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Subject: a) Regulation amending Regulation (EC) No 138/2004 as regards regional economic accounts for agriculture
b) Regulation 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
- Information from the Presidency on the state of play

With a view to the information to be provided by the Presidency on the current state of play of the examination by the Council of the above-mentioned proposals under “Any Other Business” at the session of the Council (Agriculture and Fisheries) on 28 and 29 June 2021, delegations will find in Annex a descriptive note.

On 2 and 12 February 2021 the Commission submitted proposals for a Regulation of the European Parliament and of The Council on Statistics on Agricultural Inputs and Outputs and repealing Regulations (EC) No 1165/2008, (EC) No 543/2009, (EC) No 1185/2009 and Council Directive 96/16/EC (SAIO proposal) and for a Regulation of the European Parliament and of the Council amending Regulation (EC) No 138/2004 of the European Parliament and of the Council as regards Regional Economic Accounts for Agriculture (REAA proposal) respectively.

Content of the Proposals

The proposed SAIO regulation specifies the content of statistics on inputs and outputs in agriculture. It specifies that Member States must provide statistics on 4 domains and 12 related topics. The domains are animal production statistics, crop production statistics, agricultural price statistics, and statistics on nutrients and plant protection products. This is supported by articles related to subject matter, definitions, statistical population and observation units, coverage, data transmission frequency, data sources and methods, reference periods, quality specifications, and potential financial contributions. In addition, the regulation provides the possibility of introducing specific ad hoc subjects related to agricultural input and output that supplement the data collected on a regular basis. According to the Commission proposal the detailed data sets will be specified in implementing acts (regulations).

The proposed REAA regulation amends Regulation (EC) No 138/2004 by introducing two new articles and amending both Annex I (EAA methodology) and Annex II (Transmission programme of data). The first main change relates to regional economic accounts for agriculture (REAA). Member States have been providing Eurostat with REAA since 2000 under a gentlemen's agreement and in line with methodological practices that have been in place since that time. To integrate the REAA into Regulation (EC) No 138/2004, a chapter on the methodology has been added to Annex I, the transmission programme of the regional data has been included in Annex II, and the first transmission deadline of the regional data has been added in article Article 3(2). Secondly, an article has been added to cover quality reporting requirements (Article 4a). EU Member States (with very few exceptions) have been willingly providing EAA quality reports since 2019 with reference to the requirements of Article 12(2) of Regulation (EC) 223/2009. Article 12(2) of Regulation (EC) 223/2009 provides for specific inclusion of quality reporting requirements in sectoral legislation, which allows the modalities, structure, periodicity and assessment indicators of the quality reports to be defined and deadlines for transmission to be set. The third main change relates to relaxing the transmission deadlines for the second EAA estimates in order to facilitate improved data quality. For the EAA, Member States transmit, for national data, first estimated data (deadline November of reference year n), second estimated data (deadline January of year n+1) and final data (deadline September of year n+1). The second data follow too soon after the first data for quality to be substantially improved. Therefore, transmission deadlines for the second estimates should be relaxed from January of year n+1 to March of year n+1 so that Member States have more time to obtain better quality data. Annex II has been updated accordingly.

The remaining proposed changes to articles are intended to allow possible derogations from regional economic accounts for agriculture requirements (Article 4b) and to make reference to the Committee procedure (Article 4c), since implementing powers are being conferred upon the Commission in relation to the quality reporting requirements.

Examination of the Proposals

The Council Working Party on Statistics examined the **SAIO proposal** in its meetings of 19 February, 17 March, 21 April, and 26 May. Member States recognised the importance of the proposal for the provision of statistics necessary for the EU policies, namely for the CAP reform and for the European Green Deal with the underlying farm to fork and biodiversity strategies.

Nonetheless, Member States expressed concerns in relation to the legal architecture and to the additional production costs and burden on respondents. This is due to the new data requirements associated with the lack of appropriate administrative data sources and higher frequency for the transmission of data in certain statistical domains. The scope for the Union contribution is considered very limited and in the Member States' views should cover the actions necessary at national level to meet the data requirements in a cost-effective way and with the expected quality of the European statistics.

The Portuguese Presidency attempted to address Member States major concerns issuing drafting suggestions, presented to the Council Working Party on Statistics on 18 June, and inviting Member States to react in written form until 24 June.

The PT Presidency progress report (ST 9977/21) contains an indication of the Presidency proposals accepted as a good starting point for further discussions during the Slovenian Presidency.

The **REAA proposal** was examined by the Council Working Party in its meeting of 19 of February and 21 April. In addition, during May the Portuguese Presidency organised formal bilateral meetings with the other 26 Member States, in order to better understand Member States concerns and to address them.

Following an informal written procedure on the PT Presidency compromise text, ending on 14 June with a qualified majority in favour, the Special Committee on Agriculture adopted it, on 21 June, as the Council mandate for negotiations with the European Parliament (ST 9917/21 + ADD 1) .

The Council mandate keeps the transmission programme of data fully mandatory but foresees a longer period for derogations and the postponement of the 1st reference year of the regional accounts for the year in which the regulation comes into force (and not 2020, as proposed by the Commission).

Next Steps

The European Parliament's current planning is to have the report containing the position of the EP on the SAIO and REAA proposal adopted by the November plenary. The SI Presidency will have to continue the good work of the PT presidency in order to adopt a Council negotiating mandate for the SAIO regulation, and begin negotiations with the European Parliament on the REAA proposal in order to reach an agreement as early as possible.

Conclusion

The Council is invited to take note of this information, and Member States to comment on anything that they consider relevant.
