



Lettuce market profile - 2005

Introduction

In the past, production of this green-leaf crop was limited to seasonal household cultivation that, together with spring onions, offered the first fresh vegetables after a long winter with only pickles being available. It was subsequently replaced later in the season with fresh tomatoes and peppers. In 2001 small quantities of lettuce of the butter head type were available in the market - but of poor quality. The situation started to change with the arrival of imports responding to the demands of the new international community – and this, in turn, influenced the consumption habits of the local population.¹

Market size

The total market volume of lettuce² in Kosovo in 2005 is estimated at 165 tonnes³. This figure is based on an official estimate of local production amounting to 62 tonnes⁴ and records of imports of 103⁵ tonnes. Local production of lettuce, according to these figures, represents approximately 37% of the total market share by weight.

The daily volume of lettuce in the Pristina wholesale⁶ market from October to June is approximately 3 tonnes. It then decreases rapidly with the presence of the fresh vegetable crops (e.g. cucumbers and tomatoes) to 1 tonne.

Retail prices of Lettuce - Pristina market

Retail prices tend to hover between €0.60 – 1.00/head in the off-season (October – May, indoor production) and descend to their minimum of around €0.35/head during production season (July to September - combined outdoor and indoor production). A marked and progressive reduction is noticed in the price of lettuce from 2002 to 2004/5 in the main field production season dropping from €0.65 to €0.40 per head.

¹ Promoting Horticulture in Kosovo – May 06, SPHPK - Intercooperation

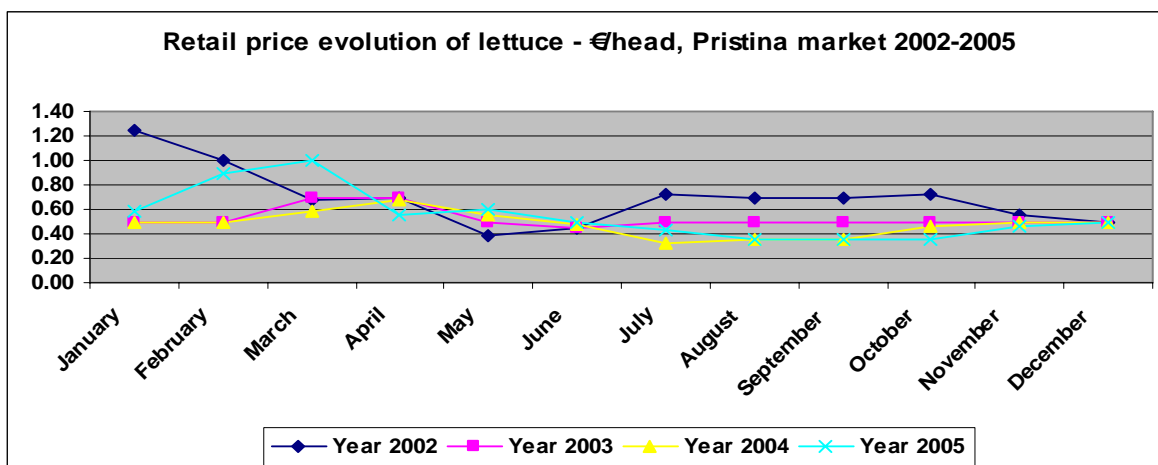
² Lettuce is sold per head. 1kg contains approximately 4 lettuce heads. The total market volume can be estimated at 660,000 lettuce heads.

³ Sum of import & local production.

⁴ MAFRD- calculated from estimates of area and of yield by municipal offices. No distinction was made between commercial and non-commercial production of lettuce, and multiply sowing.

⁵ MAFRD – Office of agricultural statistics (import - export data of fruits and vegetables)

⁶ Pristina wholesale market (rough estimation of traders)

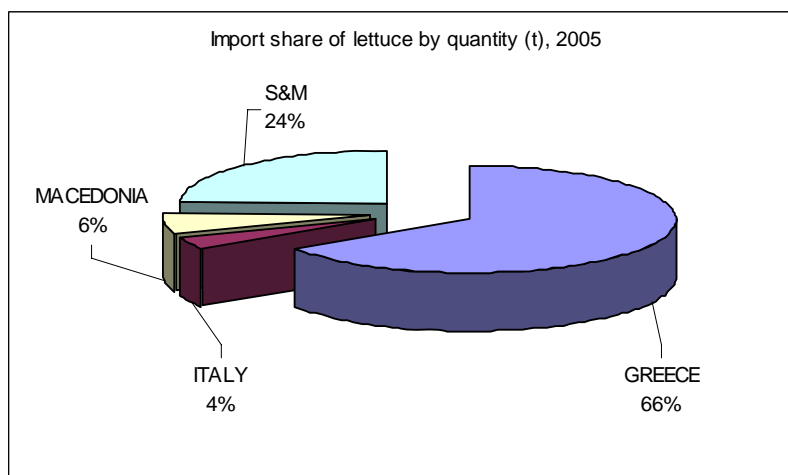


Source: "Monitorimi"- weekly price monitoring, SPHPK/Intercooperation

Import

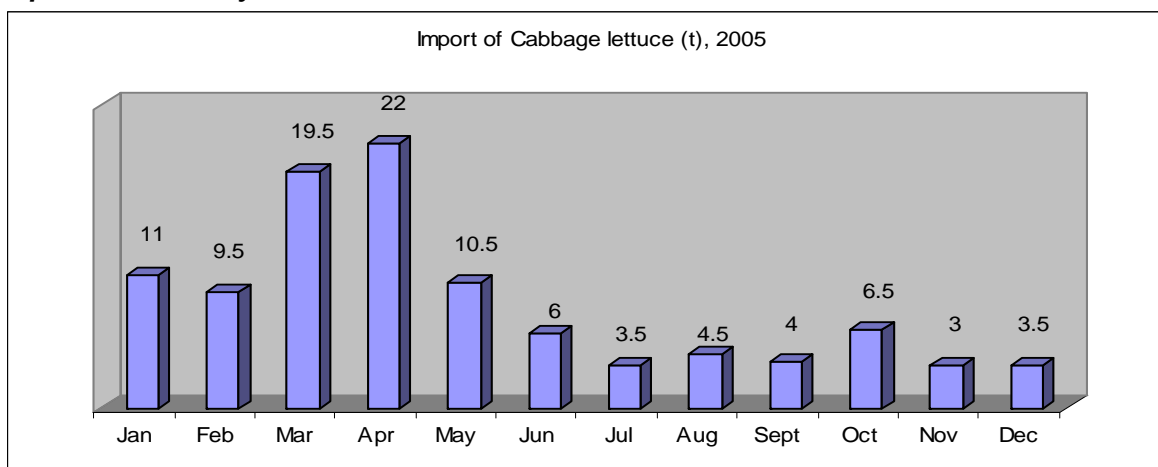
Customs data indicate that 103 tonnes of lettuces were imported in 2005 with a declared value⁷ of €24,968.

The diagram below shows the percentage contribution to this total by the main exporting countries in 2005. Greece represents the largest share amounting to 66% followed by Serbia & Montenegro with 24%, Macedonia 6% and Italy 4%.



Source: MAFRD-Office of Agricultural Statistics

⁷ The declared value is the value declared by importers (traders) based on the invoice of the imported goods.

Import of lettuce by month

Source: MAFRD-statistical office 2006

The highest import of lettuce occurs between January and May – with the peak being between March and April. This is due mainly to the lack of local production capacity (existing greenhouses being mainly focused on pepper and tomato seedling production). Import decreases slightly in June when the local production of this crop increases although, at this time, the market demand tends to be depressed with the presence of the other salad crops such as cucumbers.

Origin of lettuce offered in the Kosova market per month

The main source countries of imported lettuces by month are presented in the following table.

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
It,Gr	Gr,It	Gr,It,Ks	Gr,It,KS	Gr,It,KS	Ks,SM,Mc	Ks,SM,Mc	Ks,Gr	Ks,Gr	Ks,Gr,It	It,Gr,Ks	Gr,It,Ks

Abbreviations: Mc-Macedonia, Ks-Kosovo, Gr-Greece, It-Italy, SM-Serbia and Montenegro

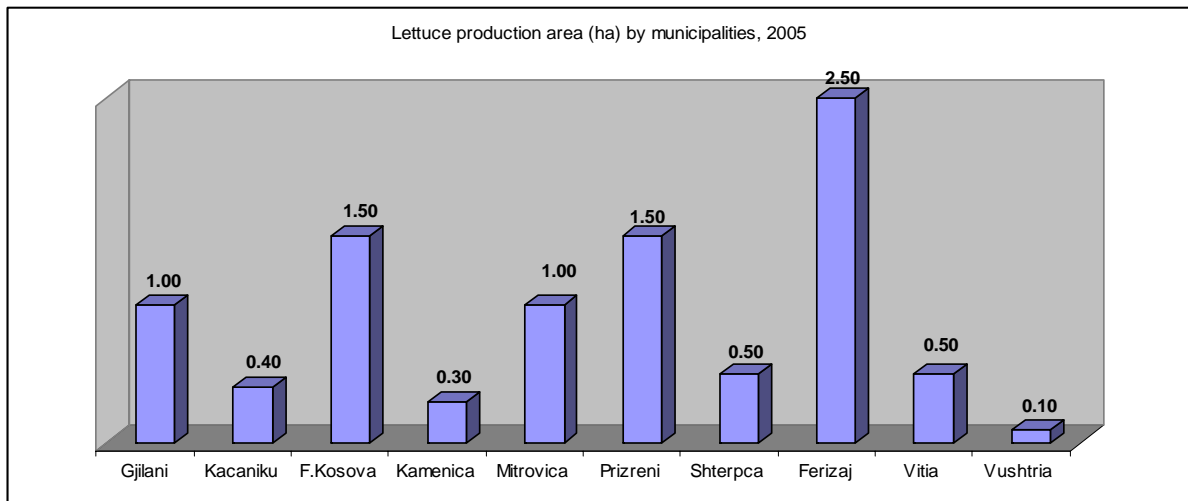
Source: "Monitorimi"- weekly price monitoring, SPHPK/Intercooperation

The market is dominated by imports during the first quarter of the year. The first local production appears in April, but quantities of lettuces produced locally don't affect the market in terms of total market share.

The local market is supplied by the greenhouse crops from October to April, while the rest of the year supply originates from the open field.

Local production

The area under lettuce production in 2005 was estimated by MAFRD at 9.3 ha – with an average yield of 6.7 t/ha. These resulted in an estimated production of around 62 tonnes. Ferizaj, Prizren and Fushe Kosova are the main production areas.



Source: MAFRD 2006

Product differentiation

Crisp head and butter head are the two most widely grown commercial lettuces in Kosovo. Demand for crisp head lettuces has increased rapidly in the last years. The demand is influenced mainly by restaurants, but also by supermarkets.

Some innovative farmers produced and tested the market with red and purple lettuces but the market reaction proved unsatisfactory. Limited quantities are utilised by a few restaurants.

Lettuce marketing channels

The following three marketing channels are being used.

1: Direct marketing channel - marketing directly to consumers including through assembly markets (Krusha e madhe, Rogove), roadside markets (Xerxe), regional markets (Gjakova and Prizren). It tends to be the favoured channel of small growers whose aim is to obtain the highest margin for their product. This channel covers around 20% of the supply of fresh lettuce in Kosovo⁸.

2: Retail channel – in which the farmer deals directly with a retailer such as a retail shop, restaurant and supermarket. This channel is used by small and medium growers. The channel covers around 20% of supply of lettuce in Kosovo.

3: Wholesale channel – 60% of lettuce sales are made through wholesalers. Wholesalers often have specific and demanding requirements for product uniformity and product quality. Product quality – grading and packaging - is an important issue for produce that is sold on to retail outlets. These channels supply 100% of lettuce during the off-season from January to April.

⁸ Rough estimation IC -SPHPK

Comments

Consumption of lettuces was influenced by the presence of the large international community after the war, and reflected in an increased demand by restaurants. The consumption of lettuce is expected to continue to increase.

Local market size (volume) of lettuce is difficult to estimate due to the current problems of data collection of the local production. The situation is likely to be particularly acute with lettuce since the practice of multiple-cropping over the year is not taken into account.

Demand is high from October to May and the product commands an attractive price – thus providing local producers an opportunity to make maximum profits if they are able to keep production costs low.

Import of lettuces is dominated during the off-season by the countries that have comparative advantages over Kosovo (weather condition and higher potential for indoor production) such as Greece, Serbia & Montenegro and Macedonia.

The range of lettuce types available is narrow. The initially dominant butter head type is progressively giving way to crisp head lettuce.

Marketing channels of lettuces are still not well developed. The highest percentage of products – approximately 60%⁹ - goes through wholesalers. The latter play a crucial role in quality management through their specific requirements of quality (freshness, uniformity) and price. The retail marketing channel, especially through supermarkets, is likely to rapidly expand in importance.

Recommendations

- The Project, in collaboration with input suppliers, should promote additional varieties of lettuces based on seasonality (winter and spring indoor varieties - and summer and autumn outdoor varieties).
- Explore possibilities for increasing the local supply with lettuces targeting the period from October to May when the market offers attractive prices and imports dominate the market.
- Support promotion of lettuces through supermarkets.
- Support product differentiation of locally-produced lettuces (branding as 'produced in Kosovo').
- Promote the standardisation of packaging.
- Explore possibilities of supporting MAFRD in the data collection and analysis of lettuce production (as well as of other crops).

References and resources

- *Monitorimi – Weekly price monitoring SPHPK*
- *MAFRD – Office of Agricultural Statistics*
- *Promoting Horticulture in Kosovo – May 06, SPHPK - Intercooperation*

⁹ SPHPK rough assessment.