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At a glance:

# DENMARK'S CAP STRATEGIC PLAN

Agriculture  
and Rural  
Development

CAP Strategic Plans support the transition towards a smart, sustainable, competitive, resilient and diversified agricultural sector, ensuring long-term food security. They also contribute to climate action, the protection of natural resources and the preservation/enhancement of biodiversity, as well as strengthen the socio-economic fabric of rural areas.

The CAP Plans support a wide range of interventions, addressing the specific needs of Member States and their territories. Designed in line with a new result- and performance-oriented approach, they aim to deliver tangible results in relation to EU-level CAP specific objectives, while contributing to the European Green Deal.

For the first time, each CAP plan defines a strategy covering all the main CAP funded instruments: direct payments, support for rural development and interventions specific to certain market sectors.

The needs of rural areas will also be addressed by other EU instruments such as the Recovery and Resilience Facility (RRF) or the European Structural and Investment Funds (ESIF).

The impacts of both the Russian aggression against Ukraine and the extreme weather conditions caused by climate change, highlight the integral link between food security and the need of transition to sustainable and resilient food systems. In this context, the CAP Strategic Plans offer opportunities: e.g. to reduce dependence on synthetic fertilisers and scale up production of renewable energy without undermining food production; and to transform the sectors' capacity in line with more sustainable production methods.

*Denmark submitted its first proposal for a CAP Strategic Plan on 22 December 2021, after consultation with stakeholders. On 4 August 2022, Denmark submitted a revised proposal, addressing the Commission's observations on the first draft. The Commission approved this proposal on 31 August 2022. Denmark requested the first amendment of their Plan, which has been approved by the Commission on 28 November 2023. The Commission approved Denmark's subsequent amendment request on 18 December 2024. This document presents some of the main features of the CAP Strategic Plan of Denmark.*

## 1. DID YOU KNOW?



Danish agriculture is a large net exporter of agricultural products and the contribution of agriculture plays an important role in the country's economy. The primary sector accounts for 1.5% of Denmark's total Gross Value Added (GVA). Pigmeat and dairy are the most important sectors in terms of production value. Denmark is responsible for **7% of the EU's production of pigmeat and 4% of the production of raw milk.**

- ➔ 98% of Denmark is covered by predominantly rural areas and intermediate regions.
- ➔ 28% of the Danish population live in predominantly rural areas and 48% live in intermediate regions.
- ➔ There are approximately 35 000 farms in Denmark, with an average physical size of 75 ha.





## 2. GOALS AND STRATEGY OF THE CAP STRATEGIC PLAN OF DENMARK

Denmark's Plan seeks the sustainable development of farming, food and rural areas while ensuring food security through a competitive agri-food sector. To reach this goal, continued modernisation and digitalisation, together with high environmental and climate standards, will be a key focus. This is due to a wide range of interventions aimed at contributing to environmental, economic and social sustainability.

### 2.1 AN ECONOMICALLY SUSTAINABLE AND FAIRER CAP

Denmark is building **a fairer and simpler system of financial support to farmers**. A new mechanism of financial support to farmers will be implemented, leading to a harmonisation of income support based on payments per hectare across the country. With this same mechanism, funds will also be redistributed from larger farms, which are often based on intense production, to smaller, less intense farms.

Furthermore, Denmark will use coupled income support linked to specific production paid per hectare or per animal for sectors facing specific challenges, and this support will be extended to more farmers. The additional support prevents the risk of a declining production, particularly in the livestock, dairy and starch potato sectors.

Denmark has a well-developed financial sector providing farmers with external financing. **The large cooperatives** controlled by farmers covering the crops, feed, dairy and meat sectors have a strong position on global markets and help farmers maintain a solid position in the food supply chain. The cooperatives will continue to support the marketing of commodities, food products and the supply of essential farm inputs, reducing income volatility for farmers.

- ➔ *Due to the design of the area based financial support, farmers below the average size receive 106% of the amount per hectare compared to farmers above the average size.*
- ➔ *A total of EUR 203 million will be paid as a support to farms facing specific challenges to prevent the risk of declining production.*

## 2.2 A GREENER CAP

The Danish Plan is designed to **contribute to achieving the environmental and climate targets** laid down in national legislation, including the target for reduction of greenhouse gas emissions from the agricultural sector by 55-65% by 2030.

Furthermore, to improve the climate performance of Danish agriculture and to respond to the high demand from consumers for plant-based diets, farmers will be incentivised to diversify plant production and replace feed crops to increase the production of edible crops.



The enhanced standards for good agricultural and environmental conditions set the minimum requirements for 97% of the utilised agricultural area (UAA). Denmark is also encouraging the green transition of the agricultural sector by supporting the setting up of bio-refineries for extraction of plant proteins from grass produced regionally. The refineries will have the potential to reduce dependence on imported soya, and respond to climate commitments which have been made. Under eco-schemes, almost 20% of direct payments are reserved for agricultural practices that go beyond the minimum requirements on agricultural areas and which are beneficial for the climate, environment and animal welfare. Under rural development, about **19% of funds are reserved for farmers undertaking multi-annual management commitments benefitting nature and biodiversity, for example**. To reverse biodiversity loss and in line with the Green Deal ambitions, Denmark aims to **double the area for organic farming by 2030** by providing support to around 403 000 ha. Afforestation is also supported in the Plan with EUR 28 million.



- 76% of the protected areas covered by the Natura 2000 network will commit to improving and maintaining the conservation status of their habitats and species.
- 960 000 ha or 36% of the UAA will commit to improving and maintaining the production potential of soils; for instance, under organic farming and extensive farming or by using precision agriculture and planting catch crops.





## 2.3 SOCIALLY SUSTAINABLE CAP

Generational renewal is essential for the agricultural sector to stay competitive and to increase the attractiveness of rural areas. The average economic size of a Danish farm is relatively large, which makes it challenging for younger farmers to enter the sector. Generational renewal will thus be supported through the Plan.

Considering the importance of animal production in Denmark, continued efforts will be put in place to **reduce the use of antimicrobials**. The use of antimicrobial substances has fallen over a number of years and at EU level, Denmark now ranks as the 6th lowest.

Community led local development, implemented through the LEADER approach which builds on local development strategies and local partnerships involving public and private actors, continues to prominently feature in the Danish Plan, with an important role in the development of rural economies given to Local Action Groups (LAGs).

At national level, Denmark does not have a specific rural strategy, but different national and EU-funded projects and programmes contribute to the overall goal. In Denmark, 73% of the rural population will benefit from improved access to services and infrastructure through the Plan. In addition, over 2 500 jobs in rural areas will be supported through projects funded by the CAP Strategic Plan.

Interventions have been designed to **diversify agricultural production**. Growing of plant-based products, including plant-based proteins, will be encouraged to respond to the growing consumer demand for healthy and sustainable diets. Furthermore, the Recovery and Resilience Facility for Denmark supports innovation in and the transition of public kitchens to produce organic meals, in order to promote healthy and sustainable diets.

- ➔ *Around 1 880 new young farmers will receive support to start their activities. They will receive a grant (from EUR 50 000 to EUR 100 000) to cover part of their initial investment.*
- ➔ *Under LEADER, EUR 46 million is reserved for projects aimed at job creation, growth and improving living conditions in rural areas that will be implemented through the 27 LAGs.*





### 3. KNOWLEDGE SHARING, INNOVATION AND DIGITALISATION

Denmark has a very strong position in terms of innovation, knowledge sharing and usage of new technologies, a situation that will increasingly improve thanks to good access to broadband. Indeed, the level of digitalisation and automated solutions in Danish agriculture is already high, with extensive access to high speed broadband and mobile data networks. Access to broadband in less densely populated areas is promoted under the RRF of Denmark.

Consequently, the Plan provides **support for innovative investment aimed at the green transition of agriculture**, with a special focus on digital technologies that can make it possible. EUR 12 million is dedicated to supporting different types of investments. For example, new digital farming technologies will help to improve competitiveness, as well as the environment and climate performance of Danish agriculture.

➔ *Advisory services and training supported in particular under the sectoral interventions for fruit, vegetables and apiculture (beekeeping) also contribute to innovation through closer cooperation between farmers, research and technology.*







## 4. FINANCIAL ANNEX

	EU budget (€)	National funding (€)	Total (€)
Direct payments	4 118 666 116	n/a	4 118 666 116
Sectoral support	37 790 284	1 390 294	39 180 578
Rural development	652 888 496	80 790 133	733 678 629
<b>Total</b>	<b>4 809 344 896</b>	<b>82 180 427</b>	<b>4 891 525 323</b>

National funding does not include additional national financing referred to in Article 146 of Regulation (EU) 2021/2115. Direct payments include allocations for cotton set out in Annex VIII of Regulation (EU) 2021/2115 and reflect possible transfers between pillars. Payments for support under Regulation (EU) No 1308/2013 are not included in the CSP. National funding for sectoral support only relates to apiculture. Rural development reflects possible transfers between pillars and includes technical assistance.

EU FUNDING RESERVED FOR	In EUR	%
Environmental and climate objectives under rural development	431 550 282	66% <sup>1</sup>
Eco-schemes under direct payments	819 333 501	20% <sup>2</sup>
LEADER	46 262 400	7% <sup>1</sup>
Complementary Redistributive Income Support	0	n/a <sup>2</sup>
Young farmers (generational renewal)	129 360 000	n/a <sup>3</sup>

The minimum financial allocations for support for young farmers can be reserved under direct payments and/or rural development. Eco-schemes under direct payments may be lower than 25% if the possibility to use the rebate mechanism from Rural Development is used, in line with Article 97 of Regulation (EU) 2021/2115. The Complementary redistributive income support under Direct Payments may be lower than 10%, in line with Article 29 of Regulation (EU) 2021/2115.

<sup>1</sup> as compared to the rural development allocations set out in Annex XI of Regulation (EU) 2021/2115

<sup>2</sup> as compared to the direct payments allocations set out in Annex IX of Regulation (EU) 2021/2115

<sup>3</sup> not applicable as the minimum contribution to young farmers is set as absolute amounts in Annex XII of Regulation (EU) 2021/2115

**More financial information can be found in section 6 and in Annex V of Denmark's CAP Strategic Plan.**

