



Council of the  
European Union

Brussels, 6 September 2022  
(OR. en)

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**Interinstitutional File:**  
**2022/0192(COD)**

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**12065/22**  
**ADD 9**

**LIMITE**

**AGRI 403**  
**AGRIFIN 90**  
**CODEC 1245**

## **WORKING DOCUMENT**

From:	General Secretariat of the Council
To:	Delegations
No. Cion doc.:	10592/22 + ADD1 + ADD2
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 Dutch delegation

Delegations will find in the annex the comments from the Dutch delegation on the above-mentioned proposal.

**Written comments on the FSDN-proposal of the Netherlands**

In general, we welcome the proposal for a Farm Sustainability Data Network. The combination of the three dimensions of sustainability (economic, social and environmental) can contribute to a better policy analysis for a sustainable and economically viable agricultural sector.

The Dutch FADN, already collects data on sustainability. We are both willing and able to share knowledge and experiences on this matter. A clear European framework can guarantee a valuable and necessary EU-wide comparison of different dimensions of agricultural holdings.

Overall we have some comments and questions on the current proposal:

- The introduction of a 'Farm ID' is a concern for the Netherlands. The proposal mentions that it can be quite complex to establish a link between the different systems (IFS, IACS, FADN). It is beforehand not sufficiently clear whether such a link is technically feasible. For example, a farm in the FADN-sample can have a different definition of entity than in the IACS-database. On top of that, establishing a link is only a first step, after that standardization of data is needed before the data can be used.

It has not been motivated how this ID can contribute to better policymaking and -evaluation.

The number of sample farms in the FADN is very small compared to the number of farms in the IACS and the IFS. For example, the Dutch FADN-sample consists of 1.500 farms, while the total number of farms is around 52.000 in the Netherlands. Establishing a link between the different systems delivers only additional information on a small selection of farms in the FADN-sample. For data (e.g. crop areas) that can be easily extracted from other systems, information is already used in the FADN, so there is no need to organize this at a European level.

- Next to that, we would like a more clear definition of ‘special surveys’. With the IFS and also the new SAIO-regulation there are already a lot of possibilities to gather (ad-hoc and periodic) information in the agricultural sector. The added-value of the FADN is the consistent time series of micro-economic and accountancy data of farms. The ad-hoc collection of data seems to fit the structure of the FADN less. Also the administrative burden for the farmers and the liaison agencies will increase if special surveys should be carried out.  
Next to that, the word ‘survey’, seems to suggest that farm accountancy data is mainly abstracted from surveys. While actually, the Netherlands derives its accountancy data predominantly from accounts consisting of entries made systematically and regularly throughout the accounting year.
- Also we doubt whether an obligation for farmers to answer to the FSDN-survey is necessary and proportional. The data network works at this moment effectively in Netherlands without this obligation. In the proposal this obligation is on the one hand motivated by the fact that new social- and sustainability data could reduce the willingness of farmers to participate in the FSDN. On the other hand, it is motivated in the regulation itself that not future, but current problems with data collection are the reason for the introduction of the obligation. So it seems unclear what the motivation for the obligation is. This new obligation might instead even have a counterproductive influence on participating farmers. The original regulation relied on the voluntary participation by farmers and farm accountancy offices, arguing that this contributes to the quality of the data.
- On the new option of financial compensation to farmers, we think that it is highly dependent on the method a country uses to gather data, if such a compensation is appropriate. It is therefore important that this option to award compensation in the current proposal does not become an obligation for member states.
- With respect to the overall financial consequences of the proposal, the Netherlands asks if the Commission can estimate what the financial consequences at the EU-level will be.
- In general, we would emphasize that with respect to the choice of variables in the secondary legislation, coordination with other statistical regulations (e.g. SAIO) is essential.

- In the current regulation in article 16, it is said that: *“It shall be prohibited to use for taxation purposes any individual accountancy data or other individual details obtained in implementation of this Regulation, or to divulge or use such data for purposes other than those provided for in Article 1.”* Now also social and sustainability data is added, we wonder whether this article should be extended to other areas than taxation.
- A general point of attention is also that with regard to data on sustainability, the liaison agencies become more dependent on the authorizations of farms and other firms to use the specific data.
- Lastly, the initiative proposes to make available the obtained results for providing advice and feedback to farmers on their sustainability performance. We would like a clarification what is meant with ‘providing advice and feedback to farmers’. Liaison agencies can of course return information to farmers and possibly provide farmers a tool to benchmark their performance with other farms in the sample. However, the liaison agencies are not equipped to give specific advice to farmers on how to improve sustainability performance.

*Disclaimer: The position expressed in this statement do not bind the representative of the government in the Council.*