

NATIONAL RURAL NETWORK MALTA



PARLIAMENTARY SECRETARY
FOR EUROPEAN FUNDS AND SOCIAL DIALOGUE

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Introduction and Overview

OF THE INFORMAL MEETING OF THE DIRECTORS FOR RURAL DEVELOPMENT 22ND - 24TH OF MARCH 2017

The Informal Meeting of the Directors for Rural Development was held in Malta between the 22nd and the 24th of March 2017, as part of the Maltese Presidency of the Council of the European Union for the period of January - June 2017. The Informal Meeting was held on Thursday 23rd March at the Corinthia Hotel, St. George's Bay, St. Julian's. Site visits to an agricultural production/greenhouse site, an olive grove and a visit to an RDP 2007-2013 project were organised on the following day i.e. Friday 24th March.

Representatives from Member States, the European Commission, ECORYS, CEJA as well as other local key actors from Malta participated in the meeting, giving both an EU- and country-specific perspective throughout the meeting.

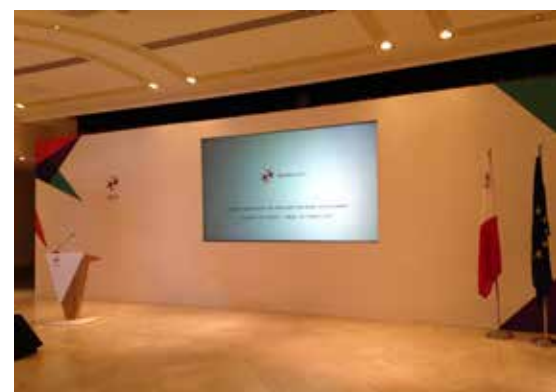
The theme for this Informal Meeting was "*The Role of Pillar II in Supporting the Future of Young Farmers*". The future of the Common Agricultural Policy (CAP)

hinges on young farmers, and despite the various challenges faced by young farmers in different Member States, Pillar II of the CAP has been increasingly at the forefront to assist young farmers. The purpose of this Informal Meeting served as a platform to discuss how Pillar II has assisted young farmers in recent years and how Pillar II can better address the needs of young farmers in the future.

Throughout the first plenary session, the topics presented and discussed intended to outline the relevance and importance of Pillar II for young farmers and the development of the agricultural sector, especially post-2020. The objective of the second plenary session was to draw similarities in the difficulties faced by young farmers in the various Member States. Notwithstanding this, the aim of the plenary sessions was to highlight the degree of similarity of the challenges faced by young farmers. These challenges

can be mitigated through Pillar II, ultimately highlighting the importance on the need for continued investment under Pillar II.

Some of the topics that were raised during the discussion included: how the new CAP (post-2020) can better support young farmers; how to smoothen the process of generational renewal through Pillar II; and exploring market niches for Young Farmers.



Rural Development Programme for Malta 2014-2020

Part financed by the European Union
Co-financing Rate:
75% European Union; 25% Government of Malta



**The European Agricultural Fund for Rural Development:
Europe investing in rural areas**

PLENARY SESSION I
PRESENTATION 1 – MALTA'S
CASE: AN OVERVIEW OF
AGRICULTURE IN MALTA

Presentation by the Malta Department of Agriculture (DoA) Delivered by Mr Frankie Caruana, Assistant Director, Agriculture (Rural Development Department)

- Mr Caruana stressed that Malta must strive to support this fundamental sector;
- Utilisable agricultural area amounts to 11,689ha, whilst the number of holdings stands at 12,466, with the majority of holdings (fragmented over a network of small parcels) being smaller than one hectare;
- The challenges associated with Maltese Agriculture include:
 - Small Size - the lack of economies of scale (making Malta dependent on export potential, albeit the difficulties faced due to the Islands' insularity), the reliance on the importation of raw material;

- Land Fragmentation – high cost of agricultural land, inaccessibility of parcels, and livestock farms with no farmland;
- Limited Resources – limited agricultural area, significant challenges in access to available land, ageing farming population and the difficulty faced by new entrants to join the sector;
- As a way forward, the national agricultural policy, with a special focus on quality scheme needs to be updated; investment needs to be made in market research; emphasis needs to be made on knowledge transfer and sharing; and more effort needs to be made to promote land consolidation.
- Currently, only 6% of young farmers are classified as land managers, with more than half of the land managers being 55 years or older;
- One of the difficulties faced by young farmers is that land is limited in area, apart from issues concerning legislation, inheritance and taxes, amongst others;
- Public expenditure allocated to Focus Area 2B amounts to €6.9 billion for the 2014-2020 Programming Period;
- Omnibus Simplifications:
 - Start-up support under Rural Development – simplification of conditions mostly concerning the flexibility for Member States to define the setting up date for projects, the duration of the scheme is aligned with the duration of the business plan and the condition that the young farmer is to become the main decision maker when transferring land and/or business. The

PRESENTATION 2 – SUPPORTING
YOUNG FARMERS THROUGH THE
CAP

Presentation by the European Commission Delivered by Mr Mihail Dumitru, Deputy Director General, DG AGRI





regulation mentions that this type of support can also be implemented by the means of financial instruments;

- Young Farmer Payment – the scheme's outreach has been increased to cover more land;
- Reflections on the future:
 - Modernisation and simplification of the CAP – a public consultation will be held from April until the end of May, with 14,000 contributions already received;
 - Cork II Declaration has already setup an action plan to transform ideas into actions;
 - Focus on land market, access to new types of knowledge, and innovation.

PLENARY SESSION II

PRESENTATION 3 - KNOWLEDGE NEEDS OF YOUNG FARMERS IN EU-28

*Presentation by ECORYS
Delivered by Ms Marie-Jose Zondag, Senior Consultant, ECORYS*

- The main needs of young farmers in the EU-28 include the availability of land to buy, the availability of land to rent, subsidies and access to credits;
- The majority of young farmers obtain knowledge from other farmers or farmers' associations;

- There is a huge difference between those young farmers who think positively of exchange schemes and those who actually participated in one:
 - The most important hindrances for young farmers to join an exchange scheme include lack of time; no replacement on the farm; lack of funds; and lack of awareness about the availability of such exchange schemes.
- Recommendations;
 - Improve communication and publicity to make young farmers aware of exchange schemes;
 - Offer a farm replacement service to improve participation rates;
 - Offer language courses to improve participation rates;
 - There are enough exchange schemes however, young farmers are not aware of them.

PRESENTATION 4 - HOW CAN THE RURAL DEVELOPMENT PROGRAMME SUPPORT GENERATIONAL RENEWAL?

*Presentation by the Conseil Européen des Jeunes Agriculteurs (CEJA)
Delivered by Mr Alan Jagoe, President, CEJA*

- "Who will be the young farmers of the future?" was the first question posed by Mr Jagoe, a

dairy farmer from Ireland. Out of 22 million farmers, 6% are under the age of 35, 38% between the age of 35 and 54, and 55% above the age of 55;

- For the RDP to support generational renewal, every policy needs to be 'young farmer approved' in order to include a young farmer element in it. Also, clear exit paths and cooperation between the generations is greatly needed;
- There is still scope for RDP investments to continue to support young farmers post-2020;
- Highlighted first-hand examples of successful young farmer and generational renewal oriented schemes in place in Ireland;
- Education is key. However, it is not only farming skills that are required but rather



the use of technology, the internet, knowledge on financial structures, banking knowledge, environmental knowledge, etc.;

- Farm assistance is needed in order to possibly create a viable replacement scheme allowing for days off from the farm for the farmer.

WORKSHOPS HELD IN THE AFTERNOON

WORKSHOP 1

Education and Knowledge Transfer

Facilitated by MCAST

- Different farmers have different learning abilities;
- Importance of farmer-to-farmer exchanges or advisor-to-farmer encounters rather than class-based method;
- Training through small focus groups, on-site training;
- Farmer training needs to focus more on hands on and practical experience;
- Prefer to learn agronomic skills rather than business and accounting skills;
- Real-life case studies – learning from other's experience;
- E-learning is being explored as a possible teaching tool.

WORKSHOP 2

Exchange Schemes for Young Farmers through EAFRD

Facilitated by ECORYS

- Various exchange schemes already in place, there is a wealth of experience already available, no need to re-invent the wheel;
- More efficient and cost effective to use existing channels;
- The National Rural Network can also reach targets by facilitating and promoting exchanges;
- Exchange schemes are not only interesting for visiting farmers but also for hosts;
- Simplification post-2020, by not having too detailed rules and allow more room for manoeuvre;
- Complementarity of funding needs to be kept in mind – Interreg Europe and Erasmus + also offer similar opportunities, so complementarity is indeed important.

WORKSHOP 3

Supporting the Needs of Young Farmers

Facilitated by CEJA

- Supporting generational renewal through six key points: finance; support; well-being; knowledge and education; and investments;

- Support does not necessarily need to be financial but also, for example, advice;
- Supporting the aspiration of youths in rural areas (Cork 2.0 Declaration): infrastructure, innovation and investments;
- EAFRD cannot be the only budgetary support for young farmers and rural areas – the importance of rural proofing.

WORKSHOP 4

Young Farmers and Innovation

Facilitated by MaYA

- Innovation means different things for different farmers and different Member States – no restrictive definitions, needs to be flexible, subsidiarity;
- Young farmers tend to be more innovative and open to change;
- Innovation can make rural areas more attractive;
- Cooperation: sharing of innovative solutions – from the lab to the field;
- Innovation can lead to employment;
- Small actions may have widespread effects;
- Start by securing a traditional farm, then innovate;
- Innovation must continue post-2020.





NEXT INFORMAL MEETING

As Estonia is the next Member State to chair the Presidency of the Council of the European Union from July – December 2017, the next Informal Meeting of the Directors for Rural Development will take place in Tartu, Estonia between the 26th and 28th of July, 2017. The topic/focus that is to be discussed will be e-agriculture.



SITE VISITS/ATTRACTIONS

SALINA SALT PAN

Salina Salt Pan was drafted and built on a reclaimed island of clay, by the engineers of the Knights of St. John. The date found engraved on the Salina is 1764, during the reign of Grand Master Manoel Pinto de Fonseca (1741-1773).

Il Cabreo Del Magistero manuscript, which was compiled on the instructions of Grand Master Jean Paul de Lascaris (1636-1657), has a very detailed plan of the Salina. Thus, 1764 could have been the execution date or the date of a major alteration. The Salina has seen various modifications over the centuries, one of which includes the extension of nine large pans.

The Salina suffered neglect for decades and extensive damage during a heavy storm where one of its retaining walls gave way, leaving it submerged under water and silt for many years. With funding

assistance from the European Agricultural Fund for Rural Development (EAFRD), a project for its restoration and regeneration commenced. This architectural jewel is once again ready to offer a wonderful experience to visitors and tons of salt for the 14,000 known uses of salt worldwide.

The delegates visited the site on Friday 24th March. Presentations were also delivered on site by:

- the Ministry for Transport and Infrastructure on the RDP 2007-2013 contribution to the Salina Salt Pan regeneration project and salt production;
- BirdLife Malta on the way forward and future plans for the Salina Salt Pan, and;
- Mr Karl Scerri, a Maltese young farmer, about his experiences as a Maltese young farmer and on receiving support under the Rural Development Programme 2007-2013.

- **Żabbar/Notre Dame Gate**

Notre Dame Gate is one of seven gates built into the 9km-long, fortified Cottonera Lines. Initiated by Grand Master Fra Nicola Cottoner in 1670, it was meant to protect in-depth the Three Cities of Vittoriosa, Senglea and Cospicua against a renewed Ottoman attack. Notre Dame Gate remained in constant military use for almost 300 years, garrisoned by Hospitaller, French Republican and British troops. Following the nearby building of the Cottonera Military Hospital in 1870, the gate gradually started serving as an adjunct to the new military medical establishment, especially during the First World War.

During the Second World War, although receiving a direct



hit which perforated one of the barracks' roofs, the gate suffered little damage, as opposed to the extensive material loss suffered at all of the Three Cities.

Today, Notre Dame Gate serves as the headquarters of the Malta Heritage Trust – *Fondazzjoni Wirt*

Artna. Notre Dame Gate was the venue chosen to host the Formal Dinner of this Informal Meeting. The delegates also listened to an interesting short, informative talk on the history of the gate by Mr Mario Farrugia – Chairman Fondazzjoni Wirt Artna.



MEASURE 6.1

Business Start-up Aid for Young Farmers



In the EU only about 6% of all people in charge of farms are under 35 years old, whereas more than half are aged over-55. Malta is no exception to this, with 70% of full time farmers over the age of 40. Young farmers frequently need support to enter into agricultural activity however, several barriers exist which deter young farmers from entering the agricultural sector. Such difficulties include accessing of land through the high costs of either purchasing or renting, fragmentation of land and difficulties in obtaining loans for business investment through regular commercial channels.

Young farmers also face resistance from older farmers who are not open to new ideas, innovation in production and marketing, or investment in new processes. Despite significant numbers

of young people attending agricultural courses in Malta, few eventually enter farming, with the barriers highlighted above and perceived limited financial returns and long hours required by the sector being possible contributors.

This measure is thus a key element for encouraging young farmers' involvement in a more attractive, innovative and efficient sector in the future. Support under this sub measure is provided for facilitating the setting up (as head of holding) of the young farmer in agricultural activities. Young farmers are the future of the agricultural sector. They provide new ideas and methods which differ from those of other members of the agricultural society.

This sub-measure 6.1 has an allocation of €4.3m in Public funding

(EU and MT) which will allow around 60 young farmers to receive support under this measure. Beneficiaries will receive a sum of €70,000 which will be utilised according to the business plan submitted at application stage upon which they will be evaluated. This will bring the budget of measures announced under RDP 14-20 to a value of around €69 million. Beneficiaries will be chosen based on a competitive procedure and applications started being received as from 20th March 2017.

MEASURE 3.1

Support for New Participation in Quality Schemes

MEASURE 3.1 - SUPPORT FOR NEW PARTICIPATION IN QUALITY SCHEMES

Ensuring that both local and foreign products on the local market are of the highest standards has been a major challenge within the agricultural sector throughout the years. Given Malta's short supply chain, especially for local products, this measure (M3.1) is intended to encourage farmers in joining Quality Schemes, which ensure that local products are of high standards going beyond the minimum European Union requirements.

Together with the Department of Agriculture, which is the Competent Authority for a number of quality marks, this measure (M3.1) was formulated in order to facilitate the

introduction on the local market of the 'Products of Quality' National Scheme (PQNS). This National Scheme offers a traceability system which ensures transparency throughout the whole process of cultivation, transportation and packaging. The label of this quality mark will serve to protect the local product and genuine producers.

Strengthening product quality through both EU and National Quality Schemes is one of the ways which can ensure the sustainability of the sector, through renewed interest in local products, offering guarantees of high quality to the local consumer and by enhancing local products on the market. Although initially, the 'Products of Quality' National Scheme is going to apply for the

milk standard, the scheme is also intended to be open for products.

Beneficiaries (in terms of eligible applicants) under this measure are farmers and groups of farmers. It is important to stress that this measure is open for **new participation** in a particular scheme. Support shall be granted to cover cost of certification and annual contribution required under the respective quality schemes for a duration of 5 years. Sub-measure 3.1 has an allocation of €4m and will complement measures announced throughout this year, bringing the total value for calls issued to €73 million. An Information Session was held on Wednesday 17th May at 2pm, whilst the actual launch of the call took place on Monday 26th June 2017.

MEASURE 10.1

Payment for Agri-Environment Climate Commitments

AECM 4: MEASURE FOR THE IMPLEMENTATION OF AN INTEGRATED PEST MANAGEMENT PLAN TARGETING VINEYARDS AND ORCHARDS

The objective of this measure is to incentivise farmers to have an Integrated Pest Management Plan which is implemented on vineyards and orchards. IPM programs seek to account for economic benefits and environmental costs by combining biological, cultural, and chemical pest control techniques to reduce pest infestation to economically acceptable levels.

The introduction of an IPM will assist in the creation of a suitable ecological infrastructure within the

agricultural landscape. It will have a positive impact on biodiversity, enhancing the countryside and promoting a practice which works in harmony with our unique ecosystems, whilst reducing the need for pesticides and harmonising a balance between agriculture productivity and natural pest control concepts.

In order to apply for aid a farmer must have a minimum of 0.1124 hectares (1 tumulo) of permanent crops (fruit trees/ olive trees/vines). Any parcels that are found to have less than 0.04 hectares of orchards and vineyards are ineligible for payment. Payment may only be granted on agricultural area which

has been maintained in line with annual minimum agricultural activity. **The farmer must present upon application a copy of the IPMP for their holding.** This plan will need to be reviewed annually and a copy of this will need to be presented with every payment claim. Farmers will be required to maintain any records relevant to the AECM and also those relevant to Cross Compliance obligations. These are to be presented to the ARPA inspectors at the time of inspection.

The support rate under AECM 4 is of €168.08 per tumulo per year **OR** €1495.92 per hectare per year

COMPETENT PERSONS FOR AECM 4 (AT TIME OF PUBLISHING)

Technical Advisors/Agronomists - Integrated Pest Management

Name	Company/Organisation	Mobile No.	Email Address
Dr Mario Balzan	N/A	7973 0426	Mario.v.balzan@gmail.com
Ms Sonya Sammut	Pi Evolutions Ltd.	7940 6226	sonya@sammutandassociates.com

An updated list of Competent Persons can be downloaded from the Plant Protection Directorate website:
<https://agriculture.gov.mt/en/phd/Pages/registeredAdvisors.aspx>

AECM 6A: MEASURE FOR THE INTEGRATION AND MAINTENANCE OF THE MALTESE BLACK CHICKEN

The aim of this measure is to promote the protection, maintenance and enhancement of autochthonous Maltese farm species encouraging an increased level of awareness and responsibility amongst farmers for native breeds, in particular the Maltese Black Chicken. Through national and international involvement it will assure these species survival and maximize their

potential in agricultural systems. The aim of this measure is to conserve and maintain biodiversity by preserving Maltese indigenous breeds in danger of genetic erosion, by supporting the rearing, breeding and maintenance of these species.

All Maltese Black Chicken needs to be certified as such (breed) by competent individuals who are identified as such by the competent authority. In order for farmers to be eligible for support, they must have a minimum of 30 heads (0.315 LU) of Maltese Black chicken. This minimum of thirty (30) heads, is

to be maintained throughout the contract period. In order to apply for aid a farmer must have a minimum of 0.1124 hectares (1 tumolo) of agricultural land whilst farmers will also be required to maintain any records relevant to the sub measure and also those relevant to Cross Compliance obligations. These are to be presented to the ARPA inspectors at the time of inspection.

The support rate is of €20 per head per year with a minimum requirement of 30 heads or 0.315 livestock units (LU), which equates to €600 per 0.315 LU per year.

COMPETENT PERSONS FOR AECM 4 - MALTESE BLACK CHICKENS (AT TIME OF PUBLISHING)

Technical Advisors for the Certification of the Maltese Black Chickens

Name	Company/Organisation	Mobile No.	E-mail Address
Mr Philip Aquilina	Breeds of Origin Conservancy VO/1261	79602644	breedsfororigin.malta@gmail.com

An updated list of Competent Persons can be downloaded from the Plant Protection Directorate website:
<https://agriculture.gov.mt/en/phd/Pages/registeredAdvisors.aspx>

