

MALTA AND THE CAP



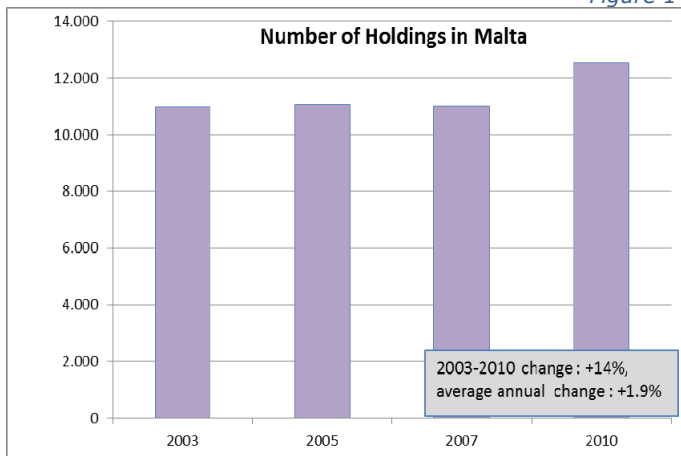
Ten years ago, on 1 May 2004, the EU enlarged from 15 to 25 Member States (and with two subsequent enlargements to 28). The balance of these ten years of EU membership is clearly positive for agriculture and the rural economy in the Malta.

1. Structural Adjustment

More farms

The number of farms in Malta has risen by 14% since 2003.

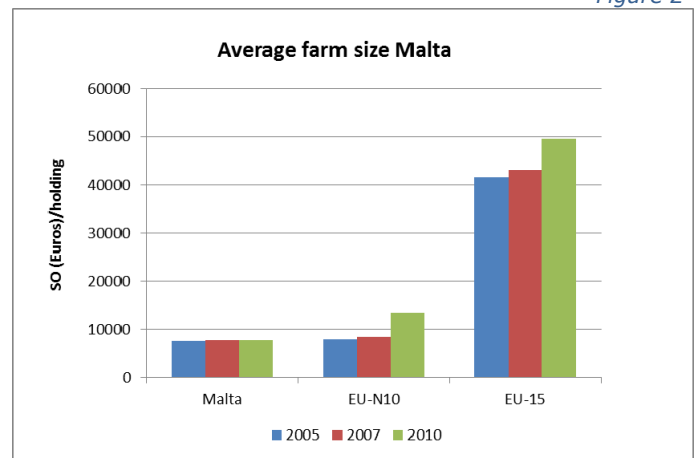
Figure 1



Small farms

Farms in Malta are smaller in economic size¹ than the average in the EU. There has been little change in the value of production/holding compared with growth in the EU-15 of 3.5% and EU-N10 of 11%.

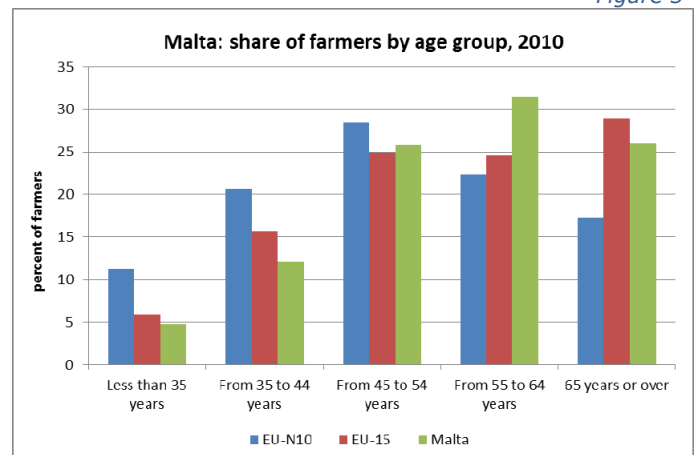
Figure 2



Age structure

In general, farm managers in the Malta tend to be older than in the EU-15, with 57% of farmers over the age of 55 years.

Figure 3

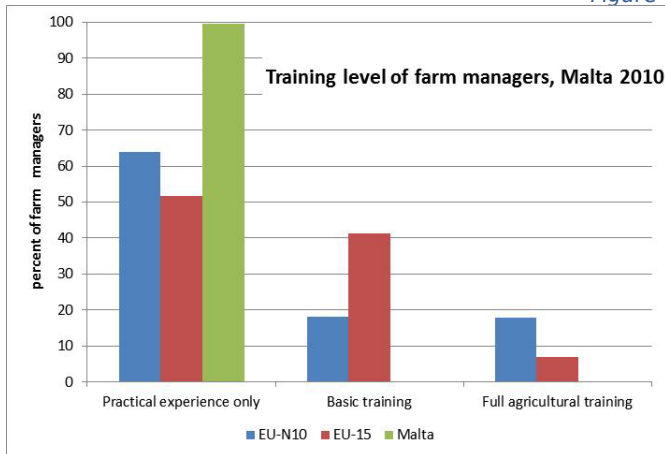


¹ Economic size is measured by the value of Standard Output (SO).

Training of farm managers

Nearly all farmers in Malta rely only on practical experience and have no formal agricultural training compared to EU-N10 (18%) or in the EU-15 (7%).

Figure 4

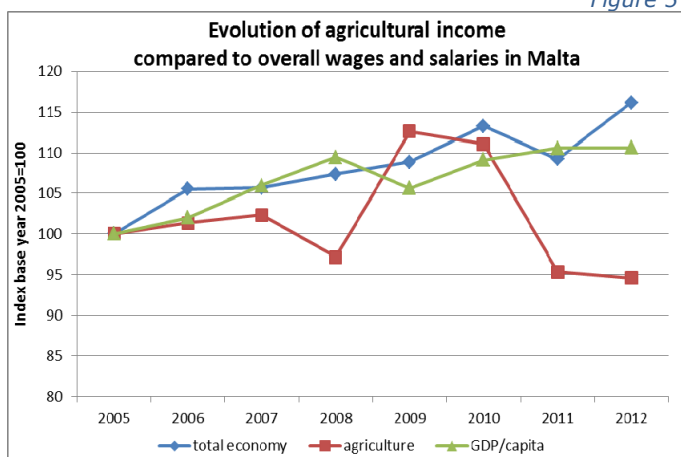


2. Income

Agricultural income

From 2005 to 2012 Maltese agricultural income² declined by more than 5% (0.8% on average per farm), compared to the rise in overall wages and salaries in the economy of 16% (2.2% per year) over the period and an increase in GDP per capita of 10.6% (1.5% per annum).

Figure 5

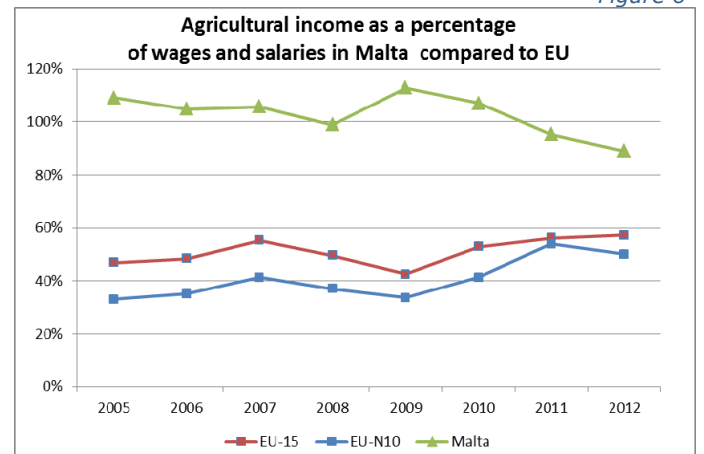


² Agricultural income is measured by entrepreneurial income per full-time non-salaried "Agricultural Work Unit", using an index with base year 2004=100.

Agricultural income above average wages in the whole economy until recent years

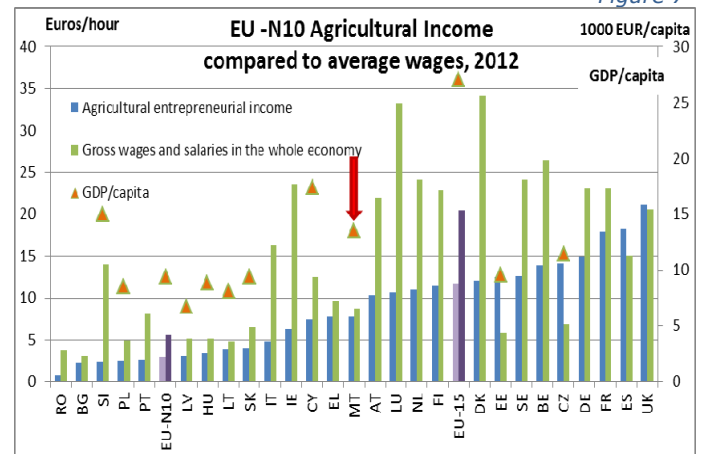
The level of agricultural incomes in Malta was above average wages in the economy until 2011. By 2012 agricultural earnings were still around 90% of average wages. This is in contrast to the EU-N10 and the EU-15 where agricultural income is around half of average wages.

Figure 6



Compared to the EU-15, in 2012 agricultural income in Malta (hourly earnings of €7.8) was around two-thirds of the level in the EU-15 (€11.70), while the average hourly wage rate for the whole economy was 43% of the EU-15 level (€8.7 compared to €20.40). This should be seen in the context of Malta's relative GDP/capita, which is half of that of the EU-15.

Figure 7

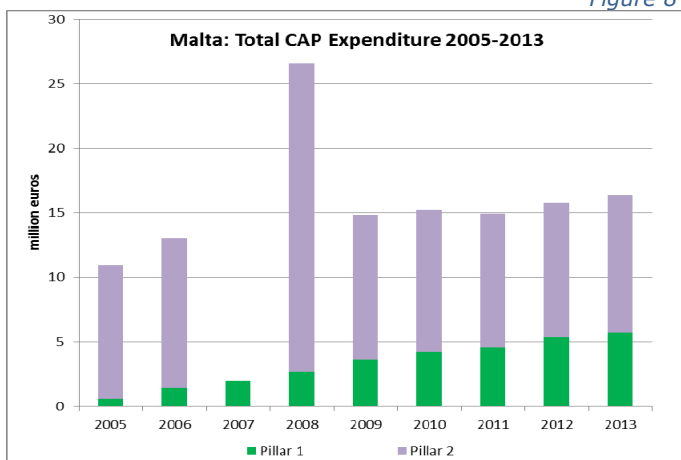


3. CAP Expenditure

Investing in rural communities and supporting farm incomes

Over the period 2005-2013, total CAP spending in the Malta was 130 million euros. Maltese farmers received 30 million euro in direct aids and market measures to support farm income (Pillar 1) and over 100 million euro was spent modernising agriculture, making it more sustainable and developing rural areas (Rural development or Pillar II).

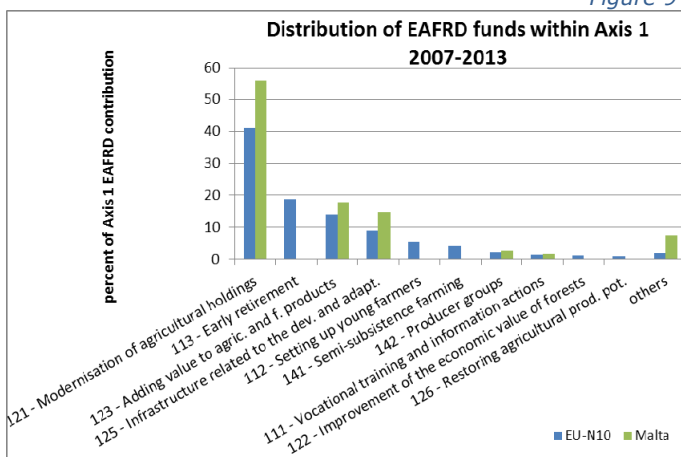
Figure 8



Investing in competitiveness

The largest share of funds under Axis 1 went to investment aid for modernisation of agricultural holdings in Malta, followed by schemes which add value to production.

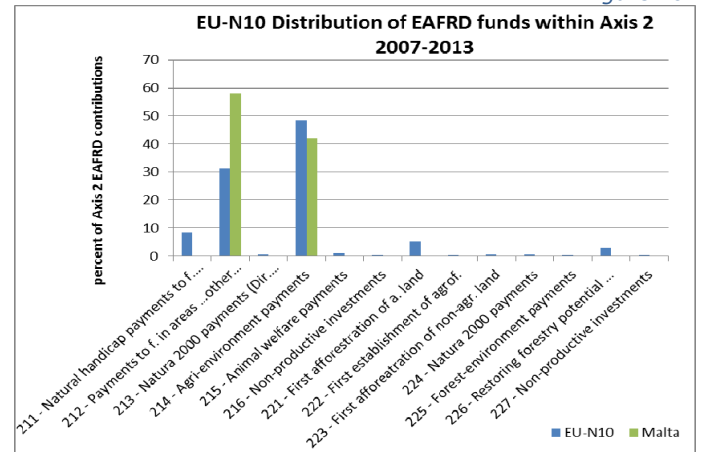
Figure 9



A more sustainable agriculture sector

Within Axis 2 more than half (58%) of Rural Development money was spent on areas with natural handicaps and over 42% on agri-environment measures.

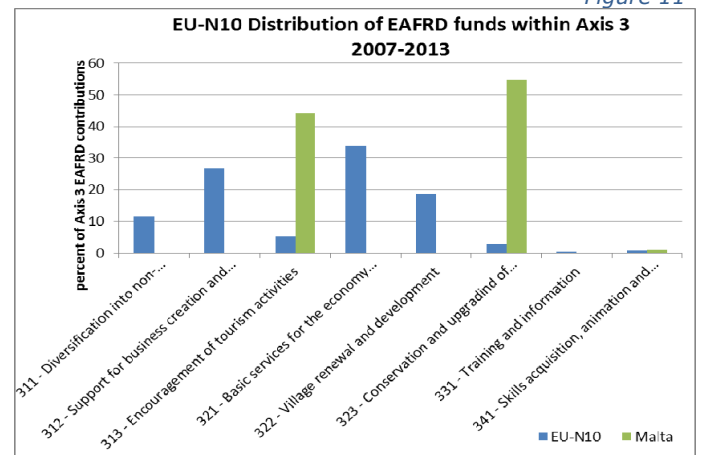
Figure 10



Quality of life and diversification of rural areas

Malta's focus within Axis 3 is on conservation and upgrading of its rural heritage, which accounts for 55% of spending, followed by encouragement of tourism (44% of expenditure).

Figure 11

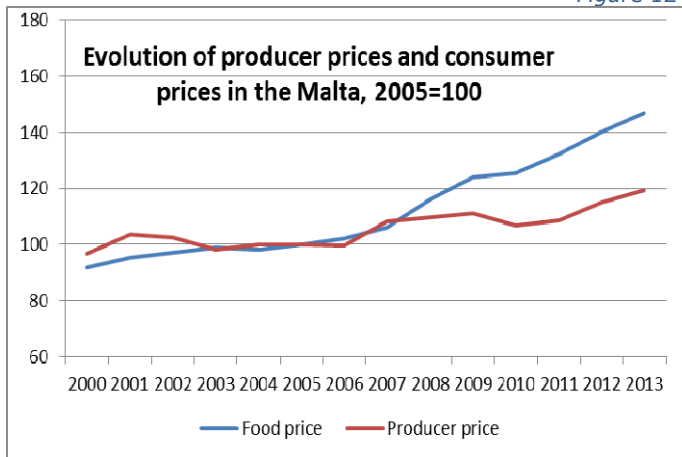


4. Prices and share of food in household expenditure

Food prices rise faster than producer prices

Agricultural commodity prices increased by 19% in nominal terms in Malta, from 2004 to 2013, while consumer food prices grew by 49%.

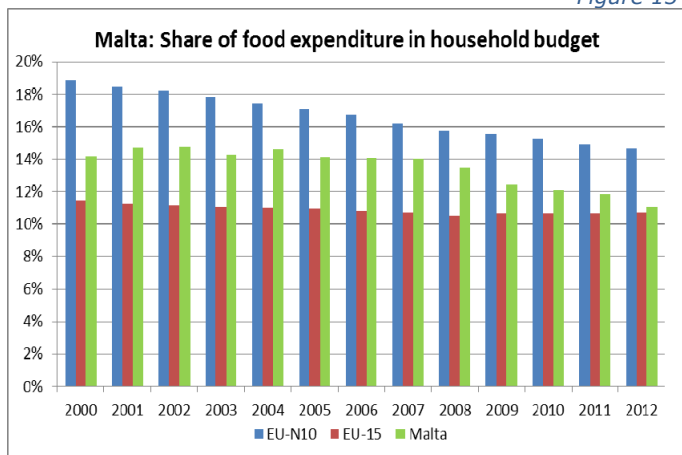
Figure 12



Food accounts for a declining share of household expenditure

Food accounts for a declining share of household expenditure in the Malta, though it has not yet reached the level of the EU-15.

Figure 13

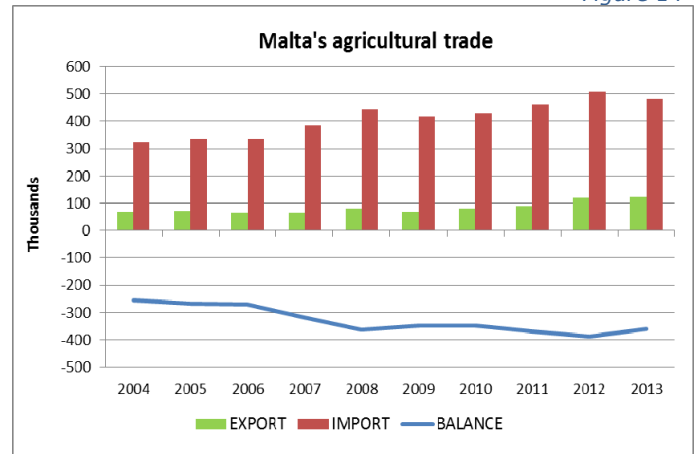


5. Trade

Exports growing faster than imports

Maltese agricultural exports have almost doubled in value over the past ten years, compared to 130% growth for imports.

Figure 14



See the individual EU-N10 enlargement fiches and more on *Briefs*:

http://ec.europa.eu/agriculture/policy-perspectives/policy-briefs/index_en.htm

Policy Perspectives homepage:

http://ec.europa.eu/agriculture/policy-perspectives/index_en.htm



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