

The Importance of Production Output in Support of Multifunctional Agriculture

Nertila Qafoku (Arapaj), Natasha Hodaj

Abstract— Albania remains the country with the highest share of agriculture in relation to Gross Domestic Products (GDP) in Europe and nearly doubles the region while the paradox lies in the fact that the country continues to be a net importer of agricultural products. Rather, the measures taken in 1991 with "massacre" in land fragmentation per capita funding to dropper and fragmentary development policies have disoriented the long-term sustainable development of the sector. This performance shows that the country is still in the inertia of the communist heritage, without being able to modernize and adapt the sector to the new needs of the market economy. Multifunctionality is seen as a choice for the agricultural sector (promoting farm development) which is involved in a variety of cyclical difficulties, orienting the value chain. Through AHP we have identified those objectives that can increase the performance of the manufacturing sector and specifically to build policies that keep price stability. The study was conducted in the district of Berat, as the district data are close to the country average.

Index Terms— Multifunctionality, deepening, broadening, regrounding, hierarchy analytical process, production output, Berat district.

1 INTRODUCTION

The integrated nature of rural development suggests that there are many elements that will influence its outcome. The combination of all the relevant variables into a single decision making would conflict with the multidimensional reality [1].

The concept of multifunctionality at farm level [2] contrasts the structuring principles of the conventional farms with those of multifunctional farms. It describes multifunctionality on the basis of the relationship between the farm enterprise and the three external contexts they relate with. The first out of these contexts is the agro-food supply chain that is the production side of enterprise [3]. The second is rural area in which the farm enterprise situates and it contains the ways by which the farm interacts with the rural context [4]. The third one is the context of the different resources that are at the disposal of the farm enterprise and of which mobilization the farm can develop the various livelihood strategies [5].

Deepening occurs at the side of agricultural production and it refers to the creation of more value-added per unit of production through for example of quality food production or processing of the farm's own products [6]. That is the farms aim to receive premium prices from consumers for the quality of the products for their particular characteristics (organic products).

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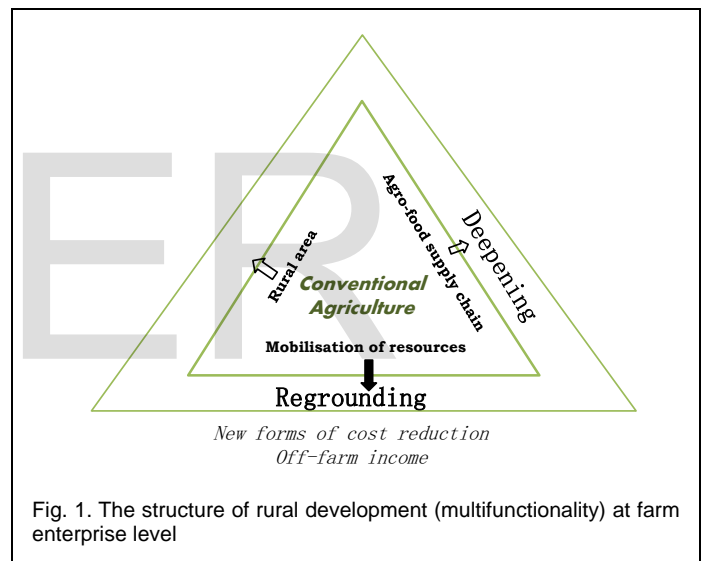


Fig. 1. The structure of rural development (multifunctionality) at farm enterprise level

The multifunctional enterprise is characterized by a more accentuated participation in the local and regional economy and "it is often an intrinsic part of the social fabric of the countryside" [3]. Broadening is realized through the launching of new non-agricultural activities that can be found at the interface between societies, community, and landscape.

The multifunctional farm is characterized and by regrounding of the available resources that is the farm enterprise becomes involved in a pattern of the use of new or different set of resources [7]. As far as the production base is concerned, regrounding refers to the endeavour of the use of internal inputs rather than external ones contributing to the saving on input and environmental safeguarding.

2 THE SITUATION IN BERAT DISTRICT

The economic situation in the Berat Region is below the na-

tional average. Region is considered as one of the less developed regions and the relative difficulties that come from positioning inside the country. Berat is primarily an agricultural region and oriented towards trade and tourism.

After land privatization (Law 7501), shows that the growth of this sector is quite slow, as a result of boundary-limited surface to the farm, the high level of fragmentation, the parcel size etc. Here are some indicators [8]:

TABLE 1
DATA ON LAND FUND

District	No Villages	The total surface	Land surface agricultural	Land divided by farmers	Average size of plots (ha)
Berat	243	179793	52919	40577	0.27

It is worth mentioning that the incomes resulting from agricultural activity in this circuit are not scarce. They are mainly focused straight grain production, vegetables (in greenhouses), forage, industrial plants (tobacco, sunflower etc.), orchards (fruit, citrus, and olives) and livestock [8].

TABLE 2
THE ESTIMATED AGRICULTURAL PRODUCTION, BY SECTOR AND ACTIVITIES

No.	Item	Estimated production	
		000 leke	in %
I	The crops	9,499,100	42.7
II	Arboriculture	4,344,000	19.5
III	Livestock	8,403,400	37.8
	Total (I+II+III)	22,246,500	100

Attention goes to vegetable production activity. As noted, vegetables rank first as a result of market orientation towards these crops and farmers in this region have responded positively. A considerable amount of vegetables goes to meet the needs of other regions and exports.

Although the county in terms of agricultural development has increased farmers continue to face a low level of capital and integration as well as lack of information and assets.

Increasingly, the population of these areas need continued support from sources outside the farm and to this end sought new strategies to develop ways of life. Farmers are facing a number of problems like:

- Decrease of trading power for basic products
- Low capitalization level
- Economic dependence on agro-processing businesses
- Political dependence in relations between countries and markets
- Exposure to risk and uncertainty through trade fluctuations and global consistency (often from subsidizing exports)
- Dependence on diversified livelihood strategies from off-farm economic resources

A good opportunity for the future of the population of rural areas will undoubtedly be the development of agrotourism, organic agriculture and participation in markets through products of the territory.

3 METHODOLOGY

Based on the theoretical concepts of different authors and practices of countries that have developed multi-functional agriculture is important is how and in what social-economic conditions and production practices of consumption may be possible developing of agriculture multifunkionale of related to sustainable development of rural areas.

Economic Contribution: How will multifunctional agriculture affect the improvement of farm incomes in the Berat region (eg income, net profit, costs, prices, share of value added for farmer, number of goods offered, number of tourists, etc.)

One of the goals of this research is to present a model or method to provide usability scores for comparative evaluation. The AHP provides a means of decomposing the problems into a hierarchy of sub-problems which can more easily be comprehended and subjectively evaluated. The subjective evaluations are converted into numerical values and processed to rank each alternative on a numerical scale [9]. The methodology of the AHP can be explained in following steps [10]:

The first step: The problem is decomposed into a hierarchy of goal, criteria, sub-criteria and alternatives.

At the second step: Pairwise comparison of alternatives based

TABLE 3
THE AHP PAIRWISE COMPARISON SCALE

Degree of importance (w)	Definition
1	Equal importance
3	Moderate importance
5	Strong importance
7	Demonstrated importance
9	Extreme importance
2,4,6,8	Intermediate values

on a qualitative scale [11].

At the third step: The pairwise comparisons are organized into a square matrix.

The fourth step: The comparison of matrix gives the relative importance of the various criteria.

The fifth step: Evaluated the consistency of the matrix

$$CI = (\lambda_{max} - n) / (n - 1)$$

Finally: The rating of each alternative is multiplied by the

weights of the sub-criteria and aggregated to get local ratings with respect to each criterion

4 DATA ANALYSES

TABLE 4
 METHODOLOGICAL PHASE AND SAMPLE SIZE

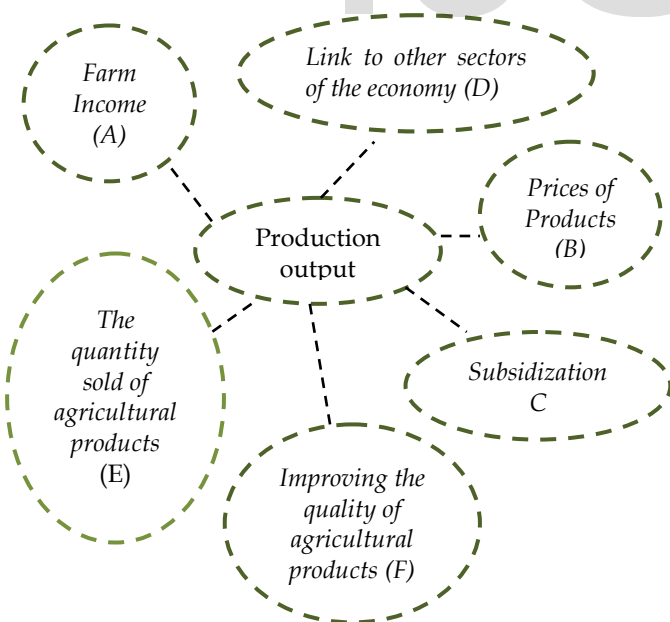
Phase	Activity	Observations
Phase 1	• Interviews with local agriculture agents	3
	• A qualitative open-ended questionnaire	30
Phase 2	• A quantitative structured questionnaire in 3 regions (Berati, Kuçova, Skrapari)	300

	A	B	C	D	E	F	Vektori eigen
A	1	1/2	3	4	4	6	0.27373
B	2	1	4	5	5	7	0.40171
C	1/3	1/4	1	2	2	4	0.12786
D	1/4	1/5	1/2	1	1	3	0.0798
E	1/4	1/5	1/2	1	1	3	0.0798
F	1/6	1/7	1/4	1/3	1/3	1	0.03711

Data used in this analysis were obtained from questionnaires realized in Berat district. Our study was structured in two phases.

The first phase consists in the interviews with specialist of agriculture in the area. These interviews were realized in order to identify farmers' opinions, attitudes and objectives they usually consider in their farming management. The obtained information is used to design a structured questionnaire carried out in the second quantitative phase.

In this way, first we identified the agricultural objectives. The results of this part in our research allow us to determine the five alternatives of production output that includes:



Supporting multifunctional agriculture (production output) leads to increased income and the ability to increase farm activity. We can see from the comparative matrix

From vector eigen, eigen values we clearly see where it seems clear that for farmers the most important is to have stable prices for products followed by the desire to have an increase in revenue. Farmers want more support from the government through subsidies.

5 CONCLUSION

The economy of the Berat region is largely comprised of a less productive activity economy, whose main function is meeting local needs. Most manufacturing activities have very low productivity, and do not generate sufficient income, to foster growth and strong development.

The agricultural model is still very traditional and largely meets local needs based on lifestyle. After the privatization of land and its fragmentation, this sector is not growing at the rate required, working with low profits.

The linkage of farmers to the processing industry is lacking or insufficient. The efforts so far are spontaneous and the region is still not recovering its position in the production and marketing of agricultural products. There is little support from government programs for the collection of agricultural and livestock products, which will help regional development.

This would provide us with increased production, and this increase will come as a result of increasing the farmer's skills. Through such a policy we will provide quality products, it will also lead to increased exports, and above all, we will have a safe food.

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