

**COMMISSION REGULATION (EC) No 212/2008****of 7 March 2008****amending Annex I to Regulation (EC) No 138/2004 of the European Parliament and of the Council  
on the economic accounts for agriculture in the Community****(Text with EEA relevance)**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Regulation (EC) No 138/2004 of the European Parliament and of the Council of 5 December 2003 on the economic accounts for agriculture in the Community <sup>(1)</sup>, and in particular Article 2(2) thereof,

Whereas:

(1) A revised statistical classification of economic activities, called NACE Revision 2 (hereinafter referred to as 'NACE Rev. 2'), was adopted by Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains <sup>(2)</sup>.

(2) Measures necessary for the implementation of that Regulation should be adopted to provide for the use of NACE Rev. 2 in various statistical domains.

(3) Annex I to Regulation (EC) No 138/2004 sets out the methodology of the economic accounts for agriculture in the Community (EAA). As a consequence of the revised statistical classification of economic activities, the EAA methodology should be updated and the references to NACE Rev. 1,1 should be replaced.

(4) Regulation (EC) No 138/2004 should therefore be amended accordingly.

(5) The measures provided for in this Regulation are in accordance with the opinion of the Standing Committee for Agricultural Statistics set up by Decision 72/279/EEC <sup>(3)</sup>,

HAS ADOPTED THIS REGULATION:

*Article 1*

Annex I to Regulation (EC) No 138/2004 is amended as set out in the Annex to this Regulation.

*Article 2*This Regulation shall enter into force on the 20th day following its publication in the *Official Journal of the European Union*.

It shall apply from 1 April 2011.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 7 March 2008.

*For the Commission*

Joaquín ALMUNIA

*Member of the Commission*

<sup>(1)</sup> OJ L 33, 5.2.2004, p. 1. Regulation as amended by Commission Regulation (EC) No 909/2006 (OJ L 168, 21.6.2006, p. 14).

<sup>(2)</sup> OJ L 393, 30.12.2006, p. 1.

<sup>(3)</sup> OJ L 179, 7.8.1972, p. 1.

## ANNEX

Annex I to Regulation (EC) No 138/2004 is amended as follows:

- (1) 'NACE Rev. 1' is replaced by 'NACE Rev. 2' throughout the text.
- (2) 'ISIC Rev. 3' is replaced by 'ISIC Rev. 4' throughout the text.
- (3) Paragraph 1.23 is replaced by the following:

'1.23. If, however, the contract work is not performed entirely by specialised units (e.g. if holders hire machines but employ their own workers), this activity must be recorded in Division 77 of NACE Rev. 2 (Rental and leasing activities); in this case, amounts paid by the holders to enterprises working under contract must be recorded as 'other goods and services' under 'intermediate consumption' (cf. 2.108).'

- (4) Paragraph 1.55 is replaced by the following:

'1.55. The EAA are an integral part of the European system of accounts and therefore for their compilation use is made of Eurostat's general classification of economic activities, NACE Rev. 2. NACE Rev. 2 is a four-level nomenclature of activities which was compiled in 2006. It is in fact a revision of the general industrial classification of economic activities within the European Communities, or NACE, which was first published by Eurostat in 1970.'

- (5) Paragraph 1.57 is replaced by the following:

'1.57. NACE Rev. 2 is a classification of activities which is used for defining industries in the national accounts. It is based on the four-level coding system described below:

- a first level consisting of headings identified by an alphabetical code (sections);
- a second level consisting of headings identified by a two-digit numerical code (divisions);
- a third level consisting of headings identified by a three-digit numerical code (groups); and
- a fourth level consisting of headings identified by a four-digit numerical code (classes).'

- (6) Paragraph 1.62 is replaced by the following:

'1.62. For national accounts purposes the agricultural industry is defined as all units performing, either solely or together with other secondary economic activities, activities which come under Division 01 of NACE Rev. 2 "Crop and animal production, hunting and related service activities". Division 01 comprises (\*):

- Group 01,1: Growing of non-perennial crops;
- Group 01,2: Growing of perennial crops;
- Group 01,3: Plant propagation;
- Group 01,4: Animal production;
- Group 01,5: Mixed farming;
- Group 01,6: Support activities to agriculture and post-harvest crop activities;
- Group 01,7: Hunting, trapping and related service activities.

(\*) See also the "Explanatory notes": Eurostat: NACE Rev. 2, Statistical classification of economic activities in the European Community, Theme 2, Series E, Luxembourg, 2007.'

(7) Paragraph 1.63 is replaced by the following:

'1.63. The list of characteristic agricultural activities of the EAA corresponds to these seven groups of activities (01,1 to 01,7), but with the following differences:

- inclusion of the production of wine and olive oil (exclusively using grapes and olives grown by the same holding) (\*),
- exclusion of the activities relating to the production of seeds upstream and downstream of multiplication and certain activities which, in NACE Rev. 2, are considered as agricultural services (e.g. the operation of irrigation systems — only agricultural contract work is taken into account here).

(\*) The inclusion of these activities in fact does not represent a deviation from NACE Rev. 2: see the "Introductory guidelines" to NACE Rev. 2.'

(8) Paragraph 1.64 is replaced by the following:

'1.64. All units which perform characteristic activities of the agricultural industry of the EAA must be included. The units in question perform the activities included in the following groups in NACE Rev. 2:

- groups 01,1 and 01,2: Growing of non-perennial and perennial crops,
- production of seeds: only the units engaged in seed multiplication,
- group 01,3: Plant propagation
- group 01,4: Animal production,
- group 01,5: Mixed farming,
- group 01,6: Support activities to agriculture and post-harvest crop activities
- excluding units which perform agricultural service activities other than contract work (i.e. units which operate irrigation systems or seed processing for propagation),
- group 01,7: Hunting, trapping and related service activities.'

(9) Paragraph 1.65 is deleted.

(10) The title in point (a) above paragraph 1.67 is replaced by the following:

'(a) Groups from 01,1 to 01,3: Growing of non-perennial and perennial crops, plant propagation'

(11) Paragraph 1.67 is replaced by the following:

'1.67. Groups from 01,1 to 01,3 include a systematic breakdown making it possible to classify all crop production activities in the EU Member States.'

(12) Paragraph 1.69 is deleted.

(13) Paragraph 1.71 is replaced by the following:

'1.71. Following the convention adopted by NACE Rev. 2 (\*), when own produced agricultural products are processed by the same unit of production, the processed products are also attributed to agriculture. As an example, grape must, wine and olive oil are treated as food products in the CPA. NACE Rev. 2 classifies the production of wine and olive oil under section C "manufacturing" (Classes 11,02 "Manufacture of wine from grape" and 10,41 "Manufacture of oils and fats"). Only the production of wine grapes and olives comes under agriculture (Classes 01,21 "Growing of grapes" and 01,26 "Growing of oleaginous fruits"). However, following the above convention, wine and olive oil produced from grapes and olives grown by the same unit of production are attributed to agriculture.

(\*) See the "Introductory guidelines" to NACE Rev. 2: Statistical classification of economic activities in the European Community, Theme 2, Series E, Luxembourg, 2007.'

(14) The title in point (b) above paragraph 1.76 is replaced by the following:

'(b) Group 01,4: Animal production'

(15) Paragraph 1.77 is deleted.

(16) In paragraph 1.78, the second sentence is replaced by the following:

'It should be noted, however, that the management of racehorse stables and riding schools is not a characteristic agricultural activity (it is a part of "Sports activities and amusement and recreation activities": Division 93) (cf. 2.210).'

(17) The title in point (c) above paragraph 1.80 is replaced by the following:

'(c) Group 01,6: Support activities to agriculture and post-harvest crop activities'

(18) Paragraph 1.80 is replaced by the following:

'1.80. The activities in group 01,6 can be divided into two categories:

- agricultural services in the form of contract work at the production stage (i.e. agricultural contract work),
- "other" agricultural services (the operation of irrigation systems, seed processing for propagation, etc).'

(19) Paragraph 1.81 is replaced by the following:

'1.81. Agricultural service activities in the second category are not treated as characteristic EAA activities (even though they are recorded in the agricultural accounts of the national accounts), since they are not traditional or typical agricultural activities.'

(20) In paragraph 1.86, the second sentence is replaced by the following:

'If, on the other hand, the farmer hires machines without operators or with only some of the operators required, with the result that he/she continues to carry out the activity as such, with the help of the machines, this activity comes under Division 77 of NACE Rev. 2.'

(21) Paragraph 1.89 is replaced by the following:

'1.89. Animal husbandry performed on farms for remuneration (the provision of land for livestock) is agricultural contract work since it is part of the agricultural production process. This heading does not, however, include the private rearing and care of saddle horses, since these activities do not constitute the production of goods but a genuine service within the meaning of the ESA 95 (section R of NACE Rev. 2).'

(22) The title in point (d) above paragraph 1.92 is replaced by the following:

'(d) Group 01,7: Hunting, trapping and related service activities'

(23) Paragraph 1.92 is replaced by the following:

'1.92. This group of activities comprises the following activities: (i) hunting and trapping on a commercial basis; (ii) taking of animals (dead or alive) for food, fur or skin, or for use in research, in zoos or as pets; (iii) production of fur skins or reptile or bird skins from hunting or trapping activities. It should be noted that the production of hide and leather from slaughterhouses and hunting performed as a sports or recreation activity are not included as characteristic activities of the agricultural industry. Additionally, the "hunting" group does not comprise the breeding of game on holdings, which should be recorded under class 01,49 "Raising of other animals).'

(24) In paragraph 1.93, the equation for 'EAA agricultural industry' is replaced by the following:

'EAA agricultural industry = NA agricultural branch

- Units engaged in seed production (for research or certification)
- Production of units providing associated agricultural services other than agricultural contract work (e.g. the operation of irrigation systems)
- Units for which the agricultural activity represents solely a leisure activity
- + Agricultural activities of units whose principal activity is not agricultural (cf. 1,18)

(25) The first subparagraph of paragraph 2.055 is replaced by the following:

'1. The two activities exercised should come under different four-digit levels of NACE Rev. 2 (Division 01: Crop and animal production, hunting and related service activities). The application of this criterion thus precludes, for example, the valuation of seed produced and used on the same holding for crop production (during the same accounting period);'

(26) In paragraph 2.062, the first sentence is replaced by the following:

'Agricultural products processed by the agricultural unit in a separable way (i.e. giving rise to the formation of a local non-agricultural KAU) and consumed by farmers' households are recorded in the output of the "Manufacturing" industry (section C of NACE Rev. 2), as own final consumption.'

(27) Paragraph 2.063 is replaced by the following:

'2.063. The imputed rental value of the owner-occupied housing unit is not recorded here but in the branch "Renting and operating of own or leased real estate" (Class 68,20 of NACE Rev. 2). Renting of accommodation is a non-agricultural activity which is always considered to be separable from agricultural activity.'

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