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QUARTERLY REPORT

April – June 2010 (Q3, FY 2010)

ALBANIAN AGRICULTURE COMPETITIVENESS PROGRAM



July 2010

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QUARTERLY REPORT

QUARTER 3 FISCAL YEAR 2010

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EXECUTIVE SUMMARY

The third quarter of the fiscal year 2010 saw the AAC program make a significant progress towards trade promotion, as well as in the provision of technical assistance in crop production and entrepreneurial development. This involved the fine-tuning of several activities in order to adjust to local needs and a deliberate emphasis in the promotion of high-value crops. Thus the addition of new project clients, new target crops such as citrus, onion and potatoes and substantial increase in exports were at the center of this quarter's activities.

Activities intensified particularly in the production and market development components with a total of 21 practical training sessions on advanced technologies, 32 field days, two roundtables, 3 book-keeping and farm management training sessions, and two training activities in the area of commodity certification for export.

The value of sales transactions facilitated by AAC during the reporting period reached US\$2,458,058, with export sales accounting for 65 percent. This brings the total value of sales facilitated by the project since inception to US\$ 12.79 million.

Seeking to build capacity for market development through both 'exposure' and establishment of market contacts, in June 27-29 AAC supported the participation of six project clients in the Fancy Food Show, which took place in New York City. These entrepreneurs exhibited their products under the "Taste of Albania", a brand developed and introduced by the AAC program in 2009.

At the regional level, AAC provided direct assistance to Agro-Koni Sh.p.k. and Bruka Seedling Sh.p.k. to navigate the complex process of establishing trade links with regional produce wholesalers supplying retail chains, and to effectively translate market plans and market agreements into sales transactions. This effort gave rise to over US\$ 833,807 worth of watermelon exports.

On May 27th AAC launched its Food Industry Leadership and Executive Development Program, an initiative aimed at engaging Albanian investors, currently operating in other sectors of the economy to invest in agricultural trade. The latter on the recognition that a small number of agricultural trading companies and limited financial capacity of the existing ones constitute relevant impediments for the expansion of the agricultural markets. On the same week, May 29th AAC organized the National Olive day in collaboration with the Ministry of Agriculture, Food and Consumer Protection in Butrinti, Saranda. Both ceremonies were attended by the Minister of MoAFCP who emphasized on the contribution of AAC to the modernization of Albanian agriculture, through a series of effective innovations.

Concurrently, the program continued the delivery of daily wholesale and retail prices of agricultural products through several media. Project staff put especial emphasis in building the capacity of farmers and traders to access and makes effective use of market information provided by SITA, a brand that is increasingly becoming familiar to the farming community. Similarly, AAC assisted wholesale

traders with access to business development services, such as lending opportunities by introducing them and facilitating their interaction with commercial banks.

Seeking to gain competitive edge in the domestic and regional markets, the project conducted two variety trials for pepper and watermelon in Shkodra and Lushnja, respectively. The trials included high-value varieties to cater for upscale markets, such as the Albanian hospitality industry and regional retail chains.

Before the National Olive day organized in Butrini the project carried out an Advanced Training Workshop on Sensory Assessment of Olive Oil (May, 20-26) and supported the 6th Annual National Olive Oil Competition (May 27) at the premises of Hotel Diplomat.

Professor Genc Ruli, Minister of Agriculture, Food and Consumer Protection attended two of the activities sponsored and organized by the project in the last quarter. Constructive business exchange between AAC, TTCs and AUT has been nurtured during past three months, promoting cooperation and synergy between these institutions in order to better serve the Albanian agricultural sector.

COMPONENT I: STRENGTHEN PRODUCER CAPACITY FOR COMPETITIVE COMMERCIAL FARMING

TREE CROPS

SUMMARY HIGHLIGHTS:

- Assisted AAC apple growers with two practical training sessions on Integrated Pest Management and one training session on summer pruning for apple trees in Korça
- Delivered a practical training course on Apple Pest Prognosis and Advanced Crop Protection Methods for apple in Zvirine, Korça
- Facilitated citrus roundtable —Priority Interventions in support of the Mandarin Value Chain” in Xarre, Saranda
- Delivered two practical training sessions on Advanced Citrus Production Technologies in Xarre and Konispol
- Organized six field days on Radical Pruning for Olive Rehabilitation
- Delivered three practical training sessions on High-Density and Super-High Density Olive production systems in Vlora and Lushnja
- Organized a training session on —Fertilizer application regimes, return of investment and IPM for olives” in Lukove.
- Facilitated links between farmer groups and existing soil laboratories to establish Periodic Sampling Protocols and Dissemination of information for disease forecast
- Delivered a training session on book-keeping and farm management for apple producers in Polene, Korca

APPLE

In the last quarter, AAC project provided apple growers with a package of training and technical assistance to improve productivity and enhance crop quality; the package included training and technical guidance in the following areas: 1) integrated pest management (IPM); 2) prognosis of apple pests and advanced methods for crop protection; and 3) summer pruning techniques. The project organized two practical training sessions on IPM in Zvirine and Proger villages focusing on advanced spraying techniques for apple crops. Integrated pest management as a system of pest control with an environmentally friendly focus, combines biological and chemical control to reduce economic damage caused by pests, while minimizing environmental impact of control measures. The emphasis of these training sessions was in the control of codling moth, *Carpocapsa pomonella* and *Ipomonella malinellus*.

The training sessions on apple pest prognosis and new methodologies on crop protection for apples, organized in Zvirine village aimed at introducing and discussing new methods for disease forecast. AAC outreach specialist focused on the appearance of apple fruits, imperfections and blemishes, optimal timing for treatments with agro-chemicals approved in the AAC PERSUAP, as well as methods to measure insect populations using pheromone traps.

Another training session aiming at boosting apple production and enhancing fruit quality focused on summer thinning and pruning methods. The training session held on June 18 in Zvirine village targeted mainly new apple clients in Korça. The main advantages of apple thinning and pruning are three-fold:

1. Reducing apple fruit periodicity
2. Improving apple quality in terms of color, size and taste
3. Stimulating new sprouts



Practical training session in apple thinning, Zvirine, Korça

The training session was held in an apple orchard where the outreach specialist demonstrated—by doing—different thinning techniques while taking into account tree age and production level.

AAC engaged at facilitating links between farmer groups and existing soil laboratories to encourage the establishment of periodic sampling protocols, and the dissemination of information (via SMS) regarding optimal agrochemical application times in collaboration with disease Forecast Centers.

Until recently the TTC ran a soil analysis laboratory as did the MOAFCP/Regional Office. They had conducted such tests in the past on an ad hoc basis using a rate of one sample for every 4 to 5 hectares. The cost for analysis of a soil sample was 1,200 ALL, however they rarely if at all charged farmers when such analyses were

carried out. Oddly, the soil analysis laboratory under the MOAFCP/Regional Office did not charge for analysis of a sample.

The TTC did monitor main diseases and pests for apple in the region and issued warnings in the face of outbreak of disease or occurrence of pests. They made observations at 6 different points. Whilst their observations and recommendations on the occurrence of diseases and pests were valid, the system for issuing warnings was ineffective and the probability of the message reaching farmers appeared very low.

TTC representatives were keen to collaborate with AAC on either task. They welcomed the idea that MIS system be used as carrier for information generated by them. Similarly, they were willing to collect samples, instruct farmers in collecting them and more importantly on how to read the soil analysis report. TTC would partake in sharing the cost of analysis, so that farmers will have to pay only a fraction of the real cost after the combined contribution of AAC and TTC.

Apart from this, AAC met with SNV Promali, Korce with Paskal Vogli, responsible for their apple component and Eglon Kondura, the regional manager. The meeting was structured around: 1) Prognosis center for pests and diseases; 2) postharvest component; 3) Coordination between project activities to avoid overlapping and redundancies.

Promali is planning to establish a center for forecast of disease and pests shortly. Located in Dvoran, information generated by center would be valid for the entire region. SNV Promali had developed technical details and was concerned with arrangements to ensure endurance of the center after the project. An overview of the MIS system was presented to the meeting. SNV is willing to entrust ACC with the dissemination of the product. Construction, training of personnel, and possibly calibration will take a few months and the center will start normal operation in the beginning of the next year.

The discussions are ongoing and it is expected that AAC clients will begin sending their soil samples in the next reporting period. Similarly, AAC is working in partnership with the Promali project, funded by SNV and the Danish government to use AAC's sms system to disseminate information on optimal times for pesticide applications. The latter activity will be launched in the second quarter of FY 2011, once the Promali project installs the software for the disease forecast center.

Although in general, the postharvest component was not a main focus since Promali was aware that ACC was working on postharvest issues, Promali had envisaged procuring grading and packaging machines for apple. ACC will partner by offering knowledge and instruction to go with the hardware they will purchase.

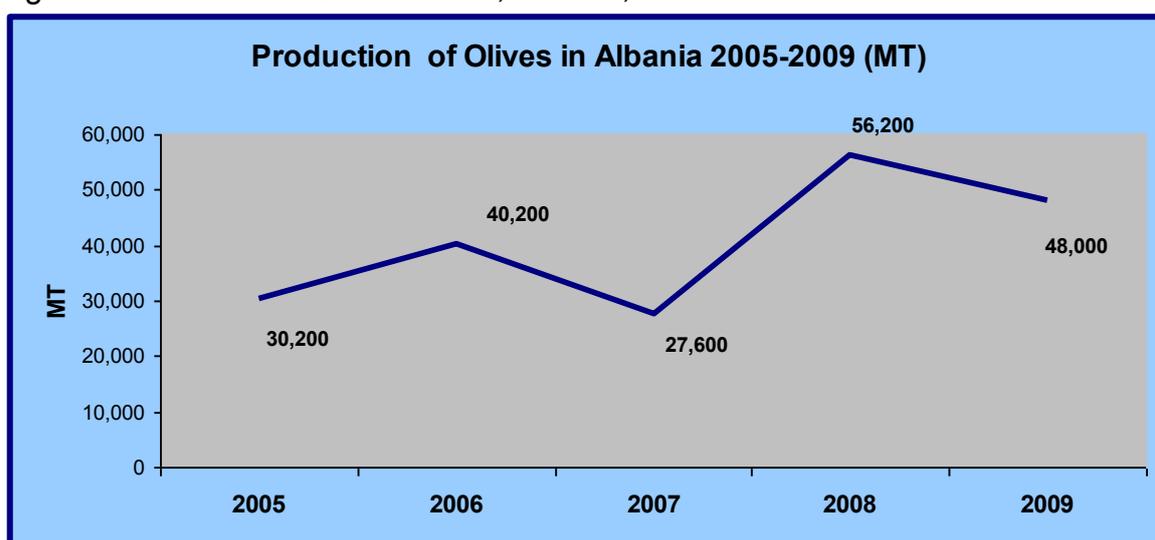
OLIVES

In the last quarter, AAC directly assisted olive growers along Albania's southern coast with a set of practical training sessions and field days. As shown in Figure 1 in 2009 olive production at national level proved to be substantially lower than in

2008, therefore it did not meet the demand of olive processing industry. In fact a few processors reported having imported olives from Italy to produce olive oil.

Recognizing that besides the obvious impact of periodicity, the reduction in olive production was due to low investments in crop management, including fertilizers and other inputs, the project focused its efforts in the promotion of practices to increase productivity through targeted investments. The participation of olive processors in the training activities was crucial as it was a clear indication of the existence of market demand, and which is more important the genuine interest of processors to establish long-term business relationships with farmer groups.

Figure 1. Production trend of olives, Albania, 2005-2009



During the reporting period, AAC delivered three practical training sessions on High-Density (HD) and Super-High Density (SHD) Olive Production Systems in Qeparo (Vlora), Syzeze and Dushk (Lushnja). The aim of the training sessions was to introduce Olive growers to these production systems and discuss their advantages and disadvantages in comparison with the traditional production model. The topics discussed included:

- Investment costs /ha
- Details on production practices
- Financial analysis
- Productive life of orchards
- Harvesting techniques
- Yields per hectare
- Management cost per hectare
- Olive and olive oil yields

Additionally, during the training sessions project outreach specialists paid particular attention to discuss local needs such as integrated pest management techniques for Berat (table) olive, schedules for fertilizer applications, and irrigation options.

On April 22, AAC delivered a training session focused on fertilizer application regimes, integrated pest management techniques and returns on investment for olives, in Lukove, Saranda. AAC's outreach specialist focused on the importance of fertilizer application and water requirements. Concerning pest and integrated pest management, olive farmers learned about the use of Ecotrap for the management of olive fly, which presents a continuous challenge for olive growers. The aim of the training session was to encourage a change in farmers' behavior towards investments in olive production, which was reinforced through the discussion of returns on investment.

In the last quarter, the project carried out six field days on radical pruning for olive rehabilitation in Lushnje and Vlora. 31 olive growers from Cukas, Lukove, Dushk, Syzeze, and Qeparo attended these one-day learning—by—doing opportunities provided by project staff. The field days were aimed at addressing the need for the rehabilitation of old olive orchards highlighted in the previous training sessions, and reinforced by the observations of olive processors.

A substantial portion of olive orchards along Lushnja-Fier-Vlora appear seriously neglected, with degraded tree crowns which have led to dramatic yield reductions for up to 80 percent. Rehabilitation of the old olive orchards is enabled through radical pruning of the tree trunk in a distance of 60-80 cm from the ground, which stimulates the rejuvenation of the olive tree through new branches. Consequently, this method promotes the gradual revitalization of the tree crown and full fruit production after the fourth year. Complementary pruning methods will be repeated in the following 3-4 years for the same olive trees to assure full recovery of the tree crown and re-shaping of the trees. AAC outreach specialists advised the growers on complementary practices, including, fertilizer application schemes and crop protection.

TABLE 1. Practical Training Sessions and Field Days for Olive

Topic	Number of trainings/field days	Number of participants
High-Density and Super -High Density Olive Production Systems	3	61
Field day - Radical pruning for olive rehabilitation	6	31
Fertilizer application regimes and return to investment and IPM in Olives	1	12
TOTAL	10	104

CITRUS

On April 16 and 17 AAC organized two training sessions on Mandarin Varieties and Cultivation in Konispol and Xarre, Saranda district. The training activities aimed at introducing different mandarin varieties, their biological features, marketing qualities and harvesting deadlines to the commercial farmers. Project specialist offered practical information on mandarin fertilization schemes, irrigation

systems and crop protection. Soil test analysis was identified as an important factor to be taken into consideration for the determination of fertilizer application regimes. Based on this, the AAC project is currently discussing the possibility of setting up a soil sample collection training session, together with a sample delivery system with the Fushe Kruja TTC.

On April 28, the project organized a citrus roundtable titled —Priority Interventions in Support of Mandarin Value Chain”. Extensionists from Saranda Regional Agricultural Directorate, specialists from Technology Transfer Center of Vlora, representatives of central government through MoAFCP and local government participated to the activity. 55 progressive farmers who attended the activity, proactively engaged in identifying production constrains, market opportunities, priority interventions in support of mandarin value chain as well as in discussions to elaborate a concrete action plan.



Citrus Roundtable —Priority Interventions in Support of Mandarin Value Chain” in Xarra, Saranda

AAC specialists presented the findings of the of citrus value chain assessment and discussed the opportunities for regional economic development through citrus production and. The main topics discussed during the roundtable included:

- Issues related to production technologies
- Need to identify varieties to extend the production season
- Grading, packaging and branding
- Need for public policies to support the citrus support, particularly in Saranda region
- AAC role in the development of citrus sector in Saranda
- AAC citrus plan of activities for the following period in this region

The roundtable concluded with the following priorities, generally agreed upon by the farmers:

- Expanding the production of citrus in other nearby areas such as Delvina,
- Encouraging farmers to plant orange, lemon and other citrus crops as these crops are in short supply
- Introducing new citrus varieties to extend the production window

- Promoting investments in first-stage processing and marketing

After the citrus roundtable, AAC staff engaged in raising awareness among farmers about the opportunities brought about by this subsector. AAC in cooperation with the Agriculture Office of Delvina organized meetings with groups of interest in the area and came up with an activity plan for the coming season. The idea behind of this initiative is to promote the organization of farmer groups interested in planting citrus; AAC will co-finance the initial investment through its grants program as a way to promote citrus production. The implementation will start in October 2010.

GREENHOUSE VEGETABLES

SUMMARY HIGHLIGHTS:

- Delivered 4 training sessions on IPM methods for nematode control to 70 greenhouse operators
- Conducted 26 field days in methods for nematode control, plant nutrition and IPM for 156 farmers in Lushnja, Berat and Fier
- Delivered a practical training session on advanced greenhouse management technologies and integrated pest management
- Facilitated four new loans worth US\$ 16,509 aimed at expanding area grown under greenhouses
- Established pepper variety trials in Shkodra
- Established single and double layer greenhouse demonstrations in Lushnja and Berat

The focus of AAC's technical assistance has since the beginning been at supporting Albanian farmers move from low-value to high-value crops, such as greenhouse crops. In the last quarter, concurrent with the plant treatment season, the project assisted greenhouse growers with four training sessions on integrated pest management methods for Nematode control. These training sessions were attended from 84 commercial greenhouse operators, 40 of which participated in this training for the first time. The sessions aimed at reviewing crop protection practices and providing information to vegetable growers on the types of nematodes, ways of contamination and infestation, damages caused to greenhouse vegetables, crop protection and prevention methods as well as treatment practices.

Project specialists provided the farmers with information with the latest chemical products approved for use in Albania for the treatment of nematodes. Commercial farmers also learned about solarization as one of the simplest and cost effective methods for management of nematode infestations. Solarization offers a satisfactory an environmental-friendly solution for the control of root-knot

nematode, which is one of the most prevalent nematode types in Albania. Laboratory soil tests were recommended as the most effective way to identify soil infestation. Illustrative materials such as pictures were used to show agro-chemical, biological and biochemical products used against nematodes.

Table 2. Practical Training Sessions and Field Days for Greenhouse Growers

Topic	Number of activities	Number of participants
Field days on crop protection	26	156
Training sessions on integrated nematode management	4	84
Training session on advanced greenhouse technology and IPM	1	22

As part of AAC’s efforts in the dissemination of advanced greenhouse vegetable production technologies and integrated pest management, on April 1st AAC assisted 22 greenhouse vegetable growers, members of —Gjiberimi” Association, with a training session. The training aimed at providing the participants with basic knowledge on simple technological improvements to increase productivity.



Training on advanced greenhouse technology and integrated pest management, Fierseman.

All the participants attended the event for the first time, which contributes to expanding AAC assistance to new areas delivering production solutions and services. AAC specialists made presentations on the following topics:

- Planting timeline
- Effective and market-oriented variety structures for tomato, cucumber and pepper
- Importance of conducting soil tests prior to the planting season

- Use of micro-fertilizers in the first steps of plant growth
- Integrated Pest Management using environmental friendly practices and products

The training was important because it introduced the growers with new notions related to:

- Integrated pest management
- Importance of conducting soil tests
- Rational use of fertilizers
- List of agro-chemicals approved by Ministry of Agriculture, Food and Consumer Protection (MOAFCP), as per the project's PERSUAP

During April-June time period, AAC supported commercial greenhouse growers with 26 field days, attended by 156 farmers. The topics of the field days varied according to the growers' particular needs such as; plant nutrition and plant protection, nematode treatment, and treatments for early ripening.

DOUBLE-WALLED INFLATED GREENHOUSE

As described in the last quarterly report, AAC set double-walled inflated greenhouse demonstrations in Berat and Lushnje, preliminary results are presented below. The purpose of this demonstration was to evaluate the effect of double glazing on heat loss and plant yield. The trials were conducted with pairs of single and double layer greenhouses at Velmish, Lushnje, Gorican, Berat, and Hysgjokal, Lushnje.

Air was forced between two layers of polyethylene film applied together to the structures causing them to separate and thus create a thermal barrier. Two blowers were installed in each greenhouse.

Plant material. Tomato seedlings were transplanted into the greenhouses from January 18th, 2010 to January 27th, 2010. Farmers either produced their own seedlings (GH 1, 2, 3, or 6) or purchased them (GH 5).

At the end of the demonstration glazing material was in a good condition in all greenhouses and obtained from a single commercial supplier. The double layer surrounding the greenhouses were inflated sufficiently spacing the polyethylene layers a few centimeters apart.

A total of 7,479 records of temperature or relative humidity were downloaded on April 6th, 2010 from each data logger device. The frequency distribution of nighttime temperatures was unimodal and skewed to the right towards the higher values. The minimum and maximum values were -1 and 42.5°C respectively and the mean value for the total population was 16.2°C and the SD was 7.9 (n = 3691).

The mean temperatures inside the double-layer greenhouse were 4.6°C higher than the same values for the single-layer greenhouse in Hysgjokaj (P <0.001); they were slightly higher in Gorican (P = 0.413), but lower in Velmish (P <0.001). Pairwise multiple comparisons procedures succeeded for all but Gorican. The apparently spurious result obtained at Velmish was due to the application of a heat source.

In all the instances, farmers found it difficult to control all the potential sources of variation introduced to the experiment.

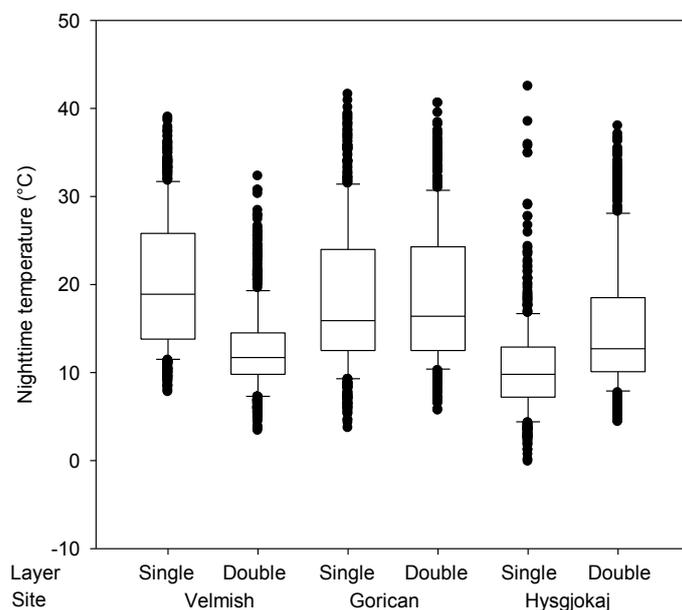


Figure 2. Nighttime temperatures across treatments and sites. The line within the box locates the median. The box plot shows the spread of the total distribution as well as the interquartile range (the length of the box). The outliers are graphed as separate points.

Table 3: Pairwise Multiple Comparison Procedures (Holm-Sidak method)

Comparison	Difference of Means	t	P
Velmish	7.568	19.455	<0.001
Gorican	0.333	0.819	0.413
Hysgjokaj	4.580	10.570	<0.001

Despite the positive results of this technology, there is little interest from farmers to invest in double-wall inflated greenhouses. This is presumably due to the fact that tomato growers have been able to enter the market at an earlier date through a combination of early-producing varieties and the use of ethylene to accelerate the ripening process, surpassing the benefits of the inflated greenhouse, and with a lower cost. Therefore, the project will cease to test and promote this technology.

PEPPER VARIETY TRIAL

The purpose of the trial established by the project was to evaluate the performance of hybrid bell peppers Gourmet F1 (green to orange), Red Knight F1

(green to red), and Islander F1 (Lilac to red).Gourmet F1, Red Knight F1, and Islander F1 were evaluated in this trial. Plants were started by a seedling producing company and transplanted to a greenhouse on April 19, 2010 in Vukatan, Shkoder.

A randomized complete block design with four replications was used. Plots were established on a raised bed with drip irrigation. Each plot consisted of 12 plants planted in double rows on 1 m beds spaced 0.6 m apart. Plant spacing within rows was 0.4 m. Weight and number of fruit for each plot and biotic stress were recorded at the first harvest on June 25, 2010. 10 fruits selected at random from each plot were measured for size, weight and wall thickness.

Two-way ANOVA for treatment and block was used to identify significant differences among the varieties. Chi-square goodness-of-fit were used to analyze categorical variables.

RESULTS OF THE TRIAL

The crop stand was *excellent* with vigorous plant growth and very good fruit set. There was no significant difference in yield ($P = .354$) or average fruit weight ($P = .146$). A shape factor for Islander F1, defined as the ratio between fruit length and width on an as hoc basis, was 1.04 (SE = 0.03) and was significantly higher than for Gourmet and Red Knight at $\alpha = .05$, i.e. Islander pepper tends to be longer. The same values for the latter varieties were 0.84 (SE = 0.03) and 0.83 (SE = 0.02) respectively. Variation in the shape factor was associated with the variation in length rather than width. The latter was not different at $\alpha = .05$ ($P = .469$) as was the wall thickness ($P = .545$).

Incidence of disorder was significantly higher in Islander than Gourmet ($P = .003$) with Red Knight showing intermediate incidence and no difference from either. The table below shows data for the bell pepper varieties.

Table 4: Bell pepper variety data

Hybrid	Total Yield (kg)	Length (mm)	Width (mm)	Wall thickness (mm)	Fruit Weight (g)	Ratio	Biotic stress
Gourmet	87.37 a (SE = 5.23)	72.57 a (SE = 2.78)	70.57 a (SE = 1.65)	4.09 a (SE = 0.14)	93 a (SE = 7)	0.84 a (SE = 0.03)	0.30 a
Islander	77.28 a (SE = 1.96)	58.93 b (SE = 2.3)	70.27 a (SE = 1.55)	4.18 a (SE = 0.18)	82.67 a (SE = 2.67)	1.04 b (SE = 0.03)	0.03 b
Red Knight	88.84 a (SE = 2.96)	60.47 a (SE = 2.16)	72.83 a (SE = 1.56)	3.95 a (SE = 0.12)	99.5 a (SE = 3.69)	0.83 a (SE = 0.02)	0.13ab

Values followed by the same letter, within a column, are not significantly different at the 95% level of confidence using Bonferroni test. Values in parenthesis are the standard errors. The first harvest may have been too early for the peppers to develop their full color. The second harvest will coincide with the time when all varieties have developed their full color.

The peppers grew and produced well and could be a viable crop for the area if marketing were developed. Best quality fruit including blocky shape and good size was led by Red Knight. AAC, in collaboration with Conad Supermarkets will carry out a marketing exercise for these varieties in the 3rd week of July.

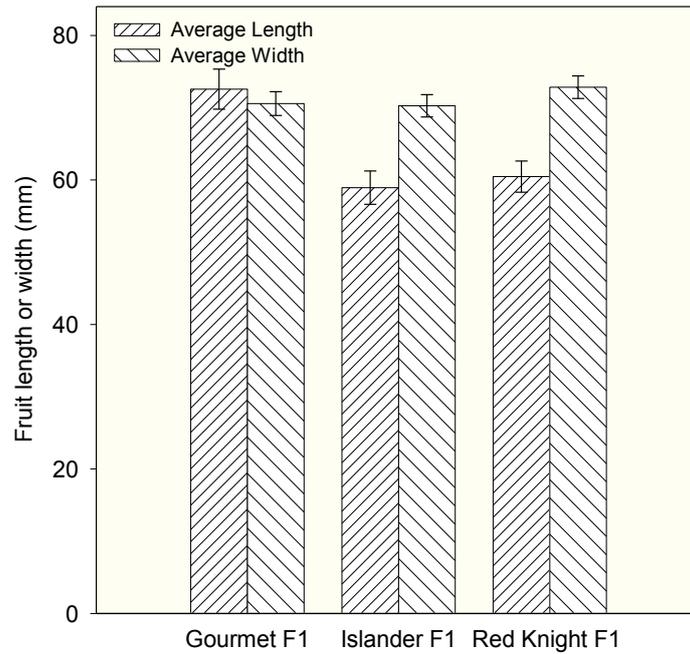


Figure 3. Variation in length and width among Gourmet, Islander, and Red Knight bell pepper varieties. Vertical bars represent standard errors.



AAC has provided ongoing support to microfinance institution Credit Union —Alba” to further increase its outreach in agriculture sector by facilitating 4 new loans worth US\$ 16,509. The new loan clients are from Berat region and their purposes greenhouse investment. Credit Union restarted the process of assisting agricultural business with loans after a two months period of credit arrest as a measure of protection against bad loans. Credit Union —Alba” and Opportunity Albania are satisfied with the farmer clients’ loan pay back and payment times, which indicates the profitability of greenhouse business in the Albanian market.

OPEN FIELD VEGETABLES: ONION AND POTATO

SUMMARY HIGHLIGHTS:

- Facilitated the workshop titled “Identifying problems and needs for onion and potato growers” in Korça
- Delivered two training sessions on new methods for effective use of inputs for onion and potatoes
- Organized three practical training sessions phyto-sanitary protection for onions and two practical training sessions on fertilizer application regimes for onions
- Assisted project clients to obtain 5 loans to trade onion and potato seeds worth of US\$ 21,698.11 and 2 loans for the installation of irrigation systems

On April 23 AAC held, a workshop aimed at identifying challenges and needs for onion and potato growers from the Korca region, The activity was designed to initiate communication with new clients growing these commodities and tailor project interventions to address their priorities. Thirty participants mainly from Devoll attended this activity which was organized in cooperation with representatives of Fan S. Noli University of Korca. Some of the main issues raised by the commercial farmers included:

- Low quality and high price of seeds and seedlings;
- Lack of market information of onion and potatoes in the regional markets and market contacts to sell their products
- Lack of post harvest facilities for onions
- Lack of knowledge about onion certification procedures for export
- Lack of knowledge on harvesting and post-harvesting technologies
- Lack of an onion brand and marketing
- Insufficient knowledge on the use of pesticides

These needs which will be addressed through AAC assistance with production technologies, market linkages and information, constitute the basis for AAC's assistance to this important subsector.

The three practical training sessions organized on crop protection for onions aimed at providing farmers with knowledge on seedbed management practices, land preparation and pest control. Additionally, the outreach specialist provided farmers with information irrigation systems for onions, weed couch-grass and use of organic and inorganic fertilizers based on soil analysis.

Table 5. Training sessions for onion and potato growers

Topic	Number of activities	Number of participants
Training on effective use of inputs	2	49
Practical training session on crop protection for onions	3	35
Practical training sessions on fertilizer application regimes for onion	2	23



Practical training session on effective use of inputs for onion and potatoes, Orman, Commune Pojan, Korca

The two practical training sessions on fertilizer application regimes for onion aimed at presenting blanket fertilizer recommendations to be used in the absence of information regarding soil fertility, as well as recommendations regarding irrigation technologies. AAC specialists explained the advantages and disadvantages of sprinkler, localized and seepage irrigation.



Practical training session on crop protection for onion, Miras, Korca

Trainings on methods for the effective use of inputs were organized jointly for onion and potatoes growers. The aim of the training was to provide farmers with a clear view of production practices, such as fertilization, irrigation and plant protection, and ways to make rational use of these inputs. The outreach specialist highlighted the importance of the balances between macro and micro elements, emphasizing that soil analysis constitutes a first and necessary step the efficient use of fertilizers and thereby cost control.

WATERMELON

SUMMARY HIGHLIGHTS:

- Assisted farmers with technical assistance in production throughout the season
- Established watermelon variety trials for seedless watermelons

In the last quarter, rather than delivering practical training sessions, project staff provided technical assistance to watermelon producers, as a way to address specific issues affecting their farms. AAC's outreach specialists specifically assisted project clients tracking and registering air temperature in low tunnels, providing advice on fertilizer application, assisting farmers to determine the optimal time to open the low tunnels, as well as assistance on grafting and water management.

The purpose of the Watermelon observational Variety Trial set by AAC was to evaluate the performance of Sunshine F1 (yellow) hybrid watermelon and Solitaire F1 and Amarillo F1 triploid watermelons commonly referred to as seedless watermelons.

Sunshine F1 hybrid watermelon and Solitaire F1 and Amarillo F1 triploid watermelons plus the standard variety (Crisby) were selected for the trial. Plants were started in a commercial greenhouse and transplanted to the field on April 9, 2010 in Divjaka, Lushnje. Because of the limited number of seedlings and the high variation in growth, the trial was an observational rather than a replicated trial.

Each plot consisted of 21, 28, or 35 plants planted in double rows on plastic covered beds spaced 2.6 m apart. Plant spacing within rows was 0.66 or 0.99. A pollinator – Ace – was inter-planted at a ratio 1 to 3 with the triploids to supply the necessary pollen.

Five fruit of each variety will be randomly selected and evaluated for Brix (%), rind thickness, fruit length and width on June 22, 2010. ANOVA was used to identify significant differences among the varieties. Kruskal-Wallis ANOVA on ranks was used when unequal variances were found.

RESULTS

The differences in the length mean values among the varieties were statistically significant at $\alpha = .05$ ($P = <0.001$) except for Amarillo and Sunshine, while all of them were different with respect to width. The standard variety was the largest and heaviest ($P = <0.001$). In addition the rind of the standard variety was thicker than other varieties, which in turn showed no difference with respect to this variable ($P = 0.006$). There was no statistically significant difference ($P = 0.088$) in the Brix mean values among the varieties, while there was a significant difference in the weight median values among the varieties with Amarillo heavier than sunshine and Solitaire but much lighter than Krisby.

Sunshine and Solitaire and Amarillo triploid watermelons performed well under local conditions and could be a choice for watermelon production in the region. The table below shows data for the watermelon varieties.

Table 6 Watermelon varieties

	Weight (kg)	Length (cm)	Width (cm)	Rind thickness (cm)	Brix (%)
Amarillo triploid	4.53 a (SE = 0.29)	20.25 a (SE = 0.52)	20.25 a (SE = 0.63)	0.85 a (SE = 0.05)	9.38 a (SE = 0.55)
Solitaire triploid	2.04 b (SE = 0.16)	15 b (SE = 0.32)	15.1 b (SE = 0.4)	0.96 a (SE = 0.07)	9.2 a (SE = 0.66)
Standard variety	9.46 c (SE = 0.78)	28.2 c (SE = 0.46)	25.4 c (SE = 0.75)	1.62 a (SE = 0.07)	11 a (SE = 0.27)
Sunshine hybrid	3.28 a (SE = 0.15)	19.6 d (SE = 0.29)	17.4 d (SE = 0.4)	0.96 a (SE = 0.04)	10.7 a (SE = 0.66)

Values followed by the same letter, within a column, are not significantly different at the 95% level of confidence. Values in parenthesis are the standard errors.

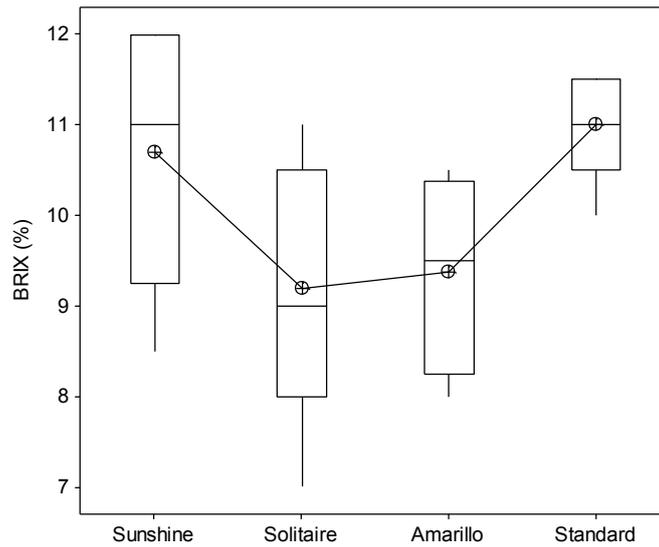
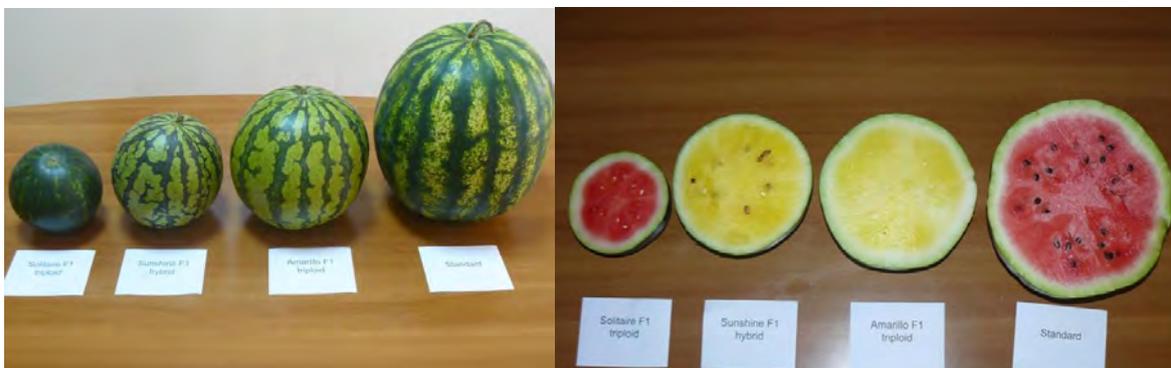


Figure 4. Variation of sugar content among the watermelon varieties. The standard variety was Crisby.

This exercise will be followed by a marketing exercise to measure the relative acceptability of these varieties by Albanian consumers.

AAC’s field staff, staff together with a select group of commercial farmers attended the workshop on —Agricultural Technology Transfer and Development” organized by USAID on May 5-6, at TTC Fushe-Kruja. The aim of the workshop was to facilitate the dialogue among agricultural research and extension, and agribusinesses; while promoting cooperation and synergy between AAC, TTCs and AUT. Opening remarks were held by the representative of Ministry of Agriculture, Food and Protection, Mr Irfan Tarelli, General Director of Water and Land Management, and Mr. Joseph C. Williams, USAID Mission Director.



Watermelon variety trial

COMPONENT II: STRENGTHEN CAPABILITY FOR MARKET DEVELOPMENT

AAC's market development activities continue having a customer focus, assisting commercial farmers and consolidators to meet buyers' expectations, strengthen market relationships and penetrate to new marketplaces. AAC supports on regular basis the most progressive farmers, consolidators, and processors with practical know-how on topics such as business communication, customer service and business planning, which are at the core of any successful enterprise. Rather than providing formal training sessions, AAC staff has invested a substantial amount of time mentoring clients, ensuring that they do what is necessary to meet the expectations of their customers and are capable to establish long-term business relationships.

SUMMARY HIGHLIGHTS

- Facilitated total sales transactions worth of US\$ 2,45 million
- Substantially increased domestic trade by strengthening communication between AAC regional offices and Tirana wholesale market
- Assisted traders following up with regional customers from Macedonia, Kosovo and Montenegro, previously introduced by the project
- Presented traders with international business opportunities for export of high-value products
- Approaching and assisting to close the gap between local chain store buyers and local traders
- Enabled the participation of six Albanian processors to Fancy Food Show in New York in June 2010
- Worked with financial institutions to find solutions to assist traders (EBRD, Credins Bank, Pro-Credit and the newly formed Albanian Factoring Services Company)
- Assisted the penetration of the Lithuanian watermelon market, with 13 containers shipped by the end of the reporting period and prospects for several more shipments before the end of the season
- Launched the Food and Industry Leadership and Executive Development Program

During the reporting period, AAC achieved relevant impact by supporting the main exporters sell and place their products faster and in a more efficient ways in foreign high-value markets. In the previous quarter the project assisted the participation of Agro-Koni and Bruka Seedling at the Fruit Logistica trade show in Germany, as a result of which direct contacts were established in the event. This spring the clients came back with orders and a clear understanding of the

opportunities to sell watermelons not only regionally but further to some EU countries. Examples include:

AGRO- KONI:

As in any business, the learning process can be challenging and difficult. However, it has been interesting to see how Agro-Koni has taken advantage of the opportunity facilitated by the project. With technical advice from the project, the company made a trial shipment of watermelons to Lithuania in 2009, establishing an initial channel with Jotagris, a major produce wholesaler based in Vilnius, Lithuania. When Agro-Koni visited Fruit Logistica in 2010 the company signed a letter of intent with Jotagris culminating with exports of 13 containers (267 mt) to Lithuania during the month of June. Agro-Koni also shipped a container of watermelons to Croatia and another one to Conad Supermarkets, in the first ever export of this fruit to Italy. In addition to this, the company also exported 10 containers (200mt) of mixed vegetables to Kosovo, all these transactions were facilitated by the AAC program, and constituted the culmination of a year of mentorship and technical assistance.

On a different note, in April AAC has assisted AGRO-Koni with its application for the loan interest subsidy program administered by the Ministry of Agriculture and Food. AAC team has prepared a business plan for AGRO-Koni's new fresh produce collection and cold storage facility; a project that will be completed in the fall of 2010. The project will be partially financed through Raiffeisen Bank in Albania. The total value of the Government subsidy is about \$21,000. At the time of this report the application had been submitted and still pending with the Ministry of Agriculture, Food and Consumer Protection.

BRUKA SEEDLING:

Following the same approach, in 2009 AAC introduced Bruka Seedling and Intyerfrukt, the latter a produce wholesale company based in the Czech Republic, resulting in a trial shipment of watermelons at the end of the 2009 season. Recognizing the importance of establishing personal relationships with the buyers, the project provided minimum support to enable a representative of the company to participate in Fruit Logistica where both companies had a chance to discuss future opportunities. As a result of these meetings both companies achieved a verbal commitment, which resulted in exports of 751.5 metric tons of watermelon and melon to Czech Republic during May-June 2010.



One container shipped in mid-June to Czech Republic



Edona Sarl representatives meeting with the owner of Bruka Seedling

NEW CUSTOMERS WITH POTENTIAL

AAC continues to pursue and introduce customers to project clients, as an example, Mr. Qazim Sadiku of Edona Sarl, who and operates an import firm in Switzerland. This well established company supplies chain stores and wholesalers and is looking for suppliers in Albania not only for produce but also processed products. In addition, to taking him to our main three produce traders AgroKoni, Bruka and Biti&Mo, AAC provided Olive Oil samples to test in the Swiss market. The samples provided were from Shkalla and Tre Miqte.

Sofrak Co. is a Hungarian firm interested in Albanian produce, especially watermelons. AAC met with their representative and provided information on other types of produce available and introduced them to various project clients.

During April-May 2010 the project's MIS and Market Development teams held business workshops with traders at the Tirana and Korca wholesale markets, the discussions focused on the identification of new business opportunities, especially with farmer groups receiving project assistance. The opening of Market Information and Facilitation Office at the Tirana Wholesale Market bolstered this further by facilitating sales transactions between project clients and traders. As a result of this, the Market Information and Trade Facilitation Office assisted the wholesale trader Mr. Naim Subashi to buy 403 metric tons of cucumber, tomatoes and watermelon from Divjaka farmers and consolidators and to export them to Slovenia, Serbia, Bosnia and Bulgaria.

FANCY FOOD SHOW – NEW YORK

Fancy Food Shows has since 1995 been North America's largest specialty food and beverage marketplace, where retailers, restaurateurs, distributors and others discover innovative, new food and beverage products. The show is attended by every major food buying channel, influential members of the trade and consumer press and other related businesses. This show is North America's largest specialty food and beverage event with 180,000 products including confections, cheese, coffee, snacks, spices, ethnic, natural, organic and more then 2,500 exhibitors, 81 countries represented and 24,000 attendees. This single event also provides the opportunity to see what the market demands, the latest trends on products in the United States and around the world.

Within this framework, in the last quarter AAC supported the preparations for the participant of three companies to exhibit their products at the Albanian booth:

- a. Xherdo (Medicinal Plants and Essential Oils)
- b. Sejega (processed foods)
- c. Shkalla (Olive Oil)

Also, AAC invited the following companies to participate as guests:

- a. Musai (Organic Extra virgin Olive Oil)
- b Edmond Kalemi (Herb and Spices)

c Rakip Ilezi (Olive Oil)

To maximize the exposure, attract potential customers, and cut costs the Albanian participants AAC partnered up with USAID's Kosovo Private Enterprise Program on the logistics of the exhibition.



AAC clients at the Albanian stand in Fancy Food Show, New York.

During the fair, June 27-29, AAC provided assistance to the Albanian participants in displaying and arranging samples and promotional material; facilitated meetings with potential clients; encouraged clients and visited booths with them; contacted the Albanian media and food industry media to promote Albanian products and participation at the event.



Xhevit Hysenaj exposing —Kerdo” products at the Albanian Stand



Mr. Vesaf Musai being interviewed from the Albanian press in New

AAC's clients were able to experience the great potential that this event represents for them. There was a great welcome and interest in general but primarily from the Balkan and specifically the Albanian community. One of the visitors was moved to tears and said that for years they have sent funds to assist their country but now they have the opportunity to actually help by doing business. This event presented opportunities to raise awareness of Albania and the Balkans in general as current and potential supplier in the food industry and presented the opportunity to establish commercial contacts with a few companies.



Shpresa Shkalla and Genci Mita introducing her product to Mr. Pristine from the Cheese Boutique

After the trade show the Albanian participants took part in a 2-day tour of ethnic food retail companies to gain insight about what the ethnic minorities (especially Albanian) demand, while seeking to establish commercial linkages. With the purpose of studying the practices of current suppliers, packaging, shelving, point of sale displays. AAC clients also had a chance to evaluate pricing and to get a feel for the overall specialty food market in mainstream and ethnic stores. Some of the stores visited included:

1. Dean and DeLuca
560 Broadway
A world renowned high-end grocer that offers specialty food items such as; jams, jellies, processed pickles, peppers etc. from all around the world
2. Trader Joe's
Wayne, New Jersey
Carries natural and organic products and it is one of the main retailers in the area in this specialty niche market of Natural items

3. Stop and Shop

Wayne, New Jersey

Main stream retailer that carries a wide range of items. AAC clients had an opportunity to see a regular chain store where regular people buy their groceries.

4. AAC's representative and clients took the subway and had the opportunity to visit Arthur Avenue in the Bronx, N.Y. where a number of stores and restaurants that cater to the Albanian community such as

- i. American Albanian Deli and Grocery
- ii. Bryant Market
- iii. Teitel brothers



Participants visiting Albanian retailer and wholesalers in New York

AAC clients visiting Stop and Shop and comparing different olive oils

AAC produced a Buyers Resource Guide on Albanian Agricultural products which contains crucial information on Albanian businesses operating in agricultural processing, exporting and consolidation. Buyer's guide constitutes an excellent promotional material for Albanian processors to introduce themselves professionally not only at the Fancy Food Show in New York, but other events as well.

As a result of the participation at the trade show about 20 contacts with food wholesalers and retailers were established which will be followed up by AAC clients with project's assistance. This event constitutes a good bridge between a very receptive group on clients primarily Albanian minority and AAC clients. The Fancy Food Show presented a good scenario to introduce Albanian products along with similar suppliers from Kosovo with whom we may be able to team up to respond to large orders. In several occasions the possibility of partnering up with Kosovo came up as a way to down play the limitations of the exportable offer, as well as to increase the number of items supplied on each shipment. Three subsectors or value chains were invited to the event, as expected, processed products received most of the attention and this is the area where most of the follow up work must take place with potential customers waiting for quotes. Secondly, there was also interest on Olive Oil. During the tour AAC'S clients were

able to see the wide range of products from different areas and countries and their prices.

FOOD INDUSTRY LEADERSHIP AND EXECUTIVE DEVELOPMENT PROGRAM

While Albanian agriculture continues to grow and upgrade, there is a limited number of traders with the financial and technical capacity to engage in international trade in a sustainable fashion. This is particularly true considering that global retail chains require compliance with strict grades and standards and have particular payment terms. While USAID's AAC program has the capacity to enable traders to meet quality and food safety requirements through technical assistance, lack of liquidity to adapt to the payment terms of global food retailers often prevent traders from entering this exclusive and lucrative market.

Similarly, while a small group of existing traders speak several languages and are conversant with international business protocols, the majority of them are facing challenges to communicate effectively, carry out business negotiations and engage in long term business relationships.

Within this context, USAID's AAC, in collaboration with Michigan State University developed the Food Industry Leadership and Executive Program with three fundamental objectives:

- Promote investments in agriculture and particularly in agricultural trade
- Build a strong cadre of young, energetic and capable entrepreneurs able to lead the exploration and penetration of new markets for agricultural products
- Increase the number of trading companies and thereby create effective demand for high-value horticultural crops to revamp the rural economies and promote economic growth

AAC organized a one-day introductory conference session on the 27th of May. The event was attended by a large number of Albanian entrepreneurs, representatives of multi-nationals operating in Albania (such as *Euromax* and *Conad*); and representatives of service providers, USAID and several European NGO's providing industry development support.

The purpose of this event was:

- To create awareness and interest in the project and the compelling potential of the food sector; and to engage these business leaders with respect to their ideas and recommendations concerning program content and their future support of the Project.
- Explain the specific aspects of the September, seven day field experience (content, tuition, travel, participant qualifications.)
- Encourage the enrollment and participation of qualified individuals affiliated with these groups.



Professor Jack Allen, from Michigan State University made a compelling presentation about global trends in food consumption and the specifics of the process of supplying high value markets. Mrs. Linda Allen focused her presentation on the role of the agents/importers/entrepreneurs in reaching these markets and matching clients' needs. AAC COP, Juan Estrada-Valle made a general presentation of the AAC its objectives and its contribution for the Albanian Agriculture Competitiveness and further development. The program was endorsed and supported by Credins Bank.

Unfortunately USAID did not approve the implementation of the training program, which resulted in the cancellation of this initiative.

GREENHOUSE VEGETABLES

SUMMARY HIGHLIGHTS:

- Facilitated sales transactions of greenhouse vegetables worth US\$ 745,689.39
- Facilitated pre-season coordination between producers, consolidators and buyers
- Consolidated business relationships between consolidators and buyers

Prior to harvesting season AAC marketing specialists held several meetings with produce traders to share with them the production forecasts of greenhouse vegetables, variety distributions and to understand their requirements for the new season. AAC regional office in Lushnja facilitated sales transactions for greenhouse vegetables worth of US\$ 745,689.39, composed of US\$ 664,970.57 for the domestic market and US\$ 80,718.82 of exports.

Table 7: Sales transactions of greenhouse produce facilitated by the project

Commodity	Market	Volume (MT)	Value US\$
Cucumber	Domestic	676.46	281,786.32
	Export	44.52	12,341.51
Eggplant	Domestic	64.80	36,781.13
	Export	-	-
Pepper	Domestic	113.63	88,273.87
	Export	12.58	6,762.55
Tomato	Domestic	580.52	258,129.25
	Export	176.51	61,614.76
TOTAL		1,669	745,689.39



AAC efforts on market development during this quarter constituted a remarkable consolidation of buyers and traders linkages. Project specialists played a particular role in assisting Biti&Mo strengthening and expanding its relation with “Elkos”, a Macedonian wholesale trader initially introduced by the project. Among the new buyers identified by the project in this quarter, five of them: Skender Mahmutaj, Shkelqim Lapraku, Gezim Saliaj, Naim Subashi and Shuaip Kelmendi are buyers of greenhouse produce.

OPEN FIELD VEGETABLES: ONION AND POTATO

Based on the needs and challenges identified during the roundtable organized in Korca with onion and potato growers, the project delivered a training session to raise farmers’ awareness on the certification procedures for onions destined to the international markets. The training session was carried out in partnership with extension specialists of the regional directorate of MoAFCP in Korca.

Even though April-June period is not the typical marketing season for potatoes and onions, AAC facilitated transactions worth US\$ 22,177 both in the domestic and foreign (regional) markets. It is expected that in the next quarter the project will facilitate a significant amount of sales between foreign buyers and local traders. The regional office in Korca is aggressively facilitating the cooperation between commercial farmers from that region and consolidators from Tirana and Fier.

The project organized two sessions on post-harvest handling for onion destined to the export markets, in partnership with extensionists of Regional Agricultural Directorate of Korca, in Miras and commercial farmers and traders. The participants learned about phytosanitary requirements for certification, harvesting techniques (manual and mechanized), produce pre-selection, grading and cleaning, transportation and other post harvest practices. Outreach specialists focused on temperature and humidity as the most critical elements in the post harvest phase. Farmers also gained practical knowledge on the power of packaging, marketing and branding of the produce.

In order to increase the efficiency and profit-loss balance two training sessions on book-keeping and farm management were organized for onion growers in Miras and Menkulas, Korca. These activities were attended by 48 commercial onion growers who had the opportunity to learn more on structured ways of keeping farm accounts. Simple templates on keeping daily expenses and income were designed, discussed and shared with the farmers.

WATERMELON

SUMMARY HIGHLIGHTS:

- Nurtured relationships with regional and international buyers
- Explored domestic, regional and EU markets
- Facilitated coordination between local traders and international buyers before the marketing season

Table 8: Watermelon Sales Facilitated by the Project

Facilitated by	Market	Volume MT	Value US \$
Lushnja regional office	Domestic	348.53	58,712.26
Lushnja regional office	Export	5044.836	1,123,679
AAC Marketing Specialist	Export	266.65	121,787.95
Tirana Market office	Domestic	308	44,354.43

AAC marketing specialists contacted buyers from the previous seasons and informed them on the general situation of watermelon and melon production, estimated harvest time, volumes and variety distributions. AAC facilitated

meetings with consolidators (Bruka Seedling and BITI&Mo) and the packaging Company EDI Pack and the wooden box producer in Zhamë. During the watermelon harvest period (25th May onwards) AAC staff of Lushnja was permanently out in the field to facilitate linkages between traders, consolidators and producers and more over to provide technical assistance with regard to standardization of the production.

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

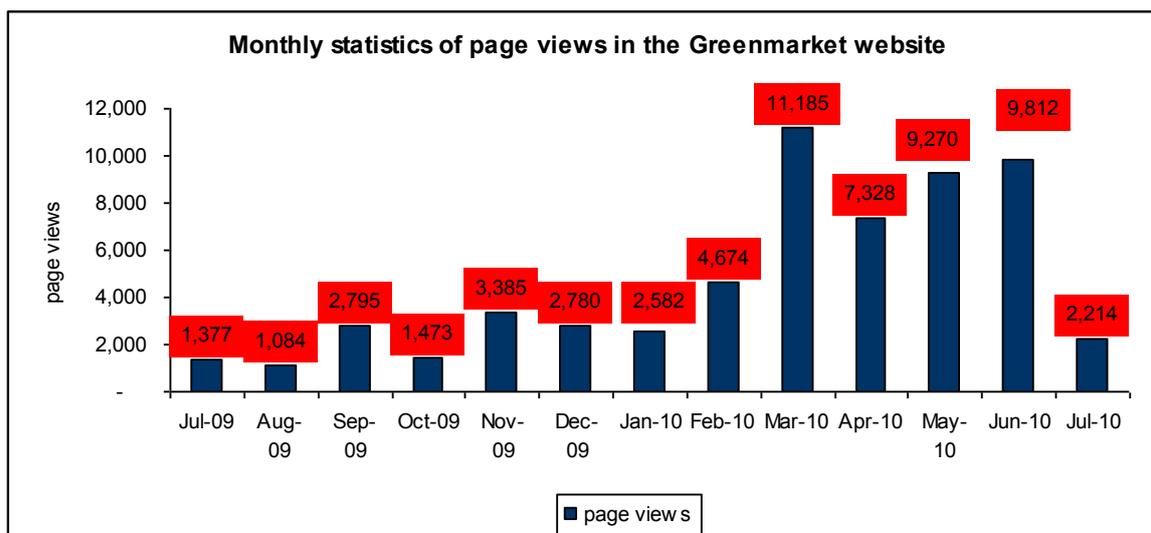
SUMMARY HIGHLIGHTS:

- Daily Wholesale and Retail Prices were published daily and distributed on the existing distribution platform: 6 market information boards in 6 wholesale markets, two national television stations, GreenMarket website, SMS platform, emails.
- Expanded the dissemination of daily price reports by integrating a local television station in Lushnja
- Disseminated weekly wholesale and retail price trend and weekly volumes for selected products
- Produced 12 Weekly reports on volumes of 35 fresh fruit and vegetables traded in the wholesale market of Tirana
- Published 5 analysis pieces in the KASH newspaper –Agrobiznesi”
- Delivered 2 training sessions to commercial farmers in Lushnja and Korca on the use of market information system
- Delivered 2 training sessions for wholesale traders on the use of market information systems
- Facilitated a workshop with Opportunity Albania on financial services and tools available to traders
- Tirana Market information Office at Wholesale market assisted 24 traders with market information and trade facilitation, resulting in sales of 41 MT of cucumber, 54 MT tomatoes and 308 MT watermelon

During the last quarter AAC expanded the coverage of its market information system by reaching to an agreement with TV4 Plus, a local television station in Lushnja to broadcast daily wholesale and retail prices for agricultural products. Tv4plus covers the areas Lushnje, Fier and the surroundings and began airing the daily price reports since April 6, 2010 based on a format agreed-upon with AAC.

In the April-June period the GreenMarket website, developed by the project registered 19,558 visits and 26,410 page views, showing an increase of 49 and 43

percent, respectively as compared to the previous quarter (13,132 views and 18,441 page views).



Since the opening of the Market Information and Trade Facilitation Office at the wholesale market of Tirana in January 2010, AAC began collecting the volumes of 35 products. These data are expected to provide greater insight into price dynamics.

Training sessions for commercial farmers on the use of market information targeted farmers operating in areas covered and assisted by the project who cultivate high-value agricultural commodities.

The scope of the training session was threefold:

- a) Introducing farmers to the Market Information System (SITA)
- b) Introducing farmers to the various services and products offered by SITA, and
- c) Training farmers on how to retrieve market data via SMS

The training sessions were specifically designed for farmers of different regions, using as examples the crops of economic relevance in their communities. The training session organized in Laminot, Korca focused on examples from domestic and imported onions, comparing market prices and production costs. Forty onion producers took part in this activity.

At the end of the training sessions the instructors devoted time for an interactive exercise to teach farmers how to use the SMS data retrieval system, in a game-like setting with prizes for the participants.

The project delivered a similar training session on the use of market information for farmers in the Lushnja region; the training session took place in Divjaka, considering the productive relevance of the area. Thirty seven farmers participated

in the training event, which introduced them to the Market Information System, its benefits and ways of retrieving data. The instructors used examples of broccoli and cauliflower, of two high-value cultivars grown in the area. The instructors emphasized on:

- Price trends of domestic cauliflower, as well as locally grown and imported broccoli, analyzing relative price competitiveness
- Comparison of price trends versus production costs, as a way to identify the optimal planting and harvesting times, based on profitability
- Comparison between average prices of the same product in different wholesale markets, as a way to identify market related windows and trade opportunities
- Data on consumer demand for specific products, as a way to gain insight about consumer buying behavior, compared to volumes sold in the main wholesale markets

TRAINING SESSIONS FOR WHOLESALE TRADERS ON THE USE OF MARKET INFORMATION SYSTEM

The target of these activities was mainly traders operating within the area of influence of the project. The scope of the training consisted of presenting and discussing the following topics:

- a) Market Information System- SITA
- b) MIS products and information available
- c) How to interpret and use market data
- d) Ways of retrieving information via SMS
- e) Trade facilitation services provided by the project

A training session on the use of market information system and trade facilitation took place at the Market Information and Trade Facilitation Office at the Tirana Wholesale Market, commonly known to traders as the “Zyra e Tregut”. Twenty nine traders operating in this wholesale market participated in the event.



Korca Wholesale Market



Korca Wholesale Traders using SMS to receive daily prices

A similar training session took place at Korca wholesale market, organized in cooperation with the Wholesale Market Administration. The opening remarks of the training session were held by Korça Wholesale market director Mrs. Arjana Pupa, and AAC's COP, Juan Estrada-Valle who emphasized the importance of the use of market information to increase competitiveness and profitability. Two local TV stations, LOBI TV and Korça TV were present in the activity, ensuring visibility of the event and media coverage of SITA services. The project addressed the question "What can AAC do for Korça wholesale traders?" while explaining opportunities for the establishment of market linkages, information and market intelligence and access to credit through commercial banks.

FINANCIAL SERVICES WORKSHOP AT THE TIRANA MARKET INFORMATION AND TRADE FACILITATION OFFICE

On May 10, the project facilitated a financial services workshop, in partnership with Opportunity Albania. The purpose of the workshop was to introduce traders from the Tirana Wholesale Market to the financial products available from this financial institution; the event was attended by 36 large-scale wholesale traders. This is part of a series of workshops on this topic to support the efforts of wholesale traders to expand their businesses. These activities are complemented the provision of business support services, including assistance in the preparation of business plans, the provision of market information and market intelligence, and the facilitation of business transactions. The event was attended by 36 traders and 3 Opportunity Albania representatives.

OPENING OF SECOND CYCLE OF RASTI TRAINING IN KORCA

The opening of the second cycle of the RASTI training took place at the premises of the agricultural high school of Korca on May 6, 2010. The program, designed to promote young entrepreneurship in agriculture, targeted last-year students from the agriculture high school and children of AAC clients of similar age. The training program aims at equipping young men and women from the Korca region with skills and tools to become successful agribusiness entrepreneurs.

Twenty six young men and women participated in the 4-day training. Common Action against Poverty (CAAP) subcontracted to manage this activity, introduced the main concepts of business planning to the participants and agricultural business management in general. Participants gained valuable knowledge on business cycle, value adding, branding and trading, with special emphasis in the development of marketing skills. RASTI training was officially closed on July 1, 2010 and the results will be presented in the next quarterly report.

PARTNERSHIP WITH "BLEJ SHQIP" (BUY ALBANIAN)

The last quarter saw AAC program partner with "BleShqip" (Buy Albanian), an Albanian civil society organization operating in Albania, Kosovo and Macedonia. The organization was established in October 2009 and it brings together 20 Albanian civil society organizations operating inside and outside the Republic of Albania with the sole purpose of encouraging the consumption of Albanian products.

Blej Shqip is increasingly becoming a popular concept widely advertised through printed materials, national television and radio.



AAC stand at —Blej Shqip” Fair – 17 May 2010

Considering the interest of the AAC program in market expansion, beginning with import substitution, there is a natural coincidence of interests with Blej Shqip. As a result of this, the project is supporting a select number of promotional activities, aimed at encouraging the consumption of Albanian agricultural products, with particular emphasis on import substitution. Therefore, it is in AAC’s interest to partner with “Blej Shqip” as a way to promote consumption of locally-grown produce. Part of these joint efforts is the presence of the Taste of Albanian Shija brand in all promotional material used in different activities conducted by “Blej Shqip” such as: websites, banners, leaflets, and other promotional materials. AAC participated at a promotional event for domestic production organized by “Blej Shqip” at the National Trade Center.

BUSINESS SUPPORT SERVICES

AOA ANNUAL MEETING AND STRATEGY PRESENTATION (APRIL 17TH)

On April 17th 2010 Albanian Olive Oil Association assisted by the AAC Project held its General Assembly and board elections. Leading up to the event AAC’s team had been working with the Association on developing a three year strategy and work plan. Earlier in February the project team facilitated AOA’s board meeting and strategy planning session. The result of this activity - a document outlining the main areas of activity and priorities for the Albanian olive oil producers - was presented to the Association members for review and discussions. Upon the approval of the strategy document AAC and AOA developed and signed a Memorandum of Negotiation that will serve as a framework for the joint activities and AAC’s assistance. The main AOA’s priorities and focus for 2010 are establishment of the National Tasting Panel, annual National Extra Virgin Olive Oil Competition as well as increasing Association’s advocacy efforts and becoming a more active participant in the Albanian government’s decision making process on issues pertaining to olive oil sector.



17-th of April AOA General Assembly Meeting

During the month of May in its efforts to support Albanian olive oil sector and Albanian Olive Oil Association AAC project organized a series of activities led by an international Olive Oil Quality and Marketing Expert, Nancy Ash. This was Ms. Nash's fourth assignment working with various stakeholders in the Albanian olive oil industry. The olive oil sector activities included:

Advanced Training Workshop on the Sensory Assessment of Olive Oil **(May 20th – 26th), Diplomat 2 Hotel, Tirana**

The 6th Annual National Olive Oil Competition **(May 27th) Diplomat 2 Hotel, Tirana**

National Olive Oil Day and Olive Oil Competition Award Ceremony in **Butrint on May 29th**

SENSORY ASSESSMENT OF OLIVE OIL TRAINING

This was the fourth time that sensory assessment training was offered to selected participants. (The first two trainings were offered through USAID's EDEM program and last and this year's were offered by AAC.) This year's training included 5 days of theoretical presentations, tasting practices, sensory threshold testing and a tasting exam. Of this year's 17 participants, 15 received certificates of completion for participating in the entire workshop testing activities; the remaining 2 participants received certificates of participation.

The goal of this year's advanced workshop was to build upon the knowledge introduced in previous years' seminars. It should be noted that of the returning participants, 7 have attended all 4 of the previous workshops. On the other hand, out of the 17 participants 7 had no previous training.

This year several hours were devoted to threshold testing as required by the International Olive Council in order to apply for their Taste Panel Recognition program. Unfortunately the participants struggled with these tests, and the results

do not reflect acceptable levels that can be submitted to the IOC. However, the group performed well during tasting practices and on the tasting exam, which was reviewed in class on the final day of the workshop.

The science behind the Sensory Assessment of Olive Oil requires a taste panel to reach consensus on an oil's attribute profile within specific statistical parameters. This goal can only be reached through continued training with the same group of participants. Despite the large number of newcomers to this year's workshop, the group performed well and displayed encouraging signs of not only agreeing with each other's taste assessments, but cooperating with each other towards the goal of establishing a National Taste Panel. It is Ms. Ash's assessment that several of the newcomers, despite their lack of previous training, would make valuable additions to the current group of trainees.



Olive Oil Processors during the Workshop on Sensory Assessment

6TH ANNUAL NATIONAL OLIVE OIL COMPETITION

Two significant changes were made to this year's judging procedures for the National Olive Oil Competition. The first change was to drop the category of virgin oils from the competition and only award prizes to extra virgin quality oils, which is in keeping with the standards set by other international competitions. The second change was to allow an observer from the Albanian Olive Oil Association, which sponsors the competition, to sit in on the judging session and to taste along with the judges. (Please note that the AOA observer was allowed to comment on the oils (though she didn't) but not permitted to vote or otherwise affect the outcome of the competition.) Both these changes are important steps towards compliance with international standards and transparency in the judging process, which should encourage continued participation by processors in future competitions.

Following the workshop four participants were selected to judge the competition together with Ms. Ash; processors, whether or not they had submitted an oil to the competition, were not eligible to judge the competition. The oils were given random 3-digit codes; no one in the judging room or preparation room knew which samples belonged to which processors. In tallying the results, all judges' scores had equal value.

Sixteen producers submitted samples to the competition, however only seven of these qualified as extra virgin quality based on the results of the chemical analysis conducted by ADAMA. After tasting the qualifying oils, the judges agreed to award four prizes this year– 2 were selected for 3rd prizes, plus a 2nd prize and 1st prize. The prizes were awarded during a ceremony at the National Olive Oil day at Butrint.

NATIONAL OLIVE OIL DAY AND COMPETITION AWARDS CEREMONY

This event is a major promotional opportunity for the Albanian Olive Oil Association and its producers. Twelve producers and AOA members brought their products for the tasting and sale. The event was attended by the Minister of Agriculture and Food who also presented the awards to the competition winners. In his remarks Mr. Ruli emphasized that —during such activities we all realize how much the quality of Albanian products has been improved...The Albanian government will continue to support olive subsector, in our mid-term plans we have included assisting producers for export, supporting them with marketing and access to European Union markets. Subsidizing the rehabilitation of existing olive orchards is of crucial importance as they constitute a national treasure.

The event brought attention to the emerging taste panel and the improvements in Albanian olive oil over the past four years of trainings and USAID projects cooperation with the Albanian Olive Oil Association.



Minister Genc Ruli awarding the First Prize to Shpresa Shkalla



Olive Oil Tasting and Transactions, May 2010 at Butrinti

MONITORING AND EVALUATION

- Strengthened internal controls
- In-house training course on —Agricultural Extension and Presentation Techniques”
- Baseline Performance values for new clients
- Program Element Level Indicators for Q3 FY 2010

In the last quarter, the M&E Unit launched an internal monitoring system for capacity building activities, aimed at improving the effectiveness of project interventions. The first activity attended and evaluated by the M&E Unit was a training session of MIS use at the Korça Wholesale Market on April 30. The findings of the monitoring mission based on observation and on the evaluation prepared by the participants indicate:

1. A positive cooperation was established with the Korça wholesale market; daily/weekly retail and wholesale prices were present in the market;
2. All participants were interested in the subject and all were satisfied in the knowledge acquired;
3. ‘SMSgame’ used for motivating traders to receive daily prices appeared effective;
4. M&E recommended MIS staff to eliminate technical language during the presentation;
5. New ways of disseminating daily prices could be explored, i.e. through local radios and televisions.

Based on the internal demand for capacity strengthening in presentation skills and USAID’s suggestion, an in-house training course on —Extension and Presentation Techniques” was held on June 14-15. The training course was aimed at reaching mainly the regional staff and MIS specialists who deliver regular practical training courses. Therefore, 8 participants attended the in-house training led by Mrs. Jonida Sinani. A comprehensive session was held by CoP, Juan Estrada-Valle, on the extension work and the importance of conveying a clear message. The trainer discussed issues such as: how to make research for a presentation; how to make the audience listen; how to structure a PowerPoint presentation and make use of USAID logo and presentation format. During the second day of the training session, AAC staff prepared 15 minutes presentations in pairs in the following subjects:

- Control of the main pests and diseases in eggplants
- Fertilizer application regimes in carrots
- Fundamentals of farm cost managements - examples from onion production in Korça

- Informing the planting decision based on price trends (the case of onion and potatoes)

Presentation structures and techniques used by each participant were discussed in the group and concrete feedback was provided for the presenters. All the participants assessed the training course as very useful claiming that they benefitted to a large extend from the techniques discussed.



In-house training on —~~E~~xtension and Presentation Techniques” on June

In the last quarter, M&E unit together with the database manager completed the process of establishing the new ACCESS client database, verifications and double-checking process for the baseline data of the new clients. The baseline values for 491 new commercial farmer clients were entered, computed and presented below together with employment data of consolidators, fruit and vegetable processors, wholesale traders and olive oil processors.

Program element level indicators for the third quarter are presented at page 50.

Table 9. Baseline Values for Program Area, New Clients (2009)

	Program Area Indicators	Baseline value 2009
	1.1 Percentage change in production of agricultural products	Production in KG
1	Tomato	4,597,550
2	Pepper	694,755
3	Cucumber	2,033,560
4	Broccoli	14,850
5	Cabbage	602,500
6	Cauliflower	217,800
7	Melon	563,925
8	Watermelon	2,198,400
9	Onion	1,919,250
10	Potato	2,262,990
11	Apple	1,636,750
12	Tangerines	233,260
13	Olive	28,221
	1.2 Percentage change in domestic sales of targeted agricultural products	Domestic Sales in ALL
1	Tomato	153,336,940
2	Pepper	38,642,195
3	Cucumber	70,391,829
4	Broccoli	1,230,500
5	Cabbage	6,556,300
6	Cauliflower	9,762,000
7	Melon	14,155,324
8	Watermelon	14,799,780
9	Onion	35,508,100
10	Potato	63,531,820
11	Apple	60,243,340
12	Tangerines	11,871,000
13	Olive	2,812,200

	1.3 Percentage change in export sales of targeted agricultural products	Export value in ALL
1	Tomato	14,457,038
2	Pepper	80,000
3	Cucumber	300,000
4	Broccoli	0
5	Cabbage	1,476,000
6	Cauliflower	200,000
7	Melon	0
8	Watermelon	49,091,906
9	Onion	0
10	Potato	0
11	Apple	0
12	Tangerines	0
13	Olive	0
	1.5. Change in non-farm jobs	
	Total Permanent non-farm jobs	587
	Total Seasonal non-farm jobs	844
	1.6 Annual per household income from sales of targeted products	Income in ALL
1	Tomato	167,793,978
2	Pepper	38,722,195
3	Cucumber	70,691,829
4	Broccoli	1,230,500
5	Cabbage	8,032,300
6	Cauliflower	9,962,000
7	Melon	14,155,324
8	Watermelon	63,891,686
9	Onion	35,508,100
10	Potato	63,531,820
11	Apple	60,243,340
12	Tangerines	11,871,000
13	Olive	2,812,200

	1.7 Yields of targeted products per ha	KG/hectare
1	Tomato	82,549
2	Pepper	88,210
3	Cucumber	102,951
4	Broccoli	10,294
5	Cabbage	42,726
6	Cauliflower	29,458
7	Melon	46,952
8	Watermelon	54,278
9	Onion	39,382
10	Potato	35,628
11	Apple	43,723
12	Tangerines	11,220
13	Olive	3,692
	1.8 Production cost per unit of output	Production cost per kg in ALL
1	Tomato (n= 21)	36.48
2	Pepper (n= 15)	55.67
3	Cucumber (n= 13)	31.92
4	Broccoli (n= 9)	54.11
5	Cabbage (n= 12)	29.33
6	Cauliflower (n= 11)	40.27
7	Melon (n= 10)	32.60
8	Watermelon (n= 13)	23.46
9	Onion (n= 13)	24.85
10	Potato (n= 8)	39.75
11	Apple (n= 12)	¹ 50.83
12	Tangerines (n= 10)	54.90
13	Olive (n= 4)	49.00

¹ Production cost for apple shows an increase derived from the inclusion of new clients with smaller farms and lower technological level, which has a direct effect on efficiency

Table 10. Program Element-Level Indicators for Q3 FY2010

INDICATOR		Actual FY 2009	Target FY 10	Absolute Q1/10	Absolute Q2/10	Absolute Q3/10	Actual Q3/10
Enabling Environment							
2.1	Number of public and private institutions undertaking capacity strengthening	25	10	0	0	0	25
2.2	Number of individuals who have received short-term agricultural enabling environment training	268	10	135	28	73	504
2.3	Number of policy reforms implemented	1	3	1	0	0	2
2.4	Number of producers/processors who have received credit	149	150	39	18	11	217
2.6	Number of producers and traders trained in the use of market information for strategic planning, farm management and business decision making	127	200	0	150	101	378
Agricultural sector productivity							
3.1	Number of additional hectares under improved technologies or management practices	417.02	303	0	0	0	417.02
3.2	Number of producer organizations, trade and business associations assisted	34	35	1	5	3	43
3.3	Number of individuals who have received short-term agricultural productivity training	805	550	34	153	309	1301
3.4	Number of agriculture-related firms benefitting directly from AAC assistance	36	30	66	12	12	126
3.5	Number of new markets identified (geographical areas, new products and new buyers)	54	50	60	11	42	167
3.6	Number of transactions completed (contracts signed and/or repeated sales)	1825	110	1329	154	1567	4875
3.7	Number of farmers/firms applying new environmental sound technologies that enhance productivity, production, quality	198	800	0	0	0	198
3.8	Number of additional functioning post-harvest handling facilities in country	15	13	0	0	0	15