

THEMATIC EVALUATION YOUNG FARMERS

Rural Development Programme 2014-2020

EU CAP Network

March 2024



Rural Development Programme for Malta 2014-2020

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



Introduction

- A Thematic Evaluation was conducted in 2020 specifically focusing on **Measure 6.1 (Young Farmers)** which allows for the provision of direct support to young farmers under EAFRD.
- The measure contributes towards **Focus Area (FA) 2B**: facilitating the entry of adequately skilled farmers into the agricultural sector and, in particular, generational renewal.

RDP (2014-2022) Malta

At the time of the evaluation, the **budget allocated for M6.1 was €4.3 million representing 82% of the budget allocated for FA2B.**

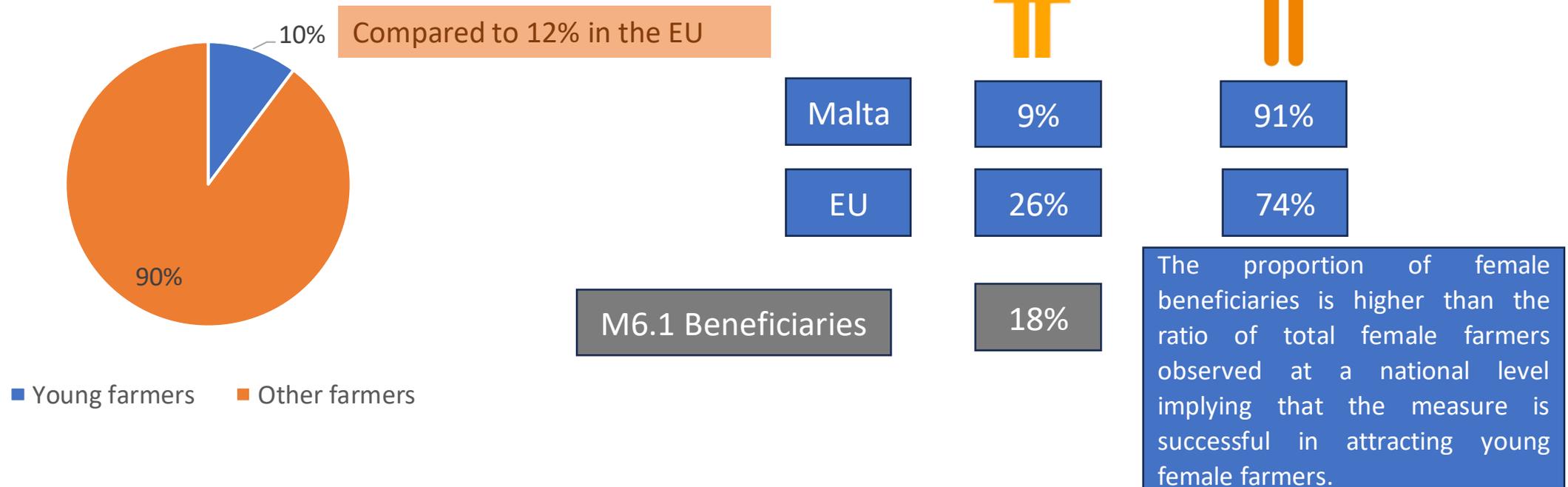
- **FA2B in turn, absorbed about 4.2% of the programme's fund.**
- In total, there were eight calls since Measure 6.1 was launched in 2017. At the time of the study, the last call was launched in 2018 and closed in March 2019. **At the time, there were a total of 105 applications, of which 61 were approved.**

Following the evaluation – the budget for M6.1 increased to €6.7 million and the target for FA2B on the **number of farm holdings supported increased to 95.**

Young farmers in Malta

- In 2020, there were a total of 7,650 farm holdings in Malta of which around 780 farms were managed by young farmers, accounting for **10% of the total farms** (Eurostat).
- The ratio of young farmers remains lower than the EU average but has increased from 5% in 2010.

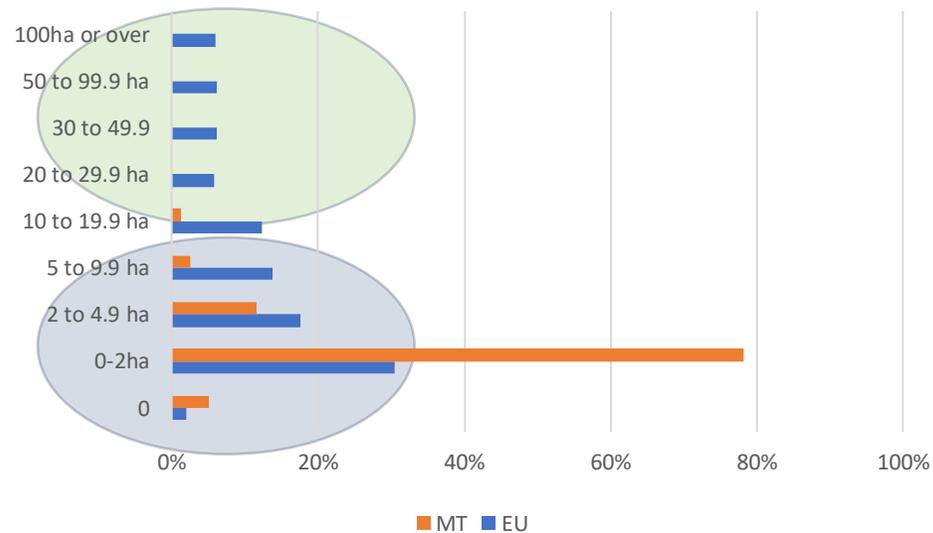
Figure 1: The proportion of farms managed by young farmers, 2020



Young farmers in Malta

- **10% of the total Utilised Agricultural Area (UAA) is managed by young farmers (2020)** compared to almost 18% in the EU
- Almost **80% of the young farmer holdings in Malta manage between 0 to 2 hectares** and only 3% of young farmers have a farm area between 5ha and 9.9ha.

Figure 2: The proportion of agricultural land held by young farmers and respective hectare sizes, 2020



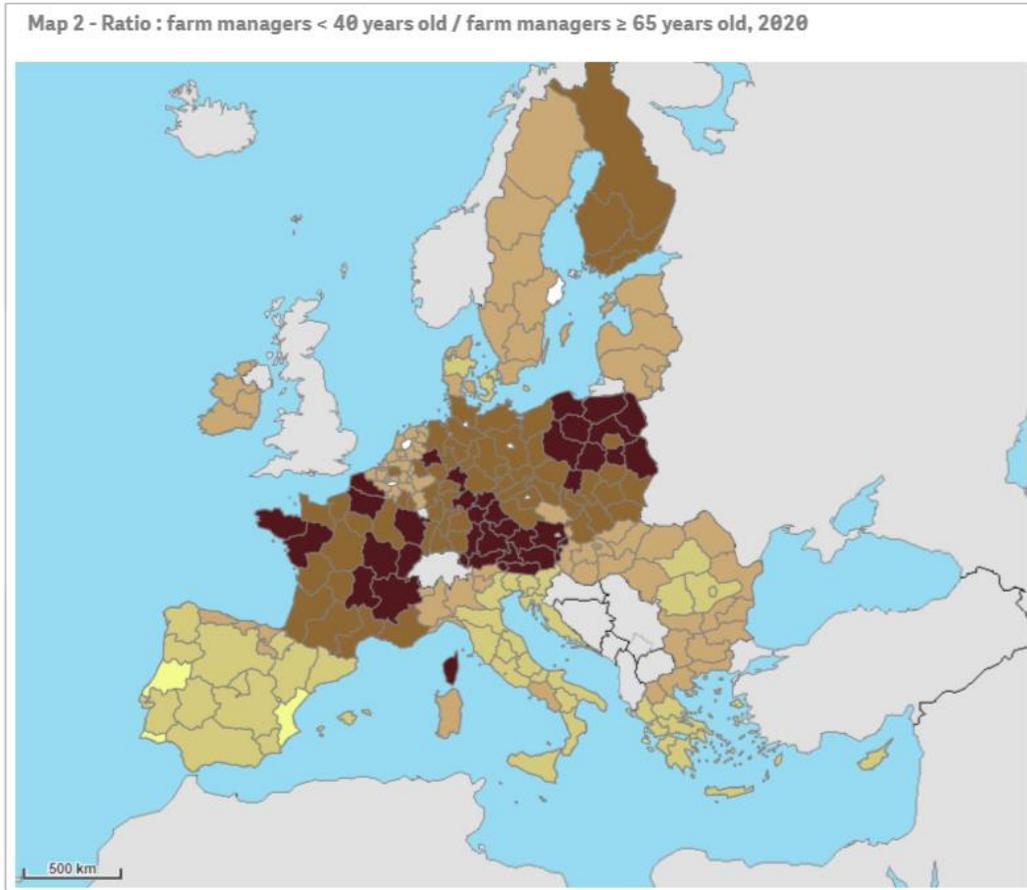
In 2016, land greater than 10 hectares was managed solely by relatively older farmers.

In 2020, there has been a marked change with 10 holdings between the size of 10 and 19.9 ha managed by young farmers.

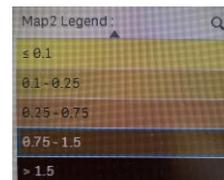
- **Young farmers contribute to about 20% of the total standard output** produced by the sector with the standard output per young farmer higher than that for older farmers due to application of more efficient techniques of production.
- Percentage of young farmers in Malta with practical experiences (as opposed to training) stands at 75.6% compared to 60% in the EU implying that young farmers are not engaging in formal training opportunities.

Young farmers in Malta

- Young farmers are not replacing, in a sufficient manner, the older farm workers leading to an overall decline in the size of the sector. Ratio in Malta stands at 0.29.
- This is a significant challenge in most of the Mediterranean countries which begs specific questions:



- Is enough support being targeted towards the generation of young farmers?
- What are the inhibiting farmers, beyond the financial ones, which inhibit young farmers from participating in the market?



Evaluation Approach

Mix methodology

Business Plans and Performance Progress Reports

- Business Plans shed light on the nature of the proposed projects, providing valuable information on the expected impact of the funds.
- The PPRs are designed to monitor the implementation of projects and progress achieved across a specific time period.

Limitations

Not available in digitalised form

Telephone survey

- A questionnaire of 27 questions was prepared and conducted through telephone interviews with beneficiaries during the month of November.
- Out of 61 beneficiaries, 58 responded to the telephone interview, achieving an overall response rate of 95%.

Non beneficiaries not included in the survey

Interviews with key stakeholders

- Interviews with stakeholders were held including agricultural organisations like MaYa and GhBA MCAST, and consulting services.

Support required to identify non-beneficiaries.
Wider FG with both ben/non-ben

Structured Focus Groups

- Focus groups (FG) were held with both beneficiaries and non-beneficiaries.
- The first FG was held with six beneficiaries, selected on the basis of an innovative element in their business.
- The second FG was with seven non-beneficiaries who were reached through the support of agricultural organisations.

Lacks qualitative assessment

Evaluation Results

Business Plans

- A total investment of over **€7.1 million** is expected to be enabled by **Measure 6.1** of which about €4.3 million is RDP funded.
- **Around 92% of the total investment expenditure proposed by young farmers is expected to lead to secondary contributions** towards Focus Areas (FAs) other than Focus Area 2B.
- It is expected that around **75% of the total investment expenditure enabled by Measure 6.1 would have a secondary contribution towards Focus Area 2A** and this is mainly focused on increasing the competitiveness of the farms;

Figure 4: Type of expenditure

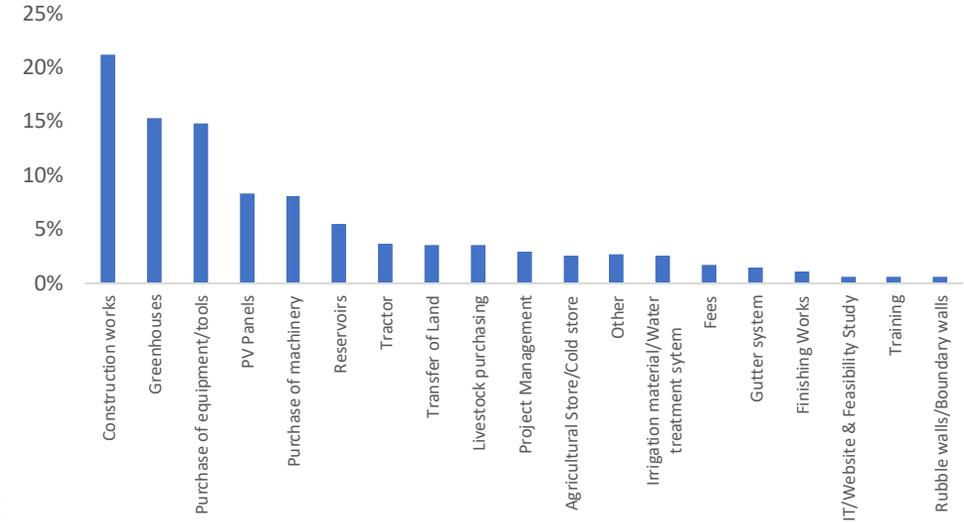


Figure 5: Barriers to entry for young farmers

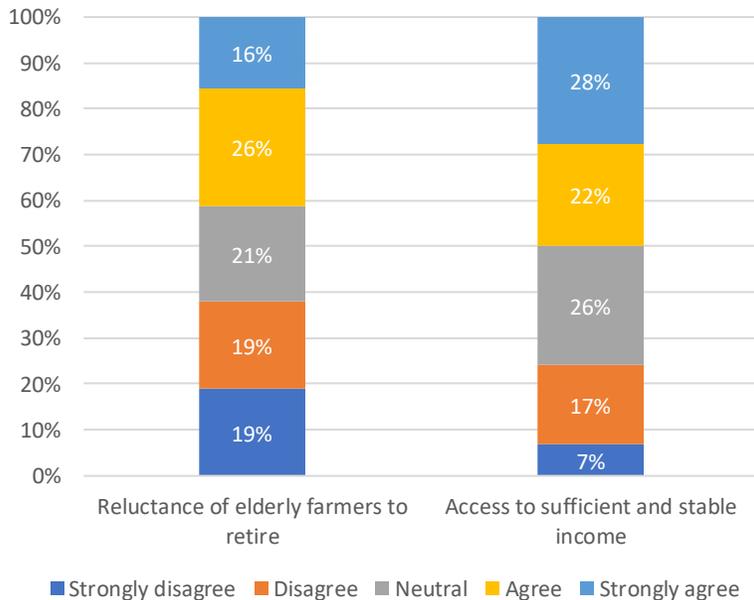


Figure 6: Access to Finance/Support

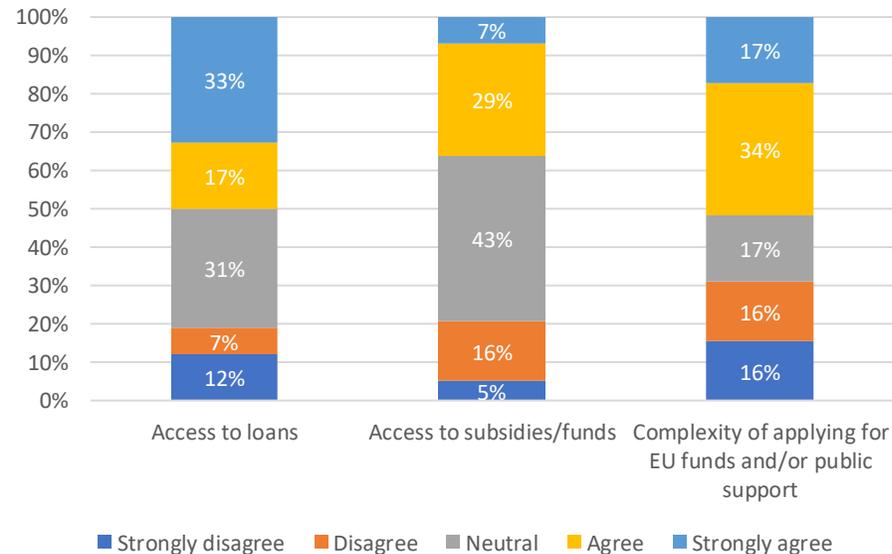
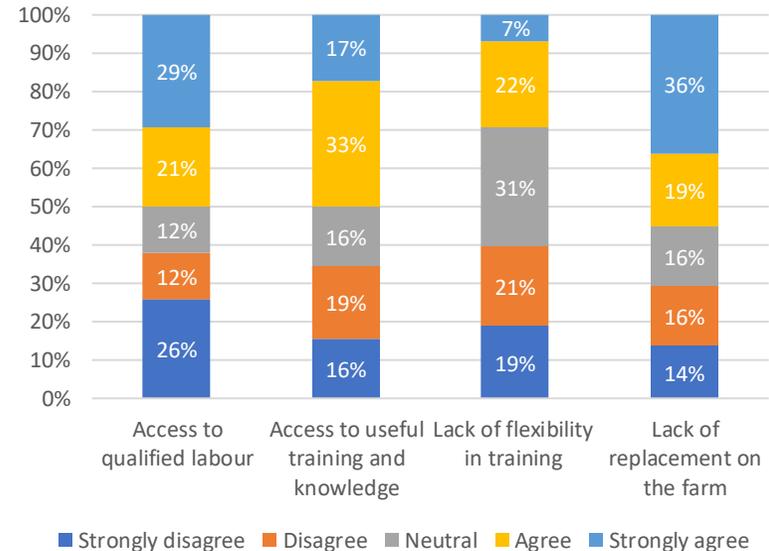


Figure 7: Barriers to training



Evaluation Results

- Specific challenges faced by young farmers

Land availability and
cost of land

Access to Finance

Skills and training

Lack of advice and
extension services

Lengthy procedures to
implement the business
plan

Fragmented supply
chains and lack of
cooperation

Large investment
required to consider
market access beyond
the local one

Evaluation Results

- Implementation of Measure 6.1
 - The design of the measure favoured farmers who came from a farming family rather than new entrants to the sector.
 - The eligibility criteria in relation to the SO led to the exclusion of some agricultural sectors such as beekeeping
 - Budget considered too low
 - Innovation should be promoted to a greater extent in the implementation of business plans by young farmers

Recommendations

Recommendations at National Level

Synergy between different national policies	
Coordination between stakeholders	
Land stock taking and better legal infrastructure	✘
Reduce delays in issuing permits	
Identification of needs and effective implementation of training course and advisory services	



A Bill was passed to allow for the payment of an amount of rent for agricultural land that is more proportionate to the value of the agricultural land. This was undertaken with a view of protecting the agricultural activity from land speculation.

Recommendations

Programme Recommendations

Extension of Measure 6.1	✘
Support for young farmers who are new entrants to the sector	
Selection Criteria for young farmers measure – to be more specific to address the needs of the sector.	✘
Tailor made courses for young farmers	
Consider preferential treatment for young farmers in the CAP SP	✘

Budget for M6.1 was extended.

Criteria such as min Standard Output requirement was removed.

CSP – Budget for young farmers increased to €7.1 million
Lump sum payment increased to (€ 100,000)
Provision of a loan guarantee for the purchase of agricultural land.