



## Meat Market Survey

April 2021

Lela Kobakhidze, Marneuli



<b><u>MEAT MARKET SURVEY.....</u></b>	<b><u>3</u></b>
<b><u>METHODOLOGY.....</u></b>	<b><u>3</u></b>
<b><u>MEAT MARKET OVERVIEW.....</u></b>	<b><u>3</u></b>
<b><u>FINDINGS IN DETAIL.....</u></b>	<b><u>5</u></b>
<b><u>KEY FINDINGS: BUSINESS LEVEL.....</u></b>	<b><u>5</u></b>
<b><u>LIVE SHEEP.....</u></b>	<b><u>6</u></b>
<b><u>PROCESSED SHEEP FOR EXPORT.....</u></b>	<b><u>6</u></b>
<b><u>DOMESTIC CONSUMPTION OF SHEEP.....</u></b>	<b><u>7</u></b>
<b><u>SHEEP SUB PRODUCTS: STOMACHS, SHEEP TAILS (DUMA).....</u></b>	<b><u>8</u></b>
<b><u>BEEF FOR DOMESTIC CONSUMPTION.....</u></b>	<b><u>8</u></b>
<b><u>LIVE CATTLE EXPORT.....</u></b>	<b><u>8</u></b>
<b><u>CATTLE ENTRAIL AND HIDE EXPORT.....</u></b>	<b><u>9</u></b>
<b><u>PORK FOR DOMESTIC CONSUMPTION.....</u></b>	<b><u>10</u></b>
<b><u>KEY FINDINGS: FARMER LEVEL.....</u></b>	<b><u>10</u></b>
<b><u>CONCLUSION AND NEXT STEPS.....</u></b>	<b><u>11</u></b>
<b><u>ANNEX 1: LIST OF INTERVIEWED STAKEHOLDERS.....</u></b>	<b><u>11</u></b>
<b><u>ANNEX 2: PRICE COMPARISON OF LIVE WEIGHT OF 1 KG SHEEP AND CATTLE BY REGIONS AND YEARS.....</u></b>	<b><u>12</u></b>
<b><u>ANNEX 3: OVERVIEW OF ALCP WORK IN MEAT SECTOR IN GEORGIA 2011-2021.....</u></b>	<b><u>14</u></b>

## MEAT MARKET SURVEY

The meat sector has been the livestock sector hardest hit by COVID-19 and has seen widely changing dynamics due to the pandemic and also due to the increasing influence of changing export demand in both cattle and sheep sectors. There has been increased formalization and product diversification in Georgia and thus an in depth study was required to follow on from the meat sector survey undertaken to ascertain the effects of COVID-19 (September 2020) and to form the basis for the next round of interventions for the final twelve months of the current project.

## METHODOLOGY

### BUSINESS LEVEL

Senior ALCP theme officers conducted the survey and interviewed owners of slaughterhouses located in Marneuli, Samtskhe Javakheti, Kutaisi and Kakheti regions, visited livestock markets in Marneuli, Kakheti and Samtskhe Javakheti regions and had interviews with sheep collectors in Marneuli and Kakheti Livestock Markets, Shepherd Association, sheep exporters, sheep to Saudi Arabia and exporters of live cattle and sheep/sheep sub products. A list of interviewed stakeholders can be found in Annex 1 below. The survey period was from January 22<sup>nd</sup> to February 6<sup>th</sup>, 2021

### FARMER LEVEL

The ALCP qualitative measurement team conducted semi-structured in-depth interviews with forty-one farmers owning sheep, cattle and pigs<sup>1</sup> between 14-29<sup>th</sup> of January 2021. However the situation is very fluid in the sector and dependent on what happens with the reopening of markets and the HoReCa sector and the findings in this report could change quickly. The programme selected the farmers from client data and data provided by the Regional Information Consultation Centres of the Ministry of Agriculture. The interviewed farmers generally sell their cattle, sheep and pigs through intermediaries for domestic or export markets. The main research questions focused on sales, price changes, challenges related to winter grazing due to keeping unsold sheep, cattle and pigs this winter, and how farmers are coping.

## MEAT MARKET OVERVIEW

Since 2015 the Georgian meat market has been formalizing domestically and in terms of export of processed sheep meat and the live export of cattle and sheep. Processing and export of the fifth quarter e.g. entrails and hides of cattle and sheep has also developed. In the meat research<sup>2</sup> conducted by the ALCP in 2016, export of live sheep to Islamic countries was higher than the export of processed sheep. However, in 2017 the export of halal processed sheep began to grow, rising to a peak in 2018. In 2019, the export of live sheep increased again and export of processed sheep began to decrease, coming practically to a stop in 2020<sup>3</sup> due to the COVID-19 pandemic and resultant drop in demand and border closures. The small number of slaughtered/processed sheep exported in 2020 went to the United Arab Emirates, Kuwait, Iran and Qatar. *Please see Figure 1 below.* Live export figures have remained relatively healthy. . Since 2016, the biggest importer of live cattle was Iraq followed by Azerbaijan. However, the situation has changed since 2018 and Azerbaijan has become the biggest importer of cattle followed by Iraq.

---

<sup>1</sup> 7 farmers in Kakheti, 5 farmers in SJ, and 2 farmers in KK – we stopped interviewing after two respondents as answers were similar and repeated the same we found out in Kakheti. owning sheep were interviewed; 6 farmers in Kakheti, 10 farmers in SJ, 5 farmers in Adjara and 3 farmers in KK owning cattle were interviewed; and 3 farmers owning pigs were interviewed in Imereti.

<sup>2</sup> [Meat Sector Development in Georgia](#)

<sup>3</sup> Data of export of cattle and sheep live weight and processed for 2015, 2016 and 2018 obtained from the NFA. Data for 2019-2020 from Geostat was provided through BIG. Data of 2017 was updated according to Geostat (through BIG), because in meat sector research in 2017 reported data included just 1st quarter of 2017

In general, export of processed and live sheep and cattle mainly depends on the demand from Muslim countries and how the exporter or intermediary<sup>4</sup> finds and develops their relationship with a buyer from export countries. Most of the intermediaries are local Azeri people travelling throughout regions of Georgia and buying cattle and sheep, collecting them together and fattening or selling them directly to an exporter. These people are not formal entities paying tax. To contact them and to find out information about the price of cattle and sheep is extremely difficult, because they do not keep records and are scared to provide a clear picture about their businesses, as they are unregistered. There is also fierce competition between intermediaries and information is a valuable commodity. The exporters tend to be slaughterhouses in Georgia or export Ltd's who have brokered contacts with buyers in export countries. See sections *Processed Sheep and Live sheep for Export* and *Live Cattle Export* for more details

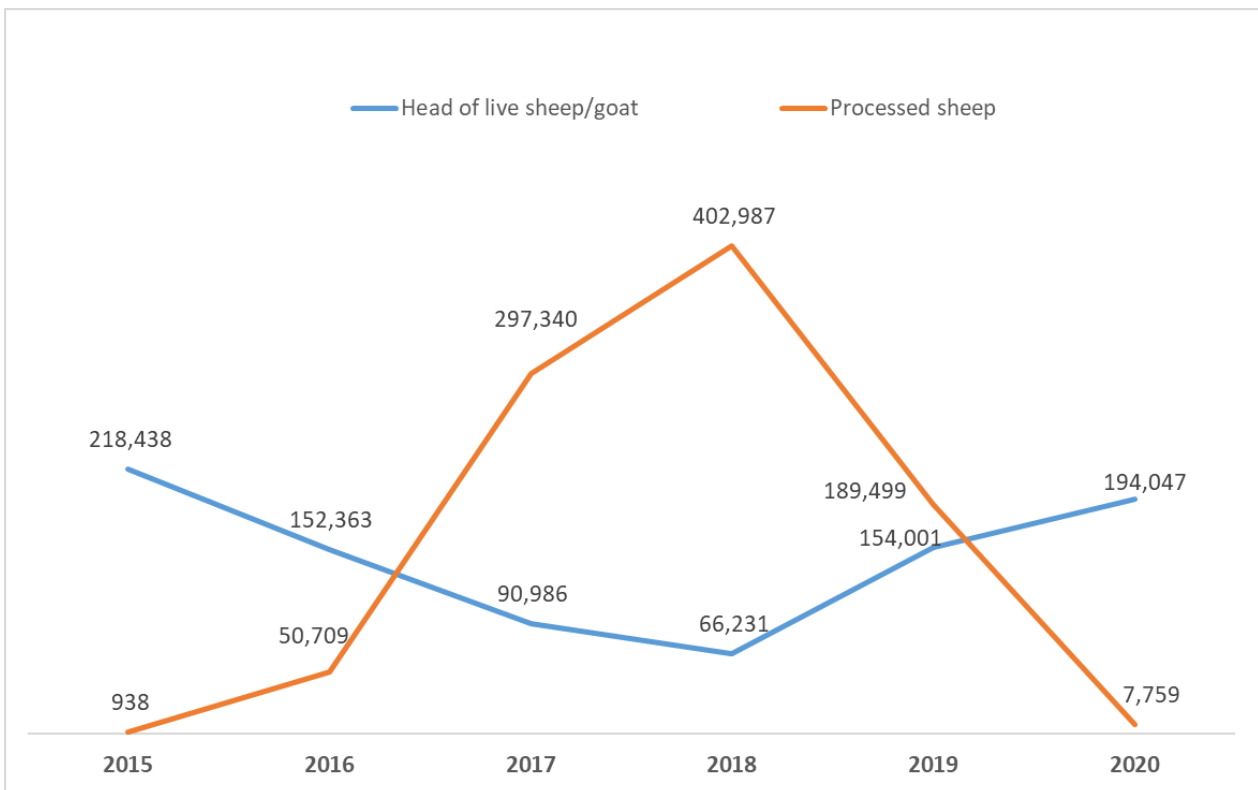


Figure 1 Comparison of export of live and processed sheep by years by year

In February 2020, the first case of COVID-19 appeared in the country. From mid-March the government of Georgia closed all borders, imposed a ban on all citizens entering the country and completely halted air travel with other countries. Import of food and animal feed supplies continuing uninterrupted. In March 20, 2020, the National Food Agency (NFA) issued a Decree to close all HoReCa sector entities and limited their operations to delivery services to prevent the spread of COVID-19. All these restrictions have significantly affected the income and financial stability of slaughterhouses, which is described in the September 2020 COVID-19 report<sup>5</sup>. In March 2020 all processed sheep export stopped, consequently, sheep slaughtering services stopped as well.

The COVID emergency also showed the dependence of the domestic meat sector on the HoReCa sector. Low demand for meat and slaughtering services has been caused mainly by the closure and reduced demand of the HoReCa sector and slackened control over backyard slaughtering. Cattle and pig slaughterhouses

<sup>4</sup> An intermediary is a local person who collects sheep for local or foreign exporter. An exporter – is a local person or foreign person who collects sheep and exports directly to the export destination.

<sup>5</sup> [COVID-19 effects on the ALCP client businesses.](#)

decreased services by 30- 50% during the lockdown in March and April. In June, the situation started to return to normal but lockdown was imposed again and has not yet returned to normal.

Approximately therefore farmers have sold about 40-60% fewer sheep in 2020 than figures since 2017. Cattle export which had also declined since its highest point in 2017 decreased by 44% in 2020 compared to 2017<sup>6</sup>. Farmers had also been increasing flock sizes in response to the buoyant market and have been left with more sheep and cattle on their hands. Consequently, the majority of the interviewed farmers mentioned that they could not sell or only partially sold their sheep<sup>7</sup> and cattle from August to October 2020 to be exported live. In general, it is obvious that the demand for sheep and cattle has decreased by about 40% due to the pandemic.

## FINDINGS IN DETAIL

### KEY FINDINGS: BUSINESS LEVEL

As has been observed export of live and processed sheep mainly depend on two major export countries. Saudi Arabia and Iran. Saudi Arabia has been the biggest exporter of live sheep for Georgia since 2015, with other gulf states importing in significantly smaller numbers. However since 2017 Iran replaced Saudi Arabia as the largest export market for slaughtered/processed sheep in 2018. In 2020, Saudi Arabia has again reached significant scale and despite the Covid-19 pandemic and lockdowns, demand from Saudi Arabia for live sheep has not decreased. Please see *Figure 2 and Figure 3* below. During the research, we found out that Saudi Arabi prefers to import live sheep, while Iran and the United Arab Emirates prefer processed sheep, Kuwait and Qatar import both live and processed sheep. The shift to processed meat has been beneficial for Georgia, adding value in country and creating jobs.

**Table 1: Export preferences of Current Sheep Export Markets**

Export Market	Export Preference
Saudi Arabia	Live
Iran	Processed
UAE	Processed
Kuwait	Live and Processed
Qatar	Live and Processed

As for the domestic market it has been mainly affected by the closure of HoReCa sector but it is expected to recover and return to a normal state as restrictions ease. This survey is mainly focusing on the export of live and processed sheep and exported cattle with small reference to the domestic market which has not changed much since the last meat market survey.

Live cattle export mainly depends on two major export counties, Azerbaijan and Iraq. In 2018, export of live cattle to Azerbaijan reached its peak and dropped down a little in 2019 and 2020 however, export to Azerbaijan has continued steadily despite COVID 19 restrictions.

<sup>6</sup> Export of live cattle in 2017 also reached the highest point (133,269 cattle). In 2018 export of cattle decreased by 5%, in 2019- by 28%, and in 2020 by 44%.

<sup>7</sup> The interviewed farmers usually sell adult cattle and male lambs

## LIVE SHEEP EXPORT

Since summer 2020, after the first lockdown, the export of male lambs to Saudi Arabia, Azerbaijan, Kuwait and Qatar by truck, ship (from Poti Port) and airplane (Tbilisi International Airport) restarted in significant numbers. Export of live sheep mostly happens through several local intermediaries/exporters who buy sheep weighing 35-36KG at the Marneuli and Kakheti livestock markets and from villages across Georgia.

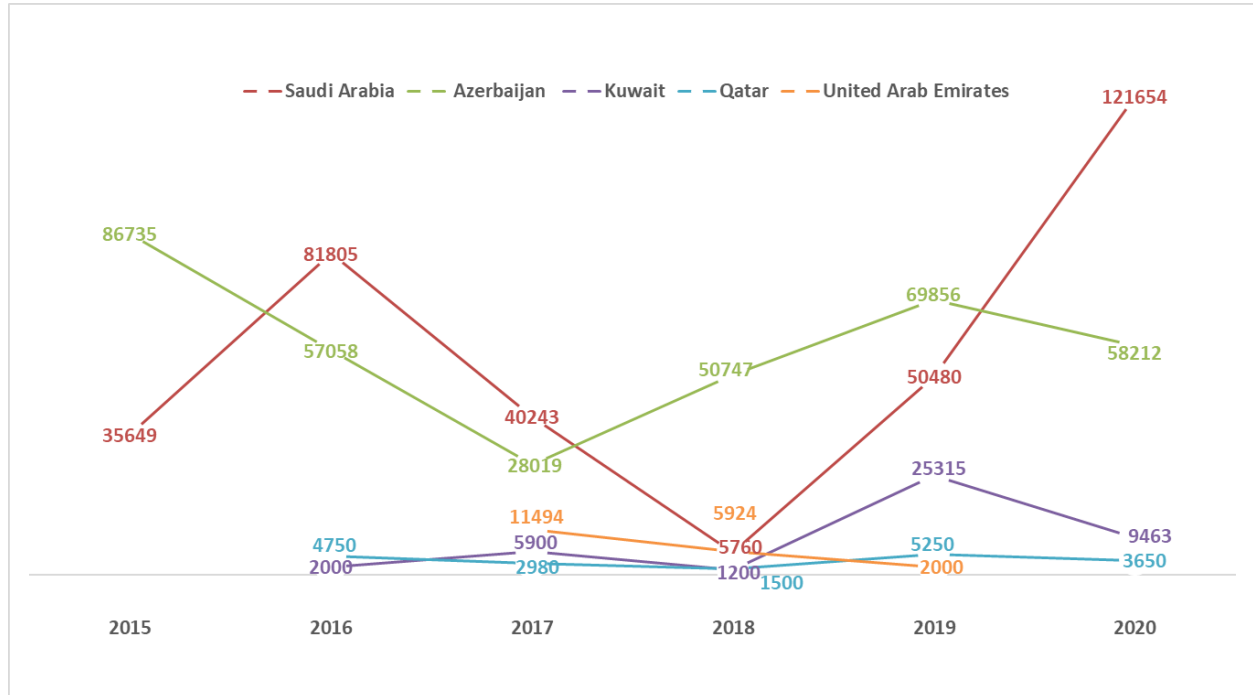


Figure 2 Top five live sheep/goat export destination

## PROCESSED SHEEP EXPORT

In 2020 during the COVID-19 pandemic representatives of Islamic countries could not enter Georgia to observe the sheep slaughtering process and make sure that sheep slaughtering was performed according to Halal rules and hygiene norms. As we know from experience of previous years Islamic countries pay close attention to this. For example, Iran was sending Mullahs, vets and butchers, to oversee the slaughtering processes. Processed sheep export continues uninterrupted to UAE (United Arab Emirates), Kuwait, Iran and Qatar but in small quantities<sup>8</sup>, and for varying amounts, for example, sometimes 75-100 heads of slaughtered/processed sheep was exported weekly and sometimes more.

Several other reasons were observed during the survey that caused the decline in the export volume of processed sheep to Iran in 2019.

*How import of processed sheep works in Iran.* There is a sheep meat sector subsidy paid by the government of Iran. The Government of the Islamic Republic of Iran subsidizes the import of processed sheep into the country. The Government controls the price of sheep. It has representatives in in each importer country who are updating prices: Georgia, Romania, Turkmenistan, Uzbekistan Azerbaijan and Armenia. Imported sheep meat is distributed among regions and municipalities across Iran according to demand from regions. Due to sheep price increase in Georgia the Government of Iran possibly decided to source sheep elsewhere where the price was lower. In 2019 the price of sheep in Russia, Romania and Armenia was lower than in Georgia.

<sup>8</sup> From exporter slaughterhouses located in Marneuli (Lasharela with Beka Gonashvili), Sagarejo, Kaspi

For example, the price of sheep has been increasing in Georgia since 2019 and has varied from 240-270Gel/head, which was much higher than the price of sheep in 2018 which was 120-150Gel /head.

*National Currency issue:* In 2020 the Rial, an Iranian currency rate significantly dropped down against the USD which caused all export to Iran to stop

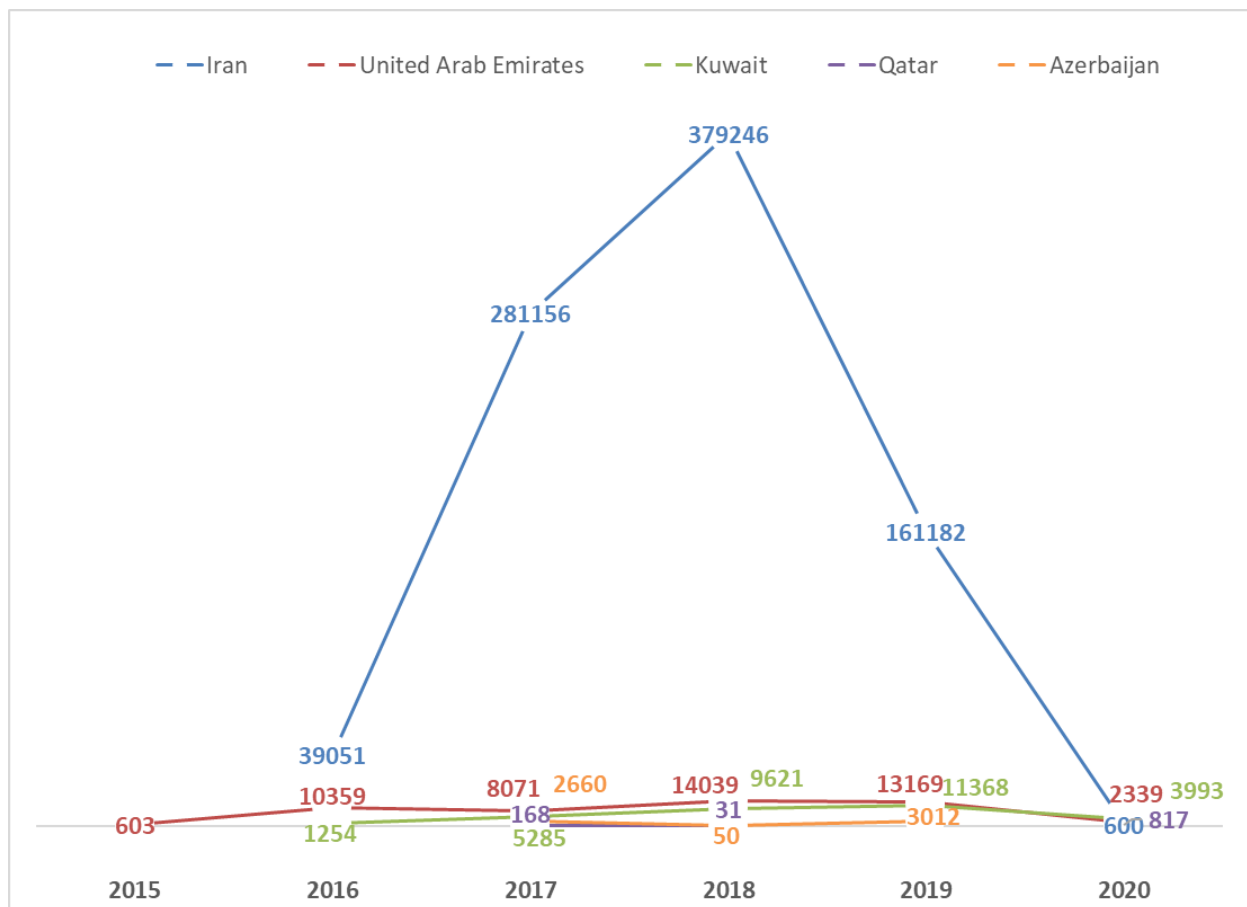


Figure 3 Top five processed sheep export destination

#### DOMESTIC CONSUMPTION OF SHEEP

The domestic consumption of sheep meat is traditionally low in Georgia and therefore sheep farmers do not have recourse to a domestic market. Sheep meat consumption is more common in the regions of Georgia where ethnic Muslim minorities live (Kvemo Kartli, Kakheti, Shida Kartli and Ajara) especially during the holidays like Novruz Bairam and Easter. For example, during the survey one of the intermediaries from Marneuli livestock market mentioned that he supplies 100 sheep to Batumi every week.

- Price of male lamb (weighing 35-36 KG) increased from 240-270 Gel (2019) to 260-290 Gel per sheep (Feb, 2021).
- Female sheep are mainly used for domestic consumption because they are worth 50-100Gel less than a male lamb.
- In Samtskhe Javakheti region the price of the sheep has dropped since spring 2020 as intermediaries from Marneuli and Gardabani municipalities stopped buying sheep in SJ region due to the reduction in the export of processed and live sheep. The price of live sheep dropped from 320-330/head to 240-270 Gel/head.

For more information about the price per kg of live weight of sheep by different regions and years please see *Annex 2* below.

#### SHEEP SUB PRODUCTS: STOMACHS, SHEEP TAILS (DUMA)

When the demand for processed sheep increased from Iran in 2017 it created a new market for sheep sub products. Iran emerged as a new market for sheep stomachs followed by China. However, in 2019 when the export volume of processed sheep dropped and respectively decreased slaughtering it made the business less profitable and decreased Georgian interest in exporting sub products. The decrease in slaughtering raised the transaction costs of collecting sheep sub products with the collection process taking more time to gather the same amount and costing more to store in rented refrigerators. There are thought to be about two or three exporters of sub products. Exact information is difficult to obtain because there are many intermediaries between slaughterhouses and these exporters. A small volume of stomachs and sheep tails which were stored and frozen from pre COVID-19 sheep slaughtering were exported to China and Azerbaijan in 2020.

#### BEEF FOR DOMESTIC CONSUMPTION

There is still low demand for beef and cattle slaughtering services, which is mainly caused by the closure of the HoReCa sector and NFA's weak control over backyard slaughtering. Meanwhile, a tendency of increased online trade mainly in Tbilisi and in Rustavi was observed lately. Namely, farmers and intermediaries have started selling beef and pork, as well as other products (fruits, dairy products) on online platform Agrofance and various other Facebook pages have been created for this purpose.

A positive tendency observed at Marneuli livestock market is that buyers have started to use livestock scales installed at the market, which helps both buyer and seller to make a deal easily while weighing cattle (cows, bulls, calves). The live weight price of cattle has increased from 6 Gel/kg in October 2020 to 7.5 Gel/kg (last week of January, 2021)

#### LIVE CATTLE EXPORT

In spring 2020 during the first COVID-19 lockdown, export of live cattle was suspended but recommenced in summer. The export price of live cattle has increased by 1 Gel/kg compared to 2020. Currently (Feb, 2021) intermediaries are paying farmers 8 Gel/kg for a local breed and 8.70 Gel/kg for Akhalkalakhi breed. Please see *Annex 2* below for price comparison by year and region of live cattle.

Export to Azerbaijan has continued during the year with occasional declines and increases due to the COVID 19 pandemic situation in Georgia and Azerbaijan and the tightening, lifting or temporary lifting of related restrictions. However, it should be noted that there are natural fluctuations during the year. In early autumn when livestock are taken from the mountainous pastures back to the village the number of exported cattle grows, then it goes down a little bit till January and starts to go up again slowly from spring as the calves grow and reach export weight 140 KG. Local intermediaries/exporters located in Kakheti, Iormuganlo and Marneuli are exporting bulls weighing over 140kg by airplane to Erbil City Iraq. Demand for live cattle is high and maintained throughout the year but exporters do not know why. Exporters send on average eight consignments monthly. One consignment contains approximately 200-265 cattle. Cattle to Iraq are exported by air from Tbilisi, to Saudi Arabia by sea from Poti, to Azerbaijan by road.



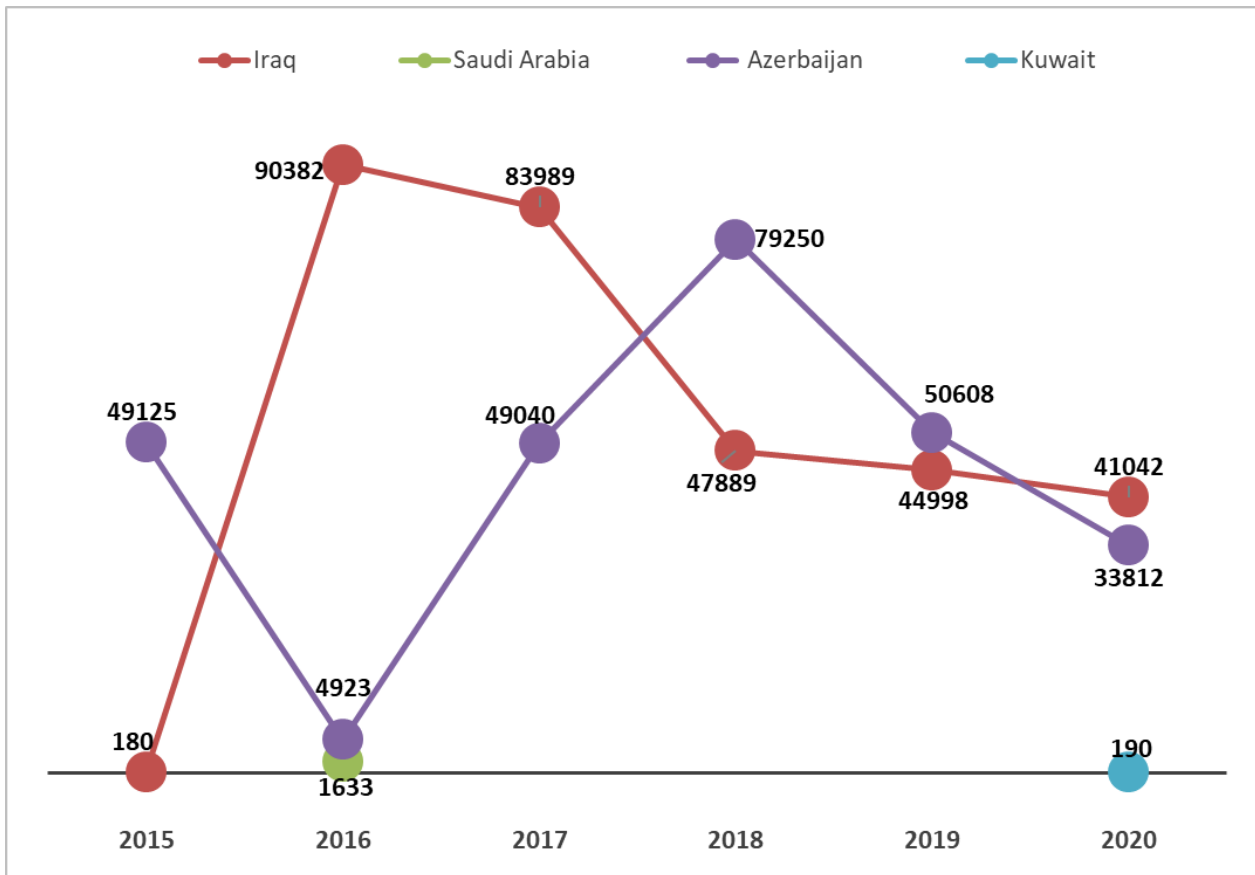


Figure 4 Top four live cattle export destinations

#### CATTLE ENTRAIL AND HIDE EXPORT

Export of cattle stomachs to China began in 2019 and it is ongoing. Cattle stomachs are collected by Marexi LLC (see Box 2 for details) from different slaughterhouses across Georgia as well as from the butchery shops located in Kakheti and Kvemo Kartli regions.

#### Box 2

Marexi LLC is a sheep/cattle leather (mainly cattle, 90%) and sub-products ('tsignara' Omasum name of the third stomach of cattle and gallstone and are used in medicine in China) exporter located in Kvemo Kartli. The organization has been working with a Chinese company for almost five years and is very pleased with this relationship. In Georgia it works with slaughterhouses located in Kvemo Kartli and Kakheti (I.E Akhmed Niazovi) regions, collects sheep/cattle products from them and stores them (the sub products are salted) before export.

Due to the Covid-19 pandemic, the frequency of trade has decreased, the company could not export products to China as often as before. After the first pandemic Since June, 2021 the company has managed to start exporting one container every 4-5 months (20-28 tonnes leather, 8 tonnes tsignara and 3-4 pieces of gallstone), while before the Covid-19 pandemic they used to send one container every two months. This year when the number of slaughtered sheep and cattle dropped down by 30% Marexi LLC started to import products from Ukraine and Russia to Georgia and then export to China with increased cost.

Hide (wet salted hide) export has been shrinking for the last four years due to decrease of a global demand and consequently the price. The trend had also reflected on Georgia as well. Total annual production of

hides in Georgia is believed to be at around 1,000-1,500 tonnes. The most part had been exported to Turkey and Ukraine. A significant drop in price (20%-30%) had led to decrease of export and profitability of the business. However, the Covid-19 pandemic further worsened the situation as the price dropped drastically by 80% compared to the price in 2017. Currently, the average price of wet salted hide is around 15-20 cents per kg. The volume of export has dropped 70%. The slump of the hide business has directly reflected on the profitability of slaughterhouse businesses and the meat sector as a whole.

#### PORK FOR DOMESTIC CONSUMPTION

The closure of HoReCa sector has had a direct influence on the demand for pork as the sector is the main buyer of Georgian pork. During the pandemic, especially after the closure of the HoReCa sector, sales of pigs decreased by about 60%. The price also decreased by about 15%<sup>9</sup>.

#### KEY FINDINGS: FARMER LEVEL

Due to the limited demand, interviewed farmers are keeping an excess number of sheep and cattle, which they could not sell in autumn. It has resulted in additional expenses both due to higher numbers than normal of livestock kept over winter and increased feed prices. The price for winter pastures has increased by 20% due to increased demand. Prices for animal feed<sup>10</sup> have also increased, caused by the depreciation of the Georgian lari (Gel) against the USD in recent weeks, leading to increased import cost and this being added to the sales price. The price for bran has increased by 25%, hay - 70%, maize - 50% and barley - 45%. According to the interviewed farmers in Ajara, an additional estimated cost for keeping unsold cattle is 132 Gel/month/cow and 792 Gel/six months from November to May<sup>11</sup>. In Kakheti and Kvemo Kartli the additional cost is 171 Gel/month/cow and 12 Gel/sheep/month<sup>12</sup>. In total, the interviewed farmers in Kakheti and Kvemo Kartli are paying 855 Gel/ cow and 60 Gel/head of sheep more over five months from November to April.<sup>13</sup>

The interviewed farmers also highlighted that demand and highest prices from buyers is always for male lambs and young cattle. When they become older, the demand and price decrease accordingly.

In Samtskhe-Javakheti intermediaries from Arab countries have stopped buying sheep since the pandemic, the number of intermediaries from Marneuli has also significantly decreased; it was the same in Ajara, where the main buyers of live cattle were intermediaries from Marneuli and Samtskhe-Javakheti before the pandemic. However, during the last week of January and beginning of February (2021) in different villages of Akhalkalaki (Alatumani, Abuli, Diliska) and Ninotsminda (Gandza, Eshtia, Uchmana) municipalities a growing trend of cattle purchases by intermediaries from Kvemo Kartli (Marneuli) has been observed. They are collecting high quality live cattle for exporters. The number of the visits by intermediaries has increased by 50% -70% compared to the end of 2020. Consequently, the price of live cattle has increased slightly. Please see Annex 2 for a comparison of prices of 1kg live weight of cattle paid to farmers & Intermediaries

We asked the respondents what the plans are for their business in light of COVID-19. All of them are motivated and are still waiting for the opening of the HoReCa sector and export markets. The majority of

<sup>9</sup> Export of pork from Georgia is negligible, a tiny amount of export to Turkmenistan (2 carcasses) and Armenia (16,14 carcasses 2019/20) was reported in government statistics.

<sup>10</sup> The interviewed farmers usually feed sheep with barley or maize, cattle with bran and hay, pigs with maize and bran. From November to April cattle are either on cow-shed feeding or in winter pastures and sheep in winter pastures, in both cases the farmers give them additional feed.

<sup>11</sup> Bran – price for bran is 0.88 Gel/kg; total cost is 54 Gel/ cow/month (1.8 Gel/day; 324 Gel for 6 months). Hay – price for hay is 8 Gel/ bale; total cost 78 Gel/cow/month (2.6 Gel/day; 468 Gel for 6 months).

<sup>12</sup> Barley - at least 12 Gel/sheep/month (0.4 Gel/ day; 60 Gel for 5 months), the same for maize.

<sup>13</sup> Combined feed – price for combined feed is 1 Gel/kg; total cost is 81 Gel/cow/month (2.7 Gel/day); 405 Gel for 5 months. Hay – price for hay is 7 Gel/bale; total cost is 90 Gel/cow/month (3 Gel/day); 450 Gel for 5 months.

the interviewed farmers were planning to increase the number of sheep, cattle and pigs before the pandemic, however, they have not increased numbers, due to the pandemic. Some farmers borrowed money from their relatives/friends to pay bank loans during the pandemic. Some farmers noted that if the situation does not improve, they will be forced to cut down on sheep numbers, selling them at an unacceptably low price. One farmer was forced to sell a vehicle to take care of his sheep.

## CONCLUSION AND NEXT STEPS

For the sustainable development of the meat sector in Georgia, export of processed sheep to Gulf countries is vital. Increased demand from Gulf countries for processed sheep meat could provide a stable and lucrative market for sheep farmers producing grass fed lamb/mutton, generating considerable household income. The next step should be to organize an Advisory Committee meeting to facilitate and promote the export of processed sheep to Gulf countries amongst diverse market players including government, exporters and producers. Domestically, further promotion of the use of compliant beef/pork/sheep meat by consumers and supplied to the HoReCa sector as it recovers in tandem with increased controls are crucial to help eliminate uncompliant backyard slaughtering which has again become common due to weakened control over the sector from the NFA during the pandemic.

## ANNEX 1: LIST OF INTERVIEWED STAKEHOLDERS

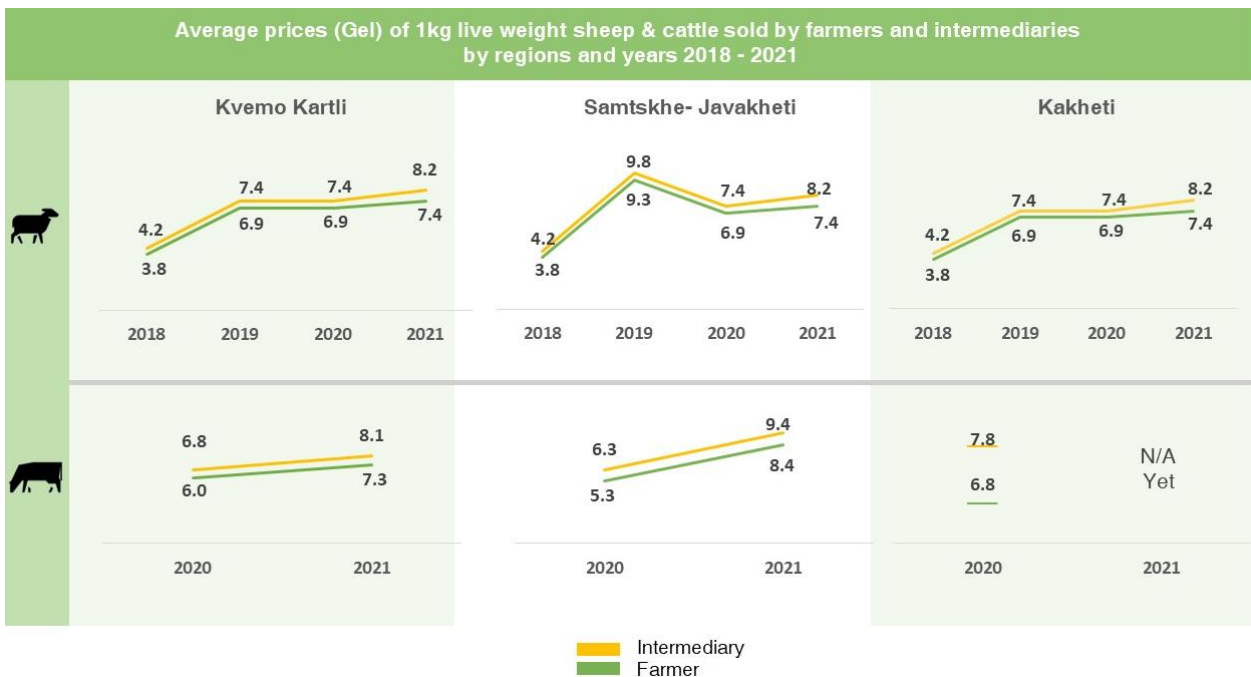
<b>Meat: Core Market</b>				
<b>KI 1</b>	Vasil Khakhulashvili	Slaughterhouse Alali 2015 Ltd /exporter of processed and live sheep & cattle	599 15 52 15	Marneuli
<b>KI 2</b>	Gia Baliashvili	Slaughterhouse Irqa Ltd	551 511149	Akhaltzikhe
<b>KI 3</b>	Kakha Tepnaze	Slaughterhouse Kusha Ltd	5955 99 69 88	Akhaltzikhe
<b>KI 4</b>	Zurabi Bregadze Davit Iobidze	Slaughterhouse Kutaturi Ltd/exporter of hides	593 99 09 89 599 90 91 11	Kutaisi
<b>KI 5</b>	Lavrenti Sulakvelidze	Slaughterhouse Meskheta	599 33 54 32	Kutaisi
<b>KI 6</b>	Tristan Tsikhelashvili	Meskheta Products Slaughterhouse	595 90 97 40	Aspindza
<b>KI 7</b>	Vasiko Sesitashvili	Slaughterhouse B&S Ltd	579 0525 05	Lagodekhi, Kakheti
<b>KI 8</b>	Zaza Lashkhi	Slaughterhouse Lasharela /exporter of processed sheep	599 99 77 77	Marneuli
<b>KI 9</b>	Akhmed Niazov	Slaughterhouse I.E Akhmed Niazov	555 55 45 54	Karagala Kakheti
<b>KI 10</b>	Aiad Safarovi	Sagarejo Slaughterhouse / exporter of processed and live sheep	579 94 47 77	Sagarejo
<b>KI 11</b>	Mikheil Sokhadze	FAO/veterinarian in country	599 96 18 80	Tbilisi
<b>KI 12</b>	Mirangula Liparteliani	Head of the regional division of NFA	595 19 48 00	Gardabani
<b>KI 13</b>	Tareil Gadjiev	Director of Livestock Market located in Marneuli	N/A	Marneuli
<b>KI 14</b>	Iuri Gelashvili	Akhaltzikhe Livestock Market	593 25 49 33	Akhaltzikhe
<b>KI 15</b>	Beka Gonashvili	Shepherds Association/exporter of processed and live sheep, and processed and live cattle	599 56 71 31	Tbilisi/Kakheti

<b>KI 16</b>	Gargar	Sheep Intermediary for Kaspi slaughterhouse/exporter	557 68 57 40	Kakheti
<b>KI 17</b>	İldirim Karaevi	The manager of Marexi Ltd exporter of sheep/cattle sub products	593 04 06 00	Marneuli
<b>KI 18</b>	Dovlat	Sheep intermediary/trader	N/A	Marneuli
<b>KI 19</b>	Bahrüz	Live cattle intermediary/exporter	557 77 30 98	Iormuganlo, Kakheti
<b>KI 20</b>	Aidin	Live cattle intermediary/exporter	558 33 35 34	Marneuli
<b>KI 21</b>	Surik Karapetyan	Cattle Sheep Farmer	599 92 92 76	Akhalkalaki
<b>KI 22</b>	Khvicha Okromelidze	Sheep Farmer	557 75 40 00	Akhalsikhe
<b>KI 23</b>	Sokrat Khotsanyan	Cattle Farmer	555 34 33 20	Akhalkalaki
<b>KI 24</b>	Mitya Galoyan	Sheep Farmer	593 25 37 62	Akhalkalaki
<b>KI 25</b>	Armen Mgdesyan	The representative of NFA in Ninostminda	599 75 93 88	Ninotsminda
<b>KI 26</b>	Arshak Torosyan	Cattle Farmer	N/A	Ninotsminda
<b>KI 27</b>	Samvel Darbinyan	Cheese factory	599 15 62 47	Ninotsminda
<b>KI 28</b>	Mikhak Shirinyan	Representative of NFA at Akhalkalaki	595 339 629	Akhalkalaki

#### ANNEX 2: PRICE COMPARISON OF LIVE WEIGHT OF 1 KG SHEEP AND CATTLE BY REGIONS AND YEARS

**Note:** Prices of 1 kg live weight of sheep and cattle listed below are the average prices calculated from the data collected during the research. These prices are frequently changeable because it is depending on negotiation between farmers and intermediary or exporter who is final buyer of the sheep and cattle. Also the age and live weight of the sheep and cattle plays a huge role during the sale.

Figure 5 trend of prices for 1Kg live weight sheep and cattle sold by farmers and intermediaries by regions and years 2018-2021



The figures indicating prices in *Figure 5* are averages taken from the price range offered on the market which is given in *Table 1 and Table 2* below e.g 3.8 GEL which is an average taken from the market price, which varies from 3.5 to 4 GEL etc. in the respective year

**Table 2 comparison of prices of 1kg live weight of sheep paid to farmers & Intermediaries**

Price in Gel Years /Regions	Farmer & Intermediaries	2018	2019	2020	2021
Kvemo Kartli	Farmers	3.50-4.00	6.80-7.00	6.80-7.00	7.0-7.7
	Intermediaries	4.0-4.30	7.0-7.70	7.0-7.70	8.0-8.3
Samskhe Javakheti	Farmers	3.50-4.00	9.0-9.50	6.80-7.0	7.0-7.7
	Intermediaries	4.0-4.30	9.50-10.0	7.0-7.70	8.0-8.3
Kakheti	Farmers	3.50-4.00	6.80-7.00	6.80-7.00	7.0-7.7
	Intermediaries	4.0-4.30	7.0-7.70	7.0-7.7	8.0-8.3

**Table 3 comparison of prices of 1kg live weight of cattle paid to farmers & Intermediaries**

Price in Gel Years /Regions	Farmer & Intermediaries	2020	2021
Kvemo Kartli	Farmers	6.00	7-7.5
	Intermediaries	6.5- 7.	7.5-8.7
Samskhe Javakheti	Farmers	5-5.5	8-8.7
	Intermediaries	6-6.5	9-9.7
Kakheti	Farmers	6.-7.5	NA yet
	Intermediaries	7.5-8	

