

Brussels, 21 November 2007

## **Estonia's Rural Development Plan**

### **Country profile:**

- Size: 45,227 km<sup>2</sup> (of which 43,200 km<sup>2</sup> is land area), no mountain areas.
- Agricultural land of 1.2 million hectares (arable land and natural grassland) covers around 30% of total Estonian surface. Forest land covers around 50% of the surface (40% of forest land is private).
- 1,36 million inhabitants; 30.6% live in rural areas, 69.4 % is urban population.
- Unemployment rate is less than 7%.
- In 2005 there were approximately 27,700 agricultural holdings.
- 75% of holdings are very small. Only 7000 enterprises receive most of their income from agricultural production and are called agricultural producers .
- 50% of the total land area (and of UAA) is classified as less-favoured area (10% are specific less-favoured areas located on islands, coastlines, eastern border of Estonia).
- The main components of food industry are dairy, beverages and meat. Despite rapid development of organic farming the organic processing is not developed and most of organic products are sold as conventional products.

### **Chosen strategy corresponding to the profile**

The overall objectives were chosen in accordance with the Community Strategic Guidelines (CSG) and the National Strategy Plan:

- Improving the competitiveness of the agriculture to such an extent that after the end of the programming period the farmers will manage in the conditions of reduced market support and direct payment;
- Raising the long-term competitiveness of forestry to the level of ensuring the sustainable management of private forests;
- Ensuring the stable status of the environment and guaranteeing agricultural land use in the regions where it is important for shaping traditional landscapes and for the preservation of high nature value areas;
- Improvement of quality of life in rural areas and diversification of the rural economy;
- Promoting local initiative, including formation of Leader-groups.

## Overall budget and share of EU funding

Axis	Total (in €)	EAFRD* contribution rate (%)	EAFRD Amount (in €)
Axis 1	347 610 068	75	260 707 551
Axis 2	334 460 344	80	267 568 275
Axis 3	118 919 233	75	89 189 425
LEADER	85 759 063	80	68 607 250
Technical assistance	38 115 139	75	28 586 354
<b>Total</b>	<b>924 863 846</b>	<b>77,27</b>	<b>714 658 855</b>

\* EAFRD= European Agricultural Fund for Rural Development

## Overall aim of RD programme in country

To support the regionally balanced development of rural areas through the EU Common Agricultural Policy measures

### Axis 1: budget allocation and main priorities:

Total public funding: € 347 610 068 - EAFRD contribution: € 260 707 551

Main priorities:

- modernisation of agricultural holdings
- adding value to agricultural and forestry products
- infrastructure of agriculture and forest management.

### Axes 2 budget allocation and main priorities:

Total public funding: € 334 460 344 – EAFRD contribution: € 267 568 275

Main priorities:

- Agri-environmental support
- Support for less-favoured areas
- Natura 2000 support for agricultural land .

### Axis 3: budget allocation and main priorities

Total public funding: € 118 919 233 – EAFRD contribution: € 89 189 425

60 % of axis for diversification of the rural economy

### Leader budget allocation

Total public funding: € 85 759 063 - EAFRD: € 68 607 250

See: [http://ec.europa.eu/agriculture/rurdev/index\\_en.htm](http://ec.europa.eu/agriculture/rurdev/index_en.htm)