

# 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

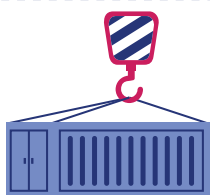
## RISK MITIGATION MECHANISMS

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

# MARKET FACTS IN ALBANIA



## MEDICINAL AND AROMATIC PLANTS



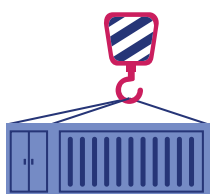
MAPs  
EXPORT  
(ton)

2010 / 2019  
5,565 / 12,506



RANK IN  
WORLD EXPORTS

17<sup>th</sup>



ESSENTIAL  
OIL EXPORT  
(ton)

2010 / 2019  
4,3 / 37



MAPs  
IMPORT  
(ton)

2010 / 2019  
328 / 776,5



CULTIVATION  
REGIONAL DISTRIBUTION  
SHKODER AREA

90%