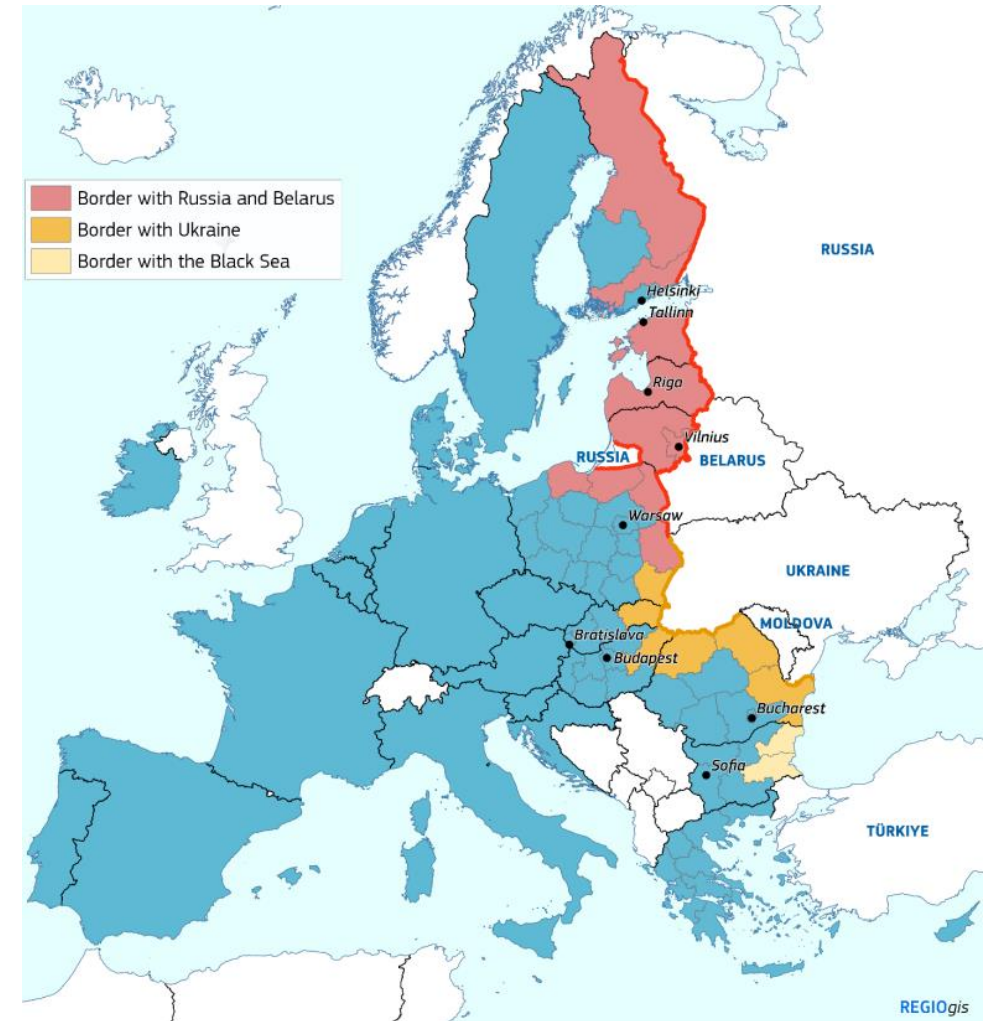


Structural realities: evidence from the region

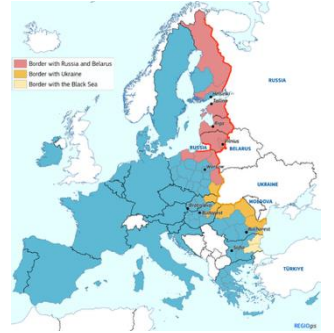
Ants-Hannes Viira, PhD

Head of Agricultural Policy
Estonian Chamber of Agriculture and Commerce

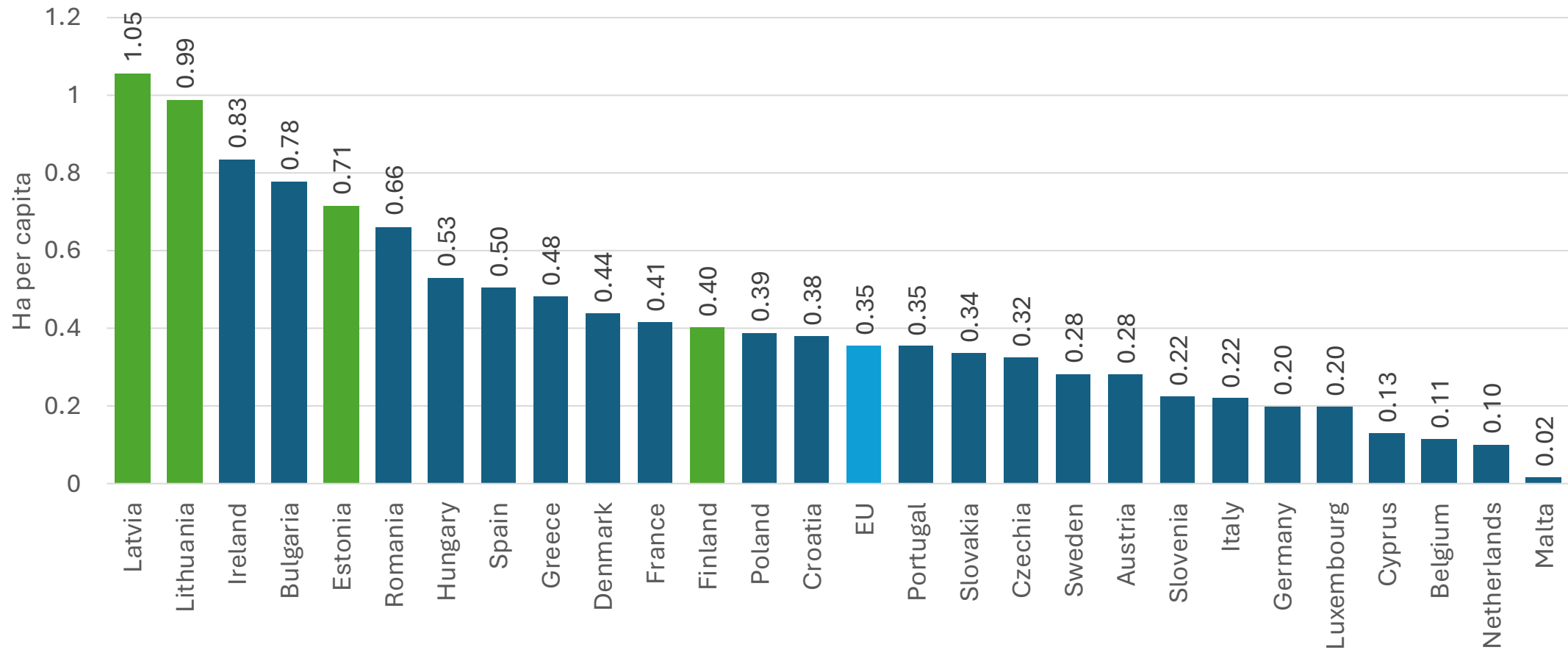
Baltic-Finnish Agricultural Leaders Meeting
Brussels, 21 April 2026



Baltic states and Finland are relatively agricultural land rich

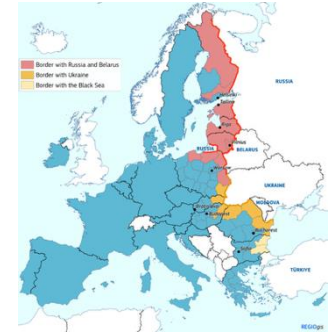


Utilized agricultural area per capita, ha (2024)

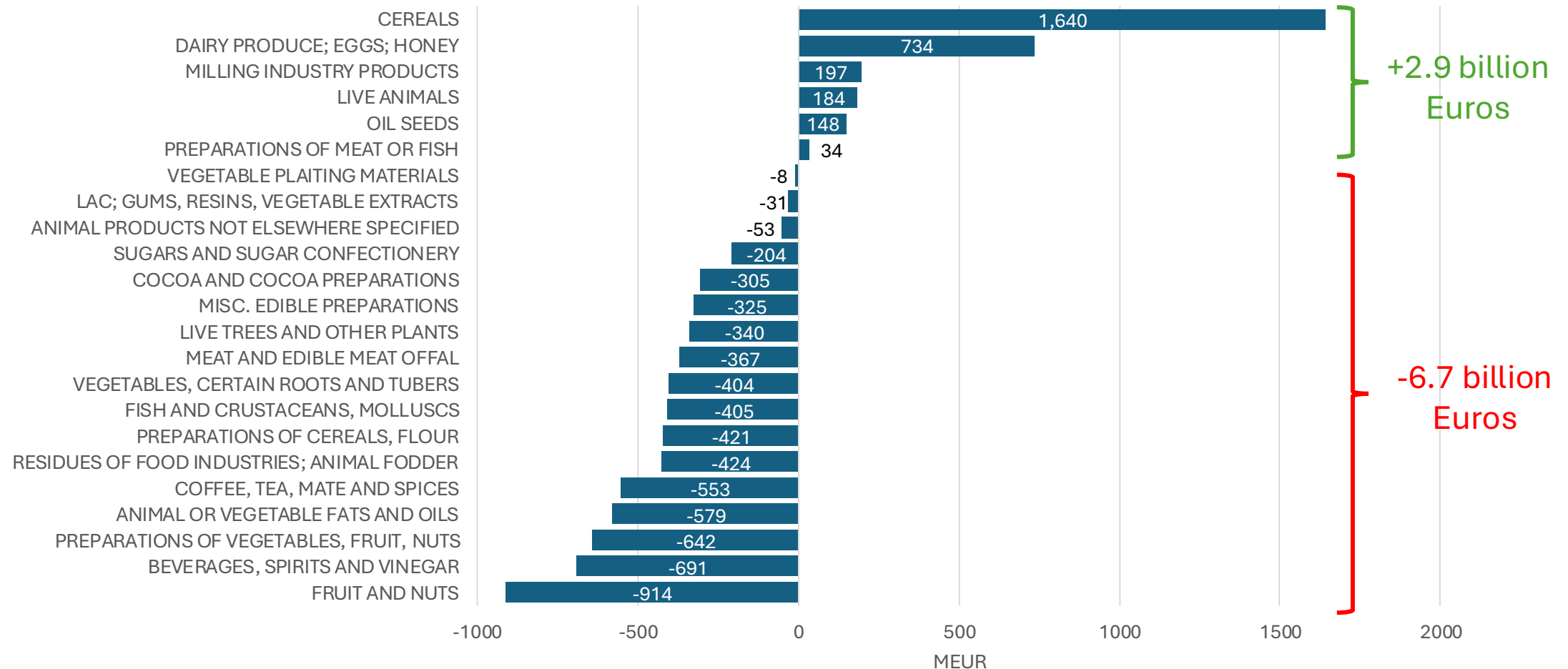


Source: own calculations based on Eurostat data

Despite agricultural land availability Baltic states and Finland is a net food importing region

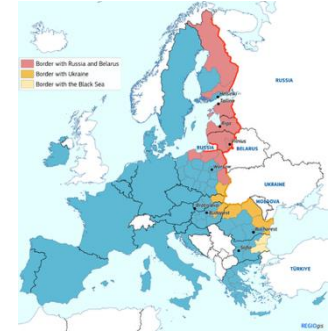


Trade balance, 2024

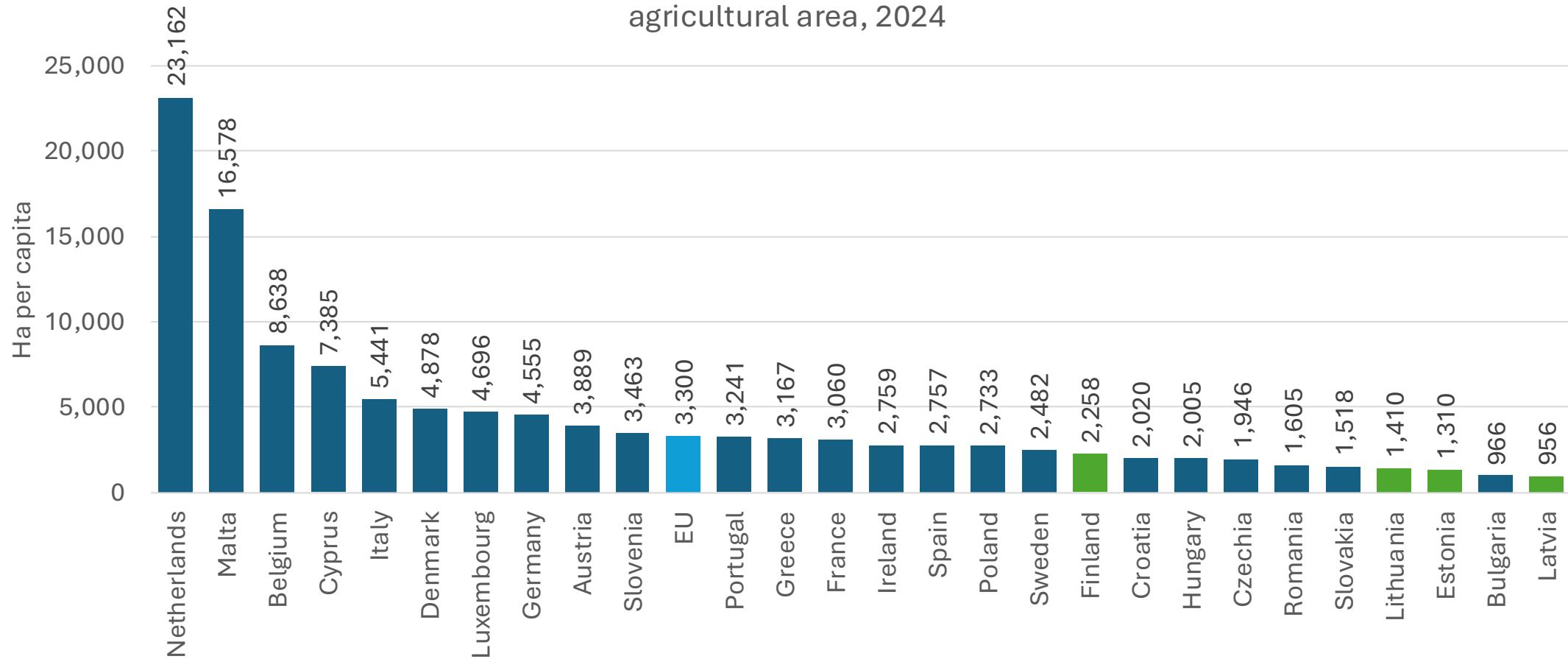


Source: own calculations based on Eurostat data

While land rich, the region has low agricultural productivity

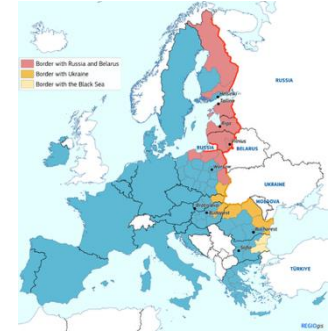


Output of agricultural industry, production value at producer price per ha of utilised agricultural area, 2024

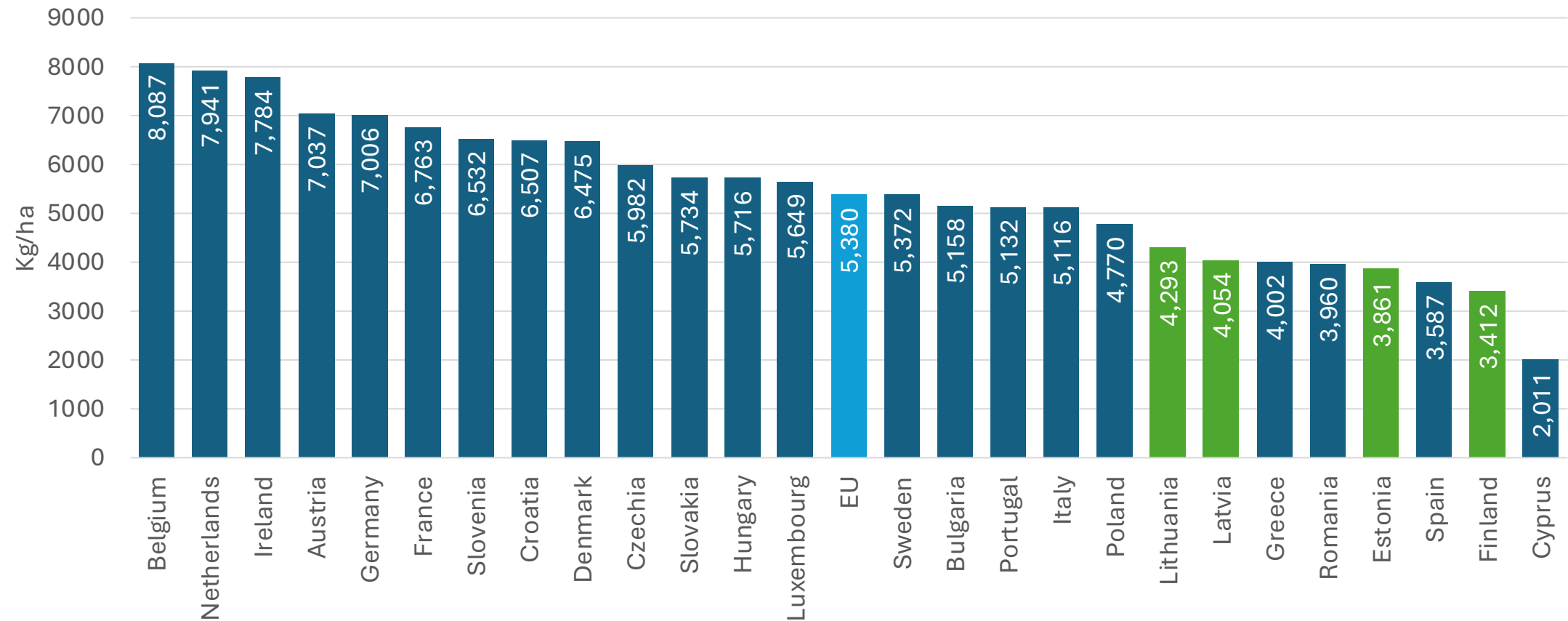


Source: own calculations based on Eurostat data

Crop productivity is lower in the North

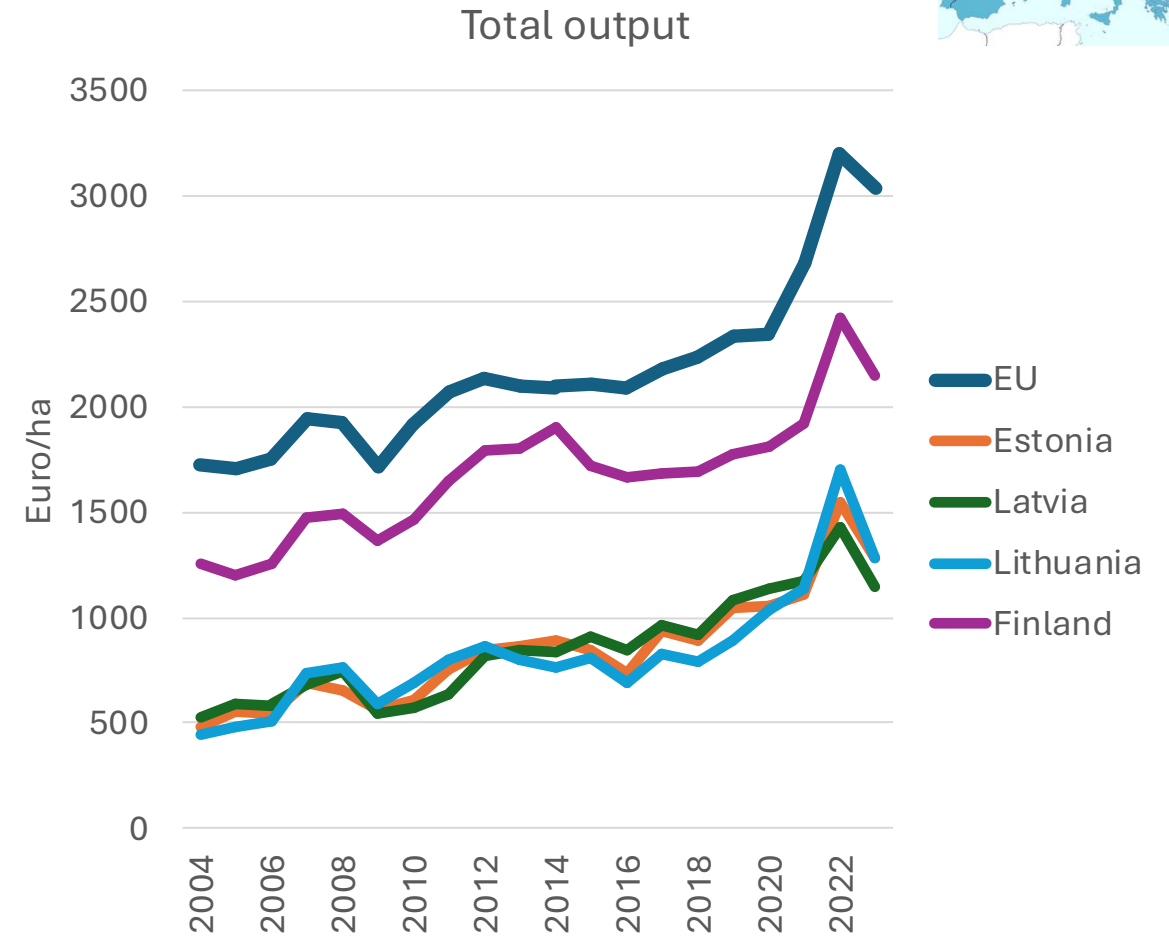
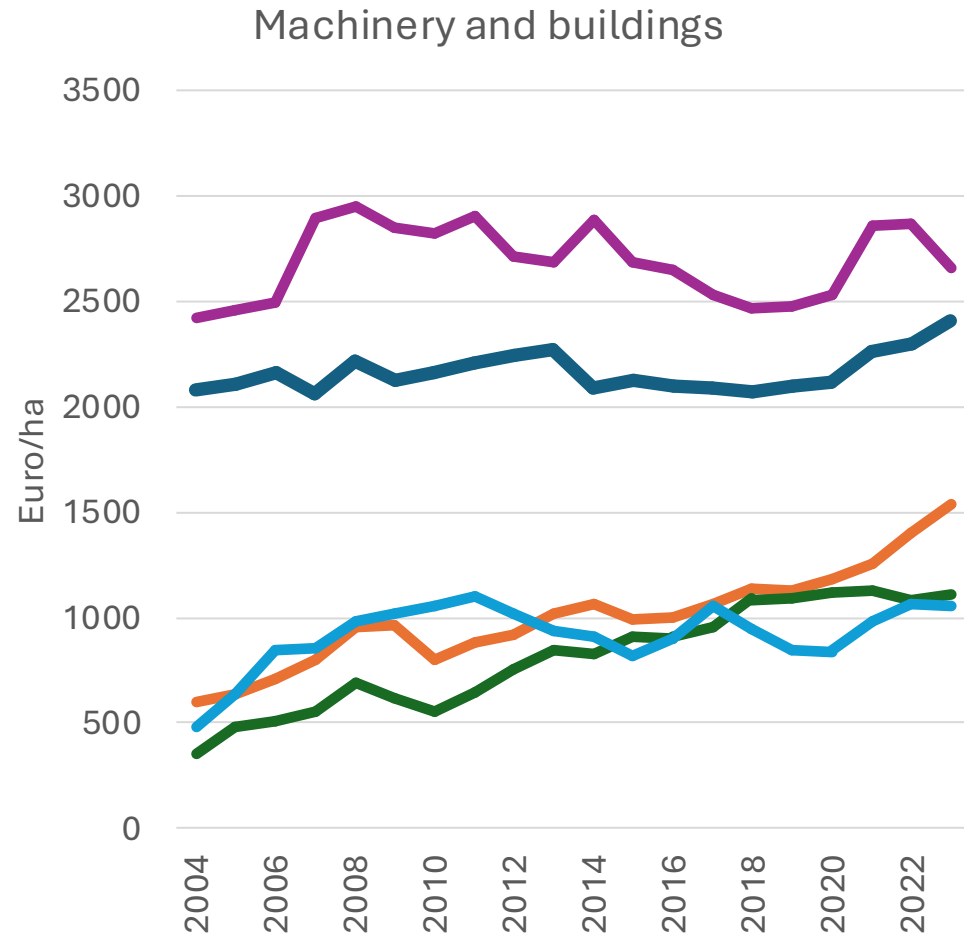
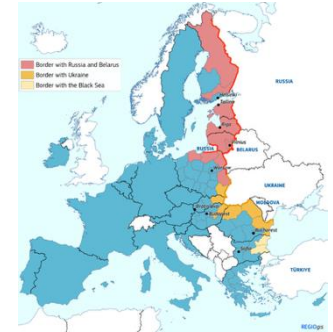


Weigthed average cereals yield, 2020-2024



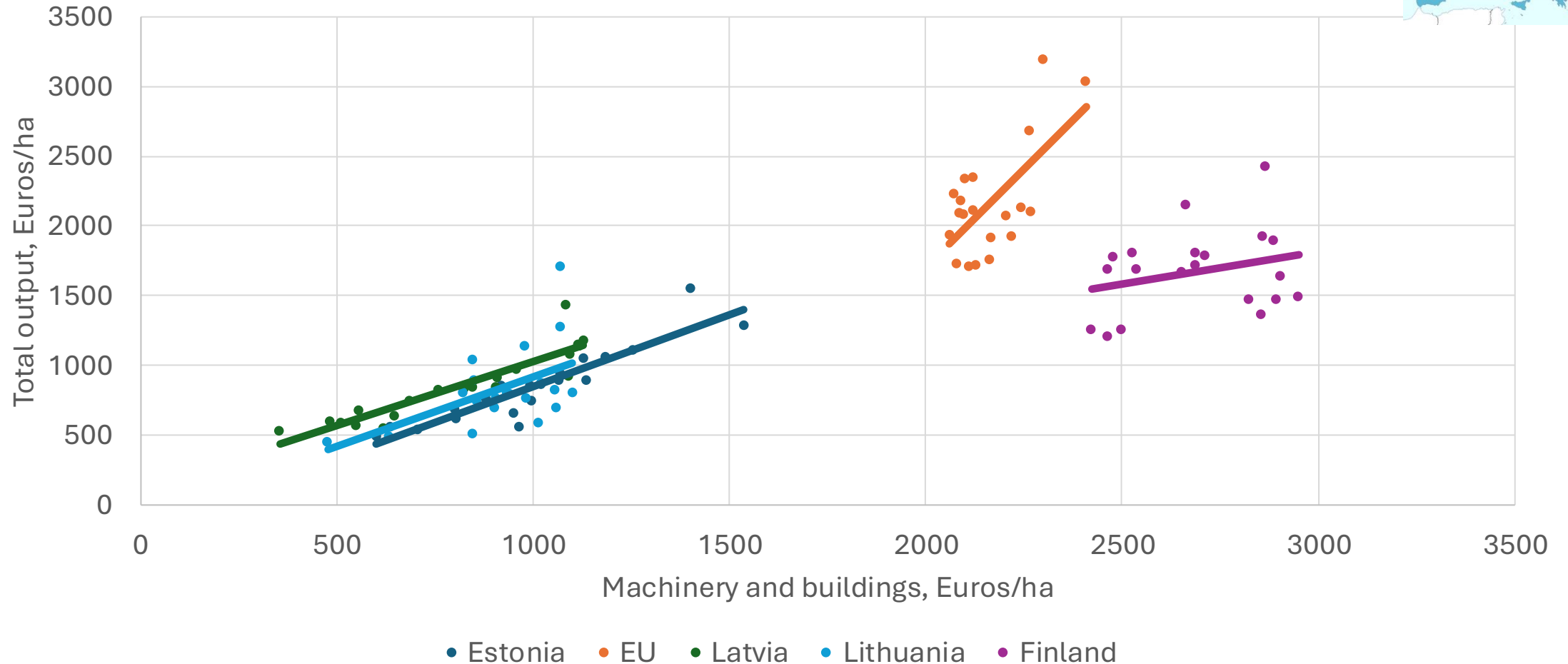
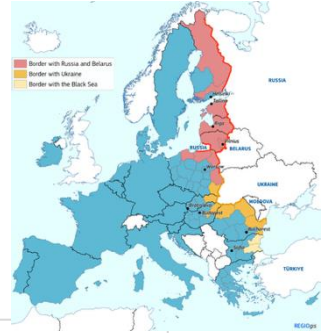
Source: own calculations based by Eurostat data

Baltic countries are facing productive assets gap that carries over to output gap

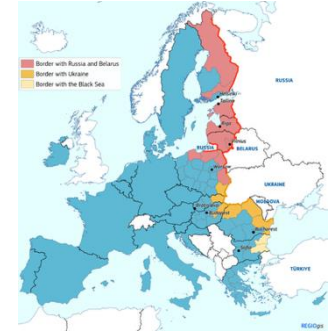


Source: own calculations based on European Commission FSDN data

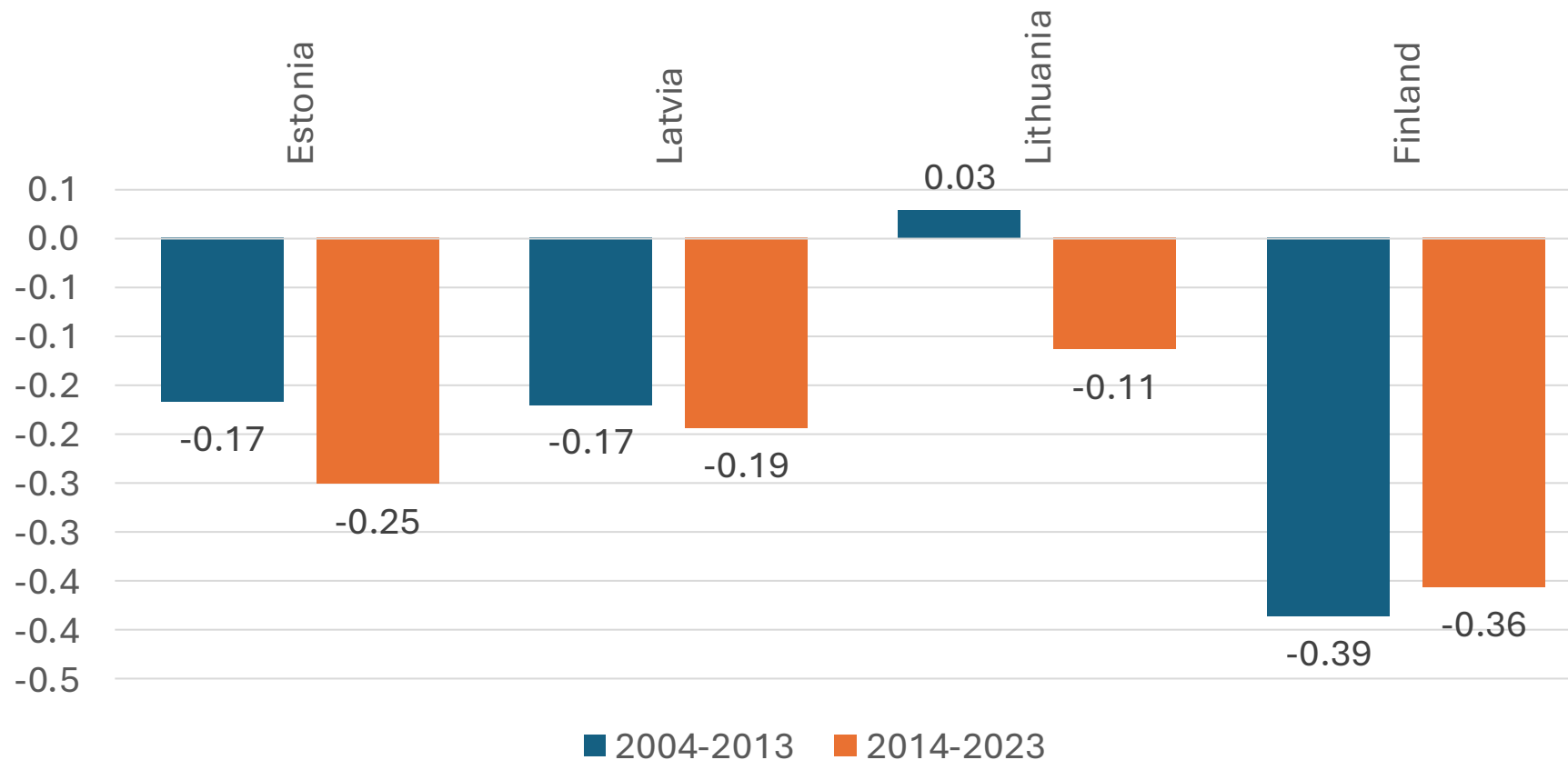
Agricultural output is correlated to productive assets



In the Baltic States, productivity gap with EU is widening, in Finland, the gap remains large



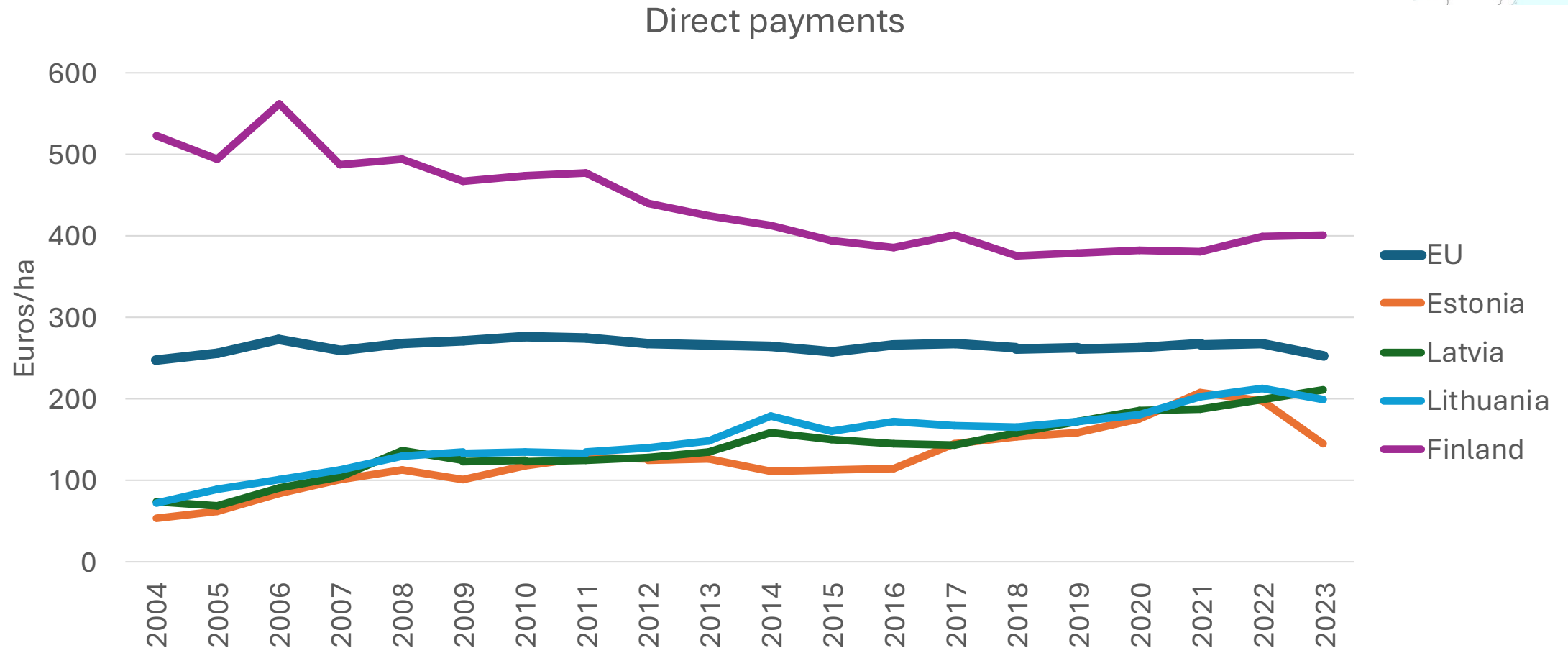
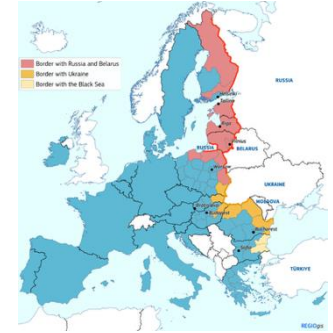
Productivity gap with the EU average



Productivity =
value of output /
total costs of inputs

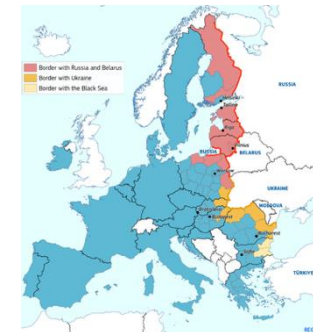
Source: own calculations based on European Commission FSDN data

Direct payments are converging to the EU average

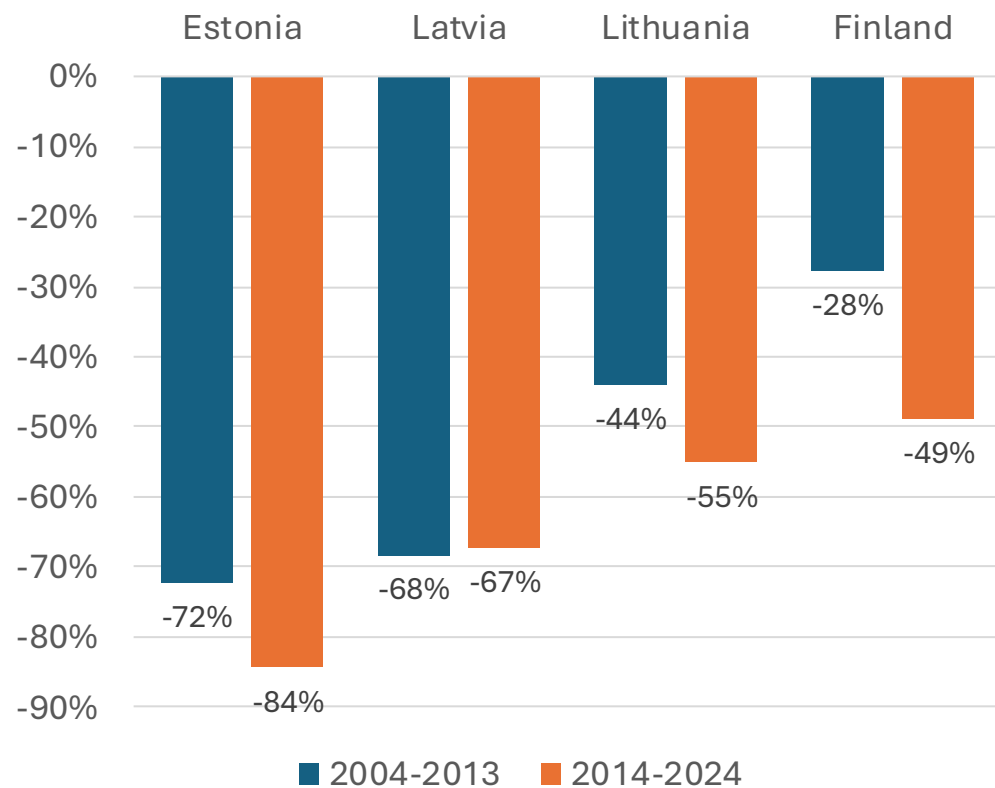


Source: own calculations based on European Commission FSDN data

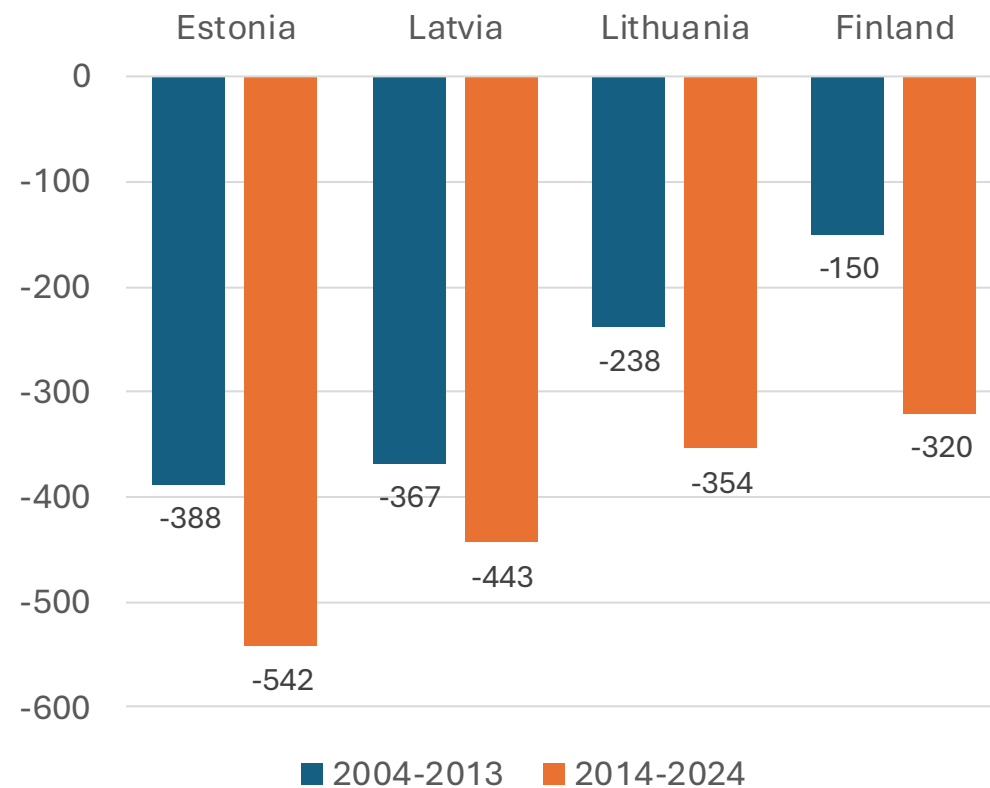
Farm net income gap is increasing



Farm net income per ha compared to the EU average

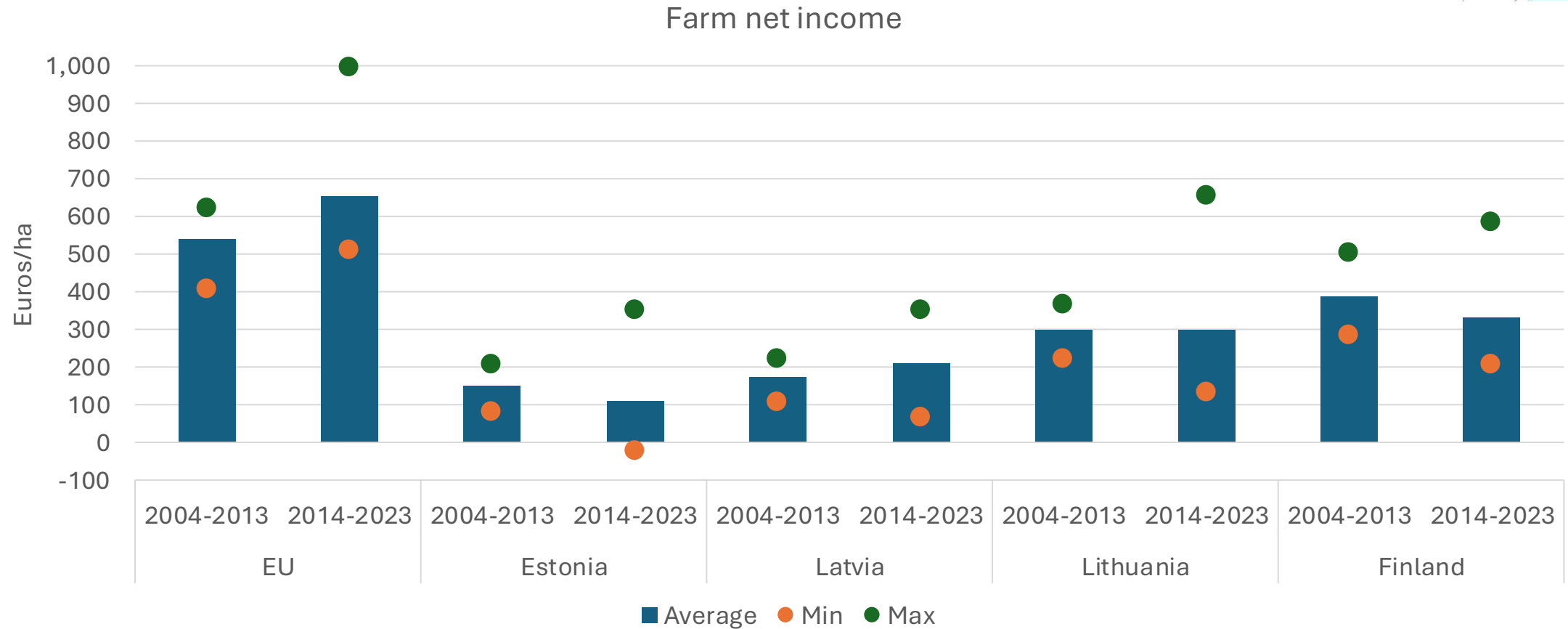
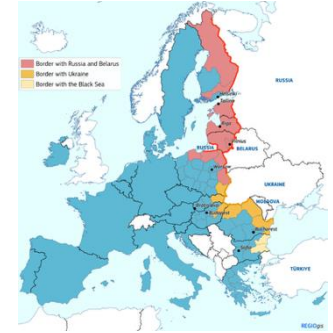


Farm net income per ha compared to the EU average

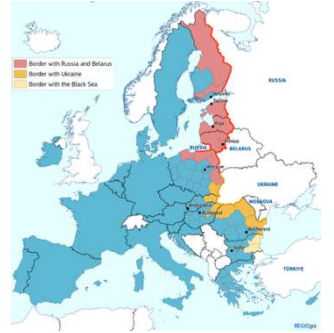


Source: own calculations based on European Commission FSDN data

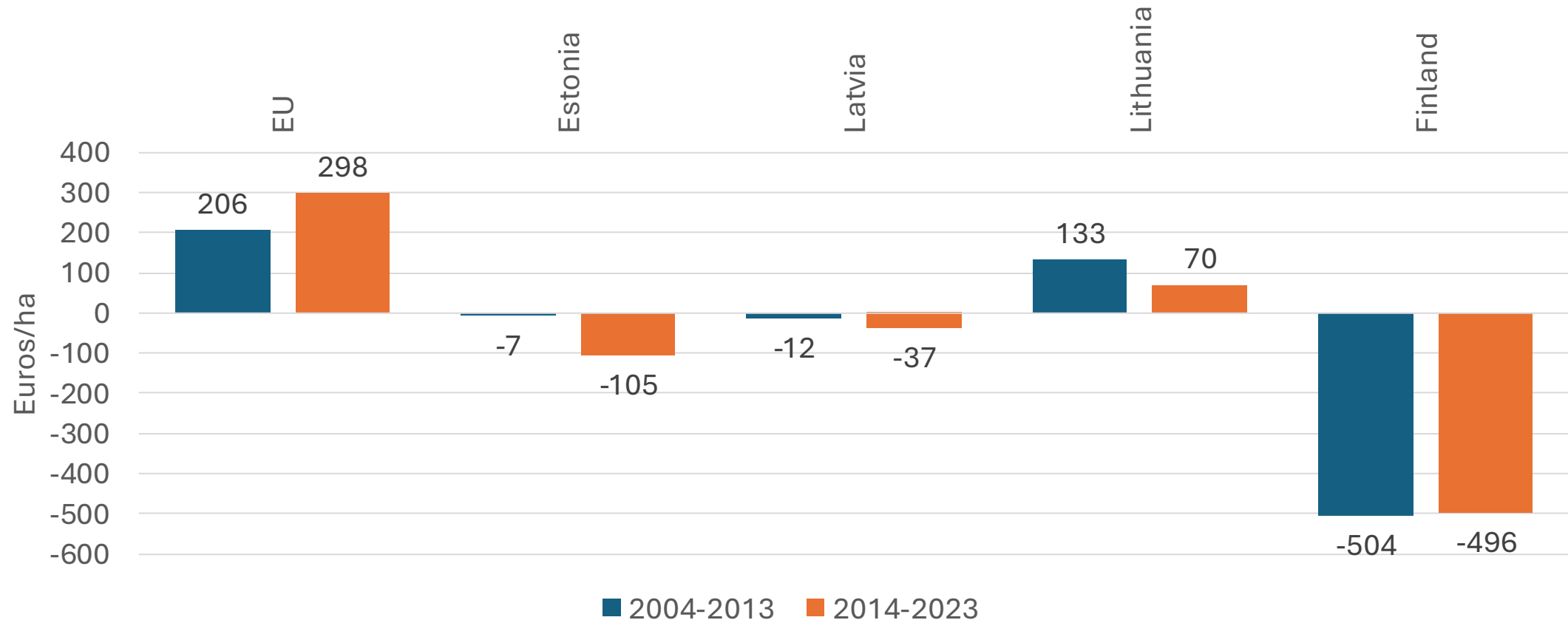
Farm net income variation has increased



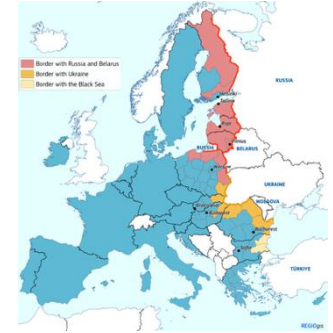
Without subsidies, average farms in the Baltic states and Finland would not survive



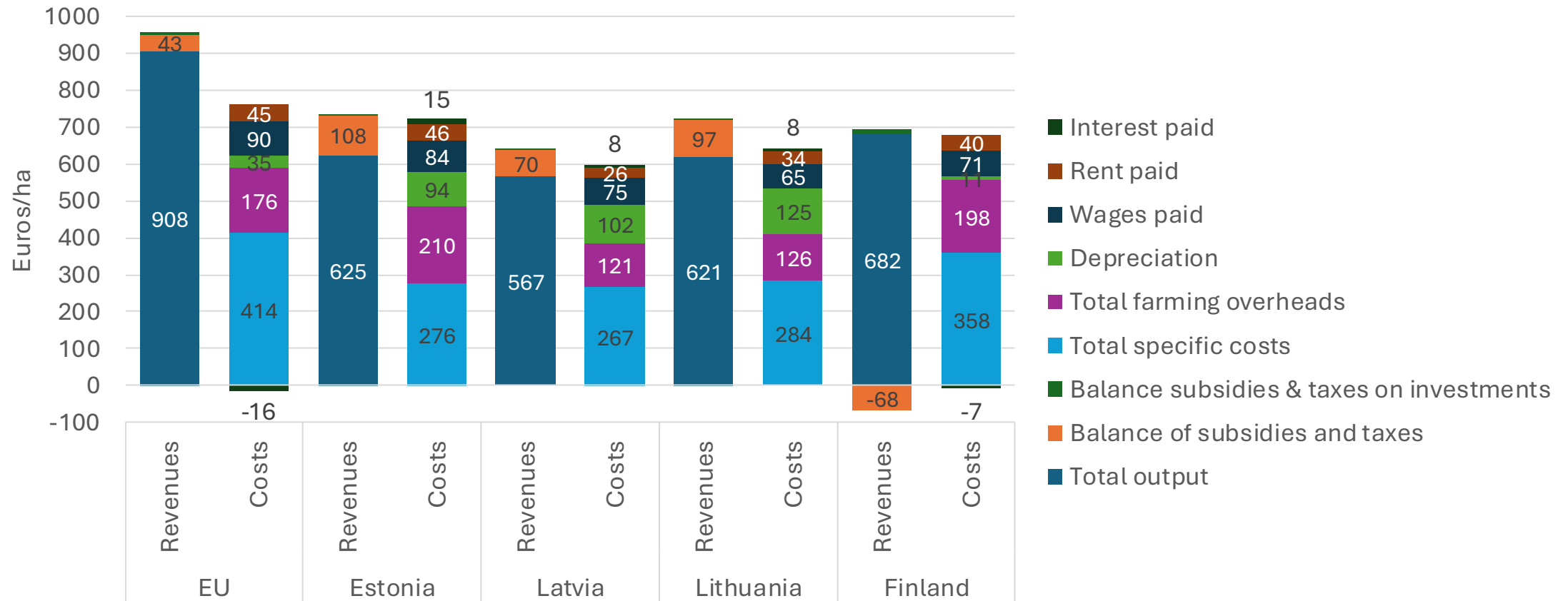
Farm net income without subsidies



Revenues vs costs growth in the region less favorable than the EU average

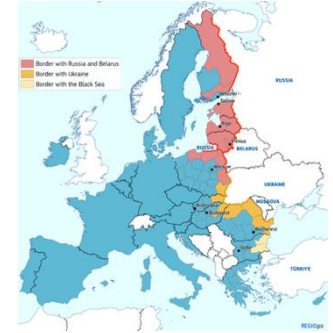


Changes in revenues and costs, 2019-2023 vs 2004-2008

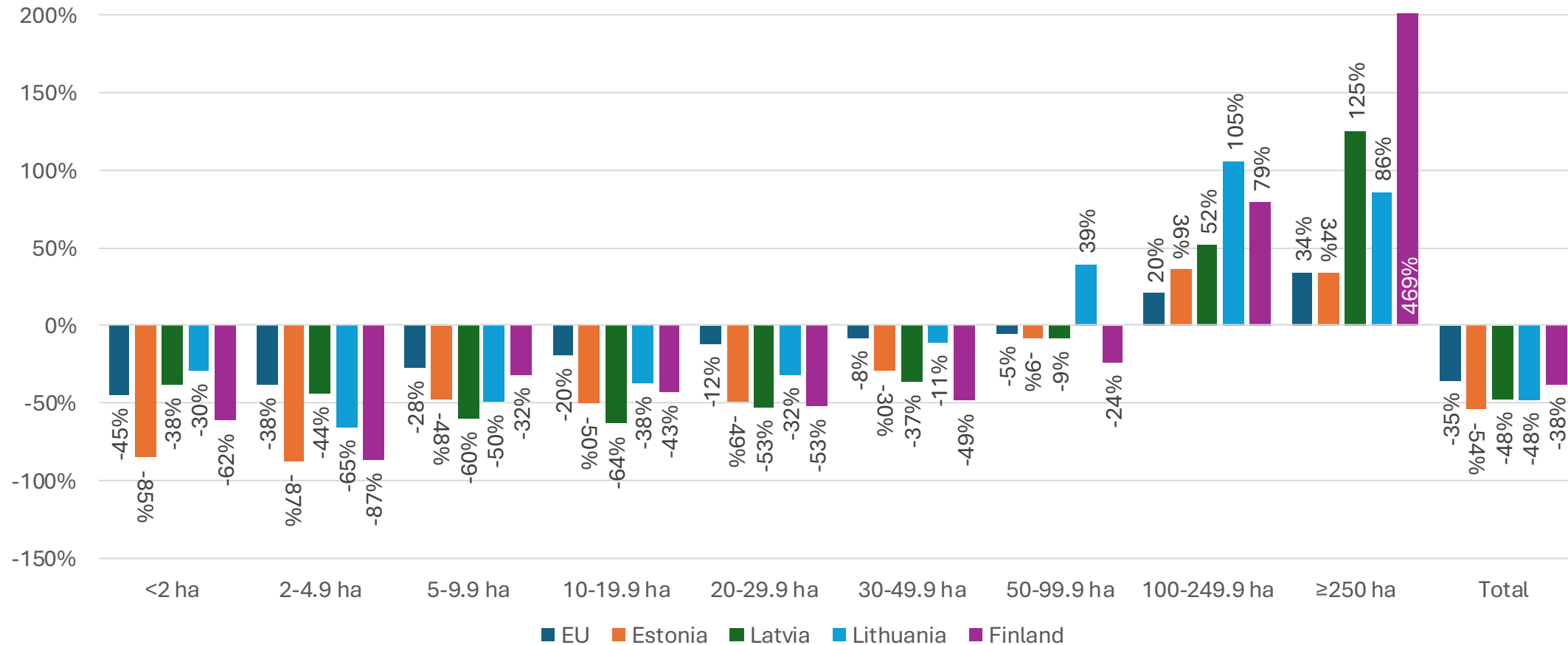


Source: own calculations based on European Commission FSDN data

Structural change is rapid

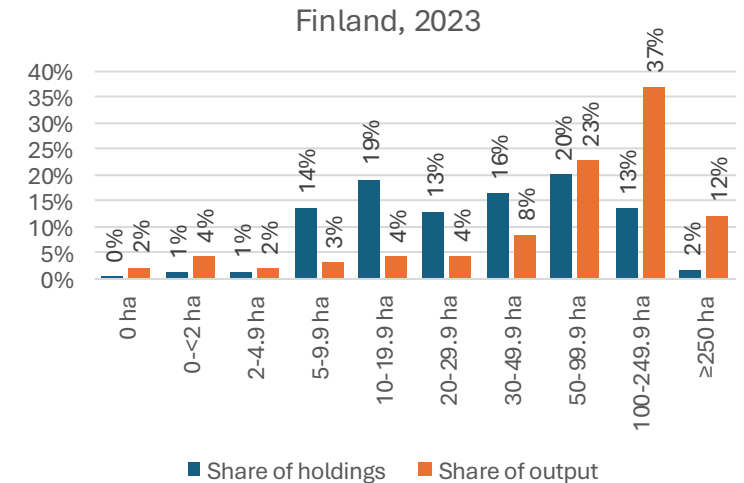
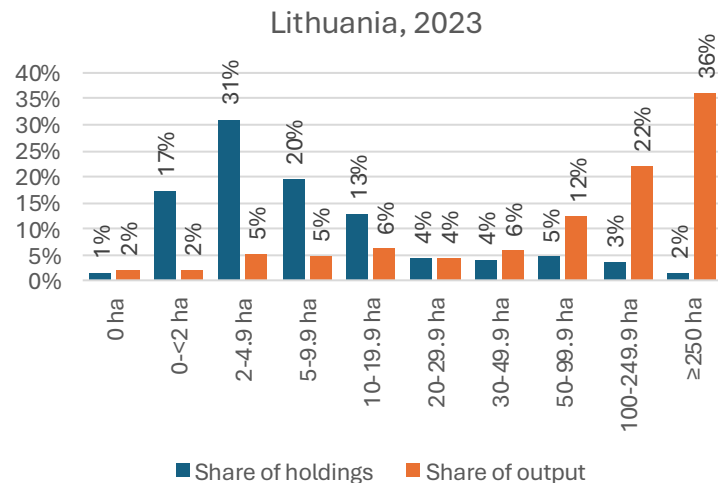
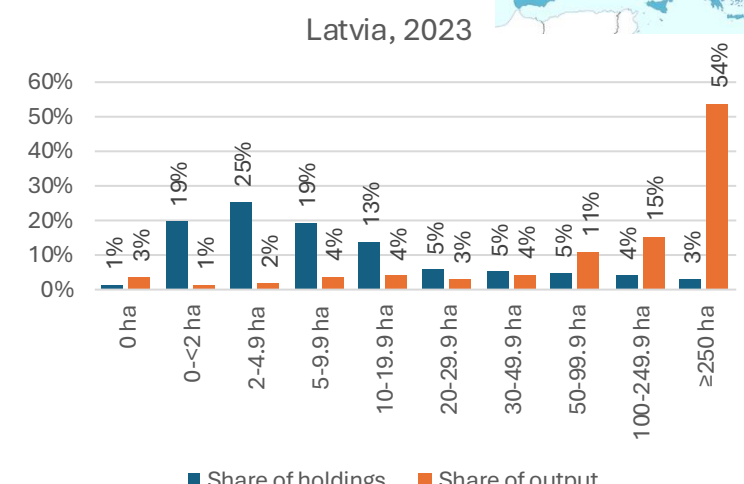
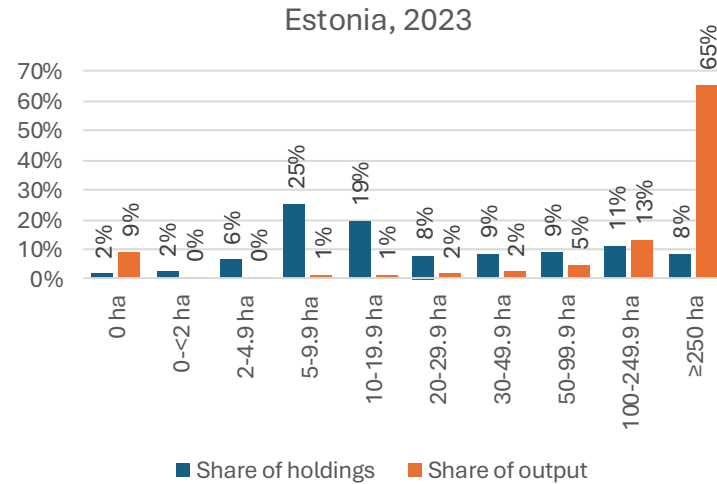
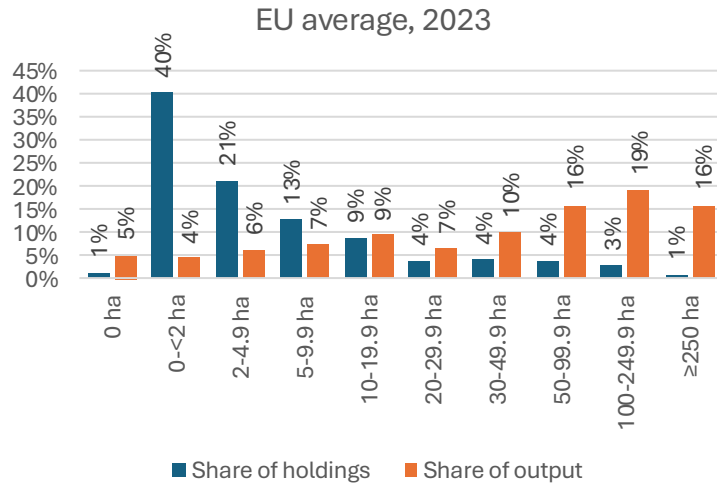


Change in number of agricultural holdings, 2007-2023



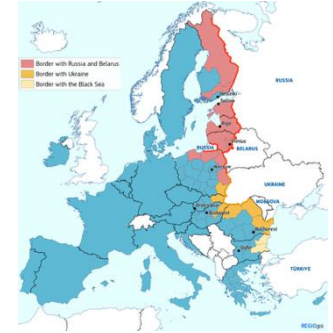
Source: own calculations based by Eurostat data

Baltic states and Finland are characterized by relatively larger farms than EU average

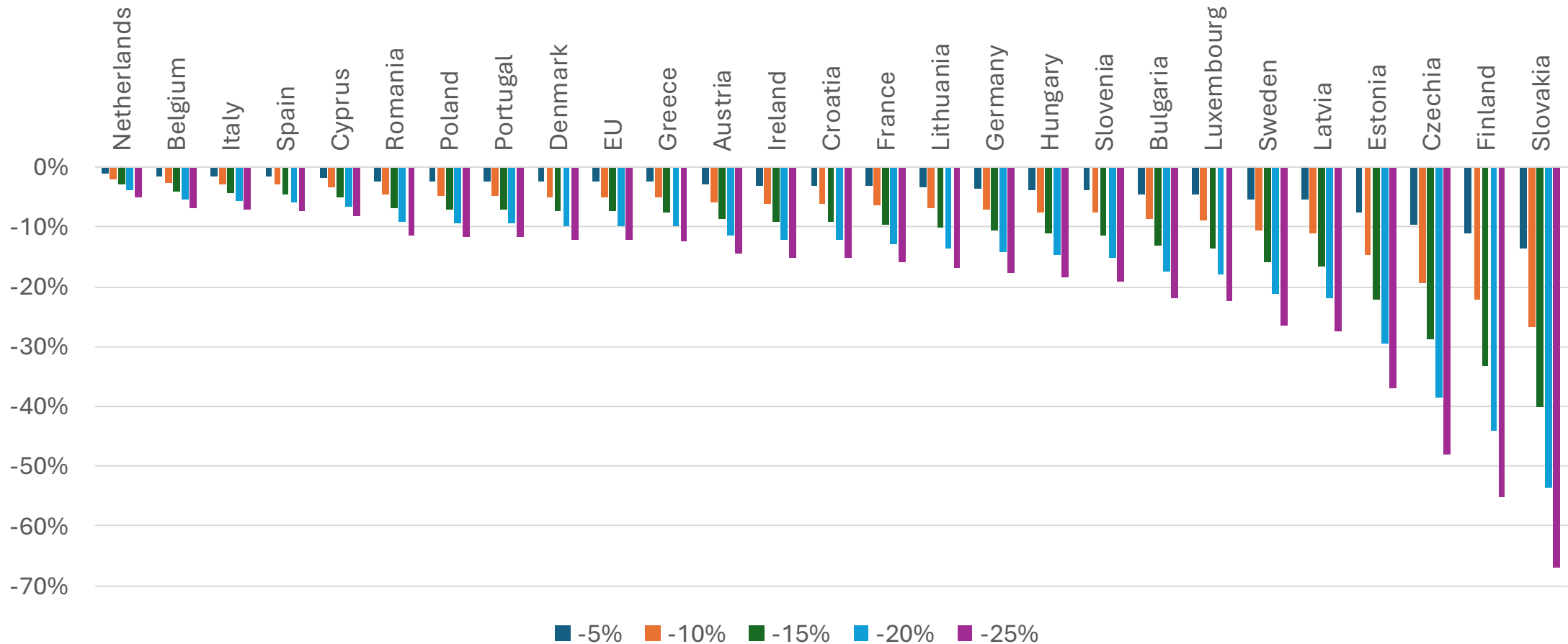


Source: own calculations based by Eurostat data

EU member states are not equally vulnerable to potential cuts in subsidies

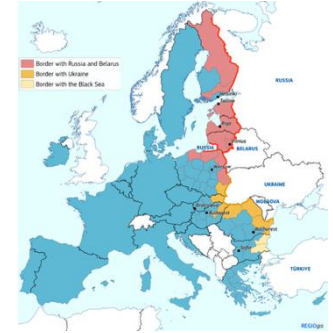


Effect of cut in subsidies on farm net income, 2019-2023 average

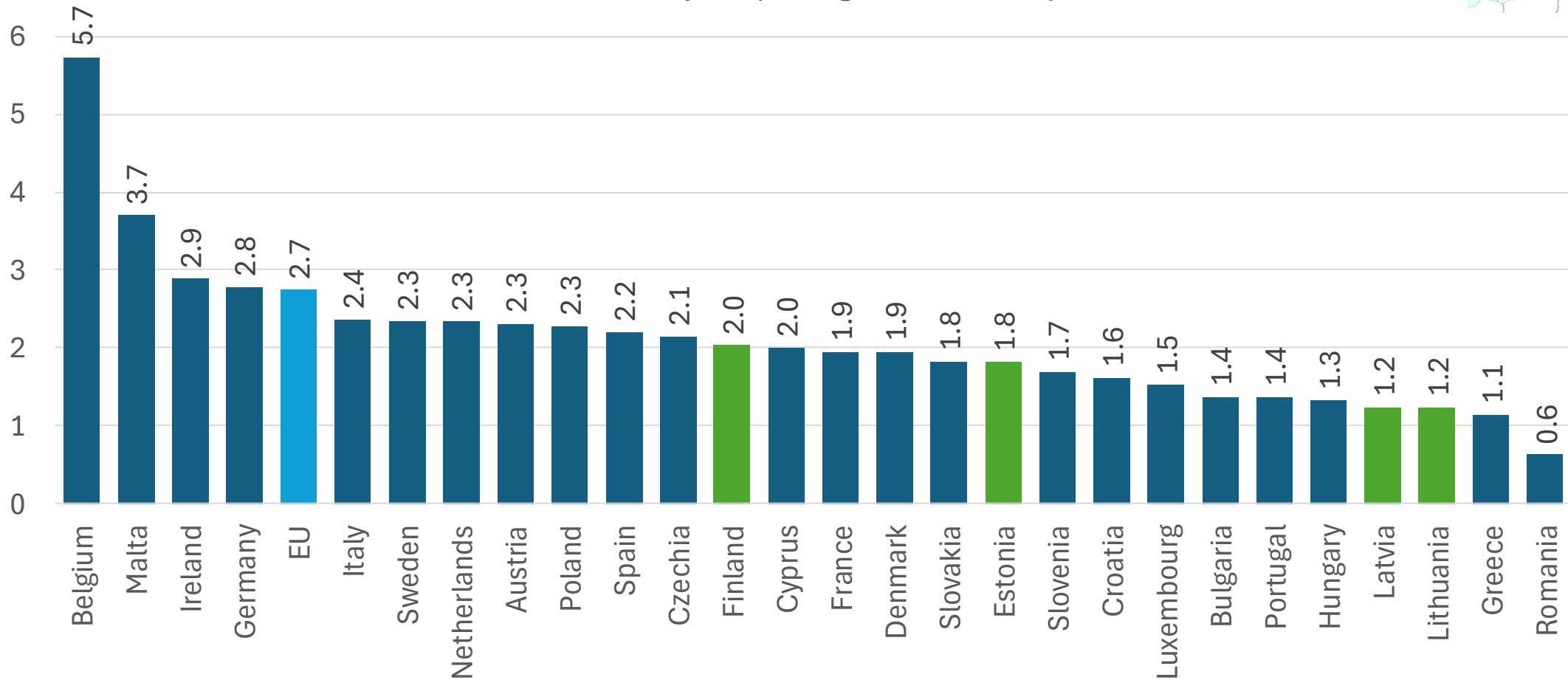


Source: own calculations based on European Commission FSDN data

Food industry is underdeveloped in the Baltic States and Finland

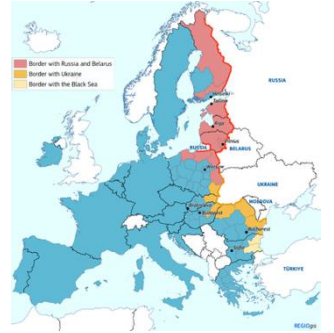


Food industry output/Agricultural output



Source: own calculations based by Eurostat data

Conclusions



- Baltic states and Finland as a region is not food self-sufficient
- Northern climatic conditions, productive assets gap, and in the case of Baltic states, the subsidy gap are hindering food production
- Farms in the region are less productive and have lower farm income
- Farm income variation has increased over time
- In the region, structural change of farms is more rapid, and larger farms provide relatively more output compared to the EU average
- Farms and food production in the region are vulnerable to subsidy cuts
- Food industry in the region is still underdeveloped and investments are needed
- The region as a whole deserves special attention to improve the resilience and preparedness of food production