



---

**REPUBLIKA E SHQIPËRISË**  
**AUTORITETI I KONKURENCËS**

**PRESS RELEASE**

On 7 November 2024, the Competition Authority concluded the in-depth investigation procedure regarding the companies Erzeni SHPK, Gjrofarma SHA, ADG SHPK (Lufra), and SHAKA Boboshticë SHPK in the market of production and wholesale trade of dairy by-products (cheese and butter). During the investigation period, after analyzing extensive data, it was concluded that:

1. There are no legal barriers to this market of new enterprises. Any enterprise that possesses economic opportunities is free to enter the market and compete, and currently no enterprise has a dominant position in the relevant market. In the sub-markets of cheese and butter sales, the existence of potential competition with countervailing buyer power is assuming;
2. For 2023<sup>1</sup>, referring to the survey of milk and its by-products published by INSTAT, it is noted that the total amount of milk collected from all kinds of livestock is about 101 thousand tons, of which 80 thousand tonnes are cow milk, 13 thousand tonnes of sheep's milk and about 8 thousand tons are goat milk. The comparison of the data shows that there is a decrease in the accumulated amount of cow's milk, which for 2023 has suffered a decrease of about 14 thousand tonnes referred to in 2021. While for 2023, compared to 2022, cow's milk has a decrease according to the accumulated amount by 7 thousand tonnes, or about 9%. From the data analyzed in the investigation procedure it is found that for the production of 1 kg of cheese (white or cash cow) requires 8 to 9 litres of milk. This amount also accounts for 80% of the cost of this by product.
3. The total amount of imported milk powder for 2022 is 1,290,875 kg for 2023 is 997,650 kg and January-June 2024, it is 317,689 kg. The findings during the inspections result that the companies under investigation do not use or use very little milk powder for other derivatives of milk that are not the object of this investigation (yogurt with fruit, sour cream etc.);
4. For cheese product from cow's milk the enterprises under investigation occupy about 9.7% for 2022 and about 15% for 2023 of the manufactured market quantity at the national level; for cheese product from sheep's milk, about 18% for 2022 and about 17% for 2023 of the quantity produced market at the national level; For cheese from goat's milk product, about 33% for 2022 and about 24% for 2023 of the manufactured market quantity nationally, while for the butter product, enterprises under investigation occupy about 28% for 2022 and about 52% for 2023 of the manufactured market quantity nationally. It is important to know that beyond the percentages.
5. In relation to the price increase (mainly during 2022) it is concluded that the main reason for the price increase of dairy products is the increase in the price of raw milk

---

<sup>1</sup> <https://www.instat.gov.al/al/temat/bujq%C3%ABsia-dhe-peshkimi/blegtoria/publikimet/2024/qum%C3%ABshti-dhe-n%C3%ABnproduktet-e-tij-2023/>

supplied by farmers , which is the raw material for the by-products produced. The farmers say the reasons for the increase in milk prices are: increased cost of livestock feed base; reduction of the number of heads, which is confirmed by INSTAT statistics, because the number of heads breeding in our country has decreased; increased price of plastics (aboard), fuel, gas and electricity. Despite the above in the estimate of the monthly average purchase price by Erzeni shpk enterprises, Gjiofarma sha and Shaka Boboshticë shpk results in approximate prices (varies in the range from 1.1 all to 4.58 LEK) during January, February, March 2022. In June, July and October 2022 and November 2023 a very approximate purchase price (varies in the range from 0.6 to 1.7 lek) from Shaka Boboshticë and ADG enterprises. In February and December 2023, a very approximate price (varies in the range from 0.3 lek to 1.3 ALL) purchases by companies Gjiofarma and ADG are noted. For the period January-June 2024, it is noted that in June all companies have the cheapest buyer price for the year. From the analysis of the monthly average purchase price of cow and goat milk for enterprises Erzeni LLC, ADG SHPK, SHAKA Boboshticë SHPK and Gjiofarma SHA, it is noted that they are different from each other with differences ranging from 0.3 to 46% for cow milk and from 0.3% to 27% for goat milk during the investigative period, not observing signs of coordinated behavior in the meaning of Article 4 of Law No. 1. 9121/2003 “On the protection of competition”;

6. The enterprises under investigation for the investigative period have realized the supply of raw milk to different farmers in different geographical areas and as a result they have not used common supplies in the sense of Article 4 point b, c of Law No. 100. 9121/2003;
7. Regarding the profit rate for 2023, enterprises operating in the sub-markets of production and sale of cheese and butter products have a profit rate of up to 13.8%, while the enterprises under investigation: ERZENI SHPK, ADG SHPK, GJIROFARMA SHA, SHAKA BOBOSHTICË SHPK result with profit rate of 2% to 7%, i.e. less than 10%;
8. Regarding the average monthly sales prices of the hard cheese sheep, applied by the enterprises ERZENI SHPK, ADG SHPK, SHAKA BOBOSHTICË SHPK and GJIROFARM SHA, the analysis realized confirms that they are different from each other with differences ranging from 1% to 64% during the investigative period and the pace of their change is different; Through the same analysis it also turns out that the average monthly sales prices of white sheep cheese applied by the enterprises Erzeni LLC, Shaka Boboshticë LLC and Gjiofarm SHA are different from each other during the investigative period and the pace of their change is different, noticing signs of a coordinated behavior in terms of Article 4 of law no. 9121/2003 "On the Protection of Competition”.

At the conclusion of the in-depth investigation, after evaluating all the documentation administered during the investigation procedure and the analysis of the conduct of the companies that exercise activities in the wholesale and production of products white cow cheese, white sheep cheese, white goat cheese, cow cheese, sheep cheese and cow butter, In terms of competition analysis: market structure, wholesale prices and financial economic power, it turns out that no direct and indirect evidence of cooperation between enterprises has

been found, not observing signs of a co-ordinated agreement or behaviour between them, according to the provisions of Article 4 of Law No. 100. 9121, dated 28.07.2003 "On the protection of competition"

Also, taking into account the criteria for assessing the dominant position, such as: market share of enterprises, barriers to market access, potential competition, counter-operative power of buyers, economic and financial power of enterprises, based on Article 8 of Law No. 8. No. 9121/2003, it turns out that there are no companies with dominant position in the relevant market, therefore we are not under the conditions of the implementation of Article 9 of the Law no. No. 9121/2003. Notably, the problems encountered during the investigation require the taking of some measures by the respective institutions.

For this reason, the Competition Commission by decision no. 1131, following the closure of the investigation, also decided:

1. Recommend to the National Food Authority:
  - To reinforce its role for rigorously implementing controls in terms of quality and microbiological parameters of milk as raw materials.
2. Recommend to the Ministry of Finance:
  - To undertake initiatives for an integrated strategy in the fight against informality as the competent institution responsible for preventing and combating informality in the market
3. Recommend to the Ministry of Agriculture and Rural Development that:
  - To undertake the initiative for drafting and revising the sub-legal draft and amend secondary legislation acts thrust under law no. 9441, dated 11.11.2005, with the aim of regulating them and increasing competition in the market, based on the problems found in the market for the production and marketing of milk and its by-products;
  - To undertake the initiative to create a database for monitoring retail prices of basket products (dairy products) monitoring retail prices of staple dairy products, with the aim of increasing competition through transparency and better comparability of these prices online.

Furthermore, please consult the official website of the Competition Authority in <http://caa.gov.al>.