

Improving farm-level physical and financial data availability at EU level

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Abstract – This paper summarises the main findings and recommendations of the EISFOM project with respect to organic farm level data. At the EU level, the Farm Structure Survey and EU Reg. 2092/91 provide the most detailed data on production structures (crop areas and livestock numbers), and EU and national FADNs are becoming a useful source of financial data, but good quality data on output and prices of specific crop and livestock products are lacking. To improve the situation, more effort is needed on accurate identification of organic holdings and individual crop and livestock products, including the harmonisation of classification systems and improved sample selection. The common nature of problems identified across different existing databases suggests an integrated approach to identifying solutions is needed.¹

INTRODUCTION

The aim of the European Information System for Organic Markets (EISfOM) concerted action project, completed in 2006, was to develop a framework for reporting valid and reliable production and market data on the European organic sector, in order to meet the needs of policy makers, farmers, processors, wholesalers and other actors involved. Following a review of organic data collection and processing systems (DCPS) in 32 countries, the development of initial proposals for harmonising methods and improving data quality and the evaluation of these in national pilot DCPS, a framework for a Europe-wide approach to organic DCPS was prepared and debated at a seminar in Brussels in November 2005 and final recommendations presented to the Commission in April 2006 (Rippin et al., 2006a, 2006b). This paper summarises the main findings and recommendations of the EISfOM project with respect to farm-level production and financial data at the European level.

PRODUCTION STRUCTURE AND OUTPUT DATA

Currently there are two main datasets (Farm Structure Survey (FSS) and reporting under EU Reg

2092/91 (defining organic farming)) that provide production structure data (crop areas and livestock numbers), on both European and national/regional levels. However, these sources provide contradictory results, often using different definitions and methods, with no common classification system. None provides data on actual output quantities of crops or livestock products.

At EU level, the *Farm Structure Survey*, organised by Eurostat, involves a full census every 10 years and sample surveys at 2-3 year intervals in between. Organic holdings were identified in the 2000 full census and in the 2003/2005/2007 sample surveys, on the basis of whether the holding was wholly or partly managed organically or in-conversion. For holdings with mixed status (conventional, organic or in-conversion) it is not possible to identify which crop or livestock categories have which status, which can lead to significant over-estimates of organic crop areas and livestock numbers. The FSS rules also do not strictly specify certification according to EU Reg. 2092/91, so that in some countries, e.g. where organic policy support does not require certification, alternative or self-definitions might be used. Small farms (< 2 ha) may not be taken into account in some national systems, so some organic farming activity may be excluded. However the FSS is an important source of data on the organic sector, including data on labour use and non-farming activities which are not usually available from administrative sources. The FSS also provides a more detailed breakdown of information by category and region than is available from other sources.

Member states are required to submit annually to the EU Commission data on the organic farming control system under *Reg 2092/91*. This can provide a more accurate dataset than the FSS, with a detailed breakdown of actual crop areas and livestock numbers, although the data submitted to the EU is only at national level. Most member states also publish separately a regional breakdown, although not necessarily for the same crop and livestock categories. Problems exist with incomplete reporting by Member States, inconsistent definitions of organic farming and individual crop and livestock categories, as well as the use of data from different sources, including both FSS and control bodies. All these factors reduce comparability between countries.

The data from single farm payment, livestock movement and agri-environmental support scheme

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control systems are also possible data sources, but not so widely used (Austria being an exception). Not all certified holdings would be policy-supported (due e.g. to the exclusion of horticulture or the absence of maintenance support). In a few countries, e.g. Sweden, many more holdings are policy-supported as organic than are certified.

FARM ACCOUNTANCY DATA

Farm financial data are important for decision-making by policy makers (in terms of setting support levels and simulating responses of farmers to policy changes), by producers (in terms of deciding whether to convert, or whether to modify existing organic systems and improve performance of farms, through benchmarking), and for the market place as costs of production are a contributory factor in transparent price setting. Since 2000, EU member states have been required to identify organic (or partly organic) holdings in the financial data that are submitted to EU-FADN on an annual basis, and with other data available from national FADNs, there is a developing resource on which to base financial analyses of organic farming, provide that some key problem areas can be addressed, in particular:

- correct identification of organic producers in national and EU-FADN samples, in particular in situations where holdings have mixed conventional and organic management;
- small sample size and non-representative organic samples (particularly in countries with a low share of organic farming) in national and EU-FADN samples, due to the focus on agriculture in general, not specifically organic farming.

Other issues include farm size and type definitions based on conventional standard gross margins; comparability of definitions between countries when using special surveys or national FADNs; limited availability of time series data; appropriate comparisons with results from conventional farms; as well as more detailed analysis of processing, tourism and other similar activities which may be more significant on organic holdings.

FARM-LEVEL PRICE DATA

Price data are important for transparency and efficient functioning of markets as well as for policy development and evaluation. There is no centrally co-ordinated organic price data collection and processing system at the EU level, unlike for general agricultural prices. Some organic price data is available from EU and national FADNs, but this is usually too historical to be commercially useful, and insufficiently detailed/precise to support policy-making (e.g. does not indicate channels used or proportion sold at conventional rather than organic prices). Some national initiatives do exist, the most developed being that of ZMP in Germany, which provides a potential reference point for the development of price data collection elsewhere.

The most critical point in gathering price data is to motivate farmers and other possible data providers to report their own prices on a regular basis. A system with adequate incentives is needed, e.g. a weekly report on the market situation and results of

price collection, but some businesses may need to be contacted regularly by phone in order to exchange information live and establish a sound partnership. Sometimes a closed user group may be needed. Once the system is established and working well, publication of a market report is normally accepted. Problems are likely to arise if only a few companies supply a major share of the market, with little incentive to share information. The more diversified the market structure, the higher the chances of support from companies, as all players need more market information. The wide range of varieties, quantities and marketing channels, especially in the fruit and vegetable market requires a detailed classification system. However, comparisons between countries may only be possible for a limited range of products and specifications.

CONCLUSIONS AND RECOMMENDATIONS

Some common themes have been identified that apply to all the data types reviewed requiring the following improvements to EU level data collection systems:

- accurate identification, not just of organic holdings, but also individual crop and livestock categories, particularly on mixed status holdings;
- selection of appropriate samples of organic holdings, reflecting the structure of the organic sector at national level, and the use of national weightings to aggregate data at EU level;
- harmonisation of classification systems to ensure comparability of data between countries and between datasets;
- prioritisation of key commodities and farm types in order to make best use of limited resources;
- integration of experiences from stakeholders and researchers working with organic data to support new initiatives by statistical agencies, and in particular the evolution of existing DCPS to provide organic data.

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