



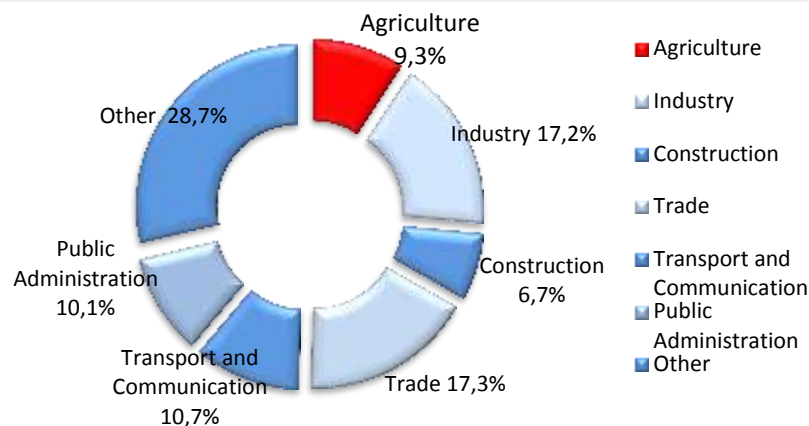
Ministry of Agriculture of Georgia

Agriculture: The National Priority

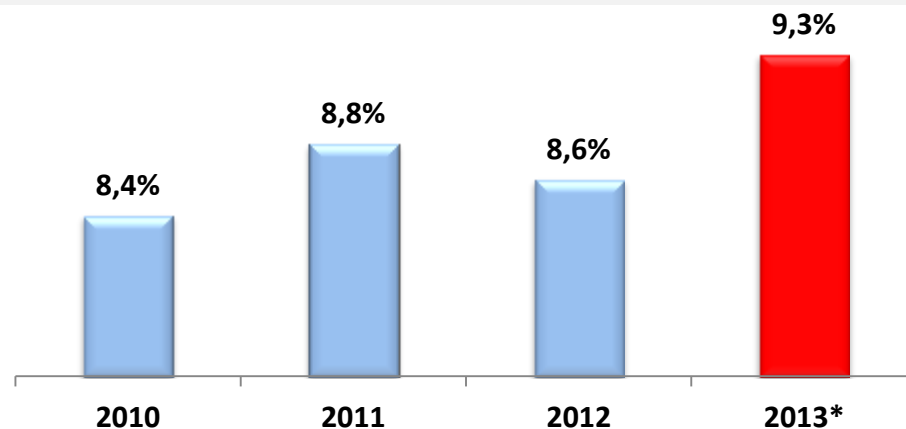
Create an environment that will increase agricultural competitiveness, promote stable growth of agricultural production, ensure food safety and eliminate rural poverty through the sustainable development of agriculture and rural areas

Agriculture in Figures - GDP

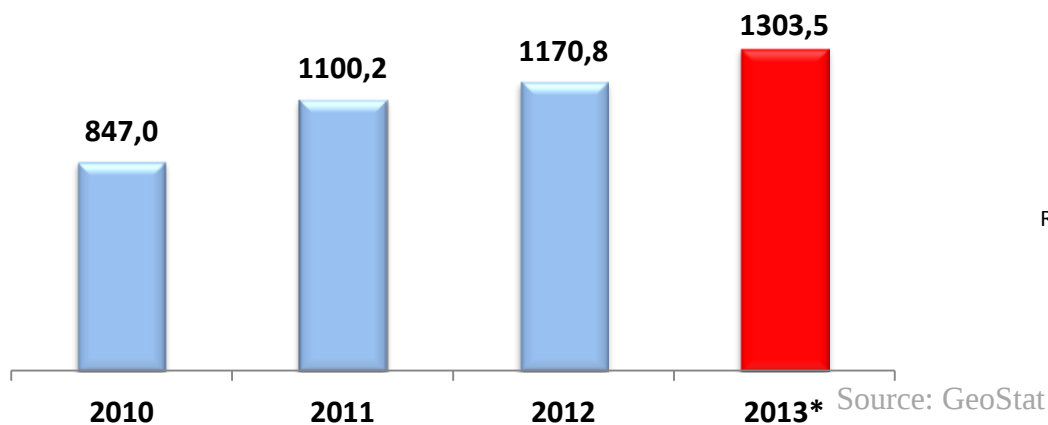
GDP by sectors, 2013*



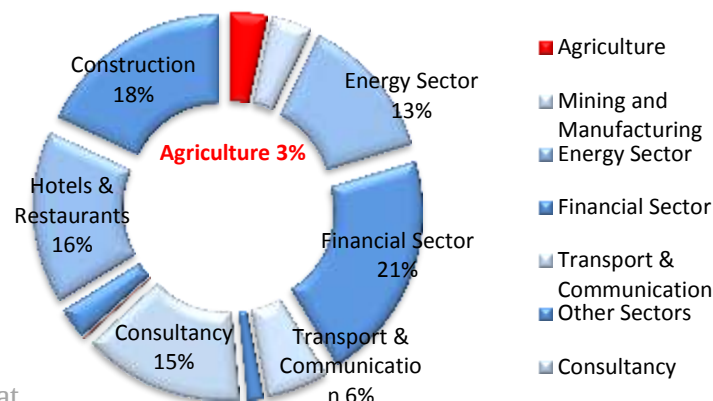
Agricultural Share in total GDP, %



Agricultural GDP at Current Prices (mln USD)

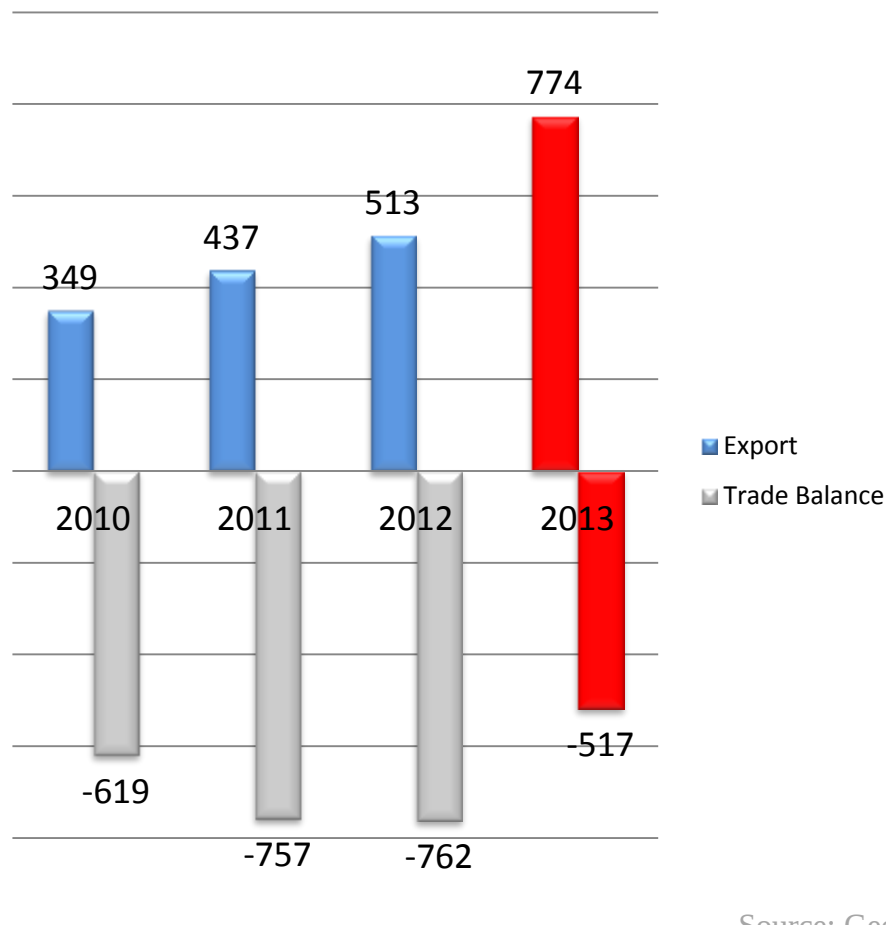


Georgia, Inward FDI, cumulative 2013*

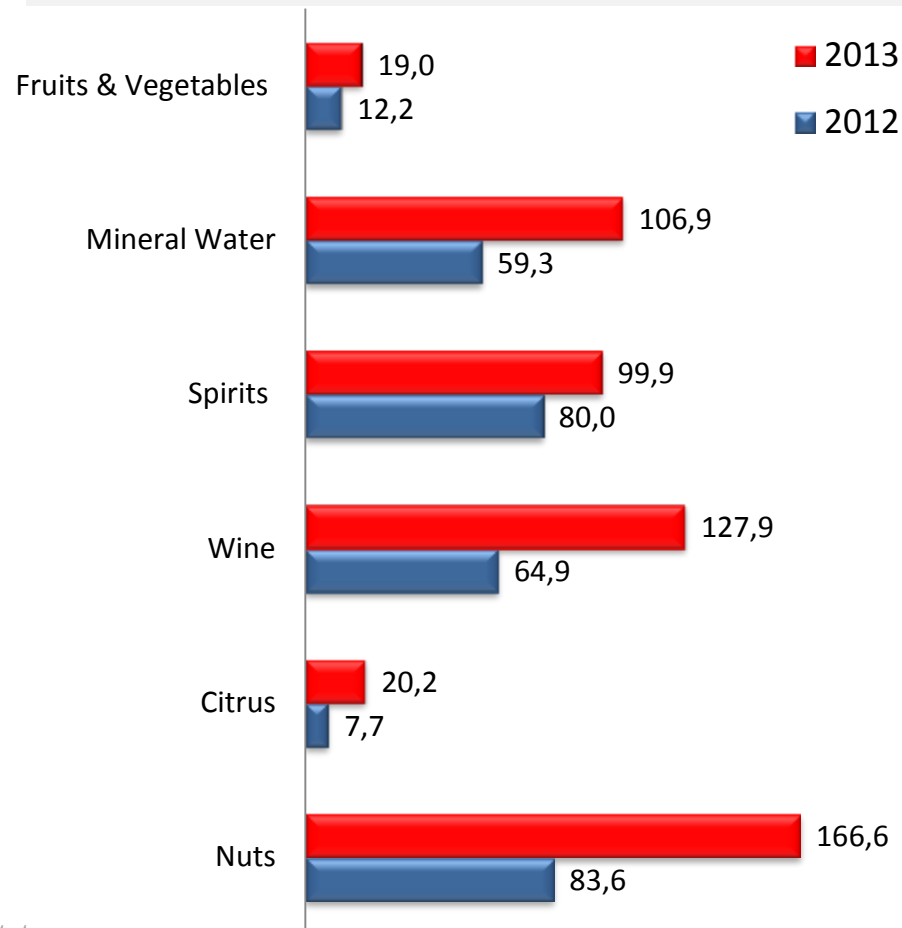


Agriculture in Figures - Trade

Agro Export-Import (mln USD)



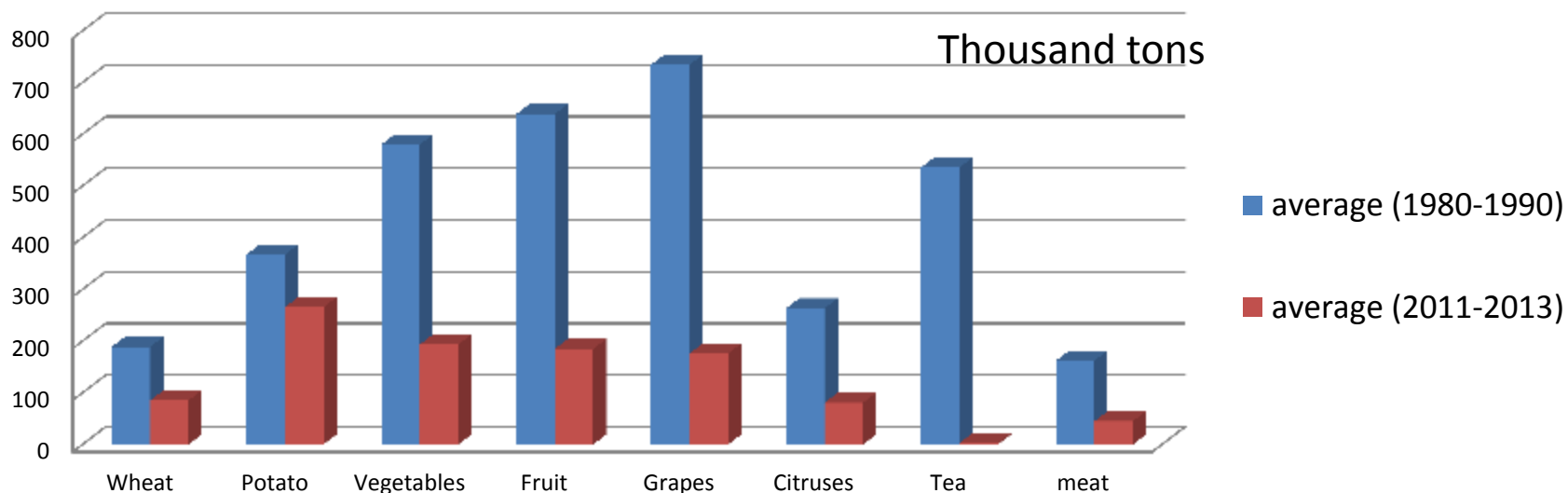
Export of Main Agro Products (mln USD)



Source: GeoStat

Untapped Potential

Although the production plummeted dramatically, the vast potential still remains

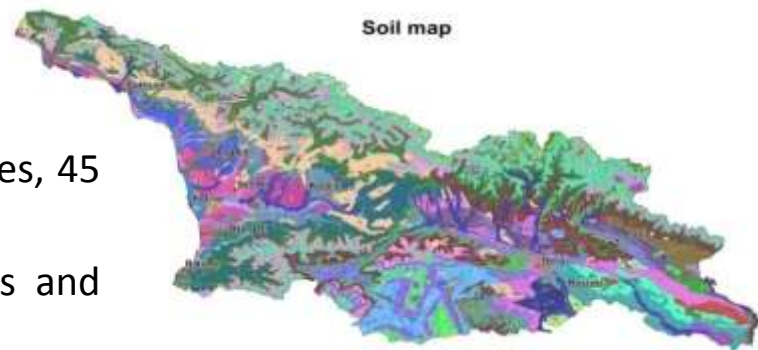


Source: GeoStat

During the Soviet period Georgia was one of the major suppliers for fruit and vegetable products to the republics of the Soviet Union, exporting various kinds of fruits, tea, greens, nuts, essential oils, citruses, wine, alcoholic/nonalcoholic drinks, mineral waters, and canned fruit and vegetable products.

Competitive Advantage of Georgia

- 49 types of soil and 22 microclimate zones;
- Climatic zones from subtropical to semi arid and arid;
- The Black Sea coastline 315km;
- Abundant renewable water resources 63.3cu km - 860 lakes, 45 reservoirs;
- Rich Tradition of Winery, Citrus, Grape, Tea, Nuts, Fruits and Vegetables, etc.;
- Extended growing seasons (both early and late).



Diversified high value cash crops:



Grapes with up to 500 endemic species;



Greenhouses;



Wide variety of Fruits and vegetable (both early and late);



Nuts;



Special tea for high margin markets;



Greens;



Citruses;



Dairy Products.



Markets With Preferential Trade Terms

DCFTA with Europe - After 12 bilateral rounds of DCFTA, negotiations are closed and agreement will be signed on 27th of June.

FTA with CIS countries - Favorable trade regimes with 11 CIS countries;

FTA with Turkey;

GSP with - USA, Canada, Switzerland, Norway, and Japan.

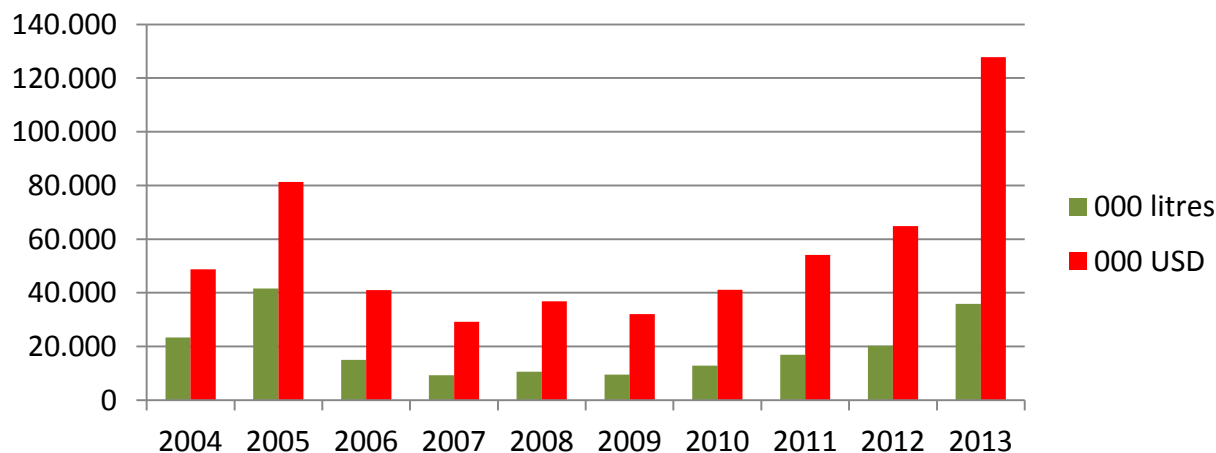
Russian Market - As a result of successful negotiations, Georgia has resumed exports of agricultural products to Russia.

- More than 60 Georgian companies (Wine & Mineral water), have been inspected and got an approval to export to Russia;
- First shipments of Georgian wine and mineral water have reached the shelves of Moscow's supermarkets and shortly will be available throughout Russia;
- In 2013, **20.7 million bottles** of wine exported to Russia;
- **Georgia has resumed export of fruits and vegetables to Russia from 14 October.**

Wine as Georgia's National Treasure

- The world's oldest wine producing country
- 8000 years of wine-making tradition
- More than 500 endemic wine grape varieties

Export Trend



**QVEVRI – Georgian
Wine making Method**



- Wine export geography - 48 countries
- Registered 18 appellations of origin



Fruits

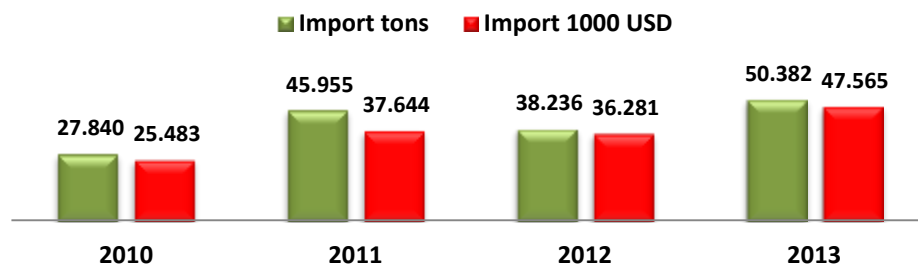
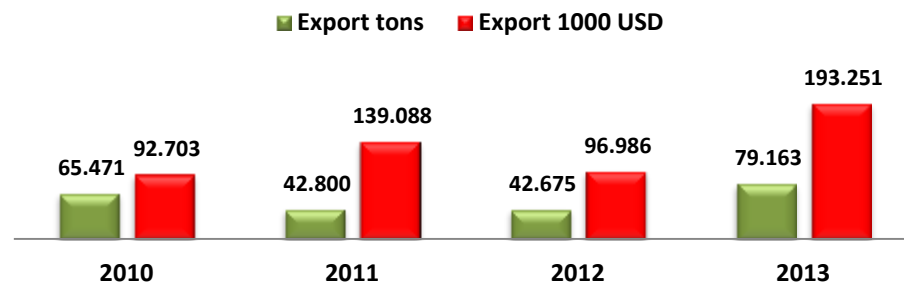


Snapshot

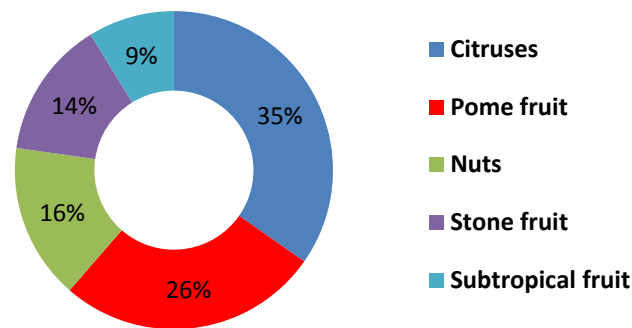
- Excellent nutritional characteristics
- Favorable climate and soil conditions
- Increasing area under new orchards
- Proximity to main export destinations
- Awareness and positive attitude to Georgian products in CIS markets
- Growing fresh exports to CIS and EU markets

Opportunities

- Development of post-harvest handling infrastructure
- Upgrade of processing capacity
- Value addition
- Export demand for fresh and value added larger than supplies
- Exports to EU markets



Structure of fruit production





Hazelnut



Snapshot

- Favorable climate and soil condition
- Increasing area under new orchards
- Proximity to main export destinations
- Growing exports to EU and CIS markets
- Fifth hazelnut producer in the World

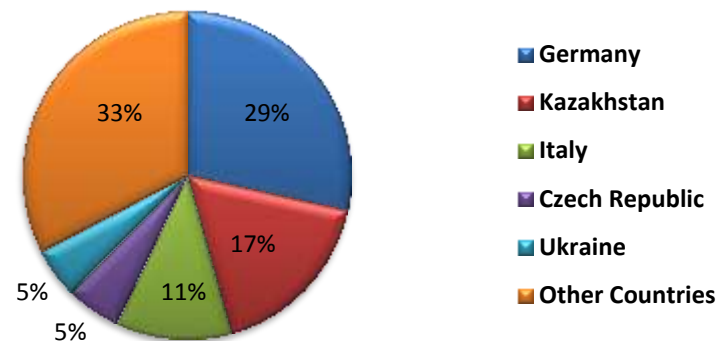
Opportunities

- Improved post handling and processing
- Emerging producers in processors associations
- Exports to EU and South Asian markets
- Production opportunity for other nuts: walnut, almond, pecan nut

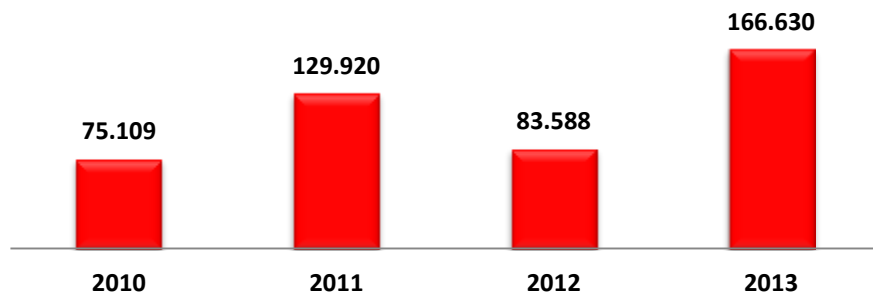
Production Regions: Samegrelo, Imereti and Guria



Export of Nuts by Markets, 2013



■ Export of Huzelnut (1000 USD)



Access to Affordable Finance

Goal

- Improve access to financial resources for agricultural activities

Total Beneficiaries - 17 421

Total Credit Amount - 368 mln GEL

Key Objectives:

- Increase competitive agricultural production
- Support creation of primary and processing enterprises
- Increase export-oriented production
- Increase rural employment



Co-Investment Project for Agro Processing Companies

Total investment of Project - USD 30 million

Key Objectives of Project:

- Creation of 50 new or rehabilitation of inactive agro processing companies in low economic activity regions;
- Geographic diversification of agro processing companies.

Financing criteria:

- Total budget of project must not exceed US\$ 1,000,000;
- Up to US\$ 500,000 cheap agro credit with 1-2 % interest rate;
- Loan duration – 120 months;
- Grace period – at least 18 months.

Structure of Funding:

- Co-Investment from beneficiary – 10 %;
- Grant component – 40 %;
- Cheap agro credit or leasing – 50 %.



Produce in Georgia



Program starting date: June 1, 2014

Goal: Support and development production oriented industries

Program directions & budget – GEL 46 mln:

- Agricultural production & processing – **GEL 30 mln**
- Industrial production – **GEL 16 mln**

Program components:

- Financial assistance
- Infrastructural support
- Technical assistance

Financial assistance:

- Co-financing of collateral - at most 30% of total loan (first 2-4 years, up to USD 600 000)
- At least 80% of the loan - purchase of fixed assets
- Grace period – 24 months - on fixed assets
18 months - on working capital

Program directions in Agriculture:

- High-tech greenhouses: vegetables, berries, greens
- High-tech, intensive cattle farming (dairy, meat)
- Cattle, poultry, fish feed factory
- High-tech, intensive poultry factory (meat, hatching)
- Fruit, berries, vegetable, citrus processing
- Nuts processing
- Wool, leather processing
- Laurel, tea, tobacco processing

Loan Amount	Bank	Subsidy
USD 600 000 - 1 000 000	12%	10%
USD 1 000 001 - 2 000 000	11%	10%



Thank You

Ministry of Agriculture of Georgia

www.moa.gov.ge