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# ALBANIAN AGRICULTURE COMPETITIVENESS PROGRAM

## QUARTERLY REPORT October-December 2008 (Q1, FY 2009)



December 2008

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# QUARTERLY REPORT

## QUARTER 1

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#### Disclaimer

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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# ACRONYMS

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AAC	Albanian Agriculture Competitiveness Program
FY2009	Fiscal Year 2009
KASH	Këshilli i Agrobiznesit Shqiptar (Albanian Agribusiness
MADA	Mountainous Areas Development Agency
MoAFCP	Ministry of Agriculture, Food and Consumer Protection
PSHM	Partneri Shqiptar në Mikrokredi or Opportunity Albania
Q1	First Quarter of a given fiscal year
RAD	Regional Agricultural Directorates
SNV	The Netherlands Development Organization
TTC	Technology Transfer Centers

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# EXECUTIVE SUMMARY

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This reporting period witnessed several changes in the AAC Program, particularly in management, implementation approach and intensity of operations.

On November 1, DAI and USAID appointed a new Chief of Party who arrived in country on November 9 to overlap with Mr. Gary Kilmer, who served as interim COP. The implementation approach brought about by the new management is based on the identification of strategic issues constraining the growth in the value chains and devising, and delivering innovative solutions to AAC's clients.



AAC specialists working with the apple producers' group in Zvirinë, Korçë

Such innovative solutions constitute technological, institutional, or organizational responses to identified constraints. The program also saw an increase in the intensity of its operations. During the reporting period AAC structured and tested the SMS component of its Market Information System. The system is currently collecting daily wholesale price data from the five main market centers in the country and broadcasting them to AAC clients on a daily basis. The official launching ceremony, of this partnership with the Ministry of Agriculture, Food and Consumer Protection will take place at the end of January.

The technology demonstrations conducted in 2008 allowed AAC's clients and field teams to identify those technologies with the greatest likelihood of contributing to increase the level of competitiveness of the value chains, which will be promoted through the distribution of fact sheets to AAC clients, as well as through the expansion in the number of demonstrations for 2009 and an increase in the number of field days.

In the area of market development, AAC made possible 300 (sales) transactions for apples, greenhouse vegetables and olives, both for domestic and export markets. AAC staff based in Korça assisted the Korça Chamber of Commerce and international development partners in establishing a regional seal of origin to be used as regional branding for products made in Korça.

AAC staff in Lushnje facilitated export linkages for 480 metric tons of tomatoes, valued at US\$ 339,480 to Greece, Serbia and Montenegro. Similarly, AAC assisted the local traders to export of a trial shipment of table olives from Berati to Serbia.

AAC is assisting Bruka Seedling to establish a supply chain for early-season personal-size watermelons destined for ASDA, the UK's second largest retailer and a subsidiary of Wal-Mart, the world's largest retail chain. AAC is providing

technical assistance in crop production, post-harvest handling, packaging, compliance with GLOBALGAP and trade logistics. Exports will begin in May, 2009.

In year two, AAC will be covering a larger number of clients, facilitating sales and ensuring that traders and farmers are able to meet market expectations. Technology interventions will be aimed to reduce risk, increase productivity and improve product quality; timely and reliable market information will encourage competition and increase the efficiency of the agricultural markets, while market intelligence will assist traders and processors to enter and sustain an advantageous position in the regional and international markets.

## SUCCESS STORY

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### Supporting product differentiation through regional branding



**Apples from AAC clients featuring the new Korça seal of origin on display at the KASH Aaribusiness Fair in Korca. October 2008**

Before 1990, agricultural products grown in Korça were famous among Albanian consumers. Korça apples in particular had a reputation as being the best in the country and were sought in the Albanian marketplace. With the changes that took place during the 1990s, both traditional production and consumer demand shifted in favor of imports, relegating characteristic regional products to the nostalgia of the past.

In an effort to build on the reputation from the past and revive consumer demand for regional Albanian products, the Korça Chamber of Commerce, AAC, SNV and GTZ cooperated to create a seal of origin to differentiate products from the region; this gave rise to the new seal 'Product of Korça Region'.

AAC shared information about agricultural production and marketing issues with the working panel. As a result agricultural products and apple in particular were included into the application scope of the new seal, whereas initially the seal was going to be applied only to processed food

and beverages, AAC staff advised the panel to focus the application of the regional branding to cold store operators and traders as they are key actors in the apple value chain. At a later stage, farmers can also start applying the seal.

In addition, AAC introduced the new seal during two trade fairs organized by KASH in Tirana and Korça. AAC clients were represented with quality packaging that included the new 'Product of Korça Region' identity. Visitors' interest was aroused by the new seal as they recognized a revival of the old tradition of Korça apples.

AAC tested the new seal during two trade fairs organized by KASH in Tirana and Korça. AAC clients displayed apples with the new 'Product of Korça' regional identity, calling the attention of visitors and reviving the reputation of Korça apples. The new regional brand will be at the core of the 2009 apple marketing campaign to be supported by AAC.

CONAD, a major Italian supermarket chain, started selling Korça apples bearing the seal of origin.

# COMPONENT 1: STRENGTHEN PRODUCER CAPACITY FOR COMPETITIVE COMMERCIAL FARMING

## APPLE

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### SUMMARY HIGHLIGHTS:

- Strengthening three producer groups in Zvirinë, Tren and Hoçisht
  - Transferring knowledge on post-harvest and cold store operations
  - Coordinating with MoAFCP, TTC, SNV, MADA and AgriNet on a joint program for technology advancement
- 

AAC staff continued its work with Zvirinë producers to identify services which would help the organization to provide value to its members. As a result of AAC's encouragement and advice, the group has been revived after a period of dysfunction; discussions are underway to ensure the registration and formalization of this farmer group .

The result was different in Tren where producers were less positive about cooperating and it will require a stronger effort to help farmers realize the benefits of collective action with commercial purposes. Meanwhile producers from Hoçisht manifested their interest to engage in collective procurement of production inputs as a way to reduce costs. AAC assisted this group in their effort suggesting using the same mechanism to procure packaging materials.

Following several discussions, the farmer group—with assistance from AAC—identified several services to benefit their members and enhance the cohesiveness of their organization, these include:

- Bulk purchases of organic fertilizer
- Joint purchases of apple crates
- Collective marketing and sales to attract larger buyers, gain bargaining power and reduce transaction costs
- Joint adoption of advanced technologies as a way to reduce costs, harmonize product quality and increase productivity

AAC continues to support the efforts of these groups by facilitating links with input suppliers and service providers as a way to promote the integration of farmer conglomerates and thereby achieve economies of scale in production and marketing.

AAC provided technical assistance to apple producers and cold storage operators by bringing a world renowned specialist in apple physiology. Dr. Errol Ewett, Emeritus Professor of Horticulture Science at Massey University (New Zealand) visited several farms and cold storage units, identifying crucial elements currently constraining the competitiveness of the Albanian apple industry. At the end of his

visit, Professor Ewett produced a series of recommendations to improve apple quality through both pre-harvest and post-harvest interventions, which constitute the core of the package of technical assistance that AAC provides to the various actors of the apple value chain.

The apple storage recommendations are applicable to both cold storage operators, as well as farmers using traditional storage methods, as they are concerned with pre-harvest fertilization, methods to optimize harvest maturity, grading, sanitation and for more sophisticated operations, proper moisture and humidity controls.



AAC clients grading and sanitizing apples before placing them in storage

AAC responded to a request from the Korça Regional Agriculture Directorate (RAD) to assist them in the identification of potential sites for the establishment of Centers for Disease Control. AAC assisted the Directorate in drafting a proposal to UNDP for the establishment of such centers. AAC suggested to UNDP the building of centers in key apple production areas such as Zvirinë,

Dvoran and Pojan, considering the potential benefits for farmers and apple growers in particular.

At the initiative of the RAD, AAC also coordinated with the TTC, SNV, MADA and AgriNet to coordinate the provision of technical assistance to Korça farmers and avoid overlapping of activities among development projects. As a result of this activity AAC and AgriNet are collaborating in the dissemination of Integrated pest management practices.

## GREENHOUSE VEGETABLES

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### SUMMARY HIGHLIGHTS:

- Supporting the Këmishtaj women growers' association
- Promoting the adoption of inflated greenhouse technology

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As part of its work in strengthening producer associations, AAC delivered 2 training sessions to the Këmishtaj women association. Six out of the association's thirty six members are greenhouse vegetable producers and AAC involved them for the first time in production training. AAC field staff introduced these women entrepreneurs to the inflated greenhouse technology; the result was positive, to the point to which one of the members of the association will establish a double-wall (inflated) greenhouse in early 2009. A post-harvest training session with the 6 women farmers on vegetable processing was planned for December but was later re-scheduled to the first quarter of 2009.

In order to expand the reach of the inflated greenhouse technology, AAC showcased the inflated greenhouse in Drenovice to groups of farmers from Lushnja area. During the field days farmers were introduced to the advantages of this technology and mode of construction. AAC specialists compiled a list of farmers from Lushnja and Berat interested in building inflated greenhouses. Three existing clients, as well as a new one decided to transform their greenhouses from the traditional single-film structure to double-wall. Muharrem Xhebexhi from Hysgjokaj has already started the construction phase.

AAC staff provided technical assistance and practical training sessions to greenhouse operators on the following topics:

- IPM
- Plant nutrition
- Improvement of airing regimes in the greenhouse
- Selection of tomato varieties for the next season

AAC's agriculture specialists also facilitated the interaction between farmer groups and input suppliers, specifically seedling producers. As part of this interaction, seedling producers provided training sessions to growers on the characteristics of several varieties of greenhouse vegetables and their technical requirements. The latter constitutes a groundbreaking effort to encourage private sector companies to engage in the provision of technical assistance.

As a result of this assistance AAC clients have experienced substantial improvements in productivity and quality, which have in turn led to the first vegetable exports to EU markets out of Berat and Lushnje.

Follow-up with clients operating greenhouses with bank loans shows that the repayment is up to date. During the reporting period AAC assisted two of its clients to access loans for greenhouse investments from the Credit Union "HABA".

#### **Advantages of double-walled inflated greenhouse**

- ⇒ **High resistance against strong winds that can damage greenhouses**
- ⇒ **Lower construction costs compared to other models**
- ⇒ **Better energy conservation**
- ⇒ **A higher temperature (3-4 C° higher) than existing models**
- ⇒ **Lower risk of early plant damages**
- ⇒ **An expected earliness of 5 to 7 days**
- ⇒ **Higher income per unit**

## **WATERMELON**

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**SUMMARY HIGHLIGHTS:** Although this reporting period coincided with the off-season for watermelon, AAC continued to provide support to this value chain and prepared the ground for next year's production and marketing season.

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AAC facilitated two roundtables with several actors of the watermelon value chain in Divjakë and Xarrë. The purpose was to present AAC's activities during the first year of implementation, but most importantly, to identify and prioritize issues limiting the growth of the value chains, in order to better guide AAC activities in year two.

A total of fifty two participants were present during the two roundtables and sixteen of them participated for the first time in an AAC event.

One of the main conclusions reached at the roundtable was the need to coordinate with the TTC in Lushnja on identifying opportunities to set up demonstrations for two new watermelon varieties, seedless and personal size. Immediately afterwards AAC met with the TTC Lushnje and agreed on preparing the platform for field demonstrations. AAC in cooperation with integrated consolidators will carry out the demonstrations and ensure that all farmers and traders interested have access to the demonstration plots, as well as to data on economic results.

Another conclusion reached at the roundtables was the need to research the possibility of increasing the earliness of watermelon products by 3 to 5 days. A closer coordination with the TTC on this activity will also follow in the next quarters.

## OLIVES

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### SUMMARY HIGHLIGHTS:

- Identification of farmers interested in the establishment of super high-density olive orchards
- Organization of a roundtable with olive value chain actors
- Participation in the National Olive Conference organized by the MoAFCP



Olive grower from Berat area in his high density plantation, assisted by AAC

AAC in cooperation with the TTC in Vlora and with the “Kalinjoti” olive farmers’ association, organized a roundtable in November 6<sup>th</sup>, that focused on super high density olives. AAC and the TTC provided the participants with technical data regarding several olive production models, and most of the farmers that participated in the event agreed that super-high density olive production constitutes a viable option for a considerable number of

Albanian olive growers. AAC provided data on the economic performance of this new production system, technological parameters and sources of inputs. Examples from Spain, USA and New Zealand were given to participants and additional information in the form of a DVD and printed materials were also made available.

The roundtable was followed by a campaign to identify commercial olive growers who plan on planting surfaces ranging from 1 to 10 ha. Frequent contacts and meetings were carried out and as a result 20 farmers interested in the cultivation of super density olive trees were identified. This group represents a total surface area of 50 ha. The next steps will be to encourage these farmers to apply a new business model, ensure legitimate input supply sources (currently seedlings are mostly smuggled from Greece) and encourage the production of certified seedlings in the country.

AAC and TTC Vlore held several coordination meetings with the purpose of carrying out research into high and super high density olive trees as well as methods of improving the efficiency of traditional olive trees, especially those planted after 1990.

AAC staff participated in the National Olive Conference in Vlorë, on December 5<sup>th</sup>. The event was useful for getting to know the Governments' plans on supporting the olive sector and for creating contacts and links with partner institutions and actors.

## COMPONENT II: STRENGTHEN CAPABILITY FOR MARKET DEVELOPMENT

### APPLE

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#### SUMMARY HIGHLIGHTS:

- Participation in trade fair organized by KASH
- Facilitating links between traders, processors and farmers

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Based on the recognition that poor packaging materials and practices have a direct and detrimental effect on produce prices, AAC assisted apple growers in the identification of suppliers and the procurements of high-quality and cost-efficient packaging materials. EDIPACK, based in Durrës prepared an offer for cardboard boxes while two other manufacturers from Lushnja and Fushë-Kruja provided samples of 20 kg wooden crates at affordable prices. AAC assisted farmers and traders to select the most efficient packaging options. Considering the crucial role of packaging materials as a marketing tool, AAC is working with traders from Korça to structure a grant proposal that would allow for the introduction and subsequent estimation of costs and benefits derived from the use of proper packaging materials.

Two traders from Tirana were contacted and invited to visit AAC clients in Korça; they exchanged information and negotiated with cold store operators and apple producers from Dvoran, Voskop and Devoll. Both parties agreed on the timing to sell their produce, with a transaction taking place between trader Edison Jazxhi

and cold store operator Arben Liçollari for a quantity of approximately 16 tons. AgroKoni was also put in contact with AAC clients and started procuring directly from them during this quarter.

AAC cooperated with the Korça Chamber of Commerce, SNV and GTZ for the introduction of a seal of origin for Korça products (details on page 7).

Following the participation of AAC clients in the trade fair organized by KASH in Tirana, AAC also facilitated the participation of producers and traders in the regional fair in Korça, held on October 10-11. Three commercial apple growers, two seedling producers and two cold store operators participated in the fair and had the opportunity to exhibit their produce and establish contacts with other actors of the value chains, including final consumers.

AAC facilitated a transaction of 25 tons of industrial grade apples. Following a market contact established in the previous year, two major processors SIDNEJ (based in Berat) and KAMPION (based in Shkodër) bought respectively 15 and 10 tons from AAC clients. This link helped to solidify a very important outlet for farmers' lower grade produce as well as provided an optimal solution to processors' need for raw material. Two other traders were also put in contact with farmers for collecting the produce derived from thinning. Whereas before the apple collected after thinning went to waste, these traders are now buying it from farmers and selling it to cosmetic manufacturers and juice producers.

## GREENHOUSE VEGETABLES

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### SUMMARY HIGHLIGHTS:

- Facilitation of sales between vegetable traders and retailer EUROMAXX
  - Assisting clients in the procurement of packaging materials
- 



Goriçan tomato producers during a meeting with exporter Hajredin Mujaxhi, facilitated by AAC

During this quarter AAC achieved positive results in creating linkages and enabling transactions for second season greenhouse vegetables.

AAC facilitated a link between exporter "GERI sh.p.k." and greenhouse producers from Goriçan, Drenovicë, Velmish and Këmishtaj. Another link was made possible between exporter Hajredin Mujaxhi who sells in Montenegro and Serbia, and the producers mentioned above. As a result, 130 tons of tomato were exported to Greece via GERI sh.p.k., and 350 tons of the same product were exported to Serbia and Montenegro via

Hajredin Mujaxhi. The prices agreed upon for these transactions were 1 lek per kg higher than the average domestic price and range from 35 to 50 lek per kg. It is expected that exports via the same buyers will continue through January 2009.

AAC facilitated two meetings on November 18 between retailer EUROMAXX and two producer groups: Divjaka 07 and the Myzeqeja Farmers' Federation. Farmer groups and the retailer agreed to look at the possibility of starting transactions during the first months of 2009. EUROMAXX expressed interest in buying supplies both for its domestic outlets and its operations abroad. Detailed terms and conditions will be specified in the next meetings, which will be facilitated by AAC in the first quarter of 2009. EUROMAXX is currently building a 3000 square meter storage facility which would allow the retailer to deal with producers directly.

AAC provided advice to cold store operators and vegetable consolidators through Dr. Errol Ewett, AAC's short-term advisor. Consolidator Saimir Biti of Biti & Mo is now building an improved cold store based on the assistance and knowledge provided by AAC. This improved version takes into consideration several technical parameters that will result in higher performance and consequently higher quality and longer shelf life.

AAC began the selection process for participants in the Fruit Logistica trade fair, which will take place in Berlin in the first week of February. This opportunity will likely result in new market opportunities for Albanian traders, especially based on the fact that AAC will provide on-site technical assistance to its clients during the trade show.

## WATERMELON

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### SUMMARY HIGHLIGHTS:

- Integrating input supplying, production and sales between Agrokonis and watermelon producers
  - Preparations for potential transactions with Wal-Mart's subsidiary International Produce
- 

In an effort to strengthen the chain between watermelon producers and integrated traders, AAC facilitated an interface between Agrokonis and several watermelon producers in Divjake, Frakull and Saranda. Agrokonis is both an input supplier and consolidator and the activity had a twofold aim: 1) to improve the supply of inputs to farmer groups; and 2) to ensure sales agreements between farmers and Agrokonis. This 'dual' commercial relationship has several benefits, especially by ensuring compliance of product specifications due to the link to input supply and eventually private technical assistance.

AAC continued the efforts to prepare the producers for exports to the United Kingdom. AAC is currently providing Bruka Trading with technical assistance in production, grades and standards and trade logistics that will enable it to sell to ASDA Supermarkets, a negotiation facilitated by AAC from the beginning. The transaction will take place between Bruka Seedling and International Produce, a

dedicated supply partner to ASDA, the UK's second largest retailer and a subsidiary of Wal-Mart, the largest retailer in the world

The initial agreement between Bruka Trading and International Produce calls for the supply of 10-15 trucks (approximately 300 tons) of personal size watermelon, in addition to normal size watermelon. There is increasing demand for personal size watermelon in Western markets due to the smaller size (4-5 kg per fruit compared to 6-15 kg per fruit for normal size watermelon).

The prospects for success of this venture are reasonably high, especially considering the reduced number of actors in the value chain, and consequently in the transaction. Table 1 describes the roles of the parties involved, including AAC.

**TABLE 1. AREAS OF SUPPORT TO THE WATERMELON VALUE CHAIN**

<b>Value Chain Participant</b>	<b>Role</b>	<b>AAC's Support</b>
BRUKA Seedlings	Supplier of watermelon seedlings of varieties required by International Produce	Technical assistance to ensure the delivery of seedlings as per the agreed-upon schedule (quantity and timing)
Farmers (Divjaka 2007 Co-op)	Production of watermelon as per Bruka's Specifications	Technical assistance in technologies for early-season production, crop protection, fertilizer regimes, pre-harvest and post-harvest handling
BRUKA Trading	Collection, grading, packaging and shipping watermelons to the UK	Technical assistance in post-harvest handling, grading, hydro-cooling, procurement of packaging materials, and compliance with GLOBALGAP
ALCEBO	Third party certifier ensuring compliance with GLOBALGAP standards	Provision of technical backstopping in the field to ensure compliance with GLOBALGAP
International Produce	Buyer	Assistance with trade logistics

## OLIVES

- Market linkages with potential buyers including exporters

A new market for table olives has been identified in Serbia/Montenegro through exporter Hajredin Mujaxhi. A transaction took place whereby one ton of table

olives were bought by Mr. Mujaxhi and shipped to Serbia. Other transactions are expected to be finalized during the upcoming reporting period. AAC has identified two olive processors who will be supplying the exporter with the required quantities.

# SUCCESS STORY

## Berat Table Olives Find The Way to Export Markets



**Processor preparing Berat table olives for export**

AAC's continuous search for new market opportunities resulted in a breakthrough: clients producing the renowned Berat table olive have entered the export market for the first time. AAC created a link between exporter Hajredin Mujaxhi and two olive processors from Berat, SHPIRAGU and Kastriot Çquadari.

Mr. Mujaxhi sells Albanian agricultural products in Montenegro and Serbia. A one ton load was shipped in December while the trader agreed to buy another ten tons in January.

So far the Berat table olive has been sold only in the domestic market where it still enjoys a reputation as the best table olive in the country. This is the first time Berat olives find a legitimate way into the regional markets.

The supply includes olives grown in the area of Bilsh in Berat, where AAC has assisted a grower's group in improving their production practices. The main variety is the *Kokërrmadh i Beratit*, a variety that is very much sought after in the domestic market.

An additional breakthrough is the fact that the trader will market the product by naming its country and area of origin. Most Albanian products sold in export markets are not named or branded as such. Mr. Mujaxhi is optimistic that consumers in Montenegro and Serbia will enjoy this product and that demand will grow in the near future. He plans on increasing the amount bought in the next year's season.

AAC is discussing with growers and processors the possibility of adding value to Berat table olives. Currently the Berat olive is marketed as a commodity, with no packaging and minimum processing. This lowers its potential to command a premium price. In 2009 AAC will assist table olive producers and processors to brand the olives from Berat using the geographic branding commonly known as *Appellation*, capitalizing on the already-existing reputation of Berat as a region producing quality olives.

# COMPONENT III: INCREASE ACCESS TO AND USE OF TIMELY AND RELIABLE MARKET INFORMATION

## APPLE

AAC tested and introduced its market price dissemination system during this quarter. Apple producers were the first recipients to be selected taking advantage of the market season for this product. AAC sent price information from major wholesale markets around the country to commercial producers. The first reactions from clients indicated that the information was easy to understand and useful during the selling season. The list of recipients is currently being updated to include 103 apple producers, as part of an ongoing expansion process.

As of end of December the SMS platform provided by AMC was enabled to cover clients using all three mobile networks in the country. The technical solution for reaching non-AMC subscribers will be tested and improved in January.

AAC in cooperation with GreenMarket organized a TV program focused on apple production and market issues, with the participation of farmers, traders and industry specialists. The program touched on several aspects, including the pressures apple producers face, competition with imports and on ways to improve market efficiency. Viewers had the chance to hear about the revitalization of the Korça apple industry, as well as the challenges ahead. Several AAC clients and individual farmers called to communicate their interest to find buyers for their products; these offers were displayed in the form of subtitles, giving rise to business transactions.

AAC produced a market brief aimed to inform the decisions of cold store operators, based on statistical data, including historical supply and demand patterns, price trends and storage costs.

AAC selected a focus group in Korça with the aim of identifying specific information needs among clients. The focus group will be called once a month initially to monitor the progress of the MIS services such as the SMS platform, printed reports and briefs, TV dissemination and training sessions. To complement the *qualitative* aspect covered by the focus group, a survey was also designed and tested in the field to be administered to 200 apple and onion producers, the latter in anticipation of the potential inclusion of onion as an AAC value chain in 2009. The survey will provide *quantitative* data on clients' needs for market information, preferred means of dissemination and several other variables that will further strengthen the MIS.

## GREENHOUSE VEGETABLES

AAC prepared an initial list of fifty seven clients in order to test the SMS data distribution platform, and conducted several tests. The formal launch of the SMS

component of the Market Information System for greenhouse vegetables will take place in the second week of January, 2009.

The project produced a market brief with an assessment of the relative profitability between greenhouse tomatoes and open field tomatoes. The analysis concluded that despite higher production costs, greenhouse tomato production is an economically viable option for Albanian farmers, with a very specific market window. AAC will produce another market brief looking at the comparative competitiveness of tomato production in traditional greenhouses versus high-tech operations.

GreenMarket, produced a television program, in collaboration with AAC and KOHA TV on tomato production and marketing issues. The program was viewed by AAC clients and received a positive reaction among viewers as documented by on-the-air telephone calls and subsequent communications. Announcements with offers to sell were provided for the first time, followed by several telephone calls from potential buyers.

## WATERMELON

A list of 54 watermelon growers from Lushnja, Berat and Saranda areas was compiled with the purpose of sending market information via the SMS platform. Since price information is not relevant during the off-season, AAC will use the SMS system to disseminate technical information and market intelligence as it becomes available.

AAC is currently producing a market brief for watermelon; it presents a summary of price patterns and export potential.

## OLIVES

AAC is currently finalizing the olive producer, processor and trader database, which will be used to disseminate price information from the Tirana wholesale market, currently the only major wholesale center where table olives are traded, beginning in February 2009.

AAC cooperated with GreenMarket and KOHA TV producing a TV program dedicated to the olive sector and particularly to olive oil. An olive oil processor identified by AAC participated in the program and shared with viewers concerns faced by this industry and potential solutions.

## ACTIVITIES FOR SECOND QUARTER

- In January 2009 AAC will launch its Year two technology demonstration program with lead growers based on research protocols that will enable AAC to provide its clients with more accurate data about the economic impact of the advanced technologies introduced by the program
- Six AAC clients and two staff members will participate in Fruit Logistica, which will take place on February 4-7 in Berlin. A Horticulture Market Linkages expert from Michigan State University will facilitate the contacts with potential buyers, and following the trade fair will work together with Albanian traders to produce action plans to ensure that they capitalize on market opportunities
- The SMS component of the Market Information System will be officially launched by the Minister of Agriculture, Food and Consumer Protection in the end of January
- The SMS system, which is currently broadcasting price data to commodity-specific groups of recipients will launch an iterative (two-way) system in mid 2009, as a way to provide traders and farmers with price data on-demand
- AAC and GreenMarket will co-host a series of television programs focused on advanced crop production technologies, market development discussions and market news.
- As of the third week of February, AAC will sponsor a 2-minute insert in GreenMarket's weekly program presenting market news—using a format similar to the one used to present weather reports.

# APPENDIX 1

## TABLE OF INDICATORS

Targets vs. Actual Progress

## PMP SUMMARY

AAC has met or exceeded targets for six of the thirteen annual indicators presented below. Plans are under way to meet the remaining seven indicators before the end of the current fiscal year

The Indicator Table shown here demonstrates AAC's progress during Quarter 1 of FY09 regarding Element Level Indicators. The target values for the FY09 have been added and columns 4 and 5 show the cumulative and non-cumulative progress respectively. As shown in column 5, AAC's work during the quarter has touched upon 8 of 13 indicators. The values represented in this column belong only to this quarter. Whenever a value is not entered, that indicates that no new results or activities were recorded or carried out for the respective indicator.

The major part of activities relate to identification of new markets and the carrying out of new transactions. As the figure for indicator 3.6 shows, there is good progress in securing transactions and AAC will meet the year's target in the coming quarters. For indicator 3.1, there were 26.3 hectares added under the new post-harvest technologies presented and disseminated among apple farmers during October 2008. (See pages 8-9 of this report).

Special attention will be paid to indicators 2.6, 3.5 and 3.7 as they show the lowest result figures.

## TABLE OF INDICATORS – PROGRAM ELEMENT LEVEL

INDICATOR	ADDED (QUARTERLY)		TARGET (LOP)	TOTAL LOP (TO DATE)	TARGET (FY 09)	BY GENDER (TO DATE)	
						Male	Female
<b>ENABLING ENVIRONMENT</b>							
2.1 Number of public and private institutions undertaking capacity/competency strengthening	Previous	16	15	16	10	N/A	N/A
	Current	-					
	Total	16					
2.2 Number of individuals who have received short-term agricultural enabling environment training	Previous	153	50	169	30	157	12
	Current	16					
	Total	169					
2.3 Number of policy reforms implemented	Previous	-	5	0	3	N/A	N/A
	Current	-					
	Total	-					
2.4 Number of producers/processors who have received credit	Previous	57	250	59	50	56	3
	Current	2					
	Total	59					
2.5 Number of producers and traders trained in use of market information for strategic planning, farm management, and business decision-making	Previous	0	250	31	100	25	6
	Current	31					
	Total	31					
<b>AGRICULTURAL PRODUCTIVITY</b>							
3.1 Number of additional hectares under improved technologies or management practices	Previous	208.6	605	234.9	193	N/A	N/A
	Current	26.3					
	Total	234.9					
3.2 Number of producer organizations, trade and business associations assisted	Previous	17	40	17	25	N/A	N/A
	Current	-					
	Total	17					
3.3 Number of individuals who have received short-term agricultural productivity training	Previous	505	1100	530	350	499	31
	Current	25					
	Total	530					
3.4 Number of agriculture-related firms benefiting directly from AAC assistance	Previous	11	40	16	25	N/A	N/A
	Current	5					
	Total	16					
3.5 Number of new markets identified (geographic areas, new products and new buyers)	Previous	11	75	22	75	N/A	N/A
	Current	11					
	Total	22					

INDICATOR	ADDED (QUARTERLY)		TARGET (LOP)	TOTAL LOP (TO DATE)	TARGET (FY 09)	BY GENDER (TO DATE)	
						Male	Female
<b>AGRICULTURAL PRODUCTIVITY</b>							
3.6 Number of transactions completed (contracts signed and/or repeat sales)	Previous	358	2500	517	600		
	Current	159					
	Total	517				N/A	N/A
3.7 Number of farmers/firms applying new environmentally sound technologies that enhance productivity, production, quality	Previous	144	1000	144	400		
	Current	-					
	Total	144				N/A	N/A
3.8 Number of additional functioning post-harvest handling facilities in country	Previous	6	21	8	8		
	Current	2					
	Total	8				N/A	N/A