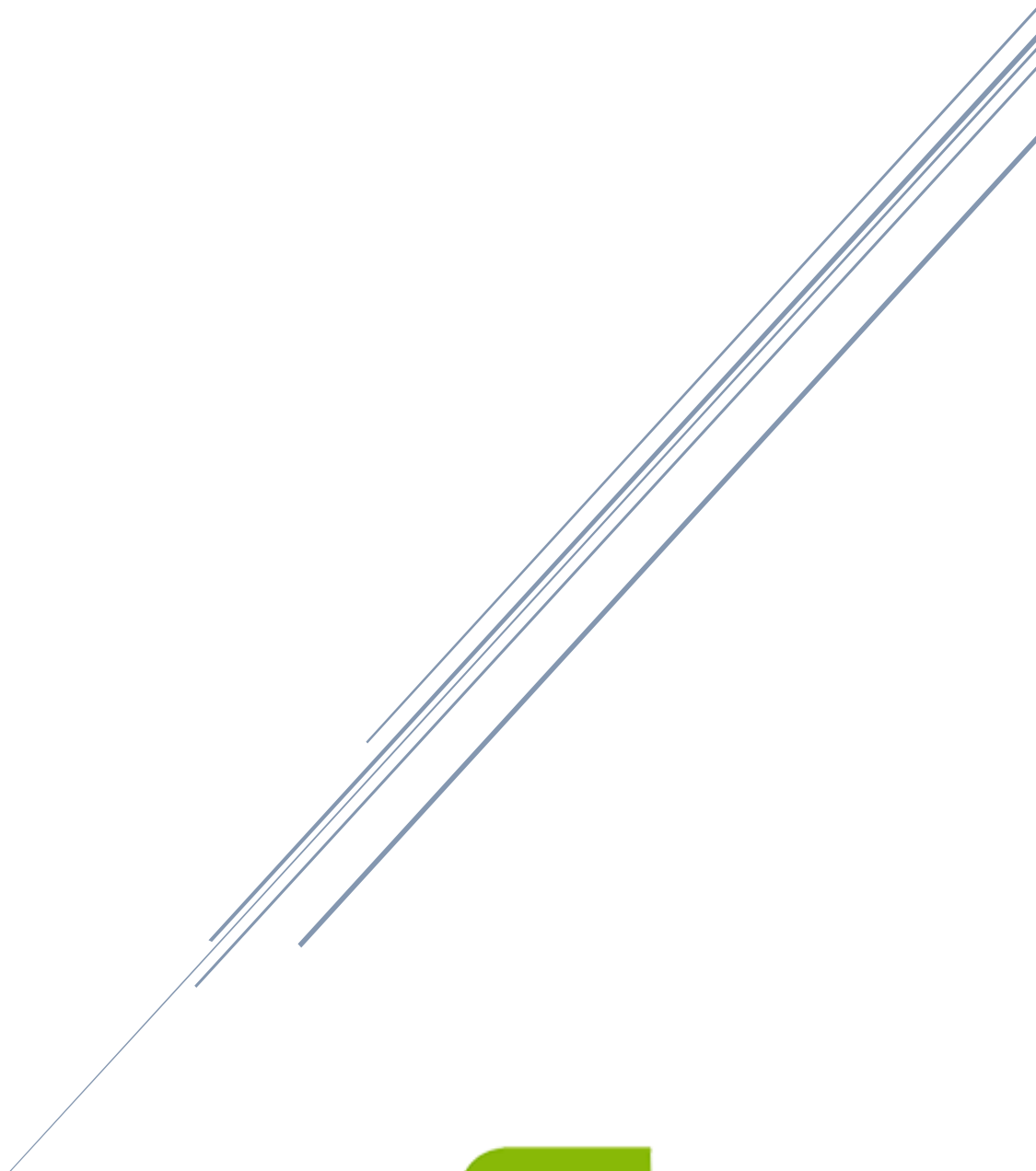


GUIDELINES FOR THE NATIONAL PIG WELFARE SCHEME





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1. Introduction

In line with Section 1.1.5.2 of the European Union Guidelines for State Aid in the Agricultural and Forestry Sectors and in Rural Areas 2014-2020, the aim of this scheme is to grant aid to undertakings active in the primary agricultural production¹ sector that voluntarily undertake certain specific actions to improve animal welfare on their farm.

In order to be eligible, these actions must go beyond the relevant mandatory standards established pursuant to Article 3(1)(b) of the *Minimum Standards for the Protection of Pigs Regulations* (S.L. 439.02).

This scheme will grant aid to swine producers for increased sow spacing allowance considerations for pig farms.

The scheme is intended to be based on a multi-annual commitment for a period of up to five years, during which the farmers opting in would ensure that the stocking density and space available for sows would meet such dimensions as will be set out by the Veterinary Regulation Department within these guidelines and grant agreement for the scheme, against a pre-determined annual payment based on a rate per sow benefitting from the scheme as determined within the grant agreement.

¹ Primary agricultural production means the production of products of the soil and of stock farming listed in Annex I to the Treaty, without performing any further operation changing the nature of such products.

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2. Legal Basis

- Chapter 146 of the Laws of Malta - Agricultural and Fishing Industries (Financial Assistance) Act.
- European Union Guidelines for State aid in the agricultural and forestry sectors and in rural areas 2014 to 2020 (2014/C 204/01), as may be amended.



3. General Requirements/Conditions/ Commitments

- The Scheme is intended for active farmers (within the meaning of Article 9 of Regulation (EU) No 1307/2013) with swine production registered in Malta;
- No aid will be granted or paid out before notification and approval of this scheme by the European Commission;
- The scheme will not apply to undertakings in difficulty;
- Works on the relevant commitment must not have started prior to the submission of the application for aid under this scheme by the farmer to the Agriculture and Rural Payments Agency (ARPA);
- Since aid under this scheme may be granted until 31 December 2025, and therefore beyond the date of application of the current State Aid Guidelines, the scheme shall be adapted in accordance to the State Aid rules applicable after the expiry of the current State Aid Guidelines;
- Farmers will be required to keep records relevant to their holding. These will be subject to checks and controls by relevant competent authorities including the Certification Body (IAID) and the Agriculture and Rural Payments Agency (ARPA);
- Eligible farmers must be registered in the IACS Farmer Registry;
- Applicants will have to enter into a five-year commitment. The applicant is required to submit an annual application claim each year of the commitment until the commitment is complete. Should the applicant decide to stop the commitment, he/she will have to reimburse all the funds paid under this scheme;
- Article 3(1)(b) of the *Minimum Standards for the Protection of Pigs Regulations* (Subsidiary Legislation 439.02) states that “the total unobstructed floor area available to each gilt after service and to each sow when gilts and/or sows are kept in groups must be at least 1,64 m² and 2,25 m² respectively. When these animals are kept in groups of fewer than six individuals the unobstructed floor area must be increased by 10%. When these animals are kept in groups of 40 or more individuals the unobstructed floor area may be decreased by 10%”. In Malta normally sows are kept in groups of 5 per pen and thus the minimum space requirement of 2.475 m² per sow is required. For applicants to benefit from this scheme they must provide an additional space of 10% or more for each sow, that is provide at least 2.73 m² of unobstructed area per sow.
- As a result of regulatory changes concerning minimum standard requirements referred to in the previous point and/or changes to the regulations of the Common Agriculture Policy or State aid rules which directly affect any of the obligations under this scheme ; the beneficiary can either continue with the commitment according to the new rules or should the beneficiary not accept or implement the adjustments, the commitment will expire and



the aid amount should be reduced to the aid amount corresponding for the period until the expiry of the commitment.

- Where the individual aid award exceeds €60,000, the identity of the individual beneficiaries, the form and amount of aid granted to each beneficiary, the date of granting, the type of undertaking (SME/ large enterprise), the region in which the beneficiary is located (at NUTS level II) and the principal economic sector in which the beneficiary has its activities (at NACE group level), will be published on the national State aid website (<https://eufunds.gov.mt/en/SAMB/Pages/SAMBHome.aspx>).





4. Eligibility/Entry Conditions

- Active farmers registered with active pig farms with the Veterinary Regulation Directorate (VRD) with at least 2 sows (as reported in the sows' census carried out in 2018)
- Applications must be submitted by not later than <<Date>>, declaring the amount of heads being claimed for support
- Applicants must submit a valid Bank Payment Form to ARPA

4.1. What happens if a beneficiary cannot fulfil commitments due to a *force majeure* incident?

- *Force majeure* is generally considered to imply an abnormal or unforeseeable circumstance beyond a project holder's control, the consequences of which could not be avoided by reasonable action. A written application for *force majeure* has to be submitted to the ARPA within 15 working days from the date on which the beneficiary, or the responsible person entitled by the said beneficiary, is in a position to do so. After consultation, the ARPA will decide whether to accept or reject the application. Should the ARPA accept the force majeure request, there will be no major consequences. But if the force majeure application is rejected by the ARPA, the latter may seek to recover or withdraw all funds related to this scheme.





5. How is the payment calculated?

- This aid is a direct aid based on a maximum rate of €150 per sow and gilt
- Each claim year applicants must declare the amount of heads eligible for the scheme, then ARPA carries out On-the-spot checks on 5% of the applicants in this regards
- ARPA may also use data from the Veterinary Regulation Department collected during official inspections
- The aid will be granted annually, ARPA may grant an advance payment of up to 40% to all applicants and then issues a final payment upon finalisation of the on-the-spot check campaign for that claim year
- Aid will be calculated on the least between the entitled amount of heads provided in the grant agreement, the amount of heads declared in the annual payment claim and the amount of heads determined as a result of administrative and on-the-spot checks and or information provided by the Veterinary Regulation Department
- Provided that during the lifetime of a sow, it is not always kept in groups, ARPA shall pay in accordance with the mechanism provided for in the previous point. During the on-the-spot checks (OTSC) it shall be determining whether, at the time of the OTSC, the minimum area for each sow/guilt being kept in groups as provided for in Subsidiary Legislation 439.02 a minimum of 2.73 m² of unobstructed area per sow/guilt is provided.





6. Suspending/Withdrawing the support

- The paying agency may suspend or withdraw in full the support where a non-compliance is detected. The suspension or withdrawal shall be lifted by the paying agency as soon as the beneficiary proves to the satisfaction of the agency that the situation has been remedied.
- Suspension of the support will be applied in cases where commitments and/or other obligations are not fulfilled, and the beneficiary is expected to be able to correct the non-compliance. If the beneficiary cannot remedy the situation during a period provided for by ARPA, support shall be withdrawn and funds granted under the scheme recovered in full.
- ARPA commits to suspend the award and/or payment of any aid under this scheme to any undertaking that has benefited from earlier unlawful aid declared incompatible by a Commission Decision (either as an individual aid or an aid under an aid scheme being declared incompatible), until that undertaking has reimbursed or paid into a blocked account the total amount of unlawful and incompatible aid and the corresponding recovery interest.

