As a Member of the European Union, Estonia has managed to modernize its agriculture and promote the development of rural areas.

Estonia acceded to the European Union in 2004 and our experience so far shows that the Common Agricultural Policy (CAP) of the EU and common market have had a beneficial influence on Estonian agriculture, rural life, fisheries and the environment. Estonia has had the chance to use EU different agriculture and rural life supports since 2001 and since then, Estonian rural life has received around 1.3 billion euros of Estonian and EU money. The situation of enterprises has improved; possibilities for national and international cooperation have improved. Thanks to the support, agricultural producers have been able to start using new technologies, production methods, equipment etc, which has helped to increase productivity and the quality of production. Thanks to the CAP, there are around a million hectares of well maintained agricultural land and valuable semi-natural areas in Estonia. It is very valuable for the country.

According to the European Union economic area and the implementation of the CAP has promoted the development of rural life regarding its diversity, helping to preserve local traditions, folk culture, landscape and nature and giving local people better employment possibilities, than so far.

RURAL ENTERPRISE AND EMPLOYMENT

According to the Estonian Rural Development Plan 2007–2013 (RDP), rural areas are the territories of villages, small towns and little market towns, including towns with the population of up to 4000 and towns without municipal status. According to Statistics Estonia, the population of rural municipalities was 473 300 in total, as of 01 January 2011 (35.3% of Estonian population). The average population concentration in rural municipalities was 11 inhabitants per km².

There were 33 376 enterprises belonging to the statistical profile, i.e. active enterprises operating in rural municipalities in 2010, accounting for 33.3% of all Estonian enterprises. Altogether, there were 100 216 active enterprises in Estonia in 2010; 12 516 out of those engage in agriculture, forest management and fishing. Compared to 2005, the total number of enterprises has increased 1.5 times (by 34 854 enterprises), in the field of agriculture, forest management and fishing, the number has increased by 2139 enterprises, i.e. 20%.

Entrepreneurial activity (number of enterprises per 1000 inhabitants) in Estonia in 2010 was around 75 enterprises and in rural areas 70 enterprises per 1000 inhabitants (in 2005, 49 and 42, respectively).

In 2010, there were 164 100 employed persons in rural areas (185 500 in 2008). During 2009–2010, the number of employed people in rural areas decreased by 21 400 persons (-11.5%). Employment in rural areas compared to 2008 mainly decreased in the following fields: processing industry (-7900 persons), construction (-4300), transport and storage (-2600), wholesale and retail business (-1900). The number of people engaged in agriculture, forestry and fishing (primary sector) decreased during the same period by 900 persons (-4.4%) and accounted for 11.8% of the employed people in rural areas and 3.4% of all employed people in Estonia.
ECONOMIC INDICATORS OF AGRICULTURE

Estonian agriculture has traditionally been focusing on food production. Estonia’s milk self-supply rate is 150–160% and cereal self-supply rate in recent years has been about 120% (Figure 1). Even though, the self-supply rate of meat is around 80% in Estonia, it would be possible for the self-supply level to be almost 100% in case of pork, 80–85% in case of beef and 50–60% in case of poultry.

According to preliminary data of Statistics Estonia, the added value created in the fields of agriculture and hunting was 249 billion euros in current prices in 2010, which accounted for 2.0% of total added value created in Estonia (Table 1).

According to the preliminary data of the agricultural census carried out by Statistics Estonia in 2010, there were 19.7 thousand agricultural holdings in Estonia, which were using at least 1 ha of agricultural land or where agricultural products were mostly produced for selling. Compared to the data of 2003, the number of holdings has almost halved (decreased by 46%), but the usage of agricultural land has increased by 18%. Land usage of a single holding has increased over two times compared to 2003 – from 21.6 hectares in 2003 to 47.6 hectares in 2010.

The structure of Estonian agricultural holdings is very different – more than half (54%) are holdings with up to 10 ha of land, but they only use 5% of the total agricultural land and their average size is 4.3 hectares. Around a tenth (9%) are holdings with over 100 ha of land and they use 73% of the total agricultural land and their average size is 404 hectares (Figure 2).

Through times, the most important product of Estonian agriculture has been milk, which has also formed around one third of the value of total agricultural production after the accession to the EU (Figure 3). Milk production and cereal growing together account for around a half of the agricultural production in monetary value, according to preliminary data of 2010, 31% and 17%, respectively.

Figure 1. Self-supply rate in Estonia in the years 2001–2009 (%)

![Figure 1. Self-supply rate in Estonia in the years 2001–2009 (%)](image1)

Source: Ministry of Agriculture

Figure 2. Agricultural holdings and their agricultural land usage in different size classes of agricultural land in the years 2001–2010 (%)

![Figure 2. Agricultural holdings and their agricultural land usage in different size classes of agricultural land in the years 2001–2010 (%)](image2)

Source: Statistics Estonia
Table 1. Relevance of agriculture in added value and employment in the years 2004–2010

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Added value of agriculture and hunting (million euros)</td>
<td>201</td>
<td>215</td>
<td>239</td>
<td>298</td>
<td>233</td>
<td>178</td>
<td>249</td>
</tr>
<tr>
<td>Percentage in added value (%)</td>
<td>2.3</td>
<td>2.2</td>
<td>2.0</td>
<td>2.2</td>
<td>1.6</td>
<td>1.5</td>
<td>2.0</td>
</tr>
<tr>
<td>Engaged in agriculture and hunting (thousand)</td>
<td>24.3</td>
<td>22.6</td>
<td>22.6</td>
<td>20.4</td>
<td>17.2</td>
<td>17.4</td>
<td>17.2</td>
</tr>
<tr>
<td>Percentage in employment (%)</td>
<td>4.1</td>
<td>3.7</td>
<td>3.5</td>
<td>3.1</td>
<td>2.6</td>
<td>2.9</td>
<td>3.0</td>
</tr>
</tbody>
</table>

Source: Statistics Estonia
PLANT PRODUCTION

According to the preliminary data of 2010 agricultural census, there are about 938 800 hectares of used agricultural land in Estonia, which accounts for 21% of the country’s total territory. According to preliminary data of Statistics Estonia, the area of cultivation of arable crops was 597 994 ha in 2010, 46% out of which was formed by the area of cultivation of cereal; it was followed by fodder crops (34.2%) and industrial crops (16.6%) (Figure 4). Wheat was grown on 20% of the area of cultivation, barely on 17.5% and oat on 5.1%.

The area of cultivation of wheat in 2010 had increased by 53% compared to 2004 and total harvest had increased by 65%. At the same time, the area of cultivation of barley had decreased and the area of cultivation of wheat exceeded the area of barley for the first time in 2010 (Table 2).

Table 2. The production of main agricultural crop products in the years 2008–2010

<table>
<thead>
<tr>
<th>Crops</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Area of</td>
<td>Harvest</td>
<td>Yield</td>
</tr>
<tr>
<td></td>
<td>cultivation</td>
<td>(thousand</td>
<td>(kg/ha)</td>
</tr>
<tr>
<td></td>
<td>(thousand</td>
<td>tons)</td>
<td></td>
</tr>
<tr>
<td>Cereal in total, incl.</td>
<td>309.3</td>
<td>864.2</td>
<td>2 794</td>
</tr>
<tr>
<td>Rye</td>
<td>21.4</td>
<td>65.6</td>
<td>3 073</td>
</tr>
<tr>
<td>Winter wheat</td>
<td>42.8</td>
<td>163.8</td>
<td>3 823</td>
</tr>
<tr>
<td>Summer wheat</td>
<td>64.8</td>
<td>178.8</td>
<td>2 759</td>
</tr>
<tr>
<td>Oat</td>
<td>34.2</td>
<td>77.5</td>
<td>2 263</td>
</tr>
<tr>
<td>Barley</td>
<td>136.5</td>
<td>349.1</td>
<td>2 558</td>
</tr>
<tr>
<td>Legumes</td>
<td>4.8</td>
<td>3.3</td>
<td>691</td>
</tr>
<tr>
<td>Rape</td>
<td>77.7</td>
<td>111.1</td>
<td>1 431</td>
</tr>
<tr>
<td>Oil flax</td>
<td>0.2</td>
<td>0.2</td>
<td>960</td>
</tr>
<tr>
<td>Potato</td>
<td>8.7</td>
<td>125.2</td>
<td>14 315</td>
</tr>
<tr>
<td>Open field vegetables</td>
<td>2.4</td>
<td>50.7</td>
<td>20 916</td>
</tr>
<tr>
<td>Fodder crops</td>
<td>173.6</td>
<td>2315.3</td>
<td>13 337</td>
</tr>
<tr>
<td>Arable crops in total</td>
<td>577.4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sources: Statistics Estonia, Ministry of Agriculture
LIVESTOCK FARMING

According to the preliminary data of Statistics Estonia, there were over 236 thousand bovine animals in Estonia, as of 31 December 2010, including around 96 thousand dairy cows, and 373 thousand pigs, 85 thousand sheep and goats (Figure 5). The number of poultry, as of 31 December 2010, was 2.023 million.

Even though the number of dairy cows has decreased year after year, the total production of milk has stayed stable thanks to the increase in the productivity of cows (Figure 6). In 2010, 603.9 thousand tons of milk with the average content of 4.1% fat and 3.3% protein were sold to the dairy industry in 2010. 63% of the sold milk belonged to the elite class – it is the highest indicator of recent years.

In 2010, 110.4 thousand tons (live weight) of animals and poultry were sold to meat processing enterprises or slaughtered in holdings, out of which 58% was formed by pork, 20% by beef, 20% by poultry and 2% by sheep and goat meat (Figure 7).

184.5 million eggs were produced in Estonia in 2010. Average egg production per hen was 265 eggs.

Figure 5. Animal number as of December 31st in the years 2004–2010 (thousand)

Sources: Statistics Estonia, Ministry of Agriculture
(* – preliminary data)
Figure 6. Main indicators of milk production in the years 2004–2010

Source: Statistics Estonia

Figure 7. Live weight of slaughtered animals and poultry in the years 2004–2010 (thousand tons)

Source: Statistics Estonia
ORGANIC FARMING

Organic plant production and livestock farming has expanded quickly in Estonia. This is facilitated by the support of Estonian Organic Farming Development Plan 2007–2013 and Rural Development Plan 2007–2013.

The area of organic agriculture (incl. land in transition) has grown 12 times compared to 2000 (Figure 8). The total area of organic farming in 2010 was 121,815 hectares, i.e. around 13% of the total agricultural land and there were 1,356 organic farmers. Moreover, 25 enterprises used around a 1000 ha of natural gathering areas for picking plants and mushrooms. Organic cereal was grown on 19,271 hectares. 77% of organic land is formed by grassland. The big percentage of grasslands creates a prerequisite for developing organic livestock farming. The average organic land area of enterprises has grown 10 hectares per year within the last three years, accounting for around 90 hectares in 2010. The area of six biggest organic enterprises in Estonia is more than 1000 hectares.

Around two thirds of organic farmers engaged in livestock farming in 2010 (848 producers). Mostly sheep (42,464 animals, i.e. 58% of the total number of sheep) and bovine animals (25,174, i.e. 10% of the total number of bovine animals) were farmed. Compared to 2009, pig and poultry farming expanded remarkably in 2010 (33% and 36%, respectively).

The fulfilment of the requirements of organic farming is thoroughly controlled. Agricultural producers in Estonia are controlled by the Agricultural Board and the processors, marketers and caterers of organic food are controlled by the Veterinary and Food Board.

Figure 8. Organic land, incl. the area of land in transition (thousand ha) and number of organic producers in the years 2000–2010

Source: Ministry of Agriculture
SUPPORT FOR AGRICULTURE AND RURAL ECONOMY

Most of the support for agriculture and rural economy is financed with the help of the Common Agricultural Policy of the European Union (CAP). Nationally, Estonia implements the substitute support, training support, insurance support, market development support, animal breeding support of agricultural producers. The total sum of support targeted to agriculture and the rural economy have increased from 115 million euros in 2004 to 241 million euros in 2010, i.e. 2.1 times (Figure 9).

CAP supports have been implemented in Estonia since the accession to the European Union in May 2004. In the framework of the CAP Pillar I, market organisation measures and direct support are implemented. Regarding direct support, Estonia implements the Single Area Payment Scheme, where the amount of support is calculated in the following way: the total sum for direct support allocated from EU budgetary resources is divided with the number of support eligible hectares of land in good agricultural and environmental conditions in the year of application. The support rate paid from the resources of the EU has been calculated based on the support valid in the EU on 30 April 2004 and the support eligibility designated for the country and this rate will increase every year, reaching 100% by 2013. In addition, complementary direct payments are paid from the resources of the Estonian state budget until the end of 2012.

Figure 9. Division between the European Union CAP Pillar I and II supports and national support in the years 2004–2010 (million euros)

Source: Ministry of Agriculture
Table 3. Financing plan of the Estonian Rural Development Plan 2007–2013 according to axes

<table>
<thead>
<tr>
<th>Axis</th>
<th>Public sector in total, euros</th>
<th>EAFRD co-financing rate, %</th>
<th>EAFRD sum, euros</th>
</tr>
</thead>
<tbody>
<tr>
<td>Axis I</td>
<td>351 305 822</td>
<td>75</td>
<td>264 033 730</td>
</tr>
<tr>
<td>Axis II</td>
<td>334 460 344</td>
<td>80</td>
<td>267 568 275</td>
</tr>
<tr>
<td>Axis III</td>
<td>125 310 145</td>
<td>75</td>
<td>94 941 246</td>
</tr>
<tr>
<td>Axis IV</td>
<td>85 759 063</td>
<td>80</td>
<td>68 607 250</td>
</tr>
<tr>
<td>Technical assistance</td>
<td>38 115 139</td>
<td>75</td>
<td>28 586 354</td>
</tr>
<tr>
<td>Total</td>
<td>934 950 513</td>
<td>77.27</td>
<td>723 736 855</td>
</tr>
</tbody>
</table>

Estonian Rural Development Plan 2007–2013 supports

In the framework of CAP Pillar II, the development of Estonian agriculture and rural life is supported through different supports. Starting from 2007, CAP Pillar II supports are implemented in the framework of the four axes of the Estonian RDP 2007–2013. Balanced development of rural areas is the general goal of the RDP. In the framework of the RDP, it is possible to target around 935 million euros of public sector’s money to the development of different supports necessary for the development of Estonian rural areas and preservation of the agricultural environment, around 724 million euros comes from the European Agricultural Fund for Rural Development (EAFRD) (Table 3, Figure 10).

RDP Pillar I measures are targeted to improve the competitiveness of agriculture and forestry, including the improving the environment and animal welfare. For example, in the years 2007–2010, funding decisions have been made in case of 300 projects in the sum of 61 million euros regarding the modernisation of livestock buildings and bringing livestock farming into compliance with environmental requirements. The mentioned support invests around 152.5 million euros for the modernisation of livestock farming. As of 31 December 2010, 25 635 254 euros (42.0% of the designated support sum) had been paid to 171 support recipients.

The goal of the measures of Pillar II is to promote the implementation of such agricultural production measures, which ensures stable environmental conditions and land usage. In the framework of Pillar II, attention is drawn on biological diversity and preserving traditional agricultural landscapes, ensuring water quality and alleviating climate change.

Measures of Pillar III are targeted to improve the quality of life and diversify economic activities in rural areas. The goal of Pillar IV – the LEADER measure is to promote local initiative and help to achieve the fulfillment of the goals of Pillars I, II and III through a better usage of internal development possibilities of rural areas.

Read more about the RDP http://www.agri.ee/rdp/.
Facts about the Republic of Estonia

**Location:** In Northern-Europe, common land border with the Republic of Latvia and the Russian Federation, sea border with the Republic of Finland and Kingdom of Sweden.

**Total area:** 45,227 km². 1521 Baltic Sea islands belong to Estonia, the biggest of those are Saaremaa (2,671 km²), Hiiumaa (989 km²) and Muhu (198 km²). There are around 1150 lakes in the Estonian territory. The biggest lakes are Lake Peipus (3,555 km² together with the part, which belongs to Russia) and Lake Võrtsjärv (271 km²). Marshes account for around a quarter and forest for around half of the land.

**Population:** 1.34 million; 33% of the population lives in rural areas (01 January 2011).

**Population density:** 31 inhabitants per km² (Estonian land area is the basis).

**Climate:** Estonia has a temperate climate, transitional of continental and maritime climate. With the influence of the sea, Estonian climate is significantly milder from areas with continental climate in the same latitude. Annual average temperature is +5 °C, the average in January is −11 °C and in July +22 °C (2010). Annual average rainfall is 550–800 mm and average air humidity is around 80%.

**Total agricultural land in usage:** 938,800 ha (2010); covers ca 21% or the country’s territory.

**Area of cultivation of field crops:** 597,994 ha (2010).

**Rate of agriculture in employment:** 3% (2010).

**Current GDP:** 14.5 billion euros (2010).

**Rate of agriculture and hunting in GDP:** 2.0% (2010).

**Sources:** Statistics Estonia, Estonian Meteorological and Hydrological Institute

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**LEADER ACTION GROUPS IN ESTONIA**

*Source: Rural Economy Research Center (2010)*

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**Address:** Lai tn 39 // Lai tn 41, 15056 Tallinn, ESTONIA

**Email:** pm@agri.ee

**Phone:** (+372) 625 6101; Fax: (+372) 625 6200

www.agri.ee