Study of best practices and potential of participation of the smallholders in the short value chains in the Western Balkans region and Turkey

Kick - off Meeting

REPORT

27 - 28 November 2019

Krusevo, North Macedonia

1. Introduction

The kick-off meeting for the project "Study of best practices and potential of participation of the smallholders in the short value chains in the Western Balkans region and Turkey" gathered 15 participants who will be directly involved in implementation of the project activities. The expert from Turkey could not participate physically due to health issues, but was involved via Skype. The JRC representatives were connected via Skype, too, but due to technical difficulties they could not follow the entire meeting and only provided some directions as a result of the project's Steering Group meeting, which took place earlier that week.

The purpose of the kick-off meeting was to develop detailed activity plan and elaborate on the methodology that will be used in the work during the project. The list of participants is provided in **Annex 1**, while the program of the meeting is in **Annex 2**.

2. Background and rationale

Senior Adviser, Boban Ilic, provided the background for the project. In June 2019 JRC invited SWG to tender on the project "Study of best practices and potential of participation of the smallholders in the short-value chains in the Western Balkans region and Turkey". SWG submitted an offer to conduct an in-depth analysis of short-supply chains among small farmers in the WB and Turkey and their potential impacts on economic aspects, as well as the social sustainability, which was positively evaluated and won the tender.

The need for such a project is related to the recent global trend of development of short food supply chains, such as: on-farm direct sales, farmers markets and shops, delivery schemes and more formal partnerships between producers and consumers. Thereby, short supply chain is one in which the number of intermediaries is minimised, ideally there is direct contact between the producer and the consumer and the foods are traceable to a farmer. Short value chains are particularly important for the WB and Turkey due to the very small average size of agricultural holdings, which often are not economically viable and represent subsistence farming. One way to remain in business is to produce high-value niche products, for local consumers or visiting tourists.

The presentation is provided in **Annex 3**.

3. Presentation of the project

Regional Project Coordinator, Dori Pavloska Gjorgjieska, presented the project and the team with their tasks. The overall objective of the project is to conduct an in-depth analysis of short supply chains among small farmers in the WB and Turkey and their potential impacts on economic aspects as well as their social sustainability. The project includes 4 tasks:
- Task 1: Description of the areas to be studied, structure of the market and current and potential high-value niche products in short-supply channels versus other sale channels
- Task 2: Designing and pre-testing of the semi-structured questionnaire
- Task 3: Implementation of semi-structured surveys
- Task 4: Provide analysis of best practices and potential of participation of the smallholders in the short-value chains in the Western Balkans region and Turkey

The presentation is provided in **Annex 4**.

## 4.	Draft methodology for the analysis of the areas to be studied and the structure of the market

Senior Researcher, Suzana Djordjevic Milosevic, presented the draft methodology for the analysis of the areas to be studied and the structure of the market. It will be mainly done based on secondary sources - statistical reports and databases, policy documents and other literature. Description of the agricultural sector in the target countries will present:

- general situation in agriculture sector and marketing of agriculture products in respective countries/territories
- selected characteristics for different subsectors
- market and governance structure
- number and size of operating agents
- relevant food quality standards
- current and/or potential high-value niche products
- policy incentives and financial instruments (e.g., IPARD) promoting creation of short supply chains.

The presentation is provided in **Annex 5**.

## 5.	Draft methodology for the design and pre-testing of the semi-structured questionnaire

Senior Researcher, Suzana Djordjevic Milosevic, presented the draft methodology for the design and pre-testing of the semi-structured questionnaire. The semi-structured questionnaire will include questions to cover all of the specific objectives of the project. The final results should provide information on the subsectors with high potential for development of short value chains, the current barriers for that development and how to overcome them. The design and pre-testing will be implemented in several steps:

1. Designing questionnaire and guidelines for conducting survey
2. Questionnaire accepted by JRC
3. Junior Researchers (JRs) and Researcher from Turkey introduced with the questionnaire and guidelines
4. The questionnaire translated in local languages
5. Pre-testing completed and reported to SR (total of 30 respondents: 4 respondents in North Macedonia, Kosovo*, Montenegro, BiH and Turkey; 5 respondents in Serbia and Albania)
6. Senior Researcher (SR) amends the questionnaire
7. JRC approves the final version of the questionnaire

Pre-testing should include different types of short supply chains, such as:

- One farm doing direct marketing of fresh agriculture products (on a farm door or to local processor), for ex: milk, meat, eggs, fruits, vegetables, crops…
- One farm participating in organised processing of product characteristic for the region through farmers partnership, for ex: milk cream, cheese, winter preserve, dry meat, fruit, medicinal or aromatic plant, corn flour, juice…

- One farm doing artisan processing and marketing of typical product made of local meat, milk, fruits, vegetables etc. such as white cheese in brine, kaymak in sack, ayvar, wine, brandy, fruit syrup, olive oil, dry ham…
- One farm selling product through own agritourism (processed through gastronomy) such as various local dishes (sarma, roasted meat, salads, fresh juices, homemade ice-cream, local fast foods-pita, burek etc., cookies)…
- One farm participating in short value chain, involving so called box schemes: delivery of box of organic products, basket of seasonal fruits, farm food supply etc. (this interviewee is to be omitted in pre-testing in territories where only 4 respondents are foreseen)

The presentation is provided in **Annex 6**.

6.   Draft methodology for the implementation of semi-structured surveys in WB countries and Turkey

Senior Researcher, Suzana Djordjevic Milosevic, presented the draft methodology for implementation of the semi-structured surveys.

Respondents should be mainly farmers and groups of farmers. Additional respondents could be policy makers, consumers, while there should be less focus on processors and traders since they are not typical participants in short value chains.

The focus should be open when it comes to specific sub-sectors. The interviews should cover all relevant subsectors, with the intention to discover ones with the highest potential for short value chain development.

The number of interviews per country is as follows:

Country/territory	Number of respondents
Serbia	136
Bosnia and Herzegovina	68
Albania	68
North Macedonia	38
Kosovo*	38
Montenegro	26

Turkey	26
TOTAL	400

The presentation is provided in **Annex 7**.

7. Draft methodology for providing analysis of best practices and potential of participation of the smallholders in the short value chains in the WB region and Turkey

Senior Researcher, Suzana Djordjevic Milosevic, presented the draft methodology for providing analysis of best practices and potential of participation of the smallholders in the short value chains in the WB region and Turkey.

The analysis will be conducted based on the data collected through the secondary sources and semi structured survey. It will include:
- Identification of the sale channels used by small farms for selling their products:
- Assessment of the overall level of information, knowledge of the sale channels;
- Why some channels are better known or/and used more compared to others;
- Analysis of the contractual arrangements applied in different selling channels by small farms
- Analysis of the processing level of products undertaken by small farms and their involvement in short-supply channels
- The role of short-supply chains in promoting application of environmentally friendly farms' practices and sustainable deployment of natural resources;
- The role of short-supply chain in promoting the economic viability of small farms;
- The impact of participation in short supply chain on farm employment (on family labour and hired labour) and on-farm investments.
- Food safety and quality standards applied in short supply chains (e.g. quality control measures, voluntary standards, certifications, labels);
- The role of agricultural policy in supporting small farmers' access to market (e.g. support for marketing, on-farm processing);
- Conclusions and recommendations per country including:
  - Subsectors with highest potential for short value chains development
  - Current obstacles for value chain development and ways forward to overcome them
  - Policy recommendations on specific measures that should be taken to promote short supply chains under IPARD.

8. Detailed workplan

Task	Activity	Who	Deadline
1,2,3,4	Participation in the kick-off meeting	All	28-Nov-19
1	Description of the areas to be studied, structure of the market and current and potential high-value niche products in short-supply channels versus other sale channels	SR, IE	20-Jan-20
2	Design of the draft semi-structured questionnaire and guidelines	SR, IE	25-Dec-19
2	Improve semi-structured questionnaire according to JRC comments	SR, IE	15-Jan-20
2	Introduce JRs with questionnaire and guidelines (online workshop)	SR, IE	20-Jan-19
2	Translate the questionnaire in local languages	JRs, RT	25-Jan-20
2	Pre-testing of the semi-structured questionnaire	JRs, RT	31-Jan-20
2	Provide report from the pre-testing of the questionnaire	JRs, RT	7-Feb-20
2	Amend the questionnaire based on the pre-testing report	SR, IE	14-Feb-20
1,2,3,4	Interim report	SWG	25-Feb-20
1,2,3,4	Participation in the interim meeting	All	10-Mar-20
3	Implementation of semi-structured surveys	JRs, RT	10 April 20
3	Provide summary report of the semi-structured interviews in English for each surveyed respondent	SR, IE	10-May-20
4	Analysis of best practices and potential of participation of the smallholders in the short-value chains in the Western Balkans region and Turkey	SR, IE	1-Aug-20
1,2,3,4	Final report	SWG	1-Sep-20
1,2,3,4	Participation in the final meeting	SWG, SR, IE	15-Sep

SR – Senior Researcher
IE – International Expert
JRs – Junior Researchers
RT – Researcher from Turkey

Presentation is provided in **Annex 9**.