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IN ESTONIA

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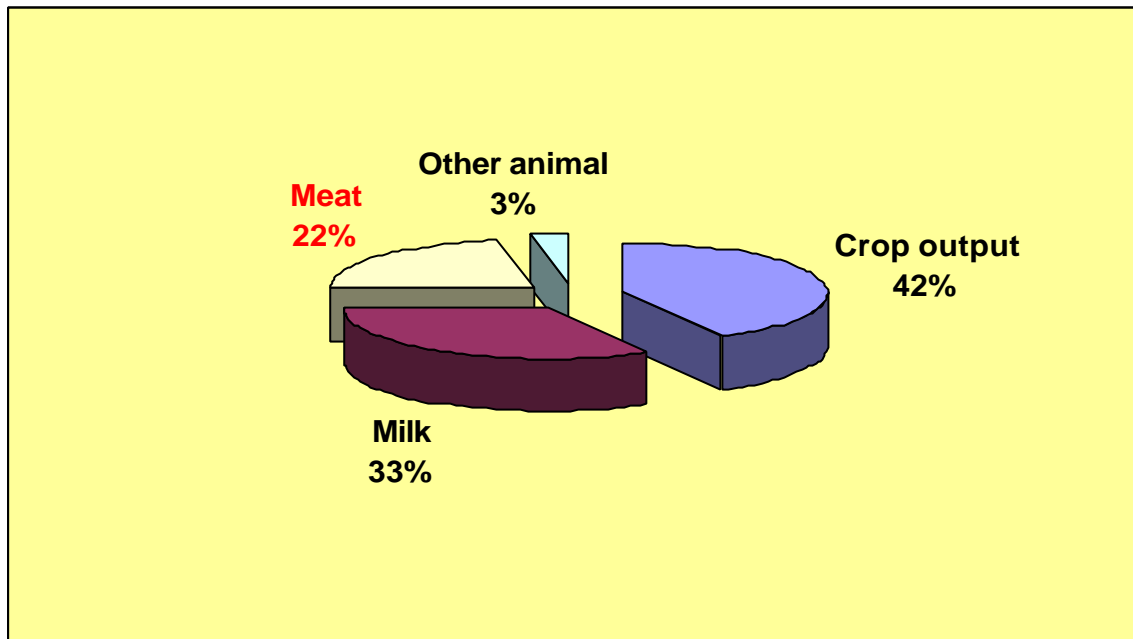
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1 Introduction to the meat sector

The meat production is the second most important animal branch after the dairy sector in Estonian agriculture. (Chart 1.1, Annex 5). The share of the meat sector is 22% of Gross Agricultural Output (GAO)

Chart 1.1 Share of meat sector in Estonian agriculture 2005



Source: Estonian Statistical Office, Electronic database

Over the last six years, the value of GAO at current prices has risen significantly as can be seen from table 1, with the volume of production rising by some 20% and prices by 25%, both being influenced by convergence with the EU market. Beef production has fallen slightly but output of the other meats has risen, poultrymeat most noticeably so. .

Table 1.1 Gross Agricultural Output indices in 2000-2005

2000 = 100

	2000	2001	2002	2003	2004	2005
Gross Agricultural Output	100	110	110	110	120	140
Crop output	100	100	100	110	110	130
Animal output	100	130	120	120	140	150
Milk	100	120	100	1,0	140	150
Meat	100	140	140	140	140	150

Source: Estonian Statistical Office; Electronic database

Pigmeat production is the most important branch of meat farming in Estonia. Pigmeat accounts for over a half of all meat output. According to the Statistical Office, 26,800 tonnes of pigmeat was bought in 2006. The corresponding figure for beef was 10,400 tonnes.

The cattle and poultry populations decreased significantly between 1997 and 2006, despite which poultrymeat production doubled between 2000 and 2006. In contrast, pig and sheep numbers rose over the period (table 2).

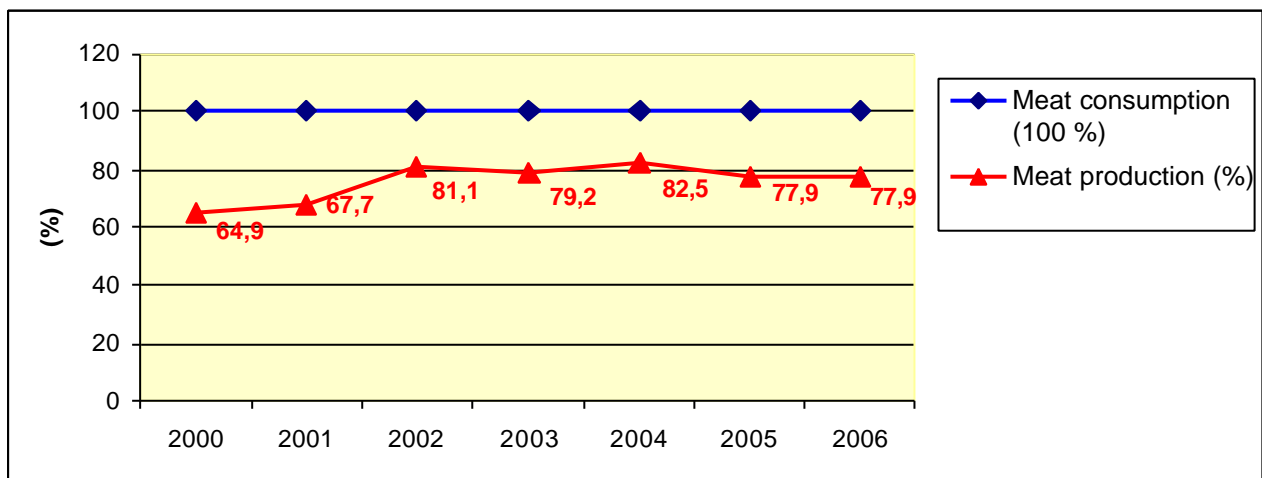
Table 1.2 Number of animals 1997-2006 (000s)

31.12	Cattle	including cows	Pigs	Sheep and goats	Horses	Poultry
1997	326	168	306	36	4	2602
1998	308	159	326	31	4	2636
1999	267	138	286	31	4	2462
2000	253	131	300	32	4	2366
2001	261	129	345	32	6	2295
2002	254	116	341	35	5.3	2096
2003	257	117	345	33.8	5.8	1945
2004	250	116	340	34.3	5.1	2183
2005	250	113	347	41	4.8	1879
2006*	249	112	349	52.4	4.8	1956

Source: Statistical Office
2006* preliminary

The highest self sufficiency rate reached in 2004 when 82.5% of total meat consumption was covered by own production (Chart 2).

Chart 1.2 Self-sufficiency of meat production in Estonia (2000-2006)



Source: Estonian Statistical Office, electronic database

2 Structure of the sector and recent trends

In 2005, a total of 67,100 tonnes of meat was produced, 4,200 tonnes less than the previous year (Table 2.1). The share of pigmeat production was close to 59%, poultry 21% and beef 20% (Chart 2.1)

Table 2.1 Meat production in Estonia 2000-2006

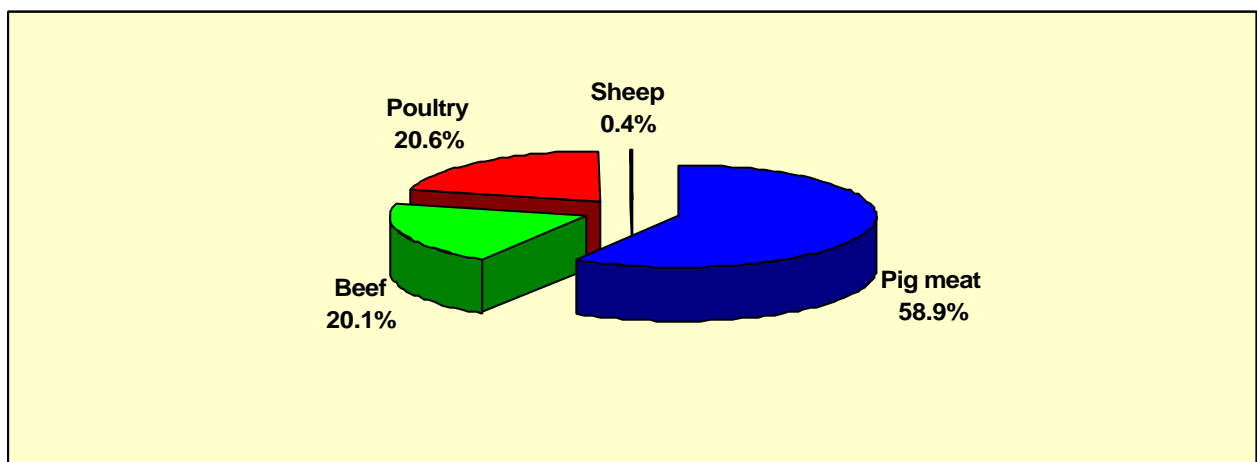
(000 ton)

	2000	2001	2002	2003	2004	2005	2006*
Meat production	53.3	57.3	68.3	67.5	71.3	67.1	69.2
Pigmeat	30.3	33.6	39.9	39.5	40.9	39.5	40.1
Beef and veal	15.4	14.2	16.5	13.2	15.2	13.5	14.3
Poultrymeat	7.3	9.2	11.6	14.4	14.9	13.8	14.4
Sheepmeat	0.3	0.3	0.3	0.4	0.3	0.3	0.4

Source: Estonian Statistical Office, Agriculture 2005, Yearbook p.57

*preliminary

Chart 2.1 Structure of meat production in Estonia 2005



Source: Estonian Statistical Office, Agriculture 2005, Yearbook p.57

Pigmeat makes up over half of meat production; beef production has decreased. Poultry production has grown dynamically but there is very little lamb and goatmeat produced—less than 1% of all meat.

Pigmeat production

In 2005, 39,500 tonnes of pigmeat was produced. Meat industries bought a total of 513,100 pigs in 2005, 24,100 fewer than in 2004. On average pig carcasses continued to be between 75 and 78 kg. The share of pork in the entire meat production continues to be large and easily in first place among meats, reaching 57% last year. As of 31 December 2005, there were 346,500 pigs in Estonia, which are 6,400 animals more than in the previous year. After 1 May 2004, the EU pigmeat market regime came into effect in Estonia, which had a positive impact on the development of the pigmeat sector. Pigmeat and mechanically crushed meat could no longer be imported from EU countries at subsidised prices which forced the meat processors and

manufacturers to use more local meat. In 2004 and 2005, the larger meat companies started using a system for measuring lean meat that conforms to EU requirements.

Beef production

In 2005, 13,500 tonnes of beef was produced. Production declined compared to 2004 by 1,700 tonnes or 11. The decrease took place mainly in terms of beef cattle and crossbreeds. The share of beef in total meat production in 2005 was 20%.

As of 31 December 2004, there were 249,500 cattle, which were 300 animals fewer than at the end of 2003. The most common breeds were Hereford, Limousine and Angus.

In 2005, an average of €1,250/tonne was paid for beef; which is 3% more than in 2004. The purchase price for bulls was under the intervention purchase threshold. Intervention purchase was not opened because there was no actual surplus of unmarketable beef. In other words the reason for the low price was not excessive amounts of beef but low quality of beef (particularly culled cow meat). In the second half of the year, the price of beef started rising, and reached a nearly 30% higher level by the end of the year than before EU Accession. Retail prices changed little in 2005.

Poultry production

In 2005, 13,800 tonnes of poultry were produced in Estonia, 1,100 tonnes or 9% less than in 2004 when total production was 14,900 tonnes. The share of poultry in total meat production was 21% in 2005. Increased production from 2000 to 2006 was made possible by the growth of exports to Latvia and the domestic consumption of poultry continuing to rise. The sale of boneless meat to Sweden also began. An important part of production growth is the new crossbreed Ross 388, which has better productivity than previous breeds.

Due to stiff competition following EU-Accession, poultry product prices have fallen slightly on the domestic market and are the lowest on the European market. Before EU accession, Tallegg had a monopoly in Estonia, but now faces competition with other firms selling poultry products.

Breeding

The Estonian animal breeding system ensures the availability of reliable performance and parentage data. Estonia participates in the work of INTERBULL, a sub-committee of the International Committee for Animal Recording (ICAR). Estonian Holstein bulls belong to the international bull assessment system that covers 65,000 bulls in Europe. Performance testing data can be used for imposing additional conditions to eligibility to state benefits. Animal breeding associations have breeding programmes aimed at improving efficiency and quality. Their success can be seen in increased sales of pedigree animals to other countries.

The development of pig breeding is supported by a hybrid breeding programme which has raised the quality of Estonian pigmeat and increased average lean meat content of fattening pig carcasses from 50% in 1995 to 56% now.

3 Policy and standards

The most important event of recent years as far as the livestock sector has been concerned was EU Accession in 2004, which required compliance with a whole new set of standards of animal health and welfare, hygiene and traceability in production and inspections throughout the food chain.

The Estonian Veterinary and Food Board (VFB) in the jurisdiction of the Ministry of Agriculture organises and conducts the implementation and state supervision of requirements deriving from the legislation regulating veterinary, food safety, market organisation, animal welfare and farm animal breeding. The full objectives, tasks and operation of the VFB together with a summary of the Board's activities in 2005 are set out in detail in Annex 5

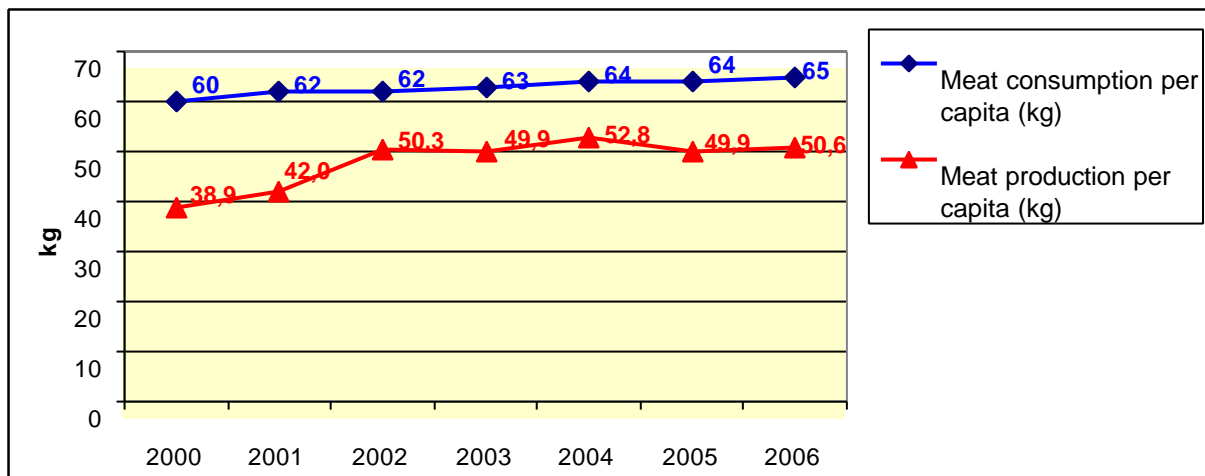
Food standards

EU Accession placed several additional responsibilities on the EFV deriving from EU legislation, such as implementing EU co-ordinated surveillance programmes, and controlling certain raw materials for food and animal feed to ensure food safety standards are observed. Again, details of this part of the Board's work in the last two years can be found in Annex 5.

4 Market trends and outlook for meat consumption

Each Estonian consumed an average of 65 kg of meat and meat products in 2006, which is 28% less than the EU average (Chart 4.1). Optimal meat consumption per person is considered to be 64 kg per year.

Chart 4.1 Meat production and consumption per capita in Estonia (2000-2006)



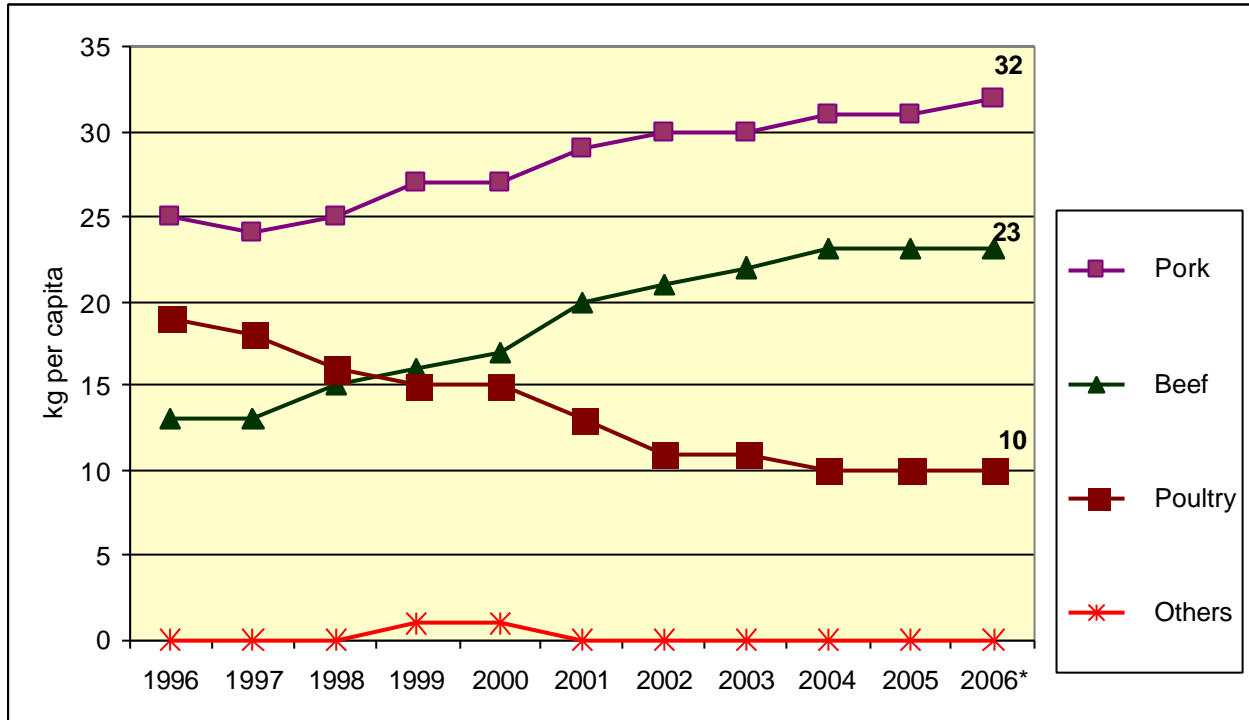
Source: Estonian Statistical Office, electronic database, own calculations

In most new member states meat consumption is under the EU average (around 90 kg per person per year), except for Slovenia, where consumption per person is 96 kg a year.

In the last 10 years, pigmeat consumption has grown over 28% in Estonia, making up an average of 32 kg per person in 2006. Beef is gaining more and more popularity among consumers. An average of 23 kg of beef was consumed per person in 2006, which compared to 1996 is

approximately 10 kg more. Over the same period, poultrymeat consumption declined from 19 to 10 kg per capita. The major factors behind these differing trends appear to be rising family incomes and changing the consumer preferences.

Chart 4.1 Consumption of different meat products in Estonia (1996-2006)



Source: Estonian Statistical Office, electronic database, own calculations

5 Recent trends and outlook for trade

€26.8 million of meat and meat products were exported, in 2005 including €26 million to EU member states, (€2.1 million EU-15 Member States and €23.8 million the New Member States). Only €0.8 million was exported to third countries, which is half the level of 2003. The main third country destinations were Ukraine €0.3 million (40%) and Russia with €0.2 million (30%). Sausages accounted for nearly 71% of total meat exports

At the end of 2004, Estonia had 16 meat industry enterprises that were licensed to sell in all EU member states. Despite the opening of the EU market, the major trading partners continue to be Latvia and Lithuania, with €14.2 million (55%) and €9.3 million (36%) respectively. Exports of meat and meat products to EU Member States made up 9.6% of all agricultural product exports; by contrast such exports to third countries made up only 1% of agricultural product exports.

Estonia imported meat products from other Member States totalling €5.6 million in 2004. The main types of imported meat were pigmeat €20.5 million, poultrymeat €12.8 million and beef €1.9 million.

The primary trading partners among the old EU member states were Finland (€8.6 million), Denmark (€8.0 million) and Sweden (€4.4million) and in the NMS Lithuania (€2.7 million), Hungary (€2.3 million) and Poland (€1.6 million). Since 2002, meat industry enterprises have invested a total of nearly €36 million into tangible fixed assets. Of this, almost 60% was invested

into buildings and facilities and 40% into machinery and equipment. Large investments have been required of meat industry enterprises by the transition to the new SEUROP meat classification system, the goal of which is quality improvement. The major part of investments was done at the end of 2002 and in 2003. The reason is the fact that 2003 was the final deadline for enterprises to bring themselves into conformance with the requirements established in the Food Act.

6 Expert views on the successes and challenges facing the sector

Animal health and welfare

According to the assessment of the *Office International des Epizooties* (OIE), Estonia has maintained the status of a country free from the diseases of list A, i.e. especially dangerous infectious animal diseases. In the framework of the national programme for control of infectious animal diseases, our animal herds were studied for more than 40 diseases in 2004, on the basis of which we may confirm that the epidemiological situation of Estonian animal populations is good.

In March 2004 a full-scale surveillance of TSE (Transmissible Spongiform Encephalopathy, of which BSE, or mad cow disease, is one form) was initiated in Estonia involving the examination of more than 27000 bovine animals. All test results were negative.

2004 was the last year in which the disposal of animal waste by burial was permitted. Since then handling of animal waste has been allowed only in the waste treatment facilities designed for that purpose. Inspection officials and authorised veterinarians verify compliance with animal welfare requirements both through regular and random checks.

The meat industry

In 2004 there were 16 meat enterprises with larger factories (over the 30 employee) and 123 with smaller ones. Prior to EU accession, rapid consolidation of the meat industry had taken place.

Share of the meat industry in the food industry

	2000	2001	2002	2003	2004	2005	2006*
Share in the food industry (%)	16	16	17	18	18.5	18.5	19
Share in export of foodstuffs (%)	8.0	8.5	9.2	9.6	9.4	9.7	10.2
Number of enterprises	261	219	143	135	139	140	141
Meat output (000 tonnes)	53.3	57.3	68.3	67.5	66.4	67.0	67.0

Source: Estonian Statistical Office

The three largest enterprises account for three-quarters of the Estonian meat and meat product market. The market share of the eight largest enterprises is 92% and the remaining meat enterprises have only an 8% market share.

Examination of the strategies of meat companies shows that in domestic markets, most producers are oriented toward offering a high quality and product development with a few (mainly smaller) businesses targeting niche markets.

Producers received complementary national direct payments (CNDP) for cattle breeding totalling €4.9 million. There were 6,397 applicants, appealing for aid for the breeding of 135,425 bovine animals. Aid was given to 6,254 farmers for 132,829 bovines. Direct aid support levels for 2004 per animal were as follows: heifers from 24 months and cows €33.5; heifers from 8 to 24 months €34.6; bulls from 8 months €49.5 and calves from 1 to 8 month €9.9.

767 farmers with 19,757 ewes applied for ewe breeding CNDP. Aid was granted to 729 applicants with 18,945 animals. The established aid intensity was €14 per ewe.

In the years 2001 to 2006, the food industry received investment support from two sources, under SAPARD (2001-2003) and National Development Plan (NDP) (2004-2006).

The SAPARD measure 2 for the food industry is in 2004-2006 replaced by the NDP measure 3.2. The main difference between the two measures is in the sectors and activities subsidised. Whilst the SAPARD measure 2 only aided the meat and dairy industries, the NDP measure 3.2 allows undertakings processing grain, fruits and vegetables and berries also to apply for grants. While the main objective of the SAPARD measure 2 was to help the food industry undertakings to achieve EU processing standards, the priority for NDP is rather to support product development and environmentally friendly processing. Indeed, 2004 already saw a growth in the proportion of environmental investments, including investments in waste treatment. From 2001 to 2004, Estonian agricultural product processors have received the total of €20.4 million under the SAPARD and NDP programmes. This amount includes €12.0 million worth of approved applications and paid subsidies, with which the Estonian meat and dairy undertakings have implemented €24.5million worth of investments (including €12.5 million of own financing).

48.7% of the approved subsidy amount was made up by investments into equipment and 46.4% of investments into buildings. The proportion of investments into waste treatment facilities and equipment and environmental investments amounted to 4.1% and 0.8% respectively.

Due to the low environmental sustainability of the agricultural produce processing industry, introduction of clean technology, particularly targeted at the conformity with environmental requirements (waste management among others), require more attention. The objective is to attain the increase in the share of environmental investments in total investments of the sector. Till present time the investments support was mainly directed to reach the veterinary and food safety directives.

To develop agricultural production, it is important to use local raw material and to market it with higher added-value. Therefore, processors attention has to be given to active product development, in order to increase value added and to improve product quality. As placing products on the market is a problem in several niche sectors (e.g. organic agriculture), attention should be given to quality, product development and marketing there.

Conclusion

In 2005, 67104 tonnes of meat was produced, which is 17% more than in 2001. Beef production decreased by 6%, pigmeat production increased by 18% and poultrymeat production by 50%. Sheep and goat meat production retained the same level. Pigmeat makes up the biggest part (59%) of meat production. The share of both beef and poultrymeat is some 20%.

Pigmeat

After milk production pig farming is the second most , important branch of livestock farming in Estonia. In 2005, 17% of agricultural holdings kept pigs, each having 75 pigs on an average. Compared with 2001, the number of pig keeping holdings has decreased by 60%, but the number of pigs has increased by 8%. The average number of pigs per holding increased considerably – by 47 pigs or by 63%. In 2005, there were 355000 pigs in Estonia, since 2000, the number of pigs has been relatively stable.

Pig sector enterprises face existing and emerging competitive market pressures and need to improve their efficiency at both production and processing levels and identify options for added value and product differentiation.

Beef and veal

Beside dairy farming, beef animal farming is also developing in Estonia. In December 2000 only some 500 cows were kept for beef production, but by the end of 2004, the number of beef cows had risen to 2700. The total number of beef and hybrid animals amounted to 11800 by the end of 2004, at which time beef animals made up about 5% of the total number of bovines.

In order to ensure a viable industry and the maximum price and return to farmers, the short to medium term goal for the beef industry is to ensure that the high market penetration in the EU is consolidated and developed and that access to commercially attractive third country markets is maintained. This will require a strong focus on quality.

Poultry

In 2005, poultry were kept in 12511 households but although the mathematical average flock was 170 birds, but 89% of the total flock were on holdings with 1000 or more birds. Compared with 2001, the number of households keeping poultry has decreased by 47% and the number of birds by 4%. Broiler chicken for fattening make up 46% of the total number of poultry and compared with 2001, the number of broiler chickens has increased by 40%.

Sheep

The nationalsheep flock has increased in recent years, but by 2005, the number of households engaged in sheep farming had decreased by 34% compared with 2001. The average number of sheep per holding was 21 in 2005, up from 9 in 2001. Sheep farming is concentrating into bigger holdings, but there are still many small flocks, having problems with the marketing of their products.

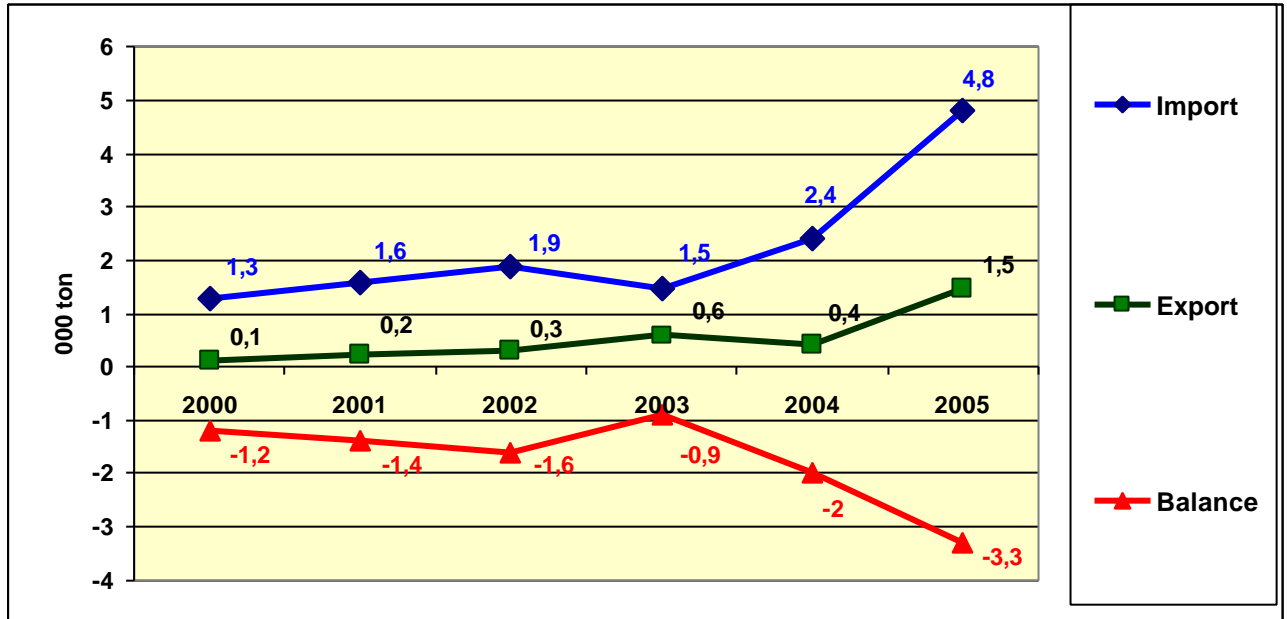
Annex 1: Country profile for beef and veal

Table A 1.1 Beef production, consumption and self sufficiency rate in Estonia (2000-2006)

	2001	2002	2003	2004	2005	2006	2007
Beef production (000 ton)	15.4	14.2	16.5	13.2	15.2	13.5	14.3
Beef consumption (000 ton)	16,6	15,6	18,1	14	17,2	16,7	15,2
Self sufficiency (%)	93	91	91	94	88	80	97
Beef production (kg per capita)	11.2	10.4	12.1	9.8	11.3	10.0	10.6
Beef consumption (kg per capita)	12,1	11,4	13,3	10,4	12,8	12,4	11,3

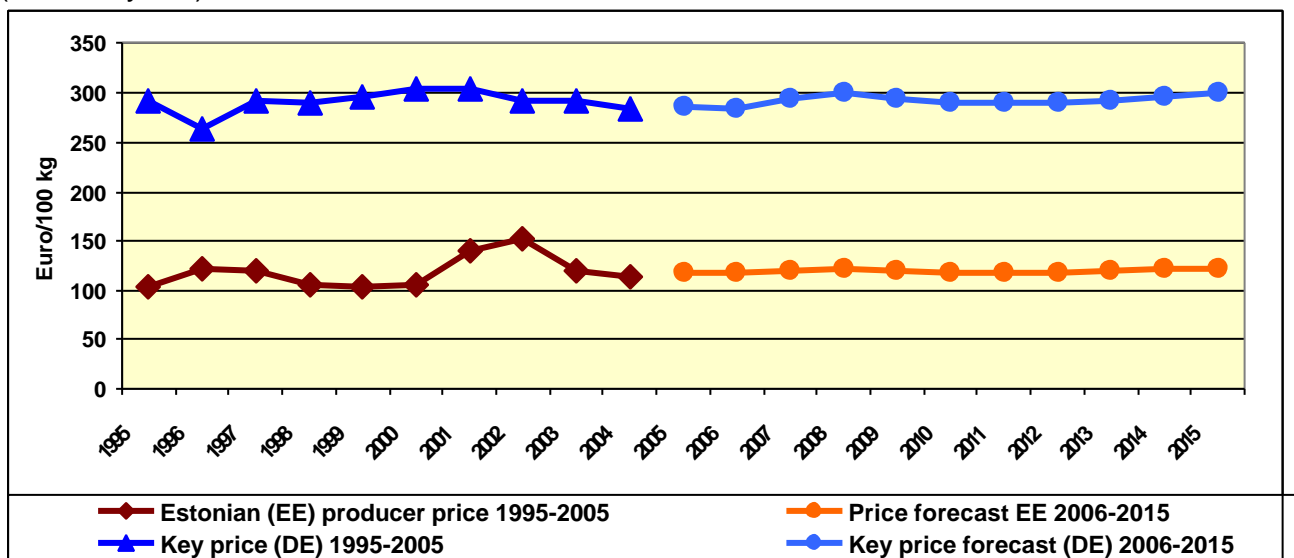
Source: Estonian Statistical Office, electronic database; EUROSTAT, Comext database

Chart A 1.1 Beef meat export and import



Source: EUROSTAT, Comext database

Chart A 1.2 Estonian (EE) beef meat producer prices compared with key prices (Germany DE)



Source: Study Sub Contract (0765-11) Impact analysis of the Common Agricultural Policy reform on main agricultural commodities. LEI Wageningen 2006

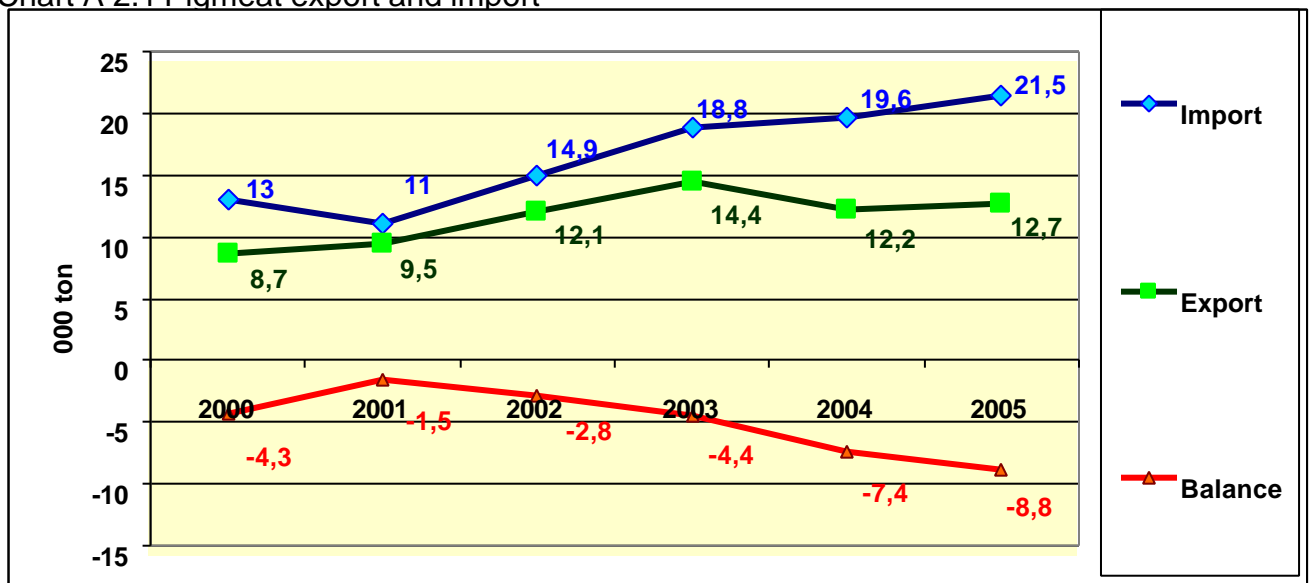
Annex 2: Country profile for pigmeat

Table A 2.1 Pigmeat production, consumption and self sufficiency rate in Estonia (2000-2006)

	2000	2001	2002	2003	2004	2005	2006*
Pigmeat production (000 ton)	34,2	35,7	39,9	39,6	39	39,6	39,5
Pigmeat consumption (000 ton)	38,5	37,2	42,7	44	46,4	48,4	49
Self sufficiency (%)	89	96	93	90	84	82	81
Pigmeat production (kg per capita)	24,9	26,1	29,3	29,4	29	29,3	29,3
Pigmeat consumption (kg per capita)	28	27,2	31,3	32,7	34,5	35,9	36,3

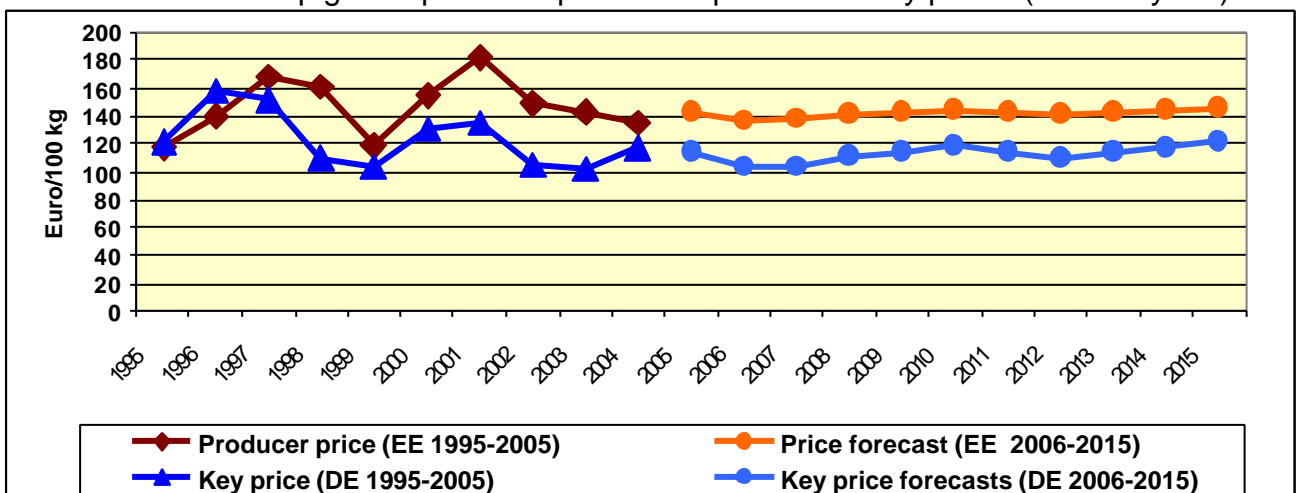
Source: Estonian Statistical Office, electronic database

Chart A 2.1 Pigmeat export and import



Source: EUROSTAT, Comext database

Chart A 2.2 Estonian pigmeat producer prices compared with key prices (Germany DE)



Source: Study Sub Contract (0765-11) Impact analysis of the Common Agricultural Policy reform on main agricultural commodities. LEI Wageningen 2006

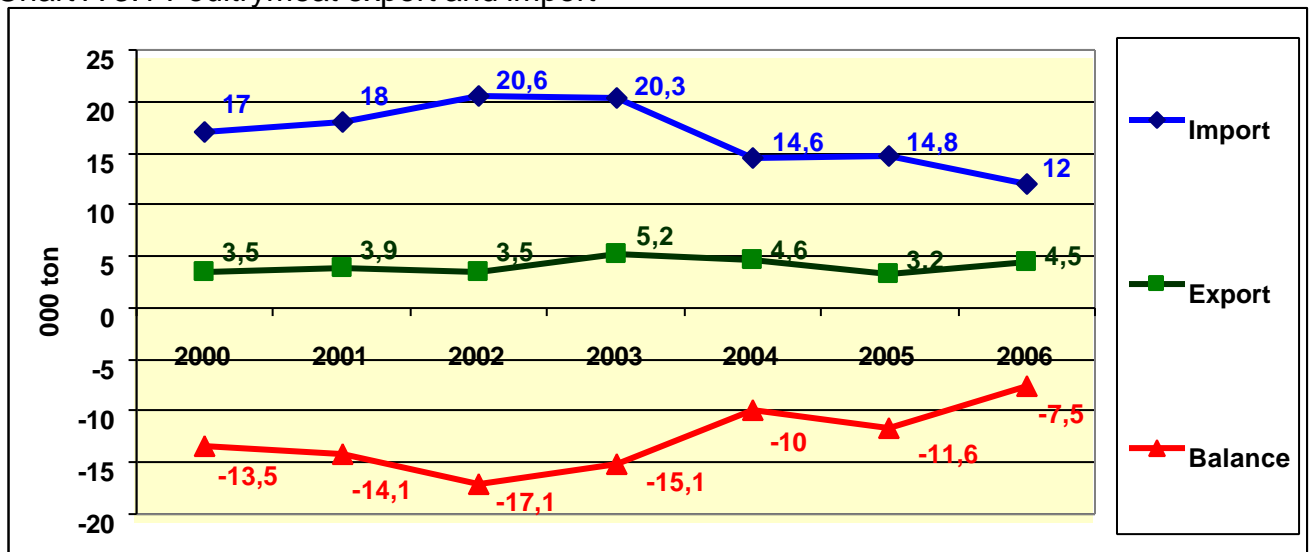
Annex 3: Country profile for poultrymeat

Table A 3.1 Poultrymeat production, consumption and self sufficiency rate in Estonia (2000-06)

	2000	2001	2002	2003	2004	2005	2006
Poultry production (000 ton)	9,8	10,7	11,4	14,4	15	13,7	15,8
Poultry consumption (000 ton)	23,3	24,8	28,5	29,5	25	25,3	23,3
Self sufficiency (%)	42,1	43,1	40	48,8	60	54,2	67,8
Poultry production (kg per capita)	7,1	7,8	8,4	10,7	11,2	10,1	11,7
Poultry consumption (kg per capita)	16,9	18,2	20,9	21,9	18,6	18,7	17,3

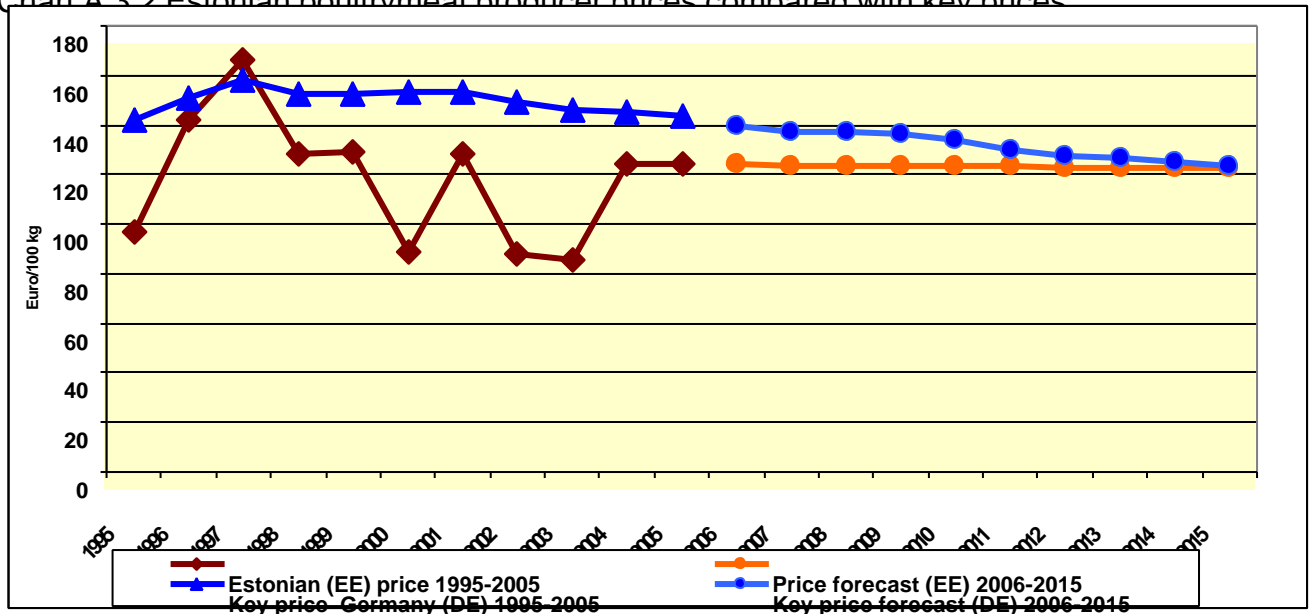
Source: Estonian Statistical Office, electronic database, Comext database

Chart A 3.1 Poultrymeat export and import



Source: EUROSTAT, Comext database

Chart A 3.2 Estonian poultrymeat producer prices compared with key prices



Source: Study Sub Contract (0765-11) Impact analysis of the Common Agricultural Policy reform on main agricultural commodities. LEI Wageningen 2006

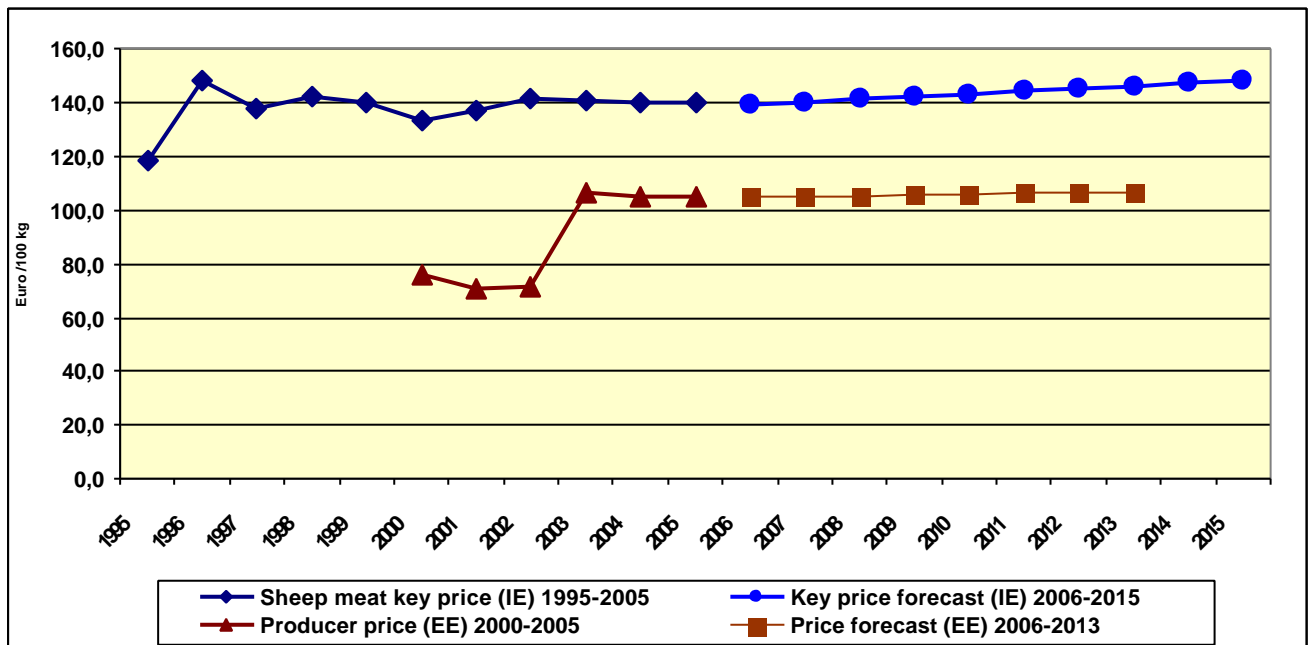
Annex 4: Country profile for sheep meat and goat meat

Table A 4.1 Sheep meat production, consumption and self sufficiency rate in Estonia (2000-2006)

	2000	2001	2002	2003	2004	2005	2006
Sheep meat production (000 ton)	0.2	0.2	0.3	0.4	0.3	0.4	0.4
Sheep meat consumption (000 ton)	0.2	0.2	0.3	0.4	0.3	0.3	0.3
Self sufficiency (%)	100	100	100	100	100	133	133
Sheep meat production (kg per capita)	0.2	0.2	0.2	0.3	0.2	0.2	0.3
Sheep meat consumption (kg per capita)	0.2	0.2	0.2	0.3	0.2	0.2	0.2

Source: Estonian Statistical Office, electronic database

Chart A 3.2 Estonian sheep meat producer prices compared with key prices (Ireland IE)



Sources: 1. Study Sub Contract (0765-11) Impact analysis of the Common Agricultural Policy reform on main agricultural commodities. LEI Wageningen 2006,

2. Estonian Ministry of Agriculture (forecast 2006-2013,

3. Estonian Statistical Office, Actual producer prices 2000-2005

Annex 5 The Estonian Veterinary and Food Board

The Estonian Veterinary and Food Board (VFB) in the jurisdiction of the Ministry of Agriculture organises and conducts the implementation and state supervision of requirements deriving from the legislation regulating veterinary, food safety, market organisation, animal welfare and farm animal breeding.

The broader objective of the Veterinary and Food Board is to ensure safe, healthy and high quality production of raw material for food and food to the consumers; to prevent and eradicate infectious animal diseases; to protect people from diseases common to humans and animals and from diseases that are spread by animals; to protect animals from human activity or inactivity endangering their health and welfare; to ensure the performance of farm animals and the increase of their genetic value, the preservation of the gene pool and the profitability of animal husbandry. Deriving from that, the tasks of the Veterinary and Food Board are the following:

- Prevention and organisation of the control of infectious animal diseases
- Health protection from diseases common to humans and animals;
- Protection of animals from activities endangering their welfare and requiring the fulfilment of conditions applying to keeping and treating animals;
- Executing control over the safety of raw material for food and food at production, processing, transportation and wholesale;
- Conducting surveillance over the activities of enterprises involved in production, preliminary processing, processing, transportation and wholesale of raw material for food and food at the implementation of requirements deriving from legislation that regulates handling of raw material for food and food;
- Conducting surveillance over organic processing of raw material for food and food;
- Organisation of laboratory analysis in order to diagnose infectious animal diseases and assess the properties of food, feeding stuffs of animal origin, hay, straw, medicated feeding stuffs and drinking water;
- Protection of the environment from harmful factors resulting from keeping animals or infectious animal diseases;
- Executing control over the use of medicinal products and medicated feeding stuffs by veterinarians and animal keepers manufacturing animal products;
- Executing control of animals, raw material for food and food, including livestock and agricultural products that carry markings referring to organic farming, upon their import to the Republic of Estonia;
- Approval of persons involved in breeding of farm animals;
- Organising and conducting surveillance over the implementation of requirements deriving from legislation that regulates breeding of farm animals;
- Organisation of preserving the genetic resources of farm animals;
- Conducting surveillance, within acquired competence, over the fulfilment of requirements in the field of agricultural market organisation.

15 County veterinary centres in the jurisdiction of the Veterinary and Food Board carry out these tasks. 270 officials and 171 licensed veterinarians ensure surveillance in approximately 11 600 stock farms, 1376 food businesses and 5 border checkpoints.

Summary of the activities of the Veterinary and Food Board in 2005:

Inspections carried out:

- animal health and protection 10 043
- food control 4 933
- breeding of farm animals 577
- market organisation 84

Laboratory examinations carried out:

- laboratory examinations on animal health 248 693
- assessment of conformity to requirements applicable to raw material for food and food 6696

Veterinary and food control at the border:

- total no of controlled batches of goods 52 635
- total no of controlled batches of goods from 01.01.2004 to 30.04.2004 50 839
- total no of controlled batches of goods from 01.05.2004 to 31.12.2004 1796

Approved enterprises and persons:

- enterprises approved on the basis of the Infectious Animal Disease Control Act 12
- enterprises approved on the basis of the Animal Protection Act 2
- enterprises approved on the basis of the Food Act 1376
- enterprises approved on the basis of the Veterinary Supervision over

Trade in, Import and Export of Animals and Animal Products Act 6

- enterprises approved on the basis of the Organic Farming Act 2
- persons involved in breeding of farm animals 3

In Estonia 640 veterinarians have a valid activity licence, issued by the Veterinary and Food Board, to provide veterinary services. In 2004 163 misdemeanours were processed, fines were issued in the value of EEK 522 073.

Food standards

The most important event in the area of food control was Estonian accession to the EU on 1 May 2004 that brought along several additional responsibilities deriving from EU legislation with direct effect. For instance, implementing EU coordinated surveillance programmes, controlling certain raw material for food and food before entering the common market as stipulated by special decisions, etc. The main part of the work of the Food Department of the Board constituted, however, of procedures related to the approval of enterprises and of participation in drawing up legislation that regulates the area.

As stated in the rules for control of salmonellosis in farm animals, a national monitoring programme was initiated in 2003 in slaughterhouses and cutting plants, also for monitoring eggs as well as egg and milk based products. The programme continued in 2004. In addition, monitoring of *Campylobacter* in fresh poultrymeat was started in 2004. Different missions of the DG SANCO Food and Veterinary Office were held in Estonia more often than usual in order to control the administrative capacity of the Veterinary and Food Board in the field of food safety and to check, on the basis of enterprises, the process on bringing different sectors into compliance with requirements. The recommendations in the mission reports were a good ground for making improvements and amendments into the work organisation of both the central and the local offices of the Veterinary and Food Board.

In 2004 inspectors from the Russian Federal Veterinary Service carried out two checks in Estonian companies that produce meat, milk and fishery products and that were interested in exporting their products to Russia. On the basis of the inspections it was decided whether or not to prolong the right of export of the food businesses after 1 September 2004. The first inspection was carried out in July. 36 enterprises were inspected and 16 of them received the export licence. The second inspection was held in October and November after which 24 enterprises got the export licence out of 51 enterprises inspected. The enforcement of the hygiene package H1-H3 (Regulations of the European Parliament and of the Council No 852/2004/EC, 853/2004/EC, 854/2004/EC, 882/2004/EC) as of 1 January 2006 would bring along changes for surveillance authorities, i.e. partial modifications to the current principles and organisation of surveillance as well as infrastructure already from 2005. In 2005 the Veterinary and Food Board will acquire a new responsibility, organisation of the control of zoo noses, deriving from the tasks set by the Regulation No 2160/2003/EC of the European Parliament and of the Council and by the Directive No 2003/99/EC of the European Parliament and of the Council as well as by the amendments to the Infectious Animal Disease

Control Act determining the Veterinary and Food Board as the competent authority for organising the monitoring of zoo noses. On 28 February and Veterinary and Food Board and the Environmental Inspectorate signed a cooperation agreement aiming to improve the efficiency of cooperation and of the exchange of information in performing national surveillance tasks in the field of fishing and fish processing.