

# 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 bakeries; 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

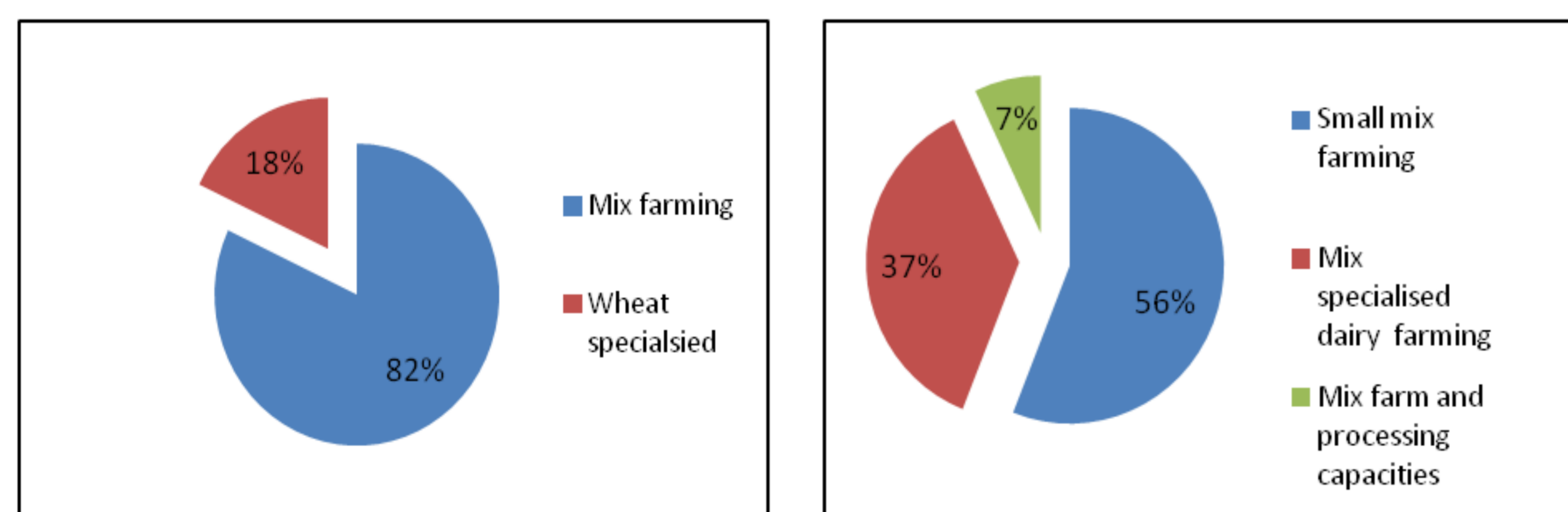
#### Results

Wheat productions prevails over other grains  
Existence of informal market for inputs and final products

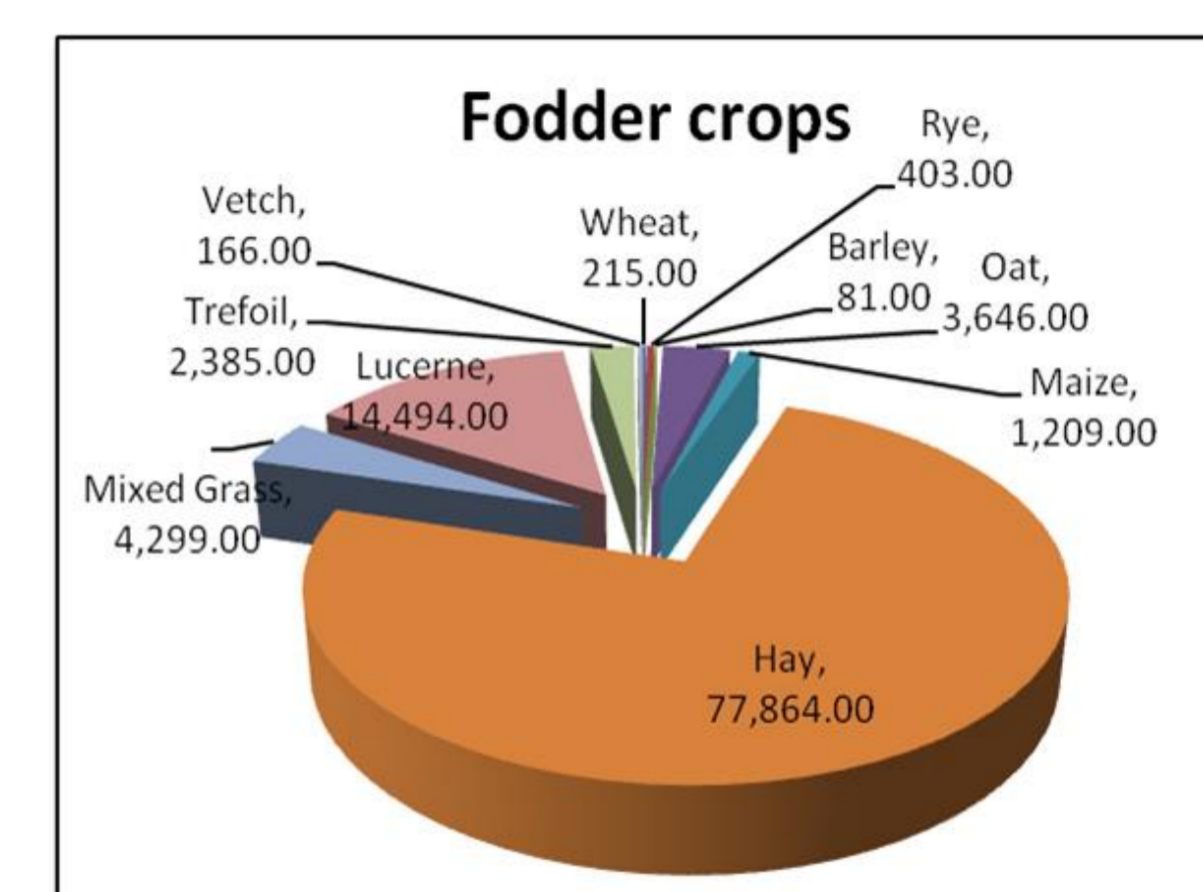
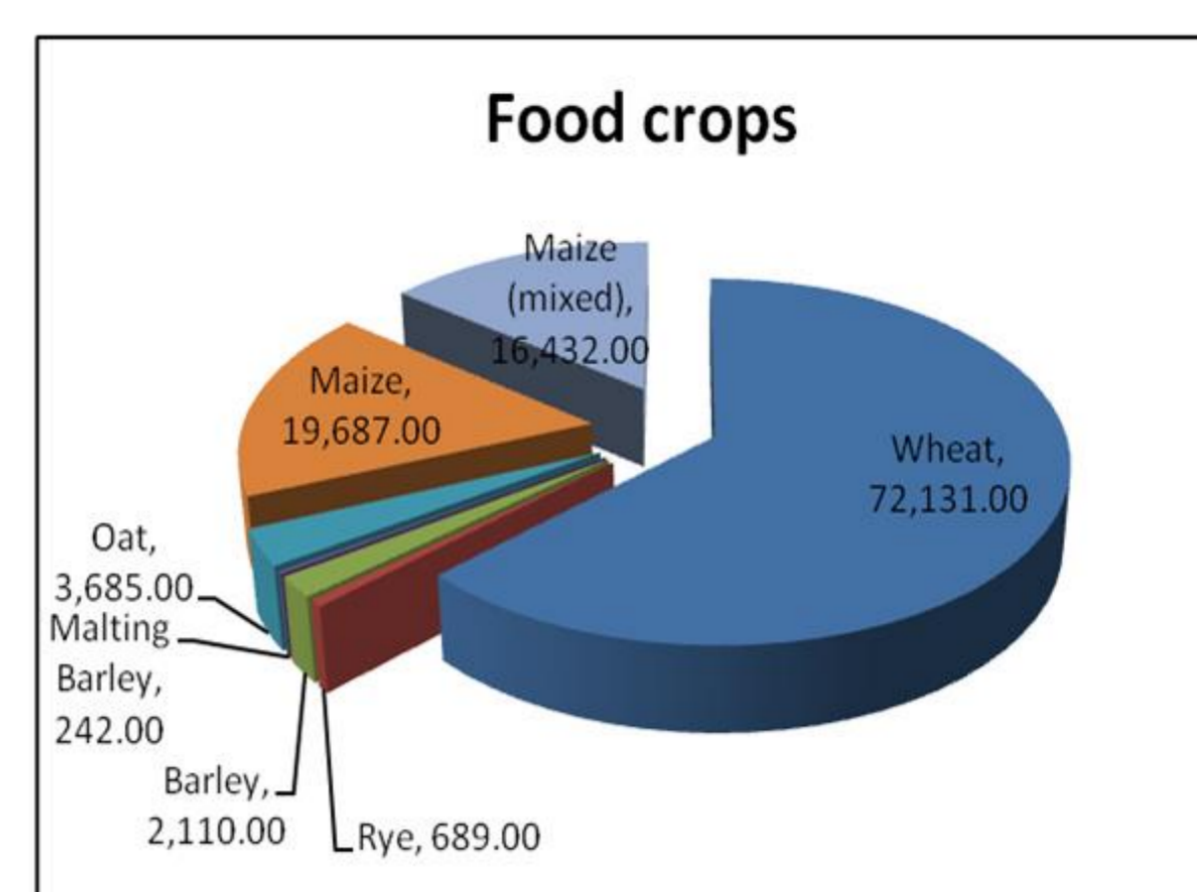
- Low yields & high cost productions
- High grain imports with lower prices
- Quality vs. price
- Domestic vs. imports

Agriculture services were not provided properly  
Farmers involved in various associations → low participation & profits

#### Farm typologies



Source: Data analysis, self-developed



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

#### 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

#### Conclusions & Recommendations

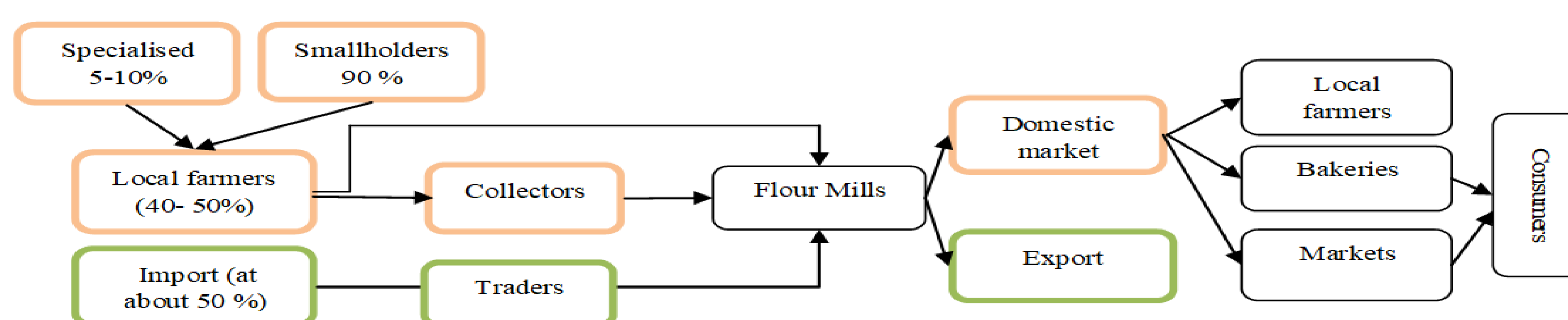
Restore the grain market - a need to increase the rural revenues & domestic employment  
Disappearance of the informal market

- 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



Flow of wheat