



# PROJECT FACTSHEET

Georgia September 2015

## BETTER INCOME FOR GEORGIAN FARMERS



**In the regions of Samtskhe-Javakheti, Kvemo Kartli and Adjara in southern Georgia, many family farms have only small numbers of livestock and operate at a subsistence level that merely enables them to get by. This project aims to help these farmers increase their income, not only by improving their productivity but also by providing them with better access to the meat and milk markets. This involves integrating the different elements of the production chain from farmers to processing companies, wholesalers and service providers such as veterinary surgeons, through to the consumers.**

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### COUNTRY CONTEXT

Georgia became independent in 1991 following the break-up of the Soviet Union. The country's tense relations with its neighbour, the Russian Federation, spilled over again in 2008, when a dispute over the region of South Ossetia saw Russia use military force. Economic sanctions imposed by Moscow have had an adverse impact on a Georgian economy already undermined by the civil wars that have riven the country. Today, nearly a quarter of the population live below the poverty line (a statistic that varies greatly depending on the source).

Since the Rose Revolution of 2003, Georgia has undertaken key reforms to facilitate its economic development. In particular, the country has made considerable progress in cutting red tape and fighting corruption in everyday life. Georgia's stance has also been resolutely pro-European since 2003. In November 2014, it signed an association agreement with the European Union, incorporating an agreement on deep and comprehensive free trade.

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### SECTOR CONTEXT

Since the collapse of the Soviet Union, farming in Georgia has been in continuous decline. Agriculture still employs almost half of the country's labour force but is only the fourth-largest economic sector, contributing barely 10% to GDP. More than 90% of Georgia's rural population work in agriculture. However, most farms own only minimal livestock and follow a subsistence way of life, growing food mainly for their own needs and rarely having any produce left to sell. Small family operations such as these account for nearly 90% of the country's agricultural output. After years of inertia, the Georgian government decided in 2011 to make the development of farming a national priority.

The regions of Samtskhe-Javakheti, Kvemo Kartli and Adjara in southern Georgia have high levels of rural poverty. Farmers face numerous challenges, including irregular access to markets, limited knowled-

ge of existing regulations, the virtual absence of mechanised farming equipment, and unproductive livestock. Limited access to veterinary services and high-quality fodder has a detrimental effect on the health and, consequently, the productivity of farm animals. Furthermore, genetic stock has been significantly depleted due to years of overbreeding and a lack of access to artificial insemination facilities. Despite these obstacles, the farming sector offers considerable development potential. Demand is growing in Georgia for high-quality fresh meat and locally produced cheese. What is more, Adjara's burgeoning tourist industry constitutes a potential market for the region's producers.

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## THE PROJECT'S OBJECTIVES AND KEY ACTIVITIES

The project's primary objective is to help small-scale producers in the regions of Samtskhe-Javakheti, Kvemo Kartli and Adjara in southern Georgia to increase their productivity and, consequently, their income. This involves carrying out work at various levels of the production chain to ensure better interface with small-scale producers. Although the project entails a number of activities related to producing honey and lamb, it mainly focuses on the meat and dairy sectors.

### Greater inclusivity

The project collaborates with the various market players in order to create opportunities for small-scale producers. Firstly, it works with veterinary surgeons, farm input suppliers and other service providers to encourage them to provide small-scale producers with affordable services. This, along with artificial insemination, will enable farmers to increase the productivity of their livestock. Secondly, the project

forges links between producers, processing companies and traders so that farmers have access to stable market outlets. Special consideration is also given to the inclusion of women in economic activities.

### Better informed farmers

In addition, the project ensures that farmers receive the information they need, e.g. in terms of rearing techniques, existing regulations such as hygiene requirements, or their rights. For example, it supported a newspaper and a television programme that disseminated advice on livestock farming and information about innovative practices. Information sharing among farmers is encouraged as well.

### Support from local authorities

The project team also liaises with local authorities in order to impress upon them how important it is not only to support small-scale producers at local level, but to safeguard their interests at regional and national level too. In particular, support from local authorities includes drawing up preventive measures and action plans in the event of inclement weather – a frequent occurrence in the region. For example, mudslides often result in blocked roads – and prevent many farmers from getting to markets to sell their produce. It is therefore important that the authorities are able to respond rapidly and efficiently in the event of bad weather.

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## ACHIEVEMENTS SO FAR

Since its inception in 2008, the project has been a tremendous success. By the end of August 2014, it had directly or indirectly benefited over one million people. By establishing ties between producers, processing companies and service providers, the project has not only provided more than 250,000 small-scale producers with better market access but also given them the opportunity, for example, to use veterinary services, artificial insemination facilities and good-quality fodder, rent agricultural machinery and obtain information about modern rearing practices – while increasing their income by around 20% as a result. What is more, these activities have generated the equivalent of 247 full-time jobs along the entire value chain.

The project has also inspired others to follow suit – with 30 or so service providers, including veterinary pharmacies, bull farmers and agricultural machinery dealers, now offering assistance to small-scale producers along the same lines.





### EXPECTED RESULTS

In general, the project team intends to pursue, consolidate and extend its activities. In particular, it will make an effort to forge links with the Adjara tourist industry – a potential market for the region's farmers. In more specific terms, its aim is to achieve the following results by 2017:

- 24,000 additional small-scale producers will have increased their income by 20%, with 14,000 small-scale producers enjoying better access to livestock-related services and obtaining a better deal for their produce.
- 150 service providers will have enhanced their business practices and increased their income by 20%.
- Small-scale producers will have increased their business by 20%.
- There will be 10 new public-private partnerships in the agricultural sector.
- 33 measures will have been implemented to mitigate the risk of natural disasters.

### COMMENTS FROM PROJECT BENEFICIARIES

#### Tina Tateshvili, 71 years

In the village of Arali (situated 1,100 metres above sea level), Tina Tateshvili supplies raw milk to her local milk collection centre. Livestock farming constitutes her family's primary income source – and the sale of raw milk has now become more profitable. «My family's economic situation has improved», she says. «I used to make cheese, but now I earn more selling raw milk. Previously I needed salt and pepsin, as well as heating and a means of transporting my cheese to market. It took me three hours a day to make the cheese. Since I started selling raw milk, I have saved on these resources and been earning a steady income. With more time on my hands, I have also been able to get a new job herding cattle at a large farm in my village for a monthly wage of 250 Georgian lari [CHF 140].»

#### Shushana Bochikashvili, 62 years

Shushana Bochikashvili lives in the village of Ude and has benefited greatly from the practice of artificial insemination (AI). Her calves are now of better quality thanks to the service provided by the village AI technician. «I used this service last year and now my calves are superior to the ones I had before. Our local breeds are nowhere near as good. This new breed is twice as big!»

#### Sagoian Suren, 69 years

Sagoian Suren lives in Tskruti. Last summer he rented a mowing machine – a piece of equipment his village previously lacked. «I finished the job in two hours thanks to this machine. Previously, I would have had to employ four labourers – and feed them – to do the same work over two days.»

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## DID YOU KNOW THAT...

- ...Georgia imports over half the food it needs to feed its population?
- ...Georgia has three different alphabets? According to traditional accounts, the Georgian alphabet used today was created by King Pharnavaz I of Iberia in the 3<sup>rd</sup> century BC.
- ...Georgia is said to be the country where humans first discovered the art of winemaking? The roots of Georgian viticulture go back to at least 6000 BC.

## THE PROJECT AT A GLANCE

### Title

Market alliances against poverty in the Lesser Caucasus region of Georgia

### Duration

2008–2017

### Total budget

approx. CHF 15.5 million

### Implementing organisations

Mercy Corps Europe, in cooperation with Georgian organisations

### Partners

Ministry of Agriculture of Georgia, regional and municipal authorities, service providers, dairy and meat processing companies, veterinary surgeons



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## FACTS AND FIGURES (Source: World Bank)

### Population (2014)

Georgia: 4,5 million  
Switzerland: 8,1 million

### Life expectancy at birth (2013)

Georgia: women 78 years, men 71 years  
Switzerland: women 85 years, men 81 years

### Gross domestic product (GDP) per capita (2013)

Georgia: 3596 USD  
Switzerland: 84 733 USD

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## IMPRINT

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SDC: [www.sdc.admin.ch](http://www.sdc.admin.ch)  
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