



Council of the
European Union

Brussels, 29 September 2022
(OR. en)

Interinstitutional File:
2022/0192(COD)

12989/22
ADD 1

LIMITE

AGRI 488
AGRIFIN 110
CODEC 1384

WORKING DOCUMENT

From:	General Secretariat of the Council
To:	Delegations
No. Cion doc.:	10592/22 + ADD 1-2
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 Austrian delegation

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

Comments on the Proposal FSDN

Comments by the Austrian delegation on the

*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*

The Austrian delegation is grateful for the opportunity to comment on the proposal mentioned above for a regulation.

The Farm Accountancy Data Network (FADN) at the EU level is to be further developed into the Farm Sustainability Data Network (FSDN).

In the future, an additional collection of environmental and socio-economic data is planned, which has not been collected so far. The EC aims to ensure that the quality and comparability of the economic, environmental, and social FSDN data collected at the farm level is guaranteed by applying harmonized approaches in all Member States. Further, the development of the FSDN aims to ensure that the farm information network is adapted to the requirements of the future CAP from 2023.

The following changes are planned:

- The additional environmental and socio-economic data will be collected in 5 to 25 additional indicators. The precise definition of the indicators is not available yet, although this will ultimately be very relevant as to how many indicators actually have to be collected. The exact definition of the additional indicators will be announced in implementing regulations and annexes of the regulation. These would have to be elaborated predominantly in 2023 in order to enter into force at the latest by the end of 2024.
- Farms should participate in the survey on a voluntary basis, although the EC recommends that member states can impose a mandatory survey if too few farms participate in the surveys.

- The introduction of a "farm ID" is planned to link the data sets collected within the framework on integrated farm statistics (IFS) and the data collected within the evaluation framework.
- The EC will provide an additional budget for collecting the new indicators.
- Data protection is highly regarded, and the required measures are therefore monitored and audited.

From the Austrian's point of view, the following subjects have to be taken into account:

- Generally, the required economic data can be collected in Austria within the existing systems.

→ Explanatory memorandum/ justification - point 1 - 3

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS, AND IMPACT ASSESSMENTS

Regulatory fitness and simplification

4. (2) Changes over time. The conversion into the FSDN is a process that will take time. Even though, it is estimated that 2025 is the first year of collecting new data, the number of new variables will be limited at first. The initial estimation indicates that the number of new variables would be between 5 to 25.

- Recital (3)

In the Commission communication of 20 May 2020 entitled 'A Farm to Fork Strategy for a fair, healthy and environmentally-friendly food system' ('Farm to Fork strategy'), the Commission announced its intention to convert the Farm Accountancy Data Network (FADN) into a Farm Sustainability Data Network (FSDN), to collect farm-level data on sustainability. The conversion will also improve farmers' advisory services and benchmarking of farm performance.

Comment AT

- As the number and content of the additional indicators for the ecological and socio-economic data have not yet been defined, the extra effort required for collection cannot be estimated. From the EC's point of view, the member states and farmers should be supported in collecting indicators, and the administrative burden should be reduced. Therefore, the EC has announced that the data will only be collected once by implementing interfaces. The EC has also announced supporting member states in further developing the existing IT system. However, it is not yet possible to assess how much effort will be required to develop the IT systems further and whether the EC's financial support will be sufficient. Furthermore, it is entirely open whether the participating farms will also be willing to provide additional environmental and socio-economic data (e.g., indicators on pesticides, fertilizers, and water use). The Austrian position is that if new additional indicators were to be included, they should not be mandatory for all but only for a certain percentage (e.g., 20 %).
- The Member States are obliged to submit the additional ecological and socio-economic indicators to the EC as of the accounting year 2025. It should be noted that the IT systems must be adapted and expanded. Furthermore, at the latest, the participating farms must be trained and informed by the second half of 2024.

→ Explanatory memorandum/ justification - point 1 - 3

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS, AND IMPACT ASSESSMENTS

Stakeholder consultations

Data collectors shared their worries about the unwillingness of farmers to engage with the data collection exercises, problems with recruiting new farms, and losing participating farms. In its FSDN initiative, the Commission proposes and encourages providing feedback to farmers (e.g., via tailored advice, performance/benchmark reports) and providing an obligation for farmers to answer the FSDN survey, as is the case for statistical surveys.

Most data providers expressed their opinions that receiving financial compensation for participating in the FSDN data collection would be relevant. In the initiative, the Commission proposes a possibility for the Member States to set different incentives for farmers' participation in the data network, including financial contributions.

- **Recital (14)**

Considering that some Member States face problems with farmers' participation in the data network, some of them already included the FADN system under national statistics, which obligates farmers to provide the requested information. When selected as returning holdings, farmers should give the data; it should be possible for the Member States to adopt national rules to address cases of returning holdings not complying with such an obligation.

Comment AT

- The main task will be to keep the acceptance for this survey and to accompany farms in this way. It is already an increasing challenge to recruit farms as accountants and to achieve participation over several years due to the growing size of farms.
- The type and quality of data collection vary significantly at the EU level. Due to the voluntary participation of the bookkeeping farms, the quality of the data in Austria currently can be assessed as very high. In the case of mandatory participation in the FSDN, it can be assumed that the data quality will decrease, and the effort for validating the data will increase enormously. It can be assumed that the required data are available on the farms. However, it is not clear to what extent farms will be willing to participate voluntarily as bookkeeping farms even under the additional indicator requirements. Should an obligation become necessary, it must be legally clarified how such an obligation could be implemented in national law. The benefit for the bookkeeping companies has to be the priority for the data collection to last voluntarily.

➔ Recital (5)

Those objectives can be attained only by means of a Union network for collecting farm sustainability data (hereinafter referred to as 'data network'), based on data collectors existing in each Member State, enjoying the confidence of the parties concerned. Member States or responsible national authorities should endeavor to modernize data collection modes as far as possible. To reduce the burden for farmers and data collectors, avoid the duplication of data requests, and enrich the FSDN data set, the principle of collecting data once and re-using it multiple times should be applied. The Open Data Directive⁵ will be considered. The use of digital solutions should be promoted, including the reuse of data and data sharing with other sources. It should be provided that the system based exclusively on farm accountancy offices may be extended given collecting environmental and social variables and that the data collection may be based both on regular and special surveys depending on the informative needs.

Comment AT

- As neither the scope nor the number of the new additional ecological and socio-economic indicators is known, and neither is regulated in the draft regulation, it is impossible to estimate the extra effort. The range of 5 to 25 possible additional indicators is extensive. Thus, it is impossible to estimate which indicators could be considered and how high the costs could be due to the additional survey effort. Mainly from the point of view of the voluntary bookkeeping farms, concrete data on certain ecological aspects (e.g., plant protection, fertilizers) are very sensitive. They can lead to the voluntary willingness to participate in the FSDN being terminated.

➔ Article 2

(j) 'farm ID' means the unique identification number for an individual holding, with regards to the processing of data under this Regulation;

& Article 4

2. The competent authority for FSDN may use other data sources 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 preliminary 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.

Comment AT

- In any case, using already existing data collections is to be welcomed. To guarantee the actual use of existing data collections, the data must be in accordance with the Statistics Regulation (Article 1(4)). In Austria, a farm identifier is already used for all farms and integrated into voluntary bookkeeping, and the voluntary bookkeeping farms have given their written declaration of consent. There are serious concerns that introducing an EU-wide "farm ID" would lead to ultimate transparency of the voluntary bookkeeping farms. Generally, it can be assumed that a clear identification of voluntary bookkeeping farms at the EU level will reduce their willingness to participate in the FSDN. In this context, data protection compliance with the Data Protection Act must also be examined.

➔ Article 5

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

Comment AT

- An obligation for agricultural holdings to provide requested data for the surveys is introduced through the amended article 5(3) of the proposed regulation. --> This article should be amended so that it allows the Member State to decide whether participation in the survey should be obligatory or voluntary.

➔ Article 7, paragraph 1 a-h

- (a) to inform the National Committee, the Regional Committees, and the data collectors such as accountancy offices of the applicable regulatory framework and to ensure proper implementation thereof;*
- (b) to draw up the plan for the selection of returning holdings, to submit it to the National Committee for its approval and, thereafter, to forward it to the Commission;*
-- *(h)*

& Article 8

Comment AT

- The applied method for the data collection is open to each Member State. However, the comparability of the results must be guaranteed in any case.

➔ Article 19

1. Appropriations to be included in the general budget of the Union, in the Commission section, shall cover:

(a) –(b)

Comment AT

- Currently, only one uniform and the regular survey takes place throughout the EU. The draft regulation provides for regular and periodic surveys in the future. It lacks a description and definition of when and to what extent the periodic surveys must be carried out. The draft regulation also leaves open whether these are optional or obligatory for all Member States. It is difficult to assess the consequences without more detailed information on which data or key figures are to be collected and at which frequency.

➔ Article 4

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).'

Comment AT

- The unique farmer number (ID) should be used only at the Member State level and not be sent to Eurostat or other institutions on the EU level. Austria would recommend that the merge of data should be done maximum on the Member state level.
-