What hinders the commercialisation of semi-subsistence farms in Kosovo? Farmers’ narratives

Workshop: Increased Efficiency and Effectiveness of Kosovo Agriculture Policy to Benefit the Commercialization of Small and Family Farms | 10-11 September 2018 | University of Kent, Canterbury
Motivation

- Importance of agriculture: (a) substantial contribution to the GDP; and (b) potential to generate employment

- What prevents the commercialization of semi-subsistence farms in Kosovo?

- Aim of the study:
  - Focus on farmers and dissect from their narratives key challenges that withhold the expansion of agricultural production.
Kosovo's Balance of Trade in Food Items for Year 2017

Total Value in Euros (000s)

Fig 1. Kosovo’s Trade Balance in Food Items for Year 2017
Source: Authors’ compilation based on Kosovo Agency of Statistics (KAS) 2018 data on external trade statistics
Field work in the Opoja & Vitina regions/Kosovo (August 2016)

1. Qualitative case study approach:
   - 28 interviews (open-ended & semi structured interviews)
   - Participant observation, direct observation & field notes

2. Selection of interviewees via snow-ball sampling technique
Methods & Survey Design

Open interview topics with farmers:

✓ Land use (commercial production vs. semi-subsistence production)
✓ Productive investments in agriculture and commercialization of subsistence farms
✓ Labor allocation strategies

Thematic Text Analysis:

✓ Several-stage coding process
✓ Consensual coding in a team of two researchers
Fig 2. Factors hindering commercialization of semi-subsistence farms in Kosovo with estimated frequency distributions as per each factor

Source: Authors’ compilation based on thematic text analysis of the qualitative data
“Agricultural Inputs”

- Lack of agricultural workers is the number one barrier preventing expansion of production

- Lack of quality seeds and costly fertilizers increase costs of production substantially

- Land fragmentation and loss of agricultural land impede mechanization while causing irreversible damage
There is no labor force, there is none. It is very bad that we have no workers, even if we wished to work more we can't work more. If only I had labor force, the amount of money it cost me to tie these (the forage for the animals) and how much I paid for the machine, I could have bought a machine myself. But who is going to work, who? Who will drive the tractor, who? There is no one, no one.

[Farmer Interview, August, 2016]
At the time of Yugoslavia, a sack of fertilizers cost 5 Marks and it was worth it at the time, but to buy 20 Euro one sack, it is not worth it. In Kosovo, it costs 15 – 20 Euros a sack of 25 kg of fertilizers, in Serbia it costs 8 Euros a sack of 50 kg of fertilizers because Serbia produces it itself. Here Trepca used to produce [fertilizers] at a time, and it was very cheap fertilizers. (...) And now it is not cost-effective anymore. I tell you, to till this [plot of land] and sow it, I need 200 Euro, for the petroleum for the tractor, the combine, for fertilizers and that's it.

[Farmer Interview, August 2016]
Results II

✓ Lack of knowledge from farmers pertaining to the following issues:

i. Sowing in accordance with climatic conditions
ii. Protecting the land from various illnesses
iii. Knowing the needs of the market for agricultural products and producing accordingly
iv. Being acquainted with the latest production technologies for agricultural commodities
## Results II

Table 1: Summary of Interview with the village head in Vitina

<table>
<thead>
<tr>
<th>Barriers that hinder commercialization of agriculture</th>
<th>Proposed measures to revitalize agricultural production</th>
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<tbody>
<tr>
<td>1. Lack of knowledge with regards to the quality of land vis-à-vis what is being produced (e.g. which type of seeds work better given the structure of the land)</td>
<td>1. Organization of trainings for the farmers – educate farmers on what should be produced in accordance to the soil/soil fertility and climatic conditions</td>
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<td>2. Lack of good seeds</td>
<td>2. The type of seeds offered should be better specified and should be adapted to the conditions of the soil in the localities</td>
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<td>3. Lack of knowledge on the protection of the land from various illnesses</td>
<td>3. Trainings with regards to the proper management of the agricultural land – how to protect the soil from various illnesses</td>
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<td>4. Lack of knowledge on the preparation of the land for the sowing of the plants (e.g. how to sow tomatoes in open nature or what type of tomatoes to sow)</td>
<td>4. Targeted production expertise on the field, offered directly to the farmers</td>
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<td>5. Lack of a proper irrigation system</td>
<td>5. Extend and improve the existing irrigation system, devise a framework for its maintenance</td>
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<td>6. Lack of the organization of the farmers in associations, e.g., an association for the producers of vegetables from the region</td>
<td>6. Incentivize the organization of small producers in local associations</td>
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<td>7. Difficulties to gain access to local markets (both in terms of infrastructure and in knowing the market needs and demands)</td>
<td>7. Organization of collection points for the farmers and expert information on the those agricultural products mostly sought by markets ( both domestic and international)</td>
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<td>8. Lack of trainings, seminars aiming to introduce farmers to the latest production technologies</td>
<td>8. Seminars organized for instance by the Communal Directorate for Agriculture on technologies that aid production</td>
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<td>9. Lack of concrete measures to halt imported products during those times of the year/seasons when the locally produced fruits and vegetables are ready to go to the market</td>
<td>9. Ensure a protected market, better targeted policies at the commune level to offer a safe market for the producers and increase investments in agriculture.</td>
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Results III

✓ Lack of domestic agro-food value chain creates ‘leakages’ in the domestic economy (Stiglitz, 2009)

✓ Inability of Kosovo farmers to compete with imports from countries with highly capitalized and subsidised agriculture (adherence to CEFTA)

✓ Lack of capital investments impedes modernization of production technologies

✓ Lack of support from local institutions (access to information, collection and storage facilities, irrigation systems)
The problem is with production. There is no production. In these two months (summer months), the Diaspora brings all the money to Kosovo. At the end of those 2 months and 2 days, Kosovo sends all money to Serbia, because that's where we need to buy, because production is there. Take the yoghurt for instance, the yoghurt is a big scam. He [middle man] takes the primary raw milk in Serbia, and sells the yoghurt here. Forget about [domestic] yoghurt. The accumulation of money is done there.

[Farmer Interview, August 2016]
Results III

• The government needs to clearly harmonize the fiscal policy throughout Kosovo so that for all the agricultural products for which we have super production (over and beyond) in certain seasons, then it should either halt temporarily the imports or increase the import tariffs. Let's take the watermelon. It costs 13 cent per kilogram if you buy in big quantities. He [the farmer] sends from Skifteraj to Pristina, 2000-3000 kilograms for 13 cent. But, if the import of the watermelon from abroad, was to be halted, at least for that 1 month, then the farmers can sell even at 20 to 25 cents. These are some obvious hindrances.

[Farmer Interview, August 2016]
Final Remarks

- The analysis of farmers narratives reveal a number of constrains that hinder the expansion of agricultural production
- While solutions may not be simple, they need to be practical and with a focus on the farmers’ immediate (local) environment
- Farmers typically have ‘their soul in the game’ (Taleb, 2018)
- They do not just want to maximize their profits (be efficient and effective), first and foremost, they want to be in the game!
References


References


• Swinnen, J. F. M., & Gow, H. R. (1997). *Agricultural credit problems and policies during the transition to a market economy in Central and Eastern Europe*