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NOTE

From:	Presidency
To:	Special Committee on Agriculture / Council
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Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on statistics on agricultural input and output and repealing Regulations (EC) No 1165/2008, (EC) No 543/2009, (EC) No 1185/2009 and Council Directive 96/16/EC - Progress Report

The present report has been drawn up under the responsibility of the Presidency and is without prejudice to particular points of interest or further contributions of individual delegations. It sets out the work done so far in the Council's preparatory bodies and gives an account on the state of play in the examination of the above-mentioned proposal.

I. INTRODUCTION

1. The Commission adopted the proposal for a Regulation on statistics on agricultural input and output (SAIO) and repealing Regulations (EC) No 1165/2008, (EC) No 543/2009, (EC) No 1185/2009 and Council Directive 96/16/EC on 2 February 2021.

2. The SAIO proposal is the third regulation underpinning the strategy for agricultural statistics for 2020 and beyond, endorsed by the European Statistical System Committee in November 2015. The strategy is part of the REFIT programme and aims to streamline and improve the European agricultural statistics system. The other two regulations are: Regulation (EU) 2018/1091 on Integrated Farm Statistics and the proposal for a regulation amending regulation (EU) 138/2004, on the Economic Accounts for Agriculture, to introduce the regional accounts, currently in the legislative process.

3. The Commission main objective with these three regulations, based on article 338 TFUE, is to provide high quality agricultural statistics to monitor and evaluate the Common Agricultural Policy (CAP) and other important EU policies, such as the European Green Deal with the underlying Farm to Fork and Biodiversity strategies, and to support policymaking.

4. The SAIO proposal establishes a common framework for aggregated European statistics related to the inputs and outputs of agricultural activities, as well as the intermediate use of such output within agriculture and its collection and industrial processing. It covers agricultural production (crops and animals) as well as organic farming, agri-environmental statistics on issues such as fertilizers, nutrient balances and plant protection products, and agricultural prices.

5. In the European Parliament, the proposal was assigned to the Committee on Agriculture and Rural Development (AGRI). The rapporteur for the file is Petros Kokkalis (GUE/NGL, Greece). The AGRI committee has not adopted its report yet.

6. The PT Presidency held a virtual meeting with the rapporteur, on 6 May, where an exchange of information on the calendar and potential sensitive issues about the SAIO proposal took place.

II. WORK WITHIN THE COUNCIL

7. On 3 February, the Portuguese Presidency launched a written consultation addressed to the Working Party on Statistics (WPS). Document WK 3137/2021 REV2, of 15 March, contains the compilation of the comments received. In the meantime, the SAIO proposal was presented by the Commission at the WPS informal videoconference of 19 February, followed by a general exchange of views with delegations.

8. It was clear from the written comments and from the initial exchange of views that, as a general position, Member States welcome the SAIO proposal as a step forward in the modernisation and streamlining of the European agriculture statistics, recognising the importance of its data requirements for the EU policies, namely for the CAP and for the European Green Deal with its Farm to Fork and Biodiversity strategies.

9. However, Member States expressed concerns, mainly related to:

   i) the additional burden and costs for MS and respondents, since the proposal introduces new data collections and more frequent statistics are required;

   ii) the broad empowerment given to the Commission, claiming the need to include in the basic act essential elements such as the deadlines, and to introduce safeguard clauses in articles 5 and 6, to better assess the burden and the production costs for MS;

   iii) the lack of appropriate co-financing from the Union, as the proposal only foresees the co-financing of the ad hoc data collections;

   iv) the availability of data sources for some of the new data requirements, as it is the case of the plant protection products used in agriculture, in connection with the frequency foreseen for the provision of the data;

   v) the limited period for derogations, taking into account the adaptations required in the statistical systems to be able to provide the new regular data requirements.

10. The examination of the proposal started in the WPS informal videoconference of 17 March, guided by the Presidency non-paper WK 3712/2021 and benefiting from the Commission's technical clarifications in document WK 3545/2021. It continued during the informal WPS videoconference meetings of 21 April and of 26 May, guided by the Presidency non-paper WK 5226/2021. Additional technical clarifications provided by the Commission in WK 6769/21 were also considered during the discussions on 26 May.

11. Furthermore, on 26 May, one representative from the Portuguese Ministry of Agriculture and one representative of DGAGRI were invited to talk about the statistical implications of the CAP reform. The Presidency felt this participation was important to further clarify the new statistical requirements, which largely rely on the ability of the European Statistical System to respond to them in a timely and cost-effective way.

12. From the discussions held in the WPS informal videoconferences, complemented by bilateral technical informal discussions with Member States, it became clear that the SAIO proposal requires compromise solutions for most of its articles, as well as for the annex.

13. The issue related to the safeguard clauses in articles 5 and 6 is one of the most sensitive. It concerns the powers conferred upon the Commission to adopt delegated acts, namely as regards the definition of new data requirements, and implementing acts to specify several technical elements of the data collections, such as the variables to be collected.

14. The Presidency worked on a possible compromise in relation to a quantitative safeguard clause for the ad hoc data collections, based on the concept of "variable" as defined in article 2. This is an attempt to get the right balance between the need for flexibility from the European Statistical System to meet new data needs, to remain relevant and competitive, while keeping the production costs and burden within reasonable limits.

15. Another sensitive issue relates to the provisions in article 8 imposing an obligation on Member States to require professional users to provide administrative data, in electronic format. Such digital administrative records are not obligatory under article 67 of regulation (EC) 1107/2009, therefore it is uncertain that the statistical offices will be provided with this specific data source to produce annual statistics on the use of plant protection products in agriculture.

16. Although the issue of an electronic administrative record on the use of plant protection products in agriculture should be addressed within the respective sectoral regulation (EU) 1107/2009, the Presidency worked on a redrafting of article 8, expecting that it enables the progress of the negotiations on this sensitive issue.

17. The Presidency also addressed the concerns of MS with the Union contribution, and in line with the framework statistical regulations 2019/1700 and 2019/2152, worked on a drafting proposal to extend the possibility of Union co-financing to actions aimed at improving the data collections systems, including the access to administrative data sources, as well as the development of IT tools and new methodologies, with a view to more cost-effective and higher quality agricultural statistics.

18. The Presidency has also worked on drafting suggestions for the remaining articles, except for article 5, on the regular data requirements. Although this is a crucial article of the SAIO proposal, the Presidency believes it should be addressed after further work on the annex, namely as regards the additional elements to include therein.

19. The Presidency drafting suggestions were circulated in WK 7972/2021, of 16 June, and discussed with delegations during the WPS informal videoconference on 18 June. The Presidency invited delegations to send their written comments by 24 June.

20. From the results of the informal written process it would appear that the Presidency's drafting suggestions in the following articles are in general acceptable to MS: article 1 (subject matter); article 2 (definitions), particularly as regards the inclusion of the two new definitions on "plant protection products" and "agricultural activity", but excluding the Presidency suggestion for the term "variable", where the Commission definition prevails; article 3 (statistical population and observation units); article 10 (quality and quality reporting), in particular on the 5-year periodicity for the quality reports; article 13 (derogations), with the possibility of an extension of the derogation period by two years; article 14 (exercise of delegation) with a determined period of 5 years, tacitly extended if no opposition from the European Parliament or from the Council.

21. In relation to article 11 (Union contribution), the Presidency drafting suggestions to extend the financing beyond the ad hoc data collections are also welcome, but several MS pointed out that their proposal to introduce pilot and feasibility studies also needs to be considered. Additionally, the Presidency has taken note that a majority of MS requested the wording «shall» instead of «may» concerning the Union providing grants to the national statistical institutes and other national authorities. Solutions that would reflect this opinion were actively sought, but from the discussions it became clear that this issue could be finalized as part of the overall package on condition that it would not contradict the existing budgetary arrangements of the Union. Therefore, all related provisions under Article 11 were put in brackets and are to be considered open.

22. The Presidency has also taken note that in the view of several MS the absence of article 5 and of the Annex in the Presidency drafting suggestions has prevented the expression of their position in relation to certain articles with interlinkages to those missing parts of the SAIO proposal. This is particularly the case of article 4 (coverage requirements), article 7 (transmission frequency of the data sets) and article 9 (reference period).

23. Additionally, in relation to article 8 (data sources and methods), although in general MS consider the Presidency drafting suggestions on the Plant Protection Products in paragraphs 3 and 4 as being in the right direction, they also stress that the underlying legal issue needs to be solved within regulation (EC) 1107/2009. In this regard, the Presidency urged the Commission to provide further information to the CWPS on the work in progress under article 67 of the mentioned sectoral regulation.

24. Finally, in relation to the Presidency drafting suggestions on article 6 (ad hoc data requirements), it becomes evident that a common understanding on the counting of the variables within the SAIO proposal is essential to support further discussions on the quantitative safeguard clauses desired by a majority of MS. The Presidency therefore would welcome an informal document from the Commission with a baseline exercise on the counting of the variables, taking into consideration the draft implementing acts being discussed at technical level. The Presidency suggestion to combine a percentage with and an absolute number of variables was considered by several MS as a good starting point, although the suggestion to set the upper limit in 100 variables was considered too extensive. Additionally, some MS still consider the concept of "values" as a better basis for the quantitative safeguard clause.

III. CONCLUSION

25. The Special Committee on Agriculture is invited to take note of this progress report from the Presidency. The Council will be informed about it and about the adoption of a Negotiating Mandate with the European Parliament on the Commission proposal on Regional Accounts for Agriculture through an information point under Any Other Business to be included in the agenda of its meeting on 28-29 June 2021.