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Emergency Rehabilitation Coordination Unit (ERCU)
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Photographs

Food and Agriculture Organization of the United Nations (FAO) in Georgia
World Wide Web

Layout and Content

Tamreez Amirzada, Reporting & Information Officer
Rati Shavgulidze, Food Security Specialist
Rusudan Tsereteli, Communications Officer
Emergency Rehabilitation Coordination Unit (ERCU)
FAO Georgia

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Foreword

During the past quarter of this year and since the first edition of the Agriculture Sector Bulletin issued in August 2009, we are now able to take stock of this year's fall harvest and other developments in the sector which we have been monitoring continuously.

The theme of the current issue looks at the land degradation in watersheds in Georgia reflecting the importance of considering the fragility of our environment and ecology. We chose this theme to highlight the significance of seeking environmentally friendly agriculture practice, especially in light of the World Summit on Sustainable Development seeking a cleaner world, and upcoming Conference on Climate Change in Copenhagen addressing such topics as global water management issues and the greenhouse effect.

After one year since the conflict had displaced over 128 000 persons in August 2008, we have witnessed a tremendous boost in recovery of this vulnerable population who for the most part have been able to return to their homes; although, some 5000 families have been resettled in over 36 locations in different regions of Georgia remaining uprooted. Given that the majority of the remaining IDP caseload comes with farming background, particular attention has been paid in finding livelihoods solutions that permit them to regain self sufficiency and food security. Nevertheless, the road to recovery for them continues to be a challenge protracting their plight until their future can be linked to the overall development plans sought nationally.

The International Community therefore continues to assist the conflict affected population until food security and livelihoods have been rehabilitated. We hope that our readers continue to be interested in the development of the agriculture sector, and support trends and patterns that will nurture this sector back to securing food for the Nation's most needy.

Cristiano F. Mandrà
Emergency Coordinator
Food and Agriculture Organization of the United Nations (FAO) in Georgia



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Agriculture in Georgia

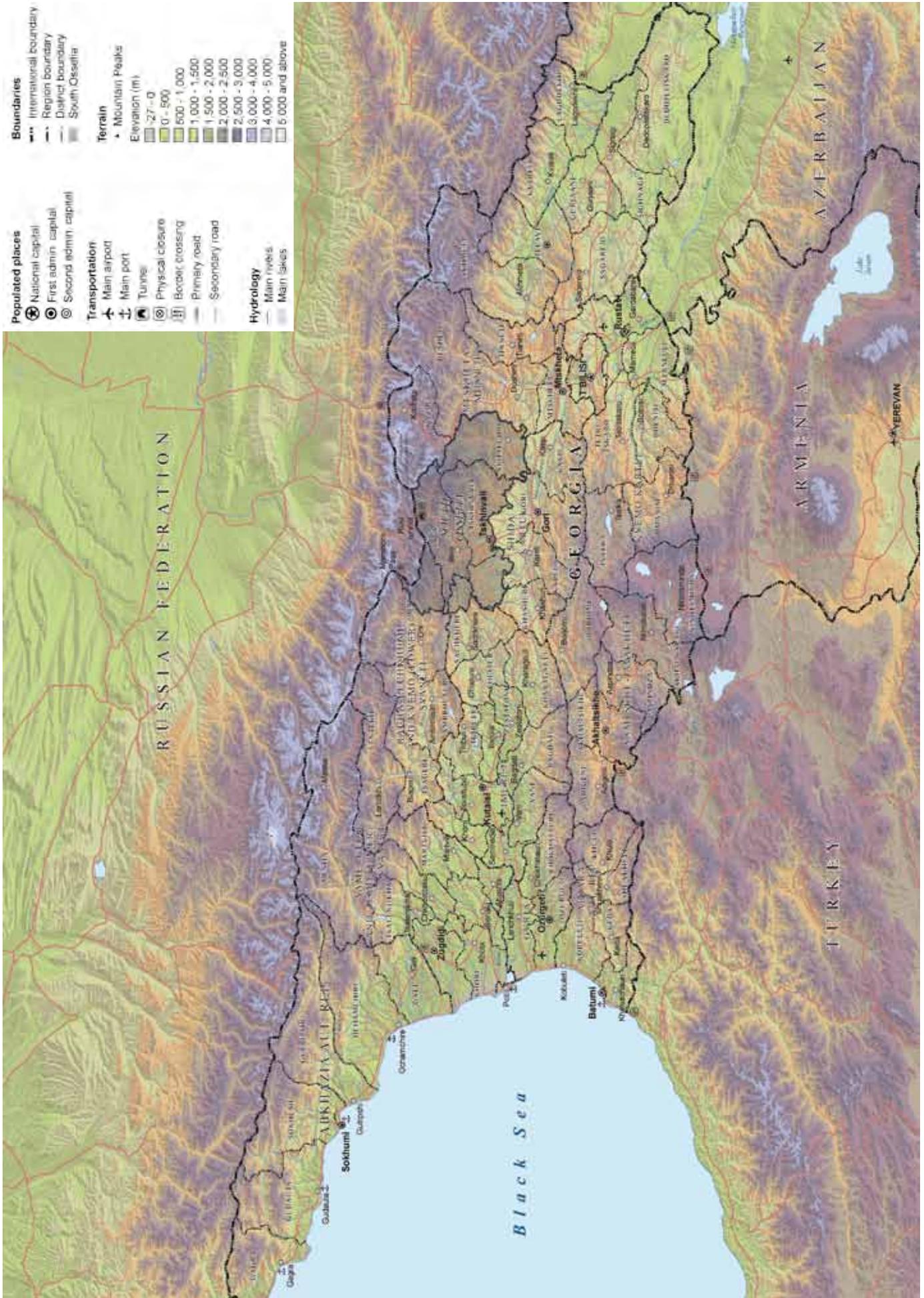
Georgia has a rich tradition in agriculture. Its fertile soil and favorable climatic conditions support development of agricultural production. A wide variety of agricultural crops can be grown in Georgia as the country has nine climatic zones.

Arable lands and forests occupy 85 percent of the country's total land area. Vertical zones with almost all types of soil and climate characterize the country. Due to such diversity, the country is divided into 13 zones and 6 sub-zones of agricultural specialization. Annual climatic conditions are favorable for the production of a variety of agricultural products including grain-crops, melons and gourds, fruit, tea and citrus fruits.

Through the last decade the sector has been gradually recovering from significant decline following independence. Due to numerous challenges faced by the nation, the pace of sector development has been slow and uneven. However, Georgia's diverse climatic conditions and natural resource endowment coupled with needed structural reforms and substantial investments in technological and infrastructural capacity will favor increased production of a wide variety of agriculture and food products, and development of a competitive high value agribusiness sector.

There are substantial findings that Georgia's economy sustained GDP growth of close to 10 percent in 2006 and 12 percent in 2007, driven by strong inflows of foreign investment and robust government spending. However, growth slowed to less than three percent in 2008, has slowed further in 2009 and the forecast is cautiously optimistic for 2010 (estimate 2%). Some quick facts are given below.

<p><u>GDP - composition by sector:</u> agriculture: 12.8% industry: 28.4% services: 58.8% (2008 est.)</p> <p><u>Labor force:</u> 2.02 million (2007 est.)</p> <p><u>Labor force - by occupation:</u> agriculture: 55.6% industry: 8.9% services: 35.5% (2006 est.)</p> <p><u>Unemployment rate:</u> 13.6% (2006 est.)</p> <p><u>Inflation rate (consumer prices):</u> 11.3% (2008 est.)</p>	<p><u>Population:</u> 4 615 807 (July 2009 est.)</p> <p><u>Area:</u> total: 69 700 sq km</p> <p><u>Land use:</u> arable land: 11.51% permanent crops: 3.79% other: 84.7% (2005)</p> <p><u>Irrigated land:</u> 4 690 sq km (2003)</p>
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Agriculture & Food Sector

Policies & News

Food Production in 2009

Grape harvest

“Harvest 2009” officially started on 5 September, though in some villages of Dedoplistskaro district grape harvest started earlier, on 20 August (www.moa.gov.ge, 21 August 2009). According to the Ministry of Agriculture 160 000 MT of grapes will be harvested this year, which is by 58 000 MT more than it was last year. Therefore, the Government might consider increase in allocation of total funding for grower price support measures. Out of the total production forecast, 140 000 MT is expected to be harvested in Kakheti region, while 20 000 MT in Racha and Imereti regions (Sarke Information Agency, 13-14 September 2009). This year Government price support to grape growers for one kilogram of “Rkatsiteli” variety grapes was 15 Tetri and “Saperavi” variety grapes - 25 Tetri. (www.moa.gov.ge, 3 October 2009)



Olive industry development prospects

The Turkish businesses plan to invest in development of olive industry in Georgia. During the official meeting at the Ministry of Agriculture, Turkish investors discussed the perspectives of

developing this sector. Turkish investors examined land parcels in Gurjaani district (Kakheti region) where olive orchards are intended to be established. (www.moa.gov.ge, 2 September 2009)



Developments in tea sector

Existing problems in tea sector, ways to address the problems and the prospect of the sector development was discussed at the meeting in Zugdidi district. The meeting was attended by the officials from the Ministry of Agriculture, local government representatives from tea producing regions and tea producers and processors. The Government considers rehabilitation of the tea sector to contribute to the development of the regions in the west Georgia, creation of new job places and improvement in general social condition of population. The Ministry of Agriculture, Parliamentary Committee on Agricultural Issues and the Academy of Agricultural Sciences jointly work on detailed analysis of existing problems in the tea sector, and identification of measures to address them. The final product of the joint effort is the sector development strategy document. (www.moa.gov.ge, 10 July 2009)

Apple Processing

Hippy juice production plant was opened in Gori district. The company will collect ecologically clean natural apples in Shida Kartli villages for further processing and producing juice for children. (MoA, October 2009).

Tangerine harvest



The 2009 tangerine harvest is projected to be almost three times greater than it was last year, at 90 000 tonnes. It will be challenging for the State to assist growers in marketing their produce either locally for further processing or internationally as a fresh produce due to different factors.

Since losing access to the Russian market, the major market for Georgian tangerines has been Ukraine. However, demand on Georgian citrus in Ukraine has been declining due to deteriorat-

ing consumer purchasing power brought by the consequences of the recent financial crises, and high price on Georgian citrus mainly driven by high transportation costs. In addition, investments upstream the value chain has been insufficient to allow full utilization of local processing capacity. (www.messenger.com.ge, 8 July 2009).

To support tangerine export to Ukraine, the Ministry of Agriculture agreed with Ukrainian counterpart on tariff rates on ferry transportation and related logistical issues. Georgian and Ukrainian officials also have discussed supply of Ukrainian market with 40 thousands MT of citrus by New Year. (www.moa.gov.ge, 14 October 2009). Representatives of MoA also held meetings in Minsk, Belarus with the objective to increase export of citrus. The first lot of the citrus fruit to Belarus is planned to be sent in the beginning of November (www.moa.gov.ge, 25 October 2009). Moreover, The State intends to assist local growers to export local tangerines to neighboring Armenia and Azerbaijan. (www.messenger.com.ge, 8 July 2009).

Increase in hazelnut prices

According to Georgian Hazelnuts Exporter Union, this year local wholesale prices on hazelnuts have increased by 20.3 percent compared to those recorded during the last year, from 2.95 Lari per kilogram to 3.55 Lari per kilogram. (Sarke Information Agency, 21 October 2009)

Rehabilitated irrigation systems in Kvemo Kartli

The intake of Khrum-canal and the main canal were repaired this year within the framework of irrigation system rehabilitation pro-

gram. Rehabilitated system will allow local farmers to irrigate areas without access to the irrigation water during the recent years. The Ministry of agriculture appealed to farmers to pay irrigation fees to ensure access to irrigation water leading to increased harvest, improvement in the quality of produce and increased incomes. Around 15 million Lari was allocated from the budget of the Ministry of Agriculture of Georgia for the rehabilitation of irrigation systems throughout the country. (www.moa.gov.ge, 11 July 2009)

Fines for unauthorized use of irrigation water

Fiscal committee of the Georgian Parliament has supported Government's initiative to impose fines for unauthorized use of irrigation water. According to the proposed amendments in Administrative Infringement Code of Georgia, the fine for unauthorized sourcing of water from irrigation systems or unauthorized use of water delivered to melioration associations will be in the amount of 250 Lari for an individual person and 500 Lari for legal entities. (Sarke Information Agency, 27 July 2009)

New intake and a pumping station on Tiriphoni main canal- Shida Kartli

Construction of a new intake and pumping station, and installation of pumps has been finalized on Tiriphoni main canal that was cut off from the headworks in Tskhinvali after the last year war. The new system is ready to start operation beginning from the next irrigation season. The water from the new intake will be pumped to the existing irrigation canal. The system is expected to supply irrigation water up to 70 percent of command area serviced before the last year war.

Design works on a new pumping station on Slatvisi main irrigation canal has been finalized. Currently, up to 20 percent of the command area serviced before the cut off of the headworks is supplied with irrigation water through the gravity flow. Construction of a new pumping station requires significant investments, and there is uncertainty when the actual implementation of construction works will be carried out. (JSC Water Project; MoA; December 2009).

Trade

Wine congress

The delegation of the Ministry of Agriculture attended 32nd Wine and Vine scientific Congress in Zagreb, Croatia. Trends and developments in wine industry worldwide were discussed at the congress. The world congress of wine and vineyards is held every year in different countries. Georgia will be hosting the next congress (www.moa.gov.ge, 3 July 2009).



Tea exhibition

The Caucasian Tea Festival was held in Tbilisi. Countries from Caucasus region and European tea producers participated in the festival. The unique tea brands produced in Caucasus region were exhibited at the festival with the initiative of "Caucasian Business and Development Net" (www.moa.gov.ge, 24 October 2009).

Wrap-up Session on DCFTA

Georgian Economic Policy and Legal Advise Center (GEPLAC) conducted concluding seminar of the first series of trainings in Deep and Comprehensive Free Trade Agreement (DCFTA) that covered all key issues outlined in the European Commission's assessment. The seminar was attended by DCFTA Working Group and its supporting staff. European Commission's (EC) assessment of Georgia's preparedness for a DCFTA with the EU was presented to the Georgian Government (GoG) on 26 March 2009. It outlined key priorities for this preparation. The first priority is to strengthen the administrative capacity of the institutions to be involved in DCFTA negotiations, in particular capacity of the task force responsible for the preparatory works. This task force was created by GoG resolution No. 78 as of 14 April 2009 in a form of a special working group (<http://geplac.org/eng/>, 7 August, 2009).

Simplified pre-import rules

According to the amendments in resolution of the Government of Georgia as of 18 August, 2005 on spot pre-import inspection of the importing enterprises is not mandatory if the enterprise is recognized by EU member countries. The made amendment simplifies the process of obtaining import permits and exempts importers from additional expenses. (www.fvp.ge, 5 October 2009)

Plant protection

The chemical treatment in the West Georgia

National Service of Food Safety, Veterinary and Plant Protection has implemented measures against the fall webworm on 4 700 hectare in Samegrelo and Guria regions. (Sarke Information Agency, 3 July 2009)

Anti-locust measures

The National Service carried out anti-locust measures in Kakheti, Kvemo Kartli and Samtskhe-Javakheti regions. In total, 11 817 hectare was treated with insecticide. Geographic breakdown of conducted works is as follows:

Kakheti region: Gurjaani – 565 hectare; Sagarejo – 1 173 hectare; Sigangi – 1 647 hectare; Dedoplistskaro – 5 468 hectare; Akhmeta, Kasritskali – 1 630 hectare.

Kvemo Kartli region: Marneuli – 979 hectare; Gardabani – 315 hectare.

Samtskhe-Javakheti region: Akhaltsikhe – 10 hectare; Adigeni – 40 hectare (www.fvp.ge, 13 July, 2009).

Anti-pest measures

The National Service completed second round of anti-pest measures. In total, anti-pest measures were implemented on 18 170 hectare in Guria-Samegerlo region, West Georgia. According to the National Service, this year anti-pest measures were implemented on a larger scale compared to those during the previous years. (www.fvp.ge, 16 September 2009)

Animal health

Government's new policy on village-level veterinary system

The National Service presented Government's new policy initiative to local veterinaries in Akhaltsikhe district, Samtskhe-Javakheti region. The objective of the new policy is to support establishment of a village-level veterinary system. The new policy initiative considers the Government to contract local private veterinaries, rehabilitate old veterinary service centers and establish new ones. This initiative also should create new job opportunities locally for veterinarians and legalize private veterinary activities. (www.fvp.ge, 24 July 2009)



Meeting on animal health protection issues

The Minister of Agriculture held the meeting with the representatives of Donor Community on animal health protection issues. The meeting was attended by the MoA, National Service of Food Safety, Veterinary and Plant protection, and the representatives of USDA, UN FAO and the World Bank. Meeting participants discussed future coordination issues. (www.moa.gov.ge, 16 July 2009)

Vaccination against rabbies

The National Service as a preventive measure has been implementing vaccination against rabbies throughout the country. During the recent years, recorded cases of rabbies have been increasing. This year, through the relevant State Program vaccination of 150 000 cats and dogs is planned. As of September, 92 131 domestic animals have already been treated. (www.fvp.ge, 18 September 2009)

Avian flu research

Georgian research institutions will participate in international research on spreading avian influenza virus. The memorandum of understanding was signed by the National Service, National Service for Disease Control and Ilia Chavchavadze University. Within the frame of the project sero-monitoring of migratory birds will be implemented. The research will be funded by Wellcome Trust, the largest charity organization in Great Britain. (www.fvp.ge, 27 August 2009)

Food safety

Holland hosted National Service of Food Safety, Veterinary and Plant Protection

In July, the representatives of National Service were invited to Holland by Dutch Medical Development Center of Veterinary Drug Department. During the meetings National Service representatives were shared with the Dutch experience in veterinary drug registration. Also, the discussions addressed issues related to harmonization of relevant Georgian and European legislation, and veterinary drug registration and monitoring. (www.fvp.ge, 20 July 2009).

Deferral in inspection of food processing enterprises

According to the made amendments to the law on Food Safety and Quality, enforcement of inspection of food producing enterprises will be initiated beginning from 2011 instead of 2010. On December 10th, Parliamentary Committee on Sectoral Economy and Economic Policy has adopted proposed amendments at the first hearing, and approved its accelerated submission to the plenary session (SarkeMailServer, December 10 2009)



Donor Support & Aid Activities

Development activities

Wheat harvest in Shida Kartli

Wheat harvest has started in Gori district. Within the framework of "Millennium Program" high productive wheat seed was planted on 12.5 thousand Hectares in Gori and Kareli districts. 40 MT of wheat is expected to be harvested from which 15 MT will be used as a seed and the remaining will be processed into flour. High yielding wheat seed was distributed among Shida Kartli population affected by the last year war (www.moa.gov.ge, 29 July 2009).

UN FAO National Medium Term Priority Framework (NMTPF) mission UN FAO NMTPF mission held meeting with the representatives of Food Safety, Veterinary and Plant Protection National Service. During the meeting the members of NMTPF mission stated about FAO interest to contribute to the development of Agricultural sector in Georgia, and FAO intentions to implement projects in support to priority sub-sectors. During the meeting agrochemical and phyto-sanitary issues, and the ways to address existing problems were also discussed.

The project implementation is based on a national consultation process which results in jointly agreed strategic priorities for Georgia – FAO collaboration in the medium run and the related action plan for the next 3-5 years (www.fvp.ge, 7 August 2009).



Industrial feed mill in Adjara

In 2008, USAID's AgVANTAGE project partnered with local feed mill company to establish a medium size industrial feed mill operation in Adjara. The Project has purchased a processing line and opened a feed mill that can produce up to 25 metric tons of animal feed per day. It is estimated that farmers in the region could increase their income by up to ten percent through lower animal feed prices. In addition to lower feed costs, the mill will employ up to ten people and provide a potential market for local grain growers. (www.usaid.org.ge, 7 July 2009).

Vegetable contract farming in Kvemo Kartli region

In an effort to support the development of the vegetable sector in the Kvemo Kartli Region, USAID-GEII project helped to link over 140 small farmers with the Marneuli based vegetable processing company. GEII helped to broker a deal for the company to purchase tomatoes from the local farmers. To help farmers increase their productivity, GEII introduced new technologies such as drip irrigation and linked farmers to suppliers that would provide additional technical assistance during the growing season. The modern irrigation systems and higher quality inputs have contributed to the reduction of grower production costs by 25 percent and increase in productivity approximately by 30 percent. To meet Company's tomato needs, the farmers have expanded their cultivated land area by 41 hectares. The increased production allows farmers to select highest quality tomatoes to sell on the fresh market at premium prices and still retain enough tomatoes to fill the processor's orders. The Company is now able to source sufficient amount of tomatoes to expand production activities and possibly begin an export business in the near future. (www.usaid.org.ge)

Small dairy farmers benefit from USAID assistance

The USAID-GEII project has provided cooling tanks, milk analyzers, veterinary training and training in sustainable cooperative/partnership development in the regions of Kakheti, Shida Karti and Samstke-Javakheti. The cooling tanks are capable of storing 1400 tons of raw milk per day. Farmers groups use these cooling tanks to store the milk before producing cheese, and improve the milk quality. Milk then is processed and sold at already established markets in Tbilisi. These storage facilities provide a stable

source of income to the farmers. GEII also supported these cooperatives with establishment of an animal insemination center, trained veterinaries in Artificial Insemination and linked them with semen distribution company operating in Georgia. Additionally, GEII helped to link farmers from the supported farmer groups with Turkish aid organization TIKA. With financial support from TIKA local producers have visited Turkey, where Turkish farmers shared their professional experience, including skills and practical usage of modern technologies. (www.usaid.org.ge)

Isolated rural Georgian communities benefit from investments in the herbs and medicinal plant sector

The processors and exporters cannot meet the growing demand of the export market for products like bilberry, rosehip, and other herbs and medicinal plants as they lacked quality dryers and adequate space to dry larger quantities of raw material. In order to provide a solution to this constraint, the USAID- GEII has supported the use of new technologies in drying by providing a medicinal plant processor in the community of Anaseuli in the mountainous region of Guria an adiabatic/isentropic dryer, vacuum packaging and moisture meter equipments. These dryers allow processors to gain high efficiency and allow quality production through the regulation of drying process.

These are the type of products demanded at CIS, EU and North American markets. Higher export prices will be beneficial for both processors and collectors of plants/herbs. The drying facility that GEII is supporting in Anaseuli will buy raw materials from 300 collectors who in turn will earn from USD500 to USD2500 per the collection season depending on the amount of collect. The processor will then export this product to Ukraine.



New technology to Kakheti

The cooperative kitchen that officially opened in the village Kachreti provides farmers with up-to-date technology for washing fruit and vegetable, cleaning jars, cooking, sterilizing, packing and vacuum sealing. This small-scale production can process up to 250 kilograms of fruit and vegetable daily, and ensures safe working environment and modern sanitary standards. For marketing purposes, all products – jam, sauce, and sealed vegetables, sell under the same brand – “Kakheti Gardens.” The cooperative kitchen has been set up by the UN Development Programme (UNDP) with financial support from the government of Romania. At a cost of about USD 130 thousand, the kitchen provides processing equipment and consultancy services. The cooperative kitchen initiative is part of UNDP’s wider project for supporting regional development in Kakheti (www.undp.org.ge, 6 July 2009).

First Raspberry plots established in Lechkhumi

In November, three raspberry demonstration plots have been established in Okureshi and Usakhelo villages of Racha-Lechkhumi and Kvemo Svaneti (Tsageri municipality). 175 saplings have been planted on each of the demo-plots. In order to further disseminate this agriculture crop and increase the households’ income, 20 percent of grown plants will be distributed among interested demo-farmer’s villagers for further planting. CARE’s partner organization Abkhazintercont (AIC) has conducted trainings for demo farmers on demo-plot management and raspberry production practices.

These activities have been implemented in the framework of Strengthening Community-based Initiatives for Poverty Reduction in Racha-Lechkhumi and Kvemo-Svaneti Region of Georgia (COMBI), funded by the European Union (EU) and Austrian development Cooperation and Cooperation for Eastern Europe (ADC). (www.care-caucasus.org.ge)



“ETHNIC DIVERSITY FESTIVAL 2009” - Rural production of bordering regions of Georgia and Armenia

The “Ethnic Diversity Festival 2009” took place on November 11-12 in Rustavi. The exhibition of rural production, cultural identity corners, photo-exhibition “Diversity is our Wealth” was organized within the framework of the festival. Along with that, training on managing diversity and a round table meeting on “Prospects of Cross-border Cooperation” was held. The round table participants shared information on their current and planned activities, experiences and lessons learned in the respective fields and discussed existing problems and ways of overcoming them. The farmers, central and regional authorities, as well as international community representatives from Georgia and Armenia participated in the festival. “Ethnic diversity festival 2009” was organized within the framework of the project “Poverty Reduction and Confidence-building in Border Areas of Georgia and Armenia by



Strengthening Civil Societies in Sustainable Rural Development” (STAGE II).

The project is being implemented by CARE Österreich and CARE International in the Caucasus, along with the partner organizations – Civil Development Agency (CiDA) in Georgia and Center for Agribusiness and Rural Development (CARD) in Armenia. STAGE II is financed by the “Austrian Development Cooperation and Cooperation with Eastern Europe” (ADC). (www.care-caucasus.org.ge)

Agriculture tradeshow “TBILISOBA 2009”

More than eighty individual farmers, farmer groups from Samtskhe-Javakheti and Kvemo Kartli regions have participated in the tradeshow exhibiting their produce including various types of fresh potatoes, cheese, beet root, cottage-cheese, matsoni, cabbage, honey, carrot, onion, wool.



Exhibition of the Georgian agricultural produce was presented within the framework of the “Farmers to Markets” Project in close partnership with Didube-Chugureti Gamgeoba (Tbilisi Municipality). (www.care-caucasus.org.ge)

New milk processing enterprise in Akhaltsikhe

On September 3, in the framework of “Farmers to Markets Project”, milk processing enterprise was launched in the village Tsnisi, Akhaltsikhe municipality of the Samtskhe-Javakheti region. The enterprise has the capacity to process 5 000 liters of milk daily. Three types of cheese (Hard Cheese, Imeretian, Sulguni), as well as cottage-cheese and sour-cream will be produced, packed and distributed. In October 2009 Tsnisi based enterprise was granted with ISO 9001: 22000.



With the creation of the factory, 24 Tsnisi villagers have been employed and more than 250 farmers residing or farming along the Baku-Tbilisi-Ceyhan pipeline will have an opportunity to receive additional benefit through the improved access to market outlet locally. Two milk collection centers (MCC) have been established in the villages Varkhani and Tskaltbila, where milk will be collected and delivered to the cheese factory.

Tsnisi based Company started its operations with the support of the Millennium Challenge Georgia's Agribusiness Development Activity (ADA). Later on, the Company participated in the competition for business partners announced by CARE International in the Caucasus within "FitM" project and received USD50 000 to complement ADA funding for the establishment of cheese factory. (www.care-caucasus.org.ge)

Emergency and Rehabilitation

From crisis to development – micro-credits in the regions affected by the August 2008 war

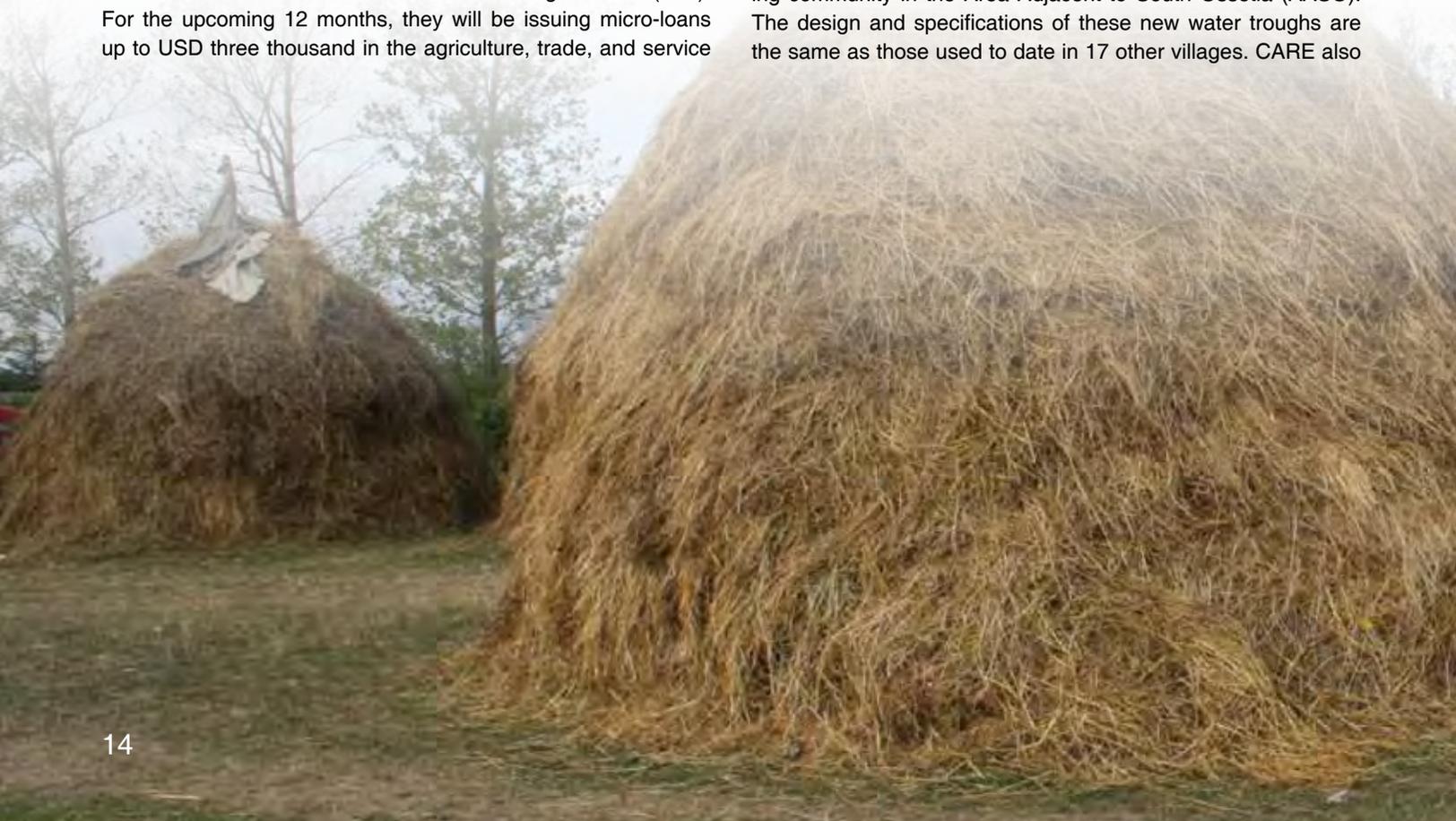
The UN Development Programme (UNDP) signed agreements with Georgian financial institutions to start providing micro-loans in Shida Kartli, Samegrelo-Zemo Svaneti and Mtskheta-Mtianeti regions. Six micro-finance institutions – Lazika Capital, Alliance Group, Credo, Crystal, FinAgro, FINCA bank and Constanta bank were selected for their experience in the target regions, loan portfolios, and positive records with the international directories, such as the Microfinance Information Exchange Market (MIX). For the upcoming 12 months, they will be issuing micro-loans up to USD three thousand in the agriculture, trade, and service

sectors. The financial institutions have agreed to give priority to small-scale farmers, women, start-up businesses and internally displaced persons (IDPs). In addition, UNDP will assist potential borrowers with business advisory services.

Each of the financial institutions will initially receive USD99 000 in the first tranche. The overall cost of the project is about USD 2.6 million. With funding from the European Union, this UNDP initiative is a direct response to the August 2008 war, which severely affected livelihoods in or close to the conflict areas. It is designed to provide more income generation opportunities and to encourage economic recovery and development in the three selected regions. The initiative is part of the programme for early recovery, which UNDP implements with Euro 4.4 million in EU funding. (www.undp.org.ge, 2 July 2009). This assistance which is part of a comprehensive Community package of up to EUR 500 million to support Georgia's economic recovery in the aftermath of the August 2008 armed conflict with Russia will support the adjustment programme agreed by the Georgian government with the International Monetary Fund to help the country through the global crisis. The Community macro-financial assistance will contribute to covering Georgia's external financing needs in 2009-2010. (www.delgeo.ec.europa.eu, 16 October 2009) (www.undp.org.ge, 2 July 2009)

Water troughs

CARE will install 14 additional water troughs to already installed 27, as a part of FAO Project in support to conflict affected farming community in the Area Adjacent to South Ossetia (AASO). The design and specifications of these new water troughs are the same as those used to date in 17 other villages. CARE also



intends to rehabilitate the new water source supply system for two already installed water troughs in Nadarbazevi village, Gori district. (Food Security Cluster meeting minutes, 1 October 2009)

USAID GARRP project

During this fall, USAID Georgian Agricultural Risk Reduction Program (GARRP) will provide winter wheat seed assistance to approximately 3 500 farmers and IDPs families to plant 2 750 Hectares. Project beneficiaries are farmers who were unable to access their land plots during spring planting season, either due to security and UXO issues. (Food Security Cluster meeting minutes, 1 October 2009)

Access to mechanization project

On 28 September 2009, the 2.5 year USAID Access to Mechanization Project was awarded to CNFA under the John Ogonowski and Doug Bereuter Farmer-to-Farmer Program (FTF) Leader with Associates Cooperative Agreement. The program intends to increase the availability and use of sustainable farm services among small-scale farmers, and improve business operations and efficiency of selected farm service providers. As a result, up to 30 new machinery service providing enterprises will be established, and machinery services at a discounted fee rate will be provided to about 3 000 resettled IDPs during 2010. In total, up to 18 000 small scale farmers are expected to benefit through this intervention. (Food Security Cluster meeting minutes, 1 October 2009)

Micro-economic initiative project

ICRC implements Micro-economic Initiative project in six villages (Mereti, Koshka, Gugutiant Kari, Kere, Karbi and Koda) in Shida Kartli (: Food Security Cluster meeting minutes, 1 October 2009). 52 applications on business initiatives have been funded. (Food Security Cluster meeting minutes, 12 November 2009).

Water sanitation program

IRC started WASH (Water/Sanitation/Hygiene) program (funded by SIDA and UNICEF) in Shida Kartli (: Food Security Cluster meeting minutes, 1 October, 2009). IRC will establish deep wells in Shavshvebi and Akhalsopeli settlements. (IRC)

Training in silage production

FAO conducted 15 training sessions for the farmers in silage production methods and has introduced modern production techniques of silage making in Shida Kartli region. The project has published a training brochure and has been developing video material on silage production (Food Security Cluster meeting minutes, 12 October, 2009).



Additional animal feed distribution and de-worming treatment

FAO identified 1 700 vulnerable households in AASO who have lost access to arable land, and being in need of external assistance to ensure survival of the livestock during the coming winter.

Also, this fall FAO intends to target 32 000 heads of cattle in 51 villages for endoparasitic treatment (Food Security Cluster meeting minutes, 1 October, 2009).

Trainings in vegetable harvesting and post harvest handling

FAO with World Vision International has completed trainings in vegetable harvesting, storage, conservation, and marketing techniques in 22 villages in Shida Kartli region. Video training in vegetable harvesting, storage, conservation and marketing techniques will be ready during this fall season. (Food Security Cluster meeting minutes, 1 October 2009).

Agricultural based livelihoods restoration

FAO received funding from the European Commission (EC) to implement the project aiming at restoration and improvement of agriculture based livelihoods and food security of IDPs in newly established settlements and returnee farmers in AASO. The project will be implemented in cooperation with WFP. FAO provided technical assistance will be complemented by WFP cash for work/food for work (CFW/FFW) incentive program.

In August-September 2009, the project has conducted a Rapid Participatory Needs assessment in newly established IDP settle-

ments and villages in AASO. The Project intends allocation of 2 308 IDP households in 22 newly established settlements, and 3 304 returnee farming households in 18 villages in AASO with different small animal packages, seed and fertilizer packages, and inputs to improve irrigation water management practices. Besides complementing Project's specific activities in support to restoration of small animal production capacity and to the improvement of irrigation water management practices, WFP CFW/FFW Incentives Programme proposes fencing of 'kitchen' gardens in six newly established settlements. Fencing of 'kitchen' gardens will precede beneficiary provision by FAO with vegetable seed and fertilizer package, and will bring to the minimum the risk of crop physical damage. Currently, the Project is in its inception phase. (Food Security Cluster meeting minutes, 1 October 2009).

Japanese non-project grant aid to Georgia (1.2 Billion JPY)

The Government of Japan has extended a JPY1.2 billion Non Project Grant Aid programme to the Government of Georgia in 2009. The Grant funds are currently being utilized to purchase different types of agricultural machinery on behalf of the Ministry of Agriculture of Georgia.

The tender procedure was carried out by Crown Agents (United Kingdom) that has been contracted as the Government of Georgia's authorised procurement agent to conduct all procurement procedures. The following items will be arriving in Georgia shortly: Agricultural tractors of various capacities; Potato cultivating machinery; Ploughs; Baling machines; Off-set disc harrows (various); Combine harvesters; Seed-drills; Trailed forage harvesters; Precision seeders (various); Row-crop cultivators (various); Field sprayers; Mowers.



Theme: Land degradation in Khrami-Debeda and Alazani-Iori watersheds

Caucasian Environmental NGO Network (CENN)

The research is carried out within the framework of the regional project

“Sustainable Land Management for Mitigating Land Degradation and Reducing Poverty in the South Caucasus Region”¹ has shown that the large part of the land in Kakheti and Kvemo Kartli regions has been degraded. The acute problem needs taking urgent measures.

“Summer in Georgia is becoming hotter and it hardly ever rains”- says Salmano Nabiev who tends sheep nearby the David Gareji Monastery Complex. “Nature seems to have changed. Last year the drought started from the end of April and we had no rain for three months. The land is so hot in the summer that it is almost impossible to walk on it”.

One reason of such drying out in Georgia is the uncontrolled exploitation of pastures which results in plant extinction and soil erosion. Serious changes in flora and fauna in the south-east part of Georgia also speak for drying up. For example, if earlier it was disputable whether there was a five-toed jerboa found in this area, which is one of the indicators of drying up, today these animals are inhabiting this land in colonies near the farms.

As a result of uncontrolled deforestation and improper farming methods, the land that once was productive, has become worthless for the population. Land degradation is also caused by the fact that no preventive measures are taken against natural disasters (floods, mudslides, landslides), irrigation systems are out of order, and windbreak zones have been cleared. The research carried out in seven regions of Georgia within the framework of the regional project “The sustainable management of the reduction of land resources and overcoming poverty in the region of South Caucasus” gives alarming signal about the dynamics and tendencies of the land degradation process.

As it seems, most lands are undergoing different types of degradation. The main problem is weak, medium or strong soil erosion;

Dmanisi: 6,500 ha, i.e. almost half of the area of 13,092 ha of arable land is affected by different types of erosion; 25% of pas-

tures, 64% of mowing land and 10% of forests have been degraded. 35ha of windbreak zone has been cleared.

Bolnisi: 57% of farm field is degraded. 3,360 ha of irrigation land is polluted with toxic metals. Water contamination is caused by mining and concentrating company Madneuli. The water polluted by harmful toxic elements is mixed with irrigation waters of the Mashavera.

Marneuli: 22% of farm field, 14% of pastures and 37% of mowing land are affected by erosion. 8000 ha is damaged by wind erosion and swampland covers 484 ha of the area.

Sagarejo: 29% of farm land, 12% of pastures and 23% of mowing land are degraded. 12 000ha is affected by wind erosion. As for windbreak zones, 100 ha out of 324ha needs to be recovered.

Signaghi: 26% of farm fields, 57% of pastures and 100% of mowing land have been damaged in different ways. About 9,000ha of arable land is suffering from erosion of various intensity (mostly farm fields and winter pastures). The area of 20,000 ha is affected by natural soil salination.

Dedoplistskharo: 18% of winter pastures are eroded and 31% is affected by wind erosion due to degradation and overgrazing. Almost the whole windbreak zone and field shelterbreak have been cleared (1770ha).

Lagodekhi: Arable lands are not much damaged. However, 85% of grassland is degraded and 117 ha of the area is covered by marshland. As a result of floods, hundreds of hectare of orchards and arable lands have been spoiled.

According to the Caucasian Environmental NGO Network (CENN), “Communication, which is so poor today between local population, public and the government agencies of different levels, must become the decisive factor under current circumstances”.

As for some specific rehabilitation measures, it is necessary to restore natural land cover, fully rehabilitate windbreak and field shelter break zones, reinforce river banks, observe grazing norms and rehabilitate irrigation canals. Parallel to the above, it is necessary to introduce the methods of line planting and cross ploughing along with other methods of soil protection.

Despite the miserable state of the land, the problem of land degradation for most stakeholders is not a priority as proven by the survey recently carried out by “CENN”. If no action is taken more of the farming land will become useless every year, which will entail the aggravation of ecological catastrophes as well as the deterioration of social-economic state of the population.

¹ The project is being implemented by REC Caucasus in close partnership with CENN with the financial support of the European Union and covers the Khrami-Debeda and Alazani-Iori watersheds in the South Caucasus region.

Trade in Agriculture & Food Products

During May-July 2009

- Monthly agriculture trade balance was negative
- Agriculture exports amounted USD 74 331 - higher about by 24 percent relative to the previous year same period level of USD 59 794
- Agriculture imports equaled USD 188 161 - lower around by 21 percent relative to the previous year same period level of USD 237 966

Monthly Agricultural Exports

During May-July 2009

- Export of products representing (a) *Live Animals*, (b) *Ed. Fruits & Nuts*, (c) *Peel or Citrus/Melons*, (d) *Oil Seeds/Misc. Grains/Med. Plant/Straw*, (e) *Misc. Edible Preparations*, and (f) *Beverages, Spirit, & Vinegar* commodity groups accounted for 92 percent of total agricultural exports, and their shares equaled 6 percent, 10 percent, 21 percent, 3 percent, and 53 percent, accordingly.

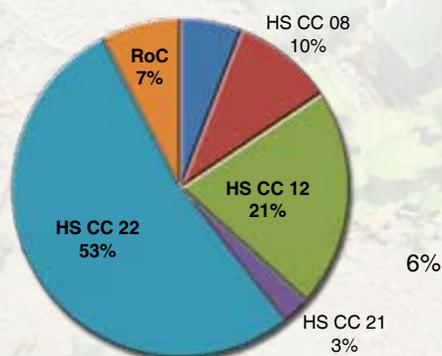


Harmonized System Commodity Groups	May		June		July		Total	
	USD	Rank	USD	Rank	USD	Rank	USD	Rank
01. Live Animals	1 362	4	1 402	4	1 625	3	4 389	4
03. Fish & Crustaceans	133	10	137	11	81	14	350	13
04. Dairy, Eggs, Honey & Ed. Products	365	6	207	9	103	13	674	9
05 Products of Animal Origin	42	14					42	17
06. Live Trees & Other Plants	4	17	57	14	341	8	401	11
07. Edible Vegetables	81	13	1	18	2	18	84	16
08. Ed. Fruits & Nuts, Peel or Citrus/Melons	3 727	3	1 966	3	1 538	4	7 231	3
09. Coffee, Tea, Mate & Spices	364	7	333	6	217	10	914	6
10. Cereals	13	16	289	7	250	9	552	10
11. Milling Industry Products	153	9	76	13	168	11	398	12
12. Oil Seeds/Misc. Grains/Med. Plant/Straw	4 199	2	7 154	2	4 228	2	15 580	2
13. Lac, Gums, Resins, etc.			13	15	17	16	30	18
14. Vegetable Planting Materials	3	18					3	21
15. Animal or Vegetable Fats, Oils, Waxes	104	12	8	17			112	15
16. Ed. Prep. Of Meat, Fish, Crustaceans, etc.			1	19	12	17	13	20
17. Sugars & Sugar Confectionery	30	15	84	12	164	12	278	14
19. Preps. of Cereals, Flour, Starch or Milk			11	16	17	15	28	19
20. Preps of Veggies. Fruit, Nuts, etc.	183	8	155	10	575	5	913	7
21. Misc. Edible Preparations	650	5	878	5	541	6	2 069	5
22. Beverages, Spirit, & Vinegar	11 626	1	14 505	1	13 249	1	39 379	1
23. Residues from Food Industries, Animal Feed	109	11	270	8	508	7	888	8
24. Tobacco & Manuf. Tobacco Substitutes	0	19	1	20	0	19	1	22

State Department of Statistics, estimates

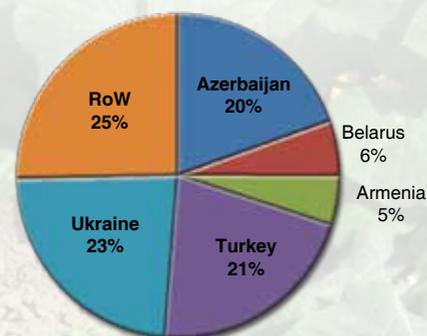
- Seventy five percent of total agricultural exports were supplied to Azerbaijan, Belarus, Armenia, Turkey, and Ukraine, and the shares of export destination markets were 20 percent, 5 percent, 5 percent, 21 percent, and 23 percent, respectively.

Main Export Commodity Groups HS CC 01



State Department of Statistics, estimates

Major Export Destination Countries



State Department of Statistics, estimates

Monthly Agricultural Imports

During May – July 2009

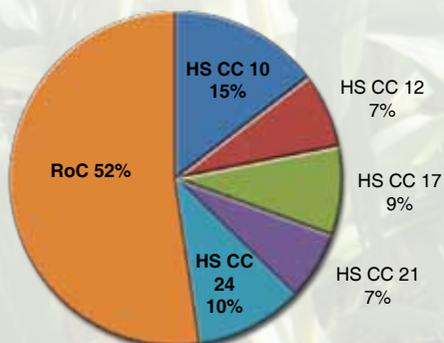
- Import of product groups (a) Cereals, (b) Oil Seeds/Misc. Grains/Med. Plant/Straw, (c) Sugars & Sugar Confectionery, (d) Misc. Edible Preparations, and (e) Tobacco & Manuf. Tobacco Substitutes commodity groups accounted for 48 percent of total agricultural imports, and their shares equaled 15 percent, 7 percent, 9 percent, 7 percent, and 10 percent, accordingly.

Harmonized System Commodity Codes	May		June		July		Total	
	USD	Rank	USD	Rank	USD	Rank	USD	Rank
01. Live Animals	320	21	798	20	275	21	1 393	20
02. Meat & Edible Meat Offal	4 024	5	4 135	6	4 288	4	12 447	6
03. Fish & Crustaceans	1 717	14	1 808	13	1 816	13	5 341	13
04. Dairy, Eggs, Honey & Ed. Products	1 533	17	2 134	11	2 048	10	5 716	12
05 Products of Animal Origin	157	22	5	23	17	23	178	22
06. Live Trees & Other Plants	410	20	150	21	703	18	1 263	21
07. Edible Vegetables	3 045	10	1 642	16	613	19	5 300	14
08. Ed. Fruits & Nuts, Peel or Citrus/Melons	1 175	19	1 175	19	466	20	2 816	19
09. Coffee, Tea, Mate & Spices	1 225	18	1 280	18	1 416	17	3 921	18
10. Cereals	7 929	1	11 709	1	7 942	2	27 579	1
11. Milling Industry Products	3 527	6	1 870	12	1 956	11	7 353	10
12. Oil Seeds/Misc. Grains/Med. Plant/Straw	4 087	4	7 272	3	2 285	9	13 644	4
13. Lac, Gums, Resins, etc.	41	23	42	22	25	22	108	23
14. Vegetable Planting Materials	2	24	0	24	0	24	2	24
15. Animal or Vegetable Fats, Oils, Waxes	3 521	7	3 763	7	3 656	6	10 940	7
16. Ed. Prep. Of Meat, Fish, Crustaceans, etc.	2 058	13	1 605	17	1 633	15	5 296	15
17. Sugars & Sugar Confectionery	2 436	12	4 420	5	9 332	1	16 187	3
18. Cocoa & Cocoa Preparations	2 686	11	2 602	10	1 685	14	6 973	11
19. Preps. of Cereals, Flour, Starch or Milk	3 194	8	3 370	9	2 460	8	9 024	9
20. Preps of Vegs. Fruit, Nuts, etc.	1 708	15	1 655	15	1 851	12	5 213	16
21. Misc. Edible Preparations	4 392	3	4 538	4	3 630	7	12 561	5
22. Beverages, Spirit, & Vinegar	3 142	9	3 488	8	3 726	5	10 355	8
23. Residues from Food Industries, Animal Feed	1 687	16	1 737	14	1 478	16	4 901	17
24. Tobacco & Manuf. Tobacco Substitutes	5 471	2	7 389	2	6 790	3	19 650	2

State Department of Statistics, estimates

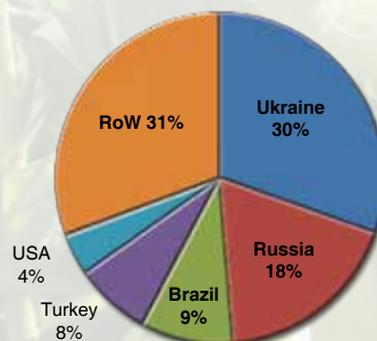
- Ukraine, Russia, Brazil, Turkey, and USA accounted for 69 percent of total agricultural imports, and the shares of import suppliers were 30 percent, 18 percent, 9 percent, 8 percent, and 4 percent, respectively.

Major Import Commodity Groups



State Department of Statistics, estimates

Main Import Origin Countries



State Department of Statistics, estimates

Agricultural Production

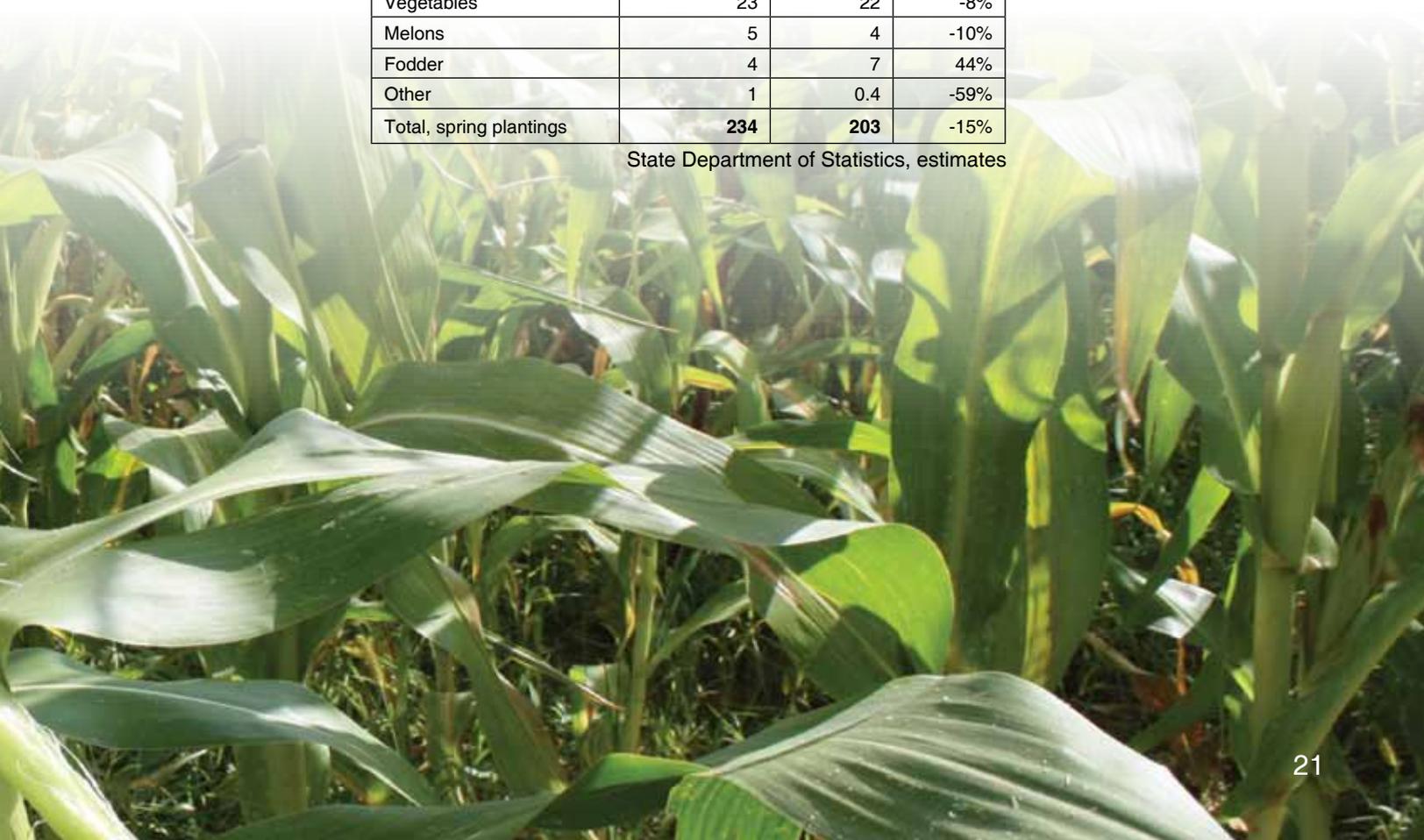
Preliminary Estimates of 2009 Spring Planting

In spring 2009 relative to spring 2008,

- Area of land planted with spring wheat, soybeans, and fodder has increased by 29 percent, 77 percent, and 44 percent, respectively; while, reduction was observed in the area planted with spring barley, maize, beans, sunflower, potato, vegetables, melons, and other crops
- Total area of spring plantings declined by 15 percent

Crop	2008 Spring Planting, '000 ha	2009 Spring Planting, '000 ha	2009 vis-à-vis 2008
Spring Wheat	3	4	29%
Spring Barley	16	11	-44%
Oats	1	2	42%
Maize	131	117	-12%
Beans	6	6	-9%
Sunflower	22	10	-121%
Soybeans	0.10	0.43	77%
Potato	22	19	-19%
Vegetables	23	22	-8%
Melons	5	4	-10%
Fodder	4	7	44%
Other	1	0.4	-59%
Total, spring plantings	234	203	-15%

State Department of Statistics, estimates



Winter Planting Estimates

- Preliminary estimate of 2009 wheat and barley harvest areas are 6 and 35 percent lower, respectively, than those recorded during 2008 harvest
- Total winter plantings for harvest in 2009 were 0.4 percent lower than that total harvest area in 2008

Crop	2008 Harvest Area, '000 ha	2009 Harvest Area, '000 ha (preliminary)	2009 vis-à-vis 2008
Winter wheat	37.8	40.1	6%
Winter barley	7.2	4.7	-35%
Total winter planting	45.0	44.8	-0.4%

State Department of Statistics, estimates

Livestock Population

As of July 1 2009

- Dairy cattle population increased by 6 percent relative to the same year April 1 records, and declined by 5 percent relative to the previous year same period
- Swine population increased by 21 and 10 percent relative to the same year April 1 records, and to the previous year same period, accordingly
- Sheep/goat population increased by 3 percent relative to each the same year April 1 records and to the previous year same period level
- Poultry population increased by 65 and 5 percent relative to the same year April 1 records and to the previous year same period level, respectively

Livestock	Units	July 1, 2008	April 1, 2009	July 1, 2009	2009 vis-a-vis 2008	Jul 1 09 vis-a-vis Apr 1 09
Large Livestock	'000 heads	1 168	980	1 073	-8%	10%
o/w milking cows and buffalo	'000 heads	562	508	536	-5%	6%
Swine	'000 heads	106	96	116	10%	21%
Sheep/Goat	'000 heads	781	780	804	3%	3%
Poultry	'000 wings	10 682	6 782	11 187	5%	65%

State Department of Statistics, estimates

Livestock production

As of Quarter II 2009

- Production of all types of meat increased by 7 percent relative to the same year Quarter I record, and declined by 11 percent in comparison to 2008 same period
- Production of milk increased by 132 percent relative to the same year Quarter I records, and declined by 19 percent relative to 2008 same period
- Production of egg declined by 2 percent in relation to the same year quarter I records, and declined by 0.1 percent comparing to 2008 same period

Livestock Products	Units	2008 Qrt II	2009 Qrt I	2009 Qrt II	2009 vis-a-vis 2008	Qrt II 09 vis-a-vis Qrt II 08
All types of meat	'000 tons	11	9	10	-11%	7%
Milk	'000 tons	231	81	188	-19%	132%
Eggs	mil. Units	123	125	123	-0.1%	-2%

State Department of Statistics, estimates





Poverty and Food Insecurity

In 2008

- About 55 percent of farming community (small holders) farmed on less than 0.5 ha and owned either 1.5 heads of cow or between 0 and 1.5 heads of cow (State Department of Statistics, estimates)
- The proportion of small holder owners increased by 5 percent from that of 2007 level (State Department of Statistics, estimates)
- Small holder owners discerned vulnerability to both food insecurity and poverty, and the degree of vulnerability of this group did not change from that of 2007 levels (State Department of Statistics, estimates)

Diet Composition

- Overall, pattern of composition of household diets nationwide and in Shida Kartli were similar
- Bread and cereal products accounted for the largest portion of the total calorie intake.

Share in total calorie intake, 2008		
Food Product (groups)	Georgia	Shida Kartli
Bread and cereal products	43%	46%
Other products	20%	17%
Milk and dairy products	11%	11%
Vegetable oil and margarine	9%	
Sugar	9%	8%
Potato	3%	3%
Meat	3%	2%
Vegetables	2%	2%
Total	100%	100%

State Department of Statistics, estimates

- In general, trend in different product share in total food expenditures nation-wide and in Shida Kartli were similar
- Both nation-wide and in Shida Kartli, the largest share of total food expenditures was spent on purchasing of bread and cereal products

Share in total food expenditures, 2008		
Food Product (groups)	Georgia	Shida Kartli
Bread and cereal products	22%	24%
Other products	21%	23%
Milk and dairy products	19%	20%
Meat	13%	9%
Vegetables	10%	10%
Potato	5%	4%
Vegetable oil and margarine		6%
Sugar		5%
Total	100%	100%

State Department of Statistics, estimates

In 2008 relative to 2007

- Nation-wide - bread and cereal product and milk and dairy product contribution to total calorie intake declined by 4 and 8 percent, respectively; while, contribution of food products falling in the category other products has increased by 11 percent. Other staple food product contribution remained unchanged (State Department of Statistics, estimates)
- Shida Kartli - bread and cereal product contribution to total calorie intake increased by 2 percent; while that of milk and dairy products declined by 8 percent. Other staple food product contribution remained unchanged (State Department of Statistics, estimates)
- Nation-wide - the share in total food expenditures of potatoes, vegetables, and milk and dairy products has declined by 17, 9, and 10 percent, accordingly; while, the share of vegetable oils and margarine, and food products falling under the other product category has increased by 25 and 11 percent, accordingly. Other food product shares remained unchanged (State Department of Statistics, estimates)
- Shida Kartli - the share in total food expenditures of potatoes, vegetables, and milk and dairy products has declined by 17, 9, and 10 percent, accordingly; while, the share of vegetable oils and margarine, and food products falling under the other product category has increased by 25 and 11 percent, respectively. Other food product shares remained unchanged (State Department of Statistics, estimates)



Main Staple Food Product Prices

- Average food price index in 2008 was 12 percent higher than that in 2007

In quarter II 2009

- Prices on most food products with the exception of potatoes and pork declined relative to the levels recorded during the same period in 2008
- On most food products lower prices were recorded with the exception of potatoes and maize flour compared to the same year Quarter I level
- Price pattern was significantly affected by supply/demand fundamentals

Products	Retail Nominal Average Quarterly Prices										Price Change Relative to Previous Quarter									2009 Qrt II relative to 2008 Qrt II
	2007/ Qrt.I	2007/ Qrt.II	2007/ Qrt. III	2007/ Qrt. IV	2008/ Qrt.I	2008/ Qrt.II	2008/ Qrt.III	2008/ Qrt. IV	2009/ Qrt.I	2009/ Qrt.II	2007/ Qrt.II	2007/ Qrt.III	2007/ Qrt. IV	2008/ Qrt.I	2008/ Qrt.II	2008/ Qrt. III	2008/ Qrt. IV	2009/ Qrt.I	2009/ Qrt.II	
Bread	0.98	0.97	1.1	1.32	1.33	1.34	1.34	1.31	1.27	1.25	-1%	13%	20%	1%	1%	0%	-2%	-3%	-2%	-7%
Potato	0.95	1.02	0.84	0.77	0.88	1.02	0.73	0.8	0.79	1.02	7%	-18%	-8%	14%	16%	-28%	10%	-1%	29%	0%
Beans	3.38	3.21	2.95	3.02	3.26	3.19	3.03	2.94	2.84	2.74	-5%	-8%	2%	8%	-2%	-5%	-3%	-3%	-4%	-14%
Wheat Flour	1.05	1.06	1.17	1.37	1.33	1.52	1.56	1.52	1.43	1.29	1%	10%	17%	-3%	14%	3%	-3%	-6%	-10%	-15%
Maize Flour	1.38	1.58	1.96	1.79	1.67	1.56	1.58	1.57	1.51	1.51	14%	24%	-9%	-7%	-7%	1%	-1%	-4%	0%	-3%
Beef	6.72	6.94	6.82	6.79	7.24	7.69	7.6	7.38	7.62	7.56	3%	-2%	0%	7%	6%	-1%	-3%	3%	-1%	-2%
Pork	6.56	6.47	6.44	6.9	7.94	9.31	11.03	10.98	11.15	11.32	-1%	0%	7%	15%	17%	18%	0%	2%	2%	22%
Poultry	6.57	6.74	6.3	6.7	7.05	6.99	7.15	7.08	6.57	6.26	3%	-7%	6%	5%	-1%	2%	-1%	-7%	-5%	-10%
Sunflower Oil	2.42	2.39	2.8	3.98	4.07	4.47	4.44	3.83	3.3	2.83	-1%	17%	42%	2%	10%	-1%	-14%	-14%	-14%	-37%
Cheese	5.54	4.46	4.47	6.14	6.93	5.56	5.81	6.77	6.23	4.54	-19%	0%	37%	13%	-20%	4%	17%	-8%	-27%	-18%
Milk	1.3	1.22	1.35	1.71	1.81	1.71	1.71	1.84	1.88	1.68	-6%	11%	27%	6%	-6%	0%	8%	2%	-11%	-2%
Eggs (10pcs)	2.93	2.34	1.97	2.7	3.04	2.67	2.45	3.05	2.94	2.63	-20%	-16%	37%	13%	-12%	-8%	24%	-4%	-11%	-1%

State Department of Statistics, estimates

Gori Prices

Products	Retail Nominal Average Quarterly Prices										Price Change Relative to Previous Quarter									2009 Qrt II relative to 2008 Qrt II
	2007/ Qrt.I	2007/ Qrt.II	2007/ Qrt. III	2007/ Qrt. IV	2008/ Qrt.I	2008/ Qrt.II	2008/ Qrt. III	2008/ Qrt. IV	2009/ Qrt.I	2009/ Qrt.II	2007/ Qrt.II	2007/ Qrt. III	2007/ Qrt. IV	2008/ Qrt.I	2008/ Qrt.II	2008/ Qrt. III	2008/ Qrt. IV	2009/ Qrt.I	2009/ Qrt.II	
Bread	0.98	0.91	1.11	1.34	1.44	1.39	1.34	1.29	1.25	1.25	-7%	22%	21%	7%	-3%	-4%	-4%	-3%	0%	-10%
Potato	0.91	1.11	0.72	0.73	0.8	0.9	0.62	0.69	0.73	1.13	22%	-35%	1%	10%	13%	-31%	11%	6%	55%	26%
Beans	3.23	3.16	2.71	2.72	3.21	2.75	2.59	2.51	2.22	2.22	-2%	-14%	0%	18%	-14%	-6%	-3%	-12%	0%	-19%
Wheat Flour	1.09	1.08	1.23	1.44	1.34	1.59	1.64	1.66	1.55	1.31	-1%	14%	17%	-7%	19%	3%	1%	-7%	-15%	-18%
Maize Flour	1.85	1.93	2.03	2.1	1.26	1.96	2.02	1.92	1.77	1.87	4%	5%	3%	-40%	56%	3%	-5%	-8%	6%	-5%
Beef	6.36	6.25	6.3	6.3	7.02	6.89	6.8	6.67	7.06	7	-2%	1%	0%	11%	-2%	-1%	-2%	6%	-1%	2%
Pork	6.72	6.54	6.43	7	5.83	9.96	11.48	11.81	11.92	11.79	-3%	-2%	9%	-17%	71%	15%	3%	1%	-1%	18%
Poultry	5.92	5.76	5.65	6.03	7.87	6.31	6.47	6.54	6.13	6.01	-3%	-2%	7%	31%	-20%	3%	1%	-6%	-2%	-5%
Sunflower Oil	2.39	2.39	2.87	3.98	3.9	4.46	4.52	3.61	3.22	2.85	0%	20%	39%	-2%	14%	1%	-20%	-11%	-11%	-36%
Cheese	4.92	3.75	3.57	5.08	6.83	5.25	5.16	5.91	5.31	4.13	-24%	-5%	42%	34%	-23%	-2%	15%	-10%	-22%	-21%
Milk	1.1	1	1	1.37	1.21	1	1.06	1.41	1.36	1.01	-9%	0%	37%	-12%	-17%	6%	33%	-4%	-26%	1%
Eggs (10 pcs)	2.9	2.34	1.86	2.79	2.94	2.8	2.42	3.02	2.96	2.69	-19%	-21%	50%	5%	-5%	-14%	25%	-2%	-9%	-4%
Sugar	1.23	1.22	1.13	1.25	1.02	1.15	1.23	1.26	1.21	1.34	-1%	-7%	11%	-18%	13%	7%	2%	-4%	11%	17%

State Department of Statistics, estimates

The table below illustrates Gori average quarterly retail nominal prices against the national level equivalents. Estimated percentages indicate the extent by which food product prices in Gori were either higher or lower than those of national equivalents.

Price Difference

Products	07-I	07-II	07-III	07-IV	08-I	08-II	08-III	08-IV	09-I	09-II
Bread	0%	-6%	1%	2%	8%	4%	0%	-2%	-2%	0%
Potato	-4%	9%	-14%	-5%	-9%	-12%	-15%	-14%	-8%	11%
Beans	-4%	-2%	-8%	-10%	-2%	-14%	-15%	-15%	-22%	-19%
Wheat Flour	4%	2%	5%	5%	1%	5%	5%	9%	8%	2%
Maize Flour	34%	22%	4%	17%	-25%	26%	28%	22%	17%	24%
Beef	-5%	-10%	-8%	-7%	-3%	-10%	-11%	-10%	-7%	-7%
Pork	2%	1%	0%	1%	-27%	7%	4%	8%	7%	4%
Poultry	-10%	-15%	-10%	-10%	12%	-10%	-10%	-8%	-7%	-4%
Sunflower Oil	-1%	0%	3%	0%	-4%	0%	2%	-6%	-2%	1%
Cheese	-11%	-16%	-20%	-17%	-1%	-6%	-11%	-13%	-15%	-9%
Milk	-15%	-18%	-26%	-20%	-33%	-42%	-38%	-23%	-28%	-40%
Eggs (10 pcs)	-1%	0%	-6%	3%	-3%	5%	-1%	-1%	1%	2%
Sugar	-2%	1%	-5%	-4%	-8%	1%	-1%	1%	0%	1%

State Department of Statistics, estimates

Web links

Individual Country and International Donor Community Cooperation Framework Documents and Policies with Georgia

Donor	Development Aid and Cooperation Framework Resources
USA	<p>United States-Georgia Charter on Strategic Partnership http://www.america.gov/st/texttrans-english/2009/January/20090109145313eaifas0.2139093.html</p> <p>Foreign Operations Appropriated Assistance: Georgia http://www.state.gov/p/eur/rls/fs/108293.htm</p> <p>USAID http://georgia.usaid.gov/index.php?m=13 http://georgia.usaid.gov/index.php?m=16#1 http://georgia.usembassy.gov/usaid2.html</p> <p>MCC http://georgia.usembassy.gov/mcg.html http://www.mcg.ge/?l=1&i=1&i2=0</p>
European Commission	<p>Eastern Partnership http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52008DC0823:EN:NOT http://ec.europa.eu/external_relations/eastern/docs/sec08_2974_en.pdf</p> <p>Partnership and Cooperation Agreement http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:21999A0804(01):EN:NOT</p> <p>European Neighborhood Policy http://ec.europa.eu/world/enp/pdf/action_plans/georgia_enp_ap_final_en.pdf</p> <p>Country Strategy Paper 2007-2013 http://ec.europa.eu/world/enp/pdf/country/enpi_csp_georgia_en.pdf</p> <p>National Indicative Program http://ec.europa.eu/world/enp/pdf/country/enpi_csp_nip_georgia_en.pdf</p>

<p>Swiss Development Cooperation (SDC)</p>	<p>Swiss Cooperation Strategy 2008-2011 (South Caucasus – Armenia, Azerbaijan, Georgia)</p> <p>http://www.swisscoop.ge/ressources/resource_en_174563.pdf</p> <p>Summary Table of the Strategy</p> <p>http://www.swisscoop.ge/en/Home/ressources/resource_en_174566.pdf</p> <p>Activities in Georgia</p> <p>http://www.swisscoop.ge/en/Home/Activities_in_Georgia</p>
<p>Swedish International Development cooperation Agency (SIDA)</p>	<p>http://www.sida.se/sida/jsp/sida.jsp?d=1319&language=en_US</p>
<p>Japan</p>	<p>JICA Vision, Mission, and Strategy</p> <p>http://www.jica.go.jp/english/about/mission/</p>
<p>Israel</p>	<p>Cooperation Agreements</p> <p>http://tbilisi.mfa.gov.il/mfm/web/main/Document.asp?SubjectID=2020&MissionID=98&LanguageID=0&StatusID=3&DocumentID=-1</p> <p>Cooperation in Agriculture</p> <p>http://tbilisi.mfa.gov.il/mfm/web/main/Document.asp?SubjectID=2020&MissionID=98&LanguageID=0&StatusID=3&DocumentID=-1</p>
<p>World Bank</p>	<p>World Bank Strategy in Georgia 2006-2009</p> <p>http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/ECAEXT/GEORGIAEXTN/0,,menuPK:301758~pagePK:141132~piPK:141105~theSitePK:301746,00.html</p>
<p>UN</p>	<ul style="list-style-type: none"> - UN Development Assistance Framework: 2006-2010 - Country Programme: 2006-2010 - Country Programme Action Plan: 2006 - 2010 - Country Programme Action Plan: 2006 - 2010 (signature page) - Standard Basic Assistance Agreement between Georgia and UNDP: 1994 - Country Cooperation Framework: 2001-2003 <p>http://undp.org/ge/new/index.php?lang_id=ENG&sec_id=4</p>
<p>Bilateral Relations</p>	<p>Link to the Georgia's bilateral relations with different countries, and country specific information on the fields of cooperation and legal framework.</p> <p>http://www.mfa.gov.ge/index.php?lang_id=ENG&sec_id=61</p>

Acronyms

AA	Agribusiness Association
ABC	Union Agro-Business Consulting
ABCO	Association of Business Consulting Groups
ACDI/VOCA	ACDI/VOCA
ACF	Action Contre le Faim
ADA	Agriculture Development Activity
ADG	Agriculture Development Group
AgVANTAGE	AgVANTAGE
AIC	AbkhazInterCont
AMWG	Association of Multinational Women of Georgia
APLR	Association of Protection Land Owner Rights
AS	Agro Service
BCPR (UNDP)	Burea for Crises Prevention and Recovery
BTC	BTC Pipeline Company
CARE	CARE International in the Caucasus
CDA	Civil Development Agency
CENN	Caucasus Environmental NGO Network
CG	Civitas Georgia
CHF	Community Habitat Finance International
CNFA	Citizens Network for Foreign Affairs
Constanta	Constanta
CSI	Civil Society Institute
CTC	Center for Training and Consultancy
DAI	Development Alternatives Incorporation
DF	Development Fund
DTRA	Defence Threat Reduction Agency - US Defense Department
EC	European Commission
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FH	Farmers House
FRUZ	Farmer Regional Union of Zugdidi
FRUZ LTD "Engur-Audit"	FRUZ LTD "Engur-Audit"
GFFPA	Georgian Farm Products Production and Promotion Agency
GIPA	Georgian Institute of Public Affairs
GITO	Georgian Incoming Tour Operators
GoG	Government of Georgia
GPC	Georgian Pipeline Company
GRM	GRM International

GTA	Georgian Toursim Association
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit
GYLA	Georgian Young Lawyers Association
HA	Hellenic Aid
HTSPE	Hunting Technical Services and P-E International
IAAD	International Association of Agricultural Development
ICCN	International Center on Conflict and Negotiation
IFAD	International Fund for Agricultural Development
IOCC	International Orthodox Christian Charities
IRD	International Relief and Development
ISFED	International Society for Fair Elections and Democracy
IUCN	International Union for Conservation of Nature
JSC	Joint Stock Company
LC	Lazika Capital
MC	Mercy Corps
MCG	Millenium Challengege Georgia
MoA	Ministry of Agriculture
MoHLSP	Ministry of Health, Social Affairs, and Labor
Mta-Bari	Mta-Bari
NALAG	National Association of Local Authorities of Georgia
OFDA	Office of U.S. Foreign Disaster Assistance
RCEC	Rustavi Civic Education Center
SCP	South Caucasus Pipeline
SDC	Swiss Agency for Development and Cooperation
TRSC	Threat Reduction Support Center
UA	University of Agriculture
UMCOR	United Methodist Committee on Relief
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Childrens Fund
USAID	United Sates Agency for International Development
USDA	United States Department of Agriculture
WB	World Bank
WFP	World Food Programme
WPCA	Wild Plant Conservation Association
WVI	World Vision International
ZSRI	Zugdidi Subtropical Research Institute
ZSRC	Zugdidi Subtropical Research Center
DVV	Institute for International Cooperation of the German Adult Education Association



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