BALTIC–FINNISH JOINT DECLARATION ON AGRICULTURE, FOOD SECURITY AND COMPETITIVENESS

Estonia · Latvia · Lithuania · Finland

Brussels, 21 April 2026

We, the leaders and representatives of agricultural organisations from **Estonia, Latvia, Lithuania and Finland**, meeting at the European Parliament in Brussels on 21 April 2026, adopt this joint declaration addressed to our governments, the European Commission and the European Parliament ahead of the negotiations on the Multiannual Financial Framework (MFF) and the future Common Agricultural Policy (CAP) post-2027.

We represent farmers, food producers and rural communities in four EU Member States that share a direct border with the aggressor state, Russia. We stand on the eastern front line of European freedom, stability and food sovereignty. We speak from a position of experience, not fear.

Agriculture and food production are not ordinary economic sectors, but essential components of strategic security. For the Baltic States and Finland, the ability to produce food domestically, maintain viable rural communities and sustain investment across the food chain is directly linked to national resilience and collective European security. This strategic dimension must be formally recognised in the architecture of the next CAP and MFF.

The negotiating positions being formed today on the CAP and MFF will have direct and measurable consequences for food production capacity, rural viability and investment conditions in our countries. This declaration sets out the structural evidence, the specific challenges and the concrete policy demands that reflect our shared situation.

1. Food security in Baltics and Finland is a pillar of European security

Sharing a direct border with the aggressor state is the defining structural reality of agriculture and rural entrepreneurship in our region. Since February 2022, our regions face consistent pattern of consequences: land values in border-adjacent areas have come under downward pressure, triggering demands from banks for additional collateral that many farm businesses, already strained by years of difficult economic conditions, simply do not have. The cost of capital has risen, insurance costs have increased and investment decisions are being delayed or reconsidered. Among farmers, especially young farmers, the willingness to take on long-term debt and capital-intensive investment has fallen markedly.

Despite all of this, our farmers remain. They continue to produce, adapt, consolidate and professionalise their operations under competitive pressure that no other EU farming community faces. We ask the EU to recognize, reward and support this resilience.

Our rural communities are present where others are not. They produce food, maintain the landscape and are often the first to observe and report unusual activity in areas that matter for European security. Food security in our four countries carries a significance that goes beyond supply chains and trade balances. When you share a border with a state that has demonstrated a willingness to weaponise energy, infrastructure and food access, the ability to produce your own food in secure but also in turbulent times is a component of national and total defence. For the Baltic States and Finland, **food self-sufficiency is a security imperative, not merely an economic objective.**

Keeping farms viable, keeping rural areas populated, and keeping food production capacity intact in these regions is a direct contribution to European strategic autonomy and it must be recognised and supported as such in the next CAP and MFF.

2. Decades of unequal support must not now be deepened by capping and degressivity

For more than two decades following EU accession, farmers in Estonia, Latvia and Lithuania have received significantly lower income support per hectare than farmers in older Member States. This support deficit has accumulated year after year. It was not justified by lower costs. Input costs, interest rates and labour costs in our countries have converged towards Western European levels, while support levels have not. Decades of lower support have created a structural investment gap that must now be closed.

Our farmers responded to this competitive disadvantage the only rational way available to them: they scaled up, specialised, automated and optimised their production systems. The Baltic agricultural sector today is structurally larger and more capital-intensive than it would have been under fairer support conditions. **This adaptation must not now be used as a justification to cut support further through capping or degressivity instruments that penalise farm size without regard for structural necessity.**

3. Our demands for the CAP and MFF post-2027

3.1 Fair distribution of agricultural income support across Member States

The restructuring of EU agricultural income support into a degressive area-based system with a mandatory floor of 130 EUR/ha does not guarantee a fair distribution of support across Member States nor does it deliver more stable farm income. The nearly 1:2 ratio between the lowest and highest permitted levels risks institutionalising the competitive disadvantage that Estonia, Latvia and Lithuania have faced for two decades.

This is compounded by a fiscal reality unique to our region: Estonia, Latvia, Lithuania and Finland are allocating a rising share of national budgets to defence, leaving significantly less room for national co-financing of agricultural investment. Member States that carry a disproportionate security burden on behalf of the Union cannot simultaneously be left at the lower end of the EU agricultural support distribution without a corrective mechanism. We call for an allocation methodology that delivers genuinely fair outcomes, not merely a formally common framework within which structural inequalities persist.

3.2 Establishment of an Eastern Border Rural Resilience Envelope to support food security

We call for the establishment of a dedicated financial envelope within the next MFF, ring-fenced for agriculture, food production and rural sustainability, targeting specifically the Baltic States and Finland as the EU Member States that share a direct border with Russia and have fully decoupled their energy systems from Russian infrastructure. This is a qualitatively different level of exposure from that faced by other eastern border Member States. Estonia, Latvia, Lithuania and Finland bear the direct and unmediated geopolitical and economic consequences of proximity to the aggressor state, without the buffer of intervening third countries or continued energy dependencies.

This envelope must be structured as non-repayable grant support with mandatory earmarking at EU level that cannot be diluted or reallocated by Member States during implementation. It should:

- be provided as direct grant support, not loans or blended finance instruments;

- compensate for higher investment costs, elevated risk premiums and constrained access to private capital in border-adjacent areas;
- be earmarked exclusively for investments in farm infrastructure, food processing capacity, food self-sufficiency, the reduction of critical dependencies and improvements in rural sustainability;
- include mandatory earmarking at EU level to ensure that Member State governments cannot redirect these resources away from agriculture and food production.

We call on the European Commission to develop this support concept with a clearly defined budgetary envelope, mandatory earmarking for agriculture, food production and rural sustainability, and a legal framework that guarantees its agricultural purpose cannot be diluted in implementation.

3.3 A Strong, independent and adequately financed CAP

We call for the CAP to remain a common EU policy with its own dedicated regulation and independent budget line. Splitting CAP rules across multiple regulatory frameworks would createe unnecessary complexity, legal uncertainty and administrative burden for farmers and national administrations alike.

The CAP budget must be maintained at least at its current real-terms level and adjusted for inflation. The allocation of NRPP resources must be ring-fenced for rural or agricultural purposes.

3.4 Flexibility on capping and degressivity

We recognise capping and degressivity as legitimate instruments within the CAP toolkit, including in the context of a potential future EU enlargement. However, the application of these instruments must account for the structural diversity of agricultural sectors across Member States. The reasons differ in each of our countries, but the conclusion is the same: uniform rules risk producing unfair outcomes if applied without adequate flexibility.

The Baltic States developed larger, more capital-intensive farm structures as a rational response to decades of lower support levels and the competitive pressure to achieve economies of scale. Finland's agricultural sector operates under fundamentally different structural conditions: greater distances from markets, a short and climatically constrained growing season, and higher costs on environmental and animal welfare standards. Applying mandatory capping or degressivity uniformly across all Member States, without regard for these structural realities, risks undermining the viability of farms that have adapted to conditions shaped by EU policy itself.

Member States must therefore retain sufficient flexibility to decide on the necessity and degree of capping and degressivity, taking into account their specific production structures, labour costs, climatic conditions, market distances and the compliance costs associated with environmental and animal welfare obligations.

A common policy must be able to accommodate genuinely different realities. Such flexibility would safeguard competitiveness, employment and sustainable rural development, while ensuring fairness and cohesion across the European Union.

3.5 Social conditionality must be removed from CAP conditionality

The inclusion of social conditionality lacks justification within an agricultural policy framework as labour law obligations in our Member States are already comprehensively regulated at national level and constitute a sufficient basis for employer compliance in the agricultural sector. Retaining social conditionality in the CAP creates disproportionate administrative burden, generates no policy added value, and risks imposing double penalties on farmers in cases of non-compliance. We call on the European Commission and the European Parliament to remove social conditionality from the CAP conditionality framework in the post-2027.

3.6 EU-level instruments must be proportionate and genuinely accessible to smaller Member States

EU-level agricultural and food industry support instruments are formally open to all Member States, but in practice they are often designed around the administrative capacities and scale of larger Member States. The Baltic States and Finland, each with relatively small agricultural sectors and limited administrative resources, are systematically disadvantaged in accessing EU-level schemes.

We call for all EU-level instruments in the next MFF to include explicit proportionality requirements that ensure genuine accessibility for smaller Member States and for smaller agricultural and food sector organisations, including co-financing rules that do not create disproportionate burdens for countries with constrained national budgets.

3.7 A dedicated budget line for agriculture and food production within all relevant EU funds

Agriculture, food processing and the broader bioeconomy value chain are directly linked to food security and strategic autonomy. Yet under both the current and proposed funding architecture, food processing investments are required to compete for resources with unrelated sectors that do not carry a comparable food security function.

Our organisations call for dedicated, ring-fenced budget lines for food production and processing within all relevant EU funds.

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4. Our commitment and our message to the EU institutions

The agricultural sectors of Estonia, Latvia, Lithuania and Finland have demonstrated resilience and adaptability under conditions that no other EU farming community faces. Production has continued, structures have modernised, and rural areas have remained inhabited and economically active despite the geopolitical pressures of operating on the border with the aggressor state.

The demands set out in this declaration are grounded in structural evidence and reflect the specific realities of our region. They are not requests for special treatment but calls for fair treatment, for policy that accurately reflects the costs, risks and strategic value of food production in our region.

We call on the European Commission and the European Parliament to:

- formally recognise agriculture and food production as a component of European strategic security in the legal objectives of the CAP and MFF post-2027;
- ensure legally safeguarded, fair and earmarked support for agriculture, food production and rural sustainability in Member States bordering the aggressor state;
- present a dedicated Eastern Border Food Security and Rural Resilience Support concept with a clearly defined budgetary envelope and mandatory earmarking for agriculture, food production and rural sustainability;
- maintain a strong, independent CAP with a dedicated budget that is not subordinated to other EU funding frameworks;
- ensure the allocation methodology for income support delivers genuinely fair and income-stabilising outcomes across Member States, rather than merely a formally common framework within which structural inequalities persist;
- remove social conditionality from CAP conditionality, recognising that labour law obligations in our Member States provide a sufficient and appropriate regulatory framework for the agricultural sector;
- ensure that Member States retain sufficient flexibility on capping and degressivity rules that reflect their specific acticultural structural realities and socio-economic conditions;
- ensure that the strategic security dimension of agriculture in Member States bordering the aggressor state is formally recognised in the CAP objectives and MFF architecture.

We call on our national governments to:

- commit to full national co-financing of the agri-prosperity gap mechanism and direct these resources to agricultural and food sector investments;
- defend the principle that equal obligations require equal support and act on it in the MFF negotiations;
- ensure that national CAP Strategic Plans for 2028–2034 are competitiveness-oriented, ambitious and aligned with the food security and competitiveness objectives set out in this declaration.

The farms and rural communities of Estonia, Latvia, Lithuania and Finland border the aggressor state directly. Their continued viability is inseparable from Europe's broader strategic resilience. The next CAP and MFF need to account for that reality.

Signed in Brussels, 21 April 2026

ESTONIA

Estonian Chamber of Agriculture and Commerce

Estonian Farmers Federation

LATVIA

Latvian Farmers Parliament

Latvian Agricultural Cooperatives

LITHUANIA

Lithuanian Farmers Union

Lithuanian Agricultural Council

Lithuanian Association of Agricultural Companies

FINLAND

Central Union of Agricultural Producers and Forest Owners (MTK)