



OPINION

European Economic and Social Committee

Conversion to a Farm Sustainability Data Network (FSDN)

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1. **Conclusions and recommendations**

1.1 The EESC welcomes and supports the conversion of the Farm Accountancy Data Network (FADN) into a Farm Sustainability Data Network (FSDN), as provided for in the Farm to Fork strategy, with the task of collecting sustainability data, improving advisory services and providing feedback to farmers.

1.2 The EESC considers the FSDN to be an important tool for evidenced-based policies and recommends the following:

- data on climate change, soil quality and carbon sequestration, pesticide used, water and air quality, energy, and biodiversity should be treated as environmental data to be collected by farmers or by other instruments interoperable with the FSDN. The data collected should be broken down according to the type of product (organic, etc.); Data variables on sustainability must be thoroughly evaluated on validity, quality and comparability to be included in the network if they are to be used as a tool for policies.
- data on working conditions, types of contracts, health and safety (existence of health and safety plan at the farm level, number of accidents including self-employed workers), skills and wages, social conditionality link to Common Agriculture Policy, number of self-employed workers, number of temporary/seasonal workers should be treated as social data to be collected by farmers or by other instruments interoperable with the FSDN. There should be special focus on women and young people;
- environmental and social data should be given the same level of importance as economic data; Considering that for the past decades the FADN has mainly assessed the economic situation of farmers, the economic dimension is key alongside with the environmental and social challenges;
- an approach cross-linking with the Integrated Administration and Control System (IACS) and data resulting from the implementation of the common agricultural policy (CAP) and also Eurostat, especially for environmental and social data;
- the possibility of all the farmers to contribute to the FSDN, where they are willing and able, on the basis of a specific methodology and taking into account the representativeness and budget constraints; no sanction should exist if they are part of the sample group but do not want to contribute; Data provision by farmers must remain voluntary. However, Member States should identify adequate ways and incentives to encourage farmers to take part in the FSDN.
- there should be constant focus on reducing bureaucracy: modern data technologies such as artificial intelligence, internet of things, automatic validation or remote collection infrastructure should also be used;

- the FSDN should help to increase understanding of the entire ecosystem of the farm, and for this interoperability with other databases; analysing together separate datasets which are covering other parts of the supply chain should also be provided for;
 - providing for subsistence farms and semi-subsistence farms to be included in FSDN sampling;
 - including different characteristics, sources, formats, dimensions and levels of granularity of data due to the different situations among Member States (MS);
 - providing for constant exchange of farming best practices between the MS and farmers; special instruments should be developed in this regard;
 - more should be done to consolidate the capacity for collecting, sharing, managing and using data to improve the efficiency and the decision-making process at farm level, especially for small farms;
 - the FSDN should contribute to improving farm management, and customised advisory services should also be delivered by creating a clear link with data on the exogenous variables of the agriculture production process such as weather forecasts, etc.;
 - specific criteria linked to the sustainability of the processes required by the FSDN and working conditions criteria for data collectors should be established.
- 1.3 The EESC considers that data protection, ownership, privacy and confidentiality should always be ensured (guarantee of complete anonymisation) and that the farmers should have permanent control of their data. Moreover, the farmers' interests should be protected and their consent should be obtained when their data is to be shared, whatever the destination and use of the data.
- 1.4 The EESC recommends that the farmers be provided with incentives to contribute and they have clear and direct benefits for sharing their data in addition to advisory services, such as financial benefits or access to dedicated calls for proposals financed by EU funds.
- 1.5 Data collected for the FSDN must under no circumstances be used for controlling and sanctioning farmers. If this principle is compromised the farmers should have the option to refrain from providing the data, but this will significantly impair the use of the FSDN as a policy tool.
- 1.6 The general approach of the FSDN is to use digital technologies, and for this reason the EESC recommends that more be done to build a common data space for agriculture, promoting co-ownership of data and data cooperatives. The EESC considers that a common methodology for ensuring comparability and common use of data is lacking in the agrifood sector.
- 1.7 The EESC suggests that a dedicated integrated programme for digitalisation of the agrifood sector should be set up, since some farmers are already obliged to collect environmental data in order to sell their products and autonomous and smart machines or sensors are data generators.

Digital inclusiveness and literacy alongside with facilitating access to data, hardware and software technologies should be considered.

- 1.8 The EESC is suggesting that more efforts should be delivered in reducing white zones and providing phone connectivity and broadband in rural areas.
- 1.9 Finally, the EESC recommends that the funds for implementing the FSDN should be secured by the Commission and MS and that the data collected should take into account the price volatility and different crises in the agrifood supply chain.

2. **Introduction**

- 2.1 In the Farm to Fork Strategy¹, the European Commission planned to transform the Farm Accountancy Data Network (FADN) into a Farm Sustainability Data Network (FSDN) for collecting sustainability data, improving advisory services and providing feedback to farmers. The data will be collected at farm level, according to specific criteria and periodicity in all Member States (MS). The FADN will be adapted to ensure an efficient data collection process with the FSDN.
- 2.2 Each MS will draw up a dedicated plan for the selection of returning holdings that ensures a representative sample of data. Agricultural holdings will be classified in a uniform manner and data collectors such as accountancy offices will be involved in the process, coordinated by a liaison office at MS level.
- 2.3 The data provided by the farms will be used to characterise the returning of the holding, to assess the income and the economic, environmental and social sustainability of the holding and to test, by means of on-the-spot checks, the veracity of the information given.

3. **Functionality of the FSDN**

- 3.1 The EESC supports the conversion of the FADN into the FSDN and considers that the same data should not be collected multiple times since some Member States are already collecting some social and environmental data, and that a cross-linking approach with the Integrated Administration and Control System (IACS) and data resulting from the implementation of the common agricultural policy (CAP) and also Eurostat should be ensured, especially for the social and environmental data.
- 3.2 Data sharing between the FSDN and various actors such as administrations, statistical authorities and private bodies should be effected in a controlled and adapted way. Promoting the digital technologies already developed and financed by EU (FAIRshare², Horizon projects, etc.) can contribute to improving farm management and use of digital technologies at farm level.

¹ EESC opinion on "From farm to fork": a sustainable food strategy, [OJ C 429, 11.12.2020, p. 268](#).

² <https://www.h2020fairshare.eu/>.

- 3.3 The lagging period between data collection and data processing should not affect the quality of the FSDN and the advisory services delivered to the farmers. The farmers should be aware if their data is being used for additional purposes linked to FSDN such as research, innovation, training, etc., and give their consent to this.
- 3.4 Data protection, respective GDPR rules and data for sensors, trust in data use, check and balance procedures, ownership, privacy and producing rights or transparency should integrate farmers' interests and farmers should benefit from the collected data. Reducing bureaucracy should be a constant priority. Clear methodology is needed at EU level for encouraging farmers in this regard. Involving farmers' associations should be considered.
- 3.5 The EESC considers that the sustainability of the system implementation and the working conditions of the people involved in implementing the FSDN in the areas of data collection, management, storage and data processing should be taken into account. The EESC points to its opinion on digitalisation and sustainability³: the most energy-efficient data centres should become the norm and new data centres should be run by 100% renewable energies. Specific criteria linked to the sustainability of the process and working conditions for data collectors should be established by the Commission and taken into account in all Member States.
- 3.6 The FSDN should not be an instrument only for public authorities to use in drafting public policies, and should also integrate the needs of social partners, research entities, universities, farmers and NGOs. The FSDN could help to increase the inclusion of farmers in the financial system (credit, etc.). Overviews of farming at European, national and regional levels, and of the different types of farming, should be provided periodically by the FSDN.
- 3.7 All farmers of the EU should have the possibility to contribute to the FSDN where they are willing to do so taking into account the representativeness, budget constraints and the objectives of the FSDN. The possibility of a voluntary contribution to the FSDN based on adapted, specific criteria and methodologies for farms which are not in the sampling should be possible. The farmers should not be obliged to deliver data for the FSDN and no sanction should be added. Subsistence and semi-subsistence farms should also be taken into account. Data collected should be broken down according to type of product (organic, etc.).
- 3.8 Modern and innovative data collection and processing based on artificial intelligence, internet of things, automatic validation, OCR software or remotely collecting infrastructures should be taken into account in order to make the FSDN more efficient, alongside geospatial data generated through the European Space programme. A clear link between the FSDN, the CAP and the European Open Science Cloud should be created.
- 3.9 The FSDN should take into account the different legislations across the MS, particularly concerning environmental and social aspects and should be flexible enough to integrate new indicators. Cooperation between liaison offices, MS offices and the Commission's DG Agriculture needs to be effective for the FSDN to succeed. The same level of importance should

³ EESC exploratory opinion on Digitalisation and Sustainability – status quo and need for action in civil society perspective, [OJ C 429, 11.12.2020, p. 187](#).

be attached to environmental and social data as it is to economic data, to small and large farmers and to different regions. The openness and willingness to contribute to the FSDN varies across the MS, and the level of sensitivity and precise value of some elements should be taken into account.

- 3.10 The EESC is suggesting making a clear distinction between the data needing to be collected yearly and that needed periodically. Different characteristics, sources, formats, dimensions and levels of granularity of data are a challenge for the FSDN, given that the same data should not be collected multiple times. There are big differences across MS in terms of cost structures for data collection, so more flexibility is needed.
- 3.11 The data collection should take into account the different crises and the increased price volatility that is becoming a constant variable in the agrifood chains. The war in Ukraine is helping to fuel this volatility, and food speculation is putting pressure on the supply chains. The financial resources allocated to the FSDN should be secured by the Commission and the MS.
- 3.12 The EESC suggests developing a European advisory body, with the involvement of civil society, selected on the basis of transparent criteria for monitoring the data collection and for deciding on data use and strategic changes in data requirements, considering the societal challenges and the dynamics of data demand.
- 3.13 The EESC further suggests that data concerning farming practices should be integrated into the FSDN, more precisely regarding land management, plant protection, plant nutrition, animal health and welfare. Farming best practices should be collected and disseminated as a result of the FSDN especially in the environmental and social fields (training, model tools, good practices, exchanges between advisors, etc.).
- 3.14 Data on climate change, soil quality, and carbon sequestration, pesticide use, water quality, air quality, energy, and biodiversity should be treated as environmental data to be collected by farmers or by other instruments which are interoperable with the FSDN.
- 3.15 Working conditions, types of contracts, health and safety (existence of health and safety plan at the farm level, number of accidents including self-employed workers), social conditionality link to Common Agriculture Policy, number of self-employed workers, the number of temporary/seasonal workers, skills and wages should be considered as social data to be collected by farmers or by other instruments which are interoperable with the FSDN. Constant care should also be taken to ensure that the data collected is used to help monitor the progress towards achieving the SDGs.
- 3.16 The EESC suggests that special attention be given to women and young people as a core focus point for the future of rural development. Facilitating access to opportunities, stable working contracts, adapted public services and high quality of life are aspects that can indirectly be motivated by the FSDN. Also, special attention should be given to data of farms that operate internationally since the organisation of farms is becoming more complex and some of them are also producing outside the EU.

3.17 As regards the implementation of the FSDN legislation, the EESC is concerned about the proposed power granted to the EC to adopt a substantial number of delegated acts (for example on data management, regarding farm ID, use of data or access to and transmission of primary data). This should be limited to a minimum extent and rather be done via implementing acts.

4. FSDN contribution to improving the environmental, economic and social performance of the farms and the transparency and fairness of the agrifood supply chain

4.1 The FSDN could be an instrument that contributes to improving farm management by developing decision support tools for better farm performance (including by promoting precision agriculture) through collecting and analysing farm data and the Member States should be guided in this direction. The advisory services resulting from the FSDN could benefit from improved integration of datasets in order to deliver informed advice across sustainability dimensions (economic, environmental, social).

4.2 Data collected at farm level is partially used to increase the potential and sustainable performance of the farm. The farmers must have control over their data and should be assisted and advised to use their data to work more precisely, efficiently, and sustainably in order to foster sustainable farming practices. The data should be used for the specific purpose for which it has been collected. MS should engage properly in this regard and the Commission should deliver clear recommendations and open software solutions adapted to the ecosystem of the farms.

4.3 The EESC suggests that a common data space based on a public data trust label for agrifood in the EU should be developed for a better and more efficient approach to the supply chains. Concrete targets should be established in each MS. Co-ownership of data, data cooperatives for agriculture and development of partnerships for data farming require dedicated financial resources and a dedicated strategy.

4.4 The development of standards and a common methodology for ensuring comparability and common use of data are lacking in the agrifood sector. Concrete steps should be implemented in this regard with the involvement of the MS, since some farmers are obliged to collect data in order to sell their products to retailers.

4.5 The EESC suggests that the FSDN should help increase understanding of the entire ecosystem of the farm and should be interoperable with other databases covering data on the supply chain or analysing separate datasets together in order to be able to monitor the distribution of the added value and ensure fair treatment for all the actors in the food chain. The FSDN should deliver basic key performance indicators linked to farms' performance but also linked to the regional and product situation.

4.6 The FSDN should contribute to delivering smart, innovative and sustainable farm management, improving farm management and production and connecting with the exogenous variables of farming production (weather, etc.). Farmers and cooperatives should be more involved in the research projects, and EU funds could be specifically allocated to the digitalisation of the

agrifood sector. Due to the specific nature of the sector, a dedicated call for proposals should be launched with the involvement of the MS.

5. FSDN contribution to digitalisation of the agriculture and agrifood sector

- 5.1 The internalisation of IT technologies is a slow process since agriculture is still one of the least digitalised sectors and there are significant differences between countries, regions and farms in this regard. Digital inclusiveness is a huge problem and should be focused on in order to reduce inequalities. A more digitalised agrifood sector will contribute to more transparency in the supply chain and minimise the risk of food speculation. The EESC proposes that a dedicated integrated programme for digitalisation of the agrifood sector should be put in place by the Commission, MS and civil society working in partnership. Facilitating access to hardware and software technologies for MS, and especially for small farmers, should be covered by dedicated programmes, since digital transition is a priority. Renewal of the software licenses used to collect and share data should be periodically covered. EU funds can be used in this regard, while the involvement of the MS is an important factor.
- 5.2 Autonomous and smart machines or sensors are data generators that can help in the decision-making process at farm level and can consolidate data management at the supply chain level. Interconnectivity and interoperability between supply chain actors together with geospatial data should help to ensure connection to the market for small farmers and the consolidation of the supply chains.
- 5.3 Consolidating the capacity for collecting, sharing, managing and using data at farm level, especially for small farms, is important for better integration of farmers into the supply chains and for increasing the farms' efficiency. These costs should be covered by the CAP and special measures should be incorporated into the strategic plans by the MS. The poor knowledge of small farmers in the digital processes must be carefully managed and there should be clear, constant focus on increasing digital knowledge across the CAP and other relevant policies.
- 5.4 Collecting social and environmental data should not be an isolated process or an additional activity, but rather an ongoing activity at farm level, regardless of the size or type, and MS should support this continuous activity.
- 5.5 The EESC is concerned about the fact that the demand for data and for digitalisation in the agrifood sector could generate price discrimination and speculation on the commodity markets. The concentration of the data market in a small number of companies must be managed in a way in which data sovereignty is assured. Moreover, data sharing between actors of the supply chain must be effected in a fair, transparent and non-discriminatory way, allowing the FSDN to help deliver a fairer supply chain and reducing indirect emissions.
- 5.6 There should be constant focus on creating a framework for data democracy and balanced bargaining power concerning data benefits in the agrifood sectors. The EESC welcomes the introduction of an ID for farms and suggests that more clarity regarding data privacy, ownership, liability and portability in agriculture is needed. Equitable sharing of data benefits

based on reciprocity between data contributors and data aggregators should be catered for alongside easy discoverability of FSDN data.

- 5.7 Awareness-raising campaigns highlighting the importance of data for the economic, social and environmental performance of farms, especially for small farmers, are needed to consolidate trust and to increase understanding of the contribution of data to the relevance and efficiency of future public policies. Actors in the agrifood supply chains should have access to open data platforms in order to ensure comparability and transparency within the product supply chains. The FSDN could motivate farmers to use digital platforms to integrate into the supply chains more easily and to transfer best practices.
- 5.8 Digital literacy should be constantly delivered, especially to small farms and older farmers, alongside trainings for data collectors. Cybersecurity training, practices and campaigns should be ongoing. Despite the progress noted in the digitalisation and data sector, more user-friendly systems are needed. The EESC stresses the need to ensure broadband coverage and digitalisation as a precondition for precision farming and robotics, and to support investment in sustainable techniques. A clear link should be considered between the FSDN and the Connecting Europe Facility, but also with the Connecting Europe Broadband Fund.

Brussels, 26 October 2022

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The president of the European Economic and Social Committee
