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INFORMATION NOTE

from: General Secretariat
to: Special Committee on Agriculture/Council

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
– Outcome of the European Parliament's first reading
(Strasbourg, 9 to 12 September 2013)

I. INTRODUCTION

The Committee on Agriculture and Rural Development submitted to the plenary seven amendments to the Commission's proposal for a Regulation (amendments 1 - 7).

In accordance with the provisions of Article 294 of the TFEU Treaty and the joint declaration on practical arrangements for the codecision procedure¹, a number of informal contacts took place between the Council, the European Parliament and the Commission with a view to reaching an agreement on this dossier at first reading, thereby avoiding the need for a second reading and conciliation.

¹ OJ C 145, 30.6.2007, p.5.

In this context, the Committee tabled a further compromise amendment (amendment 8) to the proposal for a Regulation. This compromise amendment had been agreed during the informal contacts referred to above. It was intended to replace - rather than complement - the seven amendments already submitted to the plenary.

II. VOTE

When it voted on 11 September 2013, the plenary adopted the compromise amendment to the proposed Regulation.

The adopted amendment corresponds to what was agreed between the three institutions and ought therefore to be acceptable to the Council.

The text of the Parliament legislative resolution is annexed to this note. The legislative resolution does not set out the adopted amendment itself, but rather the Parliament's first-reading position - which is the text of the Commission's proposal as modified by the amendment.

Collection of accountancy data on the incomes and business operation of agricultural holdings *I**

European Parliament legislative resolution of 11 September 2013 on the 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 (COM(2011)0855 – C7-0468/2011 – 2011/0416(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2011)0855),
 - having regard to Article 294(2) and Article 43(2) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C7-0468/2011),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to the opinion of the European Economic and Social Committee of 22 February 2012¹,
 - having regard to the undertaking given by the Council representative by letter of 27 May 2013 to approve Parliament's position, in accordance with Article 294(4) of the Treaty on the Functioning of the European Union,
 - having regard to Rule 55 of its Rules of Procedure,
 - having regard to the report of the Committee on Agriculture and Rural Development (A7-0179/2012),
1. Adopts its position at first reading hereinafter set out;
 2. Calls on the Commission to refer the matter to Parliament again if it intends to amend its proposal substantially or replace it with another text;
 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

¹ OJ C 143, 22.5.2012, p. 149.

Position of the European Parliament adopted at first reading on 11 September 2013 with a view to the adoption of Regulation (EU) No .../2013 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 Commission,

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

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

Acting in accordance with the ordinary legislative procedure²,

¹ OJ C 143, 22.5.2012, p. 149.

² Position of the European Parliament of 11 September 2013.

Whereas:

- (1) 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 Community¹, confers powers on the Commission to implement some of the provisions of that Regulation. *As a consequence of the entry into force of the Lisbon Treaty, those implementing powers need to be aligned to Articles 290 and 291 of the Treaty on the Functioning of the European Union ("the Treaty").*

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¹ OJ L 328, 15.12.2009, p. 27.

- (2) 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 Annex I with respect to 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 the rules for establishing the plan for the selection of returning holdings, fixing the reference period for the standard output, defining the 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, 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.

- (3) 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 as well as 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 relation to the *FADN*. 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 powers¹ .
- (4) In the interests of simplification, and in the light of the experience gained through the application of Regulation (EC) No 1217/2009, some of the provisions of that Regulation should be adapted or deleted.

¹ OJ L 55, 28.2.2011, p. 13.

(5) Under 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, in practice, such reports are 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 for reports covering selected sectors to be published on a dedicated website.

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(6) 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 that budgetary limit is now set by the procedure for the preparation and adoption of the Union's annual budget, the limit laid down in Article 5(3) of Regulation (EC) No 1217/2009 is no longer needed.

(7) Chapter II of Regulation (EC) No 1217/2009 contains rules on how to determine the incomes of agricultural holdings, while the rules on business analysis of agricultural holdings are set out in Chapter III of that Regulation. Both types of surveys are subject to essentially the same rules and, in the interests of simplification, it is therefore appropriate to merge those provisions into a single chapter applicable to both types of surveys.

- (8) Regulation (EC) No 1217/2009 contains further provisions which no longer reflect the practice under that Regulation. In particular, the Commission does not require Member States to provide returning holdings with a list of accountancy offices to select from, since most holdings have their own accountant or accountancy office that provides FADN with the data, or the data are 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.
- (9) 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 accountancy data on the incomes and business operation of agricultural holdings in the European Union".

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

"CREATION OF A UNION FARM ACCOUNTANCY DATA NETWORK".

(3) *Article 1 is amended as follows:*

(a) *paragraph 1 is replaced by the following:*

"1. To meet the needs of the common agricultural policy, a Union farm accountancy data network ('FADN' or 'data network') is set up for the collection of farm accountancy data .";

(b) *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**."*

(4) 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:

"(-b) "holding" means a farm business, in accordance with its general use in the context of Union agricultural surveys and censuses;

(b) "category of holding" means a group of agricultural holdings that 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 division" or "FADN 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);"

(d) the following point is added:

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

(5) 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.

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

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

(7) Article 4 is replaced by the following:

"Article 4

This Chapter shall apply to the collection of accountancy data for the purposes 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."

(8) 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 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 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).";

(b) *in paragraph 2, point (c) is replaced by the following:*

"(c) be representative, together with the other holdings and at the level of each FADN division, of the field of survey.";

(c) *paragraphs 3 and 4 are deleted.*

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(9) The following *articles 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 the 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 FADN division may differ from the number laid down in the implementing acts to be adopted pursuant to paragraph 1a 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).*

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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 FADN.

- 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 for the calculation of the economic size of the holding;*
 - *economic size classes for the holdings, referred to in paragraph 1;*
 - *methods for the calculation of 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 for the calculation to determine 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)."

(10) 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) *in paragraph 4, the first subparagraph is replaced by the following:*

"4. Member States which have several FADN divisions, may, for each of the FADN divisions under their jurisdiction, set up a regional committee of the data network (hereinafter referred to as 'the Regional Committee').";

(c) 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).*".

(11) Article 7 is replaced by the following:

"Article 7

1. Each Member State shall appoint a liaison agency whose tasks shall be:
 - (a) to inform the National Committee the Regional Committees and the 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;
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 - (ii) where applicable, the list of the accountancy offices willing and able to complete farm returns;

- (d) assemble the farm returns sent to it by the accountancy offices;
 - (e) to verify that the farm returns have been duly completed;
 - (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 accountancy offices 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).***"

(12) 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;
 - to assess the income of the holding in its various forms;
 - to 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 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 agricultural holding, personal taxation or private insurance, shall 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 returns are comparable, 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)."

(13) *Articles 9 to 15 and 18 are deleted.*



(14) 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(1a). Where the total number of duly completed and delivered farm returns in respect of a FADN division or a Member State is less than 80 % of the number of returning holdings laid down for that FADN division or for the Member State concerned, a fee equal to 80% of the standard fee shall be applied for each farm return from that FADN division or from the Member State concerned;*";

(b) *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.";

(c) the following paragraph is added:

"3. The Commission shall adopt implementing acts establishing the *detailed procedures* in relation to 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).".

(15) The following articles 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.

^{*} OJ: insert date of entry into force of this Regulation.

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 of 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 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 *.
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.";

(16) *The title to Annex I is replaced by the following:*

"List of FADN divisions referred to in Article 2(d)."

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
