



Project Title

Support to the vineyard & viticulture sector and local brand of Kallmet wine

Project Type

Economic development

Project Location

As per Table 1

Total Pre-Estimated Budget

400,000 Euro

Project Background and Analysis

Vineyards and wine production are one of the main economic activities for a number of the Functional Area units, in particular for Zadrime area, including Kallmet units and Kashnjeti village, which have had a relatively long tradition in this field. This area is also known for local variety of Kallmet grape. There are a number of Kallmet wine producers in the area, but the average size of vineyards is small. Additionally, farmers do not always have adequate technical knowledge about care to vineyards, to ensure quality, non-contamination (i.e., use of pesticides), and do not always provide good performance of vineyards. Therefore, quality of the wine produced changes over years, beyond variation as a result of ordinary natural factors. Support by this sector is of major importance, considering the inherent potential of knowledge and good reputation of the wine brand produced in this area, as well as potential areas for further development of this activity.

Specific Objectives of the Project

The overall objective of the project is to enhance production and quality of local brand by expanding access to national and foreign markets.

These are the Project's specific objectives

- Establishment and operation of the vineyards cadastre for the Functional Area (qualified as an area with geographical defined indication);
- Operation of approved wineries in conformity with standards, and the use of appropriate oenological practices;
- Formalization of the wine sector in the Functional Area, through the structuring of relations between vineyard producers and wineries and creation of concerned "cluster";
- Promotion of traditional values of the Functional Area, by promoting the local brand of wine, registration and protection of geographical indications, as well as registration and protection of origin.

Expected Results and Project Indicators

Farmers of the Functional Area are direct beneficiaries of the project. There are actually about 190 hectares planted with vineyards and two main wineries (Kallmet and Gjok Gjini) in the Functional Area of Lezhë. All the farms in Lezhë use fertilizer (inter alia, a very low percentage of chemical fertilizer) and about 55% of the farms use pesticides. In total, the project can directly provide benefit to about 988 farms with vineyards in six constituent units of the Functional Area (population 12,900 residents, or 20% of the Functional Area). However, it is aimed at expanding vineyard sector and increasing the products' added value. Expected results: Increase by 400 hectares of the area cultivated with vineyards, for a period of five years; Use of checked and indigenous seedlings, to ensure product quality, geographical indications registration and protection as well as origin registration and protection; Increase of productivity and base product quality, by means of cooperation among farmers and training of them; Registration and recognition of Kallmet brand name and penetration to national and foreign markets.



Project Activities

The project, which will include technical support and investment implementation, is planned to take 20 months and the scheduled activities are as follows:

1. Feasibility study of the area and cadastre creation:
 - Search on the status / creation of the vineyard cadastre in the Functional Area - which includes: i) identification of vineyards parcels and ii) description of the vineyard plots (time needed: 6 months; cost: 35 – 40 thousand Euro)
 - Research / analysis on the possibility - including assessment on: farm production possibilities, wineries distiller possibilities, price, market logistics / channels, marketing / promotion (time needed: 1 month; cost: 10 to 15 thousand Euro);
 - Identification of farmers/farmers' groups that may be included in "Cluster" and intensification of production (meetings, working groups, other events, study visit) (time needed: 3 months; cost: 5-10 thousand Euro);
 - Identification of the location and design of physical investment - identification of technical specifications of vineyards' supporting infrastructure (time needed: 2 months; cost: 10 to 15 thousand Euro);
 - Additional studies - includes legal support for the execution of investments (creation of "Cluster") and financial analysis on costs and benefits (time needed: 2 months; cost: 15 to 20 thousand Euro).
2. Works in the vineyard supporting infrastructure:
 - Construction / rehabilitation of physical infrastructure (irrigation/drainage/supporting infrastructure for collection) - depending on the findings from the feasibility study (time needed: 12 months; cost: 100-150 thousand Euro);
 - Supply with quality local seedlings and other materials for production, such as organic products used for plant protection (time needed: 8 months, cost: 50 to 80 thousand Euro);
 - Technical assistance for implementation of cultivation and oenological best practices (time needed: 8 months, cost: 20 to 25 thousand Euro)
3. Marketing and promotion of initiative and products:
 - Participation in fairs and meetings "B2B" (time needed: 4-5 meetings during the second phase of implementation, cost: 20 to 30 thousand Euro);
 - Preparation and distribution of promotional materials (time needed: during the second phase of implementation, cost: 10 to 15 thousand Euro).

Project Maturity

The project is not preceded by a feasibility study and is still in the phase of inception. A version of this project was conceived with the RDP, which offers advice about brand recognition to activities. Costs have been estimated approximately. Costs are increased in proportion to the intervention depth. Rural cadastral maps by MARDWA are necessary requirement for the implementation of this project.

Financial Resources and Implementation Partners

The Regional Directorate of Agriculture, the Municipality of Lezhë (Functional Area) are the main implementing stakeholders. Wineries and area farmers may have direct interest in the project, as direct beneficiaries.

The state budget and municipality budget are the sources for providing funding, as well as IPARD schemes (in this regard, applicants must be the wine cellars and farmers).

Project Cost

- Area feasibility study and cadastre creation: 75,000 – 100,000 Euro
- Works in the vineyard supporting infrastructure: 170,000 – 255,000 Euro
- Marketing and promotion of initiative and products: 30,000 – 45,000 Euro