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WORKING DOCUMENT

From:	General Secretariat of the Council			
To:	Delegations			
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Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Council Regulation (EC) No 1217/2009 as regards conversion of the Farm Accountancy Data Network into a Farm Sustainability Data Network			
	- Comments from the French delegation			

Delegations will find in the annex the comments from the French delegation on the abovementioned proposal.

12065/22 ADD 13 NS/amcr 1 LIFE.1 **LIMITE EN**

NOTE FROM THE FRENCH AUTHORITIES TO THE COUNCIL PRESIDENCY

Courtesy translation

<u>Subject:</u> Comments from the French authorities on the Commission's proposal for a regulation amending Council Regulation (EC) No 1217/2009 as regards the transformation of the Farm Accountancy Data Network into a Farm Sustainability Data Network.

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The French authorities welcome this legislative initiative and support the ambition and objectives of the regulation, in relation to the environmental and social dimension of data.

In order to improve the assessment of the effects of the regulation, the French authorities would like to obtain clarifications and details on the additional data expected, in particular concerning:

- their number
- their nature
- the expected periodicity/frequency with regard to the targets and objectives of European policies and strategies.

The French authorities also stress the need for an implementable and efficient text. To this end, it is essential to ensure that the administrative and financial burden is acceptable for both the operators (the surveyed) and the administration. It is also necessary to ensure the response rate and the quality of the additional data collected so that they are sufficiently representative.

In order to respect these conditions and to limit the burden on the surveyed, any redundancy in data collection should be absolutely avoided. The regulation should clearly refer to data already collected (or potentially collectable) under the IFS or SAIO statistical regulations, or any other relevant European regulation. This is a crucial point.

In the detail of the text, the French authorities provide their comments and suggestions for amendments below, highlighted in yellow.

1. Comments and suggestions related to the explanatory memorandum

Consistency with existing policy provisions in the policy area

Farm level data and information must be reliable and of high quality to enable policymakers, farmers and other relevant stakeholders to take appropriate evidence-based decisions.

The FADN has been considered by the Commission an efficient and adequate tool to collect additional environmental and social variables at farm level in addition to economic and incomerelated variables currently collected.

At the EU level, certain farm level data is gathered with respect to the CAP policy needs, for example:

(1) The *Integrated Farm Statistics (IFS)* aim is to provide comparable data on the agricultural holdings of the EU. Data from all agricultural holdings is collected every 10 years (censuses data) and via intermediate sample surveys every 3 or 4 years. The Member States collect information from individual agricultural holdings and data is forwarded to Eurostat. The information collected covers **among other things**: land use, livestock numbers, rural development, management and farm labour input (including the age, gender and relationship to the holder of the agricultural holding). The aggregated results are presented publically. The access to the individual data farm data is restricted. The IFS provides a basis for extrapolating FADN data.

(...)

Consistency with other Union policies*

The process for amending the Directive 2009/128/EC (SUD Directive) is on-going. The Commission proposal aims, amongst others, to establish an electronic recording of certain information on both pesticide use and non chemical crop protection measures by professional users (including farmers). In the future, if the legislation is adopted, this data could provide a basis for extrapolating FSDN pesticide** data. Data Governance Act (COM/2020/767) and the proposed Data Act (currently under legal process) could open avenues to be explored by the proposed legal act, in particular relating to novel data collection methodologies and new sources of data in line with the aim of reducing costs to farmers and Member States.

- * Would it not be relevant to mention in this section the forthcoming SAIO regulation, which will produce not only aggregated data, but also data collected at farm level? This regulation is also proposed in the context of the Green Deal and the Farm to Fork strategy.
- ** Pesticide or only plant protection products?

(...)

Regulatory fitness and simplification

(...)

3. The study on the costs of extending the FADN to FSDN¹ is an update of two previously described studies. It provides some additional costs analysis of adding 'FLINT data' to the current FADN dataset. It estimates that the EU average cost of FADN data collection equals to 750 EUR per farm return, whereas costs of extending into FSDN (by adding all FLINT data) would increase costs to 1040 EUR per farm return, i.e. an increase of about 40%. This study confirmed the results of the 2015 study showing great differences between countries for the current FADN costs of data collection as well as the expected additional costs linked to FSDN conversion. The study also confirmed that certain Member States have already collected certain variables on sustainability foreseen for the FSDN, whereas others have not, and may thus face higher initial costs. The total expenditure of data collection is thus not directly comparable between Member States. Ultimately, the estimated changes in costs show a wide range, from countries such as Ireland (+10%) and the Netherlands (+11%) to France (+124%) and Malta (+225%). Nevertheless, it must be added, that this costs calculation includes adding all 70 variables as provided in the FLINT project, whereas the proposed conversion into FSDN does not aim at adding as many as 70 variables and the addition of variables will be progressive over time. First, the extension into FSDN will be gradual. Second, according to the initial estimation, the extension would consider a range from 5 to 25 new variables*, to be further assessed with the ongoing analysis for the pilot project described in point 4 below, and also considering the evolution of the legal framework after the Farm to Fork and Biodiversity strategies. In addition, the benefits stemming from the simplification process as well as the interlinkages and data sharing with other databases are not considered in the study. As a result, the FSDN extension costs can be estimated as much lower than in the mentioned study.

* It is necessary to clarify at this stage of the discussions the scope of the extension. In other words, it is necessary to know the Commission's expectations regarding the precise number of variables, their nature and the periodicity/frequency of their collection.

(...)

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Cost of Extending the Farm Accountancy Data Network to the Farm Sustainability Data Network: Empirical Evidence https://edepot.wur.nl/551988

<u>Financial support to Member States and farmers</u>. The EU budget already contributes to the collection of the FADN data, via the EU standard fee. As for FSDN, in order to help Member States to cover initial costs due to the conversion, it is planned that the EU budget will contribute financially to the setup and modernisation of the Member States' systems. In addition, in order to incentivise farmers participating in the data network, Member States will be allowed to pay farmers for delivering data. At the same time, the FSDN will mirror the statistics rules* where a farmer has an obligation **to reply to a survey.

- * The FASDN Regulation is not a statistical regulation; the collection of data to comply with it does not fall within the scope of a statistical survey and therefore does not enter into the qualification process of a statistical survey (via the National Committee for Statistical Information), which is the only way to deliver a statistical quality label to a survey with an obligation to respond. Otherwise, it will be necessary to go through an administrative survey (law) with an obligation to respond.
- ** It is necessary to remain vigilant about the articulation, and the risk of confusion, with statistical surveys (which follow a specific qualification process, with publication of a collection programme in the OJ each year) to avoid redundancy of the data collected and to limit the administrative burden on the respondents/surveyed.

2. Comments and suggestions on the draft Regulation

Recital 2:

(2) In the Commission impact assessment supporting the 2018 legislative proposals for the Common Agricultural Policy (CAP) Post 2020, the need to enhance the collection of farm-level data expand the scope of farm-level data was identified.

(4	Article	2 is	replaced	by	the	following:	Article	2

(b) 'holding' means a farm business, in accordance with its general use in the context of Union agricultural surveys and censuses;

French authorities propose to use the definition of the agricultural holding stemming from the IFS Regulation 2019/2021

(...)

(e) 'returning holding' means any agricultural holding making farm returns for the purposes of the farm sustainability data network;

(...)

(I) 'primary data' means data associated with individual farms, natural or legal persons or individual samples

Is the concept of "individual samples" shared by all?

(...)

(p) 'aggregated data' means the output resulting from summarising the primary or detailed data for specific analytic purposes.';

The concept of "detailed data" is not defined (unlike "primary data")

(8) Article 4 is replaced by the following:

(...)

- 2. The competent authority for FSDN may use other data sources in order to collect and re use data to feed the FSDN surveys.
- 3. The Commission shall be empowered to adopt delegated acts, in accordance with Article 19a supplementing this Regulation with the rules on the data management process, in particular the farm ID, data storage, data quality and validation, use of data, access to and transmission of primary data, processing of primary data, combination of data with other data sources, procedure for ensuring availability of detailed* and aggregated data, compatible data storage and exchange systems, review of refusal to provide data, obligations for end-users of scientific data and other interested parties
- * Same comment as above: still to be defined
- 4. The Commission shall adopt implementing acts establishing and updating form and content of common* regular and special surveys as well as methods and requirements for reusing and sharing data. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 19b(2).';
- * What is the sense of this word here?
- (9) Article 5 is replaced by the following:

(...)

3. An agricultural holding qualifying as returning holding in the plan for the selection of returning holdings shall provide the requested data.

Does the "shall" imply that it is an obligation or does it mean that Member States have to provide the information expected in this Regulation for the (accountancy) holdings included in the selection plan? In the latter case, would the obligation be on the Member States and not on the holdings?

(10) Article 5a is amended as follows:

(a) the first subparagraph of paragraph 1 is replaced by the following:

'Each Member State shall draw up a plan for the selection of returning holdings that ensures a representative sample of the field of survey *, including both regular and, when relevant, special surveys.';

* It is stated above that the representativeness of the sample in the selection plan continues to be based on the FADN criteria with the risk that this sample may not be representative on the sustainability variables (which are the subject of the regular surveys). Another sample would then be needed for these regular surveys as well as for the special surveys.

(12) Article 6 is amended as follows:

(...)

'1. Each Member State shall set up a national committee for the **farm sustainability** data network (hereinafter referred to as 'the National Committee').';

(17) Article 19 is replaced by the following:

(a) for regular surveys: a standard fee payable to the Member States for the delivery of duly completed farm returns delivered within the set deadline up to the maximum number of returning holdings as fixed in accordance with Article 5a(2). Where the total number of duly completed and delivered farm returns in respect of a FSDN division or a Member State is less than 80 % of the number of returning holdings laid down for that FSDN division or for the Member State concerned, a fee equal to 50 % of the standard fee shall be applied for each farm return from that FSDN division or from the Member State concerned*;

* This rule, which is more severe than what is currently implemented, needs to be discussed.