

# GRDA NOTE



## Agriculture in Gozo

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# Agriculture in Gozo - Recent developments, challenges, and policy response

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## Introduction

Gozo has a more rural dimension than mainland Malta and as a result agriculture in Gozo is more prevalent. Similar to Malta, the agricultural sector in Gozo comprises of land farmers and livestock breeders who operate on small-scale holdings and farms. Land farmers practise dry farming and irrigated farmland in greenhouses and open fields, while livestock breeders mainly breed their livestock indoors.

Apart from its economic contribution the agricultural sector plays a multifunctional role. This ranges from food production and security, culinary tradition, land stewardship, environmental conservation, and recreational landscape while it also serves as backdrop for the tourism industry.

## Overview of recent agricultural developments

### *Gross Value Added (GVA)*

According to the latest regional data, in 2020, the GVA of the agricultural and fishing industry in Gozo amounted to €11.2 million or to 2.2% of Gozo's total GVA.<sup>1</sup> This represents a drop of around 16% over the previous year following an increase of 8.0% registered in 2019. The fall in GVA of the agriculture and fishing industry in 2020 reflects the impact that the COVID-19 pandemic has had on this industry. However, the fall in the agriculture and fishing industry was more pronounced than the overall drop of 5.6% registered in other industries in Gozo.<sup>2</sup>

Overall, the share of agriculture and forestry in Gozo's total GVA has followed a downward trajectory over the 2000 to 2020 period. This occurred as while output generated from the agriculture and fishing industry remained relatively stable over this period, other industries, including that of professional, scientific and technical activities and information and communication, grew at a rapid pace. Consequently, the share of the agriculture and forestry to total GVA in Gozo declined from 6.2% in 2000 to 2.2% by end 2020 (see Chart 1).

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<sup>1</sup> NSO News Release 230/2021

[https://nso.gov.mt/en/News\\_Releases/Documents/2021/12/News2021\\_230.pdf](https://nso.gov.mt/en/News_Releases/Documents/2021/12/News2021_230.pdf)

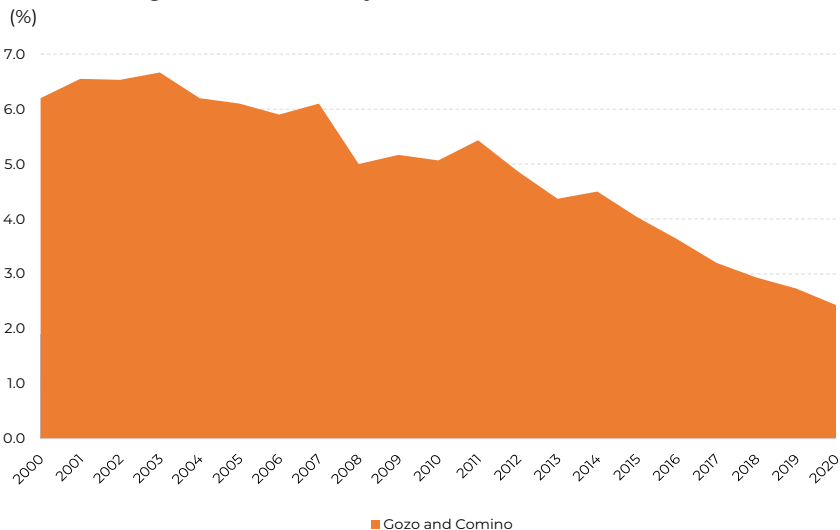
<sup>2</sup> For an overview of the impact of the pandemic on the Gozo economy see:

<https://grda.mt/wp-content/uploads/2021/11/Note-on-Pandemic-Impact-on-Gozo-Economy-Final-Version-.pdf>

## Employment developments

Employment in the agriculture and fishing industry reached 670 individuals in 2020, which is equivalent to around 19% of national employment in this industry.<sup>3</sup> During this year employment in this industry increased marginally over that registered a year earlier, maintaining the positive upward trend registered in recent years. In fact, in the years prior to the pandemic employment in this sector increased by an annual rate of 5.3% and 2.4% in 2019 and 2018 respectively.

**Chart 1**  
Share of the agriculture and forestry to total GVA

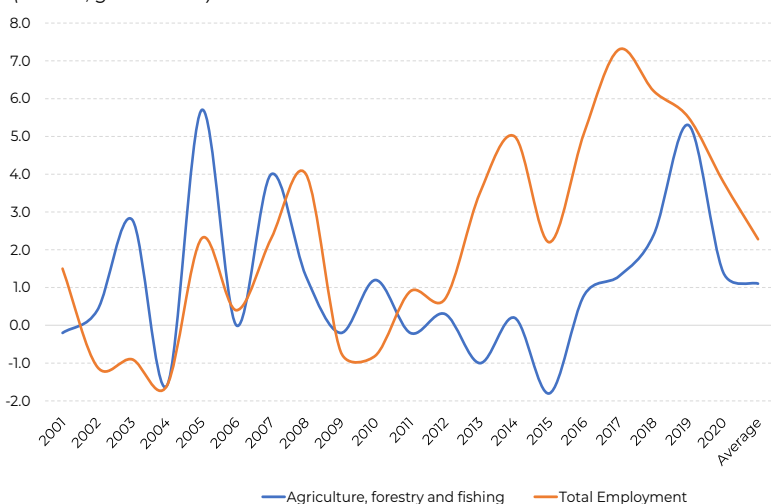


Source: NSO

Notwithstanding the recent positive developments, over the last two decades, employment in this industry grew at a much slower pace than that of other industries in Gozo (see Chart 2). In fact, over the 2000 and 2020 period, employment in agriculture and fishing in Gozo grew by an average annual rate of around 1.1%, 1.2 percentage points lower than the average annual growth in total employment.

Employment in agriculture in Gozo is also more robust vis-à-vis that of Malta. Over the 2000-2020 period the average share of agricultural employment to total employment in Gozo was equivalent to 5.8% while that in Malta was only 1.6%.

**Chart 2**  
Employment growth in Gozo  
(annual, growth rate)



Source: NSO

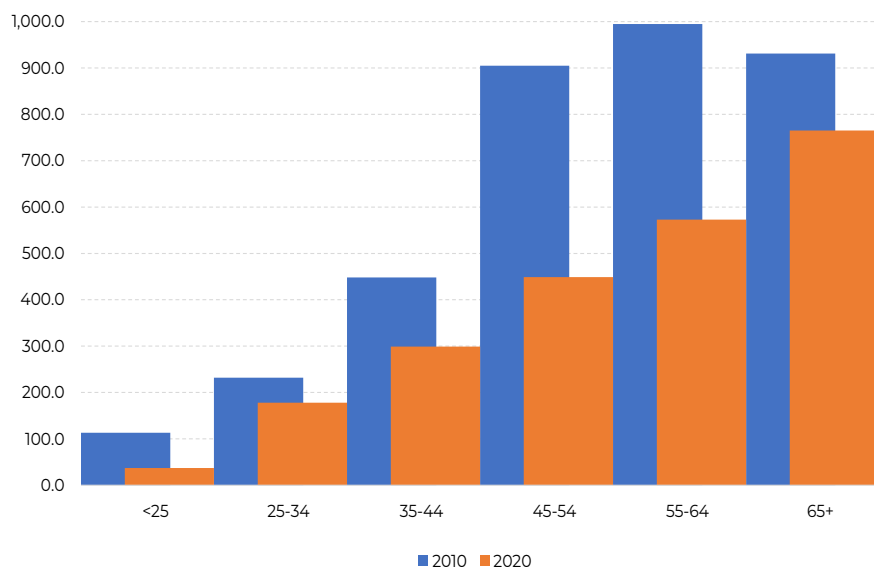
According to the latest census the agricultural labour force in Gozo (including full-time and primary and secondary part-time) stood at 2,590 or 19% of total agricultural labour force. This represents a drop of 32% when compared to the 2010 labour force. The composition of the Gozitan agricultural labour force mainly consists of males as the number of females only amounted to 293 individuals or 11% of total. Moreover, over the 2010 and 2020 period the composition of the agricultural labour force shifted to higher ratios of men workers. This

occurred as while male workers decline by 23% the number of females dropped by 64%.

<sup>3</sup> Employed persons comprise full-time and part-time (primary only) employment.

The agricultural census data is also disaggregated according to number of hours worked, and thus one could also differentiate between those working full-time and part-time. The latter amounted to 2,301 individuals in 2020 or 88.8% of total agricultural labour force. When compared to 2010, individuals who worked less than 1,800 hours, and thus considered as part-timers, declined by 36.5%. This drop was evident across all age groups however, the strongest drop was recorded for those aged less 25 (see Chart 3).

**Chart 3**  
**Distribution of agricultural labour force by annual hours**  
*(Gozo, <1800 hours, Part-time)*



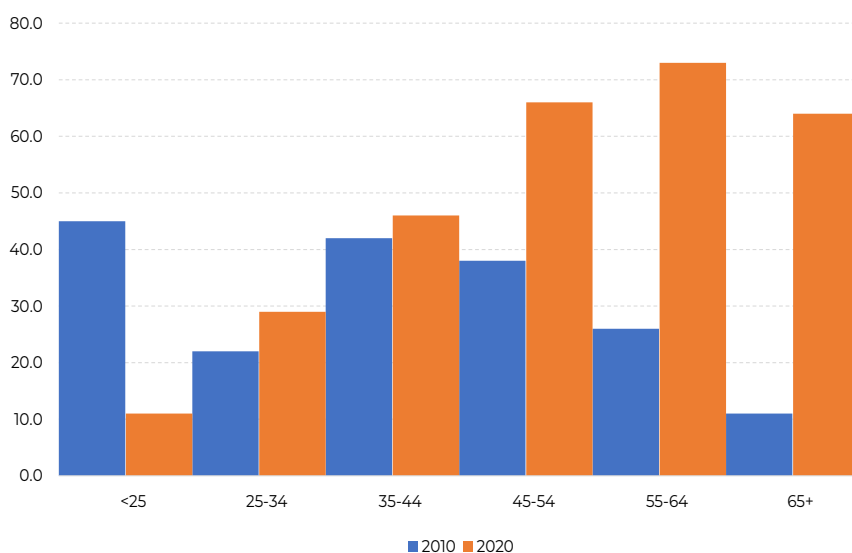
Source: Census for Agriculture

Moving on the those who work more than 1,800 hours per year, or in other words full-timers, these reached 289 individuals in 2020. This represents a rise of 105 individuals or 47% when compared to the levels registered in 2010. This increase was evident nearly across all age groups and this being more prominently for those aged 55 and older (see Chart 4). On the other hand, the number of individuals aged 25 or lower declined significantly over this period.

**Census of Agriculture: salient results**

Additional information on the agriculture sector in Gozo can be drawn up from the Census of Agriculture. The latter is carried out once every decade and provides valuable information on agricultural developments in Malta. From this census one could obtain evidence on the use of agricultural land, developments in livestock population and agriculture employment trends. In this part of the analysis, we will take

**Chart 4**  
**Distribution of agricultural labour force by annual hours**  
*(Gozo, ≥ 1800 hours, Full-time)*



Source: Census of Agriculture

a look at the data from 2020 census and compare these results with those of the previous census.<sup>4</sup>

<sup>4</sup> For more information on the salient results of the 2020 and 2010 Census for Agriculture see: <https://grda.mt/wp-content/uploads/2022/03/Agriculture-Census.pdf>

In 2020, the total land declared by Gozitan farmers amounted to 2,617 hectares, of which 94% was utilised for agriculture. The remaining declared land consisted of unutilised agriculture area and other land which mainly includes infertile land. According to the results of the latest census, the percentage of land declared by Gozitan farmers in Gozo declined by around 7% over the 2020 and 2010 period. The vast majority of this land is rented either from the government (44%) or from private owners (22%) as only 34% of this land is owner occupied.

The total utilised agriculture land in Gozo as at end 2020 amounted to 2,449 hectares, which is equivalent to 23% of total utilised agriculture land in Malta. Around 80% or 1,891 hectares of utilised agricultural land in Gozo is used as arable land with most of this land being devoted to forage plants. A significantly smaller proportion of utilised agricultural land is dedicated to kitchen gardens (396 hectares) and permanent crops (162 hectares). With regards to the latter, this mainly consists of citrus plantations and vineyards as they account for around 60% of total hectares dedicated to permanent crops in Gozo. Meanwhile, the hectares on which kitchen gardens are cultivated have increased by around 70% from the levels recorded in 2010.

Apart from the use of land, the Census for Agriculture also provides important information on the livestock distribution in Gozo. Proportionality, a higher amount of livestock is found in Gozo compared to that in Malta reflecting the previously mentioned dependence of the two respective economies on agriculture.

According to the 2020 census, the stock of poultry in Gozo amounted to 197,953, which is equivalent to 19% of the total poultry found in the Maltese Islands. This consisted of 131,048 broilers and 66,905 laying hens. By the end of 2020, the stock of cattle reached 5,419 or 38% of total cattle population in Malta, with around half of this livestock consisting of dairy cows. Meanwhile, the stock of sheep in Gozo reached 4,882 while that of goats amounted to 1,424. The share of these two livestock to national total remained elevated as they respectively accounted for 30% and 25%. With regards to pigs these amounted to 2,409 by end 2020 which is equivalent to 6% of the total pig population in Malta.

When compared to the 2010 census, the stocks of poultry recorded a decline of around 20%. This was evident both in Gozo and in Malta, although the drop in Gozo was more prevalent. A downturn of around 40% was recorded for pigs which was in line with that registered in Malta. Meanwhile the stock of goats, sheep and cattle rose by 36%, 19% and 4% respectively. While the registered growth in goat livestock was similar to that registered in Malta, the increase in the number of sheep stock was stronger in Malta. On the other hand, while the stock of cattle in Malta declined by 14%, that in Gozo slightly increased.

## The challenges

The agricultural sector in Malta is beset by a number of resource constraints including scarcity of land, lack of natural resources in particular water, dependence on imports such as fodder and fertilizers, land use pressures and opportunity cost of land. These resource constraints hinder agricultural development and reduces the competitiveness of local operators. Consequently, the local agricultural sector constantly faces a number of challenges, some of which prevailed for a number of years, others developed or exacerbated in recent years, while new challenges will emerge in the future.

### ***Short-term challenges***

Competition from foreign agricultural produce has been a prevailing concern for the local agricultural sector. Due to these supply constraints, the price of some local agricultural produce may be higher when compared to foreign produce. As a result, demand for foreign produce may be more appealing than that produced locally. Moreover, consumers tend to opt for foreign produce as more often than not these are marketed and presented in a more appealing way.

One of the main challenges that the agricultural sector is currently facing is that of attracting the younger generation to work in this sector. As identified in earlier part of the note, employment in agriculture has not only declined but its composition has also changed. In fact, the share of those aged 34 or younger to total agricultural employment declined over the years while the share of the 65+ age cohort increased. This change in composition implies that the younger generation are becoming less attracted to this sector as they explore other sectors with higher financial returns.

Another challenge faced by local farmers and farm animal breeders is that of higher import prices caused by the pandemic and more recently the war in Ukraine. In particular, farm animal breeders were impacted by higher prices for grain. Meanwhile, farmers are facing higher costs for fertilizers as supplies from Russia, the leading exporter, has dwindled. To alleviate some of the pressures currently being faced by local farmers and farm animal breeders, the Maltese Government has recently allocated €4.5 million for financial aid towards these producers.<sup>5</sup> Of which, €2.5 million funds will be given to animal breeders, €0.5 million will be allocated towards the continuation of the scheme for pig's welfare and €1.5 million were allocated to farmers.

However, although this measure is commendable, further financial assistance may be required in the future to alleviate the ever-increasing costs that local farmers and breeders are and will continue to face.

### ***Medium to long-term challenges***

The present challenges faced by the agricultural sector may exacerbate in the future due to climate change. Changes in weather patterns and extreme weather events such as heatwaves, droughts and floods are on the rise. These changes have a considerable impact on economic activity and well-being, particularly in climate-sensitive sectors such as agriculture. The latter is extremely volatile to climate change as higher temperatures and lack of rainfall reduce yields of desirable crops while extreme weather events lead to costly interventions. Climate change will also negatively affect the soil. Furthermore, the severe changes in weather may influence biota, which may affect agricultural produce. In fact, according to recent report published by the Intergovernmental Panel on Climate Change (IPCC), climate change will have a significant effect on the global agricultural sector.<sup>6</sup>

In Malta, the impact of climate change is to some extent already being felt. As an example, in February of 2019 wind gusts reached 133km/hr and almost 50mm of rain poured down during this storm. This extreme weather event led to significant damages particularly for farmers.<sup>7</sup> To

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<sup>5</sup> <https://agrikultura.gov.mt/en/government/press%20releases/Pages/Press%20Releases/2022/PR220323mt.aspx>

<sup>6</sup> For more information see: <https://www.ipcc.ch/report/sixth-assessment-report-working-group-ii/>

<sup>7</sup> <https://timesofmalta.com/articles/view/hurricane-level-gusts-and-more-than-half-februarys-rain-the-storm-by.702997>

partly compensate for the damages caused by this extreme weather event the government introduced two schemes which specifically targeted farmers. These two separate schemes, launched in 2019 and 2020, had an allocation of €5.0 million and around 460 farmers benefited from these schemes.<sup>8</sup> Weather-related shocks such as this will become more prevalent over the medium to long term. Farmers will need to adapt to changes in climate and they should also adopt ways to curb for the possible damages that can be caused by future extreme weather events.

## Concluding remarks

The agricultural sector was and will remain critical for our islands since it serves a multifunctional role that extends beyond its direct economic importance. However, due to resource constraints this sector warrants appropriate policy intervention so that it can remain sustainable. Therefore, over the coming years fiscal policy should be geared towards initiatives which address the challenges faced by this sector whilst also mitigate the problem of an aging agriculture labour force. Future fiscal policy initiatives must specifically aid farmers and breeders in mitigating the current issues of rising prices while also encouraging younger age cohorts to pursue employment in this industry.

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<sup>8</sup> For more information see:

<https://www.gov.mt/en/Government/DOI/Press%20Releases/Pages/2019/June/19/pr191359.aspx>

<https://www.gov.mt/en/Government/DOI/Press%20Releases/Pages/2020/September/30/pr201873.aspx>





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