

Order on compensation for compliance with minimum requirements on the use of and subsidies for additional voluntary use of methane-reducing feed in 2025¹⁾

The following is laid down by authority pursuant to Sections 3 and 19(1) and (2) of Act No 407 of 25 April 2023 on the administration of the common agricultural policy, etc.:

Chapter 1

Scope and definitions

Section 1. The Agency for Green Transition and Aquatic Environment can, in accordance with the European Commission's state aid approval of 6 September 2024, SA. 113145, pursuant to the EU guidelines for state aid in the agricultural and forestry sectors and in rural areas, cf. Official Journal of the European Union (OJ 2022 C 485, p. 1), the Danish Agricultural Agency may compensate for compliance with minimum requirements on the use of methane-reducing feed and grant subsidies for the additional voluntary use of methane-reducing feed for conventional dairy cows in order to achieve an overall reduction in greenhouse gas emissions from dairy cows' digestion systems.

Section 2. The following definitions apply for the purposes of this Order:

1) 3-NOP: 3-nitrooxypropanol.

2) Active farmer: A farmer who meets the criteria for being an active farmer laid down in Section 4.1.4 of the Danish CAP Strategic Plan for the reform period 2023-2027, cf. Section 7 of Order No 1426 of 1 December 2023 on basic payment, etc. to farmers.

3) Undertaking in difficulty: An undertaking in respect of which at least one of the following circumstances occurs:

a) For limited liability companies,¹⁾ where more than half of its subscribed share capital²⁾ has disappeared as a result of accumulated losses. This is the case when deduction of accumulated losses from reserves (and all other elements generally considered as part of the own funds of the company) leads to a negative cumulative amount that exceeds half of the subscribed share capital.

b) In the case of an undertaking where at least some members have unlimited liability for the debt of the undertaking,³⁾ where more than half of its capital as shown in the undertaking's accounts has disappeared as a result of accumulated losses.

c) Where the undertaking is subject to collective insolvency proceedings or meets the criteria for being subject to collective insolvency proceedings at the request of its creditors.

d) In the case of an undertaking that is not an SME, where, for the past two years:

- I) the undertaking's book debt to equity ratio has been and still is greater than 7.5 and
 - II) the undertaking's EBITDA interest coverage ratio has been below 1.0.
- 4) Minimum requirements: requirements laid down in Section 40 of Order No 1089 of 16 October 2024 on the approval and authorisation, etc. of livestock farms.
- 5) Small and medium-sized enterprises (SMEs): undertakings fulfilling the criteria laid down in Annex I to Commission Regulation (EU) 2022/2472 of 14 December 2022⁴⁾.
- 6) Large enterprises: undertakings which do not meet the criteria laid down in Annex I to Commission Regulation (EU) 2022/2472 of 14 December 2022⁵⁾.

Chapter 2

Application for commitments, etc.

Application for compensation and subsidy commitments

Section 3. (1) Application for compensation commitments for compliance with the minimum requirement on the use of methane-reducing feed and application for subsidy commitments for additional voluntary use of methane-reducing feed must be submitted to the Agency on the special application form for methane-reducing feed in the Tast Selv self-service system by 28 November 2024 at the latest.

(2) If the application includes compensation or subsidies for large enterprises, the application must also include a description of the counterfactual scenario, including a description of how the situation would have been in the absence of the compensation and subsidy, together with supporting documents.

Power of attorney

Section 4. (1) The applicant must create a power of attorney using the Tast Selv self-service system; if others are required to represent the applicant when submitting the application in Tast Selv, this is done without prejudice to paragraph (2).

(2) Power of attorney may be submitted using a special form available on the Agency's website or may be obtained by contacting the Agency if the applicant is prevented from creating the power of attorney using the Tast Selv self-service system.

Commitment decision

Section 5. (1) The Agency shall prioritise applications in the following order if the funds in the annual allocation do not allow all applications for commitments to be met:

- 1) Applications for compensation commitments and applications for both compensation and subsidy commitments.
- 2) Applications for subsidy commitments.

(2) The Agency shall decide by lot which applicants obtain commitments within the relevant class, if the funds in the annual allocated appropriation do not allow all applications for commitments to be met within one of the priority classes referred to in paragraph 1.

(3) If a complete application exceeds the remaining amount of the annual allocation, the Agency offers the applicant a reduction so that it can be accommodated within the remaining amount of the annual allocation. If the applicant does not accept this, the application shall be rejected.

(4) If the application includes compensation or subsidies for large enterprises, the compensation or subsidy is conditional upon the Agency's assessment that the compensation or subsidy will have the necessary incentive effect.

Chapter 3

Criteria for compensation commitments and subsidy commitments

Section 6. Compensation commitments and subsidy commitments shall be subject to compliance with the following criteria:

- 1) The costs for which an application for compensation or subsidies have been submitted have not been incurred before the application for compensation or subsidies is submitted.
- 2) The applicant is an active farmer.
- 3) The applicant must have registered more than 50 conventional dairy cows in the Central Husbandry Register on 28 October 2024.
- 4) The applicant must have registered the conventional dairy cows included in the commitment application in the Central Husbandry Register on 28 October 2024.
- 5) The applicant has complied with any recovery orders issued by the European Commission in one or more decisions finding state aid granted by the Danish authorities to be illegal and incompatible with the internal market.
- 6) The applicant is not in difficulty.
- 7) The applicant complies with Article 2(2) of Council Regulation (EU) No 269/2014 of 17 March 2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine, as subsequently amended.)⁶⁾
- 8) The applicant shall not receive EU or nationally funded support for the same eligible expenditure for which compensation and subsidies have been applied under this Order.

Section 7. Subsidy commitments are further conditional on the use by the applicant of feed additives containing the active substance 3-NOP to meet the minimum requirement.

Chapter 4

Obligations

Section 8. Compensation is subject to the beneficiary's compliance with the minimum requirement.

Section 9. Compensation and subsidies shall be subject to compliance with the following obligations:

- 1) The beneficiary's conventional dairy cows are correctly registered in the Central Husbandry Register, cf. the Order on registration in the CHR and on the identification of cattle, pigs, sheep, goats, horses, deer or camels.
- 2) The beneficiary complies with any recovery order issued by the European Commission in one or more decisions in which state aid granted by the Danish authorities has been found to be illegal and incompatible with the internal market.
- 3) The beneficiary will not be in difficulty.
- 4) The beneficiary complies with Article 2(2) of Council Regulation (EU) No 269/2014 of 17 March 2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine, as subsequently amended.)²⁾

Section 10. (1) Subsidies shall be subject to compliance with the following obligations:

- 1) The beneficiary's conventional dairy cows must be allocated daily feed additives containing at least 60 mg 3-NOP per kg dry matter during the periods of 2025 when the beneficiary does not allocate feed additives containing 3-NOP to meet the minimum requirement.
- 2) The beneficiary must have a number of conventional dairy cows registered in the Central Husbandry Register corresponding to more than 50 year-cows in 2025.
- 3) A number of the beneficiary's conventional dairy cows, corresponding at least to the number of cows included in the commitment, must be housed throughout 2025.

(2) The obligation laid down in paragraph 1, point 1, shall not apply to dairy cows which have feeding-related metabolic diseases or feeding-related metabolic disorders.

(3) Where the commitment is transferred pursuant to Section 11, an annualised number of year-cows shall be calculated on the basis of the period when the transferor and the transferee, respectively, are the beneficiary.

Chapter 5

Transfer of commitments

Section 11. (1) If the beneficiary transfers a livestock farm with effect from 31 December 2025, the beneficiary may transfer the commitment to the transferee. If the commitment is transferred, the beneficiary must submit a transfer application in the Tast Selv self-service system by 31 December 2025 at the latest. A transfer application must be signed by the beneficiary and the transferee.

(2) The transfer of commitments shall be contingent upon the transferee meeting the conditions laid down in Section 6, point 2 and points 5 to 7.

(3) The transferee shall be subrogated to the rights and obligations arising from the commitment.

Chapter 6

Compensation and subsidy rates and payment

Section 12. (1) If the beneficiary complies with the minimum requirement for the allocation of fat via fat-rich feed materials, the compensation in DKK for the lactation period of dairy cows is calculated by multiplying the number of year-cows the beneficiary has by the weight of dry matter in kg per dairy cow per day during the lactation period, indicated in the application form for methane-reducing feed, multiplied by 327.54 days multiplied by 0.0174.

Section 13. (1) If the beneficiary complies with the minimum requirement for the allocation of feed additives containing the active substance 3-NOP, the compensation in DKK for the lactation period of dairy cows is calculated by multiplying the number of year-cows the beneficiary has by the weight of dry matter in kg per dairy cow per day during the lactation period, indicated in the application form for methane-reducing feed, multiplied by 327.54 days, multiplied by 0.075, multiplied by 80/365.

(2) If the beneficiary complies with the minimum requirement for the allocation of feed additives containing the active substance 3-NOP, the compensation in DKK for the dairy cows' dry period is calculated by multiplying the number of the beneficiary's year-cows by the weight of dry matter in kg per dairy cow per day during the dry period, indicated in the application form for methane-reducing feed multiplied by 36.91 days, multiplied by 0.075, multiplied by 80/365.

Section 14. (1) If the beneficiary has a subsidy commitment for additional voluntary use of methane-reducing feed, the subsidy in DKK for the lactation period of dairy cows is calculated by multiplying the number of the beneficiary's year-cows by the weight of dry matter in kg per dairy cow per day during the lactation period, indicated in the application form for methane-reducing feed, multiplied by 327.54 days, multiplied by 0.075, multiplied by 285/365.

(2) If the beneficiary has a subsidy commitment for additional voluntary use of methane-reducing feed, the subsidy in DKK for the dry period of dairy cows is calculated by multiplying the number of the beneficiary's year-cows by the weight of dry matter in kg per dairy cow per day during the dry period, indicated in the application form for methane-reducing feed, multiplied by 36.91 days, multiplied by 0.075 multiplied by 285/365.

Section 15. The number of year-cows, cf. Sections 12–14, shall be calculated on the basis of data from the CHR as of 1 January 2026.

Section 16. (1) The beneficiary must submit a request for payment of compensation and subsidies, respectively, using the special payment form for methane-reducing feed in the Tast Selv self-service system by 30 April 2026 at the latest.

(2) The payment request must be accompanied by the following supporting documents:

- 1) Feed schedules.
- 2) Proof of the year's milk yield.
- 3) Invoice for purchased fat-rich feed materials used to meet the minimum requirement for the allocation of fat via fat-rich feed materials.
- 4) Evidence of the cultivation of fat-rich feed materials used to meet the minimum requirement for the allocation of fat via fat-rich feed materials.

5) Invoice and package leaflets for purchased feed additives containing the active substance 3-NOP used to meet the minimum requirement for the allocation of feed additives containing the active substance 3-NOP.

6) Invoice and package leaflets for purchased feed additives containing the active substance 3-NOP if the beneficiary has a subsidy commitment for additional voluntary use of methane-reducing feed.

Section 17. VAT can only be included in the compensation or subsidy if it is ultimately borne by the beneficiary.

Chapter 7

Reduction and review clause

Section 18. (1) In the event of failure to comply with Section 8, the compensation shall be reduced.

(2) In the event of failure to comply with Section 9, the compensation and the subsidy, respectively, shall be reduced.

(3) In the event of failure to comply with Section 10, the subsidy shall be reduced.

Section 19. (1) The Agency may amend the conditions for compensation and subsidies under this Order if amendments are made to the minimum requirement by which the beneficiary is bound.

(2) Where the conditions for compensation and subsidies are amended pursuant to (1), the beneficiary may submit a declaration that the amendments are not accepted. When the declaration is received by the Agency, the compensation or subsidy will be reduced to the amount corresponding to the expenditure already incurred prior to submitting the declaration.

(3) The declaration shall be submitted to the Agency on a specific form which can be accessed on the Agency's website. The signed declaration is sent electronically to the Agency.

Chapter 8

Digital communication

Section 20. Decisions are sent digitally to the applicant via the Tast Selv self-service system.

Section 21. (1) Written party consultations pursuant to Section 19 of the Danish Administration Act and written minutes of telephone party consultations pursuant to Section 19 of the Administration Act shall be sent to the applicant via the Tast Selv self-service system.

(2) The applicant's response to written party consultations pursuant to Section 19 of the Administration Act and the applicant's response to written minutes of telephone party consultations pursuant to Section 19 of the Administration Act shall be submitted via the Tast Selv self-service system.

Chapter 9

Entry into force etc.

Section 22. (1) This Order shall enter into force on 28 October 2024.
(2) No compensation or subsidy may be granted under this Order until the support scheme has been approved by the European Commission.