



Council of the  
European Union

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## OUTCOME OF PROCEEDINGS

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From: General Secretariat of the Council  
To: Delegations

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Subject: European Court of Auditors' Special Report No 1/2016 "Is the Commission's system for performance measurement in relation to farmers' incomes well designed and based on sound data?"  
- Council conclusions (06 December 2016)

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Delegations will find in the annex the Council conclusions on:

*Special Report No 1/2016 "Is the Commission's system for performance measurement in relation to farmers' incomes well designed and based on sound data?",*

adopted by the Council at its 3506th meeting held on 06 December 2016.

**Council conclusions**

**on Special Report No 1/2016 from the European Court of Auditors entitled:  
"Is the Commission's system for performance measurement in relation to farmers' incomes  
well designed and based on sound data?"**

THE COUNCIL OF THE EUROPEAN UNION

- (1) WELCOMES the Court's Special Report 1/2016, which examines the Commission's tools for measuring farmers' incomes and its use of income-related data for assessing the performance of Common Agricultural Policy (CAP) measures aimed at viable food production and supporting the income of farmers;
- (2) NOTES the Court's findings that the Commission's system for measuring the performance of the CAP in relation to farmers' incomes could be better designed and that the statistical data used to analyse farmers' incomes could be improved in both quantitative and qualitative terms;
- (3) NOTES that almost one third of the EU budget contributes directly or indirectly to supporting farmers' incomes by supporting their agricultural and rural development activities, thus contributing, *inter alia*, to ensuring a fair standard of living for farmers and the longer-term economic viability of farming in the EU, which has been a leitmotif of the CAP since its beginnings;
- (4) UNDERLINES that the overall system for performance measurement should provide the best possible balance between the information needs to assess the achievement of all CAP objectives (i.a. viable food production, including ensuring a fair standard of living for farmers, sustainable management of natural resources and climate action, balanced territorial development), with the related costs and administrative burdens;

- (5) **ACKNOWLEDGES** the overall analytical value of statistics covering household income in different sectors in order to determine to what extent farmers are disadvantaged and why income support is needed;
- (6) **UNDERLINES** that the evaluation of the CAP's objective of supporting farmers' income must be based on the evolution of income derived from agricultural activities;
- (7) **REMAINS CONCERNED** that the administrative burden of developing a framework for providing information on the disposable income of farm households, comprising not only income from agricultural activities (i.e. sales of agricultural products, subsidies, and farm-related income, which is income from other gainful activities carried out using farm resources) but also income from outside sources, such as wages or salaries from other activities of the farmer or family members, may outweigh the potential benefits;
- (8) **TAKES NOTE** of the intentions and actions of the Commission:
- to further develop the EAAs (economic accounts for agriculture), which are the main statistical source for monitoring farmers' income globally at macroeconomic level, so that their potential can be better used, e.g. for providing more detailed information on the factors impacting agricultural income and to estimate the economic value of the public goods that are produced by farmers;
  - taking into account the limitations resulting from the voluntary participation of farmers in the FADN (Farm Accountancy Data Network), which already covers a significant share of EU subsidies, and in order to ensure that the analysis of farmers' incomes is based on indicators taking account of the current situation of agriculture and on sufficient and consistent data for all beneficiaries of CAP measures, to make better use of administrative data sources, including information about small holdings and beneficiaries;
  - to enhance, together with the Member States, the quality assurance arrangements for the EAAs and the FADN statistics, taking also into account for the former the applicable good practice of EUROSTAT's data quality assessment and reporting guidelines;

- to define, for the next programming period, appropriate operational objectives and baselines so that the performance of CAP measures can be compared, and to also use, but without creating unwarranted administrative burdens, complementary and good-quality data to measure and assess the results achieved with regard to supporting farmers' incomes;
- (9) SUPPORTS the view that, in case a change of policy objectives would require a change in data collection methods, then such change should be the result of political and legislative decision-making and should be substantiated in the basic acts, e.g. in case additional data collection and analysis requirements are agreed upon, and UNDERLINES in this regard the importance of due consideration to be given to the impact of any change in data collection methods on the administrative burden;
- (10) ANTICIPATES, by 31 December 2018, the foreseen initial report by the Commission on the implementation of monitoring and evaluation of the CAP, including first results on the performance of the CAP for 2014-2020, and, by 31 December 2021, the Commission's second report, including an assessment of the performance of the CAP.
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