

Factsheet on 2014-2020 Rural Development Programme for Denmark

The Danish Rural Development Programme (RDP) was formally adopted by the European Commission on December 12, 2014. The latest amendment of the programme was approved by the Commission on April 20, 2021. It outlines Denmark's priorities for using €1,481 million of public money that is available for the period 2014-2022 (€1,150 million from the EU budget including €352 million transferred from the CAP Pillar 1 direct payments plus €331 million of national funding which includes €4 million of additional national funding top-ups).

The programme focuses 69% of the support on better management of natural resources and encouraging climate friendly farming practices, also with the objective of considerably increasing the organically farmed area. Around 2,400 investment projects (roughly 6% of all Danish farms) aim to improve the environmental performance of farms. Other schemes aim to boost innovation, provide training opportunities and create jobs in rural areas.

[Rural Development](#) is the 2nd Pillar of the [Common Agricultural Policy](#), providing Member States with an envelope of EU funding to manage nationally or regionally under multi-annual, co-funded programmes. In total, 118 programmes are foreseen in all 28 Member States¹. The [RD Regulation](#) for the 2014-2020 period addresses six economic, environmental and social priorities, and programmes contain clear targets setting out what is to be achieved. Moreover, in order to coordinate actions better and maximise synergies with the other European Structural & Investment Funds ([ESIF](#)), a [Partnership Agreement](#) has been agreed with each Member State highlighting its broad strategy for EU-funded structural investment.

This document provides a brief overview of how the challenges and opportunities faced by Denmark are addressed by the RDP. In the annex, a table indicates the priorities and focus areas each with their specific targets, and their allocated budget.

1. SITUATION AND KEY CHALLENGES

Denmark covers an area of 42,924 km². Of this 61% is agricultural land while forests cover 15 %. The total population is 5.7 million – of which 29% live in rural areas. The average age of the population in the rural areas is higher than in the country as a whole, and the share of people above 65 years of age is higher (21% in rural areas against 19% in average).

The structural development in the farming sector in Denmark is substantial. The total number of farms was reduced from 92,000 in 1985 to 47,000 in 2006, and was less than 37,000 in 2015. The average farm size has reached 70 hectares.

¹ The UK left the Union on 31st January 2020; in accordance with the Withdrawal Agreement support under Rural Development continues to apply in the UK during the 2014-2020 programming period.

In the main animal production sectors, pigs and dairy, the production is constantly being concentrated on fewer and fewer farms. In the period 1998-2012 the number of dairy farms fell by 7-8% per year to 3,900 in 2012. In the same period the number of pig farms was reduced by around 10% annually to reach 4,200 in 2012.

The total cultivated land has remained stable around 2.6 million hectares. Over 90% of this utilised agricultural area is arable land characterised by intensive and specialised production putting pressure on certain ecosystems and high nature value areas. As the Danish agricultural sector accounts for 22% of the GHG emissions of the country, which is above the EU average, the Danish farmers are in need of practical tools to address these and other emissions stemming from intensive crop and livestock production.

Although the water quality and the status of Danish water ways are generally quite good and improving, it is necessary to reduce emissions from nitrogen, phosphorus and pesticides in order to maintain and further improve the situation.

2. HOW THE DANISH RDP WILL ADDRESS THESE CHALLENGES

To address these challenges of the farming sector and the rural areas, and to respond to the expectations of society, the Danish RDP centres on four of the six Rural Development Priorities. The focus of each priority is explained briefly below.

Restoring, preserving and enhancing ecosystems dependant on agriculture and forestry

The overarching priority of the Danish RDP is ensuring sustainable management of natural resources and climate action. 69% of the financial resources is earmarked for this priority.

In order to promote these environmental objectives the RDP offers a range of measures. These cover both support for investments and annual compensations for more environmentally friendly area management practices.

Support is provided for investments in:

- At farm level it can concern installation of new, more resource efficient equipment in stables for animal production, which for example will entail more precise feeding of the animals, lower electricity and water consumption, reduction of emissions to the outside and improving the animal welfare. Support is also provided for new farm machinery that allows for more precise, reduced application of fertiliser and pesticides, that lowers fuel consumption and thereby reduce emissions, etc. In total 2,400 projects are foreseen to be supported during the programming period.
- Another important area is establishing wetlands for extracting nitrogen and phosphorous from drain water before it runs into lakes, rivers and the sea. Two types of wetlands are planned; big wetlands established mainly by municipalities, involving several landowners, and mini-wetland at the level of individual farms. The aim is to establish 1,000 mini-wetlands. Similarly, projects to turn lowland, carbon rich areas into permanent grassland with low-density farming is also supported. 2,800 ha of land is planned to be supported. Other types of projects are preparation of Natura 2000 areas for grazing and establishment of areas to enhance the conditions for species listed in annex IV of the Habitats Directive.
- Afforestation is another initiative to enhance the environment and promote the attractiveness of the landscape. In total the RDP foresees the planting of 9,800 ha of new forest by means of support from the programme.

Annual area compensations cover:

- The biggest measure under the area based support schemes is support to organic farming. The support is provided for conversion to organic farming and for maintaining organic farming practices. The Danish long-term objective is to double the organically farmed area from 150,000 ha in 2007 to 300,000 ha at the end of the present programming period.
- Another important area related scheme is support for the management by grazing or mowing of grassland and nature areas. The targeted areas are Natura 2000 and High Nature Value (HNV) areas, and also the above mentioned lowland areas. The scheme contributes to fulfilling the Natura 2000 plans and the EU objective of stopping the loss in biodiversity. The target is to have 157,000 ha contracted under this scheme.
- Further, the scheme for targeted regulation of nitrogen on the implementation of the Water Framework Directive implemented from 2020 contributes to this priority.

To ensure that these different environmental schemes are well understood and correctly implemented, training is offered to the people concerned. In total some 3,300 people are expected to receive training.

Competitiveness of agri sector and sustainable forestry

The Danish RDP enhances the competitiveness of the farming sector through investment support to the pig and cattle sectors to restructure and modernise the production facilities to ensure they remain efficient. The target is to support more than 900 farms during the programming period.

Another important element for the sector to remain competitive is research and innovation. This is facilitated via co-operation, and information and knowledge transfer between the agri-food sector, researchers and other stakeholders. Almost 100 co-operations are foreseen, while more than 6,000 persons receive training in this respect. Participation in the European Innovation Partnership can also be supported under this priority.

Resource efficiency and climate

This priority covers investment support provided either for energy efficiency, emission reduction or renewable energy production on farms and in rural areas. These include on-farm investments similar to the ones described above under the environmental objectives, but also projects for common, non on-farm, projects for production of bio-related fuels, notably biogas. Over 2,000 investment projects will aim at reducing GHG emissions. The area compensation for improved water management under Priority 4 will have positive secondary effects in this regard.

Social inclusion and local development

This priority is implemented entirely by the bottom-up approach through Local Development Strategies drawn up by 26 Local Action Groups (LAGs). Investments in the food processing sector, in business start-ups and in basic services will only be supported within the scope of the Local Development Strategies. The focus is on growth and jobs in addition to improving living conditions in rural areas, particularly via business development, innovation and co-operation. 7% of the RDP public support has been earmarked for Community Led Local Development (Leader/CLLD). The approach will cover 51 % of the rural population creating both jobs and improving living conditions. In total more than 1,100 jobs are expected to result from the Leader activities.

The five ***biggest RDP measures*** in budgetary terms are:

- €537 million allocated for Measure 4: Productive and non-productive investments
- €358 million allocated for Measure 11: Organic farming
- €230 million allocated for Measure 10: Agri-Environment Climate
- €94 million allocated for Measure 19: Leader/CLLD
- €67 million allocated for Measure 12: Natura 2000 and WFD

Annex 1: Indicative public support for the Danish Rural Development Programme

Target	Measure	€ Total public	%
Priority1: Knowledge transfer and innovation²			
1A: Fostering innovation, coop, knowledge base <u>4.34%</u> RDP expenditure	01 knowledge		
	16 cooperation		
1B: Strengthening links (with research etc.) <u>96 cooperation operations</u>	16 cooperation		
1C: Training <u>6,242 training participants</u>	01 knowledge		
Priority 2: Competitiveness		120,569,229	8.14%
2A: Farm performance <u>2.23%</u> farms with RDP support	01 knowledge	11,463,044	0.77%
	04 investments	83,051,094	5.61%
	05 restoring agricultural potential		
	16 cooperation	26,055,091	1,76%
Priority 4: Ecosystems management³		1,018,315,029	68.75%
4A Biodiversity <u>17.67%</u> utilised agricultural area under contract <u>0.48%</u> utilised forest/other wooded area under contract <u>4.25%</u> agricultural holdings receiving investment support targeted on biodiversity and landscapes	01 knowledge	7,192,618	0.49%
	04 investments	295,319,197	19.94%
	07 basic services	888,422	0.06%
	08 forest investments	56,443,282	3.81%
	10 AEC	229,053,891	15.47%

² No financial allocation shown for Priority 1 as the expenditure is distributed across other focus areas.

³ Expenditure under Priority 4 is programmed for the priority as a whole, not for individual focus areas

<p>4B Water management</p> <p><u>25.66%</u> utilised agricultural areas under contract</p> <p><u>0.05%</u> forestry land under contract</p> <p><u>3.58%</u> agricultural holdings receiving investment support targeted on improving water management</p>	11 organic	358,131,295	24.18%
	12 NAT 2000 & WFD	67,043,611	4.53%
	13 areas with natural constraints	13,423	0.00%
<p>4C Soil erosion and management</p> <p><u>12.16%</u> utilised agricultural areas under contract</p> <p><u>0%</u> forestry land under contract</p> <p><u>1.05%</u> agricultural holdings receiving investment support targeted on improving soil management and/or preventing soil erosion</p>	15 forest environment	4,229,290	0.29%
Priority 5: Resource efficiency and climate		178,519,653	12.05%
<p>5B Energy efficiency</p> <p><u>€63.62 million</u> investment</p>	04 investments	16,950,056	1.14%
<p>5C Renewable energy</p> <p><u>€62.26 million</u> investment</p>	04 investments		
	07 basic services	18,024,909	1.22%
<p>05D Reducing GHG and NH₃</p> <p><u>3.88%</u> livestock units concerned by investments in livestock management in view of reducing GHG and/or ammonia emissions</p> <p><u>13.14%</u> agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions</p>	04 investments	142,497,093	9.62%
	10 AEC	1,047,595	0.07%
Priority 6: Social inclusion and local development		94,447,859	6.38%

6B LEADER <u>50.87%</u> rural population in local development strategy <u>5.06%</u> rural population with improved services/infrastructure <u>1,137 jobs</u> created (LEADER)	19 LEADER and CLLD	94,448,859	6.38%
Technical Assistance		69,223,158	4.67%
Total public expenditure €		1,481,084,928	100.00%