Analysis of Legal Risk in Farms of Intensive Chicken Production -The Case of Kosovo

AGIM NDREGJONI Faculty of Business, "Aleksander Moisiu" University Durrës, ALBANIA

ARIF MURRJA Faculty of Economics and Agribusiness, Agricultural University of Tirana, ORCID: 0000-0002-6794-8782, ALBANIA

LLAMBI PRENDI Faculty of Business, "Aleksander Moisiu" University Durrës, ALBANIA

Abstract: - The intensive poultry industry in Kosovo fulfills a significant portion of the local demand for eggs. Considering this context, the sustainable development of this industry necessitates specific attention due to potential risks and threats. This paper aims to identify and evaluate legal risk events associated with the industry. We created a questionnaire with eight questions, using information from previous research and considering the actual conditions of the intensive poultry industry in Kosovo. Through face-to-face interviews with farmers and agricultural economists, we empirically assessed the likelihood and impact of each legal risk event. We set using a Likert scale ranging from 1 (very low) to 5 (very high). Both qualitative and quantitative methods were employed to evaluate the risk level of each event. The qualitative analysis and interpretation of the results emphasized the risk factors, which were categorized based on severity. The findings indicate that two events exhibit a mouse-like level of aggressiveness; one mirrors the aggressiveness of a rabbit, another resembles that of a shark, and four display the hostility of a lion. The quantitative analysis and interpretation of the results revealed a relatively high distribution of 75%, with a standard deviation of 9,608 euros and a considerably high coefficient of variation (95%) if these events were to occur. To mitigate the adverse impact of legal risk events, we recommend that farmers seek additional information and consult with professionals such as economists, veterinarians, animal husbandry experts, and lawyers.

Key-Words: - Risk, legal/law, probability, qualitative and quantitative evaluation, matrix, Kosovo.

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1 Introduction

Thanks to its geographical position, number of sunny days, fertile soil, [1], [2], [3], road infrastructure, suitable market, and consumer culture, Kosovo has a consolidated industry in egg production, [2]. Eggs are an essential food product and traditional food with the highest consumption in Kosovo, [4]. Currently, producers in Kosovo operate in a functional market and meet domestic consumption requirements for eggs. Unlike the situation with eggs, the chicken meat sector is under development, the satisfaction of consumer needs is low, and imported products dominate the market.

Investments in the construction of farms, slaughterhouses, and meat processing companies in this sector will increase production. They will gradually replace the need for imports. The development of intensive farms for the production of eggs and meat has a relatively short history in Kosovo (the last two decades), [2], [5].

The Republic of Kosovo is part of the Western Balkans in Europe. Currently, "Western Balkans" is a political term that refers to the countries that are located in the Balkans but have not yet been integrated into the European Union (EU), [6]. These countries are Albania (AL), Kosovo (KS), Bosnia and Herzegovina (BIH), Montenegro (ME), Serbia (SB), and North Macedonia (MNK), [7], [8], [9], [10], [11], [12], [13], [14], [15]. Despite being situated in the Western Balkan, Croatia is typically not classified in that group due to its membership in the European Union (EU). Our research focuses on Kosovo, which has an area of 10,908 km², divided into seven regions and 1,798,188 inhabitants, [2], [16], [17], [18]. A map of Kosovo is presented in Figure 1.



Fig. 1: Map of the Republic of Kosovo

The production is oriented only to the production of eggs. Consumption is 206 eggs per year per resident. Eggs produced in Kosovo meet 99% of consumer needs. In recent years, the production of chicken meat has started. Domestically produced flesh covers 7.1% of consumption needs. The number of birds in 2020 has increased by 4.4% compared to 2021, [2], [5], [16], [17], [18].

The cost of egg production is higher compared to other countries because the size of the farm is small, and the technology is old. The average output per head is about 295 eggs per year. The average price of eggs varies from 3.59 euros/pack to 4.19 euros/pack (the pack contains 30 eggs). Variable expenses account for 81% of total revenue. Regarding payments, a significant % of our budget, 70%, is allocated toward purchasing feed for our broiler chickens.

We allocate 23% of our budget towards purchasing 18-week-old birds. It's crucial to efficiently manage these expenses to maintain the success and longevity of our operation. The remaining expenses include municipal, veterinary, slaughterhouse fees, packaging, and delivery costs. These additional expenses make up only 4% of the total income. In 2013 somebody introduced an initiative to offer subsidies to the poultry industry. The amount of payment a farm receives depends on the number of chickens they have. Farms with 2,400 to 10,000 chickens receive a donation of €0.50 per head. Farms with 10,000 to 20,000 chickens receive €0.40 per head, while those with over 20,000 chickens receive €0.30 per head, [2], [5], [16], [17], [18].

Legal risk events in the poultry sector are numerous. There is no similar research. Previous research analyzes the cost of egg production, [5], [19], various diseases, [20], [21], [22], and the use of antibiotics in chicken feed, [23]. In the poultry sector in Kosovo, research has been done on production risk, [16], market risk, [17], financial risk, [18], and human resources risk, [2].

This paper focuses on the identification and qualitative and quantitative assessment of legal risk in intensive chicken farms. The research results will help farmers recognize the levels of risk and the aggressiveness of legal risk events. Also, this study aims to recommend to the farmer the means or strategies for coping with legal risk events.

2 Literature Review

Farmers' daily activities have legal implications, [24], particularly in fulfilling business agreements and contracts. Please comply with these agreements to avoid significant costs associated with legal risks. Another primary source of legal trouble is legal wrongdoing - causing harm to another person or damage to property due to negligence, [25]. Legal risks underlie all other types of hazards. Production practices must comply with environmental laws; otherwise, it leads to significant penalties. Most marketing and financial decisions are subject to contract law, and the inability to meet legal standards leads to disputes that have disadvantages, [26]. Farmers must also meet legal obligations regarding paying taxes, workers' salaries, pension insurance, health insurance, and occupational safety requirements. Behavioral and communication responsibility is another important source of legal risk. Accidents resulting in injury or death of farmworkers severely impact farm activity.

Meanwhile, one of the problems of legal risk is institutional risk, which includes uncertainties about government policies / adverse changes, [27], [28]. Finally, legal risk is closely related to environmental responsibility, water quality concerns, erosion, pesticide use, [25], and food safety, [29]. Legal risk management has a significant impact on the success and longevity of the farm.

Farm risks fall into five main categories: production risk, market risk, financial risk, legal/institutional risk, and human resource risk, [2], [16], [17], [18] [24], [25], [26], [28], [29], [30], [31], [32], [33], [34], [35], [36], [37], [38], [39], [40], [41], [42]. The five primary sources of risk (the five significant risks) of the farm are otherwise called, [25].

Figure 2 illustrates the conceptual framework of the research. Our team drew from the works of multiple authors along with various international risk management standards, [2], [16], [17], [18], [32], [33], [34], [43], [44], [45], [46], and tailored them to fit our research.



Fig. 2: Conceptual framework of the study Source: Adopted to our study from [2], [16], [17], [18]

This study addresses the following research questions:

RQ₁: Out of eight legal risk events, how many are low- and low-risk factors? (or have the aggressiveness of a mouse).

RQ₂: Out of eight legal risk events, how many are average risk factors? (or have the aggressiveness of a rabbit).

RQ₃: Out of eight legal risk events, how many are high-risk factors? (or have the aggressiveness of a shark).

RQ₄: Out of eight legal risk events, how many are high-risk factors? (or have the aggressiveness of a lion).

RQ₅: Is the perceived risk more significant than the anticipated financial gain?

RQ₆: What is the dispersion of the predicted bulls?

RQ₇: What is the standard deviation of the predicted damages?

2.1 Research on the Risk of Poultry in Kosovo

From the empirical analysis of the types of production risk, market risk, financial risk, and human risk in farms of intensive growth of chickens for egg production in Kosovo, the following conclusions have been reached, [2], [16], [17], [18]:

For production risk: 17 production risk events were analyzed empirically. Of these events: 2 events (R_{p2} -Low temperatures up to -200C, R_{p17} -Damage of production during transportation) are a low or very low-risk factor or have mouse aggressiveness; 12 (R_{p3}-Fire, events R_{p5}-Pests, Rp7-Covid-19 pandemics, R_{p8}-Production bio-chemical damage, Rp9-Production damage from human resource incompetence, R_{p10}-Uncertainty in the use of medications, R_{p11}-Workforce poor health, age, and wellbeing, R_{p12}-Production theft, R_{p13}-Poor quality of the production, R_{p14}- Damage of the production growth and storage process, R_{p15}-Breakdown in the use of machinery and equipment, R_{p16}- Breakdown due to electrical power outage) is an average risk factor or have the aggressiveness of a rabbit; 3 events (R_{p1}-High temperatures up to 350C, R_{p4}-Lightning, R_{p6}-Poultry diseases) are a high-risk factor or have the hostility of a shark; and no very high-risk event results, [16].

For market risk: Empirical analysis was conducted on seven market risk events. Of these events: 2 events (R_{m2}- packaging standards, R_{m7}failure to record income and expenses) are a low/very low-risk factor or have mouse aggressiveness; 2 events (R_{m3}-Competition, R_{m5}-Reduction of consumer revenues) are an average risk factor or have the hostility of a rabbit; 1 event (R_{m6}- Applying 100% tax to Serbian, and Bosnian goods is a high-risk factor or has the aggressiveness of а shark, and one event (R_{m1}-Price fluctuation/price declining) is a very high-risk factor or has the hostility of a lion, [17].

For financial risk: 9 financial risk events were empirically analyzed. Of these events: 3 events (R_{f7} -Currency exchange rate, R_{f9} - Inflation, R_{f8} -Economic decline) are a low or deficient risk factor or have mouse aggressiveness; 2 events (R_{f6} - Failure to forecast production, R_{f5} - High expenses for the family); 1 event (R_{f4} - High cost of debt) is a highrisk factor or has the aggressiveness of a shark; and three events (R_{f2} - Low profits, R_{f1} - Lack of liquidity, R_{f3} - High prices of production factors) is a high-risk factor or has the aggressiveness of a shark; and three events, [18].

For the risk of human resources: 9 risk events were empirically analyzed. Of these events: 2 events (R_{h9} - Accidents of employees at work, R_{h6} -Environmental pollution) are a low or very low-risk factor or have mouse aggressiveness; 4 events (R_{h1} -Managerial incompetence of the farm owner, R_{h4} -Displacement of family members from the farm, R_{h5} - Professional incompetence of employees in agriculture, R_{h7} - Failure to train employees) are an average risk factor or have the aggressiveness of a rabbit; 2 events (R_{h2} - Premature death of the farm owner, R_{h3} - Divorce in the family) are a high-risk factor or have the aggressiveness of the shark; 1 event (R_{h8} - Lack of legal provisions knowledge) it is a very high-risk factor, or they have the hostility of a lion, [2].

2.2 Research on the Risk of Poultry in the World

Poultry farmers finance the farm activity themselves. Financial institutions see the farm business in the poultry field as high risk because they have high mortality and low production, [47], [48]. In addition to financial factors, obstacles in raising poultry for production are human resources, production factors, marketing, and technology, [49]. Economic risk consists of input price fluctuations, output price fluctuations, and input unavailability. Production risk is associated with poor yields due to bad weather, disease outbreaks, insufficient and untimely supplies of inputs, adequate credit, and lack of processing technology, [50]. Financing agricultural operations with debt can expose farmers to financial risk when expenses exceed income resulting in a financial deficit, [51]. Extensive research has shown that financial risk is a highly significant risk category within the poultry industry, [18], [50], [52], [53], [54], [55]. Financial risk is an essential barrier to farm entrepreneurship development, [56], [57]. Covid 19 hurt the poultry production industry. The closing of restaurants reduced the demand for poultry products. Avian influenza outbreaks have negative financial impacts, [58], [59].

3 Materials and Methods

The study employed a combination of both qualitative and quantitative methods. Many researchers consider this combination practical and logical, requiring experience, knowledge, and creativity. The research findings are grounded in empirical data cited in sources, [60], [61], [62]. The same methodology was used in studies of production risk, market risk, financial risk, and human resources risk in the intensive poultry industry in Kosovo, [2], [16], [17], [18]. Qualitative risk assessment aims to provide knowledge about the levels and aggressiveness of legal risk events, [2], [16], [17], [18], [63]. Quantitative evaluation aims to measure the dispersion and standard deviation of the financial bull, [2], [16], [17], [18], [63], [64], [65].

To find the literature on which we base our search, we used these phrases: Farm/agricultural risk management, Qualitative assessment of legal risk on the farm, Quantitative assessment of legal trouble on the farm, Qualitative evaluation method, Quantitative evaluation method, Qualitative and quantitative evaluation method, Farm/agriculture risk analysis, [2], [16], [17], [18], [66].

3.1 Data Sample

In our research, we utilized primary data. Out of 160 farms throughout Kosovo, [2], [18], we have conducted surveys with 33 of them. The survey was conducted in 7 regions of Kosovo (Table 1). To measure the reliability of our caption, we used the following formulas, [67].

$$t = \frac{\overline{x} - \mu}{S / \sqrt{n}}$$
 where $\mu = \overline{x} - t \frac{S}{\sqrt{n}}$

 μ - Average population data; \overline{x} - Average choice (5.5); t - Confidence level (1- α) = 0.95 and safety α = 0.05, where value Z α = 1.96; S - The variance of choice (3,26); n - Sample size (33).

Table 1 presents the calculations of the reliability components of the sample.

No.	Region	Xi	\overline{x}	$\frac{(x_i - x_i)}{x}$	$\frac{(x_i)}{x}$
1	Ferizaj	2	5.5	(3.5)	12.3
2	Gjakova	8	5.5	2.5	6.3
3	Gjilan	5	5.5	(0.5)	0.3
4	Mitrovica	2	5.5	(3.5)	12.3
5	Peja	3	5.5	(2.5)	6.3
6	Prishtina	10	5.5	4.5	20.3
7	Prizren	3	5.5	(2.5)	6.3
No. of regions = 7		n=33	6	$\sum (x_i - x_i) = 63,8$	$(x^{-})^{2} =$

Table 1. Estimation of the sample confidence level

From the calculations, $S^2=63.8/6 = 10.63$. And choosing the confidence level $(1-\alpha) = 0.95$, we get: in which variance with the distribution farmer t with (n - 1) degrees of freedom is such that the value t(n-1;0.05) satisfies the condition that the integral if (t; n-1) between -t(n - 1;0.05) and t(n-1;0.05) is 0.95. In our study, we have 0.95 = probability [5.5 - 0.95 (3.26/5.74)] $\leq \mu \leq [5.5 + 0.95 (3.26/5.74)]$. Thus, we get $4.96 \leq \mu \leq 6.04$, [2], [19], [17], [18].

3.2 Legal Risk Identification Techniques

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Identification of risk events in business is one of the stages of the risk management process, [2], [16], [17], [18], [42]. In this process, it is essential to understand the risk sources and event selection techniques, [61], [68], [69], [70], [71]. First, we have listed all types of legal risks. Then a survey was conducted, where the farmers selected the eight legal risk events. A list of all legal risks has been made based on event dynamics and empirical analysis (reliance on practice and experience), (Table 3). We identified nine events that could lead to legal risk. However, we only analysed eight of them because the "Farm Owner Offense" event had no impact, according to the surveys conducted with farmers, with zero probability and consequence.

3.3 Legal Risk Analysis

The term risk is complex. The two measures of risk are probability and consequence. Their combination evaluates the risk in quantitative terms, [34], [71], [72]. In risk level assessments, the 5-point Likert scale method is known, [62], [73], [74], [75]. In Figure 3 and Figure 4, you can find risk matrices that show the likelihood and potential impact of legal risks. The accompanying Table 2 and Table 3 provide further details and qualitative evaluations of these events.

Table 2. Generic description and empirical
assessment (in numbers, words, and colors) of the
event probability [2] [16] [17] [18]

Possibility Color						
of event	Freq.	Sc.	(P)	ratin		
occurrence				g		
Event occurrence almost impossible (1%)	1 time	1	Very low	Gree n		
Rare event occurrence (2%)	2-10 times	2	Low	Light green		
Possible event occurrence (3-9%)	11-30 times	3	Avera ge	Yello w		
Frequent event occurrence (10-39%)	31-40 times	4	High	Oran ge		
Almost certain event occurrences (by 40%)	Over 41 times	5	Very high	Red		

Table 3. Generic description and qualitative
assessment (in numbers, words, and colors) of the
event consequences, [2], [16], [17], [18].

Consequence description	Value of damage	Scale	Conseq.	Color rating
Very low consequence	Up to 1,150€	(1-3)	Very low	Green
Low consequence	1,151€ - 2,300 €	(4-6)	Low	Light green
Average consequence	2,301€ - 10,150 €	(7-9)	Average	Yellow
High consequence	10,151€- 44,000 €	(10- 12)	High	Orange
Very high consequence	Over 44,000€	(13- 15)	Very high	Red

Questionnaire design: The questionnaire consists of two parts, each containing eight open-ended questions. To begin, we need to evaluate the probability of the event empirically. The second part requires a practical assessment of the event's consequences. Then the combination of the likelihood and impact of the event is done. This combination determines the risk factor for each event.

The conversion of concepts into measurable variables for the study was carried out according to the following Table 4, [2].

Tabela 4. Conversion of concepts into study	1
variables	

First sectio	Second section/ quantitative assessment				
Vari able	्य हु त्र हु method			Quantitative measurement method	
		(1) Very low (2) Low (3)		1 time 2-10 times 11-30	ncy ars
I	Probability (P)	Average (4) High (5) Very		times 31-40 times Over 41 times	Freque in 5 ye
Legal risk even	Consequence (C)	high (1) Very low (2) Low (3) Average (4) High (5) Very high	RF = P*C		Value of damage

3.3.1 Empirical (Qualitative) Assessment of Legal Risk

We have coded the risk factors in the matrix. The coding of risk factors is the nominal assessment of risk, [76], [77], [78]. Table 5 presents the coding of risk factors using their respective symbols.

Table 5. Nominal assessment of legal risk events
(placement of codes or symbols)

Legal risk events	Symbol
The failure of the farm owner to meet their financial responsibilities is considered negligent and irresponsible.	R_{L1}
If clients, customers, or rental properties do not follow the agreements or contracts, non-compliance will occur.	R _{L2}
3 Court cases.	R _{L3}
They need to meet the instructions for 4 using nutrients and keeping proper records.	R _{L4}
5 Not following laws related to food safety can lead to failures.	R _{L5}
6 Lack of information.	R _{L6}
Lack of consultation with experts7(lawyers, economists, veterinarians, zootechnicians.	R _{L7}
8 I have a limited amount of time to study.	R _{L8}

Source: Authors' elaboration

Risk matrix: One of the simplest ways to illustrate the risk factor is the matrix. The use of the risk matrix is an essential risk management tool, [2], [16], [17], [18], [42], [71]. Figure 3 presents the risk according to levels (from 1 to 5) and illustrates the aggressiveness of the risk, [2], [16], [17], [18].



Fig. 3: Matrix of qualitative risk levels

3.3.2 Quantitative Estimation of Legal Risk

There are many statistical risk measures. In our research, we used: interval width, dispersion, standard deviation, and coefficient of variation, [2], [16], [17], [18], [79], [80]. These measurements are called variable measurements. The calculation formulas are:

- 1. Interval width: $I_{width} = X_{max} X_{min}$;
- 2. Dispersion (the extent to which values of a variable differ from a fixed value such as the mean): $D^2 = \Sigma (x_i x)^2/n-1$;
- 3. Standard deviation;
- 4. Coefficient of Variation Cv = (D/x).

3.4 Legal Risk Communication

The purpose of our research is very dimensional. In addition to identification, quality assessment is also communication of recommendations the to stakeholders. The results and requests are prioritized: first to the farmers, second to the central and local governments, and third to the researchers in the field. Communication of results should provide information for better decision-making, [2], [16], [17], [18], [81], [82].

4 Analysis, Results and Discussion

4.1 Empirical Assessment of Legal Risk

Table 6 reflects the qualitative statements according to empirical reviews of probability and consequence; and quantitative data. The primary data present the average value of the financial loss in euros for the last five years.

Table 6. Combined probability assessment with the
consequence (risk factor) and damage values in
euros for each event

Risk	Legal risk	(P)	(\mathbf{C})	(RF)	Damage
code	events	(1)	(C)		value
(1)	(2)	(3)	(4)	(5)=3*4	(6)
R _{L1}	The failure of the farm owner to meet their financial responsibilities is considered negligent and irresponsible.	4	12	48	27,500
R _{L2}	If clients, customers, or rental properties do not follow the agreements or contracts, non- compliance will occur.	2	2	4	2,500
R _{L3}	Court cases.	1	12	12	5,500
R _{L4}	They need to meet the instructions for using nutrients and keeping proper records.	3	3	9	6,000
R _{L5}	Not following laws related to food safety can lead to failures.	1	4	4	500
R_{L6}	Lack of information.	4	10	40	10,000
R _{L7}	Lack of consultation with experts (lawyers, economists, veterinarians, zootechnicians, etc).	4	11	44	25,000
R _{L8}	I have a limited amount of time to study.	4	12	48	5,000

Source: Authors' elaboration

Farmers' perception does not follow the trend of damages for all legal risk events, which means we have inconsistencies between them.



Fig. 4: Legal risk analysis matrix *Source: Authors' elaboration*

From the legal risk matrix analysis in Figure 4, we find that for the eight legal risk events, the farmers' perceptions are:

- Four events are very high-risk factors.
- One event is a high-risk factor.
- One event is a medium risk factor.
- Two events are low-risk factors.

4.2 Quantitative Legal Risk Assessment Analysis

Table 7 shows the calculation of the Dispersion (D^2) , Standard Deviation (D), and Coefficient of Variation (Cv) components.

Table 7. Calculation of statistical measures of legal

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risk events (EUR)					
-	м.	-			
n	Xi	x	$(x_{i}-X)$	$(x_i - X)^2$	
1	27,500	10,250	17,250	297,562,500	
2	2,500	10,250	(7,750)	60,062,500	
3	5,500	10,250	(4,750)	22,562,500	
4	6,000	10,250	(4,250)	18,062,500	
5	500	10,250	(9,750)	95,062,500	
6	10,000	10,250	(250)	62,500	
7	25,000	10,250	14,750	217,562,500	
8	5,000	10,250	(5,250)	27,562,500	
Interval	27,000				
Dispers	75%				
Standar	9,608				
Coefficient of Variation (C _v)				94%	

Source: Authors' elaboration

The financial impact of legal risk events can vary greatly, with a range of $\notin 27,000$ and an average standard deviation of $\notin 9,608$. The evaluation considers the different categories listed in Table 3 and considers the standard deviation and dispersion. Additionally, the coefficient of variation is high at 94%.



Fig. 5: Dispersion of damage from legal risk events *Source: Authors' elaboration*

The distribution of the value of damages is over \notin 500 and under \notin 2,500, which includes 75% (6/8)

of the total surveys taken in the study (See Figure 5).

5 Conclusions

5.1 From the Analysis, Results, and Discussions, we Come to the Following Conclusions

 R_{L1} - The negligence or irresponsibility of the farm owner in paying the financial obligations is a very high-risk factor. They explain the inability to pay due to a lack of liquidity. Non-payment increases the cost of financial obligations as the interest burden increases. When laws related to taxes and fees are not applied, the issue usually ends up in court. Regrettably, this often results in a financial loss.

 R_{L2} - Non-compliance with agreements or contracts (clients, clients, and rents), the risk factor is low. Non-compliance with customer requirements is uncommon but can occur when inaccurate production forecasts occur.

 R_{L3} - In various court cases, the risk factor is high. Litigation is mainly about delays in paying fiscal obligations. In addition to interest on arrears, farmers also pay court costs.

 R_{L4} - The average risk factor is failing to follow the instructions for using nutrients and keeping proper records. Farmers do not consult a master technician for drafting food rations.

 R_{L5} - Non-implementation of legal provisions on food safety is a low-risk factor associated with very little financial damage. There is opposition between R_{L5} and R_{L4} , but currently, there are no identified safety issues with production.

 R_{L6} - Lack of information is a very high-risk factor. Farmers are not receiving updated information from the Ministry of Agriculture, Forestry and Rural Development or other private and public institutions such as institutes and universities' information bulletins.

 R_{L7} - Failure to consult with experts (lawyers, economists, veterinarians, technicians) is a very high-risk factor. Farmers do not consult with experts in the field. They manage the farm solely based on their experience.

 R_{L8} - Limited time to study is a significant risk factor, as mentioned in R_{L6} , where the individual expressed difficulty gathering information.

5.2 From the Quantitative Analysis of Legal Risk, We Draw These Conclusions

According to empirical evaluation, legal risk factors do not follow the claims trend. So the perception of the farmers needs to follow the value of the damages caused. The perception is related or dependent on several variables, such as mode, gender, farm size, family size, and others, [83].

Legal risk events have a considerable interval width (\notin 27,000 = 27,500-500);

Relatively large dispersion to the extent of 75%;

According to Table 3, the moderate financial consequence segment ($\notin 2,301 \cdot \notin 10,150$) includes an average standard deviation of $\notin 9,608$;

The coefficient of variation is high at 94%.

The forecast of the relative variation of losses from the average of \in 10,250 results in minus or plus \in 9,608, which means: in the case of good management, losses from legal risks for the farm may be minimal (\in 642); and in case of mismanagement, losses from legal threats to the farm may be high (\in 19,858).

6 Recommendations

Our research ensures that the farm's carrying capacity is not exceeded, thus avoiding potential risks. Accepting the threat beyond the carrying capacity of the farm enterprise will make it impossible to cover the losses, [84]. After the analysis and conclusions, to help farmers in successful decision-making, we inform and recommend the following:

- Events: $(R_{L2}$ -Non-compliance with agreements or contracts (clients, clients, and leases); R_{L5} Non-implementation of legal provisions on food safety) are deficient risk factors. The negative impacts of the two events are negligible. They do not affect the objectives of the enterprise. And the means of their treatment is self-financing.
- Event: (R_{L4}-Failure to follow instructions for using nutrients and keeping proper records) are average risk factors. There is fear and uncertainty. Farmers should consult with experts (veterinarians, economists, lawyers).
- Event: (R_{L3}-Various court cases) It is a high-risk factor. Public and private institutions should inform farmers.
- Events: (R_{L1}-Negligence or irresponsibility of the farm owner in paying fiscal obligations; R_{L6}- Lack of information; R_{L7}-Do not consult with experts (advocate,

economist, veterinarian, technician); RL8-Limited time to study) have a catastrophic impact. They affect the objectives of the enterprise. Farmers should review their insurance policies, consult legal provisions, and consider joining cooperatives for guidance.

In conclusion, an important role is played by the government or governments and mainly the line ministry (Ministry of Agriculture, Forestry and Rural Development). Therefore, we sensitize the political management in Kosovo in the future to provide unique training programs for farmers, especially for the issues raised in this study regarding legal risks. The study shows that four legal troubles, or 50% of the events included in the analysis, have lion aggressiveness (very high-risk factors). Their impact can have catastrophic consequences for the enterprise of intensive production on these farms.

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