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STIMULATION AND GOOD MANAGEMENT OF FOOD PRODUCTION-A MOST IMPORTANT INDICATOR FOR A CONSTANT REGIONAL DEVELOPMENT

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Abstract
"The national economic development is based on the sustainable development of the regions of the country". This confirmation is visible in the paper presented. The paper is focused on development of the agricultural sector region of Korca mainly in the traditional farming plants of the region, and the enforcing the food-processing industry. In the paper, it is presented the present situation of food-processing industry in the region of Korca, and the further, it is given the situation in conservation of vegetables, as part of the a food-processing industry. This, because of the fact that Korca has had a good tradition in cultivating traditional vegetables. The papers brings new values some of which are :

- *The focus on an important sector of the economic development of the district of Korce such as the agro-elaboratin industry.*
- *The full treatment of the present situation of this industry in the region of Korce.*
- *The focus on the consumer demands of the region for canned vegetable products.*
- *The picked up conclusions will serve as a firm basement for further research work in this field.*

Keywords: agricultural production, agro- refinement industry, consumer demand, agricultural culture

1. INTRODUCTION

By the beginning of '90s, Albania left behind centralized economy and joined market economy undertaking certain economy. These reforms were characterized by a combination of rapid denationalization, business development, and closing of public factories and set up of democratic institutions. [1] The initial transition was chaotic and brought about an immediate economic overthrow, drop of output as half of year 1989, and high levels of inflation. Increasing rates of GDP after year 1997 confirm the success of reforms undertaken by government, as if analyzing the macroeconomic indices and the increasing GDP structure, we notice a disproportion among different sectors. The increase in service and construction sectors has compensated somehow the industrial and agricultural degression. On the other hand, the unemployment rates continue to be high. The situation created and the inssuffiency of jobs is the cause of a massive immigration and emigration. In these conditions, it is important the inducement of home product especially the agricultural and industrial one. Our study aims analyzing of economic indices of Korca region having a focus on agricultural sector especially in traditional culture of region with the tendency of employment and income growth, as well as reinforcement of agro-refinement industry.

The realization of this survey aimed at fulfilling the following objectives:

- The evidence of agricultural production growth in Korca region and the structural differences during the period 1990 – 2009.
- The development of the agro – refinement industry as a result of passing from a centralized economy to a market economy.

Introduction of consumer demand of region for agro - refinement industry products.

For successful realization of appointed objectives of this survey we used the method of analysis and synthesis, by analyzing the secondary data collected from different sources such are: food sector in the Food and Agricultural Directory in Korca, regional strategy of Korca County development,

strategy of rural development in Albania, economic bulletin of National Bank of Albania, etc. We have taken into consideration the results of a project for consumer demand on processed products and respective tests are done. From the analysis of statistical data we have calculated respective indexes of production, which are commented as well.
As primary informative sources we have used half structured interviews with specialists of agriculture and agro-processed field. Through them we have got information about the development of agro- processed industry in the region of Korca, realizing the respective problems.
We relied also on comparable analysis of main indexes of agricultural development before and during transition period. We think that such a comparable analysis of our region has not been done before.

A. A view on agricultural production in the region of Korca

The transition from a centralized economy to a market economy had a negative impact on agricultural sector production.

It results from the analyzing data that after year 1990 some of agricultural production (cereals mainly wheat) underwent a drastic decrease.
The further analysis indicates for a gradual growth of this product, but the most important is the fact that even in year 2009 we have not achieve the wheat production of 1990 also utilization coefficient of area planted is very low about 55.4%.
As you can see in the chart the gradual growth of the agricultural products it is not associated with the planted area. This as shows that the productivity is increased, meanwhile, lot of areas has remained uncultivated.
On the other hand, fragmentation by denationalizing agricultural land brought about changes in semi nation structure of field plants. It is noticed an emphatic decrease in wheat planted areas as well as in industrial plants such as sugar beet because of closure of sugar production factory and tobacco because of difficulties in its trading. Also, this period is characterized by an increase in fruit tree and vegetable planted areas as well as in farming. Today, our region is an exporter of grocery like beans, fermenting tobacco, alcoholic drinks and importer of products like flour, oil, different concentrates for refreshments, several fruits and vegetables. Nevertheless, the actual agricultural production can't fulfill the requirement of regional agro-refinement industry.

Table 1 The main production and the planted area (Region of Korca)

	The production in ton	Year 1990	Year 2000	Year 2005	Year 2009
1	Cereals	96600	69697	58935	94887
	- *Wheat*	91600	51106	38685	72571
	- *Maize*	4700	14411	16033	14497
2	Potato	20900	48429	40069	56606
3	Beans	1800	3574	3044	3392
4	Vegetable	25200	40100	45474	62781
-	The area planting in ha	89200	58382	49720	50370

Source: The regional office of agriculture,[2] The strategy of rural development [3]

Table 2 The calculated index of the main production quantity

(%)

	Year 1990	Year 2000	Year 2005	Year 2009
The base year is 1990	100	111.9	102	150
The base year is previous year	100	119.9	91.1	134

Table 3. The structure of area planted (Region of Korca) (in ha)

	Year 1990	Year 1995	Year 2000	Year 2005	Year 2009
Total area planted	**89200**	**60525**	**58382**	**49720**	**50370**
1.Cereals	37630	28134	25509	20159	21170
2.Barley	3294	3254	1351	1163	1626
3.Oat	2324	1781	2330	1196	1181
4.Vegetable	1504	1912	2121	2247	2405
5.Potato	3432	2121	2515	2252	1969
6.Beans	3239	2260	2375	2403	2246
7.Tobacco	4501	362	677	64	40
8.Sugar beet	6700	2034	1350	1245	-
9.Fodder	20017	12564	17265	15660	16184
10.Fruit tree	3339	5002	1884	2501	2709
11.Vineyard	3220	1101	1005	830	840

Source: The regional agricultural office [2]

Table 4. The number of agro- refinement enterprises and employees (Region of Korca)

	Year 2000	**Year 2005**	**Year 2006**	**Year 2007**	**Year 2008**	**Year 2009**
The number of enterprises	199	216	196	166	190	185
The number of employees	1057	948	736	746	726	689

Source: Statistical yearbook 2009 [4]

B. Agro – refinement industry in the region of Korca

Having a look before ‘90s Korca is specified as a region with a developed agro - refinement industry. Denationalization of economy after ’90s changed the structure of this industry in the country in general and especially in this region. Today, only a small portion of home production is manufactured in Albania by agro – refinement industry which handles 8% of PBB and employs 5% of labour power.[5] Actually, in Korca county about 95% of factories are denationalized by changing their destination and a part of their machinery broke and felt out of use. Today, in Korca county there are about 185 small and middle production lines with anumber of approximately 689 employed individuals. The manufacturing capacity of these firms is 8954 Kv/day while the actual production is only 1559 Kv/day resulting so with a very low utilization coefficient of 17,4%. The main factors affected the decrease of agro – refinement industry production in the region of Korca are:

1. Competition of the import products
2. Deactivation of factory because of old technology
3. Inadequate financial tools to recondition the technology and the lack of investments to reset this industry.(The investments in year 2009 was 43 % of the total investments of previous year, see table Nr.5 All of these investments are made by the financing of business themselves see table Nr.6)
4. Trading of a considerable amount of products directly from the farmer to the consumer
5. Manufacturing of these products by the farmers themselves.

Some of the prior sectors of agro – refinement industry in region are:

- Cereals manufacturing industry

It is represented by one factory of wheat refinement with a capacity of 30ton/day while the ex wheat factory of a capacity of 100ton/ day is closed. Bread production is denationalized and the market demands are fulfilled by a number of 85 bakeries in the region with a general capacity of 70 -80

Table 5 The investments in agro-refinement industry (Region of Korca)

000/lek

	Year 2000	Year 2005	Year 2006	Year 2007	Year 2008	Year 2009
Investments	140935	391884	373158	153817	321702	138599

Source: Statistical yearbook 2009 [4]

Table 6 The source of investments year 2009

000/lek

	With themselves Financing	With foreign credits	With bank's credits	The sum
Investments	138599	-	-	138599

Source: Statistical yearbook 2009 [4]

tons/day. Korca field is a region which produces grains of good quality and high efficiency of about 32.3 kv/ha. So, the main priority parallel to the increase of agricultural production based on tradition is the reopening of flour factory which will positively impact in decrease of imported flour.

- Meat manufacturing industry

This industry is represented by 7 sausage factories, 4 of which are industrialized and 3 are handiwork form. Their capacity is 150 - 200 kv/day while the production arrives to 100 kv/day. They produce good quality and are doing efforts to make the qualitative certification of sausages in the early future with the purpose of exporting .

- Milk processing lines

It is represented by one milk processing factory in Korca with a production capacity of 50kv/day and contemporary technology, 2 milk processing lines in Erseke and Nizhavec with a manufacturing capacity of 30 -50 kv/day and 60 dairies with a capacity of 1-5kv/day. These processing capacities are insufficient because Korca is a mountainous region with unlimited possibilities for farming. We are away from market demands and the capacities before year 1990. During that period there existed a milk processing factory with a capacity of 300kv/day and a great number of diaries in every populated centre with a capacity of 50kv/day each.

-Tobacco manipulation industry

This industry is represented by the tobacco treatment factory which reopened last years having a good impact in increasing the production of this plant, that had decreased drastically after '90s. Despite the fact that this factory has a lower capacity of 2000 tons/year compared to the previous one of 3500 tons/year, it is greatly appreciated

- Alcoholic drinks and refreshments industry

There are about 18 alcoholic drinks' firms operating in Korca region. (include here the beer and wine production). Our region has an early tradition of this industry. Three of the firms "Rilindja" "Ekstra" and "Birra Korca" are well completed regarding the applied technology, production quality and marketing. There are also 5 beer minifactories of a contemporary technology with a capacity of 600 Lit/day. Noticing the good production of beer in region, it should be seen with high priority the possibility to produce in our country the raw material (yeast) which today is 100% imported.
Korca is the most appropriate region for distich barley, which is important in yeast production. Knowing this region priority, it should be seen the opportunity of reopening the yeast factory or other new lines employing in this way region farmers and other workers in the city.

- Fruits and vegetables preserving industry

Actually, in Korca region there are 4 subjects that manufacture preserving vegetables and fruits.
It is worthily to mention also 2 firms that manipulate and conserve in freezing, fruits and vegetables but in low capacity. Their production is insufficient for the market, taking into consideration the fact that before '90s there was a fruit and vegetable conserving factory with a capacity of 1350 tons/year and the large Fridge with a capacity of 5000 tons/year.
The analysis of the agro – refinement industry shows a fall of the production in different sectors of this industry compared with the previous years of transition period. The existing private firms do not make use of completely the productive capacity.
We are focused in the vegetables conserving industry as a part of agro – refinement industry, because the region of Korca has had a good tradition of cultivation vegetable cultures in general, and especially traditional ones, that are always appreciated by the home and foreign market.
Although it is noticed an increase in vegetable production (in 2009 compared to 1990 is an increase by 50% it remains away from market demand.

2. RESULTS AND DISCUSSION

It shouldn't induce only the production for fresh consume but even that of industrial character. Industrial manufacturing of vegetables would make possible long time consume of them. Consumers appreciate conserving products. Some of the outcomes of the survey[6] on vegetable production management of the region and their conserving, to fulfill consumer demand are:
-Consumers prefer more the conserving products of their country than the imported ones (50% and 41%) and non-conservation production (9%)
- The consumers consider the products of our country as more qualitative (44%) fresh enough to consume (29%) and competitive (25%), but it remains a lot to be done about their package(2%)
- The consumers think that our country products can be competitive enough even for foreign markets. From the questionnaires (85%)of them agree to this fact and (15%) doesn't.
The above estimations support the fact that the demand for conserving products is increasing from year to year, orientating in this way the need for consolidating this industry. It should continue the development of agro – manufacturing industry through private investments for opening of former lines and factories and new ones.
Lastly, we come to conclusion that development of agro- refinement capacities is decisive in further improving of agriculture and rural areas. It will be an essential and lasting instrument in agricultural production and will offer good opportunities for increasing employment in rural and urban areas.
The marketing of highly qualitative conserving products will make our region competitive in European markets and make possible the opening of new markets, giving in this way a positive impact in national general production. So, this sector has many opportunities to become main player in national and inter - regional level.
The further increase of agro - refinement industry will be also decisive in improving the relations of farmers to the markets, increasing in this way the local product costs.

3. CONCLUSIONS

1. The farmers have adequate productive capacities but untapped. They can face the demands of the consumers and manufactured industry by the financial support of the donors in the country and abroad.
2. The development of a competitive agro-refinement industry is essential for rural and urban growth. Without it, agricultural growth will firstly, be limited in accomplishing local demands and in fresh products sale.
3. The agro - refinement industry will be the main and lasting instrument for agricultural

production which in turn will offer many opportunities for increasing employment in rural and urban areas, increasing the infield surface, impacting poverty and migration reduction of the people living in these areas.

4. The development of agro - refinement capacities is hampered from the primitive technology used in the factories, lack of investments for new settings, lack of technique and managing expertise, high cost of goods' accumulation in case of small farmers and inappropriate infrastructure.

5. Our consumer prefer the domestic products to the imported ones, but a lot of work remains to be done in improving packaging and guaranty, to aim competitive ability in market.

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