



Project Title

Support olive cultivation and increased planted area with this culture

Project Type

Economic development

Project Location

Balldren - Kallmet

Total Pre-Estimated Budget

355,0000 Euro

Project Background and Analysis

Olive and its derivatives production, as one of the activities significantly subsidized in recent years, has increased compared to other agricultural activities developed in the Functional Area and in particular in the area of Balldren and Kallmet, which have a relatively long tradition in this sector. The area is rich in olive trees; the planted area and the number of planted olives are increasing year after year, reaching 55% of production at the Qark level. The total olive planted area is currently about 426 ha, while the one being cultivated is 275 ha. The biggest part of productive olive trees was distributed to farmers under the Law no. 7501/2001, thus leading to a high level of fragmentation in the sector, which has prevented the achievement of economy of scale for the production of olives with competitive prices. As a direct result of this fragmentation, the productive olives have not been properly taken care. Most farmers do not do proper irrigation, disease control, or other services. The main method of olive collection remains the manual one, this is why productivity has not increased at the same pace with the increase of planted areas, and it is still lower in comparison to other producers in the Mediterranean.

Specific Objectives of the Project

The objective of the project is to expand the possibilities of using the land for olive production by increasing the effectiveness of this activity.

Specific project objectives are: Consolidation of olive production sector and its derivatives through structuring the relations between producers and olive oil factories, or other byproduct producers, as well as the creation of relevant "clusters"; Promotion of traditional values of the Functional Area by promoting indigenous brand of olive oil, registration and protection of geographical indications, and the registration and protection of origin.

Expected Results and Project Indicators

The direct beneficiaries of the project are farmers of Balldren and Kallmet units of the Functional Area. Currently, there are about 190 ha planted with olive-yards in the Functional Area of Lezha. All farms in the Lezha use manual collection, reducing significantly the effectiveness and product quality. In total, the project has the potential to serve directly to two units of the Functional Area (population 10.260 inhabitants, or 15.6% of the Functional Area).

Expected results: Increased utilization of olive cultivated area to about 200 ha for a two year period; Use of indigenous and pre-checked seedlings to ensure the quality of products, registration and protection of geographical indications and registration and protection of origin; Increased productivity and basic product quality through farmers' cooperation and their training.

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Project Activities

The project, which will include technical support and investment implementation, is planned to last for 20 months and the foreseen activities are:

1. Feasibility study of the area:
 - Identification of farmers/farmers' groups that may be included in the "Cluster" and intensification of production (meetings, working groups, other events, study visit) (time required: 3 months; cost: 5-10 thousand Euro);
 - Identification of location and design of physical investments – setting the technical specifications of olive nursery and support infrastructure for the olive yards (time required: 2 months; cost: 10 - 15 thousand Euro);
 - Additional Studies - include legal support for the investment implementation (creation of "clusters") and cost and benefit financial analysis (time required: 2 months; cost: 5-10 thousand Euro).
2. Works in support infrastructure:
 - Construction/rehabilitation of the physical infrastructure (irrigation/drainage/support infrastructure for collection/ - depending on the findings of the feasibility study; (time required: 12 months; cost: 50-100 thousand Euro);
 - Establishment of a greenhouse type nursery to raise quality and indigenous seedlings, about 100,000 seedlings within an area of 1000 m2 (time required: 12 months; cost: 80-100 thousand Euro);
 - Support with quality indigenous seedlings and other necessary materials, such as organic products for plant protection; (necessary time: 8 months; cost: 50 - 80 thousand Euro);
 - Technical assistance for the implementation of best practices of cultivation and protection of olive yards from olive flies (time required: 8 months, cost: 10 - 15 thousand Euro).
3. Marketing and promotion of initiative and products:
 - Participation in fairs and meetings "B2B" (time required: 4-5 meetings during the second phase of implementation; cost: 10 - 15 thousand Euro);
 - Preparation and distribution of promotional materials (time needed: during the second phase of implementation, cost: 5-10mijë Euro);
 - Marketing and promotion of initiatives and products.

Project Maturity

The project is not preceded by a feasibility study and it is still in the concept phase. The calculation of costs is approximate, so costs increase in proportion to the size of interventions. It is indispensable for the implementation of this project to have the support of MARDWA.

Financial Resources and Implementation Partners

The main implementing stakeholders are the Regional Directorate of Agriculture, Municipality of Lezha (FA).

The funding sources could be the state or municipality budget; as well the IPARD scheme (on this occasion, the applicants should have wine canteens and farmers can apply).

Project Cost

- Feasibility study of the area: 20,000 – 35,000 Euro
- Works in support infrastructure: 190,000 – 295,000 Euro
- Marketing and promotion of the initiative and the products: 15,000 – 25,000 Euro