2023/2674

29.11.2023

REGULATION (EU) 2023/2674 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 22 November 2023

amending Council Regulation (EC) No 1217/2009 as regards conversion of the Farm Accountancy Data Network into a Farm Sustainability Data Network

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 43(2) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee ([1]),

Acting in accordance with the ordinary legislative procedure ([2]),

Whereas:

(1) The analysis and development of the Union agricultural sector and of the common agricultural policy require objective, up-to-date and relevant information on the performance and sustainability of holdings in the Union. The Farm Accountancy Data Network (FADN) was established by Council Regulation (EC) No 1217/2009 ([3]).

(2) The Commission's impact assessment supporting the 2018 legislative proposals for the common agricultural policy (CAP) post-2020 identified the need to enhance the collection of farm-level data.

(3) In the Commission communication of 20 May 2020 entitled 'A Farm to Fork Strategy for a fair, healthy and environmentally-friendly food system', the Commission announced its intention to convert the FADN into a Farm Sustainability Data Network (FSDN), with a view to collecting farm-level data on sustainability. The conversion will enable that converted data network to support the development of evidence- and performance-based policies, as well as the analysis of agricultural sectors in the Member States and in the Union as a whole, gauging progress and providing valuable guidance to policy makers. The FSDN will contribute to the analysis of the enhanced economic, environmental and social dimensions of the CAP, to the improvement of advisory services to farmers and benchmarking of farm performance, and to the transparency and fairness of the agri-food supply chain.

(4) In order to give substance to the objectives of the CAP set out in Article 39 of the Treaty on the Functioning of the European Union (TFEU), as well as to ensure that the Union adequately addresses its current and future challenges, it is appropriate to cover the three dimensions of the sustainability of Union agriculture, namely the economic, environmental and social dimensions, in particular as provided for in Articles 5 and 6 of Regulation (EU) 2021/2115 of the European Parliament and of the Council ([4]). Pursuant to Article 11 TFEU, data concerning environmental protection are to be integrated into the FSDN in order to contribute to the assessment of additional

([1]) OJ C 75, 28.2.2023, p. 164.
([2]) Position of the European Parliament of 17 October 2023 (not yet published in the Official Journal) and decision of the Council of 13 November 2023.
([3]) Council Regulation (EC) No 1217/2009 of 30 November 2009 setting up a network for the collection of accountancy data on the incomes and business operation of agricultural holdings in the European Union (OJ L 328, 15.12.2009, p. 27).
([4]) Regulation (EU) 2021/2115 of the European Parliament and of the Council of 2 December 2021 establishing rules on support for strategic plans to be drawn up by Member States under the common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulations (EU) No 1305/2013 and (EU) No 1307/2013 (OJ L 435, 6.12.2021, p. 1).

aspects related to the sustainability of Union agriculture. Moreover, in order to strengthen the link to the implementation of the United Nations' 2030 Agenda for Sustainable Development, the framework for the sustainability of holdings under the United Nations Sustainable Development Goals should be taken into account in terms of three main aspects: economic, environmental and social.

(5) The aforementioned objectives can be attained only by means of a Union network for the collection of farm sustainability data, namely the FSDN, based on data collectors already existing in each Member State and enjoying the confidence of the parties concerned.

(6) Data are currently collected mainly to assess economic aspects of holdings. There is, however, a need for the overall sustainability of holdings to be assessed, including on the basis of environmental data linked to soil, air, water and biodiversity, as well as data covering the social dimension of farming, with particular attention given to the situation of women and young people as farmers and farm workers. It is appropriate to lay down in an annex to Regulation (EC) No 1217/2009 the main categories of economic, environmental and social data and, within those categories, the related data topics that can be collected and compiled in the FSDN. Those data topics should be linked to the needs of the CAP and should be relevant for the assessment of the sustainability of Union agriculture and holdings. In order to take into account future sustainability challenges, the power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission in respect of amending that annex, including by modifying topics and adding new ones, while taking into consideration the relevance of the data to be collected and compiled and the administrative burden on national authorities and holdings. Moreover, when adding new topics, the Commission should provide for a minimum period of at least one year before the application of the related implementing act on variables, in order to give sufficient time to Member States to prepare the data collection. In addition, the Commission should not add new topics in the first three years from the date of entry into force of this Regulation.

(7) To describe the social dimension of sustainability, it is necessary to compile certain types of personal data of persons working in the agricultural sector. Such information should support the analysis of topics related to the specific objectives of the CAP under Article 6(1), points (g) and (h), of Regulation (EU) 2021/2115. The processing of such personal data should be limited to the data categories that are strictly necessary to fulfil the purposes of Regulation (EC) No 1217/2009, as amended by this Regulation, in accordance with Regulation (EU) 2016/679 of the European Parliament and of the Council ([5]), in particular Article 9(1) thereof, and Regulation (EU) 2018/1725 of the European Parliament and of the Council ([6]), in particular Article 10(1) thereof.

(8) The Commission should publish the results of analyses on the state of sustainability of Union agriculture, in particular in order to allow the use of those results for benchmarking purposes. Advisory services provided to returning holdings based on FSDN data can be valuable and thus offer a significant incentive to take part in the FSDN, provided that the advice is based on relevant data which are as recent as possible, taking into account science-based developments and the latest available knowledge on best practices. Dissemination of aggregated FSDN

([5]) Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1).

([6]) Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).

data related to the environmental topics set out in Regulation (EC) No 1217/2009 as amended by this Regulation, under the conditions laid down therein, should serve the purpose of active and systematic dissemination to the public of environmental information required by Directive 2003/4/EC of the European Parliament and of the Council ([7]) and by Regulation (EC) No 1367/2006 of the European Parliament and of the Council ([8]).

(9) Article 8(1), point (c), of Regulation (EU) 2022/2379 of the European Parliament and of the Council ([9]) and Article 4(1), point (c), of Regulation (EU) 2018/1091 of the European Parliament and of the Council ([10]) provide for the possibility of Member States using other sources for statistical surveys. Annex I to Regulation (EC) No 138/2004 of the European Parliament and of the Council ([11]) refers to the use of FADN data. Based on those options and for the purpose of the reuse of data and gaining efficiencies, it is useful to allow Member States to use FSDN data for statistical purposes.

(10) In order to gather data for the FSDN, the scope of which is larger than the FADN, it is appropriate to adapt the current definitions. In particular, the definition of 'farmer' should be revised to identify the subject legally responsible for the holding, and the definition of 'farm' and 'holding' should be made more suitable for analytical purposes to ensure consistency with similar definitions used for statistical purposes. The definition of 'individual data' should reflect the concept that data of both natural persons and legal persons should be protected where such data make it possible to identify, directly or indirectly, those persons. The definition of 'aggregated data' should clearly refer to data of several holdings, which is the main characteristic of the aggregation technique.

(11) Member States or responsible national authorities should endeavour to modernise data collection modes as far as possible. Moreover, it is necessary to collect harmonised data and to avoid duplication of data already collected, for example, through statistics on agricultural input and output or the CAP. In order to reduce the administrative burden on farmers and data collectors, with the aim of avoiding the duplication of data requests and data collection and of enriching the FSDN dataset, the principle of 'collect data once and re-use them multiple times' should be applied. Directive (EU) 2019/1024 of the European Parliament and of the Council ([12]) is to be taken into consideration for the purpose of applying that principle. In addition, the use of digital solutions, including re-use of data and data sharing with other sources, should be promoted and should always be considered as the first-choice solution, where it is conducive to the broad participation of farmers and the accuracy of data collected. For that purpose, developing or optimising available digital tools for data collection should be explored. A possible extension of the data collection system, when it is based exclusively on farm accountancy offices, should be provided for with a view to collecting environmental and social variables.

(12) In order to improve the efficiency of compiling the farm returns and to reduce the burden on the returning holdings, liaison agencies should be able to use in a timely manner and free of charge national data sources that may be used for relevant data in order to compile the farm returns as defined and set out in Regulation (EC) No 1217/2009 as amended by this Regulation. The use of such data sources is necessary for the exercise of tasks vested in the liaison agencies. For those purposes it is appropriate to define the modalities for access to such data sources and to use

([7]) Directive 2003/4/EC of the European Parliament and of the Council of 28 January 2003 on public access to environmental information and repealing Council Directive 90/313/EEC (OJ L 41, 14.2.2003, p. 26).

([8]) Regulation (EC) No 1367/2006 of the European Parliament and of the Council of 6 September 2006 on the application of the provisions of the Aarhus Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters to Union institutions and bodies (OJ L 264, 25.9.2006, p. 13).

([9]) Regulation (EU) 2022/2379 of the European Parliament and of the Council of 23 November 2022 on statistics on agricultural input and output, amending Commission Regulation (EC) No 617/2008 and repealing Regulations (EC) No 1165/2008, (EC) No 543/2009 and (EC) No 1185/2009 of the European Parliament and of the Council and Council Directive 96/16/EC (OJ L 315, 7.12.2022, p. 1).

([10]) Regulation (EU) 2018/1091 of the European Parliament and of the Council of 18 July 2018 on integrated farm statistics and repealing Regulations (EC) No 1166/2008 and (EU) No 1337/2011 (OJ L 200, 7.8.2018, p. 1).

([11]) Regulation (EC) No 138/2004 of the European Parliament and of the Council of 5 December 2003 on the economic accounts for agriculture in the Community (OJ L 33, 5.2.2004, p. 1).

([12]) Directive (EU) 2019/1024 of the European Parliament and of the Council of 20 June 2019 on open data and the re-use of public sector information (OJ L 172, 26.6.2019, p. 56).

other data compilation methods or innovative approaches, including the establishment of cooperation mechanisms between data-handling entities within the Member State concerned. A list of relevant data sources available at national level that liaison agencies may use to compile farm returns should be set out in this Regulation. In order to ensure that the list remains up-to-date and relevant, the power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission in respect of amending that list. In particular, datasets derived from the integrated farm statistics established by Regulation (EU) 2018/1091 and from statistics on agricultural input and output established by Regulation (EU) 2022/2379 should be added to that list when data sharing from those data sources is legally enabled.

(13) In addition to the data contained in the farm return for returning holdings, Member States should provide the means for the Commission to enhance the capacity to analyse sustainability matters by complementing farm return data with content from data for performing the monitoring and evaluation of CAP Strategic Plans (DME) obtained in accordance with the implementing act adopted on the basis of Article 133 of Regulation (EU) 2021/2115 or from the Integrated Administration and Control System (IACS) established by Regulation (EU) 2021/2116 of the European Parliament and of the Council ([13]), while avoiding increasing the administrative burden on the Member States and returning holdings. Since data collection and compilation approaches and methodologies may differ between the FSDN and those other datasets, for example with regard to definitions and reference times, it may be necessary to take consistency issues into account when analysing the data. In that context, the Member States' obligation should be understood as an obligation to provide the data contained in those datasets but not to ensure complete consistency with the FSDN. In order to keep the list of datasets as up-to-date as possible, the power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission in respect of amending that list of datasets and adding new appropriate and relevant datasets that are suitable for linkage at Union level, while taking into consideration and duly justifying the relevance of the data to be collected and compiled and the administrative burden on the Member States and returning holdings.

(14) With regard to DME, an example of such data is disaggregated data on CAP interventions. With regard to data in the IACS, examples of such data include land cover of agricultural areas, crops, landscape features, and management of land under organic farming practices. The identification of holdings in DME and IACS is managed by Member States' authorities at national level through specific identifiers. Based on those identifiers, the national authorities are able to link such data at individual farm level. Member States should choose to send to the Commission either those links or the relevant data related to the returning holding included in those datasets. Where Member States choose to send the relevant data, those data should include the FSDN number, in order to allow the relevant content to be merged with farm returns at Union level. The way to link this information at individual farm level should be specified, including with regard to data protection. In order to ensure uniform conditions for the implementation of the use of data from those datasets, implementing powers should be conferred on the Commission as regards listing the data to be extracted from those datasets as well as laying down detailed rules on technical specification and deadlines for data transmission. Those data should be linked to the purpose of, as well as to one or more of the topics set out in, Regulation (EC) No 1217/2009 as amended by this Regulation.

(15) With regard to the field of the survey set out in Article 5 of Regulation (EC) No 1217/2009, the main criteria for the representativeness of accountancy data and the selection criteria for surveys should be maintained while adding further information for the other aspects of sustainability and bearing in mind that the resulting survey may not be representative with respect to environmental or social variables.

(16) The FSDN should rely on voluntary participation. Nevertheless, given that some Member States face problems with holdings' participation in the FSDN, it should be possible for Member States to adopt national rules to address that issue without imposing penalties on the farmers. Member States should encourage farmers to participate in the FSDN by using incentives that they should set out in a specific plan. Those incentives could take the form, inter alia, of financial contributions, feedback on farm performance, or advice based on FSDN information.

([13]) Regulation (EU) 2021/2116 of the European Parliament and of the Council of 2 December 2021 on the financing, management and monitoring of the common agricultural policy and repealing Regulation (EU) No 1306/2013 (OJ L 435, 6.12.2021, p. 187).

(17) The conversion of the FADN to the FSDN should enable the data from the returning holding to be benchmarked against aggregated data where the data represent several returning holdings and are presented in the form of regional, national, Union or sectoral averages. Regarding accountancy data, holdings' accounts constitute the basic source for any assessment of their income or study of their business operation. The regional, national, Union or sectoral averages should also be made available at Member State level to enhance knowledge on the agricultural situation. It should also be possible for the data collected to be used to provide improved tailored advisory services and feedback to farmers with the aim of facilitating the management of holdings and improving their sustainability.

(18) FSDN data should refer to agricultural activities and other gainful activities directly related to the holdings in order to make it possible to cover all relevant aspects of holdings' activities. Off-farm activities should also be taken into account, as a necessary indication of the overall viability and sustainability of the holding. In that case, the granularity of the data compiled should be strictly limited to what is necessary to analyse the significance of off-farm activities in relation to agricultural activities. No data related to private assets should be taken into account in preparing the farm returns.

(19) In order to ensure uniform conditions for the implementation of farm returns, and in particular that the data in the farm returns are comparable, implementing powers should be conferred on the Commission as regards the definition of variables for which data should be compiled, the reporting year, the form and layout of farm returns and the rules for data transmission to the Commission. When defining those variables, the Commission should endeavour to use existing data sources and analyse the feasibility of the variables, based on inputs from Member States on possible data sources and methods, with a view to limiting the burden on the Member States and returning holdings. While striving to ensure that the data collected are comparable and useful for analytical purposes, in order to obtain a complete and uniform Union-wide dataset, it is appropriate to accommodate specific circumstances of Member States, and specific and justified exemptions should therefore be possible.

(20) The existing computerised data system established by the Commission should continue to function for data transmission and verification between the Member States and the Commission and for the analysis of the data both at individual farm level and at aggregated level. That computerised data system should be adapted to allow the Commission or Member States to combine data at individual farm level between the FSDN and other datasets, such as DME and IACS. In order to ensure uniform conditions for the implementation of that computerised data system, implementing powers should be conferred on the Commission as regards detailed rules on storage, processing, reuse and sharing of data within the Commission.

(21) In order to increase the level of acceptance of farmers to participate in the data gathering and to protect individual data from unauthorised or unsuitable use, it is necessary to clarify that individual data should only be used for analytical purposes linked to the CAP objectives and the sustainability of Union agriculture and, where Member States so decide, for statistical purposes. Any other use of the individual data by the Member States or by the Commission, in particular for controls in accordance with Regulation (EU) 2021/2116 or for taxation purposes, should be prohibited.

(22) Where FSDN data and data from other datasets are shared by the Commission or liaison agencies, it is of the utmost importance to ensure data protection and to give assurance to farmers, both natural and legal persons, that their individual data and all other individual details obtained pursuant to Regulation (EC) No 1217/2009 as amended by this Regulation will be anonymised to avoid their identification. Therefore, it should be specified that FSDN data and data from other datasets may be made public provided that they are both aggregated and anonymised. Concerning the data from other datasets, it should be clarified in addition that they will be made public in aggregated and anonymised format only for the purposes of Regulation (EC) No 1217/2009 as amended by this Regulation and without prejudice to the rules on those datasets provided for in the relevant specific Union legislation.

(23) It should be possible to grant access to pseudonymised data for research purposes, in the interest of scientific progress in the agricultural area in the Union and in order to contribute to addressing the challenges faced by Union agriculture. In order to ensure the high level of protection that those data require, the power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission in respect of laying down rules and conditions for such access at Union level. The Commission should obtain an opinion of the European Data Protection Supervisor before it adopts those delegated acts.

(24) Data management with regard to the protection of individual data should be specified by the Commission and Member States through appropriate technical and organisational measures to ensure that the data are used only for the purposes of Regulation (EC) No 1217/2009. Processes corresponding to, and consistent with, those used to ensure compliance with Article 24 of Regulation (EU) 2016/679 and Article 26 of Regulation (EU) 2018/1725 should be used as regards the choice of technical and organisational measures to protect data as well as the evaluation and documentation of such measures. In addition, provisions should be established prohibiting persons participating in the FSDN from disclosing individual data. Concerning personal data, the full scope of protection, including the rights and obligations of the data subjects and the data processors, should comply with Articles 7 and 8 of the Charter of Fundamental Rights of the European Union and with Regulations (EU) 2016/679 and (EU) No 2018/1725.

(25) In accordance with Regulations (EU) 2016/679 and (EU) No 2018/1725, personal data are to be retained only for as long as they are needed for the purposes for which those data were collected. The uses of FSDN data, and of the personal data included therein, should include the possibility to analyse long-term trends based on indicators, such as on nutrient management or emissions, the evolution of which needs to be assessed over a long period of time to keep pace with natural phenomena. Therefore, analyses should be regularly performed, especially on environmental information. Other subjects that imply the use of long-term analyses include land use and prices, which provide information about structural changes in farming. It should also be possible to build such long-term analyses based on sharing of data between different datasets established through linkages at individual level. Data sharing should enhance information availability, taking into consideration challenges that Union agriculture may face in the future. Such challenges are not possible to foresee at the current time, especially with regard to the future need for retrospective studies that cannot be established with sufficient certainty. Therefore, it is not appropriate to set a time limit for the use of data, but rather to keep data for as long as they are needed to perform time series analyses.

(26) The compilation, processing and use of personal data should be justified and proportionate in relation to the purposes of the operations concerned, in accordance with, inter alia, the principle of data minimisation. A high proportion of farmers in the Union are natural persons. Information available from the Union integrated farm statistics shows that, in 2020, among the total number of holdings in the Union, 96 % belonged to natural persons. It is therefore necessary that the data collected through the FSDN cover natural persons in order to ensure that the results of the data analysis are representative of the reality of the agricultural sector.

(27) For the purposes of the processing of personal data at Union level, roles connected to the management and processing of personal data should be determined. The data processing roles at Union level should apply to the data as from the transmission of those data to the Commission through the farm returns. Member States should determine the management of personal data within their jurisdiction, including data protection roles, in accordance with Regulation (EU) 2016/679, taking into consideration in particular the fact that data may be collected for multiple purposes, one of which may be use in farm returns.

(28) Given the enlarged scope of the FSDN compared to the FADN, it is necessary to adapt the rules on its budget. Regulation (EU) 2021/2116 provides that the European Agricultural Guarantee Fund (EAGF) finances the establishment and maintenance of agricultural accounting information systems as expenditure under direct management. An amount should continue to be payable from the EAGF to the Member States for the delivery, within the set deadline, of duly completed farm returns, which might be proportionate to the extent to which those farm returns cover the relevant data topics. Furthermore, the EAGF should contribute financially to the

implementation of Member State systems in order to align them with the revised scope and management of the FSDN. In order to ensure uniform conditions for the implementation of such financing, implementing powers should be conferred on the Commission as regards establishing the procedure for the amounts and contributions to be paid to the Member States from the Union budget, including the criteria for the allocation of financial contributions.

(29) When adopting delegated acts pursuant to Regulation (EC) No 1217/2009 as amended by this Regulation, it is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making ([14]). In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

(30) The name of the Committee for the Farm Accountancy Data Network should be modified to reflect the changes to Regulation (EC) No 1217/2009 pursuant to this Regulation.

(31) The implementing powers conferred on the Commission under Regulation (EC) No 1217/2009 as amended by this Regulation should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council ([15]).

(32) Since the objective of this Regulation, namely the creation of the FSDN, cannot be sufficiently achieved by the Member States but can rather, by reason of the scale and effects of this Regulation, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective.

(33) The European Data Protection Supervisor was consulted in accordance with Article 42(1) of Regulation (EU) 2018/1725 and delivered an opinion on 11 August 2022 ([16]).

(34) Regulation (EC) No 1217/2009 should therefore be amended accordingly,

HAVE ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 1217/2009 is amended as follows:

(1) the title is replaced by the following:

'**Council Regulation (EC) No 1217/2009 of 30 November 2009 setting up the Farm Sustainability Data Network**';

(2) the title of Chapter I is replaced by the following:

'CREATION OF A FARM SUSTAINABILITY DATA NETWORK';

([14]) OJ L 123, 12.5.2016, p. 1.
([15]) Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).
([16]) OJ C 440, 21.11.2022, p. 17.

(3) Article 1 is replaced by the following:

'*Article 1*

1. To meet the needs of the common agricultural policy (CAP), including the evaluation of its impact on the agricultural sector, a farm sustainability data network (FSDN) is set up for the collection and analysis of farm-level sustainability data covering the economic, environmental and social dimensions (FSDN data). FSDN data may be used to contribute to the assessment of additional aspects related to the sustainability of Union agriculture and to address challenges faced by Union agriculture.

2. FSDN data shall cover the topics set out in Annex -I. The Commission is empowered to adopt delegated acts, in accordance with Article 19a, amending Annex -I in order to modify those topics or to add new ones. When exercising its power to adopt those delegated acts, the Commission shall:

(a) ensure that the delegated acts are duly justified and do not create significant additional burden on the Member States or returning holdings;

(b) carry out analyses of the relevance, feasibility and proportionality of such an amendment, including the availability and quality of appropriate data sources, in particular relevant administrative sources, and take the results of those analyses duly into account;

(c) ensure that new topics added are linked to the CAP objectives;

(d) not add new topics until 20 December 2028;

(e) adopt those delegated acts, when new topics are added, at least one year before the date of application of the related implementing act as referred to in Article 8(4).

3. FSDN data and data from other datasets set out in Article 4a shall be used to carry out analyses on the state of sustainability of Union agriculture, including in a format allowing benchmarking. The Commission shall make the results of those analyses publicly available in the form of aggregated and anonymised FSDN data. Those data may be used to provide benchmarking information or advice to farmers with the aim of facilitating the management of holdings and improving their sustainability. The publication of results and the use of data for benchmarking or advice purposes shall comply with Article 16.

4. Member States may decide to use FSDN data as a data source as referred to in Article 8(1), point (c), of Regulation (EU) 2022/2379 of the European Parliament and of the Council (*), in Article 4(1), point (c), of Regulation (EU) 2018/1091 of the European Parliament and of the Council (**), in Annex I to Regulation (EC) No 138/2004 of the European Parliament and of the Council (***), or in other acts adopted on the basis of Article 338(1) TFEU.

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(*) Regulation (EU) 2022/2379 of the European Parliament and of the Council of 23 November 2022 on statistics on agricultural input and output, amending Commission Regulation (EC) No 617/2008 and repealing Regulations (EC) No 1165/2008, (EC) No 543/2009 and (EC) No 1185/2009 of the European Parliament and of the Council and Council Directive 96/16/EC (OJ L 315, 7.12.2022, p. 1).

(**) Regulation (EU) 2018/1091 of the European Parliament and of the Council of 18 July 2018 on integrated farm statistics and repealing Regulations (EC) No 1166/2008 and (EU) No 1337/2011 (OJ L 200, 7.8.2018, p. 1).

(***) Regulation (EC) No 138/2004 of the European Parliament and of the Council of 5 December 2003 on the economic accounts for agriculture in the Community (OJ L 33, 5.2.2004, p. 1).';

(4) Article 2 is replaced by the following:

'*Article 2*

For the purposes of this Regulation, the following definitions apply:

(1) "farmer" means a natural or legal person whose holding is situated in the Union;

(2) "farm" or "holding" means a single unit, both technically and economically, that has a single management and that undertakes economic activities in agriculture in accordance with the general use of those terms in the context of Union agricultural surveys and censuses;

(3) "category of holding" means a group of holdings that belong to the same category, as regards the type of farming and economic size, as defined in the Union typology for holdings referred to in Article 5b;

(4) "returning holding" means any holding for which a farm return is compiled for the purposes of the FSDN;

(5) "farm return" means the form, either to be compiled or already compiled, with data about the returning holding excluding the links and data referred to in Article 4a(1);

(6) "Farm Sustainability Data Network division" or "FSDN division" means the territory of a Member State, or any part thereof, delimited with a view to the selection of returning holdings; a list of such divisions is set out in Annex I;

(7) "data collector" means a liaison agency or an entity tasked by the liaison agency with collecting FSDN data;

(8) "standard output" means standard value of gross production;

(9) "personal data" means personal data as defined in Article 4, point (1), of Regulation (EU) 2016/679 of the European Parliament and of the Council (*) and in Article 3, point (1), of Regulation (EU) 2018/1725 of the European Parliament and of the Council (**);

(10) "individual data" means data associated with a returning holding which allow the holding or the farmer to be identified, either directly or indirectly, and which can be personal data or data concerning legal persons;

(11) "anonymised data" means data in a form which does not allow natural or legal persons to be identified directly or indirectly;

(12) "pseudonymised data" means individual data that can no longer be attributed to a specific natural or legal person without the use of additional information, provided that such additional information is kept separately and is subject to technical and organisational measures to ensure that the individual data are not attributed to an identified or identifiable natural or legal person;

(13) "aggregated data" means the output resulting from combinations or calculations based on data related to several returning holdings.

(*) Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1).

(**) Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).';

(5) Article 3 is replaced by the following:

'*Article 3*

In order to ensure that the list of FSDN divisions can be updated following a request by a Member State, the Commission is empowered to adopt delegated acts, in accordance with Article 19a, amending Annex I with respect to the list of FSDN divisions per Member State.';

(6) the title of Chapter II is replaced by the following:

'DATA FOR COMPILING FARM RETURNS AND DATA LINKAGE';

(7) Article 4 is replaced by the following:

'*Article 4*

1. Farm returns shall be compiled by means of surveys for which Member States may use, where relevant, data from the data sources referred to in paragraph 2 and other relevant data sources, as well as data compilation methods or innovative approaches for data sharing and compiling.

2. The liaison agencies shall have the right to access and use, free of charge, the following data sources:

(a) the Integrated Administration and Control System (IACS) established by Regulation (EU) 2021/2116 of the European Parliament and of the Council ([1])*;

(b) the system for the identification and registration of kept terrestrial animals established by Regulation (EU) 2016/429 of the European Parliament and of the Council ([2])*;

(c) the vineyard register implemented in accordance with Article 145 of Regulation (EU) No 1308/2013 of the European Parliament and of the Council ([3])*;

(d) the organic farming registers set up pursuant to Regulation (EU) 2018/848 of the European Parliament and of the Council ([4])*;

(e) Member States' data for performing the monitoring and evaluation of CAP Strategic Plans (DME) obtained in accordance with the implementing act adopted on the basis of Article 133 of Regulation (EU) 2021/2115 of the European Parliament and of the Council ([5])*;

(f) where relevant, farm-level records collected for the establishment by Member States of action programmes pursuant to Article 5 of Council Directive 91/676/EEC ([6])*;

(g) any other relevant data source accessible to Member States' authorities.

3. Member States shall ensure that liaison agencies have the right to access and use the data sources referred to in paragraph 2. Member States may establish for that purpose the necessary cooperation mechanisms that facilitate effective access to, and use of, those data sources. The right of access and use shall also be granted where the liaison agency delegates tasks to legal or natural persons to be carried out on its behalf.

4. The Commission is empowered to adopt delegated acts, in accordance with Article 19a, amending paragraph 2 of this Article by adding new appropriate data sources established by Union law.

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([1])* Regulation (EU) 2021/2116 of the European Parliament and of the Council of 2 December 2021 on the financing, management and monitoring of the common agricultural policy and repealing Regulation (EU) No 1306/2013 (OJ L 435, 6.12.2021, p. 187).

([2])* Regulation (EU) 2016/429 of the European Parliament and of the Council of 9 March 2016 on transmissible animal diseases and amending and repealing certain acts in the area of animal health ("Animal Health Law") (OJ L 84, 31.3.2016, p. 1).

([3])* Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007 (OJ L 347, 20.12.2013, p. 671).

([4])* Regulation (EU) 2018/848 of the European Parliament and of the Council of 30 May 2018 on organic production and labelling of organic products and repealing Council Regulation (EC) No 834/2007 (OJ L 150, 14.6.2018, p. 1).

([5])* Regulation (EU) 2021/2115 of the European Parliament and of the Council of 2 December 2021 establishing rules on support for strategic plans to be drawn up by Member States under the common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulations (EU) No 1305/2013 and (EU) No 1307/2013 (OJ L 435, 6.12.2021, p. 1).

([6])* Council Directive 91/676/EEC of 12 December 1991 concerning the protection of waters against pollution caused by nitrates from agricultural sources (OJ L 375, 31.12.1991, p. 1).';

(8) the following article is inserted:

'*Article 4a*

1. In addition to the farm return, the Member States shall determine the links between the returning holding and the identifiers pertaining to that holding in the following datasets:

(a) DME;

(b) IACS.

Member States shall send to the Commission either those links, or directly the data related to the returning holding in the datasets referred to in the first subparagraph, other than identifiers. The Member States which send the data directly shall provide the FSDN number of the returning holding.

2. The Commission is empowered to adopt delegated acts, in accordance with Article 19a, amending the list of datasets referred to in paragraph 1 of this Article and adding new appropriate and relevant datasets. When exercising its power to adopt those delegated acts, the Commission shall:

(a) ensure that the delegated acts are duly justified and do not create significant additional burden on the Member States or returning holdings;

(b) carry out analyses of the relevance, feasibility, proportionality and quality of such datasets and take the results of those analyses duly into account.

3. The Commission shall adopt implementing acts listing the data to be extracted from the datasets referred to in paragraph 1 of this Article, as well as laying down detailed rules on technical specifications and deadlines for transmission of those data between Member States and the Commission. Those data shall be linked to the purpose of this Regulation as set out in Article 1 and to one or more of the topics set out in Annex -I. When adopting those implementing acts, the Commission shall take into account the relevance of those data and the feasibility of extracting data referred to in paragraph 1 of this Article. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 19b(2).

4. The Commission shall prepare and make available to the Member States technical guidelines on the methodology for extracting the relevant data.';

(9) Article 5 is replaced by the following:

'*Article 5*

1. The field of the survey shall cover holdings having an economic size equal to, or greater than, a threshold corresponding to one of the lower limits of the economic size classes of the Union typology for holdings referred to in Article 5b.

The Commission is empowered to adopt delegated acts, in accordance with Article 19a, supplementing this Regulation with the rules on fixing the threshold referred to in the first subparagraph of this paragraph. Those rules shall ensure that farms of smaller economic size are adequately represented in the plans for the selection of returning holdings established by the Member States in accordance with Article 5a.

The Commission shall adopt, on the basis of data and input received from Member States, implementing acts fixing the threshold referred to in the first subparagraph of this paragraph. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 19b(2).

2. To qualify as a returning holding, a holding shall:

(a) be covered by the field of the survey referred to in paragraph 1;

(b) be representative, together with the other holdings and at the level of each FSDN division, of the field of survey.

3. Member States may adopt national rules to encourage participation in surveys.

In exceptional cases, Member States may also adopt rules to address possible cases in which the number of returning holdings set in the plan for the selection of returning holdings is likely not to be achieved. Such rules, however, shall not provide for penalties for farmers.';

(10) Article 5a is amended as follows:

(a) paragraph 1 is amended as follows:

(i) the first subparagraph is replaced by the following:

'Each Member State shall draw up a plan for the selection of returning holdings that ensures a representative sample of the field of survey.';

(ii) in the second subparagraph, the second indent is replaced by the following:

'— are presented in accordance with the Union typology for holdings, and';

(b) paragraphs 2 and 3 are replaced by the following:

'2. In accordance with the rules adopted in accordance with paragraph 1, and on the basis of the data received from Member States, the Commission shall adopt implementing acts fixing the number of returning holdings per Member State and per FSDN division. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 19b(2).

3. The number of returning holdings to be selected per FSDN division may be up to 20 % less or greater than the number laid down in the implementing acts to be adopted pursuant to paragraph 2, provided that the total number of the returning holdings of the Member State concerned is respected.';

(11) in Article 5b, paragraph 1 is replaced by the following:

'1. Holdings shall be classified in a uniform manner according to the Union typology for holdings.

The typology for holdings shall be used in particular for the presentation, by type of farming and by economic size class, of data collected through the Union farm structure surveys and the FSDN.';

(12) Article 6 is amended as follows:

(a) paragraph 1 is replaced by the following:

'1. Each Member State shall set up a national committee for the FSDN ("the National Committee").';

(b) in paragraph 4, the first subparagraph is replaced by the following:

'4. Member States which have several FSDN divisions may, for each of the FSDN divisions under their jurisdiction, set up a regional committee for the FSDN ("the Regional Committee").';

(13) in Article 7, paragraph 1 is replaced by the following:

'1. Each Member State shall appoint a liaison agency the tasks of which shall be to:

(a) inform the National Committee, the Regional Committees and the data collectors of the applicable regulatory framework and to ensure proper implementation thereof;

(b) draw up the plan for the selection of returning holdings, to submit it to the National Committee for its approval and, thereafter, to forward it to the Commission;

(c) compile:

(i) the list of returning holdings;

(ii) where applicable, the list of the data collectors able to complete farm returns;

(d) produce the farm returns;

(e) verify that the farm returns have been duly completed and, where necessary, address any errors or inaccuracies detected;

(f) forward the duly completed farm returns to the Commission in the required format and within the set deadline;

(g) send the links or the data referred to in Article 4a(1);

(h) transmit the requests for information provided for in Article 17 to the National Committee, to the Regional Committees and to the data collectors, and forward the relevant answers to the Commission;

(i) offer to any returning holding the possibility to obtain its results, either from the liaison agency or from an organisation it appoints, as soon as possible but in any event no later than four months after the Commission confirms that the farm return is duly completed; where possible, those results shall include benchmarking information, comparing those results with regional, national, Union or sectoral averages;

(j) set out a plan to incentivise farmers' participation in the FSDN and submit it to the Commission together with the plan for the selection of returning holdings;

(k) make available, either by itself or by an organisation it appoints, the obtained results in the form of aggregated and anonymised data such as at regional, national, Union or sectoral level.';

(14) Article 8 is replaced by the following:

'*Article 8*

1. Each returning holding shall be the subject of an individual farm return and shall be identified in the FSDN by a unique national FSDN number.

2. The data provided by each duly completed farm return shall be such that it is possible to:

(a) describe the returning holding by reference to the main elements of its factors of production;

(b) describe the income of the holding in its various forms;

(c) describe the economic, environmental and social situation of the holding;

(d) verify the information given by appropriate means, such as on-the-spot checks and remote controls.

3. The data on the farm return shall relate to a single holding and to a single reporting year of 12 consecutive months. Those data shall refer to agricultural activities of the holding itself and other gainful activities directly related to the holding. No data related to any inheritance, private bank accounts, property other than the holding, personal taxation or private insurance shall be taken into account in preparing the farm returns.

4. In order to ensure that the data collected by means of farm returns are comparable, irrespective of the returning holdings surveyed, the Commission shall adopt implementing acts laying down rules on the following:

(a) the variables and the definitions of variables linked to one or more of the topics set out in Annex -I;

(b) the start and the end of the reporting year;

(c) the form and layout of the farm return;

(d) the methods and deadlines for data transmission to the Commission, including possible extensions of deadlines and exemptions for specific variables that may be granted to a Member State upon justified request;

(e) the frequency of data transmission, which shall be annual or less frequent depending on the nature of variables.

When adopting those implementing acts, the Commission shall, to the greatest extent possible, make use of variables available from existing data sources when adding, modifying or replacing variables, and take into account the need not to create significant additional burden on the Member States or returning holdings. Before adopting those implementing acts, the Commission shall analyse the feasibility of the proposed variables based, inter alia, on inputs from Member States, including the availability and quality of new and existing data sources, possible implementation of new methods, and the financial burden on the Member States and returning holdings. The results of that analysis shall be discussed in the committee referred to in Article 19b(1).

The implementing acts referred to in this paragraph shall be adopted in accordance with the examination procedure referred to in Article 19b(2).';

(15) the following article is inserted:

'*Article 8a*

1. The farm returns and either the links or the data referred to in Article 4a shall be submitted to the Commission by the liaison agency by means of a computerised data system established by the Commission. The data shall be submitted electronically on the basis of forms made available to the liaison agency through that system.

2. The Commission shall adopt implementing acts laying down detailed rules on storage, processing, reuse and sharing of data referred to in paragraph 1 of this Article within the Commission. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 19b(2).';

(16) Article 16 is replaced by the following:

'*Article 16*

1. Individual data obtained during the implementation of this Regulation shall be used only for performing tasks for the purpose of Article 1 of this Regulation. In any event, Member States and the Commission shall not use such individual data for any other purposes, in particular for controls in accordance with Regulation (EU) 2021/2116 or for taxation purposes.

2. FSDN data and, for the purposes of this Regulation, data from other datasets set out in Article 4a may be made public provided that they are both aggregated and anonymised.

3. The Commission may grant access to pseudonymised data for research purposes. The Commission is empowered to adopt delegated acts, in accordance with Article 19a, to supplement this Regulation with the rules and conditions for such access at Union level. When adopting those delegated acts, the Commission shall take into account the need for the protection of individual data and, in particular, the rules for data transfers to recipients located outside the territory of the Union as set out in Chapter V of Regulation (EU) 2016/679 and Chapter V of Regulation (EU) 2018/1725. The Commission shall request an opinion of the European Data Protection Supervisor prior to adopting those delegated acts.';

(17) the following articles are inserted:

'*Article 16a*

1. The Member States and the Commission shall each adopt and implement appropriate technical and organisational measures, including as regards the computerised data system referred to in Article 8a, to ensure and to be able to demonstrate that their collection, processing, compilation and transmission of individual data are restricted to the purposes of this Regulation.

2. Individual data shall be kept as long as they are needed to perform time series analyses.

3. Individual data shall not be made available to persons other than those whose functions require them to have access to those data for the purposes of this Regulation.

4. It shall be prohibited for any person participating or having participated in the FSDN to divulge any individual data or any other individual details the knowledge of which was acquired in the exercise of their duties or otherwise incidentally to such exercise. Member States and the Commission shall take all appropriate measures to address infringements of that prohibition.

Article 16b

1. The processing, management and use of personal data collected under this Regulation shall comply with Regulations (EU) 2016/679 and (EU) No 2018/1725.

2. The Commission shall be the controller for the processing of personal data included in farm returns from the moment those data are received by the Commission. Member States shall determine the controller, and, where relevant, the processor, for the processing of personal data included in farm returns concerning holdings situated in their territories.';

(18) in Article 17, paragraph 1 is replaced by the following:

'1. The National Committee, the Regional Committees, the liaison agency and data collectors shall be bound, within their respective areas of responsibility, to furnish the Commission with any relevant information which the Commission may request of them regarding the discharge of their duties under this Regulation.

Such requests for information made to the National Committee, to the Regional Committees or to the data collectors and the relevant answers shall be forwarded in writing through the liaison agency.';

(19) Article 19 is replaced by the following:

'Article 19

1. The European Agricultural Guarantee Fund (EAGF) shall finance expenditure covering:

(a) an amount payable to the Member States for the delivery of duly completed farm returns delivered within the set deadline up to the maximum number of returning holdings as fixed in accordance with Article 5a(2); where the total number of duly completed and delivered farm returns in respect of an FSDN division or a Member State is less than 80 % of the number of returning holdings laid down in accordance with Article 5a(2) and (3) for that FSDN division or for the Member State concerned, the amount applied for each farm return from that FSDN division or from the Member State concerned shall be reduced by 20 %; if such reduction was already applied for the two previous consecutive years in respect of an FSDN division or a Member State, the reduction shall be of 25 %;

(b) all the costs of the computerised data systems operated by the Commission for running and developing the FSDN and for the reception, verification, processing, interoperability and analysis of the data supplied by the Member States; those costs include, where appropriate, the costs of disseminating the results of those operations and the costs of studies into, and development of, other aspects of the FSDN.

2. The EAGF shall also provide financial contributions to Member States in order to contribute to Member States' implementation costs when setting up the system for collecting the environmental and social variables under this Regulation, including for training and interoperability between data collection systems, necessitates significant adaptations in the FADN data collection system of a Member State. Such contributions shall be provided to Member States by 31 December 2027.

3. The amount referred to in paragraph 1, point (a), may be partly or entirely paid to farmers for their participation in FSDN surveys in accordance with allocation criteria established by Member States.

4. The Commission shall adopt implementing acts establishing the detailed procedures in relation to the amount referred to in paragraph 1, point (a), and to the contributions referred to in paragraph 2. In the implementing acts relating to the contributions, the Commission shall make clear on the basis of which criteria those contributions are to be allocated. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 19b(2).';

(20) Article 19a is amended as follows:

(a) paragraph 2 is replaced by the following:

'2. The power to adopt delegated acts referred to in Article 1(2), Article 3, Article 4(4), Article 4a(2), Article 5(1), Article 5a(1), Article 5b(2) and (3) and Article 16(3) shall be conferred on the Commission for a period of five years from 19 December 2023. The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of the five-year period. The delegation of power shall be tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.';

(b) paragraph 3 is replaced by the following:

'3. The delegation of power referred to in Article 1(2), Article 3, Article 4(4), Article 4a(2), Article 5(1), Article 5a(1), Article 5b(2) and (3) and Article 16(3) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.';

(c) paragraph 5 is replaced by the following:

'5. A delegated act adopted pursuant to Article 1(2), Article 3, Article 4(4), Article 4a(2), Article 5(1), Article 5a(1), Article 5b(2) and (3) and Article 16(3) shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.';

(21) Article 19b is replaced by the following:

'*Article 19b*

1. The Commission shall be assisted by a committee called "Committee for the Farm Sustainability Data Network". That committee shall be a committee within the meaning of Regulation (EU) No 182/2011 of the European Parliament and of the Council (*).

2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

In the case of implementing acts referred to in Article 4a(3) and Article 8(4), point (a), of this Regulation, where the Committee delivers no opinion, the Commission shall not adopt the draft implementing act and Article 5(4), third subparagraph, of Regulation (EU) No 182/2011 shall apply.

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(*) Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).';

(22) the following article is inserted:

'*Article 19c*

The Commission shall submit to the European Parliament and to the Council by 20 December 2028 an evaluation report on the implementation of Article 4a and Article 7(1), point (g), accompanied, where appropriate, by a proposal for a legislative act amending Article 19(1), point (a).';

(23) the text set out in the Annex to this Regulation is inserted as Annex -I;

(24) the title of Annex I is replaced by the following:

'**List of FSDN divisions**'.

Article 2

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Strasbourg, 22 November 2023.

For the European Parliament	*For the Council*
The President	*The President*
R. METSOLA	P. NAVARRO RÍOS

ANNEX

'ANNEX -I

List of topics

Economic

General information on the holding

Type of occupation

Assets and investments

Quotas and other rights

Debts and credits

Value added tax

Inputs

Land use and crops

Livestock production

Animal products and services

Market integration

Quality products – geographical indications

Membership in producer organisations

Risk management

Innovation and digitalisation

Other gainful activities related to the holding

Subsidies

Indicative share of off-farm income

Environment

Farming practices

Soil management

Nutrient use and management

Carbon farming

Greenhouse gas emissions and removals

Air pollution

Water use and management

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Certification schemes

Energy consumption and energy production

Food loss on primary production level

Waste management

Social

Labour

Education

Gender balance

Working conditions

Social inclusion

Social security

Infrastructure and essential services

Generation renewal'.