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

**6th FINANCIAL REPORT FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT AND THE COUNCIL on the EUROPEAN AGRICULTURAL
GUARANTEE FUND**

2012 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/cap-funding/financial-reports/eagf/index_en.htm).

1. BUDGET PROCEDURE¹

1.1. Draft Budget 2012

The 2012 Draft Budget (DB) was adopted by the Commission and proposed to the Budgetary Authority on 20.04.2011. The commitment appropriations proposed for the European Agricultural Guarantee Fund (EAGF) under heading 2 of the Financial Framework 2007-2013 totalled EUR 44 179.7 million.

The Council adopted its position on the 2012 Draft Budget on 25.07.2011 whereby it reduced commitment appropriations for EAGF by EUR 535.5 million, when compared to the Commission's DB, to EUR 43 644.2 million. On the other hand, the European Parliament adopted its position on the 2012 Draft Budget on 26.10.2011 whereby it increased commitment appropriations for EAGF by EUR 271.9 million, when compared to the Commission's DB, to EUR 44 451.6 million.

1.2. Amending Letter for 2012

On 25.10.2011 the Commission adopted Amending Letter (AL) No 3 to the 2012 DB, setting commitment appropriation requirements for EAGF at EUR 44 091.6 million. This amount was lower by EUR 88.1 million compared to the one foreseen for the Draft Budget. This decrease was mostly attributable to the increase of the expected available assigned revenue in 2012 by EUR 291 million. Specifically, the assigned revenue foreseen in the DB 2012 amounted to EUR 791 million. This amount was increased to EUR 1 010 million in the Amending Letter for 2012.

1.3. Adoption of the 2012 budget

Agreement was reached on the 2012 EAGF budget in the conciliation procedure in November 2011. This budget was adopted by the European Parliament on 1 December 2011. The budget included commitment and payment appropriations as follows:

- Commitment appropriations of EUR 43 603.4 million and payment appropriations of EUR 43 601.3 million for agricultural market measures and direct aids (policy area 05 - Agriculture and Rural Development).
- Commitment appropriations of EUR 335.8 million and payment appropriations of EUR 245.5 million for veterinary and phyto-sanitary measures (policy area 17 -Health and Consumer Protection).
- Commitment appropriations of EUR 30.5 million and payment appropriations of EUR 29.1 million for fisheries markets (policy area 11-Maritime Affairs and Fisheries).

The budget's total commitment appropriations for EAGF amounted to EUR 43 969.6 million and its payment appropriations amounted to EUR 43 876 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.

¹ This procedure is presented in annex 1.

Specifically, of the voted EAGF commitment appropriations for policy area 05 amounting to EUR 43 603.4 million, EUR 3 230.8 million were foreseen for market measures under chapter 05 02, EUR 40 510.7 million were foreseen for direct aids under chapter 05 03, - EUR 192,7 million were foreseen for audit of agricultural expenditure under chapter 05 07 and EUR 45,8 million for policy strategy and coordination under chapter 05 08.

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 Common Agricultural Policy revenue 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. According to these rules, assigned revenue can be used to cover the financing of any EAGF expenditure. In the event part of this revenue is not used, then, this part will be automatically carried forward to the following budget year.

At the time of establishment of the 2012 budget, an estimate of the revenue was made both for the amount expected to be collected in the course of the 2012 budget year as well as of the amount which was expected to be carried over from the budget year 2011 into 2012. This estimate amounted to EUR 1 010 million and it was taken into consideration when the Budgetary Authority adopted the 2012 budget. Specifically:

- Revenue from the conformity clearance corrections and from irregularities was estimated at EUR 600 million and EUR 150 million respectively while the receipts from the milk levy were estimated at EUR 55 million. Thus, the total amount of assigned revenue expected to be collected in the course of the 2012 budget year was estimated at EUR 805 million.
- The amount of assigned revenue expected to be carried over from the budget year 2011 into 2012 was estimated at EUR 205 million.

In the 2012 budget, the Commission assigned this initially estimated assigned revenue of EUR 1 010 million to two schemes. Specifically:

- EUR 310 million was assigned to the operational funds for producer organisations in the fruits and vegetables sector, and
- EUR 700 million to the single payment scheme (direct aids).

For these two schemes, the Budgetary Authority eventually voted appropriations amounting to EUR 496 million and to EUR 30 472 million respectively 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 available appropriations of EUR 806 million for the operational funds for producer organisations in the fruits and vegetables sector and EUR 31 172 million for the single payment scheme.

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.

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 2012 budget an amount of EUR 832.2 million was expected to be carried over from the budget year 2011 into 2012.

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 2006–2012 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 2012 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	43 969 637 305	43 875 978 049	1. Conformity clearance	600 000 000
1a. Appropriations under shared management	43 540 900 000	43 540 900 000	2. Irregularities	150 000 000
1b. Appropriations under centralised direct management (3)	428 737 305	335 078 049	3. Super levy from milk producers	55 000 000
2. Amending Budget 6/2012	-65 420 000	17 000 000	4. Temporary restructuring amounts for sugar sector (4)	0
3. Transfer to / out of EAGF in the year	71 000	10 614 720	Total forecast of AR	805 000 000
4. Final appropriations for EAGF of which	43 904 288 305	43 903 592 769		
4a. Appropriations under shared management	43 540 900 000	43 540 900 000		
4b. Appropriations under centralised direct management	363 388 305	362 692 769		

(1) Appropriations entered in the 2012 budget after deducting the expected assigned revenue to be collected in 2012 and the one carried over from 2011 to 2012 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) 78% 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 (15%) 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. This Fund has ended on 30/09/2012.

⁴ p.m.: "pour mémoire".

2.1.2. Budget execution of appropriations available for the 2012 financial year

In EUR

	Execution of commitment appropriations	Execution of payment appropriations
Shared management (1)	44 495 484 915.34	44 495 484 915.34
Expenditure under centralised direct management	359 808 478.00	347 851 305.54
Total (including Sugar Restructuring Fund)	44 855 293 393.34	44 843 336 220.88
<i>Sugar Restructuring Fund</i>	109 698 527.03	109 698 527.03
Total (excluding Sugar Restructuring Fund)	44 745 594 866.31	44 733 637 693.85

(1) Committed amounts. Commitments and payments less assigned revenue received for shared management: EUR 43 588 043 789.62.

For the financial year 2012, the actual amount of commitment appropriations used amounted to EUR 44 855 293 393.34 while that for payment appropriations amounted to EUR 44 843 336 220.88.

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 2013 (2)
Appropriations (C1) (1)	363 388 305.00	-	362 692 769.11	-
Execution (C1)	358 622 779.47	-	341 045 358.37	16 140 424.02
Appropriations cancelled	4 765 525.53	-	5 506 986.72	-

(1) C1 denotes the budget's voted appropriations. This amount includes Amending Budget 6/2012 involving transfers to / out EAGF: EUR -65 349 000.00 for commitment appropriations and EUR 27 614 720.11 for payment appropriations

(2) Carry over to 2013 only for non-differentiated appropriations

Commitment appropriations of EUR 363.4 million were foreseen for expenditure under centralised direct management in the 2012 budget. An amount of EUR 358.6 million was committed in 2012. The balance of these appropriations, EUR 4.8 million, was cancelled. 74.4% of commitment appropriations concern policy area 17-Veterinary and phyto-sanitary measures expenditure. The rest concern policy area 05-Agriculture and Rural Development (17.2%) and policy area 11-Fisheries (8.4%).

The majority of executed EAGF commitment appropriations regarding expenditure under direct management made by the Commission are differentiated appropriations. The automatic carry over to 2013, which relates only to non-differentiated appropriations, amounts to EUR 16.1 million.

2.2. Monthly payments

2.2.1. Monthly payments to Member States under shared management

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 16.10.2011 to 15.10.2012 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 2012, the total net amount of monthly payments made, following the deduction of clearance and other corrections, was EUR 43 588 043 789.62.

2.2.1.2. Decisions on monthly payments for 2012

For the financial year 2012, 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 2012.

3. THE IMPLEMENTATION OF THE 2012 EAGF BUDGET

3.1. The uptake of the EAGF budget appropriations

The 2012 budget's commitments were fully executed and payments appropriations at the rate of 99.9% after taking account of the assigned revenue of the year carried over and excluding the execution of the Sugar Restructuring Fund.

Indeed, the implementation of the budget amounted to EUR 44 745.6 million. This expenditure was funded by the budget's initial appropriations; by using the entire amount of assigned revenue of EUR 441.5 million carried over from 2011 and; by using a part of the assigned revenue collected in 2012 amounting to EUR 408.9 million out of a total EUR 899.6 million.

Within policy area 05-Agriculture and Rural Development, the expenditure for market measures amounted to EUR 3 406 million and for direct aids to EUR 40 880 million. The expenditure incurred for certain market measures and direct aids exceeded the budget's voted appropriations and it was partly covered by

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.

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 30.5 million as well as expenditure amounting to EUR 268.4 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 article and by Member State.

4. COMMENTS ON THE IMPLEMENTATION OF THE 2012 EAGF BUDGET

A brief commentary on the implementation of the 2012 EAGF budget's appropriations as well as on the use of the assigned revenue available in 2012 is presented hereafter based on details appearing in the annex 3.

4.1. Chapter 05 02: Interventions in agricultural markets

4.1.1. Introduction

Total payments for this chapter of the budget amounted to EUR 3 406 million and they were funded by the budget's voted appropriations amounting to EUR 3 230.8 million and by assigned revenue amounting to EUR 177.4 million which was used to cover the expenditure incurred in the fruits and vegetables sector. The remaining balance of assigned revenue collected in 2012 amounting to EUR 143.4 million was carried over to 2013. (NB: Details for this sector appear in point 4.1.3 here below). 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. Food programmes

Member States implemented almost fully the 2012 plan for food distribution to the most deprived persons. In addition, Member States paid outstanding balances for administrative and transport costs for previous years' plans. This resulted in an over-execution of the 2012 budget's appropriations by EUR 15.1 million.

4.1.3. Fruits and vegetables

Expenditure for this sector amounted to EUR 1 071.2 million and its over-implementation was primarily due to the expenditure incurred by Member States for the aid to producer groups for preliminary recognition because of the large number of producer groups which have entered this scheme following the Member States' notification in January 2011 which was the basis for the 2012 budgetary estimate. As regards operational funds for producer organisations, Member States expenditure was smaller compared to the 2012 budget's estimated needs because their payments of first instalments for plans approved for 2012 were lower than initially estimated and they did not eventually pay an estimated residual amount under the E-coli measures. Finally, for the School Fruit Scheme, certain Member States incurred expenditure which remained below their budgetary allocation for the school year 2011/12 while for the school year 2012/2013, which started on 01/08/2012, no expenditure was incurred by Member States by the end of the 2012 budget year. This expenditure will be made and declared in the course of the 2013 budget.

4.1.4. *Products of the wine-growing sector*

The main measure funded in this sector is the national support programmes for wine for which two Member States incurred slightly lower expenditure compared to the amounts foreseen in their programmes. However, all other programmes foreseen under this scheme were fully implemented, resulting in an overall implementation of more than 98,4% of the foreseen 2012 appropriations. Member States incurred lower expenditure for the payment of still outstanding balances for the grubbing up scheme, terminated in 2011, compared to the amount foreseen in the budget.

4.1.5. *Milk and milk products*

The sector's under-implementation was primarily due to the lower expenditure incurred by Member States for the private storage aid for butter because of the lower volume of butter stored under this scheme and for school milk because the quantities distributed were lower than the quantities retained in the 2012 budget. However, it should be recalled that the 2012 budget for this item was increased by EUR 9 million by the Budgetary Authority compared to the initial needs of EUR 81 million requested by the Commission in its Amending Letter No 3/2012.

4.1.6. *Beef and veal*

The decrease in the export refund rates for meat and live animals that took place in April 2012 led to the budget's under-execution in this article by EUR 7.5 million for exports of fresh and frozen meat and by EUR 1.3 million for exports of live animals.

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

The voted appropriations for this chapter of the 2012 budget amounted to EUR 40 510.7 million while payments amounted to approximately EUR 40 880 million. This level of 2012 EAGF expenditure was higher compared to the level of 2011 mainly because of the continuing phasing-in of these aids for 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 by this revenue as foreseen. Transfers of voted appropriations from other items of the budget covered the expenditure incurred for certain other schemes in this chapter.

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 to approximately EUR 28.5 million including the negative corrections imposed to Member States from the penalties for non-respecting payment deadlines under budget item 05 07 01 06. The 2012 budget, adopted by the Budgetary Authority, amounted to –EUR 200 million for the negative clearance of accounts corrections in the same budget item. The Commission closed this account by transferring voted appropriations amounting to EUR 228.6 million from other items of the budget where under-execution has been incurred.

With regard to the conformity clearance of previous years' accounts, positive corrections amounting to EUR 36.2 million were made by the Commission within

the year. The 2012 budget did not retain any appropriations for such positive corrections which were eventually funded by transferring voted appropriations of the same amount from other items of the budget.

5. IMPLEMENTATION OF ASSIGNED REVENUE

5.1. Revenue assigned to EAGF

The assigned revenue actually carried over from 2011 into 2012, amounted to EUR 441.5 million and has entirely been used in financing expenditure of the 2012 budget year in accordance with article 10 of the Financial Regulation. This amount covered expenditure of EUR 10.8 million for the operational funds for producer organisations in the fruits and vegetables sector and of EUR 430.7 million for the single payment scheme.

As far as the assigned revenue collected in 2012, annex 4-I shows that this revenue amounted to EUR 899.6 million and it originated from:

- The corrections of the conformity clearance procedure which amounted to approximately EUR 674.8 million.
- The receipts from irregularities which amounted to approximately EUR 160.7 million.
- The milk levy collections which amounted to approximately EUR 64.1 million.

A part of the assigned revenue collected in 2012 amounting to EUR 408.9 million was used within the year. An amount of approximately EUR 166.5 million was used to cover expenditure incurred within the year for the operational funds for producer organisations in the fruits and vegetables sector while the balance of EUR 242.4 million was used to cover expenditure incurred within the year for direct aids.

The balance of the assigned revenue collected in 2012 amounting to EUR 490.7 million was automatically carried over into the 2013 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 temporary restructuring amounts in sugar sector

In line with the legislation, no new temporary restructuring amounts have been collected from the Member States since November 2009. However, an amount of EUR 7.8 million was declared in 2012 for irregularities. Therefore, the total assigned revenue available to the Sugar Restructuring Fund equals to the aforementioned amount plus the amount of EUR 856.8 million which was carried over from 2011 and which was higher than the amount of EUR 832.2 million foreseen in the 2012 budget as Member States made payments at the end of 2011 which were lower than expected. After reimbursing Member States the net amount of EUR 109.7 million incurred for Sugar Restructuring Fund aids (see point 6.3 below), the balance of approximately EUR 754.9 million remained available after the temporary Restructuring Fund ended on 30 September 2012. In accordance with Article 1(3) of Regulation (EC) 320/2006, this amount became assigned revenue to EAGF.

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

5.3. Sugar Restructuring Fund

The reimbursements to Member States for payments made for aids concerning restructuring measures, for diversification aids or for aids to sugar refining were for a net amount of EUR 109.7 million. These aids were reimbursed to Member States from the assigned revenue amount mentioned in point 5.2 above.

For details, please see annexes 3.

6. BREAKDOWN BY TYPE OF EXPENDITURE

The total EAGF expenditure amounts to EUR 44 745.6 million (excluding the Sugar Restructuring Fund). Hereafter, this expenditure is presented broken down into the main reporting categories along with the percentage that these represent in the total EAGF expenditure for 2012:

Storage

Expenditure for storage amounted to EUR 17.4 million. This amount mainly represents the expenditure incurred for the private storage of butter and olive oil.

Export refunds

Spending on export refunds amounted to EUR 146.7 million, i.e.: 0.3% of the total and it related mainly to beef, poultry, pig-meat, eggs and non-annex I products.

Other market measures

In addition to storage and export refunds, the expenditure for other market measures amounted to EUR 3 344.5 million, i.e.: 7.5% of the year's total. This category covers expenditure mainly relating to cereals, food programmes, olive oil, fruit and vegetables, wine, POSEI and dried fodder, 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 40 880 million, i.e.: 91.4% of the total.

Direct expenditure under centralised management

This expenditure amounting to EUR 359.8 million, i.e.: 0.8% 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, surveys on farm structures, information on the CAP etc.

Rural development under ex-EAGGF-Guarantee

No commitment appropriations can be made anymore for these programmes. 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 2.8 million.

The evolution of this breakdown by type of expenditure for the period 2007-2012 is presented in annex 6.

ANNEX 1
EAGF Budgetary procedure for 2012

Article Chapter Title	Heading	DB ...		Council position		Amending Letter 3		DB EP... position		BUDGET	
		CA-	PA-	CA-	PA-	CA-	PA-	CA-	PA-	CA-	PA-
05 01	ADMINISTRATIVE EXPENDITURE OF POLICY AREA AGRICULTURE AND RURAL DEVELOPMENT	8.75	8.75	7.55	7.55	8.75	8.75	8.75	8.75	8.75	8.75
05 01 04	Support expenditure for operations of Policy Area Agriculture (1)	8.75	8.75	7.55	7.55	8.75	8.75	8.75	8.75	8.75	8.75
05 02	INTERVENTIONS IN AGRICULTURAL MARKETS (6)	3 146.68	3 146.68	2 985.89	2 985.66	3 221.81	3 221.58	3 418.73	3 418.50	3 230.81	3 230.52
05 02 01	Cereals	41.00	41.00	41.00	41.00	43.00	43.00	41.00	41.00	43.00	43.00
05 02 02	Rice	14.00	14.00	14.00	14.00	12.00	12.00	14.00	14.00	12.00	12.00
05 02 03	Refunds on non-Annex 1 products	500.10	500.10	500.06	500.06	500.10	500.10	500.10	500.10	500.10	500.10
05 02 04	Food programmes	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
05 02 05	Sugar	48.50	48.50	46.50	46.50	68.50	68.50	57.50	57.50	68.50	68.50
05 02 06	Olive oil	28.00	28.00	28.00	28.00	27.00	27.00	28.00	28.00	27.00	27.00
05 02 07	Textile plants	742.10	742.10	616.10	616.10	788.00	788.00	992.10	992.10	788.00	788.00
05 02 08	Fruit and vegetables (2)	1 105.90	1 105.90	1 084.10	1 084.10	1 108.90	1 108.90	1 105.90	1 105.90	1 108.90	1 108.90
05 02 09	Products of wine-growing sector	52.18	52.18	49.23	49.00	55.41	55.18	56.23	56.00	55.41	55.12
05 02 10	Promotion	345.50	345.50	345.50	345.50	356.50	356.50	345.50	345.50	356.50	356.50
05 02 11	Other plant products/measures	92.10	92.10	87.10	87.10	82.10	82.10	101.10	101.10	91.10	91.10
05 02 12	Milk and milk products	45.10	45.10	43.10	43.10	46.10	46.10	45.10	45.10	46.10	46.10
05 02 13	Beef and veal	131.00	131.00	130.00	130.00	133.00	133.00	131.00	131.00	133.00	133.00
05 02 14	Sheepmeat and goatmeat										
05 02 15	Pigmeat, eggs and poultry, bee-keeping and other animal products										
05 03	DIRECT AIDS	40 673.70	40 673.70	40 647.20	40 647.20	40 510.70	40 510.70	40 673.70	40 673.70	40 510.70	40 510.70
05 03 01	Decoupled direct aids (3)	37 354.00	37 354.00	37 354.00	37 354.00	37 189.00	37 189.00	37 354.00	37 354.00	37 189.00	37 189.00
05 03 02	Other direct aids	3 317.70	3 317.70	3 291.20	3 291.20	3 320.70	3 320.70	3 317.70	3 317.70	3 320.70	3 320.70
05 03 03	Additional amounts of aid	2.00	2.00	2.00	2.00	1.00	1.00	2.00	2.00	1.00	1.00
05 04	RURAL DEVELOPMENT	pm	0.44	pm	0.44	pm	0.44	pm	0.44	pm	0.41
05 04 01	Rural development financed by the EAGF -Guarantee section - Programming period 2009-2006 (4)	pm	pm	pm	pm	pm	pm	pm	pm	pm	pm
05 04 03	Plant and animal genetic resources - Completion of earlier measures	pm	0.44	pm	0.44	pm	0.44	pm	0.44	pm	0.41
05 07	AUDIT OF AGRICULTURAL EXPENDITURE	-61.70	-61.70	-399.30	-399.30	-61.70	-61.70	-61.70	-61.70	-192.70	-192.70
05 07 01	Control of agricultural expenditure (5)	-62.50	-62.50	-400.10	-400.10	-62.50	-62.50	-62.50	-62.50	-193.50	-193.50
05 07 02	Settlement of disputes	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
05 08	POLICY STRATEGY AND COORDINATION OF POLICY AREA AGRICULTURE & RURAL DEVELOPMENT (6)	45.81	45.50	39.60	34.29	45.81	45.50	45.81	45.50	45.81	43.65
05 08 01	Farm Accountancy Data Network (FADN)	14.41	13.26	14.41	13.26	14.41	13.26	14.41	13.26	14.41	12.57
05 08 02	Surveys on the structure of agricultural holdings	20.24	21.13	15.24	11.13	20.24	21.13	20.24	21.13	20.24	20.03
05 08 03	Restructuring of systems for agricultural surveys	1.46	1.41	1.46	1.41	1.46	1.41	1.46	1.41	1.46	1.34
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
05 08 09	EAGF - Operational technical assistance	1.71	1.71	1.49	1.49	1.71	1.71	1.71	1.71	1.71	1.71
EAGF under policy area 05 (Agriculture and rural development)		43 813.47	43 813.37	43 280.94	43 275.83	43 725.37	43 725.27	44 085.29	44 085.19	43 603.37	43 601.33
EAGF under policy area 11 (Maritime affairs and fisheries)		30.50	30.70	30.50	30.70	30.50	30.70	30.50	30.70	30.50	29.14
EAGF under policy area 17 (Health and consumer protection)		335.77	258.77	332.77	228.77	335.77	258.77	335.77	258.77	335.77	245.51
TOTAL 2012 EAGF APPROPRIATIONS		44 179.74	44 102.84	43 644.20	43 535.30	44 091.64	44 014.74	44 451.56	44 374.66	43 969.64	43 875.98
05 02 16	Sugar Restructuring Fund	pm	pm	pm	pm	pm	pm	pm	pm	pm	pm
TOTAL 2012 APPROPRIATIONS		44 179.74	44 102.84	43 644.20	43 535.30	44 091.64	44 014.74	44 451.56	44 374.66	43 969.64	43 875.98

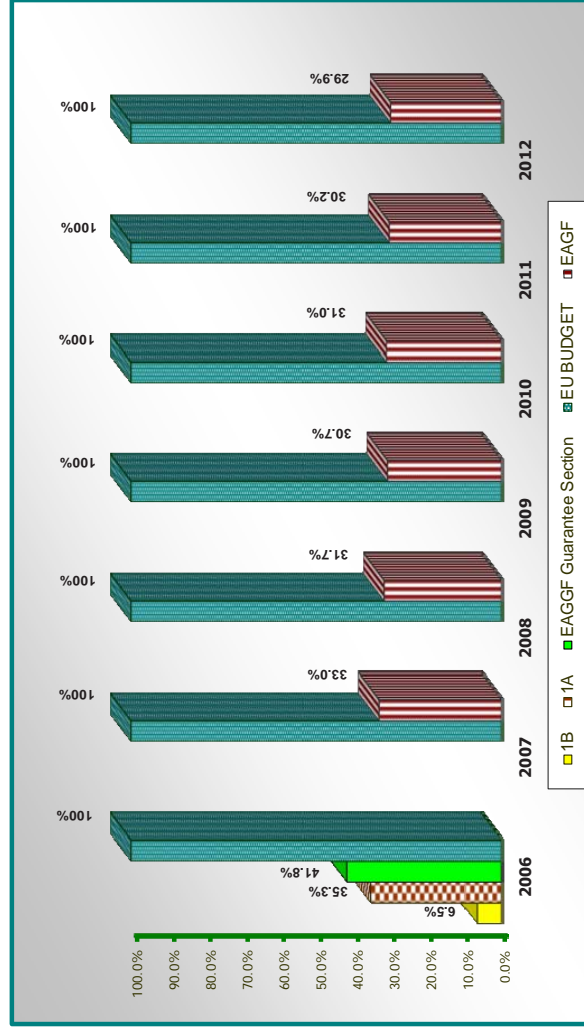
(1) The budget item concerning EAGF Ks 05 01 04 01.
(2) Additional needs to be covered by assigned revenue: for the DB estimated at EUR 291 million, for the AL and for the Budget estimated at 310 million.
(3) Additional needs to be covered by assigned revenue: for the DB estimated at EUR 500 million, for the AL and for the Budget estimated at 700 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 17, 05 08 10 and 05 08 11 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 BUDGET
2006 to 2012 FINANCIAL YEARS (*)

Commitment Appropriations		2006	2007	2008	2009	2010	2011	2012
European Union BUDGET		100%	100%	100%	100%	100%	100%	100%
European Agricultural Guidance and Guarantee Fund - Guarantee Section		41.8%						
	of which 1A	35.3%						
	of which 1B	6.5%						
European Agricultural Guarantee Fund			33.0%	31.7%	30.7%	31.0%	30.2%	29.9%

(*) Financial year 2006: European Agricultural Guidance and Guarantee Fund-Guarantee Section (EAGGF). Financial years 2007 to 2012: European Agricultural Guarantee Fund (EAGF).



**ANNEX 3
ANALYSIS OF BUDGETARY EXECUTION - 2012 FINANCIAL YEAR**

T.C.A	HEADING	ADOPTED BUDGET 2012	AMENDING BUDGET 6/2012 (1)	ASSIGNED REVENUE TRANSFERS	TOTAL AVAILABLE APPROPRIATIONS	EXECUTION 2012	DIFFERENCE EXECUTION/TOTAL AVAILABLE APPROPRIATIONS	ASSIGNED REVENUE CARRIED OVER TO 2013	DIFFERENCE EXECUTION/TOTAL AVAILABLE APPROPRIATIONS AFTER CARRY OVER TO 2013 OF ASSIGNED REVENUE	In EUROS	
										(1) - (2) - (3) - (4)	(5) - (6) - (7) - (8)
05 01	ADMINISTRATIVE EXPENDITURE OF AGRICULTURE AND RURAL DEVELOPMENT POLICY AREA	8 750 000	0	0	8 750 000	8 023 458	726 542	0	726 542	92%	
05 01 01	Support expenditure **	8 750 000	0	0	8 750 000	8 023 458	726 542	0	726 542	92%	
05 02	INTERVENTIONS IN AGRICULTURAL MARKETS	3 230 810 000	0	3 210 767 945	3 351 577 945	3 406 012 198	145 565 746	143 464 435	2 101 312	100%	
05 02 01	Cereals	43 000 000	0	-1 050 000	41 950 000	41 872 912	77 088	0	77 088	100%	
05 02 02	Rice	12 000 000	0	0	12 000 000	12 000 000	0	0	0	100%	
05 02 03	Retlands on non-Annex I products	500 100 000	0	-2 850 000	497 250 000	9 124 954	25 646	0	25 646	100%	
05 02 04	Food programmes	1 200 000	0	15 100 000	16 300 000	15 100 000	1 200 000	0	1 200 000	100%	
05 02 05	Sugar	68 500 000	0	-1 300 000	67 200 000	67 200 000	0	0	0	100%	
05 02 06	Other oil	27 000 000	0	-12 860 000	14 140 000	14 140 000	0	0	0	100%	
05 02 07	Textile plants	788 000 000	0	-1 800 000	786 200 000	786 200 000	0	0	0	100%	
05 02 08	Fruits and vegetables	1 108 900 000	0	320 767 945	1 429 667 945	1 072 049 539	357 618 406	143 464 435	158 277	100%	
05 02 09	Products of the wine-growing sector	55 410 000	0	-6 600 000	48 810 000	48 810 000	0	0	0	100%	
05 02 10	Promotion	358 500 000	0	-27 300 000	331 200 000	328 933 960	2 266 040	0	2 266 040	100%	
05 02 11	Other plant products/measures	91 100 000	0	-23 700 000	67 400 000	67 400 000	0	0	0	100%	
05 02 12	Milk and milk products	46 100 000	0	0	46 100 000	46 100 000	0	0	0	100%	
05 02 13	Beef and Veal	132 000 000	0	0	132 000 000	132 000 000	0	0	0	100%	
05 02 14	Pigmeat and pigmeat	132 000 000	0	0	132 000 000	132 000 000	0	0	0	100%	
05 02 15	Poultry, eggs & poultry, bee-keeping & other animal products	132 000 000	0	0	132 000 000	132 000 000	0	0	0	100%	
05 03	DIRECT AID	40 510 700 000	0	1 020 327 860	41 531 027 860	40 860 030 201	350 997 660	347 199 283	2 898 385	100%	
05 03 01	Discarded direct aids	37 189 000 000	0	1 020 327 860	38 209 327 860	37 665 465 015	347 562 850	347 199 283	368 571	100%	
05 03 02	Other direct aids	3 320 700 000	0	0	3 320 700 000	3 213 578 784	2 473 216	0	2 473 216	100%	
05 03 03	Additional amounts of aid	1 000 000	0	0	1 000 000	1 000 000	0	0	0	100%	
05 04	RURAL DEVELOPMENT	0	0	-2 400 000	-2 400 000	-2 778 803	378 803	0	378 803	91%	
05 04 01	Rural development financed by the EAGGF-Guarantees Section - Programming period 2000 - 2006	0	0	0	0	0	0	0	0	-	
05 04 03	Other measures	-192 700 000	0	0	-192 700 000	-2 400 000	378 803	0	378 803	-	
05 07	AUDIT OF AGRICULTURAL EXPENDITURE	-192 700 000	0	0	-192 700 000	-110 388 237	82 311 763	0	82 311 763	100%	
05 07 01	Control of agricultural expenditure	-192 700 000	0	0	-192 700 000	-110 388 237	82 311 763	0	82 311 763	100%	
05 07 02	Settlement of disputes	800 000	0	0	800 000	71 400 000	70 600 000	0	70 600 000	100%	
05 08	POLICY STRATEGY AND COORDINATION OF AGRICULTURE AND RURAL DEVELOPMENT P.A. ***	45 810 160	0	99 227	45 909 764	45 076 990	833 774	59 067	774 307	98%	
05 08 01	Farm Accounting Data Network (FADN)	14 410 160	0	-51 000	14 359 160	14 281 000	78 160	0	78 160	99%	
05 08 02	Surveys on the structure of agricultural holdings	20 225 377	0	99 227	20 324 604	19 913 904	420 700	59 067	361 633	98%	
05 08 03	Restructuring of systems for agricultural surveys	1 400 000	0	51 000	1 451 000	1 511 000	-60 000	0	-60 000	100%	
05 08 06	Enhancing public awareness of the common agricultural policy	8 000 000	0	0	8 000 000	7 905 688	94 312	0	94 312	99%	
05 08 09	EAGF - Operational technical assistance	1 785 000	0	0	1 785 000	1 464 688	240 312	0	240 312	82%	
11 01	ADMINISTRATIVE EXPENDITURE OF THE MARITIME AFFAIRS AND FISHERIES' POLICY AREA	500 000	0	71 000	571 000	529 453	41 547	0	41 547	93%	
11 01 01	Support expenditure for operations in the Maritime Affairs and Fisheries policy area	500 000	0	71 000	571 000	529 453	41 547	0	41 547	93%	
11 02	FISHERIES MARKETS	29 996 768	0	0	29 996 768	29 943 457	53 311	0	53 311	100%	
11 02 01	Intervention in fishery products	15 000 000	0	0	15 000 000	14 996 689	53 311	0	53 311	100%	
11 02 02	Fisheries programmes 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	2 770 000	0	0	2 770 000	2 643 768	126 232	0	126 232	95%	
17 01 01	Support expenditure for operations of "Health and consumer protection Policy Area"	2 770 000	0	0	2 770 000	2 643 768	126 232	0	126 232	95%	
17 03	PUBLIC HEALTH	0	0	0	0	0	0	0	0	-	
17 03 02	Community Tobacco Fund - Direct payments by the Union	0	0	0	0	0	0	0	0	-	
17 04	FOOD SAFETY, ANIMAL HEALTH, ANIMAL WELFARE & PLANT HEALTH	333 000 000	-65 420 000	6 927 047	274 507 047	265 786 437	8 740 610	5 741 349	2 999 261	99%	
17 04 01	Animal disease eradication and monitoring programmes and monitoring of the physical conditions of animals that could pose a public health risk linked to an external factor	259 000 000	-57 440 000	6 544 197	207 024 197	202 178 256	5 545 939	5 741 349	4 590	100%	
17 04 02	Other measures in the veterinary, animal welfare and public health field	18 000 000	0	860 000	18 870 000	18 867 576	2 493	0	2 493	100%	
17 04 03	Emergency fund for veterinary complaints and other animal condemnations which are a risk to public health	10 000 000	-4 140 000	10 069	5 870 069	2 613 467	2 986 513	0	2 986 513	47%	
17 04 04	Plant health measures	18 000 000	0	-1 200 000	16 800 000	16 800 000	0	0	0	100%	
17 04 05	Food and food safety and related activities	38 000 000	-3 380 000	352 781	35 672 781	35 672 781	0	0	0	100%	
TOTAL 2012 EAGF - European Agricultural Guarantee Fund		43 969 637 305	-65 420 000	1 348 122 088	44 752 410 393	44 754 594 866	506 815 527	496 464 134	10 351 393	100%	
05 02 16	Sugar Restructuring Fund	p.m.	0	864 657 113	864 657 113	109 698 527	754 958 586	754 958 586	0	100%	
05 02 17	Support for farmers ****	2 500 000	0	0	2 500 000	0	2 500 000	0	2 500 000	0%	
05 08 10	Assessing end-user costs of compliance with EU legislation in the fields of environment, animal welfare and food safety	p.m.	0	0	0	0	0	0	0	-	
05 08 11	Exchanging best practices for cross compliance simplification *****	1 000 000	0	0	1 000 000	1 000 000	0	0	1 000 000	100%	
TOTAL 2012		43 973 137 305	-65 420 000	2 212 779 201	46 120 567 306	44 855 293 393	1 265 274 113	1 251 422 720	13 851 393	100%	

(1) T. Tilly / C. Chapuis / A. Artakis
(2) The budget items mentioned in EAGF are 05 01 04 01, 17 04 03 01 and 17 04 07 01; commitment appropriations were reduced by respectively 57 64 M€, 4 40 M€ and 3,38 M€.
(*) P.A. = Policy Area
(****) Pilot projects

ANNEX 4-I
Assigned revenue for policy area 05 (under shared management) - Appropriations C4

Commitment Appropriations		Assigned Revenue 2012							Use of Assigned Revenue				Carriedforward to 2013
		ITEM	Funds	Description	Amount	Link - Budgetary Attribution		Budgetary Expenditure Item	Description	Funds	Amount		
						Budgetary Item	Amount				Detail	Total	
CHAPTER 67 : REVENUE CONCERNING EAGF													
67 0 1	IC4	Clearance of EAGF accounts - Assigned revenue	674 797 108.67	05 02 08 03	166 600 000.00		05 02 08 03	Operational funds for producers organisations	C4	166 535 565.22			
				05 02 08 99	143 400 000.00								
				05 03 01 01	242 500 000.00			SPS (single payment scheme)	C4	242 413 211.57			
				05 03 01 99	122 297 108.67								
					674 797 108.67					408 946 776.79			265 846 331.88
67 0 2	IC4	EAGF Irregularities - Assigned revenue	160 743 924.61	05 03 01 99	160 743 924.61								
67 0 3	IC4	Supervisory from milk producers - Assigned revenue	64 071 461.67	05 03 01 99	64 071 461.67								
67 0	IC4	Revenue concerning EAGF	899 612 494.95							224 815 386.28		0.00	224 815 386.28
67	IC4	REVENUE CONCERNING EAGF *	899 612 494.95									408 946 776.79	490 663 718.16
CHAPTER 68 : TEMPORARY RESTRUCTURING AMOUNTS													
68 0 1	IC4	Temporary restructuring amounts - Assigned revenue	0.00										
68 0 2	IC4	Irregularities concerning the temporary restructuring fund - Assigned revenue	7 828 630.77	05 02 16 01	7 828 630.77			Sugar Restructuring Fund	C4	-22 993 577.47			
68 0 3	IC4	Clearance with regard to the temporary restructuring fund - Assigned revenue	0.00										
68 0	IC4	Temporary restructuring amounts	7 828 630.77							-22 993 577.47		30 822 208.24	30 822 208.24
68	IC4	TEMPORARY RESTRUCTURING AMOUNTS	7 828 630.77							-22 993 577.47		30 822 208.24	30 822 208.24
TOTAL			907 441 125.72							TOTAL	385 955 199.32	521 485 926.40	

* Under direct management, for the commitments of article 05 08 02 there exists assigned revenue (CA) amounting to EUR 59 066.99 which has not been used and it will be carried over to 2013.

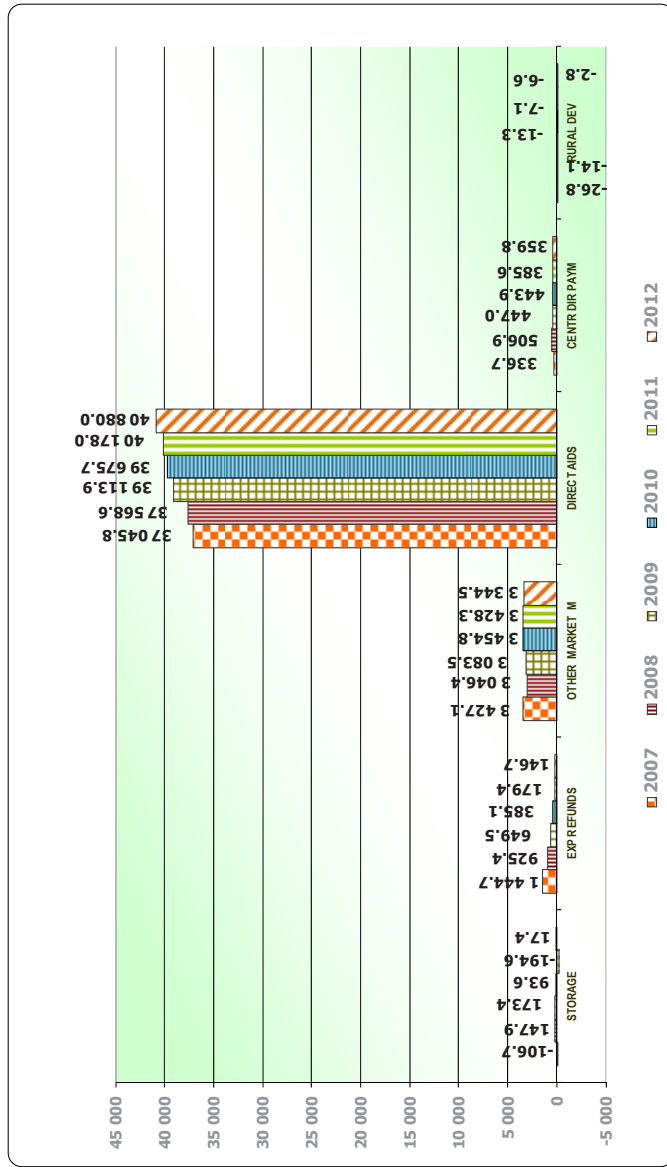
ANNEX 4-II
Assigned revenue for policy area 05 (under shared management) Appropriations C5

Commitment Appropriations		Assigned Revenue 2012				Use of Assigned Revenue				Carried forward to 2013 *	
ITEM	Funds	Description	Amount	Link - Budgetary Attribution		Budgetary Expenditure Item	Funds	Description	Amount		
				Budgetary Item	Amount				Detail	Total	
CHAPTER 67 : REVENUE CONCERNING EAGF											
6 70 1	IC5	Clearance of EAGF accounts – Assigned revenue	10 767 944,74	05 02 08 03	10 767 944,74	05 02 08 03	C5	Operational funds for producers organisations	10 767 944,74		
			10 767 944,74						10 767 944,74		
6 70 2	IC5	EAGF Irregularities – Assigned revenue	430 715 373,83	05 03 01 01	430 715 373,83	05 03 01 01	C5	SPS (single payment scheme)	430 715 373,83		
6 70 3	IC5	Superlevy from milk producers – Assigned revenue									
			430 715 373,83						430 715 373,83		
6 70	IC5	Revenue concerning EAGF	441 483 318,57								
6 7	IC5	REVENUE CONCERNING EAGF	441 483 318,57								
			441 483 318,57						441 483 318,57		
CHAPTER 68 : TEMPORARY RESTRUCTURING AMOUNTS											
6 80 1	IC5	Temporary restructuring amounts – Assigned revenue	856 828 482,46	05 02 16 01	856 827 897,13	05 02 16 01	C5	Sugar Restructuring Fund	132 691 519,17		
				05 02 16 02	585,33	05 02 16 02	C5	Clearance with regard to Sugar Restructuring Fund	585,33		
			856 828 482,46						132 692 104,50		
6 80 2		Irregularities concerning the temporary restructuring fund – Assigned revenue	0,00								
6 80 3		Clearance with regard to the temporary restructuring fund – Assigned revenue	0,00								
			856 828 482,46								
6 80	IC5	Temporary restructuring amounts	856 828 482,46								
6 8	IC5	TEMPORARY RESTRUCTURING AMOUNTS *	856 828 482,46						132 692 104,50		
			856 828 482,46						132 692 104,50		
TOTAL										574 175 423,07	724 136 377,96

* The amount of EUR 724 136 377,96, involving temporary restructuring amounts (C5 appropriations), was exceptionally carried over to 2013.

ANNEX 6

EVOLUTION of THE BREAKDOWN of EAGF EXPENDITURE - 2007 to 2012 Financial years



Commitment Appropriations

FINANCIAL YEAR	BUDGET EXECUTION	STORAGE	EXPORT REFUNDS	DIRECT AIDS	OTHER MARKET MEASURES	CENTRALISED DIRECT PAYMENTS (*)	RURAL DEVELOPMENT
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
2012	44 745.6	17.4	146.7	40 880.0	3 344.5	359.8	-2.8

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