



Food and Agriculture Organization
of the United Nations

Regional Workshop on Integrated Community Development

Budapest, Hungary – 22-25 October 2019

Planned FAO Support to Smallholders in Albania

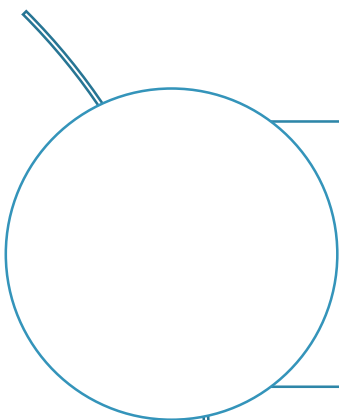
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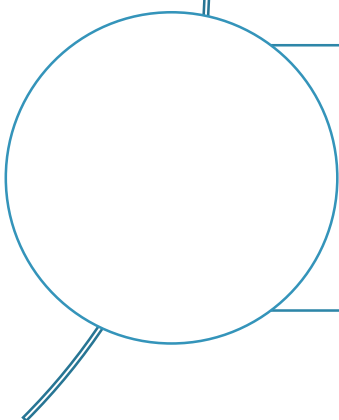




Outline



**The needs for rural development in Albania –
Feasibility study results**



**The scope and the expected outcomes of the
FAO upcoming project on smallholders
support**



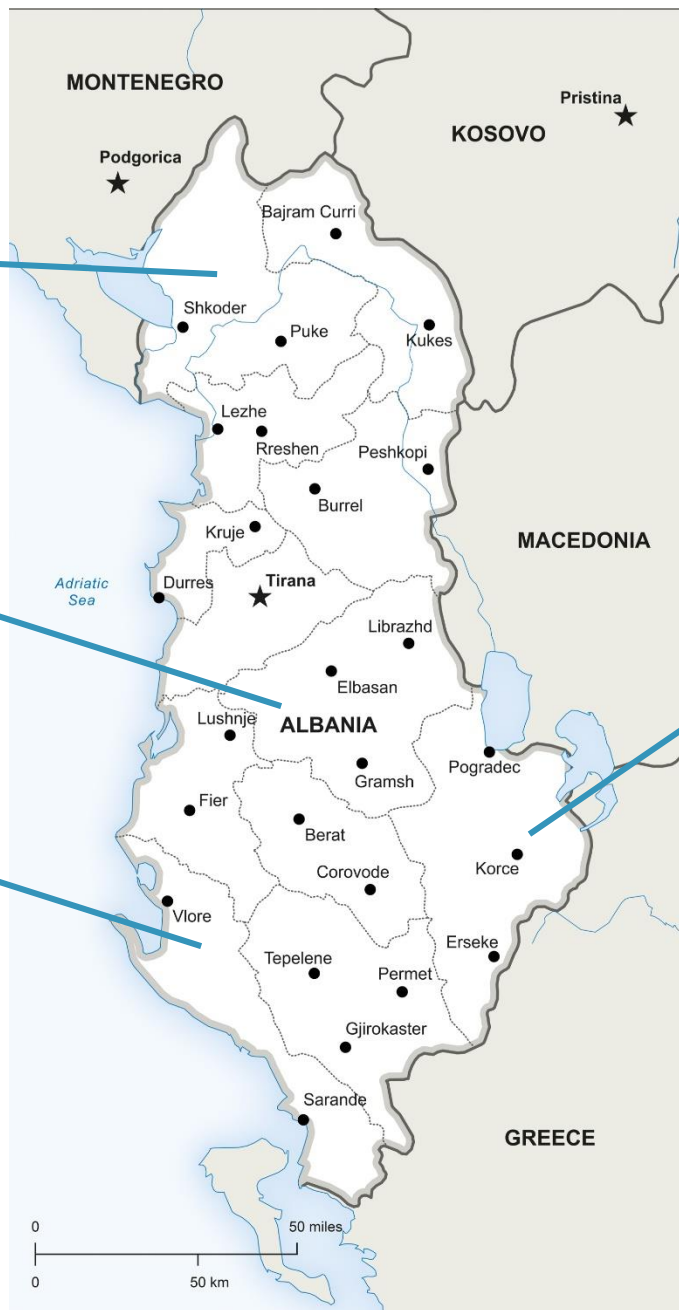
Feasibility Study Locations

Malesi e madhe

Belsh

Vlore

Korçe





The needs for rural development in Albania – Feasibility study results

- Categorization of the Problems in the feasibility study
 - Agriculture Production
 - Value chains and marketing
 - Horizontal cooperation
 - Innovation and access to finance
 - Food safety and quality
 - Rural Women and gender issues (cross cutting)
 - Youth (start-ups) in agriculture (cross cutting)
 - Potential for income diversification (cross cutting)
 - Information transfer, knowledge and skills/advisory service (cross cutting)



The needs for rural development in Albania – Feasibility study results

➤ Main problems with Agriculture Production

- Small farm size and high land fragmentation (1.2ha, 5-6 parcels)
- Problems with land titles (negative effect of absorption of funds)
- Lack of irrigation or poor water management
- High input prices with low quality
- Limited Availability of Technical support for farmers
- Farmers rarely carry soil and water analyses (land degradation)
- Good agricultural practices are rarely known and practiced (impact on environment, food quality and safety)

Needs

Land
consolidation

CB on GAP

Incentives for
soil and water
Analysis

CB on farmers
groups



The needs for rural development in Albania – Feasibility study results

➤ Main problems with Value chains and marketing

- Lack of vertical coordination – no prior agreements
- Lack of trust between trading parties – (high opportunism)
- Small farmers limited market channels possibilities
- Farmers get a small share of end product value
- Milk collection & transport are the weakest points in the milk VC
- Small processors of milk have insufficient knowledge
- Marketing operations are limited – packaging is usually very poor
- Farmers do not give importance to quality standards – in many cases this is due to lack of knowledge

Needs

CB on VC

CB on
marketing
practices

CB on food
safety and
quality
standards

Models of SVC



The needs for rural development in Albania – Feasibility study results

- Main problems with Horizontal cooperation
 - Participation in collective actions is limited
 - Lack of understanding among farmers about agriculture cooperatives establishment and functioning
 - Trust among farmers is the key element hampering development of collective actions

Needs

CB on CA
development

TA on CSA

CB on adding
value to
production



The needs for rural development in Albania – Feasibility study results

➤ Main problems with Innovation and access to finance

- Lack of information among farmers regarding different options for financing
- Collateral is limited in availability
- Small farm size and fragmented land
- High levels of risk for agri-food businesses
- Low level of education regarding crediting and financial management
- Informality at production level
- Little or no technical understanding in the banking industry about the financial needs of the agriculture sectors
- Interest rates are high

Needs

CB on
crediting and
financial
management

Improve
access
financing &
grants options



The scope and the expected outcomes of the FAO upcoming project on smallholders support

➤ **Scope:**

Increase business activities for family farms and diversification of their income sources

➤ **Expected outcomes**

1. Increase capacities of farmers, rural women and youth, advisory/ extension services, and farmers' associations to engage in on- and off-farm income diversification activities
2. Best practices in rural income diversification with particular focus on short value chain development, rural women empowerment, youth-led economic activities, and bottom-up community development approaches
3. Strengthen capacities of MARD to support a conducive policy and legal framework for smallholder support against the background of EU alignment



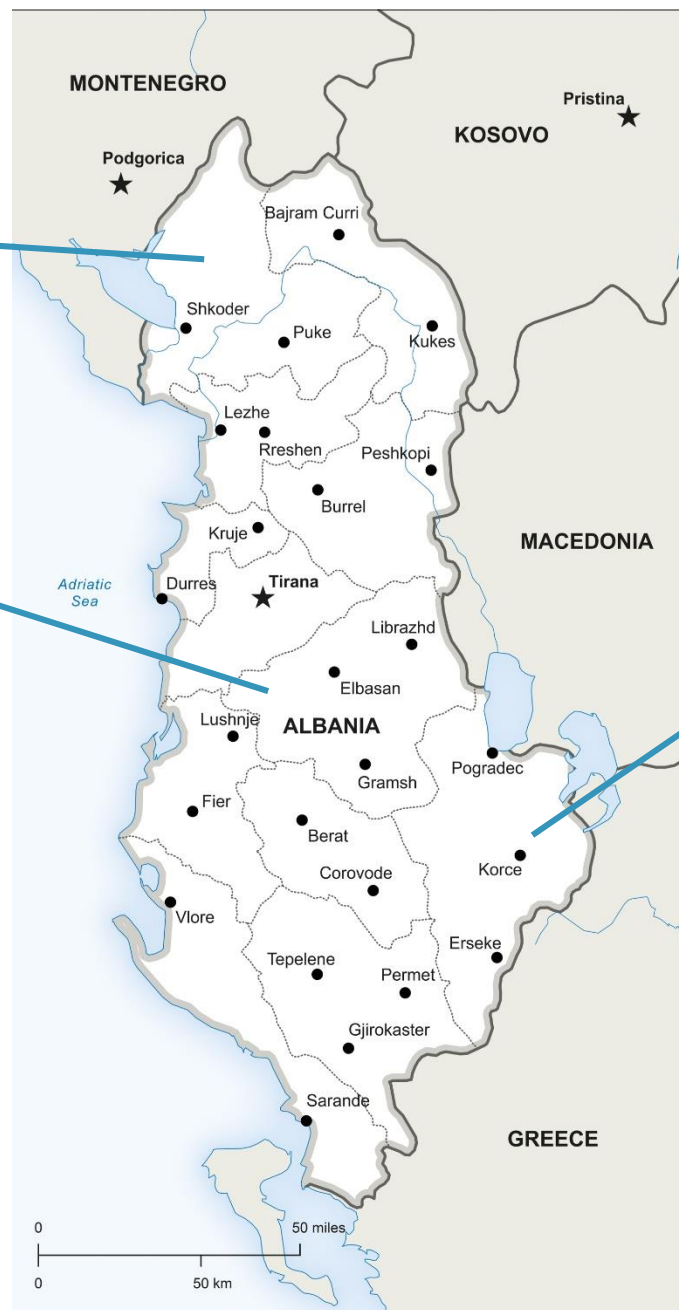
Food and Agriculture
Organization of the
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Project Implementation Locations

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Thank You!

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