



**Vienodas
salygas visiems!**

**Vienādus
nosacījumus visiem!**

**Võrdsed
tingimused kõigile!**



DIRECT PAYMENTS IN ESTONIA, LATVIA, LITHUANIA

Roomet Sõrmus
Estonian Chamber of Agriculture and
Commerce
1 July 2020

WHY DO FARMERS NEED PUBLIC SUPPORT?



Põllumajanduskoda
Eesti Põllumajandus-Kaubanduskoda

- Economic and weather conditions are independent of farmers
- Major long term investments
- Public goods (environmental protection, animal welfare, safe and high-quality food)
- EU standards are among the highest in the world



Põllumajanduskoda
Eesti Põllumajandus-Kaubanduskoda

ESTONIAN AGRICULTURE

GENERAL REMARKS

AGRICULTURAL OUTPUT, LOANS AND LEASING IN ESTONIA



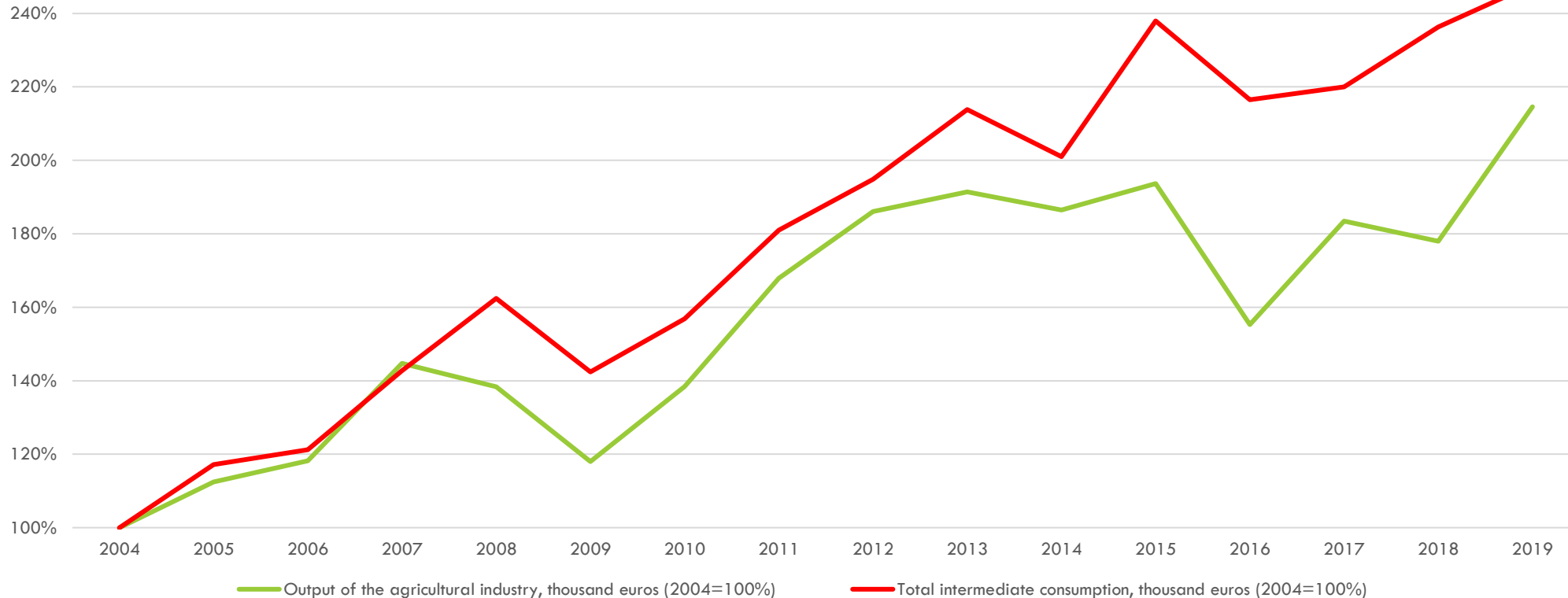
Põllumajanduskoda
Eesti Põllumajandus-Kaubanduskoda



EXPENDITURE IN THE AGRICULTURAL SECTOR IS GROWING FASTER THAN THE VALUE OF PRODUCTION



Põllumajanduskoda
Eesti Põllumajandus-Kaubanduskoda

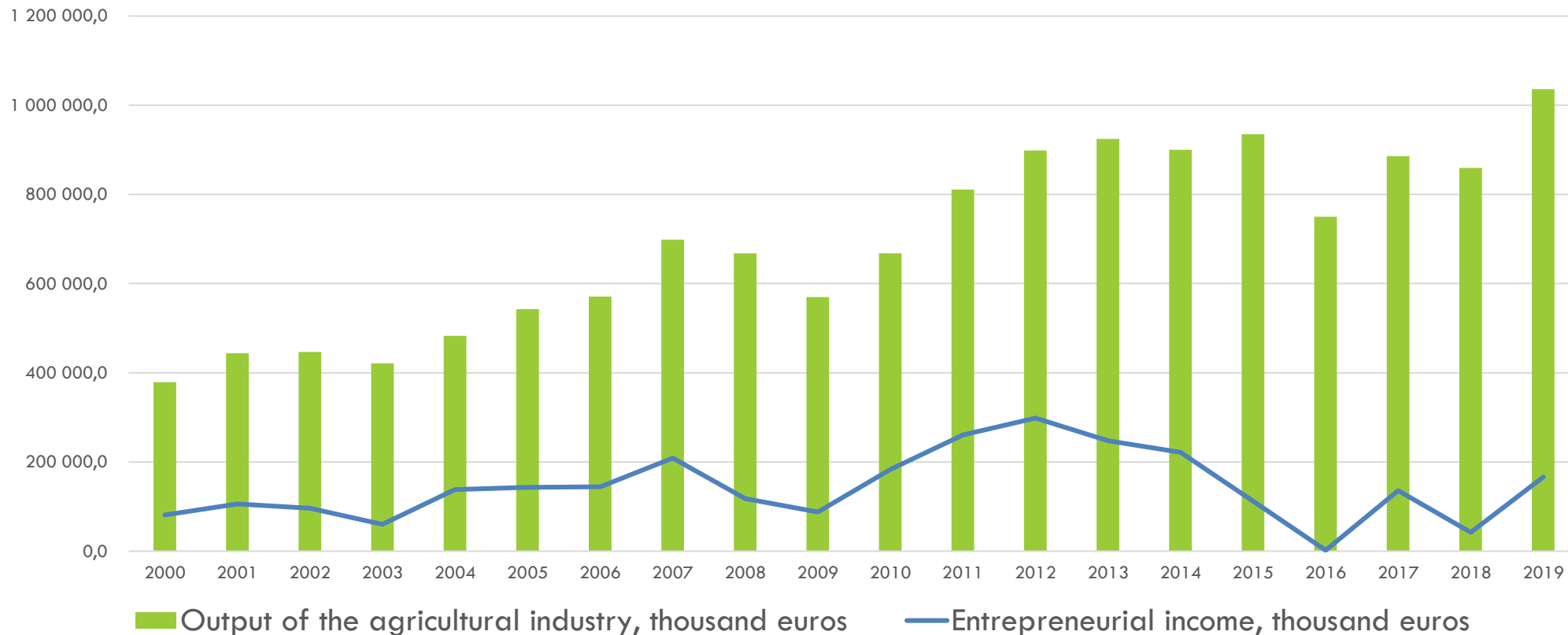


Source: Statistics Estonia

AGRICULTURAL INCOME IS RATHER DECREASING



Põllumajanduskoda
Eesti Põllumajandus-Kaubanduskoda

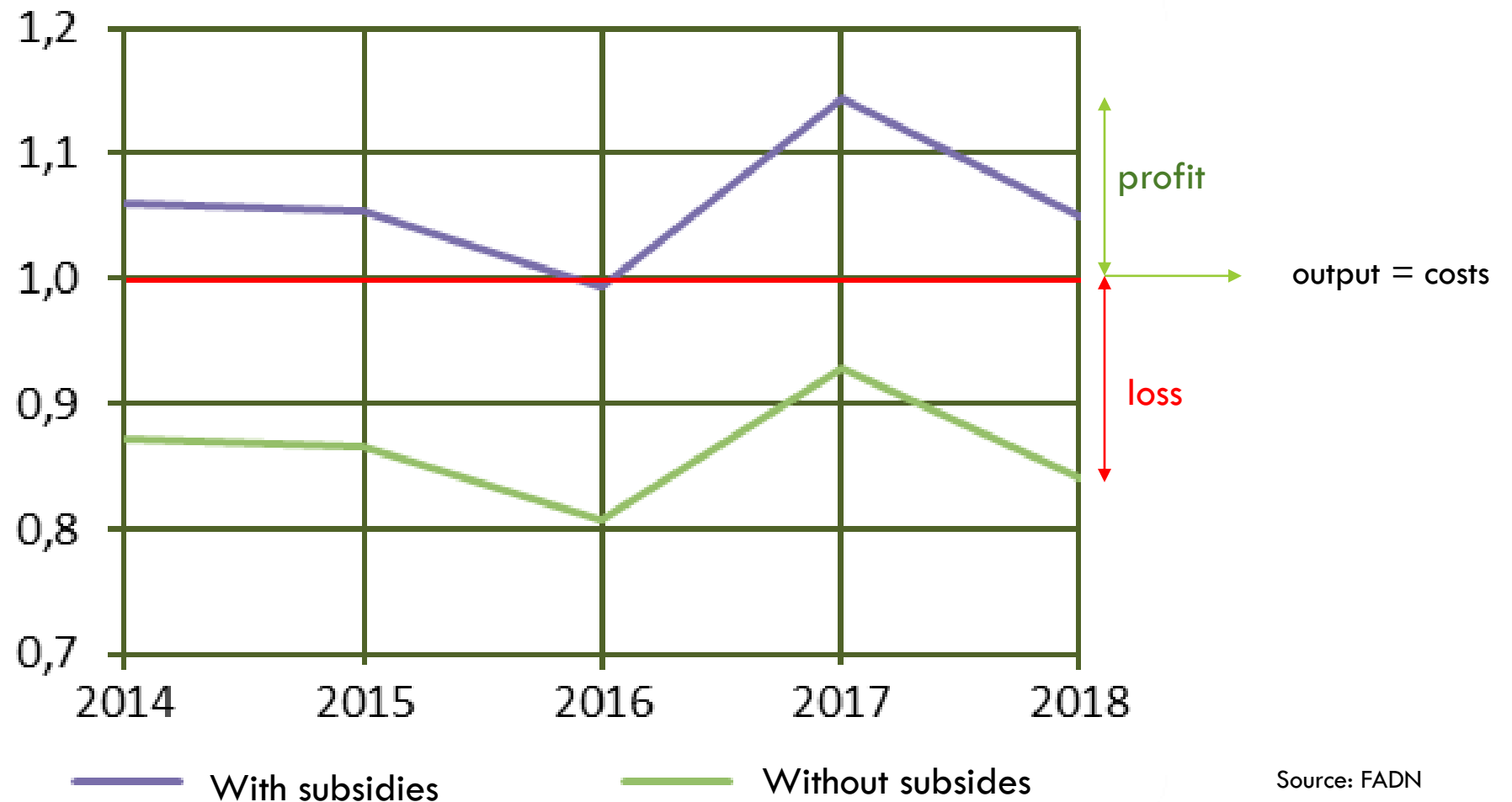


Allikas: SA

RATIO OF TOTAL PRODUCTION TO TOTAL COSTS – WITHOUT SUBSIDIES, THE SECTOR IS IN A LOSS



Põllumajanduskoda
Eesti Põllumajandus-Kaubanduskoda



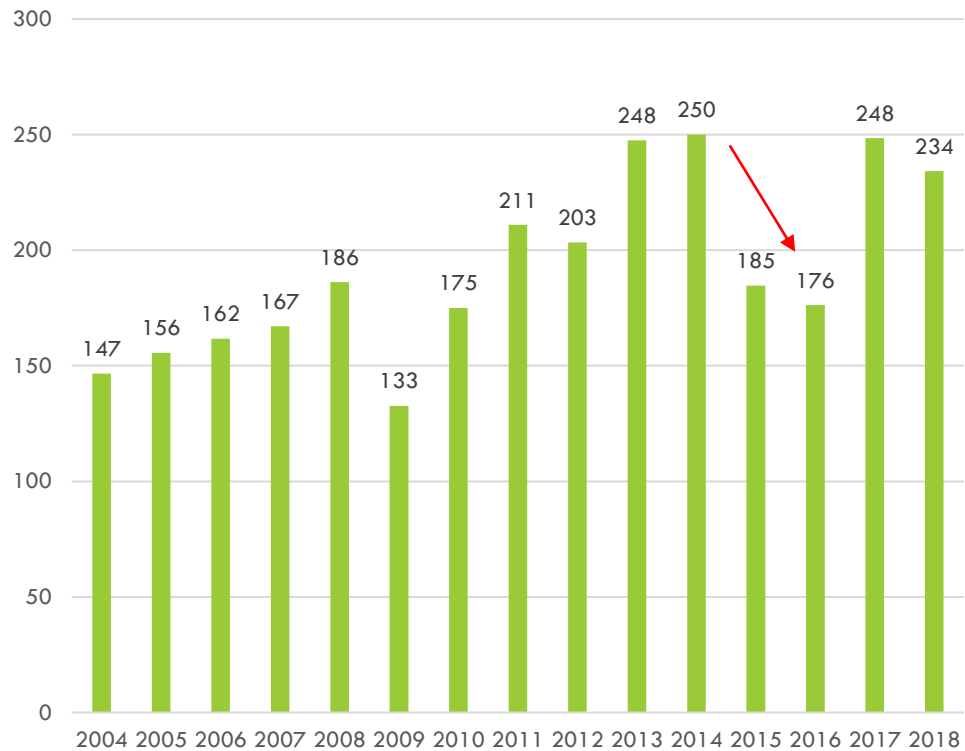
Source: FADN

RESILIENCE TO MARKET CRISES

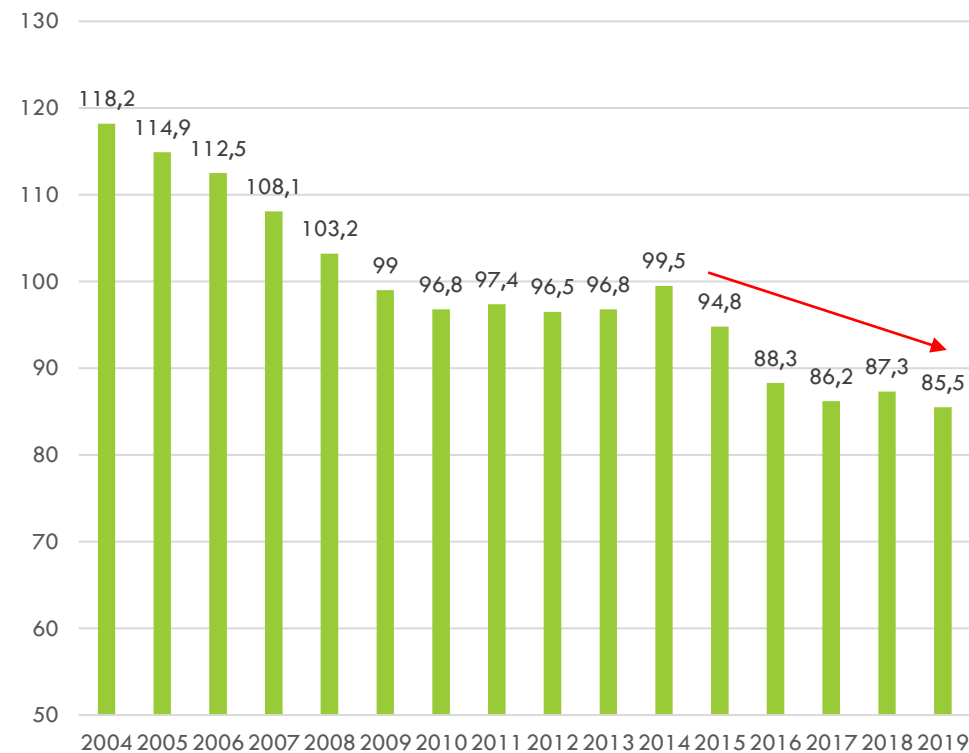


Põllumajanduskoda
Eesti Põllumajandus-Kaubanduskoda

Dairy production, Mio EUR



Number of dairy cows (thousands)



Allikad: SA



WHY BALTIC PAYMENTS ARE SO LOW?

UNFAVORABLE REFERENCE 1997-1999

- Difficulties of economic transformation
- Agricultural land use at a low point
- Low grain yields
- Beef farming just started to exist
- Low number of ewes
- Low level of dairy production (impact of 1998 Russian crisis -15%)
- Today direct payment level is still connected to old reference



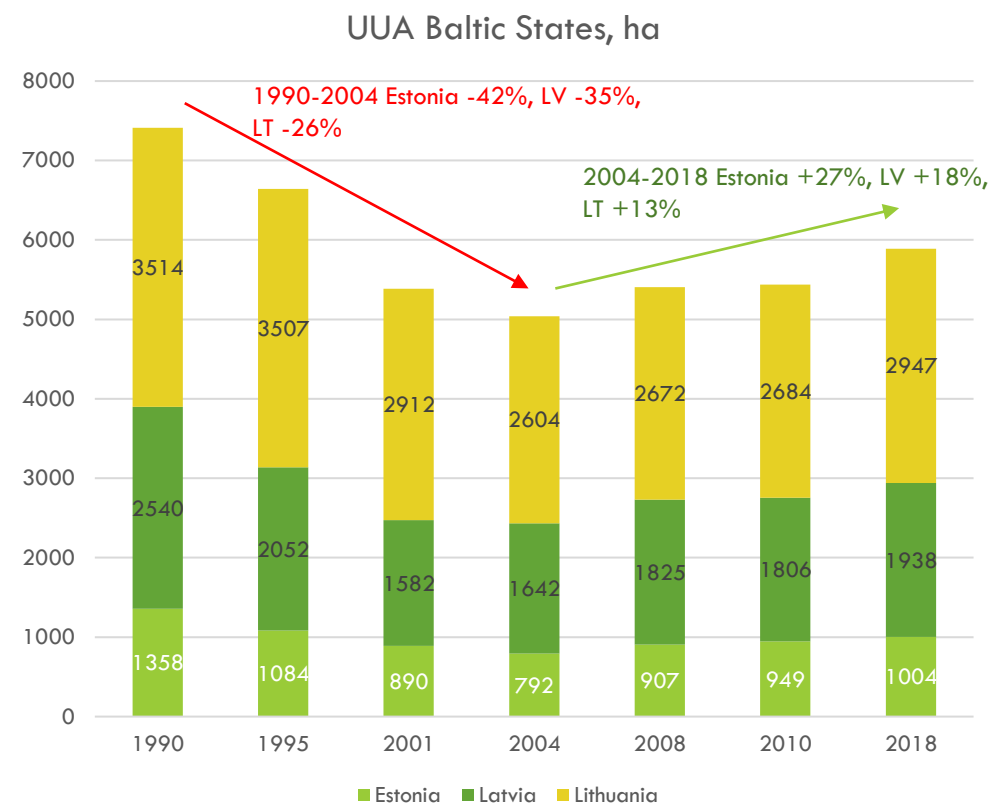
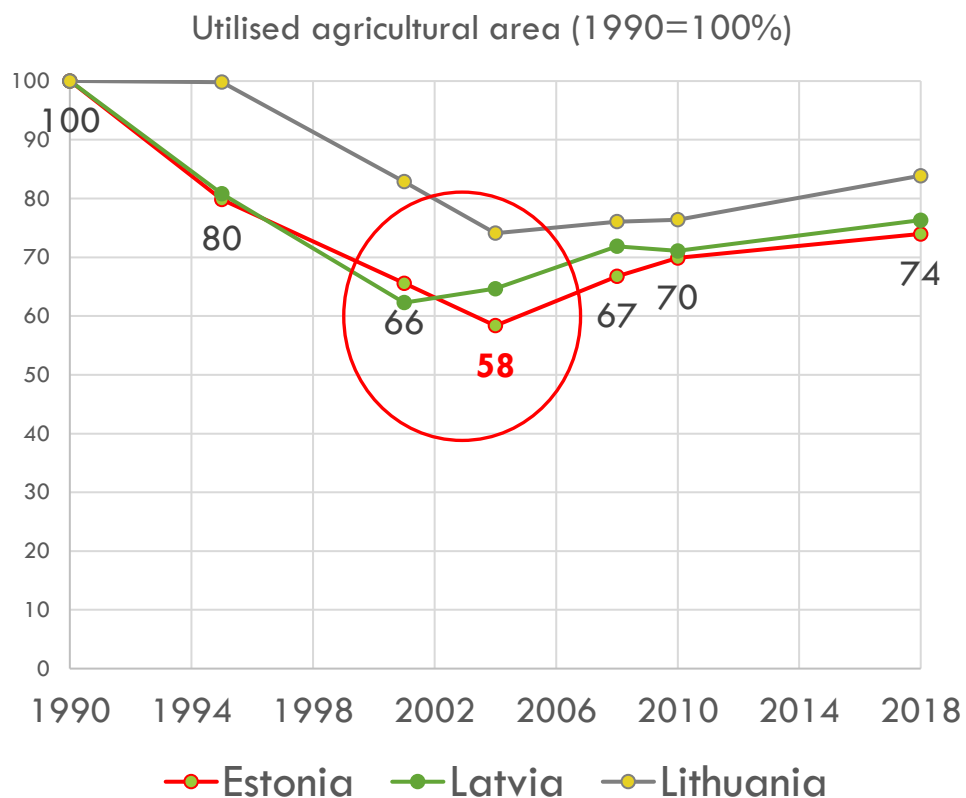
Põllumajanduskoda
Eesti Põllumajandus-Kaubanduskoda



AGRICULTURAL AREA (1990=100%)



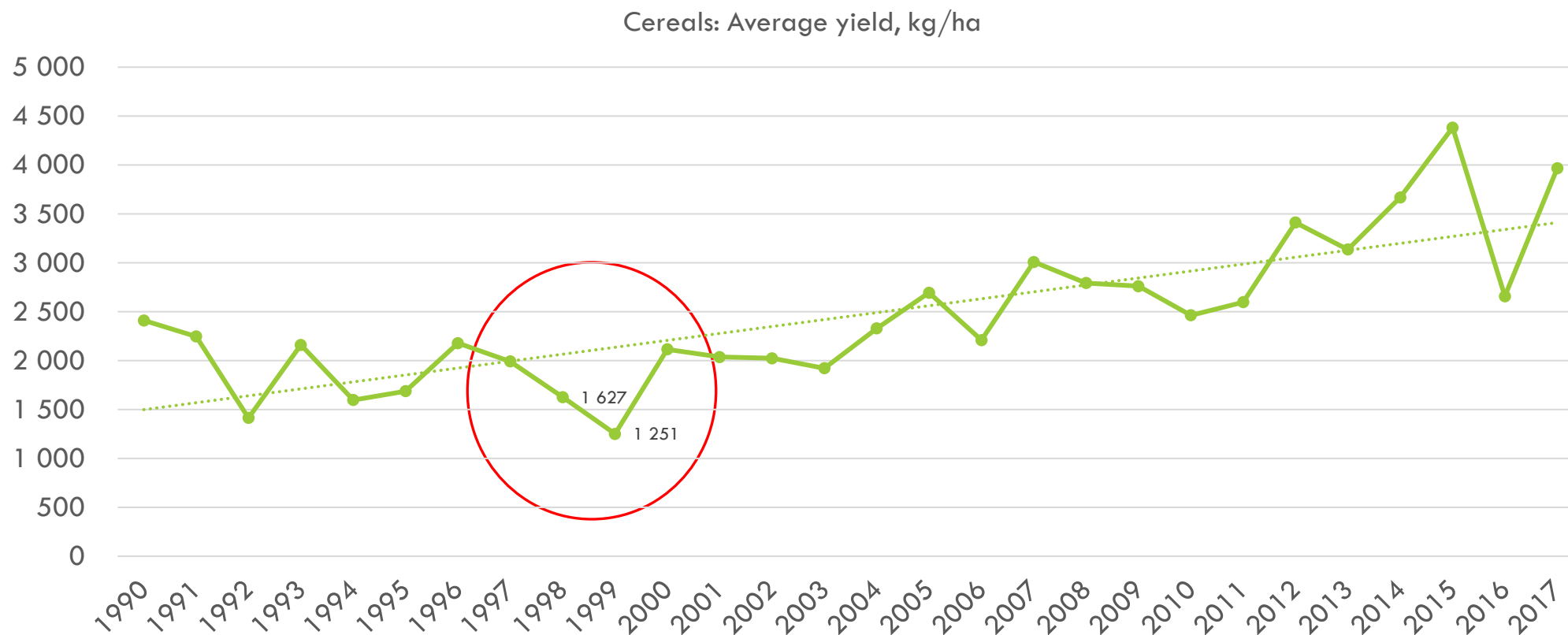
Põllumajanduskoda
Eesti Põllumajandus-Kaubanduskoda



AVERAGE YIELD OF CEREALS IN ESTONIA



Põllumajanduskoda
Eesti Põllumajandus-Kaubanduskoda





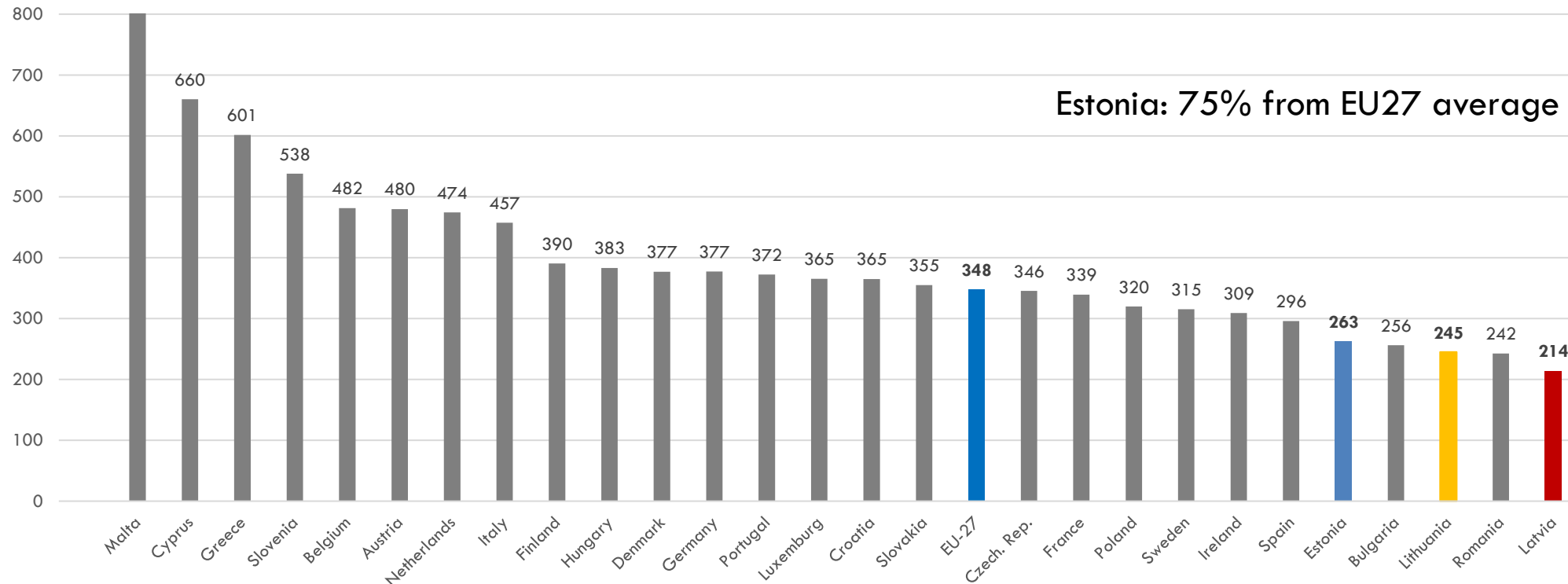
FAIR PAYMENTS FOR BALTIC FARMERS?

CURRENT SITUATION: TOTAL CAP EXPENDITURE 2019 (DP, RD, MARKET) (2016 UAA)



Põllumajanduskoda
Eesti Põllumajandus-Kaubanduskoda

CAP support per 1 ha of UAA, eur/ha

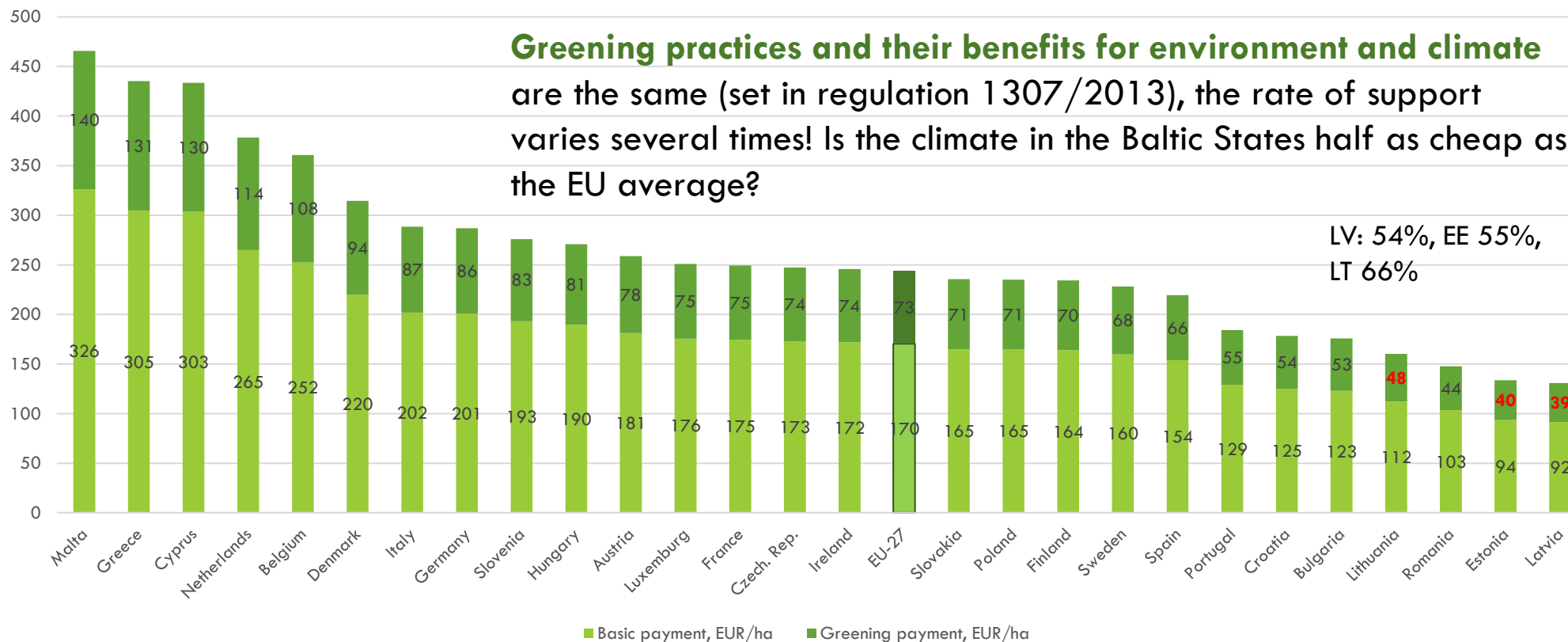


Source: EC

DIRECT PAYMENTS 2019 (PER 2016 UAA)

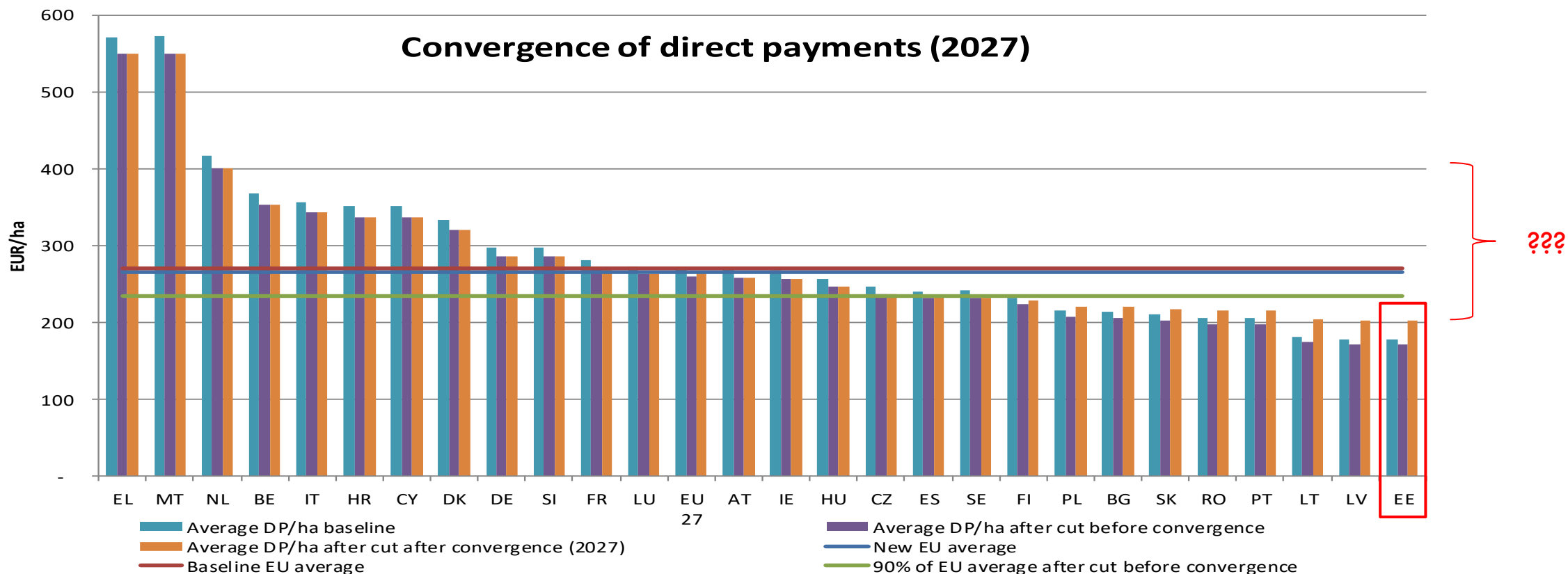


Põllumajanduskoda
Eesti Põllumajandus-Kaubanduskoda



Source: EC

CONVERGENCE OF DIRECT PAYMENTS

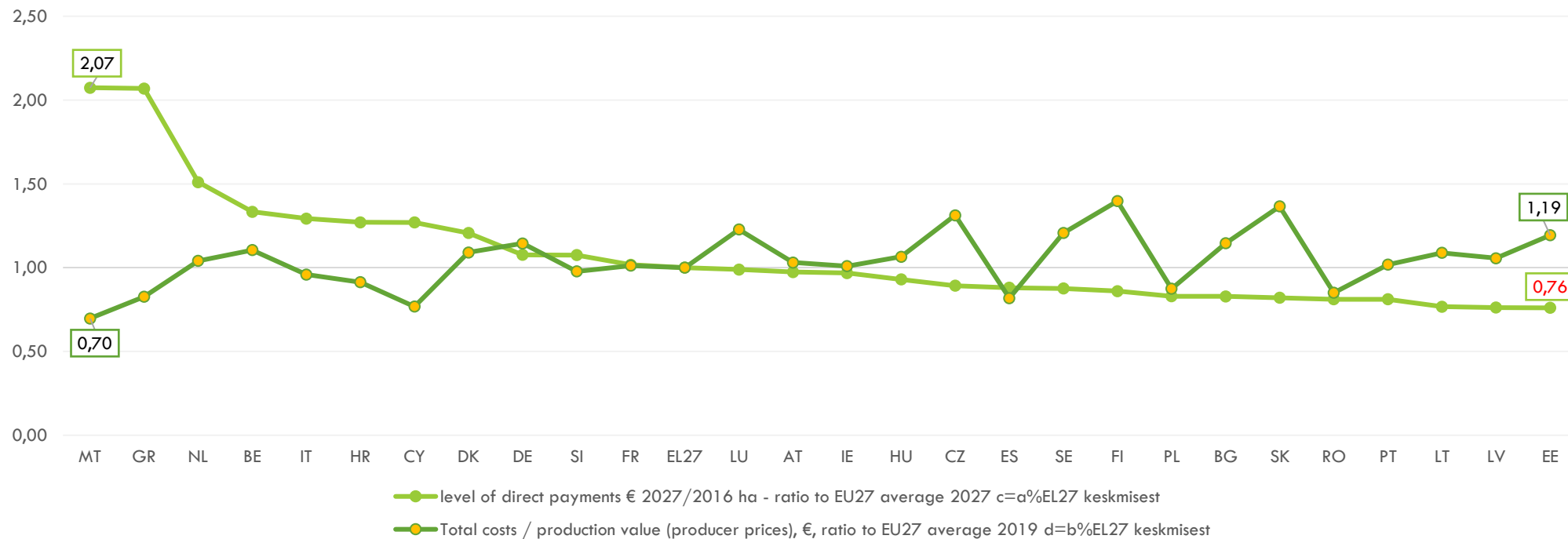


DIRECT PAYMENTS 2027 AND PRODUCTION COSTS 2019 COMPARED TO AVERAGE



Põllumajanduskoda
Eesti Põllumajandus-Kaubanduskoda

EU27 direct payments 2027 per ha (based on 2016 area) and 2019 production costs compared to EU27 average



Baltic farmers

have to comply with
exactly the same standards

as EU Member States
receiving higher direct payments:



Environmental



Animal welfare



Food safety

get lower
direct payments
and therefore

less support

for greening
measures



Põllumajanduskoda

Eesti Põllumajandus-Kaubanduskoda

THANK YOU FOR ATTENTION!

Roomet Sõrmus

roomet.sormus@epkk.ee

Phone: +372 52 058 57