



SMALL FAMILY FARMS COUNTRY FACTSHEET



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THE CONTEXT OF AGRICULTURE AND THE ROLE OF SMALL FAMILY FARMS

The Republic of Albania is a predominantly mountainous country located on the western side of the Balkan Peninsula. 42 percent of the total land area is used for agriculture; mainly as arable land, cropland or grassland for livestock. Despite the limited availability of cultivable land because of the sloping terrain, agriculture remains the most important sector in the country's economy, constituting 23 percent of Albania's GDP as well as providing the income base for the majority of the population. Around 40 percent of Albania's labor force is engaged in agricultural activities, in particular in the country's rural areas.

Agricultural production has increased rapidly over the last decade, notably for oil crops as well as for vegetable and animal production. However, a limited area for cultivation and low productivity remains an obstacle for sustainable growth, wherefore Albania imports significant amounts of agricultural and food products. A vast share of 74 percent of farms in Albania are small family farms with very limited size of holdings. Nonetheless, these family farmers account for the majority of the land used, highlighting the reliance on small-scale domestic production in Albania.

KEY CHARACTERISTICS OF SMALL FAMILY FARMS¹

General aspects

The effects of post socialist agrarian reforms on land use and ownership in Albania led to an extreme fragmentation and dissolution of former agricultural cooperatives into numerous private farms. As a result, Albania's family farmers cultivate small parcels nowadays, averaging only 0.5 hectare. The average household size amounts to 4 to 5 members with a notable level of education of the household head of more than 9 years. Remarkably, only a minor share of 7 percent among all Albanian family farms are female managed, indicating that farming is a men-run domain, while women act as contributing workers.

Particularly in the highlands of northern Albania, pastoralism and transhumance is a widely used practice, however, the relatively small size of 1.4 Tropical Livestock Units (TLU) per household on average indicates that crop cultivation remains the main activity.

Economic situation and diversification

An average small family farm in Albania generates an income of about USD 15 600 per year,² whereby the bulk of income stems from on-farm activities (45 percent) that are almost equally partitioned between the growing and selling of crops (20 percent) and livestock keeping. However, a remarkable amount of income of more than one third comes from non-agricultural wages and self-employment, potentially a result of the governments' recognition of

AT A GLANCE

- With an **average annual GDP growth rate of 3 percent**, Albania grew from one of the poorest nations in Europe to **upper middle-income status** within two decades.
- The country's economic development benefitted **declining poverty rates**; now **1.1 percent of the 3 million small population** fall below the poverty line of \$1.9 a day (2011 PPP).
- Albania faces one of the **world's highest emigration rates** relative to its population; around 28% of all citizens settled outside the country in 2015.

Source: World Bank; IOM 2017.

¹ Unless indicated specifically, the data in this factsheet is taken from the LSMS survey 2005, analyzed by the SMALLS Team in FAO ESA. A detailed methodology description can be found online on the FAO Family Farming Knowledge Platform. The SMALLS Team would like to acknowledge the country office of Albania for having provided valuable feedback.

²All monetary values in this factsheet are expressed in constant 2009 international dollar.

the sectors' potential and dedication to the transformation of the Albanian agriculture from self-subsistence to a more modern model of agriculture. Moreover, direct payment schemes for farmers have been improved, explaining the high share of income from public and private transfers of 24 percent. The splitting of income generating sources indicates the opportunities Albanian small family farms have to diversify their income activities.

Small family farms in Albania sell their agricultural produce mainly through formal, local markets (e.g. district markets, cooperatives or private traders) and, in addition, use the same channels for purchasing by-products. This possibly indicates a relatively good functioning local infrastructure in Albania, which enables smallholders to participate in these formal channels. However, only 12 percent of their produce is sold on average, indicating a considerably high share of domestic consumption.

Productivity and technology

Considering the weight of small family farms in Albanian agriculture, the main obstacles for increasing their productivity and competitiveness remains a lack of modernized production inputs. Only 11 percent have access to motorized equipment and only half of the country's smallholders are able to apply fertilizer on their fields. Only 48 percent of the arable land is irrigated, making agricultural production highly dependent on rainfall, particularly during the crucial summer growing season.

A value of annual crop production of USD 1 964 on average, among which USD 1 415 is food produced for self-consumption, highlights the importance of modernizing smallholders' agricultural production to facilitate them to produce beyond their household needs. Despite the potential of income diversification, agriculture demands most of the households' labour sources. The majority of labour is clearly allocated to on-farm activities, with 0.88 person days supplied on-farm compared to 0.02 person days supplied off-farm.

Constraints

Among the problems caused by high rates of migration from rural areas, a low technological level and very limited size of holdings, access to financial support remains too scarce in order to improve the level of agricultural productivity for Albanian smallholders. Only 0.2 percent of family farms obtain credit whereas their expenditures for agricultural inputs is relatively high (28 percent of the value of production).

SMALL FAMILY FARMS IN ALBANIA		SMALL FARMS	OTHER FARMS
Farm aspects	Average farm size (ha)	0.5	1.6
	% of smallholders on total farmers	74	26
	% female headed households	6.7	11.8
Income and poverty	Household income (const. 2009 Int.\$)	15 598	17 574
	% of income from crop production	20	29
	% of income from on-farm income	45	57
	% of income from agricultural wage labour	2	3
	% of income from non-agricultural wages and self-employment	28	17
	Smallholder poverty rate (national poverty line)	1.9	2.2
Labour	Family labour-days supplied on farm over a day period (person days)	0.88	1.41
	Family labour-days supplied off-farm over a day period (person days)	0.02	0.01
Production	Value of crop production (const. 2009 Int. \$)	1 964	4 219
	Amount of food produced (const. 2009 Int. \$)	1 415	2 909
	Value of food production per ha (const. 2009 Int. \$)	4 542	2 257
Capital and inputs	Livestock (TLU; pastoral households only)	1.4	2.0
	% of households using motorized equipment	11	23
	% of households using fertilizer	53.7	17.1
	Irrigation (% of land)	48.9	30.1
Markets	% of households selling crops through informal channels*	54	61
	% of households selling crops in the local markets*	55	55
	% of households buying by-products in the local markets * 44 percent of households reported this information	57	68
Innovation and technology	% of households recipient of extension services	28	53
Constraints	% of agricultural production sold	12	15
	% of expenditure for inputs on value of production	28	25
	% of credit beneficiary households	0.2	1.0
	Credit (const. 2009 Int. \$)	1.6	57

Source: FAO. 2018. Smallholders data portrait (available at www.fao.org/family-farming/data-sources/dataportrait/farm-size/en).

REFERENCES

- FAO. 2016. *Gender, Agriculture and Rural Development in Albania*. Rome.
 World Bank. 2011. *Albania – Climate Change and Agriculture Country Note*. Washington DC.

SMALLHOLDER FARMERS' DATA PORTRAIT

The Smallholder Farmers' Data portrait is a comprehensive, systematic and standardized data set on the profile of smallholder farmers across the world. It can generate an image on how small family farmers in both emerging and developing countries live their lives. It is about putting in numbers, the constraints they face, and the choices they make so that policies can be informed by evidence to meet the challenge of agricultural development. Currently, the data portrait provides information for nineteen countries.

For more information about SMALL FAMILY FARMS

Please visit: www.fao.org/family-farming/themes/small-family-farmers

Or write to: Laura Schenck – Laura.Schenck@fao.org