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REPUBLIC OF ESTONIA  
MINISTRY OF EDUCATION  
AND RESEARCH



## OSKA study of agriculture and food industry

### *Key findings*

**According to the OSKA forecast, employment in the main occupations of the agriculture and food industry will decrease by 11% by 2031, except in some occupations such as agricultural and fishery advisers, veterinarians, technicians and mechatronic engineers. Due to turnover and an aging workforce, the main challenge for the sector in the coming years is attracting and retaining a qualified workforce.**

- Turnover is particularly high among unskilled and skilled workers. Turnover is caused by low salaries and poor working conditions, as well as the seasonal nature of the jobs. The sector attracts new workers mainly from the same occupations where people are most likely to go when leaving the agricultural and food industry (e.g., trade and other related industries).
- The agricultural and food industry differs significantly from the Estonian average in terms of its regional location, as a large number of businesses are located outside North Estonia.
- The sector's employment and labour demand is significantly affected by an ageing workforce, but labour shortages have been mitigated through the use of foreign labour. The highest share of foreign labour in agriculture is among unskilled workers and livestock and poultry breeders. In the food industry, the highest share is also among unskilled workers, as well as food industry operators, processors and product manufacturers.
- Every year, the agricultural industry needs more than 200 new workers that have completed education in the field. Considering replacement demand and changes in employment, the main occupations of the food industry need approximately 180 new workers that have completed education in the field every year. The annual perceptible labour shortage is approximately 2500 in the food industry, while in agriculture it is around 3200.
- The key factors affecting the sector's future are technological advances, innovation, environmental changes and the green transition.

**In 2021, the main occupations of agriculture employed a total 8000 people, or more than 13,000 people when also counting unskilled workers. The main occupations of the food industry employed a total of 10,000 people, or also nearly 13,000 people when counting unskilled workers.**

- In the context of perceptible labour shortages, vocational and higher education institutions should offer more flexible education: more further training courses, apprenticeships, on-the-job learning or micro-qualifications in the necessary competencies.
- The sector needs to continue implementing innovative solutions and automating and digitalising its work processes. This is particularly important in situations where, according to experts, the potential

of technology and automation is not yet sufficiently utilised compared to other financial and industrial sectors.

- In order to stay in competition with other sectors, employers need to take more responsibility for attracting and retaining workers. This applies to working conditions, salary levels and the image of the sector, as well as cooperation with vocational and higher education institutions.
- The increasingly crucial food security and self-sufficiency depend on the agricultural and food industry.

**Expertise and skills in increasing demand in the sector:**

- economic and financial expertise
- sales, marketing and export skills
- knowledge on circular economy, environment and the green transition
- legal expertise
- communication skills
- digital skills and the capacity to use the technological solutions required for the job and work with (big) data

Competences in the green transition field are not yet sufficiently high in Estonian businesses. Therefore, the development and improvement of the relevant expertise and skills needs to be addressed on a continuous basis.