



European Economic and Social Committee

NAT/214
Accountancy data on the
incomes and business
operation of agricultural
holdings in the EEC

Brussels, 29 October 2003

OPINION

of the European Economic and Social Committee

on the

**Proposal for a Council Regulation amending Regulation No. 79/65/EEC setting up a network
for the collection of accountancy data on the incomes and business operation of agricultural
holdings in the European Economic Community**

COM(2003) 472 final - 2003/0182 (CNS)

On 16 September 2003, the Council decided to consult the European Economic and Social Committee, under Article 37 (2) of the Treaty establishing the European Community, on the

Proposal for a Council Regulation amending Regulation N° 79/65/EEC setting up a network for the collection of accountancy data on the incomes and business operation of agricultural holdings in the European Economic Community
(COM(2003) 472 final – 2003/0182(CNS)).

On 23 September 2003, the Bureau of the European Economic and Social Committee instructed the Section for Agriculture, Rural Development and the Environment to prepare the Committee's work on the subject.

Given the urgent nature of the work, at its 403rd plenary session of 29 and 30 October 2003 (meeting of 29 October 2003), the European Economic and Social Committee appointed **Mr Allen** as rapporteur-general and adopted the following opinion unanimously.

1. Introduction

- 1.1 The data network set up by Regulation No. 79/65/EEC provides the Commission with objective and relevant information on the CAP and is a useful tool for the Member States as well as for the Community.
- 1.2 The costs of the computerised systems on which the network relies and of studies and development activities of other aspects of the network should be eligible for Community financing.
- 1.3 The purpose of this proposal is therefore to include these operations in Regulation No. 79/65/EEC in order to create an appropriate legal basis for their financing.
- 1.4 Moreover, for management reasons, it is proposed that the Commission be authorised to amend the list of divisions (regions) of Member States set out in the Annex to Regulation No. 79/65/EEC, at the request of a Member State.

2. Comments

- 2.1 The EESC believes that the collection of accountancy data on the incomes and business operations of agricultural holdings is essential. This data is particularly important so that we can monitor the effects of the CAP Mid-Term Review on farm incomes and also changes to farm incomes that may result from any WTO agreement on agriculture.

In the context of the WTO negotiations it is necessary to have up-to-date independent data on EU farm incomes so as to evaluate the implications of the various agricultural policy proposals coming before the WTO.

The Farm Accountancy Data Network (FADN) is the methodology to provide policy makers with objective independent data on farm income and farm business throughout the EU.

- 2.2 The EESC fully agrees with the Commission proposal to amend Reg. 79/65EEC by adding Art. 2a.

The Annex to the Regulation contains a list of the divisions (regions), which were set out to reflect the different conditions of agriculture in the member states. At present a Council decision would be necessary each time a member state wished to change a division for the purposes of the FADN.

The EESC believes that this procedure should be changed to a more efficient system.

The Commission amendment proposes that changes to divisions (regions) could be carried under the procedures contained in Art. 19 provided that the request for change concerns the Member State's own divisions. The matter could then be agreed between the Commission and the Community Committee as detailed under Art. 19.

- 2.3 The second proposed amendment to Reg. 79/65EEC is the replacing of Art. 22 (1). At present there is no proper legal basis to finance the costs of the computerised systems operated by the Commission for the reception, verification, processing and analysis of accountancy data. Unless a budget to finance the system is put on a proper legal basis it will cease to function.

The EESC fully endorses as a matter of urgency the need to put the FADN budget on proper legal basis by including it in the Community Budget, in the Commission section. The EESC also fully endorses the proposed Commission amendment to Reg. 79/65EEC to achieve this result.

- 2.4 The new member states will join the EU in May 2004. We must ensure that proper procedures are put in place to obtain objective data on farm incomes from the new member states.

It is the EESC's view that Art. 19 should be amended by adding the following paragraph:

"4. The Commission and the Community Committee shall draw up detailed special transitional procedures for the ten new member states. These new procedures must take all necessary steps so that the Commission and the Community Committee are fully satisfied that the data obtained is truly independent and objective and sufficiently reliable so that the new members can be fully integrated into the present system over a five year period."

3. **Conclusions**

The EESC fully agrees with the Commission proposal to amend Reg. 79/65EEC by adding Art. 2a. and replacing Art. 22

Brussels, 29 October 2003.

The President
of the
European Economic and Social Committee

The Secretary-General
of the
European Economic and Social Committee

Roger Briesch

Patrick Venturini
