Opportunities and challenges of grain sector in Kosovo

Managing Domestic Resources

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Introduction

Kosovo is endowed with fertile soil and temperate climate conditions → grain production
Agriculture remains a major source of employment
Grain production is one of the most important sector for food and feed
Existence of informal grain market

Methods

Qualitative based
• Semi-structured interviews (SSIs randomly selected)
• 68 SSIs (key informants; farmers; seed traders; wheat mills; feed mills & poultry; big bakers; dairies; agriculture experts; farmers associations and microfinance institutions)
• Participant observation

Data analysis
• Grounded theory & content analysis
• Source & perspective triangulation → consistency of different data sources within the same method

Results

Wheat productions prevails over other grains
Existence of informal market for inputs and final products
• Low yields & high cost productions
• High grain imports with lower prices
• Quality vs. price
• Domestic vs. imports
Agriculture services were not provided properly
Farmers involved in various associations → low participation & profits

Farm typologies

Source: Data analysis, self-developed

Conclusions & Recommendations

Restore the grain market - a need to increase the rural revenues & domestic employment
Disappearance of the informal market
• Formalize the domestic production
• Foster the control of imported goods (food & feed standards)
Revision of agriculture & trading policies (CEFTA agreement)
• Protect sectors considered strategic for the rural population
• Improve the domestic food & feed processing
• Introduction of non-tariff trade barriers & tariff barriers for a limited time
Creation of grain state reserves
Creation of partnerships to invest in rural development

Milling for food
• 64 food mills working
• Domestic demand on wheat 420,000 tonnes/year
• Milling capacity → 1.5 million tonnes/year, but it was milling 380,000 tonnes → did not equal country demand

Milling for feed
• Egg-Laying
• Broiler chickens

Agriculture Public policy

Started the support of market oriented wheat and dairy farms
• Subsidies and grants
→ Long process
→ Only registered farms benefited

Source: SOK, 2010, self-developed

• Actors partly integrated in the domestic chain
• Foreign suppliers were the most powerful actors + the “big” domestic actors
• No grain stockholding