FAO-EBRD Workshop on “Best practices and approaches for enhanced F&V supply chain management”

Hotel HILTON, Podgorica – November 7, 2018

Lisa Paglietti, FAO
OUTLINE

- Overview of the FAO/EBRD project
- F&V sector standards
- Consultative stakeholder discussion
Support the development of sustainable F&V value chains through:

- Product quality upgrading
- Improved linkages between producers and buyers (retailers, HORECA sector)
- Consolidation of supply through enhancing farmers’ grouping/consortium
Main project outputs

- In depth F&V sector review
  - Sector analysis
  - Scenario analysis and policy options for the sector
- Capacity Building support: study tour to Bosnia, training workshops
- Identification of commercial best practices for sustainable VC integration
OUTLINE

- Overview of the FAO/EBRD project
- F&V sector standards
- Open discussion/Q&A session
An Italian experience on supplier-retailer relations and supply organization focused on F&V value chain

Presentation of the new EU harmonized Rulebook on minimum quality standards

Experiences and current logistic and packaging practices in local retail chains
OUTLINE

- Overview of the FAO/EBRD project
- Montenegro F&V sector
- Open discussion/Q&A session
Poor links at the chain level

Ministry of Agriculture and Rural Development

Financial institutions

Advisory institutions

Purchaser of inputs

International Traders

Exporters

Trade chains

Final Consumers

Buyer

Importers

AGRICULTURAL PRODUCERS

Family holdings

Business entities

Associations of producers

PROCESSING INDUSTRY
F&V analysis

**STRENGTHS**
- Favourable natural resources and varied climatic conditions
- Growth consumer demand driven by tourism
- Minimum quality requirements for fresh fruits and vegetables
- Presence of tertiary education institutions:
  - EU funding available for agriculture and rural development

**OPPORTUNITIES**
- Off season production and increase processing
- Potential for organic agriculture
- Improved production planning, product aggregation and marketing through farmer groups
- Improvement on cool chain management
- Increase import substitution through growing tourism
- Niche markets for local produce (organic, GIs, fair trade produce)
- IPARD mechanisms and Agrobudget

**WEAKNESSES**
- Fragmented production and limited commercial production
- Low level of group organization
- Limited technical knowledge and low familiarity with trends and innovations in agriculture
- Underdeveloped cool chain and cold storage facilities
- Poor horizontal and vertical linkages
- Poor packaging and product standardization

**THREATS**
- Limited interest of farmers to engage in commercial production and form/join farmer groups
- Significant price fluctuations, such as recent price drop in raspberries
- Low financial capacity of farmers
- Limited demand for organic products on the domestic market
- Limited support for youth in agricultural start-up
Discussion topics

Issues on production (inputs, standards, traceability, etc)
Local sourcing: relationship structure between producers and buyers
Compliance with standards?
Marketing, packaging requirements?
Associativism- working together, F&V federation to lobby at policy and marketing levels
What the project can support?

- Capacity building activities, e.g. on:
  - GAP, market and quality standards, collective actions (marketing, post-harvest infrastructure), importance of cooperativism, traceability and packaging
- Facilitate the exchange of best practices at regional level
- Support at policy level (e.g. registration and access to finance)
Future scenario

- Environment is changing
  - Higher competition – EU market liberalization
  - Changes of consumers habits
  - EU integrations and new set of rules involving food safety & quality and marketing standards

- How to prepare for the future
- Through better organization
- Adoption of Montenegrin standards aligned to EU
- Improving sorting/packaging

- We would like to know what progress has been made, obstacles you are facing
thank you!

www.EastAgri.org