

Summary of the proposal for the Danish Strategic Plan 2023-2027

Introduction

This summary is based on the proposal for the Danish Strategic Plan for the Common Agricultural Policy, which was submitted to the European Commission on 22 December 2021. It should be noted that the proposal is not final before the European Commission has approved it. As a result of the approval process, changes may occur in the Danish Strategic Plan. The Danish Strategic Plan will be implemented from 1 January 2023.

Under the new framework for the European Common Agricultural Policy (CAP), each of the 27 EU Member States must for the first time draw up a strategic plan for national implementation of the CAP. This implies conducting an overall strategic plan that demonstrates how Denmark will apply EU agricultural funds. The strategic plan must also illustrate how Denmark intends to address the overall objectives of the EU's Common Agricultural Policy. The overall objectives of the CAP is to promote sustainable development of agriculture, food production as well as development in rural areas. This will be achieved by promoting development of a resilient and diverse agricultural sector with a focus on environmental protection and climate adaptation. In addition, the CAP aims to strengthen the socio-economic fabric of Europe's rural areas.

The Danish implementation of EU agricultural policy is closely linked to a number of national strategies and initiatives. The implementation of the Danish Strategic Plan will therefore also take corresponding efforts into account that are promoted outside the CAP, and instead prioritized through national legislation, etc. In particular, the Rural Development Programme for 2022 should be seen as a precursor to the new CAP.

EU objectives

The Danish Strategic Plan are designed to support a number of the general objectives set in EU rules governing the Common Agricultural Policy:

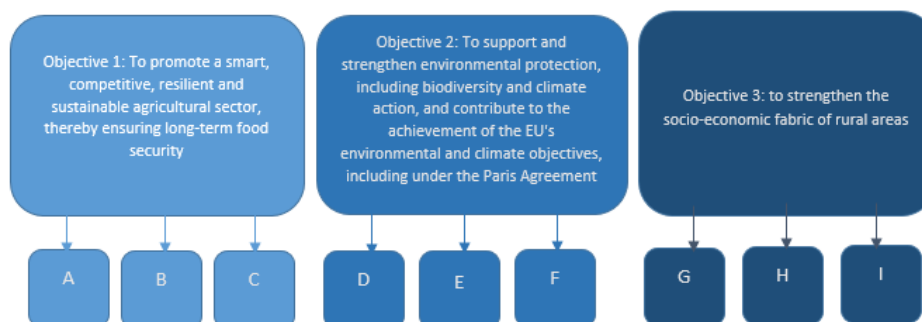


Figure 1: General objectives of the CAP

The three general objectives are split into nine more specific objectives as seen below:

- (a) Support viable farm income and resilience of the agricultural sector across the Union to enhance long-term food security and agricultural diversity as well as ensuring the economic sustainability of agricultural production in the Union;
- (b) Enhance market orientation and increase farm competitiveness both in the short and long term, including greater focus on research, technology and digitalisation;
- (c) Improve the farmers' position in the value chain;
- (d) Contribute to climate change mitigation and adaptation, including by reducing greenhouse gas emissions and enhancing carbon sequestration, as well as promote sustainable energy;
- (e) Foster sustainable development and efficient management of natural resources such as water, soil and air, including by reducing chemical dependency;
- (f) Contribute to halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes.
- (g) Attract and sustain young farmers and other new farmers and facilitate sustainable business development in rural areas; promote employment, growth, gender equality, including the participation of women in farming, social inclusion and local development in rural areas, including circular bioeconomy and sustainable forestry;
- (i) Improve the response of Union agriculture to societal demands on food and health, including high quality, safe, and nutritious food produced in a sustainable way, the reduction of food waste, as well as improving animal welfare and combatting antimicrobial resistances.

Identification of needs and design of strategy (chapters 1 and 2)

Based on the nine objectives stated above, the Danish Agricultural Agency has conducted a SWOT analysis that identifies strengths, weaknesses, threats and opportunities of the Danish agricultural sector and rural areas. Based on the SWOT analysis, 43 possible needs have been identified that could be addressed in the Danish agricultural sector and rural areas.

Needs have been assessed and prioritized according to their relevance in relation to economy, environment, and climate as well as rural development. Consideration has also been given to whether addressing a need contributes to several specific objectives of the EU Common Agricultural Policy. In addition, it has been assessed whether addressing a need contributes to other relevant objectives of EU strategies, such as the European Green Deal, the European Biodiversity Strategy, and the European climate change objectives. Finally, it has been analysed whether addressing a need also contributes to objectives in selected European directives in the field of nature, climate and environment or National Action Plans for nature, environment, climate and rural development.

On this basis, the identified needs have been placed in four broad categories according to their importance:

- Very high relevance
- High relevance
- Medium relevance
- Low relevance.

A high priority does not necessarily mean a correspondingly high allocation of funds. For example, a need may have high relevance without being addressed with high allocation of funds. It may also be the case that the need is addressed through national efforts outside the EU agricultural policy.

- **CAP Coherence: Green Architecture and conditionality (Chapter 3)**

The Danish Strategic Plan increases the ambition for environment and climate-related objectives compared to previous efforts. Chapter 3 describes the green architecture of the Danish Strategic Plan and the implementation of conditionality that replace the current green requirements and cross-compliance.

The green architecture is an expression of the green coherence that the selected interventions establishes across the nine specific objectives.

Conditionality refers to basic requirements that a farmer must meet in order to receive agricultural support related to land use and animal husbandry. These requirements concerns nature, environment, animal welfare, animal health, and now also the labour market. In addition, there may be national penalties for non-compliance. Furthermore, the Member State must also lay down rules on various standards of good agricultural and environmental condition.

Implementation of conditionality and the selected interventions are designed to provide incentives for biodiversity, environment and climate action. The interventions included in the strategic plan has therefore been conducted with a holistic view of how the selected interventions can create green results in synergy also in regards to the implementation of conditionality.

One example is the “gross area model”, which introduces the possibility to include elements such as tree and shrub growth, wildlife, bee-friendly measures, and wetlands on eligible hectares, as long as the land is mainly used for agricultural purposes. This means that the direct payment can ensure climate and environmental effects, increased biodiversity while also supporting sustainable income for farmers as the main objective.

In addition, efforts to improve biodiversity are further strengthened through the new eco-schemes for biodiversity and sustainability on farmland and a conditionality requirement for non-productive elements on rotational land (GAEC 8). Eco-schemes take the form of yearly payments to farmers while the participation is voluntary.

The Danish Strategic Plan furthermore contributes to the implementation of a number of national action plans with long-term national objectives, such as the Danish Forest Programme, the River basin management plans and the National Climate Action Plan. The CAP thus ensures coherence between the planned actions, while supporting national green strategies and policies.

- **Definitions and minimum requirements (Chapter 4)**

The strategic plan establishes a number of definitions and minimum requirements that must be met in order to receive financial support through the selected interventions. The requirements/definitions accounts for:

- Agricultural activity
- Agricultural land
- Eligible hectares
- Active farmer
- Young farmer
- Minimum size of eligible area on a holding to be eligible for decoupled aid (aid not linked to the production of the area)

Firstly, the gross area model is introduced on eligible areas under direct payments, so that farmers are allowed to have up to 20 percent of total land area with no agricultural activities carried out. This means that biotopes, such as tree and shrub cover, wildlife and wetland habitats, can be present without violating the requirement for agricultural activity on eligible hectares.

Furthermore, payment entitlements will be abolished from 1 January 2023. This will lead to a redistribution of support, because some farmers currently receive more support per hectare than others. There will primarily be a redistribution from the cattle and starch potato sectors to other sectors, but also a redistribution from large to smaller farms. The impact of abolishing payment entitlements is mitigated by several interventions that aims to address objectives covering animal welfare, environment and climate. The interventions include the slaughter premium, cow premium, starch potatoes, eco-scheme for environmentally and climate friendly grass, and the eco-scheme for plants. All farms have the possibility to apply for these schemes in order to mitigate the loss of support due to the abolition of payment entitlements.

Interventions (chapter 5)

The Danish Strategic Plan contains interventions for direct payments (Pillar I), sectorial interventions (Pillar I) and rural development (Pillar II). It should be noted that the amounts in Table 1 are the envelopes allocated to each scheme, whereas the CAP plan is based on the expected timing of payments under each scheme.

Table 1. Overview of interventions in the Danish Strategic Plan 2023-2027 and the allocated financial funds (million DKK)

Scheme	2023	2024	2025	2026	2027	Total
Overall economy of the CAP plan	6.823	7.310	7.742	7.475	7.788	37.140
Pillar 1 - Direct payment	6.007	6.072	6.091	6.425	6.486	30.686
Basic income support	4.855	4.852	4.613	4.300	4.448	23.068
Coupled support	355	329	303	276	250	1.513
Slaughter premium	245	245	245	245	245	1.225
Cow premium	85	64	43	21	-	213
Starch potatoes	25	20	15	10	5	75
Eco-schemes (ES)	797	910	1.156	1.515	1.727	6.105
ES for Organic farming	113	226	472	529	554	1.894
ES for Climate and environmentally friendly grassland	297	297	297	297	297	1.485
ES for Nutrient extensification of grassland (on carbon rich soils of minimum 6% organic carbon matter in soil)	134	134	134	134	134	670
ES for diversified plant production	116	116	116	116	116	580
ES for Biodiversity and sustainability on farmland	137	137	137	137	137	685

ES for new regulation of areas ²	-	-	-	302	489	791
Pillar 1 - Market interventions	61,4	61,4	61,4	61,4	61,4	307
Apiculture products	4,4	4,4	4,4	4,4	4,4	22
Producer organisations for the fruit and vegetables sector	57	57	57	57	57	285
Pillar 2¹	755	1.158	1.609	1.323	1.302	6.147
Environmental and climate freindly technology	-	-	60	60	60	180
Construction of plant for green bio-refining	-	45	100	100	-	245
Clearing and preparation for grazing (N2000)	-	25	25	25	25	100
Biodiversity forest (N2000)	25	25	25	25	25	125
Conservation of grassland and natural areas (N2000)	186	265	217	117	196	981
Targeted nitrogen regulation ²	-	-	185	-	-	185
Nitrogen wetlands ³	188	188	188	188	188	940
Phosphorus wetlands ³	-	14	13	13	13	53
Physical water interventions on agricultural lands ³	-	18	18	18	18	72
Lowlands projects ³	50	50	250	249	249	848
Constructed wetlands	-	132	132	132	132	528

Private afforestation	-	90	90	90	90	360
Local Action Groups	93	93	93	93	93	465
Support for islands	20	20	20	20	20	100
Setting up aid for young farmers	193	193	193	193	193	965

Note 1. It should be noted that the amounts for interventions in Pillar II are based on commitment funds. Amounts may therefore differ from those in the strategic plan as these are based on expected payments.

Note 2. Targeted regulation will be replaced from 2026 by the eco-scheme for a new regulation model.

Note 3. One-off compensation is part of the framework for nitrogen and phosphorus wetlands, lowland projects and physical water interventions on agricultural land. The four actions are grouped in the strategic plan under the Water and Climate Projects intervention.

Ten direct payment interventions, including six eco-schemes:

- **Basic income support** aims to support the Danish agricultural sector in order to generate an income on par with other sectors. The purpose of the intervention is to ensure an equitable economic incentive for food production in Denmark. Support is granted as a payment per hectare to all farmers who meet the basic eligibility criteria.
- **Slaughter premium** aims to improve animal welfare by reducing the number of calves slaughtered and time spent on transport. By fattening animals in Danish farms, jobs are maintained in Denmark and the profitability of the sector can be maintained. Support is granted for heifers, bulls and steers. A fixed amount per animal is paid to producers of eligible animals.
- **Cow premium** aims at maintaining profitability in the industry. The support is intended to help mitigate a sudden drop in support after the abolition of payment entitlements in 2023. The cow premium will be phased out by 2027. The intervention covers all types of cattle. The exact amount of support is determined by dividing the annual financial allocation with the number of eligible animals established at the end of the year.
- **Starch potato** is intended to maintain profitability of the starch potato production after the abolition of payment entitlements from 2023. In this sense, the support is intended to bolster a sharp drop in financial support after the 2022. The support is granted from 2023 to 2027. The support is determined per hectare of starch potato. The exact amount of support will be determined after verification of eligibility conditions has been completed, which determines the area that can be supported.

- The primary objective of the **eco-scheme for organic farming** is to pursue the political objective of doubling the organic area in Denmark. This eco-scheme will contribute to achieving benefits for e.g. climate, environment and biodiversity through conversion to and maintenance of organic agricultural production. In addition, the eco-scheme will support the Danish production of high quality organic food with low climate and environmental impact. The support can be granted organic farmers per hectare for one-year commitments.
- **The eco-scheme for environmental and climate friendly grassland** aims to achieve a higher environmental and climate impact on grassland by extending the rotation period of farmland. The eco-scheme will contribute to soil carbon accumulation, while the grassland will reduce nitrogen leaching compared to other crops. In addition, biodiversity of soil fauna will be increased. Support may be granted per hectare for one-year commitments to farmers whose land is under permanent pasture or permanent grass.
- **The eco-scheme for nutrient extensification of grassland** aims to reduce greenhouse gas and nitrogen emissions from agricultural land through extensive management of carbon-free agricultural soils on a yearly basis. In a longer perspective, the aim of this eco-scheme is to support climate objectives by contributing to a gradual depletion of soil nutrients, in particular phosphorus and methane in preparation for later permanent setting aside of land as water levels rise. The support may be granted per hectare for one-year commitments to farmers with rotational areas within the designation base, based on maps of soils with a minimum organic carbon content of 6 % and maps of the extent of river valleys.
- **The eco-scheme for diversified plant production** intends to promote crop diversification and support the plant-based agenda. The eco-scheme will therefore be used to support diverse crop production in 2023-2027, resulting in a greater focus on crops that can be used in human diets and a lesser focus on feed crops. The eco-scheme will build on GAEC 7 requirements on crop rotation for all crops or on crop diversification.

Support may be granted per hectare for one-year commitments to farmers using increased diversification targeting crops covering fruit and berries, vegetables, oilseeds and pulses (except winter and spring oilseed rape), root crops, flax and hemp, and potatoes.

- **The eco-scheme for biodiversity and sustainability on farmlands** aims to increase amount of grassland, marginal areas and small habitats on agricultural land. The eco-scheme will have positive biodiversity, environment and climate effects since neither setting aside, marginal areas

or small biotopes are used for production. This implies that the area are not allowed to be cultivated, grazed, fertilized or sprayed during the minimum period for setting aside. The eco-scheme supports commitments under the EU Birds and Habitats Directives, the EU Nitrates Directive and the EU Water Framework Directive. In the longer term, the eco-scheme will also supports climate commitments, as the intervention is designed to provide an incentive for farmers to maintain the eco-scheme for several years.

The support is granted per hectare of planted area. The eco-scheme builds on the GAEC 8 requirement of at least 4 % non-productive elements on rotational land. However, under this eco-scheme, the setting aside of elements on all types of land is supported. If the farmer commits to set aside at least 7 % non-productive elements on rotation land, the GAEC 8 requirement is reduced to 3 %, whereby 1 % will receive support through this eco-scheme. Each non-productive element applied for under this intervention must be at least 100 m².

- **The eco-scheme for new regulation of areas (also called eco-scheme for new regulation model)** aims to reduce nitrogen leaching from fields to coastlines by planting catching crops or alternatives. The intervention contributes to the national implementation of the EU Water Framework Directive.

Support can be granted per hectare for one-year commitments to farmers with holdings of more than 10 hectares of base area under catch crops. The area must be an agricultural area located in one of the coastal watersheds designated by the managing authority and where nitrogen-reducing measures are to be applied to meet the needs of river basin management plans.

Two sector interventions:

- **Producer organisations for fruit and vegetables sector** aims to support cooperation between producer organizations in the fruit and vegetable sector. This is done by supporting initiatives intended at merging supply of products, ensuring sale, supporting environmental and climate measures in production, etc.

Support is granted for producer organisations in the fruit and vegetable sector to implement multi-year operational programs.

- **The intervention on apiculture products** aims to improve conditions for production and sales of bee products. Support may be granted multiannual projects in selected areas, such as advisory services, investments, research, marketing, and product quality improvement.

The support can be granted to anyone with a CVR (Firm registry) or CPR (citizen registry) number.

13 rural development interventions:

- **Conservation of grassland and nature areas (N2000)** aims to protect and enhance habitat conditions and biodiversity primarily on designated open nature and agricultural land. This intervention contributes to the national implementation of the EU Habitats and Birds Directives (Natura 2000 Directives).

Support is granted activities relating to maintenance of pasture and natural areas, including grazing and mowing. Moreover, support is granted for five-year commitments to farmers and others who own or rent designated areas.

- **One-off compensation** compensates landowners who have voluntarily included their areas in a project under the Water and Climate Projects scheme set up by a local municipality or the Nature Agency. The compensation is granted farmers who have chosen to keep their land to apply for one-off compensation on a later stage.

The support is a one-off payment to farmers and other owners of land eligible under the scheme. The land must be subject to a deed of permanent extensification. One-off compensation replaces the 20-year retention commitments given in previous CAP as compensation for land permanently set aside.

Please note in table 1 on financial allocations that one-off compensation funds are included under the interventions where one-off compensation is offered. However, in the Danish Strategic Plan one-off compensation is a separate intervention than the project schemes. This is subject to a separate application, different regulatory requirements, different eligibility criteria etc.

- **Biodiversity forest (N2000)** primary objective is promotion or conservation of biodiversity in privately owned woodlands (with natural value). The intervention aims to help safeguard Natura 2000 forest habitats and stable habitats for threatened forest-associated species. The intervention encourages forest owners to maintain and increase the proportion of (large) trees

decaying naturally, while allowing forest management to continue. The purpose is furthermore to safeguard and increase the amount of dead wood that provides habitats for the species-rich flora and fauna associated with dying and dead wood.

The support is granted for conservation of large trees for natural decay and for extensive forestry. The support can be granted to private forest owners and municipalities. Municipalities, are only granted support for Natura 2000 areas.

- **Targeted nitrogen regulation** precedes the eco-scheme for new regulatory model. The scheme aims to reduce nitrogen leaching from fields to coastline by planting catch crops or alternatives. The intervention contributes to the national implementation of the EU Water Framework Directive.
Support may be granted per hectare for one-year commitments to farmers with holdings of more than 10 hectares of catch crops. The area must be an agricultural area located in one of the coastal water designated by the managing authority where nitrogen-reducing measures are to be applied in order to meet the targets of the wetland plans.
- The objective of **Support for islands** is to maintain agricultural activities on islands. The intervention compensates farmer with land on selected island areas without bridge connections leading to increased costs for management. The intervention helps to ensure that agricultural production can continue to be viable on islands and support the maintenance of living conditions and production. Support is granted for agricultural land located on islands without bridge connections. The selection criteria corresponds to the criteria from the previous reform period.
- **Constructed wetlands** aims to improve the aquatic environment by reducing input of nitrogen. As a secondary effect, mini wetlands also reduce phosphorus discharges in the aquatic environment. The intervention provides support for the establishment of mini wetlands. Support can be granted applicants with land suitable for a mini wetland.
- **Private afforestation** aims to establish new forests that contribute to sustainable development, including promotion of forest products and ecosystem services. The intervention imposes permanent restrictions on the use of project land and is targeted owners of agricultural land where new forests are to be established. Private and municipal afforestation on agricultural

land and on land previously used for the extraction of raw materials such as sand, gravel and similar (not peat extraction) are in general eligible for support.

The intervention supports establishment and maintenance of forests and natural fencing to protect wildlife. Support may also be granted for establishment of broadleaved or coniferous woods and wooded verges. Areas with natural overgrowth may receive support for hedges. Private owner of agricultural land and municipalities can apply for support.

- **Water and climate projects** bring together a number of existing interventions, **including phosphorus wetlands, nitrogen rich areas and lowland projects** in one collected intervention. In addition, a new measure is introduced for physical watercourse interventions on agricultural land. The overall objective of this intervention is to improve the aquatic environment and reduce nitrogen emissions from agriculture. This is done by providing support for wetland projects to reduce nitrogen and phosphorus inputs. In addition, for the first time it will be possible to apply for support for restoration of river valleys and creation of miniature river valleys on agricultural land. Finally, the water project intervention will contribute to lowlands projects. It will therefore also be possible to apply for support for lowlands projects that help restore natural hydrological conditions around Danish farmlands.

Under the four actions of the intervention (phosphorus wetlands, nitrogen wetlands, lowland projects and physical watercourse actions), both feasibility studies and establishment of projects are supported. Support can be given to municipalities and/or the Nature Agency.

- The main objective of **environmental and climate friendly technology** is to contribute to the green transition of agriculture and to provide a flexible framework for achieving various policy objectives of reducing environmental and climate impact of primary agricultural and horticultural production by supporting investment in new technologies.

Support will be granted investments that support at least one of the following objectives, such as technologies for plant-based food production and processing and/or technologies supporting vertical farming.

- **The establishment of green bio refining facilities** aims to support deployment of bio-refining plants, where protein can be extracted from resources such as grass. The intervention will thereby contribute to reducing environmental and climate impact of soy protein imports from abroad and local production of green proteins. In this way, bio refining can be an important part of a sustainable green transition of Danish agriculture. The technology will be relevant for

farmers, especially organic farmers. This intervention will also create economic value and support development of technology related industries by expanding the possibilities to extract proteins.

This intervention provides support for investment in bio-refining technologies that can extract proteins. The technologies can be installed either on or off farms. Support may be granted companies registered under the CVR-system, such as farmers, animal feed companies, bio-gas companies, public agricultural companies and associations thereof.

- **Clearing and preparation for grazing (N2000)** aims to protect and improve natural environment and conditions for animals by creating more open and extensively managed areas. The potential environmental impact comes from the maintenance of areas concerned by e.g. grazing. The intervention will target designated Natura 2000 areas, grassland, national parks and possibly other relevant areas. The intervention allows areas that are overgrown or lacks fencing and other necessary facilities to be prepared for grazing. It is also possible to connect small areas into larger units to provide better basis for subsequent management.

The intervention supports clearing of overgrown areas and/or preparation for grazing by e.g. hedging in designated areas. Support can be granted to private and public landowners.

- **Setting up aid for young farmers** aims to strengthen young farmers' chances of a successful start-up by increasing their equity. Support can thus help to ensure a robust economy with increased equity across the various branches of the industry.

The intervention supports establishment of full or part-time agricultural or horticultural business in the form of a one-off payment. Support may be granted to farmers no older than 40 years at the time of application. Young farmers are also required to possess relevant training and to have significant ownership of the holding among other requirements.

- **Local Action Groups (LAGs)** aim to strengthen the socio-economic fabric and development of rural areas in terms of business development, framework conditions, sustainable development and green transformation through the LEADER approach. The intervention supports balanced territorial development of rural economies and living conditions, including job creation and employment in non-agricultural activities.

Support is given to mobilization of local actors, operation of Local Action Groups (LAG) and implementation of operations (project support). Support may be granted to natural or legal

person or group of natural or legal persons, such as associations, individuals, small enterprises, organizations, non-profit associations and public authorities.

Financing (CAP chapters 1, 5 and 6)

The European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund finance the CAP's measures for Rural Development (EAFRD). The Danish allocation from the EAGF for direct support is 6.425 billion DKK per year for the period 2023-2027. In addition, there is a separate allocation for the program for producer organizations in the fruit and vegetable sector of 57 million DKK per year and for the program for apiculture products of 2.2 million DKK per year, which is complemented by corresponding national funding. The other CAP Pillar I measures are 100% financed by EAGF. The Danish EAFRD allocation is 566 million DKK per year for the period 2023-2027. National co-financing of 190 million DKK per year (total 950 million DKK for the whole period) also complements this.

In the period 2022-2026, an average of 6.3% of the EAGF budget will be transferred to EAFRD. The amounts will be available as part of the EAFRD budget in the following year from 2023-2027.

The regulation on the strategic plans requires that 25% of direct support (Pillar I) are allocated eco-schemes, while at least 35% of funds from Pillar II (rural development interventions) are used for environment, climate and biodiversity objectives, animal welfare and agriculture in less favoured areas over the period 2023-2027.

The implementation of the agricultural funds is described in chapter 6 and in chapter 5 in the description of the individual interventions.

Control and penalty system (chapter 7)

The chapter identifies relevant bodies of the management and control system and provides a description of the monitoring and reporting system. The chapter also describes the control and penalty system of the strategic plan.

The implementation of the strategic plan introduces a controls and penalty system that largely builds on the existing system from the previous CAP. Member States will establish a model for controls and penalties to ensure effective protection of the Union's financial interests while targeting efforts where risk of error is greatest.

In line with the regulation, an integrated control and management system for area and animal-based interventions will be established. The control set-up consists of an administrative control, which is complemented with inspection visits. The control set-up shall make use of the latest technology, such as satellite-based controls. In areas where it is not possible to use satellite-based control, inspection visits (sample based) are carried out as a supplement.

For random checks of the area-based interventions current control level of 5 % is maintained (2 % random and 3 % risk-based). For the project-based interventions control level of 25 % is foreseen (10 % selected as a random sample and 15 % selected as a risk-based sample). For other cases, on-the-spot checks are abolished while the use of new technology (customer app, orthophoto, etc.) is envisaged to document project implementation. In addition, the control rate for ex-post controls will be set at 2 %. Not all interventions will be subject to the general control model as described above. This is further explained in chapter 7.

Modernisation and simplification (chapter 8)

Denmark has a well-functioning organizational system of actors and institutions that help promote knowledge sharing and innovation in agriculture. Denmark also possess a well-functioning advisory system organized and financed by the agricultural sector.

In terms of digitalization, Danish agriculture is considered effective at adopting new technology, especially in relation to precision farming. In general, there is a strong focus on developing new technologies aimed at improving equity and environmental impact of Danish farms. This could also improve the effectiveness of the interventions in the strategic plan.

The existing advisory system is assessed effective in addressing the EU-wide objective of knowledge sharing, innovation and digitization. Therefore, no actions specifically targeting knowledge sharing and innovation or farm advisory services are included in the strategic plan.

However, the implementation of the Danish Strategic Plan, like the previous Rural Development Program, will continue to support knowledge sharing and innovation. In addition, separate interventions for beekeeping are introduced. Finally, it is noted that Denmark already has well-established national support structure supporting innovation projects in the agricultural sector. This includes the Green Development and Demonstration Program, the Innovation Fund and the Agricultural Funds.

Efforts to simplify the management of the CAP have been underway for a number of years and will continue in the 2023-2027 reform period. Actions to simplify the CAP include:

- Simplification of design and set-up of interventions, including in relation to processing, payment and control.
- Automation and digitisation of interventions (where possible).
- Improving information, communication and guidance activities of the Managing Authority towards applicants.
- Early involvement of potential applicants in the development and set-up of interventions to ensure practical and simple solutions.

Other conditions

Environmental assessment and ex-ante evaluation

Member States are with the regulation required to conduct an environmental assessment of their national strategic plans. The purpose of the environmental assessment is to evaluate likely and significant environmental impacts of the proposed strategic plans. Two environmental assessments of the Danish Strategic Plan has been conducted in 2021. The first environmental assessment was carried out on the basis of the draft strategic plan from 1 September 2021. The draft strategic plan was later updated on the basis of the political agreement on the green transition of the Danish agriculture of 21 October 2021. A supplementary environmental assessment of the draft CAP plan for Denmark was therefore conducted. Both environmental assessments have been conducted in accordance with the provisions of the Environmental Assessment Act. In accordance with the regulation and to assess and improve the quality of the intended efforts, an ex-ante evaluation of the Danish Strategic Plan has also been carried out.

SWOT analysis

It is a regulatory requirement to conduct a SWOT analysis. In March 2019, the first version of the Danish SWOT analysis was drafted. Due to the late approval of the CAP reform and the transitional period in 2021-2022, there has been a need to update the draft SWOT analysis. The updated SWOT analysis was finalized in autumn 2020. The finalized SWOT analysis is included as an annex in the Danish Strategic Plan.

Stakeholder involvement

The Danish Agricultural Agency has since 2018 carried out stakeholder involvement with a broad range of shareholders for the preparation of the strategic plan. Meetings have been held with a number of stakeholders and organizations on an ongoing basis. Information on the strategic plan has also been shared with the stakeholder partnership. Stakeholders have provided input in regards to the design of the strategic plan, which has been taken into account in the drafting and implementation of the Danish Strategic Plan.

The activities includes e.g. dialogue with stakeholders on the Commission's draft regulation in August 2018. In addition, a workshop has been held in relation to the publication of the SWOT analysis in 2019 together with three thematic workshops on climate, environment and biodiversity held in January 2020.

In February 2021, prior to announcement of the government's proposal for the political agreement on the green transition of agriculture, the Minister for Food and the Minister for the Environment invited

stakeholders to a conference on the future of agriculture, including implementation of the EU's Common Agricultural Policy. Citizens, stakeholders and media, etc. had the opportunity to provide input on the green transformation of agriculture.

In addition to stakeholder involvement, a concept for customer involvement in the implementation of the CAP plan has been developed. The concept includes customer and stakeholder involvement in the implementation of CAP interventions from the design of the scheme and the regulatory requirements to the IT setup. Customer and stakeholder involvement is carried out through workshops, questionnaires and interviews.

The aim behind customer and stakeholder involvement is to ensure solutions that are simple and useful for farmers and other applicants. In this process, early stakeholder and customer involvement is essential so that the Danish Strategic Plan and the intended implementation goes hand in hand with reality.