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# **STANDING COMMITTEE FOR AGRICULTURAL STATISTICS (CPSA)**

**8-9 November 2011**

**MEETING ROOM M6, JEAN MONNET BUILDING,  
KIRCHBERG, LUXEMBOURG**

**CHAired BY: M. DÍAZ MUÑOZ**

**ITEM 3.3.2:  
SURVEY ON THE STRUCTURE OF  
AGRICULTURAL HOLDINGS –  
NEW APPROACHES FOR FSS 2013**

## **EXECUTIVE SUMMARY**

In this document, Eurostat reports on the follow-up of discussions concerning the work related to simplification and optimisation of the future FSS 2016 and/or beyond, which took place since the last CPSA meeting, including the conclusions of the FSS WG meeting and Task Force meeting from September 2011.

### **The CPSA Members are asked to:**

- Provide their opinion concerning the Commission proposal for a roadmap for optimum design of the future Farm Surveys
- Provide their opinion on organisation of work on future Farm Surveys, especially discussions launched in the newly created Task force.

## **I. Introduction**

In the context of the need for rationalisation and the new arising data requirements as well as the need to adapt the current structure of the FSS to provide these new data, Eurostat launched the work on identifying the necessary changes to the current existing FSS system. The roadmap for a new approach, including the concept of the new survey design consisting of core FSS as well as the satellite survey(s), was presented in the CPSA meeting in May 2011 - the green light was given to proceed with the work, including the organisation of the Task Force on the subject of future FSS, and in particular the new data needs.

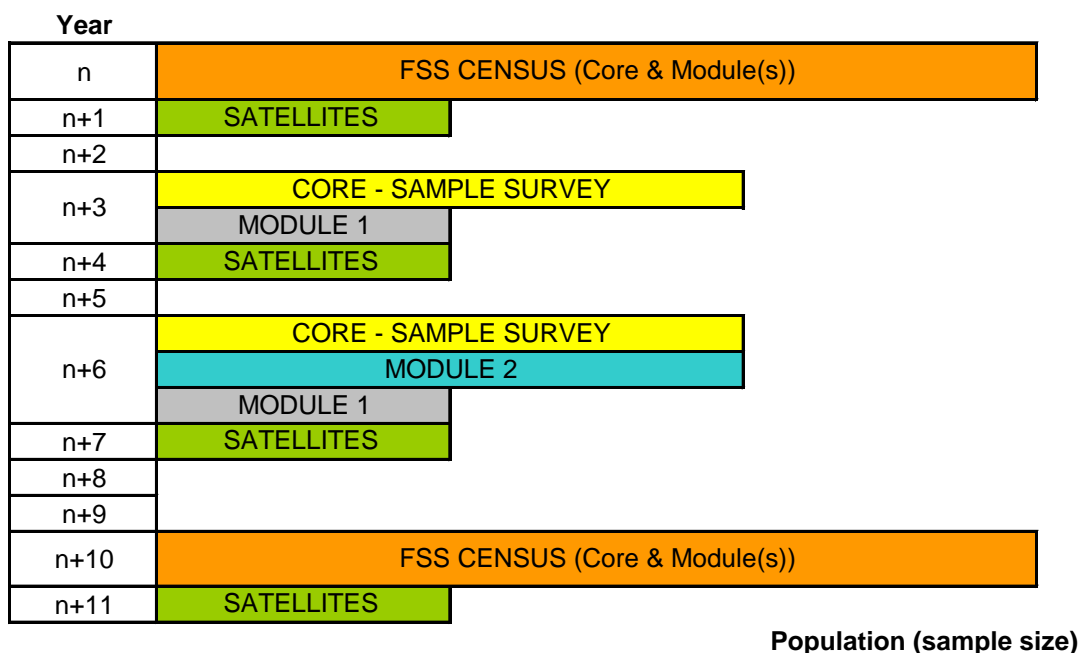
## **II. Outline of concept for the new design of the future 'Farm Surveys'**

During this process attempting to adapt the list of FSS characteristics it was concluded, that for an optimised future FSS structure, the issue of collection of the existing FSS variables should be approached in parallel with newly emerging data needs, while different sample sizes and/or collection frequency should be considered for various groups of variables in order to collect the data in a more efficient manner.

Following this reasoning, and considering that the existing legislation (Regulation (EC) No 1166/2008) does not foresee the possibility of modifying the sample size and/or the frequency for collection of variables, the new approach includes re-designing the FSS architecture into a system of the Farm Surveys including (i) core (main) variables, (ii) module(s), and (iii) satellite survey(s). An example for a possible outline of the new design of the future Farm Surveys (Farms Structure Surveys and Satellites) is presented in Fig.1. and its elements can be characterised as follows:

### **(i) Core**

- exiting key FSS variables, related to the structure of agricultural holdings
- variables which are necessary to be collected and updated regularly and therefore would be included in every survey round i.e. full census every 10 years and a number of intermediate (in-between) sample surveys
- list of variables fixed by the Regulation of the EP and of the Council



Examples of groups of variables to be considered as candidates for different element of the Farm Surveys:

CORE FSS (included in every survey round) e.g. land use, type of tenure, farming system

MODULE type 1 (sub-sample) e.g. destination of holding's production

MODULE type 2 (lower frequency) e.g. legal personality of holding, machinery and equipment

SATELLITES (sub-sample, shift in time, new variables changeable via comitology) e.g. SAPM variables, OGA

Fig.1. Example for possible outline of the new design of the future Farm Surveys and examples of groups of variables to be considered as candidates for core FSS, its modules and the satellite survey

## (ii) Modules

- would include those structural/current FSS variables which could be collected from sub-sample or/and at lower frequency than core
- module type 1 - collected from sub-sample e.g. destination of the holding's production
- module type 2 - collected at lower frequency than the core e.g. legal personality of the holding, machinery and equipment
- combination of two modules (module type 3 with lower sample size and lower collection frequency) could be possibly envisaged if decided appropriate for certain variables
- in any case, the modules would be collected together with FSS core (either from a sub-sample or with lower frequency) allowing crossing the data between core and modules
- the purpose of creating modules is to lower the burden of collection of certain existing structural group of FSS variables (instead of collecting the full FSS sample for all variables every few years)
- the list of variables to be included in modules would be fixed by the Regulation of EP and the Council

### **(iii) Satellites**

- would cover the new data needs, other (than structural) important issues e.g. agro-environmental aspects of agriculture, production methods, etc
- could also cover certain specialised topics - in this case some of the existing FSS variables could be considered as candidates to be moved from FSS to become part of the satellites e.g. OGA
- could be collected at lower frequency than the core
- should be conducted with the same reference period as the core surveys (using a sub-sample of core to make sure it would be possible to match the structural information with agro-environmental and other related surveyed data)
- would not have to be conducted in the same years as the core (and modules) but could take place in interim years, with a view to spreading the burden for farmers and administrations – in order to make sure that the information from satellites can be crossed with the structural data, it is preferable that the satellites would take place e.g. one year after core (n+1). That way the information received from farmers on e.g. the inputs used or subsidies received during year n would have better reliability than the same information collected in the middle of the year n (collection year for core variables), when this information might not be yet known for the farmer.
- the list of variables to be included in satellites would be easier to adapt (than core & modules) e.g. via comitology, allowing flexibility and prompt response to new or changing data needs

It needs to be underlined that the details of the above description, as well as Fig.1., at this stage are presented as an example of the general concept for the purpose of explaining the system i.e. the examples of variables, years and collection frequency or sample size should not be considered as a fixed proposal – they remain to be developed with the assistance of the FSS Task Force and presented for further discussion by the FSS WG and the CPSA before a final draft proposal of the Commission will be established.

### **III. Status of implementation of the roadmap for new approach to the future Farm Surveys**

In November 2010 the CPSA seminar identified a number of actions to be concluded by the Commission services in order to prepare a base for identifying the necessary changes to the design of the future Farm Surveys. These actions became an integral part of the roadmap which was accepted by the CPSA during last meeting in May 2011.

The general outline of the roadmap for arriving at an optimised system of core FSS, its modules and the satellite survey(s) is presented in Fig.2. All of the elements included in the roadmap are completed or well advanced and ongoing, and their details can be outlined as follows:

- ***Eurostat burden assessment exercise of FSS variables***

Eurostat has completed in 2011 an exercise with a purpose of estimating the burden related to collecting the FSS variables. The conclusions of this exercise were presented and discussed in the May 2011 CPSA meeting as well as the FSS WG meeting in September 2011 - the numerical results of this exercise are included in Annex I to Doc. CPSA/SB/692 while the main qualitative conclusions were presented in Annex II to the Doc. CPSA/SB/692.

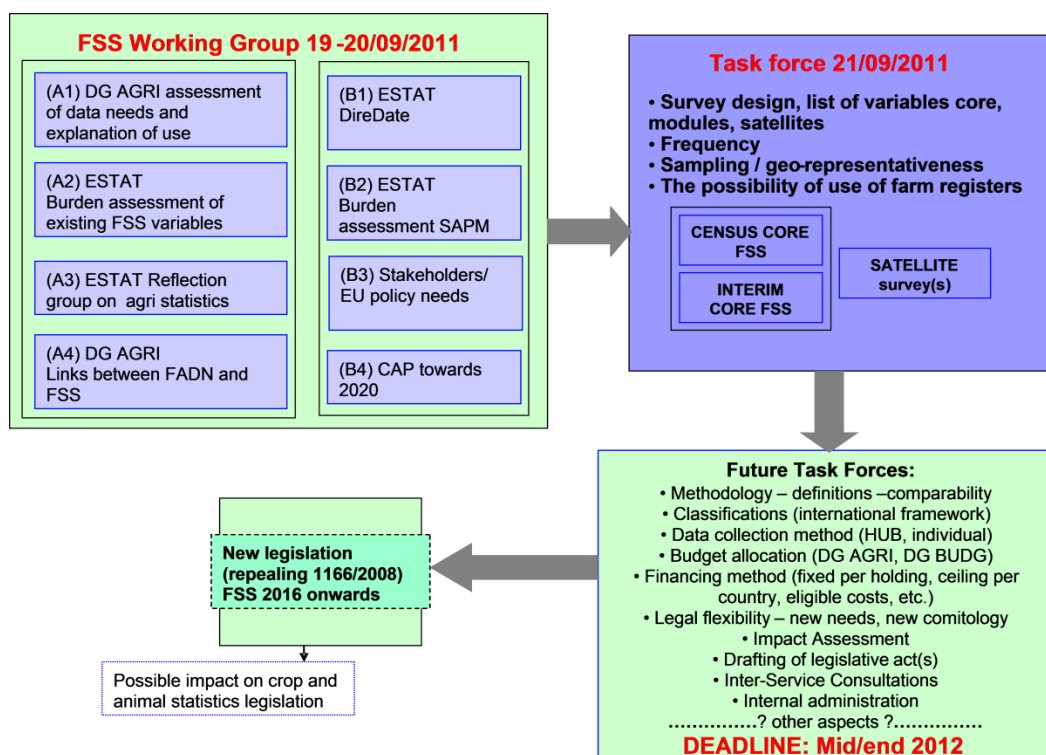


Fig. 2 The general outline of the roadmap for arriving at a future system of the Farm Surveys

- ***Eurostat burden assessment of SAPM variables***

Following the burden assessment exercise of the FSS variables, Eurostat has launched in June 2011 an exercise, with a purpose of estimating the burden related to collecting the SAPM variables. Eurostat has requested the countries to provide information on difficulties related to the collection of specific SAPM variables, and to indicate the level of burden related to obtaining the SAPM data. The results of this exercise have been presented and discussed in the FSS WG meeting in September 2011 - the quantitative results of this exercise were presented in Annex V, while the main qualitative conclusions are summarised in Annex VI to Doc. CPSA/SB/692.

- ***DG AGRI assessment of existing data needs***

DG AGRI has concluded a survey of its internal units, in order to identify, within the existing list of FSS variables (Reg.1166/2008), their priority data needs, as well as the desired frequency and level of geographical representativeness at which they should be collected. The general conclusions of this internal survey were presented in the May 2011 CPSA meeting and discussed in the FSS WG in September 2011 and are described in details in Doc. CPSA/SB/692.

- ***DG AGRI explanation of the use of data***

DG AGRI has conducted an analysis in order to explain the purpose for which the FSS data are used. The conclusions of this analysis have been presented and discussed in the last FSS WG meeting. A table provided in the Annex I to this document lists a broad range of uses of FSS data in DG AGRI (and partly outside of DG AGRI). This list is by no means exhaustive but aims to show the great diversity of uses across a broad spectrum of activities. Indeed, FSS data form the backbone for almost all analyses of farms and farming-related activities in the EU. FSS is the standard source for data related to farm numbers, farm types, farm sizes, agricultural land use, farm holder characteristics and agricultural labour force. Especially

when looking at developments over time, FSS data provide time series that are not available elsewhere.

In general it can be concluded, that the information on farm structures is essential for meaningful policies on agriculture, rural development, territorial cohesion and many aspects of environment, employment, and economic development. Farm structure information provides the background for analysing the efficiency and competitiveness of the agricultural sector and the nature and development of rural areas. The European Commission uses information on farm structures to describe the situation of farming in different parts of the EU, analyse and highlight trends and developments, monitor the implementation and evaluate the impact of policies; identify problem areas, and design new policies.

- ***Eurostat Reflection Group***

An internal Eurostat Reflection Group on agricultural statistics was launched in April 2011, with an objective of discussing how to obtain better integration of agricultural statistics collected by Eurostat. The main task of the Group is to discuss the architecture reflecting the data flows collected by Eurostat and to look for possible integration and linkage of the data flows and data collection processes. This analysis therefore goes beyond FSS and includes other agricultural statistics. Within the work of the Group, a screening exercise of the data collected by the agricultural surveys managed by Estat Units E1 and E2 was conducted. The existing (Reg.1166/2008) Farm Structure Survey characteristics were used as the basis for the work. The purpose of this exercise was to identify potential overlaps between the different surveys/statistics collected by Eurostat. In cases where similar (or the same) information was identified as being collected in the FSS and other survey (crop statistics, animal statistics or EAA) the matching (or its lack) between the corresponding items was defined (depending on whether the variables are comparable in terms of provided information, unit etc. to those of the FSS). The conclusions of this exercise were presented and discussed in the last FSS WG meeting and the preliminary analysis are summarised in Annex II to this document. It should be underlined that the comparison did not go into the underlying use of data, coverage, etc., as it is understood that the design of the various surveys is directly linked with the user needs. The compatibility of frequent and detailed surveys on specific topics with an overall description of the farm characteristics in a longer term has not been checked. Preliminary it can be concluded that a limited number of crops' areas and livestock numbers are covered by both collection systems of statistics (production and structural). However the scope and the implementation conditions of both exercises are very different (structural indicators on farms for the FSS and quantification of marketable production for production statistics). Concerning the implementation, the main difference is the time aspect (more than one year delay between collection and publication in the FSS and only few months in the production statistics) with several revisions between the first and the last provision of the data. The design of the data collection (the widest frame for FSS and specific frame focused on the production sectors, a stratification on the overall size of the farms vs. on the size of the specific production item, a general nomenclature on the farm characteristics vs. detailed specialised nomenclature reflecting the various agricultural production processes) and the regional breakdowns also differentiate both sources of information. In addition, Annual Crop Statistics include annual production of some of major agriculture commodities, average yields and average moisture contents, that are completely out of scope of FFS. In parallel collection of Livestock Statistics are combined with the farm production and use of milk and milk products or of meat. Finally production statistics are based on a permanent forecast and update of the marketable production. These are some of the major differences between both statistical collections.

- ***Identification of possible overlaps between FADN/RICA and FSS***

The issue of potential synergies between FSS and FADN has been raised in the FSS WG on a number of occasions. As a first step towards concluding whether such simplification possibilities exist, FADN unit (L3) of DG AGRI has been invited to the FSS WG in September 2011 to introduce the developments within the FADN and harmonisation of terminology and definitions between FSS and FADN.

- ***Identification of the new data needs - DireDate project***

The DireDate project (Direct and indirect data needs related to farms) has been completed and the preliminary results are available, feeding into the process of definition of the new data needs for the agro-environmental indicators. The conclusions of the DireDate project were presented for discussion in the last FSS WG meeting. The details of the reports related to the DireDate project can be found on CIRCA:

<http://circa.europa.eu/Members/irc/dsis/agrienv/library?l=/diredate&vm=detailed&sb=Title>

- ***Task Force on future Farm Surveys***

The FSS Task Force was set up in order to support Eurostat in identifying the best ways for setting up a coherent and efficient system of collection of structural, production and related data for agriculture at European level, and defining the optimum overall survey design (organisation, frequency, and sampling). The first meeting of the Task Force has taken place on 21 September 2011.

In order to assure a possibility for equal participation of its members, in line with the Open Space Technology methodology, the participants themselves defined the agenda by proposing the subjects to be elaborated. The principle behind was that the participants of the Task Force would have equal opportunity to contribute to the way in which the design of the future FSS is approached and decided. The details of the set-up of the Task Force (background document describing methodology and framework) as well as the Agenda for the first meeting can be accessed via CIRCA:

[http://circa.europa.eu/Members/irc/dsis/farm/library?l=/working\\_parties/typology\\_working/meeting\\_september\\_1&vm=detailed&sb=Title](http://circa.europa.eu/Members/irc/dsis/farm/library?l=/working_parties/typology_working/meeting_september_1&vm=detailed&sb=Title)

The morning part of the meeting of the Task Force took place as a plenary session, where number of national experts presented their proposals concerning elements of the future design of the Farm Surveys. Some presentations were supported by a written document – the available documents as well as the slides presented during the TF are available on CIRCA:

[http://circa.europa.eu/Members/irc/dsis/farm/library?l=/working\\_parties/typology\\_working/meeting\\_september\\_1/ppt\\_presentations&vm=detailed&sb=Title](http://circa.europa.eu/Members/irc/dsis/farm/library?l=/working_parties/typology_working/meeting_september_1/ppt_presentations&vm=detailed&sb=Title)

The details of the TF meeting are described in the minutes from the meeting - the main issues raised during the plenary session can be summarised as follows:

- There seems to be a general consensus regarding the development of a system of future Farm Surveys consisting of Core, Modules and/or Satellite(s)
- Some speakers suggested that the core should include only key variables such as general characteristics, land, livestock and labour force (without OGA)
- Support for rural development – further analysis is needed to decide whether it should be part of Core/Modules or Satellites
- A separate subject to be considered for Satellites is the collection of data for small farms
- Constraints in terms of interview time – 90 minutes should be maximum for core & satellites
- Organising few specific surveys (Satellites) in the same time means the enumerators need to be trained on few subjects, creating logistical difficulties – this should be

considered when deciding on number of satellites (maximum 2 or 3 themes seem optimal)

- Farmers should be explained the need for collection of the data in order to receive reliable information
- The variables, in particular those identified by the burden assessment exercise as the most difficult, need to be looked at and refined in order to simplify data collection and improve the reliability of the results
- There is a need to reduce the observed population as surveying small farms is as expensive as large farms, while not all information is needed for both types of farms
- The issue and definition of thresholds needs to be discussed further (use of economic and/or physical criteria for defining thresholds, possibility of applying different approaches for different countries to address different agricultural realities in MS, etc.)
- Issue of use of alternative data sources, in particular use of farm registers – some countries consider being able to provide updated data from well maintained registers instead of conducting the census – there was no specific conclusion, but in general it seems that for some countries there could be a cost-saving feasible option of providing data from registers instead of conducting the census, while for others the census is necessary
- Based on UK model, a possibility of conducting the survey annually to update the registers was discussed, however the general conclusion was that it is not a feasible scenario to have an annual survey in all the countries
- There are a number of stakeholders using the FSS data and large increase in the new data needs – the exact new data needs should be defined while considering the feasibility by data providers to supply them
- The issue of new data needs thorough additional discussion
- The issue of timing – it was mentioned that even if the basic legislation is in force by middle of 2014, there might be a time constraint related to the implementation tasks to be undertaken during 2015 before setting up the 2016 survey according to the new EU system
- Issue of financing of the new system of Farm Surveys remains to be defined. As a preliminary position DG AGRI considers collection of the new data needs (Satellites) to be compensated by optimisation of the existing list as Core & Modules and therefore no increase in available funding – issue remains to be developed further.

Following the plenary session, the afternoon was dedicated to identifying the most important issues and creating the sub-groups to focus their work on specific problems. Following the Open Space Methodology, on the basis of the presentations and discussions which took place in the morning, the TF participants defined the issues considered as the most important. The collected contributions were grouped thematically and on that basis three thematic sub-groups were formed. Fig.3. presents a relationship between the 3 thematic sub-groups and the general outline of the system of future Farm Surveys. The details of the work foreseen by each group are presented in Annex III to this document. Each sub-group has been assigned a leader (expert from MS) as well as a Eurostat coordinator. The general aim of the work of the sub-groups is to develop in detail the issues raised within the TF and to propose solutions, which should be transmitted to Eurostat by the end of 2011 (13<sup>th</sup> January 2012 at the latest). Considering the recommendations of the TF sub-groups, Eurostat, in consultation with other EC services, will prepare a Commission position for a more detailed proposal for design of future Farm Surveys to be presented to the next FSS WG scheduled for March 2012.



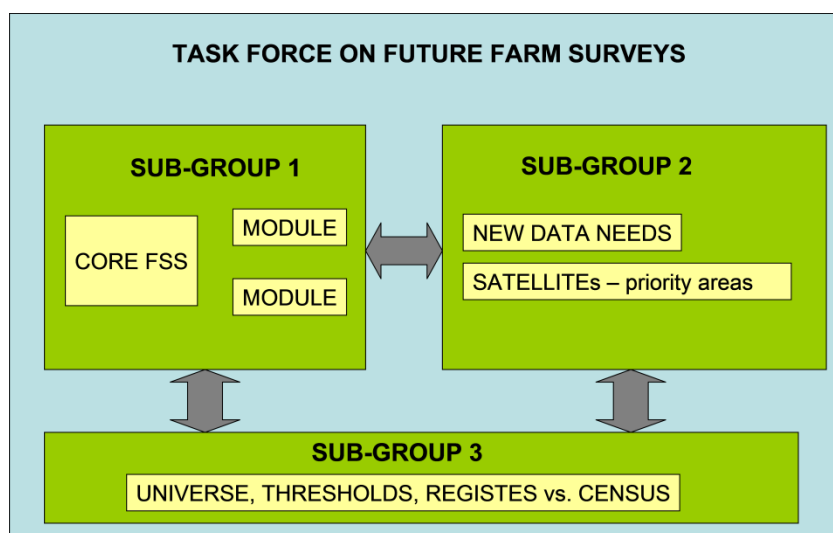


Fig.3. Outline of the thematic areas of Task Force sub-groups in the context of the design of future Farm Surveys

Eurostat would like to express the appreciation and thank the members of the Task Force for their participation and active contributions to the first discussion held on 21 September 2011 and its follow up.

#### IV. Concluding remarks and follow-up

In order to implement the proposed concept of the future Farm Surveys in time to replace the FSS 2016, the time factor remains a key limitation in the scheduled process. The countries will be setting up their FSS 2016 surveys during the course of 2015, for which purpose the pre-financing of the FSS grants should be concluded. In order to launch the call for proposals for the FSS grants at the end of 2014 (and pay the pre-financing in 2015) the legal basis (basic act and related implementing act(s)) has to be in force by the middle of 2014.

As the average time necessary for adoption of the legislation by the Council and EP is around 1,5 years (assuming swift agreement of the Council and EP on the proposal) the final draft legislative proposal for the related legislation should be submitted to the Council and to the Parliament at the end of 2012 – this can be achieved only if a consensus regarding a new optimised FSS design is reached between the stakeholders in due time. The summary of the main milestones necessary to achieve for implementation of the proposed concept of future Farm Surveys in 2016 is presented in Fig.4.

<b>2016</b>	Farm Surveys Implementation
<b>2015</b>	Setting up of the future Farm Surveys in the countries
	Conclusion of contracts and pre-financing
<b>2014</b>	Launch of the call for proposals for Community co-financing
<b>2013</b>	Discussion and adoption of the legislation by the Council and EP
	Preparation and adoption of the implementing legal acts
<b>2012</b>	The final draft legislative proposal submitted to the Council and Parliament

Fig.4. Summary of the main milestones necessary for implementation of future Farm Surveys in 2016

Depending on the results of work of the TF and FSS WG and the ability to reach a consensus on details of the new design of the Farm Surveys, a fallback solution where the FSS 2016 would be implemented under existing Regulation 1166/2008 should remain to be considered.

However at this point the Commission intends to endeavour implementing the changes from FSS 2016 onwards. The main milestones for arriving at the proposal for Council and the EP at the end of 2012 can be outlined as follows:

- As a follow-up of the TF, and in the context of discussion on the feasibility of scenario where (some) MS could avoid census and extract data from the registers., Eurostat has launched a questionnaire aiming at collecting information from the countries regarding the existence of registers, their completeness, quality and maintenance. The results of this analysis are foreseen to be ready at the end of 2011.
- Eurostat will support the work of the sub-groups and considering their recommendations received before middle January 2012, in consultation with other EC services, Eurostat will prepare a Commission position for a more detailed proposal for design of future Farm Surveys to be presented to the FSS WG in March 2012. The EC proposal is foreseen to include:
  - (i) list of variables to be proposed as core, including their required collection frequency
  - (ii) priority areas for the new data needs to be included in satellites
  - (iii) proposal regarding the universe and thresholds to be applied to the new system of Farm Surveys
  - (iv) preliminary conclusions regarding the possibility for some countries to provide data from registers instead of conducting a census
  - (v) preliminary conclusions regarding the Community contribution to the new Farm Survey design
  - (vi) conclusions regarding the possibility to integrate the legislation concerning the production statistics (animal and crop statistics) into the new design of the future Farm Surveys
  - (vii) a first outline of the contents of the legal text and of the complementary implementing instruments
- At the end of March 2012 Eurostat foresees to organise the 2nd meeting (2 days) of the Task Force on future FSS with the principal aims of :
  - (i) following up the conclusions of the FSS WG to take place in March 2012 (in the context of the EC proposal for a new design of the future FSS )
  - (ii) define the list of variables covering the new data needs, their frequency and representativeness
  - (iii) refining the variables identified as the most difficult in the burden assessment exercises
  - (iv) harmonisation of methodology and definitions
- April 2012 will be dedicated to the follow-up of the 2nd meeting of the TF and preparation of revised proposal to be presented in the CPSA in May 2012. Considering the feedback of the CPSA, the months of June and July will be dedicated to drafting a legal act to be presented in September 2012 for final discussions, with an aim of presenting the final draft legislative proposal for approval of the CPSA in November 2012 and submitting it to the Council and the European Parliament at the end of 2012.

Annex I – Explanation of uses of the FSS data

Annex II - Summary of synergetic variables between the FSS and the production surveys (crops, animal and EAA)

Annex III – Details of the organisation and work foreseen within the sub-groups of the Task Force on future FSS