EUROPEAN COMMISSION
EUROSTAT

Directorate E: Sectoral and regional statistics
Unit E-1: Farms, agro-environment and rural development

Luxembourg, 13 September 2011
ESTAT/E1/ME/AC/JS

CPSA/SB/692 Rev.1
(Please note the revision has been made in section *II.d - Eurostat Reflection Group)*
Original EN
(Available in EN only)

WORKING GROUP
"STRUCTURE OF AGRICULTURAL HOLDINGS"

TO BE HELD IN LUXEMBOURG,
BECH BUILDING – ROOM AMPERE
ON 19 AND 20 SEPTEMBER 2011, 9:30 A.M.

CHAIRED BY: M. ERNENS

4.1. Commission proposal for a roadmap for optimum design of the future Farm Structure Surveys

EXECUTIVE SUMMARY

In this document, Eurostat reports on the follow-up of discussions concerning the preparation of the sample survey 2013 as well as the work related to simplification and optimisation of the future FSS 2016 and/or beyond, which took place since the last WG meeting, including the conclusions of the last the CPSA meeting from May 2011.

The FSS WG Members are asked to:

- Provide their opinion concerning the Commission proposal for a roadmap for optimum design of the future Farm Surveys
- Provide the guidelines to schedule further discussions and meetings of the Task Force

1. Introduction

In the context of the new arising data requirements and 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 list of characteristics for the future FSS at the end of 2009. An outline of the work done on the subject until now is summarised as follows:

- **December 2009:** consultations with the main stakeholders in the Commission services: DG AGRI, DG ENV, JRC, EEA, Eurostat, in order to identify the new data needs
- **February 2010**: **FSS extraordinary WG** meeting - compiled list of all new needs, 140 new variables (Annex I to Doc. CPSA/SB/677)
- **May 2010: CPSA –** revised proposal; 8 existing FSS variables to be dropped, 35 new data needs to be added (Annex III to Doc. CPSA/580)
- **Summer 2010**: Re-launched discussions with the main users of FSS data in the EC in order to:
  (i) re-consider further reduction in the existing list, with special attention to the variables identified by the countries as particularly problematic i.e. labour force and other gainful activities.
  (ii) assign the order of priority to the new data according to their importance for EU policy support
- **September 2010**: **FSS WG** – revised proposal (Scenario A) where 8 existing variables would be dropped from the list, in compensation for 14 new variables, identified by the Commission services as the highest priority needs (Annex I to Doc. CPSA/SB/685)
- **November 2010** – **CPSA**: adjusted Commission proposal (Scenario A bis) where on the top of proposal described in scenario A, EC promised to look into simplifying the labour force section for FSS 2016, and proposed to delete the complete section on machinery from FSS 2013 i.e. removing in total 16 existing FSS variables in compensation for 14 new variables (Annex II to Doc.CPSA/596).
  Due to the lack of a common agreement on the new list of variables for FSS 2013, it was agreed that the FSS 2013 would remain unchanged (list of characteristics as defined in Annex III to the Regulation (EC) No 1166/2008) and the efforts would be re-directed to the preparation of future FSS 2016 and/or beyond.

- **May 2011** – **CPSA**: The roadmap for new approach, including the concept of new survey design consisting of core FSS as well as the satellite survey(s), is accepted by the CPSA and green light is given to proceed with the work, including the organisation of the Task Force, which would cover the subject of the future FSS, and in particular the new data needs.

II. Preliminary 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 size and 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 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) FSS variables, (ii) its module(s), and (iii) add-on satellite survey(s).

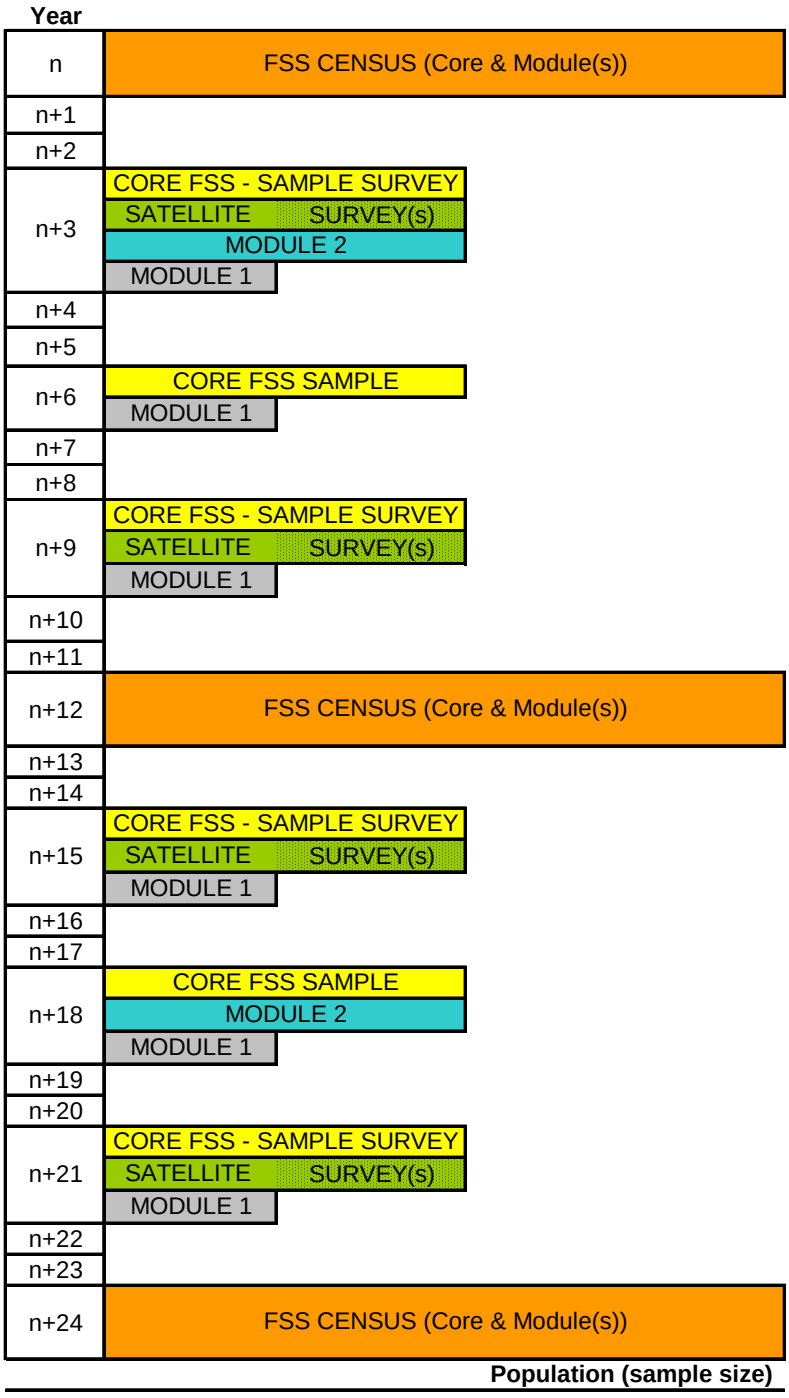
(i) Core FSS variables (related to the structure of agricultural holdings) would be supplied by a survey taking place in regular time intervals e.g. full census every 10-12 years and a number of intermediate (in-between) sample surveys. The core variables would be those, which are necessary to be collected and updated regularly and therefore should be included in every survey round. The exact list of variables to be included in core FSS remains to be defined.

(ii) Modules would include those FSS variables, which could be collected from sub-sample of the core FSS (module type 1) e.g. destination of the holding's production. The second type of module (module type 2) would include those FSS variables, which can be collected at lower frequency than the core FSS data e.g. legal personality of the holding, machinery and equipment. The burden on respondents and data collectors would be reduced thanks to efficiency gains of using the modules (instead of conducting the full FSS sample for all variables every 2-3 years). Combination of two modules (module type 3 with lower sample size and lower collection frequency) could be possible envisaged if decided appropriate for certain variables.

(iii) Satellite survey(s) would be conducted as an add-on to FSS, and would cover the data related to other (than structural) important issues, e.g. agro-environmental aspects of agriculture, production methods (SAPM variables). Some of the existing FSS variables could be considered as candidates to be moved from FSS to become part of the satellites e.g. destination of holding's production or OGA. Satellite surveys could be collected at lower frequency than the FSS core. The satellite survey(s) could be conducted with the same reference period as the intermediate core FSS sample surveys (using an appropriate sample size to make sure it would be possible to match the structural information with agro-environmental and other related surveyed data). Another possibility is that the satellites could not have to be conducted in the same years as the FSS core (plus modules) but could take place in interim years, with a view to spreading the burden for farmers and administrations – the feasibility of this option is to be discussed further. The idea is that the satellite(s) would allow flexibility and efficiency gains in responding to the new/changing data needs, as the list of variables included in satellites could be changed more easily than the FSS, for example by vote of the CPSA.

The general outline of the new design of the future Farm Surveys (Farms Structure Surveys and Satellites) is presented in Fig.1.

Please note that the details of the above description, as well as Fig.1., 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 the Commission proposal – they remain to be discussed and developed in details by the FSS Task Force and presented for further discussion and approval of the FSS WG and the CPSA.



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

CORE FSS: land use, type of tenure, farming system

MODULE type 1 (smaller sample size): destination of holding's production

MODULE type 2 (lower frequency): legal personality of holding, machinery and equipment

SATELLITE(s): SAPM variables, OGA, destination of the holding's production - the list of variables to be kept flexible in order to respond to potential new arising needs

Fig.1. General 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 surveys.

In conclusion, there are few essential elements which the Commission would like to propose to analyse and define in order to arrive at a new model for the future Farm Surveys:

(i) The indicative list of variables to be included in the FSS core, FSS modules, and the Satellites

(ii) The frequency at which the data are to be collected

(iii) The sample size used for specific groups of variables

(iv) Flexibility in methods to be used for obtaining the new data e.g. the possibility to use farm registers, administrative sources, estimation methods and other sources for providing the data

(v) The possibility to refine/simplify the existing variables in order to simplify the data collection (in particular the sections identified as most problematic such as OGA and LF)

The Community financial contribution towards the survey should be considered as a variable, which is likely to vary as a function of the above elements.

III. The roadmap for new approach to the future Farm Surveys

In order to implement the proposed concept of system of FSS core, modules and satellite surveys for the FSS 2016, the draft legislative proposal for the related legislation should be submitted to the Council and 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.

In this context the time factor remains of importance. The countries will be setting up their FSS 2016 surveys during the course of 2015, for which purpose the pre-financing of FSS grants should be concluded. In order to launch the FSS grants at the end of 2014 (and pay the pre-financing in 2015) the legal basis 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 between 1 and 1,5 years (assuming swift agreement of the Council and EP on the proposal) the final draft of the legislation should to be submitted to the Council and EP by the end of 2012.

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. The elements of this roadmap constitute in itself the projects, the details of which can be outlined as follows:

a) Eurostat burden assessment exercise of FSS variables – status: completed

Eurostat has launch in February 2011 an exercise with a purpose of estimating the burden related to collecting the FSS variables. Eurostat has requested the countries to provide information on difficulties related to the collection of specific FSS variables, and to indicate the level of burden related to obtaining each existing FSS variable. The numerical results of this exercise are compiled in a table presented in Annex I, while the main conclusions are summarised in Annex II to this document.

b) DG AGRI assessment of existing data needs – status: completed

DG AGRI has conducted 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 are as follows:

- for each group of characteristics (with the exception of genetically modified crops and some parts of the machinery & equipment section) there is at least one unit in DG AGRI which considers it to be of high priority
- there is a certain potential for simplification in section V (labour force) and section VI (other gainful activities)
- given the level of importance of FSS data for DG AGRI and the danger of interrupting existing time series, none of the existing groups of variables should be abandoned
- all currently existing characteristics should be maintained in the next census (around 2020), while variables which are less likely to change significantly over a short period of time (e.g. wooded area, manager training, machinery and equipment) could be excluded from one of the two interim surveys
- in general there is a need to retain most (if not all) of the existing characteristics in future surveys and DG AGRI prefers to maintain the scope and the frequency of the FSS in its current form, with a census every ten years and two surveys in the interim.
- On the other hand, many units in DG AGRI have expressed the increasing need for data on environmental aspects of farms and farming (e.g., the provision of public goods by agriculture and the CAP; methods of production and their impact on the environment; energy, water and fertiliser usage; biodiversity-related landscape features; afforestation of agricultural land; the area under agri-environmental payments at NUTS 3 level). With the "greening" of the CAP, this issue is gaining importance and will be on top of the agenda in the coming years.
- To satisfy new data needs, satellite surveys mostly on environmental topics should be developed which would be implemented together with the interim surveys. The results of the DireDate project should be taken into account in developing these surveys.

c) DG AGRI explanation of the use of data – status: completed

DG has conducted an analysis in order to explain the purpose for which the FSS data are used. The table provided in the Annex III 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.

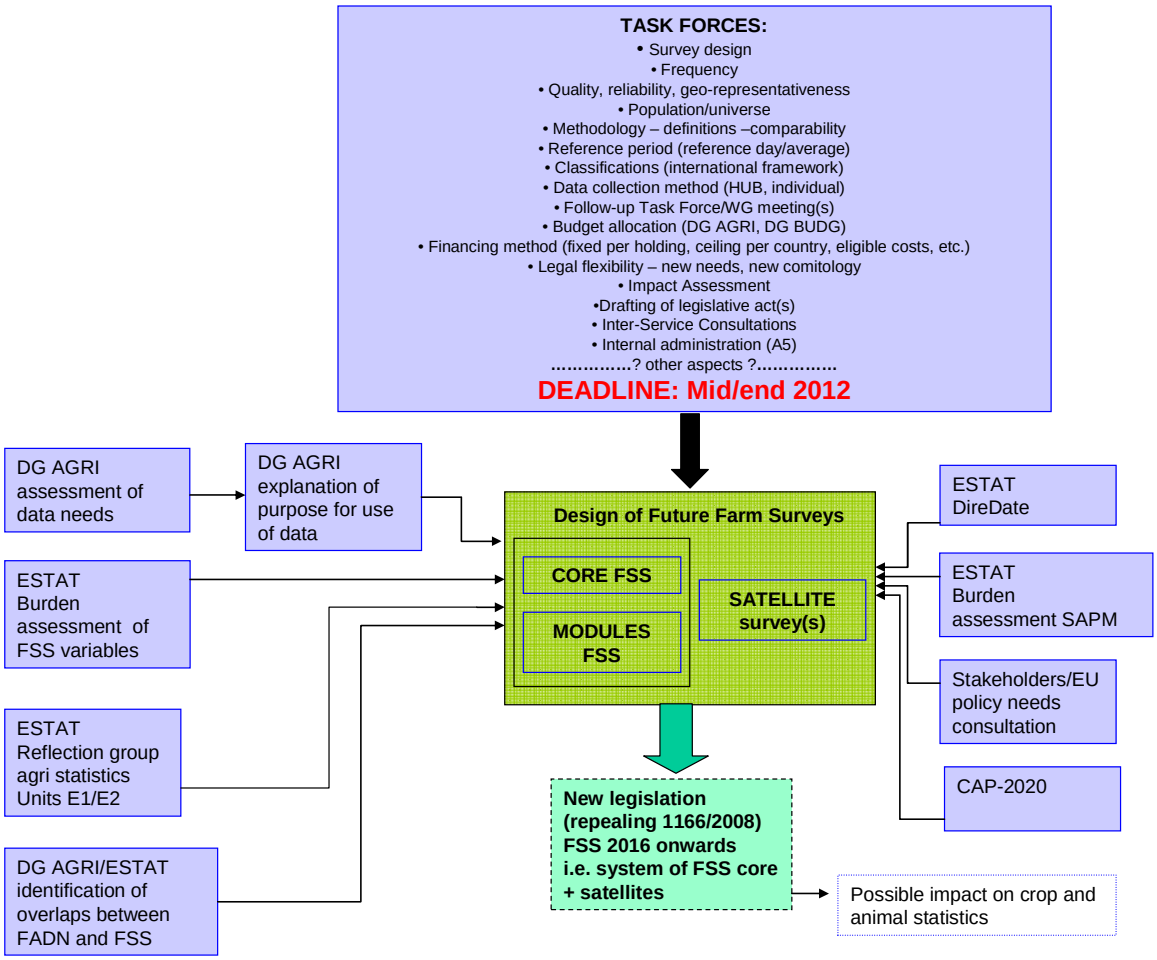


Fig. 2 The general outline of the roadmap for arriving at future system of the Farm Surveys

d) *Eurostat Reflection Group – <u>status: ongoing</u>*

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 different agricultural units in Eurostat. The main task of the Group is to discuss the architecture reflecting the data flows collected by the agricultural units in 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 EEA) 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 preliminary analysis is included in Annex IV 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 collections 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 mainly 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.

e) Eurostat burden assessment of SAPM variables – status: completed

Eurostat has launch 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 detailed quantitative results of this exercise are compiled in a table presented in Annex V, while the main qualitative conclusions are summarised in Annex VI to this document. Please note that Annex VI also includes Eurostat's comments in relation to those received from the countries.

f) Identification of possible overlaps between FADN/RICA and FSS – status: ongoing

The issue of potential simplification possibilities 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 introduce the developments within the FADN and harmonisation of terminology and definitions between FSS and FADN.

g) Identification of the new data needs – status: ongoing

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 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

In the context of reflecting the ongoing reform of the Common Agricultural Policy, the need for data on environmental aspects of farms and farming is likely to increase in the coming years, and these new information includes e.g. the provision of public goods by agriculture and the CAP, methods of production and their impact on the environment, energy, water and fertiliser usage, biodiversity-related landscape features, afforestation of agricultural land, the area under agri-environmental payments at NUTS level, etc. In addition, information on other issues may emerge in the future.

h) Work of the Task Force – status: ongoing

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 will take 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 define the agenda by proposing the subjects to be elaborated. The principle behind is that the participants to the Task Force will have equal opportunity to contribute to the way in which the design of the future FSS is approached and decided. Eurostat would like to thank the members of the Task Force for their active contributions so far. 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

IV. Concluding remarks

The current legislation (Regulation 1166/2008) covers the FSS until 2016, therefore there is a new legislation needed at the latest for the period post-2016. However the Commission intends to endeavour implementing the changes from FSS 2016 onwards, which can be achieved only in case a consensus regarding a new optimised FSS structure design is reached between the stakeholders in due time. In this context Eurostat would like to underline the importance of work of the FSS Task Force and highlight that in order to be able to define a proposal within the given deadline (second half of 2012) active involvement of the Task Force participants as well as the FSS WG members in the process of design of the future Farm Surveys is indispensible.

Annex I – Burden assessment exercise of the existing FSS variables – numerical results
Annex II - Burden assessment exercise of the existing FSS variables – qualitative results
Annex III – Explanation of uses of the FSS data
Annex IV - Preliminary results of the screening exercise of various agricultural surveys
Annex V – Burden assessment exercise of the SAPM variables – numerical results
Annex VI - Burden assessment exercise of the SAPM variables – qualitative results