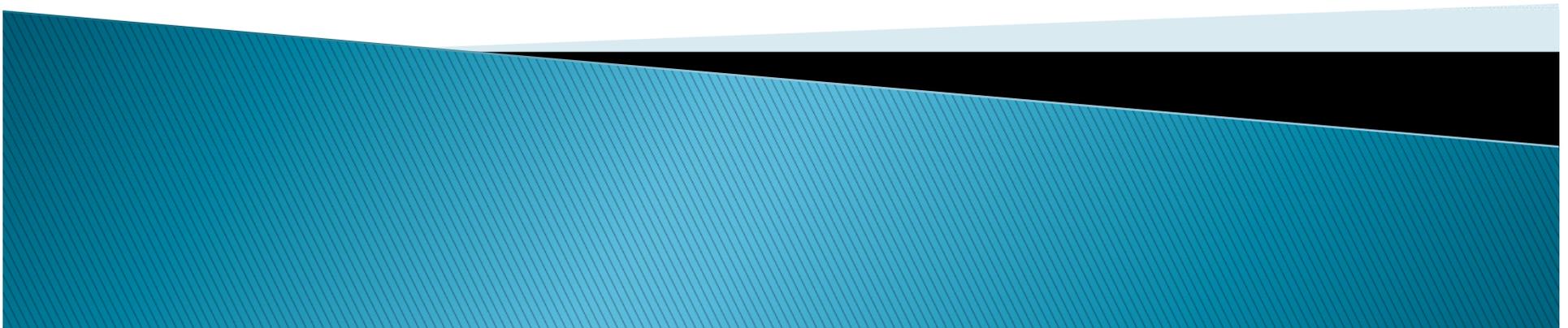


Pillar II – vital support for Estonian rural communities

Leho Verk
Estonian Farmers' Federation



The quick facts

- ▶ Territory 45 227 km², population 1,3 million
- ▶ Approximately 50% covered by forests...
- ▶ ...and 25% covered by marshes and bogs
- ▶ Around 900 000 ha of agricultural land
- ▶ Agriculture gave approx. 1,9% of GDP in 2010



Population “density”

- ▶ OECD definition of a rural area: population density below 150 habitants/km²
- ▶ By that definition even Harjumaa county, including Tallinn, is a rural area (120 p/km²)
- ▶ Statistics Estonia defines “rural area” as the parishes, excluding all towns and cities
- ▶ By that definition, the population density of Estonian rural areas is just 11 persons/km²
- ▶ Definitions aside: 32% of population live outside the cities i.e. in rural communities



The sad facts

- ▶ In just seven years the number of farms is down 47%. Over last ten years– 2/3 now gone
 - ▶ Consolidation: 73% of all farmland now owned by large (≥ 100 ha) holdings (2010)
 - ▶ Average holding now 49 ha (EU avg 14 ha)
 - ▶ Consolidation, innovation and greater efficiency = jobs lost in agriculture sector
 - ▶ Agriculture just 2,9% of employment, down 28,4% in just seven years (2004–2011)
 - ▶ Even in rural areas it's now just 10,4%
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The point

- ▶ Large farms have competitive advantage (and Pillar I actually amplifies it)
- ▶ We need the rural development measures to keep the small farms in business, create diverse employment opportunities, combat depopulation of the rural areas, generate environmental benefits etc.
- ▶ In the widest socio-economic sense Pillar II more important than increase in Pillar I and offers better value for the average taxpayer



The past

- ▶ Estonia joined the EU in 2004, after the CAP reforms of 2003 (SFP, decoupling, cross compliance etc.)
- ▶ CAP was preceded by SAPARD special accession programme in 2000–2003
- ▶ first Rural Development Plan 2000–2006



The present

- ▶ current Rural Development Plan 2007–2013
- ▶ Total available for the period: € 935M
- ▶ 66% (€ 619M) approved in 2007–2011
- ▶ approvals / actual usage: 72% (as of Dec 31st)
- ▶ 1 / 3 of all farmers have benefitted from the different investment support measures
- ▶ Financing proportions in Estonia: 50/50



The results

Examples (all numbers as of Dec 31st 2011 with two more years to go):

- ▶ More than 600 training days for 12 000 participating farmers
- ▶ Financial aid for 415 starting young farmers
- ▶ Advisory services for 1500 farmers
- ▶ Replacement services (during vacation and sick-leave) for 200 farmers



The results

- ▶ Organic farming support for >100 000 ha
 - ▶ LFA support for 360 000 ha
 - ▶ Ecological restricted farming support for 22 000 ha of Natura 2000 agricultural land
 - ▶ Ecological restricted forestry support for 46 000 ha of Natura 2000 forest
 - ▶ Amelioration projects on 37 000 ha of land
 - ▶ 48 bioenergy projects
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The results

- ▶ 1900 small farm investment projects
- ▶ 3000 agricultural modernization projects
- ▶ 2772 endangered local breed animals supported
- ▶ 120 agricultural product value-adding investment projects
- ▶ 50 forestry product value-adding investment projects



The results

- ▶ Producer group support for 12 new farmers co-operatives
 - ▶ Innovation support for 12 new research and knowledge transfer projects
 - ▶ More than 800 diversification projects (most prominently rural tourism)
 - ▶ Over 1200 public space renewal projects (village society houses etc.)
 - ▶ 4400 LEADER programme projects approved
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The future

- ▶ Rural Development Plan 2014–2020 discussions well on the way
- ▶ unprecedentedly wide circle of stakeholders involved in the process
- ▶ Situation analysis done, the goals pretty much agreed on but text not final yet
- ▶ Very first draft list of measures any day now



Thank you!

Leho Verk
Estonian Farmers Federation
leho@taluliit.ee

