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REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

on EAGF expenditure
Early Warning System 1-6/2024

1. THE 2024 EAGF BUDGET PROCEDURE

On 22 November 2023 the European Parliament adopted the 2024 general budget of the European Union. The budget for the European Agricultural Guarantee Fund (EAGF) amounts to EUR 40 517 million of commitment appropriations and EUR 40 505 million of payment appropriations. The reason for the different amounts for both types of appropriations is the use of differentiated appropriations for certain measures directly implemented by the Commission. These relate mainly to promotion measures for agricultural products and to policy strategy, coordination and audit measures.

2. REVENUE ASSIGNED TO THE EAGF

Based on the provisions of Article 45 of Regulation (EU) 2021/2116, revenue originating from financial corrections under accounting and performance clearance decisions and irregularities constitutes revenue assigned to the financing of EAGF expenditure.

According to Article 45(2), assigned revenue can be reused to cover the financing needs of any EAGF expenditure. The assigned revenue collected and left unused within the budget year is automatically carried over to the following budget year[1].

The 2024 EAGF budget includes:

- the Commission's estimates of the financing needs for market measures, direct payments and other expenditure under direct and indirect management
- the estimates of assigned revenue to be collected in the course of the budget year.

In its proposal for the 2024 EAGF budget appropriations, the Commission took into consideration the total expected assigned revenue. For the 2024 budget the Commission requested a level of appropriations calculated by deducting the estimated assigned revenue from the estimated needs. The Budgetary Authority adopted the EAGF budget for 2024 taking account of the expected assigned revenue.

At the time of establishing the 2024 budget, the Commission’s estimate of the available assigned revenue was EUR 739,8 million out of which EUR 339,8 million carried over from Budget 2023. The Commission considered this carried-over amount and estimated revenue to be collected in 2024 when requesting the appropriations for the basic income support for sustainability (item 08 02 04 01). The sum of the voted appropriations for this scheme and the estimated assigned revenue is equal to EUR 19 022 million.

[1] Art 12(4)(b) of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union determines that appropriations corresponding to internal assigned revenue may be carried over only to the following financial year. Therefore, in the interests of sound budget management, this assigned revenue is generally used first before the voted appropriation of the concerned budget article.

The assigned revenue eventually carried over from 2023 was marginally higher at EUR 340.3 million.

3. TABLE PROVISIONAL CONSUMPTION ON 31/03/2024

This report presents the provisional implementation of the 2024 budget for the EAGF on 31/03/2024, with details given in the below table.

A comparison is made of the implementation level with the expenditure profile of the early warning system set up in accordance with Article 19 of Regulation (EU) 2021/2116.

Budget 2024 [1]
PROVISIONAL CONSUMPTION OF THE EAGF APPROPRIATIONS

Situation on 31/03/2024
in Eur million

		Appropriations Budget [2]	Consumption from November to March	Utilisation	Consumption profile as at March		Gap between implementation and profile	
		EUR mio	EUR mio	%	%	EUR mio	%	EUR mio
		A	B	C=B/A	D	E=D*A	F=C-D	G=B-E
	Expenditure	***40.517,3***	***31.028,3***	***76,6%***	***77,1%***	***31.234,9***	***-0,5%***	***-206,6***
08 01	***Support administrative expenditure of the "Agriculture and Maritime Policy" Cluster***	***4,9***	***1,1***	***22,6%***	***88,1%***	***4,3***	***-65,5%***	***-3,2***
08 01 01	**Support expenditure for the "European Agricultural Guarantee Fund"**	**4,9**	**1,1**	**22,6%**	**88,1%**	**4,3**	**-65,5%**	**-3,2**
08 02	***European Agricultural Guarantee Fund (EAGF)***	***40.512,4***	***31.027,2***	***76,6%***	***77,1%***	***31.230,6***	***-0,5%***	***-203,4***
08 02 01	**Agricultural reserve (* p.2)**	**516,5**	**375,3**	**72,7%**				
08 02 02	**Types of interventions in certain sectors under the CAP Strategic Plans**	**1.294,2**	**146,1**	**11,3%**	**22,2%**	**287,0**	**-10,9%**	**-141,0**
08 02 02 01	Fruit and vegetables sector	335,0	60,1	17,9%	21,4%	71,5	-3,4%	-11,5
08 02 02 02	Apiculture products sector	60,0	3,0	5,0%	13,4%	8,1	-8,4%	-5,1
08 02 02 03	Wine sector	835,0	77,7	9,3%	23,1%	193,1	-13,8%	-115,4
08 02 02 04	Hops sector	2,2	2,2	100,0%	100,0%	2,2	0,0%	0,0
08 02 02 05	Olive oil and table olives sector	45,0	1,1	2,4%	12,0%	5,4	-9,5%	-4,3
08 02 02 06	Other sectors	17,0	2,0	11,8%	39,6%	6,7	-27,9%	-4,7
08 02 03	**Market-related expenditure outside the CAP Strategic Plans**	**1.481,6**	**618,0**	**41,7%**	**37,5%**	**555,3**	**4,2%**	**62,7**
08 02 03 01	POSEI and Smaller Aegean Islands (excluding direct payments)	226,0	132,8	58,8%	59,8%	135,2	-1,1%	-2,4
08 02 03 02	Promotion of agricultural products — Simple programmes under shared management	80,7	27,4	33,9%	27,3%	22,0	6,7%	5,4
08 02 03 03	Promotion of agricultural products — Multi-programmes and actions implemented by the Commission under direct management	96,9	0,8	0,8%	0,0%	0,0	0,8%	0,8
08 02 03 04	School schemes	180,0	89,7	49,8%	44,2%	79,6	5,6%	10,1
08 02 03 05	Olive oil	p.m.	-0,1					
08 02 03 06	Fruit and vegetables	715,0	133,1	18,6%	21,4%	152,7	-2,7%	-19,6
08 02 03 07	Wine	183,0	234,2	128,0%	90,6%	165,8	37,4%	68,4
08 02 03 08	Apiculture	p.m.	0,0					
08 02 03 09	Hops	p.m.	0,0					
08 02 03 10	Public and private storage measures	p.m.	0,0					
08 02 04	**Direct payments types of interventions under the CAP Strategic Plans**	**36.296,2**	**29.541,9**	**81,4%**	**82,7%**	**30.004,9**	**-1,3%**	**-463,0**
08 02 04 01	Basic income support for sustainability (** p.2)	18.282,2	17.313,9	94,7%	96,5%	17.645,8	-1,8%	-331,9
08 02 04 02	Complementary redistributive income support for sustainability	3.917,0	3.708,7	94,7%	95,1%	3.726,2	-0,4%	-17,5
08 02 04 03	Complementary income support for young farmers	670,0	547,2	81,7%	81,1%	543,7	0,5%	3,5
08 02 04 04	Schemes for the climate and the environment	8.698,0	5.008,7	57,6%	53,0%	4.607,7	4,6%	401,0
08 02 04 05	Coupled income support	4.485,0	2.928,8	65,3%	76,5%	3.432,8	-11,2%	-503,9
08 02 04 06	Crop-specific payment for cotton	244,0	34,7	14,2%	20,0%	48,8	-5,8%	-14,2
08 02 05	**Direct payments outside the CAP Strategic Plans**	**444,0**	**327,1**	**73,7%**	**68,1%**	**302,3**	**5,6%**	**24,7**
08 02 05 01	POSEI and Smaller Aegean Islands (direct payments)	444,0	286,3	64,5%	68,1%	302,3	-3,6%	-16,0
08 02 05 02	Single area payment scheme (SAPS)	p.m.	2,9					
08 02 05 03	Redistributive payment	p.m.	0,4					
08 02 05 04	Basic payment scheme (BPS)	p.m.	17,6					
08 02 05 05	Payment for agricultural practices beneficial for the climate and the environment	p.m.	13,5					
08 02 05 06	Payment for farmers in areas with natural constraints	p.m.	0,0					
08 02 05 07	Payment for young farmers	p.m.	0,5					
08 02 05 08	Crop-specific payment for cotton	p.m.	0,4					
08 02 05 09	Voluntary coupled support scheme	p.m.	5,0					
08 02 05 10	Small farmers scheme	p.m.	0,4					
08 02 06	**Policy strategy, coordination and audit**	**379,4**	**18,7**	**4,9%**	**13,0%**	**49,2**	**-8,1%**	**-30,6**
08 02 06 01	Financial corrections in favour of Member States following clearance of accounts and conformity clearance decisions	250,9	0,0	0,0%	0,0%	0,0	0,0%	0,0
08 02 06 02	Settlement of disputes	p.m.	0,0					
08 02 06 03	EAGF — Operational technical assistance	128,5	18,7	14,5%	38,3%	49,2	-23,8%	-30,6
08 02 99	**Completion of previous programmes and activities**	**100,5**	**0,2**	**0,2%**	**31,6%**	**31,8**	**-31,4%**	**-31,6**

[1] Financial year = 16/10/2023 to 15/10/2024 but expenditure under Commission direct management possible until 31/12/2024.
[2] It concerns the commitment appropriations.

Budget 2024 [1]

PROVISIONAL CONSUMPTION OF THE EAGF APPROPRIATIONS

Situation on 31/03/2024
in Eur million

		Appropriations Budget [2]	Consumption from November to March	Utilisation	Consumption profile as at March		Gap between implementation and profile	
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		A	B	C=B/A	D	E=D*A	F=C-D	G=B-E
	(*) Agricultural reserve including the 315,5 million euro carried over from financial year 2023:							
08 02 01	Agricultural reserve - including carry-over from previous financial year	832,0	375,3	45,1%				
	(**) For information only: expenditure against original appropriations and assigned revenue							
08 02 04 01	Basic income support for sustainability - including assigned revenue	19.022,0	17.313,9	91,0%	96,5%	18.359,9	-5,5%	-1.045,9
	Assigned Revenue	***739,8***	***606,2***	***81,9%***				
6 2 0 0	European Agricultural Guarantee Fund — assigned revenue estimated to collect in the financial year	400,0	265,9	66,5%				
	Assigned revenue carried over from previous financial year	339,8	340,3	100,0%				

[1] Financial year = 16/10/2023 to 15/10/2024 but expenditure under Commission direct management possible until 31/12/2024.
[2] It concerns the commitment appropriations.

4. COMMENTS ON THE 2024 AGRICULTURAL RESERVE

Budget 2024 included an amount of EUR 832 million for the agricultural reserve, including a carry-over of EUR 315,5 million from Budget 2023.

Two measures, totaling EUR 98.3 million, have been adopted[2]. This will exclusively be financed under the 2024 agricultural reserve, thus under Budget 2024.

As regards the expenditure, a total of EUR 375,3 million have been declared so far by Member States. The amount paid relates to the last two exceptional measures (packages two and three) adopted under Budget 2023, but partially financed under Budget 2024.

5. COMMENTS ON THE PROVISIONAL IMPLEMENTATION OF THE 2024 EAGF BUDGET

For most of the types of interventions in certain sectors, the implementation of the expenditure provided for in the CAP strategic plans started in financial year 2023. The first payments for the direct payments types of interventions under the plans were made in financial year 2024. This means that virtually no historical data were available to draw up the expenditure profile of these interventions for the budget year 2024. The

[2] Commission Implementing Regulation (EU) 2023/2820 of 15 December 2023 providing for emergency financial support for the agricultural sectors affected by natural disasters in Greece and Slovenia, *(OJ L, 2023/2820, 18.12.2023, ELI: http://data.europa.eu/eli/reg_impl/2023/2820/oj)* ; Commission Implementing Regulation (EU) 2024/453 of 5 February 2024 on exceptional market support measures for the eggs and poultrymeat sectors in Italy (*OJ L, 2024/453, 6.2.2024, ELI: http://data.europa.eu/eli/reg_impl/2024/453/oj*).

monthly profile for this expenditure is therefore based on observed past profiles for similar expenditure on market sectors and direct payments outside the strategic plans, and it also takes into account the actual expenditure for the “plan” interventions made in the first two months of the 2024 financial year.

The provisional execution of the 2024 EAGF budget appropriations, for the period up to 31 March 2024, is very close to the calculated expenditure profile (-0.5 % points).

The expenditure for nearly all sectoral types of interventions under the plans (08 02 02) shows a downward deviation from the profile, but to a smaller extent than in the previous financial year.

An amount of EUR 606.2 million of assigned revenue (6 2 0 0) is already available and additional amounts are expected to be collected in the course of the financial year.

At present, the Commission expects that the voted appropriations together with the amount of assigned revenue that will be available by the end of the budget year will be sufficient to cover all expenditure.