

RISK MITIGATION FOR ALBANIA'S GREENHOUSE SECTOR



PRODUCTION RISK

- Soil salinity leads to yield drop and complete investment failure
- Pest and diseases, particularly quarantine pests
- Improper seeds and seedlings

RISK MITIGATION MECHANISMS

- Soil and irrigation water analysis
- Investments in rain water fed reservoirs
- Use chemicals to lower salinity
- Working capital for plant protection inputs
- Working capital for certified producers seedlings suppliers

MARKETING AND PRICE RISKS

- Market access and price oscillations due to time of supply in the market
- Lack of suitability of cultivars with demand
- Low quality/ineffective inputs

RISK MITIGATION MECHANISMS

- Consider relationship between farmer – domestic buyer and domestic buyer – international buyer
- Consider the right timing when financing working capital
- Working capital from certified suppliers for effective plant protection

FINANCIAL RISKS

- Late payment from buyers and cash payment for purchased inputs

RISK MITIGATION MECHANISMS

- Educate farmers on financial aspects
- Consider diversified farms where cross-subsidy is possible

LEGAL RISKS

- Insecure land titles
- Safety standards & negative media public

RISK MITIGATION MECHANISMS

- Ensure land titles security (before approving loan financing)
- Finance standard enhancement investment
- Familiarize with EU food safety standards

HUMAN RESOURCE AND MANAGEMENT SKILLS

- Low skills on cost analysis
- Insufficient technology knowledge
- Lack of labor force
- Poor value chain governance

RISK MITIGATION MECHANISMS

- Consider cost/financial analysis also using Technology Cards (Prepared by the AASF project)
- Support in areas where reliable technology advisory/ consultancy services is available
- Consider labor availability in case of financing
- Consider relationship between farmer and buyer

POLITICAL/POLICY RISKS

- Frequently changing/unstable support schemes
- Changes in trade policies

RISK MITIGATION MECHANISMS

- Value chain actors and financial institutions should be well informed about policy development and implication

MARKET FACTS IN ALBANIA



GREENHOUSE SECTOR



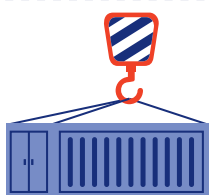
**VEGETABLES
PRODUCTION**
(ton)

2010 / **2016**
860,000 / **11,129,000**



**GREENHOUSE
PRODUCTION**
(ton)

2010 / **2016**
66,000 / **119,000**



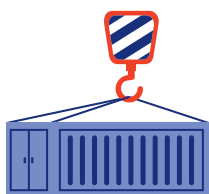
**TOMATO
EXPORT**
(ton)

2010 / **2016**
6,573 / **63,701**



**TOMATO
IMPORT**
(ton)

2010 / **2016**
3,429 / **3,099**



**CUCUMBER
EXPORT**
(ton)

2010 / **2016**
1,481 / **14,761**



**CUCUMBER
IMPORT**
(ton)

2010 / **2016**
1,077 / **442**