

challenge is to link the plans to the authorised spatial planning in the area, and to provide a powerful alternative to ad hoc individual development initiatives.

Agriculture

Danish agriculture and challenges concerning environment and globalisation

- *Policies and programmes to enhance agricultural productivity and farmers' incomes*

Agriculture, food processing and affiliated sectors are of great significance to the Danish national economy and employment. The food sector is significant particularly in rural areas. These areas are of great importance to the government's efforts to retain a balanced regional development in Denmark.

Globalisation gives an opportunity to provide products to far larger markets throughout the world. Globalisation also entails a division of labour. The individual work processes will gradually be transferred to where they are carried out most effectively. The food sector is well equipped to cope with the challenges posed by increased globalisation, particularly because this sector has a very high level of knowledge and related skills.

- *Policies and programmes to achieve food security and sustainable agriculture*

- *Measures to make more efficient and effective use of energy and other essential inputs for sustainable agricultural production*

If agriculture and forestry are to be winners in the process of globalisation, it is essential that the framework of primary production are developed continually, so that production can take place in an improving economically, environmentally and socially sustainable manner. In this context it is important to be aware of the fact that the agricultural and forestry industries will be subject to a number of initiatives in the area of nature and environment over the next few years – primarily initiated at EU Community level. This will be of great significance to the conditions in which primary production operates.

The development to date has indicated that Danish agriculture

has been able to meet a number of stricter environmental requirements while maintaining a high level of output. In some areas such as pesticide use and nutrient pollution, additional efforts need to be considered to secure, that agricultural production will develop in a sustainable way. At the same time, there is a need to both improve the conditions of the agricultural industry by up-to-date regulation of production, and to step up the industry's investments in physical and human capital. This will ensure that the sector is able to meet the market challenges and requirements for reduced environmental impact. These investments must also include measures that promote technological solutions making it possible for the agricultural industry to be economically and environmentally sustainable at the same time.

In order to meet the challenges mentioned above the Danish government in 2006 initiated a multi-annual plan for sustainable husbandry ("Flerårsplan for bæredygtig husdyrproduktion"). This plan was initiated in a close cooperation between the Ministry of Food, Agriculture and Fisheries and the Ministry of Environment aiming primarily at promoting the use of new technologies in the husbandry sector in order to reduce the production impacts on neighbours, the environment and nature. The plan works in combination with existing Danish regulation targeted towards reducing the impact on environment and nature from production.

With the Danish Action Plan for the Aquatic Environment the nitrogen leaching from agriculture has been halved since the mid eighties. Furthermore the Danish government has introduced The Action Plan on Reduced Pesticide Use aimed at lowering the use of pesticides in the agricultural production.

• Measures taken to diversify agricultural production systems, including

The Ministry of Food, Agriculture and Fisheries has in 2007

*development of new markets
for value-added agricultural
products*

initiated the project “Smag Danmark” (Taste Denmark). The purpose of the project is to encourage and support the production of high quality primary products and a high quality processing chain while securing a large diversity in the market of foodstuffs. These value added products play an important role in ensuring the competitiveness of the Danish food, fisheries and agri business in the future. Among others farmers, firms, public and non public organizations can become part of the project.

National Action Plans for the conservation and sustainable use of plant and animal genetic resources have been set up by the Ministry of Food, Agriculture and Fisheries. The Action Plans have a dual purpose. One aim is to secure the conservation of plant and animal species. A second aim is to create new (added value) agricultural products on the basis of the conserved genetic resources. The purpose is to combine the conservation and utilisation of the genetic resources in an environmental and economical sustainable way.

Denmark has acceded to the FAO Treaty on Plant Genetic Resources and FAO’s Global Plan of Action for Animal Genetic Resources and the Interlaken Declaration on Animal Genetic Resources. The goals of the agreements are mainly implemented through the Danish National Action Plans.

The Danish forestry industry has been under considerable economic pressure for several years, partly due to the enlargement of the EU. Faced with this new situation the industry has searched for alternative sources of income and opportunities that can supplement the income from traditional forestry production (timber sale, Christmas trees and ornamental greenery). Examples include developing concepts within the leisure industry, developing forest-based tourism and developing different sales products for customers.

*• Recent agrarian reform and
other measures designed to
secure equitable access to land*

The Government’s opportunity to reach the Globalisation Strategy goal of Denmark (being among the countries with the

*resources by
both genders*

highest number of entrepreneurs by 2015) has been improved with the Danish Ministry of Education's undertaking of a gender equality assessment. By far the majority of entrepreneurs in Denmark are men. If the number of entrepreneurs is to be increased, it is necessary to get more women involved. The Ministry of Education has therefore integrated a gender perspective in their future work concerning education in entrepreneurship and enterprise. In this way, the gender equality assessment has improved the opportunities for reaching the goals of the Globalisation Strategy.

The Common Agricultural Policy

*• Policies and programmes to
achieve food security and
sustainable agriculture*

With the reform of EU's Common Agricultural Policy (CAP) in 2003 a decision was taken to put greater emphasis on the rural development programme. For instance to strengthen the role of the farmer in rural areas, with regard to both development, nature and the environment. In this way, the CAP and the rural development programme in particular must provide a bigger contribution to meeting the increasing demands of the public for food safety, food quality, a varied supply, animal welfare, environmental quality and the conservation of nature and landscapes.

The reform also transferred most of the EU's direct agricultural support to decoupled support in the form of the single farm payment scheme, and there are only limited opportunities to continue the payment of coupled support. The aim is to help farmers manage their production to a greater extent in accordance with signals from the market instead of managing production according to what offers the highest support payments.

In addition to receiving support under the single farm payments scheme, the farmer must meet a number of

conditions relating to the use of fertilizers and plant protection products, consideration of the environment, animal welfare and maintaining acreages in good agricultural and environmental condition (cross-compliance). The rural development programme must interact with the single farm payments scheme and the requirement of cross-compliance in this respect.

The single farm payments scheme has been implemented in Denmark with effect from 2005. The support is paid as a fixed area payment and with a supplement to farmers who have been producing beef or milk during a reference period. Area support relating to permanent pasture areas is also being introduced. A very limited proportion of the total support continues to be paid as production premiums, while support is otherwise decoupled, i.e. it is not covered by a production requirement.

Farmers who do not comply with a number of environmental rules and other similar rules risk having their support reduced under the rules of cross-compliance. All rates of aid are reduced over a number of years as a result of mandatory modulation, where funds are transferred from the single farm payments scheme to rural development policy.

Decoupling of support helps to ensure that agricultural production takes place entirely on market terms, which could for instance be expected to result in production on poorer soils becoming more extensive, with reduced fertilizer and pesticide use. The decoupling of support causes a deterioration in the production economics of milk and beef production, while the production of pigs, poultry and animals for fur is not directly affected.

The decoupling of support is expected to pull in the direction of more extensive grass production in agriculture. The

introduction of support for permanent pasture and the provisions on cross-compliance may also be expected to lead to a more environmentally friendly organisation of agricultural production. Decoupling also helps to reduce alternative expenses in connection with the alternative use of agricultural land, e.g. for leisure and hobby activities provided the areas concerned can continue to serve as a basis for the payment of decoupled support.

Rural Development

The Danish rural development programme

• Community-based and indigenous approaches to sustainable food production.

The food sector, which comprises both the primary agricultural industry and manufacturing and processing industries etc., has great potential as a driver of growth in Danish society, and the industry is of particularly great significance in rural areas. At the same time, the primary producers play a great role in managing a valuable natural and cultivated landscape.

Rural development policy forms an integral part of the Common Agricultural Policy (CAP). The rural development programme is an important political instrument to attain the goals of the EU Lisbon Agreement on growth and employment in combination with the sustainable use of natural resources.

• Integrating rural development strategies into Poverty Reduction Strategies (PRSPs) or other economic-development strategies.

The rural development programme supplements the other measures in the CAP in several ways. Rural development support complements the direct support under the CAP, partly by promoting sustainable and competitive agricultural and forestry production, promoting positive externalities from