

Fremtidens europæiske landbrug

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Outline



Highlights of the 2023–27
CAP Reform



CAP post-2027 vision



Future directions

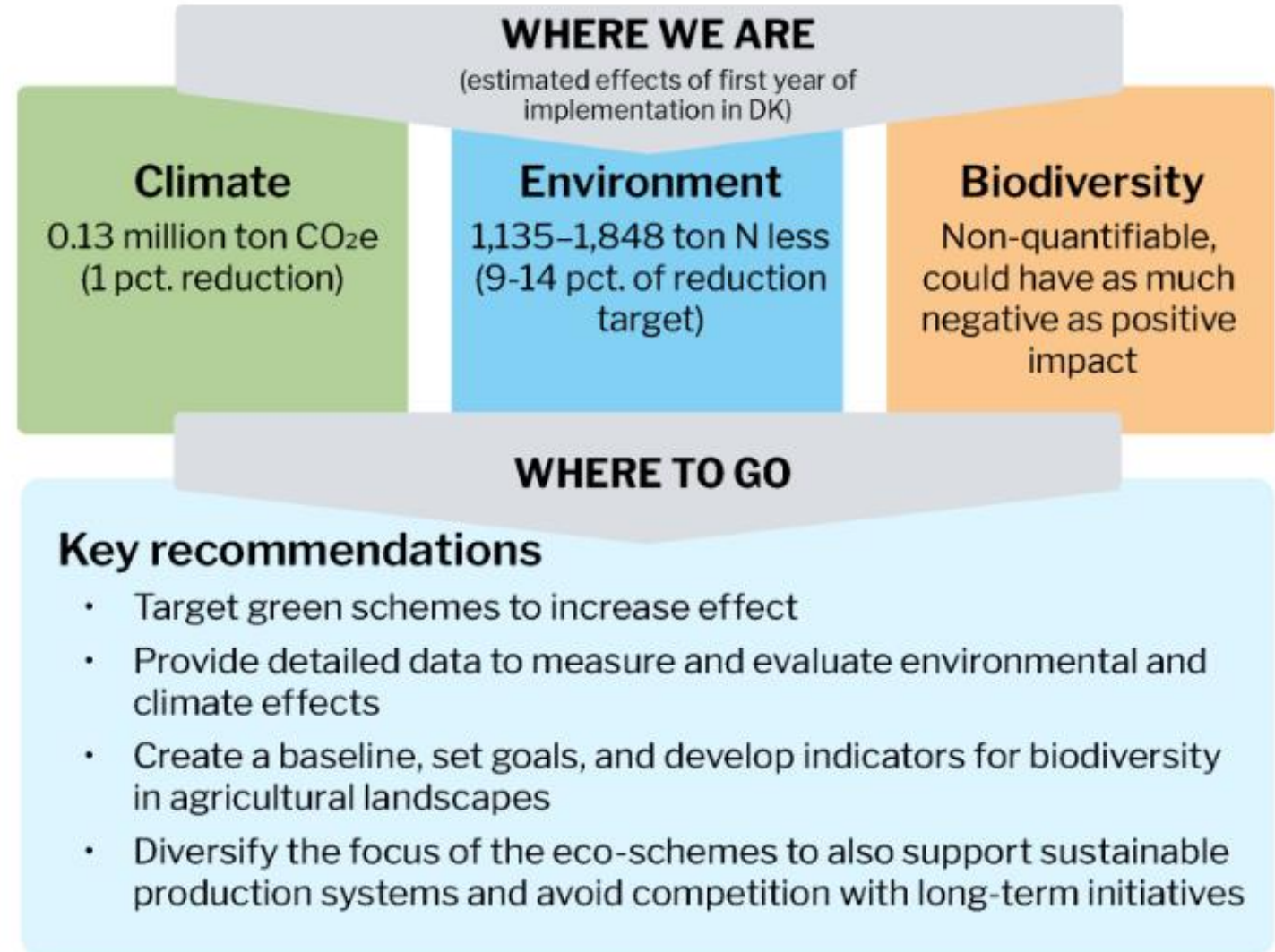


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Impact and Opportunities of the 2023-27 CAP Reform in Denmark

Analysis of the implementation of the 2023-27 Common Agricultural Policy (CAP) reform after its first year of implementation, using Denmark as a case study.



Climate effect (2023)

Table 4. Lists the CAP measures which are expected to have a climate effect as well as the estimated effect for 2023. The estimates are calculated using data from the [Danish Center for Food and Agriculture](#).

| CAP measure | Area covered by measure 2023 | | Total climate effect |
|--|------------------------------|-----------------------------------|---|
| | Total area [ha] | Area with additional effects [ha] | CO ₂ e per year [million tonnes] |
| *GAEC 8 | 99,359 | 64,000 | 0.083 |
| *Eco-scheme Biodiversity and sustainability | 22,245 | 22,245 | 0.028 |
| Eco-scheme Nutrient extensification of grassland | 6,296 | 2,100 | 0.003 |
| Eco-scheme Climate- and environmentally friendly grassland | 174,727 | 99,000 | 0.01 |
| All measures | | | 0.13 |







Nitrogen leaching effect (2023)

Table 5. Estimated reductions in nitrogen leaching to the aquatic environment for 2023.

| CAP measure | Area covered by measure 2023 | | Potential reduction in nitrogen leaching to the aquatic environment | Estimated reduction in nitrogen leaching to the aquatic environment |
|--|------------------------------|-----------------------------------|---|---|
| | Total area [ha] | Area with additional effects [ha] | kg N/ha/year | tonnes N |
| ¹ GAEC 8 | 99,359 | 64,000 | 9.86 | 631 |
| ² Eco-scheme Biodiversity and sustainability | 22,245 | 22,245 | 9.86 | 217 |
| Eco-scheme Nutrient extensification of grassland | 6,296 | 2,100 | 13.05 | 27 |
| Eco-scheme Climate- and environmentally friendly grassland | 174,727 | 99,000 | 2.63 – 9.86 | 260 – 973 |
| Total | | | | 1,135 – 1,848 |



Biodiversity effect (2023)

-  94% of non-productive area classified as **fallow land**
-  Majority of fallow land is **mown fallow**, which provides some resources for **common farmland organisms**
-  Not aligned with **biodiversity expert** recommendations (timing, frequency of mowing, requirements for plant cover, duration of fallow periods)
-  **Short-term** fallows increase the risk of creating ecological traps

Eco-schemes for compensation

Diversified plant production

| Crop categories | | Total area 2023 (ha) | Change from 2022 to 2023 (pct.) |
|-------------------|----------------------|----------------------|---------------------------------|
| Human consumption | Legumes | 1.192 | - 59 |
| | Vegetables and herbs | 19.807 | - 6 |
| | <i>Total</i> | <i>20.999</i> | <i>- 12</i> |
| Fodder | Legumes | 42.892 | 4 |
| | Other | 9.519 | 15 |
| | <i>Total</i> | <i>52.411</i> | <i>6</i> |
| Other | Seed crops | 18.324 | 5 |
| | Starch potatoes | 41.373 | 7 |
| | Sugar beets | 30.609 | - 4 |
| | Other crops | 665 | - 34 |
| | <i>Total</i> | <i>90.917</i> | <i>3</i> |

Compensation for starch potatoes and sugar beets

Bio-scheme designed to **mitigate the economic consequences** of removing payment entitlements for the cattle sector → not in accordance with the purpose of eco-schemes

Climate and environmentally friendly grassland

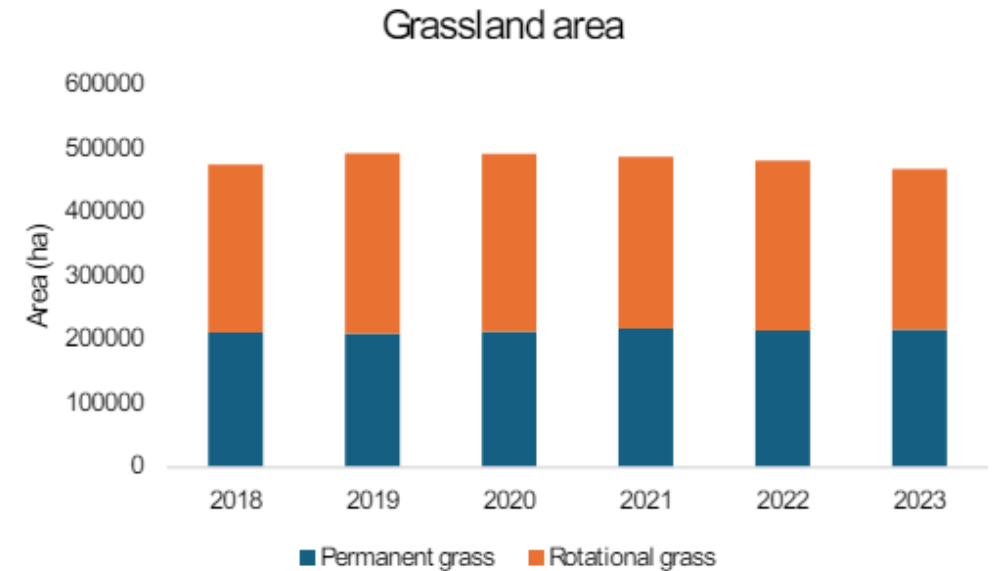


Figure 11. The area of grass in Denmark from 2018 to 2023. Source: [Denmark's statistic](#).

Compensation for the cattle sector

The grass area is **reduced by approx. 3%** in 2023 compared to 2022.

Structural issues regarding CAP

Insufficient
environmental
ambitions

Complexity and
inefficiency of
implementation

Limited funding
for
environmental
measures

Economic
pressures and
competing
interests

Resistance to
change

Insufficient
monitoring and
enforcement



Main observations



EU Commission approve **national plans** – with lower environmental ambition



The Performance Monitoring and **Evaluation Framework** (PMEF) is insufficient
→ mainly ‘process evaluation approach’

- Ex-post evaluation of 2023–27 CAP impact in 2031



Effectiveness of CAP dependent on **political will of each country**, ability to formulate ambitious policies and farmers' willingness to implement voluntary measures



Legal framework for eco-schemes: must exceed conditionality but can pay for established, normalized good agricultural practices



Opportunity for **civil societies** to engage more with the national implementation of the CAP



Simplification package of the CAP 2024

Purpose: address **protests** by farmers

MS allowed to **relax or exempt** several green requirements (GEAC)

Shift from **mandatory to voluntary** measures .
More voluntary measures could shape future CAP reforms

Reduce **administrative** complexity for farmers and national agencies

More **flexible, voluntary** approach to meeting environmental objectives

Fragmented approach to achieving climate and biodiversity goals across Member States, which could end up **founding status quo**



Transforming EU land use and the CAP: a post-2024 vision

Phasing out direct payments → support for environmental services and public goods

Establish a **'Transition Fund'** → incentivizes sustainable practices and manage the socio-economic impact of the transition

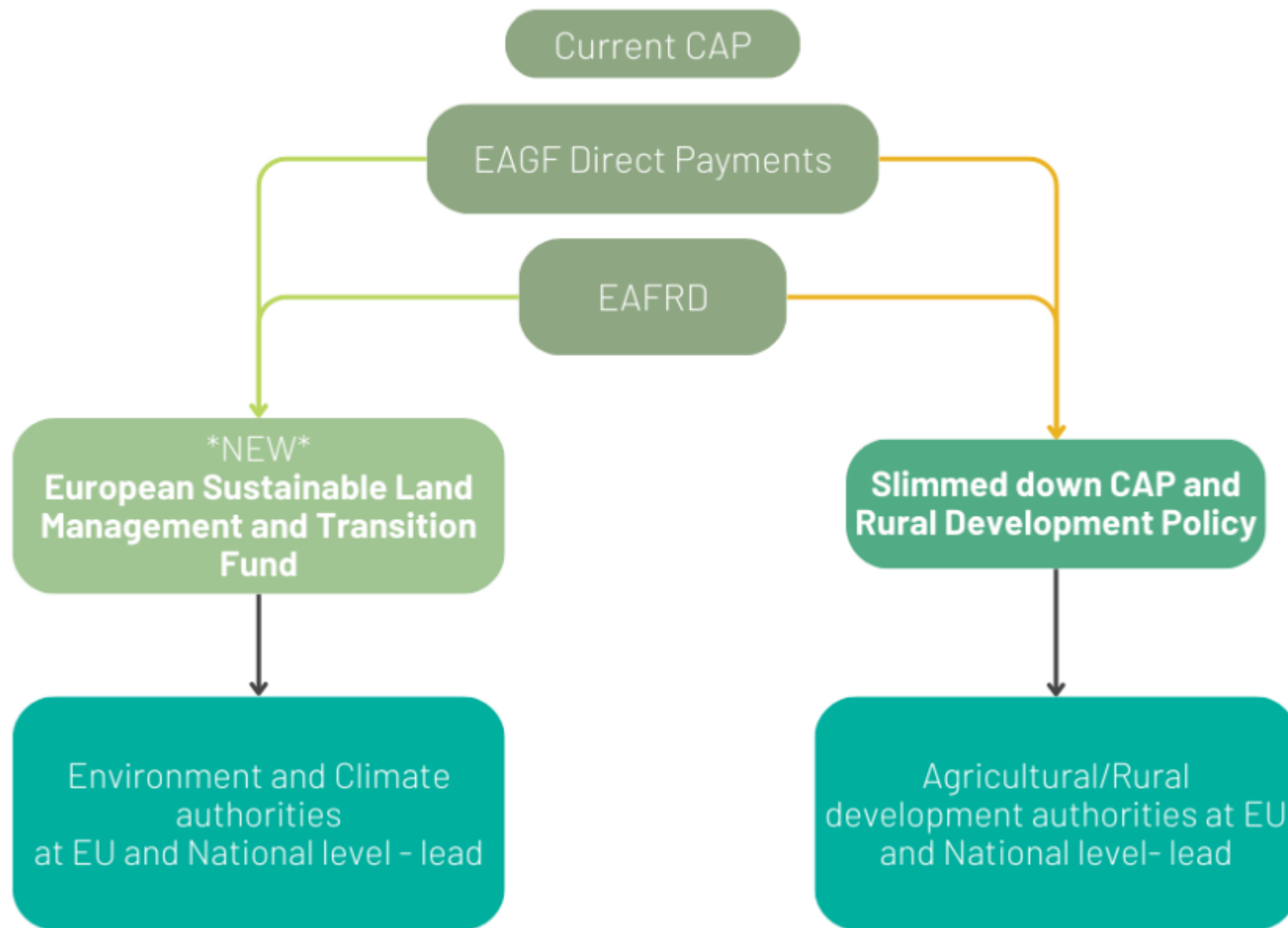
- Transitional aid to assist farmers
- Long-term funding for ecosystem services

Strengthened governance

- Shift CAP governance structures at EU and national levels to environmental and climate authorities
- Enhanced collaboration among agriculture and environmental bodies



New CAP framework



Changing agricultural policy through the multiannual financial framework (MFF)

Why focus on the MFF?

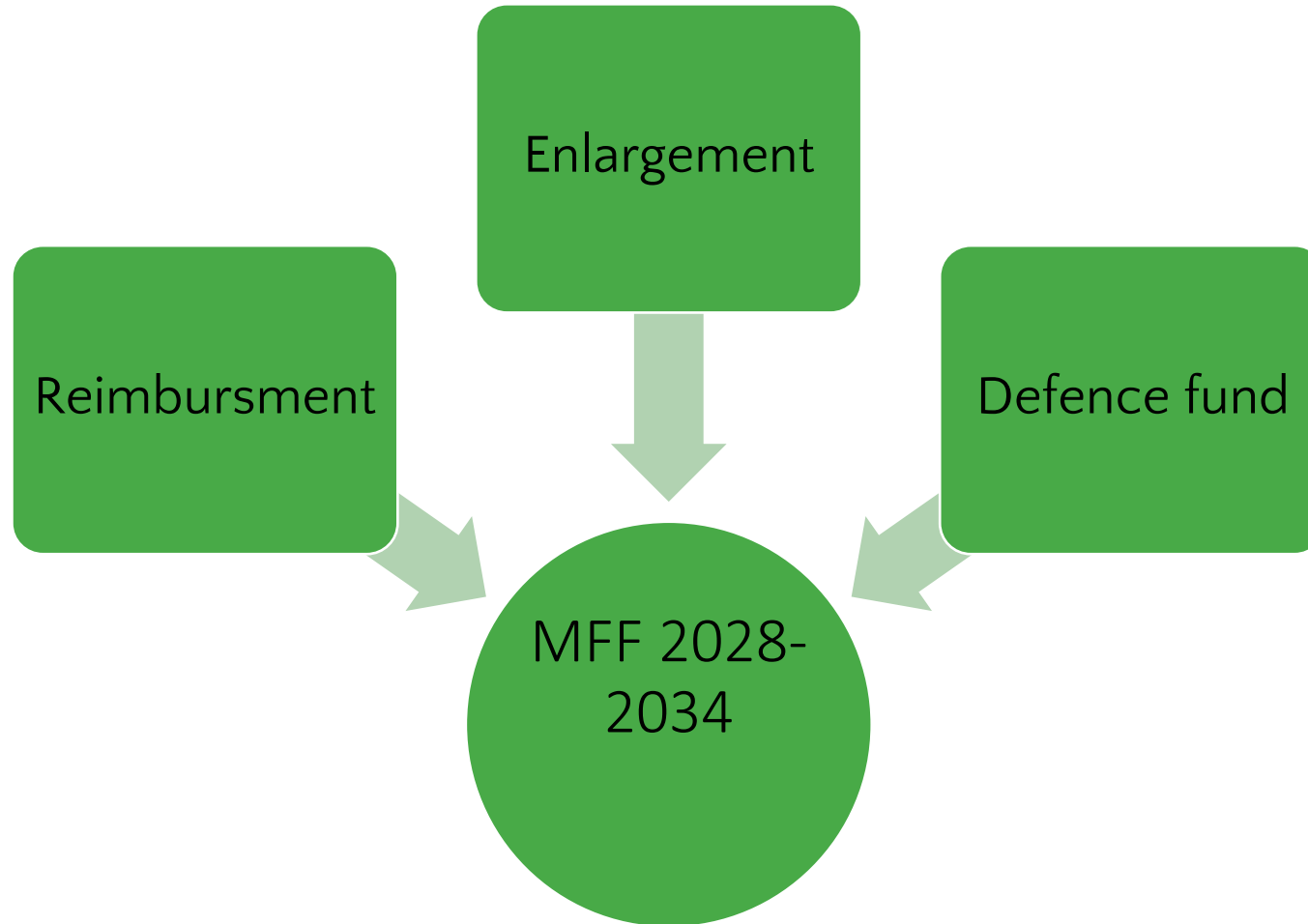
- The MFF determines the **EU's budget** priorities for the next seven years, incl. CAP
- Decisions on the MFF have direct implications for **sustainable agriculture** and climate goals.
- Goal: shape the debate by **integrating** sustainability into agri-funding mechanisms, ensuring alignment with green transition objectives.



Our Approach

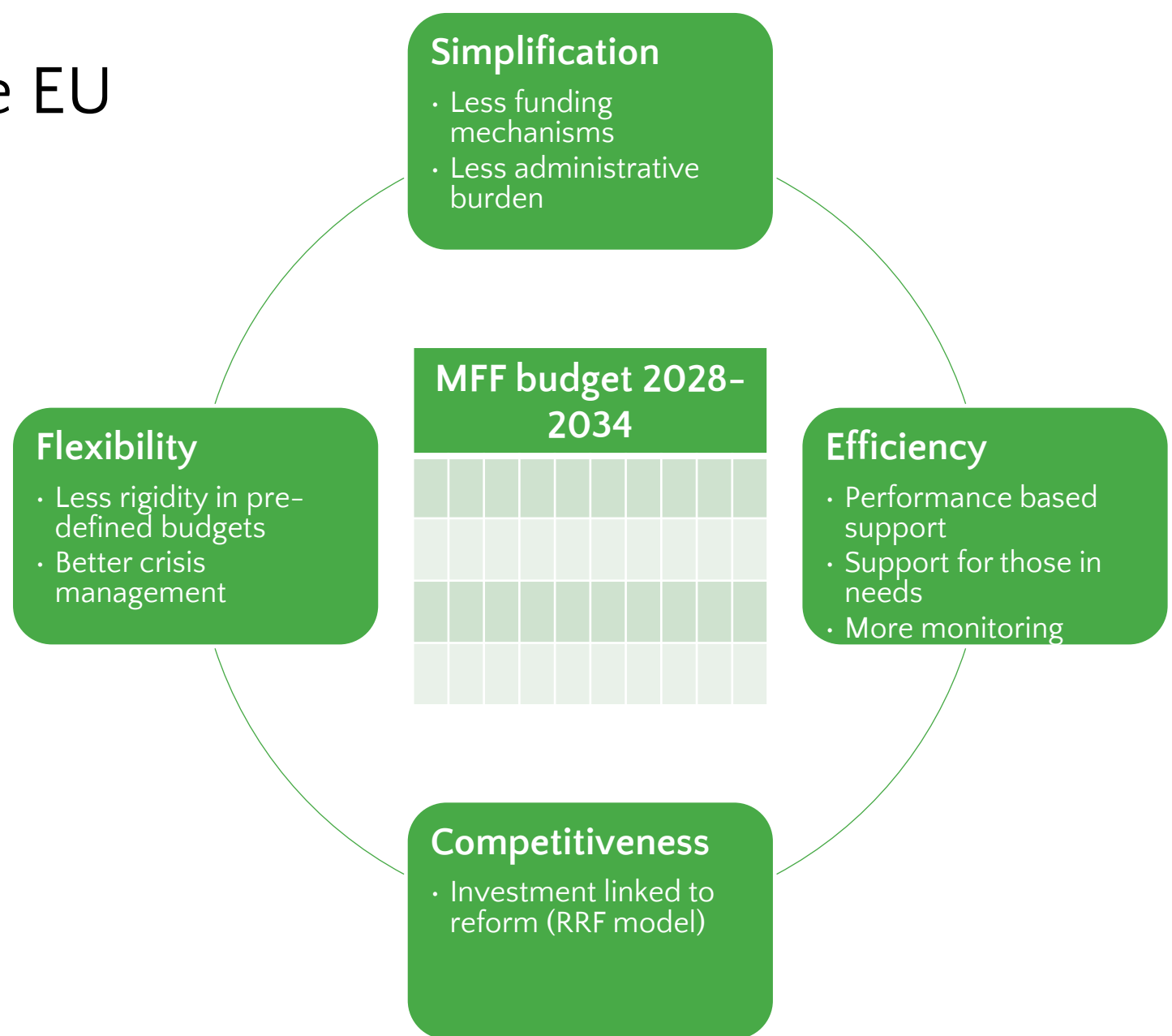
- Develop **options**, fostering discussion among stakeholders and policymakers.
- Focus on risk management, resilience, and supporting **transitions** in the agri-food sector.
- **Engage** with think tanks, governments, private stakeholders and EU institutions to promote new MFF solutions to enable the transition.

The political context for the next MFF



MFF priorities for the EU Commission

Leaked document from the EC: One pot budget for MS with a strategic plan



Key elements of EU's Strategic Dialogue on the Future of Agriculture

Benchmarking system: Establish a system to measure and track farmers' environmental performance.

CAP reform: Shift focus to specific social, climate, and environmental goals rather than hectare payments

Emissions regulation: Explore integrating agricultural emissions into the EU ETS or create a new trading system.

Funding & loans: A temporary transition fund and a nature restoration fund outside the CAP and tailored loan packages via the European Investment Bank

New strategies on: Trade, the animal sector, education, and nutrient management

Simplified regulations: Streamline administrative requirements across EU and MS

Global leadership: Promote sustainability standards in global forums like the WTO

New rural models: Develop economic models that align growth, environmental protection, and social justice.



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Conclusion

What do we get from the current CAP?

- Flexibility and simplification
- Weakened environmental ambition
- Dependence on national implementation

How should CAP evolve?

- Transition from direct payments
- Improve governance
- Focus on eco-system services through long-term funding and a fair transition fund

What is the likely future of for agriculture in the EU?

- Financial incentives and flexibility
- Targeted funding reforms
- A benchmarking system
- Climate integration
- Leveraging trade strategies to position itself as a leader in sustainable food systems.

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