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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 Netherlands delegation

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

Questions regarding the overall scope of FSDN – reaction of the Netherlands

The presidency has taken note of the comments from delegations already made regarding the articles of this proposal. However we would like to continue the discussion with some aspects that are important for the consistency of our further work with the file.

We also aim to start a discussion on the overall framing of the scope of the delegated acts.

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?

Reaction NL:

- *Other gainful activities directly related to the farm are important to understand the financial economic operation of a farm. In the Netherlands there is a strong focus on other so-called multifunctional business models to earn an income, for example a farm shop, a farm camping or a care farm. These other activities are an important element in these business models. So it is worthwhile to collect some information on these related activities.*
- *With regard to more private financial information; there is some relevance of financial flows and assets of private persons related to the holding (especially in terms of continuity of farms and investment opportunity of these farms), the increasing complexity of farms makes this more and more difficult to collect and to use these data. ECA has addressed the importance of other income sources to understand the CAP objective of fair standard of living, but given the feasibility studies in the past and the current structure of agriculture it is probably not advisable to include it in the future data collection.*

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?

Reaction:

- *The starting point should be farm level data, as this is also the primary level of the financial economic information in FADN. For some technical analysis lower level data would be useful, but this strongly increases the burden of data collection. The current data collection procedures and working methods are not fit for this purpose. Farm level data will fulfil the primary objectives of FSDN.*
- *In the end it is a trade-off between data collection burden and usefulness for the primary purposes of FSDN. If, in the future, crop or parcel level data is readily available (not on just a few farms in a selected number of countries, but on a large share of farms in all countries!) there is added value of re-using these data in FSDN but the additional burden at this moment is too high.*
- *We think the farm level is a good level to collect data on environmental sustainability. Collecting data on parcel level might be too detailed, and it is also a question how this could be generalized into comparable statistics between farms and between regions and countries.*

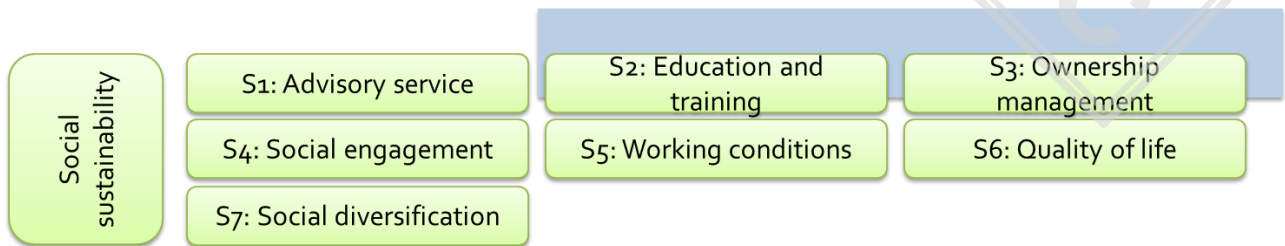
Social sustainability

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?

Reaction NL:

- *The FLINT-project has in the past done some useful suggestions for topics on social sustainability:*



- *Social sustainability should be framed as general quality of life, safety, (mental) health, education, pensions. Both for the farmers as the employees.*
- *Interactions in local networks and interaction with family and friends is a bit too wide in our sense. Rational of local networks could be found in the extent to which farmers could be reached and influenced by agricultural policies i.e. by trainings and advisory services.*

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?

Reaction NL:

- *In FADN the harmonisation is achieved in the farm return (with an exact definition of variables to be reported to the EU). Given the strong differences in organisational structures, stakeholders involved, availability of information, work processes etc. among member states, harmonisation would probably be a regression to the 'weakest link'. This would strongly hurt innovations in data collection which is especially required in FSDN.*
- *The regulation should set quality criteria (for example by quality reports for member states) and support feasibility studies of the use of new sources / working methods, and should facilitate the exchange of best practices. In the end this will result in some harmonisation of working methods but at the time when it is feasible.*

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?

Reaction NL:

- *At the current moment the re-use of data from other government sources is already possible in the Netherlands (either through contacts with the authorities of the registers or through direct contact with the farmer who authorizes us to use the data). For the re-use of other data sources we always ask for the permission of farmers.*

- *A clear description of the need for this access could reduce transaction costs in case of new sources or staff changes. Referring to the articles in the regulation could speed up communication.*

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?

Reaction NL:

- *The proposal encourages tailored advice but in general 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.*
- *Dutch data collectors are not equipped to give advice. Their role is to explain the content of the feedback report and benchmarking reports. They do not advice on actions to be taken based on these reports. We are in favour of showing the results to farmers and also benchmark them against other farms in the FADN. That is also already current practice in the Netherlands, where farmers can access “mijnagrimatie.nl” an online portal with a personal page, in which their farm results are shown in an interactive way. With this portal they can compare their farm with other farms on several indicators, like sustainability and costs of plant protection or mechanization. This is a useful tool to provide insight in their farm (over several years), and can help to optimize their business strategy.*

- *A relevant question is whether we should allow / facilitate farmers to re-use the FADN/FSDN data in other apps or advisory services. This would be in line with GDPR but requires the development of new data services and procedures.*

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?

Reaction NL:

- *Option 1, optional service to farmers. Motivation of farmers to participate vary strongly. Some will appreciate advisory/benchmark services, others will not. We don't think it is a good idea to make advisory services compulsory if farmers provide data, so we are definitely not in favour of option B.*
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