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**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND
THE COUNCIL**

**on the application of the Farm Advisory System as defined in Article 12 and 13 of
Council Regulation (EC) No 73/2009**

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on the application of the Farm Advisory System (FAS) as defined in Article 12 and 13 of Council Regulation (EC) No 73/2009

1. INTRODUCTION

Member States have the obligation to establish a system for advising farmers on land and farm management, referred to hereinafter as the Farm Advisory System (FAS). The FAS is a major component of the 2003 Common Agricultural Policy (CAP) reform and had to be introduced by 2007¹. The objective of the FAS is to help farmers to become more aware of material flows and of on-farm processes relating to the environment, food safety and animal health and welfare. It was introduced at the same time as the cross compliance system, under which CAP support is paid in full only if farmers meet certain requirements relating to the environment, food safety, animal health and animal welfare. There are two rural development policy measures designed to help Member States set up farm advisory services and to help farmers use them. The FAS is indeed primarily a tool to help farmers fulfil those requirements and thus avoid financial penalties under cross compliance.

Under Article 12(4) of Council Regulation (EC) No 73/2009, the Commission must send the Council a report on the application of the FAS — accompanied, if necessary, by appropriate proposals. That is the purpose of the present report — to inform the European Parliament and the Council on the state of implementation of the FAS and to propose possible improvements. It is largely based on information received from the Member States in response to a questionnaire and on an evaluation study carried out for the Commission². The FAS was also discussed extensively with the Member States at five FAS workshops organised by the Commission in 2006-2010. These discussions covered the content, structures, methods and tools for national advisory services.

The deadline for setting up the system was 1 January 2007. Since the start-up period lasted from 2007 to 2009, and given the complexity of the information required, it is not yet possible to give a detailed analysis of the capacity of the national farm advisory systems or of the services they provide to the farmers. The purpose of this report is therefore not to offer an exhaustive overview but to provide input for a debate in the Council and the European Parliament in the course of 2010-2011.

¹ Article 13-16 of Council Regulation (EC) No 1782/2003.

² http://ec.europa.eu/agriculture/eval/reports/fas/index_en.htm.

2. THE EU FRAMEWORK FOR THE FAS

2.1. Legal framework

Each Member State is legally obliged to set up a national FAS offering advice to farmers. The FAS must cover at least the statutory management requirements and the ‘good agricultural and environmental condition’ (GAEC) referred to in Articles 4 to 6 of Council Regulation (EC) No 73/2009. However, the field of advice is not limited to cross-compliance standards: Member States may decide to include other issues. Each national FAS may be run by one or more designated authorities or by private bodies. Since the 2008 CAP Health Check, each Member State is free to decide (on the basis of objective criteria) which categories of farmers will have priority access to the FAS, without any further criteria being laid down at EU level.

Farmers use the FAS on a voluntary basis and remain responsible for acting on the advice they receive. In this respect the FAS does not in any way affect their obligation and responsibility to meet the legal requirements. However, the EU legal framework acknowledges that farmers who ask for advice are more likely to be aware of how to fulfil the legal requirements. When selecting farms for inspection, therefore, Member States may choose to consider these farmers as presenting a lower risk.

Raising farmers’ awareness of EU legal requirements is the main goal of the FAS. Advice must therefore be clearly distinguished from checks carried out in the framework of cross compliance or to ensure compliance with the sectoral legislation. In this connection, Member States must ensure that the FAS operators do not disclose personal or individual information, or data they obtain in the course of their advisory activity, to persons other than the farmer managing the holding concerned. The only exception to this rule is if FAS operators discover some irregularity or infringement which is covered by an obligation laid down in EU or national law to inform a public authority, in particular in the case of criminal offences.

2.2. Support for FASs from rural development funds in 2007 – 2013

The FAS as laid down in the first pillar of the CAP may be funded under the second pillar through two measures³.

First there is the measure co-financing farmers’ use of farm advisory services. The aim here is to help farmers meet the costs arising from their use of advisory services to improve the overall performance of their holding. As a minimum, these advisory services must cover the statutory management requirements, the GAEC and the occupational safety standards based on EU legislation. This support is limited to 80% of the eligible cost per advisory service, up to a maximum amount of €1500. Authorities and bodies selected to provide advisory services must have appropriate resources (including qualified staff, administrative and technical facilities, advisory experience and reliability) with respect to the cross-compliance requirements and the occupational safety standards. The Commission has drawn up guidelines on the

³ Articles 24 and 25 and recitals 18 and 19 of Council Regulation (EC) No 1698/2005.

conditions for granting aid and prioritising certain target groups, and on the frequency of the advice, the use of public or non-public advisory bodies and the coordination and the supervision of those bodies.

Second, there is the measure co-financing the setting-up of farm advisory services. To help cover the costs of setting up such services, Member States may grant degressive support over a maximum period of five years.

3. IMPLEMENTATION OF THE FAS BY MEMBER STATES

In January 2009, in order to prepare for this report, the Commission sent out a structured questionnaire on the organisation and setting up of FASs in the Member States. It contained, for example, questions on legal provisions, the bodies responsible for coordination, certification and control, priority groups of farmers, geographical organisation, the number and type of advisory bodies, their specialisation, the number of farmers reached, the methods used, financing, etc. Member States (MS) were also asked a number of open questions concerning the problems they encountered and their suggestions for the future FAS framework. The replies to the questionnaire provided implementation data for 2008. These data and the FAS evaluation study commissioned by the Commission in 2009 may be summarised as follows.

3.1. State of play of Member States' FASs

In most Member States the FAS became fully operational only in 2008. Preparatory work to set up the FAS (passing legislation, publishing calls for tenders, selecting advisory bodies, etc.) was carried out in 2007. In around half of the Member States the FAS was set up as a specific service, complementary to existing extension services. In the other cases the FAS was interwoven with the existing extension services.

Generally (in 24 MS), the FAS is coordinated and supervised by public bodies. The advisory bodies are selected via calls for tenders (14 MS) and by designating private (5 MS) or public bodies (5 MS). Most Member States have set the threshold for advisors' minimum qualifications at university level (BSc or MSc).

In 14 Member States the FAS focuses strictly on cross compliance, while in the remaining countries the advice embraces broader issues, such as the competitiveness of the holdings, the environmental impact of farming practices and support for the implementation of rural development measures (e.g. agri-environmental commitments).

The two approaches most widely adopted were on-farm one-to-one advice (all MS except UK-England) and on-farm small group discussions — the latter often complementing the former. Computer-based information tools and checklists have helped provide advice in various MS. In 22 Member States, farmers' first contact with the FAS was through telephone help lines.

So far, there has not been much prioritising of groups of farmers, except the initial obligation to give priority to farmers receiving more than €15 000 in direct payments. Some MS said they had problems in reaching small farms. In the EU as a whole, the number of farmers receiving FAS advice was rather limited (around 5%

of farmers receiving direct payments were given one-to-one advice in 2008). The main beneficiaries of the FAS were large farms, already familiar with the existing advisory services.

3.2. Financing the FAS

Farmers had free access to one-to-one on-farm advice (5 MS), or partially contributed to the costs of that advice (20% to 50% of the full cost), or entirely covered these costs (2 MS).

The measure supporting farmers' use of advisory services was planned in 20 MS, covering 1 123 000 farmers. The total budget for 2007-2013 amounts to €870.5 million — 0.6% of total public expenditure on rural development (RD) — of which 1.3% was spent in the first two years, covering 12 250 farmers.

The measure supporting the setting-up of management, relief and advisory services was planned by 7 MS, with 4 MS (ES, MT, PT, IT) clearly focusing on FAS. The 2007-2013 budget amounts to €172.9 million, i.e. 0.1% of total RD public expenditure, of which 2 % was spent in the first two years.

3.3. Evaluation of the FAS

The FAS evaluation report concluded that, overall, the FAS did help increase farmers' awareness of material flows and on-farm processes relating to the environment, food safety and animal health/welfare. One-to-one advice using checklists was considered particularly effective, as it is a very individualised and structured way of providing advice. In some Member States, the establishment of the FAS represented a good opportunity to rethink and improve their wider advice and knowledge information systems in the agricultural sector.

The FAS helped farmers to meet cross-compliance requirements, and this was the main motivation for farmers to make use of the system. FAS support also increased farmers' financial management skills (accountancy) and improved their book-keeping as regards cross-compliance obligations.

Overall, however, the effectiveness of the FAS was still limited, since few farmers sought the advice on offer. The evaluators see potential for improvement since the FAS has reached more farmers (up to 20% of those receiving direct payments) in Member States which implemented the system from 2005 onwards. In some cases the pre-financing of the advice may have discouraged some farmers from taking advantage of the FAS.

The evaluators considered it a fundamental prerequisite for the FAS that EU farmers should have access to the advice on a voluntary basis, since following advice is by its very nature voluntary — in contrast with compulsory control/certification systems. So far, the FAS had done little to improve EU farmers' perception of the CAP. Farmers often saw the FAS as being strictly about cross compliance and the related system of farm inspections, and this cast it in a negative light. However, there were cases where the FAS had succeeded in building a trustful and effective relationship between the farmers and the advisors. The evaluation report recommends that the voluntary concept and overall flexible architecture of the FAS should be maintained.

4. IMPROVING THE FAS IN THE FUTURE

Based on the experience of these early years of implementation and on the evaluation study, the Commission makes the following proposals for improvement. These proposals may take the form of guidelines (recommendations) to the Member States or may necessitate amending current EU legislation.

4.1. Clarification of the FAS and farm advisory services

- (1) The terms ‘Farm Advisory System’, and ‘farm advisory services’ should be clarified. The ‘Farm Advisory System’ covers the overall organisation and the various public and/or private operators that deliver ‘farm advisory services’ to a farmer in a Member State (Article 12 of Council Regulation (EC) No 73/2009). The existence of a national FAS guarantees that each farmer can seek and receive advice on at least the basic cross-compliance requirements in the field of the environment, public health, animal and plant health, animal welfare and keeping land in good agricultural and environmental condition. It is important to distinguish as clearly as possible between advice, being the output of a Farm Advisory System, and the mere provision of information to farmers. ‘Farm advisory services’ should assess the specific situation of the farmer and not only present general information. The provision of information on cross-compliance requirements is already obligatory pursuant to Article 4(2) of Regulation 73/2009.
- (2) The FAS is designed to help not only farmers who receive CAP payments but all farmers in the European Union, including (for example) specialised pig farmers in need of advice on the Nitrates Directive.

4.2. The scope of the FAS

- (3) Cross-compliance requirements and other obligations to be respected by the beneficiaries should be within the core minimum scope of the FAS and its objectives, for both first and second pillar. These requirements should be adequately covered by FAS advice. The FAS should first and foremost help farmers comply with rules.
- (4) Obligatory elements to be covered by the FAS, in both the first and second pillars, should include the minimum requirements for the use of fertilisers and plant protection products use. These requirements form part of cross compliance for farmers receiving agri-environment payments.
- (5) Via its priority focus on cross-compliance requirements, the FAS already covers many practices relating to climate change — practices that reduce the impact of agriculture on the climate and that help farms adapt to changing and more variable climatic conditions⁴. Current GAEC standards are essential for

⁴ For instance, the standard on protection of permanent pasture, the crop rotation standard and catch crops, the minimum soil cover standard, reduced tillage under the minimum land management standard, standards on crop residue management, standards on the maintenance of soil organic matter and requirements under the Nitrates Directive concerning the application and storage of manure. All these requirements set limits on practices that have impacts on farm-level GHG emissions. They are covered under the FAS via the priority for cross-compliance requirements.

keeping organic carbon in agricultural soils and for ensuring their sustainable use. However, it may be worth including within the FAS framework specific action on climate change, for instance screening good practices and carrying out specific promotion exercises on farms, including the provision of technology-related advice. One way to ensure that the MS develop such capacities could be to include a specific reference in a legal text highlighting this need. Advisors may be very useful in summarising good practices and making them better known to farmers. A list of good practices could be summarised at EU level. Advisors could be obliged to follow specific training in understanding and disseminating important farming practices relating to climate change.

4.3. Clarifying the role of FAS advisors vis à vis other actors in the field of cross compliance

- (6) Member States should be reminded of the common-sense distinction between control (checks and inspections) and advice. There must be a clear separation between advice and controls. In any case, the farmer is responsible for his own actions.
- (7) It is important to maintain the current rule that individual data from visited farms should under no circumstances be passed on from advisors to inspectors. Even if this were done anonymously it would constitute a breach of confidentiality. Providing advisors with inspection data on individual farmers also tends to be counterproductive, as it may destroy the necessary trust in the advisor. Evidence shows that Member States have not always fully understood these principles.
- (8) Giving advisors aggregated data from farm inspections could be useful, but should not be made obligatory. If the advisor asks for it in order to better target the advice, the inspecting body may hand over aggregated data on, for instance, the types of non-compliance most frequently found.
- (9) FAS advisors should not limit their efforts to helping farmers meet their practical obligations under cross compliance, but should also explain the objectives of these obligations and the underlying policies, and how they contribute to sustainable agriculture. A farmer who understands the rationale behind specific obligations will be more inclined to fulfil them.
- (10) New advice topics are emerging and a farmer will require help on a broad range of issues — from economic matters to ecological issues to nature conservation. FAS advisors will not be able to reply to all questions but should be well informed and able to act as a ‘general practitioner’, directing farmers if necessary to specialist advisors. For instance, when a farmer needs to (re)orient his production and wants advice on agricultural markets, the FAS advisor should be able to put the farmer in touch with services specialising in such matters, or guide him towards sources of relevant information, e.g. production data. A similar approach could be recommended for organic farming. For instance, farmers may need advice on how to switch to organic production, or on market opportunities and better farming practices (see also proposal 19). FAS coordinating bodies should play an important role in

helping the advisors to network, for instance by providing the contact details of specialist advisors and saying which fields they specialise in.

4.4. Promoting the FAS

- (11) The scope of the measure on the use of farm advisory services as defined in Article 24 of regulation 1698/2005 should be clarified. It should be made clear that a farmer is not obliged to take up advice on each cross-compliance requirement in order to be entitled to receive support for the use of a farm advisory service⁵. This should reduce the administrative burden of the measure for farmers and administrations, and the cost for farmers. The farmer will be able to apply more quickly for reimbursement of his/her share of the advice costs, as it will no longer be an obligation to wait until all fields of cross compliance are covered. However, FAS coordinating bodies and advisors should keep giving the necessary attention to those obligations which are the core issues for the FAS, as farmers asking for advice may not always realise that they need advice specifically on cross compliance.
- (12) At the same time, the obligatory coverage of occupational safety standards under the second pillar measure on the use of FAS should be flexible and limited to the relevant elements.
- (13) The frequency of uptake of the measure on the use of farm advisory services should be left open. Member States have so far programmed two to three advisory services for the rural development period 2007-2013. It should be made clear that a farmer may ask for more services, e.g. at least once a year. The flexibility to ask for advice more frequently, together with the flexibility in the obligatory scope per advisory service as cited in proposal (11), will make the measure more targeted and attractive. The cost of each advisory service will be reduced as it will be limited to providing targeted advice at a moment when the farmer has a real need.
- (14) The scope of cross compliance has been widened since 2003. Costs have also risen and expectations from FAS advice going beyond cross compliance are higher than in 2003, given new challenges such as climate change, water issues, the need to preserve biodiversity, etc⁶. Member States are asking the EU to increase the budget for farm advice. The consequence of proposals (11) to (13) should accommodate this increased demand: farmers will be able to take up targeted advice more frequently, and on a broader range of subjects, within the maximum amount of €1500 support for a farm advisory service⁷.

⁵ As part of the 2009 simplification process, there was discussion as to whether advice co-financed from the European Agricultural Fund for Rural Development (EAFRD) should be obliged to cover all cross-compliance fields and occupational safety standards, as laid down in Art. 24 of Council Regulation (EC) No 1698/2005. As part of the alignment process in September 2010, the Commission intends to amend Council Regulation 1698/2005 in order to make the measure more flexible.

⁶ One of the actions envisaged in the 2009 White Paper: 'Adapting to climate change' (COM(2009) 147) is to 'examine the capacity of the Farm Advisory System to reinforce training, knowledge and adoption of new technologies that facilitate adaptation'. Further details are given in the DG AGRI Commission Staff Working document accompanying the White Paper: 'Adapting to climate change: the challenge for European agriculture and rural areas' (SEC(2009) 417).

⁷ Article 24 and Annex I of Regulation (EC) No 1698/2005.

- (15) The Commission wants to emphasise that FAS is also important for small farmers. This group is currently not being properly reached by FAS services, yet small farmers are at least as important as others in terms of their need to comply and their possible lack of awareness of their obligations. The measures proposed here are also intended to tackle this point, however Member States should be pro-active and reflect on how to target farmers who do not yet realise their need for advice.
- (16) Member States should do more to promote the FAS, for instance by enclosing a list of advisory bodies when sending application forms to farmers, or by arranging for farm inspectors to give that list to the farmer if any infringement is detected.
- (17) To make farmers more aware of the FAS, Article 4 of Council Regulation (EC) No 73/2009 should include an obligation on Member States to provide farmers with the list of FAS advisors.

4.5. Management of the FAS

- (18) The Commission strongly recommends that FAS coordinating bodies organise basic and regular follow-up training for each advisor, at least on all cross-compliance issues. Such training should cover both the farmers' actual obligations and the underlying policies. Training is particularly needed in the area of new action to deal, for instance, with climate change.
- (19) Member States should create synergies between different instruments such as advice, training, information, extension services and research, respecting the characteristics of each instrument but integrating them in a coherent way. Furthermore, information from advisors on the practical implementation of cross-compliance requirements may be of particular use to the authorities managing FAS and cross compliance. It is therefore important that actors in the field of cross compliance, such as advisors, FAS coordinating bodies and the cross compliance managing authorities, should share their knowledge of the practical implementation of cross-compliance requirements. They could, for example, hold regular information exchange sessions, once or twice a year.
- (20) To ensure coherence between pillars, the second-pillar implementing provision on appropriate staff qualifications for FAS advisors could be extended to the first-pillar rules for FAS⁸.
- (21) Member States are reminded that the Commission, while not wishing to add any administrative burden, considers it essential to evaluate and monitor the FAS, especially in view of discussions on the future of FAS and the farm advisory service measures in the post-2013 CAP. Such evaluation should not

⁸ The second-pillar implementing rules pursuant to Article 15 of Commission Regulation (EC) No 1974/2006 specify that co-financed farm advisory services '*shall have appropriate resources in the form of qualified staff*'. The guidelines for this measure say that staff qualifications can be set via a minimum level of education or certification. The second-pillar measure on the use of farm advisory services is being applied in 20 Member States.

lead to unnecessary data exchange on individual farm records nor to an excessive administrative burden. However, it is of prime importance to ensure the effectiveness of the FAS by assessing the quantity and quality of advice given (e.g. its usefulness and the level of satisfaction of the farmer).

5. CONCLUSION

In the light of the evaluation set out in this report, the Commission considers that the FAS is an essential tool for a successful implementation of the CAP. Farmers are supported in their efforts to comply with the EU's legal requirements relating to the environment, food safety and animal health and welfare. By assisting them with these 'cross-compliance' requirements, the FAS helps farmers avoid losing CAP payments. A farmer receiving advice is more likely to understand his cross-compliance obligations, and will thus more readily comply with them.

Advisory services are certainly not new in many Member States, but they may have been taking place in a piecemeal manner. By obliging each Member State to have a FAS in place, the legislator has adopted a more strategic overarching approach. The efforts being made in the Member States illustrate the important role that the system and the FAS coordinating bodies can play in helping farmers understand and implement EU rules.

The start-up phase has required considerable effort, especially from Member States where few if any advisory services were available in the past. For other Member States, setting up a FAS has been more a question of coordinating existing services so as to give farmers a single contact point for advice on practical questions.

Moreover, with new challenges emerging, expectations from advisory services have risen since 2003. The FAS should therefore pro-actively develop and encompass issues that go beyond legal requirements under cross compliance.

The Commission therefore makes the following recommendations to the Member States:

- Keep the scope of the FAS broad but with the rules to be respected as the core minimum scope.
- Emphasise the role of the FAS advisor as a 'general practitioner' directing farmers, if necessary, to specialist advisors.
- Use aggregated farm inspection data to help target the advice better, while taking into account the great importance of respecting the confidentiality of advice data. The FAS advisor should act as a 'general practitioner', interlinking all different aspects of farming with a holistic approach. He should explain to farmers not only the EU's requirements but also their objectives, and the underlying policies.
- Promote the FAS via specific measures, such as taking appropriate opportunities to give farmers the list of advisors, ensuring that small farms are reached too.
- Improve the management of the FAS, and ensure that knowledge is shared between actors in the field of cross compliance. FAS coordinating bodies should enhance the synergies between various instruments such as advice, training, information, extension services and research. It is very important to evaluate and monitor the FAS.

The Commission further considers that the following actions are necessary:

- Clarify the terms ‘FAS’ and ‘farm advisory services’, clearly distinguishing advice from the mere provision of detailed information, and ensuring that the FAS is targeting all farmers in the EU.
- Include within the minimum scope of the FAS the minimum requirements for fertiliser and plant protection products as laid down in national legislation, and highlight the need for specific action on climate change.
- Explain the role of FAS advisors vis à vis other actors in the field of cross compliance, recommending a clear separation between advice and farm inspections.
- Promote the FAS by introducing flexibility in the content and frequency of uptake of the advisory measure, and by obliging Member States to provide farmers with the list of FAS advisors.
- Improve the management of the FAS by requiring that advisors are suitably qualified and regularly trained, with training sessions being organised by the FAS coordinating bodies.

These actions may lead to legislative changes in the post-2013 package.