



Background note: Panel Debate: The Green Transition of a Competitive European Agriculture and Food Sector

The EU's agriculture and food sector constitutes a strategic cornerstone of European cooperation. The sector plays a key role in safeguarding European food security and the access of European citizens to high-quality food products. It is also an important factor in the overall competitiveness of the EU, and in protecting the viability of rural areas – and not least, it is a crucial component in the overall approach to tackling the pressing challenges that are facing the climate, nature, soil, water and biodiversity.

Guiding Questions for the Discussion in the Panel Debate:

- How can we ensure that the reform of the EU's Common Agricultural Policy supports a just transition in which economic growth and environmental and climate concerns go hand in hand – and in which rural areas do not end up becoming deprioritised politically? Can elements from the Danish Green Tripartite serve as inspiration here?
- How can the resilience of the European agricultural sector to climate change, geopolitical crises and supply disruptions be strengthened – while simultaneously avoiding overregulation and ensuring flexibility for local solutions?
- What political and economic incentives are necessary to promote a land-efficient and sustainable form of agricultural production that both delivers healthy food products and also strengthens the EU's competitiveness?

Reform of the EU Common Agricultural Policy

On 16 June 2025, the European Commission presented a proposal for the reform of the EU's Common Agricultural Policy for the period 2028–2034. Among other things, the Commission proposes merging the two existing funds of the Common Agricultural Policy – the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD). The proposal, instead, is for agricultural expenditures to be integrated into a new National and Regional Partnership Fund (NRP) amounting to €865 billion (current prices), which will also finance the EU's structural and cohesion policy, fisheries policy and security and defence capabilities. The Commission proposes earmarking €293.7 billion (current prices) for income support for farmers in the EU for the period 2028–2034.

Member States will continue to provide direct income support to European farmers, but the Commission proposes making area-based income support more targeted. On that basis, a degressive income support is proposed, which reduces subsidies for large farms and establish a cap.



The Commission also proposes increasing so-called coupled income support which is given to farmers who find themselves in difficulties or who are considered important for socio-economic or environmental reasons.

This proposal would mean that there will no longer be a requirement for a certain share of the EU's agricultural funds to be used for environmental and climate purposes. The Commission proposes setting a general target for 35% of the overall EU budget to be spent on climate and environmental measures. According to the Commission, this would mean 43% of the NRP Fund being spent on environmental and climate targets.

Instead, the EU's climate and environmental targets shall be met to a greater extent through incentives that reward agriculture for using more sustainable production methods. This will be facilitated through a new system called Farm Stewardship which will replace the existing rules on conditionality that require farms to comply with a number of common environmental, climate, health and animal welfare standards in order to receive agricultural subsidies. Instead, the new system will make it possible for Member States to introduce nationally adjusted minimum requirements that promote environmental, climate and social conditions. This will give the Member States the flexibility to adopt national measures that suit their geographical and climate conditions and agricultural production. Via these national measures, the Member States must, among other things, ensure the following objectives: Protection of carbon-rich soils, protection against soil erosion and protection of watercourses and groundwater against pollution.

The proposal also requires EU Member States to, at minimum, support farmers within the following six climate and environment priority areas: (a) adaptation to climate change and water resilience; (b) mitigation of climate change, including the removal of carbon and the on-farm production of renewable energy, incl. biogas production; (c) soil health; (d) preservation of biodiversity; (e) development of organic farming; (f) animal health and welfare.

The Green Tripartite – A Danish Example of Agricultural Sector Transformation

The EU's Member States each have their own approaches and challenges when it comes to the agriculture and food sector. However, there are many commonalities and thus also the potential to exchange experiences and inspiration.

In 2024, the Danish Government, together with a number of stakeholders from civil society and the agricultural sector, agreed on what is known as the Green Tripartite¹ – an agreement which aims to ensure more nature, cleaner water and a sustainable transition of the agricultural sector. Later that same year, a broad majority of the parties in the Danish Parliament (Folketinget)

¹ [The agreement on a green transition of the agricultural sector - Ministry of Food, Agriculture and Fisheries of Denmark](#)



reached a political agreement on the implementation of the deal. The main points of the Green Tripartite are the following:

- Afforestation of 250,000 hectares of new forest.
- Conversion of 140,000 hectares of low-lying farmland (wetland agricultural areas that emit significant amounts of CO₂ when cultivated). Many of these lands will instead be converted into natural areas.
- More biodiversity through the establishment of 21 new national nature parks, one peri-urban national nature park, and improvements to the marine environment in the Little Belt and the Øresund.
- Strengthened efforts for the aquatic environment to reduce oxygen depletion in Danish fjords and coastal areas.
- The introduction of a carbon tax on livestock production.
- Forward-thinking, competitive and sustainable Danish food production with an increased focus on biosolutions, climate technologies and plant-based foods.
- Allocation of DKK 43 billion to Denmark's Green Land-Use Fund for the financing of green initiatives.
- The creation of 23 local tripartite partnerships through which municipalities, landowners and the state work together to protect natural areas – for example by reforestation or restoring wet meadows on low-lying land.

Overall, the initiatives in the agreement are estimated to have the potential to reduce emissions by between 1.8 million and 2.6 million tonnes of CO₂e in 2030².

² [Broad Political Agreement Reached on the Green Tripartite: The Biggest Change to the Danish Landscape in over 100 Years – Regeringen.dk](#) (source in Danish)