

## Onion market profile

### **Summary**

*The total yearly consumption of onions in Kosovo was estimated in 2001 at 14,935 tonnes representing 5% of the average household consumption of fresh vegetables at 1.1 kg/week.*

*The market share of locally produced onions is estimated at 60%. Local onions are produced on 1,343 ha with an estimated average yield of 6t/ha - a very low figure compared to yields in neighbouring countries. Total imports are valued at €1,068,410 with over 59% of originating in Turkey.*

*Household consumers prefer yellow flattened onions while restaurants rather favour the red round onions for processing and salad preparation.*

*Local production dominates the market from July to December but is little represented thereafter once prices rise. Increased storage facilities would appear to offer to local producers the opportunity of higher returns and greater market share.*

### **Market size**

The total market volume of onions in Kosovo in 2004 is estimated at 13,371 tonnes<sup>1</sup>. This figure is based on an official estimate of local production amounting to 8,058<sup>2</sup> tonnes and records of imports of 5,313<sup>3</sup> tonnes. Local production of onions, according to these figures, represents approximately 60% of total market share by weight.

The daily volumes of onions in Prishtina wholesale market are fairly constant throughout the year at around 4 to 5 tonnes<sup>4</sup>. The volumes increase occasionally e.g. during Ramadan and the period of sausage<sup>5</sup> preparation (October-December).

### **Retail prices - Pristina market**

Retail prices tend to hover between €0.60–0.90/kg in the off-season (January to June) and descend to their minimum of around €0.40 in the full Kosovo supply season (June to September). The period from January to June appears to offer potential for local producers to make maximum profits if investment is made in storage.

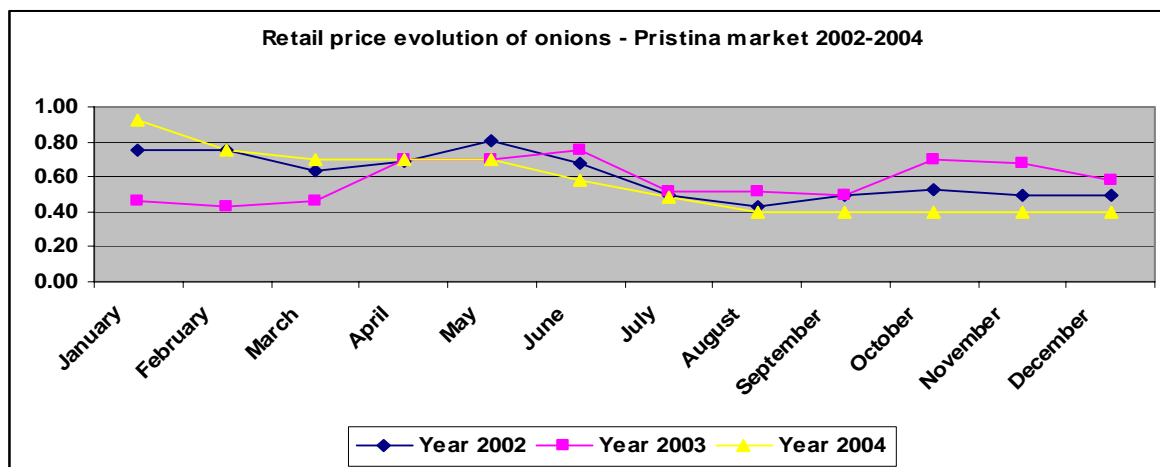
<sup>1</sup> Sum of import and local production.

<sup>2</sup> MAFRD- calculated from estimates of area & estimates of yield by municipal offices.

<sup>3</sup> MAFRD – Office of agricultural statistics (import - export data of fruits and vegetables)

<sup>4</sup> Pristina wholesale market (rough estimation of traders)

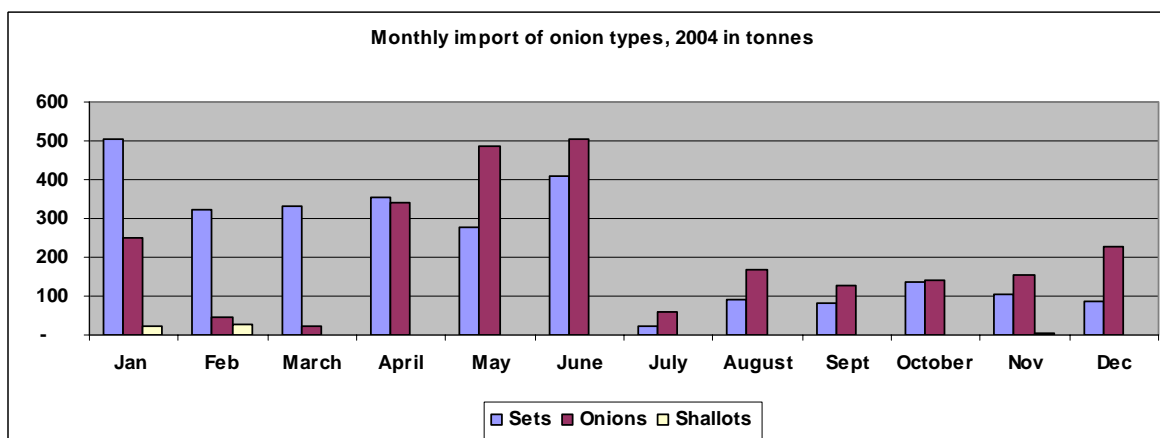
<sup>5</sup> Season of “Suxhuk” production



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

### Import

Customs data indicate that 5,313 tonnes of different types of onions were imported in 2004 with a declared cash value of €1,068,000. The total includes 2,724 tonnes of onions sets<sup>6</sup>, 2,529 tonnes of onions and 59 tonnes shallot onion (spring onion).



Source: MAFRD-Office of Agricultural Statistics

### Origin of onions offered in Kosovo market by months

The main sources of imports are Turkey, Egypt, Greece and Macedonia. Their relative importance throughout the year is indicated in the following table that also sheds light on the monthly evolution of prices and volumes.

Year	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
2002				A,S,N	A,S,N	K,A,S	K,A,S	K,M	K,M	K,M	K,M	K
2003	K	K	E, K	E, K	K,M,S	K,M,S	K,M,S	K,M,S	S,K	K	E,S,K	E,S,K
2004	T, E	T, E	T, E	T, E	T, E	T, E, M, K	K,SM	K, S,T	K,S,T	K,S,T	T,E,M	T,E,M,S

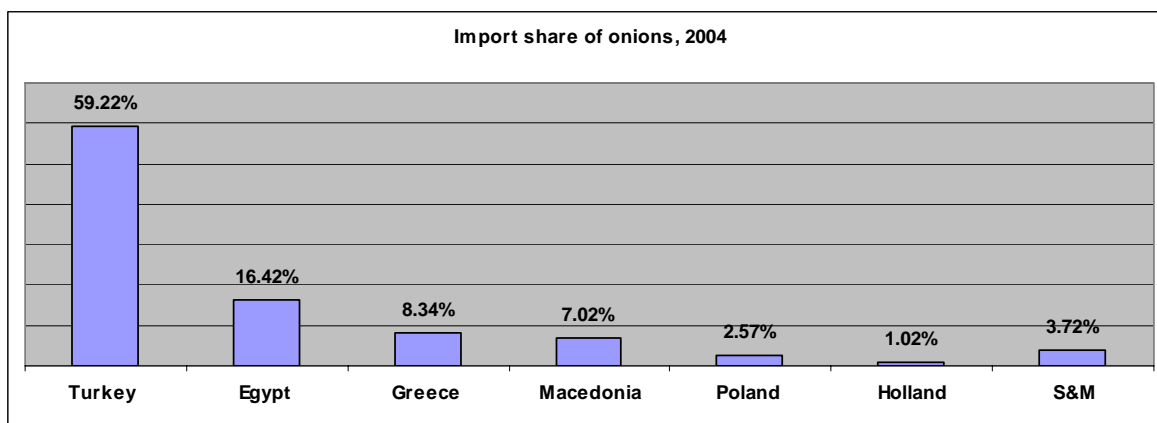
**Abbreviations:** T-Turkey, M-Macedonia, K-Kosovo, E-Egypt, SM-Serbia & Montenegro, A-Austria, N-Netherlands

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

<sup>6</sup> There is no correspondence between the quantities reported of imported onions sets – ie the planting material - (2,724 tonnes) and area used for onion production in Kosovo. Even if all the onion sets required for the 1,343 ha planted with onions were imported, this would only amount to 670 tonnes of onions sets (500kg/ha estimated average). Onions attract 15% of import duty, onion sets zero.

The local market from January to June is dominated by imports with prices approximately 60% higher than in the main season during which local production dominates with some representation of imports from Serbia and Macedonia.

59% of imported dried onions originated from Turkey, 16% from Egypt, 8% from Greece and 7% from Macedonia. The majority of the imports of onions sets is divided between Macedonia 35 %, Holland 23% and Turkey 22%.



Source: MAFRD-Office of Agricultural Statistics

## **Export**

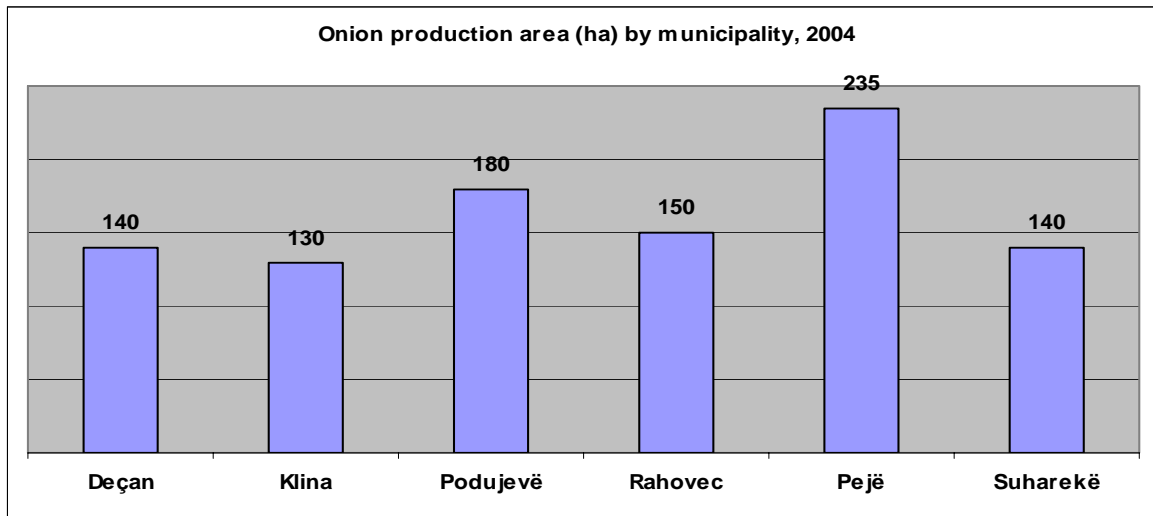
The export of onions is marginal. During December 2004 two tonnes of dried onions and 16 tonnes of spring onions were exported to Albania – valued at €1,840.

## **Local production**

Municipalities estimate that the area under onion production in 2004 amounted to 1,343 ha<sup>7</sup>. The average yield has been estimated by MAFRD at 6 t/ha. These two estimates combined result in an estimated production in Kosovo in 2004 of around 8,000 tonnes. The production area mainly concentrated in the following municipalities: Peja (with 235 ha), Podujeva (180 ha), Rahovec (150 ha), Suhareka and Deqan each with 140 ha and Klina (130 ha).

More than 90% of onions produced in Kosovo are yellow types although the market demand for spring onions and red onions is growing. The earliest harvests are reported from Rahovec Municipality.

<sup>7</sup> No clear distinction between commercial and non commercial onion production - 2004



Source: MAFRD-Office of Agricultural Statistics

### ***Storage of onions***

Purpose-built storage for onions appears almost non-existent – most storage being done in unsuitable locations – such as the floor of under-utilised buildings. Some SPHP-K clients utilise wooden pallets and one has a purpose-built store constructed with wood.

This paucity of storage has its consequence in the relative absence of local produce on the market in the first six months of the year. Conversely, investment in storage is likely prove to be an attractive investment Kosovo onion producers and an opportunity to expand production and increase market share.

### ***Product differentiation***

Two main types of onions are marketed - 'spring' onions (green onions or shallots) and summer onions (dried onions or storage onions). Spring onions are consumed as fresh and used for salads. Summer onions are either yellow or red. The household consumers' preference is for varieties similar to the old traditional dried flat onion variety called "Qepa e Prizrenit" or Petaqka<sup>8</sup> that have a pungent concentrated flavour, are easy to handle and store well. More details of the various types are provided below.

#### **Dried Onions**

Yellow – The majority of onions available in Kosova market are the yellow type in two different shapes - flattened and round. The locally-produced onions (from Rahoveci region) can be easily differentiated by their flattened shape<sup>9</sup> and packaging<sup>10</sup> and are produced from onion sets of the "Stutgarter riesen" variety. The majority of imported onions are round, bigger in size and packed in big nets<sup>11</sup>. Those imported from Serbia and Montenegro, however, have a similar flat shape as the local type and are thus preferred over other imports. The flattened type is preferred by households while restaurants, chebaptores and butchereries prefer the round standard shape due to its easier handling.

Red – Demand from restaurants for the red type has been growing over the last few years – and is used in the preparation of salads.

<sup>8</sup> Common knowledge (Prizren onions) flattened shape

<sup>9</sup> Dutch onion sets variety "Stutgarter riesen" changes shape from soil in Rahoveci region

<sup>10</sup> Packed in 4-5 kg nets suitable for retail sale.

<sup>11</sup> 20-25kg nets.

## Spring onions

Spring onions are onions that are harvested early with the bulbs still small and the stalks still green. They are produced in greenhouses as well as in the open field from onion sets. Spring onions are packed in bunches of 3-5 plants, eaten raw and can be added to salads. The first spring onions have a very attractive price (being sold for €1/bunch in the first week of April in 2005).

## Onions for processing industry

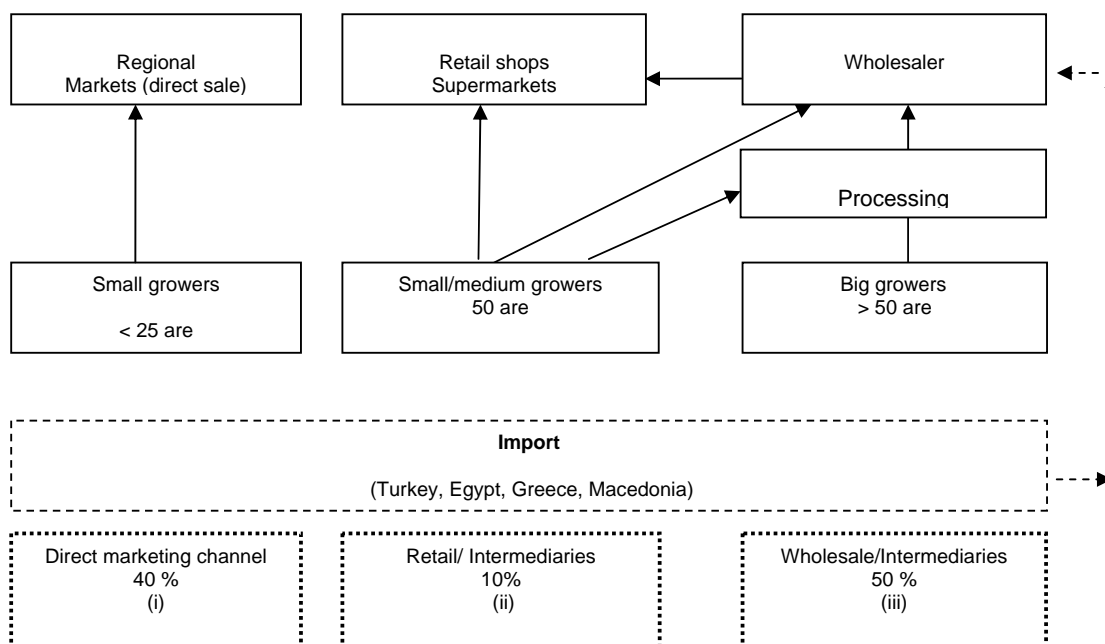
Onions used by processors are the normal fresh-market varieties - the most suitable in terms of handling are yellow round shaped onions. Industrial processors take only about 10 tonnes per year – while larger (but unknown) amounts are used by butchers and fast food outlets for the preparation of meat products such as sausages and chevapa.

A summary of the various onion types is presented below:

Price	Type	Colour	Shape	Size cm (diameter)
> €0.50	Dried	Yellow	Flattened	5 - 7
> €0.40	Dried	Yellow	Round	7 – 10
> €0.80	Dried	Red	Round	7 – 10
> €1.00*	Spring onions	White-green	Long stalk	-

\* Price per bunch

## 10. Onion 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 40% of the supply of fresh onions in Kosovo<sup>12</sup>.

**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 onions in Kosovo.

**3: Wholesale channel** – 50% of onion sales are made through wholesalers. Many of them have agreements with different producers for supply during a certain period. 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 onions during the off-season from October to end of June.

## 11. Description of market actors

**Retailers** – Retailers purchase goods from wholesalers and also from farmers and sell on to the final consumers. Their task is focused on providing a wide variety of products at a single location, trying to fulfil the required consumers demand for different products.

The retailers include:

- Supermarkets (new retail structures developed in Kosovo – copied from Western Europe),
- Retail shops - known in Kosovo as *Mini-markets* - which are offering different products including fresh fruits and vegetables,
- Green groceries - specialized shops selling fresh fruits and vegetables – but decreasing rapidly in recent years.
- Restaurants – that provide, not only the produce for consumers, but also the service of preparing fresh meals.

**Wholesalers** – are traders that sell goods to those who buy for resale to the final consumer. They are located in the big cities e.g. Pristina, Prizren & Peja. They mostly deal with wide range of goods.

Wholesalers can be divided into two groups:

- Those who deal only with imported fresh fruit and vegetables throughout the year – and who tend to be those with the highest turnovers. They deal with a wide range of the products - mainly importing goods from Turkey and Greece<sup>13</sup> in trucks that might themselves transport a range of produce. Some of them have a storage facility but very often use trucks with cooling facilities for storing.
- Those who deal with imported goods during the off-season and locally-produced goods when the latter are available tend to have lower turnovers. Local produce is often bought in the production areas directly from farmers and shipped to the larger cities e.g Pristina, Prizren, and subsequently sold to retailers. In some cases farmers deliver produce directly to the wholesaler. The majority of small wholesalers do not have storage facilities but mainly sell produce directly from their trucks.

### References and resources

- *Consumption habits and purchasing behaviours for fruits and vegetables in Kosovo, SPH-PK, September 2001*
- *Monitorimi – Weekly price monitoring SPHPK*
- *MAFRD – Office of Agricultural Statistics*

---

<sup>12</sup> Rough estimation IC -SPHPK

<sup>13</sup> Greece is a major supply for some other products during off-season e.g. cucumbers, grape, lemon, oranges, strawberries etc.