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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 - Presidency suggested amendments

Delegations will find attached the Presidency drafting suggestions on all recitals and articles, excluding Annex II, Article 4a and Article 8(4) and corresponding recitals. Delegations are invited to submit their comments in writing by 21 March 2023.

Changes compared to the text presented at the AgriFin Working Party of 24 February (ST 5861/23 rev 1) are highlighted in yellow, suggested additions are in **bold and underlined** and suggested deletions in ~~striketrough~~.

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 EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 43(2) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee¹,

Having regard to the opinion of the Committee of the Regions²,

Having regard to the opinion of the European Data protection Supervisor,

Acting in accordance with the ordinary legislative procedure,

Whereas:

¹ OJ C , , p. .

² OJ C , , p. .

- (1) The development of the Union agricultural sector and of the common agricultural policy requires objective and relevant information on the performance and sustainability of the Union ~~agricultural~~ holdings. The Farm Accountancy Data Network (FADN) had been established by Council Regulation (EC) No 1217/2009³.
- (2) In the Commission impact assessment supporting the 2018 legislative proposals for the Common Agricultural Policy (CAP) Post 2020⁴, the need to enhance the collection of farm-level data was identified.
- (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), with a view to collect farm level data on sustainability. The conversion will also contribute to the improvement of advisory services to farmers and benchmarking of farm performance.

³ Council Regulation (EC) No 1217/2009 of 30 November 2009 setting up a network for the collection of accountancy data on the incomes and business operation of agricultural holdings in the European Union (OJ L 328, 15.12.2009, p. 27).

⁴ SWD(2018) 301 final, Commission Staff Working Document - Impact Assessment - Proposals for a

- Regulation of the European Parliament and of the Council establishing rules on support for strategic plans to be drawn up by Member States under the Common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulation (EU) No 1305/2013 of the European Parliament and of the Council and Regulation (EU) No 1307/2013 of the European Parliament and of the Council
- Regulation of the European Parliament and of the Council on the financing, management and monitoring of the common agricultural policy and repealing Regulation (EU) No 1306/2013
- Regulation of the European Parliament and of the Council amending Regulations (EU) No 1308/2013 establishing a common organisation of the markets in agricultural products, (EU) No 1151/2012 on quality schemes for agricultural products and foodstuffs, (EU) No 251/2014 on the definition, description, presentation, labelling and the protection of geographical indications of aromatised wine products, (EU) No 228/2013 laying down specific measures for agriculture in the outermost regions of the Union and (EU) No 229/2013 laying down specific measures for agriculture in favour of the smaller Aegean islands

- (4) In order to give substance to the objectives of the CAP as established by Article 39 of the Treaty on the Functioning of the European Union (TFEU), as well as to ensure that the Union adequately addresses its current and future challenges, it is appropriate to cover the three dimensions of Union's agriculture's sustainability, namely the economic, environmental and social dimensions, in particular as provided for in Articles 5 and 6 of Regulation (EU) 2021/2115⁵. In line with Article 11 TFEU, data concerning environmental protection can be integrated into FSDN in order to contribute to the assessment of additional aspects related to EU Union agriculture's sustainability. In this regard, in order to strengthen the link to the implementation of the 2030 Agenda for Sustainable Development, the framework for the holdings' sustainability of the United Nations Sustainable Development Goals should be taken in account. Agricultural holdings sustainability is assessed in the framework of the United Nations Sustainable Development Goals, along three main aspects: economic, environmental and social.

- Regulation of the European Parliament and of the Council amending Regulations (EU) No 1308/2013 establishing a common organisation of the markets in agricultural products, (EU) No 1151/2012 on quality schemes for agricultural products and foodstuffs, (EU) No 251/2014 on the definition, description, presentation, labelling and the protection of geographical indications of aromatised wine products, (EU) No 228/2013 laying down specific measures for agriculture in the outermost regions of the Union and (EU) No 229/2013 laying down specific measures for agriculture in favour of the smaller Aegean islands

⁵ Regulation (EU) 2021/2115 of the European Parliament and of the Council of 2 December 2021 establishing rules on support for strategic plans to be drawn up by Member States under the common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulations (EU) No 1305/2013 and (EU) No 1307/2013 (OJ L 435, 6.12.2021, p. 1).

(4a) Data are currently collected mainly to assess economic aspects of agricultural holdings, while there is a need that an overall sustainability of the holding is assessed including environmental data linked to soil, air, water and biodiversity, as well as data covering the social dimension of farming. **It is appropriate to lay down the main categories of economic, environmental and social data that are collected and compiled in the FSDN in an Annex to this Regulation. The data topics should be linked to the needs of the CAP and be relevant for the assessment of Union agriculture's and holdings' sustainability. In order to take into account future sustainability challenges, the Commission should be empowered to amend the Annex while taking into consideration the relevance of the data to be collected and compiled and the administrative burden on national authorities and holdings.**

4(aa) To describe the social dimension of sustainability, it is necessary to compile certain types of personal data of persons working in the agricultural sector. Such information should support the analysis for the specific objectives of the CAP under points 6(1)(g) and 6(1)(h) of Regulation (EU) 2021/2115. The processing of such personal data should be limited to the data categories that are strictly necessary to fulfil the purpose of this Regulation, and should exclude sensitive personal data.

(4ab) The conversion to FSDN ~~will~~ **should** enable the benchmarking of farm performance against **aggregated data such as** regional, national, **Union** and sectorial averages. Regarding accountancy data, **holdings'** accounts ~~of agricultural holdings~~ constitute the basic source for any assessment of **their** holding-incomes ~~on agricultural holding's~~ or **any** study of their business operation. ~~The information collected~~ **The regional, national, Union and sectorial averages** may also be used to provide as **an input for** personalised advisory services and feedback ~~to~~ **for** farmers with the aim to improve the agricultural holdings' sustainability.

- (5) Those objectives can be attained only by means of a Union network for the collection of 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 endeavour to modernise data collection modes as far as possible. In order to reduce the burden for farmers and data collectors, with the aim to avoid the duplication of data requests and to enrich the FSDN data set, the principle of collect data once and re-use it multiple times⁶ should be applied. The Open Data Directive⁶ will be considered. The use of digital solutions should be promoted, including re-use of data and data sharing with other sources. It should be provided for that the system based exclusively on farm accountancy offices may be extended in view of collecting environmental and social variables and that the data collection may be based both on regular and special surveys depending on the informative needs.

(5a) In order to improve the efficiency of compiling the farm returns and to reduce the burden on the returning holdings, liaison agencies should be able to use in a timely manner and free of charge data sources from which Member States may use relevant data for compiling the farm returns. For these purposes it is appropriate to define modalities to access such data sources and use other data compilation methods or innovative approaches, including to establish cooperation mechanisms between data-handling entities within Member State. A list of relevant data sources available at national level that Member States may use to compile farm returns should be set out. The Commission should be empowered to amend this list to ensure that it remains up-to-date and pertinent.

⁶ Directive (EU) 2019/1024 of the European Parliament and of the Council of 20 June 2019 on open data and the re-use of public sector information. PE/28/2019/REV/1.

- (6) With regards to the field of survey set in Article 5 of Regulation (EC) No 1217/2009, the main criteria for the representativeness of accountancy data and the selection criteria for regular surveys shall be maintained, while adding further information for the other aspects of sustainability and bearing in mind that the resulting survey may not be representative with respect to environmental or social variables. ~~Depending on the needs to collect such information, special surveys may be organised with different selection criteria and periodicity, including ad hoc or periodical (every few years) surveys.~~
- (7) When sending the data for returning holdings at Union level, Member States should provide ~~a farm ID~~ **linkage information** to allow farm level identification with the purpose to ensure data sharing at Union level. Such information exchange has the objective to enhance the capacity to analyse sustainability matters **by complementing farm return data with content from other datasets. Taking into account the differences in farm structures as well as in definitions and reference times, the quality regarding consistency for that data may differ from that for FSDN data.**
- (8) In case **individual FSDN** data ~~will be~~ **is** shared by the Commission or liaison agencies, it is of utmost importance to guarantee data protection and give assurance to farmers that their **individual** data and all other individual details obtained pursuant to this Regulation will be anonymised ~~or pseudonymised~~ to avoid their identification, covering both natural and legal persons. **Therefore, this Regulation should specify that only anonymised data can be made public.**
- (9) ~~The data should be collected at the level of the Member State and should be pseudonymised with the identification number. Only pseudonymised data should be transmitted to the Commission. It should be provided for that access to this data may be provided only to the competent authorities in specific cases and in accordance with international, Union and national law. The procedures to be followed and the conditions to be fulfilled in order to gain access to data in accordance with necessity and proportionality requirements should be defined by international, Union and national law, and in particular with the Charter of Fundamental Rights of the European Union.~~

(10) All necessary measures should be taken to avoid de-anonymisation and de-pseudonymisation but it may occur that data could be disclosed due to additional research and data disclosure outside the control of the Commission. In such cases, data should be considered as personal data and Regulations (EU) 2016/679⁷ and (EU) 2018/1725⁸ of the European Parliament and of the Council should apply. Data are collected concerning agricultural holdings, without regard to ownership of natural or legal persons. Therefore, data protection guarantees should be extended to legal persons. Further, as the development, production and dissemination of European statistics is concerned, principles of Regulation (EC) 223/2009⁹ should be complied with.

(10a) The compilation, processing and use of personal data should be justified and proportionate in relation to the purposes of the operations, concerned, in accordance with, among others, the principle of data minimisation. A high proportion of farmers in the Union are natural persons. Information available from the Union Integrated Farm statistic shows that, in 2020, among the total number of holdings in the Union, 96% were natural persons. It is therefore necessary that the data collected through FSDN covers the natural persons, to ensure that the results of the data analysis are representative of the reality of the agricultural sector.

⁷ Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).

⁸ Regulation (EC) No 223/2009 of the European Parliament and of the Council of 11 March 2009 on European statistics and repealing Regulation (EC, Euratom) No 1101/2008 of the European Parliament and of the Council on the transmission of data subject to statistical confidentiality to the Statistical Office of the European Communities, Council Regulation (EC) No 322/97 on Community Statistics, and Council Decision 89/382/EEC, Euratom establishing a Committee on the Statistical Programmes of the European Communities (OJ L 87, 31.3.2009, p. 164).

⁹ Regulation (EC) No 223/2009 of the European Parliament and of the Council of 11 March 2009 on European statistics and repealing Regulation (EC, Euratom) No 1101/2008 of the European Parliament and of the Council on the transmission of data subject to statistical confidentiality to the Statistical Office of the European Communities, Council Regulation (EC) No 322/97 on Community Statistics, and Council Decision 89/382/EEC, Euratom establishing a Committee on the Statistical Programmes of the European Communities (OJ L 87, 31.3.2009, p. 164).

10(b) For the purposes of processing of personal data at Union level, roles connected to the management and processing of personal data should be determined. The data processing roles at Union level should apply to the data as from the transmission of that data to the Commission through the farm returns. Member States should determine the management of personal data within their jurisdiction, including data protection roles, in accordance with Regulation (EU) 2016/679, taking into consideration in particular the fact that data may be collected for multiple purposes, one of which may be the use in farm returns.

(10c) In accordance with Regulations (EU) 2016/679¹⁰ and (EU) 2018/1725¹¹ of the European Parliament and of the Council, personal data have to be retained only for as long as they are needed for the purposes for which that data were was collected. The uses of FSDN data, and more specifically of the personal data included therein, should include the possibility to analyse ~~time series and~~ long-term trends based on indicators, such as on soil or emissions, the evolution of which needs to be assessed over a long period of time to keep pace with natural phenomena. Long term analyses are therefore regularly performed, especially on environmental information; other subject matters include land use and prices, which inform about structural changes in farming. It should also be possible to build such ~~time series~~ long-term analysis based on sharing of data between different datasets established through linkages at individual level. Data sharing which should enhance information availability. ~~Such analysis should take into account~~ considering challenges that Union agriculture may face in the future. Such challenges are not possible to foresee at the current stage, especially with regard to the future needs for retrospective studies that cannot be established with sufficient certainty. In view of the above reasons ~~this, and taking in account that long term analyses are regularly performed especially on environmental information,~~ it is not appropriate to set a final deadline time limit for the utilisation of data, as the future needs for.

¹⁰ Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1).

¹¹ Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).

- (10d) The existing computerised data system established by the Commission should continue to function for data transmission and verification between the Member States and the Commission and analysis of the information both at individual and aggregated level. Farm returns are stored within this computerised system, which should be adapted to allow the Commission to combine data at individual level between FSDN and other datasets. The way to link this information at individual level should be specified, including with regards to data protection. The Commission should be empowered to set implementing acts to set detailed rules on data management, including technical specification for data transmission, storage, processing and data sharing.
- (10e) It should be possible to grant access to pseudonymised data for research purposes, and thus contribute to addressing the challenges faced by Union agriculture. The Commission should be empowered to adopt delegated acts in this regards in order not to ~~compromise~~ ensure the high level of protection that those data require.
- (10f) Data management with regard to data protection should be specified by the Commission and Member States through appropriate technical and organisational measures ~~such as specific secured processing for national identifiers and linkage information or holdings' geolocation,~~ to ensure that the information is used only for the purpose of this Regulation. Provisions should be established prohibiting persons participating in the data network from disclosing individual data.
- (11) ~~In order to ensure data protection, detailed rules should be set on data management. Therefore, the Commission should be empowered to adopt delegated acts supplementing the non-essential elements of Regulation (EC) No 1217/2009 to include therein 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 individual data, processing of primary individual 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.~~

- (12) In order to ensure uniform conditions for the implementation of Regulation (EC) No 1217/2009, the implementing powers should be conferred on the Commission to adopt implementing acts on the **specific** management of regular and special surveys, as well as **to set with regard to** specific data protection rules.
- (13) With the enlarged scope of the FSDN, it is needed to adapt rules on budget, including differentiated management for regular ~~and special~~ surveys. The Union budget should finance the set-up and modernisation of Member States systems to align it with the revised scope and management of FSDN. Member States may provide for an allocation related to the standard output value of the agricultural holding. Member States should have the possibility to set incentives for farmers participation in the data network, such as financial contribution, feedback on the farm performance ~~with a focus on improving sustainable farming practices~~, or ~~targeted~~ advice based on FSDN information.
- (14) **FSDN should rely on voluntary participation.** Considering that some Member States face problems with farmers' **holdings'** participation in the data network, **it should be possible for Member States to adopt national rules to address this issue.** ~~some of them already included the FADN system under national statistics which provide an obligation for farmers to provide the requested information. When selected as returning holding, farmers should provide 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.~~
- (15) The name of the Committee for the Farm Accountancy Data Network should be modified to reflect the changes in the current Regulation. ~~However, the current Committee should continue existing with the same functions, adapting to the new scope of the data network.~~
- (15a) **Since the objective of this Regulation, namely the creation of the Farm Sustainability Data Network, cannot be sufficiently achieved by the Member States but can rather, by reason of the scale and effects of this Regulation, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective.**

(16) Regulation (EC) No 1217/2009 should therefore be amended accordingly,

HAVE ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 1217/2009 is amended as follows:

(1) the title of the Regulation is replaced by the following:

‘Council Regulation (EC) No 1217/2009 of 30 November 2009 setting up a network for the collection of sustainability data of agricultural holdings in the Union’ **the Farm Sustainability Data Network**’;

(2) the title of Chapter I is replaced by the following:

‘CREATION OF A UNION FARM SUSTAINABILITY DATA NETWORK’;

(3) Article 1 is replaced by the following:

‘Article 1

1. ~~A Union farm sustainability data network (‘FSDN’ or ‘data network’) is set up to collect farm level economic, environmental and social data.~~ **To meet the needs of the common agricultural policy a Union farm sustainability data network (‘FSDN’) is set up for the collection and analysis of farm level sustainability economic, environmental and social data (‘FSDN data’).** **In addition, the data collected may be used to contribute to the assessment of additional aspects related to Union agriculture’s sustainability and addressing the challenges faced by Union agriculture.**

2. ~~The data obtained pursuant to this Regulation shall contribute to the assessment of EU agriculture’s sustainability.~~

FSDN data shall cover the topics set out in Annex II.

3. The Commission is empowered to adopt delegated acts, in accordance with Article 19a, amending Annex II to his Regulation in order to modify the topics, set out therein. When exercising its power to adopt delegated acts, the Commission shall:

(a) ensure that the delegated acts are duly justified and do not create significant additional burden for the Member States or for the returning holdings;

(b) carry out, where necessary, analyses of the feasibility, including availability and quality of appropriate data sources, in particular relevant administrative sources, and take their results duly into account.

3. FSDN data shall be made publicly available in a manner consistent with Articles 7 and 8 of the Charter of Fundamental Rights of the European Union and Regulations (EU) 2016/679* and 2018/1725**. **(reference to the Charter - in recital)**

4. FSDN data shall be used to carry out analysis on the state of sustainability of Union agriculture, including in a format allowing and benchmarking in the Union. Results from the analysis shall be made publicly available by the Commission while complying with Article 16*:

[Article 1a Moved to Article 16b and amended]

[Article 1b Moved to Article 16a and amended]

~~*** Regulation (EC) No 223/2009 of the European Parliament and of the Council of 11 March 2009 on European statistics and repealing Regulation (EC, Euratom) No 1101/2008 of the European Parliament and of the Council on the transmission of data subject to statistical confidentiality to the Statistical Office of the European Communities, Council Regulation (EC) No 322/97 on Community Statistics, and Council Decision 89/382/EEC, Euratom establishing a Committee on the Statistical Programmes of the European Communities (OJ L 87, 31.3.2009, p. 164).’;~~

(4) Article 2 is replaced by the following:

‘Article 2

For the purposes of this Regulation, the following definitions shall apply:

(a) ‘farmer’ means the natural person responsible for the day-to-day management of an agricultural holding;

(b) **‘farm’ or ‘holding’ means a farm business, single unit, both technically and economically, that has a single management and that undertakes economic activities in agriculture** in accordance with ~~it’s~~ **the** general use **of those terms** in the context of Union agricultural surveys and censuses;

(c) ‘category of holding’ means a group of ~~agricultural~~ holdings that belong to the same categories, as regards as the type of farming and economic size as defined in the Union typology for ~~agricultural~~ holdings defined in Article 5b;

(d) ‘farm return’ means the **form to be compiled with data about the returning holding;** questionnaire **set of farm level data** filled in with the data of an agricultural holding according to the FSDN common methodology **described in the relevant Union legislation and technical guidelines;**

(e) ‘returning holding’ means any ~~agricultural~~ holding **for which a making** farm return **is are elaborated compiled** for the purposes of the data network;

(f) ‘Farm Sustainability Data Network division’ or ‘FSDN division’ means the territory of a Member State, or any part thereof, delimited with a view to the selection of returning holdings; **a list of such divisions is set out in Annex I;**

~~(g) ‘FSDN data’ means economic, environmental and social farm level data relating to agricultural holdings derived from accounts, and/or from other data sources collected systematically and regularly;~~

(ga) ‘data collector’ means a liaison agency or an entity tasked by the liaison agency with collecting FSDN data;

(h) ‘standard output’ means standard value of gross production;

(i) ‘personal data’ means personal data as defined in **Article 4(1) of Regulations (EU) 2016/679 and in Article 3(1) of Regulation (EU) 2018/1725**, ~~however extending protection to the legitimate interests of farmers who are legal persons;~~

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

(k) 'processing data' means any operation or set of operations which is performed on data of persons, according to Article 3(3) of Regulation (EU) 2018/1725;

(l) 'primary **individual** data' means data associated with **a returning holding which allow the holding or the farmer to be identified, either directly or indirectly and which can be personal data or data of a legal persons** farms, natural or legal persons or individual samples;

(m) 'metadata' means data giving qualitative and quantitative information about the collected primary **individual** data;

(n) 'anonymised data' means data based on primary data in a form which does not allow natural or legal persons to be identified directly or indirectly;

(o) 'pseudonymised data' means ~~personal~~ **individual** data that cannot be longer attributed to a specific subject **as a result of pseudonymisation within the meaning of Article 4(5) of Regulation (EU) 2016/679 and Article 3(6) of Regulation (EU) 2018/1725** without the use of additional information, provided that such additional information is kept separately and is subject to technical and organisational measures to ensure that the ~~personal~~ **individual** data are not attributed to an identified or identifiable natural or legal person;

(p) 'aggregated data' means the output resulting from **combinations or calculations based on farm return data and other data at the level of the returning holding** summarising the primary **individual** or detailed data for specific analytic purposes.';

(5) the following Article is inserted:

‘Article 2a

A list of FSDN divisions is set out in Annex I.’;

(6) in Article 3, the term ‘FADN’ is replaced by ‘FSDN’;

(7) the title of Chapter II is replaced by the following:

‘DATA FOR **COMPILING FARM RETURNS** ~~THE DETERMINATION OF INCOMES OF AGRICULTURAL HOLDINGS AND COLLECTION OF OTHER SUSTAINABILITY INFORMATION~~’;

(8) Article 4 is replaced by the following:

‘Article 4

1. ~~This Chapter shall apply to the collection of accountancy and sustainability data. Farm returns~~ FSDN data shall be **compiled** ~~collected reported by means of regular and special surveys for which~~ **Member States may use where relevant data from the data sources referred to in paragraph 2a and other relevant data sources, data compilation methods or innovative approaches for data sharing and compiling, provided they allow for the production of data that complies with the quality requirements for FSDN data.**

2. ~~The competent authority for FSDN may use other data sources in order to collect and re-use data to feed the FSDN surveys.~~

2a. The liaison agencies shall have the right to access and use, free of charge, the following data sources:

- (a) **the Integrated Administration and Control System (IACS) established by Regulation (EU) 2021/2116 of the European Parliament and of the Council*;**
- (b) **the system for the identification and registration of terrestrial animals established by Regulation (EU) 2016/429 of the European Parliament and of the Council**;**
- (c) **the vineyard register implemented in accordance with Article 145 of Regulation (EU) No 1308/2013 of the European Parliament and of the Council***;**
- (d) **the organic farming registers set up pursuant to Regulation (EU) 2018/848 of the European Parliament and of the Council****;**
- (e) **Member States’ data for monitoring and evaluation of CAP Strategic Plans obtained in accordance with the implementing act adopted on the basis of Article 133 of Regulation (EU) 2021/2115;**
- (f) **where relevant, farm level records collected for the elaboration of the Action Programmes elaborated by Member States pursuant to Article 5 of Council Directive 91/676/EEC*****;**
- (g) **any other relevant data source of adequate quality accessible to Member States’ authorities.**

2b. Member States shall ensure that liaison agencies have the right to access and use the data sources referred to in paragraph 2a. Member States establish for that purpose the necessary cooperation mechanisms that facilitate effective access to and use of those data sources. The right of access and use shall also be granted in case where the liaison agencies delegate tasks to legal and natural persons to be carried out on their behalf.

~~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, access to and transmission of primary **Individual** data processing of primary **individual** 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.~~

3. The Commission is empowered to adopt delegated acts, in accordance with Article 19a amending paragraph 2a of this Article by adding new appropriate data sources.

~~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).~~

***Regulation (EU) 2021/2116 of the European Parliament and of the Council of 2 December 2021 on the financing, management and monitoring of the common agricultural policy and repealing Regulation (EU) No 1306/2013 (OJ L 435, 6.12.2021, p. 187).**

****Regulation (EU) 2016/429 of the European Parliament and of the Council of 9 March 2016 on transmissible animal diseases and amending and repealing certain acts in the area of animal health ('Animal Health Law') (OJ L 84, 31.3.2016, p. 1).**

*****Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007 (OJ L 347, 20.12.2013, p. 671)**

****** Regulation (EU) 2018/848 of the European Parliament and of the Council of 30 May 2018 on organic production and labelling of organic products and repealing Council Regulation (EC) No 834/2007 (OJ L 150, 14.6.2018, p. 1).**

******* Council Directive 91/676/EEC of 12 December 1991 concerning the protection of waters against pollution caused by nitrates from agricultural sources (OJ L 375, 31.12.1991, p. 1).';**

(8a) the following Article is inserted:

'Article 4a

1. Farm returns shall be submitted to the Commission by the liaison agency by means of a computerised data delivery and control system established by the Commission. The data shall be submitted electronically on the basis of forms made available to the liaison agency via that system.

2. The computerised data delivery and control system shall allow the Commission to combine data at individual level between-FSDN and the following datasets:

- (a) data for monitoring and evaluation of CAP Strategic Plans obtained in accordance with the implementing act adopted on the basis of Article 133 of Regulation (EU) 2021/2115;**
- (b) data from the IACS.**

Member States shall establish and send to the Commission the links between the returning holding and the identifiers pertaining to this holding in the datasets referred to in the first subparagraph and, if necessary, provide other linkage information. Those links and linkage information shall be protected in a secure way and be accessible only to authorised persons.

3. The Commission shall adopt implementing acts laying down detailed rules on:

- (a) technical specifications for transmission of FSDN data between Member States and the Commission;**
- (b) storage and processing of FSDN data within the Commission;**
- (c) methods and requirements for reusing and sharing data by the Commission.**

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 19b(2).

(9) Article 5 is replaced by the following:

‘Article 5

1. The field of the survey shall cover ~~agricultural~~ holdings having an economic size equal to, or greater than, a threshold expressed in euro corresponding to one of the lower limits of the economic size classes of the Union typology for ~~agricultural~~ holdings defined in Article 5b.

The Commission ~~shall be~~ **is** empowered to adopt delegated acts in accordance with Article 19a, supplementing this Regulation with the rules on fixing the threshold referred to in the first subparagraph of this paragraph.

The Commission shall adopt, on the basis of data received from Member States, implementing acts fixing the threshold referred to in the first subparagraph. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 19b(2).

2. To qualify as a returning holding, ~~an agricultural~~ holding shall:

(a) be covered by the field of the survey referred to in paragraph 1;

(b) be representative, together with the other holdings and at the level of each FSDN division **according to Annex I**, of the field of survey.

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

4. Member States may adopt national rules ~~to address possible cases of non-compliance with paragraph 3.~~ **to ensure that a sufficient number of holdings are participating in data collection based on the plan for the selection of returning 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.~~’;

(b) in paragraphs 2 and 3, the term ‘FADN’ is replaced by ‘FSDN’;

(11) in Article 5b, paragraph 1 is replaced by the following:

‘1. ~~Agricultural~~ **H**oldings shall be classified in a uniform manner according to the Union typology for agricultural holdings, **such as type of farming, their economic size and the importance of other gainful activities directly related to them.**

The typology for ~~agricultural~~ holdings shall be used in particular for the presentation, by type of farming and by economic size class, of data collected through the Union farm structure surveys and the FSDN.’;

(12) Article 6 is amended as follows:

(a) paragraph 1 is replaced by the following:

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

(b) in paragraph 4, the term ‘FADN’ is replaced by ‘FSDN’;

(13) in Article 7, paragraph 1 is replaced by the following:

‘1. Each Member State shall appoint a liaison agency whose tasks shall be:

(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;

(c) to compile:

(i) the list of returning holdings;

(ii) where applicable, the list of the data collectors able to complete farm returns;

(d) to produce the farm returns ~~sent to it by the data collectors including from data gathered from other data sources;~~

(e) to verify that the farm returns have been duly completed, **which may require it to correct any errors or inaccuracies detected;**

(f) to forward the duly completed farm returns to the Commission in the required format and within the set deadline;

(g) to transmit the requests for information provided for in Article 17 to the National Committee, to the Regional Committees and to the data collectors and to forward the relevant answers to the Commission;

(h) to make available ~~the obtained~~ results **available, either by themselves or by an organisation they appoint, for providing advice and feedback to farmers on their sustainability performance to the returning holding from which the data is collected. The results shall include benchmarking information, where possible, comparing these results with regional, national, Union or sectorial averages;**

(i) to make available, either by themselves or by an organisation they appoint, the obtained results in a form of aggregated and anonymised data such as at regional, national, Union or sectorial level.

(14) Article 8 is replaced by the following:

‘Article 8

1. Each returning holding shall be the subject of an individual farm return. ~~and identified by a farm ID.~~

1a. Each returning holding shall be identified in FSDN by a unique national FSDN number. In the farm return, Member States shall provide other national identification numbers used to identify the holding in the information systems and registers that feed the datasets referred to in Article 4a(2).

2. The data provided by each duly completed farm return shall be such that it is possible:

(a) to ~~characterise~~ **describe** the returning holding by reference to the main elements of its factors of production;

(b) to ~~assess~~ **describe** the income of the holding in its various forms;

(c) to ~~assess~~ **describe** the economic, environmental and social **situation sustainability** of the holding;

(d) to **verify** test, by **appropriate** means of **such** as on-the-spot checks **and remote controls**, the ~~veracity~~ of the information given.

3. The data on the farm return shall relate to a single ~~agricultural~~ holding and to a single reporting year of 12 consecutive months, ~~and shall concern exclusively that agricultural holding~~. Those data shall refer to agricultural activities of the holding itself and other gainful activities directly related to the holding. **No data related to any non-farming activities of the farmer or of his family, or to any pension, inheritance, private bank accounts, property other than the holding, personal taxation or private insurance, shall be taken into account in preparing the farm returns.**

~~4. The Commission shall be empowered to adopt delegated acts, in accordance with Article 19a, supplementing this Regulation with the rules to determine the main groups of data to be collected and the general rules for data collection. [Moved to art 1 and amended]~~

4. In order to ensure that the data collected by means of the **regular** farm returns are comparable, irrespective of the returning holdings surveyed, the Commission shall adopt implementing acts **laying down rules on the following:**

(a) the variables and the definitions of variables within each specific topic of FSDN data to be reported linked to one or more of the topics set out in Annex II;

(b) the form and layout of the **regular farm return;**

(c) the methods and deadlines for data transmission to the Commission, **including possible extensions of deadlines that may be granted to a Member State upon justified request;**

(d) the frequency of data transmission **(annually or less frequently).**

When adopting those implementing acts, the Commission shall, to the greatest extent possible, make use of variables available from existing data sources when adding, modifying or replacing variables and take into account the need not to create significant additional burden for the Member States or for the returning holdings. Before adopting those implementing acts, the Commission shall analyse the feasibility of the proposed variables based on *inter alia* inputs from Member States. The results of that analysis shall be discussed in the Committee referred to in Article 19b(1).

Those implementing acts **referred to in this paragraph** shall be adopted in accordance with the examination procedure referred to in Article 19b(2).²;

(15) Article 16 is replaced by the following:

‘Article 16

1. Individual data shall be used only for performing analysis as referred to in Article 1(1).

~~2. It shall be prohibited to use for taxation purposes any individual data or other individual details obtained in implementation of this Regulation. **individual data obtained in the implementation of this Regulation shall not be used or divulged for controls pursuant to Regulation (EU) 2021/2116 or for taxation purposes and shall not be used or divulged for any other purposes than those laid down in Article 1 of this Regulation.**~~

2. The Member States and the Commission shall not use individual data, obtained for the purpose of this Regulation, for any other of their tasks and functions, such as taxation and controls.

3. Individual data can be used for purposes other than those provided for in Article 1 where the farmer has unambiguously given consent for one or more specific purposes.

~~**3. Only aggregated and anonymised data may be made public.**~~

4. FSDN data may be made public provided that they are both aggregated and anonymised.

5. Anonymised or pseudonymised individual data can be shared by the Commission or by liaison agencies for the purposes set in Article 1, provided that the identification of natural or legal persons is avoided.² The Commission may grant access to pseudonymised data for research purposes. The Commission is empowered to adopt delegated acts in accordance with Article 19a to supplement this Regulation with the rules and conditions for such access at Union level. When adopting those delegated acts, the Commission shall take into account the need for the protection of individual data and personal data and in particular the rules for data transfers to recipients located outside the territory of the Union as set out by Chapter V of Regulation (EU) 2016/679 and Chapter V of Regulation (EU) 2018/1725.³; The Commission shall request and take into account the opinion of the European data protection supervisor prior to adopting those delegated acts.'

(15a) New articles 16a and 16b are inserted:

'Article 16a

1. The Member States and the Commission shall each adopt and implement appropriate technical and organisational measures to ensure and to be able to demonstrate that their collection, processing, compilation and transmission of individual data are restricted to the purpose of this Regulation.
2. Individual data shall be kept as long as it is needed to perform time series analyses.
3. Individual data shall not be made available to persons other than those whose functions require them to have an access for the purposes of this Regulation.
4. It shall be prohibited for any person participating or having participated in the data network to divulge any individual data or any other individual details of which knowledge was acquired in the exercise of their duties or otherwise incidentally to such exercise. Member States and the Commission shall take all appropriate measures to penalise infringements of this prohibition.

Article 16b

~~1.4. Where relevant, t~~ 1. **The processing, management and use of personal data collected under this Regulation shall comply with Regulations (EU) 2016/679* and (EU) 2018/1725** and (EC) 223/2009***.;**

2. The Commission shall be controller for the processing on personal data included in farm returns from the moment in which the data is received by the Commission. Member States shall determine in their national law the controller, and where relevant the processor, for the processing of personal data included in farm returns concerning holdings situated in their territories.

* Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1).

** Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).;

(16) in Article 17, paragraph 1 is replaced by the following:

‘1. The National Committee, the Regional Committees, the liaison agency and data collectors shall be bound, within their respective areas of responsibility, to furnish the Commission with any **relevant** information which the latter may request of them regarding the discharge of their duties under this Regulation.

Such requests for information made to the National Committee, the Regional Committees or to the data collectors and the relevant answers shall be forwarded in writing through the liaison agency.’;

(17) Article 19 is replaced by the following:

‘Article 19

1. ~~Appropriations to be included in the general budget of the Union, in the Commission section, shall cover~~ **The European Agricultural Guarantee Fund shall finance expenditure covering:**

(a) ~~for regular surveys: a standard fee~~ **amount** 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). **The amount may be proportionate to the coverage in the farm returns of the topics set out in Annex II.** 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 **in accordance with Article 5(a)(3)** for that FSDN division or for the Member State concerned, ~~a fee equal to 50% of the~~ **standard fee** ~~amount shall be~~ applied for each farm return from that FSDN division or from the Member State concerned **shall be reduced by 35%;**

~~(b) for special 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;~~

(c) all the costs of the computerised systems operated by the Commission for running and developing the network, the reception, verification, processing, interoperability, analysis, of the data supplied by the Member States. Those costs include, where appropriate, the costs of disseminating the results of those operations and the costs of studies into, and development of, other aspects of the data network;

~~2. Costs in respect of the setting up and operation of the National Committee, Regional Committees and liaison agencies shall not be included in the general budget of the Union.~~

3. The Union ~~shall~~ **may** also provide financial contributions from the general budget of the Union to Member States, in order to cover **Member States'** ~~the~~ implementation costs ~~of this Regulation~~ when ~~the~~ setting up ~~of the~~ system for collecting the additional environmental and social variables **under this Regulation**, including training and interoperability between data collection systems, necessitates significant adaptations in the ~~national~~ FADN data collection system of a Member State.

4. **Member States may define and provide incentives for farmers' participation in FSDN surveys.** ~~The standard fee payable to Member States may be partly or entirely paid to farmers for their participation to FSDN surveys. Member States may establish a specific allocation key whereby part of or the total amount paid to participating farmers is a function of the farm standard output value.~~

5. ~~Member States may define and provide incentives for farmers' participation to FSDN surveys.~~ **The amount referred to in paragraph 1, point (a) may be partly or entirely paid to farmers for their participation to FSDN surveys according to an allocation established by Member States.**

6. The Commission shall adopt implementing acts establishing the detailed procedures in relation to the ~~standard fee~~ **amount** referred to in paragraph 1, points (a) ~~and (b)~~, and ~~adaptations to the data collection system~~ **to contributions** referred to in paragraph 3 . Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 19b(2).';

(18) Article 19a is amended as follows:

(a) paragraph 2 is replaced by the following:

'2. The power to adopt delegated acts referred to in **Article 1(3)**, Article 3 and Articles 4(3), 5(1), 5a(1), 5b(2) and (3) and ~~8(3)~~**16(5)** shall be conferred on the Commission for a period of 5 years from the date of entry into force of this Regulation. The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of the five-year period. The delegation of power shall be tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.';

(b) paragraph 3 is replaced by the following:

‘3. The delegation of power referred to in **Article 1(3)**, Article 3 and Articles 4(3), 5(1), 5a(1), 5b(2) and (3) and Article 8(3)~~16(5)~~ may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.’;

(c) paragraph 5 is replaced by the following:

‘5. A delegated act adopted pursuant to **Article 1(3)**, Article 3 and Articles 4(3), 5(1), 5a(1), 5b(2) and (3) and Article 8(3)~~16(5)~~ shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.’;

(19) ~~in Article 19b, paragraph 1~~ is replaced by the following:

‘Article 19b

1. The Commission shall be assisted by a Committee called ‘Committee for the Farm Sustainability Data Network’. That Committee shall be a committee within the meaning of Regulation (EU) No 182/2011 of the European Parliament and of the Council¹².

2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

In the case of acts referred to in Article 8(5), point (a), of this Regulation, where the Committee delivers no opinion, the Commission shall not adopt the draft implementing act and Article 5(4), third subparagraph, of Regulation (EU) No 182/2011 shall apply.”

¹² Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission’s exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

(20) Annex I is replaced by the text in the Annex to this Regulation.

This Regulation shall enter into force on the third day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament
The President

For the Council
The President

Annex II

Accountancy topics:

General information on the holding

Land use and type of occupation

Labour

Assets and investments

Rights

Debts/Credit

Value added tax

Inputs

Crops

Livestock production

Animal products and services

Other gainful activities directly related to the farm

Subsidies

Further economic topics:

Innovation and digitalisation

Market position and membership



Environmental topics:

Natural resource management

Nutrient use and management

Pesticide use and management

Emissions

Energy use and production

Biodiversity

Farming practices and technologies

Organic farming

Animal welfare

Social topics:

Working conditions

Social inclusion

Generational renewal

