



# PROJECT FACTSHEET

Georgia September 2013

## MEAT AND CHEESE ARE KVEMO KARTLI'S FUTURE



### COUNTRY CONTEXT

Georgia became an independent state following the break up of the Soviet Union in 1991. Relations with the neighbouring Russian Federation have been difficult, and in 2008 flared up into a conflict over the disputed region of South Ossetia.

Georgia's key exports include wine and fruit; the country is rich in agricultural diversity. Fruit, vegetables, and cattle for meat and dairy products are raised across the country. But agriculture, although it accounts for half of Georgia's labour force, is only the fourth most significant sector of the country's economy, and contributes just ten percent of Georgia's gross domestic product. Thus Georgia remains a net importer of food; imported grain, dairy, and meat account for over half the population's food needs. In 2011, the Georgian government declared development of agriculture a national priority.

The region of Kvemo Kartli is Georgia's biggest beef producer, and nearly every family earns its living from livestock, both cattle and sheep. But despite a growing market in Georgia for good quality locally produced meat and dairy products, farmers in Kvemo Kartli face difficulties, among them lack of modern farming machinery, lack of access to vets, and poor knowledge of and connections to the meat and dairy markets.

This rural economic development project of the Swiss Agency for Development and Cooperation (SDC) aims to support Kvemo Kartli's farmers to improve the quality and quantity of their meat, milk and cheese. The project will also help develop stable business relationships between farmers and meat and dairy wholesalers. The overall goal of the project is to alleviate poverty in the region, by improving the productivity and income of around 4,000 households.

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## SECTOR CONTEXT

Kvemo Kartli is a region of great potential; it is close to the capital Tbilisi, and is already Georgia's biggest producer of beef. Most farming families own an average of five cattle, and up to 40 sheep as well. Land plots are somewhat larger than in other regions of the country, with most families having access to up to two hectares. But despite this comparative wealth, Kvemo Kartli remains a region of subsistence farmers, producing food primarily for their own families, with only occasional surpluses being sold. It's not the case that farmers here are lazy; they simply face big obstacles to making a real economic success out of their land and livestock. Animal health tends to be poor in Kvemo Kartli, because farmers have little access to or money for veterinary services. In addition, the farmers tend to use only grass and hay as fodder, and have little information about or access to other feeds or vitamins, and little money to pay for such supplements. This contributes to lower than average yields of both milk and meat.

A further constraint facing Kvemo Kartli's farmers is the almost complete lack of modern mechanised farming equipment, meaning that activities such as hay making continue to be done by hand, a labour intensive and time consuming process.

Furthermore, farmers' time is regularly taken up by necessary but unproductive journeys to urban centres to pay their utility bills, and in the absence of good public or private transport it takes up valuable time which could be better spent farming.

Finally, although Kvemo Kartli is geographically close to the lucrative consumer market of Tbilisi, it is not close economically. The links between the farmers who produce meat and dairy products, and the wholesalers who buy them, are weak and untransparent. Farmers have little knowledge of current market prices for their produce, and as a consequence little bargaining power.

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## PROJECT OBJECTIVES AND ACTIVITIES

### Healthy animals produce more

A first key objective in this project is to improve animal health, by supporting local veterinarians to build up their own capacities and skills. They are encouraged to get to know Kvemo Kartli's farmers, to share animal health information with them, and to encourage them to introduce procedures such as vaccination and nutritional animal food supplements.

Farmers will also be made aware of the benefits of artificial insemination for their cattle and contacts will be established between farmers and local artificial insemination supplier Caucasus Genetics.

These two activities are a key step to improving animal health, thereby increasing the quality and quantity of beef, mutton, milk and cheese produced.

### Efficient modern farming produces more

A second objective is to provide farmers with improved access to the things they need to run a modern farm efficiently. These include small farming tools, large farming machinery, and the latest information. Agricultural suppliers will be encouraged to visit the region, and to set up shops. In Kvemo Kartli it is expected there will be a ready market among many farmers to invest in new supplies.

For larger farming machinery, this project adopts a similar approach to the one used in the neighbouring Samtskhe-Javakheti region which showed positive results: giving financial support to a number of villages to invest in communal farm machinery, which was then available for local farmers to hire at an affordable daily or hourly rate.

Efforts are made to allow farmers' to use their time more productively, by encouraging mobile banking services to visit remote villages, thus saving farmers the long journey into town to pay their bills at the banks.



### Knowing the rules pays off

On information sharing, it is key to ensure that local farmers are fully aware of Georgia's new national food safety regulations. Within these regulations is a provision for producing local, traditional cheese, a potential big advantage for Kvemo Kartli, which already produces two famous speciality cheeses: Sulguni and Imeruli. Both are expected to sell well in high end markets in Georgia and abroad. But to receive the 'traditional quality' certification Kvemo Kartli's cheese producers first have to learn all the new regulations, and introduce them into their production process. A number of local dairy farmers are already beginning to do so, and plan to switch from raw milk production to cheese this year.

At the same time, the project works to develop good relations between producers, suppliers and wholesalers, so that a sustainable market for Kvemo Kartli's products can be established. Advice is also given to farmers on fair market prices.

### Mutton and lamb can also sell well

For farmers who also have sheep, similar activities regarding animal health are carried out, and at the same time efforts are made to explore market potential for Kvemo Kartli produced lamb and mutton. Although the mutton market in Georgia itself is not huge, as it tends to be eaten more occasionally, at Easter for example, there is a growing demand across Georgia for good quality, locally produced fresh meat. Meanwhile demand for mutton and lamb is also high in neighbouring countries, such as Azerbaijan and in the Arabian peninsula. This is an export market which could work for Kvemo Kartli's farmers.

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### EXPECTED RESULTS

At the end of the first project phase, in spring 2014, approximately 4'000 of Kvemo Kartli's small-scale farmers and their households will benefit directly or indirectly through improved services and better access to market, and they will have better knowledge about the best practices in animal health and feeding.

The farmers will establish mutually beneficial links with agricultural suppliers, with market traders and with processors, ensuring good quality produce for which there is a sustainable market.

The farmers are expected to see an average annual increase of 10 percent in their income from livestock production.

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## DID YOU KNOW THAT...

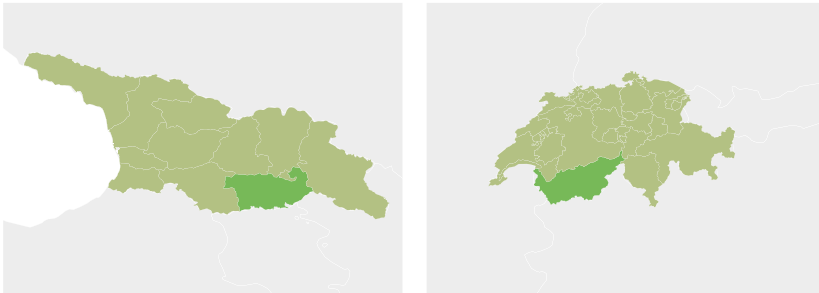
- ... Georgia imports over half the food it needs to feed its population.
  - ... Georgia has its own unique three alphabets which according to traditional accounts were invented by King Pharnavaz I of Iberia in 3rd century before Christ (B.C.).
  - ... Georgia is said to be the country where humans first discovered the art of winemaking. The roots of Georgian viticulture go back to at least 6000 B.C.
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## COUNTRY FIGURES

**Population** (official estimate, 2012): 4.5 million (Switzerland: 8 million)

**Life expectancy at birth** (Human Development Index, 2012): 73.9 years (Switzerland: 82.5 years)

**Gross national income per capita** (World Bank, 2011): USD 2'860 (Switzerland: USD 76'380)




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## PROJECT AT A GLANCE

**Title:** Market Alliances against Poverty in the Kvemo Kartli Region of Georgia

**Duration:** 2011 – 2017 (two phases)

**Total budget:** Approx. CHF 5.5 million

**Implementing organisation:** Mercy Corps Scotland; in cooperation with IAAD and ICCN, two Georgian NGOs

**Partners:** Input suppliers, service providers, shop owners, regional and local authorities, Ministry of Agriculture, other donor agencies

| region/canton | <b>Lower Kartli (Kvemo Kartli)</b>                    | <b>Valais / Wallis</b> |
|---------------|---|------------------------|
| area          | 6,500 km <sup>2</sup>                                 | 5,200 km <sup>2</sup>  |
| population    | 500,000 Einw.   | 320,000 Einw.          |
| density       | 76 per km <sup>2</sup>                                | 62 per km <sup>2</sup> |
| capital       | Rustavi (116'000)                                     | Sion / Sitten (31,000) |
| languages     | Azeri,<br>Georgian,<br>Armenian,<br>Greek,<br>Russian | French,<br>German      |

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## IMPRINT

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

SDC Programme South Caucasus:

[www.swiss-cooperation.admin.ch/southerncaucasus/](http://www.swiss-cooperation.admin.ch/southerncaucasus/)

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