

European Communities – Joint Information Service

**Newsletter on the Common Agricultural Policy**

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Summary

Organization of the EEC Farm Accounts

Information Network

AS FROM 1967, FARMERS IN THE VARIOUS REGIONS OF THE EUROPEAN ECONOMIC  
COMMUNITY WILL BE ABLE TO TAKE PART DIRECTLY IN THE DEVELOPMENT  
OF THE COMMON AGRICULTURAL POLICY THROUGH THE FARM ACCOUNTS  
INFORMATION NETWORK OF THE COMMUNITY

European economic integration has occupied the stage since 1958 and during that period the common agricultural policy has frequently come into the limelight.

Agriculture in the six member countries has gradually come to be regulated by numerous Community measures, some of which made the headlines - as for example regulations on the organization of markets, decisions relating to the structure of agriculture, financing, etc.

Some of the measures adopted were less spectacular than others and were overshadowed to some extent by the stir and bustle of the Brussels marathons. Their long-term effects however will be far from negligible.

The present short interval before the curtain goes up on the next act in Community development at present being prepared behind the scenes could perhaps be used to examine one of these measures which will in the near future make actors of Community farmers who have up to now been merely spectators.

Information on farm accounts in the EEC<sup>(+)</sup>

Now that the phase of preparing the main provisions which will govern the future development of European agriculture has come to an end, the Community is moving gradually into the administrative phase. Before this can get under way, adequate information must be made available regarding the business situation and income of various types of farms in the Community. Information of this kind will enable the Community to

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(+) Newsletter on the Common Agricultural Policy, No. 35 of 1965.

take the disparities in European agriculture into account in its future planning so that the objectives of the common agricultural policy, set out in Article 39 of the Treaty of Rome, may be fulfilled more effectively.<sup>(1)</sup>

With this in view the EEC Council adopted in June 1965 a regulation creating a network for the examination of farm accounts with a view to assessing farm incomes and conduct of business in the Community.<sup>(2)</sup> Since then a series of implementing measures have been adopted, dealing in particular with the selection of farms, the presentation of the data obtained in the course of the survey, and the relationship between the various agencies co-operating.<sup>(3)</sup> The network will be able to begin functioning in the very near future.

#### Information on the business situation of the various types of farms

The object of the EEC network for information on farm accounts is to collect the data necessary for:

- making an annual assessment of farm incomes;
- farmmanagement analysis.

These data will form the basis for the drafting of an annual report on the situation of agriculture and agricultural markets in the Community.

The information will be derived from the accounts of farms chosen as being representative of the different types of agriculture to be found in the various areas of the Community countries.

Some 10 000 farmers will be collaborating directly in the operation of the network from its earliest years.

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#### (1) Article 39

1. The common agricultural policy shall have as its objectives:
  - (a) to increase agricultural productivity by developing technical progress and by ensuring the rational development of agricultural production and the optimum utilization of the factors of production, particularly labour.
  - (b) to ensure thereby a fair standard of living for the agricultural population, particularly by the increasing of the individual earnings of persons engaged in agriculture.

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(2) Regulation No. 79/65/CEE of 15 June 1965; official gazette No. 109, 23 June 1965.

(3) Regulations Nos. 91/66/CEE, 118/66/CEE and 181/66/CEE

### A decentralized organization

Arrangements have been made to ensure that the information obtained shall be reliable and truly representative of the general situation of farming. Several bodies have been set up to ensure the effectiveness of the network. These operate at regional, national and Community levels, each with a specific function.

#### Regional level

The member countries have been split up into territorial subdivisions (36 for the whole Community). In each of these, two types of agency are to be found:

- (a) A Regional Committee with members representing the administration, the farms, the accounting offices, etc.

These Committees are charged in particular with the selection of the account-keeping farms.

- (b) Accounting offices. These are accounting bureaus which already keep or supervise farm accounts and are prepared to complete the Community farm account sheets in respect of each selected farm.

These two types of agencies will be in direct contact with account-keeping farms, the first at the moment of selection, particularly with a view to obtaining the consent of the head of each farm selected, the second assisting with keeping the accounts of these farms.

#### National level

In each Member State there will be an office for liaison between the regional agencies and the Community agencies. The Regional Committees and the accounting offices will be in direct contact with this office administratively or by contractual arrangements.

#### Community level

The EEC Commission has a special department responsible for the functioning of the network for the collection of information on farm accounts: the Commission is assisted by a Community Committee whose main task is to obtain the support of the Member States, to elaborate

methods of application and to manage the network. The advice of this Committee is sought in particular concerning the selection by the Regional Committees of account-keeping farms and the examination of the accounting data obtained.

The diagram below gives a general view of the organization of the network. It illustrates how the information will be routed from the individual farms to the authorities responsible for the execution of common agricultural policy.

#### The first accounting operations

The EEC network for the collection of information on farm accounts will be set up during the first few months of 1967. Its establishment will be gradual in order to allow this vast mechanism time for running-in.

Very soon, farmers of every region of the Community will be invited by the competent authorities in their territorial subdivisions to co-operate in this enormous effort to supply information, from which they will be the first to benefit.

#### The first to benefit .....

For farmers who had not previously kept accounts this will be, in the first place, an opportunity to learn more, by facts and figures, about the economics of their farms and to run them better.

It means that all farmers will be able to compare themselves, under the competitive conditions which are being established, not only against their immediate neighbours but against all the farmers who, from northern Germany to southern Italy, will be supplying a unified market soon to number 200 million consumers.

This direct, special advantage is coupled with an essential and general one, since the outcome of the total individual efforts will be a more enlightened agricultural policy better adapted to the varying circumstances of European agriculture.

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Just as more and more detailed information is essential for the efficient running of a farm, so the administration of common agricultural policy, if it is to fulfil the aims of the Rome Treaty, requires adequate information originating from the farms themselves.

Instead of being the interested or even uninterested onlookers they formerly were, farmers will, in this way, be called upon to play a personal rôle of the first order in building their own future, which is now to be seen in a European perspective.

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BEST WISHES FOR 1967 TO ALL OUR READERS

DIAGRAM OF THE EEC INFORMATION NETWORK ON FARM ACCOUNTS

A. LEVEL

B. ORGANS

C. ACTIVITIES

