



Carrot market profile - 2005

Introduction

Carrots were not produced commercially in Kosovo before the war. Rural households grew the crop in their gardens for their own consumption and would have sold any surplus production. The main consumers were restaurants and a limited number of households that used carrots mainly for pickling. In recent years, however, consumption is increasing in the average household and carrots were ranked in 2005 as the 6th most imported crop in terms of weight.

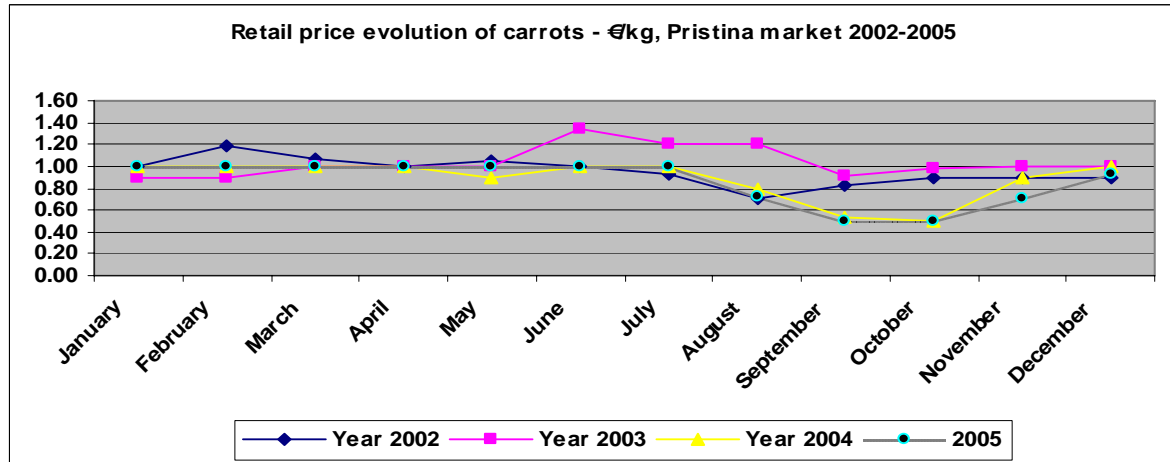
Market size

The total market volume of carrots in Kosovo in 2005 is estimated at 2,698 tonnes - based on an official estimate of local production amounting to 1,630¹ tonnes and records of imports of 1,068² tonnes. Local production of carrots, according to these figures, represents approximately 60% of total market share by weight.

The daily volumes of carrots in Prishtina and other regional wholesale market are fairly constant throughout the year although volumes increase rapidly during the pickling season (September to November).

Retail prices - Pristina market

Retail prices tend to hover between €1.00–1.20/kg in the off-season (December to June) and descend to their minimum of around €0.50 in the full Kosovo supply season (September to October).



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

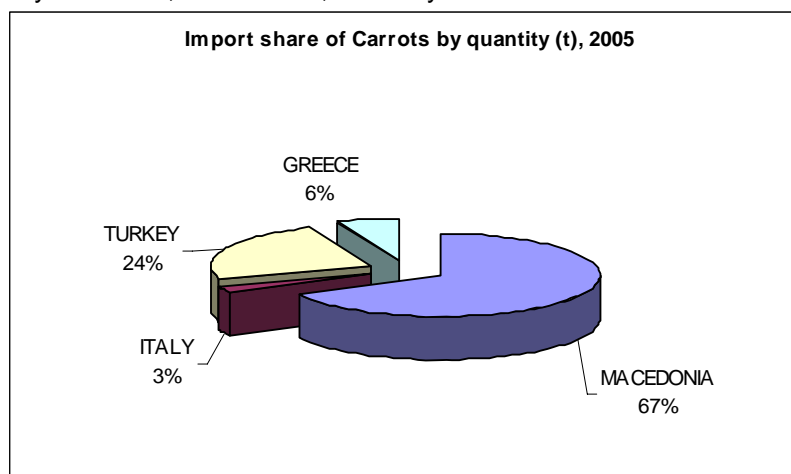
¹ MAFRD- calculated from estimates of area & estimates of yield by municipal offices. There is no difference between commercial and non commercial production of carrots. It is strongly recommended that MAFRD to be supported in establishing the data base of commercial production of fresh fruits and vegetables in Kosovo.

² UNMIK Customs

Import

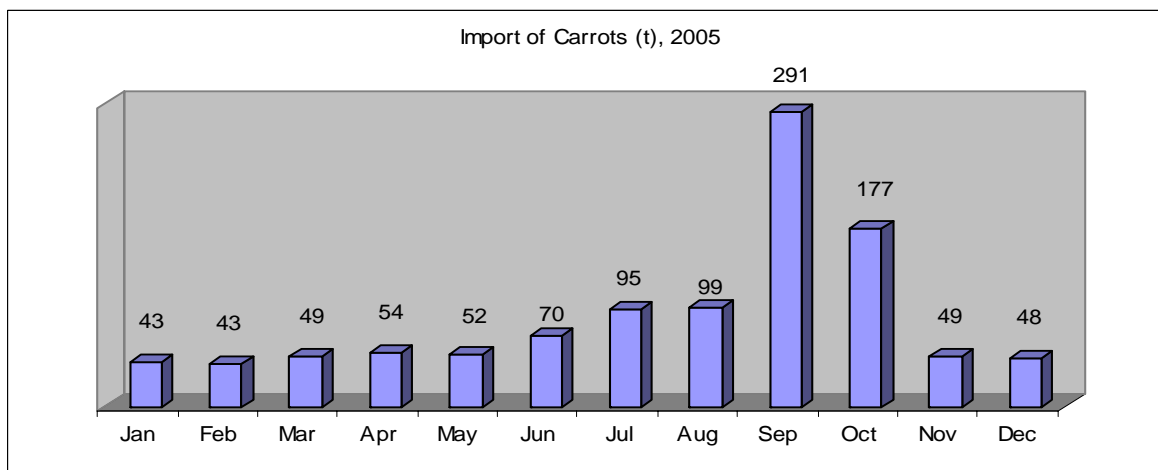
Customs data indicate that 1, 068 tonnes of carrots were imported in 2005 with a declared value of €232,766.

The diagram below shows the percentage contribution to this total by the main exporting countries in 2005. Macedonia supplies by far the largest share amounting to more than 67% and was followed by Turkey with 24%, Greece 6%, and Italy with 3%.



Source: UNMIK Customs Service

Import of carrots by month



Source: UNMIK Customs Service

Imports are fairly steady from November to June hovering around 43-70 tonnes/month but peaks in September to October – the pickling season.

Origin of carrots offered in Kosovo market by months

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

Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Tr	Tr	Tr	Tr	Tr	Tr,Gr,Mc	Tr,,Mc	Mc, Ks	Mc,Ks	Mc,Ks	It	It

Abbreviations: Tr-Turkey, Mc-Macedonia, Ks-Kosovo, Gr-Greece, It-Italy

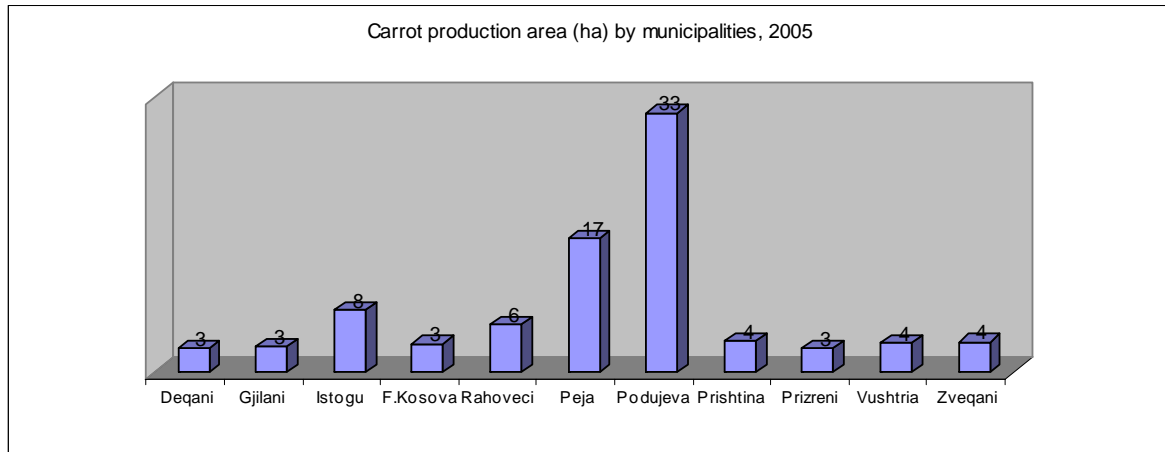
Source: "Monitorimi"- weekly price monitoring, SHPK/Intercooperation

The local market from January to June is dominated by imports with prices approximately 125% higher than in the main season during which local production dominates with representation of imports from Macedonia.

Local production

MAFRD estimates local production in 2005 to have been 1,630 tonnes on the basis an area of 105 ha³. and a yield of 15.5 t/ha. The production area is mainly concentrated in Peja and Podujevo municipalities.

The table below shows the production areas of carrots in different Kosovo municipalities.



Source: MAFRD-Office of Agricultural Statistics

Storage of carrots

There is practically no storage of carrots although one pilot is taking place in Rahovec.

Product differentiation

Two main types of carrots are marketed – early carrots (spring or salad carrots) sold in bunches and late carrots. Early carrots are consumed as fresh and used for salads. Market presence of this type is very short. The majority of these carrots are used by the restaurants and the demand for this type is very low compared to the other late carrots.

The late carrots are most requested carrots in terms of consumer's preferences. As we mentioned earlier the highest demand for these types of carrots is during the pickling season (September - October). The most preferred according to the consumers' preference is for orange - red colour type of carrots.

The majority of carrots produced in Kosovo are "Nantes" variety. This type of carrots is grown by the farmers on a small scale, mainly for own consumption.

Carrots for processing industry

Demand for carrot processing is very limited. The main processing outlet is "Abi-Elif" in Prizren that uses 20-30 tonnes of carrots per year for the production of the famous "Gjuveq"⁴ and various pickling products.

³ No clear distinction between commercial and non commercial carrot production - 2005

⁴ Traditional meal – contains different vegetables e.g. tomatoes, egg plant, onions, carrots, okra.

Carrot marketing channels

The three marketing channels utilised by local producers are presented in the above diagram, ie (i) direct marketing, (ii) retail marketing, and (iii) wholesale. The main characteristics of these channels are described below:

1: Direct marketing channel - marketing directly to consumers including through local farmers' 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 70% of the supply of fresh carrots in Kosovo⁵.

2: Retail channel – a form of indirect marketing in which the farmer deals directly to a retailer such as a retail shop, restaurant and supermarket. This channel is used by small and medium growers. The channel covers around 10 % of supply of carrots in Kosovo.

3: Wholesale channel – 20% of carrots 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 wholesalers for produce that is sold on to retail outlets. These channels supply 100% of carrots during the off-season from November to end of June.

Comments

Carrots have traditionally been mainly used by households for pickling from September to October). Commercial production of carrots in Kosovo only began after the war with carrots starting to be demanded during other months of the year for fresh consumption by households and restaurants - but in smaller quantities compared to the pickling period. This increasing trend continues.

The current market volume of carrots is difficult to estimate due to the problems of data collection of local production. According to MAFRD, Podujeva and Peja municipalities are the main two areas of production whereas information available to SPHPK indicates that it is more in Rahovec municipality.

Imports are dominated by Macedonia – with 67 % of total share by weight.- with the country constituting the main competitor to Kosovo production. Turkey, Italy and Greece also are present in the Kosovo market but mainly during the off-season.

The period from December to July appears to offer potential for local producers to make maximum profits in the short term if investment is made in storage - based on the prices of carrots during this period of the year. Such an investment in the longer term, assuming an eventual decline in off-season prices would, however, allow for the expansion of production and be translated into an increase in the market share for local production

Recommendations

- The project should design a new strategy for production planning in order that local market is supplied throughout the year. This would include the promotion of early varieties for fresh consumption, varieties for pickling and those dedicated for storing.
- The project should give emphasis to post-harvest technology – the promotion of quality standards on-farm - including cleaning, grading and storage techniques.
- The project in collaboration with farmers should promote new packaging which will be dedicated for early and late market supply (1 kg transparent plastic container or plastic bag with properly designed label) – and thus offer more robust competition to imports from Turkey and Greece.

⁵ Rough estimation IC -SPHPK

- Branding should be promoted to increase the awareness of local consumers of the origin of domestic carrots.
- Marketing channels of late and early carrots should be developed through the promotion of carrots to the main wholesalers dealing with fresh vegetables (e.g. Bujaria) and supermarkets (e.g. Benaf , Interex and ETC).

References and resources

- *Monitorimi – Weekly price monitoring SPHPK*
- *MAFRD – Office of Agricultural Statistics*
- UNMIK Customs Service