What issues prevent the development of sustainable food value chains for Albanian traditional mountains products?

Bombaj F.

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What issues prevent the development of sustainable food value chains for Albanian traditional mountains products?

F. Bombaj

Mediterranean University of Albania
Associated Researcher, UMR Innovation – Montpellier SupAgro
e-mail: florjan.bombaj@supagro.fr

Abstract. The Albanian mountainous areas have local products with strong link to their specific origin. The current dynamics of the milk and meat value chains shows an asymmetric power that is hold by the dairies and the middlemen. The aim of this paper is to analyse what issues prevent the development of sustainable value chains for traditional mountains products. The use of a comparative analysis between the milk and meat value chain of a mountain territory is been made by analysing the strengths and weaknesses of the considered territory. The analysis is based on three stages: (1) analysis on the national milk and meat value chain; (2) analysis of the local livestock products value chain of the considered territory; (3) discussion and conclusion. Results shows that the current development of the milk and meat value chain does not position the local products in a niche market capable of engaging a virtuous circle for a good remuneration of the producers. This situation is not favourable for the development of mountainous products with specific characteristics and high reputation.

Keywords. Value Chains – Mountain Products – Albania.

Quels problèmes empêchent le développement de filières alimentaires durables pour les produits traditionnels de montagne? Evidences et perspectives de l'Albanie

Résumé. *Les zones montagneuses albanaises contiennent des produits locaux étroitement liés à leur origine. La dynamique actuelle des chaînes de valeur du lait et de la viande montre un pouvoir asymétrique détenu par les laiteries et les intermédiaires. Le but de cet article est d'analyser les problèmes qui empêchent le développement de filières durables pour les produits traditionnels de montagne. L'utilisation d'une analyse comparative entre la filière du lait et de la viande d'un territoire de montagne est réalisée en analysant les forces et les faiblesses du territoire considéré. L'analyse repose sur trois étapes: (1) une analyse de la filière nationale du lait et de la viande; (2) l'analyse de la filière des produits d'élevage locaux du territoire considéré; (3) discussion et conclusion. Les résultats montrent que l'évolution actuelle de la filière du lait et de la viande ne positionne pas les produits locaux dans un marché de niche capable d'engager un cercle vertueux pour une bonne rémunération des producteurs. Cette situation n'est pas favorable au développement de produits de montagne avec des caractéristiques spécifiques et avec une réputation élevée.*

Mots-clés. *Filières – Produits de Montagne – Albanie.*

I – Introduction

Agriculture is the most underdeveloped economic sector in Albania, and the integration of the Albanian agriculture in the European Union market is a challenge. The milk and meat value chains take an important place in the Albanian agri-food sector (MAFCP, 2014). The structuring of the national milk and meat value chains has affected the livestock production especially in the mountains areas. The majority of farms remain small and fragmented. They are facing major constraints such as poor physical infrastructure, lack of state support and a non-competitive market situation. In these areas, the livestock production is one of the main economic sources for farmers. Long economic transition and demographic desertification creates nowadays a binding context to trigger local economic development dynamics. The national structuring of both value chains has changed the farming system in the mountain areas adapting them to the new context of free market. Recent research shows that Albanian consumer has strong preference for local products (Bombaj *et al.,* 2016). Despite this promising opportunity, farmers located in the mountains areas products propose mainly generic undifferentiated products to the consumers in the cities (Bombaj *et al*., 2018). Mountain food actors need to bring additional values to their production by creating product differentiation. Facing unfair competition the specific territorial resources (local products) can create added value for a better remuneration in the market (Barjolle *et al.,* 2007). This approach is based on the differentiation and valorisation of specific territorial resources (Barjolle and Sylvander 2002). In this context, the objective of this study was to respond to the following research question: a) what are the main issues that prevent the development of sustainable food value chains for traditional mountains products?

II – Methodology

The case study area is located in the most largest and marginalized municipality of the Korçë district: the municipality of Vithkuq. It is composed by 13 villages with a surface of 243.6 km^2. The study area corresponds to a coherent agropastoral zone with a long tradition of livestock production and high quality products. The area belongs to the Mediterranean, mountainous climate, characterized by relatively high temperatures during the summer and very low during winter.

The applied methodology is a collection of qualitative and quantitative, primary and secondary data. After data on general context were collected, a case study approach was used: documents, grey literature, and interviews for gathering primary data were done in the municipality of Vithkuq. As source of information on the local context, a combined mixed approach identifying value chains issues and traditional products market access was used (Bombaj *et al.*, 2016).

Our method was conducted in three stages:

– *Stage 1*. National value chain analysis. At the national level we combined several documents, including reports, databases, papers and other scientific such as interviews (in total 16) with rural development experts.

– *Stage 2.* Vithkuq value chains analysis. This stage was done in several steps: a) exploratory phase with literature research and choice of the study area; b) sample characterization: the farmers were selected by age, herd size, specialization (cattle / sheep / goat), but also according to an existing database from the Albanian Ministry of Agriculture; c) fieldwork phase in three steps: (step 1) interviews, and informal observations collected directly from the farmers (in total 33), (step 2) interviews and personal observations on the wholesale and the retail market in the regional market and stores in the capital of the country (in total 10), and (step 3) a workshop with farmers and local actors to discuss results.

– *Stage 3.* Results analysis. By combining results at the national and local level, a SWOT analysis is done in order to identify some key issues that prevent the development of sustainable food value chains.

III – Results and discussion

1. The national milk and meat value chain

The industry of milk processing grew in the early 1990s and nowadays at national level it has over than 400 processors, with several fully equipped dairies. According to official statistics, national milk production reached 1.13 Million tons in 2014, an increase of 5.5 % since 2010. In 2014 about 51 % of the milk production has been sold in the national market (577 830 tons) or exported while the rest is used for self-consumption, consumption by animals or processed on the farm (see Fig. 1 below).

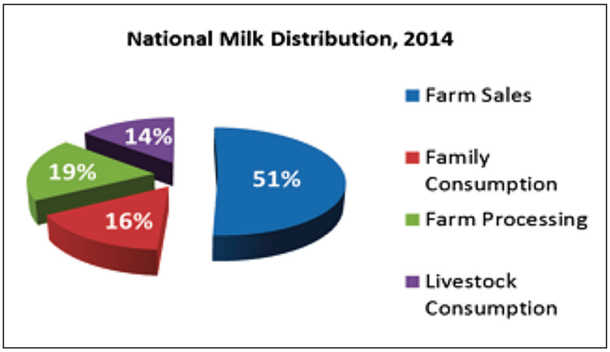

Fig. 1. Milk distribution in Albania, 2014 (Source: MAFCP, 2014).

An important part of the cow's milk is used especially for the manufacture of white cheese. Sheep's milk and goat's milk is also used to produce white cheese, but in smaller quantities and often the separation of white cheese from sheep's and goat's milk is not well defined. A very large part of the milk is consumed directly and untreated or not controlled. Because of tradition and the low purchasing power, consumers prefer to buy the cheap milk directly from farmers. From all the milk sold in the market only 40 % (231 132 tons) is processed by the dairy industry. The remaining 60 % (346 698 tons) is sold to the consumer directly by the farmers. Meat consumption in Albania is 43.4 kilograms per capita, but far from EU levels that are more than twice as high. In the value chain of meat, in addition to farms, there are also slaughtering and processing enterprises. There are only few operational modern slaughterhouses in the country. Animals are usually slaughtered on the farm or in some cases in local primitive slaughtering facilities on farms or in butcher shops. A different picture can be seen in the area of processing of meat. As local meat is limited and expensive, processing companies import the majority of their raw meat needed mainly from Brazil and Canada (INSTAT, 2014).

2. Vithkuq milk and meat value chains

Three dairies with a high geographical spatial dispersion were identified. Dairies collect milk from their nearest villages (Bombaj *et al.,* 2016). These dairies buy the majority of milk for processing it in cheese. The farms specialization is diverse in terms of milk and meat. The majority of farms are subsistence and they have low market access. In the Table 1 below a SWOT analysis for the milk and meat value chain is done. The presence of specialized farms and dairies is seen as an advantage. The agricultural practices of the farms and the primitive barns impair livestock productivity. But the consumer's preference for local dairy products remains high. This pushes farmers to specialize in the milk and/or the meat production. But the high land fragmentation results in low competitiveness and efficiency of production. Furthermore the lack of knowledge on modern production techniques, technologies and standards, the high price of animal feed and unproductive livestock breeds result in high costs of production for the farmers. These factors make impossible the exports of these products.

IV – Conclusions

In our case study, dairies and middlemen are important actors of the value chain dynamics. The current value chain dynamics do not sustain a certification process due to the high informality and low enforcement on food safety rules. Small farms lack investment potentials. Farmers have high production costs resulting in a low capacity to add value at farm level. They adapt individual strategies resulting in a low market power (Bombaj *et al*., 2018). Furthermore, small farm producers, of our case study, are not able to supply the market in sufficient quantities because their livestock and processing capacity is too low. Consequently, power relations and decision-making mechanisms within the stakeholders are key factors in the negotiation of the distribution of the value added at the supply chain level as well as at the territorial level. Contrarily, large farms, as in other case studies are predominantly market oriented, especially in the meat value chain. Anyway, further research is needed to understand how the increased demand for quality products has affected the local value chains for other products that are highly demanded by consumers.

Table 1. SWOT analysis for Vithkuq milk and meat value chains

Value chain	Strengths	Weaknesses	Opportunities	Threats
Milk	Private ownership of farms and dairies Very good tradition on milk production and processing	Mix farms with double orientation Low productivity of the mix farms	The annual increase of the milk production and the increasing regional and national demand for dairy products Increase in the number of farms specializing in the production of milk with more than 10 cows, more than 100 sheep and goats	Uncertainty over land rights. Lack of foreign direct investment in the area. Weak enforcement of laws regarding the quality standards
Meat	Large sizes of farms with modern stables Large farms have tractors and farm equipment for hay	The live weight of slaughtered animals is often much too low resulting in low profitability; the reasons are the demand for very young animals and the unavailability of cheap feed for the animals In most of the cases the small farms stables are in primitive conditions	Consumer preferences for local products Increase in the number of farms specializing more on meat production with more than 10 cows, more 100 sheep and goats	No export possible because of lack of enforcement of food safety laws Public rural infrastructure underdeveloped High cost production No market information system in place

Source: Surveys data and author's elaboration.

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