

GUIDELINES FOR THE SUPPORT TO COMPENSATE FOR THE INCREASE IN THE PRICES OF FODDER





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Introduction

Fodder is essential to animal nutrition, serving as a primary source of nutrients for livestock. Fodder provides a balanced mix of carbohydrates, proteins, vitamins, and minerals crucial for the health and well-being of livestock.

Livestock, such as cattle, and sheep rely on a diverse and nutritious diet to support growth, reproduction, and overall vitality. In Malta, fodder is primarily obtained from imported sources, complemented by an element of local production which is relatively small. Prices of local production follow those of imports. The Ministry for Agriculture, Fisheries and Animal Rights (MAFA) has recently performed an analysis of the impact of rising forage prices on the livestock sector. Between 2021 and 2022, the price of straw increased by 36% while the price of dehydrated hay increased by 41%. In 2023, prices continued to increase edging up further by 9% for straw and 2% for dehydrated hay. For 2024, prices are assumed to remain high, but stable when compared to 2023.

It is for this reason that the MAFA is proposing a scheme to provide support to livestock sectors covered by Coupled Income Support (CIS), namely Dairy Production, Beef Production and Sheep, with the addition of Goat rearing given that they have suffered similar conditions to the sheep sector; this to counteract the effects of the increase in fodder feeds arising from the Ukraine conflict.

Legal Basis

- Chapter 146 of the Laws of Malta – Agricultural and Fishing Industries (Financial Assistance) Act.
- Temporary Crisis and Transition Framework for State Aid measures to support the economy following the aggression against Ukraine by Russia (OJ C 101/3, 17.03.2023), as amended by the Communication from the Commission – Amendment to the Temporary Crisis and Transition Framework for State Aid measures to support the economy following the aggression against Ukraine by Russia (OJ C 1188/1, 21.11.2023), hereinafter referred to as the TCTF.





Duration of the Scheme

The scheme will be applicable until 30th June 2024.

Endorsed pre-filled applications must be submitted by not later than 15th May 2024.

Eligibility/Entry Conditions

The Scheme is intended for Bovine, Ovine and Caprine farmers with agriculture holdings registered in Malta.

The scheme applies to micro and small enterprises active in active in NACE code A1.4 - Animal production.

In order to be eligible, animal farmers will have to fall within the following categories:

- Be active farmers (as defined in the CAP SP); and
- Be bovine and/or caprine and/or ovine producers that are registered in the National Livestock Database as such with the VRD.
 - o For bovine and ovine: these must be farmers that applied and were eligible for payment for the CIS claim year 2023. Farmers must remain with active production during claim year 2024.
 - o For caprine: Farmers that as at 31 December 2023 had registered in the National Livestock Database at least 20 female animals of at least 1 year of age. Farmers must remain with active production in 2024.
- Applicants must have submitted a valid Bank Payment Form to ARPA.



Force Majeure

If a beneficiary has been unable to comply with the obligations as a result of *Force Majeure* or exceptional circumstances s/he shall retain her/his right to eligible aid up till when the case of *Force Majeure* or the exceptional circumstance occurred.

Cases of *Force Majeure* and exceptional circumstances shall be notified in writing to the competent authority (ARPA), with relevant evidence to the satisfaction of the competent authority, within fifteen (15) working days from the date on which the beneficiary or the person entitled through him, is in a position to do so. After consultation with the *Force Majeure* Board, ARPA will decide whether there is a case of force majeure or otherwise according to the parameters of the applicable EU Regulations. Should ARPA deem a case to be affected by a *Force Majeure* event, the beneficiary may be justified or excused, totally or partially, with respect to some default that there may be. However, if the *Force Majeure* application is rejected, ARPA may seek to recover or withdraw all funds related to this scheme.

Potential cases of *Force Majeure* for the purposes of this scheme:

- A severe natural disaster or severe meteorological event gravely affecting the holding;
- The accidental destruction of livestock buildings on the holding;
- An illness or other intervening health condition of the applicant preventing him/her from continuing with the commitment;
- Death of the beneficiary;
- Other cases of force majeure according to Maltese law.

Official documentation needs to be submitted together with the *Force Majeure* application. In case of illness, a medical certificate is required and in case of mandatory quarantine, the official notification issued by the Ministry for Health is required.

Further information on *Force Majeure requests* may be accessed from ARPA's website at: www.arpa.gov.mt



Applicable State aid Rules

- In line with Article 108(3) TFEU, no aid will be granted or paid out before notification and approval of this scheme by the European Commission.
- Credit and financial institutions are excluded from the scope of this aid measure and cannot benefit from the aid.
- This aid is not conditioned on the relocation of a production activity or of another activity of the beneficiary from another country within the EEA to the Maltese territory.
- Aid under this scheme will not be granted to undertakings under sanctions adopted by the EU, including but not limited to: a) persons, entities or bodies specifically named in the legal acts imposing those sanctions; b) undertakings owned or controlled by persons, entities or bodies targeted by sanctions adopted by the EU; or c) undertakings active in industries targeted by sanctions adopted by the EU, insofar as the aid would undermine the objectives of the relevant sanctions.
- This aid may not in any way be used to undermine the intended effects of sanctions imposed by the EU or its international partners and it is in full compliance with the anti-circumvention rules of the applicable regulations. Natural persons or entities subject to the sanctions may not benefit directly or indirectly from this scheme.
- This aid may be cumulated with aid under de minimis Regulations¹ and/or with aid under the Block Exemption Regulations², provided that the provisions and cumulation rules of those Regulations are respected.
- This aid may be cumulated with aid under a measure approved by the Commission under the Communication from the Commission - Temporary framework for State aid measures to support the economy in the current COVID-19 outbreak, as amended, provided the respective cumulation rules are respected.

¹ Commission Regulation (EU) 2023/2831 of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid (OJ L 2023/2831, 15.12.2023); Commission Regulation (EU) No 1408/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid in the agriculture sector (OJ L 352, 24.12.2013, p. 9); Commission Regulation (EU) No 717/2014 of 27 June 2014 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid in the fishery and aquaculture sector (OJ L 190, 28.6.2014, p. 45).

² Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, as amended, and Commission Regulation (EU) 2022/2472 of 14 December 2022 declaring certain categories of aid in the agricultural and forestry sectors and in rural areas compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union (OJ L 327/1, 31.12.2022).



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- This aid may be cumulated with aid granted under the different sections of the TCTF in line with the requirements in the specific sections of the TCTF.
- The definition of SMEs as provided for in Annex I of the Agricultural Block Exemption Regulation shall apply.
- Monitoring and reporting requirements as referred to in the TCTF shall apply. The relevant information on each individual aid above €10,000³ granted under this scheme will be published within 12 months from the moment of granting.
- This aid shall be granted to undertakings affected by the crisis.
- This aid is intended for undertakings active in the primary production of agricultural products⁴ and it is not fixed on the basis of the price or quantity of products put on the market.
- The overall aid granted under this scheme and any other scheme implemented on the basis of Section 2.1 of the TCTF, will not exceed € 280,000 per undertaking active in the primary production of agricultural products at any given point in time⁵.
- If the beneficiary receives aid on several occasions or in several forms under this aid scheme or under another existing scheme approved by the European Commission under section 2.1 of the TCTF, the overall maximum cap per undertaking as set out in points 61(a) and 62(a) of the TCTF must be respected.

Where an undertaking is active in several sectors to which different maximum aid amounts apply in accordance with points 61(a) and 62(a) of the TCTF, it will be ensured by appropriate means, such as separation of accounts, that the relevant ceiling is respected for each of those activities and that the overall maximum amount of €2,250,000 is not exceeded per undertaking. Where an undertaking is active exclusively in the sectors covered by point 62(a) the overall maximum amount of €335,000 should not be exceeded per undertaking per Member State.

³ Referring to information required in Annex III of the Agricultural Block Exemption Regulation.

⁴ As defined in Article 2(44) of Commission Regulation (EC) (EU) 2022/2472 of 14 December 2022 declaring certain categories of aid in the agricultural and forestry sectors and in rural areas compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union (OJ L 327/1, 31.12.2022).

⁵ Aid granted on the basis of schemes approved under this section of the TCTF which has been reimbursed before granting new aid under this section will not be taken into account in determining whether the relevant ceiling is exceeded.

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Cumulation with assistance granted under Malta's RDP

Aid under this measure may be cumulated with assistance granted under Measure 22 of Malta's RDP entitled "Guidelines for exceptional temporary support under the European Agricultural Fund for Rural Development (EAFRD) in response to the impact of Russia's invasion of Ukraine"⁶. The maximum aid intensities will be respected.

Budget

The budget available for this scheme is of €1,800,000 which will be entirely funded through National funds. ARPA reserves the right to amend the budget allocated and to set and amend support rates in accordance with the budget available.

How is the payment calculated?

The following rates have been determined through a study that analysed the losses incurred by livestock farmers:

Dairy cows: €239 per head for the two-year period (2023 and 2024)

Beef: €75 per head for the two-year period (2023 and 2024)

Sheep and Goats: €40 per head for the two-year period (2023 and 2024)

Payment mechanism

This aid is a direct grant based on the compensation support rates determined through a study. Eligible units per sector are as follows:

- Dairy - €239 per eligible head paid under CIS CY 2023
- Beef - €75 per eligible head slaughtered and paid under CIS CY 2023
- Sheep - €40 per eligible head paid under CIS CY 2023
- Goats - € 40 per female goat over 1 year of age registered in NLD as at 31/12/2023.

⁶ Such Measure is implemented in line with Article 39c of Regulation (EU) No 1305 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005.

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Commitments

Farmers benefitting from this scheme must:

- remain active in 2024; should checks reveal that a farmer did not remain eligible, action will be taken to recover any funds paid.

Applications

An automatic claim less system shall be adopted, whereby eligibility shall be determined from updated registers held by MAFA. The farmers identified shall be provided with a pre-filled application form whereby they shall be requested to declare that they are eligible for the scheme and to express their interest in the scheme.

Suspending/Withdrawing the support

- The paying agency may suspend or withdraw in part or in full the support where 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.
- ARPA may partially or fully withdraw the support if the Veterinary Regulation Directorate notifies ARPA of inactivity unless such inactivity or underactivity is a result of a Force Majeure recognised in line with these guidelines.
- The paying agency will 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, until that undertaking has reimbursed or paid into a blocked account the total amount of unlawful and incompatible aid and the corresponding recovery interest.





Administrative checks and Controls

The checks shall include verification of:

- the eligibility of the beneficiary
- adherence to the commitments of the scheme

Provided that this scheme is an exceptional aid scheme it shall be based on a claimless system, reliance shall be made on the National Livestock Database, hence no additional controls are foreseen by the Agriculture and Rural Payments Agency.

Penalties

Provided that this is an exceptional aid based on a claimless system no payment penalties are foreseen, however, if it is found that the applicant provided false declarations concerning his/her agricultural activity to receive aid under this scheme, no funds shall be issued; any funds already issued under this scheme will have to be refunded.

Debt Recovery

Should the ARPA and/or the Agriculture Directorate identify any undue payments issued to a beneficiary or note that irregularities have been made by a beneficiary, ARPA will initiate debt recovery procedures. A beneficiary will be notified of a debt through a notification sent to the same beneficiary through registered mail. Such a letter will include the amount to be recovered and the reason for recovering these amounts. On receiving a debt notification, the Beneficiary is required to either accept the debt or object to it.

If the Beneficiary accepts the debt, he/she is to complete a Debt Acceptance Form, which would mean that the beneficiary would like to have the said amount deducted from any upcoming payments. If the Beneficiary does not have any upcoming payments, the debt is to be settled within thirty (30) calendar days from the date of the notification.

If on the other hand the Beneficiary does not agree with the debt, an Objection Form is to be completed and submitted to the Agency within fifteen (15) working days from the date of the debt notification. Objections submitted to the Agency will be reviewed by the Agency's Objection Board.





The Beneficiary will be notified in writing of the Board's decision to accept or refuse such an Objection. Beneficiaries are encouraged to consult the Guidance for the Submission of Objections to Penalties/Reductions imposed by ARPA which may be accessed from ARPA's website at: www.arpa.gov.mt

The acceptance and objection forms:

- may be downloaded from the Agency's website: www.arpa.gov.mt
- may be submitted at:
 - o Front Office, Pitkali Markets, Ta' Qali, L/O Attard or,
 - o Gozo Office, Experimental Farm, Mgarr Street, Xewkija, Gozo
 - o AgriConnect Offices

If the Beneficiary has any pending debts after the elapse of sixty (60) calendar days from the date of debt notification and has neither submitted a Debt Acceptance Form nor an Objection Form, interest at a rate of 8% will be applied as per Commission Regulation (EC) No 1122/2009, Directive 2011/7/EU and Article 1852 of Chapter 16 of the Laws of Malta.

Data Protection

The Agriculture and Rural Payments Agency carries out its functions in accordance with the applicable laws and in line with standing good practices.

In line with Article 13 of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (hereafter 'GDPR'), the Agency is hereby providing you with the following information:

- The "Controller" is the Agriculture and Rural Payments Agency and it can be contacted at the Government Farm, Għammieri, Marsa, Malta or on the email address arpa.mafa@gov.mt;
- The "Data Protection Officer" can be contacted at the Agriculture and Rural Payments Agency, Government Farm, Għammieri, Marsa, Malta or on the email address dpo.arpa@gov.mt;
- The general purpose of processing your personal data is to implement the measures under the Common Agricultural Policy in accordance with Title III of the Treaty on the Functioning of





the European Union and related EU and National Law, more specific policies are dependent on the measures concerned and may be found specified further down;

- The recipient of your personal data is the Agriculture and Rural Payments Agency within the Ministry for Agriculture, Fisheries, and Animal Rights. The category of recipients of your personal data is public authorities including also Union institutions, bodies, offices and agencies;
- Your personal data shall be retained for as long as legally required or reasonably necessary to satisfy the declared purposes and any legal obligations and, or claims that might possibly arise from your relationship with the Agency, or otherwise according to the Agency's Data Retention Policy provided with this declaration or accessible online at www.arpa.gov.mt;
- You have the right to request from the Controller access to and rectification or erasure of personal data or restriction of processing of personal data concerning yourself or to object to processing as well as the right to data portability, according to law;
- You have the right to lodge a complaint with the Office of the Information and Data Protection Commissioner, or any other supervisory authority, if applicable in accordance with the Regulation.

The personal data you are providing to us is a contractual and, or legal requirement relating to your rights and obligations with respect to the Agency and its responsibilities.

By submitting this application/request you are declaring that you understand and accept that the Agency is to process personal data relating to you for the specific purpose of processing this application/request, in accordance with law. In order for your application/request to be processed, you shall provide your personal data for the declared purposes and anything reasonably and, or legally necessary to satisfy said purposes. Failure to provide such data might result in the impossibility of processing your application/request, without prejudice to other consequences according to law.

The processing of personal data shall be conducted according to the GDPR and the Data Protection Act.





Disclaimer

The ARPA reserves the right to amend from time-to-time certain criteria established by this guidance document. Such amendments may become applicable and enforced retrospectively, as from the date of application.

Potential beneficiaries are requested to seek any clarifications deemed necessary prior to commitment.

