

Thematic Areas National Rural Network Malta

5th March 2010

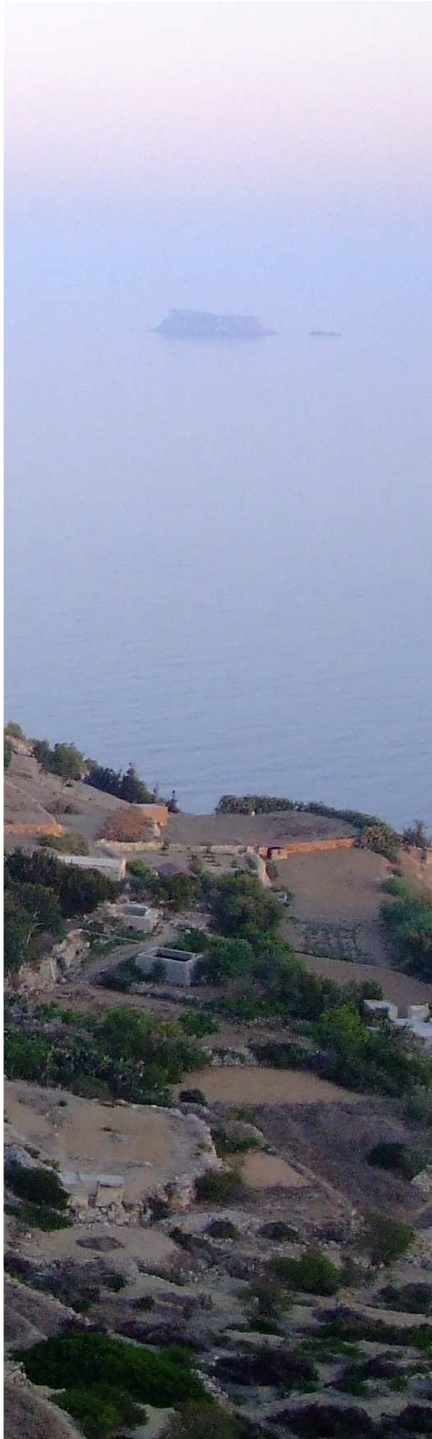


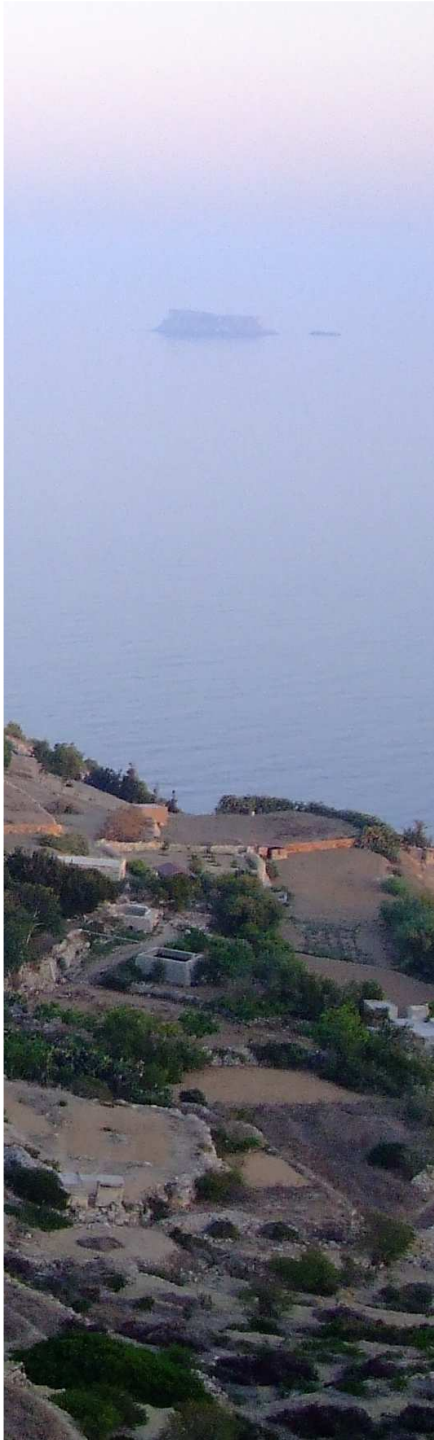
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Selection of thematic areas

- The National Rural Network (NRN) shall group the organisations and administrations involved in rural development in Malta.
- Focus groups shall be established within the NRN in order to discuss thematic areas of relevance to Maltese Rural Development.
- Six thematic areas have been proposed during the first meeting of the steering and coordination committees.
- During the first meeting of the Steering Committee the thematic areas for 2010 were selected.



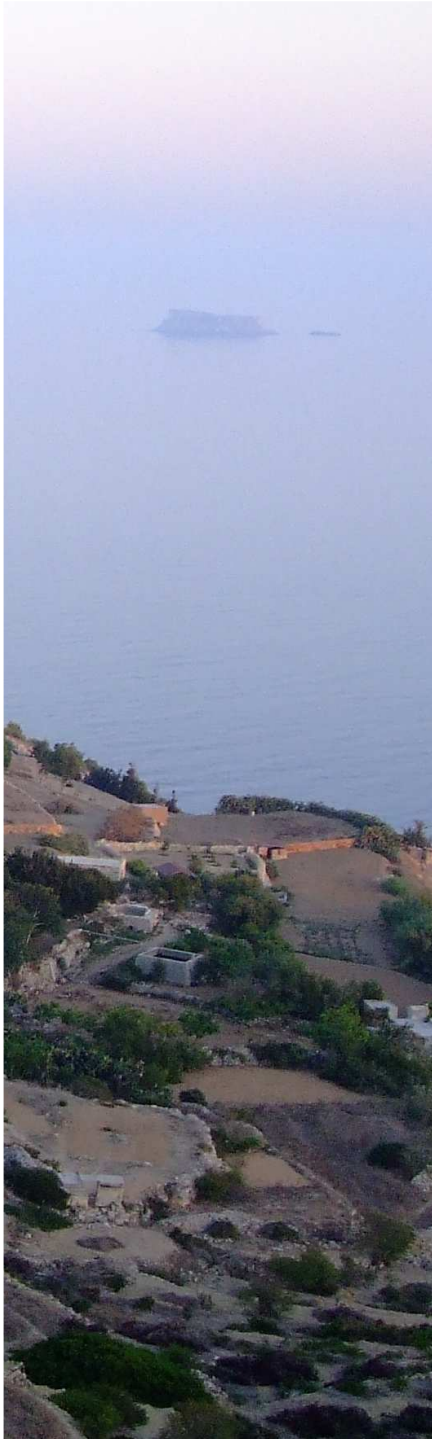


Selection of thematic areas (2)

The participants agreed that the following thematic areas are discussed during 2010 in three separate focus groups:

1. Competitiveness, multifunctionality & adding value to agricultural products
2. Water management
3. Rural Tourism – how Malta can value and use agricultural resources to attract tourism





Discussions on thematic areas

- Thematic areas will be discussed in focus groups in order to;
 - ✓ Evaluate the impact of this thematic area under the current RDP
 - ✓ the relevant impact of this thematic area on local rural activities (therefore the relevance of this thematic area locally),
 - ✓ identify ways and means how this thematic area can transmit tangible benefits to the rural community,
 - ✓ To gather ideas and suggestions from the rural stakeholders on how the RDP post 2013 can address there specific needs in line with National priorities



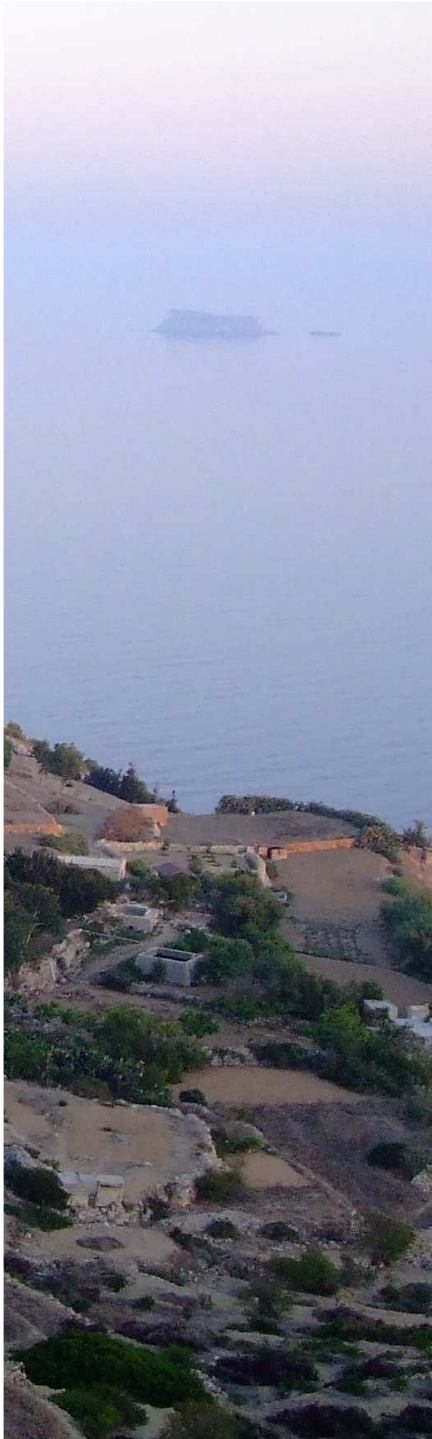


Thematic areas for discussion during 2010



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1. Competitiveness, multi-functionality & adding value to agricultural products

- Local Agricultural Economy (figures)

✓ Employment

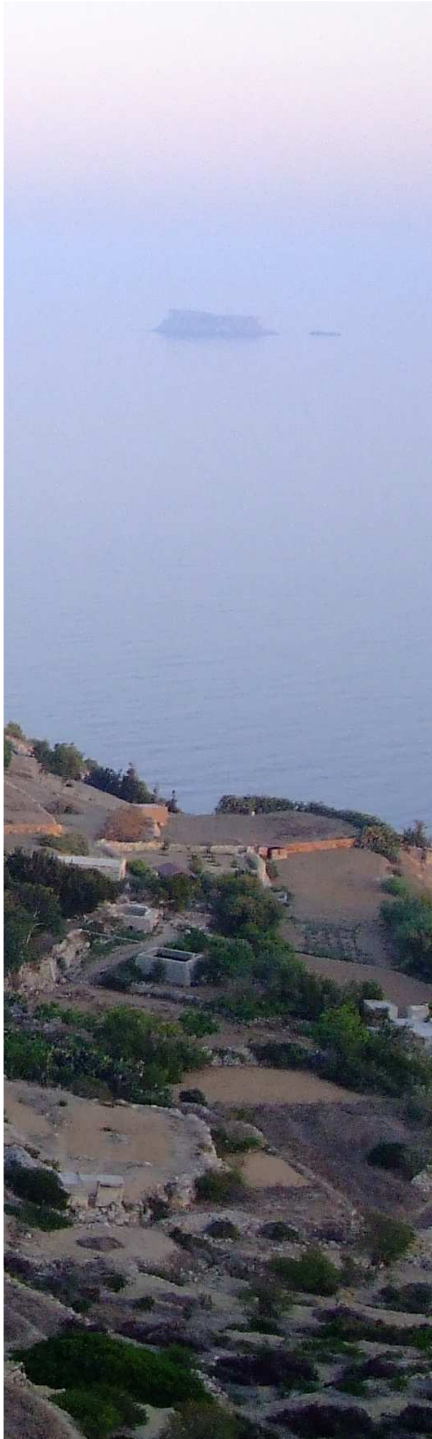
Employed in agriculture production	2003	2005	2007
Total	17,868	17,968	17,148
Full-time	1,580	1,546	1,764
Part-time	16,288	16,422	15,384

Source: Agriculture and Fisheries 2008. – Valletta: National Statistics Office, 2009



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1. Competitiveness, multi-functionality & adding value to agricultural products

- Local Agricultural Economy (figures)
 - ✓ Fruit and vegetable production (volume and wholesale value)

Year	Vegetables		Fruit	
	tonnes	€000	tonnes	€000
2004	41,911	14,449	2,602	2,269
2005	40,440	14,443	2,723	2,285
2006	44,811	15,592	3,518	2,913
2007	44,588	17,875	2,195	2,287
2008	44,159	18,066	3,060	3,108

Source: Agriculture and Fisheries 2008. – Valletta: National Statistics Office, 2009



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1. Competitiveness, multi-functionality & adding value to agricultural products

- Local Agricultural Economy (figures)
 - ✓ Annual volume (carcass weight: tonnes) of slaughtered livestock by type of animal

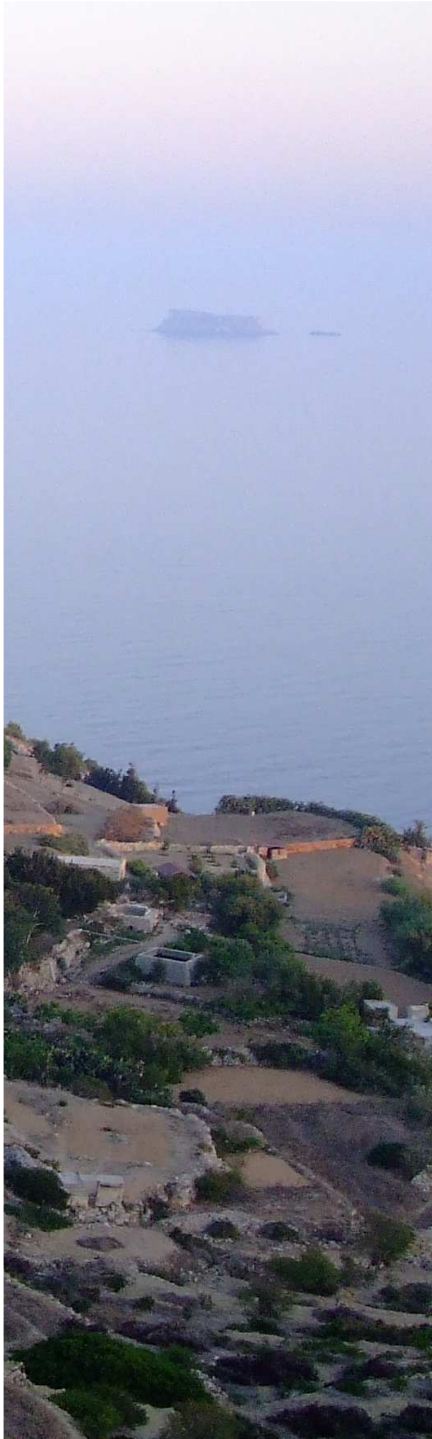
	2004	2005	2006	2007	2008
Total	16,082	14,807	13,557	13,971	14,962
Bovine	1,290	1,390	1,398	1,386	1,480
Swine	8,470	8,889	8,218	8,018	8,503
Poultry	6,322	4,528	3,942	4,567	4,979
Broilers	6,294	4,518	3,935	4,567	4,979
Other poultry	28	10	6	-	-

Source: Agriculture and Fisheries 2008. – Valletta: National Statistics Office, 2009



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1. Competitiveness, multi-functionality & adding value to agricultural products

- Local Agricultural Economy (figures)

✓ Annual producer value (€000) of slaughtered livestock by type of animal

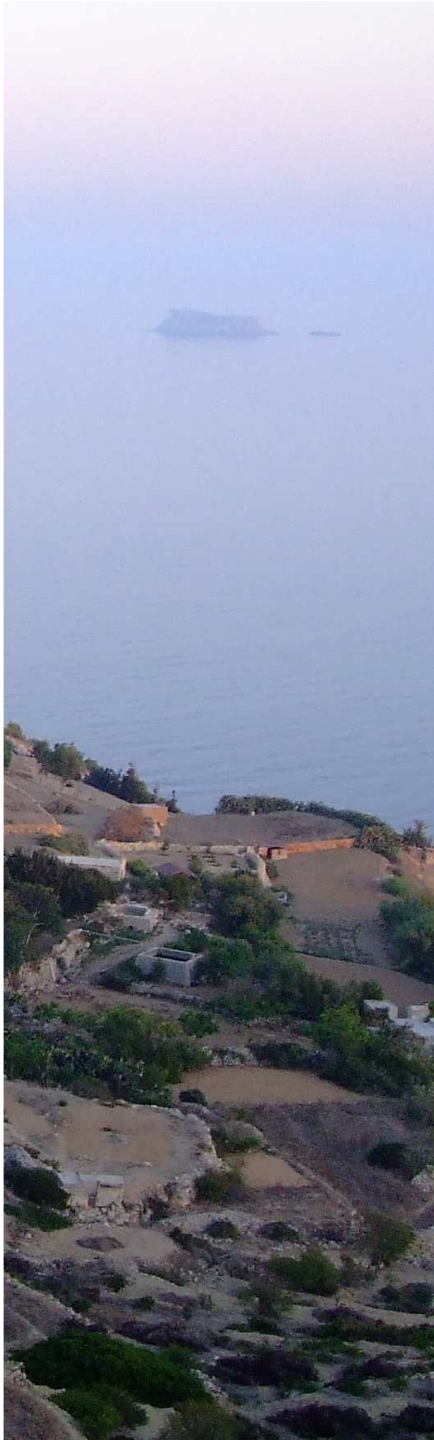
	2004	2005	2006	2007	2008
Total	25,339	24,203	22,606	23,314	25,390
Bovine	3,336	3,846	4,264	4,114	3,974
Swine	13,258	13,915	12,863	12,846	13,886
Poultry	8,745	6,442	5,478	6,354	7,530
Broilers	8,692	6,424	5,465	6,354	7,530
Other poultry	53	19	13	-	-

Source: Agriculture and Fisheries 2008. – Valletta: National Statistics Office, 2009



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1. Competitiveness, multi-functionality & adding value to agricultural products

- Local Agricultural Economy (figures)
 - ✓ Annual average producer prices (euro/kilogram) of slaughtered animals by type of animal

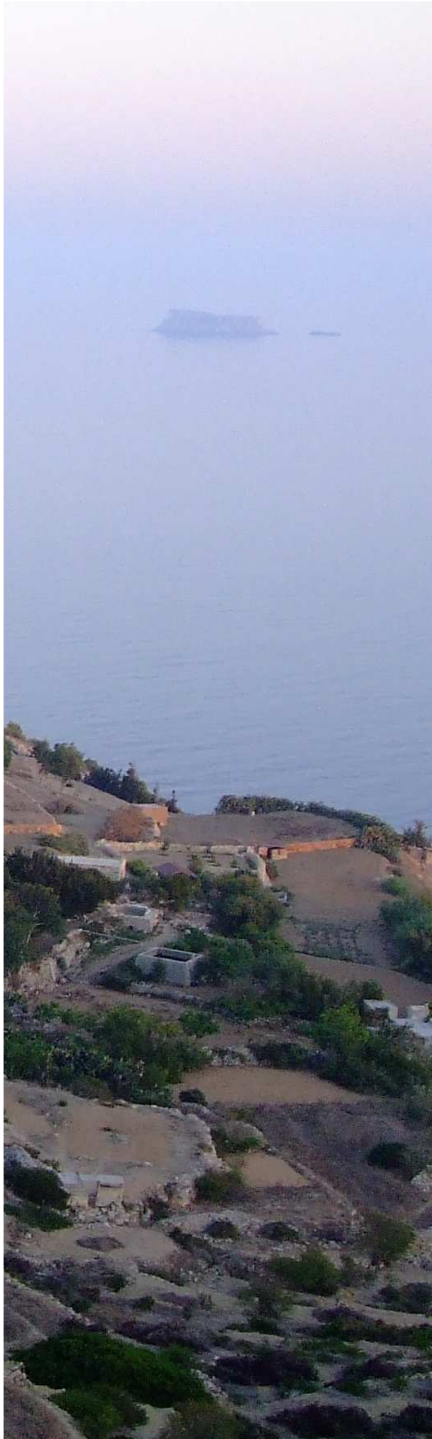
	2004	2005	2006	2007	2008
Bovine	2.59	2.77	3.05	2.97	2.68
Swine	1.57	1.57	1.57	1.60	1.63
Broilers	1.38	1.42	1.39	1.39	1.51
Other poultry	1.94	1.95	2.02	-	-

Source: Agriculture and Fisheries 2008. – Valletta: National Statistics Office, 2009



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1. Competitiveness, multi-functionality & adding value to agricultural products

- Local Agricultural Economy (figures)

- ✓ Annual estimated milk production (tonnes) by animal

	2004	2005	2006	2007	2008
Total (tonnes)	44,766	45,326	44,910	44,456	43,936
Cows milk	41,964	42,304	42,074	41,378	40,797
Sheep milk	1,691	1,801	1,610	1,740	1,783
Goats milk	1,111	1,220	1,227	1,338	1,357

- ✓ Most of the cows milk was delivered to dairies (approx. 97%)

- ✓ 95% of sheep milk produced is transformed into cheeslets

- ✓ 61% of goats milk goes for cheeslets while 18% goes to dairies.

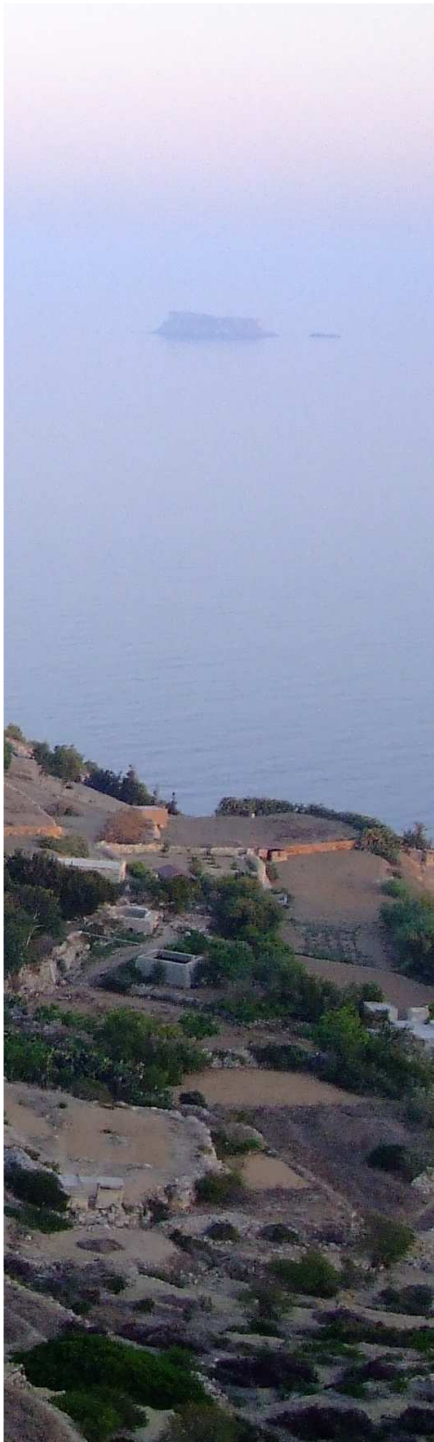
(Percentages are approximations)

Source: Agriculture and Fisheries 2008. – Valletta: National Statistics Office, 2009



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1. Competitiveness, multi-functionality & adding value to agricultural products

- Local Agricultural Economy (figures)
 - ✓ Annual estimated egg production (000eggs)

	2004	2005	2006	2007	2008
Total (000eggs)	99,600	103,222	117,500	123,200	131,753

Source: Agriculture and Fisheries 2008. – Valletta: National Statistics Office, 2009



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1. Competitiveness, multi-functionality & adding value to agricultural products

- Local Agricultural Economy (figures)
 - ✓ Annual producer price indices for agricultural products (2005 = 100)

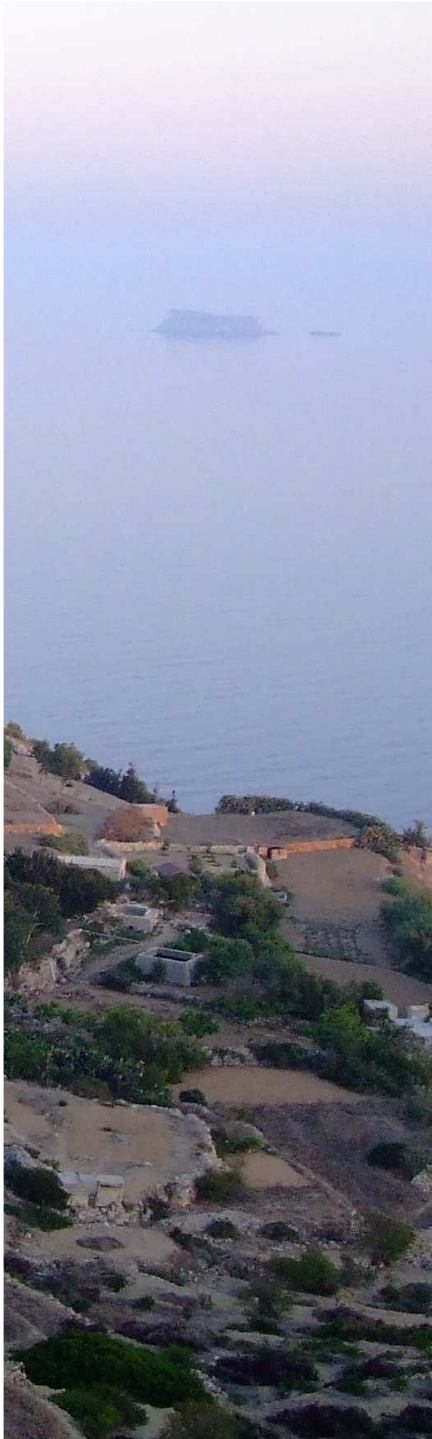
	2004	2005	2006	2007	2008
Forage	100	100	105.3	134.2	121.4
Potatoes	94.8	100	113.2	152.9	101.7
Fresh Vegetables	106.3	100	94.5	101.1	110.2
Fruit	143.6	100	107.1	121.7	119.6
Cattle	93.2	100	109.8	105.3	94.7
Pigs	100	100	100	102.6	104.4
Poultry	72.1	100	97.9	97.9	106.5
Milk	111.2	100	96	104.5	133.0
Eggs	121.1	100	109.4	109.0	110.3

Agriculture and Fisheries 2008. – Valletta: National Statistics Office, 2009



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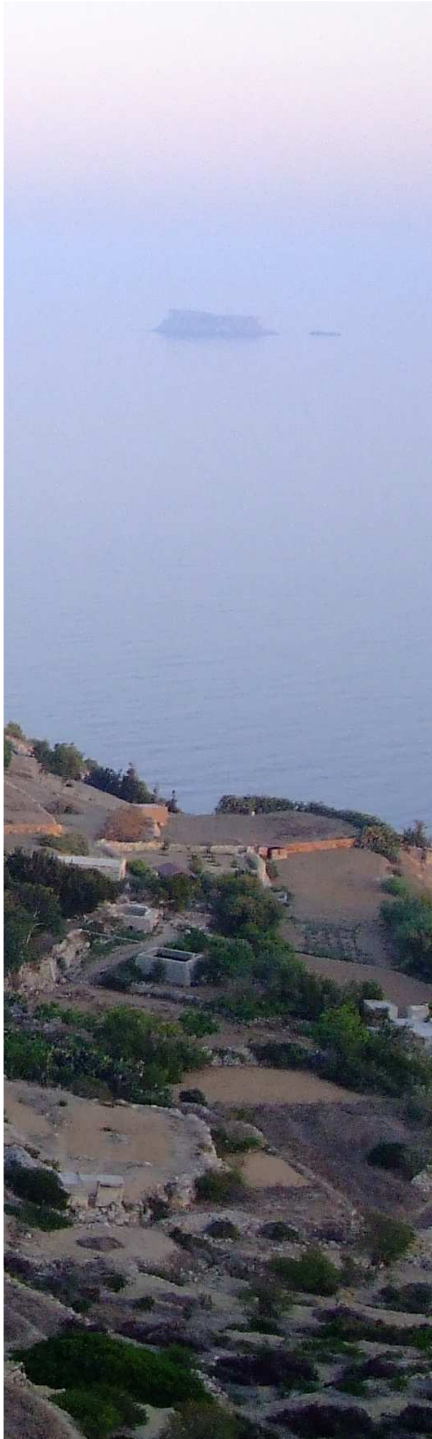


1. Competitiveness, multi-functionality & adding value to agricultural products

- Important Key Issues:

- ✓ How does agriculture contribute further to RD?
- ✓ Is present rural activity sustainable & competitive?
- ✓ How can RD funds contribute in the development of the various sectors?
- ✓ Is contribution helping in the development of the sector?
- ✓ Is investment carried out in agriculture reflecting in benefits for farmers, the environment and local economy?
- ✓ What other products can local agriculture produce?
- ✓ What impacts and results have been achieved so far by the investment carried out?





1. Competitiveness, multi-functionality & adding value to agricultural products

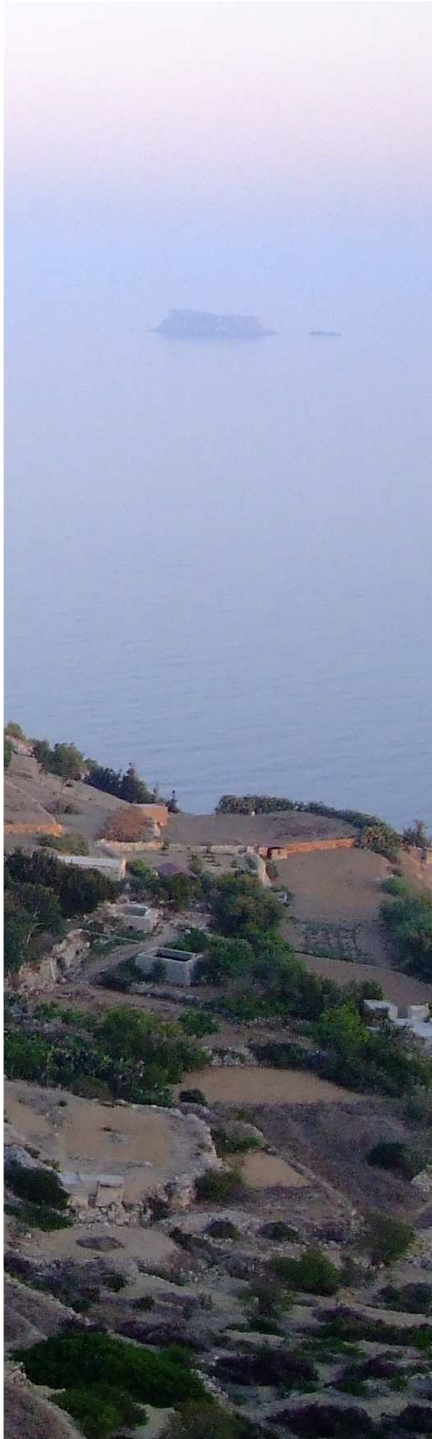
- It is important that rural activities target niche markets in order to be competitive and sustainable
- Product quality acts in two ways:
 - ✓ Product characteristics: physical, chemical, microbiological and organoleptic features – size, appearance, taste, etc.)
 - ✓ Farming attributes: production method, processing technique, place of farming etc.)
- One important step towards quality is the provision of product information

Ref: European Commission, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on agricultural product quality policy, COM(2009) 234 final, Brussels, 28.5.2009



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1. Competitiveness, multi-functionality & adding value to agricultural products

- Quality must be guaranteed by following standard procedures and methods (or schemes) which can be either certification-type (guidelines) or labelling-type (marketing standards),
- In this way a product can guarantee that it is being produced using baseline standards,
- Why is quality an important aspect for local rural activities?:
 - ✓ Local agriculture can offer more than 'just' fresh fruit and vegetables
 - ✓ Provision of quality products to both local and tourist communities
 - ✓ Food quality in the EU is safeguarded in different ways (e.g. hygiene, food safety, labelling, animal and plant health, control of pesticide residues, traceability, etc.)

Ref: European Commission, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on agricultural product quality policy, COM(2009) 234 final, Brussels, 28.5.2009



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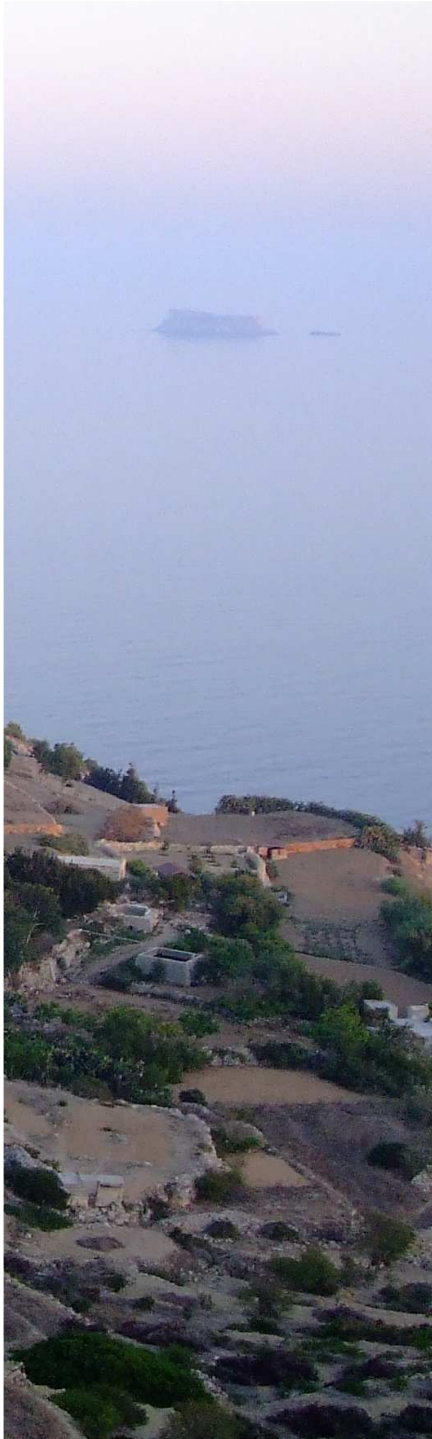


1. Competitiveness, multi-functionality & adding value to agricultural products

- Geographical indications
 - These are names that identify products as originating in a territory where a given quality, reputation or other characteristic of the product is essentially attributable to its geographical origin¹
 - **PDO** – have characteristics that result only from the terrain and abilities of the producers in that region of production¹,
 - **PGI** – has a specific characteristic or reputation associating it with a given area, at least one stage in the production process is carried out in that area¹,
- Traditional specialities (**TSG**) – used for products with distinctive features and are traditional¹
- **Organic farming**

¹ Ref: European Commission Directorate-General for Agriculture and Rural Development, The Common Agricultural Policy Explained <http://ec.europa.eu/agriculture/>





1. Competitiveness, multi-functionality & adding value to agricultural products

Quality labels provide:

- ✓ protection of property rights
 - ✓ marketing assistance (high value-added product)
 - ✓ enhance credibility of product
 - ✓ enable fair competition
 - ✓ guarantee origin and method of production
 - ✓ Fair and adequate returns to producers
- What role can Producer Organisations and Groups play in this regard?
 - What Niche Markets can local rural activities engage in?
 - What are the present and future consumer demands (wants & needs)?

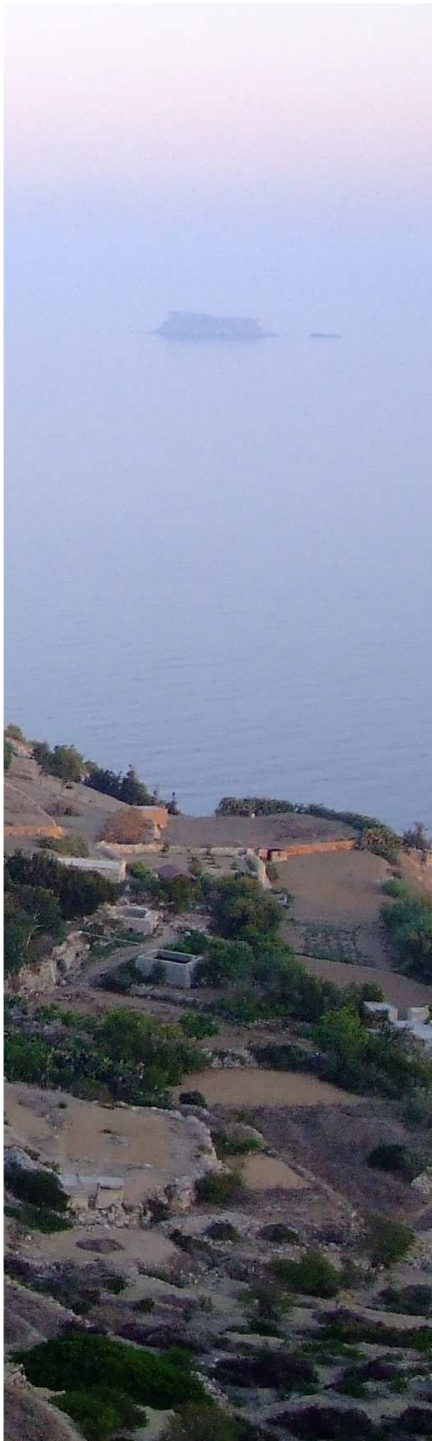


2. Water Management

- Agriculture is one of the most demanding sectors for water resources
- The highest irrigation demand peaks in summer
- Average rainfall is of 550mm/year, in the form of torrential rain (between September and March)
- There is an increase in water demand from agriculture:
 - In 1982/83 – 580 Ha of irrigated land¹
 - In 2000/01 – 1,508 Ha of irrigated land¹
 - In 2005 – 3,527 Ha of irrigated land²

¹ Census of Agriculture 2001, NSO (2003)

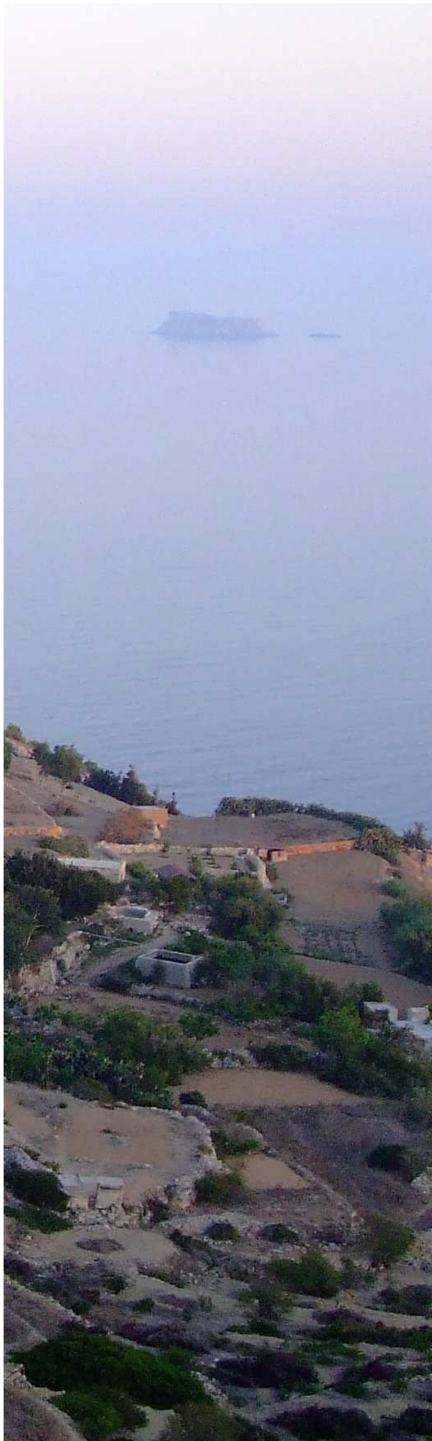
² Rural Development Plan Malta 2007-2013

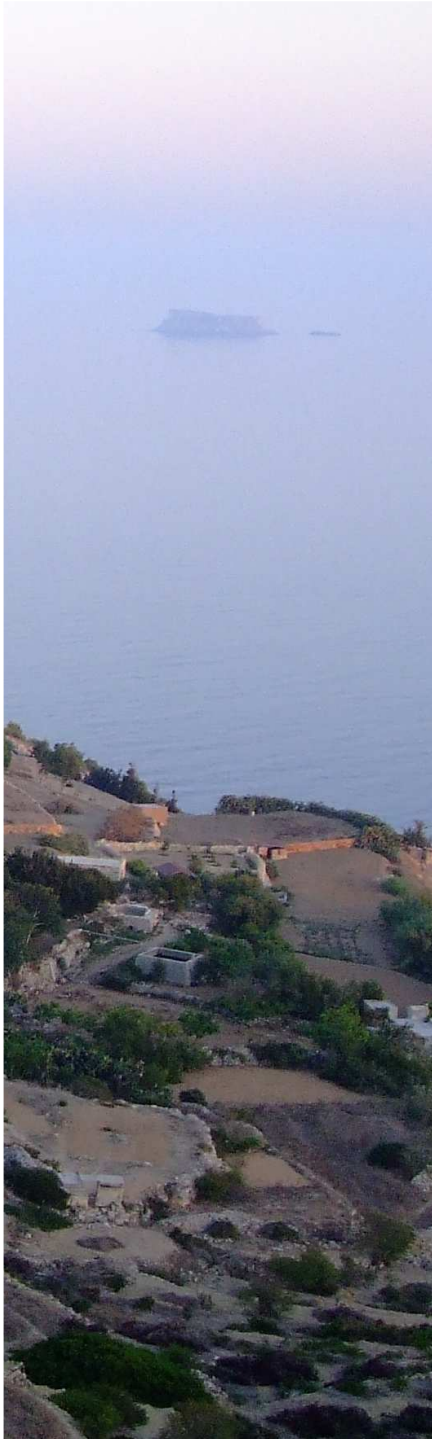


2. Water Management

- Ground water quality is being compromised from over-abstraction (increase in soil salinity) and agricultural pollution (nitrates pollution),
- Malta has to achieve good ground water status (quality and quantity) by 2015 according to the Water Framework Directive¹,
- Irrigation (and fertiliser application) must be carried out in a scientific way and not by judgment,
- How can water be used more efficiently in agriculture?
- What other alternative sources can be used for irrigation (e.g. TSE)?

¹ L.N. 194 of 2004, Water Policy Framework Regulations, 2004

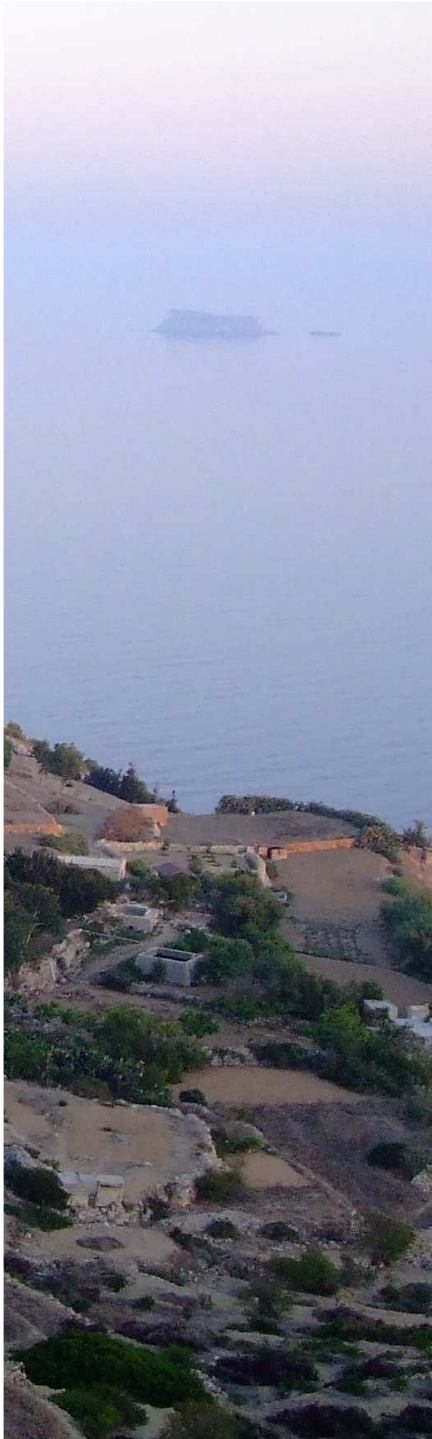




2. Water Management

- What provisions can be undertaken to store run-off?
- What are the challenges that farmers are facing with respect to water?
 - Water quality (salinity)
 - Permits for construction of water cisterns
 - Raise in electricity and fuel costs
- What modern tools can be used for the efficient use of water in agriculture (modern technology)?
- Can the selection of crops help in the efficiency of irrigation (i.e. species and variety of crops that are more drought resistant)

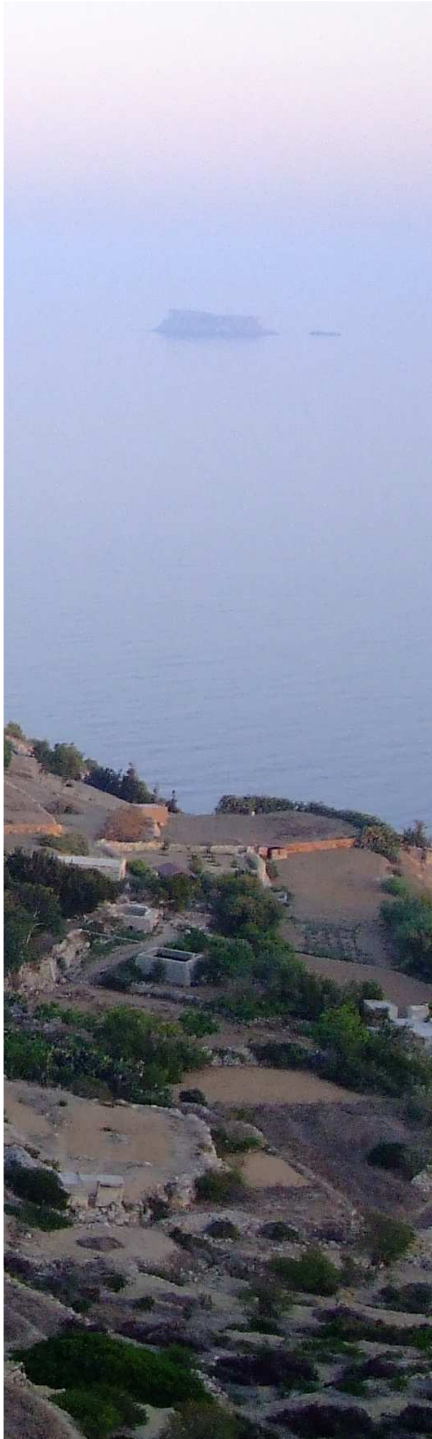




3. Rural Tourism - how Malta could value and use agricultural resources to attract tourism

- As the term implies, rural tourism is a type of tourism closely linked with the farming and rural activities,
- Tourists are attracted by our countryside, farming practices and typical products produced in our islands,
- Tourists stay on farm and can experience hands-on farming practices such as fruit picking, milking and processing of agro-food products (e.g. cheeselets, grape pressing, etc.),
- They will learn how food is produced and how local typical products are made,





3. Rural Tourism - how Malta could value and use agricultural resources to attract tourism

- Can be combined with other rural activities such as walks, horse riding, coastal activities, crafts, heritage sites, walking trails, etc.
- There is a strong relationship between agriculture, food, culture and traditions: all of which can be utilised as tourist attraction, and therefore giving an added value to agriculture,
- What are the challenges that such industry can find locally?
 - Infrastructure
 - Possible problems of development in rural area
 - Lack of enthusiasm from the rural community
 - Lack of education and training on this activity
 - Seasonality of the industry





Thematic areas for 2011



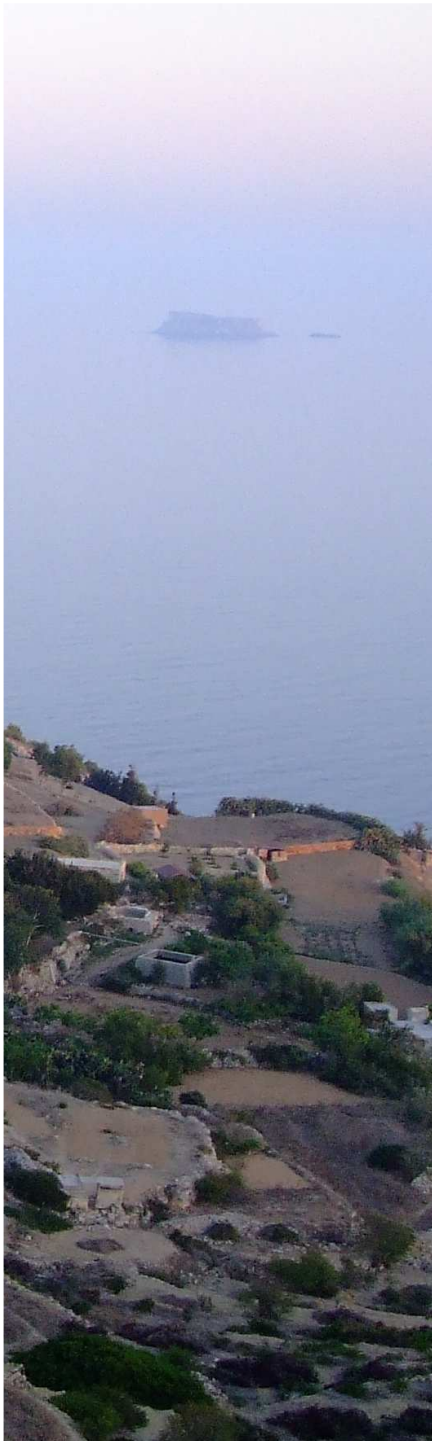
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a. Climate change & renewable energy

- Climate change is a serious threat that is challenging agriculture worldwide
- But agriculture is also a contributor to climate change (Malta 3% share in total GHG emissions in 2009 from EU 27¹), the main GHG contributors being:
 - ✓ Nitrous oxide (N₂O) from the application of organic and mineral fertilisers to soils &
 - ✓ Methane (CH₄) from ruminant digestion and manure storage

¹ Summa H., EU policies to mitigate and adapt to climate change within the agricultural sector European Commission, DG Agriculture and Rural Development
(http://www.organic-congress-ifoameu.org/Admin/Public/DWSDownload.aspx?File=%2FFiles%2FFiler%2FEOC2009%2Fpdf%2Fpresentations%2FEOC_2009_Summa.pdf)

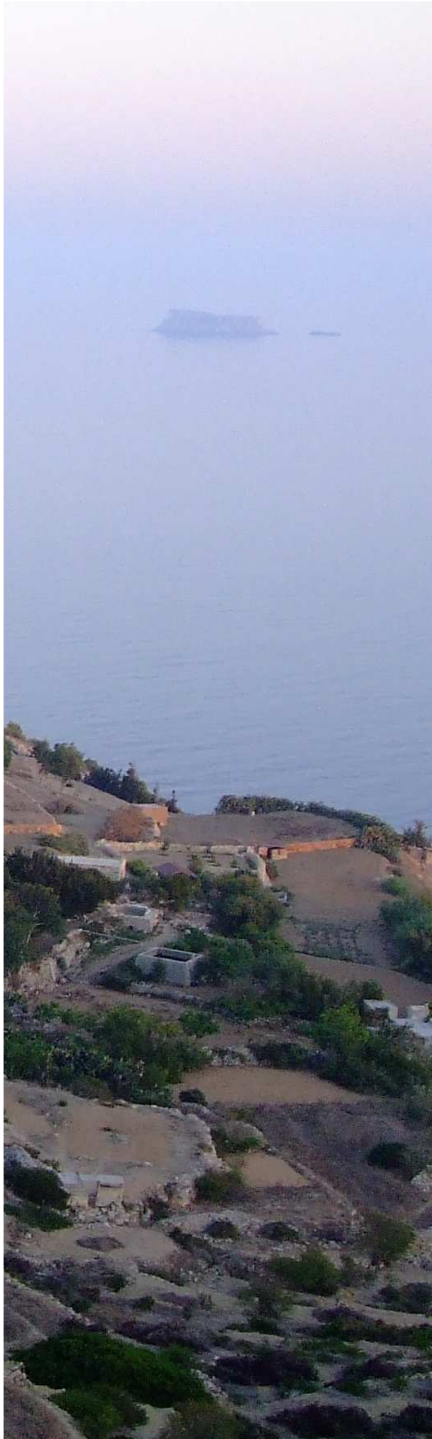




a. Climate change & renewable energy

- Consequences of climate change:
 - Rise in temperature,
 - Lower precipitation leading in higher demands for water
 - Extreme weather events
 - Increase in pest problems
 - effect on crop yields and livestock leading to a change in suitable crops
- The challenge of higher tariffs for electricity will force us to use alternative energy in rural areas, but there are the problems of high initial costs, planning permits and lack of policy guidance in this subject at farm level
- Feasibility of investment in renewable energy in agriculture holding





b. The role of Local Action Groups within Rural areas

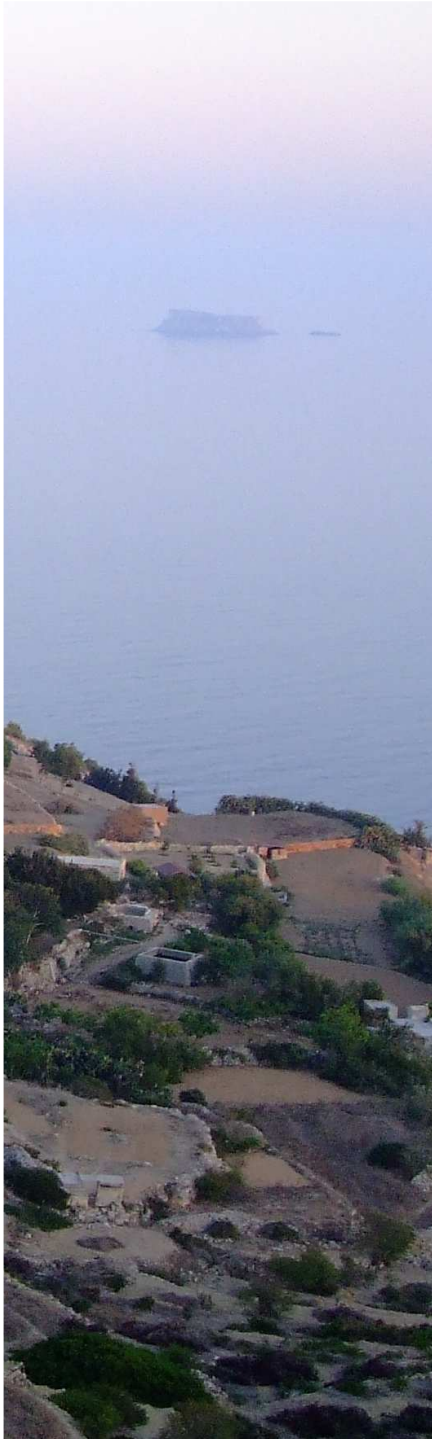
- LEADER forms part of Axis 4 of the EAFRD
- Local Action Groups are made up of local public-private partnership
- The aim of the LEADER is to implement projects on a regional approach that address the needs of the rural population and contributing to the improvement of the standard of living and economic growth

Ref: European Commission, The Leader approach - A basic guide, Luxembourg: Office for Official Publications of the European Communities (2006)



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b. The role of Local Action Groups within Rural areas

- The LAG is expected to:
 - ✓ Draw together the relevant interest groups of the territory
 - ✓ Encourage the bottom up approach
 - ✓ Have a decision-making autonomy and capacity to take a fresh look at local resources,
 - ✓ Ensure opportunities through innovative ideas,
 - ✓ Be able to link and integrate separate sectoral approaches.
- This focus group shall promote the functions of the LAGs within the local community as well as promote participation from the community

Ref: European Commission, The Leader approach - A basic guide, Luxembourg: Office for Official Publications of the European Communities (2006)



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Thanks



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