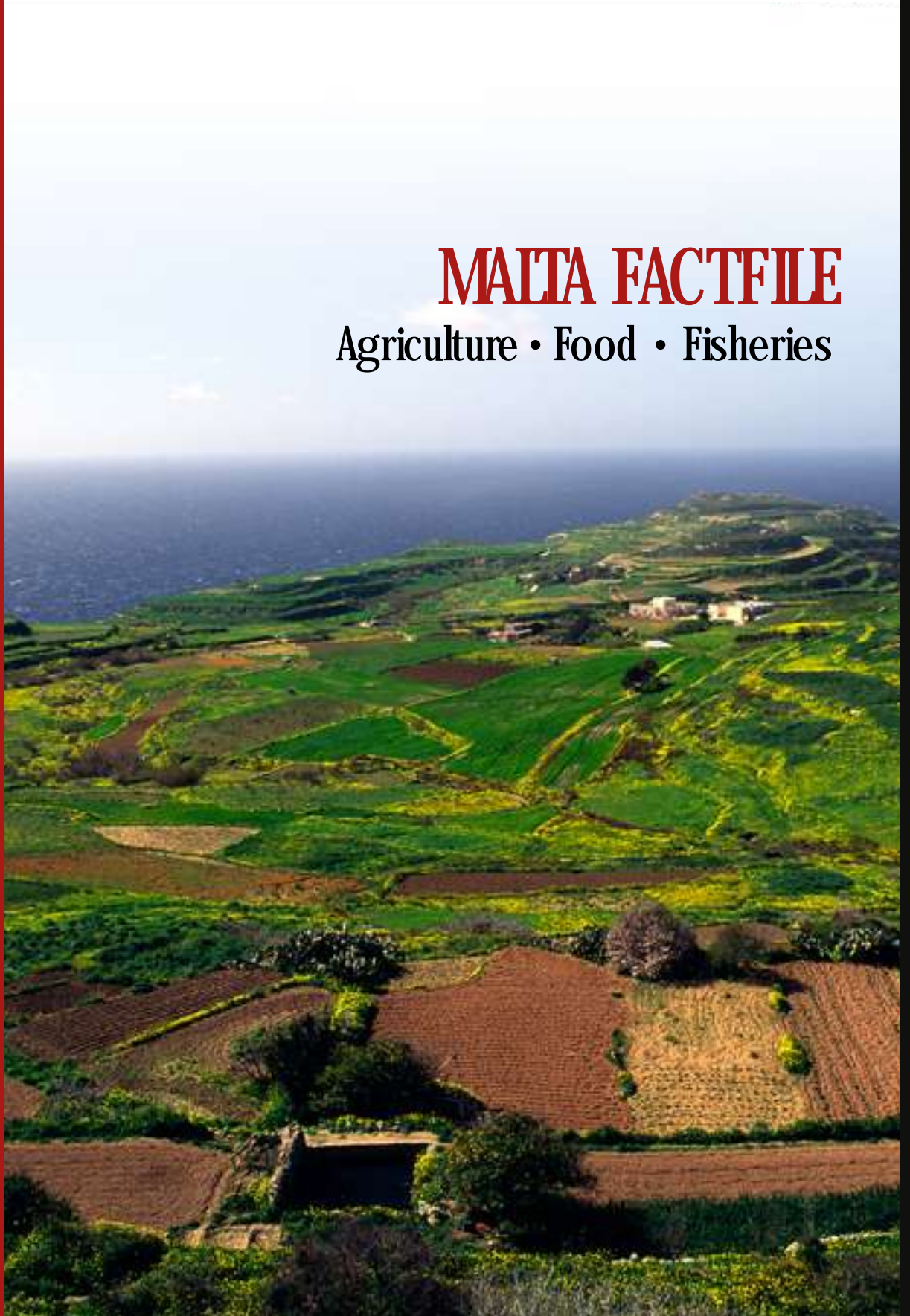


Ministry for Rural Affairs and the Environment



MALTA FACTFILE

Agriculture • Food • Fisheries



CONTENTS

AGRICULTURE	2
TOPOGRAPHY AND SOILS	2
AN ORGANIC FRAMEWORK	3
ECONOMY OF CROPPING AND HORTICULTURE	3
ECONOMY OF LIVESTOCK AND DAIRY	3
THE ECONOMY OF MARKETING, DISTRIBUTION AND AGRO-PROCESSING	3
THE INSTITUTIONAL FRAMEWORK	4
FISHERIES AND AQUACULTURE MARINE AND ARTISAN FISHERIES	5
AQUACULTURE	5
IMPACT OF MALTA'S MEMBERSHIP IN THE EU	6

AGRICULTURE

Agricultural in the Maltese Islands subsists on a small scale deriving from the small island setting of the country. Nonetheless, for various reasons this sector has always been of great importance.

Balanced economic development has for some decades been postulated as the best model that fits the Islands' economic structure and the socio-economic aspirations of Maltese society. Policy designs recognize that for balanced growth to be attained, certain conditions need to be satisfied. In particular, balanced growth needs to evolve the right sector balance between agriculture, industry, and services as economic activity expands and real incomes rise. Such a growth path will define specific implications for the inter-sectoral terms of trade.

Economic policy in Malta has always attached high importance to food. The amount the average Maltese household spent on food in 1960 stood at 42.37% and remained so till 1984 when it just declined to 41.9 per cent: it decreased to 36.77% in 1992, to 29.92% in 1995 and 28% in 2002. For economic policy, therefore, food is of both strategic and tactical relevance: strategic in view of national food security goals, concerns common to any country, large or small, and tactical in view of food price effects in the general price level and hence the real wage, competitiveness and overall growth. Besides, for cosmopolitan Malta high quality food, produced locally, enhances the touristic potential of the Islands as a particular venue. In addition, there are the multiple vocations of agriculture that emerge from the multifunctional character of land and agricultural activity.



The value of gross output through the formal sector is estimated to have increased by an average of 2.7% per annum between 1996 and 2001, to just under Lm 55.6 million, amounting to about 1.8% of total final sales of the Maltese economy. The Islands are potentially self-sufficient in fresh vegetables, eggs, poultry, rabbit meat, pork and fresh milk. Agricultural exports stand at around Lm 1.5 million, representing 2.6% of total agricultural output.

TOPOGRAPHY AND SOILS

The Maltese Islands, which represent the Southernmost end of the Apennines that stretch from the Pyrenees, cover an area of about 312 square kilometers and reach a maximum height of 253 metres. Their geology resembles more or less that of nearby Sicily while their tectonic structure may be described to be a horst-und-graben system dominated by faults in WSW-ENE direction. Notwithstanding their smallness, the Maltese Islands exhibit great diversity in relief and landform. The soils vary in composition and texture. They are true examples of the lateralized terra rossa of the Mediterranean area as well as somewhat heavy dry soils and higher soils. Past human action has transformed topography into a mosaic of agricultural holdings and structures, which, today, are an integral part of national heritage and give a special character to Maltese agriculture. Notwithstanding the small size of the Islands, their insular form, geographical position and physical features have resulted in a great diversity of agro-climatic environments, which are usually described as microclimates. In the past, such microclimates were part of the established culture of the Maltese farmer and were, in fact, an integral part of the national agricultural system.

Official name:
Repubblika ta' Malta
(Republic of Malta).

Form of government:
unitary multiparty republic
with one legislative house
(House of Representatives)

Chief of state:
President

Head of government:
Prime Minister.

Population:
388,867.

Gross domestic product (2003):
U.S.\$4,545 (U.S.\$11,406 per capita).

Land Area: 312 Square Kilometres
Agricultural Land: 151 Square Kilometres



AN ORGANIC FRAMEWORK

Maltese agriculture exhibits an integrated framework encompassing the economy of cropping and horticulture, the economy of dairy, livestock and animal husbandry and the economy of marketing distribution and agro-processing. There are 12,340 full-time and part-time Registered Farmers and 87,169 Registered Parcels on the Land Parcel Identification System.

ECONOMY OF CROPPING AND HORTICULTURE

Maltese agriculture has traditionally held to a crop rotation pattern. It starts with cash crops and ends with legumes and forage. Cash crops production can take place twice each year. Vegetable production includes, above all, spring and winter potatoes, melons, onions and tomatoes, followed by eggplants, green peppers, kohlrabi, etc. Such activity covers around 50% of the agricultural land area. The remaining area is devoted to fruit production that includes stone fruits primarily peaches, citrus, figs, prickly pears and strawberries. Vine growing is very important and remains one of the most promising agricultural activities. Output in this sub-sector is estimated to reach over Lm 18 million, representing 32.5% of total agricultural output.

ECONOMY OF LIVESTOCK AND DAIRY

Livestock production is also a very important component in Maltese agriculture. The total livestock population includes 17,940 cattle (Malta 12,178 and Gozo 5,762), 73,607 pigs, 14,861 sheep, 5,374 goats.

Egg production is calculated to amount to 4500 tons.

Cow milk production during 2003 amounted to 39,860 tons. Output in the livestock sector is estimated to reach Lm 36 million, which is around 65% of agricultural output.



THE ECONOMY OF MARKETING, DISTRIBUTION AND AGRO-PROCESSING

For the producers in both the cropping/horticulture sector as well as those in dairy and livestock there are wholesale markets which feed into market distribution to the retailing points. These set ups ensure supplies of the local produce to the consumer. It has been a policy design that products reach the consumer at reasonable prices but at the same time at an equitable level to the producer whereby a fair standard of living for the agricultural community can be sustained. The system also guarantees the quality and health standards in consonance with the evolving expectations of Maltese society and the needs of tourist trade.

There are also product lines that feed into agro-industry and processing. Such product lines are primarily:

- meat and meat preparations [bacon, sausages, ham, beef and hamburgers]
- canning [canned whole tomatoes and tomato paste, canned and cooked fruit, peas canned or in air-tight containers]
- wines and beer [white, red, aromatic and sweet wines, ale, beer, stout and porter]
- feeds [prepared feeds for dairy, cattle, swine and sheep, poultry, rabbits]

THE INSTITUTIONAL FRAMEWORK

The Ministry for Rural Affairs and the Environment (MRAE) has as its Mission Statement:

In a small island, where the impact of development on land is strongly felt, where rural areas enhance the characteristic beauty of the Maltese environment, where the sea and its produce are an intrinsic part of life, the integrated coordination of agricultural and fisheries production., rural and environmental management calls for the relevant policy designs and their implementation.

The Ministry is headed by a Permanent Secretary, and encompasses a central administrative structure and three Directorate-General (DG's):

Permanent Secretary's Office and Central Departments:

- 1 Permanent Secretary's Office.
- 2 Corporate Services Department.
- 3 Policy Development Department.
- 4 EU Affairs Department.
- 5 Programme Implementation Department.
- 6 Information Management Office.
- 7 Paying Agency.
- 8 PARK (Parks, Afforestation and Countryside Restoration)

(A) Directorate General for Agricultural Services and Rural Development

Mission Statement: To assist and promote the economic development of agriculture, horticulture and live-stock, ensuring the provision of safe and wholesale produce, safeguarding the welfare of animals, and ensuring the conservation of the environment.

- 1 Agriculture Department
- 2 Plant Health Department

- 3 Rural Development Department
- 4 IACS Department

(B) Directorate General for Food and Veterinary Regulation:

Mission Statement: To safeguard veterinary public health and to contribute to the economically viable development of the livestock industry through the improvement of the legislative environment and through the employment of veterinary knowledge and resources in a cost-effective and socially conscious manner.

- 1 Office of International and Legal Coordination.
- 2 Food Health and Diagnostics Department.
- 3 Animal Health and Welfare Department.

(C) Directorate General for Fisheries Conservation and Control.

Mission Statement: To sustain the fisheries industry, to conserve and manage the Islands' marine resources, to put in place the necessary enforcement measures, and to monitor the development of aquaculture.

- 1 Malta Centre for Fisheries Sciences.
- 2 Market/Structures and External Relations.
- 3 Fisheries Protection Group.

MRAE interfaces with other bodies for various functions. Whereas the Plant Health Department administers the registration services for plant protection and seed, MRAE works with the Malta Standard Authority for the recognition of Agricultural products and foodstuffs designation.

FISHERIES AND AQUACULTURE MARINE AND ARTISAN FISHERIES

Fishing has been practised on the Maltese Islands since time immemorial. It is widely acknowledged that fishing on the Maltese Islands has continued for centuries with long traditions and today forms part of the Island's heritage and social fabric. As a matter of fact, the typical Maltese fishing craft such as the "luzzu" and the "kajjik" (caique), built specifically for the local type of fishing, can be seen in many old paintings. The eye of Osiris, whose potency the first colonizing Phoenicians believed would ward off evil spirits, still survives on the colourful Maltese fishing boats, adding another dimension to the indigenous characteristics of the Islands.

Today, in both numerical and economic terms, the Maltese fisheries industry is not large. It may be described as being mainly artisan, as is fairly typical of the fisheries in many other Mediterranean countries. Nonetheless, in common with many island states, fishing in Malta is quite significant for various reasons. The fisheries sector supports somewhat around 328 full-time fishermen in Malta and 154 full-time fishermen in Malta. There are also around 1530 part-time fishermen together with a relatively large number of persons involved at various levels in the marketing and distribution chain. The fishing fleet is comprised of 1890 boats, mostly of the traditional wooden luzzu or caique design.

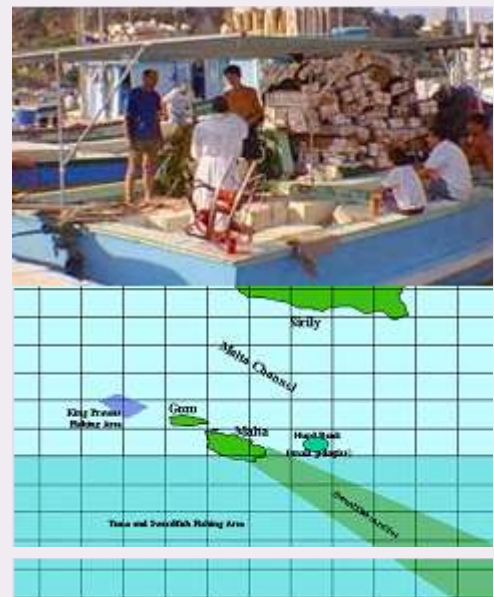
There are a few trawlers which fish further afield but the sector is largely dependent on the fisheries resources that lie immediately offshore: these are made up mainly of lampuki, pilot fish, swordfish, blue fin tuna, stone bass and dogfish.

One of the two principal fishing seasons, which usually extends from August to late January, is for lampuki and its by-catch pilot fish. This has existed for centuries and may be assumed to have established an unassailable historic fishing right in international matters for Maltese fishermen in its area. The Maltese fishing industry employs Fish Aggregating Devices (FADs) known as kannizzati: this system is attractive from a conservation point of view because the kannizzati are highly selective in limiting the species of fish as they attract to the targeted lampuki and pilot fish (estimated at around 40 per cent of Malta's total catch).

The other principal fishing season is for Tuna and Swordfish between mid-May to mid-

August. In recent years, there has been a revival in interest in long line fishing for pelagic swordfish and tuna. It should be remarked that the pelagic swordfish and tuna are protected by the Atlantic Tuna Commission (ICCAT).

It has been recommended that, because of this fact as well as on account of the Island's strategic position regarding pelagic tuna, swordfish and lampuki, fishing in Malta may be in a position to play a role in the conservation of the resource as a whole and in particular in the protection of national interest; this is a point of great significance to the Maltese Islands. Total estimated landings are recorded to reach 1.1 million kilograms valued at around Lm 1.8 million. This includes around 0.2 million kilograms exports of tuna and swordfish valued at Lm 0.5 million.



AQUACULTURE

In 1998 an aquaculture centre was set up with the public policy intent to develop aquaculture and to introduce fish farming in Malta. There has been a certain amount of interest in this new activity. Development in this area will result in an increase of fish supply in line with the high demand by the local population and tourism. In the early 1990's, commercial fish farms started producing sea bass and sea bream. The NAC also started developing its own marine hatchery for the production of sea bream and sea bass fingerlings in 1992 with a production increase to 1.5 million fingerlings as the NAC improved its hatchery technology. In 2001, the NAC was re-christened the Malta Centre for Fisheries Sciences (MCFS) and now offers

expertise to the regulatory bodies and support to the local industry in the form of species diversification, nutrition, the environment and fish health. Unfortunately, an increase in the production of these two species throughout the whole Mediterranean area resulted in a drop in their market price and there was a slump in production throughout the region with Maltese companies shifting their interest towards the more profitable fattening of Blue-fin tuna. Again, since the start of tuna farming, the prices are dropping due to a high production from the Mediterranean area, confirming that species diversification is essential to culture a variety of marine species for the market.

There are quite a few species that are excellent candidates for Maltese aquaculture. The main candidate is the amberjack, a fast grower that fetches a good price on the market; however egg production on a commercial scale is a bottleneck. At present the MCFS has plans to spawn and start producing fingerlings of this species. Other species include the red porgy, for which the MCFS already carried out preliminary trials on its pigmentation, and the common octopus with basic growth trials already underway. Production, which is largely export oriented, reaches 0.9 million kilograms of Sea bream and Sea brass fetching around Lm 1.7 million.

IMPACT OF MALTA'S MEMBERSHIP IN THE EU

On accession, as far as Maltese agriculture is concerned, the sector started to make part of the European model of agriculture characterised by its multifunctional dimensions. This model is one that addresses the multiple vocations of agriculture and is thus one that is in consonance with Maltese societal aspirations. In the case of fisheries, this sector has started to participate in the EU organisation for this sector with its accent on conservation management, and fish marketing structure and standards.

Malta has joined the European Union as an Objective 1 region. Malta has also negotiated with the EU a Less Favoured Area status for all the territory of the country.

The appropriate modalities of participation in the Common Agricultural Policy under its First and Second Pillars as well as in the Common Fisheries Policy can potentially make Malta realise these goals. To that intent, in fact, the Maltese Government has negotiated with

the European Union a Special Market Policy Programme for Maltese Agriculture and a Rural Development Programme. At the same time the fisheries sector will be participating in the Financial Instrument for the Fisheries Guidance.

The final goal for these sectors are those of transforming Maltese agriculture into a small scale viable self-sustainable agriculture and of upgrading Maltese fisheries into a dynamic sector in consonance with the country's needs and aspirations.

It is recognised that their small scale reality poses a number of challenges and dilemmas. But small scale has also its own benefits and opportunities. This is especially so in the light of domestic demand for locally produced agricultural produce and fisheries products by the local population and tourism. The peculiarities of Maltese agricultural produce which will in due course be supplemented by branding, standards and quality dossier will render possible the realisation of the long-term sustainability of Maltese agriculture. At the same time there is comfortable room at the upstream level for the development of cottage agro-industry and the emergence of a new rural enterprise in Maltese agriculture. It is a Government policy goal to rehabilitate, encourage and revive such traditional activities.

More or less the same rationale holds for the fisheries sector with its potentials as deriving from its placing in the socio-economic fabric of the Islands.

It is thus the intent of public policy that, through the programmes negotiated with the EU, Maltese agriculture and fisheries will be transformed into small scale viable and vibrant sectors.

In pursuit of such goals, a recent pronouncement by the Minister responsible for agriculture, the Hon Mr. George Pullicino, in his opening speech in a seminar on "Cooperatives and the European Union" (20th February, 2004), may remain very insightful.

"...positive impulses need to be identified and given dynamics through appropriate institutional arrangements that are themselves the vehicle for implementing the desired practical mechanisms".

Minister Pullicino further concludes that Government is set to spare no efforts for the revitalisation of these sectors.