

RISK MITIGATION FOR ALBANIA'S APPLE SECTOR



PRODUCTION RISK

- Apple diseases
- Low quality seedlings quality
- Unsuitability of crop with soil
- Frequent hail precipitation
- Prolonged droughts
- Spring frosts
- Extreme low temperatures during winter

RISK MITIGATION MECHANISMS

- Working capital for fighting apple diseases
- Finance certified seedlings
- Finance suitable rootstocks and ask for soil analysis
- Finance net hails
- Finance modern irrigation systems
- Finance working capital for crop protection from frosts
- Finance cultivars resistant to extreme weather conditions.

MARKETING AND PRICE RISKS

- Difficult market access
- Price decreases/strong oscillations

RISK MITIGATION MECHANISMS

- Support cultivar demanded in the market
- Support larger farmers: able to produce volumes & quality
- Support cold storage
- Consider farmers who cooperate with the buyers
- Finance GlobalGAP (or other similar certifications)

FINANCIAL RISKS

- Inability to pay back debt due to marketing, production and (financial) management risk

RISK MITIGATION MECHANISMS

- Educate potential clients on financial aspects
- Ask clients to share their accounts with banks

LEGAL RISKS

- Insecure land titles
- Low quality, safety & environmental standards

RISK MITIGATION MECHANISMS

- Consider formal and informal land titles security
- Familiarize with EU approximation implications
- Cooperation farmer-buyer may lead lower risk

HUMAN RESOURCE AND MANAGEMENT SKILLS

- Financial illiteracy
- Insufficient technology knowledge
- Lack of skilled labor force

RISK MITIGATION MECHANISMS

- Conduct carefully cost/financial analysis: use Tech Cards
- Consider availability of reliable technology service
- Clients should demonstrate availability of labor force

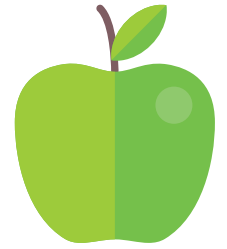
POLITICAL/POLICY RISKS

- Frequently changing/unstable support schemes

RISK MITIGATION MECHANISMS

- Familiarize with government support policy

MARKET FACTS IN ALBANIA



APPLE
SECTOR



APPLE
PRODUCTION
(ton)

2010 / 2019
12,000 / 105,933



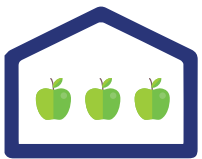
APPLE
IMPORTS

2010 / 2019
29,600 / 7,755



APPLE
EXPORTS

2010 / 2019
0 / 13,437



APPLE
CONSUMPTION

25 Kg
capita



EU APPLE
CONSUMPTION

19 Kg
capita