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DAIRY MARKET ASSESSMENT STUDY

KOSOVO CLUSTER AND BUSINESS SUPPORT PROJECT

March 25, 2008

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DAIRY MARKET ASSESSMENT STUDY

THIS STUDY SEEKS TO UNDERSTAND THE OVERALL CURRENT MARKET CONDITIONS AND CONSUMER DEMAND THROUGHOUT THE ENTIRE DAIRY INDUSTRY IN KOSOVO. FOR THE LOCAL DAIRY INDUSTRY TO COMPETE MORE EFFECTIVELY IN AN INCREASINGLY COMPETITIVE LANDSCAPE, A MORE ROBUST UNDERSTANDING OF LOCAL CONSUMPTION PATTERNS WILL HELP THE INDUSTRY MAKE BETTER BUSINESS AND MARKETING DECISIONS. THE INFORMATION IN THIS REPORT WILL ENABLE PRODUCERS, PROCESSORS, TRADERS AND RETAILERS TO PROJECT BUSINESS PLANS FOR THE FUTURE AND TO INCREASE THEIR SALES, PROFITS AND POSITION WITHIN THE DOMESTIC MARKET.

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PURPOSE OF ASSIGNMENT

The purpose of this research is to better understand the overall current market conditions and consumer demand throughout the entire Dairy industry, Kosovo-wide. This information will be vital for producers, processors, traders and retailers to project business plans for the future and to increase their sales, profits and position within the domestic market.

BACKGROUND

At present, there is no syndicated data or comprehensive research about the dairy consumption patterns in Kosovo (since 2003). As in many poor countries, it is theorized that dairy is a dominant part of the diet and a major source of high quality protein for families. However, the local dairy industry is at a disadvantage in capitalizing upon the sales opportunity due to lack of specific information about consumption of dairy products overall, and the dairy segments preferred by Kosovars.

The high margin business opportunities (such as yogurt) have been "cherry-picked" by the sophisticated marketers from Western Europe and from within the region (Austria, Serbia, Hungary, Turkey). For these marketers, it is assumed that they are simply "transferring success" from more well developed markets.

For the local dairy industry to compete more effectively in this competitive landscape, a more robust understanding of local consumption patterns will help make better business and marketing decisions. This is essential as local dairy is under-capitalized and marketing programs need to be effective. Moreover, the retailer power in Kosovo is increasing exponentially. Local dairy marketers need to display a superior knowledge of consumer attitudes and behavior to enable them to gain and hold distribution.

EXECUTIVE SUMMARY

Dairy sector in Kosovo is one of the most emerging sectors of agriculture, after the war in 1999 and currently is one of the most promising sectors of agriculture in Kosovo. This sector is very important part of Kosovo economic development especially in relation to the development of agribusiness.

Kosovo has favorable natural conditions for milk production. However the local dairy companies need to further increase quality and consistency in order to compete with imports. It is important for the future to increase the quantity and quality of locally produced milk which will reduce number of dairy farms supplying milk for dairy processors. However they will be larger commercial oriented farmers.

Local milk production is mainly for the domestic market. Based on calculations of Ministry of Agriculture, Forestry and Rural Development (MAFRD), consultant and KCBS staff calculations figures in Table 1 indicate that, of the total milk locally produced (239,535.00 tons per year), 110,608.00 tons are consumed on farm. A further 94,727.00 tons are sold as raw milk, Ricotta ('xhiza'), sour cream and white cheese on the local Green (fresh) Market where subsistence and semi-commercial farmers mainly sell milk or home processed dairy products. Commercial and semi-commercial milk farmers sell to one of the nineteen dairy processors. Only 34,200.00 tons per year of domestically produced milk is industrially processed. This is approximately 10.6% of total consumption (of 321,559.00 tons per year) and 29.4% of processed dairy products, while imports account for 70.6% of processed dairy products or 82,024.00 tons per year of dairy products (milk products in milk equivalent liters).

Compared with previous results reported in KSDP (Kosovo Swiss Dairy Project) report and Study of Import Competitiveness from 2005 we have a gain of market share by local producers of around 5%, having in mind that the calculations are made slightly in different way. The results are promising for local processors and dairy industry is consolidating step by step supporting development of agriculture and job creation in Kosovo.

Table 1: Base-line Consumption and Supply of Milk and Milk Products 2007

	Percentage	Total (tons)	Local Production	Imports	Imports Share
Home consumption	34.4%	110,608.00	110,608.00		
Green (fresh) market	29.5%	94,727.00	94,727.00		
Processed market	36.1%	116,224.00	34,200.00	82,024.00	70.6%
Total	100%	321,559.00	239,535.00	82,024.00	29.4%

Source: Appendix 3, Annex 9, KARDP 2007-13 & Calculations of Consultant & KCBS staff (Kosovo Agricultural Rural Development Plan 2007 – 13

Based on the discussions with main importers and stakeholders in dairy sector we have found that Prishtina region market share is more than 40% of the market for all imported dairy products (sour cream, yogurt, fruit yogurt, white cheese, yellow cheese ('kashkavall'), mozzarella, UHT milk), Mitrovica region with share of 15% (UHT milk, butter, sour cream), Gjilan and Ferizaj with more than 15% of market share then Prizren with 20% (butter, sour cream, 'kashkavall' - Trapista) and Peja (sour cream, yogurt, kashkavall) are covering 10% of market share for imported dairy products.

Table 2: Regional Distribution based on Importers

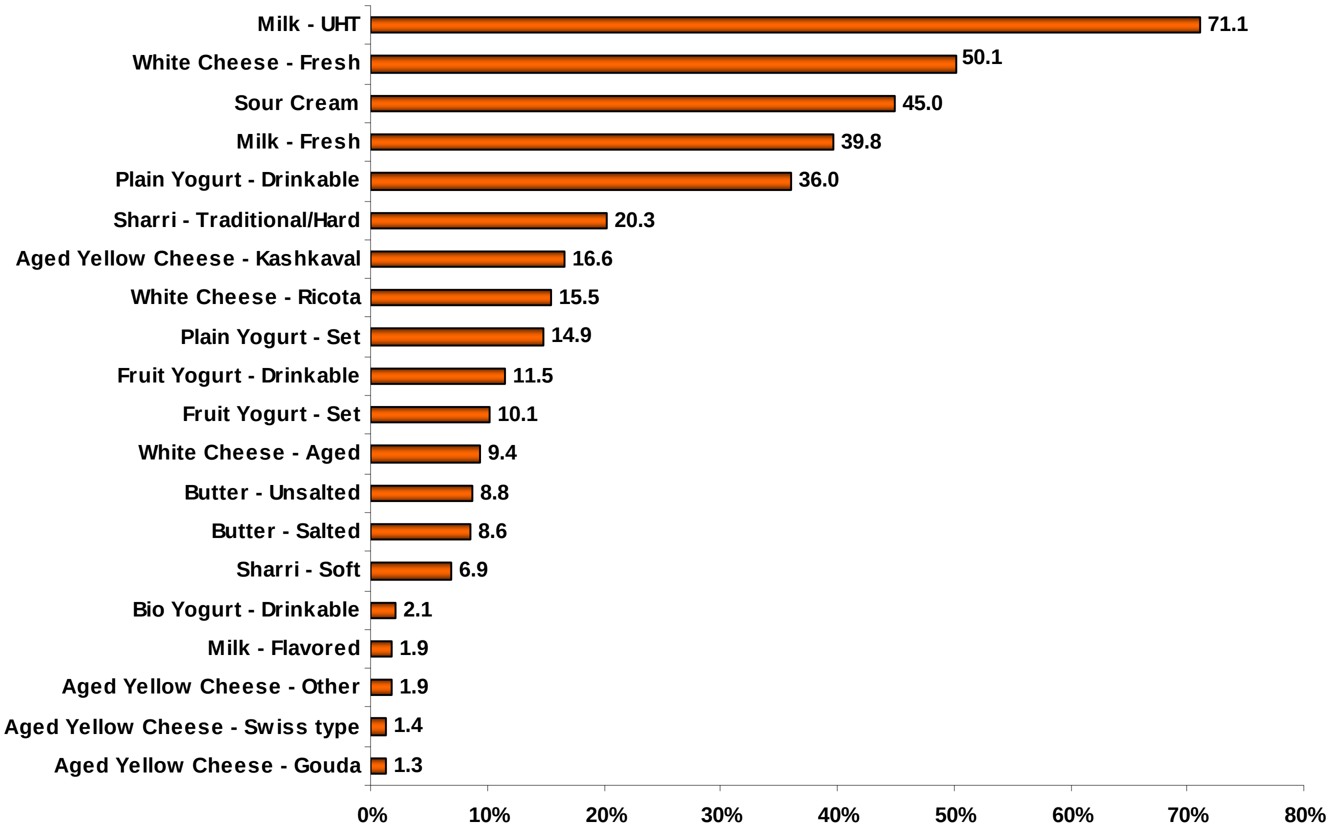
Kosovo Regions	% of sale	Quantities (tones)	Main products
Prishtina	40	32,809.60	Sour cream, yogurt fruit yogurt, white cheese, yellow cheese (‘kashkavall’), mozzarella, UHT milk.
Mitrovica	15	12,303.60	UHT milk, butter, sour cream.
Gjilan	15	12,303.60	UHT milk, white cheese, yogurt, sour cream, ‘xhiza’, etc.
Prizren	20	16,404.80	UHT milk, butter, yogurt, sour cream, Sharri cheese, yellow cheese.
Peja	10	8,202.40	UHT milk, yogurt, sour cream, white cheese.
Total	**100 %**	**82,024.00 tones**	

Last few years we observed an increase in share of the market by the local processing companies and decreased direct sales through Green Markets. This trend represents the new consumer trend regarding processed dairy products. The consumption behavior of farm households due to new living conditions and new generation caused a decrease of self consumption. Results are showing that dairies processing are absorbing shares from Green Market rather than from imports[1]. Share of import in 2005 was 31.4% (106,958.00 tones) while in 2007 is 29.5 % (94,727.00 tones) even though the calculations are a bit different.

Majority of Kosovo households were buying tetra pack milk, while around a half also sometimes bought fresh white cheese and sour cream. Over a third of households were buying raw milk and drinking yogurt, while a fifth also sometimes bought hard Sharri cheese. Other dairy products were bought less frequently, while only a small number of respondents have in the past tasted drinkable bio yogurt, flavored milk and aged yellow cheese (other than ‘kashkavall’). For more detailed information, see graph bellow.

[1] **KSDP**

Graph 1. Dairy products purchase



Note: Butter (unsalted and salted include information on purchase of "Vital" margarine as well).

Quantities of purchase of dairy products, the frequency with which they are bought as well as their brand and even preferred packing depend on ethnic majority area in which households live. Households from the Albanian majority area tend to buy larger quantities of almost all dairy products, they buy them more frequently, in larger packing and are also more likely to spend more money on dairy products at one time than do the households from the Serb majority area (as could have been expected considering the size of Albanian households). On the other hand, households from the Serb majority area purchase greater variety of different dairy products and are buying them more frequently.

Most Kosovo consumers believe that domestic and imported dairy products have characteristics which they rate as the most important - fresh taste, nutritive value, being natural. However, they also believed that the above and most other positive characteristics of dairy products were more likely to be found in domestic products (with expiry date and attractive packing being the only exceptions to this - Kosovo consumers believe that only the above two characteristics are more typical of imported dairy products, but do not consider them to be the key factors influencing their choice of product brands). Preferred brand in the Serb majority area was "I-Mleko," while respondents in the Albanian majority area have last bought "Vita" milk, but also Slovenian milk brands "Alpsko". Preferred fruit yogurts were "Jogobella," "Fructis" and "Zott Monte," preferred white cheese "Feta" and preferred butter "Vital" margarine (respondents confused margarine with butter). These products have the strongest loyalty among the consumers. On the other hand, many consumers in both ethnic majority areas go to farmers' markets to buy raw milk and sour cream, as well as white cheese and butter. Many respondents from the Albanian majority area also bought these products directly from farmers and were making some of them (mostly sour cream) at home.

Some focus group participants said that besides “domestic milk” they also consume packaged milk because children usually dislike the taste and smell of domestic, non-pasteurized milk. The survey showed that 53% of households which buy raw milk were also buying tetra pack milk.

Nearly a half of surveyed households process the milk they buy to make some other dairy products. Majority of these households make sour cream, white cheese and ‘xhiza’ and are more likely to use raw than packed milk for this purpose. Such households were more numerous in the Albanian majority area.

Frequency of purchase of hard and soft Sharri cheese did not differ in different ethnic majority areas. In addition to “Sharri” cheese (which had a larger share of the market in Albanian majority area), both these kinds of Sharri cheese were more likely to be bought at farmers’ market. While one in four Kosovo households have bought one of the above two kinds of Sharri cheese , it was tasted by a larger number of respondents or two fifths of them (they were more likely to be from Serb majority areas, regions of Prizren, Ferizaj and Prishtina, to live in urban centers and have higher monthly income). Most of them continued to consume this cheese, as could have been expected considering that almost all of those who have tasted it said that they liked it. Traditional Sharri cheese was preferred choice, although a higher number of respondents from the Albanian majority area, regions of Peja and Prizren, also liked soft Sharri cheese. Also, majority of respondents do not have preferences related to the kind of milk from which this cheese is made (cow or sheep). However, male respondents and respondents from the region of Prizren were more likely to like sheep Sharri cheese.

There are two key reasons why remaining respondents do not consume Sharri cheese: high price (particularly mentioned by respondents from the Albanian majority area) and unavailability in places where they usually shop for food (which was prevailing reason in the Serb majority area). Other reasons for dislike of Sharri cheese included its saltines, strength, hardness and smell. Suggestions for improving its quality were subsequently related to reducing its fat and salt content, while those for improving its sales included reduction of price and change of packing, followed by media promotion and greater presence in Kosovo market.

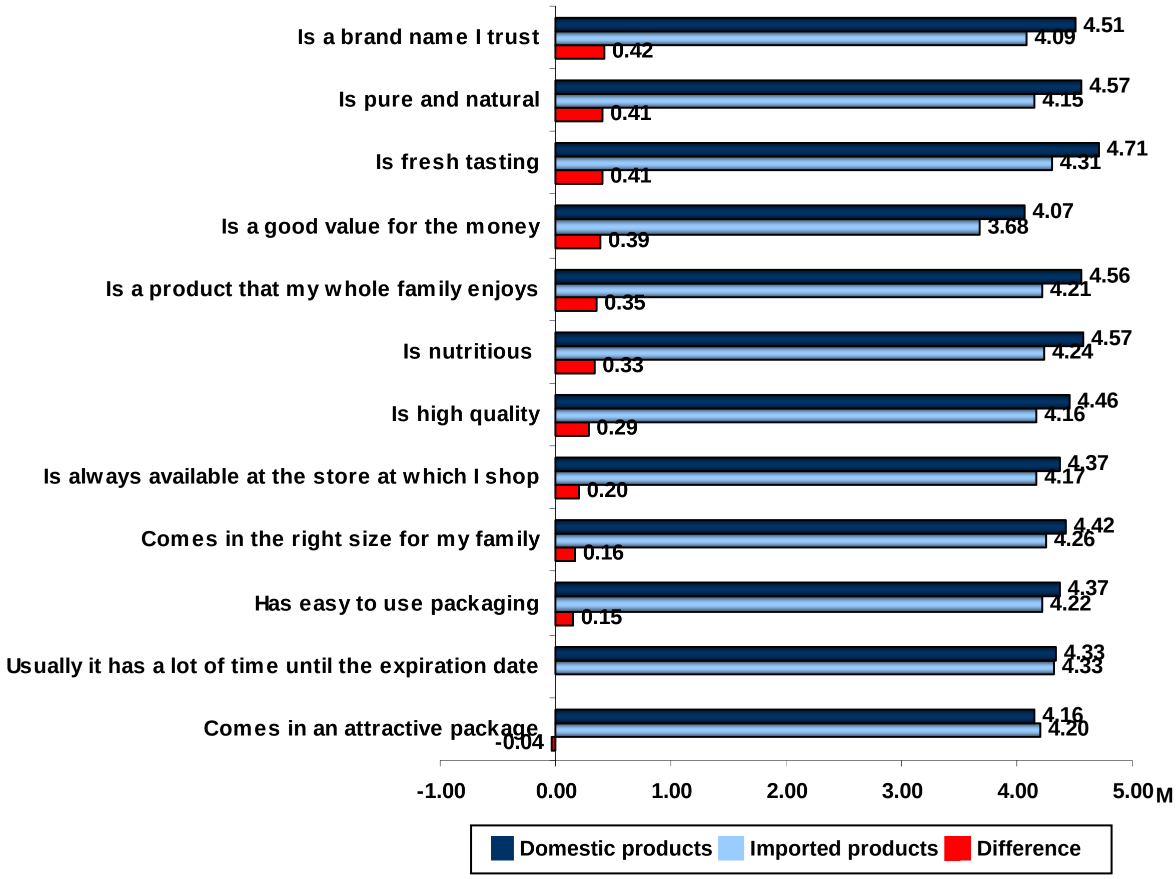
When selecting the statements which best describe their dairy shopping habits, respondents followed the pattern set when talking about significance of specific characteristics of dairy products and presence of those characteristics in products available in Kosovo. They again stressed that price was less relevant than other previously mentioned factors (fresh taste, nutritive value, being natural). The statement *“I buy dairy products that my children prefer”* was highly rated in focus groups. Conclusion about (relative) satisfaction of Kosovo residents with available dairy products was confirmed by the fact that the small number of participants who provided negative comments mostly complained of high prices, and less frequently about product quality and packing. Also, only a small number of respondents said that they were interested in some dairy products that were unavailable in Kosovo so that no unavailable product was desired by more than 1.5% of respondents. The most significant statements when deciding about certain dairy products are presented in the graph bellow.

Graph 2. Importance of characteristics of dairy products

There is an increasing concern from consumer side on food safety standards, hygiene, freshness, quality, packaging, logo, labeling and pricing of dairy products. Consumers are interested on fresh products with nutrition value and proper packaging indicating the expiry date of the product. Products produced locally still have problems with this issue and even some of importers have products that are doubtful. It will be very important to increase awareness of consumers in relation to these important issues and work with local processors and importers to improve their offer.

The analyses of participants' responses about relevance of some of the above characteristics for domestic and imported products show that Kosovo residents have an equally positive opinion of domestic and imported dairy products. They believe that both domestic and imported dairy products feature all of the above characteristics to a higher or lesser extent – average ratings on the scale from 1 to 5, with 1 for irrelevant and 5 fully relevant range from 3.7 to 4.7.

Graph 3. Comparative data of local and imported dairy products



Results presented in the graph reflect higher feelings of consumers for the local and less feelings for imported products. At the same time local dairy products available are of good quality (UHT milk, sour cream, yogurt, and white cheese) and competitive with imported products.

Main potential market for the local processors is currently segment of Fresh Dairy products as a key factor for the growth of the local dairy industry.

Processors should concentrate on improvement of quality and consistent supply with strong promotion of their products in order to convince consumers that local products are better than imported ones.

After analyzing all aspects from local production, import and demand for specific dairy products we can conclude that there is good opportunity for local dairy processors to gain more market share especially producing UHT yogurt, white cheese (increase variety, like goat cheese, specific local cheese, etc.), sour cream, specific yellow aged cheese like yellow cheese (‘kashkavall’) and fruit yogurts.

Dairy processors in Kosovo are facing big challenges in relation to the market. Main problem is lack of quality and quantities of milk produced locally enabling them to gain more market share. Second problem is lack of financial means to improve the technology and have constant cash flow. Third is lack of knowledge on new food technologies and marketing strategy for the development of their dairies into real business even though few of them like ABI, Devolli and Bylmeti are becoming real competitors in local market and slowly gaining some market share in the region.

FIELD ACTIVITIES TO ACHIEVE PURPOSES

For the purpose of the research, the following methodological approaches were used:

- Qualitative Survey Research
- Quantitative Survey Research

Presented below is a description of the main research components, and the order in which the various components were carried out:

Qualitative research – focus groups discussions

As has been planned, the research included four focus group discussions the details of which are provided in Table 3.

Table 3. Specifications for conducted focus group discussions

TARGET GROUPS	AREA				
	Prishtine	Mitrovice	Prizren	Gjilan	TOTAL
General population	1	1	1	1	**4**
TOTAL	**1**	**1**	**1**	**1**	**4**

Each focus group included between 8 and 10 participants. In selecting the participants, Prism Research pollsters/recruiters used a specifically designed recruitment questionnaire.

Group discussions were moderated by a well trained and experienced Prism Research moderator who used Guidelines for Focus Discussions developed by Prism Research, and KCBS.[2] The groups in Prizren, Mitrovice and Gjilan were conducted in conference rooms of the local hotels/restaurants, and focus group in Prishtine was conducted in Prism Research Office. The groups have on average lasted for about 90 minutes.

All the groups had very good dynamics and were highly productive. Participation in discussions was voluntary, but the participants received financial compensation for their effort and were remunerated for travel expenses.

Discussions were audio recorded. The recordings were transcribed by professional typists. The transcripts and moderator’s observations and comments served as the basis for writing some parts of this report.

[2] Guidelines for Focus Discussions are provided in Annex III.

Quantitative research – Household survey

Basic Information

Table 4. Basic Information about household survey

Time of the survey	January 10, 2008 – January 29, 2008
Data gathering method	Personal interviews within the opinion poll
Instruments	Questionnaire had been developed by Prism Research with input from the KCBS
Surveyed population	Kosovo inhabitants
Sample size	800 respondents
Representation	Random stratified sample

Method of interviewing

The opinion poll was based on face-to-face interviews. The questionnaire contained both open-end and closed questions. Interviewers read aloud the closed questions and possible (coded) answers from the questionnaire or had given "show cards" to the respondents. In case of the open end questions, the interviewers only read the question. Throughout the interview, the interviewers held to a copy of questionnaire on which they recorded the answers.

Questionnaire structure and design

The questionnaire had been developed by Prism Research in close consultation with KCBS.[3]

Sampling methodology and procedure

Each Kosovo region had allocated a proportional number of questionnaires based on the estimates of the population living in each such region. The household members to be interviewed had been selected based on the "head of the family" criteria – that is, the household member responsible for food purchase.

[3] Samples of Survey Questionnaire and are given in Annex IV.

As planned, the sample was designed in such a way to reflect the actual proportion of the urban and rural population. In this case, the proportion of the sample is 60 to 40, urban versus rural settlements[4].

Interviewers, interviewing procedure and quality control

The field team for this research included five regional coordinator, 30 interviewers, four field controllers and one telephone controller. They had been selected based on skill, previous experience, age, gender and regional origin. Coordinator and interviewers participated in a few-hours-long training session that covered the detailed sampling procedures, interviewing, question-by-question analyses and a role play exercise.

As mentioned, each interviewer had to conduct at least one interview with or without the attendance of a coordinator. The work of interviewers had been controlled in two ways: once the survey had been completed, controller started with field work to check on the basis of information provided in the contact and control sheets if the interviewer followed the rules of sampling, as well as his/her approach and behavior during the interview. Also, during the conducting of the field work regional coordinators checked each completed questionnaire upon submission to minimize the likelihood of incorrectly completed questionnaires or systematic interviewer errors going unchecked. Besides, the chief data gathering coordinator conducted some controls by phone from the Prism Research central office.

During the conduct of the opinion poll, interviewers did not encounter any major problems in terms of the willingness of the population to participate, especially after the participants had been briefed about the purpose of the poll. Thus, the response rate (the percentage of respondents who completed the survey in the total number of contacted potential or available respondents) stands at 80.24% making the sample highly representative.

Table 5 contains information from the contact sheets related to the outcome of contact achieved by the interviewers with the respondents.

Table 5. Review of the contact outcomes

OUTCOME	N	%
1	800	*80.2*
2	84	*8.4*
3	16	*1.6*
4	55	*5.5*
5	18	*1.8*
6	11	*1.1*
7	8	*0.8*
8	5	*0.5*
Total	997	*100*

1. Interview completed;
2. Household-level refusal, interview refused by the person who opened the door;
3. Refusal by the household member selected for the interview,
4. Nobody answers the doorbell or knocking;
5. Interviewer makes two visits but fails to find at home the household member selected for the interview;
6. Other reasons;
7. Business facility, restaurant/bar, a government organization or agency;
8. Nobody living at the address;

However, other circumstances (primarily weather conditions) were not favorable for conducting a public opinion poll so that it took longer than planned.

[4] Demographic Characteristics of the Sample and are given in Annex I

Data processing and analyses

The entire data entry and processing procedure has been conducted in Sarajevo. A special mask from the Survey System software program had been used for data entry.

After entry, the data had been transferred and analyzed with the SPSS program (Software Program for Social Sciences) – a professional software package for public opinion surveys. SPSS had also been used for data clearing and logical control, as well as for cross tabular presentation of results.

Cross tabular results were used to analyze data from the household survey. With consideration to the sample the results were produced by:

- Total
- Area
- Region
- Urban/rural variable
- Gender
- Age
- Education
- Households income
- Marital status

Quantitative research – Retailers survey

Table 6. Basic Information about retailers survey

Time of the survey	January 24, 2008 – February 8, 2008
Data gathering method	Personal interviews within the retailers
Instruments	Questionnaire had been developed by Prism Research with input from the KCBS
Surveyed population	Kosovo retailers
Sample size	182 retailers
Representation	Sample covered different Kosovo regions and different types of retailers

Method of interviewing

The opinion poll was based on face-to-face interviews with the owner, manager or person responsible for dairy products purchase in the retailers contacted. The information required from retailers was pertaining to the dairy products sold or purchased (in the case of restaurants) during 2007. Due to misperception that 'Vital" margarine is considered as a butter, results related to butter contain quantities of “Vital” margarine are included in the sample.

Questionnaire structure and design

The questionnaire had been developed by Prism Research in close consultation with KCBS.[5]

Sampling methodology and procedure

The sample was designed taking into account the following variables:
- Region the retailer operates,
- Type of retailer.

Table 7 reflects the municipalities and types of retailers information were obtained from.

Table 7.Type or retailers and municipality they operate

Municipality	Fast-food	Green market	Hypermarket	Kiosk	Milk restaurant	Mini-market	Restaurant	Supermarket	Total
Decan						1		2	**3**
Ferizaj	1	2	4			3	1	10	**21**
Fushe Kosove							1	1	**2**
Gjakove	1	2	3			3		4	**13**
Gjilan		2	1			4		4	**11**
K. Mitrovica		2		2		2	3	3	**12**
Mitrovice		2	2				3	7	**14**
Obiliq			1			1		4	**6**
Peje	2	2	3				4	15	**26**
Podujeve			1					1	**2**
Prishtine	4	4	5		2	4	4	20	**43**
Prizren		1	2			6	3	6	**18**
Rahovec		1							**1**
Suhareke			1					3	**4**
Viti						1	1		**2**
Vushtrri			1			1		2	**4**
Total	**8**	**18**	**24**	**2**	**2**	**26**	**20**	**82**	**182**

Data processing and analyses

The entire data entry and processing procedure has been conducted in Prishtina. A special mask from the Survey System software program had been used for data entry.

After entry, the data had been transferred and analyzed with Excel application.

[5] Samples of Households Survey Questionnaire and are given in Annex III.

Cross tabular results were used to analyze data from the retailers survey. With consideration to the sample the results were produced by:

- Total
- Region
- Type of retail

Limitation

Survey with retailers had another objective, the one of identifying trend consumption for each dairy product type and brand. However, although the retailers interviewed were asked to provide information of the dairy product sales for year 2007 and 2006, vast majority of the retailers could provide information only for year 2007. In this regard, the analysis of the data could not track the trend of the dairy product consumption, neither the change in the presence of dairy brands or trends among brand consumption.

The distribution of the retailers through regions and type of retail does not reflect the actual proportion of the dairy product distribution, or any other indicator pertaining to the consumption or purchase of the dairy products in the country. Hence, the data obtained from this component gives a general impression about the most popular dairy brands and consumption trend, rather than actual results of the dairy products purchase distribution in the country.

Qualitative research - Interview with stakeholders

Stakeholders interviewed are selected from consultant to gain more insight information on dairy sector and improve knowledge on perspective of the development.

In total 16 stakeholders are interviewed with main focus on general situation on dairy sector, overall production or import and obstacles they are facing.

In this case it was very difficult to collect data from importers and big hypermarkets due to lack of confidence from importers and owners of hypermarkets to share sale data.

Interviews were organized one on one and included public and private sector.

Public sector has limitations with data available and lack of knowledge about dairy imports value. This sector requires further support, especially with statistics and analysis of information they currently posses, that could be used for development of support policies for dairy sector.

Private sector, including importers of dairy products, hotels and green market, showed that this sector is very independent and it is very difficult to get data from their side about sales. The main problem they are facing is lack of cash flow since most of the sales are done on friendly basis or business links without advance payment or delayed payment, or any contractual arrangements and agreements between parties. Main comment was that increased competitiveness is a key for the development of the dairy sector.

Local processors the main issue mentioned was under invoicing from the importers, unfair competition and lack of support for the improvement of their processing side (for a more detailed findings see Annex XIII).

OVERALL PROFILE OF DAIRY CONSUMPTION IN KOSOVO

Dairy sector in Kosovo is one of the most emerging sectors of agriculture, after the war in 1999 and currently is one of the most promising sectors of agriculture in Kosovo. This sector is very important part of Kosovo economic development especially in relation to the development of agribusiness.

Kosovo has favorable natural conditions for milk production. However the local dairy companies need to further increase quality and consistency in order to compete with imports. It is important for the future to increase the quantity and quality of locally produced milk which will reduce number of dairy farms supplying milk for dairy processors. However they will be larger commercial oriented farmers.

Lot of different projects worked to support the dairy sector but mainly concentrating in production side and rarely in marketing of dairy products. There are only few reports that are related to marketing of dairy sector (Swiss project, UNMIK Study on Dairy Competitiveness, Marketing Support Project) and mainly based on data estimation, making it more difficult to obtain realistic data.

Dairy market research is very important at this level since it will support development of sector and the research will help stakeholders to understand better market conditions, flow of dairy products and requirements from consumer side. The research will help local dairy processors as well to decide on potential investments and products that can be substituted.

Currently in Kosovo we have different sources of dairy and dairy products. Most of it is produced on the farm, but only one part of it reaches the consumer. It is estimated that consumption in Kosovo is around 160 litters of milk per person per year. Farms in general in Kosovo are small farms and they are producing only to cover their needs and rarely for market. Only last several years bigger dairy farms have emerged and more milk and dairy products produced locally are present in the market. From other side processors are unable to absorb sometimes all quantities offered from farmers partly due to bad quality and hygiene of milk products and partly because peak of season is during summer when is more difficult to store milk or milk products. Milk consumption is higher in the winter months than in the summer months, still milk production is higher in the summer months.

There are different consumption and distribution channels of dairy products in Kosovo:

- Farmer produces milk and dairy products for own needs (family & calf feeding) – 34.4% of total consumption.
- Farmer produces milk and directly selling to households or in green market/local market as fresh milk or dairy product like: cheese, yogurt, ricotta ('xhiza'), sour cream or other dairy product – 29.5% of total consumption.
- Farmer selling to the processor through MCC (Milk Collection Center) and small percentage uses for own needs (processed by local processors).
- Local processors selling to retail stores and supermarkets through their distributors and directly – 10.6% of total consumption.
- Import of dairy products from other countries sold through importers or wholesalers to big supermarkets and retailers – 25.5% of total consumption.

Local milk production is mainly for the domestic market. Based on calculations of Ministry of Agriculture, Forestry and Rural Development (MAFRD), consultant and KCBS staff calculations figures in Table 8 indicate that, of the total milk locally produced (239,535.00 tons per year), and 110,608.00 tons, or 34.4%, are consumed on farm. A further 94,727.00 tons, or 29.5%, are sold as raw milk, ricotta ('xhiza'), sour cream and white cheese on the local Green (fresh) Market where subsistence and semi-commercial farmers mainly sell milk or home processed dairy products. Other 36.1% is sold for processed market. Commercial and semi-commercial milk farmers sell to one of the nineteen dairy processors. Only 34,200.00 tons per year of domestically produced milk is industrially processed from total of 82,024.00 tons. Domestically processed milk is approximately 10.6% of total consumption (of 321,559.00 tons per year) and 29.4% of processed dairy products, while imports account for 70.6% of processed dairy products or 82,024.00 tons (milk products in milk equivalent liters) per year of dairy products.

Compared with previous results reported in KSDP (Kosovo Swiss Dairy Project) report and Study of Import Competitiveness from 2005 we have a gain of market share by local producers of around 5%, having in mind that the calculations are made slightly in different way. The results are promising for local processors and dairy industry is consolidating step by step supporting development of agriculture and job creation in Kosovo.

Table 8: Base-line Consumption and Supply of Milk and Milk Products 2007

	Percentage	Total (tones)	Local Production	Imports (tones)	Imports Share
Home consumption	34.4%	110,608.00	110,608.00		
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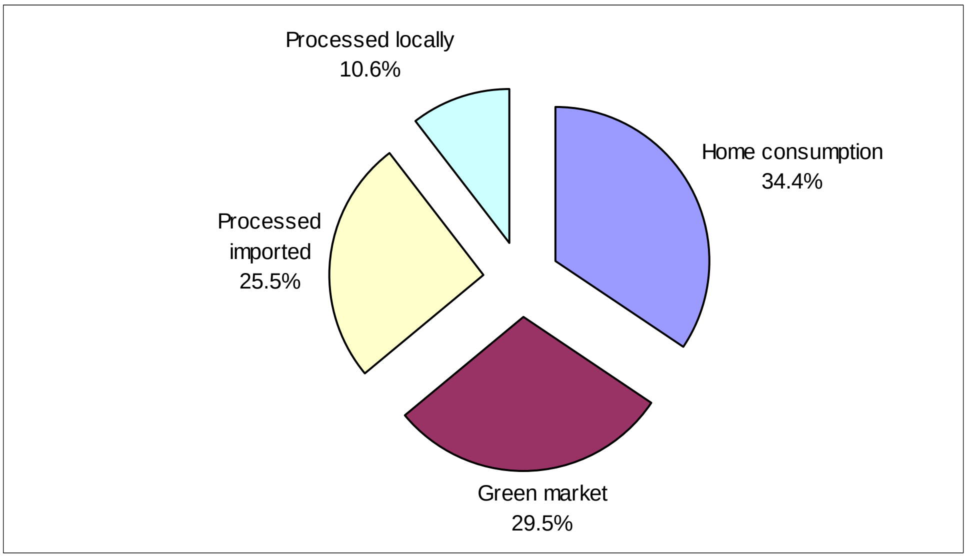
Source: Appendix 3, Annex 9, KARDP 2007-13 & Calculations of Consultant & KCBS staff (Kosovo Agricultural Rural Development Plan 2007 – 2013)

Imported dairy products are dominating Kosovo market, consumers consider that the quality offered is better and the price is very competitive. The price is competitive partly due to under invoicing as suggested from some sources, due to lack of knowledge from the Custom office about dairy products and prices and high cost of production in Kosovo.

Graph 4: Consumption of the dairy products



Kosovo imports in 2007 were around 27 million euros and in 2006 around 21 million euros worth of dairy produce starting from milk, yogurt, fruit yogurt, butter, white cheese and yellow cheese (see Annex VI). Main imports still accounts for UHT milk and cheese with increasing quantities of yogurt and fruit yogurt. The main products like: UHT milk, cheese, yogurt etc. are imported from Hungary, Germany, Slovenia, Turkey, Bulgaria, Croatia, Serbia etc.

Quantities of imported dairy products have increased from around 36 million kg in 2006 to 40 million kg in 2007 (see Annex VIII). Some of the products have increased in quantity while some of them have decreased partly due to the increase of presence of local dairy products and partly due to the change on demand from consumer side.

During 2007 KVS (Kosovo Veterinary Services) have registered 37 importers of dairy products (see list in Annex IX). Most of these importers are importing dairy products on weekly basis and they differ on type of products imported or company exporting to Kosovo. Import license is renewed every three months and importers have to pay 41 Euros every time for renewal. From 37 importers only 10 of them are more serious while some of them have imported only smaller quantities of dairy products or ice cream, powdered products and baby food.

Usually importers have their supply channels Kosovo wide and mainly distributing through these channels. Main market is still Prishtina for all types of the dairy products while other regions have their specifics.

Based on the discussions with main importers and stakeholders in dairy sector we have found that Prishtina region market share is more than 40% of the market for all dairy products (sour cream, yogurt, fruit yogurt, white cheese, yellow cheese (‘kashkavall’), mozzarella, UHT milk), Mitrovica region with share of 15% (UHT milk, butter, sour cream), Gjilan and Ferizaj with more than 15% of market share than Prizren with 20% (butter, sour cream, ‘kashkavall’ - Trapista) and Peja (sour cream, yogurt, ‘kashkavall’) are covering 10% of market share for imported dairy products.

Table 9: Regional Distribution based on Importers and Stakeholders of imported dairy products

Kosovo Regions	% of sale	Quantity (tones) in milk equivalent	Main products
Prishtina	40	32,809.60	Sour cream, yogurt fruit yogurt, white cheese, yellow cheese (‘kashkavall’), mozzarella, UHT milk.
Mitrovica	15	12,303.60	UHT milk, butter, sour cream
Gjilan	15	12,303.60	UHT milk, white cheese, yogurt, sour cream, ‘xhiza’ etc.
Prizren	20	16,404.80	UHT milk, butter, yogurt, sour cream, Sharri cheese, yellow cheese.
Peja	10	8,202.40	UHT milk, yogurt, sour cream, white cheese.
Total	**100%**	**82,024.00 tones**	

Main importing companies are: Oaza (“Alpsko”), Koral (“Sole”, “Tej”), Albi (“Dukat”), Kosmonte (fruit yogurt and other), Delfin (“Meggle” and cheese), Andi (cheese and ‘kashkavall’). Since most of their businesses consider providing information on their sales is business secret it wasn’t possible to obtain real data about their sales and most successful products. But in discussion with them they shared information on market preference for different regions of Kosovo.

Regions of Peja and Prizren are known as production regions so demand for dairy products is lower in hypermarkets, or retail shops. At the same time green market is stronger in those regions.

Dependent on the consumer demand local dairy processors are tending to reach those market segments that are requiring fresh products while import is more oriented toward products with longer duration like: yellow aged cheese (mainly ‘kashkavall’, for home consumption and pizzerias), UHT milk and all types of yogurts. Some of the importers acknowledge low quality of dairy products from countries in the region imported in Kosovo especially in the relation to their duration. In case of lack of storing facilities some of these products are spoiled in very short period of time.

Export of dairy products isn’t very intensive and mainly happens in Albania. Some of the products exported are: Pepper in cream and during summer months UHT milk, cheese and some other products happens due to summer tourism in Albania.

Comparing the data received from Custom Office with Kosovo Swiss Dairy Project Report of 2003 there is only 3 million more kg of dairy products imported in 2007 (2003 – 79 million kg, 2007 – 82 million kg). At the same time we have an increase of locally processed dairy products and an increase of 3 million in import of UHT milk (19 million kg – 2003, 22 million kg – 2007).

Table 10: Dairy Import throughout years 2003 – 2007

Year	Quantity in liters in milk equivalent
2003	79 million
2004	Not available
2005	Not available
2006	82 million
2007	82 million

Source: KARDP 2007 – 2013, (Kosovo Agricultural Rural Development Plan 2007-2013)

The results show an increase in consumption of dairy products within Kosovo families since capacities of Kosovo dairy processors have increased as well. In 2003 only around 30,000.00 liters of milk/day were processed while in 2007 we have 114,000.00 liters/day of milk processed. Quantities for years 2004 and 2005 are assumed to be same but no information were available officially.

Table 11: Milk processing on daily basis - local processors 2003 – 2007

Year	**Milk received (processed) on daily basis (liters)**
2003	30,800.00
2004	71,000.00
2005	74,800.00
2006	92,200.00
2007	114,000.00

Source: Kosovo Dairy Processing Association – KDPA

Since then new dairy Devolli started production of UHT milk and increased the competition within local processors. They gained more than 20% of local market and planning to increase quality milk collection in order to produce wider variety of dairy products.

Last few years we observed an increase in share of the market by the local processing companies and decreased direct sales through Green Markets. This trend represents the new consumer trend regarding processed dairy products. The consumption behavior of farm households due to new living conditions and new generation caused a decrease of self consumption. Results are showing that dairies processing are absorbing shares from Green Market rather than from imports[6]. Share in 2005 was 31.4% (106,958.00 tones) while in 2007 is 29.5% (94,727.00 tones) even though the calculations are a bit different.

Current trend and tendency is to purchase dairy products in bigger quantities from supermarkets and hypermarkets that are currently supplying most of the consumers with required dairy products. The offer is bigger and consumers are purchasing them for whole week and sometimes for whole month.

There is an increasing concern from consumer side on food safety standards, hygiene, freshness, quality, packaging, logo, labeling and pricing of dairy products. Consumers are interested on fresh products with nutrition value and proper packaging indicating the expiry date of the product. Products produced locally still have problems with this issue and even some of importers have products that are doubtful. It will be very important to increase awareness of consumers in relation to these important issues and work with local processors and importers to improve their offer.

Dairy processors in Kosovo are facing big challenges in relation to market. Main problem is lack of quality and quantities of milk produced locally enabling them to gain more market share. Second problem is lack of financial means to improve the technology and have constant cash flow. Third is lack of knowledge on new food technologies and marketing strategy for the development of their dairies into real business even though few of them like ABI, Devolli and Bylmeti are becoming real competitors in local market and slowly gaining some market share in the region.

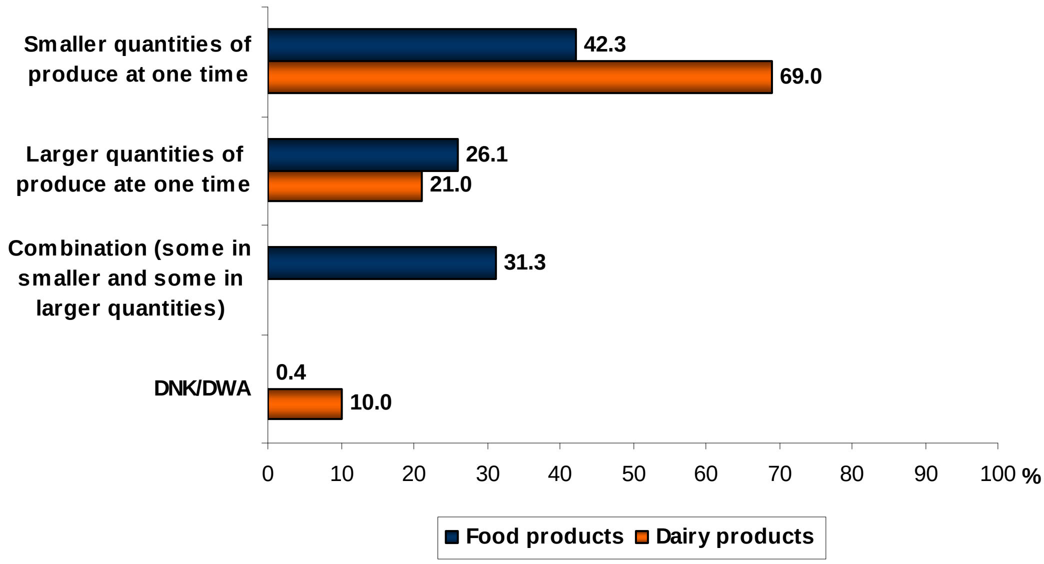
[6] **KSDP**

DETAILED FINDINGS

Quantity of food items and dairy products purchased at one time

Dairy products buying habits are similar as food buying habits in general, with most respondents buying smaller quantities at one time. Majority of respondents (42.3%) were generally buying smaller quantities of food at one time, while in the case of dairy products this was true for 69% of respondents. A significantly lower percentage of respondents were buying larger quantities of food, including dairy products, at one time. About a third of surveyed households buy larger quantities of some and smaller quantities of other food products at one time (mixed buying), while such buying practice was not recorded in the case of dairy products (see Graph 5).

Graph 5. In relation to buying of food products, which of the following statements best describes your habits? / And how about dairy products in general - which of the following statements best describes your habits? I usually buy:[7]



Further analyses indicate a statistically significant correspondence [8] between the quantity of dairy products purchased at one time and the region in which respondents reside ($p < .001$), their settlement type ($p < .001$) and total monthly household income ($p < .001$).

Respondents from the region of Mitrovica[9] and those residing in urban areas were more likely to purchase smaller quantities of dairy products at one time, while respondents from the regions of Prishtina and Gjakove and those with monthly income of over 600 euros tend to buy larger quantities of dairy products at one time[10] (see Graph 6)

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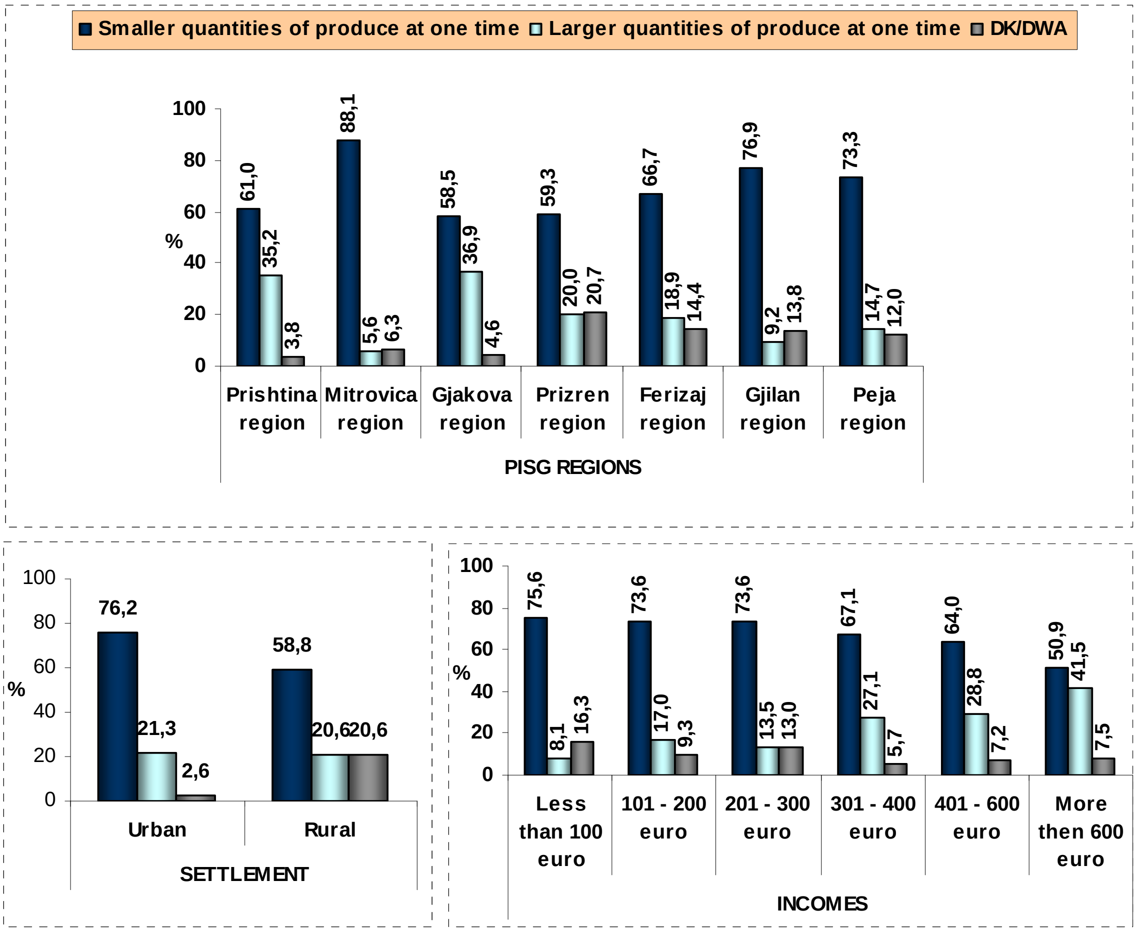
[7] DNK/DWA is acronym for “Don’t know/Don’t want to answer”.
[8] The significant test was carried using adjusted Pearson chi-square. The actual p- values reported in the tables are significant at $p < .001$, and $p < .05$. Some p-values less than .001 were rounded off to .000 in the tables.
[9] The geographical areas (area of which municipalities) included in the regions mentioned in the text (Prishtina, Mitrovica, Gjakova, Prizren, Ferizay, Gjilan and Peje) are presented on a map of Kosovo in Annex II.
[10] While quantities of dairy products purchased at one time generally tend to grow in tandem with higher household incomes, statistical significance at 5% level was recorded only in households with total monthly income of over 600 euros.

Graph 6. And how about dairy products in general - which of the following statements best describes your habits? I usually buy:



Group discussions have also confirmed that the financial strength of a household influences the quantities of produce they buy. Regarding the frequency of food shopping for their family, participants reported that it depended on the type and consumption of food bought – usually once a week or one to two times a month. But part of participants reported shopping for food on daily basis or depending on their needs, because they were financially constrained from stocking food once or twice a month. Also, focus group discussion participants have stressed that “mixed buying” entails that in addition to foodstuffs which they buy in larger quantities there are also some which they buy on daily basis and in smaller quantities. The later are mostly food products which are preferred fresh or those with a shorter shelf-life.

I go shopping once a month; get essential things we need, and so on (Prizren, female, single, lives with parents)

We usually go food-shopping on Sundays at huge retail centers and get supplies for the entire week. (Prishtine, female, married, with children)

Well, with the current salaries, not that often… Yes, once a week. (Prishtine, female, student, single, lives with parents)

No, only when we need, because of our economical status, we are not able to buy in other ways, like it was before, copiously. (Gjilan, male)

We buy copiously, those things with longer shelf life, we buy them once a month or rarely, while everyday things, short shelf life things, are bought every day. (Gjilan, male, married)

Households that do not purchase dairy products are rare (5%) and differ from dairy buying households by only one characteristic, namely that they are more likely to live in the village. (According to all other demographic characteristics, such as children in household, number of household members, total monthly household income, ethnicity, and marital status, there are no significant differences.)

Point of purchase of food and dairy products

Foodstuffs, including dairy products, are mostly bought in supermarkets, smaller self-service stores and large hypermarkets. However, in contrast to food products in general, dairy products are more likely to be also bought directly from producers (farmers), at farmers' markets or from neighbors (see Graph 7).[11] There is a correlation between the quantity of dairy products bought at one time and the point of their purchase ($p < .001$). Participants who buy smaller quantities of dairy products at one time were more likely to shop in small self-service stores, while those who buy larger quantities usually shop in hypermarkets or are buying directly from producers.

Graph 7. Where do you usually shop for food/dairy products?

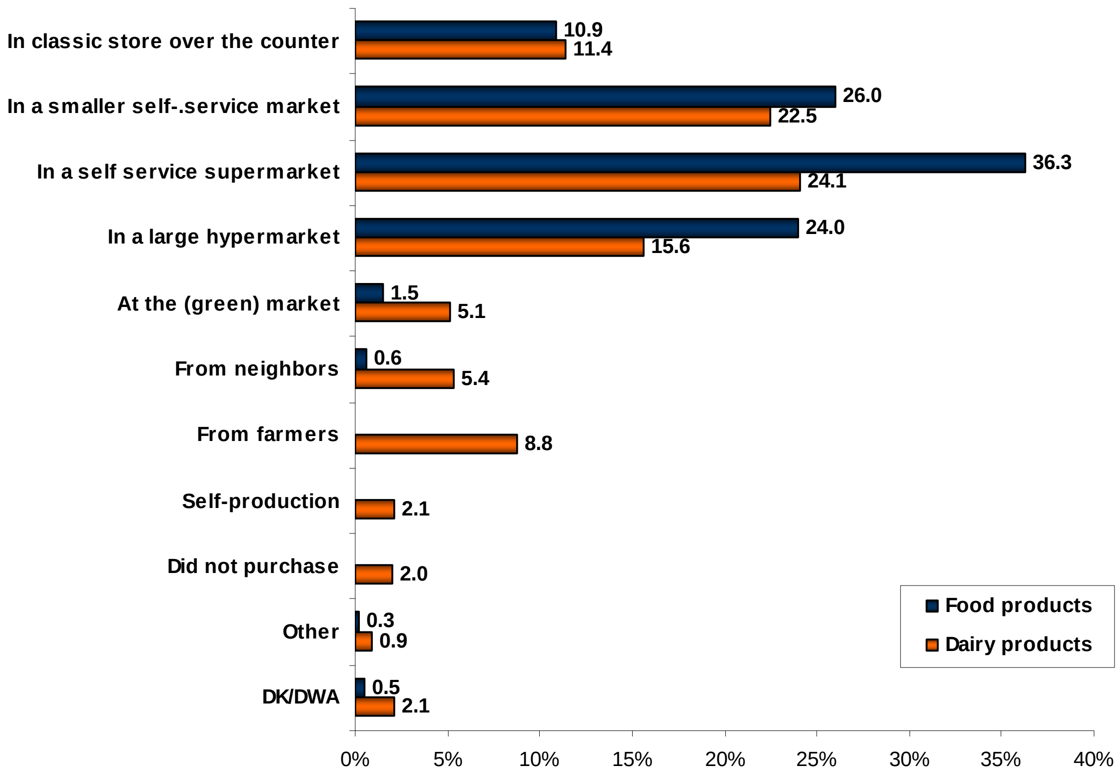


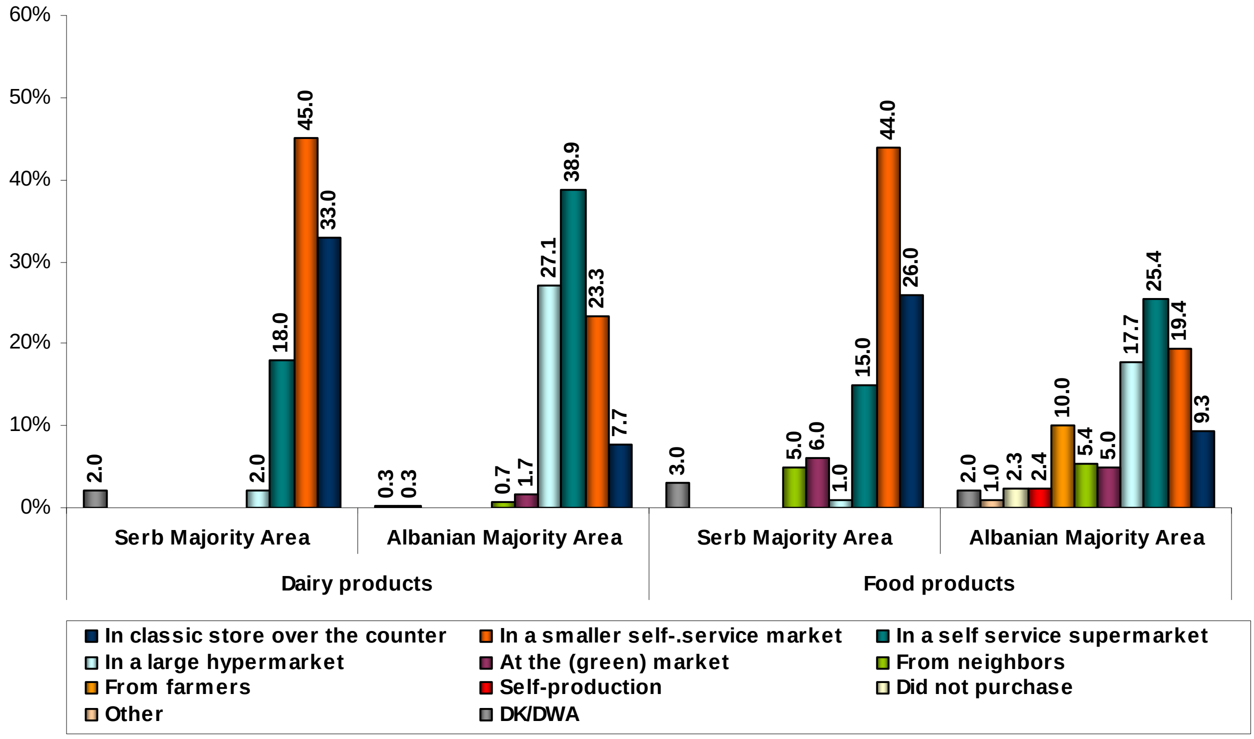
*Chart above is representing results collected from 800 respondents.

Respondents from areas with different ethnic majority populations have different buying habits in terms of usual points of purchase of food ($p < .001$) and dairy products ($p < .001$). In areas with majority Serb population, food including dairy products is more likely to be bought in classic over-the-counter stores and smaller self-service stores and in areas with majority Albanian population in supermarkets, hypermarkets and smaller self-service stores.

[11] "Something else" responses to the question about dairy products' buying habits include households which are not buying dairy products (because they make them or are getting them for free) or who are buying them in their own stores.

Also, respondents from Albanian majority areas were more likely to buy some of the dairy products they consume directly from farmers (see Graph 8)

Graph 8. Where do you usually buy food/dairy products? (results by areas)



Further analyses revealed statistically significant correlation between the location of purchase of dairy products and respondents' region of residence ($p < .001$), type of settlement ($p < .001$), gender ($p < .001$), age ($p = .04$) and education ($p < .001$), as well as their total monthly household income ($p= .03$) and weather they live in households with or without children (of up to 15 years of age) ($p < .001$).

Respondents from the region of Mitrovica and those from households with lower total monthly income were more likely to purchase dairy products from *classic over-the-counter stores*.

Respondents residing in cities and those from households with total monthly income of between 401 and 600 euros were more likely to shop for dairy products in *small self-service stores*.

Respondents from the region of Prishtina and those from region of Mitrovica who live in cities and who live in cities in general were more likely to purchase dairy products in *self-service stores*, while respondents from the regions of Gjakova and Peja, as well as those with university education (two-year, four-year and post-graduate degree programs) and household income of over 600 euros were more likely to buy dairy products in *hypermarkets*.

Shopping for dairy products *at farmers' markets* is more common in cities and among women, as well as among "older" respondents (over 60 years of age).

Respondents from the regions of Ferizaj and Prizren, as well as male and older respondents were more likely to buy dairy products *from neighbors.*

Respondents from the region of Gjakove, as well as those who reside in villages, have lower levels of education (primary school or less), live in households with children and achieve the lowest monthly income (up to 100 euros) were most likely to buy dairy products *directly from farmers*.

Respondents who produce their own dairy products live in the region of Prizren, mostly in villages and are more likely to be male than female.

Respondents who live in the rural areas regions of Ferizaj and Mitrovica and in rural areas in general were more likely *not to buy dairy products*.

Focus group discussions have also confirmed that most participants do their food shopping in supermarkets or hypermarkets, especially when buying (weekly or monthly) food stocks. Reasons for this were better offer and lower prices in large retail centers compared to smaller food stores close to their homes in which they do day-to-day grocery shopping. Besides, respondents believe that supermarkets and hypermarkets offer fresher food products because they have higher sales. Respondents who are shopping at farmers'/green markets usually go there to buy fruits and vegetables out of belief that these products are domestic and thus also healthier (have less chemical residues). At the same time, they purchase meat from the long-standing butchers whom they trust.

In big stores usually, having in regard prices. (Prishtine, male, single, lives with parents)

We get everyday needed things near, otherwise we go once a month or a week at shopping centers because there is a difference in prices too… (Prizren, male, married, with children)

We have stores near but we usually buy somewhere else because here things are more expensive…(Mitrovice, female, single)

It depends on items but usually at big stores, because there is wider choice and I believe that the food is fresher. (Mitrovice, male)

I get the meat from a very well known person and he gives it to me the way how I want it, and for fruits and vegetables I get them at the green market and not in the stores, we can choose them. (Prizren, male, married, with children)

Participants who buy milk and dairy products from individual producers stress the importance of hygienic conditions in production of milk and dairy products which is why they have long-standing arrangements with particular suppliers (who sell their products in the market or rural producers who deliver their products at respondents' home addresses).

Yes, we get the milk only from one person, who we know very well and we know that milk is fresh and clear. (Prizren, male, married, with children)

We usually get the milk brought to our home. And we also consume Alpsko, the Slovenian one, as far as packed ones concern…(Mitrovice, male, with children)

In my family, we usually consume the milk brought by villagers. But for coffee we prefer Vita more. (Mitrovice, female, single, lives with parents)

Because one liter of milk in bottle was 45 euro cents, and one liter of Vita milk is 80 euro cents or 90. (Prizren, male, married, with children)

Well I don't know, I decide as a family, maybe because its fresh, it's healthier, than it's the price, it's more affordable, it's cheaper. (Gjilan, male, married, with children)

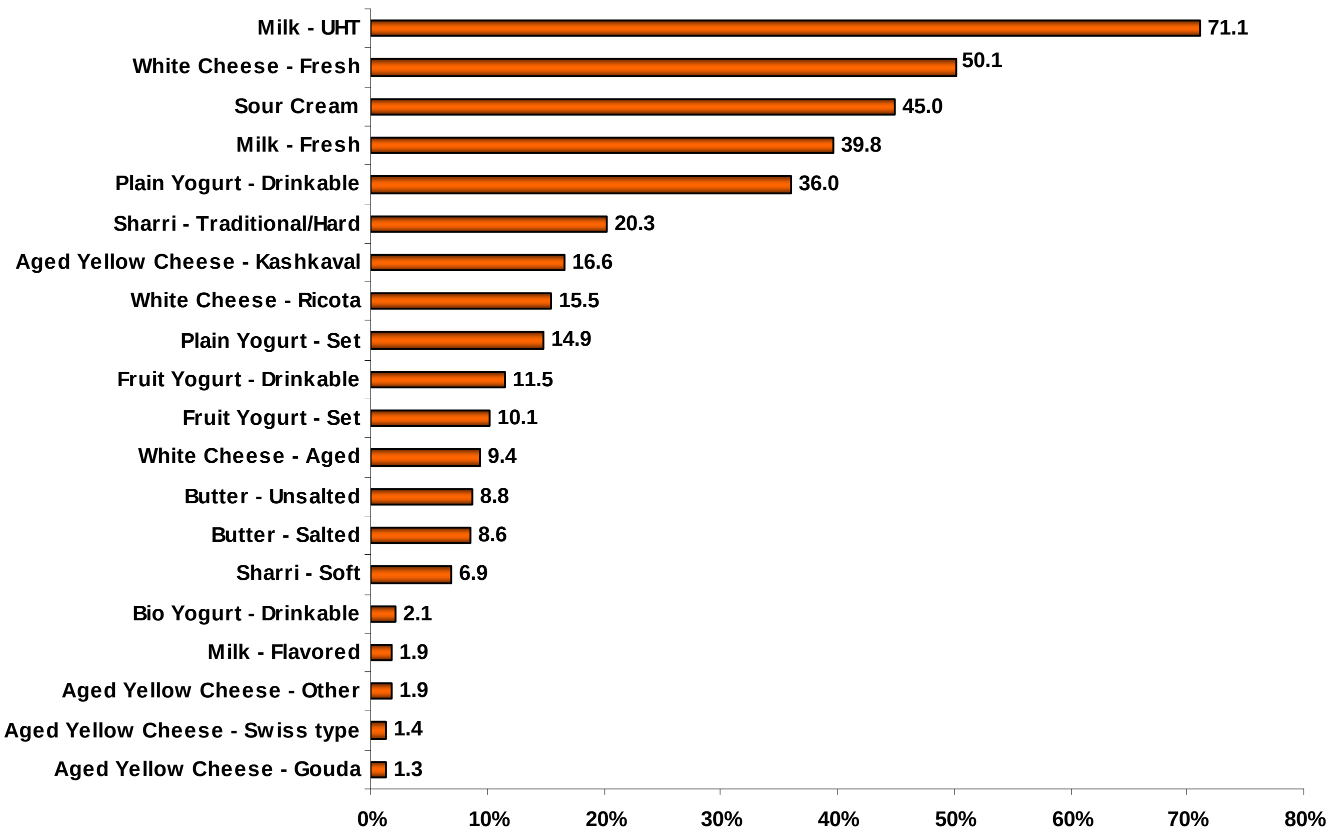
No, because it suits to the price, and we pay for it by the end of each month. (Gjilan, male, married, with children)

A group of participants purchase raw milk from individual farmers, who bring milk (in bottles) to their doorstep every day or are selling it to them at the farmers' market. Majority of these participants opted for raw milk out of belief that is fresh and healthier, but they also stress that it costs less than milk sold in stores. One participant has also mentioned the convenience of paying for fresh, domestic milk at the end of month.

Dairy products

Nearly all Kosovo households (89.7%) have sometimes bought milk. In most of the cases, (71.1%) they bought tetra pack milk, which is the most frequently tasted dairy product. It is followed by fresh white cheese bought by a half and sour cream bough by about a half of all households. Fresh milk and yogurt have been bought at least once by two fifths and over a third of households respectively. One fifth of the households have sometimes bought hard Sharri cheese, while other dairy products were being bought less frequently (see Graph 9).

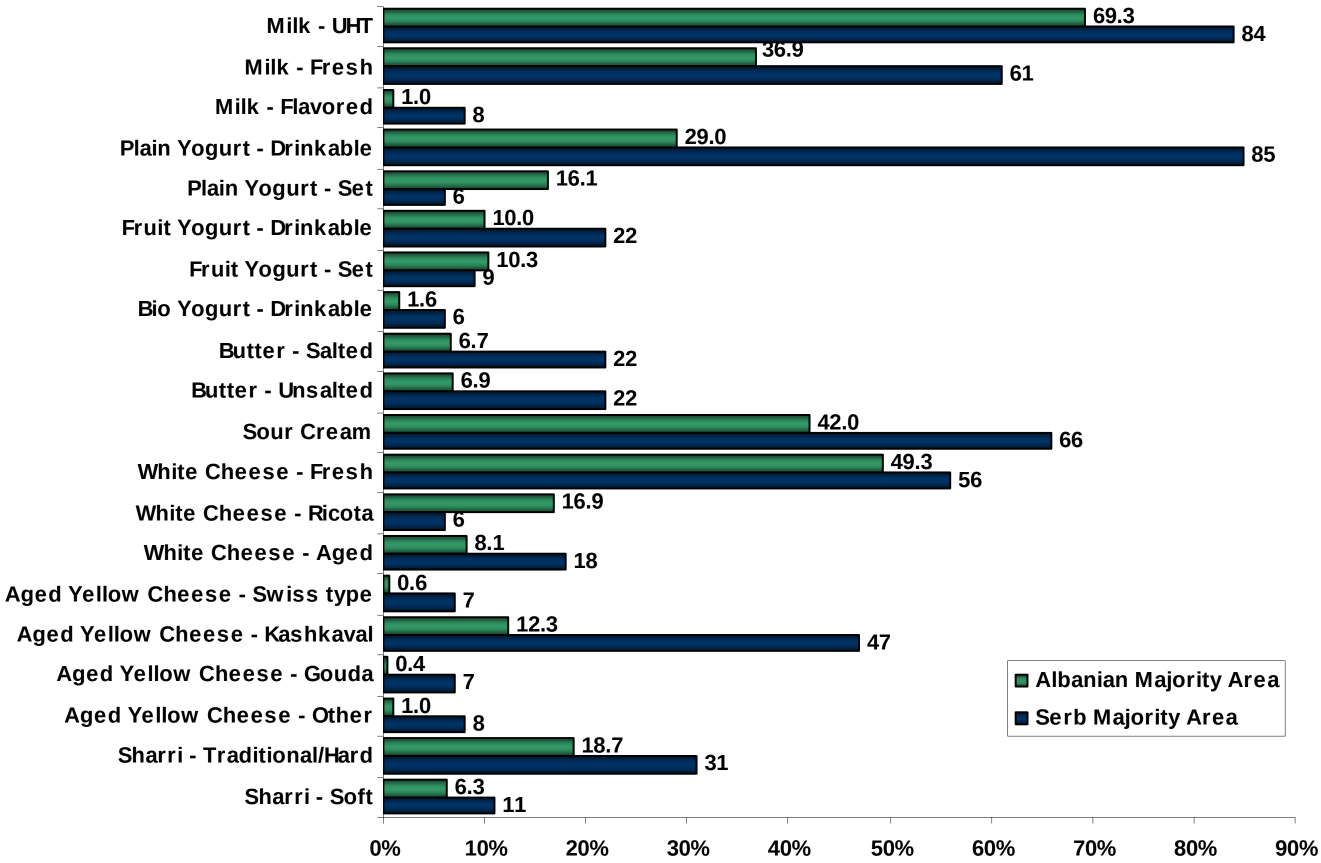
Graph 9. Could you please tell me if you ever bought…?



Note: Butter - unsalted and salted includes “Vital” margarine as well

Results reveal regional differences in that the households who live in Serb majority areas were more likely to have bought majority of these dairy products, while households from Albanian majority areas were more likely to have at least once bought set yogurt and Ricotta cheese (see Graph 10).

Graph 10. Could you please tell me if you ever bought…? (results by regions)



Group discussion findings have also confirmed that milk was the most consumed dairy product in households in the Albanian majority area. Milk is part of their everyday diet, particularly in the case of children (among participants who are parents), while only a few older participants reported not consuming milk or consuming only small quantities with their coffee.

We all consume milk in our family and it has become a basic product…(Prishtine, female, married, with children)

Without milk and 'ajran' my family can't live at all. (Prizren,male, married, with children)

I get 5 liters for my family; children drink it. (Gjilan, female, married, with children)

Children consume milk mostly, while I consume it only with coffee. (Prizren, male, married, with children)

From other dairy products we use yogurt more. (Prizren, female, married, with children)

While we consume yogurt with pie, usually. (Prishtine, female, married, with children)

We get the milk at the doors, brought by villagers, and we process cheese and clabber from it. (Gjilan, male, married, with children)

Besides milk, most participants also consume yogurt and various kinds of cheese almost on daily basis. Besides yogurt which they usually consume with pie, majority of these participants also consume whey, 'ayran' and clabber, which they make on their own from milk they purchase for their households.

> *We ge "Schmand" in Interex. (Prishtine, female, married, with children)*
>
> *It costs around 90 cent per liter, and we prefer the schmand one more (Mitrovice, male, married, with children)*
>
> *We usually use 'xhiza' to prepare pies, fried peppers and for milk dipper with xhiza filled peppers. (Gjilan, male, married, with children)*
>
> *We usually use cream during lunch, and it is very good, maybe with sausage or kebabs, it has a sweet, good taste. (Prishtine, female, student, single, lives with parents).*

Group discussion participants often identify sour cream as 'xhiza' which is why it was difficult to establish in which quantities and in which situations are these two dairy products consumed. The only reported difference pertains to their point of purchase – 'xhiza' is generally bought at farmers' markets and less in supermarkets and retailers, while sour cream is more likely to be purchased from stores or supermarkets and that in smaller containers (35 - 37 euro cents) or in 1 liter packs (90 euro cents). Both of the above dairy products are mainly consumed together with some other dishes – peppers stuffed with meat, sausages and kebab – equally for breakfast and lunch.

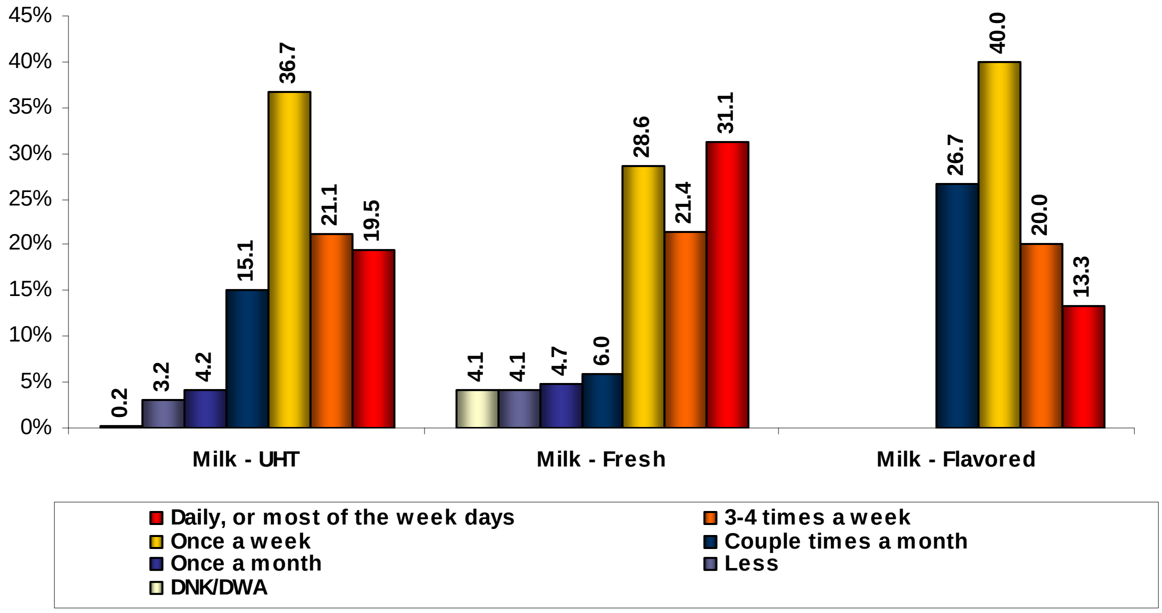
Most frequently consumed cheeses include feta cheese, which is particularly preferred by children, but also aged white cheese and 'kashkavall'. Majority of these participants also consume soft chesses known as "Zdenka" or "Happy Cow", while a few also mentioned Sharri cheese. Similar to milk, cheese is typically served for breakfast.

Butter is used somewhat less frequently, mostly when preparing different dishes which taste better when cooked with this kind of dairy products.

Milk

Results show that fresh milk is the most bought dairy product in Kosovo, while tetra pack milk is bought less frequently and flavored milk very rarely. However, because of the small number of respondents who have sometimes bought flavored milk (N=15), information about this kind of milk should be taken with caution and accepted as a clue rather than precise indicator (see Graph 11).

Graph 11. How frequently do you buy the following dairy products?



Packed milk (Tetra Pak)

Results indicate that tetra packed milk is more likely to be bought by respondents from Serb majority areas and those who live in cities. Information about the frequency of purchase of tetra pack milk shows that most respondents buy it once a week (36.7%) or two or three times a week, while 19.5% of respondents buy it every day (or on most days of the week). An average Kosovo household consumes 6 liters of tetra pack milk per week (M=5.92; SD=3.74, range= 1-24). The same is true for households in the Albanian majority areas while households in the Serb majority areas consume smaller quantities of milk per week or 4 liters on average. Most respondents buy 1-liter milk packs and are usually buying average 5 packs at one time. Results show that the respondents from Serb majority areas buy somewhat smaller quantities of tetra pack milk, or 2 packs on average.

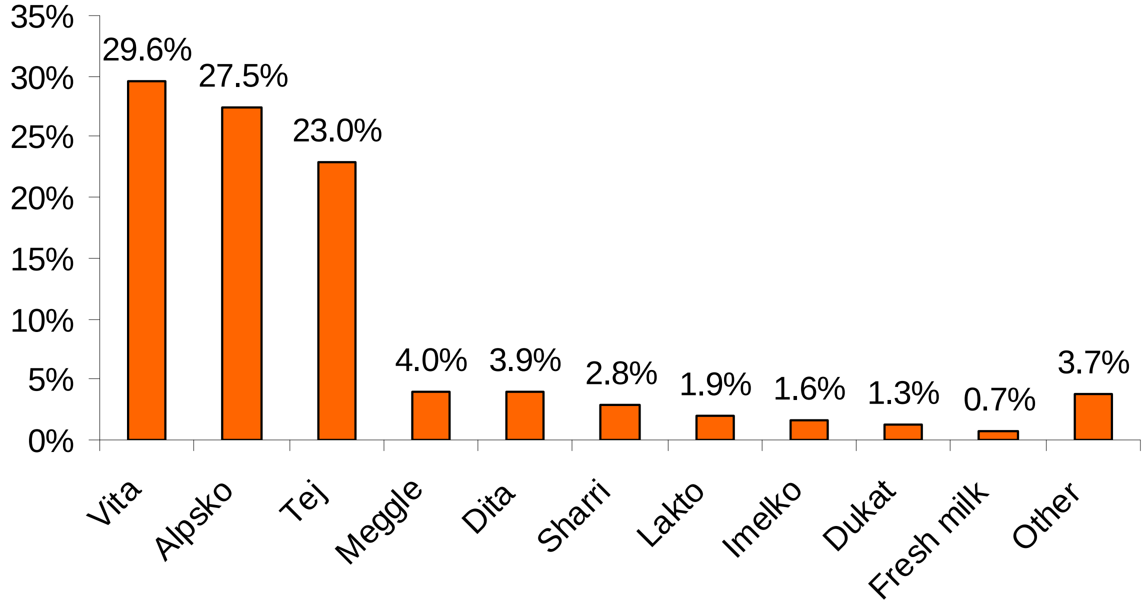
Regarding the packed milk brands, little over a half of respondents bought “Vita” milk the last time they shopped, while a significantly smaller percentage of respondents bought “Alpsko” (20.9%) and “I-Mleko” (6.7%) milk. The last time they shopped, respondents from the Albanian majority areas were more likely to have chosen “Alpsko” and “Vita” milk, while respondents from the Serb majority areas chose “I-Mleko” and “Moja kravica” milk. The last time they shopped for tetra pack milk, respondents bought an average of 6 liters (M=5.97; SD=5.17; range= 1-31) for the average price of 4.95 euros. However, results show that the respondents from the Albanian majority area -- the regions of Gjakove and Peja - have bought more milk the last time they shopped. Subsequently, these respondents have spent more money on milk (5.56 euros) the last time they shopped than did the respondents from the Serb majority areas (1.36 euros).[12]

Data from retailers show a somewhat similar picture. From the data collected from the retailers, we can see that the top three milk brands with the most sales during 2007 were as following: “Vita”, with 2,929,889.00 liters (29.56%), “Alpsko”, 2,725,289.00 liters (27.50%), and “Tej”, 2,280,815.00 liters (23.01%). Difference between regions show that “Vita” is in the first place in all regions and the difference between the top two brands of milk consumed

[12] Chart identifying average amount purchased per week and average amount spent the last time they shopped by region for all dairy product are given in Annex V

varies from 1% (Prizren region) up to 17% (Gjilan region). Range of price for “Alpsko” milk goes from 0.75 to 1 euro, with an average of 0.87 euros, whereas for “Vita” goes from 0.65 to 0.95 euros, with an average of 0.79 euros. Data from Serb majority area have showed that the number one goes to “I-mleko”, with 158,400.00 liters (or 72.6%), followed by “Sabacko”, 48,000.00 liters (22.2%), “Mladost” and Fresh Milk (from the green market).

Graph 12. Overall retailer (included in the sample) sales of milk during 2007



Fresh milk sold in the market make up just over 65,000.00 liters, or 0.62% of the overall milk consumption. This rather low proportion of the fresh milk penetration might be due to the fact that there is no big retailer in the market from whom the data could be collected, hence there are many individual farmers who sell the milk they milk from their cows and a more accurate picture of fresh milk presence in the market would require a more larger sample and representation of this group. From the individual farmers, the sample captured a person who sells goat milk, and who claimed that during 2007 he sold 1,233.00 liters of goat’s milk, with an average price of 1 euro per liter (this price remained unchanged throughout the year).

As for the purchase behavior of the consumers, data from retailers reveal that almost 60% of the milk purchase has been conducted in supermarkets (59.17%), 18.62% in the hypermarkets and 17.67% in the minimarkets. Just under three per cent (2.87%) and 1.19% of the milk purchase has been completed in the green market, respectively elsewhere (kiosks). Between regions, whereas about three fourth of the milk sales in Prizren region were conducted via hypermarkets (73.03%), in Prishtina region the most prevalent form of milk sales is through supermarkets (31.03%).

Information gathered from restaurants show a little different picture. In this regard, milk “Lakto” takes over the most used milk brand with almost half of the overall consumption. It is indicative to mention that this brand was encountered in the Prizren region, and it was not encountered in any other restaurant included in the sample. However, due to large consumption of the restaurant in Prizren region that was included in the sample, the data might be skewed in favor of this milk brand. This brand is followed by “Alpsko” and “Vita”, with 18.5%, 13.2% respectively of a total of 149,913.00 liters of milk consumed reported by restaurants in the sample.

Focus group discussions confirmed that the Slovenian "Alpsko" is the respondents' preferred imported milk brand. As for domestic brands, consumers mostly buy Vita milk. Packed milk is mostly bought in retail stores near home (in case of participants who purchase smaller quantities of packaged milk) or in larger retail markets where participants do their weekly or monthly shopping (Viva market, Interex). Participants also said that they usually purchase milk once a week (by packages), and that the purchased quantities of milk vary from 1 to 2 liters per day, that is, from 30 to 60 liters per month. Purchased quantity depends on the number of household members so that the households with more children consume larger quantities of milk or up to 70-80 liters per month.

We get milk with 1.6 and 3.2 % fat. I myself, because of blood pressure, consume it with less fat. As I said before, we also get bottled milk. (Prishtine, female, married, with children)

I look for the amount of calcium, especially. (Prishtine, male, student, live with parents)

We usually get the milk brought to our home. And we also consume Alpsko, the Slovenian one, as far as packed ones are concerned. (Mitrovica, male, married, with children)

No, he brings 2 liters everyday at our home. (Mitrovica, male, married, with children)

Well, 1 liter a day, it is around 30 liters a month. (Mitrovica, male, married, with children)

Somewhere around 20 liters of the brought milk and 20 of the packed milk. (Gjilan, female, married, with children)

Participants stress that the price of milk ranges from 0.50-0.60 cents per liter of raw milk purchased from individual farmers and delivered in bottles to consumers' homes to 0.70-0.90 cents per liter of packaged milk bought in stores. The price of imported milk (usually Slovenian "Alpsko") is higher than the price of milk produced in Kosovo ("Vita"). Participants who prefer imported milk have more trust in foreign producers and consider imported milk to be of higher quality and produced under better hygienic conditions. This was particularly true in the case of Slovenian "Alpsko". On the other hand, some participants stress that they purchase local milk brands adding that they are of the same quality and taste, and are produced under equal hygienic conditions as imported milk.

80 cents per liter, and 50 cents for the bottled liter, meaning two liters one euro. (Prishtine, male, married, with children)

We consume Alpsko more often, we prefer it despite being more expensive (Prishtine, male)

I think that we also have gotten used with Alpsko and I think that it has more calcium. And I usually look for the content of vitamins. (Prishtine, male, single, lives with parents)

Well, we usually buy it because children like it, they drink it. (Vita)… No, it is better when you drink it, it has a good taste. Vita is 85 cent while the milk brought to the doors is 50 cent per liter. (Gjilan, female, married, with children)

It's not I do not believe Albanians but Slovenians have their tradition, while we are still at the beginning. I have seen some emissions advertising Theranda milk, and, for example, when milking the cow they did this without gloves, while in a Slovenian factory they have white uniforms, masks, etc. (Prizren, female, married, with children)

We didn't have chances to visit these factories and do any comparison, but I believe on their hygiene. (Gjilan, male, married, with children)

Respondents' first associations to the word milk confirmed strong market position of some milk brands. Most respondents associated the world milk with specific brands: "Vita" milk, "Alpsko" milk or vitamin-enriched milk. Other associations were to hygiene (which was highly significant to group discussion participants, but did not "figure highly" in the survey) and to other dairy products. [13]

> *For me, Vita is first since my children consume it, and then comes the rest. (Prishtine, female, married, with children)*
>
> *Alpsko. (Prizren, female, married, with children)*
>
> *The one with vitamins. (Prishtine, female)*
>
> *Hygiene [is the most important]. Yes, it is maybe one of the main criteria to choose milk. (Gjilan, married, married, with children)*
>
> *Cheese and cream. (Mitrovice, female, single, lives with parents)*

<u>Raw milk</u>

Results show that the respondents from the Serb majority area are more likely to buy raw milk. Also, the respondents the regions of Prizren, Ferizaj and Gjilan are more likely to buy raw milk. Respondents who are buying raw milk usually do it every day (or on most days of the week) (31.1%), once a week (28.6%) or 3 to 4 times a week (21.45%). Regarding the weekly quantities of raw milk consumed in households, results show that an average household consumes 6 liters of raw milk per week (M=6.10; SD=4.93; range= 1-35). Households in the Albanian majority area, particularly in the regions of Prizren and Gjilan, as well as rural households, tend to consume more raw milk. Respondents usually buy raw milk in 1-liter (11.2%), 2-liter (16.4%) or 10-liter (12.6%) containers and are buying an average of 4 such containers.

Most respondents buy raw milk from individual (local) producers (farmers) and at the (green) market the last time they shopped. Raw milk from farmers were more likely to have been bought by respondents from the Albanian majority areas. Results show that the respondents who live in villages were more likely to buy raw milk from farmers while the respondents who live in cities were more likely to buy raw milk at the market. The last time they shopped, respondents bought an average of 5 liters of raw milk (M=4.76; SD=5.44; range= 1-50) for an average price of 2.96 euros. Result analyses reveal a difference between different areas so that the respondents from the Albanian majority areas have last bought an average of 6 liters of milk for the price of 3.59 euros while respondents from the Serb majority areas have last bought one liter of raw milk for the price of around 0.6 euros. Also, results show that the rural respondents have last bought an average 6 liters of raw milk and respondents from urban areas an average of 4 liters of raw milk.

Some focus group participants said that besides "domestic milk" they also consume packaged milk because children usually dislike the taste and smell of domestic, non-pasteurized milk. The survey showed that 53% of households which buy raw milk were also buying tetra pack milk.

[13] Master chart identifying the dairy product, average amount purchased per week and the average expenditure during last purchase by regions and Master chart identifying the dairy product, average amount purchased per week, average size, number of units and preferred brand, overall quantity and the average expenditure during last purchase are provided in Annex VI.

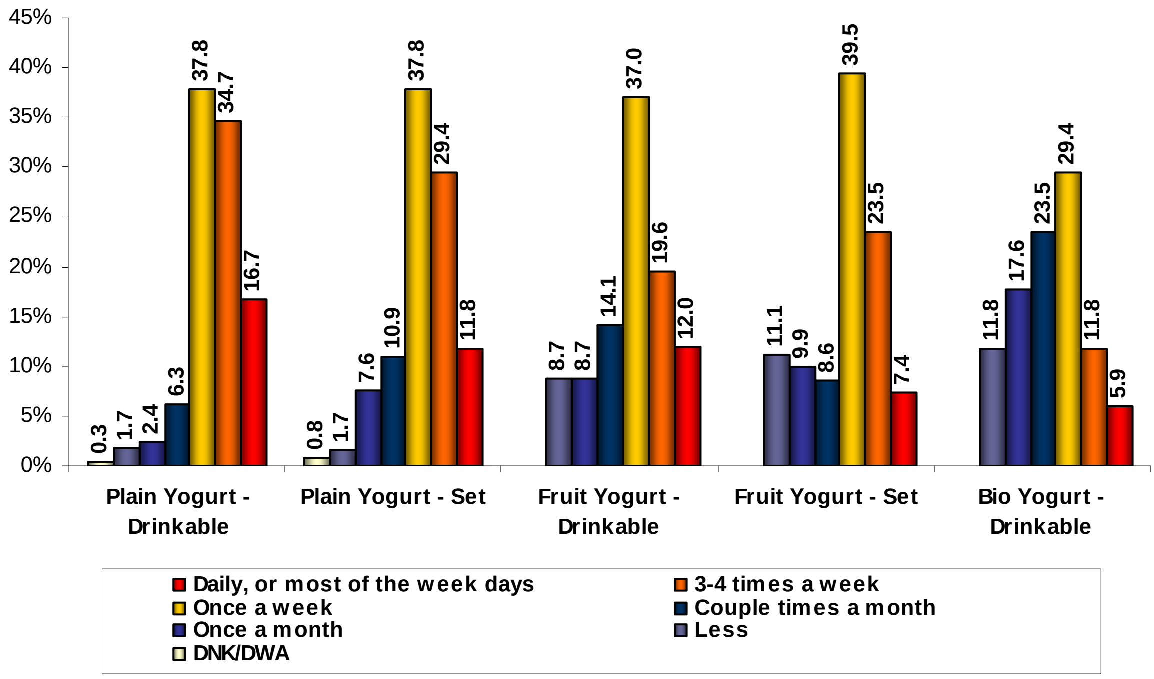
Flavored milk

A very small number of respondents (1.9%) have ever bought this type of milk. Participants who buy flavored milk, they do it once a week (40%) or less frequently (26.7%). Most respondents who buy flavored milk belong to the age group from 18 to 30 years. They are most likely to choose 0.25 and 0.5 and 1-liter (I-Mleko) containers of flavored milk and majority of them have chosen "I-Mleko" flavored milk the last time they shopped. Other types of flavored milk are: "Meggle", "Dukat" and "Zott" and all of them have similar size of packaging.

Yogurt

Results showed that the respondents were most likely to buy drinkable yogurt. Set yogurt, drinkable fruit yogurt and set fruit yogurt were bought somewhat less frequently, while bio yogurt was bought by the least number of respondents. However, because of the small number of respondents who buy bio yogurt, information about it must be taken with caution and accepted just as an indicator (see Graph 13).

Graph 13. How frequently do you buy the following dairy products?



Drinkable plain yogurt

Little over a third of respondents (36.0%) have at least sometimes bought drinkable yogurt, in that they were more likely to be found among respondents who live in the cities and who are from the Serb majority area – the regions of Prishtina, Mitrovica and Peja. Regarding the frequency of purchase of drinkable yogurt – most of these respondents buy it once a week (37.8%), 3 to 4 times a week (34.7%) or daily (16.7%). Results also show that an average household consumes 3 liters of drinkable yogurt per week (M=3.10; SD=2.18, range = 0.5-12). Respondents mostly buy 1-liter containers of drinkable yogurt and are usually buying two such containers at one time.

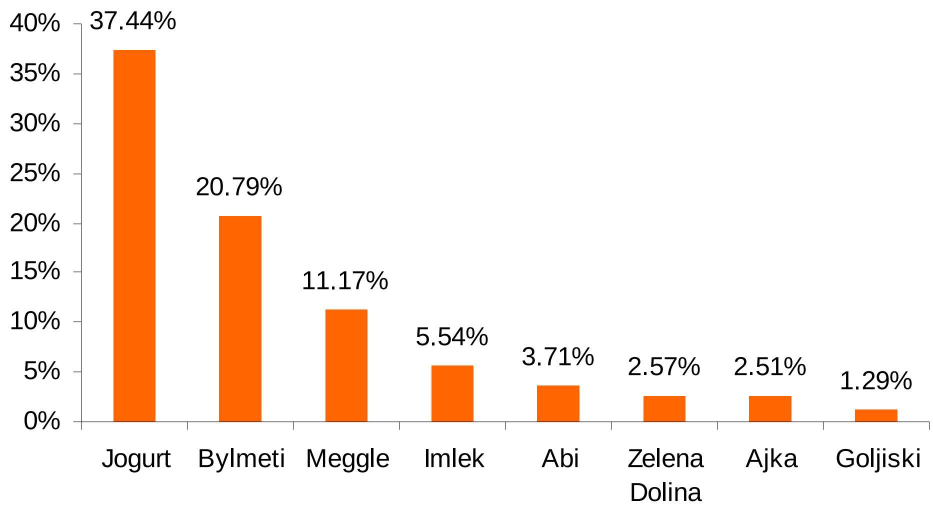
> *We use yogurt, but not that much. (Prishtine, male, married, with children)*
>
> *A lot…..Every day, because it is winter now, and I drink it two or three times a day … The one we made by our self. (Prizren, male, married, with children)*
>
> *I process it by myself, and if suddenly run out of it, I get the Slovenian one. (Prizren, female, single, lives with parents)*
>
> *We usually drink combined yogurt, we sometimes process it, and sometimes we buy it, the packed one either from Slovenia or the domestic one. (Mitrovice, female, married, with children)*
>
> *We consume Kabi yogurt. (Gjilan, male, single, lives with parents)*
>
> *It does not matter if it is local or not, I look at the expiry date, it has to be fresh, and 10 cents more go unnoticed, and I also want it to taste good. It's not bitter, it's sweet. (Prishtine, female)*

Drinkable yogurt brands respondents were most likely to have chosen the last time they shopped include Slovenian brands (17.5%), "I-Mleko" (11.9%) and Yogurt generic products (10.1%). Respondents from the Serb majority area, particularly those from the region of Mitrovica, and respondents with monthly income of between 500 and 600 euros were more likely to chose "I-Mleko." On the other hand, respondents from the Albanian majority area and those who live in the cities were more likely to have chosen "Jogurt" and "Slovenian" drinking yogurt (not being able to name the brand, rather just country of origin). The last time they shopped, most respondents bought 2 liters of yogurt (M=1.92; SD=2.38, range = 0.5 – 24) for the price of 1.96 euros.

Information gathered from retailers show that during 2007, a total of 1,974,359.00[14] liters of yogurt were sold by these retailers. Of this figure, a majority of the yogurt was of the Slovenian brand "Jogurt", with a total of 739,297.00 liters (38.5%). Second brand with most sales is "Bylmeti", with 410,539.00 liters (20.8%) and "Meggle" with 220,446.00 liters (11.2%). Second domestic brand, "Abi", from the retailers interviewed, was represented with a total of 73,325.00 liters (3.7%).

[14] Data obtained from retailers for yogurt exceed yearly import data (2007) obtained from Custom office. Retailers might have provided sales for two products: yogurt and sour cream.
Custom office might have registered yogurt as sour cream. Total import of yogurt for 2007 is 614,896.00 kilograms, while total import for sour cream is 5,118,455.00 kilograms.

Graph 14 – Top brands of drinkable plain yogurt sold by retailers during 2007



Slovenian "Jogurt", in proportion to other yogurt sales within region was mostly sold in Peja region (50% of all yogurt sales), followed by Ferizaj region with 42.7%. Retailers from Gjilan region represented in the sample reported no Slovenian "Jogurt" to have sold during 2007. Between regions, Peja also has the most sold quantity of "Abi" yogurt, making 21.9% of total quantity of yogurt sold in that region, whereas "Bylmeti" mostly sells in Prishtina region, which makes the second most sold yogurt after the Slovenian one ("Bylmeti" having 14.7% of total yogurt sales). Further breakdown, among the different regions with the most sales of yogurt, Prishtina region comes first with total of 1,202,345.00 liters[15]. Prizren region is situated in the second place with 288,915.00 liters, followed by Ferizaj region with 195,544.00 liters and Peja region with 76,482.00 liters of yogurt sold during 2007.

Table 12. Distribution of drinkable plain yogurt of different brands in all regions

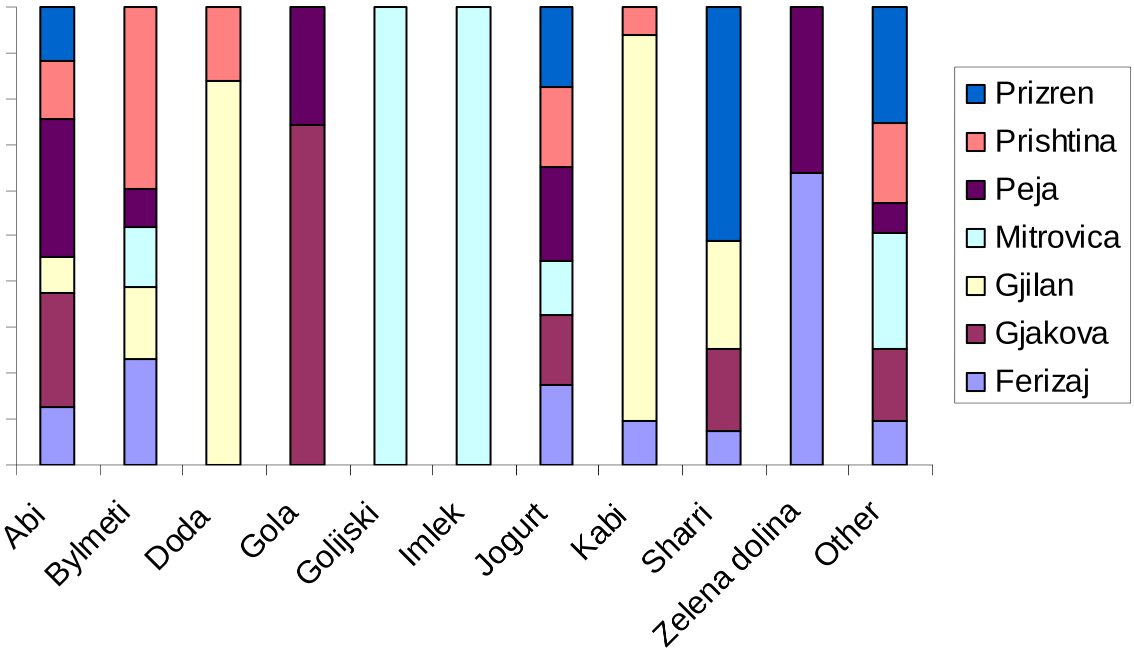
Brand/Region	Ferizaj	Gjakova	Gjilan	Mitrovica	Peja	Prishtina	Prizren	Grand total
Abi	9.1%	18.2%	5.9%	0.0%	21.9%	9.1%	8.6%	9.6%
Bylmeti	8.5%	0.0%	5.9%	4.9%	3.1%	14.8%	0.0%	7.2%
Doda	0.0%	0.0%	17.7%	0.0%	0.0%	3.4%	0.0%	2.0%
Gola	0.0%	18.2%	0.0%	0.0%	6.3%	0.0%	0.0%	2.0%
Golijski	0.0%	0.0%	0.0%	14.6%	0.0%	0.0%	0.0%	2.0%
Imleko	0.0%	0.0%	0.0%	14.6%	0.0%	0.0%	0.0%	2.0%
Jogurt	42.7%	36.4%	0.0%	29.3%	50.0%	42.3%	41.9%	38.5%
Kabi	7.3%	0.0%	64.7%	0.0%	0.0%	4.6%	0.0%	6.3%
Sharri	1.8%	4.6%	5.9%	0.0%	0.0%	0.0%	12.9%	3.0%
Zelena dolina	16.5%	0.0%	0.0%	0.0%	9.4%	0.0%	0.0%	4.0%
Other	14.1%	22.7%	0.0%	36.6%	9.4%	25.8%	36.6%	23.4%[16]

[15] This amount is not consumed in Prishtina region, but rather is sold through the retailers operating in Prishtina region. Some of this amount goes to other retailers in other regions and municipalities of Kosova, for further distribution to consumers placed in these locations.

[16] Other represents types of yogurt, which include brands such as: "Ajka", "Sharri", "Dukat", "Meggle", etc. Data in the table represent the first three top brands per each region, although few brands are highly represented in one region whereas in other regions situation is very different. For example, "Doda" is very much represented in Gjilan region, whereas in five other regions sales of this brand were not captured.

Further analysis of the data, as described in Graph 15., show us that “Jogurt” and “Abi”, out of all quantity of the sales per each yogurt, is somewhat equally represented in all regions, whereas “Golijski” and “I-mleko” are present only in Mitrovica region (Serb-majority area). The greatest versatility of the yogurt present in the market has Prizren and Mitrovica, both having more than one third of the other yogurt brands present in the market other than the ones presented in the graph.

Graph 15. Representation of different drinkable plain yogurt brands throughout regions



As for the sales of the yogurt among different types of retailers, supermarkets are the retailers who have reported to have sold most yogurts among all. Hence, almost six out of ten liters of yogurt (57.8%) during 2007 were sold via supermarkets. One fourth of the yogurt was sold via hypermarkets and just over 15% (15.3%) through minimarkets. Furthermore, similar trend follows Slovenian “Jogurt”, with two third of the sales (65.5%) were done through supermarkets, as well as “Bylmeti” and “Abi” (53.9%, and 58.6% of sales through supermarkets).

Information from restaurants show that the most consumed yogurt in their business is “Abi”, with 27.2% of the total share, followed by “Bylmeti” with 9.7%. Total consumption of yogurt by the restaurants in the sample is 24,660.00 liters. Of the imported yogurts, the most consumed brand is “Sole”, with 5,133.00 liters (5.7%).

Majority of group discussion participants consume less yogurt than other dairy products, but a smaller number of them have stressed that yogurt was the most common dairy product in their diet. Besides the yogurt they make at home, respondents also said that they were buying packed yogurt – when they run out of home-made yogurt or because their children dislike “domestically produced” yogurt. In such cases, they mostly buy Slovenian yogurts and less commonly domestic brands (such as “Abi” and ”Kabi”). They prefer Slovenian yogurt because of its taste and thickness, but some also added that they preferred Slovenian yogurt because they trusted Slovenian products due to long Slovenian tradition in production of food and particularly dairy products. A few participants stressed that yogurt’s freshness, lower fat content and its bio-label were important attributes in making yogurt-buying decisions, while its origin (domestic or imported) and price were less important factors.

Participants mostly buy yogurt on daily basis or once a week in quantities of between 1 and 2 liters (4 liters per month). Participants who consume home-made yogurt usually make larger quantities (up to 20 liters per month). Participants pay around 1 euro per liter of yogurt (either locally produced or imported).

> *Once a week perhaps. (Prishtine, male, married, with children)*
>
> *We mainly buy for daily consumption and not that often. (Prishtine, male, married, with children)*
>
> *Around 10 liters a month (Gjilan, male, married, with children)*
>
> *Somewhere around 20 liters a month… I think it is 1 euros and 10 cent per litter, because last days prices got increased. (Mitrovice, female, married, with children)*
>
> *I think it is one euro per liter, I think both of them, Slovenian and Abi's has the same price. (Mitrovice, female, married, with children)*

In addition to standard and bio yogurt, some participants also consume fruit yogurt –children prefer it and they consume most of it. In the case of fruit yogurt, participants again preferred imported brands such as "Jogobella" and "Fructis" and were paying about 50 cents per packing.

> *Of course we use them, especially for children, and we like it too. We prefer more imported one because I don't know if there is any domestic fruit yogurt.*
> *We usually change it, we buy what we like eating, or we buy different ones, like Jogobella, (Zott Monte), Fructis etc….Since we go shopping once a month, we get one big pack for one month, and it has 24 small yogurts, and it costs 45 cents. (Mitrovice, male, married, with children)*
>
> *We get it regularly, usually every week. (Mitrovice, female, married, with children)*
>
> *We usually give children Jogobella…. and they're delicious. (Prizren, female, married, with children)*

Majority of participants consume yogurt with breakfast and lunch, most commonly when they eat pie.

> *My children use it with fruits, and usually with pie, but generally children use it more often. … During lunch, because during diner it's definitely not consumed (Prishtine, female, married, with children)*
>
> *I use it during lunch, more often. (Prishtine, male, married, with children)*
>
> *I use it during breakfast, lunch and diner. For breakfast, we get it while we're at work, for example. (Mitrovice, male)*
>
> *We don't buy it we process it, sometimes, to eat it with pie. (Gjilan, female, married, with children)*

Set plain yogurt

Set yogurt is a product commonly used in Kosovo families that usually process yogurt locally, import or produced at home. Import figures are showing an increase on yogurt consumption in general. Currently yogurt is produced from most of the dairy processors since profit margin is higher and product is consistent in the market. Most of yogurt is produced from Abi, Bylmeti, Ajka and all other smaller processors around Kosovo since it is easier for them to produce yogurt. Imported yogurt is of good quality mainly imported from Germany, Slovenia and neighboring countries like Serbia and Croatia. The trend is showing an increase from 2006 (350,171.00 kilograms) to 2007 (614,896.00 kilograms) available of drinkable and set yogurt and this is mainly true due to better packaging, logo and labeling in UHT packages making product more convincing for consumers. Recently some studies showed that yogurt can have positive impact on health which might affect demand for this product.

Smaller number of respondents (14.9%) has at least sometimes bought set yogurt in that they were more likely to be found among respondents from the Albanian majority areas, from the regions of Prishtina and Gjilan and urban. Little over a third of respondents who buy set yogurt, were most likely to do it once a week (37.8%) or 3 to 4 times a week (29.4%). Results show that an average household consumes 3 liters of set yogurt per week (M=2.54, SD=2.14, range=1-5). Respondents mostly buy 1-liter of set yogurt and are usually buying two such containers at one time.

Set yogurt brands respondents preferred the last time they shopped included “Yogurt” (37.8%) and “Slovenian” (12.6%) and could not distinguish the brand name. However, the above two were more likely to have been chosen by respondents from the Albanian majority areas while those from the Serb majority areas were more likely to have chosen “I-Mleko.” The last time they shopped for set yogurt, respondents bought an average of 2 liters (M=1.64; SD=1.48, range=0.5-10) for the average price of 1.46 euros.

Fruit yogurt – drinkable

Main importers are Kosmonte, Delfin and Albi with some quantities from I – Mleko. Fruit yogurt has importance in diet of families with children. Most of the quantities imported are sold through hypermarkets and distributed in regions with van. It is expected to have an increase on sales of this product due to changes in life and changes of taste from consumer side. Currently we have an increase in quantities consumed comparing data from 2006 (759,178.00 liters) and 2007 (1,127,952.00 liters) received from Custom Office.

Only a small number of respondents have sometimes bought fruit yogurt (11.5%) including more urban respondents. It is important to say that most respondents buy this kind of yogurt once a week (37.0%), while a somewhat lower percentage of them buy it 3 to 4 times a week (19.6%) or every day (12.0%). Respondents who consume drinkable fruit yogurt spend the average 1 liter per week (M=0.65; SD=0.40, range = 0.1-2). Respondents are most likely to buy drinkable fruit yogurt in 0.30-liter containers and they usually buy three such containers.

Last time respondents shopped, they preferred drinkable fruit yogurt include “Jogobella” (30.9%), “Fructis” (14.9%) and “Zott Monte” (12.8%), which were the most likely choice of respondents from the Albanian majority areas, as well as “I-Mleko” fruit yogurt (10.6%) which was the most likely choice of respondents from the Serb majority areas. The last time they shopped, respondents bought the average 0.15-liter containers of fruit yogurt (52%) and 0.50-liter (19%) and 0.06-liter (17%) for the average price of 0.74 euros. Results point to cross-regional differences with respondents from the Albanian majority areas having last spent more money buying drinkable fruit yogurt (2.05 euros) than those from the Serb majority area (0.67 euros).

Fruit yogurt – set

Only 10.1% of respondents have at least sometimes bought set fruit yogurt, in that the most of them do it once a week (39.5%) or 3 to 4 times a week (23.5%). An average household consumes 1 liter of set fruit yogurt per week (M=0.87; SD=0.62; range=0.1-3). These respondents are most likely to buy 0.33-liter containers of set fruit yogurt buying an average of 3 containers.

The brands respondents preferred the last time they shopped for set fruit yogurt include "Zott Monte" (39.5%) and "Jogobella" (24.7%), which were the most likely choice of respondents from the Albanian majority area and from the regions of Prishtina and Gjilan while at the Serb majority area only few respondents bought fruit yogurt (N=4). Most respondents have last bought 0.25-liter containers of set fruit yogurt for the average price of 1.69 euros.

Data from retailers support the most consumed brands of fruit yogurts, drinkable or set, that had the most sales during last year. "Zott Monte", among the retailers in the sample, had a total sale of 397,035.00 kilograms/liters[17], with more than half of the total fruit yogurts retail sales that were included in the sample (52.7%). In the second place is situated "Jogobella", with more than one fourth of the total sales (26.7%).

Restaurants in the sample show somewhat different data: "Jogobella" is the most favorite brand consumed, followed by "Fructis", "Campina" and "Cremina".

Bio yogurt – drinkable

Out of the total number of respondents only 2.1% have at least sometimes bought drinkable bio yogurt and most of them do it once a week (29.4%) or several times a month (23.5%). Small number of respondents have at least sometimes bought drinkable bio yogurt (N=16) say that their household consumes 2 liters of bio yogurt per week (M=1.75, SD=1.24, range= 1-5). Most of these respondents buy 1-liter containers of bio yogurt and they usually buy 2 of them.

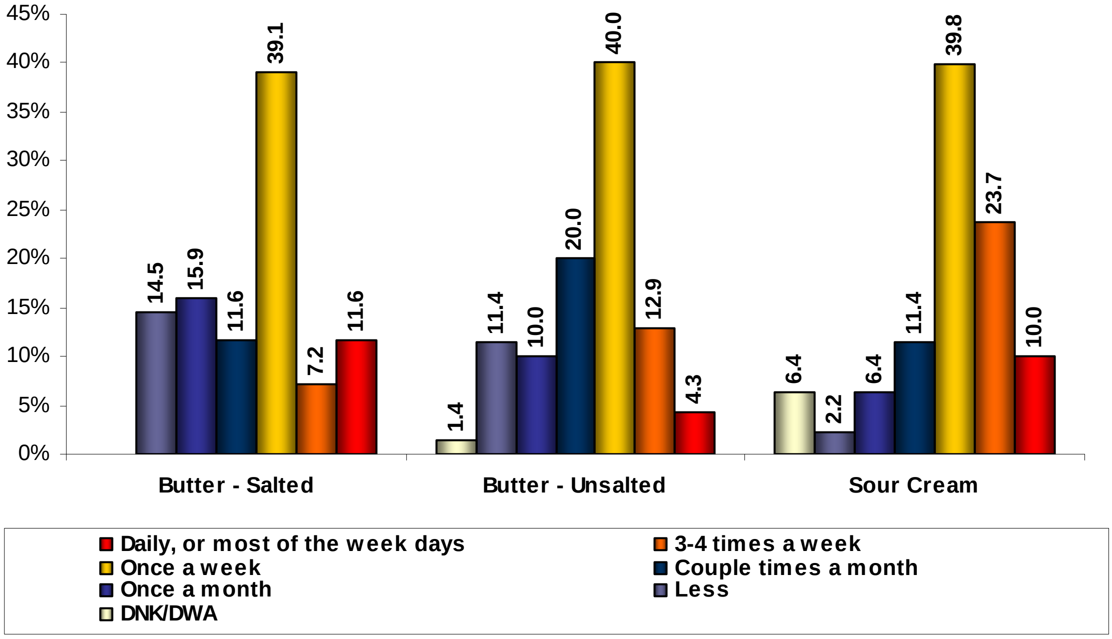
Most of these respondents (41.2%) were unaware of the brand of bio yogurt they bought the last time they shopped, while 30% of them said that they bough "I-Mleko" and an equal percentage that they bought many different kinds of bio yogurt. The last time they shopped, these respondents usually bought 1-liter container of bio yogurt (64%) for the average price of 0.87 euros.

[17] Most retailers contacted did not have a division between drinkable fruit yogurts and those in a set; hence the data for these categories were put into one single category.

Butter and Sour Cream

Survey results indicate that most respondents buy sour cream, while a significantly smaller number of them buy salted and unsalted butter (see Graph 16).

Graph 16. How frequently do you buy the following dairy products?



<u>Butter – salted</u>

Only 8.6% of respondents have at least sometimes bought salted butter and most of them do it once a week (39.1%). Results indicate that an average household consumes 0.5 kilo of salted butter per week (M=0.54, SD=0.35, range= 0.2-1). Most respondents buy butter in packs of 1 kilo (32.4%) and 250 grams (27.9%) and they usually buy two such packs.

Most respondents are unaware of the brand of salted butter they last bought (43.5%), while others say that they bought 'Vital" margarine (21.7%). **"Vital" is margarine produced from sunflower or soybean but our respondents misinterpreted margarine with butter and this is the reason why "Vital" is the most represented brand. "Vital is extensively consumed in Kosovo families for similar purposes as butter.** Respondents from the Albanian majority areas, particularly from the regions of Prizren and Gjilan, were more likely to have bought "Vital" margarine. The last time they shopped, respondents who bought salted butter from a store (rather than making it at home, buying it from a farmers' market or directly from a farmer) chose the average 1 kilo or 500-grams packing of salted butter (M=0.71, SD=0.30, range=0.25-1) for the average price of 2.84 euros.

<u>Butter – unsalted</u>

Only 8.8% of respondents have at least sometimes bought unsalted butter and most of them do it once a week (40.0%) or several times a month (20.0%). Respondents report that in their household they usually consume 1 kilo of unsalted butter over a one-week period (M=0.83, SD=0.32, range=0.20-1). Respondents usually buy 250 - 500-grams packs of butter and most of them buy one such pack.

Most respondents are unaware of the brand of unsalted butter they last bought (37.1%), while others say that they bought “Vital” margarine (22.9%). Respondents from the regions of Prizren and Gjilan were more likely to have bought “Vital” margarine. The last time they shopped, respondents bought the average 1 kilo or 500-grams of unsalted butter (M=0.74, SD=0.68, range=0.25-4) for the average price for 1 kilo was 2.98 euros. Respondents from the Albanian majority areas have bought the average 1 kilo of unsalted butter for the price of 3.90 euros, while respondents from the Serb majority area have bought 250-grams package for the price of 0.62 euros. There were some differences between respondents from different regions, with respondents from Prishtina and Peja region having bought larger quantities of unsalted butter the last time they shopped (or 1 kilos on average), while respondents from Mitrovica region usually having bought 250-grams packs of unsalted butter.

We use it to prepare meat or pies. (Prishtine, male, married, with children)

We use oil more than butter … but we use margarine sometimes. (Prizren, male)

We usually use it with pasta and for breakfast. Children like it a lot, and that’s why we choose this kind. (Mitrovice, male, married, with children)

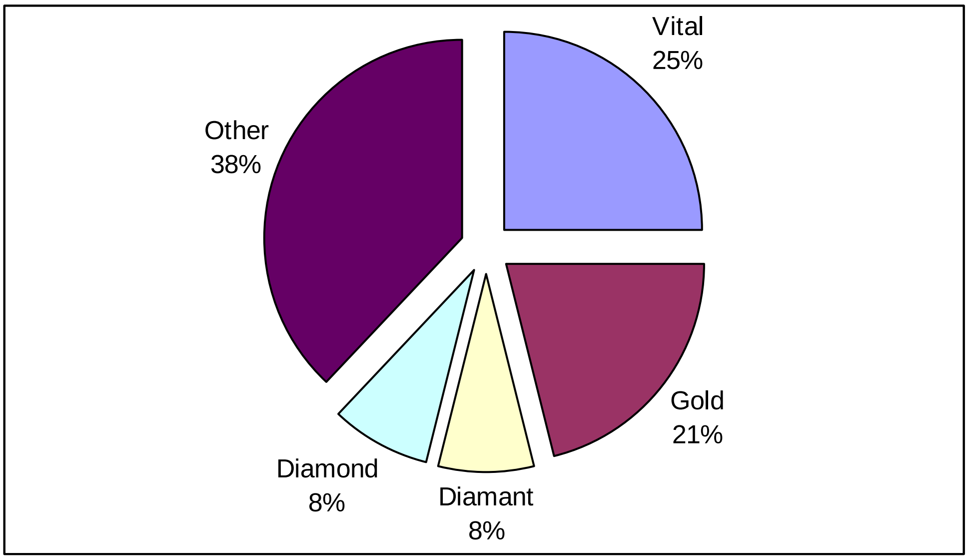
We get shmand in Interex, and we get 10 packages for 2 to 3 weeks. (Prishtine, female, married, with children)

We buy the whole pack, one pack a month, and I think it contains 12 small packages. (Gjilan, male, married, with children)

Participants consume more sour cream than butter for similar purpose. Butter is generally consumed less often than other dairy products (being bought once or twice a month – packing of 250 or 500 grams). Some participants explain that they generally consume more vegetable oil and are usually using butter when cooking different dishes (pasta, pie, meat etc.). Only rare participants eat this product for breakfast (with bread). Participants buy these products from hypermarkets and groceries, once or twice a month. “Sole” butter and “Vital” margarine brands are consumed the most. Also, a smaller number of participants purchase sour cream and butter from individual (local) producers.

Data from retailers also reveal that the butter with most sales during 2007 was “Vital” margarine, with just over one fourth of the proportion in the total (unsalted and salted) butters sales (with 103,148.7 kilograms, out of 401,443.87 kg) reported by retailers in this survey. Another very popular brand of butter that comes in the second place for its sales is “Gold”, with 14.89% of the market share. Its interesting to point out that brand “Gold” was encountered only in retailers that were visited in Prishtina region, hence the difference in Prishtina between “Vital” margarine and Gold butter is quite tight (21.1% of butter “Gold” versus 24.9% of “Vital” margarine). Brand “Diamant” (local producer) has 7.5% of the market share (vast majority of this product is sold through hypermarkets), similar to another brand “Diamond” (foreign producer), with 7.8%, or 31,400.00 kilograms of the total butter sales.

Graph 17. Proportion of the butter sales per different brands 2007



Other types of butter brands include: Dobro jutro, Pinar, Sole, Abi, etc.

Further breakdown of the data brings another indicator that show where the most of the butter is sold. Hypermarkets are the most prevalent types of retailer where the butter was sold during 2007. In this regard, more than eighty per cent of the total amount of butter was sold through hypermarkets (82.4%), out of which 75.8% in Prishtina region. Least butter was sold in the market, which was produced by sellers themselves (having no brand). The amount of the butter sold in the market makes 0.4% of the total butter sales reported by the retailers in the sample.

Between regions, Prishtina and Ferizaj region make almost ninety per cent of the butter sales (Prishtina has 70.6% and Ferizaj has 18.4%), and retailers from other regions have reported far less butter sales than the first two. Least proportion of the butter sales goes to Mitrovica region, with only 1.0% of the total butter sales.

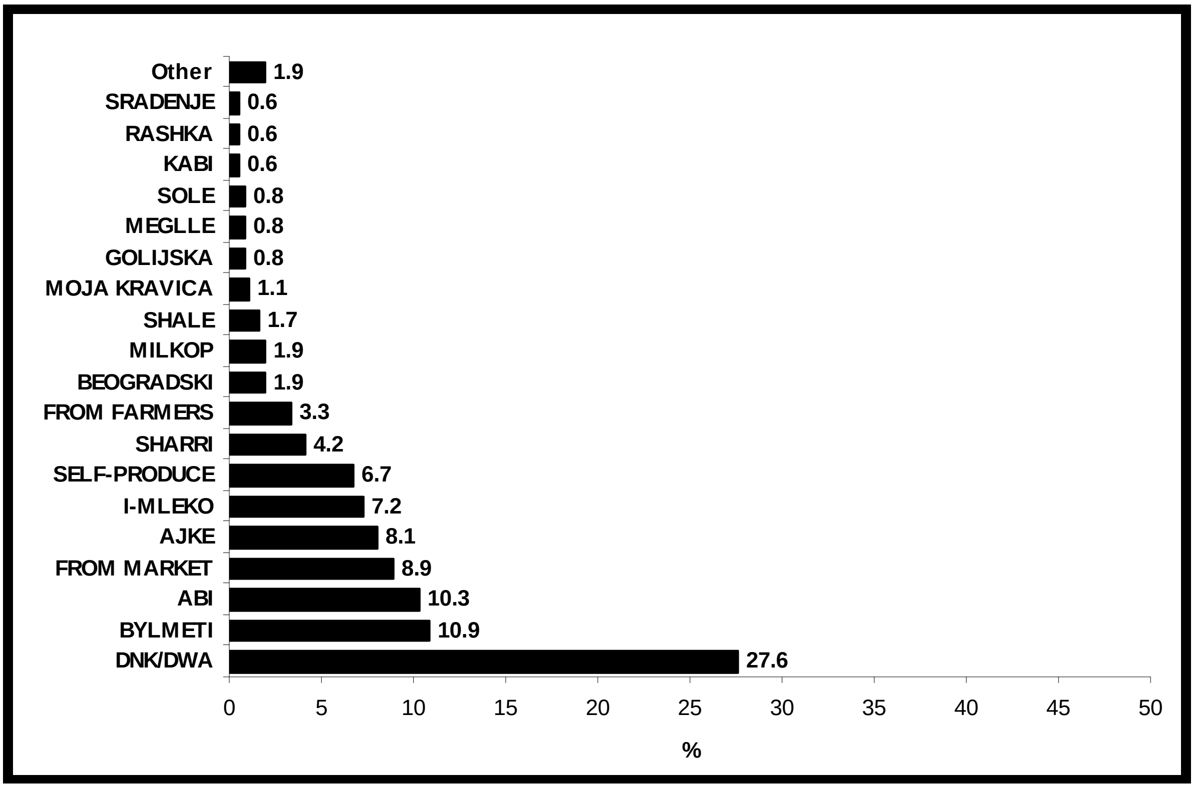
Restaurants mentioned as a top consumed butter a brand that was not very popular among the households and other retailers. "Hopla" whipping cream used as butter is the brand that was mostly reported by restaurants covered in the sample, with 31.3% of the total 7,696.00 kilograms of butter consumed by restaurants. Second most popular brand is "Shmand" sour cream used as butter, with almost one fourth of the consumption (23.5%).

<u>Sour cream</u>

Little under a half of respondents (45.0%) has at least sometimes bought sour cream. Result analyses by demographic variables show that respondents from the Serb majority areas, those from the regions of Prizren, Ferizaj and Gjilan and those who live in the cities are more likely to buy sour cream. Most of these respondents buy sour cream once a week (39.8%) or 3 to 4 times a week (23.7%). An average Kosovo household consumes 3 kilos of sour cream per week (M=2.66, SD=2.52, range=0.40-21). Results point to a greater average sour cream consumption in households in the Albanian majority areas, particularly in the regions of Prizren and Peja (3kg/week). Households in the Serb majority areas report significantly lower average consumption (1kg/week). Most respondents buy 1-kilo containers of sour cream and they usually buy 2 such containers.

Most respondents are unaware of the brand of sour cream they last bought (27.6%), while others say they bought “Bylmeti” (10.9%), “Abi” (10.3%), “Ajke” (8.1%) and “I-Mleko” (7.2%). Also, 8.9% of respondents buy sour cream at the market and 6.7% of respondents who consume sour cream make their own at home. Results show that different categories of respondents have different sour cream preferences so that the respondents from Albanian majority areas were more likely to have last chosen “Abi”, particularly in the region of Prizren, “Ajke”, particularly in the region of Prishtina and “Bylmeti”, particularly in the regions of Prishtina and Ferizaj. On the other hand, respondents from the Serb majority areas and particularly from the region of Mitrovica were more likely to have last chosen “I-Mleko” sour cream. Urban respondents were more likely to have last bought “Abi” sour cream, sour cream from market and also to produce sour cream for own consumption. Rural respondents were more likely to have last bought “Ajke” sour cream. Most respondents with higher level of education (faculty) have last bought “Ajke”, “I-Mleko” and sour cream from market, while “Bylmeti” sour cream was the last choice of most respondents with secondary education. Most respondents with low level of education (primary school or lower) did not know what kind of sour cream they have last bought, while “I-Mleko” sour cream was the most likely last choice of divorced and widowed respondents. Respondents who live in consensual union (out of marriage) also show preference for “I-Mleko”, but also “Ajke” sour cream.

Graph 18. What sour cream do you purchase?



We buy cream a lot, and it costs 35 to 37 cents a package which is small, but we don’t get butter. (Prishtine, male)

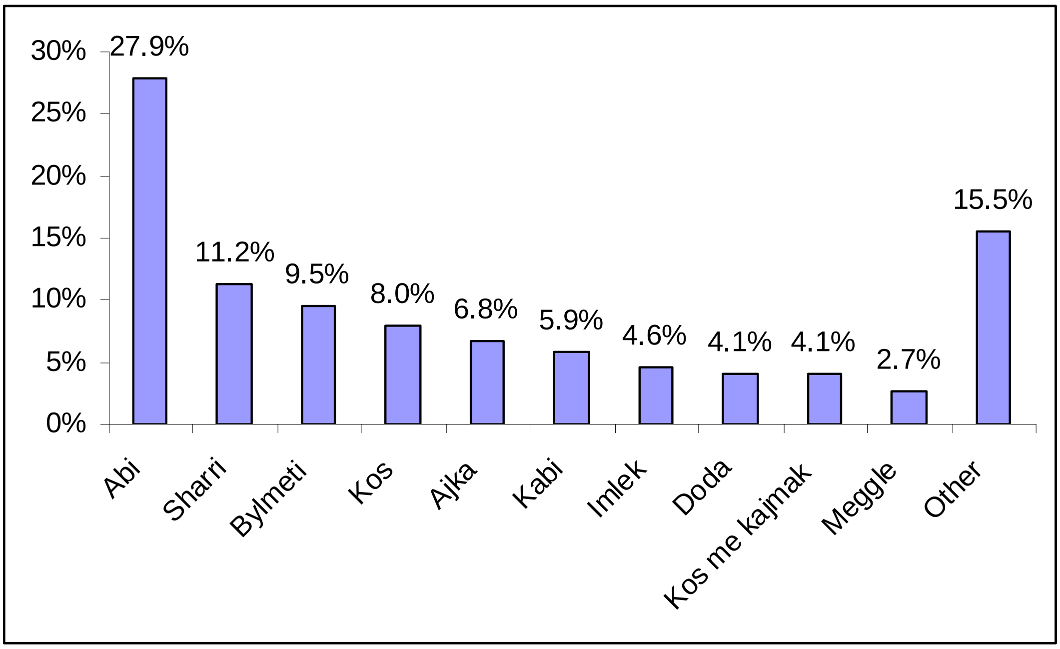
I get cream more often. (Prishtine, male, married, with children)

Sometimes I buy cream, and not the other products. (Gjilan, female, married, with children)

Most respondents have last bought 1.5 kilo of sour cream (M=1.72, SD=1.60, range=0.20-12) for the price of 1.66 euros in that we identified some regional differences. Respondents from the Albanian majority areas have last bought 2 containers of sour cream for the price of 1.88 euros while respondents from the Serb majority areas have bought the less of sour cream for the price of 0.79 euros. Respondents from Peja and Prizren regions have last bought larger quantities of sour cream.

From the data obtained from retailers, we came to somewhat similar conclusion as in the household survey, as far as the proportion of the sour cream market is concerned. In this regard, 27.9% of the sour cream is taken by “Abi” brand. The other two distinctive brands are “Sharri”, with 11.2%, and “Bylmeti”, with 9.5%. Brand “Imlek” takes 4.6% of the market sales. Total amount of sour cream sold through the retailers in the sample is 620,802.47 kilograms. (“Shmand” brand was categorized under other dairy products, with total sales of 681,400.42 kilograms. If this brand would be categorized in this section, than “Shmand” would be the leader in this group, covering more then half of the sour cream market.)

Graph 19. Sour cream sales brand during 2007, data obtained from retailers in the sample



Other types of sour cream brands include: Gola, Diti, Rudina, Qaushi, etc.

“Abi” is mostly present in Prishtina region with 27.9% of this brands total sale. “Abi” has most sales in Gjakova region, followed by Peja region (52.9%, 52.6% respectively). Whereas “Abi” takes just over one third of the total sour cream sales in Prishtina (36.4%), it is somewhat less consumed in Mitrovica region (with 29.4% comes second, behind Imlek who has 53.9% of the market sales), and having less than 3% of sour cream sales in Ferizaj and Gjilan region (Ferizaj with 2.0% of total sour cream sales, and not having any sales in Mitrovica region).

Similar to other dairy products, Prishtina region takes the most of the sour cream market share, with 29.7. Other regions are represented somewhat less: Ferizaj – 22.2%, Prizren – 18.9%, Peja – 8.6%, Mitrovica – 7.6%, Gjakova – 7.6%, and Gjilan – 5.4%.

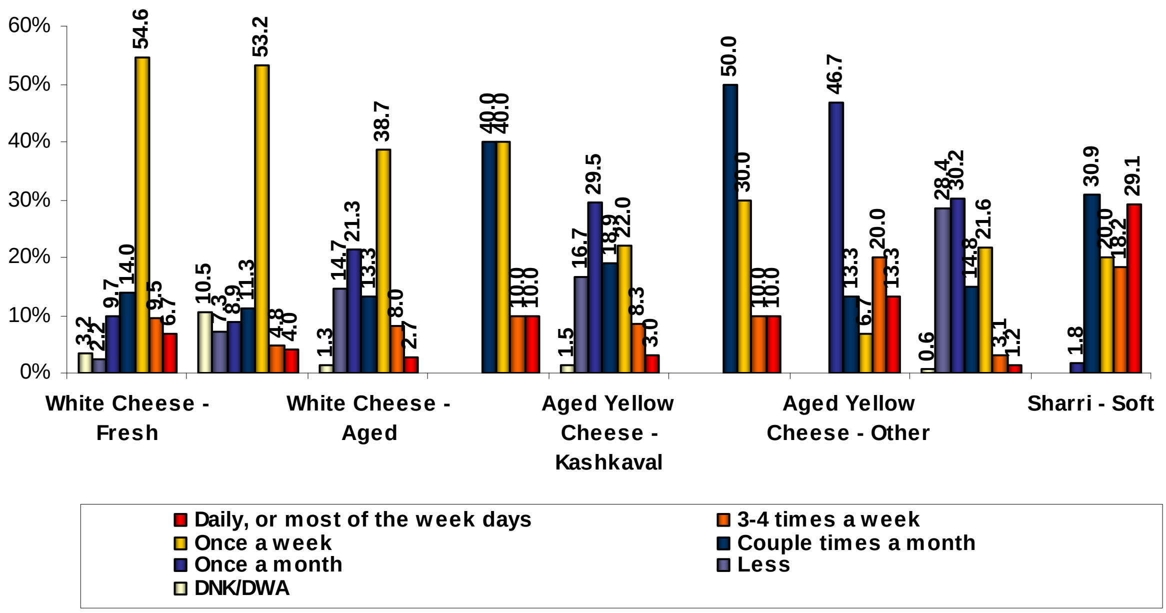
Sour cream is mostly sold through supermarkets (59.1%) and hypermarkets (21.6%).

“Abi” and “Sharri” are the most popular brands among restaurants, covering 52.6%, respectively 20.9% of the sour cream market.

Cheese

Result show that respondents mostly buy fresh white cheese, Ricotta cheese and aged white cheese, while other kinds of cheese were significantly less represented (see Graph 20). Information about aged yellow Swiss cheese, Gouda cheese and other types of aged yellow cheese must be taken with caution because they were being bought by only a small number of respondents (10 to 15 respondents).

Graph 20. How frequently do you buy the following dairy products?



Fresh white cheese

A half of respondents (50.1%) buy fresh white cheese, in that the respondents from the regions of Prishtina, Prizren and Peja and from urban centers were more likely to buy this type of cheese. As for the frequency of purchase of this type of cheese, results show that majority of respondents buy fresh white cheese once a week (54.6%), while a significantly lower percentage of them buy it 3 to 4 times a week (9.5%). An average Kosovo household consumes 2 kilos of fresh white cheese per week (M=2.15, SD=1.43, range = 1-10). According to the results, households in the Albanian majority area consume larger quantities of cheese (2kg/week on average compared to 1kg/week in Serb majority areas), particularly in the regions of Mitrovica and Peja (average 3kg/week). Respondents mostly buy 2-kilo containers of cheese, however considering that the majority of them shop for cheese at a farmers' market or buy it directly from a farmer so that they do not take it in standard packing.

Most respondents are unaware of the white cheese brand they bought the last time (32.4%), while others usually have bought at the market (21.4%) which was more likely choice of women, single or divorced respondents and respondents from the Serb majority areas, as well as "Feta" (17.0%) white cheese which was more likely choice of men, married respondents and respondents from the regions of Prishtina and Prizren. Respondents have last bought average 2 kilo of fresh white cheese (M=2.45, SD=1.93, range= 0.25-20) for the price of 6.41 euros in that the respondents from Albanian majority areas have last bought 2.5 kilo of this type of cheese for the price of 6.85 euros, while respondents from the Serb majority areas have bought 1.5 kilo for the price of 3.29 euros. Respondents with income of over 600 euros were more likely to have last bought a somewhat larger quantity of this type of cheese.

Retailers from the green market reported to have sold 38,378.00 kilograms of fresh white cheese, covering just over 2% of the overall sales of white cheese in general (both fresh and aged), Prishtina region having more than half of this sale (53.75%), followed by Gjilan and Mitrovica (22.98%, 21.36% respectively).

White cheese – Ricotta ('xhiza')

15.5% of respondents buy Ricotta ('xhiza'), in that the respondents from the regions of Prizren and Gjilan were more likely to buy this type of cheese. Results show that majority of these respondents buy ricotta once a week (53.2%) or even less frequently. An average Kosovo household consumes 2 kilos of white Ricotta cheese per week (M=1.93, SD=1.21, range=1-9), but respondents from the region of Peja consume a somewhat larger quantity of this cheese (3 kg/week on average). Most respondents buy 2-kilo of white Ricotta cheese, usually one container (in that most of this cheese is bought at farmers' markets or directly from farmers)

Majority of respondents (63.7%) were unaware of the white cheese brand they bought the last time, while most others have said that they bought cheese from market (28.2%) which was preferred choice of the respondents with income of over 600 euros and respondents from the region of Peja. Last time they shopped, respondents bought the average 2 kilo of this cheese (M=1.96, SD=1.50, range = 1-9) for the average price of 2.64 euros.

From the retailers' component of the survey, ricotta cheese ('xhiza') was the dairy product which was sold in the amount of 30.036 kilograms during 2007 and in comparison to the other types of cheese this amount is rather low. The vast majority of the ricotta cheese is sold in the Prizren region (just over 70%), followed by Ferizaj region (with just less than 20%). From the types of retailers, 74.5% is sold in hypermarket, whereas 14.0% is sold in green market.

Ricotta cheese is not so popular among the restaurants as well. Only 318 kilograms of ricotta cheese was reported as the volume consumed by restaurants. In comparison to the white cheese (reaching 21,742.00 kilograms), this dairy product has not made any penetration among the local restaurants.

White cheese – aged

This type of cheese is imported heavily from countries in the region like: Macedonia, Serbia, Bulgaria, Hungary, Turkey etc. and it is mainly feta type of cheese. Looking at import data we can compare data from 2006 (610,095.00 kilograms) and 2007 (972,650.00 kilograms) and see an increase in quantities of this product. Some of local producers have started production of this type of cheese as well. There are some other types of cheese that are present in the market like "Sjenica" cheese imported from a region in South Serbia that has good sales in Prishtina market especially and loyal consumers. Prices of White aged cheese are increasing, while at the beginning of 2007 price was around 3 Euros/kg at the end of year the price is 4 Euros/kg.

Only 9.4% of respondents buy this type of cheese and most of them do it once a week (38.7%) or once a month (21.3%). An average Kosovo household consumes 2 kilos of white aged cheese per week (M=1.54, SD=0.83, range = 0.4-1). Results show that urban respondents consume average 2 kilos and rural respondents average 1 kilo of white cheese per week. Most respondents buy 2-kilo of white aged cheese.

Most respondents who have bought aged white cheese the last time they shopped chose "Feta" cheese (34.7%) which was preferred choice of respondents from the Albanian majority areas, as well as cheese from market which was preferred choice of divorced respondents and respondents from the Serb majority areas. The last time they shopped for white cheese, respondents bought average 2.5 kilo for the price of 6.04 euros. Respondents from the Albanian majority areas bought average 3 kilo of white cheese and paid 6.98 euros, while respondents from the Serb majority areas have last bought somewhat less white cheese (1.5 kilo) for the price of 3.33 euros.

Feta as generic brand leads the market in the category of white cheese with 21.9%, from all retailers interviewed. The second brand is "Abi" with 10.9%, followed by "Rona" with 6.6%. Regional distribution of market shows that Prishtina takes over the majority of sales leading with 26.5%, followed by Prizren with 20.1% and Ferizaj with 19.8%. Just under one fifth of the Prishtina white cheese sales (18.5%) make feta as generic grand, and white cheese "Rona" with 18.9% are distinctive for Ferizaj. Gjakova is also characterized by Feta generic brand (23.7%) and "Gola" and "Abi" (both present with 10.5%). Feta as generic brand and "Kabi" is mostly present in Gjilan with 17.2% of the market sales each, whereas Mitrovica region is more oriented towards consumption of "Sjenica" cheese with 16.8% and 12.6% of "Abi". Half of the white cheese sales in Peja region is taken by feta generic brand, similar to Prizren population who also prefer feta (17.1%), followed by "Abi" (12.9%).

Table 13. White cheese sales per brand per region – retailer survey

Brand/Region	Ferizaj	Gjakova	Gjilan	Mitrovica	Peja	Prishtina	Prizren	Grand total
Feta	26.2%	23.7%	17.2%	8.4%	50.0%	18.5%	17.1%	21.9%
Djath i bardhe	14.1%	0.0%	0.0%	0.0%	3.9%	9.8%	0.0%	5.7%
Rona	18.9%	7.9%	3.5%	0.0%	0.0%	2.2%	5.7%	6.6%
Abi	7.3%	10.5%	3.5%	12.6%	19.2%	12.0%	12.9%	10.9%
Gola	1.5%	10.5%	0.0%	0.0%	0.0%	0.0%	0.0%	1.2%
Buda	2.9%	7.9%	13.8%	4.2%	3.9%	0.0%	5.7%	4.3%
Kabi	7.3%	0.0%	17.2%	0.0%	0.0%	0.0%	0.0%	2.9%
Krishka	0.0%	0.0%	10.3%	8.4%	0.0%	7.6%	1.4%	3.7%
Bylmeti	0.0%	0.0%	0.0%	8.4%	0.0%	7.6%	0.0%	2.6%
Sjenices	0.0%	0.0%	0.0%	16.8%	0.0%	2.2%	0.0%	1.7%
Sharri	4.4%	0.0%	0.0%	0.0%	3.9%	6.5%	8.6%	4.6%
Sole	2.9%	2.6%	0.0%	0.0%	7.7%	3.3%	2.9%	2.9%
White combo	6.8%	0.0%	6.9%	0.0%	0.0%	1.1%	8.6%	3.9%
Other	7.8%	36.9%	27.6%	41.3%	11.5%	29.3%	37.1%	27.1%

As it was the case with other types of dairy products, supermarkets and hypermarkets lead with sales with 55.8% and 41.5% respectively. There are some types of white cheese that can be found only in the green market such as "Djath bjeshke" (Mountain cheese), "Djath lope" (Cow cheese), "Djath i thate" (Dry cheese), "Domace" (Homemade cheese), etc.

Total amount of cheese sales in 2007 of the retailers included in the survey was 1,878,365.82 kilograms.

On the other hand, "Krishka" is the most dominant brand of cheese in the restaurants. Covering 61.1% of the cheese consumption, it makes far the most preferred cheese type among this type of retailers. The list is followed by feta and "Sjenices" (Sjenica cheese), with 17.5%, respectively with 11.0% of the cheese market. Total consumption of the cheese reported by restaurants is 21,742.00 kilograms.

Aged yellow cheese

Aged yellow cheese is commodity with higher price mainly used in pizzerias but as well from certain number of consumers preferring this brand. Some of the consumers are avoiding this type of cheese due to fat content. Currently in the market there are no brands with low fat percentage and partly due to higher prices of yellow aged cheese this segment is less represented. Main type of yellow aged cheese is “Trapista” produced in Hungary mainly because of its use in pizzerias. One of the importing companies “Andi” mentioned that there is another type of ‘kashkavall’ of lower quality usually sold in Kosovo market produced from Sole company as well. Only his company sells up to 100 tones of ‘kashkavall’ per month from which around 60 % goes to pizzerias all over Kosovo. Comparing the data for 2006 (1,525,221.00 kilograms) and 2007 (1,628,420.00 kilograms) of all types of yellow aged cheese it is important to note that there is a slight increase in quantities imported but still ‘kashkavall’ is dominating the market while other types are represented in lower quantities.

Other types of yellow aged cheese like “Emmentaler”, “Gouda”, etc. are less represented in the market and usually are bought from smaller segment of consumers. Prices are higher and mainly it is sold in smaller quantities. Importers usually import smaller quantities of this cheese and sometimes have problem with payment from distributors or shops.

Aged yellow cheese – Swiss (Emmentaler)

Only 1.4% of all the respondents buy this kind of cheese, in that they include a somewhat larger number of respondents with income of between 600 and 700 euros per month. These respondents eat aged yellow cheese once a month while an equal percentage of these respondents eats it even less frequently. Most respondents said that members of their household consume average less of 500-grams of this type of cheese per week (M=0.36, SD=0.12, range=0.20-0.50). Results show that most respondents buy 330-grams of this cheese.

Majority of respondents chose Edamer aged yellow cheese the last time they shopped in that most of them have bough 500-grams (M=0.48, SD=0.26, range=0.25-1) for the price of 4.30 euros.

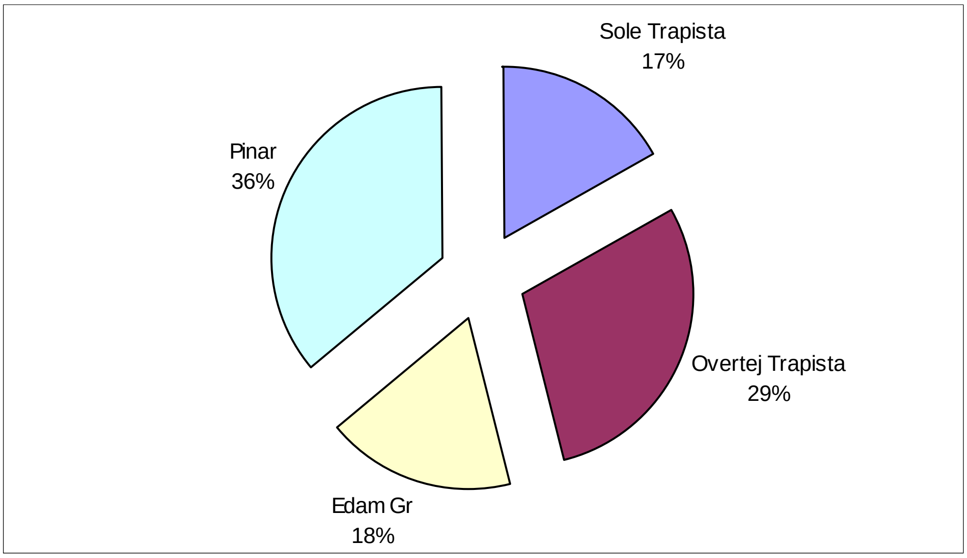
Aged yellow cheese – Kashkaval

This type of cheese is bought by 16.6% of respondents, mostly those who are living in the Serb majority areas, urban centers and who have higher level of education (completed faculty). Majority of respondents who buy aged yellow cheese – ‘kashkavall’ do it once a month (29.5%) or once a week (22.0%). An average Kosovo household consumes a quarter kilograms of ‘kashkavall’ cheese per week (M=0.27, SD=0.15, range=0.1-1). Majority of these respondents buy 1-kilo of ‘kashkavall’ cheese.

Most respondents (30.1%) were unaware of the ‘kashkavall’ cheese brand they bought the last time, while others said they bought “Trapista” cheese (20.3%) which was the more likely choice of respondents from the Albanian majority areas, particularly from the regions of Prizren and Gjilan. Similar as in the case of other dairy products, respondents from the Serb majority areas have last bought brands which are not present in the Albanian majority areas, in this case “Hungarian” and “I-Mleko” cheese. The last time they shopped, most respondents bought 1 kilo of ‘kashkavall’ cheese (M=1.14, SD=0.94, range=0.1-8) for the price of 4.95 euros.

Data obtained from retailers show that there is a broad distribution of preferences among yellow cheeses. 16.9% of total sales makes “Trapista” yellow cheese, “Pinar” is present with 14.0% of total sales, 10.6% of the yellow cheese market is taken by “Edam Gr”, 9.9% “Sole”, etc. Prishtina region has a very broad presence in the yellow cheese purchase, making almost one third of the total sales (29.42%), followed by Ferizaj and Prizren region, with 15.8%, 15.6% respectively. Least sales of yellow cheese are reported in Mitrovica region, taking only 7.5% of the total sales market.

Graph 21. Yellow cheese sales brands – data represent percentage only of the top brands sales



Regarding the type of market where the yellow cheese is sold, there is no difference with other dairy products. Only two per cent are sold in minimarket and green market, whereas the rest is sold in hypermarket and supermarket (both these types of retailers claiming about the half of the market share).

A total sale of the yellow cheese from the retailers interviewed is 567,933.04 kilograms.

Restaurants have reported “Kashkavall - Sole” as the most popular type of yellow cheese, with over half of the market share (52.9%). The list is followed by “Trapista”, which makes 29.6% of the total yellow cheese consumed in the restaurants.

Aged yellow cheese – Gouda

Only 1.3% of the respondents buy this type of cheese, mostly respondents with income of over 600 euros. A half of respondents who are buying Gouda cheese do so less than once a month, while a lower percentage of these respondents (30.0%) do it once a month. An average Kosovo household consumes quarter kilo of Gouda cheese per week (M=0.29, SD=0.13, range = 0.15-0.5) and they usually buy 500-grams this type of cheese.

Not a single respondent was aware which Gouda cheese brand they bought the last time they shopped for it. However, they last bought quarter kilo on average (M=0.28, SD=1.18, range=0.15-0.40) for the average price of 2.90 euros.

Aged yellow cheese – other

Only 1.9% of the respondents buy this type of cheese, most of them less than once a month (46.7%). Respondents say that the average weekly consumption of some type of aged yellow cheese in their household is 1 kilo (M=0.82, SD-0.37, range = 0.5-1). Most of them buy 1-kilo containers of this cheese, usually one container.

Most respondents (53.3%) were unaware what brand of other aged yellow cheese they bought the last time they shopped for it, while most others said that it was cheese from market. The last time they shopped for this kind of cheese, respondents bought the average 1 kilo of it (M=1.25, SD=1.71, range=1-3) for the price of 3.59 euros.

Sharri Cheese

Total production of Sharri cheese isn't more than 25 tones per year and mainly is produced in the region of Sharri (Dragash) from sheep and cow milk. Main issues related to Sharri cheese is availability during all year, quality, saltiness and lack of presentation equally in all regions of Kosovo. Last few years ABI, Frutti and Sharri processors have started to produce a type of cheese with same name but still consumers prefer more original type of cheese. GTZ and KCBS are working with farmers on quality and hygiene improvement that will allow better marketing of the product. Another issue is packaging and promotion that has to be improved especially size of packaging, logo and labeling. More on Sharri cheese consumption and preference was discussed on a separate section, later in the report.

Sharri cheese – Traditional/Hard

Traditional Sharri cheese is bought by 20.3% of the respondents. Result analyses by demographic variables show that respondents from the Serb majority areas, those from the regions of Prizren and Ferizaj and those who live in urban centers are more likely to buy this kind of cheese. Most of these respondents buy this kind of cheese once a month (30.2%) or less frequently (28.4%). An average Kosovo household consumes 1 kilo of Sharri cheese per week (M = 1.06, SD=0.52, range = 0.1-3). Respondents usually buy 1.5 kilogram of this cheese.

The brand of Sharri cheese last bought by most of the respondents is "Sharri" (33.9%) and from green market (16.7%), which were more likely to have been chosen by respondents from the Serb majority areas. Little over a third of respondents did not name what brand of Sharri cheese have they bought the last time they shopped for it. The last time they shopped, respondents bought average 4 kilo of Sharri cheese (M=3.76, SD=5.34, range = 1-30) for the average price of 17.54 euros.

Focus groups have shown that Sharri Cheese was a well known cheese brand and some of discussion participant often have it on their menu. Participants who consume Sharri cheese like its taste and strength. They usually purchase it at the market or from individual farmers, and they buy it in large buckets for the price of 3-4 euros per kilo. Quantities of Sharri Cheese consumed per month vary from 2-3 to 10 kilos.

I buy it in large buckets. … It has a good taste, and when you eat it you know it is quality cheese. (Prishtine, male, married, with children)

Retailer data show rather low presence of the Sharri cheese in the market. Sharri cheese is significantly present only in the Prizren region, with 1.7% of the total cheese sales.

Sharri cheese is very popular among the restaurants in the sample, with 43,800.00 kilograms consumed during last year. However, only one hotel reported to serve Sharri cheese, claiming all the volume that is reported in the group.

<u>Sharri cheese – soft</u>

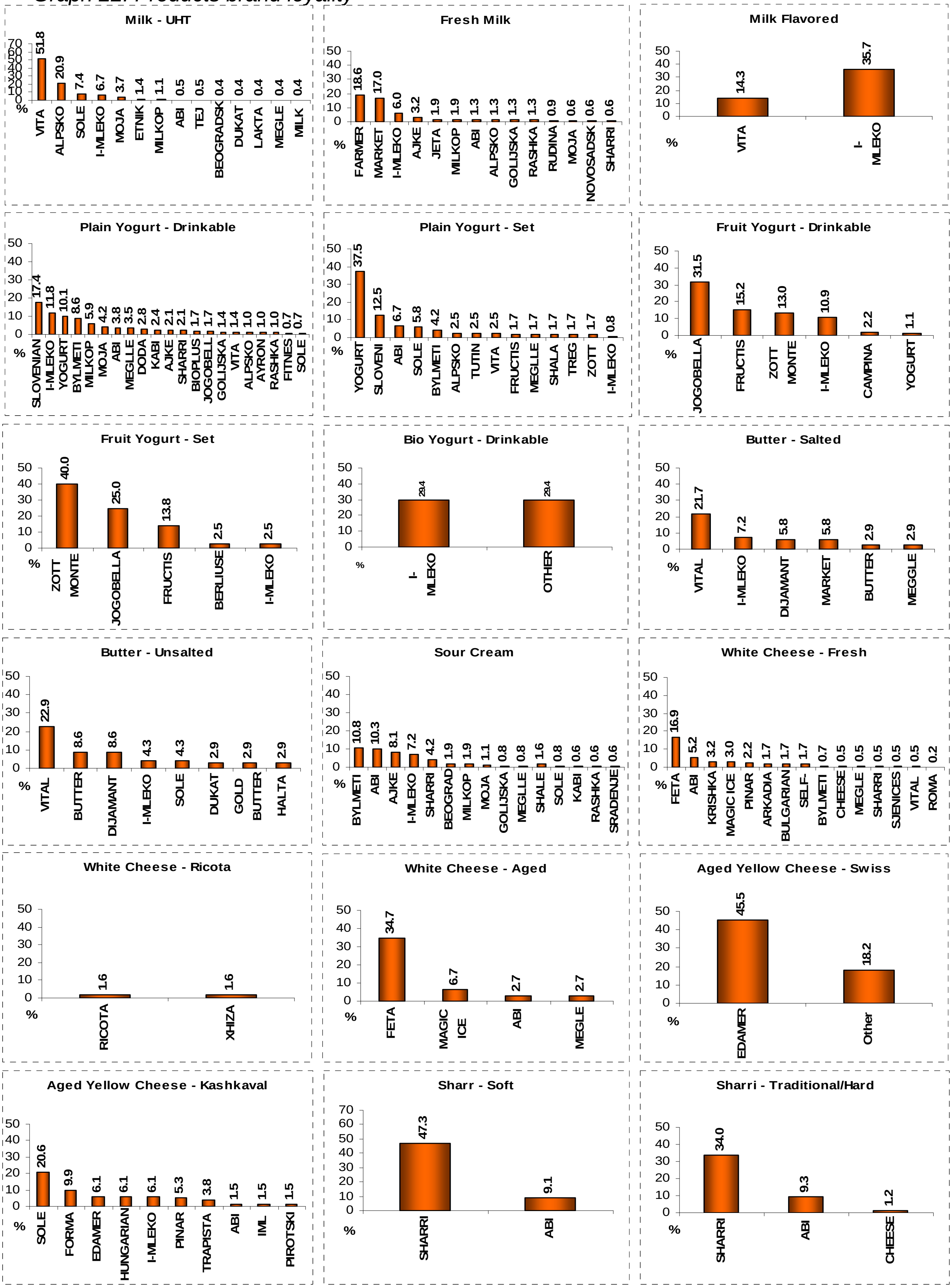
Soft Sharri cheese is bought by only 6.9% of the respondents. Most of these respondents buy it less than once a month (30.9%) or once a month (20.0%). An average Kosovo household consumes 1 kilo of Sharri cheese per week (M=1.14, SD=0.66, range = 0.2-3) and they usually buy one 2-kilo of this type of cheese.

The last time they bought soft Sharri cheese, most respondents chose "Sharri" brand (47.3%) which was more likely to be the choice of respondents from the Albanian majority areas. Little under a quarter of respondents (24.5%) were unaware of the brand of Sharri cheese they bought the last time they shopped. Respondents from the Serb majority areas were more likely to have last bought soft Sharri cheese at the market. The last time they shopped for soft Sharri cheese, respondents bought the average 2 kilo (M=2.35, SD=2.60, range=0.5-10) for the average price of 11.08 euros.

Products brand loyality

Product brand loyalty is presented in Graph 22. Please note that this presents brands that consumers purchase for 18 different dairy products. For two types of aged yellow cheese (Gauda and some other/other cheeses) respondents did not mention brands, rather they responded that they do not know the brand or that they purchase them at the market, thus these findings are not shown on Graph 22.

Graph 22. Products brand loyality



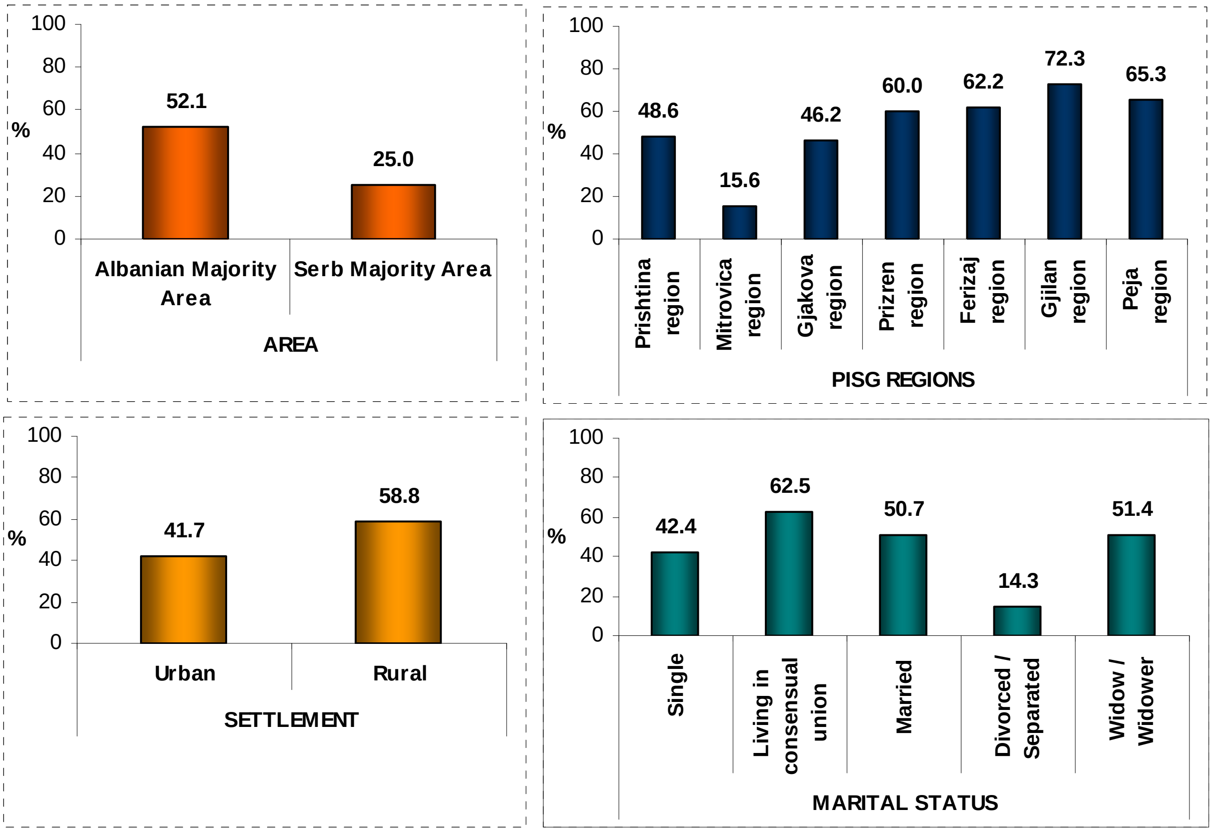
*Note: There are few dairy products presented in the tables above that are not actually in the correct dairy type categories. The question posed to the respondents was open-ended and they could name any brand they choose.

Milk processing to produce other dairy products

While milk is the most bought dairy product, it is unclear if it is also consumed the most. Nearly a half of respondents (48.8%) report processing milk in their households in order to produce other dairy products.

Households who buy raw milk were more likely to process it than were the households who buy tetra pack milk (66.5% compared to 40.9%). Besides, purchased milk is processed more in the Albanian majority areas while "only" a third of households in the Serb majority areas process milk which they buy. There are also cross-regional differences with the least number of milk processing households having been registered in the region of Mitrovica. Urban and divorced respondents were less likely than respondents who live in rural areas to use purchased milk in this way (see Graph 23)

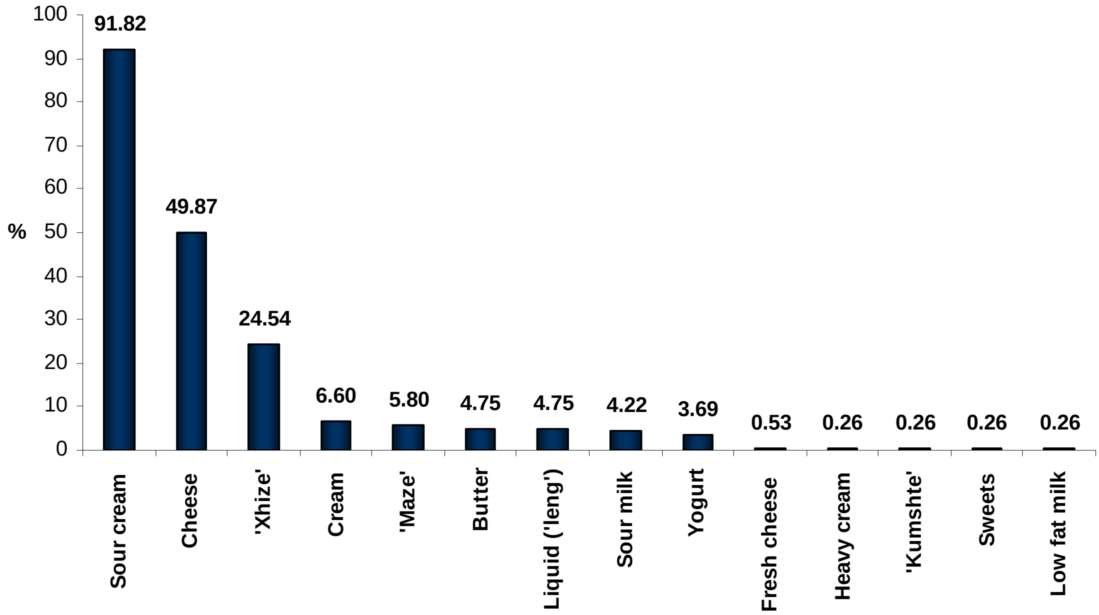
Graph 23. In your household, do you process any dairy product from the milk you originally buy? Answer „Yes"



The majority of respondents process 50% of the milk purchased (M=54.2%, SD=24.1). Larger quantities of milk are processed in the Albanian majority area, in the regions of Gjakova and Prizren, mainly by rural households or households of the respondents without formal education or those with primary education.

Milk is mostly used to make sour cream – almost all milk processing households included sour cream among the products which they make from milk. A half of these households were also using the milk they buy to make cheese, and a quarter of them use it to make 'xhiza'. Only rare households make other dairy products (see Graph 24)

Graph 24. What dairy product do you process at home?

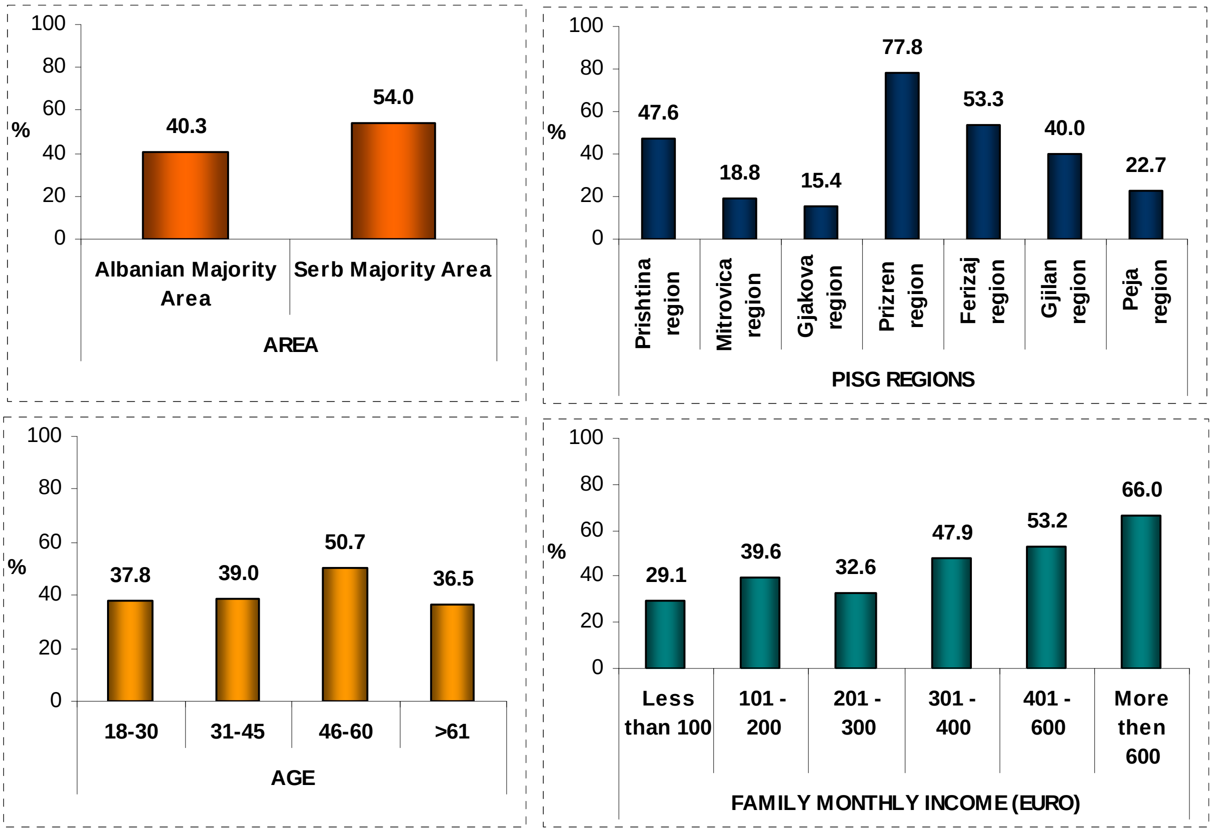


Respondents in the Serb majority areas were more likely to make yogurt, sour cream and sour milk; most cheese is made in the regions of Gjakova and Peja, most ‘xhize’ is made in the region of Gjilan, most yogurt in the Ferizaj region and most sour milk in the regions of Mitrovica and Ferizaj. Besides, rural households were more likely to make cheese and urban to make sour cream.

Sharri Cheese

While 24% of respondents reported buying (hard and/or soft) Sharri cheese, 42% of them said they have tasted it sometimes in life. Respondents from the Serb majority areas were more likely than respondents from the Albanian majority areas to have tasted Sharri cheese (54% compared to 40%). Results by regions show that the respondents from the region of Prizren were more likely than other respondents to have tasted Sharri cheese. They were followed by respondents from the regions of Ferizaj, Prishtina and Gjilan. In contrast, a smaller number of respondents from the regions of Gjakova, Mitrovica and Peja have had a gastronomic experience of this variety of cheese. Respondents who live in urban centers were more likely than rural respondents to consume Sharri cheese (46% compared to 36%). The Sharri cheese consumers were also more numerous among middle-aged respondents (46-60 years of age) and respondents who live in households with higher monthly income (see Graph 25).

Graph 25. Have you ever tasted Sharri cheese?



Sharri cheese consumers

Most respondents who have so far tasted Sharri cheese did so during the past six months (57%). A smaller percentage of them (12%) have last consumed Sharri cheese between six months and one year ago while 28% have eaten it "long time ago." (The "most recent" consumers of Sharri cheese were found in Ferizaj region, where 90% of those who have eaten it did so in the past six months).

Nearly all respondents who have tasted Sharri cheese report liking it (94%), with majority of them (69%) saying that they liked it a lot, while others say that they somewhat liked it. Respondents from the regions of Ferizaj, Gjilan, Prizren and Mitrovica have had the most positive opinion of the Sharri cheese, with between 73 and 92 percent of consumers there saying that they liked it a lot. Respondents who liked Sharri cheese a lot mostly include those who have tasted it over the past six months, while most respondents who somewhat disliked it had a chance to taste it "long time ago."

Above information shows that the traditional kind of Sharri cheese is bought more than the soft variety, as confirmed by information about consumers' preference of hard over soft Sharri cheese. Majority of these respondents (60%) said they preferred traditional hard Sharri cheese, only one quarter (27%) preferred soft kind, while 11% said that they did not differentiate between the two. Respondents who live in the Albanian majority areas and in the regions of Peja and Prizren were more likely to prefer soft kind of Sharri cheese, while the respondents who did not differentiate between the two kinds were more likely to be found in the region of Gjakova.

Respondents' opinions about cow and sheep Sharri cheese varied – the number of respondents who preferred cow milk Sharri cheese was equal to the number of them who liked sheep milk Sharri cheese (37% and 38% respectively), while another 15% of respondents did not have any preference. Respondents in the region of Prizren were more likely to prefer Sharri cheese made of sheep milk, while those in Ferizaj region said they did not have any preferences. Men were more likely to prefer sheep and women cow Sharri cheese.

Most respondents who had tasted and liked Sharri cheese were unable/unwilling to provide any suggestions about the ways to improve its quality and sales (65.6%). Most of the respondents who offered some advice, suggested to reduce its saltiness (7.7%), improve its quality (4.7%), change the packaging (3.3%), lower the price and increase its presence in the market (2.4% each) Some respondents said that they liked Sharri cheese in its present form and that it should not be changed (5.3%),

There is nothing to be changed at the Sharri cheese. (Prizren, male, married, with children)

Sharri cheese non-consumers

Most respondents from the Albanian majority areas who do not buy Sharri cheese explain it by its (high) price, while the main reason for not buying Sharri cheese among respondents from the Serb majority areas was its unavailability in places where they usually buy food. Other reasons for not buying Sharri cheese included its saltiness, fact that it cannot be eaten it in larger quantities and that it is too hard (see Table 14).

Table 14. Sharri Cheese Attribute Indicators

WHAT ARE THE MAIN REASONS YOU DO NOT CONSUME SHARRI CHEESE?	All Respondents		Area			
			Albanian Majority Area		Serb Majority Area	
	N	%	N	%	N	%
Its too salty	33	*7.60*	32	*8.18*	1	*2.33*
Its too hard	10	*2.82*	9	*2.81*	1	*2.86*
Because it can't be eaten in larger quantities	21	*5.92*	21	*6.56*		
Can not find on it places where I purchase food	96	*27.04*	63	*19.69*	33	*94.29*
Its too expensive	192	*54.08*	188	*58.75*	4	*11.43*
Other	66	*18.75*	66	*20.82*		
Total	352	*100*	317	*100*	35	*100*

Most respondents whose answers had been classified under "something else" category said that they did not like Sharri cheese, that it had strong smell and that they have never tasted it. Six percent of respondents said that they were not buying Sharri cheese because they produced it at home.

These results were in line with focus group findings. Some group discussion participants said that this kind of cheese was rarely available at the market, while others said that they did not consume it more frequently because it was too expensive. A smaller number of participants do not like or consume this kind of cheese because it is too fatty and salty and has strong smell.

> *I have never tried it and I don't know how it tastes. (Prishtine, male, married, with children)*
>
> *We usually consume sharri cheese more often, but when there isn't enough money, we get another one. We mostly buy sharri one. (Mitrovice, male, married, with children)*
>
> *I have never seen that Sharri cheese is available here, and we don't consume it. (Gjilan, male, single)*
>
> *Sharri cheese is very salty, it is hard, you can't eat it in huge quantities, but in small quantities. (Prizren, female, married, with children)*
>
> *It smells a bit on goat, it may be mixed somehow. It smells a bit. (Mitrovice, female, married, with children)*

As for identification of Sharri cheese with cow or sheep milk, no differences had been found among respondents who do not eat this kind of cheese. Most of them did not know what kind of milk was used for making of this cheese (52%), while the percentage of other respondents who believed Sharri cheese was made of cow milk was the same as the percentage of them who believed it was made of sheep milk (24%).

Majority of respondents who do not consume Sharri cheese (83.9%) would not/could not provide any suggestions for how to change it in order to encourage them to start buying it. Others said that it would be necessary to lower its price (9.9%), to promote it in the media (1.1%) and to increase its quality and reduce fat content (0.7% respondents each). 2.3% of the respondents categorically stated that no changes could be made to Sharri cheese which would encourage them to consider buying it.

> *If they would be changed, yes, otherwise, as long as it has that smell that I feel, I won't be consuming it. (Prishtine, male, married, with children)*

With regards to the above, group discussion participants have stressed the importance of promotion and marketing, especially for domestic brands. They believe that local producers are generally not advertising enough and that they could win more consumers by proper advertising of their products. Respondents who objected to the hygienic conditions, under which domestic products are made, believed that it would be necessary to publicly present the entire production process and

> *I think should invest more on marketing… so to advertise the whey. (Prizren, male, married, with children)*
>
> *I'd say something else … about Kosovar economy … for those dealing with milk … farming … they must cooperate and see how to get to the better quality … and to the better hygiene. (Prizren, male, married, with children)*
>
> *It should be more on TV programs and documentaries … to advertise products … to advertise factory and production, how it looks like, to raise people awareness about the high quality milk. For example I use only Slovenian one, just because I don't know how the domestic products are produced, and so I don't believe on it … when there is better marketing on TV to show the quality or analyses done to these products, of course the consume will be increased. (Prizren, female, married, with children)*
>
> *Yes, but it would be grate if I buy three packages and get the fourth one gratis … I believe this would be successful … (Prizren, male, single)*

conditions under which certain products are made. These participants also believe that the consumption and buying of domestic dairy products would increase if producers organized promotional activities such as to offer an extra product (gratis) for purchase of a certain quantity of their other products.

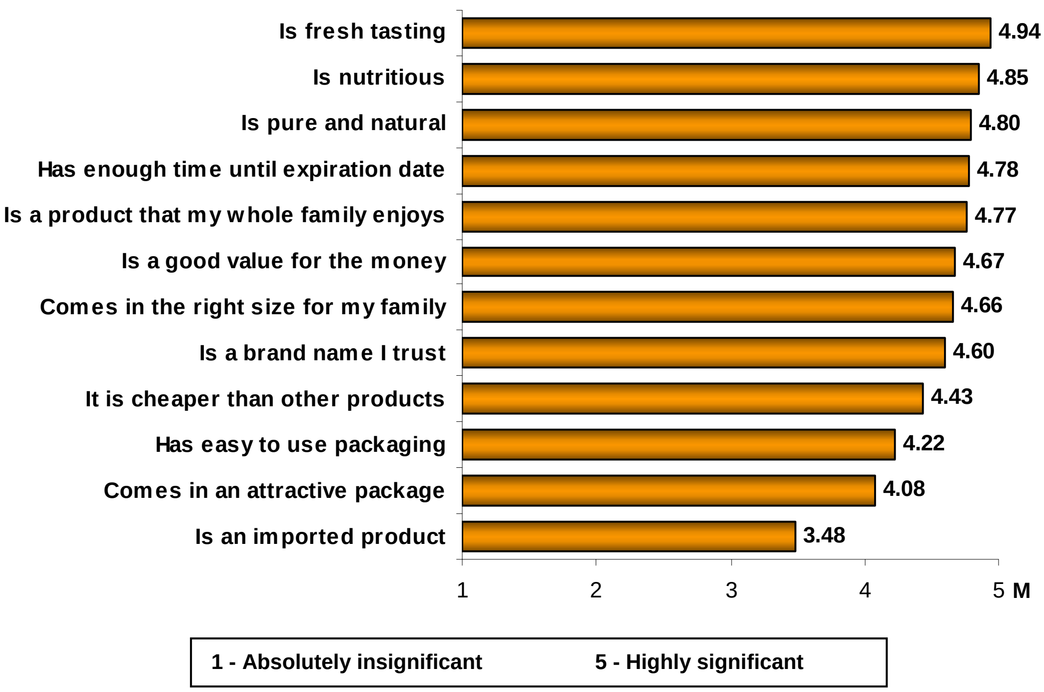
Significance of specific characteristics of dairy products

In the questionnaire we included 12 characteristics of dairy products asking the respondents to rate them by significance using a scale from 1 to 5, with 1 for absolutely insignificant and 5 for highly significant. Results show that all the above characteristics are important for the respondents from Kosovo, but to a different degree.

Average ratings for significance of individual characteristics range from 3.5 to 4.9, with highest relevance assigned to *fresh taste, nutritive value and being natural*, followed by *long life* and *being a product that the whole family enjoys*. Respondents also give significance to products *coming in the right size for the family*, *returning good value for the money* and *being a brand name that they trust*. Respondents from Kosovo place the least significant on *the product being imported*, while the project *packaging* (attractive and easy to use) was also judged as less significant than other above characteristics (see Graph 26).

Results presented are showing awareness of Kosovar consumers related to dairy products. It is very important to have fresh products, nutritious, natural, visibility of expiration date, different variety for different preferences, right size of packaging, good price, known brand name, proper packaging in order to be on demand from consumer side. Knowledge and taste of consumer is increasing every day and both producers and consumers should be able to match needs and demand for dairy products. Whether product is imported or produced locally isn't of very high importance since other characteristics are more important to consumers. Kosovo dairy consumers are loyal to locally produced dairy products when available and have characteristics presented in the graph bellow.

Graph 26. How important would you say are the following characteristics of dairy products?



Well, the price is moderate and usually conformable the quality. (Gjilan, male, married, with children)

The taste has the main role, than fat. (Gjilan, male, married, with children)

Well, there is also the expiry date, of course if we get the packed one. (Gjilan, male, married, with children)

Well, even price and taste have their own role, all of them a bit. I think its taste. (Gjilan, female, married, with children)

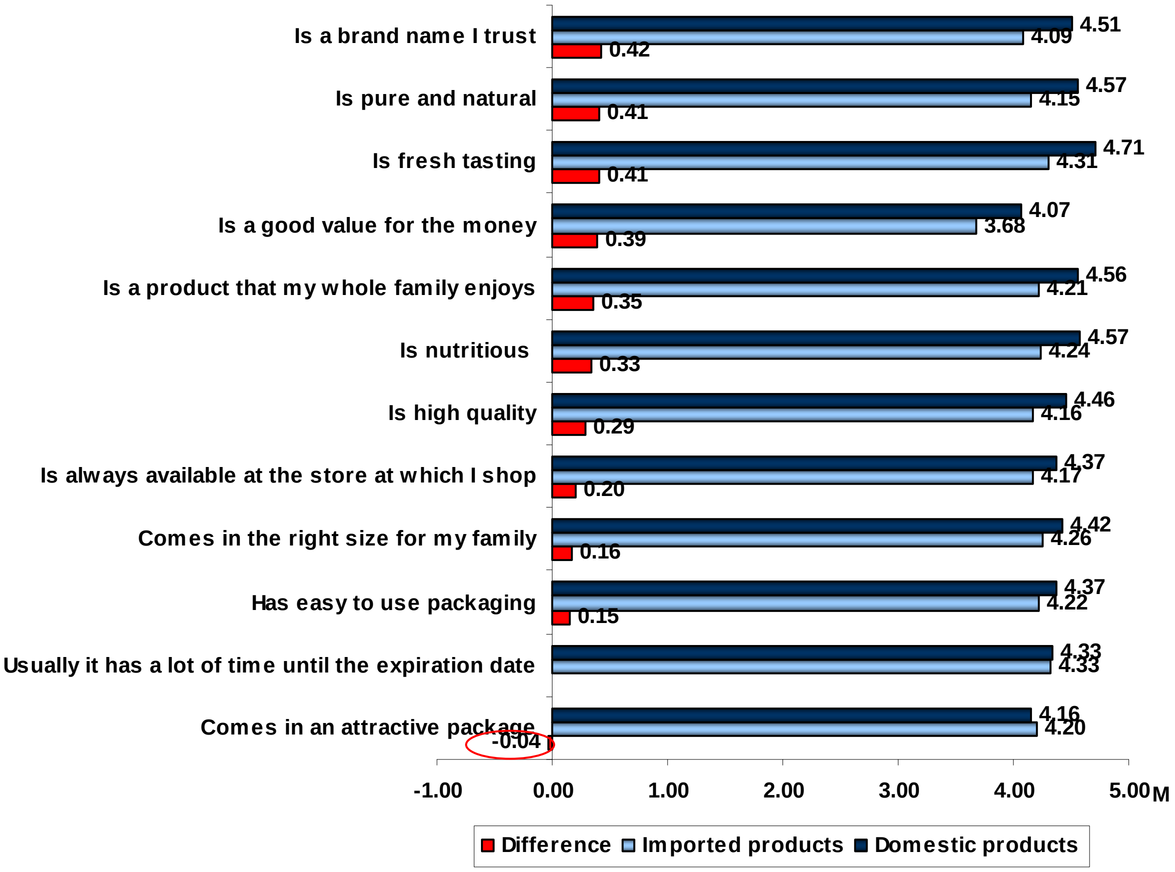
When buying different kinds of dairy products group discussion participants give most importance to taste and quality measured by freshness of product (expiry date in the case of packaged products) and nutritive value (to contain more vitamins, proteins, calcium). Some of them also mentioned fat saturation in the sense of preferring products with "less fat." Price also ranked among important factors selected by group discussion participants.

Relationship between domestic and imported dairy products

The analyses of participants' responses about relevance of some of the above characteristics for domestic and imported products show that Kosovo residents have an equally positive opinion of domestic and imported dairy products. They believe that both domestic and imported dairy products feature all of the above characteristics to a higher or lesser extent – average ratings on the scale from 1 to 5, with 1 for irrelevant and 5 fully relevant range from 3.7 to 4.7. Equally important, most of the respondents believed that the characteristics which they generally believe are the most significant were the most pronounced characteristics of (both domestic and imported) dairy products: *fresh taste, nutritive value and being natural*.

However, respondents believed that the majority of listed characteristics were more typical of domestic than imported products. The only exception to this was *expiry date* of dairy products, which respondents believed was the same for domestic and imported products, as well as *attractive packaging* which was believed to be (somewhat) more characteristic of imported than of domestic products. The most pronounced "advantages" of domestic products included being: *a brand that I trust, natural product, fresh tasting, of a high quality, a product that my whole family enjoys* (see Graph 27).

Graph 27. How typical would you say is each of the following characteristics for domestic/imported dairy products?



As for the comparison of domestically produced dairy products with such imported products available in Kosovo, focus group participants' opinions differed. Some participants preferred domestic dairy products out of belief that they were of a higher quality and fresher. They also believed that it was important to encourage buying of domestic products in order to strengthen national economy. On the other hand, some participants believed that imported dairy products were of a higher quality, healthier and tastier than those produced locally. A smaller number of participants believed

Domestic products are fresher while imported ones are old. Most of the come from abroad and it may be to go off during the way here. During its transportation, and are less durable, while domestic ones are fresh. (Mitrovice, male, married,with children)

Because it is our. Ours are better, delicious, and qualitative. I agree that domestic products are fresher, better, even though they aren't such qualitative, but it is in our interest to consume more domestic products, because by consuming our products we increase their quality. (Gjilan, male, single)

Our products are better and it is better and more reasonable to invest in something yours. (Gjilan, female, married, with children)

I know that foreign products are more qualitative, because we are new in producing these things…When it comes to vitamins; they are probably richer, and healthier. (Prishtine, male, single)

I think there are very little differences, ach of them has its own taste, and someone likes different. (Prishtine, female, married, with children) that there was no significant difference in quality and taste of domestic and imported products.

Also, an interesting debate developed about the shelf life of domestic and imported dairy products during which participants stressed that although domestic products should be fresher they are sometimes sold after expiry date, as well as that expiry dates were being tampered with. This was explained by limited professionalism of domestic producers, but also their need to earn as much as possible over a short period of time due to the absence of development-driven long-term planning in specific companies, but also in Kosovo's economy and society in general.

I think it is better consuming domestic products than imported ones. And if we have anything to complain we can do it easier because they are near us. (Gjilan, male)

I'll tell you. It happened I got ajran in plastic bottle, the soft one, and when I reached home I realized it had gone off… Expiry date? They erased it.(Prizren, male, married, with children)

Yes, it happens. There should always be a label of production date and expiry date. We should always take care about this. (Prizren, male, married, with children)

Well, I don't believe a lot on domestic products. (Mitrovice, female)

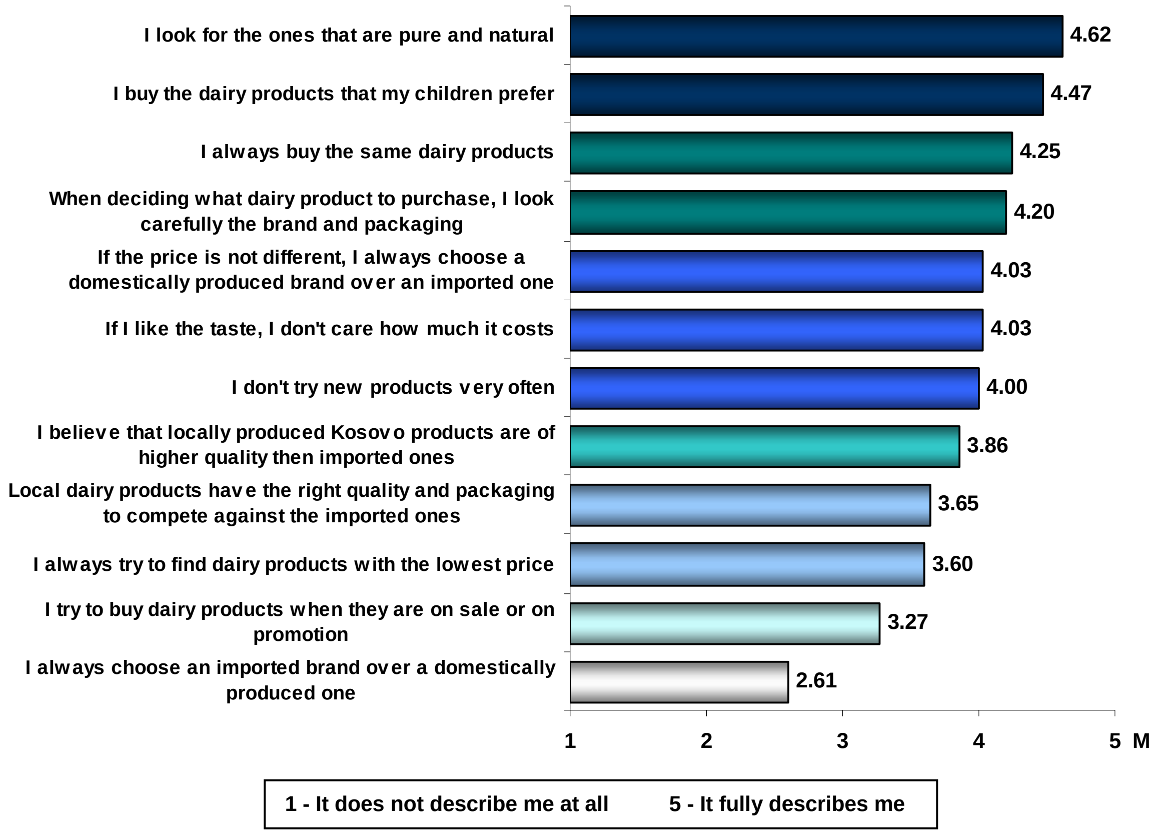
Credibility should be gained by people. For example, how it comes one liter of Vita to cost 90 cent while one liter of Alpsko is 80 cent, when it passes 1000 km while the other one more less – around 7 km. (Prizren, male, married, with children)

The problem stands there where those who created this business here in Kosova think they will become millionaires within a year. (Prizren, male, married, with children)

Self-description as dairy products buyer

Assessing the applicability to them of suggested statements on the scale from 1 to 5 (with 1 for – "it does not describe me at all "and 5 for "it fully describes me"), most Kosovo residents said that they were best described by the following statements: *I look for the ones that are pure and natural* and *I buy dairy products that my children prefer*. *I always buy the same dairy products* and *Brand and packaging are the factors which have the most influence on my decision which dairy products to buy* where the next two statements described as applicable (results about the significance of specific product characteristics clearly indicate that Kosovars place more importance on product brand than its packaging) (See Graph 28).

Graph 28. How well does each of the following statements describe you?



The assessment of applicability of proposed statements comparing between domestic and imported products were in line with the findings about perceived presence of certain characteristics in domestic and imported dairy products which showed that Kosovo residents hold domestic products in higher esteem than the imported ones. *If they cost the same, I chose domestic rather than imported product* (with average rating 4.03), *I believe that Kosovar products are or a better quality than those from import* (M=3.86), *Quality and packaging of domestic dairy products* are *equally good as those of imported dairy products* (M=3.65 – attractive packaging was the only characteristic which was believed to be more typical of imported than of domestic products) and *I always prefer imported to domestic product* (which statement was significantly less likely to be described as applicable, M=2.61).

The assessment of applicability of statements about relevance of price of dairy products also confirms the finding that the product price is perceived as less relevant than other product characteristics (freshness, nutritive value, being natural and liked by family members). Subsequently, the statement *If I like the taste I do not pay much attention to the price* achieved average rating of 4.03 compared to the statement *I always try to buy the cheapest dairy products* (M=3.06). Focus group findings also point to conclusion that low applicability of the statement *I try to buy dairy products when they are on discount or promotional sale* (M=3.27) is not due to reluctance of Kosovo respondents to buy on sales, but rather scarce discount and promotional sales.

> *Yes, because it may happen you have never tasted those products … and there is your opportunity … means directly tasting something. (Prizren, male, married, with children)*
>
> *Yes, but it would be grate if I buy three packages and get the fourth one gratis … I believe this would be successful … (Prizren, male, single)*

Opinions about dairy products which are available in Kosovo

Majority of respondents (60.8%) would not/could not answer when asked what they liked about dairy products which are available in Kosovo. Most others said that they liked the products' quality and taste. Respondents from the Albanian majority areas were more likely to express their satisfaction with products which are available in Kosovo, while respondents from the Serb majority areas were more likely to express their satisfaction whit existing quality controls (see Table 15).

Table 15. Dairy Products Attribute Indicators

WHAT DO YOU LIKE ABOUT DAIRY PRODUCTS THAT YOU CAN BUY IN KOSOVO?[18]	All Respondents		Area			
			Albanian Majority Area		Serb Majority Area	
	N	%	N	%	N	%
Quality	74	*9.25*	66	*9.43*	8	*8.00*
Taste	71	*8.88*	68	*9.71*	3	*3.00*
Domestic production	45	*5.63*	45	*6.43*		
Everything related to these products	26	*3.25*	26	*3.71*		
Versatility of dairy products	18	*2.25*	16	*2.29*	2	*2.00*
Freshness	17	*2.13*	15	*2.14*	2	*2.00*
Packaging	16	*2.00*	15	*2.14*	1	*1.00*
Control of quality is satisfactory	15	*1.88*	8	*1.14*	7	*7.00*
Natural taste	14	*1.75*	11	*1.57*	3	*3.00*
Nutrition	10	*1.25*	9	*1.29*	1	*1.00*
Versatility of cheese products	4	*0.50*	4	*0.57*		
Price	1	*0.13*	1	*0.14*		
Nothing	3	*0.38*	3	*0.43*		
Do not know/Do not want to answer	486*	*60.75*	413	*59.00*	73	*73.00*
Total	800	*100*	700	*100*	100	*100*

*Such a high rate of non responses is partly explained by the fact that this was a open-ended questions and respondents were reluctant to provide any information pertaining to this questions, and partly becouse it was posed by the end of the questionnaire.

An even higher percentage of respondents (75%) were unwilling/unable to say what they disliked about dairy products available in Kosovo. Most others said that these products were *of a low quality* while respondents in the Albanian majority areas also complained about *price and packing of available dairy products*. Respondents who said that they liked everything about dairy products available in Kosovo, have again confirmed that they had no objections to the products' quality (see Table 16).

[18] This question pertains both to imported and local dairy products.

Table 16. Dairy Products Attribute Indicators

WHAT DO YOU DISLIKE ABOUT DAIRY PRODUCTS THAT YOU CAN BUY IN KOSOVO?	All Respondents		Area			
			Albanian Majority Area		Serb Majority Area	
	N	%	N	%	N	%
Price	71	*8.88*	70	*10.00*	1	*1.00*
Low quality	35	*4.38*	32	*4.57*	3	*3.00*
Packaging	27	*3.38*	27	*3.86*		
Products have no expiration date - expiration date passed	8	*1.00*	7	*1.00*	1	*1.00*
Cleanliness of the places dairy products are sold	7	*0.88*	5	*0.71*	2	*2.00*
High percentage of fat	5	*0.63*	5	*0.71*		
Short expiration date	5	*0.63*	5	*0.71*		
Have no good taste	4	*0.50*	3	*0.43*	1	*1.00*
Lack of domestic products	2	*0.25*	2	*0.29*		
Low quality of control	2	*0.25*	2	*0.29*		
Have no control of quality	2	*0.25*	2	*0.29*		
Bad odor	1	*0.13*	1	*0.14*		
Domestic products	1	*0.13*	1	*0.14*		
Lack of informative campaign	1	*0.13*	1	*0.14*		
Content of the products	1	*0.13*	1	*0.14*		
Nothing	28	*3.50*	16	*2.29*	12	*12.00*
Do not know/Do not want to answer	600*	*75.00*	520	*74.29*	80	*80.00*
Total	800	*100*	700	*100*	100	*100*

*Such a high rate of non responses is partly explained by the fact that this was a open-ended questions and respondents were reluctant to provide any information pertaining to this questions, and partly becouse it was posed by the end of the questionnaire.

Dairy products which respondents would like to be available in Kosovo

Only a small number of respondents (8.5%) said that there were some dairy products which they would like to be available in Kosovo. This was more likely to be the case among respondents from the Serb majority areas than from the Albanian majority areas (27% compared to 5.8%). As for the regional analyses, the highest number of the above respondents was found in the region of Peja (18.6%) and the lowest in the region of Prizren and Prishtina (0.7% and 3.3% respectively).

Since one third of these respondents were unable/unwilling to name those products, there is a low frequency of responses about the products which respondents would like to be able to find in Kosovo. Most of these respondents (1.5%) said *greater variety (of different brands) of cheese*, followed by those who said *sheep milk and sheep dairy products* (1%). Other response were less frequent.

I agree, there is nothing missing and everything necessary is available, but I think that according to our lifestyle the prices are a bit high. (Mitrovice, male, married, with children)

I would like to have products from sheep, milk, cheese, etc. (Prishtine, female, married, with children)

We also don't have the Queen bee's milk. It is very healthy especially for people with respiratory problems … it is not available here … people order it from Turkey. And it is very good … it is not available at us. (Prizren, female, married, with children)

I think we still do not have 'kashkaval" produced in Kosova. (Prizren, male, single)

The above findings had been confirmed in focus groups. Majority of group discussion participants believe that a variety of different products are available on Kosovo's dairy market, but that some sheep products are maybe missing – sheep milk and sheep dairy products, and goat milk and cheese. Besides, local producers do not offer some dairy products in demand, such as 'Kackavall' cheese, or they produce 'Kackavall' (like Rona) and other dairy products but have problems with consistency of supply and consistence of quality. Participants also mentioned that soy milk was rarely available, while some also mentioned short supply of sour cream. Participants also mentioned that prices were too high considering the overall economic situation in Kosovo. One participant mentioned that Queen bee's milk was unavailable in Kosovo's dairy market.

In relation to the above, it is necessary to add that the majority of participants have had a chance to taste goat or sheep milk, usually in childhood, but neither they nor their family members are currently consuming it. Although participants believed that goat/sheep milk was healthier than the cow milk (particularly the read goat milk), they were not consuming it because they dislike its strong smell. This was particularly the case among younger household members. Only a few participants said they were consuming goat/sheep milk, but only very rarely, that is, during the period of some specific illnesses.

I don't like it. I know it's very good, very healthy, but it smells, it has a heavy smell and we cannot drink it. (Prishtine, female, married, with children)

According to my experience, I can say that goat's milk is very healthy, especially the one of the red goat. (Prizren, male, married, with children)

I have tasted it once but we don't consume it because it smells. It has a terrible smell. (Mitrovice, male, single)

I don't remember, it was long time ago. People say it is hard to drink it and it smells, but, there's no doubt it is healthier than other and has more vitamins…Yes, they are available but we don't consume them at home. They say it smells and it is hard to consume, what I can't notice, and I would never change it's taste. (Gjilan, male, single)

CONCLUSIONS

Based on the results of the dairy market research and surveys we can conclude that:

General

- Dairy market is developing on daily basis and there is a need for closer follow up on market movements within the sector.
- Import is still dominating dairy market but we have good progress of local dairy processors having in mind that most of them are producing only for the fresh market segment.
- Different segments of the market in local dairy sector are underdeveloped especially products of long duration that require better packaging and labeling like: UHT milk, UHT Yogurt, Sour cream and Variety of White, Yellow aged and local special Cheese.
- In the regions where dairy production is intensive (Peja, Prizren) 'Green Market' is more developed while in other regions consumers are more used to supermarkets and hypermarkets.
- Green market is perceived as place for fresh products and isn't under control. The share of market from 'Green Market" is decreasing still lot of consumers will continue to purchase dairy products in market as they perceive them fresh.
- Import – export data collected from UNMIK customs are clearly showing limitations custom office have registering quantities and prices of dairy products. Custom officers have lack of knowledge on quantities and prices of different dairy products.
- Importers aren't organized properly and there is a lack of collaboration from their side especially in relation to data share and benefits of knowledge of market situation in dairy sector. Some time will be needed to create better relations with importers, local processors and supermarkets for further dairy market research.
- Trust of consumer about locally produced dairy products is increasing slowly partly due to inconsistency of quality and lack of knowledge about hygiene practices at the dairy plant. Consumer awareness is slightly increasing on healthy and safe dairy products.
- Consumers in Kosovo are ready to accept new dairy products like bio-yogurt and fruit yogurt, new cheese brands etc., but in this field the competition of the import is very high and local competitors lack proper technology and quality of products.
- Local producers are not very aggressive with their promotion, logo, labeling and pricing of their products allowing import to dominate the market. Especially consumers are looking for freshness, expiry date, presentation of the product and cleanliness in supermarket shelves.
- Main consumers of dairy products (UHT milk, fruit yogurt, yogurt, sour cream) are children so more consideration is required by local processors for this market segment especially for size of package.
- Urbanization of Kosovo families, change of living conditions is leading toward a change of consumer habits and taste (less demand for green market products and more demand for UHT products with longer duration).

UHT Milk

- UHT milk is highest dairy product imported even though Devolli is producing UHT milk and few other processors filling UHT milk (Frutti, Etnik, Sharri), lack of quality raw milk in Kosovo allows high import.

Yogurt

- Yogurt as a dairy product is produced in dairy plants and at home but imported yogurt has longer duration and better packaging making product more trustworthy within consumers.

Fruit yogurt

- Fruit yogurt is new product mainly dominating in urban areas and families with children. It isn't produced locally and imported fruit yogurt is of good quality.

Butter

- Butter is dominant more in region of Prizren and Mitrovica while in other regions is less consumed. Consumers have more knowledge and use more "Vital" margarine than butter and have problem to distinct them.

White cheese

- White cheese is a product that is consumed on regular basis still the variety of cheeses is high and there is lack of consistent quality and supply. Preferred cheese is feta and "Sjenica" while Ricotta ('xhiza') is more specifically used in Gjilan region.
- Most respondents are unaware of the white cheese brand they bought the last time (32.4%), while others usually have bought at the market (21.4%) which was more likely choice of women, single or divorced respondents and respondents from the Serb majority areas, as well as "Feta" (17.0%) white cheese which was more likely choice of men, married respondents and respondents from the regions of Prishtina and Prizren.
- Even though we have different varieties of White Cheese and Yellow Cheese in the market consumers are interested in wider variety of cheese and searching for new varieties of cheese in the market. Main cheese known in the market is White Cheese, feta cheese, and "Sjenica" cheese while from Yellow cheese most known is "Trapista".

Yellow aged cheese

- Yellow aged cheese is used for home consumption and in pizzerias especially 'kashkavall' while other cheese is used for special occasions and in lower quantities.

Sharri cheese

- Information shows that the traditional kind of Sharri cheese is bought more than the soft variety, as confirmed by information about consumers' preference of hard over soft Sharri cheese. Majority of these respondents (60%) said they preferred traditional hard Sharri cheese, only one quarter (27%) preferred soft kind, while 11% said that they did not differentiate between the two.
- Most of the respondents who offered some advice about Sharri cheese, suggested to reduce its saltiness (7.7%), improve its quality (4.7%), change the packaging (3.3%), lower the price and increase its presence in the market (2.4% each)

- Sharri cheese is dominant in Prizren, Ferizaj and Prishtina region even though it is consumed as well in other regions. It has good reputation and with some changes in quality and more consistent supply would have good market in Kosovo and potentially for export.

Market

- In Kosovo market there is a limited range of dairy products offered to consumers and offer isn't consistent in quality and quantity. Most of these respondents (1.5%) said *greater variety (of different brands) of cheese*, followed by those who said *sheep milk and sheep dairy products* (1%).
- Dairy sector is requiring consolidation of the distribution sector since for the moment is still under development (bigger supermarkets, less small shops) and product placement in proper places will be more important for dairies.
- More emphasis should be placed on willingness of processors to change and improve health and safety standards to be able to convince consumer that locally dairy products are of equal or better quality than imported ones.

ASSESSMENT OF PRODUCT/BRAND GAPS IN KOSOVO MARKET (e.g. New Products)

Dairy products present in Kosovo market are currently covering most of the needs for dairy products. Current products are represented properly in the market and consumer demand for these products is dependent on quality and availability.

Milk – is very important food product for human diet and it is consumed on regular basis in families of Kosovo both in rural and urban area. Fresh milk is less present in shops still there is still a demand for this type of milk. At the same time flavored milk is used rarely for consumption.

UHT milk from other side clearly represents biggest quantity of the import based on our analysis. Unfortunately the quantities of quality milk that could be used for UHT milk are limited and there is a need for further improvement in dairy sector in Kosovo especially quality of milk. UHT milk represents around 55 % of total import in 2007 while around 64 % in 2006. Some of the fresh milk import in 2007 is representing quantities of milk from Macedonia imported to be packed as UHT milk in Kosovo. Results of the survey show that UHT milk is dominating the market and it is used both in rural and urban areas (more often).

In relation to milk brands it is obvious that “Alpsko” and “Vita” milk dominate the market but main obstacle obtained from our results is that more products dedicated to children are required as a main part of market segment. Local processors should invest more in their promotion, logo, labeling and presentation of their products as fresh quality milk with high hygiene control to avoid the mistrust some consumers have in local products.

UHT milk is represented properly in dairy market and there is good number of brands available in Kosovo market. This type of milk is dominating milk market due to convenient packaging, duration, quality and consistent supply from importers in the first place and from local processors as well. Consumers are aware of brands and quality offered making UHT milk segment very consistent with small variations when certain brand is not available. Still most of the consumers are having similar preference for UHT milk allowing same brands to be present during all year in the market.

Price of UHT milk is nearly the same for imported and local milk (0.80 – 0.95 cents/liter) even though imported UHT milk has higher price consumers have higher trust on the quality offered and paying for the brand they prefer.

Cost of production is high in Kosovo still Custom base for imported UHT milk is low compare to price increase at the end of year 2007. In order to increase the competitiveness Custom office need to revise more often Custom base for UHT milk that is currently around 45 cent per liter of UHT milk. Collection price for quality milk in Kosovo is between 30 and 40 cents per liter at the end of 2007.

Plain Yogurt – is produced locally, imported and processed at home in Kosovo families even though more in Albanian families. Consumption habits are similar but due to bigger families it is higher in Albanian side. Serbian families consume more imported and processed at home yogurt.

Most likely plain yogurt has good potential in Kosovo market but only in better packaging like UHT that has long term duration and more convincing for the local consumers. Till other dairy processors secure UHT facilities it seems that only “Vita” will be able to start production and compete with import. In the future there will be other processors investing in this product still technology and lack of finance is an obstacle for most of them to produce product that will be competitive with imported Yogurt.

Consumers don't have usually information on the brand of yogurt they are using but mainly are impacted by packaging, logo, labeling and colors. Most of them can't remember the name of the type of yogurt they are using on daily basis partly due to the fact of inconsistent supply in shops and perceiving yogurts of same quality from all brands.

Yogurt is sold in different packaging and quality of packaging differs. Imported yogurt has better and attractive package more appropriate for use while local processors have problem with packaging that is mainly imported and have doubtful quality.

Price of yogurt is nearly the same for all brands present in the market and all similar packages still imported yogurt has higher price and longer duration making this product more attractive for consumers. Preferred size for yogurt consumers is 1 liter and less often 250 milliliters.

Fruit Yogurt – is becoming very common commodity especially for children that like the flavor of fruits. Quantities consumed are increasing for both drinkable and set fruit yogurt even though there is more demand for drinkable yogurt.

Kosovo dairy processors have tried in several occasions to produce fruit yogurt but due to the lack of availability of frozen fruits and inconsistent supply and high competition from imports all of them stopped production. Fruit yogurt is more consumed from children, internationals and hotels and mainly imported from Germany, Croatia and other regional countries. Even tested Fruit Yogurt will need some time to be produced locally and meet the requirements from consumer side.

Fruit yogurt requires lot of colors and pictures to be more attractive for the children that are main consumers of this product. Main brands are: “Jogobella”, “Fructis” and “Campina” very well represented in stores and supermarkets in very good places always plenty of quantities making consumer confident on quality of the product. Quality of packaging is very good and children prefer the taste offered. Most of this fruit yogurt is imported from Kosmonte, but they are other importers like Delfini importing “Meggle” products from Croatia as well. This product is supported strongly by very good promotion in media that is impacting consumption from children side.

Price of the product is appropriate and all aspects of marketing are covered starting from packaging, logo, labeling and colors to make product more desirable. Preferred packaging is 62 grams up to 125 grams as main consumers are children. Quantities consumed from families are not very high and price is affecting the consumption for some segments of the market as prices are going higher decreasing the quantities consumed.

Bio Yogurt – is a new product that is entering the market and is having good results with consumers. The consumers are interested in this type of product and imported quantities are increasing. There is no local producer of bio yogurt and there is a potential to substitute this product from local producers still there is a need for UHT packaging making it more difficult for production locally. Quantities of Bio Yogurt are small and technology isn't available so for some time consumers will be dependent on import. Number of consumers is small as well making the product less interesting for investment.

This product is mainly imported but first results are very good capturing one share of the market step by step. Brands offered are from Slovenia that has good reputation within consumers in Kosovo. Starting from packaging, logo, labeling and colors this product is attractive for the market and it is slowly gaining consumers. Price of Bio Yogurt is appropriate for the segment of consumer purchasing it in the supermarkets and shops and it is expected to gain more market share in the future with more concern from consumer side on health and safety issues. Preferred size of packaging for bio yogurt is 1 liter

Butter – has a demand in specific regions and mainly is imported with small quantities produced locally. Presently there is more demand for herbal fat making it more difficult for local dairy processors to compete with import. Dairy processors aren't very interested to increase this type of production and more concentrating on other products. Main gap here is lack of proper packaging for hotels and restaurants. It might be interesting product for some processors but for the moment most of them are concentrating on bigger commodities.

In discussion with consumers the main brand mentioned is "Vital" (herbal - margarine) a brand produced in Serbia very well known for consumer from ex-Yugoslavia and perceived as good quality. Other brands like "Gold" are always compared to "Vital" margarine making it more difficult to gain market share. "Vital" margarine doesn't need time and money on marketing since it is very well known and other brands will need some time till they compete on equal basis with "Vital" margarine. Price is appropriate with small variations making this product competitive in the market and not allowing local producers to increase the quantities offered in the market. Preferred size of packaging is 250 grams.

Sour Cream or 'Kos' – is locally one of the most important dairy products used for human consumption. It can be produced at home from raw milk. There are families purchasing raw milk in urban areas and processing at home. Still most of the local dairies are producing Sour cream or Ajka for local market. The main problem is duration, packaging, and promotion of locally produced Sour cream.

There are different brands of Sour cream present in the market. Some of them are produced locally from dairy processors like: Ajka, ABI, Bylmeti, etc. still dominant brand is "Schmand" imported from Germany and very well known within Kosovar families. Packaging, logo, labeling and in general marketing is weaker from local processors even though freshness is helping them to have high share of the market currently.

Price difference between imported and locally processed Sour cream is low making competition more difficult for local dairies. Types of packaging, logo, labeling and colors are stronger in imported sour cream attracting consumers to purchase this type of yogurt. Most of the times consumers prefer 1 liter package of sour cream.

White Cheese – Demand for white cheese is increasing and it is very important dairy product that is slowly substituted from local producers especially ABI, Bylmeti, Magic Ice and others still with a lot of import from neighboring countries. The problem processors are facing is lack of storage facilities especially during summer months when price of milk is lower and quantities are higher.

Based on our analysis there is a potential for white cheese production locally, processed and home made but with strong branding and consistency in quality and supply of the market. As presented we have an increase of 114 % in import of White Cheese from 2006 to 2007 making cheese as one of the best products for the investment. Cheese is amongst most dairy consumed products locally after milk and yogurt. Kosovo has a tradition to produce home made cheese but due to new living conditions consumers are purchasing processed cheese. Local cheese is of good quality but consumers haven't created a trust in local cheese and have problem with consistent supply. According to this information there is a lot of market share to be gained from local dairy producers. This product has very good potential in diversification of varieties of cheese and better promotion and packaging for local cheese.

Variety of cheeses will help increase brands available in dairy market and create trust between producer and consumer. Currently imported cheese is dominating the market and price of cheese have increased from around 2.5 Euro per kilogram up to 3.5 – 4 Euros per kilogram of cheese. Margin of profit is increasing for this product making it more attractive for the processors to increase the quantities. Appropriate price for White cheese should be between 2 and 3 Euros per kilogram still it is expected to have price increase of all products due to high production cost in Kosovo and region. Usually consumers prefer packaging of 1 kilogram and in more extended families package of 2 and 3 kilograms.

Packaging, logo, labeling and cleanliness of local products are doubtful partly due to bad transport and as well market placement in the shops or supermarkets.

Ricotta ('xhiza') Cheese – is well known within consumers and mainly used by 'Burektore' and bakeries to produce cheese pie. Certain amount is sold in bigger supermarkets and it is produced by local processors. Big amount of 'xhiza' is produced on farm and sold in green market. Imported quantities are low making this product less desirable for further investment.

'Xhiza' as a product requires better packaging, logo, labeling and different types of packaging mainly sold in the market but slowly moving in the shops and super markets produced by local dairy processors like: Bylmeti, ABI, Sharri etc.

Price of 'xhiza' is nearly similar varying from 1.5 Euros per kilogram sold wholesale to 'burektore' up to 2 Euros sold in proper packages in the store. There is a need to improve the quality of 'xhiza' and packaging in order to gain more market share. Preferred package for 'xhiza' is 1 kilogram.

White Cheese Aged – main brands of this cheese known in the market are: feta and "Sjenica" cheese. It has good potential for investment and some of the dairy local processors are starting to produce feta cheese (Magic Ice, VITA etc). Current quantities imported show an increase when comparing 2006 with 2007 and there are quantities not reported especially of "Sjenica" cheese that is sold in green markets or supermarkets (only Prishtina around 1000 kg per week) and approximately 3 – 4 tones Kosovo wide. Total amount is around 200 tones per year. Farmers and processors in Kosovo have problem with quality, and consistency of cheese produced locally, so there is potential for new type of cheese processed by dairy processors and capture good share of the market of at least 30 %. It is assumed that daily consumption is 140 grams per capita, or around 50 kg per year. Like White Cheese this product has very good potential for the market in case more varieties of quality cheese are in the market and consistent supply is ensured. There is lack of recipes for cheese making.

White Cheese aged is a dairy product that has good representation in the market especially feta type of cheese produced by importers and local processors. Some dairies are producing different types of cheese that might help them to increase their share in cheese market.

Packaging, logo, labeling, weight and colors of this product are different from producer to producer. Consumers are aware of the quality and usually purchase the brand they are confident with.

Price variation is low and usually is around 0.50 – 1 Euros for kilogram if we compare different brands. Usually price per kg is between 3 – 4.5 Euros per kilogram. Preferred size of packaging is similar to fresh white cheese.

Yellow Aged Cheese – (Ementaler, Kashkavall, Gouda, Other) – is dairy product used less often from Kosovar families and in smaller quantities. Results show an increase of consumption for Ementaler and Gouda, but consumed quantities are smaller and consumers are with higher incomes. Other types of Yellow aged Cheese are consumed in smaller quantities as well and the increase is irrelevant for the current market trends. ‘Kashkavall’ from other side even it doesn’t have an increase in quantities it has constant market and high import. The potential for ‘kashkavall’ is the highest for local processors and with some investment in technology, quality of milk, consistent supply and marketing local processors could gain market share in this segment. More promotion, better logo and labeling with investment in new technology is required to increase the market share in the local market.

Most of the brands imported in Kosovo are very well known in Kosovo even though consumption has increased in last 10 years. Te highest quantities are used by pizzerias especially “Trapista” ‘kashkavall’. Other types of Yellow aged cheese are used less and mainly by internationals and people with higher incomes.

Some of the local processors have started to produce ‘kashkavall’ but quantities are limited even the taste and quality is preferred by consumers. Consistency of product is main problem for them allowing consumers to switch to imported product.

Price range is between 5 Euro (‘kashkavall’) and 15 Euros per kilogram for more specific type of ‘kashkavall’. Marketing is done appropriately but sometimes market placement is inappropriate.

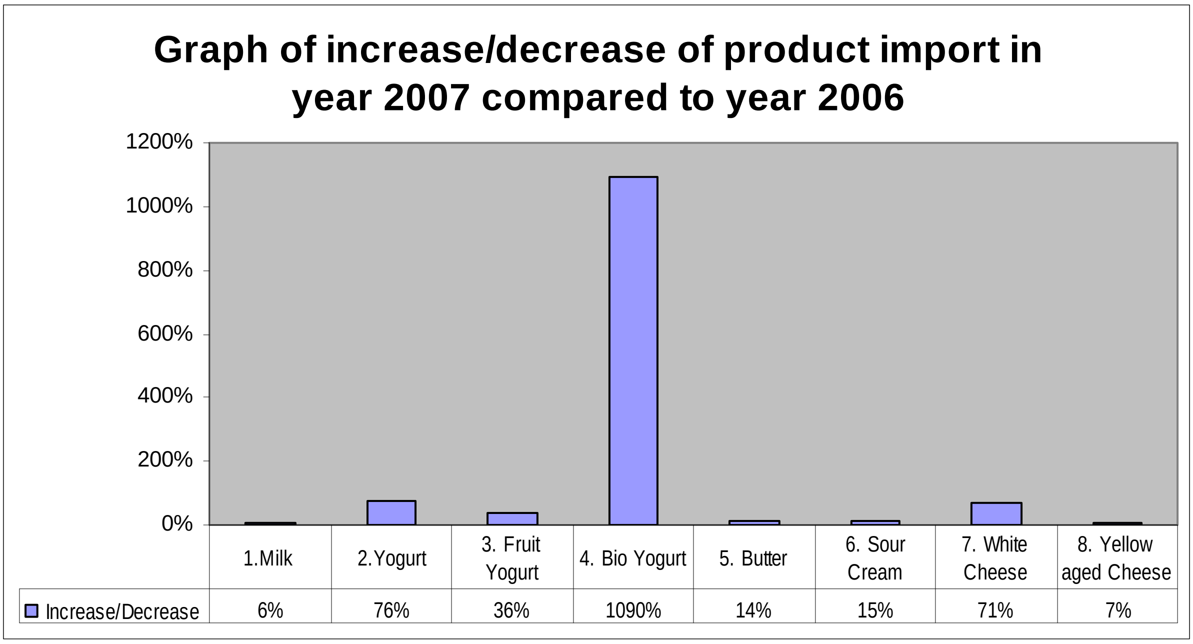
Sharri Cheese – has very good market potential but due to the lack of quantities some time will be needed to have constant supply in the market. Currently quantities present in the market are small and usually after 5 to 6 months are finished. Further work to increase quantities of milk is required and more work in quality and marketing is needed.

Usually original Sharri cheese is sold in wooden buckets or plastic buckets in bigger quantities making the product specific. Consumers purchase more quantities at once but in future they will have to adapt to market conditions and have smaller quantities for sale.

More emphasis on packaging, logo, labeling, colors in package and weight is needed and stronger control on safety and hygiene during the production should be the goal.

Price of Sharri cheese is high since it is specific still consumers are interested to buy it. Price of sheep Sharri cheese might be between 5 and 7 Euro per kilogram while for Cow Sharri cheese is around 4 Euros per kilogram. With better marketing strategy, increased quantities and clearer vision Sharri cheese can become a sign of quality dairy products from Kosovo and brand well known within all consumers of all regions. Usually regular consumers purchase higher quantities in wooden and plastic buckets from 5 to 20 kilograms. Preferred package is 1 kilogram and rarely is 2 kilogram package.

Based on the graph presented bellow we can conclude that products with highest increase from year 2006 to 2007 are: bio yogurt, yogurt, white cheese, sour cream and fruit yogurt.



*Increase of 1090% of bio yogurt is related to low or non presence of bio yogurt in 2006, and distinction of bio yogurt as a separate product from other dairy products (predominantly from plain yogurt).

RECOMMENDATIONS FOR FUTURE ACTIVITIES

Support Dairy market in development and increase competitiveness through creation of better links between main stakeholders, market monitoring (quality, storage, freshness, market placement etc.), share of information and stronger control from government and consumers groups.

Better links among local producers, processors and consumers can lead to better understanding of needs and requirements and improve reactions of all sides to meet those requirements. Collaboration with main stakeholders in dairy market should be strengthened and closer contacts and trust should be established within dairy sector.

Promotion of national dairy products assuming that quality and availability is stable during all the year with support of farmer improving milk quality and together with processors improve quality of local dairy products to be competitive with import.

Main potential market for the local processors is currently segment of Fresh Dairy products as a key factor for the growth of the local dairy industry. Still even though the share of market from 'Green Market" is decreasing lot of consumers will continue to purchase dairy products in market as they perceive them fresh. More control is required in the green market from Kosovo Veterinary Services and consumers purchasing in the market in relation to hygiene and safety of dairy products sold in the market to increase market share.

Import - Export data for dairy products need to be improved. KCBS or other related projects should provide necessary training or advice for custom officers in relation to values of dairy products, varieties and better registration in order to have more accurate data for further research and increase revenues from imported dairy products. Ministry of Agriculture as well should support development of proper policies that will support development of dairy sector within the country. Correct data will help develop good policies and provide information to dairy processors about the trends and frequency of import.

After analyzing all aspects from local production, import and demand for specific dairy products we can conclude that there is good opportunity for local dairy processors to gain more market share especially producing UHT Yogurt, White Cheese, Sour cream, specific Yellow aged cheese like 'kashkavall' and Fruit Yogurts. At the beginning processors should concentrate on UHT yogurt, white cheese and sour cream since it doesn't need new technology and ingredients not available in Kosovo. These are the most promising dairy products that could successfully substitute imported products.

Invest more in research for new varieties of cheese (both White & Yellow Cheese) and diversify the production of cheese production within local dairy processors. It is very important to have variety of cheese in the market in order to be more competitive with imported types of cheese that are dominating the market. This is true particularly during summer months when milk supply is higher and with some investment in storage facilities more market share could be gained. Varieties of white cheese like: "Sjenica" and feta cheese could be replaced and produced locally with similar taste. At the same time 'kashkavall' is another type of cheese that could be replaced with good local 'kashkavall' produced in at least 50 % of required quantities from the market.

As specific local products Sharri Cheese has good potential as well but need to improve some quality factors not loosing the originality and increase the capacities of local farmers to produce consistent quantities for the local market.

Segment of dairy products imported from other countries requires higher technology and higher investment for local dairy processors to be more competitive with import. Improve access to finance and new technology for local processors through better collaboration with financial institutions in lending and leasing.

Processors should concentrate on improvement of quality and consistent supply with strong promotion of their products in order to convince consumers that local products are better than imported ones. Quality requirements should be stricter from dairy processors and dairy products need to be market driven. KCBS have to work more with processors in application of stricter rules for milk quality than follow the distribution channel to avoid problems.

Improve packaging, logo, labeling and promotion of local dairy products and provide more information about hygiene and quality control in local dairies in order to gain trust of local consumers. Information on quality of locally produced milk and dairy products need to be presented through media putting emphasis on freshness and cleanliness of dairy products. Normally all actions should not affect the price and decrease competitiveness. Stronger colors, better labeling, brand logo and joint promotion of local dairy products is a priority for the future. Only working together to promote all local dairy products as “Fresh and Clean Milk from Kosovo” might help local dairies to increase market share.

Promote dairy products for the market segment of families with children with more attractive packaging and labeling. Products like fruit yogurt are representing success of promotion of dairy products for specific segment like children. More diversified packaging and logo with attractive pictures and colors for children will help in gaining the highest share of milk product consumers. Some time will be needed but now is time to start and make children aware of local products as their partner and quality food products produced in Kosovo.

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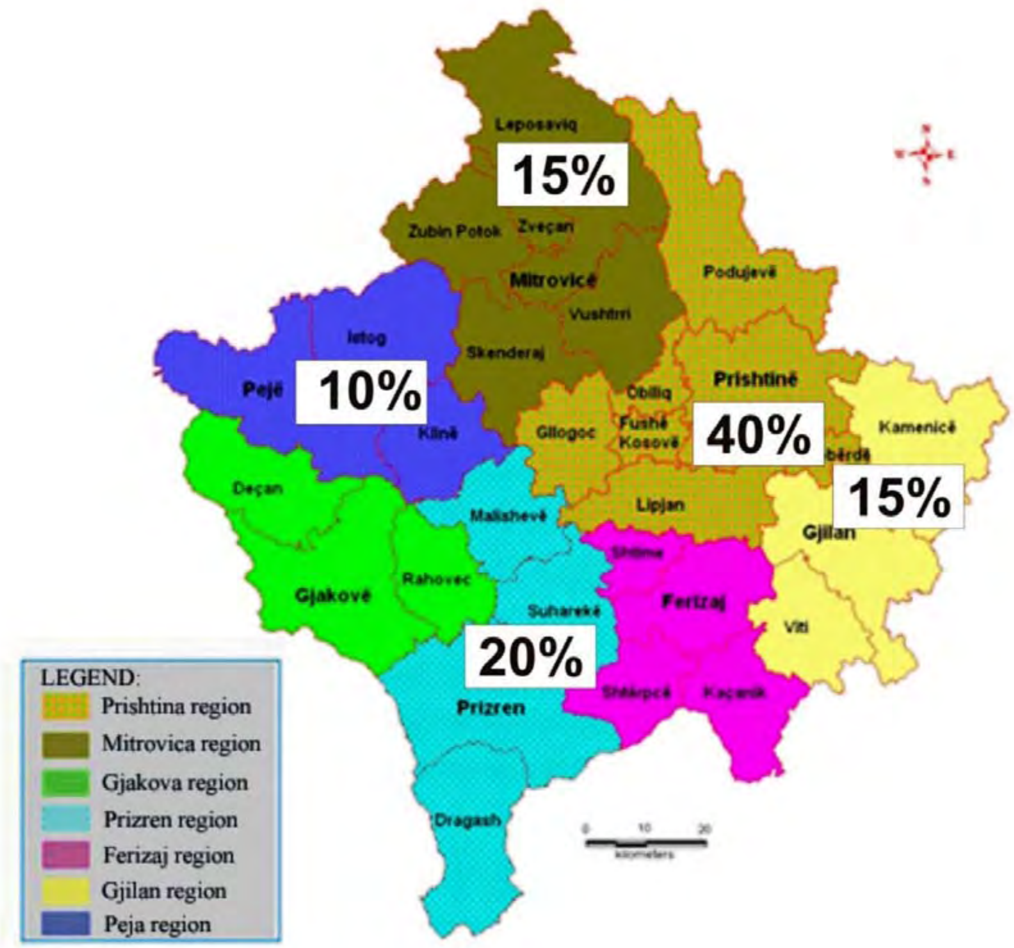
ANNEX I: Demographic Characteristics of the Sample

		N	%
Area	Albanian Majority Area	700	*87.5*
	Serb Majority Area	100	*12.5*
Region	Prishtina region	210	*26.3*
	Mitrovica region	160	*20.0*
	Gjakova region	65	*8.1*
	Prizren region	135	*16.9*
	Ferizaj region	90	*11.3*
	Gjilan region	65	*8.1*
	Peja region	75	*9.4*
Ethnic groups	Albanian	668	*83.5*
	Serb	98	*12.3*
	Else	28	*3.5*
Education	Primary education and less	219	*27.4*
	High school (3 and 4 years)	420	*52.5*
	University education (2 years and more)	161	*20.1*
Settlement	Urban	470	*58.8*
	Rural	330	*41.3*
Gender	Male	414	*52.3*
	Female	377	*47.7*
Age	18 – 30	185	*23.1*
	31 – 45	331	*41.4*
	46 – 60	207	*25.9*
	Up to 61	63	*7.9*
Marital status	Single	125	*15.6*
	Living in consensual union	8	*1.0*
	Married	614	*76.8*
	Divorced/separated	14	*1.8*
	Widow/Widower	37	*4.6*
Monthly household income	Less than 100 euros	86	*10.8*
	101 - 200 euros	182	*22.8*
	201 - 300 euros	193	*24.1*
	301 - 400 euros	140	*17.5*
	401 - 600 euros	111	*13.9*
	More than 600 euros	53	*6.6*
	DK/DWA	35	*4.4*
Average number of household members	Albanian Majority Area	M=6.36	
	Serb Majority Area	M=3.97	

ANNEX II: Map of Kosovo (including regional distribution of dairy products based on importers and stakeholders)



ANNEX III: List of dairy product brands available in Kosovo market

Commodity	Brand	Country of origin
UHT	Alpsko	Slovenia
	Dukat	Croatia
	Meggle	Croatia
	I-Mleko	Serbia
	Sole	Hungaria
	Vita	Kosovo
	Frutti	Kosovo
	Sharri	Kosovo
	Etnik	Kosovo
	Dita	Kosovo
	Sole	Hungary
Flavored	Meggle I-Mleko	Croatia Serbia
Yogurt	Bylmeti	Kosovo
	Abi	Kosovo
	Kabi	Kosovo
	Golaj Ajka Doda	Kosovo
		Kosovo
		Serbia
	I-Mleko	Serbia
	Zelena Dolina	Slovenia
	Meggle	Croatia
	Dukat	Croatia
Fruit yogurt	Jugobella	Germany
	Fructis	Germany
	Campina	Germany
	I-Mleko	Serbia
Sour cream	Bylmeti	Kosovo
	Abi	Kosovo
	Sharri	Kosovo
	Kabi	Kosovo
	Golaj	Kosovo
	Ajka	Kosovo
	I-mleko	Serbia
	Meggle	Croatia
	Dukat	Croatia
Butter	Gold	Germany
	Diamant	Serbia
	Dobro jutro	Serbia
	Pinar	Turkey
	Sole	Hungary
	Abi	Kosovo

Commodity	Brand	Country of origin
White cheese	Abi	Kosovo
	Kabi	Kosovo
	Bylmeti	Kosovo
	Magic Ice	Kosovo
	Rona	Kosovo
	Pinar	Turkey
‘Xhiza'	Bylmeti	Kosovo
	Sharri	Kosovo
	Abi	Kosovo
Aged white cheese	Abi	Kosovo
	Kabi	Kosovo
	Bylmeti	Kosovo
	Magic Ice	Kosovo
	Feta	Hungary
	Feta	Bulgaria
	Feta	Czech
	Feta	Turkey
	Feta	Macedonia
Yellow aged cheese	Ementaler	Germany
	Kashkavall - Trapista	Hungary
	Kashkavall - Shipka	Macedonia
	Kashkavall - Sole	Hungar
	Kashkavall	Bulgaria
	Kashkavall - Forma	Greece
	Gauda	Holland, Germany

ANNEX IV: Focus Group Discussion Guide

Prism Research

for

Kosovo Cluster and Business Support Project

Focus groups – Dairy Market Assessment Study

Estimated duration per group (min.):	90 minutes
Number of participants per group:	Minimum 8 – Maximum 10
Total number of groups:	4
Group structure:	4 groups – household key decision makers for purchasing dairy products
Location:	Prishtina, Mitrovica, Prizren, Gjilan

INTRODUCTION

The purpose of the introduction is to familiarize participants with the purpose of conducting focus groups, the manner in which participants have been selected, the manner of conducting the discussion, and the noting / recording of their responses. The other vital purpose is for the moderator and participants to introduce themselves and get to know a little about one another.

- I would like to welcome you all and to introduce myself. My name is __________ and I live and work in Prishtina. I am a __________ by profession and I am employed as a researcher for PRISM RESEARCH, a professional agency for market, media and public opinion research.
- You have been invited to participate in today's discussion to say something about your thoughts and opinions and feelings in relation to the topics of our discussion today.
- We will not be testing knowledge. There is no right or wrong answers. Every honestly given response is in fact a right answer. You have been randomly selected and invited to participate. In a way, you are representing many more people that have similar characteristics as yourselves. I would ask you to tell us what you think, and not what you suppose that a larger number of people may think or feel about the topics we will discuss.

- I invite you to respond freely to the questions I pose. Sometime it may be necessary for me to ask you directly to respond. Please do not interrupt others while they are speaking, but be free to engage in discussion with other participants. The basic rule is that everyone is allowed to say what they think and feel. As a rule, you do not pose questions. You will have the opportunity to ask questions at the end of the discussion.
- I kindly ask that, due to the limited amount of time we have available, to focus you r responses on the questions I pose. If you do digress from the topic at hand, I will interrupt with the words 'Thank you very much' and go on to the next question or another participant. Please do not take offence if this is the case. Every one of you will have the chance to say what you think. The discussion will not take more than 90 minutes.
- Your participation in this research is completely anonymous. We are not interested in learning your identity. In the entire course of the research only members of the research team will have access to data about what will be said here today?
- As you can see, today's discussion is being audio taped. The reason for this is that I am not able to write detailed notes and speak with you at the same time! Also, other researchers are able to listen to the recording and analyze what we will speak about today. There will be no publication of anything that you say today, it will be used solely for the purpose of the research and analysis.
- Now I would ask you to introduce yourselves – to state your first name and some basic information about yourself: where were you born and raised, what is your age, what is your occupation etc. While the participants are introducing themselves the moderator places named paper tents in front of them that are visible to all.
- Moderator invites participants to help themselves to refreshments.

THE PURCHASE OF FOOD IN GENERAL

First, I would like you to tell me…

- In your household, who is responsible for buying the food?

- How often do you buy it? Do you prefer going to big or small stores?

- Which products do you buy in big and which in small stores?

- What kind of stores do you usually go to and why?

ON DAIRY PRODUCTS IN GENERAL

Now I would like to ask you a few questions that refer specifically to dairy products.

- In your household, how often do you eat or drink dairy products, milk, various sorts of yogurts, cheese, milky bread spreads, etc.?

- Which dairy products do you mostly consume?
    - Do all your household members consume the same amount and prefer the same dairy products?

- Which of them do you personally like best?
    - Why, at what part of day, alone or with some other dishes

- What do you consider when you purchase dairy products?
    - Price
    - Brand name

    - Availability
    - Nutritious
    - Package
    - Other?

ON DAIRY PRODUCTS IN PARTICULAR

- Let's talk about specific dairy products: When you think of dairy products, what is the first thing that comes to your mind?

Milk

- How about milk? When somebody mentions word «milk», which sort of milk do you first think of?

- How often do you drink milk in your household?
    - UHT/Fresh/Flavored?

- Do you pay attention to the level of fat when you purchase your milk?
    - How about to the producer
    - Imported vs. Local
    - Price
    - Quality
    - Freshness
    - What else?

- Where do you usually buy milk (local stores, hypermarkets, dairy stores, market halls/markets, in villages from people who produce them)?
    - Why do you prefer buying at... over buying at...

- How much milk you do you usually purchase?
    - Do you buy it on larger quantities or only daily needs?

- How often?

- What is the price you usually pay for?

- Which brand you usually purchase? Why?

Cheese

- Let's talk about cheese: When somebody mentions word «cheese», which sort of cheese do you first think of?

- How often do you eat cheese in your household?

- Which sorts of cheese do you usually eat – fresh cheese, white soft cheese, semi-hard yellow cheese, hard yellow cheese, cheese spreads, cheese enriched with fungus?
    - Have you heard of Sharri cheese?
    - Do you consume it? How frequently? Where do you purchase? What type? Size?

- What do you think of this cheese?
    - What are the main attributes you would attribute to this cheese? Why?

- What attribute do you mostly pay attention to when you decide what brand you purchase?
    - How about to the producer
    - Imported vs. Local
    - Price
    - Quality
    - Freshness
    - What else?

- Which sort do you personally like best (why, at what part of day, alone or with some other dishes, what are the dishes you like to eat cheese with)?

- Where do you usually buy cheese (local stores, hypermarkets, dairy stores, market halls/markets, in villages from people who produce them)?
    - Why do you prefer buying at... over buying at...

- How much cheese you do you usually purchase?
    - Do you buy it on larger quantities or only daily needs?

- How often?

- What is the price you usually pay for?

- Which brand you usually purchase? Why?

Yogurt

- Let’s talk about yogurt: When somebody mentions word «yogurt», which sort of yogurt do you first think of?

- How often do you drink yogurt in your household?

- Which sorts of yogurt do you consume?
    - Plain yogurt
    - Fruit yogurt
    - Bio yogurt

- Which sort do you personally like best (why, at what part of day, alone or with some other dishes, what are the dishes you like to eat cheese with)?

- What attribute do you mostly pay attention to when you decide what brand you purchase?
    - How about to the producer
    - Imported vs. Local
    - Price
    - Quality
    - Freshness
    - What else?

- Where do you usually buy yogurt (local stores, hypermarkets, dairy stores, market halls/markets, in villages from people who produce them)?
    - Why do you prefer buying at... over buying at...

- How much yogurt you do you usually purchase?
    - Do you buy it on larger quantities or only daily needs?

- How often?

- What is the price you usually pay for?

- Which brands you usually purchase? Why?

Sour Cream and butter

- How about sour cream and butter?

- How often do you buy cream and butter?

- Which sorts of cream and butter do you consume?
    - Salted butter
    - Unsalted butter

- Which sort do you personally like best (why, at what part of day, alone or with some other dishes, what are the dishes you like to eat cheese with)?

- What attribute do you mostly pay attention to when you decide what brand you purchase?
    - How about to the producer
    - Imported vs. Local
    - Price
    - Quality
    - Freshness
    - What else?

- Where do you usually buy cream and butter (local stores, hypermarkets, dairy stores, market halls/markets, in villages from people who produce them)?
    - Why do you prefer buying at... over buying at...

- How much cream and butter do you usually purchase?
    - Do you buy it on larger quantities or only daily needs?

- How often?

- What is the price you usually pay for?

- Which brand you usually purchase? Why?

FINAL SECTION

- What would you say: What is lacking in Kosovo Dairy Market? Why?

- What of Dairy products you will buy if you have opportunities (Wish list?)

- Please, compare to me local/domestic brands and imported brands! / What would you say about domestic brands and what about imported ones (Probe!)

- Let’s talk about supermarkets. You (some of you) already told to me that you buying dairy products in supermarket. In which one? Why you choose this supermarket chain? Something more?

- Do you like to buy on promotional offers? Why yes, Why not?

- And do you try to buy dairy products when they are on sale or on promotion? Why? Please, explain.

ANNEX V: Households Survey Questionnaire

INTERVIEWING DATE | | | | |

INTERVIEWER`S CODE | | | | |

COORDINATOR`S CODE | | | | |

REGION NUMBER | |

LIVING PLACE 1-CITY; 2-NEIGBOURHOOD /VILLAGE) | |

RESPODENT`S SEX (1-MALE; 2-FEMALE) | |

STARTING POINT NUMBER | |

CONTACTING LIST NUMBER | |

CONTROLLING LIST NUMBER | |

C1. MUNICIPALITY	
C2. STREET/VILLAGE	
C3. NUMBER	
C4. FLOOR	
C5. APARTAMENT SIGN	
C6. ADDRESS PERSCRIPTION (ONLY IN CASE THERE IS NO EXACT ADDRESS)	

C7. Interview observed by supervisor	**1. Yes**	**2. No**
C8. Interview back checked	**1. Yes**	**2. No**
C9. Method of back check	**1. Phone**	**2. In-person**

Start time of the interview		
	HR	**MIN**

<u>INTERVIEWER: READ ALOUD TO RESPONDENT</u>

USAID/KCBS has engaged Prism Research, a professional research agency to gather information for Kosovo Cluster and Business Support (KCBS) Project about dairy market situation in Kosovo. So we are doing some research now. You are the one of randomly selected respondents in the sample for this survey.

The survey is carried out in a very simple manner. I will read to you a question from the questionnaire and optional answers. You choose the answer which best describes your attitude, which is your opinion. Then I write your answers down into the questionnaire. You do not have to write anything. In most cases you will select one of the suggested answers that I read to you. In some cases you will answer in your own words.

Participation in this survey is completely anonymous and voluntary. We are not interested in your identity, nor the answers you give could in any way be linked with your identity. That is why we are interested that you honestly answer every question that we ask. If you for any reason doubt this survey or want to avoid the answer – it is better not to participate.

Depending on their answers the questionnaire may about 30 minutes.

Let us now start with questions!

Q1. In relation to buying of food products, which of the following statements best describes your habits? I usually buy: **<u>(Mark only one answer!)</u>**

1. Smaller quantities of produce at one time **1**
2. Larger quantities of produce ate one time **2**
3. Combination (some in smaller and some in larger quantities) **3**

<u>Do not read!</u>
9. Do not know/Do not wish to answer 9

Q2. Where do you usually conduct these purchases? **<u>(Mark only one answer!)</u>**

1. In classic store over the counter **1**
2. In a smaller self-.service market **2**
3. In a self service supermarket **3**
4. In a large hypermarket **4**
5. At the (green) market **5**
6. From neighbors **6**
7. Other **<u>(Specify!)</u>** **7**

<u>Do not read!</u>
9. Do not know/Do not wish to answer 9

Q3. And how about dairy products in general - which of the following statements best describes your habits? I usually buy: **<u>(Mark only one answer!)</u>**

1. Smaller quantities of produce at one time **1**
2. Larger quantities of produce ate one time **2**

<u>Do not read!</u>
9. Do not know/Do not wish to answer 9

Q4. And generally speaking where you most often buy these dairy products? **<u>(Mark only one answer!)</u>**

1. In classic store over the counter **1**
2. In a smaller self-.service market **2**
3. In a self service supermarket **3**
4. In a large hypermarket **4**
5. At the (green) market **5**
6. From neighbors **6**
7. Other **<u>(Specify!)</u>** **7**

<u>Do not read!</u>
9. Do not know/Do not wish to answer 9

INTERVIEWER: READ! And now I will ask you questions regarding specific dairy products.

Q5. <u>Hand the card K1 to the respondent! Read aloud contents to respondents that are unable to read to read!</u> And now about dairy products – please tell me have you ever purchased: **<u>(Ask for each item separately! In the Column Q5 write in the code of one of the coded responses listed below!)</u>**

1. Yes
2. No

<u>Do not read!</u>
9. Do not know/Do not wish to answer

Q6. <u>Hand the card K2 to the respondent! Read aloud contents to respondents that are unable to read to read!</u> ASK FOR ALL ITEMS WHICH RESPONDENT HAS EVER PURCHASED – ANSWER "1" ON Q6! How often do you purchase: **<u>(Ask for each item separately! In the Column Q6 write in the code of one of the coded responses listed below!)</u>**

1. Daily, or most of the week days
2. 3-4 times a week
3. Once a week
4. Couple times a month

5. Once a month
6. Less
Do not read!
9. Do not know/Do not wish to answer

Q7. ASK ONLY FOR THOSE ITEMS WHICH RESPONDENT HAS PURCHASED – ANSWER "1" ON Q5! Usually, how much of each dairy product listed do your family consume within a week. Let's start with the first one: **(Ask for each item separately! In the Column Q7 write in the average size of each category in kg.lt! Less then one kilogram /litre write in the decimal value: 100g/l -0,1, 200g/l -0,2, 250g/l-0,25, 500g/l-0,5, 750g/l-0,75.)**

Q8. ASK FOR ALL ITEMS WHICH RESPONDENT HAS EVER PURCHASED – ANSWER "1" ON Q5! What is the average size you purchase? **(Ask for each item separately! In the Column Q8 write in the average size of each category in kg.lt! Less then one kilogram /litre write in the decimal value: 100g/l -0,1, 200g/l -0,2, 250g/l-0,25, 500g/l-0,5, 750g/l-0,75.)**

Q9. ASK FOR ALL ITEMS WHICH RESPONDENT HAS EVER PURCHASED – ANSWER "1" ON Q5! How many units at one time do you purchase? **(Ask for each item separately! In the Column Q9 write in the number of units!)**

TABLE Q5-Q9.

ITEM	Q5	Q6	Q7	Q8–"kg"	Q9
A. Milk - UHT					
B. Milk - Fresh					
C. Milk - Flavored					
D. Plain Yogurt - Drinkable					
E. Plain Yogurt - Set					
F. Fruit Yogurt - Drinkable					
G. Fruit Yogurt - Set					
H. Bio Yogurt - Drinkable					
I. Butter – Salted					
J. Butter – Unsalted					
K. Sour Cream					
L. White Cheese - Fresh					
M. White Cheese - Ricota (Xhize)					
N. White Cheese - Aged					
O. Aged Yellow Cheese – Swiss type (Ementhaler)					
P. Aged Yellow Cheese – Kashkaval					
Q. Aged Yellow Cheese – Gouda					
R. Aged Yellow Cheese – Other					
S. Sharri – Traditional/Hard					
T. Shari – Soft					

INTERVIEWER: READ! Now I would like you to tell me about brands in each of the categories that you purchased. Prior to continuing the following set of questions, circle all dairy products in table Q5-Q9. respondent has every purchased (see question Q5.). Copy all these dairy products to the following table (table Q10-Q12) and ask each question for each dairy product.

Q10. ASK FOR ALL ITEMS WHICH RESPONDENT HAS EVER PURCHASED – ANSWER "1" ON Q5! Please, tell me what was the last brand of the specific dairy product **[READ THE DAIRY PRODUCT RESPONDENT HAS EVERY PURCHASED FROM Q5]** you purchased? **(Write in the brand the respondent purchased! For each of the dairy products respondent purchased, ask question Q11 and Q12 as well.)**

Q11. What size (overall quantity) of the dairy product did you purchase? **(Write in Q11. the size of the dairy product purchased!)**
Do not read
9. Do not know/Do not wish to answer **99**

Q12. What price did you pay for that size of dairy product? **(Write in Q12. the price respondent paied for the dairy product purchased! Amount expressed in Euro currency)**
Do not read
9. Do not know/Do not wish to answer **99**

TABLE Q10-Q12

ITEM	Q10. Brand	Q11	Q12.
A. Milk - UHT			
B. Milk - Fresh			
C. Milk - Flavored			
D. Plain Yogurt - Drinkable			
E. Plain Yogurt - Set			
F. Fruit Yogurt - Drinkable			
G. Fruit Yogurt - Set			
H. Bio Yogurt - Drinkable			
I. Butter – Salted			
J. Butter – Unsalted			
K. Sour Cream			
L. White Cheese - Fresh			
M. White Cheese - Ricota (Xhize)			
N. White Cheese - Aged			
O. Aged Yellow Cheese – Swiss type (Ementhaler)			
P. Aged Yellow Cheese – Kashkaval			
Q. Aged Yellow Cheese – Gouda			
R. Aged Yellow Cheese – Other			
S. Sharri – Traditional/Hard			
T. Shari – Soft			

INTERVIEWER: ASK ALL!

Qx1. In your household, do you process any dairy product from the milk you originally buy? For example, do you make yogurt out of the milk you purchase? **(Circle only one response!)**
1. Yes **→Qx3.** **1**
2. No **→Q13.** **2**
Do not read!
9. Do not know/Do not wish to answer →Q13. 9

Qx3. What percentage of the the milk you purchase do you process? **(Write down the percentage of the milk they process! If respondents have difficulties calculating this percantage, than you can give this example: If you purchase 10 liters of milk per month, and out of that volume you process (say, into yogurt) 6 liters, and the other four liters you consume as a milk, than the percentage of the milk processed is 60%!)**

Write down the percentage! ► ☐
Do not read!
9. Do not know/Do not wish to answer 999

Qx4. What dairy product do you obtain? **(Ask up to three dairy product respondents obtains from milk, and write down the response!)**

Write down the product 1! ► ☐
Do not read!
9. Do not know/Do not wish to answer 9

Write down the product 2! ► [ ]

Do not read!

9. Do not know/Do not wish to answer **9**

Write down the product 3! ► [ ]

Do not read!

9. Do not know/Do not wish to answer **9**

Note to interviewers: Ask all!

Q13. Have you ever tasted Sharri cheese? **(Circle only one response!)**

1. Yes	→**Q14.**	**1**
2. No	→**Q19.**	**2**
Do not read!		
9. Do not know/Do not wish to answer	→**Q22.**	**9**

Q14. What was the last time you ate Sharri cheese? **(Circle only one response!)**

1. Less than six months	**1**
2. Less than a year	**2**
3. Longer ago	**3**
Do not read!	
9. Do not know/Do not wish to answer	**9**

Q15. How you liked Sharri cheese? **(Circle only one response!)**

1. Liked very much	**1**
2. Somewhat liked	**2**
3. Somewhat disliked	**3**
4. Disliked a lot	**4**
Do not read!	
9. Do not know/Do not wish to answer	**9**

Q16. Do you prefer the traditional hard type Sharri cheese, or would you prefer the softer version of the Sharri cheese? **(Circle only one response!)**

1. Traditional version	**1**
2. Softer version	**2**
Do not read!	
3. No preferences, do not mind	**3**
9. Do not know/Do not wish to answer	**9**

Q17. Do you rather prefer Sharri cheese made of cow's or sheep's milk? **(Circle only one response!)**

1. Made of cow's milk	**1**
2. Made of sheep's milk	**2**
Do not read!	
7. I don't mind	**7**
9. Do not know/Do not wish to answer	**9**

Q18. What changes would you suggest Sharri cheese to perform, so they can boost the quality and sales? **(Open ended! Write down the response!)**

[ ]

Do not read!

7. No changes, I like it as it is now	**7**
9. Do not know/Do not wish to answer	**9**

INTERVIEWER: ASK QUESTION Q19. TO Q21. ONLY THOSE WHO DID NOT EVER PURCHASED AND/OR TASTED SHARRI CHEESE!

Q19. What are the main reasons you do not consume Sharri cheese? **(More than one possible answers!)**

1. Its too salty	**1**
2. Its too hard	**1**
3. Because it can't be eaten in larger quantities	**1**
4. Can not find on it places where I purchase food	**1**
5. Its too expensive	**1**
6. Other? Specify!	**1**

[ ]

Do not read!

9. Do not know/Do not wish to answer **9**

Q20. Do you identify Sharri cheese with sheep or cow milk? **(Circle only one response!)**

1. Cow's milk	**1**
2. Sheep's milk	**2**
Do not read!	
9. Do not know/Do not wish to answer	**9**

Q21. What changes Sharri cheese must perform so that you might consider purchasing it? **(Open ended! Write down the response!)**

[ ]

Do not read!

9. Do not know/Do not wish to answer **9**

INTERVIEWER: ASK ALL!

Q22. Hand the card K3 to the respondent! Read aloud contents to respondents that are unable to read! And now please tell me how important each of the above mentioned attributes of dairy products are for you? Choose one of the following answers: very important, somewhat important, neither important nor unimportant, somewhat unimportant or completely unimportant. So let us start in that order. **(Ask for each aspect individually! For each aspect write down one of the numbers!)**

1. Very important
2. Somewhat important
3. Neither important nor unimportant
4. Somewhat unimportant
5. Completely unimportant

Do not read!

9. Do not know/Do not wish to answer

TABLE Q22 – ATTRIBUTES	ANSWER
1. Is fresh tasting	
2. Has enough time until expiration date	
3. Is a brand name I trust	
4. Is a product that my whole family enjoys	
5. Is nutritious	
6. Is pure and natural	
7. Is an imported product	
8. Has easy to use packaging	
9. Comes in an attractive package	
10. It is cheaper than other products	
11. Comes in the right size for my family	
12. Is a good value for the money	
13. Is always available at the store at which I shop	
14. Is frequently on sale or promotion	

Q23. Hand the card K4 to the respondent! Read aloud contents to respondents that are unable to read! Would you please tell me how much are these attributes related with domestic dairy products? Choose one of the following answers: very related, somewhat related, neither related nor unrelated, somewhat un related or completely un related. So let us start in that order. **(Ask for each aspect individually! For each aspect write down in the column Q31. one of the numbers!)**

1. Very related
2. Somewhat related
3. Neither related nor unrelated
4. Somewhat unrelated
5. Completely unrelated

Do not read!

9. Do not know/Do not wish to answer

Q24. Hand the card K4 to the respondent! Read aloud contents to respondents that are unable to read to read! Would you please tell me how much are these attributes related with imported dairy products? Choose one of the following answers: very related, somewhat related, neither related nor unrelated, somewhat un related or completely un related. So let us start in that order. **(Ask for each aspect individually! For each aspect write down in the column Q32. one of the numbers!)**

1. Very related
2. Somewhat related
3. Neither related nor unrelated
4. Somewhat unrelated
5. Completely unrelated

Do not read!
9. Do not know/Do not wish to answer

TABLE Q23./Q24. – ATTRIBUTES	Q23. Domestic products	Q24. Imported products
1. Is fresh tasting		
3. Is a brand name I trust		
4. Is a product that my whole family enjoys		
5. Is nutritious		
6. Is pure and natural		
7. Has easy to use packaging		
8. Comes in an attractive package		
9. Comes in the right size for my family		
10. Is high quality		
11. Is a good value for the money		
12. Is always available at the store at which I shop		
13. Usually it has a lot of time until the expiration date		

Q25. **Hand the card K5 to the respondent! Read aloud contents to respondents that are unable to read to read!** In which aspect each of following states describes you? Choose one of the following answers: completely describes, mostly describes, somewhat describes, a little describes or not describes at all. So let us start in that order. **(Ask for each aspect individually! For each aspect write down in the table one of the numbers!)**

1. Completely describes
2. Mostly describes
3. Somewhat describes
4. A little describes
5. Not describes at all

Do not read!
9. Do not know/Do not wish to answer

TABLE Q25. – ATTRIBUTES	ANSWERS
1. I always try to find dairy products with the lowest price	
2. When deciding what dairy product to purchase, I look carefully the brand and packaging	
3. I always choose an imported brand over a domestically-produced one	
4. If the price is not different, I always choose a domestically produced brand over an imported one	
5. I believe that locally produced Kosovo products are of higher quality than imported ones	
6. I don't try new products very often	
7. I try to buy dairy products when they are on sale or on promotion	
8. Local dairy products have the right quality and packaging to compete against the imported ones	
9. I always buy the same dairy products	
10. I buy the dairy products that my children prefer	
11. I look for the ones that are pure and natural	
12. If I like the taste, I don't care how much it costs	

Q26. What do you like about dairy products that you can buy in Kosovo? **(Write down!)**

Do not read!
9. Do not know/Do not wish to answer **9**

Q27. What do you dislike about dairy products that you can buy in Kosovo? **(Write down!)**

Do not read!
9. Do not know/Do not wish to answer **9**

Q28. Are there other products you would like to see available? **(Mark only one answer!)**

1. Yes **→Q29** **1**
2. No **→D1** **2**

Do not read!
9. Do not know/Do not wish to answer **→D1** **9**

Q29. Could you name/describe these products? **(You can write more then one answer!)**

1. First **(Specify!)** **1**
2. Second **(Specify!)** **2**
3. Third **(Specify!)** **3**
4. Fourth **(Specify!)** **4**
5. Fifth **(Specify!)** **5**

Do not read!
9. Do not know/Do not wish to answer **9**

INTERVIEWER: READ! We have almost come to the end of the survey. If you could please be patient. Could you pleas give me several more indicators needed for statistical analysis.

D1. How old are you? **Write down the number of years gained this year. If the respondent does not answer give your own estimate and write it down!**

Write down the years! ►

Do not read!
9. Do not know/Do not wish to answer **9**

D2. To which of the following ethnic groups you consider yourself you belong to? **(Mark only one answer!)**

1. Albanian **1**
2. Serb **2**
3. Muslim **3**
4. Bosnian **4**
5. Roma **5**
6. Ashkahli **6**
7. Egyptian **7**
8. Turk **8**
9. Something else **(Specify!)** **9**

Do not read!
99. Do not know/Do not wish to answer **99**

D3. Are you employed? **(Mark only one answer!)**

1. Yes **→D5** **1**
2. No **→D4** **2**

Do not read!
9. Do not know/Do not wish to answer **→D5** **9**

D4. Are you a …? **(Mark only one answer!)**

1. Pupil **1**

2. Student 2
3. Housewife 3
4. Pensioner 4
5. With a disability 5
6. Unemployed – Looking for the job 6
7. Unemployed – Not looking for a job 7
8. Something else? **(Specify!)** 8

Do not read!
9. Do not know/Do not wish to answer 9

D5. What is your current marital status? **(Mark only one answer!)**

1. Single 1
2. Living in consensual union 2
3. Married 3
4. Divorced/Separated 4
5. Widow/Widower 5

Do not read!
9. Do not know/Do not wish to answer 9

D6. What is the highest school that you completed, if you ever went to school? **(Mark only one answer!)**

1. No school 1
2. 1-4 years of primary education 2
3. 5-8 years of primary education 3
4. 3 years of high school, craft 4
5. Completed high school – 4 years 5
6. Advanced school - 2 years 6
7. University completed 7
8. Postgraduate degree – Mr, PhD 8
9. Something else **(Specify!)** 9

Do not read!
99. Do not know/Do not wish to answer 99

D7. If the society is to divide in terms of total income and property of a household, in which category would you rank your household? **(Mark only one answer!)**

1. The edge of existence
2. Well bellow average
3. Somewhat bellow average
4. Around average
5. Somewhat above average
6. Well above average

Do not read!
9. Do not know/Do not wish to answer 9

D8. Showard K6! How much would you say that all your family monthly incomes from all sources are? **(Mark only one answer!)**

1. Less than 100 euro 1
2. 101 – 200 euro
3. 201 – 300 euro
4. 301 – 400 euro
5. 401 – 500 euro
6. 501 – 600 euro
7. 601 – 700 euro
8. More than 700 euro

Do not read!
9. Do not know/Do not wish to answer 9

D9. How many members of the family are there in your household? How many of these are younger than 15 years of age? Between 15 and 64? Older than 64? **(Write down number per each column!)**

Age group	Number
1. Overall members of the household	
2. Younger than 15	
3. 15-64 years of age	
4. Above 65	

THAT WOULD BE ALL. THANK YOU FOR YOUR TIME AND COOPERATION.

COMPLETION TIME		
	HOUR	**MINUTE**

VERY IMPORTANT! AFTER RESPONDENT HAS READ THE CONTROL SHEET, ASK THEM TO GIVE YOU THEIR TELEPHONE NUMBER FOR CONTROL PURPOSES, OR IN THE CASE THAT YOU MAY REQUIRE SOME ADDITIONAL INFORMATION, SO THAT WE ARE ABLE TO CALL THEM.

ALWAYS WRITE IN TELEPHONE AREA CODE!

TELEPHONE	

0. Respondent does not wish to give telephone number 0

INTERVIEWER TO COMPLETE AFTER LEAVING HOUSEHOLD!

IF YOU HAVE ANY SUGGESTON OR COMMENT THAT COULD IMPROVE QUALITY OF THIS SURVEY, PLEASE WRITE IT HERE. RESEARCHERS ARE VERY INTERESTED IN YOUR OPINION.

I declare that this interview was conducted in accordance with all instructions for face-to-face interviews, and with respondent selected in accordance with instruction for respondents' selections!

*Date and signature:*______________________ 1
2
3

VERY IMPORTANT! CHECK WHETHER YOU HAVE WRITTEN THE RIGHT (PRECISE) ADDRESS IN THE CONTACT LIST AND QUESTIONNAIRE! IF THE CORRECT (PRECISE) (STREET, NUMBER, FLOOR, APARTMENT OR PRECISE DESCRIPTIVE ADDRESS) IS NOT WRITTEN - THIS QUESTIONNAIRE, NOR THE CONTACT LIST, WILL BE ACCEPTED AS VALID! 4

THANK YOU VERY MUCH!

2
3
4
5
6
7
8

ANNEX VI: Average consumption and expenditures for dairy products (by region)

PRODUCT	Prishtina region		Mitrovica region		Gjakova region		Prizren region		Ferizaj region		Gjilan region		Peja region	
	Average amount per week	Avarage expenditure during last purchase (Euro)	Average amount per week	Avarage expenditure during last purchase (Euro)	Average amount per week	Avarage expenditure during last purchase (Euro)	Average amount per week	Avarage expenditure during last purchase (Euro)	Average amount per week	Avarage expenditure during last purchase (Euro)	Average amount per week	Avarage expenditure during last purchase (Euro)	Average amount per week	Avarage expenditure during last purchase (Euro)
Milk – UHT (liters)	6.3	4.8	5.9	3.5	3.5	7.4	6.4	4.8	4.6	5.5	4.9	4.5	7.5	7.1
Milk – Fresh (liters)	3.1	4.2	5.1	1.2	6.0	8.6	7.5	2.7	6.9	2.7	8.2	3.7	6.7	2.8
Milk – Flavored (liters)	1.0	0.9	2.3	1.2			1.0	1.8	1.0				7.8	6.7
Plain Yogurt – Drinkable (liters)	2.5	1.3	4.0	1.9	6.4	7.8	2.6	1.5	1.8	1.5	2.2	1.1	3.9	4.4
Plain Yogurt – Set (liters)	2.8	1.3	3.2	2.0		0.9	1.8	1.8	1.1	0.9	1.7	1.2	4.2	2.6
Fruit Yogurt – Drinkable (liters)	0.5	1.2	0.7	1.3			0.8	1.6	0.7	1.7	0.8	2.0	0.5	4.6
Fruit Yogurt – Set (piece)	0.7	1.2	0.8	1.6	1.1	3.0	1.5	0.7	0.6	0.6	1.1	1.3	1.0	2.3
Bio Yogurt – Drinkable (liters)	1.3	0.7	1.6	0.7	4.0	2.0	1.0	1.0	1.0	0.8			5.0	
Butter – Salted (kg)	0.9	2.0	0.9	1.8			0.7	3.3	1.0		0.9	3.3	0.7	4.4
Butter – Unsalted (kg)	0.6	2.6	0.9	0.7			0.9	5.4	0.6		1.0	2.8	0.7	3.6

PRODUCT	Prishtina region		Mitrovica region		Gjakova region		Prizren region		Ferizaj region		Gjilan region		Peja region	
	Average amount per week	Avarage expenditure during last purchase (Euro)	Average amount per week	Avarage expenditure during last purchase (Euro)	Average amount per week	Avarage expenditure during last purchase (Euro)	Average amount per week	Avarage expenditure during last purchase (Euro)	Average amount per week	Avarage expenditure during last purchase (Euro)	Average amount per week	Avarage expenditure during last purchase (Euro)	Average amount per week	Avarage expenditure during last purchase (Euro)
Sour Cream (kg)	2.2	1.8	2.2	1.2		9.0	4.4	1.1	1.7	1.2	2.6	1.2	2.9	3.6
White Cheese – Fresh (kg)	2.2	4.8	2.5	6.6	2.3	7.0	1.7	8.3	1.5	4.3	1.9	7.9	2.9	6.8
White Cheese – Ricota (kg)	1.4	2.2					1.9	2.7	1.4	2.9	2.0	2.5	3.3	3.2
White Cheese – Aged (kg)	1.7	4.6	1.2	2.5			1.5	11.4	1.2	6.5	1.8	6.0	2.2	7.8
Aged Yellow Cheese - Swiss type (kg)	0.3	5.0					0.5	2.6	0.4	4.6				
Aged Yellow Cheese – Kashkaval (kg)	0.3	3.8	0.2	5.2			0.2	6.5	0.3	5.9	0.2	3.5	0.5	7.0
Aged Yellow Cheese – Gouda (kg)	0.2		0.3						0.3	2.9				
Aged Yellow Cheese – Other (kg)	0.9	3.7	1.0						1.0	3.3				
Sharri - Traditional/Hard (kg)	0.9	4.7	1.0	6.3			1.1	37.4	1.2	9.5	1.0	7.1	2.0	
Sharri – Soft (kg)	1.1	5.0	1.0				1.4	18.9	1.1	8.3	0.8	9.0	1.0	

Source – Household survey, KCBS 2008

ANNEX VII: Average consumption and preferred dairy product brands

PRODUCT	Average amount per week	Average size	Number of units	Preferred brand (during last purchase)	Overal quantity (during last purchase)	Avarage expenditure (during last purchase)
Milk – UHT (liters)	7	1	1	VITA	1	1
Milk – Fresh (liters)	2	1	1	I-MLEKO	1	0.6
Milk – Flavored (liters)	1	1	1	I-MLEKO	1	1.5 and 9
Plain Yogurt – Drinkable (liters)	2	1	1	SLOVENIAN	1	1
Plain Yogurt – Set (liters)	1	1	1	YOGURT	1	1
Fruit Yogurt – Drinkable (liters)	1	0.5	1	JOGOBELLA	0.15	1
Fruit Yogurt – Set (piece)	1	0.25	1	ZOTT MONTE	0.25	1
Bio Yogurt – Drinkable (liters)	1	1	1	I-MLEKO	1	1
Butter – Salted (kg)	1	1	1	GOLD	1	3
Butter – Unsalted (kg)	1	1	1	GOLD	0.25	0.5
Sour Cream (kg)	1	1	1	BYLMETI	1	1
White Cheese – Fresh (kg)	1	1	1	FETA	1	5

PRODUCT	Average amount per week	Average size	Number of units	Preferred brand (during last purchase)	Overal quantity (during last purchase)	Avarage expenditure (during last purchase)
White Cheese – Ricota (kg)	1 and 2	1	1		1	1.5
White Cheese – Aged (kg)	1	1	1		1	2.5 and 6
Aged Yellow Cheese - Swiss type (kg)	0.25 and 0.5	0.25	1	EDAMER	0.3	2.2 - 6.5
Aged Yellow Cheese – Kashkaval (kg)	0.25	1	1	SOLE	1	5
Aged Yellow Cheese – Gouda (kg)	0.15 do 0.5	0.5	0.5		0.15 and 0.4	1 and 4.8
Aged Yellow Cheese – Other (kg)	1	0.5	1		1	1 - 5
Sharri - Traditional/Hard (kg)	1	1	1	SHARRI	1	3.5 and 4.7
Sharri – Soft (kg)	1	1	1	SHARRI	1	4.7

Source – Household survey, KCBS 2008

ANNEX VIII: Comparison of Dairy products Import/Export for 2006 and 2007, Kosovo

		Year				Increase/Decrease	
		2006		2007		2007/2006	
Group	Product	Import Q (kg)	Value (Eur)	Import Q (kg)	Value (Eur)	Qtty (kg)	%
1.Milk	1. UHT milk	23,254,202	8,705,503	22,423,945	9,918,247	-830,258	-4%
	2. Fresh milk	531,539	178,540	3,290,819	1,268,455	2,759,280	519%
	3. Flavored milk	26,307	13,880	12,638	7,010	-13,669	-52%
	4. Milk for coffee	38,859	59,409	163,702	169,532	124,843	321%
	5. Powder milk	695,226	759,174	239,703	403,209	-455,523	-66%
2.Yogurt	1. Drinkable yogurt	350,171	167,652	614,896	340,697	264,725	76%
3. Fruit Yogurt	1. Drinkable fruit yogurt	759,178	860,603	1,127,952	969,035	368,775	49%
	2. Set Fruit yogurt	348,811	292,874	378,457	357,617	29,647	8%
4. Bio Yogurt	1. Bio Yogurt	2,214	1,470	26,349	25,046	24,135	1090%
5. Butter	1. Salted butter	313,975	428,030	397,142	674,442	83,167	26%
	2. Unsalted butter	283,303	290,675	283,581	436,639	279	0%
6. Sour Crème	1. Sour Crème	4,438,738	1,967,335	5,118,455	2,675,727	679,716	15%
7. White Cheese	1. Fresh White Cheese	166,892	261,772	357,515	551,797	190,622	114%
	2. Ricotta (Xhiza)	1,330	798	4,336	2,685	3,006	226%
	3. Aged White cheese	610,095	710,644	972,650	1,775,880	362,556	59%
8. Yellow aged Cheese	1. Yellow aged Cheese - Ementaler	71,196	219,450	112,163	216,836	40,967	58%
	2. Yellow aged Cheese - Kashkava	923,416	1,932,820	939,417	2,251,606	16,001	2%
	3. Yellow aged Cheese - Gouda	64,066	165,137	75,948	193,923	11,883	19%
	4. Yellow aged Cheese - Other	466,543	1,067,032	500,892	1,135,989	34,350	7%
9. Crème	1. Crème (pavllaka	2,649,100	2,607,091	3,861,711	3,020,254	1,212,611	46%
Grand Total		35,995,160	20,689,888	40,902,272	26,394,624	4,907,113	14%

Source – Customs Office Kosovo

ANNEX IX: List of importers – 2007 – Top ten highlighted

Nr.	Company	Name of Owner	Phone	Products Imported - Companies represented
1	**Albi Commerce - Prishtine**	**Sytki Humolli**	**038 - 542 020**	**Dukat (all dairy products), Dannone, President (all dairy commodities)**
2	**Sole Kosova - Prishtine**	**Faik Konushevci**	**044 - 500 332/038 541 910**	**UHT milk, Feta cheese, Kashkavall Trapista - Sole company - Czech, Bulgaria**
3	**Baby World - Prishtine**	**Besnik Bislimi**	**044 - 500 989**	**Baby dairy products – HIPP**
4	**Delfin - Prishtine**	**Basri Krasniqi**	**038 - 540 140**	**Megle, all products. Feta cheese, yogurt, Yellow aged cheese, sour crème**
5	**Delikates - Prizren**	**Efraim Bule**	**044 - 113 426/029 42 252**	**White Cheese, Yellow aged cheese, yogurt, sour crème**
6	**Gllareva – Kline**	**Bujar Morina**	**044 - 132 166/038 243 721**	**Milk, Mlekarna Celje Slovenia, sour cream, yogurt**
7	**InterCoop group - Peje**	**Rexhep Dreshaj**	**039 - 31 991**	**Yogurt, Sour Crème, White cheese, Kashkavall – Germany & Serbia**
8	**Kosmonte - Prishtine**	**Lulzim Begaj**	**044 - 134 746/038 549 048**	**Yogurt, Fruit Yogurt, Cheese, Yellow aged cheese - Zott, Jogobella, Fructis**
9	**Meridian - Prishtine**	**Izet Sheqiri**	**044 - 503 435/038 54 521**	**Kashkaval – Trapista**
10	**Oaza – Prishtine**	**Hazbi Hasani**	**044 - 500 545/038 553 579**	**Alpsko UHT, yogurt, sour cream.**
11	Andi - Prishtine	Albert Maloku	044 - 145 038	White Cheese, Kashkavall and all commodities of Over Tej
12	Adriatik - Peja	Valdet Ramadani	039 - 34 732	unknown
13	Alaska - Vushtrri	Rexhep Zucaku	038 - 549 708	Ice cream
14	Alpina - Kacanik	Avni Salihu		Ice cream
15	AS Exim - Prishtine	Ruzhdi Hasani	038 - 545 511	unknown
16	Auloni - Prishtine	Mustaf	044 - 501 533	Nestle baby food
17	Aurora - Kamenice	Ivica Mladenovic		unknown
18	BEN AF - Suhareke	Bekim Kuqi	044 - 500 361/156 403	Pinar Milk and milk products, (currently not importing)
19	BeniDona - Prishtine	Ragip Mustafa	044 - 500 893	Etnik UHT milk filed in Macedonia
20	Bonita - Decan	Esat Jasiqi	044 - 154 870	Ice cream
21	Calabria - Gjilan	Xhelal Selimi	044 - 130 946/0280 25 903	Ice cream
22	Delta Impex - Peje	Imer Jusaj	044 - 125 494/039 35 506	Ice cream
23	Doda - Prishtine	Murteza Mehmeti	044 - 345 731/038 564 084	Yogurt
24	Elkom - Gjakove	Elhad Shehu	044 - 500 850/0390 20 068	Milk, White Cheese - Hungary
25	Elkos - Peje	Fatos Kelmendi	039 - 33 950/038 543 031	Zott, Frieshly
26	Eskimo - Decan	Skender Jasiqi	044 - 180 311	Ice cream
27	Euro Nex - Peje	Elvis Goga	044 - 125 285	small quantities
28	EuroAlba - Ferizaj	Risto Georgiev	99389 75 221 115	Milk powder for children
29	Fadi Com	Fadil Beselica	044 - 151 685/038 247 373	unknown

Nr.	Company	Name of Owner	Phone	Products Imported - Companies represented
30	Fontana - Fushe Kosove	Zejnullah Ibrahimi	063 8030 818/064 172 7648	Feta cheese, yogurt
31	Fruti - Prizren	Labinot Malsori	044 - 156 348/038 502 557	Raw milk
32	Idea - Prishtine	Ismet Zeqiri	044 - 501 991/038 552 463	Yogurt
33	InterEminex - Prishtine	Izet Limani	044 - 127 075/038 243 299	unknown
34	Kajmak - Prizren	Emin Hamza	044 - 126 560/029 43 199	Ice cream
35	Ledo - Obiliq	Denis Popoviq	044 - 262 329/ 038 525 195	Ice cream - Bosnia, Croatia, Serbia
36	Magic Ice - Lipjan	Lulzim Aliu	044 - 125 604/0280 29 857	White Cheese, milk components
37	Pronto - Prishtine	Valentina Rexha	044 - 137 768	Hopla crème used as butter

ANNEX X: List of retailers interviewed

ID	Municipality	Retailer	Respondent	Type	Contact
1	DECAN	FITORJA	BRAHIM UKEHAGJAJ	Minimarket	044372513
2	DECAN	BONITA	HATMANE DERVISHI	Supermarket	044732324
3	DECAN	LIRIDONI	MENDUHA JASIQI	Supermarket	044474885
4	FERIZAJ	ARTA	BAKI SPAHIU	Supermarket	044602926
5	FERIZAJ	GURI	ARBEN QERKINI	Supermarket	044574745
6	FERIZAJ	NENA TEREZE	FATMIR BYTYQI	Supermarket	044414567
7	FERIZAJ	REDONI	BESNIK JAHIRI	Supermarket	044121771
8	FERIZAJ	MENTORI	AIMI KRASNIQI	Hypermarket	044227919
9	FERIZAJ	MARKET	RAMADAN HALILI	Green market	049626873
10	FERIZAJ	ETC	FLAMUR LIMANI	Hypermarket	044507134
11	FERIZAJ	RESTORAN DAHI	MENTOR BUCALIU	Restaurant	044378444
12	FERIZAJ	ROUTE66	DRITON ZEFI	Fast-food	044996666
13	FERIZAJ	BEN AF	ESAT SORTOLLI	Hypermarket	044387824
14	FERIZAJ	LAURITI	MUHAMET EMINI	Supermarket	044205915
15	FERIZAJ	MIRDITA	BEKIM SHALA	Supermarket	0290320824
16	FERIZAJ	VJOSA	ALBERT BERISHA	Supermarket	044459052
17	FERIZAJ	MEDI KOMERCE	EKREM AVDYLI	Minimarket	044526454
18	FERIZAJ	ENDRITI	HYZRI SEJDIU	Supermarket	
19	FERIZAJ	MARKET	SABRI KOZHANI	Green market	044537558
20	FERIZAJ	FJOLLA	DRITON BERISHA	Minimarket	044206997
21	FERIZAJ	DEMA	ADEM QALAJ	Minimarket	044121693
22	FERIZAJ	EMINI	LIRIDON OPSMANI	Supermarket	044488456
23	FERIZAJ	ELI AB	EMRUSH AHMETI	Supermarket	044462069
24	FERIZAJ	AURON	HAMDI SALLLAHU	Hypermarket	044367702
25	FUSHE KOSOVE	RESTAURANT AVIANO	NO ANSWER	Restaurant	
26	FUSHE KOSOVE	MEKOLLI	HABIB MEKOLLI	Supermarket	044200610
27	GJAKOVE	4 YJET	MUSTAF JAKUPI	Minimarket	044645753
28	GJAKOVE	HANI HANI	ALBION PALOJA	Fast-food	044189421
29	GJAKOVE	MARIGONA	ARBNOR SPAHIJA	Supermarket	044126033
30	GJAKOVE	NERTIL	ALBINA MUHAGJERI	Hypermarket	044451661
31	GJAKOVE	EUGENI	DUKAGJIN SPAHIU	Supermarket	044253517
32	GJAKOVE	BESIANI	BIONDINA BERISHA	Supermarket	044352456
33	GJAKOVE	MARKET	IDRIZ KOCI	Green market	044626515
34	GJAKOVE	MINIMARKET ENDRITI	FATON HASNA	Minimarket	044123333
35	GJAKOVE	MARKET	PATRIOT ADEMAJ	Green market	044734922
36	GJAKOVE	CARRI	ARDIAN KASTRATI	Hypermarket	044474774
37	GJAKOVE	TRADE CENTER	FARUK GODENI	Hypermarket	044129127
38	GJAKOVE	TONI	DRITON BRAHA	Minimarket	044133789
39	GJAKOVE	NERTIL	MURLINDA RUDI	Supermarket	049635836
40	GJILAN	ALTINI 2	LULZIM MAHMUTI	Minimarket	044226762
41	GJILAN	VIVA FRESH CENTER	GEZIM ARIFI	Hypermarket	044873812
42	GJILAN	FLATRA	MIRSA RAMANI	Minimarket	044396193
43	GJILAN	REXHEPI E XIM	FAIK SHKODRA	Minimarket	044284984
44	GJILAN	VIGANI	GANI JAKUPI	Minimarket	044376436
45	GJILAN	MARKET	MUMIN ZUBAKQI	Green market	044244297

46	GJILAN	MARKET	FLORIM SALIHU	Green market	044354038
47	GJILAN	ALBINI	VALON OSMANOI	Supermarket	044703837
48	GJILAN	ANDI MARKET	FATIME KASTRATI	Supermarket	044602959
49	GJILAN	BLENDA	ZAHIR REGJEPI	Supermarket	044178321
50	GJILAN	BENI	RAFET JONUZI	Supermarket	044923383
51	K.MITROVICA	VUJKE	MIROSLLAV VUJIQ	Kiosk	
52	K.MITROVICA	FILIP	V VUKIQ	Minimarket	0638750754
53	K.MITROVICA	NELJA KOMERC	NEMUDIN ABDULAHOVIC	Minimarket	0643674005
54	K.MITROVICA	GILE KOMERC	MARKOVIC RAJKO	Supermarket	0637497048
55	K.MITROVICA	SOKOLICA	MARICA JOVIC	Supermarket	
56	K.MITROVICA	IBAR KOMERC	RADMILA MITIC	Supermarket	
57	K.MITROVICA	BELI DVOR	MIRKO KOSTIC	Restaurant	645783717
58	K.MITROVICA	TIHA NOC	TODOR SVETANOVIC	Restaurant	
59	K.MITROVICA	BB	V.KASTRATOVIC	Restaurant	0642869304
60	K.MITROVICA	MARKET	ZIVKO RADISIC	Green market	
61	K.MITROVICA	MARKET	MIROSLAV SMIGIC	Green market	
62	K.MITROVICA	KIOSK GALE	A.MIRCIC	Kiosk	
63	MITROVICE	MARKET	BESNIK MIFTARI	Green market	0645475748
64	MITROVICE	MARKET	ARSIM BAJRAMI	Green market	044414835
65	MITROVICE	HOTEL PALACE	IDRIZ KELMENDI	Restaurant	044146563
66	MITROVICE	FM BAR	YLBER	Restaurant	044540420
67	MITROVICE	KRAPI	TEKI GERGJALIU	Restaurant	044175040
68	MITROVICE	FLORENT 1	QERIM KAJMODAMQAJ	Supermarket	044694388
69	MITROVICE	FLORENT 2	BASHKIM BEKA	Supermarket	044272179
70	MITROVICE	DEPO DRILONI	LEUTRIM BINAKU	Supermarket	0644124919
71	MITROVICE	BAMEX	REMI	Hypermarket	044175040
72	MITROVICE	KIVI	BESNIK PRETEM	Supermarket	044272086
73	MITROVICE	XHAFI MARKET	XHAFI MARKET	Hypermarket	044330041
74	MITROVICE	PORTOKALLI 2	KUJTIM MURAJ	Supermarket	0637040087
75	MITROVICE	OKI MARKET	FIDAN MORINA	Supermarket	044450345
76	MITROVICE	GERMOVA	FAIDIL SADIKU	Supermarket	044164390
77	OBILIQ	GAZI MARKET	NO ANSWER	Minimarket	
78	OBILIQ	VLLEZERIT MJEKU	NO ANSWER	Supermarket	
79	OBILIQ	KASTRIOTI	NO ANSWER	Supermarket	
80	OBILIQ	MARKET XHIOLA	NO ANSWER	Supermarket	
81	OBILIQ	MARKET 2	NO ANSWER	Supermarket	
82	OBILIQ	ERONA	NO ANSWER	Hypermarket	
83	PEJE	EVRA MARKET	GAMIN NALLBANI	Supermarket	044665433
84	PEJE	EURA MARKET	SAMIR NALLBANI	Supermarket	044665443
85	PEJE	BAJRAMI	HASAN GASHI	Supermarket	044965453
86	PEJE	MARKET	SHABAN AVDIA	Green market	0640062783
87	PEJE	MARKET	HAXHI KADRIJA	Green market	
88	PEJE	ERZA MARKET	EVZI ZOGJ	Supermarket	044205309
89	PEJE	AGIMI MARKET	DREN NALLBANI	Supermarket	044774610
90	PEJE	UNION -T	GENT BERDYNA	Supermarket	
91	PEJE	FRESH 92	BURIM LOGJA	Supermarket	0649444465
92	PEJE	LUANI	SELIM GASHI	Supermarket	03932980
93	PEJE	YLLI	HEKURA KELMENDI	Supermarket	44251666
94	PEJE	RENESANSA	AGIM NIKQI	Supermarket	044189637

95	PEJE	PIZERIA 86	AVDYL SKABANAJ	Restaurant	044919314
96	PEJE	VALI MARKET	VALON JOGIQI	Supermarket	044928140
97	PEJE	FAST FOOD ADI	ADMIR SHYTA	Fast-food	0390326410
98	PEJE	KU	KRESHNIKE JONUZZAJ	Hypermarket	044607395
99	PEJE	FAST FOOD NOTI	LABINOT SAHITI	Fast-food	044251964
100	PEJE	KOLLAKU	NYSRET KOLLAKU	Supermarket	0649078563
101	PEJE	KELERA	AFERDITA SYLA	Supermarket	044221294
102	PEJE	FRESH	NEHA BALOTI	Hypermarket	
103	PEJE	80 SEDEIF	ARBRESHA SEDEFI	Supermarket	44220689
104	PEJE	MIRI MINI	YLL LAJQI	Supermarket	0644969115
105	PEJE	ETC	NITA SAKANGJIU	Hypermarket	044675504
106	PEJE	RESTAURANT VICTORY	MUSA BLAKA	Restaurant	044139239
107	PEJE	HOTEL SHALA	ABEDIN SHALA	Restaurant	044394382
108	PEJE	TIRANA	FLORIM SYLAJ	Restaurant	044246902
109	PODUJEVE	AGNESA	BASHKIM MURATI	Supermarket	
110	PODUJEVE	UNIVERTRADE	NO ANSWER	Hypermarket	
111	PRISHTINE	SHOP MARKET	ISAK MENIXHI	Minimarket	044237435
112	PRISHTINE	RITA	AVNI SELMANI	Minimarket	044342225
113	PRISHTINE	SHPETA	RAFET VITIA	Hypermarket	044630500
114	PRISHTINE	ARDI	ISMET DULI	Supermarket	044225756
115	PRISHTINE	PRAPASHTICA	NAIM ISLAMI	Supermarket	044876935
116	PRISHTINE	UNIVERTRADE	SUZANA SHIKOVA	Hypermarket	
117	PRISHTINE	BBC	JETULLAH RUHSITI	Supermarket	044283219
118	PRISHTINE	MARKET	YMER GASHI	Green market	044287201
119	PRISHTINE	MARKET	NAZMI BAZALAJ	Green market	044544700
120	PRISHTINE	MARKET	XHEVDET SHALA	Green market	044332354
121	PRISHTINE	MARKET	DARDAN BEKTESHI	Green market	044402617
122	PRISHTINE	NITI MEK	AFERDITA KAMBERI	Minimarket	044406620
123	PRISHTINE	FESTIMI	FERA GASHI	Minimarket	044249369
124	PRISHTINE	ROUTE 66	LUAN DUSHI	Fast-food	044937905
125	PRISHTINE	VICTORY	FAHRI DRAGUSHI	Restaurant	044167827
126	PRISHTINE	AGORA	LAVDI KASTRATI	Restaurant	044163496
127	PRISHTINE	HOTEL GRAND	KADRI HASANXHEKA	Restaurant	044243153
128	PRISHTINE	ELIDA	BAJRAM IDRIZI	Milk restaurant	044311550
129	PRISHTINE	AROMA	AGRON CIKAJ	Fast-food	044168423
130	PRISHTINE	FELLINI	NO ANSWER	Milk restaurant	044655602
131	PRISHTINE	BENAF	BURIM KUQI	Restaurant	044454723
132	PRISHTINE	GJAKOVA CITY	VALON CERMJAKU	Fast-food	044267988
133	PRISHTINE	SHIJA	GAZMEND MEHMETI	Fast-food	044312749
134	PRISHTINE	MAXI 2	ENIS ABDURRAHMANI	Hypermarket	044286823
135	PRISHTINE	ARDIANI	BERAT DINAJ	Supermarket	044627076
136	PRISHTINE	ALBANA AG	AGRON GASHI	Supermarket	044195400
137	PRISHTINE	BENI DONA	ELMAZE DERVISHOLLI	Supermarket	044233818
138	PRISHTINE	XHEKAJ	NO ANSWER	Supermarket	044721576
139	PRISHTINE	BENI	NO ANSWER	Supermarket	
140	PRISHTINE	DONI NOKI	LENDITA GASHI	Supermarket	044521230
141	PRISHTINE	3 MARKET	MUHAMET AJAZI	Supermarket	044111275
142	PRISHTINE	INTEREMINEX	BESIM ABAZI	Supermarket	044742540
143	PRISHTINE	ELIDA	NO ANSWER	Supermarket	044160423
144	PRISHTINE	PERPARIMI	BASRI BERISHA	Supermarket	044411922

145	PRISHTINE	VALI	FATON ORALLANI	Supermarket	
146	PRISHTINE	ALBINI	MIHANE HALIMI	Supermarket	038542925
147	PRISHTINE	INTEREX	MIFTAR SHERIFI	Hypermarket	044469141
148	PRISHTINE	ALBANA	SABRI VLLAHIU	Supermarket	044318916
149	PRISHTINE	VIVA	SHEQIR GASHI	Supermarket	044625507
150	PRISHTINE	MEMA	ISMET UKA	Supermarket	044218997
151	PRISHTINE	ETC	NERXHIVANE SADIKU	Hypermarket	044507857
152	PRISHTINE	SNICERS	VJOLLCA BAHTIRI	Supermarket	
153	PRISHTINE	BLU MARKET	FLORJETA KASTRATI	Supermarket	044458258
154	PRISHTINE	ARDIANI	HEKURAN MAZREKAJ	Supermarket	044238618
155	PRIZREN	ERA MARKET	FAZLI BYTYQI	Minimarket	044191962
156	PRIZREN	FLAMURI	AFRIM GASHI	Supermarket	044412885
157	PRIZREN	DUGI	DUKAGJIN GAVAZAJ	Minimarket	044237424
158	PRIZREN	HODA	DAUT HODAJ	Supermarket	044216930
159	PRIZREN	MIGJENI EKSEN	DONJETA MALLAKU	Supermarket	044201490
160	PRIZREN	BENAF	MEHMET KUQI	Hypermarket	044219023
161	PRIZREN	DESTAN	DESTAN HOXHALLKJUR	Supermarket	044353800
162	PRIZREN	EDO	LEVENT SHAIPI	Minimarket	044365841
163	PRIZREN	FRUKTUL	SHPRESA SAQA	Supermarket	044638524
164	PRIZREN	PLUS	PETRIT SYLEJMANI	Minimarket	044216134
165	PRIZREN	DIELLZA	RESHAT KAMBERAJ	Minimarket	044129935
166	PRIZREN	MARKET	SAHIT MORINA	Green market	044371614
167	PRIZREN	FIDANI	ADBDULLAH HOXHA	Restaurant	044634425
168	PRIZREN	TE SYLA	JETON DAPKO	Restaurant	044147604
169	PRIZREN	BURIMI	GAZMEND KELMENDI	Restaurant	044190359
170	PRIZREN	JAFS	FAIK BORKU	Minimarket	044564119
171	PRIZREN	KEVINI	AGRON SALIHU	Supermarket	044256700
172	RAHOVEC	MARKET	NUREDIN GASHI	Green market	049780573
173	SUHAREKE	GENTA	MUSLI BAJRAKTARI	Supermarket	044186729
174	SUHAREKE	BENAF	BUJAR HOXHA	Hypermarket	044758530
175	SUHAREKE	CELI	ARJANA JAHAJ	Supermarket	044365258
176	SUHAREKE	RONA	RILIND GASHI	Supermarket	044715032
177	VITI	RESTORAN LINOLLI	SINAN TERPEZA	Restaurant	044979890
178	VITI	RIFA	NEHAT GASHI	Minimarket	044408611
179	VUSHTRRI	GEZIMI	GEZIM GERGJALIU	Minimarket	044198894
180	VUSHTRRI	BLEDI	FERKI KOVAQI	Supermarket	044212667
181	VUSHTRRI	PALLMA	BAHRI UKIQI	Supermarket	044627175
182	VUSHTRRI	ELAN PETROL	NERGJIVANE KASTRATI	Hypermarket	044197631

ANNEX XI: Retailers questionnaire

<table>
<tr><td colspan="8">Prism Research</td></tr>
<tr><td>Coordinator</td><td></td><td>Interviewer</td><td colspan="5"></td></tr>
<tr><td rowspan="2">Municipality</td><td rowspan="2"></td><td rowspan="2">Date of interview</td><td colspan="2"></td><td colspan="3"></td></tr>
<tr><td colspan="2">DATE</td><td colspan="3">MONTH</td></tr>
<tr><td rowspan="3">Name of retailer</td><td rowspan="3"></td><td rowspan="3">Time</td><td></td><td></td><td></td><td colspan="2"></td></tr>
<tr><td>Hour</td><td>Min</td><td>Hour</td><td colspan="2">Min</td></tr>
<tr><td colspan="2">Beginning</td><td colspan="3">End</td></tr>
</table>

Respondent: Name and surname		**Age of respondent**	
Working position of the respondent		**Gender or respondent**	**1. Male** **2. Female**

<table>
<tr><td>Address</td><td colspan="4"></td></tr>
<tr><td colspan="5">Describe address - In cases when there is no accurate data:</td></tr>
<tr><td rowspan="4">Telephone</td><td colspan="2">Work</td><td colspan="2">Private</td></tr>
<tr><td>Tel</td><td></td><td>Tel</td><td></td></tr>
<tr><td>Mo b</td><td></td><td>Mob</td><td></td></tr>
<tr><td colspan="2"></td><td colspan="2"></td></tr>
<tr><td>TYPE OF OWNERSHIP</td><td colspan="4">1. Private
2. Socially owned
3. Mixed
4. Foreign
5. Something else: _______________</td></tr>
<tr><td>TOTAL NUMBER OF POINTS OF SALES IN KOSOVO</td><td colspan="4"></td></tr>
<tr><td>TOTAL SPACE OF WHOLESALE IN SQUARE METERS</td><td colspan="4"></td></tr>
<tr><td>LOCATION OF THE PREMISES</td><td colspan="4">1. down town center 2. around city 3. suburbs 4.</td></tr>
<tr><td>TOTAL SPACE OF RETAIL IN SQUARE METERS</td><td colspan="4"></td></tr>
<tr><td>TYPE OF SALES</td><td colspan="4">1. Hypermarket
2. Supermarket
3. Mini market
4. Fast - food
5. Milk resturant
6. Restaurant
8. Retail
9. Else (Specify!) _______________</td></tr>
</table>

PURCHASED
K1. CATEGORY – MILK

Type (specific)	Period	Producer (country of origin)	Importer/Distributer/ Wholesale	Qty	Size of package	Price

TOTAL SALES
K1. CATEGORY – MILK

Type (specific)	Period	Producer (country of origin)	Importer/Distributer /Wholesale	Qty	Size of package	Price

PURCHASED
K2. CATEGORY – YOGURT

Type (specific)	Period	Producer (country of origin)	Importer/Distributer/ Wholesale	Qty	Size of package	Price

TOTAL SALES
K2. CATEGORY – YOGURT

Type (specific)	Period	Producer (country of origin)	Importer/Distributer/ Wholesale	Qty	Size of package	Price

IMPORTED/ BOUGHT
K3. CATEGORY – BUTTER

Type	Period	Producer (country of origin)	Importer/Distributer/ Wholesale	Qty	Size of package	Price

TOTAL SALES
K3. CATEGORY – BUTTER

Type (specific)	Period	Producer (country of origin)	Importer/Distributer/ Wholesale	Qty	Size of package	Price

PURCHASED
K4. CATEGORY – SOUR CREAM

Type (specific)	Period	Producer (country of origin)	Importer/Distributer/ Wholesale	Qty	Size of package	Price

TOTAL SALES
K4. CATEGORY – SOUR CREAM

Type (specific)	Period	Producer (country of origin)	Importer/Distributer/ Wholesale	Qty	Size of package	Price

PURCHASED
K5. CATEGORY – WHITE CHEESE

Type (specific)	Period	Producer (country of origin)	Importer/Distributer/ Wholesale	Qty	Size of package	Price

TOTAL SALES
K5. CATEGORY – WHITE CHEESE

Type (specific)	Period	Producer (country of origin)	Importer/Distributer/ Wholesale	Qty	Size of package	Price

PURCHASED
K6. CATEGORY – YELLOW CHEESE

Type (specific)	Period	Producer (country of origin)	Importer/Distributer /Wholesale	Qty	Size of package	Price

TOTAL SALES
K6. CATEGORY – YELLOW CHEESE

Type (specific)	Period	Producer (country of origin)	Importer/Distributer/Wholesale	Qty	Size of package	Price

Q1. Did you have any product that you could not sell, due to expiry date or any other damage in the mean time? **(Circle only one response!)**

1. Yes	**→Q2**	**1**
2. No	**→Q3.**	**2**

2. What was the overall percentage of the product you did not sell (per each product), due to expiry date or any other damage caused to these products? **(Write down response per each category of the dairy product unsold due to any damage!)**

ITEM	Percentage
K1. Milk	
K2. Yogurt	
K3. Butter	
K4. Sour Cream	
K5. White Cheese - Fresh	
K6. Yellow Cheese – Kashkaval	

Q3. Who are the main distributors that you purchase the dairy products for your retail? **(You can write up to three distributors or businesses that respondent purchases dairy products from!)**

1. ______________________

2. ______________________

3. ______________________

ANNEX XII: List of stakeholders interviewed

Nr	Institution/Organization	Name	Position
1	MAFRD	Bajram Imeri	Director of livestock departament
2	KDPA	Nexhi	Director of association
3	Kosmonte	Lulzim Begaj	Manager
4	MAXI	Lirim Jakupi	Manager
5	Customs	Ardian Jashari	Statistic officer
6	ABI	Alajdin Fusha	General manager
7	Chamber of Commerce	Ruzhdi Kurtishaj	Expert
8	Devolli	Ismet Bojku	General manager
9	KVFA	Besfort Gunga	Chief of border control
10	Taunita	Albert Maloku	Manager
11	GTZ	Mustafe Kastrati	Project assistant
12	Prishtina market	Wholesale trader	
13	Hotel Prishtina	Blerim Piliqi	Owner
14	SOK	Bajrush Qevani	Director of agriculture statistics
15	Interex	Muje Osmani	Sales manager
16	Magic Ice	Lulzim Aliu	Owner/Manager

ANNEX XIII: Summary of Interviews with stakeholders

Interviews with main stakeholders in dairy industry are part of the study on dairy market and organized since they have the best overview of the sector in general and know the specifics. In total 16 stakeholders were interviewed covering public sector, importers, supermarkets, processors, hotels, green market and dairy association.

At the beginning some of the interviewers weren't ready to be interviewed but after some clarifications and letter of support from KCBS we succeeded to arrange meetings and discuss about dairy market in Kosovo. Meetings were one on one with key people representing sector.

Public sector was represented firstly by Ministry of Agriculture, Forestry and Rural Development and interviews were organized with two main sectors involved in dairy sector: Livestock Sector and Kosovo Veterinary Services.

In discussion with livestock sector mainly we received some general information on dairy sector and references on the projects that have worked in Dairy sector till now. They believe that sector is still under development and see lack of bigger farms as the main problem for the development of the sector/

Kosovo Veterinary and Food Agency (KVFA) is providing licenses of import and all the import is under their control. During our conservation they had some concern about the real data accuracy and said that data provided from their side could be 70 – 80 % correct maximum. Comparing the data with Custom Office it was noticed that for some products different codes were used. There are limitations within the department on data preparations and analysis that could be used from the Ministry of Agriculture for policy analysis. Our concern about information on import from Serbia showed that only 0.5 % of total dairy import is from Serbia. We have to notice that still there is a smuggling of dairy products from Serbia but in smaller quantities. List of importers was obtained from this office and some general information on import but not information on quantities imported from each of these importers since KVFA considered them as business secret.

Another representative of the public sector was Kosovo Chamber of Commerce still after meeting with them we can conclude that this institution has no or very low level of information on dairy sector and consider that Kosovo Dairy Association Processors (KDPA) are in charge for the sector.

Statistical office of Kosova (SOK) meeting showed the limitations the institution has in relation to statistical data and their further analysis. Only limited information were received from their side on import through years. Currently they are still developing their staff and some time will be needed to receive accurate data from their side.

Custom Office was very collaborative and provided us with Import data for 2006 and 2007. After receiving them we compared data and we conclude that it is obvious we have improvement of data comparing it with data from 2003 and 2004. Our discussion with them showed their lack of knowledge about dairy products. Looking at import data we can observe registration of different commodities under same code making very difficult for researcher to divide them in specific categories. Custom office needs support especially in relation to knowledge on technical issues.

Data received from Custom office were revised and presented in different format to KCBS in order to be more usable for them for the future and for dairy market research.

Kosovo Dairy Processor Association (KDPA) is an association created to support dairy industry but for the moment their activities are limited and information they have are usually received from KCBS project or through reports from Swiss Dairy project.

Interviews with importers like Kosmonte showed that importers are very independent and it is very difficult to get data from their side about sales. Based on discussions with owner it can be observed that storage conditions are better within this sector and transport is well organized with trucks and distributors all over Kosovo. The variety of dairy products imported from his company are covering yogurt, fruit yogurt, kashkavall, sour cream, white cheese and some other dairy products. The main problem he is facing is lack of cash flow since most of the sales are done on friendly basis or business links without advance payment or delayed payment. He usually has to wait sometimes till the products are sold to receive the money. He is sure that quality of products offered from his side is excellent and marketing is appropriate from his side. Increased competitiveness is the key for the development of the sector. At the same time Custom office need to be improved since he believes that some of the companies are not reporting their import properly. He believes that at least 20 – 30 % of import isn't reported. Andi company – cheese importer from other side believes that quality of some imported products like kashkavall and white cheese are of low quality and usually quantities not sold in EU countries. He is interested to start Cheese processing facility since he has long experience with cheese and believe that more varieties of cheese will improve competition in the market.

In discussion with local processors the main issue mentioned was under invoicing from the importers, unfair competition and lack of support for the improvement of their processing side. ABI and Devolli understand very well market situation and they believe they can compete with import if the conditions are fair. With some improvement of the technology and proper support from banking system they can gain more market share locally and even export in the countries of region. Magic Ice as well noted that with better milk supply and better support from banking system he can be very competitive in the market with very qualitative white cheese.

Supermarkets in Prishtina are very careful to discuss their sale data since they perceive them as secrets. Currently most of them believe that they face unfair competition and are reluctant to any kind of studies from donor side. Usually employees are ready to collaborate but when it comes to owners things stop developing.

Green market in Prishtina is market where dairy products are sold under very un-hygienic conditions and currently they are only few of them selling there. At the entrance of green dairy market usually we can observe local producers selling 'xhiza' and very low quality of White cheese, very rare we can find good quality. Traders inside Dairy market mainly are selling imported products from Sjenica and local products from Peja region that are dominating the market still the quantities sold are decreasing due to availability of this products in Supermarkets as well. Products available are: white Cheese, Sjenica cheese, 'xhiza', sour cream, butter, 'kajmak', etc. Traders interviewed are confident that they have loyal buyers due to the fact that their products are fresh. Usually traders from Sjenica bring bigger quantities to trader home in Vushtrri and from there he transports dairy products to dairy market in Prishtina.

Hotels are very high consumers of dairy products like: UHT milk, yellow aged cheese, white cheese, sour cream, etc. and usually are trying to purchase fresh and safe products. These products are included in the price of hotel room mainly for breakfast.

GTZ project on Sharri cheese is working with this specific product since 2004 and they are trying to improve the quality, hygiene and strengthen marketing of this product. Most of the reports on Sharri cheese are in German so we couldn't receive more information than general data. GTZ will continue to support development of Sharri cheese market and increase quantities available in the market. One of main challenges will be to increase number of sheep and quantities of milk available to process Sharri cheese.

It will be challenging in the future to improve the relation between all main stakeholders and share data that could support overall development of dairy sector in Kosovo.

ANNEX XIV: References

1. Kosovo Swiss Dairy Project – Kosovar dairy market (Part 1: overall market assessment) – 2003;
2. Marketing Support Project – Agri food Sector review – 2006;
3. UNMIK EPO Study on Competitiveness of Dairy Sector – 2005;
4. Dairy Industry in Kosovo, April 2007.