EAGGF-Guarantee Section. 26th Financial Report 1996

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OBJECTIVE: presentation of a report concerning the activities of the EAGGF Guarantee Section for 1996
SUBSTANCE: According to the report the total appropriations allocated to the EAGGF Guarantee Section in 1996 came to ECU 40 828 million as opposed to ECU 38 million in 1995. Total expenditure came to ECU 39 107.8 million which was also higher than the 1995 figures (ECU 34 500 m). The reasons given by the Commission for this rise are as follows: - the fact that the aid introduced under the reform of the CAP was paid in full to the Member States for the first time in 1996, - the European Union's Member States went from 12 to 15, - the BSE crisis resulting in many measures to stabilize the market in beef and veal (storage, slaughter and income support for producers). However, the Commission indicates that despite this rise in spending the share of EAGGF Guarantee Section expenditure in the general budget of the Union fell (from 51.7% to 50.5%). Concerning the breakdown of expenditure by economic type, the following trends are apparent: 1) expenditure on export refunds continued to decline, falling from ECU 7802 million in 1995 to ECU 5705 million in 1996 (14.6% of total EAGGF expenditure); 2) intervention spending came to ECU 31 955 million including storage aid (which rose very sharply from 1995 because of storage of beef) and price compensatory aid was also up as a result of exceptional income support measures for beef and cattle producers. The Commission also points out that since the reform of the CAP direct aid received by farmers on all products amounts to ECU 28 853 million, which is close on 70% of total EAGGF Guarantee Section funds. It also gave a sector by sector breakdown (40.7% for arable crops, 16.6% for beef and veal, 8.9% for milk products). Concerning the breakdown of expenditure by Member States France is still the main recipient of EAGGF Guarantee Section expenditure receiving 24% of overall spending. It is trailed by Germany, Italy and Spain. Concerning cash flow and the management of aid, in addition to details regarding measures taken by the Commission to reduce or suspend monthly advances to the Member States where declarations of expenditure were inadequate (for example the free distribution of fruit and vegetables to deprived persons in Greece), the Commission indicates that a new fraud prevention plan has been drawn up by the UCLAF, an Integrated System of inspection consisting of 5 components: database, identification of parcels of agricultural land, livestock identification and regulation, aid applications and systems of control. These were mostly in place at the end of 1996. Olive oil inspection agencies also continued their work stepping up checks. Finally, a remote sensing system (allowing checks to be carried out on declarations of area), the cost of which is shared equally by the Commission and by the Member States has been finalized and is currently comparable with that of 'conventional' checks.