

# RISK MITIGATION FOR ALBANIA'S MILK SECTOR



## PRODUCTION RISK

- Significant risk due to animal diseases
- Unstable feed resources due to frequency and intensity of precipitation and drought

## RISK MITIGATION MECHANISMS

- Consider stable location  
(in a reasonable distance from other infection sources)
- Make sure that the large dairy farms have emergency plans
- Support irrigation and drainage projects & agricultural machinery for feed production

## MARKETING AND PRICE RISKS

- Low prices for small farmers but secure and remunerable markets for large dairy farms
- High animal feed prices

## RISK MITIGATION MECHANISMS

- Support large dairy farmers and groups of farmers
- Consider farmers producing their own animal feed

## FINANCIAL RISKS

- High financial risk for smaller dairy farmers not producing their own feed

## RISK MITIGATION MECHANISMS

- Support agricultural machinery for large farmers and farmers' groups
- Consider large farmers for financing in the first place

## LEGAL AND ENVIRONMENT RISKS

- Insecure land titles
- Low milk hygiene lead to safety risk, particularly for small and medium dairy
- Improper food storage lead to aflatoxin in milk

## RISK MITIGATION MECHANISMS

- Consider land titles security - both formal & informal
- Support stables with proper layout
- Support milk cold chain
- Support barns for proper feed storing

## HUMAN RESOURCE AND MANAGEMENT SKILLS

- Labor force scarcity

## RISK MITIGATION MECHANISMS

- Consider labor force availability or support mechanization

## POLITICAL/POLICY RISKS

- Frequently changing support schemes and inconsistent fiscal policies for the milk sector

## RISK MITIGATION MECHANISMS

- Regular update about policy development and implications

# MARKET FACTS IN ALBANIA



## MILK SECTOR



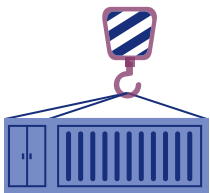
**MILK  
PRODUCTION**  
(ton)

2010 / 2016  
**1,070,000 / 1,145,000**



**MILK  
IMPORT**  
(ton)

2010 / 2016  
**7,400 / 7,100**



**MILK  
EXPORT**  
(ton)

2010 / 2016  
**0 / 50**



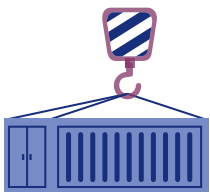
**CHEESE & CURD  
PRODUCTION**  
(ton)

2010 / 2016  
**15,900 / 14,300**



**CHEESE  
IMPORT**  
(ton)

2010 / 2016  
**1,300 / 2,100**



**CHEESE  
EXPORT**  
(ton)

2010 / 2016  
**3 / 34**