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EVOLUTION OF ORGANIC AGRICULTURE IN ALBANIA: ECONOMIC INSIGHTS, SECTOR DEVELOPMENT, AND BIOECONOMY POTENTIAL (2008-2025)

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Abstract

This article returns the economic aspects of organic agriculture in Albania, based on a 2009 previous work that detailed organic farms and operators from 2008. It examines market structures, supply chains, processing, marketing issues, government assistance, and prospects, updating the analysis with new data from 2023-2025. In 2008, the sector was just starting out with 61 certified operators, small farms, and minimal exports, primarily serving local markets for fruits, vegetables, grapes, olives, and wild collection. By 2023, organic agricultural land expanded to 736 hectares (ha) with 150 producers, while wild collection covered 469,325 ha, producing 7,295 tons. Exports to the EU reached 1,263 metric tons (MT) in 2023, a decrease of 12.3% from 1,440 MT in 2022. Albania aims to have 25% of its land organic by 2030 as part of the EU Green Deal, supported by national initiatives like IPARD III (€146 million total, including €2.1 million for organics) and the National Organic Action Plan (NOAP) 2024-2027 (FiBL & IFOAM, 2025; European Commission, 2025). The organic sector has significant potential for bioeconomy integration, utilizing biomass (42% of domestic material consumption) for bioenergy and bio-based products, with sustainable lignocellulosic biomass projected at 2.15 million dry tons annually by 2030. Economic challenges remain, such as low consumer awareness and hurdle certification, but there are opportunities in exports, agritourism, and circular models that indicate potential for inclusive growth. This paper updates a mixed-methods baseline study with 2023-2025 policy and statistical data. Research indicates that Albania's organic sector is transitioning from a donor-supported pilot phase to a well-organized national policy framework,

with increasing potential for export diversification and integration into the bioeconomy. The main challenges faced include low domestic market demand, expensive certification processes, and poor institutional coordination. However, there are opportunities in bio-based industries, agritourism, and connections to the circular economy. In summary, the sector is showing gradual yet consistent growth, reinforcing its importance as a key driver for sustainable rural development and a crucial element in Albania's shift towards a green and circular bioeconomy.
Keywords: Organic Agriculture; Bioeconomy; Albania; IPARD; Circular Economy; Sustainable Development

INTRODUCTION

Organic farming in Albania started in the early 2000s, led by pioneers, international projects (like SASA and PAB), and initial government support. A research work *(Luarasi 2009)* studied 57 of the 61 certified operators from 2008, showing a small sector with young, educated farmers driven by economic benefits such as premium prices and access to exports. Important economic aspects included small, diverse farms (with an average modest size and 89% diversification), labor-intensive practices (mostly family-run), and supply chains focused on local markets, with new exports in olives and wild products. Marketing depended on direct sales and farmers' markets but was hindered by poor infrastructure and low awareness. Government support was limited to certification subsidies but gradually developed with donor involvement through projects with training and market access, as highlighted by recent analyses on Albania's regulatory framework for organic food production *(CEI, 2023)*.

By 2025, agriculture in Albania is expected to contribute 21% to GDP and employ 43.3% of the workforce, with organic farming becoming more popular as the country works towards EU membership. The sector is in line with the EU Farm-to-Fork strategy, aiming for 25% organic land by 2030 without sacrificing yields or affordability *(European Commission, 2025)*.

RESEARCH OBJECTIVES

- To assess the economic evolution of organic agriculture in Albania between 2008 and 2025.
- To evaluate market, policy, and export trends shaping the sector.
- To analyze the bioeconomy integration potential within the organic sector.

METHODOLOGY

This research uses a mixed-methods approach (OECD, 2024) that combines both qualitative and quantitative methods to evaluate the economic development of organic farming in Albania from 2008 to 2025. This design is based on a baseline survey that was first conducted in 2008-2009 and has been enhanced with new secondary data and policy analyses for the years 2023-2025.

Primary Research (Baseline Study 2008-2009)

The initial study provided the empirical basis for this paper and involved semi-structured interviews with 57 out of 61 certified organic operators registered in Albania at that time. The interviews explored farm characteristics, types of production, marketing channels, certification experiences, and views on economic and environmental benefits. Data were gathered through field visits in various districts (Tirana, Korça, Shkodra, and Elbasan) using a questionnaire that included both closed and open-ended questions. Quantitative data were utilized to calculate gross margins at the farm level and to identify production costs, while qualitative responses were thematically analyzed to gain insights into farmers' motivations and challenges.

Secondary Data Integration (2023-2025)

To reflect the latest changes, the research combines new data from various institutional and global sources, such as FiBL/IFOAM, the Ministry of Agriculture and Rural Development, the National Organic Action Plan (NOAP) 2024-2027, the OECD Circular Economy Roadmap, and S2Biom reports. This update offers a comparative longitudinal analysis, comparing the 2008 baselines with indicators from 2023-2025, including certified area, number of operators, market structures, and export performance. Descriptive statistics and trend analysis were employed to demonstrate growth patterns.

Policy and Institutional Review

A thorough analysis of documents was performed on Albania's policies and legal tools concerning organic farming, rural development, and the integration of bioeconomy. Special focus was placed on the IPARD III financial tools *(Ministry of Agriculture and Rural Development, 2024)* and Law No. 104/2024, which aligns with EU Regulation 848/2018. Comparative insights were gathered from regional studies in the Western Balkans to evaluate how well they align with the EU's Farm-to-Fork and Green Deal goals *(European Commission, 2025).*

Analytical Framework

The comprehensive analytical framework combines economic indicators (such as farm structure, exports, and subsidies) with pathways for bioeconomy transition, in line with the EU Bioeconomy Strategy (2020 update) and the JRC Bioeconomy Monitoring System *(European Commission, Joint Research Centre, 2025).* By triangulating field data, policy documents, and statistical trends, the validity and reliability of the findings are improved.

RESULTS

Organic Sector Statistics and Growth

Organic farming in Albania has steadily grown since 2008, starting from a small foundation. The number of certified operators increased from 61 in 2008 to 150 producers by 2023, along with 59 processors, 5 importers, and 14 exporters. This growth shows a gradual improvement in institutions, aided by IPARD funding and better certification systems. The total area certified as organic reached 736 hectares, which is 0.1% of all farmlands, while areas for wild collection spanned 469,325 hectares, making up about 97% of the total organic area *(FiBL & IFOAM, 2025)*.

The production is focused on medicinal and aromatic plants (MAPs), which occupy 64.5% of the cultivated land, followed by orchards (mostly olives and nuts, 23.3%) *(NOAP, 2024-2027).* Cereals, vegetables, and grapes are minor crops under organic management, together representing less than 3% of the cultivated organic land.

Organic yields vary due to soil fertility, limited irrigation, and differences in operator training. However, the financial performance of MAPs and olive-based value chains is the most consistent, especially in southern and eastern Albania, where established export networks connect producers to Italy, Germany, and Switzerland *(FAO, 2023)*.

Table 1: Organic Crop Distribution (2023)

Crop	Area Share (percent)	Key Notes
Medicinal % Aromatic Plants	64.5	Dominant in cultivated land
Orchards (e.g., Olives)	23.3	Main permanent crops
Cereals	<1%	Marginal share
Grapes	<1%	Small experimental areas
Vegetables	<1%	Minor share

Table 1 provides an overview of the crop distribution for 2023, emphasizing the prevalence of perennial and non-wood products, which require fewer inputs and are better suited to Albania's landscape and farm size.

Comparative Trade and Regional Positioning

While Albania's organic exports have grown significantly in terms of structure and variety, they are still small in absolute numbers. In 2023, exports totaled 1,263 metric tons (MT), down from 1,440 MT in 2022, reflecting a temporary 12.3% drop due to increased transport costs and stricter coordination following the pandemic.

In comparison to its regional counterparts, Albania's export volume remains limited- Greece exports about 50,000 MT and Romania 20,000 MT of organic products each year. Nevertheless, Albania's focus on wild-harvested MAPs and olive products provides it with a strategic edge in niche markets that prioritize traceability, natural sourcing, and authenticity from smallholders. These areas hold significant potential for high-value bio-based products like essential oils, herbal cosmetics, and nutraceuticals.

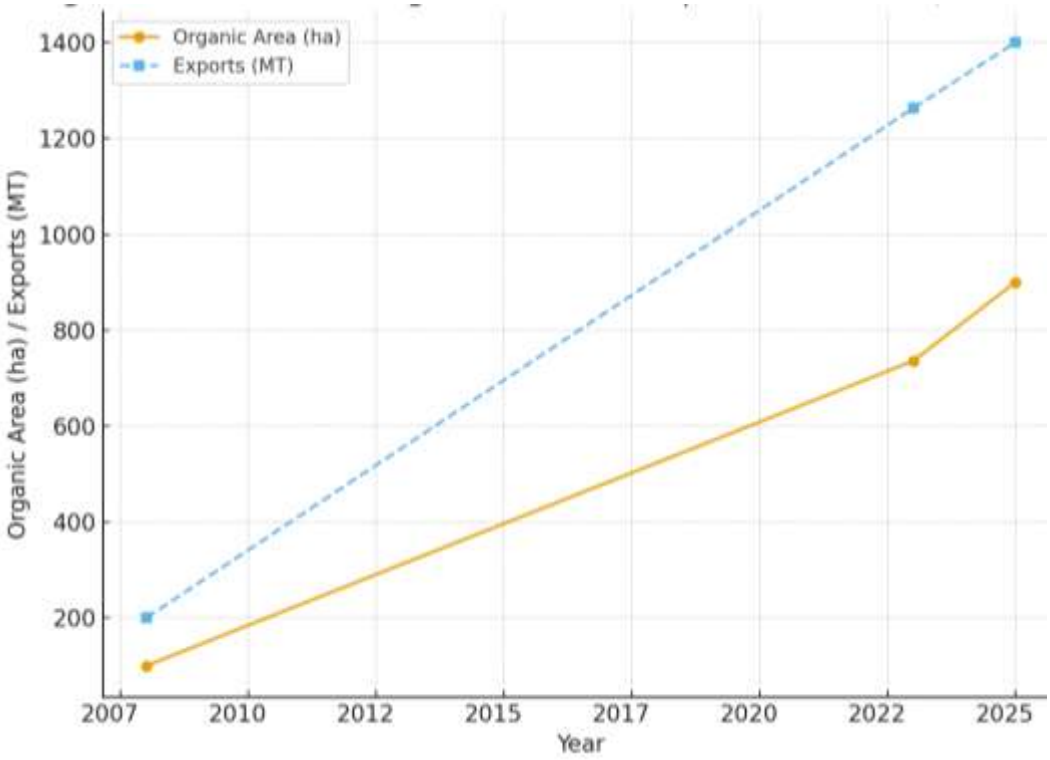

Figure 1: Evolution of Organic Area and Exports in Albania (2008-2025)

Source: FiBL & IFOAM (2008-2025), NOAP (2024-2027)

Figure 1 illustrates the evolution of organic area and export volumes from 2008 to 2025, showing an upward trend in both, albeit with fluctuations due to certification cycles and changing EU demand.

Economic Challenges and Institutional Support

Despite visible progress, the sector still faces several ongoing challenges that limit its competitiveness. Issues such as low consumer awareness (42%), inadequate recognition of premium prices (35%), and high certification costs hinder growth. Small farms rely significantly on family labor and often do not have access to marketing cooperatives, making it hard to achieve economies of scale.

In response, the government has introduced subsidies (€1,000-2,000 per farm) and specific IPARD III initiatives, which have allocated €2.1 million for organic projects *(European Commission, 2025).* Furthermore, the National Organic Action Plan (NOAP) for 2024-2027 aims to enhance traceability systems, strengthen producer organizations, and align Albania's laws with EU Regulation 848/2018 through Law 104/2024.

Nonetheless, overlapping responsibilities among the Ministries of Agriculture, Environment, and Economy can delay policy execution. Additionally, fragmented data collection systems hinder accurate monitoring of the sector, leading to inconsistencies between national and international statistics.

New Opportunities in the Bioeconomy

The merging of the organic sector with Albania's growing bioeconomy offers fresh economic prospects. Biomass makes up 42% of the total domestic material use, and by 2030, there is an expected availability of 2.15 million dry tons of lignocellulosic biomass each year. Albania can utilize organic waste and agro-residues for renewable energy and bioproducts.

The collaboration between organic farming and the circular bioeconomy promotes efficient resource use, reduces carbon emissions, and enhances rural development through practices such as composting, biogas generation, and processing of MAP residues *(World Bank, 2025; UNDP, 2025).* This supports the Green Agenda for the Western Balkans and the goals of Horizon Europe, encouraging sustainable development and regional competitiveness.

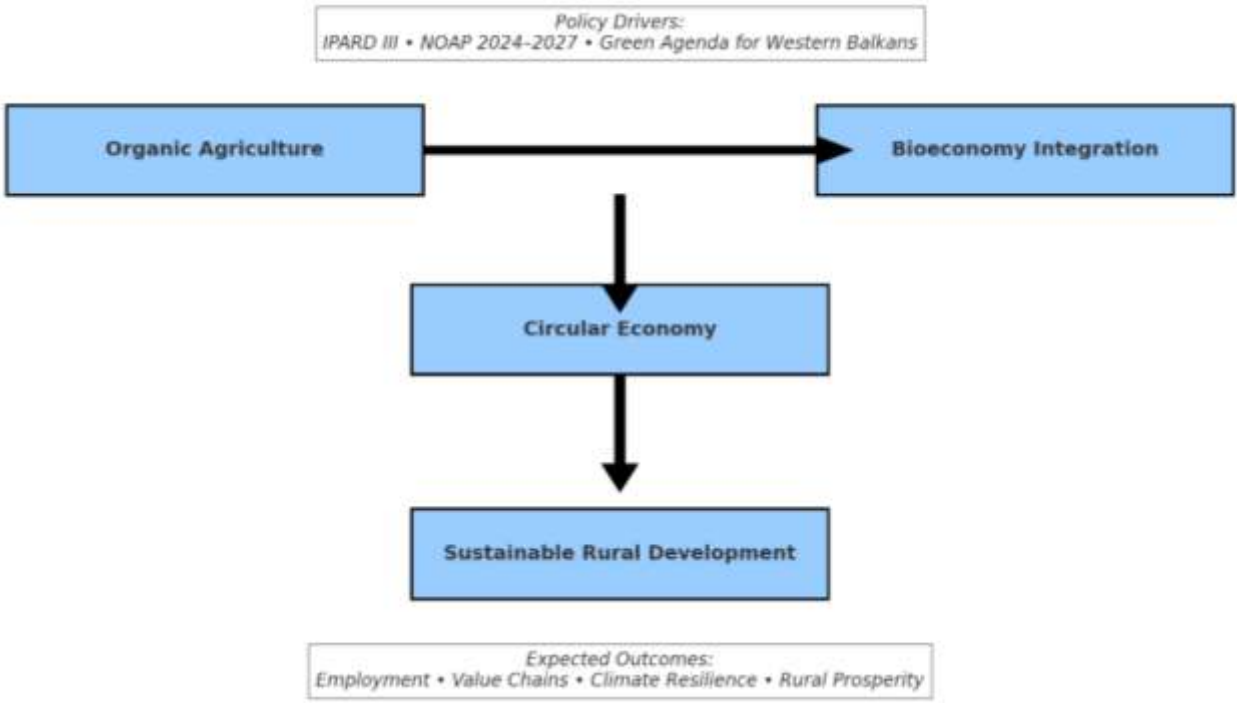

Figure 2: Conceptual Framework - Integration of Organic Agriculture and Bioeconomy in Albania

Figure 2 outlines the conceptual model of this integration, showing how organic production systems contribute to both environmental and economic sustainability.

Results Summary

In summary, the findings show that Albania's organic sector is currently consolidating, transitioning from experimental production to a more mature institutional and policy framework. The growth has been steady but moderate, fueled by EU alignment, public support initiatives, and market adjustments. The key challenge ahead is to boost domestic market penetration, improve coordination within the value chain, and attract more private investment in processing and certification services.

DISCUSSION

The results of this study show that Albania's organic agriculture sector, though relatively small, is slowly developing into a well-organized part of the national agri-food system. The increase from 61 operators in 2008 to 150 in 2023 indicates both institutional growth and the ongoing involvement of small and medium-sized farms that still play a major role in agriculture. However, the growth is gradual rather than rapid, indicating that structural and financial challenges continue to restrict the sector's ability to scale up.

From a comparative viewpoint, Albania's organic agriculture performance is similar to that of other Western Balkan countries, like North Macedonia and Montenegro, where organic farming accounts for less than 1% of total farmland but is expanding through donor-funded projects and EU-supported subsidy programs *(Stojcheska et al., 2024).* The findings suggest that advancement relies heavily on external financial support such as IPARD III, rather than internal market demand. This dependence highlights the sector's vulnerability to changes in policy and the necessity for sustainable national funding mechanisms focused on organic farming and bioeconomy transitions.

Another significant issue highlighted by the findings is market fragmentation. While export markets for MAPs and olive products remain robust, the domestic market for organic goods is still limited due to low consumer awareness and insufficient retail infrastructure. In urban areas like Tirana and Durrës, supermarkets are beginning to offer imported organic products, but locally certified items are not well represented. This discrepancy between production capabilities and domestic consumption potential points to a critical policy gap that needs to be filled through public awareness initiatives and incentives for short supply chains.

Institutional coordination is a recurring theme. The overlapping duties of ministries responsible for agriculture, environment, and trade often lead to bureaucratic delays, while inadequate extension services impede farmer training in certification and market management *(World Bank, 2025).*

Effective execution of the National Organic Action Plan (NOAP) 2024-2027 will rely on establishing a unified data platform and empowering regional agencies to assist with certification, traceability, and quality assurance.

Integration with the bioeconomy presents a transformative opportunity. By connecting organic production with biomass valorization, waste reuse, and renewable energy systems, Albania can improve resource efficiency and diversify income in rural areas *(S2Biom Project, 2016; OECD, 2024).* However, this shift requires coordinated policy design that merges environmental regulations, investment incentives, and educational programs aimed at rural youth and agri-preneurs.

Lastly, the discussion highlights the importance of knowledge transfer and innovation systems. Universities, research centers, and extension agencies need to work together to encourage applied research on organic inputs, pest management, and soil restoration, as well as to create entrepreneurial curricula for developing the organic value chain. In this regard, Albania’s involvement in EU-funded projects under Horizon Europe and EIT Food can offer essential platforms for capacity building and knowledge co-creation.

CONCLUSIONS

The development of organic farming in Albania from 2008 to 2025 shows a path of gradual establishment, learning from policies, and integration with international standards. The sector has transitioned from being driven by donors in a pilot phase to becoming a recognized national policy priority that aligns with the EU Green Deal and Farm-to-Fork Strategy. Although its quantitative scale is limited, the sector increasingly symbolizes and strategically supports sustainability, rural inclusion, and environmental care.

The findings indicate that the potential of the organic sector is not just in expanding land area but also in enhancing the value chain, especially in processing, certification services, and diversifying exports. Stronger domestic demand, backed by clear labeling and consumer education, will be essential for long-term stability *(FiBL & IFOAM, 2025).*

To meet the national goal of 25% organic land by 2030, Albania needs to adopt a coordinated strategy that includes:

1. Coherent governance, ensuring responsibilities among ministries and agencies are aligned.
2. Reliable financing mechanisms, through IPARD and national funds, to lessen reliance on external donors.
3. Systems for knowledge and innovation, bringing together academia, research, and farm organizations.
4. Integration of bioeconomy, encouraging the circular use of organic waste, renewable energy use, and eco-innovation.
5. Development of markets, through branding, standardizing certifications, and facilitating exports.

Additionally, organic farming can act as a driver for green job creation, especially for young people and women, fostering social inclusion in isolated regions.

Looking forward, future research should enhance the understanding of how the integration of organic farming and bioeconomy contributes to measurable sustainability outcomes, such as job creation, carbon reduction, and resource efficiency. Evaluating the life cycles of important value chains (MAPs, olives, and honey) and creating digital traceability tools would improve transparency, competitiveness, and policy assessment. These evaluations will assist in aligning future actions with Albania's wider green transition goals.

In conclusion, Albania’s organic agriculture is becoming a vital part of its green transition, merging environmental responsibility with economic opportunities *(UNDP, 2025; European Commission, 2025).*

With ongoing policy support, focused investments, and collaboration across sectors, the country can strengthen its position as a regional leader in sustainable agri-food development.

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