



An International Center
for Soil Fertility and
Agricultural Development

Success Story

Albanian Farmers Increase Their Crop Yields and Income

Anastas Gjikondi, an olive oil processor, is just one of many Albanian entrepreneurs who have benefited from IFDC assistance in their country. In 2002 there are 40,000 rural households that are cultivating olive trees on about 44,000 ha, with approximately 4 million olive trees in production. Since 1998 a new trend has been visible in Albania; the area devoted to the culture of olive trees has been increasing by at least 200 ha per year. Before 1990 olive oil production was handled by 27 oil factories, using only press technology, with a total production capacity of 7,000 tons of olive oil per year. Now 126 olive processing plants are operating in Albania. The processing plants are located in high-yielding olive-growing areas rather than in a centralized location according to the old custom. All of the processing plants are privately owned. The olive plants have been imported from Italy. Because the olive tree is typically an example of an alternate crop, the multi-annual average production of olive oil fluctuates from 3,000 to 6,000 mt/year. The families of the olive growers consume most of the production; the marketable quantity of olive oil by our entrepreneurs is nearly 1,000 tons per year. However, only 500 tons per year is sold on the market through four bottling/packaging units located in Tirana at a retail price of \$3-5/kg.

The olive oil story is only one example of the successes that have been realized by the IFDC project in Albania. During the past 3 years IFDC has assisted Albania in nurturing private sector-led growth in agriculture and business by successfully establishing eight democratic and functioning agricultural trade associations, a federation of 18 trade associations as an effective voice for advocating policy reform, and the partnership of eight of them in an Association Business and Management Center (ABMC) that aims to be effective and self-sufficient. Since 1998 farm income in Albania has increased by 64%; export of fresh vegetables has increased by 247%; and Albanian entrepreneurs have exported \$2.1 million worth of food products. The project clients have invested millions of dollars of their own money in agribusiness and increased their production and revenues by more than 60% in 2 years and employment by 25%.

During 2001/2002, the Assistance to Albanian Agricultural Trade Associations (AAATA) project has realized numerous achievements, including the following:

- Advances in production and quality among the client enterprises, including notably the first production in Albania of extra virgin olive oil, turkeys, roasted peppers, and cherry tomatoes;
- Three new bank credits for clients worth \$380,000, bringing the total to \$3.2 million, supplier credits of \$500,000, and new local investments of \$5 million;
- Emphasis on agribusiness activities in four focus clusters—greenhouse vegetables, olive oil, poultry production, and intensive field vegetable production as led by fruit and vegetable agricultural processing;
- A significant milestone in the 10 years since the collapse of collective farm system—the production of tomatoes in late winter in two high-tech greenhouses at a profit;

IFDC's achievements in Albania are remarkable. Since IFDC first entered Albania in 1992, a working and vibrant agricultural input market has developed. For example, in 2001/2002, private enterprises were supplying 100% of national fertilizer requirements, 95% of crop protection products (CPPs), and 80% of certified imported and domestic seed. Four-fifths of all farmers were using fertilizers and nearly half were using improved seed. Yields of wheat and maize increased by 22%, and many farmers were shifting to more high-value horticultural crops. Better fertilizer and seed laws, reductions in tariffs, and the establishment of viable seed and soil institutes capable of serving farmers and agribusinesses enhanced these improvements.