Agricultural holdings: conversion of the Farm Accountancy Data Network into a Farm Sustainability Data Network

2022/0192(COD) - 22/06/2022 - Legislative proposal

PURPOSE: to convert the Farm Accountancy Data Network (FADN) into a Farm Sustainability Data Network (FSDN).

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: the development of the Union agricultural sector and of the common agricultural policy (CAP) 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 1217/2009.

In the Commission communication of 20 May 2020 entitled ‘A Farm to Fork Strategy for a fair, healthy and environmentally-friendly food system’, 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.

The FADN is a unique source of microeconomic and accountancy data coming every year from more than 80 000 EU farms. It has allowed assessing farms’ economic and financial situations since 1965. The Commission provides the harmonised methodology and the common questionnaire, whereas the Member States collect, verify and submit the data. The FSDN will add to that environmental and social dimension.

CONTENT: the proposed amendment of Regulation (EU) 1217/2009 seeks to convert the **FADN into FSDN** by:

- extending the scope of the data collection to cover the environmental and social dimension in addition to economic dimension;

- simplifying and modernising the current data set;

- motivating farmers to participate in the data network;

- helping Member States in the data collection process (e.g. interlinks with other relevant databases, providing a contribution for the conversion process).

Based on the well-established FADN data network, the FSDN will be a useful and efficient tool that enables the EU to contribute to the CAP objectives and make available farm level economic, environmental and social data and information for the Member States as well as the EU. Like the FADN, the FSDN will provide a common and harmonised survey to collect farm level data and make data comparable at EU level.

The proposal for this Regulation has been drafted in order to support as well as limit burden for both Member States and farmers, while better ensuring the quality and comparability of the FSDN farm level data.

With respect to the **EU budget**, the FSDN proposal aims to extend and amend the current scope by:

- differentiating budgets for regular and special surveys,

- allowing financing the setup and modernisation of Member States FSDN data collection systems and their IT adjustments,

- incentivising participation of farms by allowing Member States a different allocation of fees in relation to the standard output value of the holding,

- allowing Member States to set incentives for farmers participation in the data network by providing for example a financial contribution to farmers.

Overall, the 2022 FADN EU budget amounts to EUR 16.7 million. The FSDN budget is planned to increase in order to cover the above-mentioned extensions of the scope. However, as the final amount strongly depends on the shape and details of the secondary legislation, the amount cannot be fully assessed at this stage.