



Council of the  
European Union

Brussels, 13 January 2023  
(OR. en)

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Interinstitutional File:  
2022/0192(COD)

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5212/23  
ADD 13

LIMITE

AGRI 6  
AGRIFIN 2  
CODEC 22

#### 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 Portuguese delegation

Delegations will find attached the comments of the Portuguese delegation in relation to WK 17865 2022 INIT in view of the meeting of the AGRIFIN Working Party of 13 January 2023.

**Question 1. Scope of sustainability in relation to delegation of power and farm level data****Economic sustainability**

Current article 1(3) of Regulation (EC) 1217/2009 stipulates that data obtained in the framework of the FADN serve as a basis for agriculture, agricultural markets and farm income analyses.

Question to delegations: In your opinion, should income related aspects be limited to agricultural production and farm related activities (other gainful activities directly related to the farm) like in the current FADN, or should they be expanded to also include other business and incomes not related to agricultural activities?

The FSDN should maintain the focus of collecting data on farm income, without broadening the scope to the farmer's household.

It will also be important to maintain the methodological link to the Economic Accounts for Agriculture in order to have a reference point and a benchmark.

**Environmental sustainability**

Environmental sustainability may require detailed information to accomplish analyses. In the new proposal for a FSDN, data is collected at farm level but the need for analyses sometimes goes beyond that. An example in this sense could be the detailed information at parcel level related to soil conditions, pesticides and farming practices.

Question to delegations: How should environmental sustainability data be framed in the current proposal?

Up until now, the unit of analysis has been the farm holding. Collecting data at parcel level, although it may be tempting, implies a paradigm shift in data collection procedures with considerable impact on the effort made and on the costs associated with the process. On the other hand, such a small sample in FSDN will never be representative on a territorial bases. Therefore, we have many doubts as to whether this increase in effort will be compensated by the usefulness of the information obtained.

If it was possible to make use of administrative data, namely on the use of plant protection products and fertilisers, the effort would be lower and consequently more cost-effective.

#### Social sustainability:

Social sustainability has many dimensions. On the one hand, it could be related to the quality of life of the farmer/manager, on the other hand it can involve aspects related to safety, health and quality of life of all employees of the farm. Social sustainability in a wider sense could also include social interactions beyond the farm like for example interactions in local networks and interactions with family and friends.

Question to delegations: In your opinion, how should social sustainability be framed within the current proposal? What topics should be included and what topics are considered as not being relevant for FSDN?

Pt: Again, this is a proposal to change the focus on the unit of analysis, and again with strong impacts on the effort to collect data. The FSDN should continue to focus on the farm holding, since farmers' households and their close relations are not representative of the rural areas.

#### **Question 2. Input harmonization**

Recital 11 and article 4(3) of the current proposal stipulate the empowerment for the Commission to adopt delegated acts that affect the gathering, storage and processing of data. The Explanatory Memorandum mentions that it will be up to the Member states to choose the most suitable way of collecting data, something that is often seen as a strength of the survey. At previous working parties, many member states expressed the view that the output and not the input, should be harmonized at FSDN level. At the same time, some input harmonization could help to ensure the output.

Question to delegations: Do you consider that some aspects of input harmonization should be in the regulation, and if so, which would be those aspects?

Each Member State has its own context. And even within each Member State, there are regional and even local differences which require the use of different strategies to collect data.

Example: In many instances, the accounting work that a considerable part of farmers are legally bound to perform does not produce outputs with sufficient detail to be able to fill in all fields in the farm return. In these cases, it is the collection system that has to do the accounting work from scratch for the farmer, in order to be able to extract the necessary data. In the case of large holdings, the collection strategy must be different.

Given this diversity of situations, we argue that it is important that the regulations define the outputs in detail.

Only the general principles of Inputs in data collection should be defined.

### **Question 3. Access to registered data**

To reduce the administrative burden for both farmers and data collectors, the Commission proposes to increase the possibility to cross-link other data sources to FSDN. As such, The Explanatory Memorandum mentions the Integrated Administration and Control System (IACS) and the Data for Monitoring and Evaluation (DME) as examples of such sources. Access to registers by liaison agencies are also needed to provide linking information.

Question to delegations: Do the proposed amendments make it possible for the liaisons agencies in your countries to access administrative registers and other registers for the purposes of FSDN?

It is necessary to ensure that the FSDN information is not accessed by any other IT system linked to control mechanisms that might undermine the farmers' trust in their voluntary participation. The use of administrative data for the completion of the farm return is crucial, but as already mentioned, it must be achieved without reciprocity.

It is doubtful that the provisions proposed in the FSDN regulation will solve the general problem of access to individual data in systems not controlled by liaison agencies.

It should be emphasised that the concept of farm holding may be understood in different ways in the various data management systems, and therefore all due reservations should apply.

#### Question 4. The purpose of advice

In recitals 3 and 4 of the proposal it is stated that FSDN should contribute to the improvement of advisory services to farmers and benchmarking of farm performance. The text in recital 13 and in article 7(h) of the proposal encourages tailored advice and benchmark reports for participating holdings.

##### Questions to delegations:

1. Do you consider FSDN should be seen as a general tool for advice and therefore that an advisory purpose should be a part of the general aim of the regulation?

The proposal encourages tailored advice but statistical analyses of farm performance could also be focused on correlations and best practices etc. That could be used as an input for advisory packages and advisory services benefitting all farms in EU.

1. All tools providing a benefit to the farmer participating in the system are very important. In our opinion, encouraging this kind of practices should be further enhanced in the regulation. For this reason, we consider that the FSDN should be seen as a general advisory tool, both for participants in the network and as pooled data for benchmarking in overall advisory services. Therefore, an advisory objective should be part of the general objective of the regulation.

2. If the advisory element should focus on the farms participating in FSDN, should the advice be seen as:

a. Part of an incentive scheme to contribute information to FSDN?

b. An advisory scheme where participating farmers not only sign up to contribute information to FSDN but also sign up to get extended advice in some way?

2. Both options are good. In our opinion, option b, and the integrated management options that it would allow the farmer and the system itself, would be extremely positive.

On the other hand, if all FSDN farms were included in the integrated advisory system, they might cease to represent the reality of the universe that they are intended to represent, since, as a result of advice, they would tend to have better results than farms without this benefit, and therefore might subvert our main objectives.