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# The 1988 FAO Report in a Nutshell

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**Nicholas Bonanno**

Ministry of Food, Agriculture and Fisheries, Valletta

**Abstract.** *The study undertaken by FAO in 1988 has served to identify policy interventions within four major spheres of activity in Maltese agriculture and fisheries development. These are the intensification of agricultural production, fisheries and aquaculture, agricultural policy and institutional support services. The opportunities and options outlined in the study have several target objectives namely the enhancement of domestic food security, improved incomes, new employment prospects and export marketing of quality produce. These objectives are in consonance with Malta's general economic development process.*

**Titre. Les grands axes du rapport FAO de 1988.**

**Résumé.** L'étude menée par la FAO à Malte en 1988 a permis d'élaborer des mesures de politique économique dans quatre secteurs d'activité importants du développement agricole et de la pêche: intensification de la production agricole, pêche et aquaculture, politique agricole et services de soutien institutionnels. Les opportunités et options dégagées dans l'étude visent plusieurs objectifs: davantage de sécurité dans la production alimentaire nationale, l'amélioration des revenus, de nouvelles perspectives d'emploi et un marché d'exportation de produits de qualité. Ces objectifs sont cohérents avec le processus de développement économique général de Malte.

**Keywords.** Malta – Intensification – Agricultural production – Fisheries – Aquaculture – Institutional support – Research – Technology.

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Commenced in November 1987, and completed in July 1988, a research project under the FAO Technical Cooperation Programme was undertaken to assist the Government of Malta in its efforts to draw up a comprehensive plan for integrated agricultural and fisheries development on the Maltese Islands.

Despite the small size of the country and its limitations for agricultural development, the Government of Malta has always attached high priority to the development of the agriculture and fisheries sectors. Growth in these sectors will result in an enhanced domestic food security, improved incomes, and employment prospects for producers and the promotion of exports of high-value quality agricultural products. All these objectives are directly in line with the overall national development goals of a balanced pattern of economic development, sustainable growth rates, employment creation, a high degree of self-reliance and, ultimately, reduced gaps in the balance of payments.

As its title "*Towards Agricultural Development in Malta: Opportunities and Options*" further demonstrates, this study surveys the opportunities and options that are deemed to be technically and economically feasible in sustaining development and growth in the Maltese agriculture and fisheries sectors.

Very broadly, the thrust of the FAO experts' recommendations rests on successive policy interventions in four interrelated spheres of activity, namely, the intensification of agricultural production, fisheries and aquaculture development, an updated agricultural policy regime and effective institutional supports.

## I. – Intensification of Agricultural Production

The future of agricultural production in the Maltese Islands must be considered within the context of the intensification, diversification, and integration of agricultural holdings. In this way, agricultural output can increase considerably, leading to substantial improvements in labour productivity and annual production efficiencies. But these goals can be achieved only if the appropriate measures are taken.

A first important measure remains an effective water management programme: this will aim at improving the overall availability of irrigation water as well as instilling an awareness among farmers of the benefits of irrigation efficiency through the adoption of modern irrigation methods.

The relaxation of such physical constraints will make possible the implementation of a programme for accelerated crop and livestock production. The Mission experts have highlighted essential considerations for such an action programme. The most appropriate rotation of crops, taking into account the relevant technical and economic considerations, should be established while the cultural practices—including irrigation and pruning—should be upgraded to modern lines as dictated by the results of research in the experimental stations. The experts have further recommended that the horticultural winter crops, especially potatoes, onion and cabbages, could feasibly be promoted for both the international and external markets while the product quality of such crops has to be improved as required by modern marketing considerations. In the same way, open-air spring and summer fruit production such as melons, watermelons and strawberries should be expanded. Crop quality could be considerably improved through the use of new varieties, better seeds, plastic and drip irrigation. As far as interventions on the production side are concerned, great opportunities are perceived to exist in the expansion of greenhouses to increase horticultural production for exports. Besides, room for improvement and high production levels exist in the production of cereals and forage legumes for local livestock feeding.

The report takes a comprehensive organic view of the production capacities of Maltese agriculture and includes as well an analysis of the livestock sector. Meat production can be increased primarily by using beef and dairy cows along with an incentive-oriented price structure for feed imports. The domestic production of milk can be increased as well but success in this direction depends on a comprehensive programme which needs to include a number of measures: in particular animal selection should be improved through better artificial insemination services. Besides, while non-descript stock (turkeys, ducks, pigeons) should be upgraded through better breeding and programme control, breeding programmes should be developed for sheep and goats primarily for supplementing milk production from cows. The long-term viability of each of these subsectors depends on higher efficiency gains: these can be achieved through an increase in their farm size, improvements in their structure and better management control.

The successful and upgrading process of a sector like agriculture should entail as well a re-examination of the forces affecting supply and demand and the pricing and marketing policies. At the same time, an incentive scheme, supplemented by grants, should be in place in aid of the *bona fide* producer.

## II. – Fisheries and Aquaculture

There is a great resource potential in the fisheries and aquaculture sectors and it is felt that more facilities should be established. In particular, deep-water fishing should be developed through the appropriate policy involving both full-time and part-time fishermen. In such sectors, however, an effective policy would aim at removing constraints for fish landings, improving collateral for securing credit and providing insurance against unforeseen risks.

The Report addresses a wide spectrum of issues relating to fisheries development. The marketing and trading aspects are considered to be a priority. Through cold storage facilities at industry or household levels, the availability of domestic supplies could be spread over longer time periods. Efforts should be made to identify destinations for exports or surplus fish. This can be achieved through a fish marketing information system which would connect Malta to international sources of information. A complete marketing service would include testing techniques for mercury and the appropriate quality control procedures especially in the case of fish exports.

The appropriate institutional/support services are a prerequisite for an efficient viable fishing industry. In fact, the Mission experts recommended a new structure for the Fisheries Division, taking into account the specific circumstances of fisheries in the Maltese Islands.

Aquaculture, too, has been on the agenda of the FAO Mission. They recommended that aquaculture should be viewed as an area of development initiative. In this way, the Government should adopt the guidelines prepared by the FAO/UNDP Aquaculture Development and Coordination Programme for the Mediterranean Regional Aquaculture Project as the basis for preparing a national plan for aquaculture.

### **III. – Agriculture Policy**

It is vital that the agriculture price policies recognize the trade-offs and emphasize the need for reconciliation among multiple development objectives. Foremost among these would perhaps come producer prices. The Report makes it clear that when attempting to influence producer prices, such policies should take into consideration a number of economic criteria: these would include demand prospects, the prices necessary to bring forth the desired growth in output including relative prices, trends in world market prices and changes in costs of production. It is imperative that agricultural price policies should be formulated with due consideration given to consistency and administrative feasibility: this, in turn, would depend on the institutional coordination capability, the resources available for management and the availability of the necessary data and information.

The efficiency of agricultural marketing depends as well on the appropriate marketing facilities. Hence steps are to be taken to improve methods for facilitating and regulating the export and import of agricultural commodities. Among those, grading standards and a sorting and labelling system for products of quality are necessary in a modern marketing system.

Like other economic sectors, agriculture needs credit for investment requirements. To improve the economic efficiency of the agricultural credit system, it is recommended that preferential treatment be given to agricultural loans and grants, especially with respect to interest rates and repayment schedules. Unless service loans are to be made by banks or other non-government agencies, adequate technical assistance should be available in association with loans involving equipment and technical know-how in order to help ensure that the improved services needed for repayment are generated by the effective use of the capital equipment.

### **IV. – Institutional Supports**

The underpinning of the restructuring of Maltese agriculture and fisheries is seen to be forthcoming from an effective research and extension programme, agricultural training and education, and the development of cooperative entities.

The FAO experts recommended an applied research and problem-oriented extension programme. Research should emphasise the development of intensive farming systems that are economically viable

and technically feasible taking account of the country's specific conditions. Whereas the research initiative will help develop useful and economically-viable technologies, the extension service is needed to diffuse the technologies developed to the farming community.

Research efforts should begin in government stations, that would be upgraded for that purpose, and then be continued through field testing and demonstration in farmer's fields. The extension service would be closely linked to the research pool. Hence extension should include an "expert" system involving a field agent working with farmers and an integrated expert pool of government research and extension staff on a country level. The extension service would include direct mail and mass media services.

Modernization and restructuring necessitate training and education. The agricultural education and training programme should be oriented towards the more specialized and export-oriented agricultural production planned for development.

Any development needs a structure and in this context the cooperative as a mode of economic organization is seen to be a possibly viable proposition in the Malta case. It could instil a major organizational and managerial force for this sector in so far as it would entail an integrated approach to the development of Maltese agriculture and fisheries and induce a larger participation of the farmers and fishermen.

## Reference

**Food and Agriculture Organization (FAO), Rome** (1988). Towards agricultural development in Malta: Opportunities and options, Ministry of Productive Development, Valletta.

