



Food and Agriculture Organization  
of the United Nations

## REGIONAL CONSULTATION WORKSHOP

Smallholders and family farms



### Regional Initiative: Empowering Smallholders and Family Farms for Improved Rural Livelihoods and Poverty Reduction–

Country report of Albania

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Regional Consultation Workshop  
Budapest, Hungary, 13-14 March 2018

13-14 March 2018, Budapest, Hungary

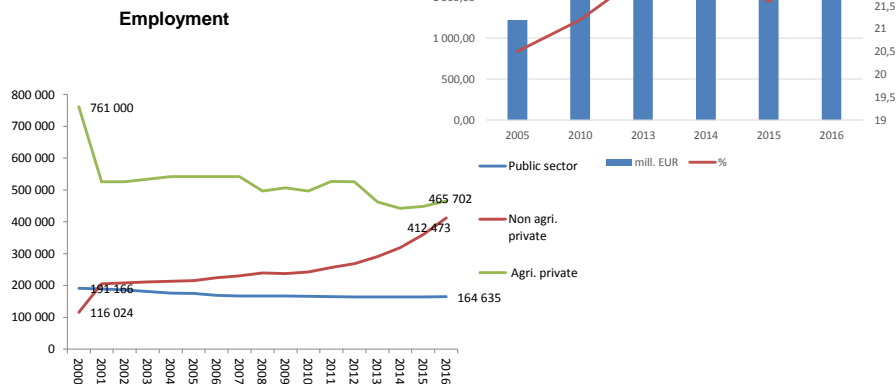


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## The definition and role/weight of smallholders



## Contribution to the economy



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## Categorization of farm

- According to the Census of Agricultural Holdings 2012, 98 % of the agricultural holdings in Albania are family holdings/farms.
- No unified definition for small holdings. The suggested classification is up to 2 Ha.

Area (ha)	No. of farms	Percentage	Expert categorization
0.1–1.0	159,856	45.55	Very small - Substance / semi-subsistence
1.1–2.0	142,084	40.49	Small - Limited potential to be economically viable
2.1 +	48,976	13.96	Moderately large and very large - Significant potential to be economically viable
<b>Total</b>	<b>350,916</b>	<b>100</b>	

**One major concern: Poor statistics**

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## Farm size and fragmentation

- Land reform resulted in small and highly fragmented farms;
  - land reform generated property rights insecurity due to overlap of claims. There has been a high level of bureaucracy too;
  - the agricultural land market has not been functioning leading to many informal and thus insecure land transactions.
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## Farm size and fragmentation

- **Small farm size & high fragmentation** combined with limited mechanization, limited access to services and finance all combined result in **low income and low productivity**;
  - **cooperation is necessary to overcome this gap**, however cooperation is not very common in the agriculture sector – lack of trust and negative experience from the past, are among the factors;
  - there have been many efforts in the past to establish cooperatives– most of such **attempts have not been successful** (top down approach, driven by donor financial support).
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## Key challenges

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## Access to market and standards

- Gaps in food safety standards legal and institutional framework, and in implementation of standards throughout the food value chain going downstream, which affect farmers (as well as consumers);
- Most farmers do lack information or awareness related to standards. Lack of awareness about standards results in **standards non-compliance**, which implies **lower market access** (especially in the case of exports) and **constraints in access of funds** (eg IPARD);

***Lack of standards is typically associated with or caused by lack of value chain organization, including lack of cooperation or contract farming.***

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## Access to inputs and services

- Farmers face major constraints in producing high-quality, consistent supplies. This is caused by financial constraints as well as low input quality and lack of technical capacity etc.
  - Farmers report that seeds are often of low quality.
  - Limited access to TA – public extension services have limited resources, while inputs suppliers remain the main source of TA (often not perceived as reliable!).
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## Access to finance

- Limited availability of collateral related to land ownership & small farm size;
  - Informality.
  - High interest rate.
  - Low education level of farmers towards crediting and financial management.
  - Lack of information among farmers for different options of financing.
  - Limited economist assistance/aid provided by government (eg. for poor households or for unemployed).
  - Few support measures target small farms (eg. SARED vs. IPARD).
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## Recommendations

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### Recommendations (1) – evidence / AIS

- Improve statistical and information system to be able to monitor small farms performance and contribution.
    - Introduce specific indicators/statistics related to small farms/holdings.
    - Introduce indicators related to strategy (ISARD) implementation and to SDGs when applicable.
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## Recommendations (2) – Access to Finance

- Support farmers to have (updated/proper) land/property titles (necessary to access both loans & grants in some cases).
- Support development of the agricultural land market and to address the problem of excessive land fragmentation and small farm sizes through a national land consolidation programme (implementation of the LC strategy).
- Reduce the financial illiteracy of small/family farms, particularly women which might increase their chances to apply for creditor grant financing (eg. through trainings).

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## Recommendations (3) - Market and standards

- Prepare new manuals/guides or update existing ones related to good practices for each sector.
- Promote development of local territorial products, in all aspects, including creation of brands, protocols etc.
- Promote agro-tourism and slow-food, organic production, especially in hilly and mountainous areas.
- Small semi-subsistence farmers, engaged with many activities, should be advised on the best approaches of land use.

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## Recommendations (4) – Improve VC organization

- Promote contract farming as a strategy to improve market access and access to inputs.
- Promote collective action (eg. empower existing production groups and support new emerging ones) as alternative strategy to improve market access and access to inputs.

***Establishing “raw success models” is the most effective strategy to promote contract farming (CF) and cooperation.***

- Build up capacities of farmers, policy makers and extension services to adjust decision-making to climate changes

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# Thank you

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