HPK Impact Survey 2010
Summary Report

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Key Findings

- Average farm sizes for all producers was around 3.5 hectares
- Direct beneficiaries (€15,007 annual income) have an income €4,200 per month higher than indirect beneficiaries (€10,816). Due to wide standard deviations, this is not considered statistically significant.
- Overall, 65% of producers who are direct beneficiaries of the project are implementing improved practices. This compares with 35% of indirect beneficiaries. Considering there is no financial support to indirect beneficiaries, this does show a moderate level of outreach is occurring.
- Hired labour is low for all producers, but is higher by indirect beneficiaries than direct even though their production levels are lower. This is most likely due to increased efficiency of direct beneficiaries.
- Post harvest actors employ significant amounts of labour (total 17,500 days in 2010)
- Amongst the traders interviewed in this survey, exports were in excess of 4,700 tonnes
- More than 80% of the traded peppers were exported, compared with less than 5% of traded apples.

Background

HPK has been operating in the horticulture sector in Kosovo since 2001. The project activities have impacted on all levels of the value chain, and numerous reports have been prepared assessing and measuring the activities of the project. Despite the extensive nature of the projects activities for almost a decade, the project has failed to undertake a structured survey of its impact for the first 9 years. Most importantly, no baseline of the sector was ever established.

It was against this background that HPK decided in 2010 to undertake the first structured survey of the project's activities. Designing a suitable structure for the survey was a major challenge, and the project contracted the services of Ruedi Felber of NADEL in Switzerland to assist with the design.

Conducting the Survey

A local consultant and 4 local enumerators were employed on short term contracts to undertake the survey. This was conducted in close collaboration with project staff. The survey was conducted from late October to mid November 2010. A total of 276 surveys were completed, with 191 producers (99 direct beneficiaries, 92 indirect), 29 advisors (22 direct, 7 indirect), 12 nurseries, 28 post harvest actor and 16 associations.

Results

A detailed report is available from HPK, but the following summary of the results is provided here.

1. **Producers:**
   - ⇒ Average farm size across all producers was approximately 3.5 hectares. More than half of the producers also rented land of a similar area.
   - ⇒ 60% of direct beneficiaries drew their main income from agriculture (75% of indirect), with other income sources including paid work, pension and overseas remittances
   - ⇒ Direct beneficiaries report better financial security than indirect beneficiaries

⇒ More than 90% of all producers reported weather as either the most or second most important factor in agriculture. The only other response with more than 5% of producers rating it as important was 'training and study trips'.
⇒ In fruit production, 69% of direct beneficiaries adopted at least one improved practices, whilst only 32% of indirect beneficiaries did. Corresponding data for vegetables was 65% and 35%.
⇒ Productivity per hectare was lower for direct beneficiaries in fruits, due to younger orchards. For vegetables, productivity for direct beneficiaries was higher across all crops compared with indirect beneficiaries. For strawberries, the 14 direct beneficiaries had productivity of 13,279 kilograms per hectare compared with 5,830 kg/Ha for the 6 indirect beneficiaries.
⇒ In top fruit production, hired labour is very low – with only 26 of the 59 producers employing labour from outside the household. For vegetables this rate is even lower, with only 34 of the 120 producers employing hired labour.
⇒ The average income for direct beneficiaries in 2010 is €15,007 compared with €10.816 for indirect beneficiaries.

2. Nurseries

⇒ Average income for nurseries was €13,254. Most nurseries also had income from other sources.
⇒ Employment generated per nursery was almost 300 days on average per year (seasonal)

3. Advisors

⇒ Advisory income is still very low (€1,025 per annum) and is heavily supported by HPK, and other projects. Of 29 advisors interviewed, only 7 received part of their income from producers.

4. Post Harvest Actors & Traders

⇒ Post harvest actors consisted of collection centres, wholesale and retail traders and processors
⇒ 75% of respondents indicated that 2010 was 'better' or 'much better' than former years for post harvest activities
⇒ Income ranged from €500 to €4,000,000 from processing and trading activities
⇒ Of the 16 processors interviewed, 6 targeted export markets. Annual income ranged from €1,415 to €810,200.
⇒ Wide range of incomes reflects the diverse (and changing) nature of these actors and markets
⇒ Of the major products traded, apples had the highest imports (85%) and lowest exports (less than 5%). Peppers were the other extreme, with less than 5% imported and 80% exported. Cabbages had a similar result to peppers (low imports and high exports). The majority of traded tomatoes were sourced locally (85%). IP products are not a significant part of this trade.
⇒ Caution should be exercised in extrapolating this data beyond the project. Many traders outside of the project's partners do not trade local produce, but are mainly importers. Data here supports the choice of partners by HPK.
⇒ Employment for post harvest activities resulted in around 17,500 days of employment, including 5,200 days for minorities.

5. Associations

⇒ Of the 16 associations interviewed, 13 have established business plans, 14 collected fees from members and 14 have functional accounting systems. The average number of members is 23.
⇒ 12 Associations report collective purchase of inputs and 8 undertake collective marketing. These activities are promising, but not yet at a high level.

Future Surveys

It is proposed to repeat a similar survey in both 2011 and 2012.

A number of lessons have been learnt from the survey in 2010 which will be implemented in future surveys. In addition, the constraints of such a survey need to be recognised and results accepted bearing these in mind. For example, there was some resistance from producers to provide all information. In general, producers do not keep accurate records and information is therefore open to some 'recall' error.

By sharing data from the 2010 survey with the sector, it is hoped some of this resistance can be overcome. Increased training of enumerators to overcome some of these difficulties is also planned for the 2011 survey.