



USAID
FROM THE AMERICAN PEOPLE

ALBANIAN AGRICULTURE
COMPETITIVENESS

Market Prospects for High-Value Crops

Juan Estrada-Valle



USAID
FROM THE AMERICAN PEOPLE

ALBANIAN AGRICULTURE
COMPETITIVENESS

This afternoon's objectives:

- Underscore existing market opportunities for Albanian agricultural products
- Identify the key interventions needed to increase competitiveness
- List the “missing elements”



USAID
FROM THE AMERICAN PEOPLE

ALBANIAN AGRICULTURE
COMPETITIVENESS

- The AAC Program
 - Technical Approach
 - Priority subsectors
- Examples of market opportunities for strategic crops
- Summary of challenges and opportunities



USAID
FROM THE AMERICAN PEOPLE

ALBANIAN AGRICULTURE
COMPETITIVENESS

Technical Approach

- Identify strategic value chains
 - Market prospects
 - Potential for economic growth
 - Competitiveness
- Identify key issues constraining their growth
- Develop and implement commodity development plans (systems of innovation)



USAID
FROM THE AMERICAN PEOPLE

**ALBANIAN AGRICULTURE
COMPETITIVENESS**

Target Value Chains FY2010

Tree Crops

- Olives
- Apples
- Citrus

Greenhouse Vegetables

- Pepper
- Tomato
- Cucumber

Open Field crops

- Melons and Watermelons
- Crucifer crops
- Onions
- Potatoes

Herbs and Spices

- Fresh
- Dried
- Essential oils



USAID
FROM THE AMERICAN PEOPLE

ALBANIAN AGRICULTURE
COMPETITIVENESS

Market opportunities; a few examples





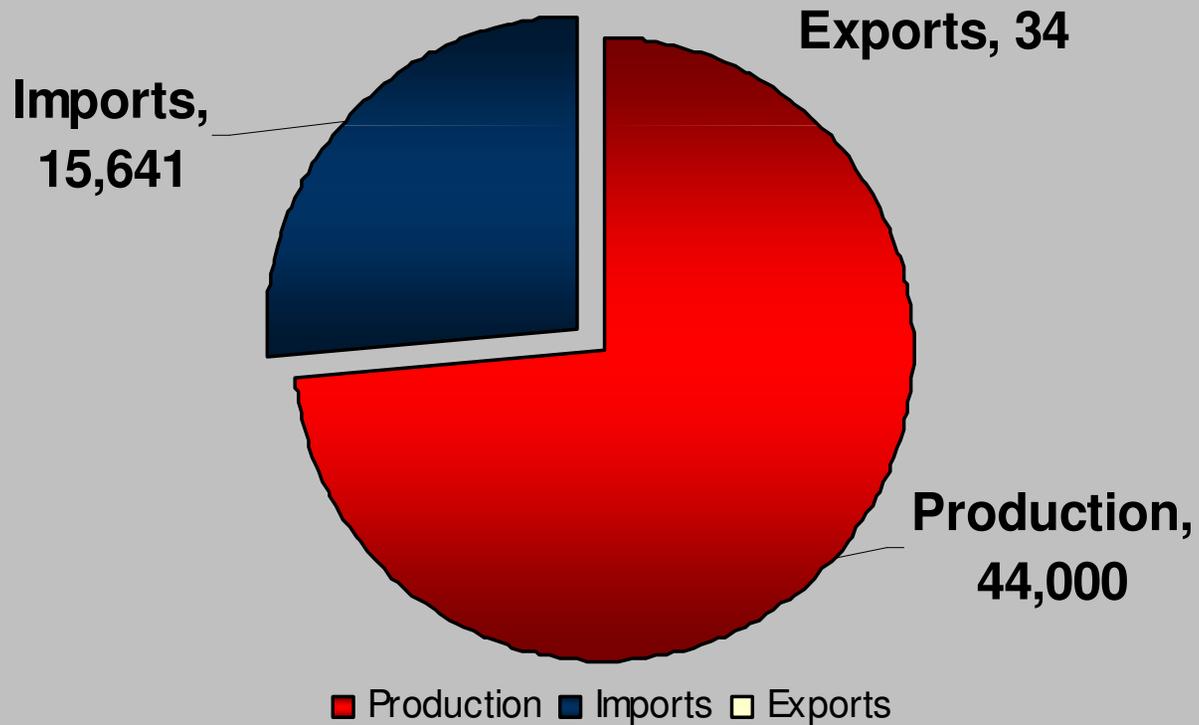
USAID
FROM THE AMERICAN PEOPLE

ALBANIAN AGRICULTURE
COMPETITIVENESS

Apple

Production Trends

**Apple; Sources of Domestic Supply (MT)
Year 2008**



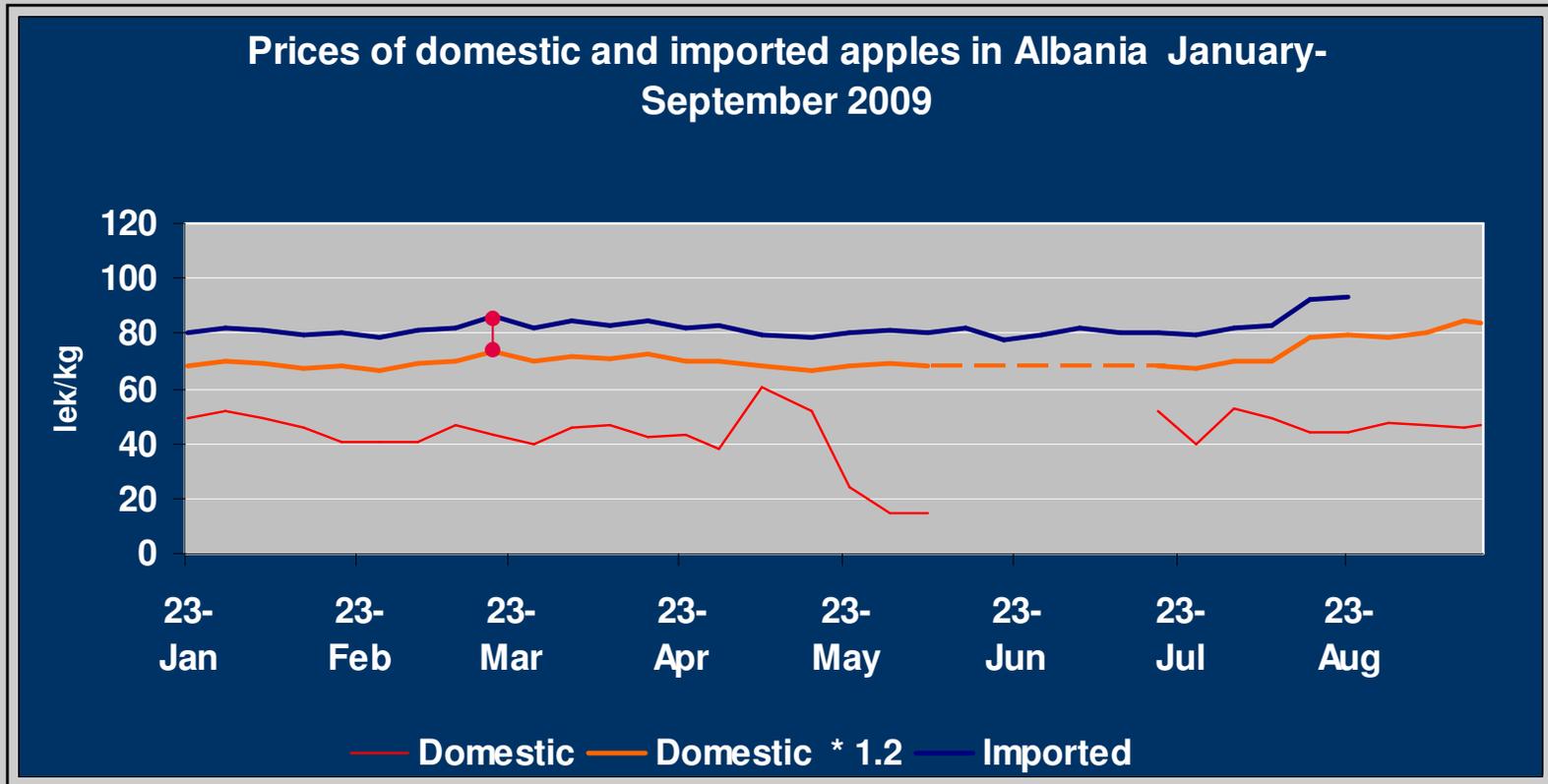


USAID
FROM THE AMERICAN PEOPLE

ALBANIAN AGRICULTURE
COMPETITIVENESS

Apple

Price Trends, 2009





USAID
FROM THE AMERICAN PEOPLE

**ALBANIAN AGRICULTURE
COMPETITIVENESS**

Strategic Focus

Improving quality and market efficiency to progressively substitute exports, while exploring opportunities in the regional and international markets

Target Markets

Import substitution (Albanian market)

Western Balkans

**Russian market through
Serbian traders**

Critical Success Factors

**Quality
management**

**Consistency
of supply**

**Extension of
storage period**



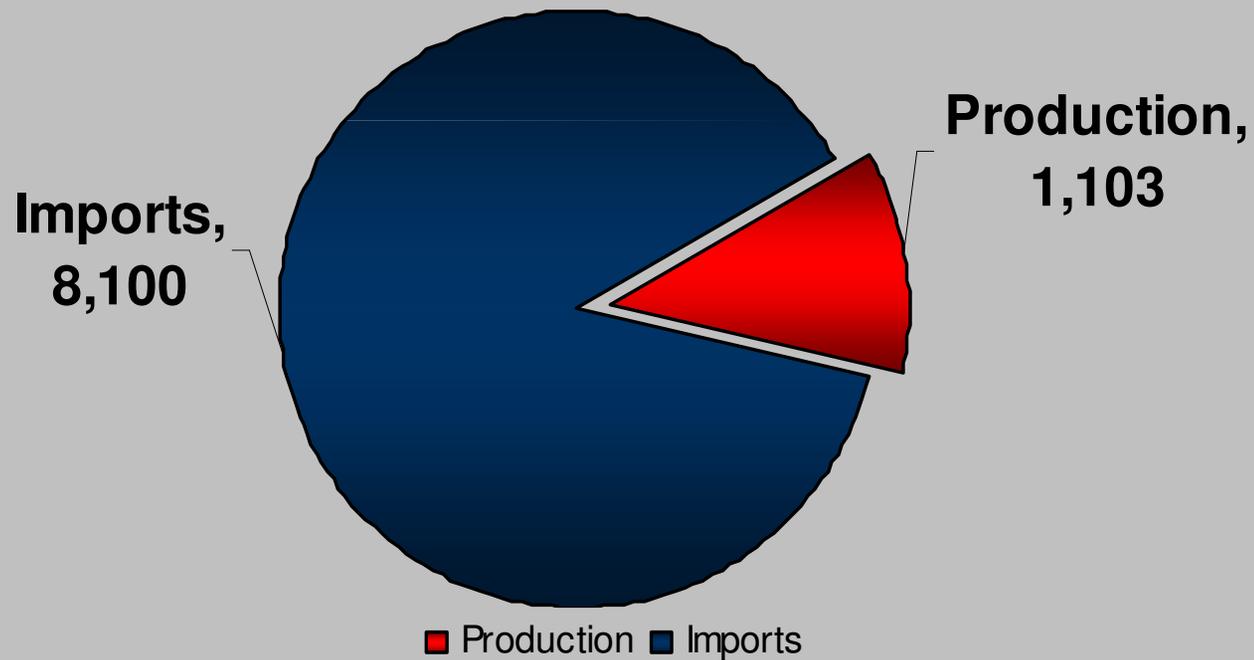
USAID
FROM THE AMERICAN PEOPLE

ALBANIAN AGRICULTURE
COMPETITIVENESS

Tangerines

Production

**Tangerine; Sources of Domestic Supply (MT)
Year 2008**



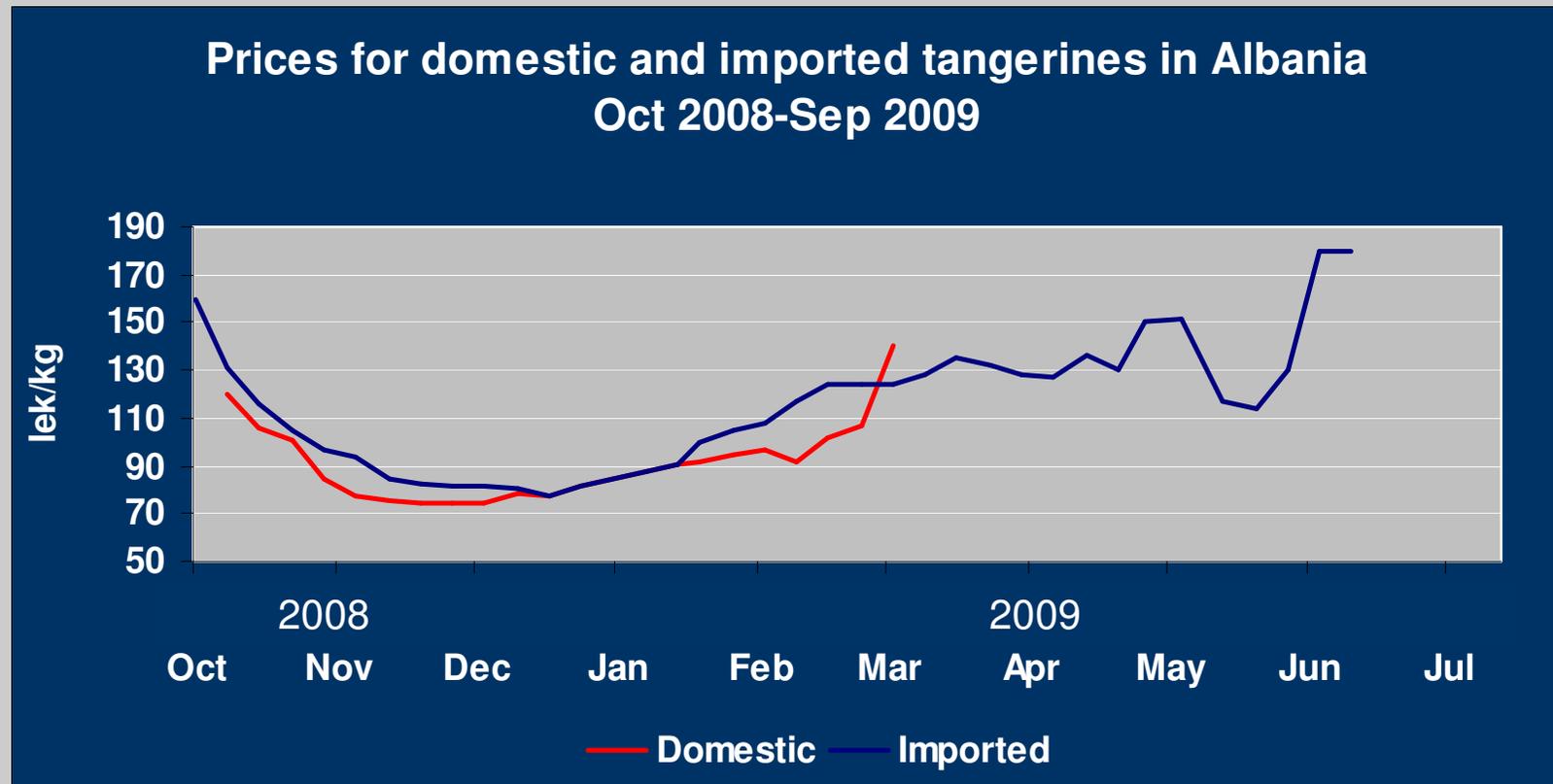


USAID
FROM THE AMERICAN PEOPLE

ALBANIAN AGRICULTURE
COMPETITIVENESS

Tangerines

Price Trends





USAID
FROM THE AMERICAN PEOPLE

ALBANIAN AGRICULTURE
COMPETITIVENESS

Strategic Focus

Expanding output by increasing the area grown to the crop (ongoing); domestic gaining market share through improvements in packaging and branding, and exploring markets in Northern Europe

Target Markets

Import substitution (Albanian market)

Northern Europe

Critical Success Factors

Quality Management

Branding

**Storage
To supply
Northern
markets**



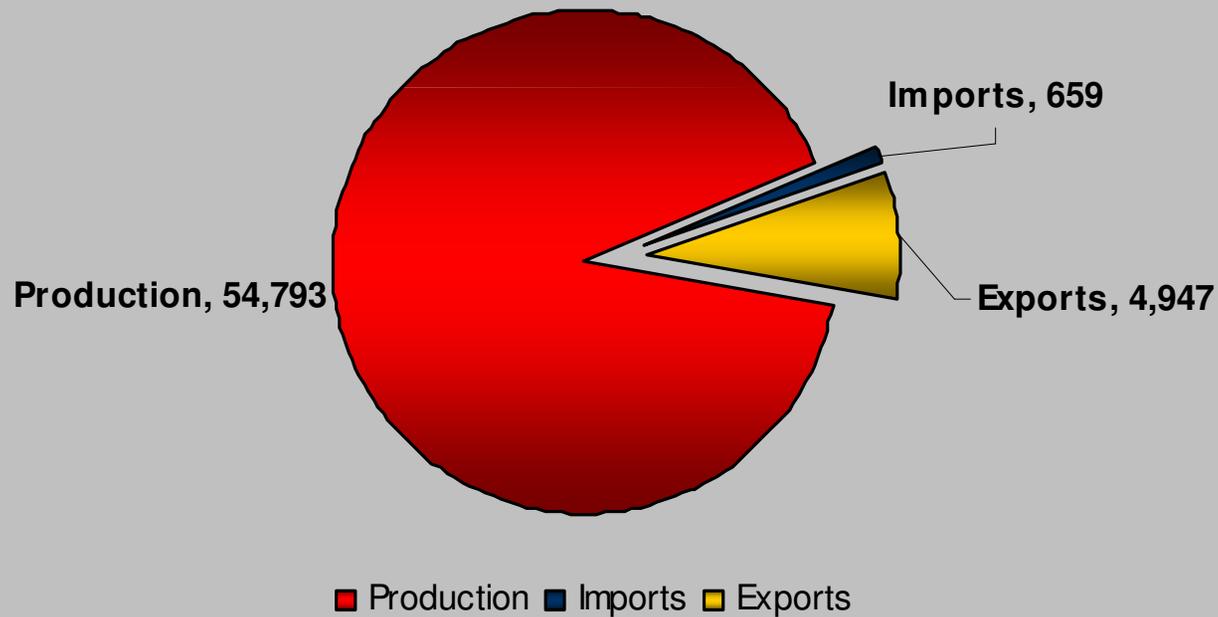
USAID
FROM THE AMERICAN PEOPLE

ALBANIAN AGRICULTURE
COMPETITIVENESS

Greenhouse vegetables

Production

**Total Supply; Cucumber
2008**





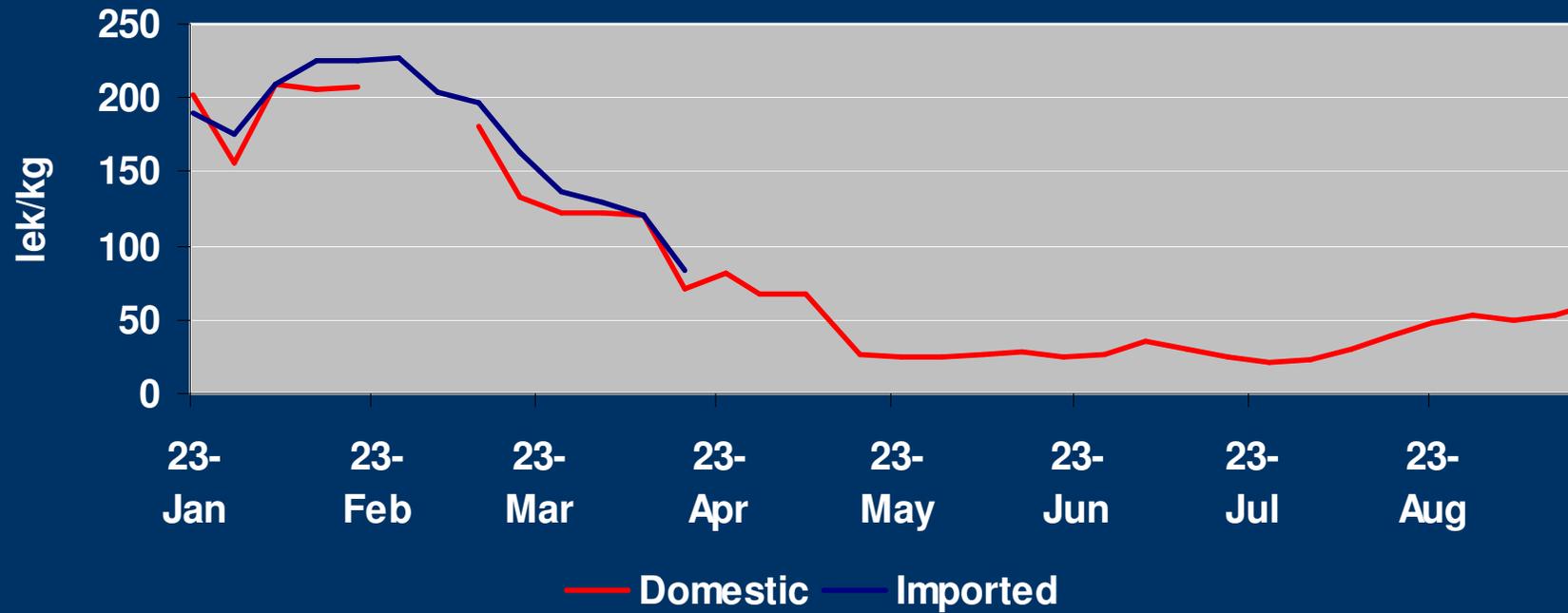
USAID
FROM THE AMERICAN PEOPLE

ALBANIAN AGRICULTURE
COMPETITIVENESS

Greenhouse vegetables

Price trends

Prices for Domestic and Imported Cucumbers
January-September 2009





USAID
FROM THE AMERICAN PEOPLE

ALBANIAN AGRICULTURE
COMPETITIVENESS

Strategic Focus

Reducing production costs and extending the production season to gain domestic market share, while exploring high-value markets

Target Markets

Albanian Market (longer season)

Balkan region

Middle East

Critical Success Factors

“Quality Culture”

Post-harvest

Packaging

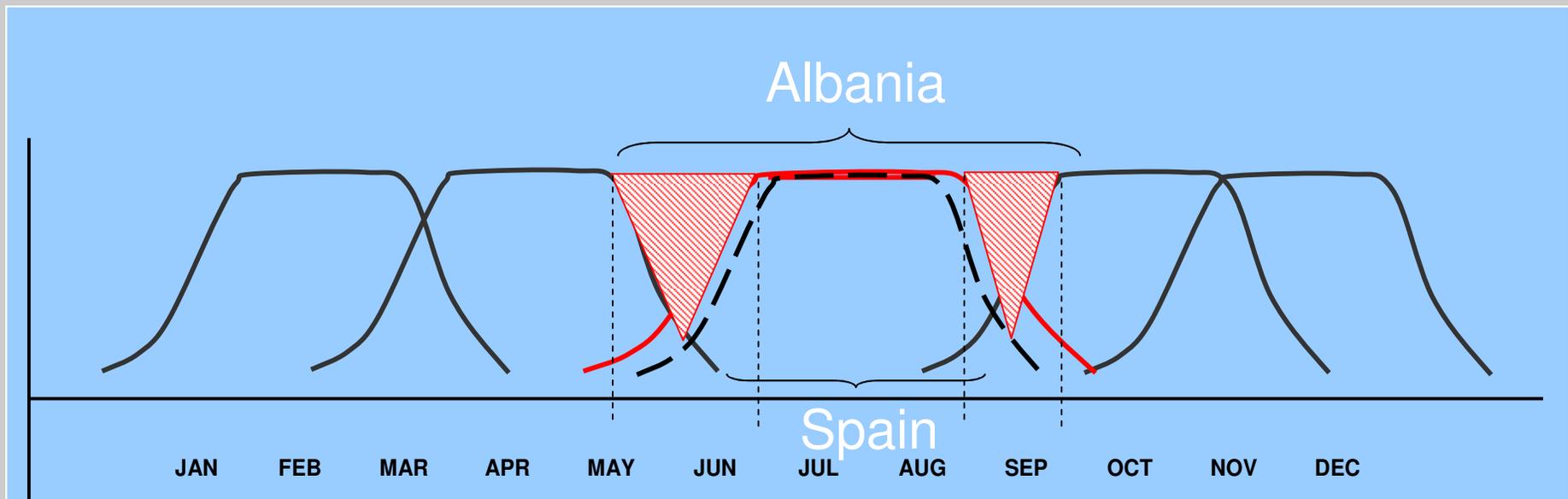


USAID
FROM THE AMERICAN PEOPLE

**ALBANIAN AGRICULTURE
COMPETITIVENESS**

Watermelons

What are Albania's Advantages



- Seasonal advantage for early and late-season production
- High quality
- Responsiveness of suppliers



USAID
FROM THE AMERICAN PEOPLE

**ALBANIAN AGRICULTURE
COMPETITIVENESS**

Strategic Focus

Expanding the presence of Albanian produce in regional and international retail chains, while making technology investments to extend the production season and gain market share

Target Markets

Regional retail chains

Northern Europe

Critical Success Factors

High-value varieties

Quality Management

Build relationships



USAID
FROM THE AMERICAN PEOPLE

ALBANIAN AGRICULTURE
COMPETITIVENESS

The Missing Ingredients in the Formula for Success

- Recognition of the importance of relationships over arms-length business transactions
 - Investing in long-term production programs
- Adopting a culture of quality as “a key element of success” and a source of national pride
- Investing in marketing tools, such as differentiation through packaging and branding
 - The Taste of Albania, a national brand for high-quality products is one of several ways in which USAID is introducing change



USAID
FROM THE AMERICAN PEOPLE

ALBANIAN AGRICULTURE
COMPETITIVENESS

Conclusion

- The quality of Albanian produce is generally superior
- The strategic value chains selected by AAC are generally competitive and require a small number of interventions to realize their potential
- There is a segment of Albanian producers and traders that are ready for change
 - Responding to market expectations
 - Able and willing to invest to meet the grade