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Proposal for the design of result-based area support in Denmark's programme for the use of EU agricultural support funds for 2028–2034

Organic Denmark • The Danish Society for Nature Conservation • Animal Protection Denmark • Danish Vegetarian Association • The Plant-Based Business Association • World Animal Protection • Birdlife Denmark • Danish Beekeepers' Association • Green Transition Denmark • Permaculture Denmark

The organisations recommend that, from 2028, the part of Danish area-based agricultural support aimed at farm operations should be implemented as a result-based support model. This should replace the present support model that primarily rewards land ownership.

Under a new support model, Denmark should prioritise paying Danish farmers for delivering public goods. The part of area support directed at agricultural land should pay farms for contributing to a low climate footprint, healthy coastal waters and fjords, clean drinking water, space for nature and biodiversity, and good animal welfare. Payment should be made through a different support structure from the one used today.

Agricultural support would thereby help Denmark meet its international and national obligations relating to climate policy, the Water Framework Directive, the Nature Restoration Regulation, the Nitrates Directive, the EU Birds Directive, the Habitats Directive, the Soil Monitoring Law, the Directive on the sustainable use of pesticides, including the IPM principle on ecological infrastructure in and outside production sites, rules protecting farm animals beyond minimum requirements, and the Green Tripartite Agreement.

The model would make agricultural support a central instrument of climate, nature, aquatic-environment and animal-welfare policy. It would support sustainable development in Danish food production, including the transition towards a more plant-based food sector. It would also create favourable conditions for expanding regenerative and organic production and for developing local and small-scale farming.

Permanent extensification of agricultural land, focused on nature and biodiversity, and the development and maintenance of valuable nature should also receive high priority. This may be financed through targeted area-support schemes under the new National and Regional Partnership Plans Fund (NRP Fund), but this is not elaborated further in this paper.

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EXECUTIVE SUMMARY

The proposal represents a fundamental shift in EU support for agricultural operations: from payment for owning or farming land to payment for the societal and environmental outcomes that agriculture should also deliver. The aim is to make agricultural support a central instrument of climate, nature, aquatic-environment and animal-welfare policy and to support sustainable development in Danish food production, including a transition towards a more plant-based food sector.

Farmers would be paid for modelled outcomes rather than predefined activities. Support would be based on existing data and accounts showing each farm's performance in four core sustainability areas and could be targeted to regional and local needs.

Elements

The model uses a climate account, the new nitrogen-emissions account, a farmland-nature index and an animal-welfare index:

1. Climate
 - Payment based on the farm climate account, expressed as CO₂e per hectare.
 - A lower climate footprint gives higher support.
2. Nitrogen
 - Payment based on nitrogen leaching, expressed as kg N per hectare.
 - Emissions below defined levels give higher support.
3. Nature on farmland
 - Payment based on a farmland-nature index measuring the potential for biodiversity on agricultural land, expressed as an index score per hectare. Greater potential gives higher support.
4. Animal welfare
 - Payment based on selected animal-welfare indicators beyond statutory minimum requirements, expressed as an animal-welfare score per livestock unit. A higher score gives higher support.

The proposal also includes:

- Higher support rates for small farms.
- Higher support for fruit, berry and vegetable production.
- Higher support for pulses intended for human consumption.
- Support for securing pollination in selected crops.
- Continued conversion support for organic production and the possibility of a special organic premium.
- Support for the extensification and transition of livestock farms.

Financing and weighting

The model would be financed within the new NRP Fund, under which 43% of funds must be used for climate and environmental measures.

The organizations stress that animal welfare must form part of the overall prioritisation. Weighting between the schemes must ensure genuine priority for all four areas and reflect the political objectives for each. Payment should take account of the business-economic consequences of transition so that change is economically realistic and relevant for farms.

Expected advantages

- More measurable effects on climate, the aquatic environment, biodiversity and animal welfare.
- More options and greater freedom of method for farmers.
- Fewer narrowly regulated individual schemes.
- Better use of existing data and simpler impact measurement.
- More equal treatment of different farm types.
- A system that is more meaningful to farmers and leaves more room for local solutions.

The proposal is consistent with the European Commission's overall objective of greater flexibility and a shift from conditions to incentives.

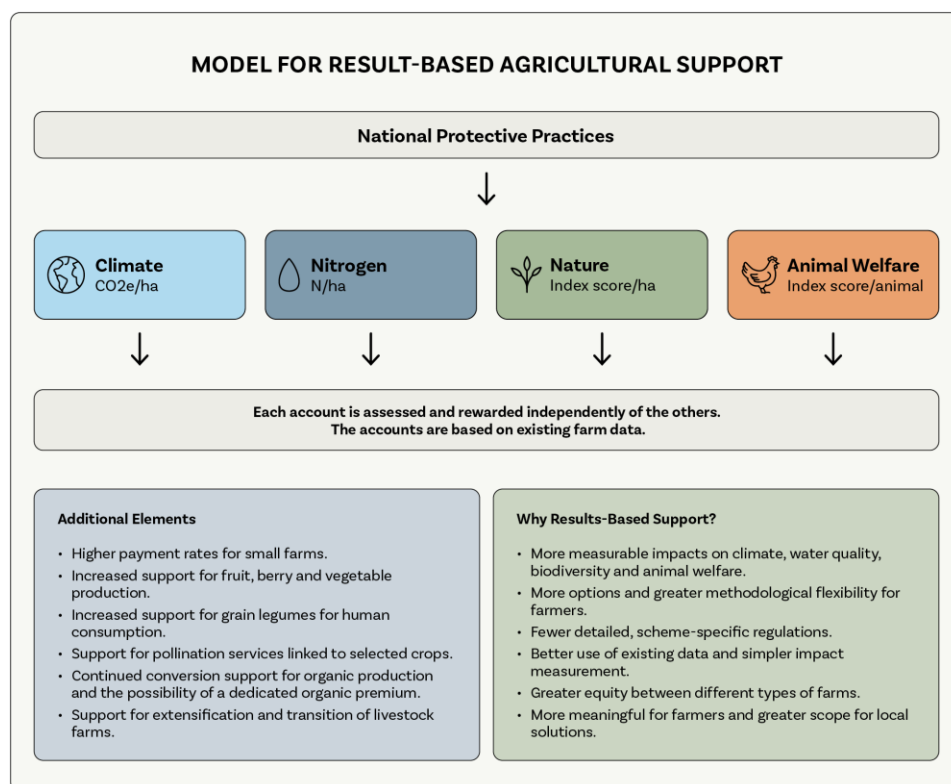


Figure 1. Model for result-based agricultural support.

RESULT-BASED SUPPORT: DEFINITION AND ELEMENTS

Result-based support means that support is paid on the basis of model-based accounts covering climate, nitrogen leaching, biodiversity and animal welfare. It differs from the current structure, which focuses on a limited selection of activities, such as maintaining grass for an additional year or establishing fallow land and small biotopes, with each activity set up as a separate scheme.

The proposal does not require outcomes to be measured directly on the beneficiary's farm, for example measured soil-carbon storage or counts of birds and herbs. The calculated result is justified by the underlying research-based evidence and validation of the accounting method.

The proposed system contains:

- Nationally adopted protection practices.
- Four accounts: climate, nitrogen leaching, farmland nature and animal welfare.
- Incentive payments.
- Higher support for small farms, areas with fruit, berries and vegetables, and pulses.
- Organic conversion support and, where relevant, a special organic premium.

In addition, the proposal includes:

- Gradual phasing-out of direct income support.
- Extensification and diversification support for livestock farms.
- Measures to secure pollination in selected crops.

ADVANTAGES OF RESULT-BASED SUPPORT COMPARED WITH ACTIVITY-BASED SUPPORT

Paying support on the basis of accounts has several advantages:

- It gives farms freedom of method and enables them to take local conditions into account. This creates room for professional judgement, makes schemes more meaningful and provides an incentive to achieve the best possible result rather than merely comply with a rigid requirement. New measures can be rewarded once their effects have been documented and incorporated into the accounts.
- It uses the large amount of farm-level data already held by the central administration, increasing the value of existing reporting.
- It makes impact assessment over time straightforward. Aggregate effects for individual years and total scores for Danish agriculture can be compared across the different parameters.
- It rewards a broad range of valuable measures without requiring rigid definitions of separate concepts such as regenerative agriculture, conservation agriculture, agroforestry and organic farming, which may overlap considerably.

- It supports a far wider range of measures than activity-based support, which is limited to a small number of activities.

There is broad agreement, including within the European Court of Auditors, that the existing architecture has not delivered significant value in terms of agriculture's environmental performance. This calls for reform of the payment basis.

The continuing decline in farmland-bird populations illustrates the lack of effect. The decline has continued at broadly the same rate despite the introduction of an increasing number of environmental-support schemes under the CAP as it appears from figure 2.

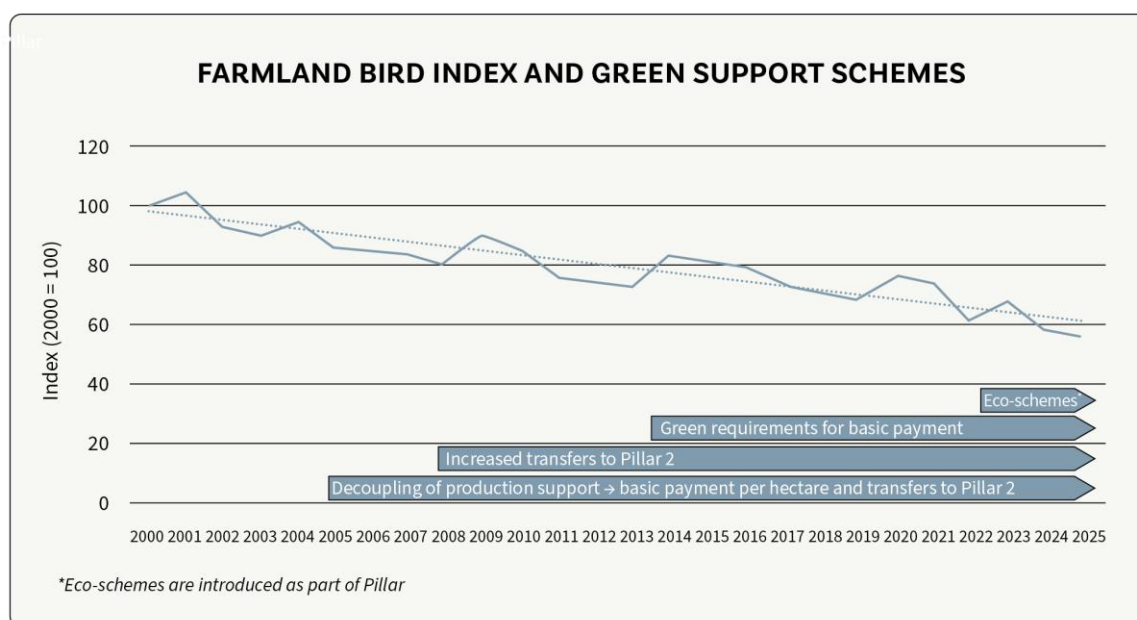


Figure 2. Development of the Danish farmland-bird index compared with the introduction of support schemes promoting, among other things, biodiversity. Source: Birdlife Denmark's point-count programme.

At present within the activity based support scheme system the support has targeted specific measures and farming systems without considering the general nature value of the individual properties. Research shows that restoring agricultural ecosystems depends on landscape composition, landscape configuration and the functionality of habitats. These dimensions are difficult to address through activity-based support.

Agricultural support has likewise been highly ineffective in reducing greenhouse-gas emissions. Figure 3 compares the potential climate effect of the Danish eco-schemes offered in 2023 with their total budget and the agricultural sector's greenhouse-gas emissions in 2022. CONCITO's 2024 assessment was that the CAP schemes offered would result in only a very small reduction in emissions.

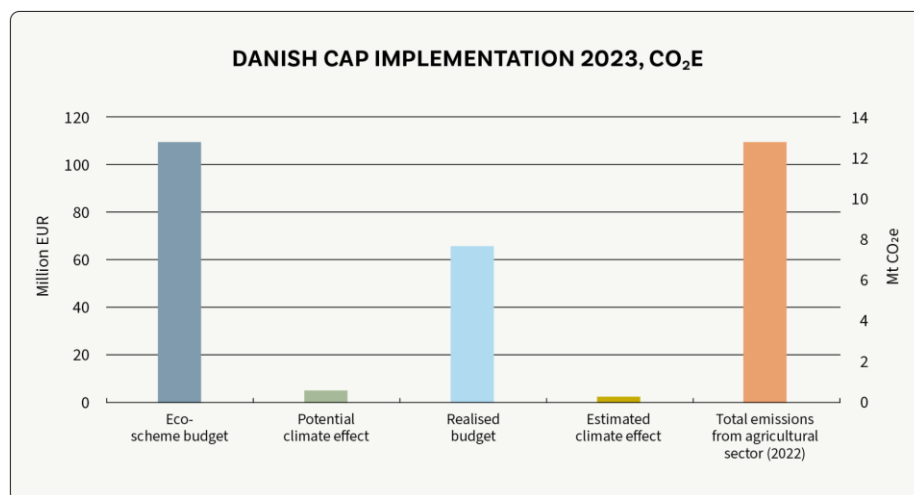


Figure 3. Danish implementation of the CAP in 2023 and reduction of greenhouse-gas emissions. Source: CONCITO, [Impact and opportunities of the 2023-27 CAP reform in Denmark](#), May 2024.

REVIEW AND ELABORATION OF THE ELEMENTS OF RESULT-BASED SUPPORT

Farm management: statutory management requirements and national targeting through nationally adopted protective practices [EU COM CAP proposal July 2025 art. 3](#)

In the European Commission's CAP proposal, the current conditionality requirements are partly replaced by statutory management requirements and protective practices. Those practices may reflect national and regional conditions.

In a result-based system, nationally determined protective practices could be translated into a required outcome level that farmers must achieve to receive support. Regionally differentiated conditions could further target the model and increase its effect.

Four support schemes: climate, nitrogen leaching, farmland nature and animal welfare [EU COM CAP proposal July 2025 art. 4, art. 10](#)

Four separate accounts would be established as four independent support schemes. Farms would apply voluntarily for each scheme. Results would be calculated separately and payments kept distinct.

To qualify, farmers would commit to delivering a defined level in the relevant area. The level would be determined by the nationally adopted protective practices and by a minimum animal-welfare requirement if animal welfare is not included in Article 3 (4) of the final EU legal act. Actual payment would be graduated according to the outcome in the relevant account.

Validated farm-level outcome statements already exist in Denmark and can form the basis of the system. The four accounts can use data already reported to the authorities or obtained from GIS systems.

Climate scheme

A farm climate account. The organisations recommend ESGreen Tool Climate or a farm-specific climate account already financed by the state with DKK 12 million for possible use in future agricultural regulation. Payment unit: CO₂e per hectare.

Nitrogen-leaching scheme

The nitrogen-emissions account. Support would compensate for reduced nitrogen emissions and maintain an incentive to reduce emissions as much as possible. Payment unit: kg N per hectare.

Nature on land covered by agricultural support

A farmland-nature index showing the extent to which habitats and food resources for biodiversity are present on cultivated land. The index was developed jointly by the Innovation Centre for Organic Farming and Aarhus University. Payment unit: farmland-nature index score per hectare.

For natural areas such as areas protected under section 3 of the Danish Nature Protection Act, where those areas remain part of the basis for income support, support should also reflect a biodiversity index such as the Danish Nature Indicator (DNI) or High Nature Value (HNV).

The index would incentivise long field edges, avoiding pesticides, limited soil cultivation, diverse crop rotations, permanent grassland, grazing and landscape elements, while rewarding a high DNI or HNV score on protected areas included in the agricultural area.

Animal-welfare scheme

An animal-welfare score would use existing and, where necessary, new data on farm production systems, including data from organic inspections and the Danish state animal-welfare label. Eligible criteria would allow graduated payment corresponding to the score. Payment unit: score level per livestock unit.

The criteria and indicators should reflect the breadth of the Five Domains model and cover both animals' physical and mental welfare, drawing on the latest scientific knowledge.

Incentive payments [EU COM CAP proposal July 2025](#) [whereas 7](#), [art. 10](#)

Public goods cannot be commercialised in the same way as private goods because their benefits accrue to everyone. The rate used to remunerate farms under the four schemes should therefore include an incentive payment where necessary to secure an effect. This payment makes the delivery of the public good economically competitive with food production that does not account for it.

Small farms [EU COM CAP proposal July 2025](#) [art. 5](#), [art. 6](#), [art 7](#)

Small farms should receive a higher rate for the outcomes shown in their accounts. This should reflect their more limited scope for efficiency gains and the political and societal interest in strengthening the livelihood of small farms in Denmark. The qualifying farm size must be defined.

Higher support for fruit, berry and vegetable areas [EU COM CAP proposal July 2025 art. 5 \(r\), art. 11](#)

EU rules allow targeted support for selected sectors. The organisations general objective is to phase out direct income support and coupled support. However, Danish fruit and vegetable production is in serious difficulty, while increased domestic production provides greater land-use efficiency in terms of nutritional supply per hectare than fodder crops. A shift towards more fruit and vegetables could release land for nature and thus provide a public good demanded by society.

The organisations therefore propose a substantial increase in support for fruit and vegetable producers. Ideally, outcomes in the four accounts should be multiplied by a coefficient so that total payment reflects the goal of larger and competitive Danish production. Alternatively, a higher area payment could be granted under Article 5 or coupled support per hectare under Article 11. If coupled support is used, criteria must ensure delivery of the public goods covered by the four accounts.

Higher support for pulse areas [EU COM CAP proposal July 2025 art. 5 \(r\), art. 11](#)

Pulses for human consumption are a priority. They are included in the government platform to create new opportunities for Danish agriculture with greater emphasis on crops for human consumption. The 2023 Action Plan for Plant-Based Foods followed directly from the 2021 agricultural agreement, and pulses are an important part of the European Commission's July 2026 action plan on strategic autonomy, sustainability and protein supply.

The support system should help build a strong Danish value chain for pulses without causing overproduction. Documented public-good outcomes could be multiplied by a coefficient reflecting the share of pulse crops on the farm, regardless of whether the crop is ultimately used for feed or food. Alternatively, coupled support could be granted for all pulse areas, possibly with a base rate and an additional later payment where sale for human consumption is documented. Coupled support should still be conditional on delivery of the public goods covered by the four accounts.

Securing pollination in selected crops

An incentive should be incorporated for crops in which insect pollination is demonstrably important, including fruit and berries, seed crops and some pulses.

This could take the form of documentation requirements or coupled support rewarding documented agreements with beekeepers. It could provide an additional incentive to grow fruit, berries and pulses.

Organic support and organic conversion support [EU COM CAP proposal July 2025 art. 10, 1 \(a\), 1 \(b\) , 2](#)

As at present, conversion support for organic farming should be maintained. It compensates organic farms for the additional requirements they face and for the period before their products may be marketed as organic.

Ideally, there would be no separate scheme for maintaining organic management. The services delivered by organic farming should be rewarded through the result-based model's climate, biodiversity, nitrogen and

animal-welfare components. This differs from the Commission proposal of July 2025, under which both organic support and organic conversion support are mandatory.

If this remains mandatory in the final legal basis, Denmark could offer conversion support together with a separate organic premium or a supplement to the rates in the four schemes. In the long term, organic production should not be more expensive than conventional production because agricultural rules generally would be stricter and ecosystem services would be paid for through agricultural support.

EXTENSIFICATION AND DIVERSIFICATION SUPPORT FOR LIVESTOCK FARMS [EU COM CAP proposal July 2025 art. 4](#)

The Commission proposal makes it mandatory to offer support for extensification or diversification of livestock production in areas where the aquatic environment is affected by nitrate surpluses.

Outcome accounts for climate, nitrogen emissions, farmland nature and animal welfare would in themselves support extensification of Danish livestock production. This effect could be supplemented by schemes supporting the decommissioning of surplus livestock buildings, conversion to crops for human consumption, and other investment in a future plant-based food sector. These matters are not developed further here because the paper concerns area support and payment for animal welfare.

INTERACTION WITH THE CLIMATE TAX AND THE COMPENSATION MODEL IN THE NEW FIELD REGULATION

This paper does not analyse the interaction with the agreed Danish climate tax or the compensation model accompanying the new field regulation. The future Danish EU support programme must be aligned with both arrangements to secure optimal use of funds and effective interaction. The proposed setup could, for example, replace the special nitrogen supplement for organic farming of 107 kg N per hectare and 65 kg N per hectare respectively.

Farm-specific climate-account support would reward the use of climate technology by paying for its documented effect. This is more favourable than direct purchase subsidies because it is less likely to be capitalised into technology prices and treats large and small farms more equally. Legally, both approaches may be possible because investment aid supports the purchase, whereas climate-account support rewards the effect. The same reasoning applies to technology that reduces pesticide use and other environmental pressures.

FINANCING AND ECONOMIC WEIGHTING OF THE SCHEMES

The Commission proposal provides for financing through the new NRP Fund, part of the forthcoming EU multiannual financial framework.

The proposal assumes that 43% of NRP-plan funds will be used for environmental and climate objectives.

Denmark should prepare a gradual phase-out of direct income support and replace it with result-based support. At the start of the new period, an amount corresponding to 30% of current income support should be allocated to result-based support, rising to 50% towards the following period. The final allocation and trajectory should be based on business-economic analyses and the final European legal framework.

Animal welfare must not be deprioritized despite the Commission's current performance proposal does not assign a performance coefficient to animal welfare under the climate and environmental intervention area. The performance proposal is a cross-cutting framework for tracing EU expenditure and documenting that Member States meet agreed budget objectives.

The precise budget weighting between the four schemes and the higher rate for small farms should be based on analysis of the business consequences of agricultural transition and should reflect the political objectives for Danish agriculture.

The weighting must make it most advantageous for farms to perform well in all four accounts and avoid one-sided optimisation. Aarhus University has warned that an exclusive focus on climate efficiency can undermine other relevant objectives [Climate efficiency within the farm sector](#)

Weighting of the farmland-nature index and its interaction with DNI must maintain incentives to protect threatened plants, insects and other species in protected nature.

The treatment of organic farming should likewise be decided following economic analysis, including the consequences of not paying maintenance support and the continuing need for conversion support.

The long-term goal should be that a combination of CAP reform and generally stricter farming rules makes organic production no more expensive. Once this is achieved, the need for conversion and special organic support may disappear.

For fruit, berries and vegetables, an analysis should identify the support rate required to establish a viable Danish business case and assess proportionality in applying a higher support rate. A corresponding analysis should assess higher support for pulses, including whether result-based payments improve the competitive position of pulses relative to livestock production and whether sufficient critical mass exists for food supply chains.

Trials show that favourable conditions for pollinators can markedly increase yields, especially in pulses, yet large areas are established without such safeguards. Although farmers should have a direct economic interest in pollination, a dedicated reward may be needed to spread knowledge and practice.

CONTROL AND AUDIT

The model is considered robust in relation to control of correct payments. Payments rely on data already reported by farms or obtainable from map layers and used in agricultural regulation. As the authorities increasingly use data-based control for legal compliance, it should also be sufficient to verify payment grounds, supplemented where necessary by sample-based physical inspections.

The selected accounting systems serve as payment criteria. Hence the criteria are fixed and cannot be challenged by an individual farmer to obtain higher support. This distinguishes the model from issues arising when assessing the legal basis for a tax.

To safeguard legal certainty, farmers must not face repayment claims because a calculation model is changed after a commitment has been made. Model adjustments based on new knowledge should affect only future payments.

ROBUSTNESS IN RELATION TO NEGOTIATIONS ON THE EUROPEAN COMMISSION PROPOSAL

The organisations consider the proposal robust to possible changes in the final legal basis compared with the Commission proposal of July 2025. Even if the final support ceiling becomes optional for Member States, it should remain possible to prioritise green support more strongly than today at the expense of direct income support.

The principles of greater flexibility and targeting, introduced with the 2023 agricultural reform so that support better reflects national needs, are expected to remain. They are covered by Article 3 of the Commission proposal.

For animal-welfare support under Article 10, it would have strengthened the framework if animal welfare had been included in Article 3 (4) on national protective practices. However, animal welfare is mentioned both in Article 4, which identifies priority areas that Member States shall support, and in Article 10 on environmental and climate measures, under which Member States define the commitments required to receive support.

The proposal would not conflict with a mandatory minimum budget for green measures. The paper also explains how organic support could be handled whether it remains mandatory or becomes voluntary. Overall, the proposal is aligned with the Commission's general objective of greater flexibility and a shift from conditions to incentives.