

Promoting organic food in Albania

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Abstract

The concept of the organic farming cannot be considered an ultimate discovery, and the transfer into that has been slow and gradual, very much conditioned from the changes in the lifestyle of the customers and the continuous in growth needs of the population. Through this report, we have been trying to present an analysis of the structural and productive indications of the organic sector in Albania. Beside, in an economical and social situation of the today's Albanian farming, which is still far from the European standards; although it would be difficult to speak of organic farming, we have tried to outline with some perspectives for the development of the organic farming. What is nowadays known as organic farming in Albania, is just an initial phase, and is limited in secondary areas, in small farms, and a small niche of customers of the fresh productions and with limited processing activities (like the processing of the olive oil and wine). The conditions for a better partaking in the country's markets, is as well desirable as the commercial interchanges between Albania and other countries in development. The other deficits which should be given priority are those that deal with the right of the information of the market and also the advertisement in charge of the institutions, and the transparency of the process? standards and the production from the farmers. Undergoing of such obstacles would make the use of the competitive advantages that the organic products offer much fruitful economically. It is reasonable to argue that in Albania, as in other countries, there exist the proper conditions for the distribution and commercialization of organic products. This potential should be exploited to the advantage of the future perspective of development of organic agriculture (Leksinaj, 2007). By acting in such a manner we would most likely observe an increase in the export of agricultural products towards the EU countries, taking into account the current problems and the costly certification.

Keywords: Albanian agriculture, organic potential farms, SWOT analysis, premium price.

Introduction

Over the past few years organic products have witnessed a massive development both in terms of crop adaptability practices and in the applied norms as well as in the assessment on consumers side. The latter has been well placed to gain a well-defined identity in the possible scenarios of development and integration of the agricultural sector into the regional economy and beyond. In several instances, the increase in production might attest to the successful implementation of a certification program of the areas of land long organic by nature rather than the reversal of the agricultural system. It is the case of Albania that might be able to adopt the certification procedures for the recognition of the organic products in order to attain or better boost the economic worthiness of production.

One of the critical points that present themselves in the Albanian organic agriculture has been depicted from the inadequacy of the evaluation of the products. The operating lack of the commercialization chain, the missing integration of **supply chain** and the weak links among manufacturers, processors/exporters and consumers make the Albanian producers face an ever decreasing profit once they return to organic products. On the other hand this is going to favour traders and exporters who stand to gain more in terms of the margin of

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profit. The existing organic agricultural systems are characterized by small-sized and fragmented structures, far from being organized in groups and not integrated into **supply chain**. Thus, the establishment of the ever-increasing fully-operating forms capable of permitting concentration of supply is taking on notes of urgency along with the provision of farmers with a contractual power.

Material and Methods

The Organic agriculture in Albania is closely associated with the establishment of the Organic Agriculture Association (OAA) in 1997 in Tirana with the support of the international donors. From December 1998 onwards OAA proves to be an associated member of IFOAM. Over the 4 first years small projects have been executed, which have contributed to the increase and availability of information on organic farming. In this context a role has been played by international organizations such as Avalon, USAID, GTZ have carried out several projects by running promotion activities. In 2001 the SASA project (sustainable agricultural support in Albania) funded by the Swiss Cooperation for development (SDC) and SECO implemented by FiBL. Other such organizations as Avalon, USAID and GTZ have also proposed a number of other projects which have allowed for the realization of other promotional activities. Initially the Organic Agriculture Association was carrying out the functions of the farmers' association which had adapted the organic method of cultivation, of the assistance and technical counselling, along with the control and certification of the organic farming. Afterwards seeing the existence of many roles for just a single association, with the risk becoming imminent from the emergence of conflict of interests, in 2006 the Organic Agriculture Association assumes the administration of the farmers' association, BioAdra are established which deals in providing technical counselling as well as Albinspekt that will cover the functioning of certification of organic produce. Only in January 2009 the Private standard of Bioadria is approved for organic farming with Albinspekt, upon the national accreditation, is recognized even from Ministry of Agriculture, Food and Protection of Consumers, (MAFPC), which is functioning in full conformity with the Albanian law 9199, dated 26.02.2004 on "Production, processing, certification and marketing of products "Bio". With such recognition being granted Albinspekt as the only domestic certifying body in the country is capable of getting for its operators subsidies given by the state to the organic agricultural sector. The exported products will have to be certified by a foreign organization. In Albania there exist the following certification bodies: BioInspecta, ICEA, SCAL, BSC. In close reference to the recent years it is worthwhile to underline the subsidies in the organic agricultural sector. In 2009, as was the case in 2008, the Albanian government offered a scheme for subsidies in organic agriculture, a scheme which is defined in Decision of Council of Ministers, no. 18, dated 7.1. 2009 on " Defining basic criteria of sectors that will be supported, along with the measures of benefits from the Agricultural Program Fund and Rural Development" as well as on the respective ordinances of Ministry of Agriculture, Food and Protection of Consumers and Ministry of Economy. In this Decision of Council of Ministers it has been set out there subsidies go to operators for the certification of bio agricultural products from the cultivated plants, including:

- ✓ for products targeting internal markets not less than 50 % of costs, but not larger than 20.000 leks/farms.
- ✓ for products intended for export, 50% of the costs of certification, but no more than 70.000 leks/farm/year;

The BIO certified operators including those who intend to implement this production method in 2009, should apply to Directorate of Agriculture in districts to get hold of such subsidies. The certification from Albinspekt is recognized for such a subsidy scheme.

Results

It is reasonable to argue that in Albania, as in other countries, there exist the proper conditions for the distribution and commercialization of organic products. This potential should be exploited to the advantage of the future perspective of development of organic agriculture (Leksinaj, 2007). By acting in such a manner we would most likely observe an increase in the export of agricultural products towards the EU countries, taking into account the current problems and the costly certification. In table 1 the situation of the organic potential farms was included by applying the a SWOT analysis. According to the methodology of qualitative analysis the role of the interviews with privileged witnesses is that one which embraces the verification and integration of information that has come from statistical data. Such an analysis, which join both a structural and dynamic-forecasting feature, is concerned with the economic, social and demographic aspects, not to mention the natural implications arising from the local developments, this seen from the urban and territorial perspectives. The main requirement for identification of witnesses” or “experts” has been their ability to recognize the territory and the local reality; they might also be mouthpieces of specific interests (which in fact several of them are), even though they appear to be experts representing much more general interests. The information obtained via the interviews has been formulated in a general fashion. Experts have brought in specific evaluations, which are related to the sector or areas where they have been practicing. Only in the final evaluation stage a coherent and general tableau of results has been set up in the form of the SWOT analysis.

Table 1: - SWOT analysis

Strong points	Weak points
Full integration possibilities into supply chain	Small-sized farms
Low cost of labor force	Lack of a system of standard quality control
Favorable environmental conditions ”	Difficulties in identification of clients
Organizational powers	Difficulties in identification of suitable trade networks
Bigger opportunities from European markets	Difficulties in supply segment
Potential leadership in the internal markets	Lack of a price policy
Availability in innovations	Packaging and other non-suitable promotional instruments
Household traditions	Difficulties in keeping accounting data
Threats	Possibilities
A poorly defined snapshot of Albania as a producer of organic products	Demand on the rise
Barriers in exports owing to certification	Likely synergies among farmers
Competition among reputed farms	Availability in the market spaces
Technological viability	Benefits in the market
Lack of well-defined and clear internal reference norms	Differentiation in prices
Trade agreements	Availability of a technical assistance service

Source: Our direct processing work.

The weak and the strong points for the farms along with the possibilities and threats of the market of “organic” which have come to the fore in the environmental analysis have been selected and presented with the view to having a summary of issues that would help solve the implementation of productive strategies and marketing. The variables under consideration are a fruit of the joint work of authors and experts in the administration of farms. What it seems straightforward to notice is the existence of the general rules in

favour of the objective “*the attainment of a premium price from the organic products in the market, particularly in the European one*” (Leksinaj *et. al.* 2009).

Discussion

The perspectives of contribution to organic agriculture, aside from the market aspects, have to be seen in their broader sense. It should be argued that the creation of the organic agriculture might contribute to the conservation of the traditional customs and practices. The possibility of using a higher premium than labour might encourage the population to deal in agriculture for much longer. Even the environmental aspect constitutes yet another determining factor to the development of organic agriculture. The agricultural activities have a significant impact on the structure, composition and quality of territory by provoking here and there degradation and impoverishment of the natural resources. The control over the utilization of the synthesis substances and other appropriate production techniques usher in benefits in both the territory and society, whose effects should work to keep the soils in good shape, in maintaining biodiversity and the sustainable development of rural areas. The organic agriculture has proven that it is able to provide efficient possibilities on diversification and penetration into the market, this when reference is being made to both marginal and less developed areas. These possibilities do guarantee a satisfactory return for farmers and retains a satisfactory use of the natural resources. We recommend a series of interventions in the integrated organic system to occur over an efficient action plan at the national level that is primarily intended:

- to satisfy and make the normative framework on the sector much easier to be implemented;
- to promote organic agriculture at all levels;
- to organize with other links of supply chain at the start and at the end of the production cycle, that is by improving the availability of inputs, by promoting processing and the positioning of products in the market;
- to support the formation, research and extension
- to develop the organic product markets through a consolidation of the exports, as well as affair share of attention to the typology of the potential customers in the food market (urban populations with high incomes, tourists that appreciate the rural wealth and the nature of the country).

In this context the organic agriculture enters into a bond with the programs of territorial development and the ecological conservation of the landscapes by justifying any type of oriented support by means of measures and specific interventions in the context of the environment policies. The presence of such policies constitutes one of the development of a connection between policies of territory conservation and agriculture in the strategic activities of the development program of agriculture, programs where the environmental policies, tourism and organic agriculture constitutes the entirety of a sustainable solution and an evaluation of food products, in the rural development and the protection of territory.

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