

# Delays in subsidy payments from the common agriculture policy of the European Union

– A qualitative study of some ruminant farmers in  
Uppsala County, Sweden

*Kerstin Gauffin*



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## Abstract

This Master's thesis is about how some farmers in Uppsala County experience delays in subsidy payments from the Swedish Board of Agriculture (SBA). This topic falls within the field of rural development as farms are in rural areas and are essential for society as they provide food and other agricultural goods. As farms are essential, it is important that the SBA is efficient. The research material consists of qualitative interviews of ruminant farmers in Uppsala County and a literature review of how the rural development programme (RDP) is designed and evaluated. This study shows that farmers experience delays in subsidy payments from the SBA similarly but how they cope with the delays varies.

*Keywords:* agriculture, CAP, governance, lifeworld, subsidies

## Sammanfattning

Detta examensarbete handlar om hur några lantbrukare i Uppsala län har upplevt förseningar av jordbruksstöd från Jordbruksverket (SJV). Detta ämne passar in på området landsbygdsutveckling på grund av att lantbrukare verkar på landsbygden och är viktiga för hela samhället när det gäller mat och andra jordbruksprodukter, vilket också är varför denna myndighet måste fungera. Materialet består av kvalitativa intervjuer med lantbrukare i Uppsala län som håller idisslare och litteraturstudier om hur landsbygdsprogrammet är utformat och utvärderat. Vad denna studie visar är att lantbrukare upplevt förseningarna från SJV på liknande sätt men att hanteringen av dessa förseningar varierar.

*Nyckelord:* jordbruk, CAP, styrning, livsvärld, stöd

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# 1 Introduction

In recent years, agriculture has been considered both a main solution and a main cause of climate change. In order to mitigate global warming, sustainability has become one of the top priorities on many political agendas within the European Union (EU) as well as on a global scale, such as in the Paris Agreement. At the EU level, a main example is that two initial purposes of the EU common agricultural policy (CAP) were to produce affordable food for the EU population, and provide a decent income for farmers in the EU (European commission, 2020). The aims have expanded to include food safety, animal welfare, reduced food waste and sustainable use of pesticides. The reason for this is that agriculture affects the environment in various ways depending on how it is practiced. Some other important global issues impacted by food production are urbanization and growing antibiotic resistance, reduction of carbon dioxide in the atmosphere, and loss of biodiversity and arable agriculture land, what is also referred to as planetary boundaries (Rockström et al. 2009).

In order to achieve sustainable agriculture it is essential that the EU common agricultural policy work properly. Sweden, with one of the world's most sustainable agricultural sectors, plays an important role (Lesschen, J.P. et al. 2011; WWF, 2019; LRF, 2020). However, in Sweden, in recent years there have been serious delays in payment of subsidies from CAP. According to both Lars-Erik Lundqvist (2019), expert in competitiveness and regulatory simplification at The Federation of Swedish Farmers (LRF), and the Swedish Board of Agriculture (SBA) themselves, the delays were due to a lack of staff at some of the County Administrative Boards (CAB), but most of all due to a dysfunctional IT-system at the SBA. According to Lundqvist (2019) the Region of Uppsala is one of the areas in Sweden that has had most difficulties paying out farm support subsidies, both pasture and environmental subsidies.

## 1.1 Research focus and purpose

This study provides an insight into the perspectives on CAP of some farmers in Uppsala County. This study also attempts to discuss the kinds and levels of subsidies necessary in order to maintain agriculture in the future, as well as lessons learnt from the period of these delays. An assessment of how farmers have coped or not coped with the delays

may help improve CAP 2020. Have the delays changed farmers' production, number of animals, employees, crop rotation or how the next generations views agriculture? Have these delays resulted in taking loans or use of personal savings in order to maintain production? As these topics address the lived experience of farmers, the topics are phenomenological, and thus a qualitative study is suitable to answer these questions, rather than a quantitative investigation (Creswell & Creswell 2018:101 ff).

A starting point for my discussion is the rather widespread criticism of the administrative system of the SBA and the resulting delays in the payment of subsidies. How farmers cope or do not cope with the delays has not been studied previously. Bureaucracy aims to be a correct way of administering the subsidies from CAP in terms of democratic processes and equal treatment. But the lack of understanding of the reality of daily practises within these processes and by officials affects farmers in different ways. The purpose of this Master's thesis is to show how farmers, independent from each other, experience the delays from the administrative system. The purpose is thus not to evaluate the SBA. In order to describe and understand how farmers experience this matter the following three research questions are discussed.

- How are some farmers in Uppsala County affected by the late payments from the EU common agricultural policy administered by the Swedish Board of Agriculture?
- How have farmers coped or not coped with the delays?
- What solutions do the farmers interviewed suggest to improve the administrative process for making payments from the EU common agricultural policy?

## 1.2 The EU common agricultural policy

As a consequence of the Second World War, some countries in Europe wanted to form a common market for agricultural commodities with the objective of there never again being a shortage of food in Europe. This was first done through the European Economic Community (EEC), that later became the European Union, where the common agricultural policy (CAP) was established. Since the Rome Agreement in 1957 CAP has had five aims: to increase productivity, stabilize markets, secure food supply, guarantee a fair standard of living for farmers, and ensure that consumers have goods at affordable prices. Sweden became a member of the EU in 1995 and received its first share of the subsidies

in 2005. Before that, since 1990, there was an over-production of agricultural goods in Sweden, and Sweden was moving towards deregulation of agriculture (Eriksson, 2016:60 ff).

The aims of CAP have changed over the years from only supporting the production of agricultural goods to include several other goals and aims such as sustainability and rural development. Currently the EU and member states share authority over the agricultural sector (agriculture and fisheries, excluding fishing quotas). Both the EU and member states can enact laws, though member states can only enact laws that the EU has not already enacted. Within the EU, to strengthen the internal market, there is basic common legislation on environmental protection, animal welfare, and food security. However, Sweden has stricter laws in these areas. Some examples are the number of pesticides that are prohibited, higher demands on space for animals, and that milk must be pasteurized (Ibid).

The current CAP consists of two pillars. Pillar 1 is 100% financed by the EU and pillar 2 is co-financed nationally. In total, the SBA currently pays out about 10 billion SEK per year to farmers in Sweden. About seven billion SEK are first pillar subsidies, which includes farm support (a certain amount per hectare of land under certain regulations). Since 2015 the farm support has been expanded with support for young farmers, greening support, and cattle support. Pillar 2 in Sweden consists of a total of three billion SEK, and has a parallel goal of maintaining agriculture, such as environmental efforts and rural development. Therefore, there is project and business support, compensation support and other environmental support within the rural development programme (RDP). Every seven years the RDP is revised, based on discussions nationally and within the EU. In Sweden, the Ministry of Industry has delegated responsibility to the Swedish Board of Agriculture (SBA), which is the management authority of the RDP. The SBA makes instructions, sets requirements and administers the subsidies. Further, the implementation of the RDP is decentralized to the county administrative boards (CAB) whose officials decide on which environmental allowances or subsidies should be open for application and how much of the budget is allocated to the various categories within their own county. These priorities are reported in countywide implementation plans, which must be approved by the SBA (Eriksson, 2016: 64-67 ff).

## 2 Research approach

### 2.1 Theory and literature review

#### 2.1.1 *Conceptual framework*

Farmers apply for subsidies since the money offered is a large part of the total revenue of the farm. The price they have to pay, however, is to take part in rather complicated processes to apply for funding. In order to understand the interplay between farmers and the SBA I have chosen to rely on the following concepts.

Central to my argument is an interest in governmentality, in other words the study of how people are governed (Dean 1999; Foucault 1991). The study of how people are governed points to the importance of understanding different rationalities as expressed in political and administrative technologies, programmes, and regimes of government (Dean 1999:13). A central part of this approach to governing is that it focuses on the interplay between administrative and rule-based government on the one hand, and on the other hand how values and ideas are internalised, leading to governance through self-discipline. Governance then points to how people govern themselves because they believe that the rules of government are true and good. When trying to understand how farmers cope with payment delays, the focus here is on the interplay between government, as represented by the SBA and the CAB on the one hand, and governance through the self-discipline of farmers on the other (Ibid 1999: 24).

Another way to approach the tension is to discuss it in terms of an opposition between ideas of the strength of the free market and how the need for subsidies is linked to a rule-oriented bureaucracy. Obviously, the market for agricultural products is not free in a strict sense, but ideas about market adjustments and coping are strongly linked to ideas of the free market. However, since farmers depend on subsidies they are also dependent on bureaucracies, for example when applying for subsidies. When the authorities fail to deliver, the ideological pendulum may swing towards the free market. In my empirical material this tension is often expressed in terms of trust and distrust.

A third way of discussing the relationship between farmers and authorities is to link it to the opposition between lifeworlds and systems (Habermas 1981). In this context I use the concept of "lifeworld" to describe the everyday practices of farmers, and "system" to describe the

bureaucracy, specifically the interaction between the SBA and the CAB and the farmers. As discussed in terms of governmentality above, through self-discipline, farmers to a large extent already have adopted basic ideas from the system, for example what Habermas calls colonization of the lifeworld by the system.

### *2.1.2 Literature review*

There are no public statistics on how many farmers are affected and how much money these farmers have lacked in general during between 2015 and 2018, when according to the SBA they had problems with their IT-system (Radhe, 2019;Ander, 2019 & SBA, 2020d). Although there is much literature on the topic of agriculture support, not much is written about the perspectives of farmers or the delays that have occurred. I have however received some internal data from the SBA. For example, for subsidies in 2016, a total of 588,759,047 SEK was distributed in 2017, which is considered “late”, though the SBA does not have specific deadlines. This is approximately 20% of the three billion SEK in subsidies in pillar 2 that should have been paid to farmers that year (SBA, 2020d). The reason why the SBA had difficulty distributing these subsidies in 2016 was because in 2015 the farm support expanded to include support for young farmers, greening support, and cattle support, and due to the SBA's IT problems. In 2020, the secretariat at the SBA carried out an evaluation of the RDP during the period 2014-2018 (2020a, UTV 19:13). The evaluation addresses goals and expected implementation of the RDP, but the views of farmers are not included. Other studies such as Valk (2019) have criticized the support system in general, in terms of farmers being powerless, having difficulties because of the complexity of the regulations, and being distrusted by authorities. According to my interview with Lundqvist (2019) and previous studies (Eksvärd & Marquardt 2018:189), it is argued that farmers in Sweden, especially those who have grazing animals and semi-natural pastures, are dependent on the subsidies from CAP and RDP, which is why further study of this topic is important.

## 2.2 Method

### 2.2.1 Data collection

This thesis is about how farmers experience payment delays in the CAP subsidy system. Two types of empirical material are examined. The main material is semi-structured interviews between January and April 2020 of representatives from six farms in Uppsala County. The other type of material is a literature review on the subject of how subsidies in the common agricultural programme have been studied, as well as studies on recent changes within CAP. The multiple sources of data allow triangulation to be used to build a coherent justification of evidence, which aims to bring validity to the study (Creswell & Creswell. 2018:200ff).

The main material is qualitative interviews of farmers that have applied for subsidies during the problematic years of 2015-2018. Farmers with ruminants were purposely chosen as they seem to be most affected (Creswell & Creswell. 2018:185ff). The interviews were conducted individually or in pairs depending on the circumstances of each farm owner, interest and who was available at the time. Conducting interviews in pairs could be seen as a limitation since no consideration was given to the power relations that may have existed between the informants. Most of the interview questions were open-ended to allow the farmers themselves to highlight what they thought is important. This also helps ensure the validity of the interview material. The interviews were recorded and transcribed before being analysed, in accordance with systematic research methodology (Ibid).

I grew up on a dairy farm that is still in the family, and have been working in the field of agriculture and policy between studies. I am thus familiar with the CAP and other support systems, as well as policies of the CAB, which makes it possible for me to contextualize statements by the informants. I am aware however, that my personal background can be seen as a limitation, in the sense that I may not be impartial towards farmers (Creswell & Creswell. 2018:184).

### 2.2.2 Sample and sampling

In order to avoid previous contact between myself and informants affecting the result, informants that I had no previous contact with were intentionally selected (Creswell & Creswell. 2018:185-186). To help me choose informants, Lars-Erik Lundqvist, was interviewed (2019-11-21). He is, as noted above, an expert in competitiveness and regulatory simplification at The Federation of Swedish Farmers (LRF). He is involved in a court case against the SBA over late payments and is thus familiar with issues surrounding agricultural subsidies from the EU. I asked him structured questions, focusing on of the group of farmers and regions most affected and why.

The informants consisted of farmers with ruminants from different areas of Uppsala County. A reason for this is because Uppsala is close to home, but also to give a broad perspective on how the issue is being handled by the Uppsala CAB regardless of geographical conditions. By choosing different farm sizes dependent on how many animals they had, and by choosing different types of farms, I have sought an understanding of the variety of farms affected and also their different or similar vulnerabilities. Therefore, both organic and conventional farms were chosen, including dairy, sheep and cattle farms. According to the SBA the average farm size in 2018 was 92 dairy cows, 21 beef cattle/suckler cows and 32 ewes/stags (SBA, 2018b). According to the Swedish Sheep Breeders' Association (*Fåravelsförbundet*) the average herd of sheep is a little more than 30 ewes.

Following is list of the informants.

- Ola Danielsson farms 230 hectares of which 30 hectares are pastures. He has 45 suckler cows and 55 hectares of forest.
- Ulf Carlsson has 237 dairy cows and farms 330 hectares, of which 130 are natural pastures. He also has 50-60 hectares of forest. The farm is considered a large dairy farm.
- Fredrik Johansson and Ulla Larsson have 124 cattle (including 45 suckler cows), 120 ewes, and 75 pigs. They farm 220 hectares, of which 60-70 hectares are pastures. Their farm is also considered a large farm, both in terms of number of beef cattle and sheep.

The above three farms are conventional farms. The following three are organic farms with different ecological certifications.



- Bo and Mats Larsson have 80-90 suckler cows and farm 300 hectares, of which 200 hectares are natural pastures. Their farm is considered a large farm.
- Jacob and Sara Jurriaanse are organic dairy farmers with 120 dairy cows. They farm 230 hectares, of which 30 hectares are natural pastures.
- Åsa and Hans Sikberg have a sheep farm with 38 ewes, a little larger herd than average, They also have six rams and 16 lambs from last year from their own production. They farm 33 hectares of fields and meadows.

### 2.2.3 Data analysis

In order to examine the situation of the informants the interviews were transcribed and systematised. A different colour was used for each of the informants when the results were categorised. Different themes became apparent, which suggest saturation and reliability (Creswell & Creswell. 2018:190ff). The following five empirical categories occurred in the interview material:

1. Reason for seeking support and the alternatives.
2. How to apply for subsidies.
3. How the farmers experienced the delays.
4. The relationship between farmers and the state (SBA).
5. Conclusions and other key findings.



### 3 Dependency on support

They [the subsidies] are used to build-up a buffer for newly started companies, as mine. It's money used as a financial buffer in the company. But, in our other companies, we have some land leases that are due for payment in connection with the EU subsidies. The rent for the land usually comes very close to the EU funding, so the EU grants come in and are then passed on to the landowner to pay for the lease. So it's quite important that the money comes in. Should the subsidy be at the same price level because that is the question? The basic idea of the EU subsidies when they started in Europe in the 60s-70s was to keep food prices down, it was support for consumers that benefitted the farmer. So if the price would be the same as it is now and if you did not receive any EU support, then you would not be able to hold on.

– Ola Danielsson, conventional cattle farmer.

As the farmer above describes, the historic reason for the CAP subsidies was to secure the availability of food in the EU. Another historical reason for the subsidies was to give the reduced number of farmers a reasonable wage, comparable with the growing number of industrial workers. Today the subsidies work similarly but are also used to pay running costs. For instance, the amount paid for renting land coincides with the amount paid by the EU during the period they are supposed to be distributed. According to several of my informants, subsidies were originally introduced because the market did not cover the costs of production. Even though this money is necessary and used as a buffer by many farmers, a lot of them are critical of the heavy administrative burden. The rationality of the farmers' everyday life experiences does not fit the rationality of the more bureaucratic SBA. According to the farmers, it is quite self-evident that they should receive support, despite the difficult application process. The farmers seem to be caught in a tension between system and lifeworld (Habermas 1981), often expressed as a tension between government and market.

I wish that more of the money for rural areas went to farm companies. A lot of the money goes to 3-year vague projects that don't lead to anything.

– Åsa Sikberg, organic sheep farmer.

Today, almost all farmers in Sweden apply for support from the rural development programme (Alenfeld, 2020; Lundqvist 2019). The applications are part of the strategic planning for many agricultural companies. Many farmers feel that some of the support in the RDP does not go to the right things. Some farmers feel that they are financing the whole agriculture system, of education, counselling and the Swedish

Agricultural Agency, with money that they think should belong to them, the farmers. According to their reality, farmers plan their activities based on the subsidies, either as a buffer as already mentioned or for unpredictable events such as changes in the weather conditions like the drought in 2018, that affected all of Europe. Though this government funding must be handled according to a specific regulatory framework within a system, according to the farmers' shared understandings and values (captured in the concept of lifeworld), it is common sense that the funding belongs to them.

As for the grants, I get really annoyed that one organization after the other seems to find a pot of money for all sorts of damn projects that benefit no one. I sometimes get so frustrated at how much money goes to Växa, HS, and LRF, for what purpose? Yes they have submitted very nice applications, yes they have been granted money, but does it really benefit us? I would really like to know that. How much money pours out of the rural development programme to advisers and so on, which really should go to farmers, how large a part is it, it must be substantial amounts of money. It's pillar 2 money, all of it.

– Jakob Jurriaanse, organic dairy farmer.

What I think is most offensive about these EU grants, which are twisted to go to one thing or the other and mostly to education and counselling, is that it is just self-interest. They are not direct subsidies, they are rural decline, where very little goes to the industry. It is really only for bureaucrats and course coordinators. There are not a lot of farmers, we don't have time to do all their courses, just because they are free of charge. There's a huge amount of courses and meetings and types of training, to get us to convert to organic for example, and there is really a lot of money for that.

– Ulla Johansson, conventional cattle, sheep, and pig farmer.

The examples above show the interplay between rule-based government and governance by internalised self-discipline. Another example is that an informant explained that in the fall of 2018 the conditions were good for autumn sowing, which many did, as is documented in their applications for greening aid from the CAB. However, when the farmers became aware that the seeds didn't germinate, some farmers tried to fix it by ploughing and then sowing the same crop again in order to still be able to meet the requirements to get the aid they had applied for. In this case, the aid was for greening, which requires growing more than three crops. The farmers met the requirements set by the government in order to receive the support, even though they thought the procedure was wrong since they know from long personal experience that weather predications may not be accurate.

This may be seen as an example of how farmers' lifeworlds are colonized by the administrative system.

A majority of the farmers interviewed wanted to be better paid for the actual commodities they produce instead of getting money through the EU for something else. The farmers want acknowledgement of the value of their work and products, and don't want subsidies for doing nothing. These thoughts are expressed as a contradiction between market and state forces, which is actually between self-discipline and rule-oriented bureaucracy. On the one hand farmers want the subsidies in order to be able to plan their businesses, but on the other hand they would like to have higher prices for their products so that they wouldn't have to rely on and apply for the subsidies. The farmers depend as much on the subsidies as they do on the bureaucracies that manage the subsidies. Thoughts and ideas about the opposite approach of relying on the free market occur.

It's just like I said, preferably you would like to skip the support and get paid for what you do, but it doesn't really work that way. We are lucky to still get and if it stays that way for a while. It seems like we might be discontinued, but you can hope that something else will happen then, because right now we simply really need support.

– Ulf Carlsson, conventional dairy farmer.

Although this farmer would rather get paid for what he produces, he believes it isn't possible. This is regardless of the average person today, especially after the drought in 2018 thinking more about the importance of buying food produced in Sweden, particularly meat. The reasoning is that if farmers got paid for what they produced, farmers with good production would benefit by marketing it and not the subsidies that every farmer can apply for regardless of quality of production. Today, any farmer can apply for a grant from the EU without having to be particularly competent. However, even if farmers were favoured after the drought, many thought that agriculture can't continue to be vulnerable just because of a dry year. It should be possible to develop a business and build up a buffer without subsidies, which is not possible today.

When talking about the importance of subsidies, many of the farmers mentioned compensation subsidies as important. This was especially true for two of the dairy farmers, but also one of the sheep farmers with less productive land, as a large amount of money is involved. Regarding sustainability, the subsidy requirements are not sustainable according to all the farmers' way of thinking. According to their practical

experience, it is not sustainable to have the number of ruminants on the pastures required by CAB. Due to the farmers' lifeworld, based on their values and ideas about sustainability, this is not rational since having too many animals on a pasture leads to nitrogen leaching. Farmers commit to this in any ways because following the rules is an internalised strategy. Farmers that I have talked to believe that the compensation aid is counterproductive when it comes to what one wants to achieve with all the other forms of support. This subsidy also favours large-scale intensive farming rather than sustainable farming according to some farmers' perception or lifeworld. In comparison to the system, which acts rationally, different rationalities occur in order to achieve sustainability goals with open landscapes, biodiversity and maintaining low-yield pastures that can't be sown.

The farm support, greening support and cattle support also plays an important role in the overall turnover. For those who have organic farms the organic and environmental support is also important as a large amount of money is involved. These are the most important subsidies economically, if the requirements are met. However, even though farmers meet the requirements, they still think that the support is not consistent with their reality. The rules fit an administrative system but not the reality or the capability of the individual farms or conditions. Since it involves a lot of money, farmers adapt to the system and follow the rules for applying, even though it does not make sense according to their everyday rationality.

The subsidies make up approximately 12-30% of the revenue of the companies, dependent on the type of the farm. According to all my informants, the proportion of subsidies is greater for an organic farmer than for a conventional farmer. For the organic farmers that I interviewed the subsidies were approximately a third, compared to 12-20% of total revenue for conventional farmers. The dominating subsidies that almost all of my informants mentioned are the farm support, greening support, and support for pastures. For the organic farmers the organic subsidies are also important. All these subsidies depend to a certain degree on the rule-oriented bureaucracy, if it fails, organic farmers are more vulnerable economically even though all farmers need the support.

The informants also mentioned subsidies for young farmers and cattle support as important sources of revenue. Those who could apply for the young farmers support did so. All the farmers expressed the importance of subsidies for grazing animals on land that either can't be cultivated or is important for conservation of land not used since the deregulation

decision in 1990. Here the system in terms of the government becomes more important to achieve sustainability rather than the market system due to the farmers. The farmers are however afraid this will change because in the public debate on sustainability, ruminants are criticized for putting methane into the atmosphere, which affects both systems that they depend on. According to the lifeworld of the farmers they don't see this as a main cause for climate change, since the grazing animals are important for carbon sequestration and biodiversity. From the point of view of the informants, the subsidies for pastures are important when it comes to sustainability, both for ecological reasons and financially for the farms. Here the different rationalities between the systems, both in terms of the state as well as the market, and the lifeworld again occur.

The subsidies for projects and business are also important, though the total amount in the fund is small according to many of the farmers. Here is another example of a contradiction between the state and the market. On the one hand farmers believe in having state-support rather than a free market. This is because consumers don't realise the importance of having grazing animals and also that investment costs are not included in the price of consumer goods. On the other hand farmers experience that the rules in politics change quickly and not always in the right direction, and that they are not able to adjust to these fast changes. For example, the economic importance of the compensation support is not desirable when it comes to achieving sustainability. Here there is a desire for having a free market instead, where you can brand your goods after how they are produced. Further, the support system also feels like a duplication of work and is done for nothing. One example is the animal support where many farmers think that they already do a lot of work, such as shearing their sheep, providing hoof care, etcetera. The additional administrative burden and all the extra government inspections combine to leads to a strong sense that it is not worth applying for the subsidies. This shows how the lifeworlds of farmers are governed or colonized by the system but also the contradiction between the state and the market that both in some ways go against what can be considered sustainable.

### 3.1 The administrative burden

I can put it this way, we have contact with many different land owners. One is our accountant up in Östervåla and there it has gone so far that he says "you can borrow my animals over the winter", so here they are here now. But he is at least an accountant. Another farm that we grazed on before, the

farmer is a tax lawyer, he is used to discussing different laws with tax administrations, and these two, independently of each other, when they looked into this system and we explained to one another what's happening, both of them said this would not be possible in the ordinary business world, it's way too complicated. Just these cross conditions and all that, it's so damn complicated. We are, you know, not stupid.

– Bo Larsson, organic cattle farmer.

The application process is a crucial part of being able to take advantage of the support payments. As the farmer above describes, the system is extremely complicated and even people with advanced education find it hard to understand. The majority of farmers interviewed expressed how extensive the applications are and that the system is complex. Application for the EU subsidies is done via the Internet on the SBA website, on “My pages”, which many of the farmers refer to, and describe it as not too complicated but poorly designed. The SBA’s SAM-form, the “coordinated application for agricultural aid” (“*en samordnad ansökan om jordbrukarstöd*”), that a farmer must fill in to qualify for the subsidies is complex (SBA, 2020c). Since the EU subsidy programme began, some farmers have applied completely on their own. Other farmers are afraid of making mistakes because so much money is involved and hire someone to be more sure it is done right. This is an example of how both this rule-oriented bureaucracy and the self-discipline of farmers is expressed.

In the social sciences there is a difference between "government" and "governance", where government stands for top-down ruling through laws and regulations, while governance is associated with goals that must be achieved through collaboration (Wanna 2008:3 ff). Government aims to implement the government policy. This way of acting rather gives an understanding how farmers are governed. What may appear as self-governing, e.g. filling in their applications and dealing with the system, is not necessarily because of belief in this way of management. Their incorporated actions and self-discipline demonstrates how the state exercises power through top-down ruling. Farmers tend to apply because they are forced to. They apply for subsidies since they have to, and change their application if it is rejected because they have to, in order to get any support at all. Thus, applying for subsidies is more of a requirement than a belief in what is true and good. Therefore governance in this context is not actually true new governance, since the government governs people anyway, but really a historically familiar way of misrepresenting the situation, or an "old" way of dressing a wolf in the sheep's clothing.



### 3.1.1 *Doing it independently*

I'd say it's a very complex system, the way it's made up. But if small improvements are made every year, for new people it won't be as bad as it was. New people that came into this from other industries take a fresh look. We have taken one small step at a time, since they [the subsidies] were introduced in 95 or when it was.

– Mats Larsson, organic cattle farmer.

After several years of submitting applications, some farmers have built up a routine and become proficient at applying. These farmers still experience the system as time consuming and difficult since the staff at the CAB change the maps every year with new satellite photos. Even though the farmers use the same figures as the previous year, CAB can deny the application. One farmer told me about when she worked calculating areas of land for crop damage protection. She said that she understands how it is hard to make new calculations based on new images due to differences in how the images are taken and what measurement methods are used. For example, if it is hilly, the scale can vary or if a cross-section is used, the results can be different. Therefore it is difficult to determine the area with only a satellite photo. Real measurements are needed as well. She also said that the CAB method is “stone age” and that present-day GPS systems are much better. Another farmer asked the CAB to hire an independent GPS service to determine the land area once and for all. This shows the different rationalities between the lifeworld and the system in the choice of technologies and rationalities. All of the informants independently brought up this issue and describe similar problems with it. The rationality differs between the farmers' lifeworld and the system and also between the ideas of free market and rule-based bureaucracy.

I apply. Even though you have been doing it for so many years, it is almost as if you have to get help soon because of all changes. And sometimes they change the names of the grants so you don't always know what's happened. I just talked to a friend and he said the same thing. You get an annual statement showing what you got, but it's not clear if it is the final payment and everything is a little uncertain. I think it should be clearer I think.

– Mats Larsson, organic cattle farmer.

One farmer learned how to fill in the application for subsidies in an agricultural business course at the county's agricultural upper secondary school. She felt the course was really useful. She learned everything that was necessary to run a farm, such as applying for subsidies and bookkeeping. At that time, some type of agricultural education, or an

acquisition permit, was required in order to buy an agricultural property. This is something she thinks should be reintroduced to ensure the ability of the coming generations to produce food and engage in agriculture. This informant also pointed out that the help she received from the CAB when she first started helped her succeed. The first year she ran the farm someone from the CAB came out to help oversee what could be done on the property, which had not been used for so many years. She was very grateful for that help.

Today her husband has taken over the task of applying for subsidies. Like all other informants he points out that the application in itself is not that difficult but that the conditions with new satellite images is annoying. The problem is not just that new satellite images can cause an application to be rejected. The agreement that farmers make with the state requires taking specific environmental measures in order to get the subsidies, but this agreement can be changed because of the new images used by the CAB. Even though farmers have not done anything different than in the previous year when subsidies were received, the application and the commitment plan may be rejected because the officials used new satellite images. The farmer then has to explain why use of the new satellite image is incorrect so that the proper commitment is made. Others have also experienced this inability to understand the reality that farmers face everyday, according to my informants' lived experience. These inability to understand the reality of farmers has different effects. A single mistake in a form can lead to a percentage deduction of the entire support or that the application be delayed.



Then you have to make a change, if too large a number is given, if you have made a commitment, then the commitment will be wrong and you have applied for less than your commitment requires. Then you have to include a comment with the old information that the area is altered to a new area boundary from time to time, for it to be possible to send in, otherwise it is faulty and flawed and not possible to submit. And then when you fill in the form and make changes you usually get a phone call from someone at the County Administrative Board. Sometimes it feels like they sit and watch as you do this on the Internet. Once it took only took half an hour to get a phone call from the County Administrative Board, “why did you make that change?” and you reply “Because the information from you has changed, I have to apply this way now”.

– Hans Sikberg, organic sheep farmer.

### 3.1.2 *Help from others*

And the reason for that, in fact, it is not that it is so damn difficult to apply, but the advantage if you hire someone is that it is insured. If you make a mistake, you actually get it, through their insurance company and it can be a security. Above all, our application is worth almost 1.3 million, and making a mistake can be a real problem.

– Jakob Jurriaanse, organic dairy farmer.

Those who get help to apply do so either because one mistake can have a great impact or because of changes from year to year. For one informant, the main reason for getting help is that he has several agricultural units with different companies and therefore several applications have to be filled in which is time consuming and complicated. Many farmers hire Hushållningssällskapet (HS) or LRF consultants to help them apply. Confidence in these however varies. The informants choose to get help from a person they had confidence in, regardless of where they are employed. This is because they want someone they trust and who understands how important the application is to their livelihood. One farmer told me that their consulting company made a mistake that cost them between 200,000-300,000 SEK. After that they switched to another company. After they went to court and lost it became even more important that the person hired would do the right thing and be trusted.

I think you should rather have a little longer way to go, but have good people around you, who really support and help in all situations. After all, we have had a good relationship with people in agricultural, and it went well as long as nothing happened, but now we have lost confidence in them.

– Ulf Carlsson, conventional dairy farmer.

### 3.1.3 *Ticked the wrong box*

I don't remember if it was in the last time or last year, when there was a cross in the wrong box, and they wouldn't approve it because there was a cross in the wrong box. It had nothing to do with the payment, whether it was a conversion to organic or if it was already changed to organic. We somewhere had crossed a box for in conversion, but shouldn't have, because it was already converted to organic. But it totally blocked the County Administrative Board, completely, we didn't get any money. And I complained and I called. But that's the thing with these damn subsidies, a system that really can get blocked and no-one knows how things work, it's pretty bad.

– Jakob Jurriaanse, organic dairy farmer.

The informants talked about how easy it is to make mistakes in an EU application. Whether a farmer applies themselves or gets help, it is easy to miss checking a box or misunderstand a question. A cross in the wrong box can be expensive, because of the risk of a reduction to the entire farm subsidy, because it can lead to discussion that results in more inspections, or because it causes the entire application to be postponed, and making phone calls and e-mailing is needed to get any money at all. All the farmers with organic farming said it is difficult to distinguish between in conversion to and converted to organic, though there is no difference in the subsidy between the two. However, making a mistake will result in the whole application being delayed and it being necessary to call and discuss the situation before any support is received. That happened to two of my informants. They ticked a box for conversion to organic instead of already organic farming. The subsidies were the same so there was no penalty, but the farmers said it could well have been about something else that causes a delay. A misinterpretation can result in great consequences for the farmer.

We got an area of land, that we lease from a neighbour here, and for some reason I had checked a box for conversion to organic, but I shouldn't have because it was already retroactively in conversion as it had already been in pasture, but I had checked a box wrong, and they had to go all over it all again.

– Mats Larsson, organic cattle farmer.

## 3.2 When things do not turn out as they should

First I noticed that I didn't receive any money in December. You notice if there is no money in your account,... I waited a bit into January when the holidays were over and then I started phoning. They looked at the application number but couldn't give me any explanation, "no we don't know why". Then I called the Swedish Board of Agriculture to try to get an answer, but got the same answer there, nobody knew anything.

– Ola Danielsson, conventional cattle farmer.

Even when the situation is not normal administratively, farmers continue to do their chores. Their lifeworld is left relatively untouched. Regardless of whether or not subsidies from the EU are received, animals need to be fed, milked and grazed. The cultivation has to begin as soon as the frost leaves the ground and consumers still need to have food on their tables. In addition to these day-to-day tasks, the delays in subsidy payments have added additional administrative work. By these new tasks the system threatens to colonize the farmers' lifeworld (cf. Habermas 1981). The new tasks could entail for example phone calls and e-mail correspondence. These are things one might not think that farmers have to put time into, but which in recent years have become vital for their existence. EU subsidies have almost always been delayed but not so late that farmers got new tasks or had to take drastic measures. The delays in recent years have been different than other years. Many farmers have had an extremely long wait for a lot of money and have thus had to take measures in order to survive. Making phone calls and sending e-mails have been necessary. This shows how the colonization of the system becomes visible. EU subsidies not only offer benefits, but are in practice absolutely necessary for the farm financially. However, at the same time the subsidies require adaptation to the requirements of the subsidy system, which put into question what is obvious in the lifeworld.

### 3.2.1 *What information did farmers get?*

It [the application] was first rejected, and was being worked on, but after we were a little persistent and said you have to understand, this is about this much money and the liquidity of my company is so bad that if we don't get the money we risk more or less to go bankrupt or ending up at the government collection agency just because this doesn't work and after all that "oh, then maybe we have to help you", yes please, that would be appreciated.

– Jakob Jurriaanse, organic dairy farmer.

Informants have repeatedly had to make phone calls and send e-mails to both the SBA and the CAB to try and find out why their support payments have not arrived. Informants found that they could not get a straight answer to the question of if they made a mistake or if something else happened. If you wait a while, you can get a different answer and if you ask a colleague what answer they got, you can get a third answer.

The informants were faced with the task of convincing the CAB that payment of the subsidies is urgent and crucial for the survival of their farm. The responses were inadequate and sometimes they were asked for feedback but only got silence in return. In one case it turned out that no response was because an employee at CAB was on sick leave and no-one else took over. Eventually a manager seemed to understand the seriousness and got involved. After many phone calls and with help from HS, CAB finally paid the money. Another farmer without this persistence may have been forced into bankruptcy. While the mills of the system are grind slowly and are regulated, farmers are try to deal with the delays using the tools they have from their lifeworld.

One farmer explained that the first reason given for delay was the large number of animals. The next time they called, the reason given was that the government recently inspected the farm and for that reason the application was put last in the queue. The farmer wondered if he had made a mistake, but that was not the case according to the official. The farmer got the feeling that no-one knew the reason for the delay. There were many emails and phone calls with more questions than answers between the farmer and a seemingly inflexible and unresponsive bureaucracy. Although the system is intended to be based on collaboration between equal partners, it is clear the bureaucracy is in control. The subsidies come from the EU through CAP to the Swedish government. The government has given the SBA the power to distribute the subsidies. The intention is not to make farmers wait in uncertainty.

### 3.2.2 *Coping with the delays*

#### 3.2.2.1 *Outside financing*

Many farmers expressed that they unexpectedly receive mail. It could be a previous annual report, already approved agreement or an invoice for a tiny sum such as seven SEK for an old company that is no longer active. Some of the current year's subsidy payments may not be present, either on the account balance or in any manner. Therefore, the new tasks also are about making phone calls and applying for a bank loan. Money that farmers already have counted on in their business, for example when making investments, which they now have to pray for, even if they have fulfilled all the requirements from the CAB. Oddly enough, the bank happily lends out money, since a EU credit is considered a credible security but far from being credible and safe if you ask a farmer. In the farmers' stories, we encounter a picture of the state authority as disordered and messy, while the market, in the form of the banks, rescues them.

There are some people that have to take loans, borrow on the subsidies before they are received.

– Bo Larsson, organic cattle farmer.

In 2018 we had to phone the bank and we ended up having to borrow a little on the 2019 payments since we didn't get any support in 2018. You can then get what they call EU credit at the bank, and there is interest of course and it ended up costing about 20-30,000 SEK in interest, that had to be paid unnecessarily really, and it cost money because the subsidy didn't arrive, which was the way it was a year in 2018. It's good that way it is now, but we're still behind for 2018, and even though it's ok now, you had to pay back and earn it back, so any small buffer you had is gone.

– Ulf Carlsson, conventional dairy farmer.

You don't borrow from the bank, you apply for the EU funding, EU credit as soon as SAM Internet opens. That's what you have to do, to manage liquidity. It costs money. If we talk about 2018, it cost us about 35,000 and 40,000 SEK per year. It's the same interest rate to borrow on EU subsidies as collateral, as to take a normal top loan, so there's no difference. Check credit, top loan, the EU interest, it's the same rate more or less, but the bank is very happy to loan money to those who have an EU subsidy as collateral.

– Sara Jurriaanse, organic dairy farmer.

It can take more than half a year, more than a year or sometimes even longer for payments to be received. The delays can make it necessary to ask the bank for extension of the loan period, and preferably at the same interest rate if the interest rate has gone up. The interest on the loans needs to be paid, which is an added expense compared to if the subsidy payment had been on time. All the time the farmers spend making phone calls and e-mailing to resolve the delays is also a burden and the system's solutions increase farmers' costs.

Another extra cost of the delays is the cost of the extra work of an accountant to adjust the earnings as no subsidy has been received. Discussions about whether a government authority is or should be an uncertain claim in the financial statements also takes time. Many farmers hire someone to manage their accounting, separate from the application for subsidies. This is so the farmers can focus on what you do best, pursue agriculture, and also manage to do everything else that is expected of a modern farmer today. The accounting consultant can phone and ask, what support have you received, what support will you receive, and when? These are questions that are not easy to answer, especially without a consistent explanation for the delays from the authorities that administer the grants. This is thus additional time used and cost of the delays. The timing of the EU aid also affects the farmer's results in their annual financial statements.

And it is so frustrating, when on paper you succeeded and did a good job and so on, but you seen the money didn't come into the bank and it'll be hell. it'll be a hamster wheel and that's not good.

– Jakob Jurriaanse, organic dairy farmer.

In addition to bank loans, other solutions to the problem have also emerged. In some cases, the SAM application has been split up between family members to make the company less vulnerable to delays and possible deductions. Risk is reduced by dividing the pasture and farm support into two different applications. Also, applying for less money is believed to result in faster payment. One informant couple, together with the HS, realized that their company lost a lot of compensation support as they started to use more land. In order to avoid this and the percentage reduction for the entire farm support if something went wrong, the couple choose to make two separate applications to distribute that risk. It turned out that there was only a delay for the one that applied for support for pastures. The result was that the couple was able to take a smaller bank loan when the EU subsidy didn't arrive. In another case where family relations have been important for coping

with the delays, one farmer emphasized the importance of how having a family business and making a generational change earlier made it possible for the sons to apply for young farmers support. This is money aimed at supporting the next generation of farmers during their start-up. In addition to the bank loans, the subsidy received by the sons was also used to cope with the delays and the subsequent drought. These examples show how farmers have come up with their own solutions in their lifeworld, combined with the market solution of a bank loan, as well as how legal tools within the rule-based-bureaucracy manage to deal with the delays.

#### *3.2.2.2 Use of personal resources*

I had to use my own money, my own savings. At that time I had a full-time job, so I had to put that money in. For me there were no other consequences, but it was because it was at the "right" company so to speak, ... I had money myself, but there was still money that didn't come in. Then things went as they should but there was a year when it was problematic.

– Ola Danielsson, conventional cattle farmer.

Other farmers have dealt with the delays in a similar manner, though there are differences in how the financial difficulties are resolved. The farmers that have not taken a bank loan with the EU credit as collateral, had either a buffer from the past or had other sources of income than the agriculture connected to the EU subsidies relied on. These farms have either have diverse activities on the farm or someone in the company that is employed in other sectors such as construction, politics, foster homes, snow removal at Arlanda airport. These solutions on the delays are here both within their own lifeworld but also within the system in some form, either as the market or the state, depending on the income.

Some farmers have tried to increase their profitability so they are not as dependent on the subsidies. For example, one farm began with a bed and breakfast business and then started arranging three-day equestrian cross-country events and offering horse-riding practice sessions where customers arrange their own instructor. Others are selling meat at their own farm and via a website. Another source of income is renting out their ruminants to other actors for land management. These actors can be private individuals, municipalities and the CAB themselves, which in turn may apply for a subsidy from the EU. These examples show how their own judgement, market solutions and the state in terms of other actors have saved farmers during the delays. By noticing market trends



such as the demand for bed and breakfasts, needs in the horse industry, and the trend of buying locally produced food, the market provides solutions for farmers. Also, by other actors such as authorities dealing with the application system instead of applying themselves makes it possible for the farmers to cope with the delays. Some farmers however have chosen not to apply for subsidies because of the risk of the application process being too time consuming, the possibility of delays, the risk that errors could mean deductions on total subsidies, or that application requirements are viewed as unrealistic. For these farmers, distrust in the bureaucracy is a barrier.

It's great that it[the subsidies] aren't greater, and are only 20%, I think we are quite good! Ever since we took over this company we have been greatly affected by the outside world, we are pretty well equipped to do without support. I have always said that things happen in the market but not as damn fast as in politics, where money disappears in a pen stroke .

– Ulla Larsson, conventional cattle, sheep, and pig farmer.

Even though things can happen on the market as well, such as new trends, market solutions seem to be more reliable and safer to deal with than the state system, according to some farmers. Although the farmer above applies for 20% of their turnover from the government and also for support for grazing pastures from the municipalities and the CAB, there appears to be a need for this system. Here again the pendulum swings between market and state. Even though some of the farmers have coped by using their own resources and market solutions, they say it has been difficult. Traditionally, cash flow and liquidity have always been a general challenge in the agriculture sector, since they invest a lot of money in inputs and livestock. Some farmers reduce their risk by not being dependent on one actor and by making their own investments.

We have poor liquidity every fall, so those [the subsidies] that arrive early, we get some support in October, we long for a little sometimes really look forward to because then we're usually a little short of money.. but then at Christmas, we bring in money from our farm shop, since we get such a large amount of money from the shop, there is in any case safe liquidity.

– Fredrik Johansson, conventional cattle, sheep, and pig farmer.

Many of the informants described their situation in a similar way. Though they don't know anyone that has gone bankrupt they know many that have been close. One farmer mentioned a friend in another county that had to cope with a difficult financial situation in 2019. According to my informant this farmer works part time as a mechanic in several workshops to earn the money needed to cope with the delays,



but doesn't have enough money to cope more than another year. Other farmers have also described how working full-time as a farmer is not enough to cover costs of the farm. This is an example where their own judgement becomes the solution to the problem. The common situation in the agricultural sector of working more hours than a regular full time job conflicts with the state system standard of approximately eight working hours per day. This shows that farmers find solutions within their own spheres and lifeworlds.

Y'up, a full-time job here is never 40 hours a week, but that's not surprising.

– Ulla Larsson, conventional cattle, sheep, and pig farmer.

### 3.3 Trust and distrust

It's like this, the confidence in the County Administrative Board is affected. Before, 8-10 years ago, there was EU support money you got, you could expect them to come. They could have some problems back then too but then it came in January when it was late, it could fall over to January 1st when it was late, or go back and forth, but you knew the EU money was coming, but now you no longer have that confidence. You should know that in December this money should come, because it is a pretty big part whether it is a crop farm or animal farm, or whatever it is, the EU support is a large part of the money.

– Ola Danielsson, conventional cattle farmer.

In addition to trying not to be dependent on the system of government subsidies, informants expressed disappointment in the state not completing their part of the agreement after the informants made an effort to meet the state's requirements. The result can be a loss of confidence in the whole system. It is important that a farmer fill out the application correctly, pay penalties on time and follow all the guidelines and regulations. However, the consequences for the state, if there are any at all, of not meeting their agreements and policies are much different than for farmers. This is something that has gotten some attention, and the LRF is now pursuing a court case against the SBA regarding responsibility for late subsidy payments. In addition to the farmers feeling unfairly treated, they also feel, unimportant and unsatisfied. They expressed that their knowledge of the land, nature and animals does not seem to be valued in the eyes of the state. Farmers thus experience a clear, unfair lack of balance between themselves and the state. Here, the rule-based government and the internalised values in farmers' lifeworld are entirely different. The result has been that the

farmers' trust in the authorities within the system has turned into distrust.

You can try not paying a veterinary bill and you'll see, you'll be contacted by the collection agency after not more than 14 days. It's the same authority but after a week late you get a reminder and are threatened with debt collection. After all, it is the Swedish Board of Agriculture that you pay the bill to, it is exactly the same authority but it isn't the same rules.

– Sara Jurriaanse, organic dairy farmer.

What would be about delayed payments from the SBA and how farmers still maintained their business despite being such a large part of the turnover, also resulted in how farmers perceive themselves and their work towards the state. This example above shows the uneven distribution of power between the farmers and the state. Many farmers' use state veterinarians that if not paid on time don't have the same patience in getting paid that farmers are expected to have to receive the subsidies, and demands from the government collection agency can be faced. The support system is an agreement between both parties, an interplay and collaboration (Shergold 2008:16 ff). The views of farmers however has less weight. Power is clearly in the hands of the government. All farmers raise the importance of trust in individuals rather than companies or institutions, both when it comes to officials at the CAB as well as consultants. Another example where the trust has disappeared is when farmers that have acted through self-discipline stop doing so because it affects their chances of getting support and also affects sustainability negatively according to farmers' lifeworld.

In the end you just ignore some things, especially special values of pastures, they're just ignored, you don't want that damn hassle. You lose your freedom altogether. We had [applied for] special values, but now we haven't done it at all. I don't want the hassle, I want to be able to do what I want. You can't do a little cleaning up, you can't give any supplementary feed, and you can't do that and you can't do that and you can't do that. It is not worth the money, it is not worth it. For us it's worth about 35,000-40,000, but it's just difficult and what you really do is that you just risk inspections and deductions and crap. And that's the optimization support, which has meant that less is gotten if I have pastures. There are limits to the risks you want to take.

– Jakob Jurriaanse, organic dairy farmer.

Regardless of the type of farm, the subsidies are a large part of the income depended on. Many informants feel that the CAB constantly questions their work and that they have to defend their choices and ways of working when dealing with the CAB. Farmers feel caught in the

bureaucratic system and do not feel listened to and trusted. For example, one farmer told me about how a meadow was damaged by wild boars and that repair was needed, especially in some places so as not to damage farm machinery. According to the CAB, the repairing was not allowed in order to preserve the meadow. The result was that the whole field was changed to new pasture land and the old meadow is now only a memory.

Another farmer talked about the rules that were introduced for limiting the number of trees in pastures. Due to the new requirements the CAB wanted the farmer to cut down the trees so the land could be used for grazing, but the farmer believed that the trees were a prerequisite for grazing as the trees soaked up water from the wet ground. These examples show how farmers see their own rationality both as flexible and real-life oriented compared to the state's rigid and regulated rationality. The practical experience of farmers' in their lifeworld conflicts with the theoretical views of academics and bureaucrats. There is dissatisfaction with experts with views contrary to farmers' everyday knowledge within their lifeworld.

There are a lot of inspections. That's probably the worst thing about being a farmer today, I usually say. But you try to do things right as good as you can, but it's always a little hard. What can you say, even if you do things right, there's still pressure. Municipalities and self-inspections and everything else is certainly ok, we have to promote Sweden as the best in the world at producing good food.

– Ulf Carlsson, conventional dairy farmer.

Following is one of the many examples where the lack of trust between farmers and the state can be understood as a difference in rationalities between farmers and the bureaucracy. A farmer's animal lost both its ear tags and new ones had to be ordered from the SBA. In order to keep track of the individual animal until the new ear tags arrived, the farmer marked the animal with a tag using his farm number. Before the new tags arrived the farm was inspected by the CAB, which in their report criticised the farmer for using tags with his own farm number. When the farmer asked the CAB what he should have done, they had no better solution. The system thus seems to contradict itself at times. Another farmer told about a pasture where a red listed (near threatened) bird, a corncrake (*Crex crex*), was living. The farmer said that they had lived in symbiosis with the birds for some time and tried not to disturb it during the breeding season by not going near it with farm machinery. Many bird watchers live close in the area and one day the farmers were

directed to meet requirements by the CAB to protect this species. After meeting the state's requirements, instead of using common sense and local knowledge as they were doing, the species left the area. These are two clear examples of the rationality of the lifeworld verses the system. In this case the farmers acted through self-discipline in the belief that state knew best until the system failed and this self-governing disappeared. The CAB's lack of understanding of farmers' good intentions and the reality they are facing leads to deterioration of good relations between the state and the farmer.

It's wrong when the County Administrative Board makes mistakes then doesn't correct them and it takes a long time and the farmer has to borrow money to survive, but if it's us that have to pay them, we have to pay back right away, even if they can't officially make you. That is what the Swedish Environmental Protection Agency is getting away with. They can't fine people, but they have delegated it, they don't have the right to do it.

– Åsa Sikberg, organic sheep farmer.

Many of the examples expressed by farmers emerged after a rather long conversation with them. Based on my interpretation of the situation, farmers make a huge effort to meet all the demands required by the system, because they think the state is good and knows best. However, after doing this without getting any compensation, that according to the farmers' rationality they should have gotten from the beginning, by making food cheaper for consumers and especially after all the unpaid work that they are forced to do for the authorities, I perceive an agricultural sector that results in farmers expressing anger, frustration and dissatisfaction with the state, and increasing confidence in the free market, at least the idea of it. In the end, distrust in the system is increased.

You make a commitment and then you go through with it, according to your own judgment and even according to the County Administrative Board's assessment. You have done exactly what you were supposed to do or what you have applied for, so you have met your part of the agreement, and their part then is to pay the money that has been approved, but when that fails, then it feels like one's own work isn't worth a damn, that's the way it is,

– Bo Larsson, organic cattle farmer

In 2020, most of the delayed subsidy payments seem to have been paid, according to most of the farmers I talked to, though many of them know farmers who are still waiting. The delays have cost farmers time, money and made them worry about the future. Farmers have spent time and energy on making telephone calls and writing e-mails instead of sleeping and their actual work, to pursue sustainable agriculture. They have also spent money since they had to pay interest and extra accounting costs, which meant they had to use their buffer and could not invest in the business. There is worry about not being able to pay land leases, invoices and amortization on investments already made.

These EU subsidies, if we had lived on them, all the way, as many do, making them part of the operation, then we would have been completely had it. Then we would have had to slaughter the animals right away. Then we would have just had to close down the operation and apply at the Public Employment Office. That's the way it works.

– Åsa Sikberg, organic sheep farmer.

It's the eco-support and everything that has to do with pasture and environmental compensation that is late but we have jobs so that we don't live on them, so then we're not as vulnerable. We always say you should have work outside the farm. Åsa is a municipal commissioner in Tierp right now and I get a salary at home as well, from having a foster home, so that's a bonus. Now we can pay off loan, but if we had lived of them [the EU subsidies], it would have been a disaster. After all, there's been delays over almost four years, for the subsidies.

– Hans Sikberg, organic sheep farmer.

All the farmers I talked to had the same view of what the state is doing to them and agriculture in Sweden. The farmers think the government is trying to manage their farms without understanding the reality of farming. The result is additional work for farmers that is unpaid, and also results in extra costs when the subsidies are not paid on time. Farmers expressed that they would rather be paid for what they produce than be dependant on government subsidies. A reason for this is that even if the requirements for getting subsidies are met there is no guarantee the subsidies will be received. Another reason is because

there is a risk that both the animals and the environment would be better off without the requirements being met. Further, according to many farmers, some of the subsidy requirements contravene government animal welfare and environmental protection regulations. These arguments are further examples of an ideologically driven contradiction between the state and the market. The market may appear to be a possible way out of the dependence on the system that farmers now experience. However, the market is also a system that imposes demands on farmers and needs to be addressed.

Also, according to many farmers severe climate events are not covered by the subsidy requirements. An example of this is the requirement for a specific number of animal units on a pasture. In times of drought, this requirement would mean many animals would starve to death if the farmers didn't have the common sense to adjust the number of animals according to the conditions.

In order to deal with the delays, farmers have acted slightly differently depending on the circumstances. There are however two clear approaches to resolving the situation, (1) by borrowing money from the bank or own solutions within the family and (2) using money from the farm's buffer, personal savings or by having a diversified businesses within or outside the farm. Thus, in practice the rationality of the farmers' lifeworld has been used despite the requirements of the system.

### 3.4 Solutions

I think the County Administrative Board should be more flexible, but they say they are pushed by the EU and have to follow their directives and so on, but there has to be some flexibility. For example, that land could be managed over three years. It's not too often that there are not three extreme years in a row. But lets say there is a very wet year, then you might not be able to graze enough but the year after or in two years maybe, see how it looks then and have some flexibility. That's the way it is in reality, not their reality of mostly numbers and tables that really don't show how things are.

– Mats Larsson, organic cattle farmer.

The farmers have stressed that the money applied for is really needed. Farmers have also emphasized that it is crucial for their companies and for the agricultural sector in general that CAB base their work on reality, especially with increasingly significant climate change. The detailed management of agriculture requires proper impact assessments for the requirements to be sustainable, economically, socially and ecologically. Further, the farmers would like the period for dealing with deficiencies to be for a longer period, possibly three years. This would allow more time to determine if the deficiency is because of an error in the subsidy administrative system or a change made by a farmer to adapt to reality. There is also a desire for a change of attitude by the CAB of in some respects doubting farmers and their expertise. Being a farmer is a commitment and does not work if you do not think it makes sense what you do. You want the authorities to be able to make judgments based on what the reality looks like and not just on the basis of regulations on a piece of paper. The farmers have sympathy for the staff at the CAB, since they can understand that it must be difficult for them to carry out their work because the system becomes more and more complicated and new rules and changes are added to each programme period, just as for the farmers themselves. However, it is believed that this does not affect the government employees' personal finances as it does for farmers, even though it may be a mental trial for the employees.

But the "fun" thing about this EU funding is that sometimes money arrives, and oh what is that, it must be the EU support. Sometimes you get notification in advance but sometimes three weeks after. Sometimes after half a year the same notification comes again, so you have to read it, is this money I have received or is it money that I will get, or was it something I got in June, you think, when the notification comes in November. That is actually the way it is. You don't understand how the heck they can have such poor administrative routines, exactly the same letter that arrives, dated in May that you might get in November for money you got in July.

– Ulla Larsson, conventional cattle, sheep, and pig farmer.

Farmers would also like the state to more efficiently keep track of the documents they send out. Farmers have described that they get documents from the state that are either past their expiration date or documents about money that they have already received. Therefore, it is hard to keep track of what money they are about to get, have gotten and how much remains. The CAB should not send out documents that are no longer relevant, and it is a waste time and energy to pay out small amounts of money that make no difference to a farmer. Many of my



informants received small amounts of money that they don't know what subsidy it was regarding. There is also a need for the subsidy documents received by the farmers to be clearer. Further, it is recommended that the full subsidy be paid out instead of percentage of each subsidy. Many farmers have described how difficult it is to figure out what subsidy a payment is for, and that it is humiliating when small amounts are paid but there is dependence on larger amounts. These examples show farmers' wish for the authorities to improve, but also the opposition between lifeworlds and system, and how the system in terms of the state has colonizes the lifeworld of farmers through bureaucracy.

In the best of worlds, the subsidies would actually be paid once a month, year-round. That's for farmers, both crop production, maybe even more, and dairy farmers, many farmers have problems with cash flow. We have great results, many of us and we make money, we do, but cash flow is the biggest problem, you're in the red quite often and get stuck with reminder fees and unnecessary interest. It really should be better for everyone, it would help if the support would arrive more regularly. But that's not the only thing, profitability in general must be better in agriculture. Maybe Corona can actually have positive effects, I hope so a little. There are some who see there's a some small opportunities but we have not seen it yet, we'll see.

– Jakob Jurriaanse, organic dairy farmer.

Some farmers would like the state to pay the subsidies monthly, for the sake of liquidity. However, it is not believed that this would work in practice, and perhaps there could even be more delays. Another solution would be to skip the subsidies altogether and allow consumers to pay what it actually costs to produce food. But neither this market solution does farmers truly believe would work in practice since the majority of the consumers are not aware of what food actually cost and what they are paying extra for. When the times were really bad, some farmers tried to deal with the delays on their own, and succeeded. A homemade Excel application posted on Facebook was used to calculate how much to apply for the state to defer until the subsidies were received. This Excel application worked for some farmers but was time consuming. The subsidies may not have been paid out faster, but it was a way to make a claim and a statement against the rule-oriented bureaucracy system.

## 4 Conclusion

The delays in subsidy payments from the Swedish Board of Agriculture (SBA) to farmers have affected some farmers in Uppsala County in similar ways, but the individual farmers dealt with the delays in varying



combinations of relying on their own recourses and getting outside help. Late payments from the SBA to farmers are not a new phenomenon, but the delays in recent years have been worse than before. The worst years for my informants seem to have been between 2016-2018. During this period the information from SBA varied and it was difficult for farmers to understand the reasons for the delays. Though all my informants seem satisfied with how the subsidies were paid in 2019 they all knew of some farmers that still had difficulties, which harms the trust for the SBA bureaucracy and rule-based governance. Farmers think the improvements seem to be a result of all the criticism of the SBA, but are not sure the delays are gone forever.

An important result of this study is that the delays seem to be the same for both conventional and organic farmers, and not influenced by the type or number of livestock or if the application was done independently or help was used. However, the conditions before the delays had a great impact, for example the diversification on the farm, having a buffer or other external income. The subsidies are however a larger proportion of the turnover for organic farms.

The farmers that coped by using their own resources during the delays mainly did so by being employed elsewhere. In several cases one of the partners worked abroad even before the delays, in order to earn a buffer, which was then used while waiting for the subsidies to arrive. Here both market and the rule-based governance system came into play, depending on where the income was from. Most of the farmers expressed that they usually had great results from farming but anyway were forced to take bank loans and pay the interest. According to the informants, approximately 30-50,000 SEK was paid in interest per farm per year from about 2016-2018 for loans to cope with the delays and to secure survival of the company. Those who have taken loans expressed the importance of a good relationship with people at the bank, both to get loans as well as extending the loan period when the delays made it necessary. They used their network and relationships to get an extension while waiting for the subsidies to arrive, which is another example of the market system providing a solution and faith in the system harmed by the delays. However, according to the farmers the income, savings and loans could have been used for investments in their companies or handling a crisis like the drought 2018.

When it comes to the application process, those who pay a consultant seem to be more insecure than those who apply on their own. An important concern is that a mistake can cost a lot of money but consultants are covered by insurance. Dairy farmers especially

expressed that they are dependent on consultants and that they trust a specific person rather than an organisation. They prefer to go with a person that they trust even if that person moves or changes company. Those who apply themselves also say it is easy to make mistakes, even though they have experience or training and have done it several times. For this reason they also think about getting help early, and that the support constantly changes, such as the categories and requirements. According to the farmers, the bureaucracy and inflexible system are counterproductive in terms of sustainability and not desirable for the health of animals and the environment. Basically the application process is not suited to reality and upcoming climate change, according to the farmers. The delays do not seem to have been influenced by whether or not the farmers applied themselves or got help from consultants, nor if they have conventional or organic farms. The type and numbers of animals also seemed to not influence the delays.

There are fewer and fewer farmers, but there is no reduction in staff at either The Swedish Board of Agriculture or any of the other state authorities that work with agriculture.

– Hans Sikberg, organic sheep farmer.

Another important key finding connected to the delays is that many of the farmers think a lot of money in the rural development programme is not used properly and is not beneficial to farmers, but rather organisations that are good at dealing with the bureaucracy and filling out applications. Many farmers also think that it is degrading when they receive a small amount of money from the county government. Further, many of the farmers have solutions to some of the problems they feel the SBA has. For example, that the small sums of money be kept for following years or that farmers could reduce the subsidies 5% in order to skip the nonsense of dealing with small payments from the SBA of only a few SEK. Another problem is that deductions on the entire farm support recur and thus threaten the whole agriculture activity. Many farmers also raise the lack of investment support in the RDP as a threat to maintaining Swedish agriculture.

The drought of 2018 affected everyone and there is discussion about how farmers were able to deal with it at the same time as there were delays in subsidy payments. Farmers also talk about climate change and that the 2018 drought will probably not be the last drought they experience. The similar delays in subsidy payments that Swedish agriculture has experienced in recent years will be tough to cope with again in the near future, especially since climate change is becoming

more noticeable. This together with other impacts of the delays such as depleted financial buffers and high bank loan debt, results in farmers viewing the market as a solution. They believe that it would be better if they got paid for their commodities without taking a detour through the EU bureaucracy. It is hard to say if their ideology changed during the delays or if they had the same views before the delays. As many farmers raise the market as a potential solution, the delays may also have changed farmers' ideology.

Another especially important finding is that many farmers point out that joining the EU meant new agricultural practices, such as keeping the landscape open and starting to use land that was unused since the transition in 1990. The rule-based system has actually preserved some agriculture in Sweden when the market did not. Therefore, according to farmers, in some ways both market and bureaucracy-system solutions are needed, though the rule-based bureaucracy needs to be based on the reality that farmers experience.

An important recommendation for further studies is to acknowledge how the different subsidies fit or do not fit the reality farmers' experience. Many farmers have given examples of how subsidies are counterproductive and against the goals of the RDP.

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## Appendix 1: Informants

Farmer(s)	Production and number of animals	Arable land, pastures and forest	The SAM application	Solved the delays	Delays
Ola Danielsson	Conventional beef farm, 45 suckler cows	230 ha arable land + 30 ha pastures + 55 ha forest	Use help	Use of personal resources	2016
Fredrik Johansson & Ulla Larsson	Conventional beef, pig and sheep farm, 45 suckler cows, 124 beef cattle, 120 ewes, 75 pigs	160 ha arable land + 60 ha pastures + forest	Independent	Use of personal resources	Hard to keep track
Ulf Carlsson	Conventional dairy farm, 230-240 cows	230 ha + 130 ha pastures + 50-60 ha forest	Use help	Outside financing + family solutions	2018
Bo & Mats Larsson	Organic beef farm, 80-90 suckler cows	100 ha arable land + 200 ha pastures	Independent	Use of personal resources	Hard to keep track
Åsa & Hans Sikberg	Organic sheep farm, 38 ewes, 6 stags and 16 lambs	33 ha arable land/ old meadows + forest	Independent	Use of personal resources	2017, 2018
Jakob & Sara Jurriaanse	Organic dairy farm, 120 cows	220 ha arable land + 30 ha pastures	Use help	Outside financing + family solutions	2018

## Appendix 2: Interview questions

- Can you begin by talking a little about yourself/yourselves and the farm?
- What do you do on your farm? (What type of animals do you have, how many, how much land, what type of land, crop rotation, crops, etc.?)
- How is this done?
- Why is it done that way?
- Do you get any subsidies from CAP?
- If you do, how do you apply for them?
- Why do you apply this way?
- How is this working?
- Is it followed up and if so how, and if not why?