

Factors and components affecting smallholder dairy farmers and the local value chain in Gjirokastra region

Dr. Eduina Guga

Lecturer at "Eqrem Çabej" University

Dr. Zamira Veizi

Lecturer at "Eqrem Çabej" University

Abstract

Livestock is one of the agro-food sectors, very important in Albania. About 1/2 of farmers are engaged in animal husbandry, including the dairy sector. Dairy products occupy an important part in the consumption basket of Albanian families. Milk production is mainly dominated by cow's milk (more than 4/5). In general, dairy products are destined for the domestic market, so the increase in production is mainly driven by the increase in domestic demand, while the balance of international trade in dairy products shows a structural deficit. The dairy sector is considered a priority sector based on the potential for import substitution. During the first decade of the transition, there was a large growth trend in the production of milk (and dairy products), growth that continued throughout the following years. Despite these improvements, milk yield (eg for cows, which is the main source of milk production) is lower than the yield in EU countries. In addition to the low yield, another major concern is the lack of compliance with standards, which prevents Albania from exporting dairy products to EU markets. The objective of this study is to provide an overview of the dairy sector, analyzing recent developments and the current situation, and including opportunities, constraints and difficulties, with a particular focus on investment needs/potentials.

To achieve the objectives of the study, data and information from secondary and primary sources were used. Semi-structured interviews with value chain actors and sector experts were used as the primary source of data collection. The data was analyzed using various techniques, including descriptive analysis, trend analysis (dynamic), text analysis, and strategy based on SWOT analysis. The combination of qualitative and quantitative analysis has been essential to identify/understand trends, gaps and investment needs.

Many processing factories have problems with liquidity related to the process of cheese production technology. For this reason, there is a need for short-term loans in this value chain. The current policy of partial grants has important implications for financial institutions - they have the opportunity to co-finance investments (stalls, cold chain, milk processing, etc.) for the investment of 100% of the amount, of which at least 50% can be a short-term loan (the part that must be reimbursed by the grant after the end of the investment) and a 50% long-term loan for the part that must be paid by the beneficiary.

Keywords: smallholder dairy farmers, local value chain, employment, strategy, funding.

Full Text: [PDF](#)



This work is licensed under [Creative Commons Attribution 4.0 License](https://creativecommons.org/licenses/by/4.0/).

European Journal of Economics, Law and Social Sciences ISSN 2519-1284 (print) ISSN

2510-0429 (online)