



**COUNCIL OF
THE EUROPEAN UNION**

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"I" ITEM NOTE

from:	General Secretariat
to:	Special Committee on Agriculture
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Subject:	Proposal for a Regulation of the European Parliament and of the Council amending Council regulation (EC) No 1217/2009 setting up a network for the collection of accountancy data on the incomes and business operation of agricultural holdings in the European Community

1. On 8 December 2011, the Commission submitted the above-mentioned proposal to the Council and to the European Parliament.
2. On 22 February 2012, the European Economic and Social Committee adopted its opinion on the proposal.
3. On 31 May 2012 , the European Parliament's Committee on Agriculture and Rural Development voted on proposed amendments to the Commission proposal.
4. On 3 September 2012, the Special Committee on Agriculture agreed the Council position for the first trilogue.

4. That trilogue and contacts that subsequently took place between representatives of the three institutions at technical level resulted in agreement on the annexed compromise package, confirmed by the Special Committee on Agriculture on 29 April 2013.
 5. It has subsequently been confirmed that there is no need for a second trilogue, since all three institutions can accept the compromise package.
 6. Consequently, the Special Committee on Agriculture is invited to authorise its Chair to send a letter to the Chair of the European Parliament's Committee on Agriculture and Rural Development, confirming that, should the European Parliament adopt its position at first reading, in accordance with Article 294(3) of the Treaty on the functioning of the European Union and in the exact form set out in the Annex to this note, the Council would, in accordance with Article 294(4) of the Treaty, approve the European Parliament's position, subject to revision by the legal-linguistic experts of both institutions.
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REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

**amending Council Regulation (EC) No 1217/2009 setting up a network for the collection of
accountancy data on the incomes and business operation of agricultural holdings in the
European Community**

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 Commission¹,

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

Having regard to the opinion of the European Economic and Social Committee²,

Acting in accordance with the ordinary legislative procedure³,

Whereas:

(1) Council Regulation (EC) No 1217/2009⁴ confers powers on the Commission in order to
implement some of the provisions of that Regulation.

(2) As a consequence of the entry into force of the Lisbon Treaty, the powers conferred under
Regulation (EC) No 1217/2009 upon the Commission need to be aligned to Articles 290 and 291 of
the Treaty on the Functioning of the European Union (the Treaty).

(3) In order to supplement or amend certain non-essential elements of Regulation (EC) No
1217/2009, the power to adopt acts in accordance with Article 290 of the Treaty should be
delegated to the Commission in respect of **amending** the list *in Annex I* of **Farm Accountancy
Data Network (FADN)** divisions per Member State, **laying down the rules for fixing the threshold
for the economic size of returning holdings and rules for establishing the plan for the selection of
returning holdings, fixing the reference period for the standard output, defining general and
principal types of farming specifying the main groups of accountancy data to be collected and
adopting general** rules on the accountancy data to be included in the farm return. It is of particular
importance that the Commission carry out appropriate consultations during its preparatory work,

¹ OJ C [...], [...], p. [...].

² OJ C [...], [...], p. [...].

³ OJ C [...], [...], p. [...].

⁴ OJ L 328, 15.12.2009, p. 27.

including at expert level. The Commission, when preparing and drawing-up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and Council.

(4) In order to ensure uniform conditions for the implementation of Regulation (EC) No 1217/2009 and to avoid discrimination between farmers, implementing powers should be conferred on the Commission in respect of ***fixing the threshold for the economic size of returning holdings, fixing the number of returning holdings per Member State and per FADN division, establishing and updating the methods and models for notifying the selection plan to the Commission, laying down the procedures and methods of calculation applicable to the Union typology and detailed rules on the activities of national committees for the data network and liaison agencies of Member States, and laying down the form and layout of the farm return, as well as detailed*** rules on the standard fee in the Farm Accountancy Data Network. Those powers should be exercised in accordance with 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.

(5) For the sake of simplification and in the light of the experience gained with the application of Regulation (EC) No 1217/2009 some of the provisions of that Regulation should be adapted or deleted.

(6) According to Article 1(3) of Regulation (EC) No 1217/2009, reports based on FADN data are to be submitted annually to the European Parliament and the Council, in particular for the annual fixing of prices of agricultural produce. However, such reports are in practice no longer submitted to those institutions for the purpose of fixing prices of agricultural produce. In order to ensure simple and convenient access to the annual analytical reports based on FADN for use by other institutions and the public, provision should be made that reports covering selected sectors be published on a dedicated website.

[...]

(8) Article 5(3) of Regulation (EC) No 1217/2009 lays down a maximum number of returning holdings. The purpose of that provision is to set a budgetary limit on the collection of FADN data. As this purpose is ensured by the procedure for the annual preparation and adoption of the Union's budget, the limit laid down in Article 5(3) of Regulation (EC) No 1217/2009 is no longer needed.

(9) Chapter II of Regulation (EC) No 1217/2009 contains rules on the determination of incomes of agricultural holdings, while the rules on business analysis of agricultural holdings are established in Chapter III of that Regulation. Since both types of surveys are subject to essentially the same rules and with a view to simplifying those rules, it is appropriate to merge those provisions applicable to both types of surveys.

(10) Regulation (EC) No 1217/2009 contains further provisions which no longer reflect the practice under that Regulation. In particular, the Commission does not require the Member States to provide returning holdings with a list of accountancy offices to select from, as most holdings have their own accountant or accountancy office providing the FADN with the data or data is collected directly by the liaison office or its contractors. Furthermore, reports on the implementation of the plan for the selection of returning holdings approved by National Committees are no longer required by the Commission.

(11) 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 setting up a network for the collection of accountancy data on the incomes and business operation of agricultural holdings in the European Union".

(-1a) The title of Chapter I is replaced by the following:

"CREATION OF A UNION FARM ACCOUNTANCY DATA NETWORK".

(-1b) In Article 1, paragraph 1 is replaced by the following:

"1. To meet the needs of the common agricultural policy, a Union network for the collection of farm accountancy data is set up (hereinafter referred to as the 'data network').".

(1) In Article 1, paragraph 3 is replaced by the following:

"3. The data obtained pursuant to this Regulation shall, in particular, serve as the basis for the drawing up of reports by the Commission on the situation of agriculture and of agricultural markets as well as on farm incomes in the Union. Those reports shall be made publicly available *on a dedicated website*."

(2) Article 2 is amended as follows:

(a) In point (a) the word "operator" is replaced by "farmer"

(b) Point (b) is replaced by the following:

"(ab) "holding" means a farm business as generally used in the context of Union agricultural surveys and censuses;"

(b) "category of holding" means a group of agricultural holdings which belong to the same categories, as regards the type of farming and economic size as defined in the Union typology for agricultural holdings;"

(c) Point (d) is replaced by the following:

"(d) "Farm Accountancy Data Network (FADN) division" means the territory of a Member State, or any part thereof as delimited with a view to the selection of returning holdings; *a list of such divisions is set out in Annex I*;"

(d) The following point (f) is added:

"(f) 'standard output' means standard value of gross production."

(3) Article 3 is replaced by the following:

"Article 3

In order to ensure that the list of FADN divisions can be updated following a request by a Member State, the Commission shall be empowered to adopt delegated acts in accordance with Article 19a amending Annex I with respect to the list of FADN divisions per Member State.

[...]

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

"DATA FOR THE DETERMINATION OF INCOMES AND THE BUSINESS ANALYSIS OF AGRICULTURAL HOLDINGS"

(5) Article 4 is replaced by the following:

"Article 4

This Chapter shall apply to the collection of accountancy data for the purpose of making an annual determination of incomes and a business analysis of agricultural holdings.

Those data shall be collected by means of regular and special surveys."

(6) Article 5 is amended as follows:

(a) Paragraph 1 is replaced by the following:

"1. The field of the survey referred to in Article 1(2) shall cover the 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 adopt delegated acts, in accordance with Article 19a, laying down the rules for fixing the threshold referred to in the first 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)."

(b) Paragraphs 3 *and 4 are* deleted.

[...]

(7) The following Articles 5a *and 5b are* inserted:

"Article 5a

1. Each Member State shall draw up a plan for the selection of returning holdings that ensures a representative accounting sample of the field of survey.

The Commission shall adopt delegated acts in accordance with Article 19a laying down the rules by which Member States are to draw up such plans. Such rules shall ensure that plans for the selection of returning holdings:

- *are* drawn up on the basis of the most recent statistical data;
- *are* presented in accordance with the Union typology for agricultural holdings; *and*
- specify, in particular, the distribution of returning holdings per category of holding and the detailed rules for *their* selection.

2. In accordance with the rules adopted in accordance with paragraph 1, and on the basis of data received from Member States, the Commission shall adopt implementing acts fixing the number of returning holdings per Member State and per FADN division. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 19b(2).

3. The number of returning holdings to be selected per division may differ from the number laid down in the implementing acts to be adopted pursuant to paragraph 2 by a maximum of 20% in either direction provided that the total number of the returning holdings of the Member State concerned is respected.

4. The Commission shall adopt implementing acts establishing and updating models and methods relating to the form and content of the data to be notified to the Commission by Member States. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 19b(2).

Article 5b

1. Agricultural holdings shall be classified in a uniform manner according to the Union typology for agricultural holdings ("the typology"), depending on their type of farming, their economic size and the importance of other gainful activities directly related to them.

The typology 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 Farm Accountancy Data Network.

2. The 'type of farming' of a holding shall be determined by the relative contribution of the standard output of the different characteristics of that holding to the total standard output of the holding.

The Commission shall be empowered to adopt delegated acts, in accordance with Article 19a, fixing the reference period for the standard output.

3. Holdings shall be classified by a limited number of types of farming. General types of farming shall be specified. Depending on the amount of detail required, the general types of farming shall be divided into principal types of farming.

The Commission shall be empowered to adopt delegated acts in accordance with Article 19a concerning the determination of the general and principal types of farming.

The correspondence between general and principal types of farming and particular types of farming specialisations corresponding to principal types of farming shall be specified.

4. The economic size of the holding shall be determined on the basis of the total standard output of the holding.

5. The importance of the gainful activities directly related to the holding other than the agricultural activities of the holding shall be determined on the basis of the contribution of those gainful activities to the output of the holding.

6. The standard outputs and the data for their determination shall be transmitted to the Commission (Eurostat) by the liaison agency designated by each Member State in accordance with Article 7 or by the body to which that function has been delegated.

7. The Commission shall adopt implementing acts laying down:

- methods for the calculation of particular types of farming specialisations referred to in paragraph 3 and for assigning the holding to a principal type of farming;

- the method of calculating the economic size of the holding;

- economic size classes for the holdings, referred to in paragraph 1;

- methods for calculating the output of the holding, and for estimating the contribution of other gainful activities to that output, for the purposes of paragraph 5;

- the method of calculation for determining the standard outputs of each characteristic referred in paragraph 2, the procedures for collecting the corresponding data and the means and deadlines for the transmission of the standard outputs to the Commission, in accordance with paragraph 6.

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

(8) Article 6 is amended as follows:

(a) Paragraph 2 is replaced by the following:

"2. The National Committee shall be responsible for the selection of returning holdings. To this end, its duties shall, in particular, include approval of the plan for the selection of returning holdings."

(b) Paragraph 5 is replaced by the following:

"5. The Commission shall ***adopt implementing acts laying down detailed rules for the application of this Article. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 19b(2).***"

(9) Article 7 is replaced by the following:

"Article 7

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

(a) inform the National Committee, the Regional Committees and the accountancy offices of the regulatory framework applicable to them and to ensure proper implementation thereof;

(b) draw up and submit to the National Committee for its approval, and thereafter to forward to the Commission the plan for the selection of returning holdings;

(c) compile:

(i) the list of returning holdings;

(ii) if applicable, the list of the accountancy offices willing and able to complete farm returns in accordance with the terms of the contracts provided for in Article 10;

(d) assemble the farm returns sent to it by the accountancy offices;

(e) verify that the farm returns have been duly completed;

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

(g) transmit to the National Committee, the Regional Committees and the accountancy offices the requests for information provided for in Article 17 and to forward the relevant answers to the Commission.

2. The Commission shall ***adopt implementing acts laying down detailed rules for the application of this Article. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 19b(2).***"

(10) In Article 8, paragraphs 2 and 3 are replaced by the following:

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

- characterise the returning holding by reference to the main elements of its factors of production;
- assess the income of the holding in its various forms;
- test by means of spot-checks the veracity of the information given.

3. *The data on the farm return shall relate to a single agricultural holding and to a single accounting year of 12 consecutive months, and shall concern exclusively the 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 holder or of his family, or with any pension, inheritance, private bank accounts, property external to the agricultural holding, personal taxation or private insurance, is to be taken into account in preparing the farm returns.*

The Commission shall be empowered to adopt delegated acts in accordance with Article 19a concerning *the determination of the main groups* of accountancy data to be *collected and the general rules for data collection*.

In order to ensure that the accountancy data collected by means of the farm return for the purpose of reliably determining the incomes and analysis of business operations of agricultural holdings is identical, irrespective of the returning holdings surveyed, the Commission shall adopt implementing acts laying down the form and layout of the farm return and the methods and deadlines for data transmission to the Commission.

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

(11) Article 9 is *deleted*.

(12) Article 10 is *deleted*.

(13) Chapter III is *deleted*.

(14) Article 18 is *deleted*.

(15) Article 19 is amended as follows:

(a) In paragraph 1, point (a) is replaced by the following:

"(a) 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). If the total number of duly completed and delivered farm returns in respect of a division or a Member State is less than 80 % of the number of returning holdings laid down for that division or for the Member State concerned, 80% of the standard fee for each farm return from that division or from the Member State concerned shall be applied;".

(aa) Paragraph 2 is replaced by the following:

"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.";

(b) The following paragraph 3 is added:

"3. The Commission shall, by means of implementing acts, adopt detailed procedures on the standard fee referred to in point (a) of paragraph 1. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 19b(2)."

(16) The following Articles 19a and 19b are inserted:

"Article 19a

1. The power to adopt the delegated acts is conferred on the Commission subject to the conditions laid down in this Article.

2. *The power to adopt delegated acts* referred to in Article 3, *Article 5(1), Article 5a(1), Article 5b(2) and (3)* and Article 8(3) shall be conferred on the Commission for *a period of five years from 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.*

3. The delegation of power referred to in Article 3, *Article 5(1), Article 5a(1), Article 5b(2) and (3) and Article 8(3)* 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.

4. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

5. A delegated act adopted pursuant to Article 3, *Article 5(1), Article 5a(1), Article 5b(2) and (3) and Article 8(3)* 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 the Council.

Article 19b

1. The Commission shall be assisted by a Committee called "Committee for the Farm Accountancy Data Network". That Committee shall be a committee within the meaning of Regulation (EU) No 182/2011*.

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

* OJ L 55, 28.2.2011, p. 13."

[...]

Article 2

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

It shall apply from 1 January **2014**.

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

Done at [...],

For the European Parliament

For the Council

The President

The President
