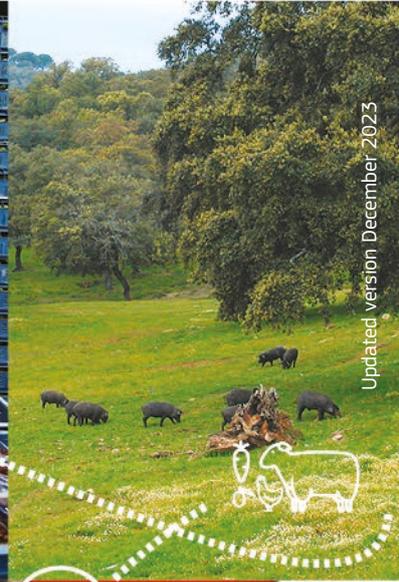




European Commission



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At a glance:

MALTA'S CAP STRATEGIC PLAN



CAP Strategic Plans support the transition towards a smart, sustainable, competitive, resilient and diversified agricultural sector, ensuring long-term food security. They also contribute to climate action, the protection of natural resources and the preservation/enhancement of biodiversity, as well as strengthen the socio-economic fabric of rural areas.

The CAP Plans support a wide range of interventions, addressing the specific needs of Member States and their territories. Designed in line with a new result- and performance-oriented approach, they aim to deliver tangible results in relation to EU-level CAP specific objectives, while contributing to the European Green Deal.

For the first time, each CAP Plan defines a strategy covering all the main CAP funded instruments: direct payments, support for rural development and interventions specific to certain market sectors.

The needs of rural areas will also be addressed by other EU instruments such as the Recovery and Resilience Facility (RRF) or the European Structural and Investment Funds (ESIF).

The impacts of both the Russian aggression against Ukraine and the extreme weather conditions caused by climate change, highlight the integral link between food security and the need of transition to sustainable and resilient food systems. In this context, the CAP Strategic Plans offer opportunities: e.g. to reduce dependence on synthetic fertilisers and scale up production of renewable energy without undermining food production; and to transform the sectors' capacity in line with more sustainable production methods.

Malta submitted its first proposal for a CAP Strategic Plan on 28 December 2021, after consultation with stakeholders. On 10 November 2022, Malta submitted a revised proposal, addressing the Commission's observations on the first draft. The Commission approved this proposal on 30 November 2022. Malta requested the first amendment of their Plan, which was approved by the Commission on 11 December 2023. This document presents some of the main features of the CAP Strategic Plan of Malta.

1. DID YOU KNOW?



Malta's agriculture is characterised by small and micro-farm holdings with fragmented parcels. This makes it difficult to achieve economies of scale and be competitive on the international market. Malta's unique characteristics, limited agricultural land and lack of natural resources make the country dependent on imports from other countries, notably for raw materials, which further increases production costs. Many farms are managed on a part-time basis by family members whose main source of income is not agriculture.

- ➔ **More than 300 000 people live in rural areas in Malta.** Malta's population has expanded significantly over the past few years, exceeding 516 000 inhabitants in 2021. It has the highest population density in the EU which, combined with other challenges, poses a threat to Malta's food security.
- ➔ There are more than **10 400 farms in Malta**, 90% of which are **less than two hectares in size.**
- ➔ The total agricultural area of Malta is **10 700 hectares.** The whole territory of Malta is subject to area-specific constraints.



2. GOALS AND STRATEGY OF THE CAP STRATEGIC PLAN OF MALTA

The Maltese CAP Plan targets the needs of the agricultural sector with the specific aim of providing adequate resources to meet future demands. These include environmental and climate objectives, fair income for farmers and workers, improving rural conditions and infrastructure, new technologies and digitalisation, as well as farm resilience.

2.1 AN ECONOMICALLY SUSTAINABLE AND FAIRER CAP

Malta's high population density and growth, together with various national specificities, place pressure on the farming sector in terms of ensuring food capacity and necessary resources. Furthermore, agricultural income has seen a steady and significant decline, for example in 2018 it was only around 50% of the national average. For this reason, Malta will allocate around **EUR 16.4 million to stabilise farmers' income** to increase their resilience, ensure continued management of agricultural landscapes and the survival of key farming sectors. Focus will also be put on reducing the income gap between agriculture and other sectors of the economy.

Malta will also **support investments in the processing and marketing of agricultural products**, increasing their added value and improving their quality. The Plan also supports investments in infrastructure which are beneficial to the agricultural sector. Such investments include the upgrade and modernisation of roads in rural areas and improved farm waste management. Additionally, to mitigate the difficult times **beekeepers** are facing, due also to beehive invasions, the Plan foresees various remedial actions. For example, it will train beekeepers on how to deal with beehive invaders/pests. It will also support investments to fight beehive invaders, diseases and support breeder boxes on farms.

- ➔ *Around EUR 15 million will benefit farms in sectors undergoing difficulties, such as beef, dairy, sheep and tomatoes, to ensure that they remain sustainable and to maintain a level of food security.*
- ➔ *More than 200 farms will receive support for different investments, such as precision livestock farming, construction of greenhouses, or diversification into new and potential niche sectors and into non-agricultural economic activities.*

2.2 A GREENER CAP

Malta faces major challenges in relation to environment and climate. The agricultural sector needs to cope with high summer temperatures, low annual rainfall, extreme weather events and water scarcity. In order to tackle these issues, Malta strengthened its green commitments and offers multiple environmental incentives.



The conversion to **organic farming** is one of the main commitments, as Malta has the lowest share in the EU and it has to contribute to the Green Deal targets. Malta is aiming to increase the share of organic farming from the current 66 hectares to 272 hectares by 2027. Conversion to organic farming is a huge challenge for Malta as the fields are very small and fragmented. Nevertheless, due to its positive effects, such as contributing to supporting healthier soils and climate change mitigation, it will be a priority.

Moreover, the Plan will also introduce eco-schemes, under which farmers are supported for voluntary practices going beyond the minimum legal requirements in terms of climate and the environment. Malta has six eco-schemes, for which over EUR 10 million are allocated to **encourage farmers to adopt a more sustainable approach** to pest controls (by encouraging alternative pest control measures), to enhance and restore biodiversity or to recover soil health and quality.



- *Water supply is very scarce. Therefore, the Plan foresees over EUR 30 million to support investments in, among others, water storage, recycling, water collection and treatment.*
- *Through the Plan, Malta is investing more than EUR 1 million to protect and conserve some indigenous species, such as the Maltese black chicken, the Maltese ox and some indigenous trees, such as the carob tree and the mulberry tree.*



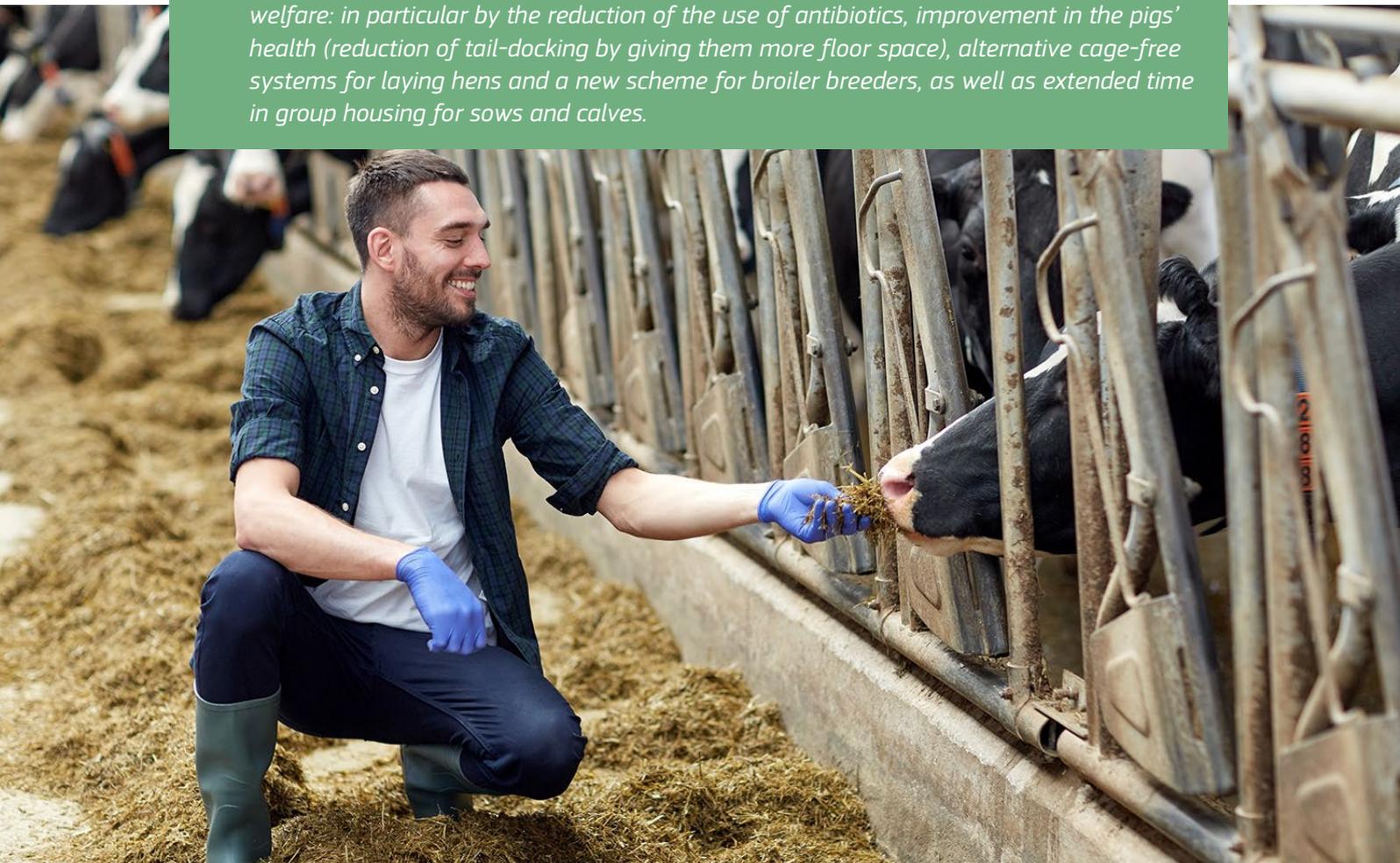
2.3 SOCIALLY SUSTAINABLE CAP

Malta has an ageing farm population with young farmers facing numerous barriers to start their agricultural activity, such as difficulties in accessing land, obtaining financial assistance and accessing markets. Therefore, Malta is **dedicating support to help young farmers** set-up to create a successful business in the agricultural sector, either from the beginning or by taking over an existing holding. 260 young farmers will benefit from relevant support and more than 250 new jobs will be created through projects financed by the Plan. Malta also provides funds to alleviate income irregularity of young farmers and provide support that can contribute towards the continued economic performance of the holding through an additional payment per hectare on top of the basic income support.

Under the **LEADER** initiative, which brings together public, private and civil society stakeholders to find shared solutions for local challenges, the Plan supports the implementation of local development strategies. Those strategies will aim at improving the quality of life and the attractiveness of the local area, creating and safeguarding jobs in rural areas and increasing their local added value and competitiveness.

Malta is also committed to improving **animal welfare** by introducing an intervention that will reduce the density of broiler hens during the growing period on the farm. The Plan will also help farmers through a number of incentives to apply more stringent animal welfare standards than the mandatory levels. Malta will support investments that can help detect diseases in livestock resulting in better targeted treatment and a reduction in the reliance on antimicrobials.

- *All successful business plans will be awarded a lump sum of EUR 100 000 per young farmer. Around 60 young farmers will benefit from this intervention, for which Malta is allocating over EUR 7 million of total funds, out of which over EUR 4 million are from the EU rural development budget.*
- *More than 12% of livestock units will be covered by actions in the Plan improving animal welfare: in particular by the reduction of the use of antibiotics, improvement in the pigs' health (reduction of tail-docking by giving them more floor space), alternative cage-free systems for laying hens and a new scheme for broiler breeders, as well as extended time in group housing for sows and calves.*



3. KNOWLEDGE SHARING, INNOVATION AND DIGITALISATION

The Agricultural Knowledge and Information System (AKIS) aims to create a thriving network through which knowledge can be disseminated between the different actors. At the same time it enhances the links between researchers and practitioners. The need for **training and advice** among Malta's farm and rural population is significant, since many farms are managed on a part-time basis and management practices passed on informally from one generation to another.

Significant cross-cutting issues are targeted for the agricultural sector to be able to renew itself and further develop the production of high-quality, sustainably produced food. Capacity-building measures are implemented to improve knowledge of food quality, safety and traceability. The Plan will aim to ensure a more coordinated approach to **knowledge transfer, innovation and digitalisation** in Malta among key actors.

- *More than 4 100 people will benefit from farm vocational education and skills training, advice and demonstration activities as well as information actions to enhance sustainable economic, social, environmental, climate and resource efficiency performance.*
- *More than 60 farms will participate in groups to exchange knowledge and improve the negotiation power of farmers in the supply chain through enhanced organisation.*





4. FINANCIAL ANNEX

	EU budget (€)	National funding (€)	Total (€)
Direct payments	42 954 562	n/a	42 954 562
Sectoral support	70 685	70 685	141 370
Rural development	79 288 028	41 114 846	120 402 874
Total	122 313 275	41 185 531	163 498 806

National funding does not include additional national financing referred to in Article 146 of Regulation (EU) 2021/2115. Direct Payments include allocations for cotton set out in Annex VIII of Regulation (EU) 2021/2115 and reflect possible transfers between pillars. Payments for support under Regulation (EU) No 1308/2013 are not included in the CSP. National funding for sectoral support only relates to apiculture. Rural Development reflects possible transfers between pillars and includes technical assistance.

EU FUNDING RESERVED FOR	In EUR	%
Environmental and climate objectives under rural development	37 932 279	48%¹
Eco-schemes under direct payments	10 822 323	25%²
LEADER	4 196 124	5%¹
Complementary redistributive income support	0	n/a²
Young farmers (generational renewal)	4 983 840	n/a³

The minimum financial allocations for support for young farmers can be reserved either under Direct Payments and/or Rural Development. Eco-schemes under Direct Payments may be lower than 25% if the possibility to use the rebate mechanism from Rural Development is used, in line with Article 97 of Regulation (EU) 2021/2115. The Complementary redistributive income support under Direct Payments may be lower than 10%, in line with Article 29 of Regulation (EU) 2021/2115.

¹ as compared to the rural development allocations set out in Annex XI of Regulation (EU) 2021/2115

² as compared to the direct payments allocations set out in Annex IX of Regulation (EU) 2021/2115

³ not applicable as the minimum contribution to young farmers is set as absolute amounts in Annex XII of Regulation (EU) 2021/2115

More financial information can be found in section 6 and in Annex V of Malta's CAP Strategic Plan.

