



Issues and Solutions in Albanian Agrofood Technology

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Albania's Geographic Position

- The Republic of Albania, is located in the western part of the Balkan
- There are extensive exits in the Adriatic and Ionian Sea
- Variety of reliefs: mountain, hill, field, climatic connotation
- A favorable geographic position is found at the intersection of shorter roads that pass from the Western Mediterranean to the Balkans and Asia ;
- Bridge between East and West,

Potential needs to be considered

- Microclimates, Water, Wind, Solar Result: (The solar light moves from 2046 to 2731 hours per year). (Albania can be transformed into a regional energy exporter)
- The diversity of nature and species: Almost every other European country does not have such a small space so varied as Albania.
- A priority for ecological and sustainable tourism will bring ever-growing systemic profits. Agriculture: Albanian agriculture has not yet used its potentials. With a smarter and more competent organization, through certified processing of products, the yield could be much higher and export-oriented.
- The growing Albanian economy, (not at the right levels). Small market, less than 3 million customers (middle, poor).



Agroindustry

- It is the industry that deals with production and processing of agricultural and breeding products
- Relatively small processing
- Value of exports of agro-food products is about 60m euros.
- Import products, over 502 million euros.
- Employing about 12,000 people

In recent years, the number of businesses in the agro-industrial sector has changed as follows:

2,100 businesses :

- Bakery (1,102 businesses),
- Milk Processing (342),
- Flour Factory (171),
- Oil production (108),
- Wine production (86),
- Meat Processing (65),
- Water, non alcoholic beverages (39)
- Confectionery (35)
- Fruit and vegetable conservation (29)
- Beer production (18)
- Fish Conservation (5)
- Aromatic plant (2)

Lack of tobacco production businesses

Unused capacities

In some sectors of food processing there is a lack of production capacity, which varies from:

5.2% in the olive oil industry

44% in the bread and pastry industry.

meat processing -13.8%,

Milk Processing-20.6%,

There are several factors that explain the low utilization capacity, such as;

(i) seasonal production, (small dairy and vegetable processing enterprises),

(ii) old equipment that can not be repaired

(iii) unfinished production lines, etc.

Flour / bread production industry

- Raw material import (Russia, Serbia)
- Questionable quality
- Lack of technical / non-implementation standards
- Evaluation of quality and safety indicators of the final product

Milk /Dairy Industry

- Essential investments for modernizing technology, (improving milk quality, competitiveness).
- Closed cooling systems from manufacturer to customer are rare.
- Quality standards and food safety are implemented with shortcomings
- Quality control is occasionally performed
- Lack of field experts, technologists, microbiologists and food chemists
- Using the price-enhancing, high-quality system.
- Implementation of waste management practices.
- Traditional products

Meat Industry

- In contrast to the slaughterhouse situation in Albania, the meat processing sector is more developed.
- The 10 largest Albanian meat processing companies control about 80% of the market.
- Lead companies have implemented standards
- They control the quality and safety of products according to national / international standards (hygiene and traceability)
- A specific problem of this sub-sector is the inability to export final products,
- Removal of waste and processing of sub / products.

Processing of fruits and vegetables

- In Albania there are about 29 specialized processing industry companies;
- Only two of these enterprises have an annual turnover of 1 million Euros.
- Others are small and medium enterprises.
- The fruits and vegetable processing industry is poorly developed and structurally weak
- Lack of investment
- The equipment for a convenient after harvesting system and the cooling chain are many
- Important for quality improvement in the value chain of vegetables.
- The industry depends on the import of packaging materials.
- Food safety systems are applied to a limited number of enterprises.

The vegetable oil industry

- Lack of raw material (oil seeds)
- olive,
- 100 Production Line
- Oil production by counties:

1 Vlore	30
2 Fier	25
3 Berat	19
4 Elbasan	12
5 Gjirokasrer	1
6 Durres	2
7 Tirane	11

1 Vlore	42%
2 Shkoder	2%
3 Lezhe	1 %
4 Durres	5 %
5 Tirane	12 %
6 Elbasan	8 %
7 Berat	6 %
8 Fier	23 %
9 Gjirokaster	1 %

- Increase of quality production capacities
- Investment
- Improvement of quality, implementation of C & S standards

Wine Industry

Vineyards for wine and wine industry is "the trend of the last decade"

Cantina: 100

Investment: 50 million ALL

Vineyards: 12 000 ha

Local wine production: 21 000 hl / year

Consumption: 45 000 hl / year (43% of consumer need)

Imports: 57%

Growth of vineyard surfaces (autochthonous & international varieties)

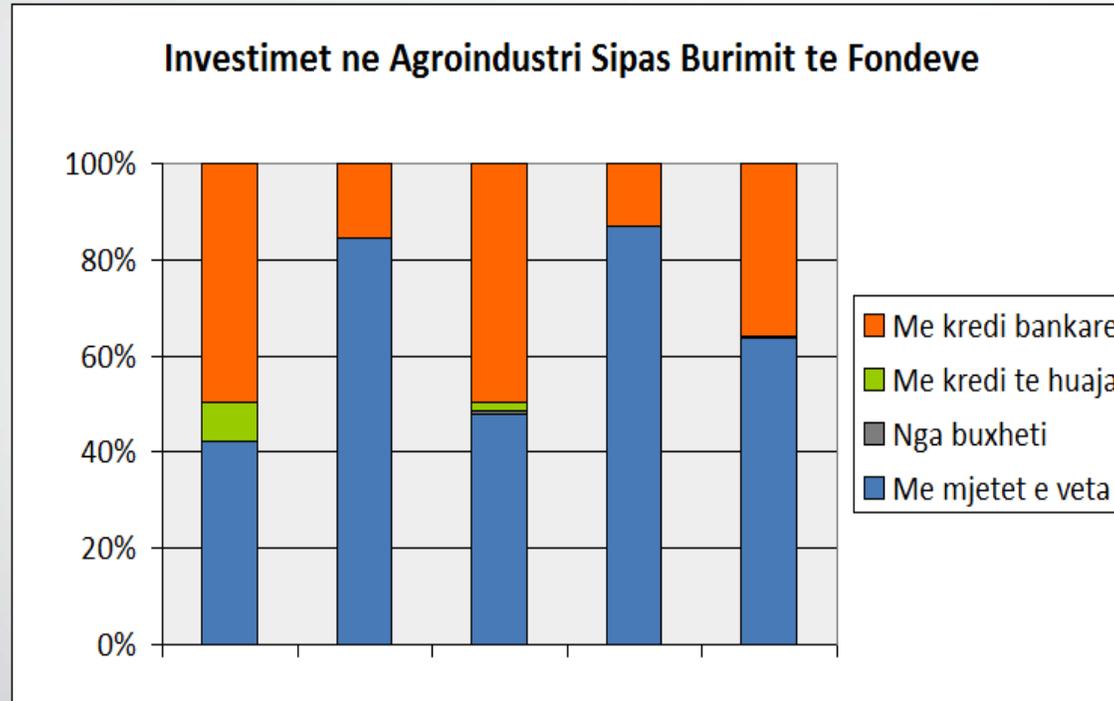
Design of the vineyard / summer cadastre

Products with controlled and protected designation of origin

Development of Agrotourism, Promotion / Marketing

Increase national culture

Investments in Albanian Agroindustry Sector



- Much of the investment is done by the businesses themselves,
- Subsidy from the state budget has been for the production of extra virgin olive oil and olive oil.

Investments

- Over the last few years, some huge fish processing companies,
- meat ,dairy, wine and brewery factories have invested in the modernization of
- physical capital and food safety management systems, which has created a small segment
- of some well-developed food processing companies.

- Most of the small and small enterprises, have limited financial capacities, operate with old equipment at the informal sector.

- Only a limited number of enterprises are aware of the requirements of the legislation and can cope with the costs of maintaining the food safety system.

The Support

- Several projects have been implemented in recent years; ranging from policy formulation and creation
 - an appropriate environment for direct support for companies through counseling,
 - information as well as investment schemes.
- The growth of the sector was supported by government measures, investment support
 - through subsidizing the measure of interest, supportive measures for implementation
 - food security systems, extensive service, technology transfer centers,
- With the support of the donor community, business associations are set up
 - services to their members and actively participate in the policy formulation process.

Support Schemes (AZHBR)

- New plantings (olives, grapevines, vineyards, medicinal plants, autochthonous vegetables, cherries, strawberries): 39
- Irrigation: 9
- Bio Certifications: 7
- Olive protection: 3
- Milk production, cow's milk production, meat (sheep, goats, leather): 24
- Aquaculture: 1
- Beers: 6
- Extra virgin olive oil production: 7 schemes

Fiscal ease

- The law of excise, to remove the guarantee for the annual excise
- Investment support
- VAT for import equipment
- Review of Legal Framework, improvement of Food Law
- Drafting a support package with the business initiative and Agricultural Ministry

Problems encountered by Agroindustry

The development of the food processing sector in Albania is hindered by a number of factors:

Lack of raw materials, deep fragmentation of raw materials of plant and animal origin

Underdeveloped vertical integration between producers of raw materials and processing industry,

Lack of resources to invest in compliance with environmental standards, waste management and food quality improvement,

Weak links: manufacturers, collectors, processors, market, customers

Difficulties in obtaining loans, high interest rates

Not guaranteeing continuity of quality indicators and quantity of products

Applying food quality standards and safety standards, and technical standards for products

Lack of investment in human resources



- Thank you