

IDENTIFYING TECHNOLOGICAL CHANGES AND SKILLS NEEDS IN THE AGRI-FOOD SECTOR OF ALBANIA: ORGANIC FOOD

SUMMARY REPORT

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INTRODUCTION

This summary report¹ forms part of a broader study on the technological changes and skills needs of the Western Balkan agri-food sector, conducted by the European Training Foundation (ETF). The aim of this summary report is to examine the potential of organic food production in Albania from the perspective of skills supply and demand.

The study aims to inform a foresight exercise on technological changes and skills needs in the organic food sector of Albania. The purpose of the foresight exercise is to identify concrete skills related measures to support the accelerated development of the sector in preparation for the single market.

OVERVIEW

Organic farming is an agricultural method that aims to produce food using natural substances and processes. Producing organically means respecting the rules on organic farming which are designed to promote environmental protection, maintain biodiversity and build consumer trust in organic products. Rules for organic farming also encourage a high standard of animal welfare and require farmers to meet specific behavioural needs of animals. In 2021, the EU adopted an action plan for the development of organic production to support both production and consumption and to further enhance sustainability in line with the European Green Deal, the Farm to Fork Strategy and the Biodiversity Strategy.

EU citizens increasingly value organic products. Based on the 2020 Eurobarometer survey on EU agriculture and the Common Agricultural Policy (CAP), citizens believe that organic products are more likely to comply with specific rules on pesticides, fertilisers and antibiotics (82 % agreed) and are more environmentally friendly (81 %) and are produced under stricter adherence to animal welfare measures (80 %). According to the survey, 56 % of citizens – up from 27 % in 2017 – recognise the organic logo.² Retail sales of organic products in the EU doubled between 2015 and 2020.

The share of agricultural land under organic farming in the EU is growing rapidly. Over the period from 2012 to 2020, its share increased by more than 50 %. On average, though with substantial variation across EU Member States, organic farms in the EU are bigger than conventional farms and run by younger farm managers. The European Commission has set a target of at least 25 % of the EU's agricultural land to be under organic farming by 2030.

In Albania, organic foods are becoming more popular and the share of land under organic farming is growing. Organic agriculture is legally codified according to law No. 106/2016 “On biological production, labelling of biological products and their control”. Its focus is to create the basis for the sustainable development of biological production and to ensure the efficient operation of the market and the

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² EC (2022). Europeans, Agriculture and the CAP 2022. Available [here](#)

protection of consumer interests. Organic agriculture and food production remains small-scale and largely informal, however.

Both international and local certification bodies operate in the country.³ Certification bodies are accredited by General Directorate of Accreditation (DPA), the national accreditation body. For example, Bio.inspecta is an international certification body active in Albania. Bio.inspecta integrated Albania's first national certification body, Albinspekt, into its organisational structure in 2017.⁴

According to the FiBL & IFOAM data from The World of Organic Agriculture survey (2023), the share of agricultural land under organic farming in Albania was only 0.09 %.⁵ Between 2017 and 2021, the land under organic production in Albania increased from 549 ha to 1 094 ha, or by 52 %.⁶ According to MARD, if the foraging of products growing in the wild was considered part of the organic offering, then these numbers might even be higher.⁷

TABLE 1. LAND UNDER ORGANIC FARMING, 2021

Description	Area Ha			
	Total	in conversion process	organic area	of which in greenhouses
Arable land	952.3	83.1	869.3	4.4
- <i>Medicinal and aromatic plants</i> ⁸	926	80	846.2	2.0
- Vegetables	16.5	1	15.6	2.4
- Foraged	8.2	1	7.4	
- Others	1.7	1.6	0	
Orchards	144.7	101.3	43.4	0.3
Fruit trees	34.3	26	8.3	0.3
Olives	95	60.6	34.2	
Vineyards	15.6	15	0.9	
Total	1,241.9	286	922	5

Source: INSTAT (2021). Statistical yearbook. Available [here](#).

For the purpose of this study, the organic foods market niche was analysed under four broader NACE classification groups:

- crop and animal production, hunting and related service activities (A1);
- fishing and aquacultures (A3);
- manufacture of food products (C10);
- manufacture of beverages (C11).

³ Ministry of Agriculture and Rural Development of Albania. Organic Production. Available [here](#).

⁴ Bio.inspecta. Available [here](#).

⁵ FiBL, 2023. The world of organic agriculture. p.43. Available [here](#). See also FiBL 2019. The world of organic agriculture. p. 50. Available [here](#). FiBL, 2021. The world of organic agriculture. p.43. Available [here](#).

⁶ INSTAT (2022). Regional Statistical Yearbook. Available [here](#).

⁷ MADA/MMP-AFDCZZ1635.01C/CS/RMD, AUT, March 2015-September 2016. Development of the value chain for chestnuts and chestnut honey in the area of Rec, Tropoje and the surrounding area. See also **Error! Reference source not found.** in Annex showing the production of wild organic products in Albania.

⁸ Culinary plants and spices included.

According to FiBL's survey, there were 130 organic producers and 62 processors in the country in 2021.⁹

About half of the exports of organic foods go to Italy. The rest is bought by food processing companies from the US, Germany, Turkey and France.¹⁰ In 2020, the EU imported 1 825 metric tonnes (MT) of Albanian organic agri-food products, compared to 1 970 MT in 2021.¹¹

The MAPs lead in terms of exports of organic foods as 95 % of their production is exported, thereby representing 20 % of total agricultural exports.¹² The export of MAPs has increased three-fold since 2010 – reaching more than EUR 33 million in 2019 – while the export of essential oils extracted from MAPs has increased twelvefold, i.e. EUR 4.6 million.¹³ According to sector associations, the volume of international trade stands at around EUR 50 million per year. As of 2020, Albania ranked 16th at a global level in terms of MAP exports.¹⁴

Up to 100 000 people received income either directly or indirectly from the organic sector in 2016. Approximately 20 000 households were engaged in the collection of medicinal and aromatic plants (MAPs), and about 4 000 were engaged in cultivation.¹⁵ Two surveys from 2010 estimated that over 25 % of the households in mountainous areas were involved in the harvesting and cultivation of MAPs. MARD indicates that this number has decreased in the last decade.¹⁶ MAPs make up around 85 % of the total organic production in Albania. Qualitative data collected as part of this study suggest that the number of farmers engaged in cultivation is growing, while the number of harvesters, at least in some rural areas, is shrinking. Furthermore, the labour force structure suggests that the overall labour market in Albania suffers from high informality levels¹⁷ and low productivity.¹⁸

Skilled workers in commercial agricultural activities accounted for 46.9 % of the total employment in 2021.¹⁹ Workers in agriculture have predominantly lower levels of education: 55.9 % of farm managers have secondary levels of education (e.g. high school) and only 0.4 % are graduates of specialised universities for agriculture in 2021. This is largely due to the nature of the organic food sector in Albania which is dominated by MAPs – the production of which is steeped in traditional knowledge and rural.

⁹ FiBL (2023). The world of organic agriculture. p. 56. Available [here](#).

¹⁰ MARD (2021). MAP Sector Study. Available [here](#).

¹¹ European Commission (2021). EU Imports of organic agri-food products. p. 8. Available [here](#).

¹² AASF (2019). Available [here](#).

¹³ Eurostat (2020). International Trade in Goods. Available [here](#).

¹⁴ Eurostat (2020). International Trade in Goods. Available [here](#).

¹⁵ MARD (2021). MAP Sector Study. Available [here](#); Imami et al. (2021). MAPs Sector Study. Available [here](#).

¹⁶ MARD (2021). MAP Sector Study. p. 6. Available [here](#).

¹⁷ INSTAT (2022) Labour Market 2021. Available [here](#).

¹⁸ Lika, Erinda (2021). Sustainable Rural Development in Albania Through Agriculture and Livestock: Challenges in the European Union Perspective. *Journal of Agronomy, Technology and Engineering Management*. Available [here](#).

¹⁹ INSTAT (2022). Labour Market 2021. Available [here](#).

TABLE 1. FARM MANAGERS BY EDUCATION LEVEL, 2021

	Total	Elementary	Secondary	General High school	Agricultural High school	General University	Agricultural University
Total no.	321,492	38,058	179,670	76,495	17,552	8,345	1,372
Total in %	100.0	11.8%	55.9%	23.8%	5.5%	2.6%	0.4%

Source: INSTAT (2022). Regional Statistical Yearbook. Available [here](#).

The average monthly gross wage in the agriculture, forestry and fishing sector is about 38 % below the national average.

SKILLS DEMAND

The most in-demand profiles that companies, i.e. producers of organic foods, expect to be increasingly important in the future include the following:

- Agriculture and agronomics profiles with a specific focus on organic production (e.g. organic food production practices; technical and technological skills for the processing of organic products – especially aromatic and medicinal plants; organic farming practices; and relevant farming procedures).
- Profiles with knowledge of standards, certification and labelling of organic products (e.g. knowledge of the quality labels used for organic products such as protection of origin, indicators of origin and brand protection rules; knowledge of legal standards related to organic farming and organic products).
- Profiles incorporating skills for work in modernised organic agriculture holdings (e.g., IT skills, smart agriculture).

Based on these skills needs, broader ESCO occupational profiles with matching skills and knowledge areas include, but are not limited to the following specialisations:²⁰

- 2132.1 – agricultural scientist;
- 2132.2 – agronomist;
- 2133.11 – soil scientist;
- 6130.1 – farm manager.

All companies interviewed emphasised that the skills acquired through traditional ways of doing organic farming will become obsolete in the future, while digital and technological skills will become more important. All stakeholders interviewed also emphasised that finding specialised workers is likely to

²⁰ Based the ESCO classification of Skills, Competences and Occupations. Available [here](#).

become a challenge. Modernisation of processing and production capabilities will bring about demand for technical skills in the areas of operating machinery and new (digital) technologies. The companies interviewed agreed that there will be a shortage of IT skills for the niche in both the short and the long term.

SKILLS SUPPLY

Vocational education and training

While numerous VET programmes in occupations related to agri-food are available in Albania, the offer of VET programmes on organic foods is almost non-existent.

Short-term training courses are offered by public and private (licensed) training centres. Public training providers offer courses lasting up to five months. Short-term courses focusing on the agriculture sector are not common. However, new curricula relevant for organic foods production niche have recently been developed. For instance, training on "dairy processing", "foraging, cultivation and processing of fruit grown in mountainous areas" and "foraging, cultivation and processing of MAPs" were financed by Fuqi Punëtore e Shkathët për Integrim Ekonomik – SWEI.²¹ According to interviews conducted as part of this study, such organisations play an important role in organic production and research by incentivising farmers to adopt organic farming by offering assistance in the areas of plant production technology in order to ensure more sustainable agriculture and by offering support in contemporary techniques and certification practices.

The companies interviewed cooperate with the National Employment Agency and other public institutions that offer training. The training programmes in which companies interviewed took part were short term and mainly related to developing technical skills for operating equipment or knowledge in processing standards.

The companies interviewed did not cooperate with trade unions or social partners in relation to skills development.

Intermediary organisations

The main contribution of business intermediary bodies in the production of organic food is the provision of continuous training, mainly in matters related to certification and standards for organic production. Business intermediary bodies also offer support through training in environmental protection, agricultural good practices and new technologies. However, most of the training is generally aimed at the agri-food sector in general rather than at the organic foods niche specifically. In addition, stakeholders emphasised that while training takes place, the provision regarding the organic foods niche was uncoordinated. Some of the main areas of targeted training were in human and financial resources management, marketing and new techniques and practices in entrepreneurship. These sessions were publicised and promoted

²¹ Employment Promotion Agency of Kosovo. Available [here](#). SWEI was a project financed by the European Union and managed by the Office of the Delegation of the European Union in Albania (2018–2020) that supported training young people in the region around the Albania-Kosovo border.

mainly through the web or in the media. Unfortunately, more specific information on other types of skills provided through business intermediaries could not be found, thus suggesting a gap in the provision of skills.

Business intermediary bodies interviewed emphasised that they offer support for agri-food SMEs through training in the areas of business management, environmental protection, new technologies and agricultural best practices. They also offer support through counselling and networking. Training and support opportunities are advertised mainly through the internet e.g. via announcements on social media channels.

There are several associations and NGOs active in the agri-food sector that provide information, counselling and training to farmers.

BOX 1. EXAMPLES OF INTERMEDIARY ORGANISATIONS' SUPPORT

The **Albanian Agribusiness Council (AAC)** is a union of agribusiness associations at the national level. It is the largest umbrella organisation in the country. The AAC is active in capacity building as well as training through various donor funded projects. Its portfolio includes projects such as the Pilot Project "Ecological Oasis of Butrint". As part of the project, the AAC cooperated with the Slovak Foreign Policy Association in sessions held in Vlora and Srande with working groups focused on socio-economic development models for rural areas and the use of pesticides in organic farming.

The **Association for the Development of Agriculture in the Mountain Districts (ADAD)** has 750 members which are divided into 30 groups of producers according to agricultural activities and territories in the mountainous regions of Kukës, Dibër, Korçë and Shkodër. This association provides technical assistance and input to agricultural producers. There are also many NGOs in the country operating through projects across the agri-food sector. Recently, there have been some serious efforts to aid farmers. For example, several digital platforms have been created that offer significant information on market prices and trends for farmers and processors, such as ABA Online, whose representatives were interviewed for the purposes of the summary report on digitisation in the agri-food niche.

There is a lack of confidence and willingness to cooperate among farmers which is largely a legacy of negative experiences with the former cooperatives of the socialist system. The number of producer groups and cooperatives is small despite efforts to encourage cooperation of farmers in supply and marketing activities.

Higher education and research

Two main higher education institutions in Albania offer programmes relevant for organic foods producers, i.e. the University Fan S. Noli of Korçë and the Agricultural University of Tirana. Programmes on seed and seedling production techniques and agricultural business management are offered at the University Fan S. Noli and food and nutrition science, agri-food engineering and programmes on alcoholic and non-alcoholic beverage production technology are offered at the Agricultural University of Tirana, for example. The graduates of these study programmes are mainly oriented towards businesses

in the agri-food sector at technical and managerial levels. Based on the data gathered as part of this study, there is a downward trend in the number of students choosing these study programs which corresponds to downward trends in the agri-food sector in general.

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