



PROJECT FACTSHEET

Georgia September 2013

SDC PROJECT HELPS GEORGIAN FARMERS MAKE THE MOST OF THEIR LAND AND LIVESTOCK



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.

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.

Kakheti Region in eastern Georgia is a region of subsistence cattle farmers. The land here is good for pasture, what's more, the farmers are relatively close to the big and lucrative markets of the capital Tbilisi. But Kakheti also suffers high levels of unemployment and poverty; although 80 percent of the population live in rural areas and work in agriculture, they are simply not earning enough from cattle farming to make ends meet. The aim of this new rural economic development project of the Swiss Agency for Development and Cooperation (SDC) is to increase the income of farmers in Kakheti, by helping them to increase the quantity and quality of their products, and by streamlining their access to the markets.

SECTOR CONTEXT

Get more out of your Caucasus Brown

The main cattle breed in Kakheti is the Caucasus Brown, a hardy species which is well adapted to the local environment. Nevertheless, Kakheti farmers face various challenges to increasing productivity. First, the majority of farmers, around 60 percent, are subsistence farmers, owning only one or two cattle, which are used primarily to supply milk or meat to their own families. A second key contributor to low productivity is the cattle feed; Kakheti farmers tend to use only grass as fodder, and have little information about or access to other feeds or vitamins, and little money to pay for such supplements. This means milk productivity tends to be low. A further challenge is access to and use of veterinary services. Although some livestock veterinarians are available locally, most farmers tend to call on them only in emergencies. Preventative measures such as vaccination are rarely used, again contributing to poor general health among cattle, and low yields of milk and meat. A final challenge to increased productivity is the lack of an efficient and up to date breeding programme. Local cattle stocks have suffered genetic degeneration over the years because of uncontrolled breeding during the grazing period, meanwhile artificial insemination is rarely used. When it is, it is often unsuccessful.

PROJECT OBJECTIVES AND ACTIVITIES

In Georgia there is a growing market for fresh locally produced dairy products, so farmers who increase productivity can increase their income, especially in winter months, when a premium is paid for top quality milk and dairy products. What's more, Georgian consumers prefer to buy local meat, even if it costs more than the imported variety, so farmers who produce good quality local meat can be sure of getting a good price for it.

This project aims to encourage farmers to grow more nutritious fodder for their cattle, and to improve the availability of both mixed feed and vitamins at affordable prices. Local veterinarians have been identified as key partners, so the project helps them to develop their capacities and to improve their access to up to date information and medicines. Veterinarians can then access local farmers, inform them about the benefits of improved animal health, and encourage them to invest in preventive health measures.

The project also intends to improve the quality and availability of artificial insemination, by supporting existing local artificial insemination services, and encouraging them to provide improved advice and information to farmers. The consequent increase in milk and meat production will generate more income, allowing farmers to invest more in their land and livestock, and perhaps even allow them to increase their herds.





Making the market work for farmers

More milk and meat obviously need market access, but here again Kakheti's farmers face challenges. Wholesalers and retailers expect a consistency in supply and quality, something a subsistence farmer finds difficult to provide. The farmers themselves rarely benefit from transparent market price information, meaning the relationship between farmers and retailers tends to be characterised by a lack of trust.

The supply of dairy products furthermore tends to be complicated by low hygiene standards, while meat producers are hampered by lack of access to certified slaughter houses (required now under Georgian food safety law).

This new project assesses the local market supply chains, and identifies ways to streamline them. Defining terms of delivery, and making price negotiations transparent will generate trust between farmers and retailers. Big dairy companies will be encouraged to support reliable demand and supply chains. Meat producers and processors will also be supported: to access the new supplies of good quality meat, they need to build new slaughter houses in the Kakheti region.

More milk and more meat will mean more income for Kakheti's subsistence farmers. It will mean more business for Georgia's dairy and meat producers, and, it will mean more good quality local produce for Georgia's consumers. A win win situation.

EXPECTED RESULTS

This project intends to reduce rural poverty in the Kakheti province of Georgia by supporting up to 6'500 farmer households to increase their income through increased milk and meat production.

More specifically, the following outcomes are expected to be reached until the end of 2015:

1. Subsistence and semi-subsistence livestock farmers have improved access to services, inputs and information enabling them to make informed decisions on animal health, breeding and nutrition and to increase production of dairy and meat products;
 2. Subsistence and semi-subsistence livestock farmers are capable to increase their income and improve their well-being due to more favourable market access and terms of trade for dairy and meat products;
 3. Local and regional governments have enhanced capacities to support the inclusive and coherent growth of the agricultural sector which is more resilient to natural disasters.
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DID YOU KNOW THAT...

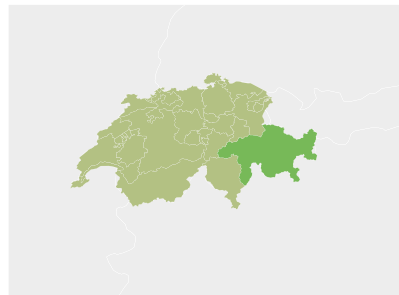
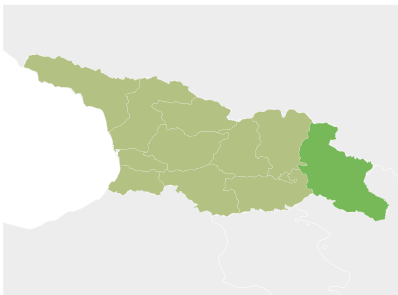
- ... Georgia imports over half the food it needs to feed its population.
 - ... Georgia has its own unique three alphabets which according to traditional accounts were invented by King Pharnavaz I of Iberia in 3rd century before Christ (B.C.).
 - ... Georgia is said to be the country where humans first 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)



region/canton	Kakheti
area	11,400 km ²
population	410,000
density	36 per km ²
capital	Telavi (22,000)
languages	Georgian, Azeri, Chechen, Ossetian

	Graubünden
area	7,100 km ²
population	190,000
density	27 per km ²
capital	Chur (34,000)
languages	German, Romansh, Italian

PROJECT AT A GLANCE

Title: Market Opportunities for Livelihood Improvement in Kakheti

Duration: 2011 – 2017 (two phases)

Total budget: Approx. CHF 6.5 million

Implementing organisation: HEKS-EPER (Swiss NGO); in cooperation with Helvetas Swiss Intercooperation, ABCO Georgia, Association Caucasus Genetics

Partners: Service providers, milk collection centres, shop owners, regional and local authorities, Ministry of Agriculture of Georgia, other donor agencies

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