



FARMING SYSTEM IN ALBANIA AND FARMERS COOPERATION THROUGH COOPERATIVES TO INCREASE THEIR REVENUES

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FARMS UNITS & AGRARIAN STRUCTURES

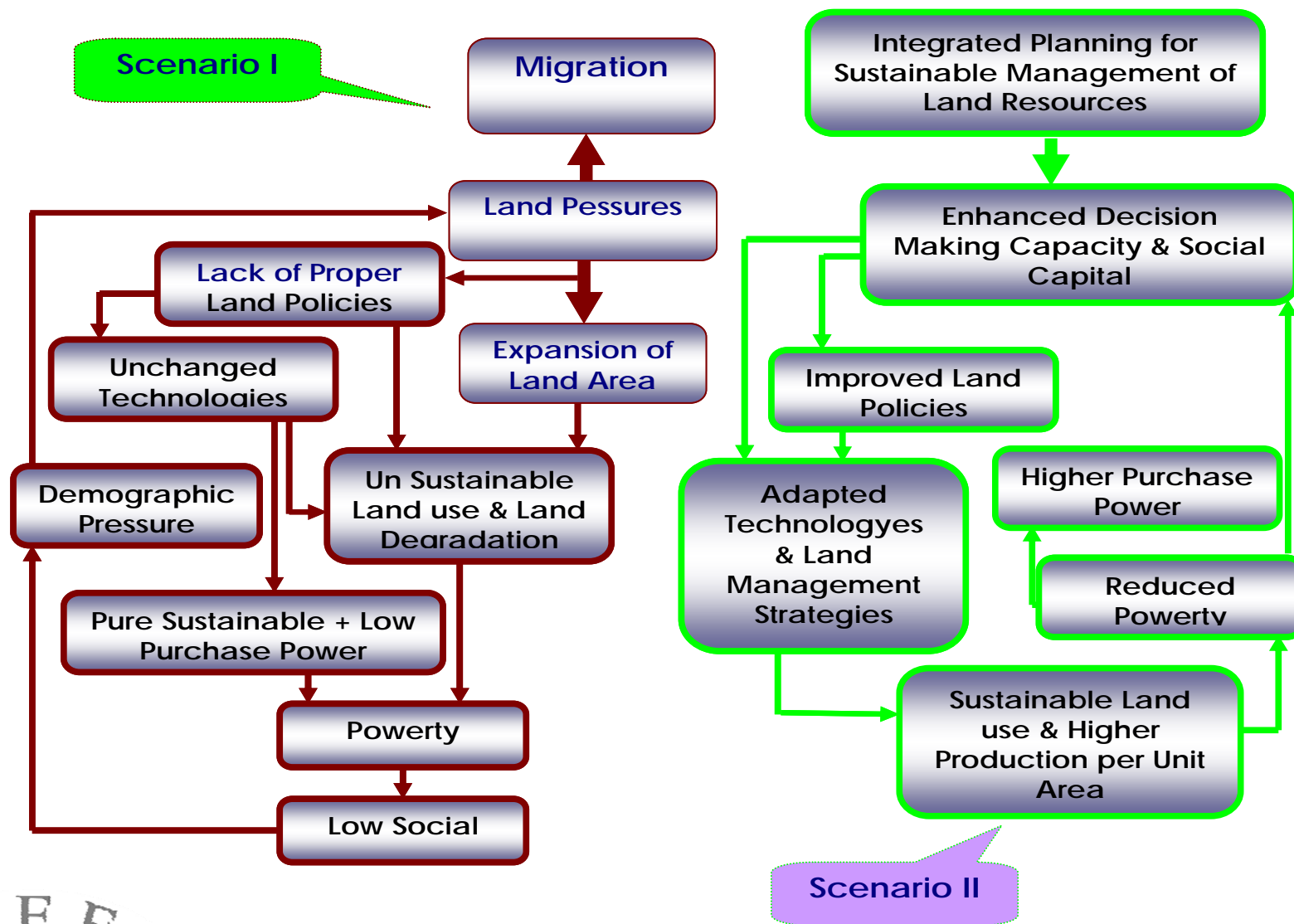
Farms units, → Farms ownership, Farms size, Farms fragmentation, Farms consolidation, Farms and employment structure,

Nr	Item	Unit	Area	Tirane	Korce	Fier	Shkoder
1	Agriculture land	Ha	195 633	33031	47538	91243	23821
2	Farms' number	Nr	200 054	35 148	48442	68384	48080
3	Farm average size	dy	9.7	9.4	9.8	13.3	5
4	Number of plots	"	4255	626	1306	1475	848
5	Average number of plots per farm	"	4.2	3,3	5.1	4.8	3.4
6	Plots average size	dy	2.3	2.9	1.9	2.8	1.5

Source: World Bank, Study, Musabelliu. B. etc, 2002

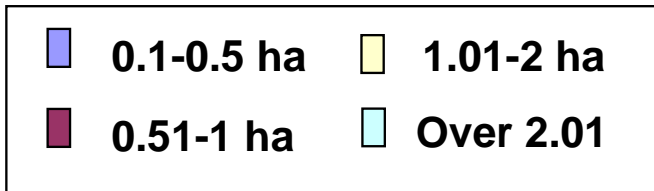
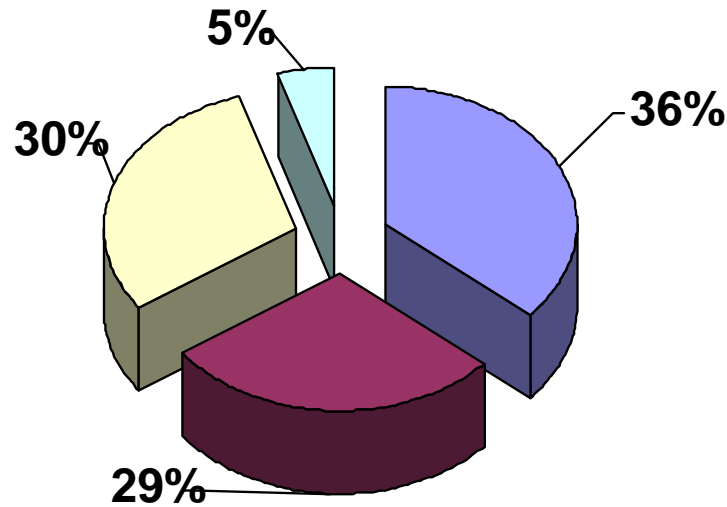


Scenario that dominates in the rural development in Albania

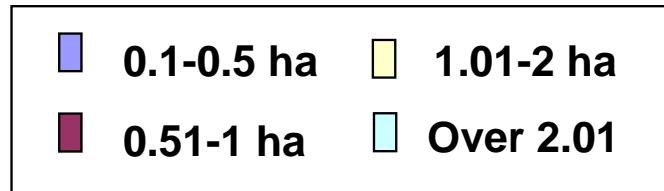
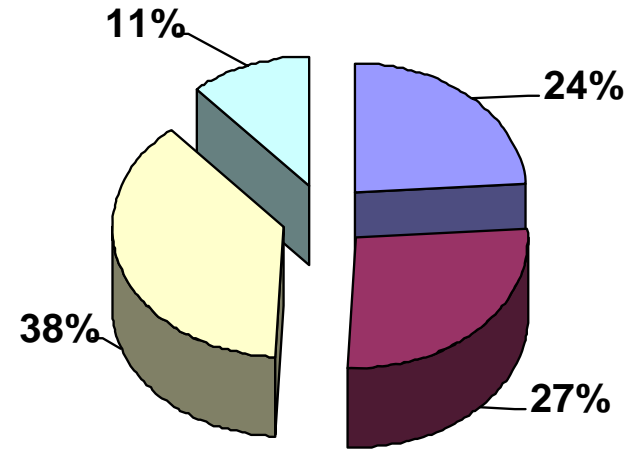


Farms size

Grouping of farms according to their size (1995)

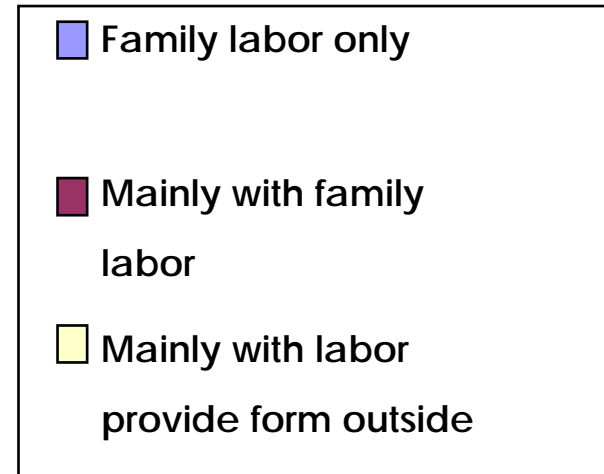
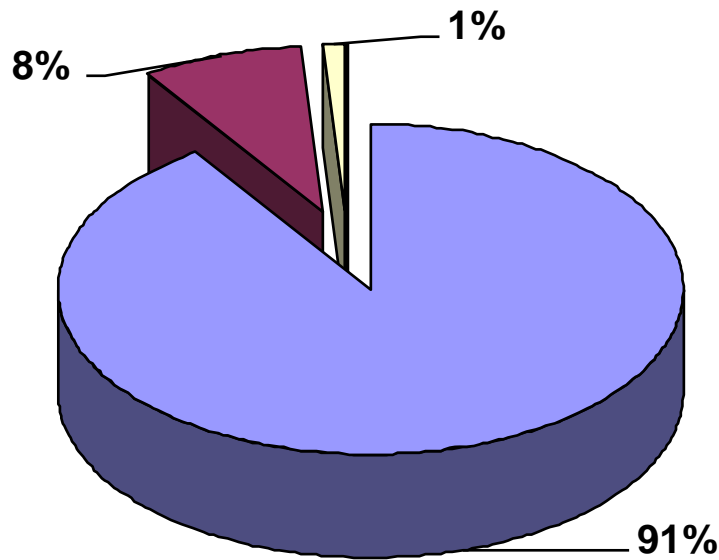


Grouping of farms according to their size (2007)



Source: MoAF. The special agricultural survey (1995, 2007)

Farms types according to the labor source available



Source: INSTAT, Statistics 1993-2006



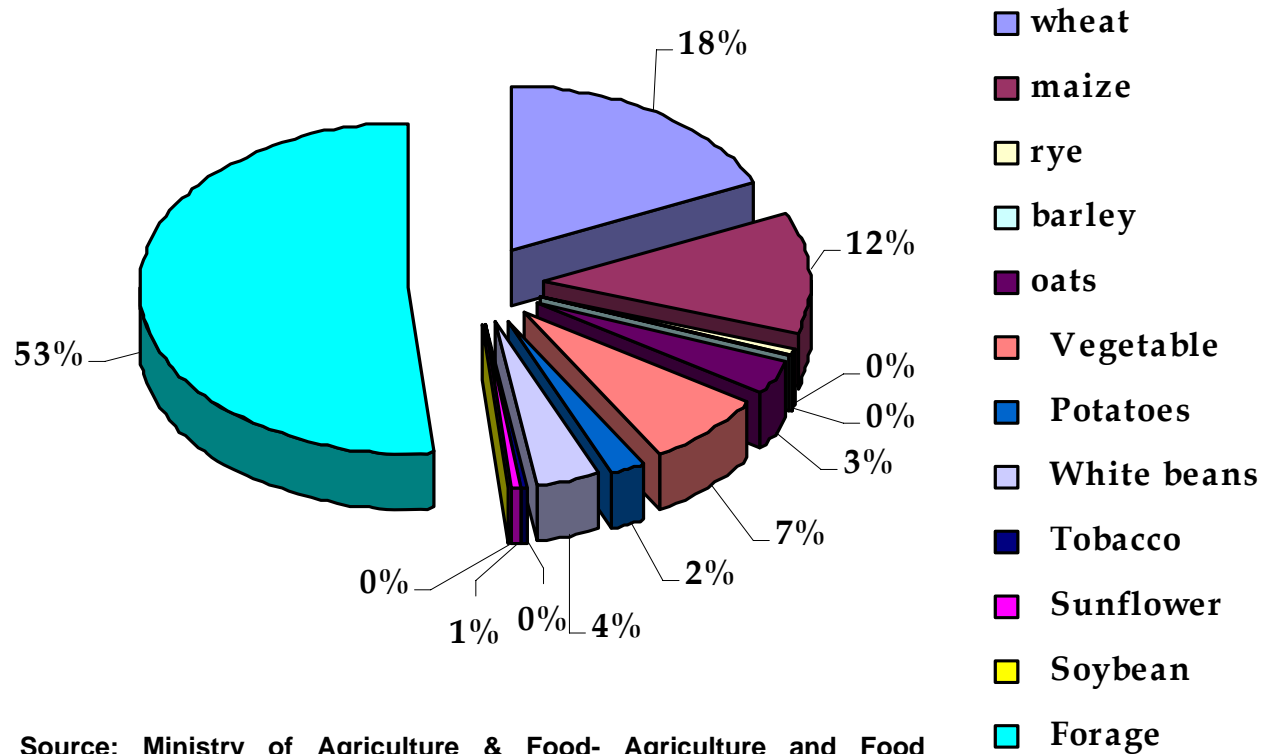
The number and the distribution of the farms according the gross revenues

No	The revenues (leks)	Total Farms with crops	Selling Farms	The ratio of the selling farms	Income per farm	% of farms
1	0 – 10.000	135357	32767	24.2	1511	37
2	10.001-100.000	148461	142694	96.1	46423	40
3	100.001-400.000	73603	72959	99.1	193581	20
4	> 400.000	11383	11383	100.0	746914	3
		368912	259803	70.4	80905	100

Source: Agriculture and food statistics of Albania, 2007



Albanian production structures

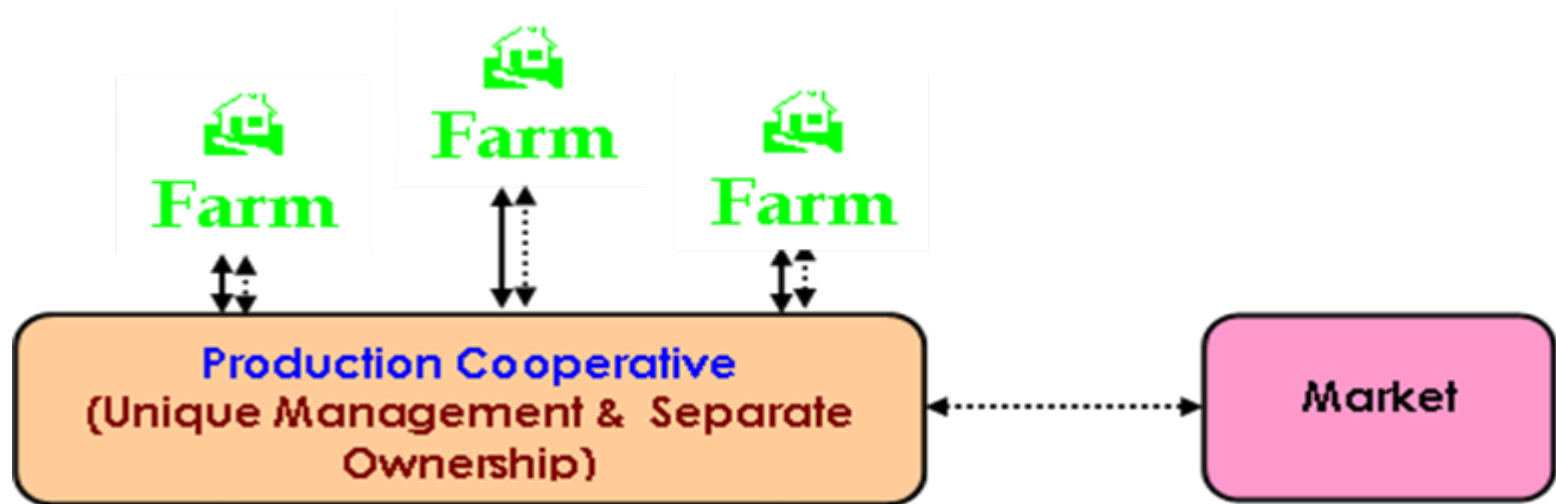


Source: Ministry of Agriculture & Food- Agriculture and Food Statistics, 2007



Cooperative Organization

(according to the principle with unique management and separate ownership)



↔ (Voting control, ownership, flow of patronage refunds)

⋯↔ (Physical flow of products purchased and/or marketed)



Potential benefits being cooperating through cooperatives

- **Cooperatives enable farmers for vertical integration. As a result of being a member of the cooperative, farmers can assure markets for their products, and agro-industry enterprises can assure raw materials.**
- **Farmers can benefit not only from farms' activities, but even from “added value” created by product along different steps of the marketing channel, as a result of cooperatives' activities.**
- **As the size of agriculture enterprises increases, cooperatives enable farmers (members) to receive more benefits coming from “scale economy”.**
- **Cooperatives will enable farmers getting more benefits from other levels of production activities, these benefits can't be provided from other organization forms.**
- **Such cooperatives can exercise sensitive pressures in competitive market environment, by offering high prices for products coming from members and low prices for inputs.**



Potential benefits being cooperating through cooperatives (continuation)

- **Reduction of individual uncertainty by risk diversification is other important function that cooperative can offer.**
- **Cooperative countervail market power of other businesses, by doing so favor its members. This is realized by increasing consumers' reliability, by producing with brand name, by offering necessary services etc.**
- **Cooperative can try for assuring quantity and quality of product, necessary for fulfilling markets' requirements.**
- **Finding inputs' markets and products' markets, are two most important advantages that cooperative offers.**
- **Cooperatives' activity can increase politic influence to government. As a result legal and administrative rules can be established in favor of cooperatives' business.**
- **Benefits from cooperatives' activity exceeding its members, benefits go not only to the members but also to the community in general.**



THANK YOU!



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