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Farming system and market integration in southern Albania. Between territorial resource management issues and informal value chain challenges.

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Introduction

After 46 years of planned economy the Albanian agriculture has changed dramatically since 1991. Before the transition, there were 550 large state farms and cooperatives while nowadays we have 352 315 farm households (MAFCP, 2014) with an average of 1, 16 ha divided into 4.8 parcels. The agrarian reforms towards the market economy have forced farmers to change their farming system production. Major changes in agricultural sector have occurred with a significant increase in livestock production which provides about 57% of total production in the sector, followed by the arable crops with 26% and fruit production with 17% (MAFCP, 2014). Current production systems have evolved largely adjusted to the new situation with very small and fragmented farms that have to deal with other major constraints such as poor physical infrastructure, lack of state support and a non-competitive market situation. This paper presents some recent dynamics of local agricultural development in a disadvantaged mountain territory and the commercialization issues on urban markets for the products originating from this territory. The analysis is based on three stages: (1) analysis on the national and local farming system development dynamics including the local collective actions initiatives; (2) national and local value chain analysis and commercialization issues; (3) current dynamics and issues on local resource management.

1. National context

The dairy industry takes an important place in the Albanian agri-food sector (MAFCP, 2014). Since 1991 the total number of cattle and goats declined until the 2010 in the meanwhile the population of sheep increased considerably. In the period 2010 - 2012 a slight increase in the total number of sheep and goats is observed. This increase is more accentuated during the period 2012-2014 when the sheep / goats are experiencing a 22% increase compared to 2012.

Table 1. Evolution of Livestock production between 2000 and 2014 (in 000 Heads)

Livestock	2000	2005	2006	2007	2008	2009	2010	2012	2013	2014
Cattle	**728**	**655**	**634**	**577**	**541**	**494**	**493**	**498**	**498**	**499**
Dairy Cows	448	430	420	396	360	353	395	358		358
Sheep	**1939**	**1760**	**1830**	**1853**	**1800**	**1768**	**1806**	**1809**	**1896**	**2294**
Ewes	1448	1312	1426	1378	1321	1309	1337	1390		1418
Goats	**1104**	**941**	**940**	**876**	**820**	**772**	**775**	**810**	**867**	**904**
Dairy Goats	800	701	700	620	610	574	576	614		694

Source: MAFPC, 2014, author's calculation

Pastoral resources, including pastures, forests and agricultural land are fundamental to farming but have degraded significantly over the past 20 years, especially in land near communities where overgrazing and excessive cutting wood led to lower productivity and soil erosion (Shundi, 2004). The largest farms are better managed but they still the need to buy part of the feed market since the majority of the farms are often too small to produce enough.

Table 2. Evolution of the milk and meat production at national level (in 000 tons)

Years	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Milk Production	**984**	**1010**	**1060**	**1064**	**1076**	**1102**	**1016**	**1040**	**1045**	**1070**	**1101**	**1105**	**1131**	**1133**
Dairy cows	840	904	904	917	930	956	868	895	907	930	955	957	969	965
Ewes	72	74	74	75	75	75	75	77	75	77	79	81	84	89
Dairy goats	72	81	81	72	71	71	73	68	63	63	67	67	78	79
Tot. Meat Prod	**114**	**118**	**123**	**129**	**133**	**137**	**158**	**141**	**143**	**145**	**147,9**	**150**	**153**	**155**
Calves	62	64	65	66	68	69	83	66	66	68	68,7	69	70	71
Lambs + Goats	37	38	38	42	41	44	46	43	44	44	45,3	48	49	50

Source: MAFPC, 2014, author's calculation

An important part of the cow's milk is used especially for the manufacture of white cheese. Sheep's milk and goat's milk is also used to produce white cheese, but in smaller quantities and often the separation of white cheese from sheep's and goat's milk is not well defined. In 2014 only 51% of the total milk produced was sold to the wholesale market which is equivalent of 530.4 tons of milk sold in 2014 in Albania or exported. Annual consumption of milk by FAOSTAT is 301.2 kg / capita in 2011. Despite the fact that milk production has increased rapidly in the recent years, opportunities for export of these products remains low. This is due to a number of factors throughout the value chain of these products as the lack of quality standards, appropriate technology, marketing, etc. According to (INSTAT 2014) the number of cattle in 2014 was 499,000 heads showing an annual growth of 0.3% compared with 2013. The total cattle population is dominated by dairy cows that are nearly 72% of the herd. In 2014, the herd number of sheep was 1.896 million heads or 2.1% more than in 2013. The total number of sheep is dominated by ewes which is 75% of the herd. For goats in 2014 there were 904 000 and compared with 867,000 heads in 2013 we see annual growth of 4.2%. The total goat population is dominated by dairy goats that make 76% of the herd. In 2014 the livestock products have a slight increase compared to 2013. In the annual production of milk in 2014 we observe an increase of 0.1%, and the production of meat live weight increased 1.3%.

1.1. The national characteristics of the milk value chain

The industry of milk processing grew in the early 1990s and now has over than 400 processors, with several fully equipped dairies. According to official statistics, national milk production reached 1.1 Million tons in 2012, an increase of 3.2% since 2010. In 2012 about half of the milk production has reached the market (561 000 tons) while the other half is used for consumption, consumption by animals or processed on the farm. Of all milk produced, only 12% (132 000 tons) is converted by the dairy industry. The remaining 39% (429,000 tons) reached consumers directly. Albania currently imports 7-10% of consumed dairy products (MAAPC, 2012). According to official and unofficial data in 2012 we have estimated 60,000 tons of transformed milk (pasteurized or UHT), 14,000 tons of yogurt; 13,000 tons of cheese and 630 tons of butter. These products arrive in consumers either directly by small processors or processors via distribution channels and other stores.

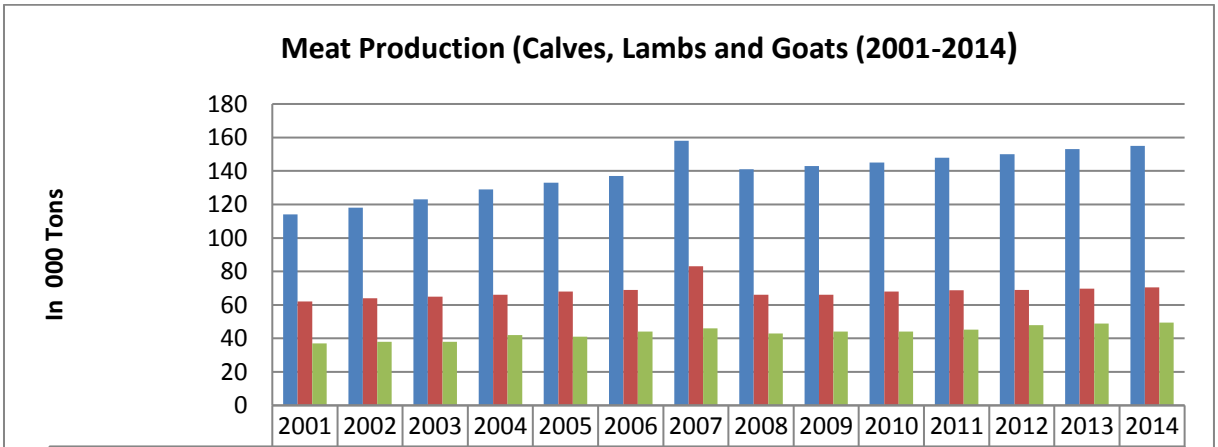
Milk production and collection system (mainly cow's milk) is characterized by the existence of the informal market (sales by farmers) and formal channels to market (milk collection and distribution by dairies). Milk production in Albania still suffers from problems of product quality milk. A very large part of the milk is consumed directly and untreated and / or controlled. Because of the low purchasing power and part of the tradition, consumers prefer to buy the cheap milk directly from farmers. Milk that is directly sold by the farmer is packed

mainly in used plastic bottles (often 1.5 liter bottles etc.). The milk production and collection system is not very well organized. Although raw milk is of high quality (pasture, flora and rich fauna) dairies are not able to receive it. This results due to various reasons. First the large number of small farms and especially the combination animal farms with production (crops and livestock) produce only small amounts of milk and they do not care too much about the quality. Second, education and awareness of farmers to produce milk with high hygienic conditions are not satisfactory. Small quantities of milk produced by them are not an incentive to put more efforts and investments to ensure quality of raw milk. Most of the raw milk is not refrigerated immediately after milking, and it comes directly from the farmer to the consumer, milk collectors, and milk plants or on the market. The contracts between farmers and collectors do not exist and the transactions are based on trust and longevity of the relationship between actors. For large dairies, milk collection points while a significant cost for small rural producers and direct sellers this is an advantage. The milk of sheep and goats is mainly in areas of hills and mountains where infrastructure is underdeveloped. Milk production of sheep and goats is very seasonal.

1.2. The national characteristics of the meat value chain

Meat consumption in Albania is already 43.4 kilograms per capita, but still far from EU levels that are more than twice as high. In the value chain of meat, in addition to farms, there are also slaughtering and processing enterprises. With the exception of a few modern facilities of chicken slaughter, there are some operational modern slaughterhouses in the country. The reason for this is that animals are usually slaughtered on the farm or in some cases in local primitive slaughtering on farms or in butcher shops. A different picture can be seen in the area of processing of meat; there are several companies and larger companies which are very close to EU standards. As local meat is limited and expensive, processing companies import nearly 100% of their raw meat needed mainly Brazil and Canada (INSTAT, Report). According to (MAAPC, 2014) there is almost no link between the Albanian farmers and the meat processing industry.

Chart 1. Meat production at national level between 2011 and 2014



	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total	114	118	123	129	133	137	158	141	143	145	147,9	150	153	155
Calves	62	64	65	66	68	69	83	66	66	68	68,7	69	70	71
Lambs and Goats	37	38	38	42	41	44	46	43	44	44	45,3	48	49	50

Source: MAFPC, 2014, author's calculation

Of all farms in Albania 47,039 farms has sheep and 23,445 has goats. The majority of farms that has sheep also have goats. The total number of sheep was almost constant during the period 2010 - 2012 (1,806 thousands heads in 2010, 1,809 thousands heads in 2012). Yet in 2014 a 20% increase in the number of sheep is observed since 2012 (respectively 1,896 thousands heads in 2012 and 2,294 thousands heads in 2014) figures for goats is as following: 775 thousands heads in 2010, 820 thousands heads in 2012 and 904 thousands heads in 2014. The average size of the sheep flock in country has 38 heads; the number is 36 for the goat herd. Throughout the country the small size of herds between 5 and 50 heads are still very often, since most are bred for consumption. sheep and goats are transhumance marketed are maintained as long as there are sufficient opportunities for grazing, some alpine herders have built very simple barns to house animals in the winter period, small ruminants are in better conditions, but nevertheless in simple farm barns. Small ruminant's subsistence farms are often kept on the farm. The small ruminant production is done in several ways (Cili *et al*, 2013): a) extensive system with the transhumance 6 to 8 months (all regions); b) the semi-intensive system to transhumance 5 to 6 months; c) grazing system on permanent pasture near the farm; d) natural pasture within walking distance, with the return of sheep or goats in the evening on the farm.

The Albanian mountainous areas are well known for their typical Mediterranean pastures which explain the predominance of small ruminants in these areas (Çili *et al*, 2013). As the farm size is very small and the mountainous areas are rich in typical Mediterranean pastures, breeding cattle, sheep and goats is one of the main economic sources for these territories. Long economic transition and demographic desertification (Lerin & Marku, 2010) creates nowadays a binding context to trigger local economic development dynamics.

2. Research context and questions

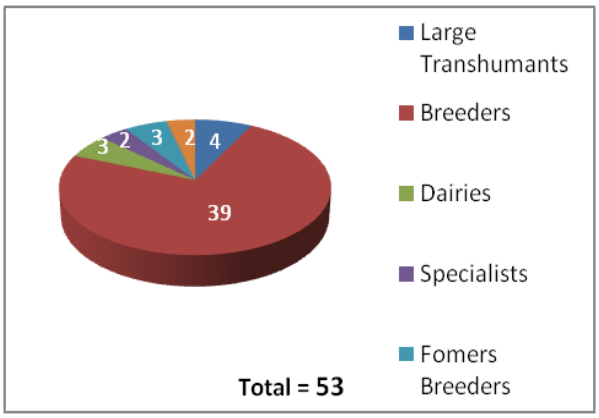
According to (Manoli, 2011) there is essential to understand the diversity of production systems in a given territory. A farming system deals with two important issues: a) natural resource management; b) market integration perspectives. While in the mountains areas the livestock production is dominant the analysis in terms of natural resource management and market integration is crucial. In these areas important is very important to characterize the breeding practices related to the use of natural resources while understanding the logic and constraints of farmers regarding the production and market's issues. Albanian mountains areas have Mediterranean pastures and particularly Vithkuq (Bombaj *et al*, 2016c; Çili *et al*, 2013) is a mountain area with a strong past and present pastoral activity. Livestock farming, as tradition and know-how, remains an important economic source of income for the rural population in this territory. Since 2005 a reduction of the population of 56% occurred, while the herd size has increased 4%. The milk production has decreased by 9% while the meat production has increased by 55%. The management of the mountain pastures and the resource use access affects the farming systems of the local breeders.

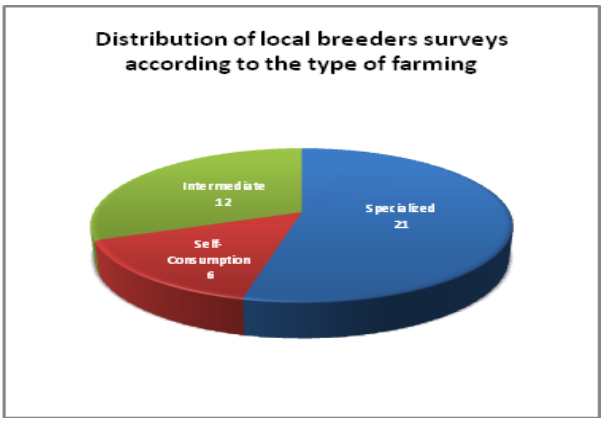
Related to this situation the paper is based in the main hypotheses that: the small farmers increase their income and start developing their farm mainly when they reach the markets. In this context this paper tends to respond to the following research question: a) what is the evolution of the family farming model regarding the market integration perspectives of the local livestock production and the local resource management issues in the considered territory after the fall of communism in 1991? Based on fieldwork in the Vithkuq municipality, the paper answer to the research questions not only analyzing the evolution of the family farming model after the fall of communism in 1991 but also identifying market

integration and local resource management issues analyzing the milk and meat value chain of the considered territory.

3. Material and methods

Given the broad extent of the area and the difficulty of access to some very remote villages, we choose a limited number of them. The villages correspond to those who use the mountain pastures of the territory and sell their milk into one of three dairies in the territory. The dairies were identified in the exploratory phase of our fieldwork and they had a high geographical spatial dispersion. This facilitated the identification of the villages by the dairy where the villages sell the milk. Combining statistical and interviews with the local actors and specialists, the selection of villages was done according to the number of families in each village, herd size, proximity and ties with the identified dairies. An important factor was also the significance of traditions and sources available on the history of the village, and the official written sources on the evolution of the population and livestock production. We chose to conduct the interviews by respecting a balance between specialized farmers, intermediate farmers and subsistence farmers according to the importance of their pastoral resources use. We chose to use two kinds of surveys influenced by the daily job program of the local breeders, but also by the local customs and tradition. Surveys called "formal" with farmers were interviews made by appointment in their home or in a public place of the village. This kind of survey helped us to get a maximum of socio-economic data and observe the technical herd conditions. Surveys called "informal" correspond to more spontaneous interviews with breeders met under spontaneous conditions in the field or in the pastures.





*Source: Author's surveys

Our method was conducted in three stages:

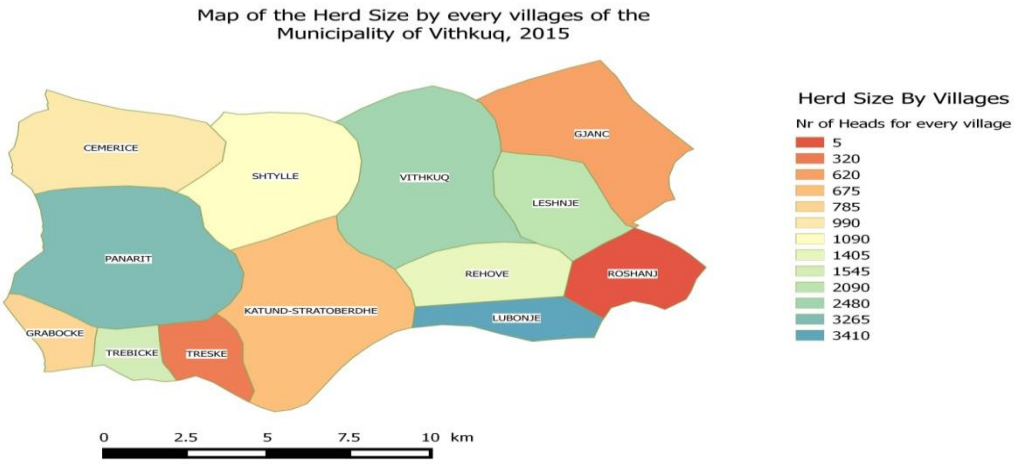
Stage 1. Analysis on the national and local farming system development dynamics including the local collective actions initiatives. At the national level we used several documents, including reports, papers and other scientific data. At the local level we have chosen the Vithkuq Municipality. The choice was done in several steps: a) exploratory phase with literature research and choice of the study area; b) sample characterization. The breeders were selected by age, herd size, specialization (cattle / sheep / goat), but also according to an existing database from the Albanian Ministry of Agriculture; c) fieldwork phase (semi-structured interviews with key informants, questionnaires addressed to producers, personal field observations) in two steps. Step 1. Structured interviews, semi-structured and informal observations collected directly from the breeders. Step 2 - Interviews and personal observations on the wholesale and the retail market in Korça and stores in Tirana; d) Results analysis.

Stage 2. National and local value chain analysis and commercialization issues. As already mentioned above at the national level we used several documents, including reports, papers and other scientific data. At the local level the value chain analyses was done according to the data collected during our survey. Several interviews were conducted before and during the choice of land. The observations were based on the course of herds and shepherds, the conditions of the farms, the wholesale market in the nearest region of the chosen territory (Korça region) milk processing, transportation of milk and sold animals. These observations were combined with interviews on site or spontaneous defined in advance with the stakeholders.

Stage 3. Current dynamics and issues on local resource management. This step was done analyzing the data collected and doing some meetings with the local actors and institutions concerned by these issues during the field survey.

4. Results and discussion

Our study area (Vithkuq) is a disadvantaged mountain territory located in the Korça region, which is one of the most developed regions in southeastern Albania. The area has a strong potential of pastoral products (meat and milk) from their special qualities and / or their reputation as products of "Origin Vithkuq". Also this territory has diversified natural resources and promoting a good quality of the multi-potential activity - with a strong importance of pastoral resources. During century this territory was of center of the Vlach minorities, recognized by the farmers of the Municipality for their pastoral tradition recognized. The small ruminants in this region represent 15% of the total small ruminants of the country. In the last five years the local and national market demand for pastoral products, especially those of small ruminants, experienced a strong increase (INSTAT 2014). During this period the region has experienced a 39% increase in the number of cattle heads (43% for sheep and 26% for goats, (Çili *et al*, 2013). Vithkuq is a mountainous territory whose population decreased by 56% the last ten years. This desertification of the population has been accompanied by a sharp increase in the herd size and new dynamics in the local production. The dairy products originating from this territory are well known in the regional market and abroad. The dynamics on these markets has caused an increase of the production and new issues on the use of the territorial resources which are considered as crucial for a sustainable development of the dairy value chain products which is mostly informal.



Source: Elaboration on GIS by Florjan Bombaj

Currently the Vithkuq municipality has 13 villages with a total population of 1660 habitants. The number of cattle heads has increased since 2000. We took two periods analysis to analyze the data. The two years of analysis are 2005 and 2015. Referring to the evolution of the population we can see a reduction of 56% while the increasing of the herd size for the same period is at a rate of 4%.

Table 1. Pastoral dynamics of Vithkuq

Year	Total Population	Herd Size	Total Milk Production (q)	Total meat production (q)
2005	2,939	17,920	27,500	1,605
2014	1,660	18,549	25,200	2,497
Diff in %	**-56%**	**+4%**	**-9%**	**+55**

Source: (Çili *et al*, 2013); (Matka 2015) and author's calculation

In the municipality of Vithkuq with nearly 11 500 dairy sheep on 18 549 ruminants, the dominant farming system is based on sheep farming. According to our surveys we can state that the local farming system is constituted by three different types of farms: a) small subsistence farms; b) intermediate farms producing market's surpluses; c) specialized farms, whose production is mainly marketed. The local farming systems co-exist on the municipality's territory with farmers from other regions (transhumant). We identified (Bombaj *et al*, 2016) 6 self-consumption farms; 12 intermediate farms and 21 specialized farms. The livestock system is based on sheep farming. The self-consumption farm is characterized by the self-consumption and with very occasional or no sale. This type of farm has 1-10 sheep/goats and / or 1-4 bovine animals. They don't have young labor force and don't do transhumance. The intermediate farm is characterized by the self-consumption plus some sale and often has multiple activities. This type of farm has 11-99 sheep / goats and / or 5-9 bovine animals. They don't do transhumance but they tend to expand their activity if they have a young labor force. The specialized farm is a specialized livestock farm and they sale the majority of production. This type of farm has more than 100 sheep / goats or more than 10 bovine animals. They do transhumance and tend to expand their activity. The specialized farms tend to increase every year in the territory.

Table 3. Evolution of the milk production in the Vithkuq municipality

Milk Production in Quintals	2005		2015	
	Heads	Prod	Heads	Prod
D. Cows	920	18,400	849	15,228
Ewes	15,000	7,500	15,900	8,586
Goats	2,000	1,600	1,800	1,386
Total	**17,920**	**27 500**	**18,549**	**25,200**

Source: (Matka, 2015)

In 2015 the total milk production has decreased by 9% compared with 2005 while the meat production has increased by 55%. A trend on meat production is observed because the milk has a low price and does not always cover the productions costs.

4.1. The milk and meat value chain

In the exploratory phase of our work three dairies were identified and they had a high geographical spatial dispersion. This facilitated the identification of the villages by the dairy where the villages sell the milk. We identified every dairy as a pole. According to (Bombaj *et al*, 2016c) the three poles correspond to the identified villages where the three dairies are present in the Municipality, centralizing the majority of sold milk, almost exclusively in processed form. These identified villages correspond also to the most populated ones and the geographical position gives them a "spatial economic influence". There are only two villages that have more proximity with the villages of the neighboring municipality.

Table 4. The three dairies identified as the three poles

	Pole **Vithkuq**	Pole **Lubonje**	Pole **Panarit**
Population	**805**	**575**	**260**
Dairy prod cheese(q)	**170**	**100**	**72**
Dairy capacity (q/day)	**23**	**10**	**7**

Source: Author's observations

The most important and technologically well-equipped is the dairy of Vithkuq. Its current processing capacity is 23 quintals of milk per day. In 2014 this dairy produced 150 quintals of white cheese and 20 quintals of cooked cheese called "Kaçkavall" in the local terminology. He covers the transport costs of the milk collecting the milk with his own truck every morning to the villages where he buys the milk. The cheese produced in this dairy is sold directly by his shop in the Korça district. The two other dairies sell the cheese to the capital, in Tirana. They have stable commercial relations with shops in the capital. The most isolated dairy is in the pole Panarit which is specialized in the production of cheese called "Kaçkavall" and in 2014 the total quantity of cheese produced was 72 quintals. The transport is in charge of the breeders and the milk price is, according to the breeders, very low. They don't have other choices where to sell their milk and in case where no one buys their milk most of them will face a huge loss of money. They have in fact a very few remote appropriated alternatives to this type of organization. Contracts between farmers and dairy owners do not exist. The value chain governance is mostly informal and based on long-term relationship. If a conflict can occur for the milk quality farmers in some cases are subject of collective penalties from the dairy owners.

The meat value chain is totally informal and the sales in live weight of the Calves, Lambs and Goats are in the majority of cases done with social network and family members.

Table 5. Evolution of the animal market in the Vithkuq municipality

	2005		2011	
	Heads	Prod (q)	Heads	Prod (q)
Calves	500	300	800	560
Lambs	12,000	1,200	12,000	1,200
Goats	1,500	105	1,600	128
Total	**14,000**	**1,605**	**14,400**	**1,888**

Source: (Çili *et al*, 2013); (Matka 2015) and author's calculation

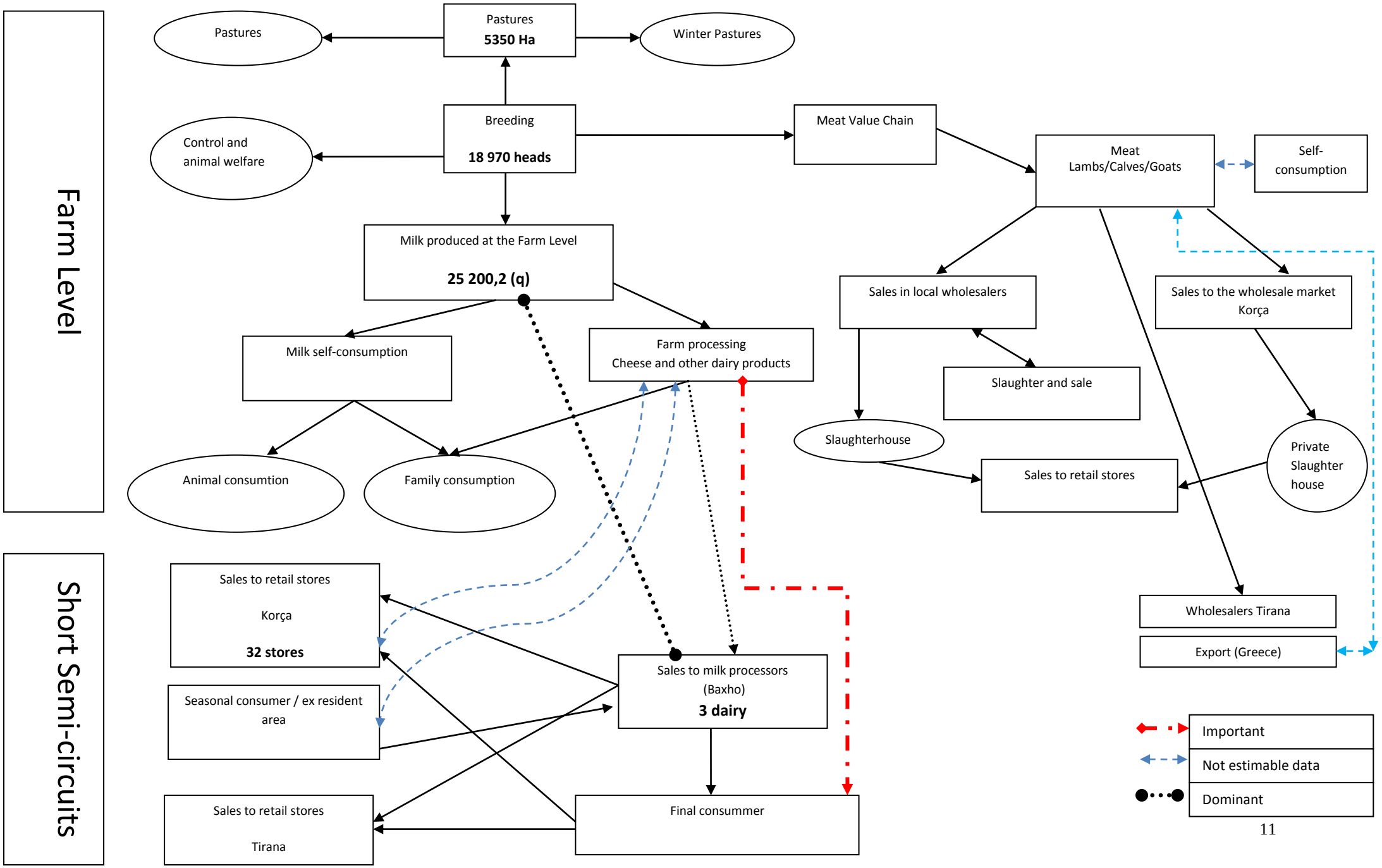
We tried to understand the logic and strategy of farmers for the products they sell to the market. Some breeders have dual orientation milk / meat. There are three ways in which they sell lambs / calves / goats. First: they go themselves to the wholesale market in Korça. This method is expensive for the majority of farmers who do not have transportation means. They are forced to gather in groups and pay a conveyance. Such is the case of Panarit and Lubonje. Second: Via the wholesale traders in the region, the horse dealers. This way of selling animals is common. The coordination is done by phone and the merchant comes in person to purchase the animals on site. The sale is on live weight price. The price is 2.3 Euros / kg LW for goats; 2.15 Euros / kg LW for lambs and 2.86 Euros / kg LW for calves. Third: Via merchants details of Tirana. There are sometimes large old-traders living in the area who buy animals in the area and who sell to the wholesale market in Tirana. The first two ways cover 80% of total sales of animals in the area. The value chain is totally informal and transactions are on spot without a contract and/or without invoice. No traces of a legal transaction but just a transaction based on trust. The average live weight of lambs at slaughter is in many cases too low but often farmers sell the lambs before the religious holidays with prices that are good at this time and others want to focus more on milk and try to sell the lamb as soon as possible by neglecting the opportunity to feed it with other products that sheep milk.

Tableau 6. SWOT analysis for the milk and meat value chain

Description	**Strength**	**Weaknesses**	**Opportunities**	**Threats**
Milk				
	Private ownership of farms and processing units	Mix farms with double orientation	The annual increase of the milk production	Uncertainty over land rights
	Very good tradition on milk production / processing	Low productivity of the mix farms	The increasing demand for dairy products	Weak enforcement of laws regarding the quality
			Increase in the number of farms specializing in the production of milk with more than 10 cows, more 100 sheep and goats	Lack of foreign direct investment in the area
Meat				
	Large sizes of farms with modern stables	The live weight of slaughtered animals is often much too low resulting in low profitability; the reasons are the demand for very young animals (of all kinds) and the unavailability of cheap feed for the animals	Consumer preferences for local products	No export possible because of lack of enforcement of food safety laws Public rural infrastructure underdeveloped
	Large farms have tractors and farm equipment for hay	In most of the cases the small farms stables are in primitive conditions	Increase in the number of farms specializing more in the production of meat production with more than 10 cows, more 100 sheep and goats	Production cost very high No market information system in place

Source: MAFPC, 2014, author's observation

Milk and Meat Value Chain in the Vithkuq Municipality (2015), Albania



4.2. Collective action initiatives

With the strong institutional support of the regional department of agriculture of Korca, in the period 1997-2000, was founded the first association of breeders in the area (e Shoqate Fermereve you Mbareshtrimit you Lopeve - Cows Breeders Association, as french model UPRA) in 3 of the 13 villages covering the Vithkuq Municipality (Vithkuq, Leshnje, Shtylle) with 32 members. The purpose of this association was to create a race Tarentaise development initiative in the area. In 1999, a dairy cooperative was created in the village of Leshnje with 12 members. The cooperative has been active for only 4 years with a strong local activity which influenced the level of income of those members. The cooperative has created its own dairy and was about to also create their own logo. After 4 years of activity, the cooperative has experienced a lack of stability since 2003 and it ceased activity. Both local initiatives of farmers in the area have been strongly supported by the regional department of agriculture of Korça and the various French and Dutch associations operating in the area at the time.

In the area there are three farmer associations aiming a better organization in matter of livestock production and common natural resource management. Even if some results can be seen in the field, the challenge of the future is to improve the rural infrastructure especially for some remote villages and more support for the livestock sector. But another issue is the federation of the three associations in one structure that may take the institutional form of a cooperative.

4.3.The territorial resource management issues

After the fall of communism the agrarian reform has led to the deconstruction of the old economic regime, which was characterized by centralized productive resource management. The re-distribution of the communal pastures was done according to the historical organization of the cooperatives, which did manage the communal pastures where they were located. In our study area, farmers who do not perform transhumance made use of the communal pastures (625 ha) from March to November. These farmers are essentially small breeders who are organized in a collective way to manage their herds. The two main pastoral resources of the pastoral space of Vithkuq municipality are the pastures 5,350 ha and forests 8,010 ha. Summer pastures are considered as a key factor for the local farming system. The access to these pastures is one major factor that influences the farming systems of the local breeders. During our surveys (Bombaj *et al*, 2016c) we have identified three types of pastoral resource management:

<u>State pastures:</u> this property applies to grazing land belonging to the state. These are managed by the Departments of Forests and Pastures which decides the price and distributes them to farmers. These pastures are expected to be distributed in priority to the local herd. In this type of property is found mainly altitude summer pastures located far from villages.

<u>Private pastures:</u> this property applies to grazing land claimed by the individual owners, according to family property rights dating from before the communist period. There is not necessarily a clear and official status on these types of property. In them we find all kinds of summer pastures, but often quite distant from the villages and both local breeders and breeders from other regions pay for the use rights.

<u>Property of the village:</u> in reality it is communal pastures but whose use is largely managed by the villagers, who consider themselves the legitimate users of a resource being on the territory of their village. We observed this type of ownership of the overall use is not a source of conflict.

The summer pastures are owned by the state or private actors, and farmers need to pay for the use rights. The very last year's some new local breeders willing to expand their herds are in competition with transhumants coming from other of Albania. These transhumants have more than 15 years using the state summer pastures. Only the last years some conflicts are observed for the resource use rights because the herds of the territory are growing and they need this resource. This can cause some conflicts with the local breeders because the boundaries are not always clear.

Within the new territorial reform in 2016 the status of pastures will change in the future. The communal and state pastures (which are pastures managed directly from the state and not by the commune) will become "public pastures" managed by local authorities situated in the next main city of the district. The municipality will lose the management of the communal pastures and there will be no more common pasture management. The pasture management decision will be centralized at the regional level. All breeders will have to ask explicitly for grazing land in order to bring their herds, and to pay for the pastures use. Public pastures will be allocated in priority to local farmers. If the local breeders who need this resource will not be able to pay for it, the region will open access to farmers coming from elsewhere.

Conclusion

The dynamics observed in the near and more distant urban markets enabled the growth of the local milk and meat production. But it's interesting to note that the increase of the herd size in the territory has been more oriented toward the meat production rather than the milk production. While the total milk production has decreased by 9% the last ten years the total meat production has increased by 55%. Some entrepreneurship farming and collective action initiatives are identified in this disadvantaged area aiming a better socio-economic situation. Farmers tend to be more meat oriented producers because the milk has a low price and do not cover the productions costs. The market power according to the farmers is held by the dairies owners who apply low prices for the milk. The increase in the meat production compared to that of milk is that the meat is more paid and requested either in the local market by the restaurants / hotels either by family consumers. The increase of the herd size causes an increased demand for pastures which is a source of conflict for the local farmers that needs this resource during summer. Despite the strong presence of associations of farmers for more than 15 years in this area, the level of collective action and activation of specific territorial resources are still very low. The bargaining power in the milk and meat value chain is asymmetric and the current dynamics of the value chain does not position the products in a niche market capable of engaging a virtuous circle for a good remuneration of the producers and for the reproduction of the natural resources. The main issue is to identify the best option for farmers to better valorize their products respecting the safety food standards while valorizing and respecting the proper use of the territorial resources. In another paper we will explain how the common use of territorial resources affect the productivity and the economic activity of the farmers.

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