

RISK MITIGATION FOR ALBANIA'S MEDICINAL AND AROMATIC PLANTS SECTOR



PRODUCTION RISK

- Post-harvest produce loss or damaged quality due to rain and humidity particularly for autumn harvest
- Fungi development in excessive rain conditions

RISK MITIGATION MECHANISMS

- Support drying facilities at local collector level
- Finance fungicides for plant protection
- Consider cultivation of MAPs in similar conditions as spontaneous MAPs

MARKETING AND PRICE RISKS

- MAPs stocks at farmers' level
- Price collapse for selected crops (sage)
- Probable price collapse of essential oil

RISK MITIGATION MECHANISMS

- Good relationships farmer-domestic buyer and domestic buyer-international buyer
- Support cultivation of autochthon MAPS varieties

FINANCIAL RISKS

- Financial risk created mainly as a result of marketing and price risk

RISK MITIGATION MECHANISMS

- Good relationships farmer-domestic buyer and domestic buyer-international buyer

LEGAL RISKS

- Damage of wild MAPs populations

RISK MITIGATION MECHANISMS

- Consider sustainable harvesting in case of investment support

HUMAN RESOURCE AND MANAGEMENT SKILLS

- Lack of labor for MAPs cultivation and harvesting
- Poor chain governance: Lack of contractual arrangements

RISK MITIGATION MECHANISMS

- Consider areas with available labor
- Good relationships farmer-domestic buyer and domestic buyer-international buyer

POLITICAL/POLICY RISKS

- Frequently changing/unstable support schemes
- Government support without coordination with exporters may lead to overproduction and market price collapse

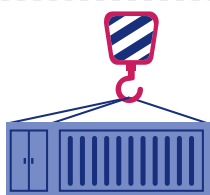
RISK MITIGATION MECHANISMS

- Regular update about policy development
- Lobby in favor of better policy consultation

MARKET FACTS IN ALBANIA



MEDICINAL AND AROMATIC PLANTS



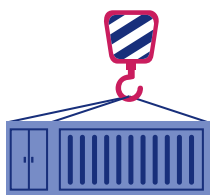
MAPs
EXPORT
(ton)

2010 / 2016
5,565 / 9,607



RANK IN
WORLD EXPORTS

17th



ESSENTIAL
OIL EXPORT
(ton)

2010 / 2016
4,3 / 1,0



MAPs
IMPORT
(ton)

2010 / 2016
328 / 586



CULTIVATION
REGIONAL DISTRIBUTION
SHKODER AREA

90%