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Internal capacities of
FRUIT AND VEGETABLE PROCESSORS IN KOSOVO

REPORT FROM THE SECTOR STUDY

August 2018
Prishtina

Contents

1. INTRODUCTION 3
2. METHODOLOGY 4
3. PREPARATORY PHASE 5
4. INTERVIEW PROCESS 6
5. CHALLENGES FACED 7
6. ANALYSIS OF RESULTS 8
7. SUMMARY OF CONCLUSIONS 11
1. RECOMMENDATIONS 19

ANNEXES 22

List of interviewed companies 22

Questionnaire, sample 23

Consulted material 28

1. INTRODUCTION

This research has been conducted by PePeKo, the association of fruit and vegetable processors in Kosovo, with the support from USAID. The aim of the research was to assess the agriculture sector in Kosovo, focusing on the processing capacities of the companies, members of PePeKo association. The Association used the research to also identify more opportunities for improving its own performance, as well as upkeep the relationships with, and among, its member companies. The research becomes more important, as, according to Kosovo Green Report 2017, by the Ministry of Agriculture, Forestry and Rural Development[1]:

"Agriculture and rural development are one of the most important sectors, contributing to the overall economic development. These sectors bring high opportunities for Kosovo and its citizens to alleviate poverty by creating new jobs and creating a favourable developmental environment for the residents in rural areas."

Hence exploring new opportunities in fruit and vegetable processing sector is a contribution in boosting overall economic progress. Eleven companies, members of the associations, were interviewed. Companies were chosen to represent main actors in the sector, with diverse size, focus, experience, and geographic location. The research was conducted during July and August, 2018.

After this Introduction, the second chapter of this report describes the preparation phase for conducting the research. The third chapter describes the interview process, while the fourth chapter brings an analysis of the collected results. The fifth chapter highlights some main observations of the researcher, while chapter six summarises the report, and the findings, with a list of recommendations for the stakeholders. A sample of the Questionnaire used in the interviews will be annexed to this report. The list of interviewed companies as well as a list of consulted material prior to research are annexed, too.

Enjoy the reading,

Abdullah b. FERIZI,
Researcher
Prishtina, 11 September 2018

The author considers this report, together with the accompanying documentation and material produced during the process, ownership of PePeKo, and subject to confidentiality.

[1] http://www.mbpzhr-ks.net/repository/docs/Raporti_i_Gjelber_2017_Eng_Final.pdf

2. METHODOLOGY

A questionnaire has been designed to collect both qualitative and quantitative data, in direct meetings at the premises of the correspondents. However, as anticipated, the discussions with the company representatives, be them owners or company managers, were not limited within the structure of the pre-designed questionnaire.

For this reason, more supplementary data, both qualitative, and quantitative was collected, and will be incorporated in this report. The interviews were planned to last not more than 30 minutes, but, in average, they were around two hours long.

Initially, fifteen companies were planned for this survey. Twelve has agreed for the interview, though one interview could not be conducted, due to unexpected engagements arising for the company.

The companies were clustered geographically, for easier reach; a bigger number of companies is in Prizren region, and they were interviewed first, followed by Drenica region, than Gjakova, Podujevë, Gjilan, and last, Prishtina. Company representatives were initially contacted by phone, to arrange the interview, and some of them asked to have the electronic version of the questionnaire ahead, to prepare.

Most of the companies responded to questions directly, while some of the needed more time to consult, either responsible staff or the documentation of the company, in regard to specific questions. This created a situation in which, despite the insisting of the Researcher, some of the data could not be obtained. However, these missing data are too minor to be jeopardising the purpose of this study.

3. PREPARATORY PHASE

Several meetings were organised between PePeKo representative and the Researcher, to clarify the objectives and fine-tune the tasks.

Prior to the interview process, PePeKo informed each of its members, the potential interviewees, with the objectives and purpose of the survey.

Association PePeKo provided the Researcher with an insight on the current outlook of the sector, as well on the positon of each company.

In addition, a list of documents and reports were collected and analysed during the desk research, for more effective interview process. Documents consulted are produced by a set of stakeholders, directly engaged in the sector, such as: Kosovo Agency of Statistics, Kosovo Customs, Ministry of Agriculture, Forestry and Rural Development, Ministry of Trade and Industry, USAID, GIZ, PPSE, Swiss Agency for Development and Cooperation, Alled Kosovo, and more.

Next, a draft Questionnaire was designed by the Researcher, to be enriched and altered with input and observations by PePeKo. After finalising the Questionnaire, Interviews were arranged.

4. INTERVIEW PROCESS

As anticipated, interviews have been done in the premises of the correspondents. This gave the Researcher a good opportunity to have a better understanding of each of the companies, as well as the overall sector in Kosovo.

Usually, two interviews were planned per day, thirty minutes foreseen for each, although they lasted longer than expected, about two hours each, due to the engaging discussions.

The interview process started in Prizren region, with Abi & Elif 19 Company, continuing with the freshly launched company, JEGE, and then Eurofood, both same in Prizren. Fitimi Company from Drenas hosted the Researcher next, continuing with Mix Product, Prizren, than K.B Krusha, in Kurshë e madhe. MOEA hosted the Researcher in Prishtina, while R-Company was visited in their new premises, in Gjakova. Ananas Impex came to Prishtina to meet, Ask Foods was visited to their premises in Livoç i poshtëm, and Koral in their office in Fushë Kosovë.

Each interview started with a brief presentation of the Researcher, recalling the Objective of the research, and the expectations of the sides involved. The questions as defined in the Questionnaire were used as a guidance to open up space for discussion, and the respondents appreciated the opportunity to present, not only their Company, but also their understanding and the perceptions of the sector, in local and regional level. This enabled diverse approach of respondents to answering the questions, which enriched the understanding of the sector, and enabled opportunities for respondents themselves to reflect upon their field of engagement, and their companies.

Respondents were keen to provide concrete recommendations for stakeholders in the field, which are presented in chapter 7 of this report. A set of challenges occurred during this process, are described in the following section:

5. CHALLENGES FACED

During the interviews, it became clear that it is a challenge to define one questionnaire that will, in one form, embrace the diversity of all the respondents, especially if their aspirations and experience are as assorted as this survey proved. This is the reason why the Researcher used the questionnaire as a guidance to open-up discussions, not just as a form to be filled.

This also manufactured the next challenge – compiling a joint report that brings together the range of responding attitude, including the freedom of individual companies to preserve certain data as confidential.

Not all companies had their data in-hand, thus additional consultations with the responsible units within the company was needed, and this resulted with several data not being possible to obtain.

The interview process occurred during July and August, which is the peak of the season in collecting products in agriculture, and the companies are more occupied than in other times of the year. In addition, it is a holiday season for families of the respondents, which made the time of the respondents more valuable, and also the Researcher thankful to them for setting aside time for these interviews.

Being them private companies, it was a challenge for them, although not always, to comprehend their benefit from the research. This required extra effort from the Researcher to explain the opportunities that can occur from the results of the survey.

A slight note of '*being spoiled'* with the donations could be noticed, and the Researcher aimed on making sure that no false expectations are installed.

A number of complaints by the respondents was addressed toward the institutions, primarily related to - as one of them put it - the '*agricultural war*' between Kosovo and Macedonia. *Imports account for over 70% of local demand*[2]. However, most of the respondents provided also recommendations related to the issues they identified, listed in the respective chapter below.

[2] http://www.mfa-ks.net/?page=2,4,2265

6. ANALYSIS OF RESULTS

The interviewed companies are relatively young, established after 1999, generally reflecting the violent history of Kosovo. Several of them have grown in meantime, and re-registered as renewed, more complex legal entities. The accumulated experience does not necessarily correspond to the success and growth of the company; some of quite young companies have proved to be very energetic, and soon enough competing with more experienced ones. Few companies are well equipped with certificates that prove the quality of their products, primarily for the purposes of export, and others are in the process of obtaining them. There are companies that do not still comprehend the benefits of being certified, but there are also companies that go beyond the common certificates, by obtaining IFS Certificate, e.g. (one company, since 2018). Three companies are HACCP certified, since 2005 onward, three of them ISO 9001 certified, since 2014 onward, one company is in the process of obtaining ISO 22,000 Certificate. Others are focused in certificates that are more specific for their own products, such as Halal Certificate and Global GAP. Companies also undergone various trainings, e.g. the *Food Control Training* provided by Food and Veterinary Agency. Individual companies are also part of the state institutional bodies, e.g. Economic Chamber of Kosovo/

Not all companies were willing to answer the question on their production capacities, and these capacities do not necessarily reflect the investments and the experience of the interviewed companies; the overall production capacity varies from as low as 165t, up to 5000t. Several companies have more preserving capacities than used, reaching **up to 500m2** per single company, which is an opportunity to be further explored, and could be utilised.

In regard to investments, the values are between **150,000 up to 2 million EUR**, while the planned investments go **up to 3 million EUR**, primarily in machinery and infrastructure. Few companies invested in their staff capacities, although this was difficult to measure, since it is the education of their own family members.

Most of the companies are depending up to **100% on the local supply**, while others, due to the nature of their product, are supplied from the import, **from 3% up to 25%** of their overall production. Contracts for the supply with raw material usually have a well-established pattern; companies contract the collection centres, which contract individual farmers. Several companies noted that these contracts were made possible with the support of PePeKo and USAiD. Companies with bigger processing capacities contract both collection centres, and individual farmers.

Supply from the individual farmers are not always followed with contracts, as the individual farmers perceive selling of products as their way of life, not as a business that is subject to administration. *Agriculture is the main source of income for the majority of the population*,[3] The amount collected from individual farmers is usually slightly bigger than that provided by collection centres.

Although packaging in the glass prevails (app 2000T per year), plastic packaging needs attention; about **300 tons.** of products comes to the market in plastic. One could explore further the possibilities of reducing plastic use, and, both indigenous and creative solutions might occur.

Distribution is done mainly through profiled distributors, reaching up to **1600 tons** of products per year, while up to **160 tons** are distributed by a single company through retail, all this within Kosovo. With wholesale, the total distribution of items reaches up to **650 tons per year.** Export per company goes as high as **320 tons per year**.

From 20 to 30% of all the products are exported, with app **160 tons** exported by a single company. Countries in the region, mainly Albania and Macedonia are solid markets for the companies, while in European market, Austria, Switzerland, and Germany are mainly targeted. Successfully.

Companies are determined in expanding their capacities, reaching up to **3000 tons** per year for one company. Most of the companies expect the established tempo of advancing in the market, expecting up to 10% growth of their sale, although few, due to their investments and preparations, expect even up to **70% growth** of their processing capacities, thus also sale. According to Kosovo Agricultural Sector Overview, an estimated amount of 61.6 million USD is expected to be the total export in 2018.[4]

The growth is expected mainly due to the expanding of capacities and the quality improvement. It was interesting to note that none of the companies expect certification to impact the expanding of their production. A positive observation was that several companies highlighted the awareness-raising of the consumers in demanding quality, as a boost for their development.

[3] http://www.mfa-ks.net/?page=2,4,2265
[4] https://www.export.gov/article?id=Kosovo-Agricultural-Sector

Several respondents mentioned that expertise and capacity building was earlier provided by Ministry of Trade and Industry, USAiD, GiZ and other interested parties, as well as through study visits and fairs that companies took part in. Companies are well aware of the need for additional expertise, and highlighted the fields where they need support.

Being them private businesses, managerial structure is usually organised within the families, although several of companies have grown beyond the family circles, and do apply established, professional responsibility share.

Strategic planning is done in yearly basis, based on the analysis of the company, detailed plan (either by a board or by the owners), and where applicable - in consultation with the heads of departments within the company, following the demand, and the season.

During the interviews, company representatives expressed diverse understanding, and expectations of PePeKo, as an association of theirs; several of respondents expressed their interest for a strong association that could, rather should - take more active role in lobbying toward institutions for more processors-friendly market environment in Kosovo, and campaigning, generally, for the promotion of fruits and vegetables of Kosovo.

Respondents did not share same experiences from the traditional fairs they are participating; while some are listing direct benefits from these fairs, other highlight the logistical difficulties occurring in these engagements.

Almost each respondent highlighted the current social (and political) context in Kosovo, that affect their field of work; the flood of youth leaving Kosovo few years ago directly harmed the labour market of the companies, and affected their products. One respondent mentioned that, in order to get a price that could compete with the imported products, within Kosovo, they are forced to lower the payments of their own staff, which surely affects the level of their commitment, thus engagement. Respondents also declared that there is no national strategy for Kosovo food processors in place – not as a document, but as an ideology, and a concrete action plan. This, respondents claim, enables individuals within the institutions to harm private processing companies, for personal benefit.

7. SUMMARY OF CONCLUSIONS

Following are the results of the research, looking at the joint capacities of the members of PePeKo association, to recognise the potential of the assembly of food processors in Kosovo. These results reflect the reported statistics, not the actual ones, as some companies did not share their data.

10 of the interviewed companies are registered as *Limited Liability Companies*, 1 is a corporation, of which 3 have re-registered, when changing their status. *Compared to 2016, most of the industries registered lower number of registered companies, 268 less in agriculture industry* and *a total of 882 companies are currently registered in this industry*[5]

CERTIFICATIONS

- HACCP Certificate. 3 companies, since 2005 on,
- ISO 9001 Certificate. 3 companies, since 2014 on, and
- ISO 22000 Certificate. 1 company; in the process of obtaining it.
- IFS Certificate. 1 company, since 2018.

further:

- Halal Certificate. 1 company in the process of obtaining it, and
- 1 company has reported completing Food and Veterinary Agency of Kosovo Training on food control.

PRODUCTION CAPACITIES

In the industry level, interviewed companies have declared

- 1407 tons total production for 2015,
- 2090 tons total production for 2016, and
- 3164 tons total production for 2017,

thus marking a growing tempo, in the sector level, of close to 60% per year. According to the companies' estimations, the upcoming three-year period will continue with such a positive pulse, and more, to be explained anon.

Based on the reporting of the companies, in the last three years, there has been no major obstacles for finding a market for the surplus of production, therefore most of the companies declared 100% sale of all of their products. Companies that preferred to respond

[5] https://bqk-kos.org/repository/docs/2017/BQK_RV_2017.pdf

with concrete numbers, declared a growth from 2.1M in 2015, up to 2.4M EUR sale in 2017, surely being from those companies with app. 10% in growth per year.

As per on the reported data, there is a capacity of

- 50 to 60 tons for storing food items in minus 40^{o}C,
- 5430 tons preserving capacities up to minus 15^{o}C,
  and an extra 250m^2 for raw material reported.

No investment in expanding this capacities in the last three years occurred. But, one company reported ULO (*Ultra Low Oxygen*) Storage System, with a capacity of

- 10,000 tons per cycle of collection, with 5 cycles per year, obtained in 2018.

A total of about

- 10.75 million EUR was invested so far by the companies, primarily in machinery and business premises, and an addition of
- 7.85 million EUR is planned to be invested in the upcoming three-year period, again, mainly in business premises and machinery.

This is reasonable, as 3 companies declared that they are currently functioning in the rented premises, and also the new machinery is planned as necessary, to follow the planned growth in processing fruits and vegetables. However, besides sporadic, minor cases, investment in staff qualification was visible. This is a worthy opportunity for PePeKo association, as it can initiate a broader qualification trainings for the staff of the companies, in national level, for different roles within the food processing practise, as well as for the administrative staff of the companies.

PROCESSING CAPACITIES

All companies within PePeKo association are supplied from the local sources, expect in cases when raw material is not available in Kosovo, which can go up to 50% of import, for individual companies.

Since 2015, a total of 3 contracts with Collection Centres (each collection centre accumulating the items from up to 100 farmers) were stated in total by the members of the PePeKo associations, reaching up to 1330 tons of miscellaneous items collected per year. Some 200 contracts were signed in total by the companies with individual farmers, with a total amount of 290 tons of products in 2017.

A bigger number of farmers, suppliers of the companies, a total of app 500 of them, was reported by the companies, since 2015, reaching a total of app. 1350 tons per year, as described in Section 6 of this Report (Analysis of Results). With a varying number of contracts per year, some 50 tons of raw material is provided through import.

Below are the figures representing collection of fruits and vegetables, per specific item, average for the period 2015 to 2017 –

Processing Capacities		Average annually (2015-17)
Fruits	Apple	685 tons
	Mixed berries	550 tons
	Plums	395 tons
	Wild apple	135 tons
	Sour cherry	110 tons
	Strawberries	12 tons
	Peach	10 tons
	Quincy	10 tons
Vegetables	Red pepper	1650 tons
	Pepper	1500 tons
	Cabbage	1070 tons
	Pickled cucumber	415 tons
	Cucumber	200 tons
	Somborka pepper	200 tons
	Tomatoes	780 tons
	Carrot	60 tons
	Eggplant	40 tons
	Onions	0020 tons
	Cauliflower	7 tons

If compared to the data provided by KAS (*Agricultural Household Survey and Expert's assessments within EAA, Census of Agriculture*)[6]; it appears that PePeKo member associations hold a solid share in the processing industry, in National level.

According to Kosovo Green Report 2017 (Min of Agriculture, Forestry and Rural Dev), Processing Industry in Kosovo, in the period 2010-2016[7], appears as follows:

Gross Domestic Product at current prices (in '000 €)
Economic activities Gross Value Added (GVA)

2010	2011	2012	2013	2014	2015	2016
489,304	493,945	549,265	584,764	575,830	625,841	665,852

PACKAGING

	Average annually (2015-17)
Glass jar	1960 tons
Glass bottles	2 tons
Plastic bottles	200 tons
Plastic buckets	100 tons
Metal cans	140 tons
Triplex packaging	**500 tons**

DISTRIBUTION

About 70% of all products are being distributed through wholesale, and remaining 30% through retail, as follows (average annually, 2015-17)

Wholesale	55 contracts	550 tons
Retail	4 contracts	110 tons
Distributors	N/A	1560 tons

Companies, members of PePeKo association, distribute their products in the neighbouring countries, such as Albania, Macedonia and Montenegro, while in European level, focus is in Germany, Slovenia, Switzerland, Austria, Sweden, and more[8].

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[6] Economical Catalogue for Agricultural Products, 2017, Ministry of Agriculture, Forestry and Rural Dev; http://mbpzhr-ks.net/repository/docs/Katalogu_Ekonomik_per_Prodhime_Bujqesore_2017_Eng_Final.pdf, page 8, 1.2.2 Vegetables Table 4: Area and vegetable production, 2010-2016

[7] http://www.mbpzhr-ks.net/repository/docs/Raporti_i_Gjelber_2017_Eng_Final.pdf

[8] There are companies in Kosovo that export their items also outside of European Continent, e.g. USA and/or Africa. More detailed information on this was not obtainable through this report.

According to the provided data, the following total of distribution outside Kosovo could be quantified:

Country	Nr of Contracts	Quantity
Switzerland	1	140 tons
Germany	1	30 tons
Albania	N/A	50 tons
Macedonia	N/A	40 tons
Montenegro	N/A	15 tons
Misc.	N/A	310 tons

EXPORT 2015-17 (EUR)

Product[9]	2015		2016		2017	
	amount	*value*	*amount*	*value*	*amount*	*value*
Misc.	N/A	275,000	N/A	138,000	N/A	104,000
Ketchup	28 tons	21,000	25 tons	18,000	45.5 tons	83,000
Mayonnaise	23 tons	20,000	16 tons	14,000	10 tons	9,000
Marmalade	58 tons	50,000	49 tons	43,000	56 tons	49,000

EXPANDING CAPACITIES

All interviewed companies declared planning to expand their supply in the next three years, in total as follows:

Culture	2018	2019	2020
Tomato concentrate	3,000 tons	3 tons	0003 tons
Pepper	2200 tons	2300 tons	2400 tons
Chilli pepper seeds	30 tons	100 tons	100 tons
Cabbage	50 tons	60 tons	60 tons
Carrot	50 tons	50 tons	50 tons
Leek	50 tons	50 tons	50 tons
Cauliflower	5 tons	10 tons	15 tons
Broccoli	3 tons	6 tons	9 tons
Garlic	1 tons	2 tons	3 tons

The following was also reported, outside of the established form of the Questionnaire:

[9] Primarily final products are exported; none of the companies reported exporting (or planning to export) semi-processed items, while 1 company declares it is the only planning to export raw material, as others do not have the technology, although the figures were not provided.

Misc. products	average annually	1,000 tons

In addition, PePeKo member organizations have also reported different varieties of ready products, such as marmalade, to be part of their plans for expanding capacities, although no concrete numbers were provided.

MID-TERM GROWING **PLANS**

Respondents say that they expect growth in their production due to the following reasons, braked down in percentage representing the association level:

Growth of demand	20%
Access to market	20%
Expanding production	30%, and
Improving quality	30%.

None has mentioned that possible certifying would impact their expanding of capacities, and few of them added the raised awareness of the consumers as an added value that will provide them space to grow in the market.

COMPANIES STRUCTURES

606 people	*in total employed by PePeKo members*,
245 male	
361 female	
293	under 30 years (primarily students),
243	belonging to non-majority communities.

Females prevail in the industry, and one respondents called it a “women’s industry”. *In total, the share of women in the FOOD skill sector is 38.4% while it is only 22.8% in the total employment*.[10] A bigger number of non-majority staff engaged is occurring due to the seasonal engagements, primarily in the villages in Prizren and Gjilan region.

Staff Distribution

No major growth in staff was recorded in the last three years, and their overall staff distribution is as follows:

Administration	47 people
Production	185 people
Distribution	510 people, plus the appointed distribution companies;
Seasonally engaged	385 people, and
Experts	2 to 3 experts, in total, per year.

[10] http://www.alledkosovo.com/publications/alled-2016/Food-Processing-manual.pdf

From these results, it appears that member companies of PePeKo association provide a solid market for about 1K Kosovo families, an assed that PePeKo, and the companies could utilise further, especially when it comes to building trust, and loyalty of consumers, toward a possible joint identity of Kosovar producers, of a fine quality.

Existing Capacities

With the companies, members of PePeKo association, there is a total of

12	Qualified technologist
5	Food engineers
2	Laboratory experts
6	Economists
3	Engineers of machinery
2	Agronomist
1	Food technician
1	Lawyer

5 of the listed qualified staff are of MA level of education. In addition to this, there is profiled staff that has been educated for a certain responsibility within the chain of processing. Due to the nature of the sector, the rest are of secondary and/or primary school level of education. The represented staff qualification is a merit of various trainings that companies staff has, such as:

- *Trainings of HACCP*
- *GiZ trainings for the companies*
- *Training on Food Processing*
- *Trainings on Marketing*
- *Certification by the Association of Accountants (level II), and more.*

The numbers provided re expertise of the staff are not satisfactory, if contrasted with the data provided in Agricultural Growth and Rural Opportunities, USAID Factsheet 2018, which states that 7,825 persons in Kosovo have been trained in agricultural productivity[11]. PePeKo association could explore more opportunities for involvement of this trained potential. Some companies have engaged staff for market research, in order to identify opportunities and risks, but did not share the number, and more than one respondents did not hesitate to mention that the knowledge and experience share within the family members is an asset, and an investment in the growth of their staff.

[11] https://www.usaid.gov/sites/default/files/documents/1863/AGRO_at_a_Glance_May_15_2018.pdf

Identified Needs for Expertise

Besides the staff qualification that PePeKo members listed, below are some of the fields in which companies believe they need additional expertise:

- Technologists
- Laboratory experts
- Agronomists
- Safety-at-Work experts, *e.g. in relation to new machineries*
- Sale/Marketing experts, and more

The food processing skill sector is a fast growing sector on Kosovo and contributes significantly to total job creation, particularly in industry. It has small scope of only 4.4% of total employment but significant job growth of 46% over a 5 year period from 2008-2013 according to the Labour Force Survey.[12] Therefore the opportunities.

Further, respondents also mentioned that they could benefit from accurate and up-to-date statistics in National level, as well as from analysis of the relationships between Kosovar and regional fruit and vegetable processors, in Kosovo market, and in the region. Few participants also did not hesitate to state that, due to their experience in the field, they consider themselves as having a solid expertise.

Organograms of the Companies

Companies have developed their organograms 'on the go'; some applying theoretical knowledge, others accommodating to their own situations. While in some companies decision-making is centralised, primarily with the owner(s), others have established procedures that engage different managerial structures, such as The Board, Management, Chiefs of staff, and also workers.

Decision-making hierarchy

Regardless of the ways how companies organised their decision-making, they still take care to consult as more stakeholders as possible, primarily following the trends in the market and report data. Some, but not all companies organise regular weekly meeting with their staff, in order to alter and improve their business decisions based on the input from the staff.

Strategic planning

Companies make detailed yearly plans, conditioned by the supply with the raw material, which, due to climate, for most of the products is once a year, and based on the demands recorded in the market, and the analysis of the companies. Few companies have declared that they are being supported by PePeKo association, and USAiD, in developing their new strategies for their companies.

[12] http://www.alledkosovo.com/publications/alled-2016/Food-Processing-manual.pdf

8. RECOMMENDATIONS

The following recommendations were articulated, taking into consideration the input given by the respondents. Some of them are listed as formulated by the company representatives:

I. REGULAR CORRESPONDENCE BETWEEN PePeKo MEMBERS**;**

Periodical gathering of the members of the association could be established in every three months, as it is seen beneficial to provide them with the opportunity to stay up-to-date with the overall situation in their field of interest, but also share challenges and learnings amongst them, thus grow, each of them individually, and all of them as a sector. It was suggested that these gathering could be organized in the premises of the companies, by rotation, so each company gets the chance to host the rest, by taking the responsibility to organize the content of the gathering.

Bulletin. A regular correspondence between PePeKo members would be strengthened if they are engaged around a common task. If this task is beneficial for them, their input and commitment will increase. A possible bulletin could be published, either in printer and/or online, that would highlight the work of the companies, and would be used as a tool to lobby with toward the institutions. This publication would also serve to increase capacities of companies themselves (e.g. by elaborating the benefits of certifications). Collection of those bulletins produced during a year, could be the content of a printed Annual Report, which would have multiple reach and effects. Primarily, such publications should be used to promote individual companies, not focus on the broad level of the processing industry.

II. POSSIBLE NEW FIELDS OF ENGAGEMENTS

Branding. In the following stages, PePeKo could focus on the topic of branding by the companies, in order to identify the possible interventions, with the aim of improving the same. A possible research in this direction should focus at individual companies, but also explore the possibilities for possible national branding (see Recommendation c. above). Although several companies have a rather solid branding and packaging, during the research it was noted that several companies have spelling errors in their labels, which surely affects the perception of the consumer for their product. Again, it is PePeKo that could even engage a professional, to ensure that labels of the products are in the standard language, and uniformed.

Strategic planning. Several companies are currently in the process of re-defining their strategies. Some of them are working with other stakeholders, such as USAID, to define these strategies. Others are not yet in the phase of effectively defining their strategy. For this reason, an intervention should be designed, to assist companies in this important component of their work.

Staff development. Most of the processing companies have been reacting in ad-hoc basis when it comes to their staff growth; some of the companies invested in their staff, primarily in their skills directly related to production, such as laboratory experts, food technologists etc. This report highlighted yet another possible space for intervention, as companies generally do not invest in their staff, and when they do, intervention is almost chirurgical - responding to the immediate needs. A range of trainings and workshops could be provided for the staff of these companies that would aim at improving staff (and team) performance, not necessarily product (and production) improvement. An initial research could help in clearly identifying the need for growth of the companies' staff, thus design the desired intervention.

III. KOSOVO NATIONAL BRAND?

Individually, most of the Kosovo companies are rather too small to be competing in bigger markets, such as EU. By coming together, these companies could provide sufficient export capacities. However, this 'coming together' needs to ensure the quality of the products of each company. In order to achieve this, few of the respondents suggested a possible Kosovo National Brand, as an umbrella under which the products of Kosovo companies could find a market outside Kosovo.

One cannot ignore the solid capacities that some companies have, and the results they are already having in the global market. For those companies, a possible national brand might as well be a limitation, so this needs to be taken into account, although the potential is there for these companies to also benefit from exporting under a unified Kosovo brand.

PePeKo association is in a good position to take a facilitation role in a possible process for establishing such a national brand. The current understanding is that, there will be more efforts and advocacy needed with the institutions, while the companies would be more eager for such a development.

IV. SUPPORT FROM THE INSTITUTIONS;

Kosovo companies are not too ambitious in expecting support from the state institutions. This is rather sad. At large, they rely on their own capacities, and see state involvement rather as a complication. Few of the respondents shared their feeling that the state is expecting the companies and the consumers to “be patriotic” in regard to domestic products, but such patriotism needs to be nurtured primarily by the state institutions; private companies are not responsible for it.

Concrete suggestions, such as subvention of the export of Kosovo fruit and vegetables, were provided. Further, the state should design a strategy to fight the imported products, in order to infuse the market with domestic products, while ensuring the quality of the same. Interventions from the state need to cover the whole sector, not only certain items in the production process; example: improved conditions for exporting raw material are not in line with the policies toward packages of the same.

These issues need to be articulated as a lobbying campaign with the state institutions.

ANNEXES

List of interviewed companies

1.	Abi & Elif 19	Prizren
2.	JEGE	Prizren
3.	EUROFOOD	Prizren
4.	FITIMI Company	Drenas
5.	MIX-PRODUCT	Prizren
6.	KRUSHA	Krushë e madhe
7.	MOEA	Prishtinë
8.	R-Company	Gjakovë
9.	ANANAS IMPEX	Podujevë
10.	ASK FOODS	Livoç i poshtëm
11.	KORAL	Fushë Kosovë

Questionnaire, sample

QUESTIONNAIRE aiF
Assessing internal capacities
of fruit and vegetable processors in Kosovo

PePeKo, korrik 2018

Good day. My name is _______________, consultant, and we are doing a study on the agriculture sector in Kosovo, with a focus on internal capacities of the processing companies. The study is supported by USAID. Your answers will be completely confidential and the provided answers will be used only for the purposes of this study.

1. PRESENTATION OF THE COMPANY

COMPANY NAME	
ADDRESS	
CONTACT	
YEAR of ESTABLISHING	
LEGAL STATUS	

CERTIFICATIONS	from	to
HACCP		
ISO 9001		
ISO 22.000		
IFS		
Other		

2. PRODUCTION CAPACITIES

	2015	2016	2017
PRODUCTION t			
SALE %			

CONSERVATION	2015	2016	2017
FREEZING, -40°C			
WAREHOUSE, -20°C			
PRESERVING up to +15°C			

VAUE OF INVESTMENTS	SO FAR	PLANNED
MACHINERY		
BUSINESS PREMISES		
STAFF QUALIFICATION		
Other		
TOTAL		

3. PROCESSING CAPACITIES

3.1 SUPPLY

DOMESTIC	___ %	IMPORT	___ %

	2015		2016		2017	
Contracts	nr	T	nr	T	nr	T
Collecting centres						
Individual farmers						
Import						

3.2 COLLECTION

FRUITS	2015	2016	2017
1.	T	T	T
2.			
3.			

VEGETABLES	2015	2016	2017
1.	T	T	T
2.			
3.			

3.3 PACKAGING

type	2015		2016		2017	
	PRODUCT	T	PRODUCT	T	PRODUCT	T
Glass jar						
Plastic jar						
Glass bottles						
Plastic bottles						
Plastic bucket						
Metal cans						
TETRAPAK						
Other						

4. DISTRIBUTION

INSIDE KOSOVO	2015		2016		2017	
	nr	T	nr	T	nr	t
MARKET CHAINS						
WHOLESAIL						
RETAILS						
DISTRIBUTORS						

OUTISDE KOSOVO	2015		2016		2017	
	nr	T	nr	T	nr	T
country 1						
country 2						
country 2						

5. **EKSPORTI** (2017)

5.1 EXPORT OF PRODUCTS

PRODUCT	2015		2016		2017	
	amount	value	amount	value	amount	value
1.						
2.						
3.						

5.2 EXPORT OF PROCESSED PRODUCTS (%)

PRODUCT	Total	Kosovo	Region	EU	outside BE
1.					
2.					
3.					

5.3 EXPORTED PRODUCTS (%)

	2015	2016	2017	2018	2019
RAW MATERIAL					
MID-PROCESSED					
FINAL PRODUCTS					

6. INCREASING CAPACITIES

DO YOU PLAN GROWTH OF THE NUMBER OF SUPPLIERS? YES ☐ NO ☐

If Yes, which cultures	2018	2019	2020
	T	T	T
1.			
2.			
3.			

7. MID-TERM PLANS

7.1 SALE WITH %, BASED ON MARKET DEMANDS

	2018		2019		2020	
FRESH FRUITS n VEGETAB		%		%		%
FINAL PRODUCTS		%		%		%
MID-PROCESSES		%		%		%

7.2 GROWTH EXPECTED DUE TO (choose all applicable options)

	2018		2019		2020	
Demand growth		%		%		%
Access to market		%		%		%
Productions growth		%		%		%

8. COMPANY STRUCTURE

8.1 NUMBER OF STAFF

TOTAL NUMBER OF EMPLOYERS			
MALE	FEMALE	UNDER 30 YR.	NON-MAJORITY STAFF

8.2 DISTRIBUTION OF STAFF

	2015	2016	2017
ADMINISTRATION			
PRODUCTION			
SALE/DISTRIBUTIO N			
SESSIONAL WORKERS			
EXPERTS			

8.3 EXISTING CAPACITIES

STAFF QUALIFICATION	INVESTMENTS IN STAFF	EXPERTISE NEEDED

8.4 ORGANSATIONAL CHART

Does the company have an organised structure of decision-making? YES ☐ NO ☐

If YES, please elaborate

DECISION-MAKING HIERARCHY	STRATEGIC PLANNING	EXPERTISE NEEDED
	the structure, capacities	

Thank you for your time,
PePeKo, 2018

Consulted material

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http://www.alledkosovo.com/publications/alled-2016/Food-Processing-manual.pdf

- AGRIBUSINESS – FOOD PROCESSING AND PACKAGING 2015, Ministry of Foreign Affairs
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