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Guest Editorial Current use and new perspectives for the Farm Accountancy Data Network

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FADN in the EU and Italy

More than 50 years after its establishment, the European Commission is planning a major revision of the Farm Accountancy Data Network-FADN, adapting its information set to user needs to analyse the impacts of Agricultural and Rural Development policies on new challenges. Agriculture and the related sectoral policies have changed in recent decades and are now subject to a new radical change soon, mainly in the environmental issues, development of rural areas and valorisation of public goods.

Accordingly, the recently approved “Farm to Fork” EU Strategy includes ambitious proposals for a revision of the Farm Accountancy Data Network Regulation to transform it into a “Farm Sustainability Data Network”-FSDN, aimed at contributing to a wide uptake of sustainable farming practices and the related and necessary data collection and analysis.

The process of integrating environmental themes and objectives into the CAP and the adoption of the European model of multifunctional agriculture started in the 90s have been consolidating over time. At the same time, the importance of the monitoring and evaluation activities of the CAP has grown, giving a strong relevance to the quantification of policy objectives and the policy evaluation process. In this context, the role of the FADN, as the only source of harmonised microeconomic farm-level data in the EU, is confirmed and reinforced.

In the meanwhile, the improvement of the analytical and political relevance of FADN, with the addition of environmental and social

dimensions of sustainability, has already started in the Italian FADN, and many of the relevant information and variables are already included in the Italian FADN dataset. Presidential Decree 1708/65 entrusted the National Institute of Agricultural Economics (INEA) with the coordination of the FADN Survey in Italy, designating it as the liaison body between the Italy and the European Commission. In 2015, INEA was incorporated into the Council for Agricultural Research and Economics (CREA), taking over the tasks and functions previously attributed to INEA, including its role as FADN liaison body.

Another important point, both for the national and EU FADN systems, is the strong need to minimise the response burden for survey participants and contribute to the more general objective of reducing administrative burdens, not only to the FADN Survey but also to the entire EU agricultural statistics system. This important goal can be achieved by improving connections, links, and exchange of primary data with existing data collections, ensuring a strong complementarity to produce harmonised statistics. Data should be collected once and re-used many times afterwards (Collect Once, Use Many Times). This “new” approach allows an improvement in efficiency by reducing the effort that researchers, data collectors and farmers make to collect, process, and use data. Only data, variables, and information not available in other data sets should be collected in the field. In this perspective, the Italian FADN has formalised agreements with several public institutions (I.e. the subsidies payment agency-AGEA and the National Institute of Statistics-ISTAT) and private companies that manage the farmers’ logbook for the exchange of statistical, administrative and managerial information.

Why a special issue on FADN

In order to respond to the above-mentioned challenges, the National Council for Agricultural Research and Economics (CREA) - Research Centre for Agricultural Policies and Bioeconomy, which coordinates, manages and enhances the Italian FADN, in collaboration with the journal *Food Economy*, has launched a call for paper for a special issue of the review on the theme “Current use and new perspectives for the Farm Accountancy Data Network”. This special issue wishes to offer to researchers, scholars, technicians and advisors the opportunity to discuss and provide important insights into the current uses and possible evolution of FADN survey in Italy, EU and neighbour or pre-accession Countries, highlighting its potential future developments and, where appropriate, critical points.

The call was launched in March 2021, and the number of contributions submitted, the variety and quality of the topics addressed demonstrate how the availability of up-to-date, reliable and broad-spectrum data is fundamental to provide the knowledge base useful to design, implement, monitor, and evaluate relevant policies, especially the Common Agricultural Policy (CAP), including Rural Development measures. On the other hand, FADN is also fundamental for the evaluation of EU policies focusing on the environment, adaptation to climate change, land use changes, and achievement of Sustainable Development Goals (SDGs).

The topics addressed by the submitted contributions range from the integration of the FADN with the system of agricultural statistics and administrative databases, to the more traditional microeconomic analyses related to the technical and economic management of farms, up to several examples of use of FADN data in the context of evaluations of agricultural and rural development policies in Italy and abroad. There are also contributions that propose innovative methodological approaches in the use of economic, accounting, and structural data of the FADN.

The quantity and the quality of submitted contributions have been very high. The papers accepted for publication, after an independent double-blind peer review, according to the rules of the journal, can be classified in three homogeneous thematic areas: Evaluation of policies, Methodology for the analysis and use of data, Farm-level analysis. A summary is given in the table below.

Evaluation of policies	• The use of FADN methodology to support the evaluation of business development plans in the RDP Sicily 2014-2020
	• Ten years later: diffusion, criticism and potential improvements in the use of FADN for Rural Development assessment in Italy
	• Enhancing the Italian FADN for sustainability assessment: state of the art and perspectives
	• Estimation of the impact of CAP subsidies as environmental variables on Romanian farms
Methodology for the analysis and use of data	• Generating cropping schemes from FADN data at the farm and territorial scale
	• FADN data to support policymaking: the potential of an additional survey – Federica
	• Modeling change in the ratio of water irrigation costs to farm incomes under various scenarios with integrated FADN and administrative data
	• Mapping data granularity: the case of FADN
	• Use and users of FADN data in Italy

Farm-level analysis	<ul style="list-style-type: none"> • Financial sustainability in Italian Organic Farms: an analysis of the FADN Sample
	<ul style="list-style-type: none"> • Sustainability and competitiveness in farms: evidence from the Lazio region agriculture through FADN data analysis
	<ul style="list-style-type: none"> • Economic characterisation of irrigated and livestock farms in the Po River Basin District
	<ul style="list-style-type: none"> • Organic and conventional farms in the Basilicata region: a comparison of structural and economic variables using FADN data
	<ul style="list-style-type: none"> • Investments financing at farm level: a regional assessment using FADN data
	<ul style="list-style-type: none"> • The Role of Neighborhood Effects on Investing Dairy Farms
	<ul style="list-style-type: none"> • The impact of irrigation on agricultural productivity: the case of FADN farms in Veneto

In recent years, the steering committee and the staff of the Italian FADN have actively worked on the reorganisation and optimisation of the survey, focusing on the achievement of a greater connection between the different data sources and providers.

In Italy, the experience of conducting the FADN Survey in a coordinated way with the Economic Accounts for Agriculture Survey (EAA), performed by Istat, is an example of streamlining the agricultural statistics system, with a more efficient data collection process, in line with the EU Commission’s guidelines for the creation of an Integrated Farm Statistics (IFS).

Moreover, the Agreement for a strengthened cooperation and data exchange, signed in 2017 by CREA, Italian Ministry of Agricultural and the Payment Agency in Agriculture and Rural Development (AGEA), aims at exchanging data and methodologies for the joint achievement of their institutional tasks in the field of economic.

Recently, the Italian FADN has started up several working groups, some of which are specifically addressed at updating the current information set of the FADN survey in Italy, focusing on adapting the accounting network to the needs of the next programming period of the Structural Funds. Working groups have also actively investigated the possible ways to improve data exchange with existing information systems, including the administrative ones.

The contributions included in this Special Issue demonstrate the extent of the use of FADN in the policy evaluation process and technical assistance to the Ministry of Agriculture and Regional Administrations in the design, simulation, and analysis of new agricultural policies and rural development measures. Furthermore, many articles focused on widening the use of FADN data for the evaluations of environmental performances of farms.

However, the use of FADN data and information remains dominant for analysing the competitiveness of farms according to the different farm typologies, location, production sectors and level of sustainability of the production processes, which is considered by most of the articles submitted.

A further aspect covered by the selected articles concerns methodological issues related to the possibility of exploiting the information potential of the survey by carrying out pilot surveys with the collection of farm variables not available in the “standard” FADN survey, and enlarging the FADN sample with a specific (ad hoc) sub-sample of farms adopting specific agricultural policy measures, or, finally, with the hints and suggestions for the integration of FADN dataset with administrative data.

As Guest editors, we are aware that the topics addressed in this issue cannot be considered exhaustive of the wide panorama of uses and developments of the FADN data. However, the selected articles highlighted the most relevant issues for the future development of the FADN dataset, with the aim to respond to the needs of evaluation of the agricultural policies and to create reports, thematic insights, scientific studies and analyses.

Thus, we would like to thank all the authors: their valuable contribution made possible to publish an interesting and comprehensive review of the use and perspectives of FADN. It will serve as a basis for further analysis and studies on the future development of FADN to a Farm Sustainability Data Network.

We are also grateful to the reviewers for their important support to the authors in improving their article; without them, the finalisation of this special issue would have been impossible. Many thanks also go to the editor-in-chief of the journal Maurizio Canavari, to the Associate Editors Sedef Akgungor, Valeria Borsellino, Alessio Cavicchi, Catherine Chan-Halbrendt, Alessio Ishizaka, Simona Naspetti, Soren Marcus Pedersen, Stefanella Stranieri, and to the Editorial Assistant Alessandro Palmieri for their support throughout the presentation and publication process.

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