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## MULTIPLE USE OF FARM REGISTER

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*Finland's Farm Register contains information of all potential farms, which could produce agricultural products. The Farm Register serves both statistical and administrative purposes. Multiple use of Farm Register wouldn't be possible without legislation, which permits the use, co-operation with statistics and administration and high ADP-competence. With multiple use of the register is possible to reduce the response burden of farmers, rationalise data collection, save in operating costs and ensure good quality of statistics. On the negative side, statistics is almost totally independent on the data sources of the rural business administration and the needs of statistics and administration makes the system quite complicated. Close co-operation with statistics and administration has proved to essential for multiple use. In Finland the experiences of multiple use Farm Register have been positive.*

## **1. History and legislation**

The First statistical Farm Register was based in Finland in 1972 on the data collected in Agricultural Census 1969. The database in the register was relatively small and it was updated annually during the period 1972-1988 with the data from a questionnaire posted to farmers. A new Agricultural Census with quite comprehensive list of characteristics was carried out in 1990 using interview method. Data collection and other basic elements of the Census were grounded on the *Act of Agricultural Census*. During the preparatory phase of the Census we were looking for ways to rationalise data collection and centralise the numerous administrative activities, like subsidies related to farms, using automatic data processing. The other goals were to save money in data collection and reduce respond burden of farmers.

The solution was to set up - on a legislative basis - an Administrative Farm Register which could be used for statistics and for administration. The act establishing the Administrative Farm Register was passed in 1989 in connection with *the Act of Agricultural Census 1990*. On the basis of both acts a certain part of the Census data was to be used for establishment the Administrative Farm Register which realised in 1991. According to the respective act, Administrative Farm Register can be used for administrative purposes like planning, preparatory decision making, reporting and for statistics.

Taking into account new requirements relating to the Finland's membership in EU, it was necessary to amend the legislation on Administrative Farm Register. This was performed in the end of 1994 when the *Act of Rural Business Register* was passed. The basic data of Administrative Farm Register 1994 was used when the Rural Business Register was established. The new register is now used as a base for taking care of the administrative and statistical tasks caused by domestic needs and by EU membership including the Integrated Administration and Control System.

## **2. Description of Finland's Farm Register**

Finland's Farm Register contains information of all potential farms, which could produce agricultural products in Finland.

The Farm Register serves both statistical and administrative purposes. When it was being set up, every effort was made to take into account the data requirements of

- a) rural business statistics and surveys on the structure of agricultural holdings
- b) the information required by the rural business authorities for the administration and monitoring of subsidies, for the preparation of other decisions, and for planning measures and monitoring their effects.

Part of the register also constitutes in Finland the Integrated Administration and Control System (IACS) required by the European Union.

The register consists of a decentralised and a centralised system. The decentralised system is maintained in the municipalities (455) by their rural business departments. The register in each municipality contains information on the registered units in that municipality. The central register, which is held by the Information Centre, contains data on all Finland's municipalities. The basic data for these systems is gathered through application forms which the farmers fill out when they apply for aid from the municipality. These decentralised information systems maintain the basic data on agricultural holdings (farms), process the aid application forms, validate the data entered, calculate the aid, make aid and payment decisions and finally send on information to the centralised information system to the Information Centre.

Many kinds of checkings are made to the data. The centralised information system combine the data from the decentralised system, validate the data received, carry out necessary cross-checks, select the individuals to be controlled, carry out payments, and make reports to the EU and national purposes.

### **3. Preconditions of multiple use of Farm Register**

#### **Legislation**

The legal ground of the register is one of the most important elements of statistical use of Farm Register. Without it the register could not be used successfully for both statistical and administrative purposes. *The Act on Rural Business Register* makes possible to use the data included in the register also for statistical purposes and research.

Also in Finnish legislation, data collected for administrative purposes can always be used for statistical purposes and, if possible, should always be so to avoid duplication of the data-collection effort. Data collected solely for statistical purposes can naturally not be used for administrative purposes without the consent of the provider of the information.

#### **Co-operation**

According *Finland's Statistics Act*, the statistical authorities are Statistics Finland, as the national government body for statistical work, and the other government bodies whose responsibility for drawing up statistics is specifically provided by law. One of these other statistical authorities is the Information Centre of the Ministry of Agriculture and Forestry, whose duties as a statistical

authority are provided in the *Act on the Information Centre of the Ministry of Agriculture and Forestry* and the *Act on Rural Business Statistics*. In accordance of the latter Act, the Information Centre produces and publishes statistics on the practice of agriculture and horticulture and the related commercial and processing activities, together with other rural business activities.

According to the *Rural Business Register Act*, the Information Centre of the Ministry of Agriculture and Forestry is the keeper of the Rural Business Register. Thus, the same government body acts as both the keeper of the register and the statistical body. A close co-operation between statistics and administration is a precondition for multiple use of Farm Register. The needs of statistics have to be taken account annually in both the information system and the forms. The staff of the Information Centre also serves as instructors on training courses related to aid applications. These courses provide an opportunity to stress the importance of information for statistical purposes.

The Information Centre's statistical section is responsible for producing statistics, and its data management section for maintaining and developing the data systems connected with the register. The checks which have to be carried out on the centralised system of the register involve staff of both the statistics section and the data management section.

#### **ADP-competence**

The system we have in Finland is a very large information system and it requires a very high ADP-technology. High-qualified ADP-experts are needed in planning and implementation of the system. Good knowledge of agriculture together with good ADP-competence is essential for maintaining the system.

## **4. Advantages in multiple use of Farm Register**

**1. Good representativeness:** As a whole Finland's Farm Register contain information of more than 240 000 farms. Only about 94 000 (year 1996) of the farms included in the register are active farms, in other words, holdings whose output is agricultural products. In 1997 about 88000 farms applied for aid and the number of active farms is about 90 000 (foreknowledge).

Finland's rural business authorities process and pay both EU and national aid through systems incorporated in the Farm Register. Taken together, these aid systems are very broad in scope and in practice cover practically all active farms, because the aid is of particularly great importance in the composition of farm incomes. As all farms and other agricultural enterprises in Finland are entered in the register, it is possible to use the system to find out which farms in production (active farms) have not applied for aid. Maintenance of this information is facilitated by the fact that the municipal departments responsible for rural businesses are very familiar with the farmers in their area, since, on average, there are about 210 - 220 active farms in each municipality.

The coverage of the data of the farms which do not apply for aid is not fully complete in all respects, e.g. for arable land use and livestock numbers. The Information Centre collects the data on these farms from the farmers or other agricultural entrepreneurs direct as computer-aided

telephone enquiries. These data are then incorporated in the statistical register of the Farm Register using the farm identity number.

**2. Good reliability:** data is checked in several stages. The administrative data goes through many checking procedures: first application forms are pre-checked and then computer entries are checked. These are done by local authorities. Before support is paid farmers are sent preliminary notices which they can themselves check that they have reported information on their farm correctly. IC MAF also checks data in the central register. These IACS rules prevent effectively false and insufficient data.

In general, the data in the Farm Register can be regarded as relatively reliable. As a result of multiple checks it is possible, for example, to minimise recording errors. The validity requirements for the register system and monitoring have improved the accuracy of the information provided by farmers and encouraged them to take more care when making declarations. Moreover, when it comes to money, it is in the interest of farmers to complete aid application forms accurately. The sanctions for incorrect information are much worse than those for false statistical information. Even if farmers could be penalised under the *Act on Rural Business Statistics*, in practice this has never happened.

**3. The response burden** of the farmers will be reduced considerably, because the main part of the same data is needed both in administrative and statistical purposes. This is very important because the number of different questionnaires addressed to the farmer is high. According to Finnish legislation (*Statistics Act 21.1.94/62*) when data are obtained for the compilation of statistics use should be made in the first instance of data collected in other contexts. When arrangements are being made for the collection of data, it must be established whether the data in question could be obtained from data collected for other purposes. In this way duplication of effort in data collection can be avoided and also the burden on respondents reduced.

**4. Cost savings in data collection.** By rationalising data collection systems it is possible to save operating costs.

**5. Statistical data and administrative data match**, because they originate from the same source.

Checks have been made between data collected by statistical sample surveys and in Farm Register. The reliability of the data on the use of arable land included in the Farm Register has been analysed by comparing the data at country level with the data collected in the statistical sample survey at 1 June. In 1996, for example, the register-based data on areas under cereals differed by only 0.4 %.

## **5. Problems... and how they were solved**

**1. Complicates the system: more data, more detail codes, more data tables.**

Multiple use of Farm Register increases naturally the amount of information which has to be collected from the farmers in aid application forms. Also needs of statistics increase the amount of information in the register compared to a pure administrative register. The system is very large and its data expand every year. The requirements of administrative data and statistical data differ often in many ways. If the demands of administration and statistics correspond with each others, the amount of information would become less. In Finland we have succeeded quite well to standardize the definitions of statistics and administration and in that way we have been able to minimise the amount of information.

## **2. IACS-data changes almost continually because of controls and administrative check: requires snapshots about the data**

The bulk of the data used for statistical purposes are updated once a year by the municipal rural business departments in connection of the main aid application. Such data refer to, among others, the areas in various land-use categories, the use of arable land and other agricultural areas, and the numbers of livestock. The data is recorded in the computer after the main aid application in June and July. The above departments at the same time update the basic data on farms and their farmers. The last mentioned data (e.g. changes in telephone numbers, addresses and names of the farmers) can also be updated in connection with other aid applications made during the year.

For the most part, the information given in the forms appended to the main aid application refers to the situation on the last day of May; an exception is made for livestock, for which the reference date is 1 May. The areas under various crops must be reported by the day on which the forms are returned at the latest. Since it is not possible to finish sowing in Finland by the last day of May, EU regulations permit changes in sowing areas to be reported separately up to the last day of sowing, or 15 June, in some areas.

Due to the many corrections made on the basis of various checks and administrative controls, the data in the register changes continuously in the course of the summer and early autumn. Only at the end of the reference year (in November or December), are the data of the register so fixed that they can be used for the production of final statistics.

## **3. Key concepts and codes must be equal on administration and statistics and they must fulfil both requirements.**

The different definitions and classifications used in statistics and in administration have also caused problems

For example when it comes to the definition of "*parcel*" there is a difference between statistics and administration. The Farm Register contains information on both basic parcels and agricultural parcels. The definitions of these parcels differ from the definition of "*parcel*" in the Farm Structure Survey. The definition of "*basic parcel*" corresponds mainly to the concept "*field*" in the definition of "*parcel*". A basic parcel can consist of one or more agricultural parcels. The definition of "*agricultural parcel*" is the same as that given in the IACS (Council Regulation (EEC) No 3508/92). In Finland, the information on basic parcels is intended to be used as the data

for “*parcel*” in statistics. If the data in question can't be approved, then the number of parcels will also not be established in the separate survey, since there is a risk that the great variety of concepts and definitions of parcels will only confuse farmers.

#### **4. Requires a close co-operation between administrative and statistics**

In Finland, we are fortunate in that the same government body acts as both the keeper of the register and the statistical body. This being the case, we have been able to take the data requirements of statistics into account from the creation of the system. This has not, however, happened without any problems; for example, it has been very difficult to convince staff of the Ministry of Agriculture and Forestry of the importance of data needed for statistics.

#### **5. Application forms must be designed to contain both support and statistical issues.**

The information systems for the register and plans of the application forms for aid are implemented and developed together with the Information Centre and the Ministry of Agriculture and Forestry. In this way the needs of data for statistics is taken into account annually in both the information systems and the forms. The staff of the Information Centre also serves as instructors on training courses related to aid applications. These courses provide an opportunity to stress the importance of information for statistical purposes.

#### **6. Farmers (and authorities in municipalities) may skip statistical-only questions (if these exist at all).**

Finnish farmers know very well that the data on aid application forms are also used for the production of statistics, and that some forms contain much information collected mainly for statistical purposes. Therefore they do not understand why the same data would be collected yet again in separate statistical surveys. This being the case, there is a risk that collecting the data will not succeed if data are being collected by means of a separate enquiry.

The only way to avoid this is to try to convince both the rural business authorities and the farmers for the importance of statistical information.

## **6. Conclusions**

Our experience of the multiple use of Farm Register has principally been very positive. Both the rural business authorities and the statistical authorities are satisfied with the joint use of the register, and the farmers are pleased that the burden on them to provide information has been reduced. The data in the register are relatively reliable. The savings in time are considerable, as are the savings in labour. There have also been gratifying savings in expenses due to the reduction in costs, especially in collecting data.

Preconditions for multiple use of Farm Register are good in Finland for many reasons. Unlike in many other EU-countries, circumstances in Finland are suitable for maintaining this kind of system. Mostly because of our arctic location, more than 95 % of our active farms apply for either national or EU-subsidies. Therefore information of almost all farms is updated in the register every year. Also our legislation makes possible and in some ways almost encourages for multiple use of Farm

Register. The co-operation is relatively easy because the same government body acts as both the keeper of the register and the statistical body. And also our ADP-competence is high both in technology and in know-how.

On the negative side, under this system, Finland's basic register of agricultural statistics is almost totally dependent on the data sources of the rural business administration. In the rapidly changing context of agricultural policy, this could be considered a threat that cannot be ignored.

In practise the biggest problem is multiple use of Farm Register has proved to be the co-operation with statistics and administration. One precondition for the kind of system we have in Finland is that the needs of statistics are taken into account continuously. Changes in agricultural policy affect to the administrative side of the system, and while changes are being made, statistics should not be forgotten. The fact that in Finland the same organisation is responsible for agricultural statistics and keeper of the register seems almost to be a precondition for multiple use of Farm Register. With close co-operation it has been possible to find solution to all kinds of problems.