

A close-up photograph of a snail with a brown, textured shell and a light-colored body, moving across a vibrant green leaf. The background is a soft-focus green, suggesting a natural outdoor setting.

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#140

GEORGIA

AGRICULTURE FINANCE BULLETIN

Snail Exports Increase 242% in 2023

EU Officially Recognize Georgian Fishing
Certificates

Wine Promotion Program Kicks Off

Azerbaijan Imposes Ban on the Import
of Small Cattle from Georgia

Georgian Agriculture Finance Bulletin

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Note:

The Georgian Agriculture Finance Bulletin presents a monthly roundup of headlines and news stories related to investments and financing flows to Georgia's agricultural sector.

This bulletin is prepared by Business & Finance Consulting—a Swiss-based development finance consulting company with a long history of working in Georgia. [Read more »](#)

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State Initiatives

1) National Food Agency Program to Improve Hazelnut Production

April 18th, 2024, <http://agenda.ge/en/news/2024/38741#qsc.tab=0>

The National Food Agency of Georgia plans to enhance hazelnut production and combat stink bugs through a program that will test up to 500 agrochemical and pesticide samples. This initiative also includes stricter control over sales facilities distributing these products. As part of a state promotion program, facilities must keep detailed sales records and comply with specified conditions. During a recent meeting, deputy heads Giorgi Iakobashvili and Zurab Lipartia emphasized the importance of robust control mechanisms to increase the efficiency of hazelnut cultivation and pest management. The program also offers a subsidy of GEL 500 (USD 187.28) per hectare to owners of hazelnut orchards of 0.2 to 3.0 hectares.

2) Changes Made to State Agricultural Insurance Program

April 21st, 2024, <https://sputnik-georgia.ru/20240421/qruzinskie-fermer>

The Ministry of Agriculture has announced significant enhancements to the state agricultural insurance program to support farmers more effectively. Under the revised program, farmers can now insure up to 20 hectares of any crop and up to 100 hectares of grain crops, doubling the previous limits. The program, which has been operational since 2014, offers subsidized insurance covering risks such as hail, floods and frost, with farmers paying only 30% of the total insurance cost. Additionally, the program has also streamlined the damage assessment period to 15 days and extended the window for reporting damages via telephone to 72 hours. Another pivotal change is the introduction of variable insurance rates, replacing the fixed rate, to foster competition among insurers and provide farmers with options based on their risk assessments. This strategic shift not only enhances coverage for farmers but also incentivizes investment by making agriculture more predictable and financially secure.

3) Agriculture Minister Reviews Equipment Purchased through State Program

April 24th, 2024, <https://mepa.gov.ge/En/News/Details/21664>

During his visit to Abasha municipality, the Minister of Agriculture Otar Shamugia reviewed farm equipment acquired through the state *Co-Financing Agricultural Machinery for Agricultural Cooperatives* program. This initiative, which also encompasses the *Agro-Credit Project*, has significantly aided both large- and small-scale farmers. It provides a 50% co-financing option for cooperatives purchasing agricultural equipment. Recent achievements include the funding of 62 cooperatives' acquisition of 331 units of farm machinery in 2023–2024, with the government covering half of the total costs (amounting to GEL 3,631,281). Additionally, over 7,500 units of agricultural machinery and equipment worth more than GEL 440 million have been purchased across Georgia from 2016 to 2023 under the program, with more than GEL 122 million provided in state aid.

4) Wine Promotion Program Kicks Off

April 25th, 2024, <https://georgiatoday.ge/the-promotion-program-of-wine-production-was-started/>

The government of Georgia has recently initiated the *State Program for the Promotion of Georgian Wine Production in the Local Market*, which took effect on April 22 after being approved on April 8. This program outlines comprehensive terms for the co-financing of exhibition-festival organizers and competition-related events. It specifies the amount of compensation available and details the necessary documentation that legal entities must submit to qualify for financial support. The initiative aims to bolster

local wine production by providing financial incentives for promotional activities, thus supporting the growth and sustainability of the Georgian wine industry through strategic government backing.

Foreign Aid

5) USD 4 Million Inclusive Rural and Agricultural Project Announced

April 26th, 2024, <https://mepa.gov.ge/En/News/Details/21668>

The Ministry of Agriculture, in collaboration with the Food and Agriculture Organization of the United Nations (FAO) and funding by the Austrian Development Cooperation (ADC), is launching the new USD 4 million *Inclusive Rural Development and Sustainable Agriculture* project. Set to span four years, this initiative targets a diverse group including farmers, cooperatives, rural households, educational bodies and private sector actors, aiming to foster entrepreneurship and enhance income in both the agricultural production and processing sectors. The project is seen as a vital step towards European integration, with a special focus on empowering women and youth to foster innovation and economic opportunities, thus reinforcing Georgia's agricultural sector and its integration into the European market.

Private Sector

6) Grape Imports on the Decline

April 1st, 2024, <https://georgiatoday.ge/this-year-georgia-bought-707-tons-of-grapes/>

In January–February 2024, Georgia bought 707.1 tons of grapes worth USD 927,500, which is 8.9% less than the same period last year when Georgia bought 933.2 tons of grapes worth USD 1.01 million. This year, 29.6% of grape imports were from Armenia.

7) EU Officially Recognize Georgian Fishing Certificates

April 4th, 2024, <https://mepa.gov.ge/En/News/Details/21644>

The European Commission (EC) now officially recognizes fishing certificates issued by Georgia, marking a significant advancement in the country's journey towards European integration. This recognition will align Georgia's fishing industry with European Union (EU) standards, enhancing competitiveness and expanding export potential. In particular, it enables Georgian entrepreneurs to export sea fish and other fish products to the EU market, significantly benefiting the national economy. Over recent years, the Ministry of Agriculture has implemented several reforms, including legislative amendments aligned with EU legislation and best practices aimed at preventing, detecting and eliminating illegal, unreported and unregulated fishing. Additionally, the Ministry has also established robust authorization and control mechanisms along with accountability measures for violations, further solidifying the integrity and international standing of Georgia's fishing sector.

8) Sowing Patterns Shifts in 2023

April 12th, 2024, <https://www.commersant.ge/en/news/economics/grape-production-down-222-percent-in-2023>

Preliminary data from 2023 reveals shifts in agricultural production and sowing patterns in comparison to 2022. Wheat production fell by 6.5% to 146,600 tons, and barley decreased by 26.9% to 43,000 tons. In contrast, maize and potato productions saw increases of 24.1% and 0.4%, totaling 189,800 and 199,700 tons, respectively. Vegetable production dropped by 7.5% to 138,200 tons. Sown areas for annual crops reduced by 4.9% to 205,200 hectares, with a notable decline in both winter and spring crops.

The year also saw decreased production in most fruit categories, with the exception of nuts, subtropical fruits and citruses.

9) Azerbaijan Imposes Ban on the Import of Small Cattle from Georgia

April 22nd, 2024, <https://www.commersant.ge/en/news/economics/azerbaijan>

The Food Safety Agency has ramped up the monitoring in several districts of Azerbaijan (Aghstafa, Gakh, Tovuz, Balakan, Gakh, Zagatala and Samukh) following an outbreak of small animal disease in the Nizhny Kartli region of Georgia. Between March 13 and March 29, the Agency collected 845 diagnostic samples from small cattle aged 6–12 months across 195 farms in 65 border settlements, using random sampling. Clinical observations were also conducted among both domestic and wild animals in these districts. As a preventive measure, Azerbaijan has temporarily halted the import and transit of small cattle from Georgia, adhering to the guidelines of the World Organization for Animal Health's Code of Land Animal Health.

10) Agriculture Minister Emphasizes the Potential of Hazelnut Production

April 24th, 2024, <https://mepa.gov.ge/En/News/Details/21663>

During a visit to the MMG Agriculture hazelnut orchard in Kvemo Kvaloni, Agriculture Minister Otar Shamugia discussed the significant potential of the hazelnut industry. He emphasized the government's commitment to supporting hazelnut farmers financially and through knowledge sharing to enhance competitiveness and income. Despite the climatic challenges in 2023 that affected crop quality and increased the harvest by 5,000 tons, expectations for a substantially higher yield in 2024 are strong. This is bolstered by state programs and farmer initiatives. MMG Agriculture, benefitting from Georgian-Jewish investments, has developed over 300 hectares of hazelnut orchards. The company is also supported by the state's *Plant the Future* initiative, which has provided the company with GEL 50,000 for planting on 50 hectares and GEL 1.5 million in preferential agro-credits as part of GEL 123 million in broader regional investments for horticulture development.

11) Snail Exports Increase 242% in 2023

April 27th, 2024, <https://www.newsgeorgia.ge/gruzija-velichila-jeksport-ulitok-pochti-na-242-po-itoqam-proshloqo-goda/>

In 2023, Georgia experienced a significant surge in its snail export market, shipping 151.4 tons (a 242% increase from the previous year). Exports were primarily to France, which received over 150 tons. Smaller quantities (1.2 tons) were sent to Italy. This burgeoning industry generated approximately USD 1.3 million in revenue. The average retail price per kilogram of snails in Georgia stands at EUR 3, whereas export prices vary between EUR 4 and EUR 4.5. This boost in exports followed Georgia's authorization to export snails to the EU in 2022 following the Ministry of Agriculture's efforts to align relevant Georgian laws with EU legislation.