									
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	1 044 756 804.57																								
6 8	IC5	TEMPORARY RESTRUCTURING AMOUNTS *	1 044 756 804.57										192 873 821.41														
TOTAL			1 949 853 190.86			TOTAL					1 097 970 207.70	851 882 983.16															

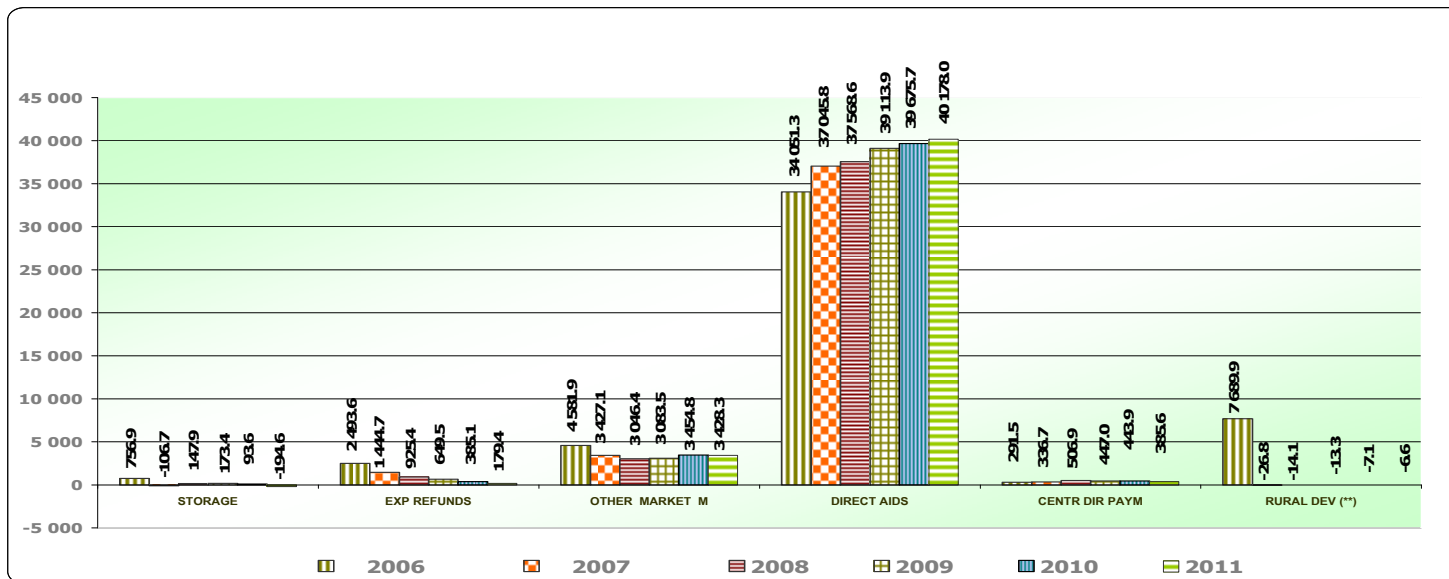
* The amount of EUR 851 882 983.16, involving temporary restructuring amounts (C5 appropriations) , was exceptionally carried over to 2012.

EXPENDITURE BY ARTICLE AND BY MEMBER STATE - 2011 Financial year

* EAGGF = European Agricultural Guidance and Guarantee Fund / EAGF = European Agricultural Guarantee Fund / MS = Member State.
 *** Excluding Pilot project under 05 02 08 13 - fruit and vegetable consumption.

ANNEX 6

EVOLUTION of THE BREAKDOWN of EAGF EXPENDITURE - 2006 to 2011 Financial years*



Commitment Appropriations

in EUR Million

FINANCIAL YEAR (*)	BUDGET EXECUTION		STORAGE	EXPORT REFUNDS	DIRECT AIDS	OTHER MARKET MEASURES	CENTRALISED DIRECT PAYMENTS (**)	RURAL DEVELOPMENT (***)
	1a	1b						
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
2011	43 970.1		-194.6	179.4	40 178.0	3 428.3	385.6	-6.6

(*) For the financial year 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 Guarantee Section of EAGGF).

(**) Up to 2010 referred to as "Direct expenditure".

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