



At a glance:

SWEDEN'S CAP STRATEGIC PLAN

Agriculture
and Rural
Development

CAP Strategic Plans support the transition towards a smart, sustainable, competitive, resilient and diversified agricultural sector, while ensuring long-term food security. They also contribute to climate action, the protection of natural resources and the preservation/enhancement of biodiversity, as well as strengthen the socio-economic fabric of rural areas.

The CAP Plans support a wide range of interventions addressing the specific needs of Member States and their territories. Designed in line with a new result- and performance-oriented approach, they aim to deliver tangible results in relation to EU-level CAP specific objectives, while contributing to the European Green Deal.

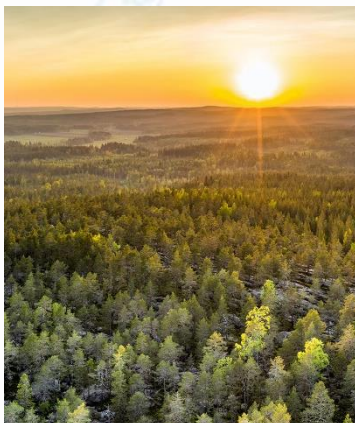
For the first time, each CAP Plan defines a strategy covering all the main CAP funded instruments: direct payments, support for rural development and interventions specific to certain market sectors.

The needs of rural areas will also be addressed by other EU instruments such as the Recovery and Resilience Facility (RRF) or the European Structural and Investment Funds (ESIF).

The Russian aggression against Ukraine and the ongoing commodity price surge highlight the integral link between climate action and food security. In this context, the Commission invited Member States to review their CAP Strategic Plans to exploit all opportunities: to strengthen the resilience of the EU's agricultural sector; to reduce their dependence on synthetic fertilisers and scale up the production of renewable energy without undermining food production; and to transform their production capacity in line with more sustainable production methods.

Sweden submitted its first proposal for a CAP Strategic Plan on 22 December 2021, after consultation with stakeholders. On 23 September 2022, Sweden submitted a revised proposal, addressing the Commission's observations on the first draft. The Commission approved this proposal on 28 October 2022. This document presents some of the main features of the CAP Strategic Plan of Sweden.

1. DID YOU KNOW?



The agricultural sector in Sweden operates in a Nordic climate with a limited number of crops and a large dairy sector. There are significant differences in production conditions and production types between southern and northern Sweden. The **primary sector accounts for less than 1% of Sweden's total GDP**. Dairy and bovine meat account for one-third of the production value of the agriculture sector; crop production about 40%; and pig, poultry and horticulture around 30%. In addition, Sweden is characterised by **long transportation distances and sparsely populated areas**, with almost 60% of the population living in rural and intermediate regions.

- ➔ Less than 10% of Sweden's area is used for agriculture and approximately half of the agricultural area has natural or other area-specific constraints. **Around 70% of Sweden's land is covered by forest.**
- ➔ There are **almost 59 000 farms** in Sweden, with an average size of almost 50 hectares.



2. GOALS AND STRATEGY OF THE CAP STRATEGIC PLAN OF SWEDEN

Sweden's strategy aims to increase the productivity, viability and competitiveness of the agricultural sector while protecting animal welfare and seeking increased ambition in environmental and climate standards. Increasing food production is another priority. The strategy also aims to contribute to the development of Sweden's rural areas, to help ensure that these are attractive places to live and work in.

2.1 AN ECONOMICALLY SUSTAINABLE AND FAIRER CAP

Sweden is building **a fairer and simpler system of financial support for farmers**. Income support will help to maintain farmers' incomes, and a total of EUR 2 billion (covering approximately 2.9 million hectares) will be paid by the EU. This will strengthen the liquidity of businesses, counteract low profitability and help to ensure the continued viability of farming, especially in areas with more challenging production conditions.

Additional support is given in particular to the bovine sector (beef, veal and milk), because it is undergoing specific difficulties. The support is **aimed at countering the declining number of animals and declining production**. Animal feed, in particular ley, can be produced in areas with poor agricultural conditions and limited market possibilities for producing other crops. An important share of milk and beef production therefore takes place in such areas.

Primary producers in Sweden are to a large extent organised in cooperatives, which also integrate food processing. The fruit and vegetable sector is, however, more fragmented. As a result, the Swedish Plan will **boost collaboration among primary producers to strengthen their position in the value chain**. The Plan also aims to stimulate the apiculture sector with a view to increasing the number of professional beekeepers.

- ➔ *About 14 000 farmers will receive support for livestock production, contributing to local food security and the competitiveness and profitability of the sector.*
- ➔ *A total of EUR 806 million will be paid to farmers to promote the continuation of sustainable agricultural practices in areas where conditions for farming are poor, such as mountains, forest-dominated areas or northern areas.*

2.2 A GREENER CAP

The Swedish Plan will use 30% (about EUR 1.3 billion) of the EU financial contribution to support environmental and climate objectives, focusing on carbon sequestration, biodiversity and valuable grasslands, as well as increasing knowledge about sustainable production. Farmers or other land managers may receive **support for managing pastures and meadows to preserve and enhance their natural and cultural environmental values**, with the aim of maintaining over 420 000 hectares annually.



Furthermore, farmers can receive additional funding if they respect certain agronomic rules, which will reduce nutrient leakage from arable land and increase carbon storage in the soil. For the same purpose, around 14% (over 430 000 hectares) of the total utilised agricultural land will receive **support to develop organic farming**, which will contribute to the reduced use of pesticides, improved water and soil quality, and carbon sequestration.

Besides supporting the implementation of more environmental and climate-friendly practices, the Swedish Plan has a strong focus on encouraging upskilling and awareness raising on these topics among farmers. Awareness raising can focus on things like the nitrogen and carbon cycle on the farm, how to improve energy efficiency, or methods for more efficient manure storage and spreading. All these measures combined, from the know-how to promoting the practical application, contribute to the green objectives of the CAP.

In order to receive funding, **farmers and foresters will be asked to respect some minimum requirements** (good agricultural and environmental conditions). Such requirements involve, among other things, increased establishment of buffer strips along water courses, increased soil cover to avoid bare soils in sensitive periods, and crop rotation on arable land. These requirements will need to be respected on around 96% of the utilised agricultural area.

The Plan will operate alongside national support schemes, national legislation and with the actions of the Recovery and Resilience Facility, namely the EUR 1.46 billion reserved for the green recovery.

- ➔ *Over 50% of the utilised agricultural area will be under commitments for protecting water quality, and over 22% will be under commitments for protecting and improving soil quality. As an example, support will be paid for 84 000 hectares to maintain wetlands and ponds, to achieve an effective level of nutrient retention and to avoid weed invasion in waters.*
- ➔ *Up to 9 000 farmers will be encouraged to use digital tools to apply the precise amount of nutrients required by their crops, thus avoiding leakage of nutrients and pollution of the groundwater on up to 1.4 million hectares annually.*



2.3 SOCIALLY SUSTAINABLE CAP

Challenges in Sweden include the remoteness of many rural areas, with long distances to the nearest town or city, and low population density. A priority issue is to continue the development of these rural areas to make them more attractive and vibrant.

First, **the CAP Plan will ensure that new farmers enter the sector**. The complementary income support for young farmers, paid over five years for the first 200 hectares, is an important measure to facilitate access to land. In addition to this, start-up aid and a favourable rate of support for investments will also be available when the young farmer takes up the business.

Moreover, **local communities will be strengthened**. Community-led local development continues to feature prominently in the Swedish Plan. This will be implemented through the LEADER approach, which brings together public, private and civil-society stakeholders to find shared solutions for the development of the rural economy and society. Over 40 LEADER groups, covering almost 75% of the rural population, will be involved in the development of such tailor-made initiatives. This will, for example, help rural businesses active in food production and hospitality to work together, using local resources and markets more efficiently and sustainably.

Enterprises will also be able to receive **support under the Plan to diversify and develop new products and services in rural areas**. This will contribute to growth, jobs and the promotion of attractive rural areas.

- *A new young farmer can receive up to EUR 32 000 to set up their agricultural activity, in addition to income support earmarked for such farmers. This can ensure income security during the start-up phase and enable the necessary investment, securing the next generation of farmers.*
- *EUR 125 million will be invested to improve animal welfare. For example, care of hooves for cows, analysis of forage for sows and additional shearing of sheep or testing for parasites can be supported. These measures will also contribute to reducing the use of antibiotics in the livestock sector.*



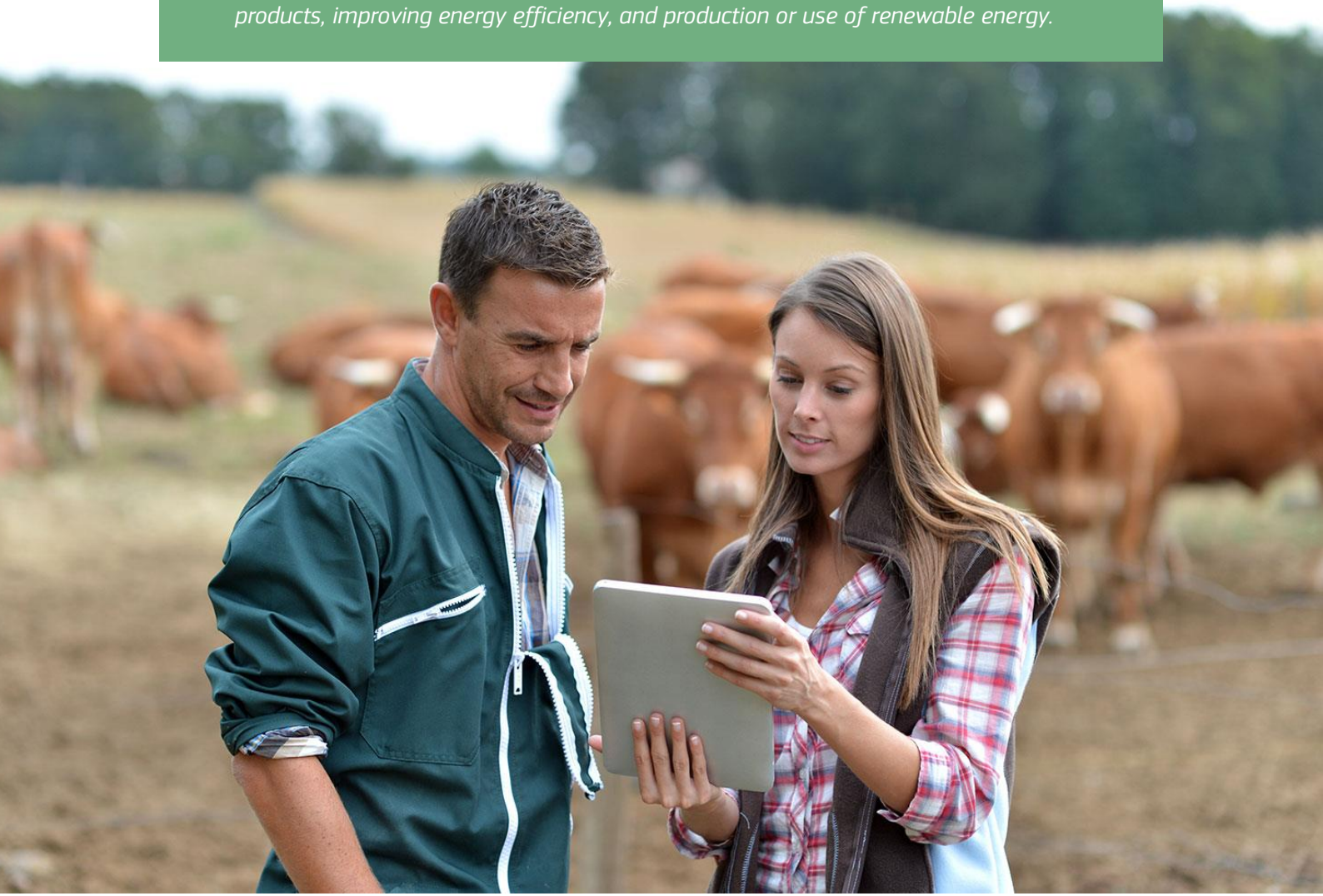
3. KNOWLEDGE SHARING, INNOVATION AND DIGITALISATION

Sweden has prioritised the improvement of its knowledge and innovation system in the agriculture sector, with a particular focus on advisory services, knowledge sharing and upskilling. **More than 43 000 persons are expected to receive advice, training and knowledge exchange**, or participate in innovation groups, which will facilitate the introduction of new technologies and working methods in agriculture.

These activities will focus specifically on knowledge and innovation for sustainable production and biodiversity. For instance, **the Plan will continue to support the flagship project 'Focus on Nutrients'**, which has been active for over 20 years, currently covering more than 60% of farmland in the productive areas of Sweden.

The Swedish Plan will take full advantage of high-speed broadband that will be brought to sparsely populated areas with the support of the RRF, the European Regional Development Fund (ERDF) and national measures. This will not only help with the implementation of innovative digital solutions, but will also enhance the attractiveness of rural and sparsely populated areas.

- ➔ *Over 300 innovation groups will be supported and 92 innovative solutions will be developed and tested to bring innovation to the market. An additional 440 cooperation projects will receive funding to strengthen connections between farmers and to exchange good practices in areas such as environmental and climate action, animal welfare and food production.*
- ➔ *Around 30 000 persons are expected to gain new skills related to environmental or climate-related performance, such as decreasing health risks for users of plant protection products, improving energy efficiency, and production or use of renewable energy.*





4. FINANCIAL ANNEX

	EU budget (€)	National funding (€)	Total (€)
Direct payments	3 432 713 183	n/a	3 432 713 183
Sectoral support	2 942 725	2 942 725	5 885 450
Rural development	1 059 448 705	1 541 365 536	2 600 814 241
Total	4 495 104 613	1 544 308 261	6 039 412 874

National funding does not include additional national financing referred to in Article 146 of Regulation (EU) 2021/2115. Direct payments include allocations for cotton set out in Annex VIII of Regulation (EU) 2021/2115 and reflect possible transfers between pillars. Payments for support under Regulation (EU) No 1308/2013 are not included in the CSP. National funding for sectoral support only relates to apiculture. Rural development reflect possible transfers between pillars and include technical assistance.

EU FUNDING RESERVED FOR	In EUR
Young farmers (generation renewal)	103 357 244
Environmental and climate objectives under rural development	658 267 435
Eco-schemes under direct payments	679 869 223
LEADER	92 204 301
Complementary Redistributive Income Support	171 635 659

The minimum financial allocations for support for young farmers can be reserved under direct payments and/or rural development. Eco-schemes under direct payments may be lower than 25% if the possibility to use the rebate mechanism from rural development is used, in line with Article 97 of Regulation (EU) 2021/2115.

More financial information can be found in section 6 and in Annex V of Sweden's CAP Strategic Plan.

