Vertical integration on a cuniculture farm in Malta



EAFRD-funded projects

A cuniculture farm used CAP funds to set up a new energy efficient meat processing unit in order to add value to its final product and improve the farm's position in the value chain.

MALTA

Agri-food chai

Location Zejtun

Programming period 2014 - 2020

Priority

P3 - Food chain & risk management

Measure

M04 – Investments in physical assets

Funding

Total budget 186 093 (EUR) EAFRD 69 785 (EUR) National/Regional 23 262 (EUR) Private / own 93 046 (EUR)

Project duration

2019 to 2022

Project promoter

Raymond Schembri

Email

rschembri97@gmail.com

Website

n/a

Summary

A Maltese cuniculture farm used to produce rabbit meat on an industrial scale, which was sold on further processing marketing. Seeing that demand for rabbit meat was on the rise, the farmer used CAP support to vertically integrate his business. Now, in addition to breeding and rearing the animals, the beneficiary



also slaughters, cuts, and packages them on-site before selling the final product directly to customers. The investment has strengthened his position in the market and secured long-term economic sustainability for his family business.

Project Results

The meat processing unit can process up to 100 rabbits per hour.

Lessons & Recommendations

- ☐ Good planning ensures 'right-first-time' implementation.
- ☐ A sound financial plan ensures unobstructed cashflow.
- ☐ Good communication with equipment suppliers ensures timely implementation of the project.

ENRD Contact Point

Rue de la Loi, 38 Boîte n.4 - 1040 Brussels, Belgium Tel. +32 2 801 38 00 email: info@enrd.eu website: http://enrd.ec.europa.eu/



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Context

Mr. Raymond Schembri is a 49-year-old rabbit breeder based in Zejtun, in the southern part of the main island of Malta. In recent years, demand for rabbit meat has been growing and Mr. Schembri has focused his business investments on increasing production capacity.

With this project, however, he wished to go a step further by vertically integrating his business. This would mean taking direct ownership of various stages of the production process so that apart from breeding the rabbits, the animals could then be slaughtered, cut, and packaged on-site before being sold to customers directly at a lower price than meat processed off-farm.

Objectives

The aims of this restructuring and modernisation project were to increase the competitiveness of the cuniculture farm and improve its position in the value chain while having a reduced environmental impact.

Activities

A new meat processing unit was set up in which the animals can be slaughtered, cut, packaged, and stored before distribution.

To maximise energy efficiency, the meat processing unit is equipped with LED lightning and energy efficient cold room condensers. The mechanised slaughter line minimises friction while the carcasses are processed, thus significantly reducing energy consumption.

The compressors and evaporators in the cold rooms of the meat processing unit also optimise the storage conditions. High-quality processing and storage increase the product's shelf life, reducing food waste further down the supply chain.

The meat processing unit is protected by insulation panels, which help maintain the temperature inside the slaughterhouse and the cutting, packaging, and dispatching area below 12°C. These insulation panels are made of easy-to-clean materials, which reduces the risk of contamination and saves on water.

A power washer was acquired which operates at a maximum of 80°C. This improves the cleaning process by removing dirt more easily using less water.

Main results

The beneficiary can now sell his high-quality packaged rabbit meat directly to customers. The product labels provide detailed information about the nutritional value and provenance of the product, further increasing its value.

The meat processing unit can process up to 100 rabbits per hour. The animals are slaughtered using electrical stunning in accordance with animal welfare standards.

The new equipment has helped the producer make water and electricity savings.

Investment in vertically integrating the production and processing has contributed to generational renewal by building a sound business infrastructure that the beneficiary will be able to pass on to his children, who are already involved in the business.

Key lessons

Having a sound financial plan in place before submitting the project application ensures that the cash flow remains unobstructed throughout project delivery.

Good communication between the project manager and the equipment suppliers ensures timely and correct implementation of the project, especially where a significant amount of structural works are involved.

"If it was not for the European Funds, we would not be able to continue in this sector since the expenses are huge."

Beneficiary

Additional sources of information

n/a

