



# Agricultural Policy Forum 2020

## *Agriculture and rural development policy in the Western Balkans in times of pandemic*

**The impact of COVID-19 on agriculture, food and rural areas in Albania.**

**Country/territory: Albania**

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**13 October 2020  
Online meeting**



# Presentation Outline



- Main purpose
- Current situation
- Key assets
- Impact on agriculture and food sector
- Conclusion and recommendations



**“In a crisis, be aware of the danger - but recognise the opportunity.”**

***~John F. Kennedy***



## Main Purpose of the study

The main objectives:

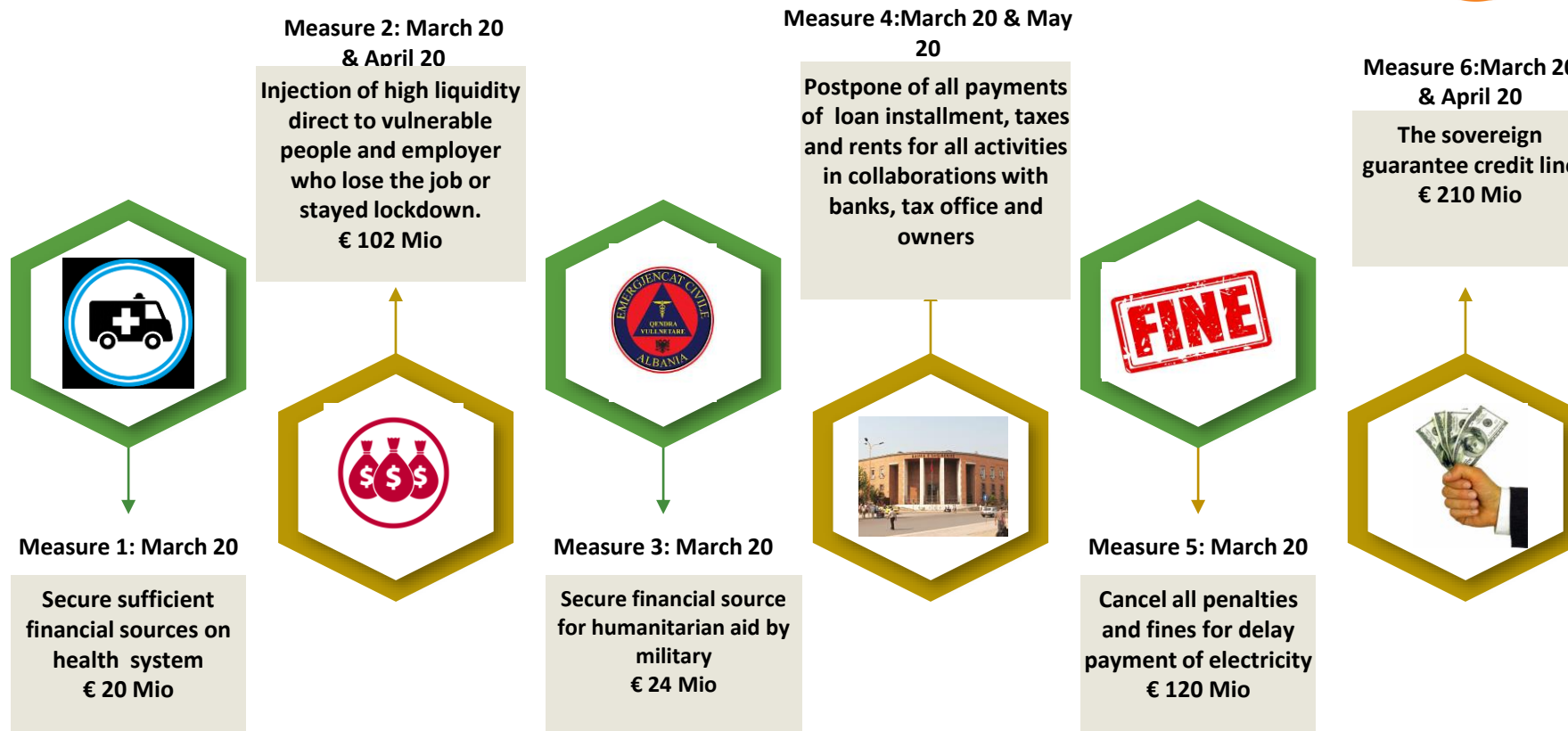
- (i) assess the multiple impacts of COVID-19 on agriculture, food and rural areas as well as on respective policies in Albania, and
- (ii) propose respective strategic approaches and policies, as well as joint actions for overcoming the consequences providing stimuli to accelerate the recovery and to build resilience.

## Method

The data used has been sourced from Institute of Statistics in Albania, Ministry of Agriculture and Rural Development, Custom office in Albania, or other credible, national and international sources which have been cited.

# Current situation

## GOVERNMENT MEASURES ON LIQUIDITY LEVEL



# Current situation /Agriculture Policy



- The relative weight of the agricultural sector in the economy declined from almost 19.6 % of GDP in 2014 to 18.3 % in 2019
- Employment in agriculture decline from 42.7% to 37.4% in 2019
- 10-12% of the total number of farms are equipped with the Tax Identification Number (NIPT) which affected farmers during the lockdown period to apply to e-Albania portal for free movement.
- Nearly 40% of arable land is not used



# Key Assets/Opportunities



1. Agricultural production in 2019 is increased compared with 2014
  - Vegetables production is increased with 32% and the sown surface is increased with only 7%
  - Fruit trees production is increased with 24% Citrus trees production is increased with 123%

2. Agritourism initiatives development creating new opportunities for rural communities

3. Low labour cost

4. Climateric conditions are very adequate for successful growth of a wide range of fruits and vegetables during the whole year.





# Agriculture Policy



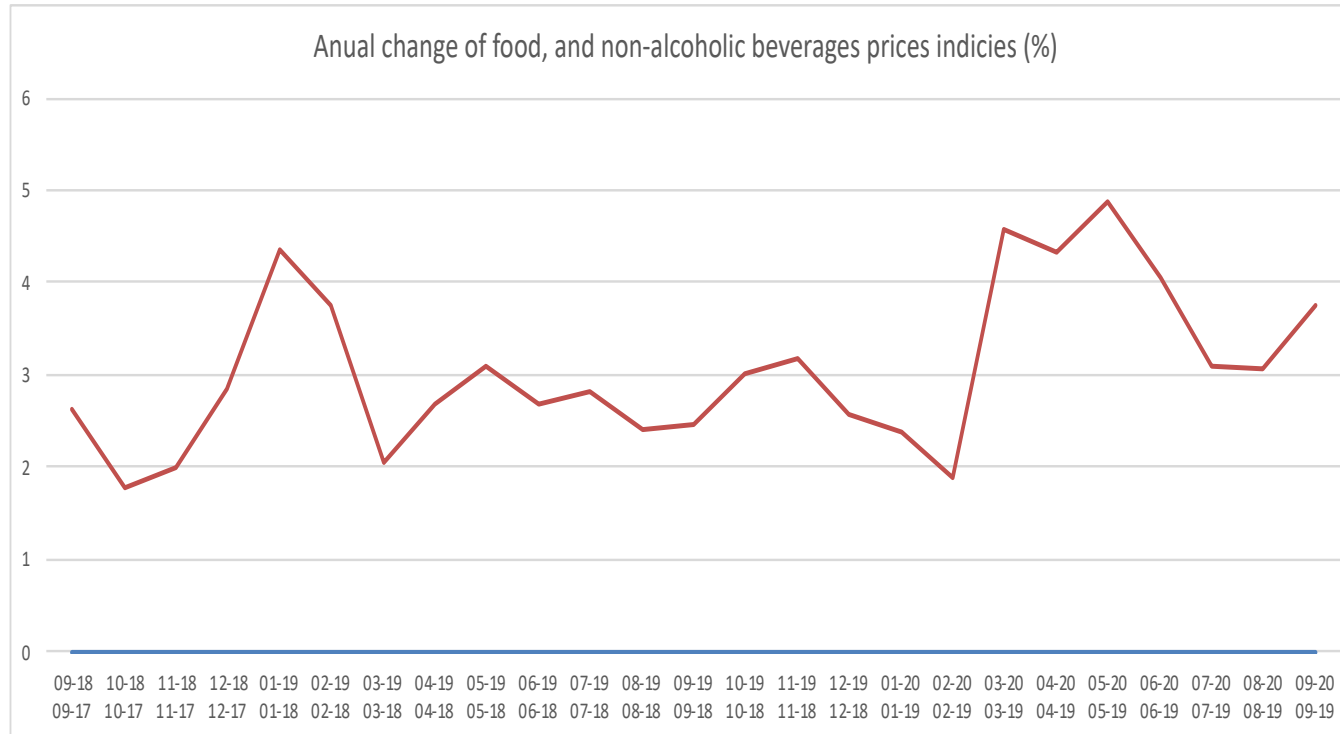
- Agricultural sector was not closed during the lockdown period during March-May 2020
- In Albania were not taken specific measures for the Agricultural sector due to international pandemic crisis of COVID-19
- Farmers profited from measure 4: The Bank of Albania has created to banks and non-bank financial institutions the facility to postpone with three months (twice 3+3) the payment of instalments of loans of their clients, due to the difficult financial situation being created by COVID-19 pandemic.
- Extend the application period of the National schemes



# Impact on agriculture and food sector

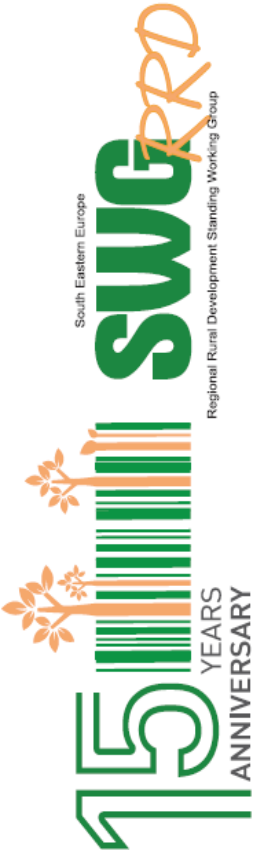


## Consumer price



Products with most influence on prices index:

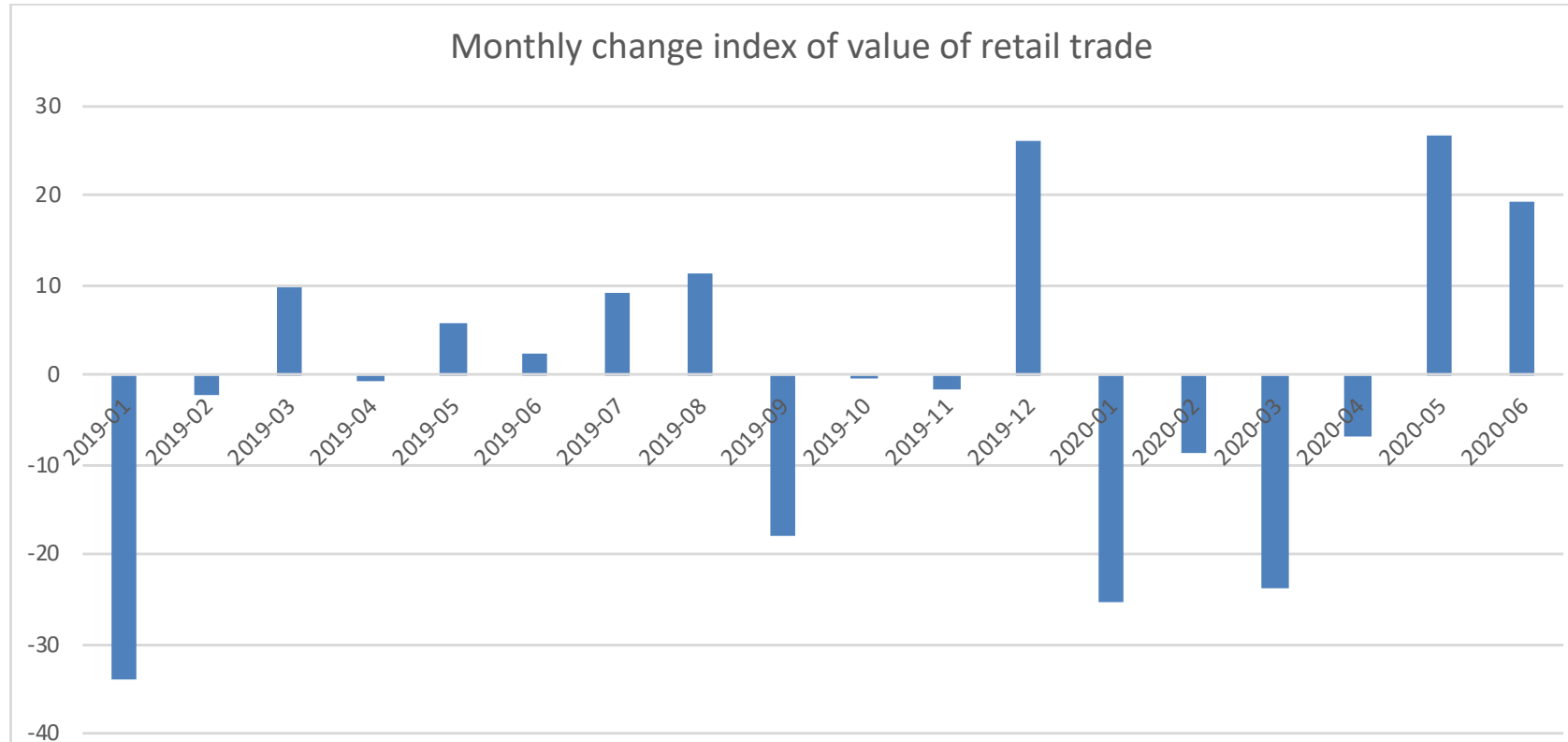
- Fruit 13.3 %
- Vegetables included potatoes 6.3 %
- Oils and fats 4.4 %
- Fish 4.0 %
- Food 4.0 %



# Impact on agriculture and food sector



## Retail Trade



In the group of Retail trade, excluding the retail sales of motor fuel, turnover volume during second quarter 2020 decreased 4.5 %, compared to second quarter of 2019.

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
Index of value in Retail Trade	102.3	100.1	109.9	109	114.7	117.1	126.3	137.7	119.6	119.5	117.7	143.6	118.2	109.4	85.7	78.9	105.6	124.8



# Impact on agriculture and food sector



## Retail Trade



In the group of “Food, beverages and tobacco in both specialized and non specialized stores”, the turnover volume increased 1.4 %, compared with the same quarter of 2019.

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
Index of value in retail sale of food, beverages and tobacco in specialised stores	94.3	98.4	108.3	103.9	116.2	105.6	109.4	121.1	108.3	111	123.1	125.7	106.1	106.6	92.7	91.8	123.1	123.6



# Current Barriers within the Supply Chain



- Farm → Food Service low certification level less than 1%
- Farm → Retail is organized by the green market
- Farm → consumer protection



# Impacts



**Tourism and Agritourism is at a standstill.**

**Need for governmental subsidies**

**Government revenues have dropped due to COVID situation  
Albanian economy shrink with 10.23% during the second quarter of 2020**

**Foreign Direct Investment inflows are expected to decline.**

**Agricultural production forestry and fishing increased with 2.63 % during the second quarter of 2020.**



# Conclusions



Albanian government didn't take specific measures on Agriculture

Agriculture sector wasn't influenced from Pandemic situation, but rural economy in general yes for the following reasons:

- Decrease of remittances as Albanian farmers work seasonality in border countries.
- Young rural family members has lost their jobs outside their farms.
- Start up businesses in rural areas are facing low income problems which will affect their return on investments



## Conclusions

Abandoned farmers or subsistence ones who are not able to sell their products in green markets were affected more from COVID restrictions.

Low level of certification for the Albanian products

Agritourism was one of the most crushed sector from the COVID lockdown



# Recommendations

Accelerate Key Reforms Reforms and Projects toward to the sustainable models and certification of the Albanian Agriculture

Involve Direct Payment schemes and programs toward vulnerable groups. Young people in rural areas needs to be integrated and supported for non permitting them to abandon their households.

Finding new strategies to support farmers such as fuel.

Enlarge storage capacities and processors of fresh fruits and vegetables in order to resilience the consumer price volatility



# Recommendation



Agency for Agricultural and Rural Development need to apply training for all farmers, agribusinesses and agritourism to perform their activities under measures and restrictions of Covid-19.

Infrastructure investment on irrigating system will multiply agricultural production for domestic and international markets.

Implemented of FADN will orient all necessary strategies from farmers and Governments in order to address all weaknesses and threats on agricultural sector typically as Albania.



**Thank you for your attention**

