



REPUBLIC OF ESTONIA
MINISTRY OF RURAL AFFAIRS

Agriculture and Fisheries Strategy

2030

SUMMARY

Foreword

The Agriculture and Fisheries Strategy 2030 (AFS 2030) integrates the development trends of agriculture, fisheries, aquaculture, food industry, and rural and coastal areas. The strategy aims to contribute to increasing the competitiveness of these sectors, food security, sustainable rural and coastal development, good plant and animal health, improved soil conditions, food safety, and the maintenance of a clean environment and biodiversity. In doing so, the AFS 2030 will create the conditions for adding value in these areas, taking into account the objectives of bio-economy, sustainable development and the environment, and create opportunities for cross-sectoral cooperation.

The world around us is changing fast. In order to ensure the sustainability, development and competitiveness of Estonian agriculture and fisheries, it is important to improve the work of all actors (businesses, the public sector, education, research and development institutions, non-profit organisations, etc.) and to improve the quality of production. The interventions needed to achieve the objectives of the strategy are therefore divided into eight directions: agri-environment; plant health, animal health and welfare; food safety; quality inputs for agriculture; production, valorization and distribution of agricultural products; development of rural and coastal areas; research, innovation and knowledge transfer; sustainable fisheries. The private sector also contributes to the achievement of AFS 2030 through its sectoral strategies.

Through its eight directions, AFS 2030 contributes to the achievement of the objectives of nearly thirty sectoral strategies. AFS 2030 also supports the achievement of the goals of the national central strategy "Estonia 2035" and the UN World Summit Plan of Action "Transforming our World: The 2030 Agenda for Sustainable Development", as well as Estonia's sustainable development strategy "Sustainable Estonia 21", such as economic livelihoods, food security, health and well-being, sustainable production and consumption, oceans and marine resources, Earth's ecosystems and the viability of Estonia's cultural space. The strategy is the basis for the strategic planning of the European Union's (EU) Common Agricultural and Fisheries Policy's programming period (2021-2027) in Estonia, and it also contributes to the European Green Deal's "Farm to Fork" objective of moving towards a more sustainable food system.

More than 500 experts from more than 140 institutions and organisations participated in the preparation of AFS 2030. The strategy will be implemented in cooperation with partners working on agriculture, fisheries, aquaculture, food, rural and coastal development. Implementation of the strategy will be led by the Ministry of Rural Affairs and the Ministry of the Environment.

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Vision and objectives

AFS 2030's **vision** is that "Estonian food is appreciated and it is good to live in the countryside!". "Accordingly, in 2030, highly valued Estonian food will be in demand in both domestic and foreign markets, ensuring that all actors in the supply chain receive sufficient income from the products, food and services they produce. Rural areas are characterised by an attractive living and business environment, with well-paid and diversified jobs and cohesive, active communities. That is why, in 2030, life in the countryside will be valued, developed and prosperous, and there will be room for both large and small businesses to contribute to the development of the rural economy.

The **overarching goal** of AFS 2030 is that Estonia will have a preference for local food, a healthy environment and biodiversity, thriving food businesses and viable rural and coastal communities. In order to achieve the overall objective, the agricultural, fisheries and food production sectors must produce products of high quality, that are innovative and produced in an environmentally friendly way. This will require more cooperation, both within and between sectors, and the use of the latest research results and best technologies.

The strategy has two sub-objectives. The first sub-objective of *Smart and sustainable agriculture, food production and rural life, safe food and a well-maintained environment* is linked to seven integrated directions. The second sub-objective *Sustainable fisheries, that ensure the competitiveness of the fisheries sector and the sustainable management of fish stocks*, includes one course of action. The objectives and action lines of the strategy take into account the needs of sustainable development as well as climate change mitigation and adaptation. Horizontal development themes include bio-economy and exports as well as the environment and integrated rural development.

AFS 2030 VISION

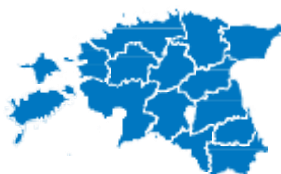
Estonian food is appreciated and it is good to live in the countryside!

OVERARCHING GOAL

Estonia's food is preferred, the environment and biodiversity are preserved, food businesses are successful and rural and coastal communities are vibrant

SUB-OBJECTIVE

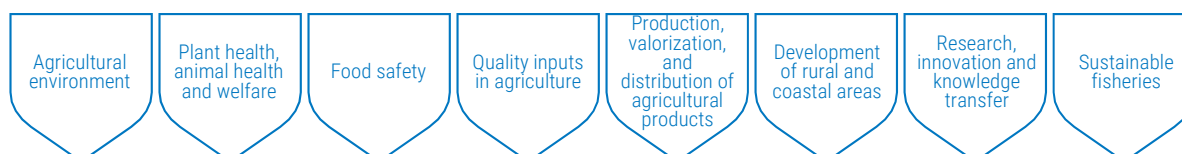
Smart and sustainable agriculture, food production and rural life, safe food and a well-maintained environment



SUB-OBJECTIVE

Sustainable fisheries that ensure the competitiveness of the fishing industry and the sustainable management of fish stocks

Directions



Horizontal development themes

Bio-economy, export, environment and holistic rural development



Context: global macro-trends, Estonia's economic position, and general state intervention logic

There have been significant global changes in the sectors related to agriculture, fisheries and the food industry. These changes are mainly linked to rising incomes, new technologies, the state of the environment, changing consumer attitudes and preferences, trade liberalisation, energy and urbanisation. This has been accompanied, in particular, by an increase in consumption and global trade, as well as the intensification and concentration of production.

Climate change has made the sustainable use of natural resources a key issue. Extreme weather events and global warming are increasingly leading to the desertification of large areas of land and causing widespread water scarcity in some regions. In turn, these trends could lead to resource conflicts and increased out-migration from affected areas.

The OECD and the FAO continue to forecast growing demand for agricultural products. This is due to rapid population growth, particularly in Asia and sub-Saharan Africa. The development of world agricultural production is being driven by increasing crop yields and expanding meat and dairy production. At the same time, it is important to reduce food waste in the supply chain. As a result, agricultural trade is projected to grow slowly but steadily and internationally traded agricultural prices are not expected to rise significantly.

Estonia's operating environment is shaped to a large extent by its membership of the EU, the world's largest exporter and importer of agricultural products. The EU's food industry production stands out for its high quality and diversity. The EU's high food safety and environmental standards underpin the positive image of EU food. The EU's common policies ensure common market rules. In the EU as a whole, more efficient use of bio-resources, by-products and waste is increasingly important.

Therefore, Estonia is well placed to produce food. We have extensive water resources that give us a strong competitive advantage. According to climate projections, our region may be one of the few where production conditions tend to improve over time, although it is suggested that the weather could become more extreme and unpredictable.

As an open and export-orientated small country, Estonia needs to place a strong emphasis on international cooperation, both in developing multilateral and bilateral trade and cooperation relations, as well as in cooperating with international organisations to use the best international knowledge to adapt to global trends. In a changing natural and economic environment, we need to be prepared to manage strategic risks and build on our experience to be more capable of shaping the key EU policies, i.e. the Common Agricultural Policy and the Common Fisheries Policy, in Estonia's interests. Contributing to development aid also advances the overall positive image of Estonia. It develops external relations and creates additional contacts that are a prerequisite for exporting products and services to new markets.

The general basis of state intervention logic is the relationship between private and public goods. In the context of scarce resources, the state must ensure a functioning business environment, which means in particular knowledge-based decisions negotiated with the various target groups, ensuring a regulatory framework that meets society's expectations and sustainable operating standards, providing supervision services related to strategic risk mitigation, as well as expanding trading opportunities. Non-repayable aid should be used for investments of low economic return in particular, such as climate and environmental compliance and social entrepreneurship, but also for small business and generational measures. Preference should be given to financial instruments to finance productive investments. It is important for businesses to be more aware of and take responsibility for risk management.



Expectations for bio-economy, improvement of the living and natural environment, exports and integrated rural development

Expectations for bio-economy

Compared to other EU countries, Estonia is relatively well endowed with bio-resources, but the bottleneck is the low added value - a high share of exports of unprocessed or low-processed products. An important trend in bio-economy is the use of bio-waste and by-products, which is not yet widespread in Estonia. The creation and deployment of industrial biotechnology solutions must be achieved through research and development as well as knowledge transfer. It is important to involve the agricultural and fisheries sectors in tackling these bottlenecks and creating higher added value. There is a need to contribute to the establishment of suitable biorefineries for primary producers and to support the necessary research and development, including pilot and demonstration projects. There is a great potential for the development of marine aquaculture and the use of bio-derived raw materials from the marine industry.

Expectations for improvements in the living and natural environment

Estonia is well placed to produce food in an environmentally friendly way. Due to the state of natural resources, climate change and society's expectations, the farming and fishing sectors must contribute to preservation of the natural and living environment. It is important to ensure that groundwater and surface water are in good condition; that land and soil use is balanced and sustainable; that biodiversity, species and habitats are maintained; that threats to human and animal health are avoided; that landscapes remain diverse; and that the impacts of climate change are taken into account. More attention needs to be paid to solutions that enable the agricultural and fisheries sectors to reduce the use of non-renewable resources and to reduce food loss and wastage at all stages of the value chain.

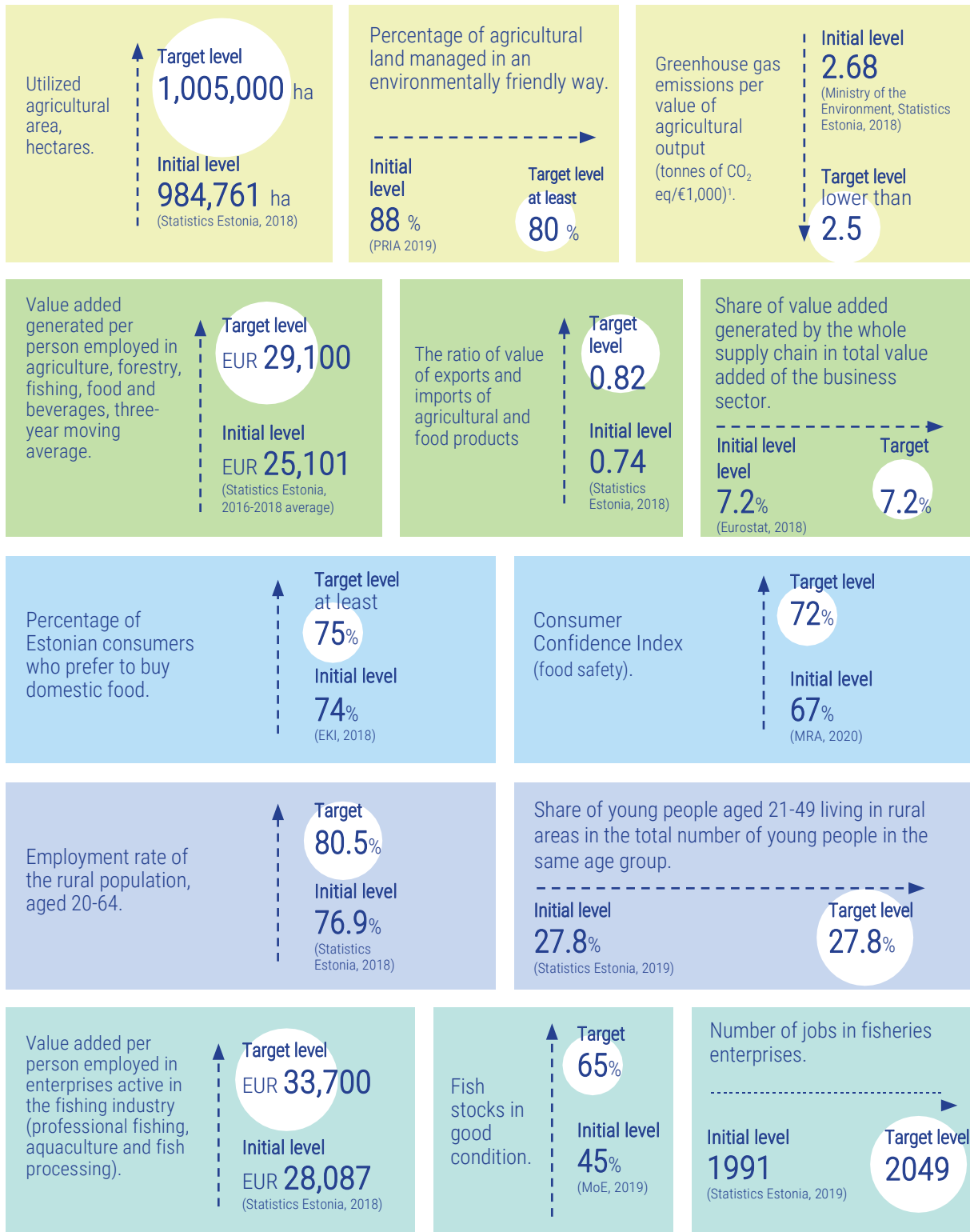
Expectations for exports

Estonia is well placed to export food products, but to create competitive products and achieve significant volumes, a leap forward in domestic raw material processing capacity and organic farming productivity is needed, including through cooperative activities. It is important to understand the specificities of markets and consumer preferences, and to respond to market demand. Consumer expectations regarding food safety, animal welfare, the purity of the growing environment and the environmental impact of production are becoming increasingly important. Responding to them and making it highly visible will provide an additional quality mark for companies and for Estonian food in general. A global liberal trading environment is necessary for export development, and securing this requires Estonia's international and EU-level cooperation and presence.

Expectations for integrated rural development

Rural areas are viable if they are open and able to take advantage of the opportunities brought about by socio-economic and environmental changes and trends. For rural areas to be good places to live and viable, their challenges and opportunities need to be addressed in a holistic way, taking into account people and communities, businesses and jobs, and the services needed to secure infrastructure and quality of life. AFS 2030 foresees interventions for the holistic development of the living and business environment, for rural settlement, for the promotion of youth activities, for strengthening the role of communities and their participation in local life, for raising awareness of the image and role of rural areas and for promoting entrepreneurship in rural areas.

Targets of the AFS 2030



The target, measurement methodologies, and metric of GHG emissions will be specified either in 2022 or after the mid-term review of the AFS (2023), once the relevant studies have been carried out and the results of the studies allow it.



DIRECTION 1

Agricultural environment

Estonia has a diverse agricultural landscape and well-preserved biodiversity. Support for environmentally friendly farming covers 45% and organic farming around 21% of the utilized agricultural area. The semi-natural habitats maintained in protected areas, which are the most supportive of climate and biodiversity objectives, account for 3% of the utilized agricultural area. These are core habitats for natural enemies of pests and pollinators, providing an ecosystem service to the whole agricultural landscape.

The use of mineral fertilisers has increased and livestock farming has become concentrated in larger production units - intensification of agriculture causes an increasing pressure on the environment. Although nitrate concentrations in Estonian rivers are stable and low in lakes and coastal waters, nitrate ion concentrations in groundwater in the Pandivere and Adavere-Põltsamaa nitrate sensitive areas have increased. Monitoring has found exceedances of maximum residue limits for pesticides in both groundwater and surface water. Although greenhouse gas emissions from agriculture are half of what they were in 1990, they increased by 17% between 2005 and 2017. The use of fertilisers based on the agrochemical properties of agricultural soils, and the establishment of plant nutrient and humus balances for agricultural soils, is not widespread. The trend in the field bird index, which is a measure of species richness, is downwards. Invasive alien species place a continuing pressure on biodiversity and landscapes.

OBJECTIVES

- The use of fertilisers and plant protection products has a negligible negative impact on the environment.
- The negative impact of agricultural production on climate change and air quality has decreased and the positive impact has increased.
- The biodiversity and landscape diversity of agricultural land is maintained, and ecosystem services are ensured.

Action to achieve the objectives

- Monitoring and supervision of the marketing and use of plant protection products, fertiliser use, nutrients from agriculture and soil biological condition and biodiversity will be intensified.
- Digital solutions for calculating plant nutrient and humus balances will be implemented, and data on on-farm nutrient balance calculations will be collected.
- In agriculture, solutions based on the principle of circular economy and the substitution of mineral fertilisers with local fertilisers will be encouraged.
- The evaluation of plant protection products and their active substances will be improved, restrictions on their use set at certain levels, and new and safer plant protection products placed on the market.
- The agri-environment measures will be designed in a way that allows their widespread implementation, and to cover as large a proportion as possible of the agricultural land and potential sources of pollution or technologies used.
- Organic farming and environmentally sustainable practices that conserve surface and groundwater, promote soil biodiversity and avoid erosion and nutrient loss will be encouraged.
- Investments will be supported in favour of climate-smart and air-polluting technologies.
- Sustainable and diversified land use shall be supported - conversion of agricultural land with organic soils into permanent grassland, restoration of the natural water regime or controlled water level rise, where appropriate, establishment of smaller fields, maintenance of species-rich grasslands, integration of landscape features and areas supporting agricultural biodiversity into agricultural landscapes.

Direction 1 supports the UN Sustainable Development Goals:





DIRECTION 2

Plant health, animal health and welfare

Due to its favourable geographical location, Estonia has a good level of plant and animal health. Estonia's livestock production is supported by a good local feed base and modern farming technologies. At the same time, the globalisation of trade and climate change are fuelling the spread of new pests and animal diseases.

Problems include reduced monitoring coverage, which does not give a full picture of the spread of the main economically harmful livestock diseases, and ensuring biosecurity. Expectations in society have soared for animal welfare, transparent and proper animal husbandry and additional higher standards. An animal welfare premium has been paid to livestock farmers to encourage them to use production practices above the minimum standards. Animal welfare is also supported through an organic farming support measure.

Estonia has a national programme on antimicrobial resistance (AMR), but the registers of food and feed business operators, veterinary medicines and farm animals do not allow for the collection and analysis of data on the use of veterinary medicines, which is an important input for the prevention of AMR.

The new EU plant health regime will have a common monitoring system for dangerous plant pests and a crisis preparedness for early detection and rapid control measures by Member States. By educating producers and informing traders, they can be motivated to make decisions that contribute to good plant health and improve producers' competitiveness.

OBJECTIVES

- Estonia is free from dangerous pests.
- Estonia is free of particularly dangerous animal diseases.
- Overall herd health and animal welfare will improve.

Action to achieve the objectives

- Systematic risk-based monitoring will be implemented to ensure plant health, animal health as well as welfare compliance, including ensuring adequate monitoring and controls at the national borders and strengthening the enforcement of animal welfare rules for the keeping, transport and slaughtering of farm animals.
- Encourage the sector to implement more voluntary programmed activities such as pest risk management schemes, animal welfare labelling, quality programmes, animal disease control programmes, livestock health programmes, etc. that have an impact on plant and livestock health and export performance.
- The implementation of higher animal health and welfare standards will be encouraged through various support schemes.
- The national AMR programme in the field of animal health will be continued with the aim of pursuing the “One Health” principle and a system for collecting data on the use of antimicrobial medicines will be set up.
- Opportunities are being sought for the valorisation of animal by-products.
- Registers are streamlined by using e-government; a data structure for voluntary data exchange between businesses and national organisations to reduce the need for reporting shall be created.
- Awareness shall be increased among stakeholders about plant health and aspects of animal production that affect animal health and welfare, such as farm technologies, feeding, herd health programmes, animal welfare, biosecurity, and others.

Direction 2 supports the UN Sustainable Development Goals:





DIRECTION 3

Food safety

The food safety situation in Estonia is good. This is favoured by natural and climatic conditions and the availability of clean drinking water. Domestic food is trusted by 94% of consumers.

In Estonia, the legal framework on food safety is mainly regulated by EU legislation. In addition, the *Codex Alimentarius* programme of uniform food standards, which regulates the international food trade, will be taken into account. The regulatory framework in the area of food safety has evolved and will be updated in the light of new scientific evidence and risk factors such as e-commerce, direct marketing, globalisation, technological developments, climate change, consumer food choices, etc. Information will be exchanged and cooperation with the European Food Safety Authority (EFSA) and other EU Member States' authorities will be pursued to improve risk assessment capacities.

Estonia has a risk-based surveillance system, supported by a network of laboratories and, increasingly, IT solutions. While direct public health risks (food-borne infectious diseases) are a priority for regulatory authorities, risks with long-term effects (e.g. contaminants, additives, GMOs) have so far been insufficiently assessed. Due to new influencing factors, new areas (e.g. food fraud, food reformulation and AMR) will be added to the tasks of supervisory authorities.

The number of food business operators increased by about a fifth between 2013 and 2018. Food business operators' awareness of food safety has generally increased, but is still uneven. Some food business operators have introduced additional voluntary quality schemes (e.g. ISO, BRC) in addition to the existing requirements.

Attention needs to be paid to consumers' food safety awareness and the ability to make informed health choices. There are no systematic consumer information programmes on food safety and it can be assumed that the awareness is uneven.

OBJECTIVES

- Food produced and consumed in Estonia is safe.
- Consumers have a high level of food safety awareness and make choices that support their health.

Action to achieve the objectives

- Systemic risk-based supervision based on a multi-annual control plan will be implemented and contributions will be made to the development of supervision for new risks.
- Greater attention will be paid to risks with longer-term effects, with more efficient monitoring.
- To increase export capacity, additional activities required by destination countries will be undertaken, including conformity checks, monitoring, etc.
- The system for identifying the causes of food-borne outbreaks will be analysed and, where necessary, strengthened.
- Food safety training for operators shall be supported. Consumer awareness of food will be raised through various programmes and campaigns. Stakeholder awareness will be promoted to raise food awareness among target groups.
- The creation and/or implementation of a voluntary labelling scheme to guide consumer health choices will be analysed. The possibility of creating a consumer-friendly information system on the food safety situation of the operator (e.g. *Smiley* system) will be considered.
- The sector shall be encouraged and supported to implement more voluntary quality schemes (e.g. ISO, BRC).

Direction 3 supports the UN Sustainable Development Goals:





DIRECTION 4

Quality inputs in agriculture

Agricultural land in Estonia is generally in extensive use, but the intensity of livestock and crop production is uneven. This creates environmental pressures in some areas, and in other areas, some agricultural land may remain unused. Estonian agricultural soils suffer from organic matter and nutrient depletion, compaction and, in some areas, acidification. On parts of agricultural land, the soil has been destroyed by the building of roads and buildings. The precondition for the utilization of more than half of agricultural land is the functioning of drainage systems, but most of them need renovation.

The main emphasis in Estonian plant breeding is on the breeding of disease-resistant and high quality cereals, oilseed crops, grasses, vegetables, fruit and berry varieties suited to local conditions. Demand for protein crops and varieties suitable for organic farming has increased. Estonia is producing increasing quantities of certified seed, but it is relatively less used than in other countries. There is room for growth in the production of certified seed potatoes and planting material for fruit and berry crops. The protection of plant variety rights remains a problem.

The breeding of farm animals in Estonia is at a good level. In terms of milk production per cow, Estonia is among the EU leaders, and the number of pure-bred breeding animals in beef cattle production is increasing. The state supports the maintenance of herd books and breeding registers, performance testing and genetic evaluation.

In spite of the subsidized keeping and breeding, the Estonian Native Cattle, Estonian Quail, Kihnu Native Sheep, Estonian Native Horse, Estonian Heavy Draught, and the universal and Old-Tori lines of the Tori Horse breed continue to be endangered breeds and require special attention to preserve their cultural heritage and genetic diversity.

OBJECTIVES

- Farmland allows diversified agricultural production.
- The range of varieties of arable and horticultural crops and plant propagating material is varied, of high quality and adapted to local conditions.
- Breeding ensures breeds and genetic diversity suitable for Estonian conditions.

Action to achieve the objectives

- Restricting the use of agricultural land of high agricultural value for buildings and afforestation.
- New uses will be sought for land that is not used for agriculture, to support the development of bio-economy or nature conservation objectives.
- Environmentally friendly measures, such as legume cultivation and the use of green manures and fertilisers, are used to protect soils. More support will be given to the neutralisation of acidified soils.
- Land improvement investments will be supported, taking environmental and climate objectives and risks into account.
- Breeding and resistance breeding of varieties adapted to local conditions, market demand and export potential will be promoted.
- The use of local varieties important for cultural heritage and genetic diversity will be supported. The genetic resources of agricultural crops, their wild relatives and selected varieties will be conserved and studied.
- It will deal with the leafleting and protection of varieties suited to Estonian conditions, and will provide a variety registration and economic testing service to ensure a wider choice of suitable varieties.
- The rights of holders of protected varieties will be safeguarded, both for the marketing of seed and propagating material and for the production of propagating material for own consumption.
- A certification scheme for seeds as well as fruit and berry seedlings is launched.
- Breeds suitable for Estonia, including local endangered breeds, are promoted. A programme to conserve animal genetic resources will be set up and a gene bank (for endangered breeds) will be created. Breed societies will be supported in maintaining herd books and carrying out performance testing.
- In livestock farming, the development of innovative solutions and the use of ICT solutions will be encouraged.

Direction 4 supports the UN Sustainable Development Goals:





DIRECTION 5

Production, valorization, and distribution of agricultural products

Estonia's agricultural land is concentrated in larger farms, but there are also many small farms alongside the big ones. Given the abundance of organic land in Estonia and the increasing demand for organic production in the EU, there is a lot of potential for the development of organic production. Labour productivity in both agriculture and the food industry has increased significantly over the years, but is still below the EU average. Productivity has increased mainly in large, technologically advanced and innovative farms. The productivity gap between large and small firms is widening.

The number of food and drink businesses, including organic processors, has increased. The food industry faces problems, such as a lack of companies with economies of scale, small production volumes and a low capacity for internal product development and innovation. On the other hand, smaller companies have the advantage of production flexibility. Domestic consumption is one of the drivers of the food industry - 74% of consumers prefer domestic food, but only 59% of staple foods in the retail assortment come from Estonia.

The number of employees is decreasing in both agriculture and the food industry. Shortages of both skilled and seasonal labour, and a critical increase in the average age of specialists and managers, are a problem. Young people are not interested in working in agriculture and the food industry, and in getting the specific training they need for that. The creation of new businesses in agriculture is hampered by the limited amount of agricultural land and the high capital requirements. The prospects are better for vegetable, fruit and berry production, which can be set up on smaller farmland, but these types of businesses are also capital intensive.

Due to the volatility of producer prices, the sector's income is uneven from year to year, with subsidies and tax differentials providing stability. The market power of actors in the food supply chain is uneven and there is little cooperation. As a result, in the event of market failures, the fall in producer prices in Estonia is steeper than the EU average. Retail trade is concentrated and linked to the EU's top suppliers, which strengthens the market position of retail trade compared to the agricultural and food industry. There is room for development in shortening supply chains and in using Estonian food production for public catering.

Although Estonia has little experience of joint action by businesses, the last decade has seen an increase in collaboration and cooperation between businesses. Co-operative activity is more intensive in the dairy sector, where more than half of the milk is bought by dairy co-operatives and their dairies. In the cereals sector, cooperatives are the most numerous, but apart from a few larger cooperatives, the market power of the rest is small. In the remaining sectors, joint action is weak.

Estonia's external trade in food products is characterised by a trade deficit of 300-400 million euros. It is highest for finished products, pointing to a lack of capacity in the manufacturing industry. More than a third of agricultural products are exported as raw materials. The number of export destination countries has been growing steadily, but half of exports go to three neighbouring countries - Finland, Latvia and Lithuania. The state has helped exporters to find contacts and build networks. Opening up third country markets has been a priority. Exports of organic products have been growing rapidly in recent years, with cereals accounting for the bulk and livestock products showing potential.

OBJECTIVES

- Estonia's food sector is competitive on both internal and external markets.
- The producers' market position is strong.
- Estonian consumers prefer and consume food produced in Estonia.

Action to achieve the objectives

- Moving away from financially supporting businesses to providing them services, including developing the advisory system to make it more needs-based.
- Contributing to better cooperation between businesses and research and development institutions to foster knowledge diffusion and innovation for higher added value products.
- The creation of bio-economy clusters and the adoption of greener business models will be encouraged.
- Development of an action plan to reduce food waste and food loss.
- Priority will be given to green technologies and innovative and digitally-enabled investments that are productivity-driven, in areas where Estonia has advantages.
- Financial instruments will be used more widely, thereby facilitating access to capital for young farmers and micro and small enterprises in the food industry.
- The creation of a common risk fund and the implementation of working capital and bank loan refinancing, guarantee and collateral schemes are being considered.
- Funding for insurance support will be provided at a level that motivates the development of sustainable and effective services based on private initiative.
- Measures will be implemented to motivate young people to enter the sector.
- The food industry invests in research and development, innovation in production technology and the implementation of resource-efficient technologies.
- Vertical cooperation and joint activities between farmers and food processors will be supported. Cross-sectoral cooperation projects are encouraged to increase volumes and value added in the supply chain.
- Better use will be made of the possibilities created in the EU for producer organisations to process, co-market and negotiate prices for their products. A cooperative development programme and a centre of excellence for private sector cooperatives will be launched.
- The development of local markets and short supply chains shall be supported.
- A pilot programme on “Organic Food in Childcare Centres” will be developed and implemented.
- A coherent, evidence-based image of Estonian food that supports exports will be developed.
- A plan to promote Estonian food and to promote sales and exports will be implemented. Administrative, political and diplomatic support to open and keep open new markets will be guaranteed.

Direction 5 supports the UN Sustainable Development Goals:





DIRECTION 6

Rural and coastal development

Like other EU Member States, Estonia's rural areas face structural problems, such as decentralisation, depopulation, lack of attractive jobs, skills shortages, significant seasonal labour needs and poor access to services. A major challenge is to ensure social and economic well-being, to bring it into line with urban levels and to improve access to services in rural areas.

Rural entrepreneurs are characterised by a low investment capacity due to limited access to capital. As new value chains emerge, it is increasingly important to combine resources and technologies from different sectors and increase resource efficiency, including in the bio-economy, where Estonia's potential is under-utilised.

Estonia's rural areas are home to active local communities, whose development has been fostered by the community-led local development (CLLD) approach. It has proven to be an effective tool for building local capacity and social inclusion, reducing poverty, promoting the rural economy, developing local entrepreneurship and creating jobs.

OBJECTIVES

- The rural population is active and vibrant.
- Diversified businesses with growing added value in rural areas.

Action to achieve the objectives

- The holistic development of the rural living and business environment will be ensured.
- Attention will be paid to the development of rural infrastructure, the development of integrated solutions for centres of attraction, and the development of activities to link rural and urban areas.
- Access to quality services will be supported.
- Improving the living conditions of young people is supported.
- Continuation of region-specific programmes will be implemented.
- Organising public-private sector events to promote agriculture and rural life to the wider public, such as the Open Farm Day, will be continued.
- The availability of information on rural opportunities will be improved.
- The creation of retraining and employment opportunities will be supported.
- Business start-ups in rural areas will be supported.
- Rural tourism will be promoted by promoting the unspoilt nature, tranquillity and recreational opportunities of rural areas.
- Joint action and cooperation will be promoted and supported.
- Business investments will be supported and the greater use of financial instruments encouraged.
- Value-added activities and sectors (bio-economy, circular economy, eco-tourism, innovative production, export of value-added products, etc.) will be promoted.
- The training will support young people to start, stay in and learn entrepreneurship.
- Generational change in rural entrepreneurship will be encouraged.
- The LEADER-type CLLD approach will be pursued.
- Action is being taken, involving all ministries and other parties, to ensure that all policy areas, in addition to agriculture and fisheries, take account of the specificities of rural areas and contribute to their development (rural proofing).

Direction 6 supports the UN Sustainable Development Goals:





DIRECTION 7

Research, innovation and knowledge transfer

Estonia offers good opportunities for both vocational and higher education in agriculture, fisheries, food and rural economy. In agriculture, an advisory service unit has been set up; in fisheries, there is an information centre; and support for research and development, knowledge transfer and innovation.

However, there are some bottlenecks. The problem is an ageing workforce and a shortage of skilled labour. The succession of researchers and advisors is also insufficient, affecting the availability of advisory services and expertise and the development of scientific competence. More attention needs to be paid to the training of advisors, trainers, lecturers and teachers. There is a need to develop the competences of both research and development institutions and advisors in certain specific areas of need for the sector, and to widen the range of advisors and experts involved in the advisory system. Funding for research and development is predominantly project-based and inadequate. Research institutions and businesses are failing to make sufficient use of EU funding programmes. There is a need to foster cooperation between research and development institutions, businesses, supervisors and schools to boost the uptake of innovative solutions and the transfer of supervisor know-how and services to businesses. Sectoral e-opportunities, information sources and digitisation activities need to be coordinated more effectively.

PURPOSE

- Knowledge creation and knowledge transfer will support the achievement of the objectives of agriculture and fisheries.

Action to achieve the objectives

- A comprehensive, flexible and accessible knowledge transfer and innovation system will be developed to ensure that the latest independent domestic and foreign scientific and technological information reaches a wide range of audiences (manufacturers, processors, start-ups, etc.). The target group for knowledge transfer will also be extended to consumers.
- To ensure the supply of professionals and generational change, attention will be paid to updating the teaching materials of vocational training institutions and universities, making the latest scientific information available and integrating it into curricula, using new technologies, digital development and improving apprenticeships.
- The development of competences of trainers, advisors, supervisors, research laboratories and other experts will be supported.
- Opportunities will be identified for funding longer-term, larger-scale, interdisciplinary research and development programmes, applied research, experimentation and monitoring related to agriculture and food production.
- Research laboratories, test facilities, equipment and facilities are kept up-to-date and relevant.
- Support services will be strengthened to make better use of EU funding programmes.
- Cooperation between different parties, including research and monitoring bodies and business associations, will be encouraged.
- Digital opportunities will be used more widely in knowledge transfer, innovation and product development, and digital technologies will be developed to use publicly collected sectoral data to help create new services, increase supply chain transparency and improve the sustainability of the sector.
- An innovation support system will be developed to meet the needs of both the sector and individual enterprises, covering product development and innovation more broadly in both the public and private sectors.
- The role of sectoral museums in education and agriculture as custodians of historical memory and as future binders of past experience will be strengthened.

Direction 7 supports the UN Sustainable Development Goals:





DIRECTION 8

Sustainable fisheries

The abundance of water bodies and the natural conditions in Estonia ensure a relatively good and diverse fish stock and its natural reproduction. At the same time, the number of spawning grounds has declined significantly due to environmental changes and human activities. Around 50% of fish populations are in a poor state, with inadequate netting, illegal fishing, low selectivity and excessive fishing effort in coastal and inland waters all contributing to pressures.

Trawling in the Baltic Sea has become viable thanks to investment, but the bottleneck is the high age of the trawling fleet. The development of distant-water fishing is constrained by fishing capacity and the age of the fleet. In other parts of the fisheries sector, low catches, low fish processing and under-utilisation of production as well as processing capacity for fish and aquaculture products result in low average returns and low investment capacity. Trawling cooperatives have gained momentum, with the creation of fishery producer organisations and central cooperatives, but cooperatives are not yet widespread in coastal and inland fisheries. On-shore aquaculture is fragmented, with many different types of production for small volumes, while new development opportunities are seen in marine aquaculture. Across the sector, the problems include the ageing of the workforce, the shortage of professionals and skilled labour, and the lack of attractiveness of the fisheries sector to young people. Electronic tools for fishing authorisations and data exchange have been set up, which has improved monitoring. The use of e-solutions in commercial inshore and inland fisheries is modest.

Coastal and inland fisheries have been successfully developed through community-led local development (CLLD), but fishing ports and landing sites continue to need investment to improve infrastructure, equip and promote multifunctionality. Recreational fishing is the most popular hobby in Estonia, but its umbrella organisations have few members.

Per capita fish consumption in Estonia is below the EU average. The fishing industry is therefore export-orientated, while frozen fish accounts for 65% of the total exports of fish products. There have been relatively little investments in innovation and product development by companies involved in the production and processing of fish and aquaculture products.

OBJECTIVES

- **By managing fish stocks in an environmentally responsible and sustainable way, fish stocks are in a good condition.**
- **Environmentally conscious recreational fishing keeps spreading.**
- **The fisheries and aquaculture sector is sustainable and competitive.**
- **The fisheries and aquaculture sector produces high-quality products with high added value and high export potential.**

Action to achieve the objectives

- Studies will be carried out to establish fishing opportunities and appropriate fishing rules in balance with the stock. Optimisation measures for fishing effort will continue to be implemented.
- Increasing gear selectivity and reduction of unwanted by-catches (including marine mammals and birds) will be supported.
- The restoration of hatcheries and habitats, the opening of fish migration routes and the stocking of fish will be supported.
- The creation of infrastructure for recreational fishing and to environmental information will be supported. The expansion and strengthening of recreational fishing NGOs will be encouraged.
- To improve the monitoring and surveillance of fisheries, data exchange will be made electronic.
- The simplification of fishing rules will continue and the time taken for infringement procedures will be reduced.
- Monitoring will involve volunteers in the field (e.g. monitoring of spawning rivers).
- Joint investments and initiatives that result in economies of scale and competitive advantages for the sector will be supported.
- The introduction of environmentally friendly and energy-saving technologies and more efficient use of resources in terrestrial aquaculture (e.g. aquaponics) will be supported.
- In marine aquaculture, algae and shellfish farming will be developed, multitrophic aquaculture (farming of algae, shellfish and fish together) will be implemented and international cooperation will be pursued.

- Marine fish farm production will be increased by favouring environmentally sustainable technologies.
- A thematic research programme will be set up to develop new aquaculture activities along the whole value chain (farming, processing, marketing).
- Green manufacturing, productivity and value adding will be supported by adopting new enabling technologies and digital solutions and by collaborating with research and development institutions, including internationally.
- A level playing field for exports of fisheries and aquaculture products marketed in the EU and encouraging new markets (e.g. in Asia and Africa) will be ensured.
- Short supply chains and consumer awareness will be developed and the consumption of fish and aquaculture products will be promoted.
- Cooperation between research and education institutions, businesses and the public sector will be stepped up to modernise study programmes and organise continuing training.
- The upgrading of competences of professionals and consultants and the adaptation of businesses and workers to changes in society (e.g. digital skills development), including in the fisheries sector (e.g. orientation towards higher added value in the value chain) will be supported.
- Coastal and inland fisheries will be improved so that fishermen who depend on fishing activities achieve a decent standard of living and increase their capacity to invest.
- Coastal and inland fisheries will be promoted through the CLLD approach, which will allow the specificities of fisheries areas to be taken into account, both in terms of fishing activities and the necessary infrastructure, the valorisation of catches and the stimulation of the necessary forms of cooperation, as well as the implementation of innovative activities in different areas of blue growth (e.g. coastal tourism, marine biotechnology, marine aquaculture).
- To ensure better cooperation between businesses in the sector and the harmonious development of coastal and inland fisheries, coordination, information, training and advice activities will be continued through the Fisheries Information Centre.

Direction 8 supports the UN Sustainable Development Goals:



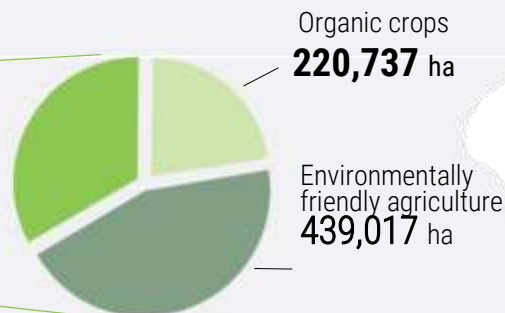
Statistics

In 2019, the utilized agricultural area was 988,410 ha

Share of utilised agricultural area in Estonia in 2019



Share of environmentally managed agricultural area and organic crop area in the utilized agricultural area in 2019



Sources: Statistics Estonia, PRIA



Agricultural land per capita in 2018

In Estonia
0.76 ha

In the European Union
0.35 ha

Source: Faostat

Number of farm animals at the end of 2019



Cattle **254,000**

Dairy cows **85,000**

Beef cattle **79,000**



Pigs **301,000**



Sheep and goats **75,600**



Horses **5,700** (2018)



Poultry **2,150,900**

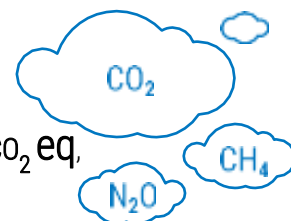


Bee perches **49,300**

Source: Statistics Estonia

Greenhouse gas emissions from the agricultural sector

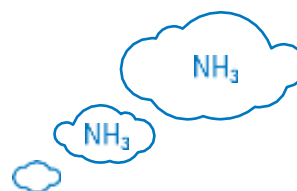
In 2018, total GHG emissions from the Estonian agricultural sector were **1437.79 kt CO₂ eq**, accounting for **7.2%** of total GHG emissions in Estonia.



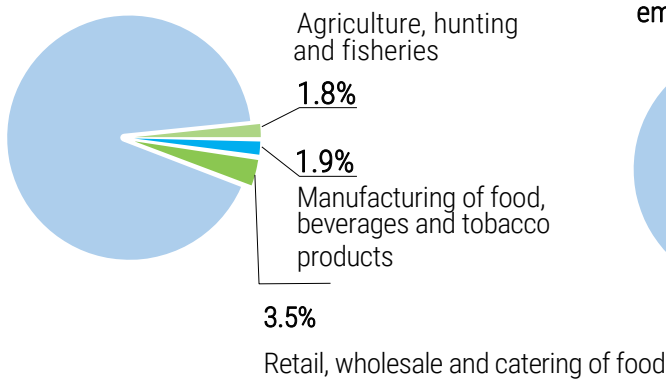
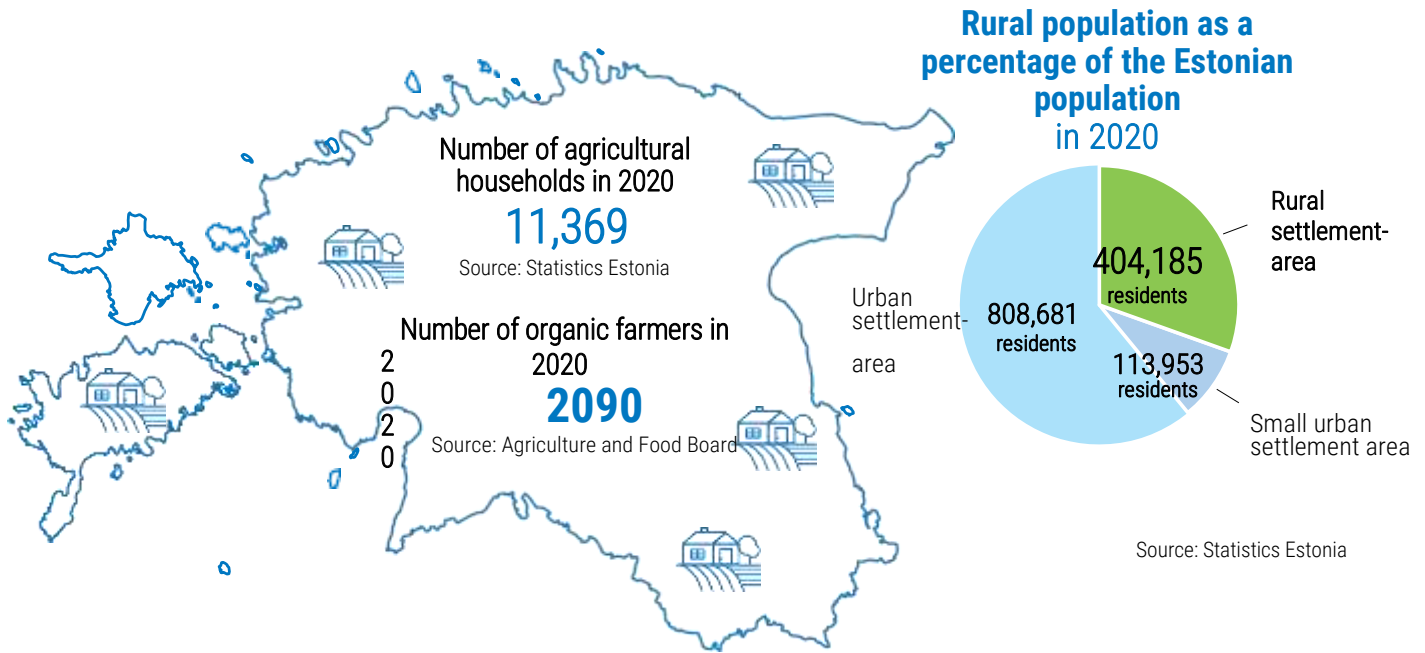
Source: Ministry of the Environment

Ammonia emissions from the agricultural sector

In 2018, the total NH₃ emissions from the Estonian agricultural sector were **9,134 kt**, accounting for **89%** of total NH₃ emissions in Estonia.

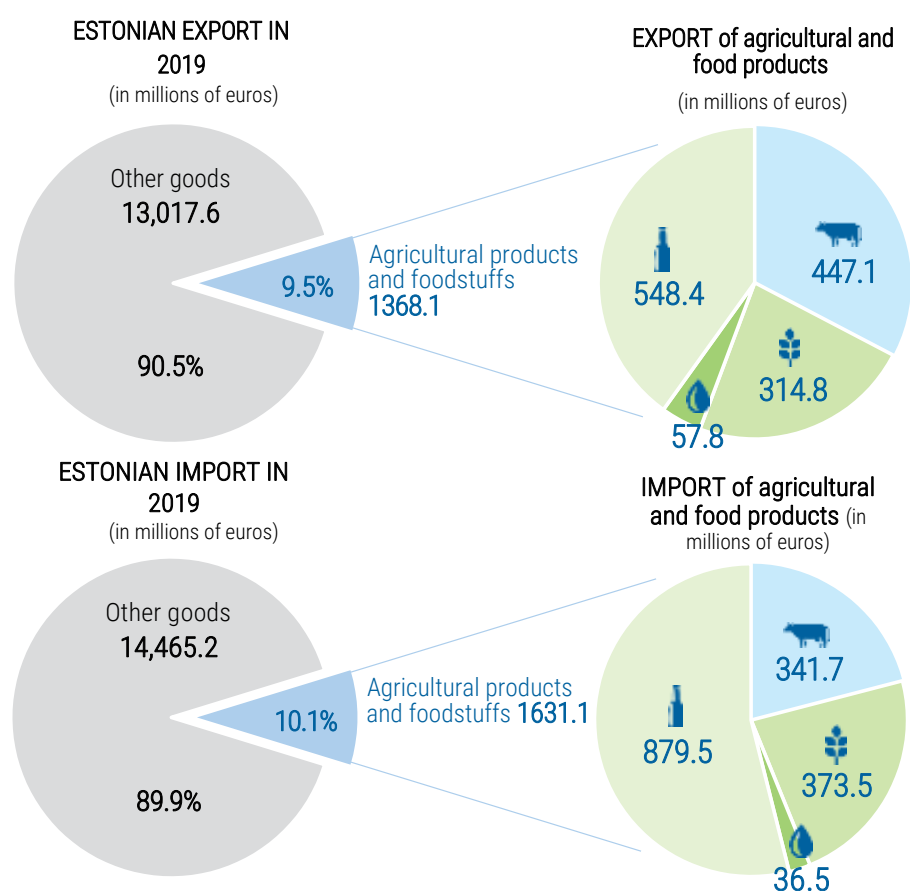


Source: Environment Agency



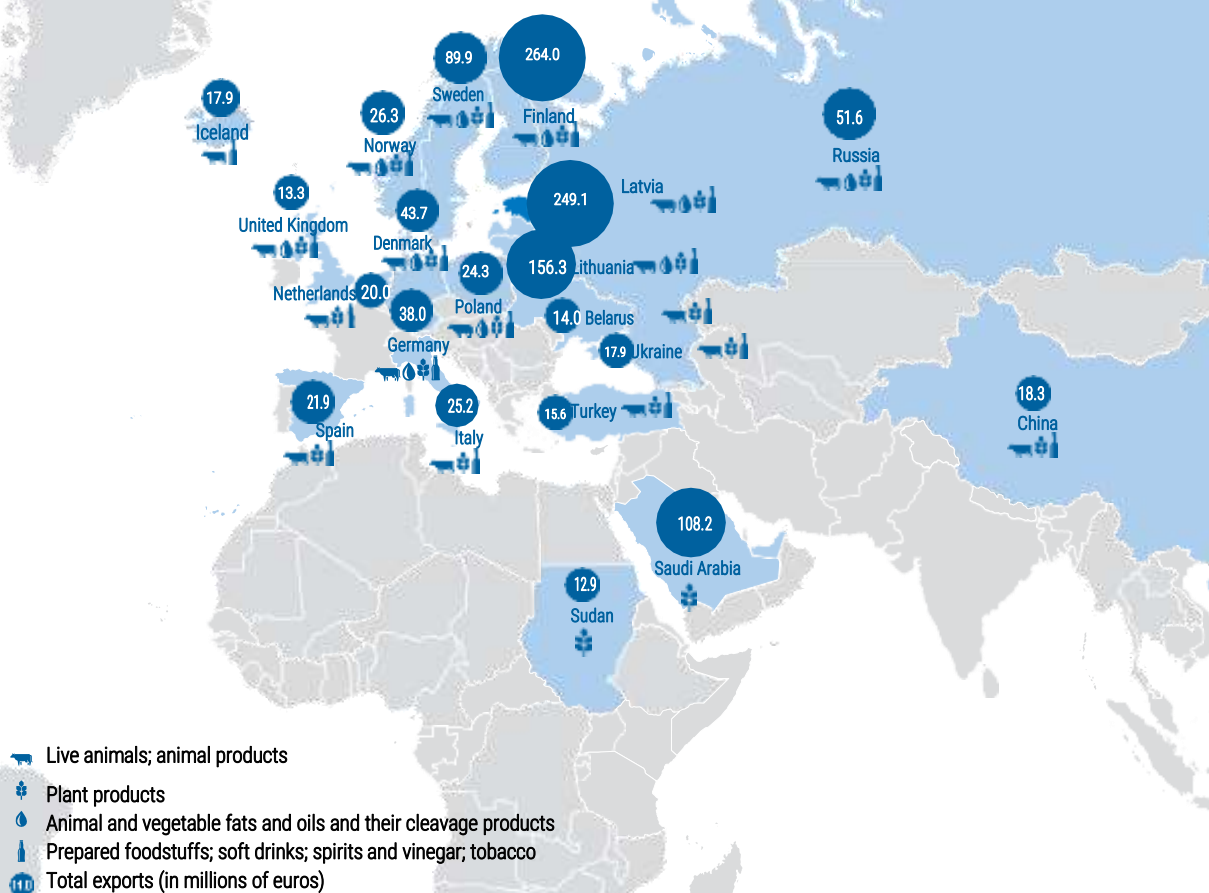
Value of exports and imports of agricultural products and foodstuffs, including the value of exports of agricultural products and foodstuffs of Estonian origin in 2019, (EUR million)

	Export	Export of goods of Estonian origin	Import	Foreign trade - balance sheet
Total goods	14,385.7	10,236.4	16,096.3	
Live animals; animal products	447.1	373.2	341.7	105.5
Vegetable products	314.8	261.5	373.5	-58.7
Animal or vegetable fats and oils and their cleavage products	57.8	52.4	36.5	21.3
Prepared foodstuffs; soft drinks; spirits and vinegar; tobacco	548.4	354.7	879.5	-331.1
Total agricultural products and foodstuffs	1368.1	1041.9	1631.1	-263.0
Share of agricultural and food products	9.5%	10.2%	10.1%	



Source: Statistics Estonia

Main export destinations and product groups by destination country in 2019



	Live animals; animal products	Vegetable products	Animal or vegetable fats and oils and their cleavage products	Prepared foodstuffs; soft drinks; spirits and vinegar; tobacco	Total (EUR million)
Finland	70.6	30.9	8.6	153.9	264.0
Latvia	90.6	26.8	13.6	118.3	249.1
Lithuania	68.5	14.5	17.4	55.9	156.3
Saudi Arabia	0.0	108.2	0.0	0.0	108.2
Sweden	13.0	19.9	1.2	55.7	89.9
Russia	0.6	6.6	1.8	42.7	51.6
Denmark	18.7	1.8	2.7	20.4	43.7
Germany	15.9	12.4	2.8	6.9	38.0
Norway	4.3	8.1	0.4	13.5	26.3
Italy	18.8	3.0	0.0	3.4	25.2
Poland	16.7	3.1	0.1	4.4	24.3
Spain	5.7	13.4	0.0	2.8	21.9
Netherlands	12.3	5.1	0.0	2.6	20.0
China	12.6	5.2	0.0	0.5	18.3
Ukraine	12.7	0.3	0.0	4.9	17.9
Iceland	17.1	0.0	0.0	0.2	17.3
Turkey	3.6	11.5	0.0	0.4	15.6
Belarus	5.1	0.1	0.0	8.8	14.0
United Kingdom	2.8	4.7	1.1	4.7	13.3
Sudan	0.0	12.9	0.0	0.0	12.9

Source: Statistics Estonia



Implementation of the strategy

Budget estimate

The implementation of the strategy will be financed from the state budget, ensuring its consistency with the state budget strategy. The total expected cost of the strategy for 2020-2030 is around EUR 4.7 billion. More detailed cost estimates are prepared each year as part of the state budget planning process.

The Agriculture and Fisheries Strategy 2030 will be implemented through two programmes. Both programmes set out the measures and activities planned to achieve the sub-objectives, together with a financing plan for the indicators and activities (including services). The funding plans for the programmes are planned in the budget models of the Ministry of Rural Affairs and the Ministry of Environment. Programmes will be drawn up on a four-year view and will be renewed annually on a rolling basis, adding one year.

Links with other development programmes

Public action on agriculture, fisheries, aquaculture, the food industry and rural and coastal development was previously reflected in a number of development documents at different levels, largely valid until 2020. The 2030 AFS combines the state budget strategy's result areas "Agriculture and Fisheries" and "Regional Development and Rural Areas" into a single rural development policy.

To achieve the objectives in their respective areas, the 2030 AFS is integrated with the following key development documents:

- “Estonia 2035” strategy,
- Estonia's sustainable development strategy “Sustainable Estonia 21”,
- “Climate Policy Guidelines 2050” and “Climate Change Adaptation Roadmap 2030”,
- “Education Development Plan 2021-2035”,
- “Proposal for the preparation of the Estonian Research and Development, Innovation and Entrepreneurship Development Plan 2021-2035”,
- “Farm to Fork” strategy to promote a fair, healthy and environmentally sound food system,
- European Bio-economy Strategy 2018,
- “Action Plan for the Reduction of Microbial Antibiotic Resistance in Veterinary Medicine” (2019-2023),
- The European Commission's “The future of food and farming - Communication on the common agricultural policy after 2020” (2017) and “EU Budget: the common agricultural policy after 2020” (2018),
- European Commission proposal for a Regulation on the European Maritime, Fisheries and Aquaculture Fund (EMFF) 2021-2027 (2018),
- UN Agenda for Action “Let's change the world: the 2030 Agenda for Sustainable Development”.

Cooperation and implementation

The strategy will be implemented in partnership with public, private and third sector actors and research and development institutions involved in agriculture, fisheries, aquaculture, food, rural and coastal development. The interventions and measures for the implementation of the strategy will be designed taking into account the strategy for the dairy, meat, cereals and horticulture sectors and the processing industry “Estonian agriculture and food 2030”, which was prepared on the initiative of the private sector. Implementation of the strategy will be led by the Ministry of Rural Affairs and the Ministry of the Environment. A mid-term review of AFS 2030 will take place in 2023.



The Ministry of Rural Affairs was responsible for the development of the Agriculture and Fisheries Strategy 2030, and other ministries (Ministry of the Environment, Ministry of Social Affairs, Ministry of Economic Affairs and Communications, Ministry of Education and Research, Ministry of Finance), the State Chancellery, cooperation partners and stakeholders were involved in the process. At least 140 organisations and/or sub-organisations, including business organisations, environmental and community associations, universities and public authorities, contributed to the process of preparing AFS 2030.

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Full text of the strategy: <https://www.agri.ee/et/targets-activities/pollumajanduse-ja-kalanduse-valdkonna-arengukava-aastani-2030>

2021