UPDATE TO THE MARKET ANALYSIS

KVEMO KARTLI

ALLIANCES LESSER CAUCASUS PROGRAMME

Schweizerische Eidgenossenschaft
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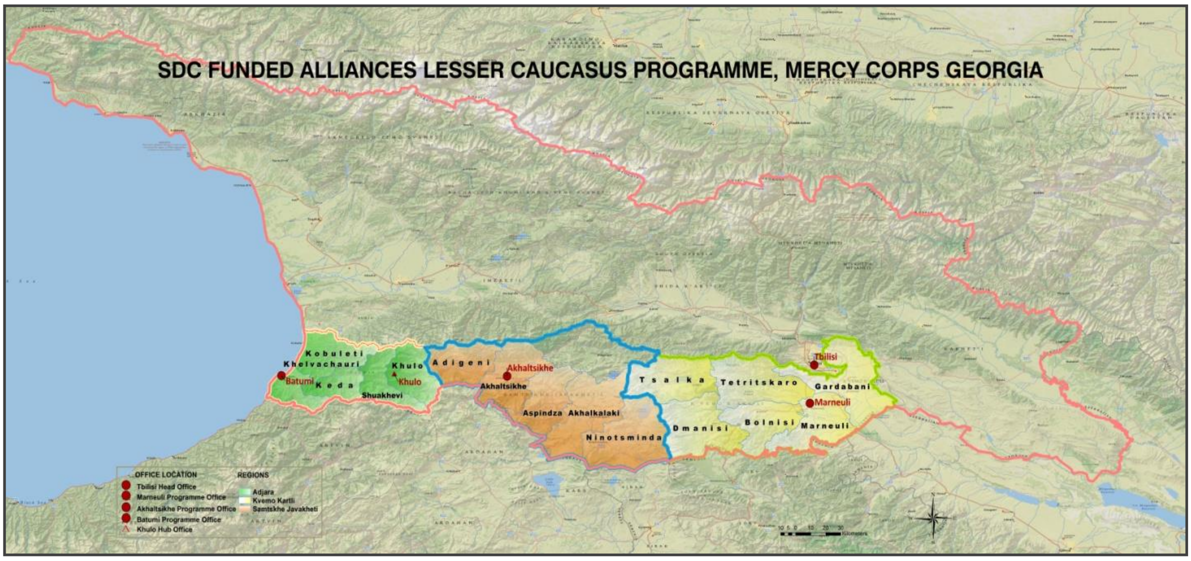
INTRODUCTION

Alliances KK will become in February 2014 the Alliances Lesser Caucuses Programme Kvemo Kartli Region, ALCPKK, one of the three regions of the Alliances Lesser Caucuses Programme which will include Kevmo Kartli Samstkhe Javakheti and Ajara. See Figure 1 below. From February 2014 the KK region will be expanded to include three new municipalities: Marneuli, Bolnisi and Gardabani. Alliances will have been operating in Dmanisi, Tsalka and Tetritskaro for 3 years by February 2014 and will operate in the expanded area for 3 more years with a two year standby phase for monitoring and support for sustainability, until February 2019. The following report contains the market analysis of the new programme area and updates the information from the original Market Analysis carried out in early summer 2011. The following report is intended to augment and update the original report much of the information in which remains pertinent. The original market analysis can be found at http://www.allianceskk.ge/index.php/en/downloads.html



SUMMARY MARKET ANALYSIS

The Poor and Their Context

According to the key informant interviews to date (NB: this data will be validated through a FG survey in 2014), the poor in Kvemo-Kartli (expanded area) are small and medium scale livestock producers (SSLPs) owning up to 7 breeding female cows and/or up to 50 breeding female sheep. They have access to up to 1,5ha of agricultural land and some of them have opportunity to send their livestock to summer pastures, in amalgamated flocks. They are primarily livestock producers, but also cultivate crops including potatoes, maize, alfalfa, horticultural crops such as tomatoes and onions and small amount of wheat and barley. They do not own tractors or implements but many do possess their own transport (car or minivan)[1]. They have limited access more significant amounts of agricultural credit due to collateral restrictions and can access only micro loans. Generally they produce dairy products for home consumption and sale or exchange. Selling either direct to consumers in small amounts in the towns and cities or to intermediaries who come to the villages and take the product to market. Household income is 350 GEL per month[2]. According to the key informants of this survey 70% of their suppliers or customers fall into this category (see key informant interview table).

[1] The cars are usually old but they are considered very important in Azeri communities with people even prioritizing cars over land, being nearer to the urban centres and needed to transport their dairy products and crops to the markets are important reasons.

[2] Geostat 2012 (latest data). 350 Gel is the same as for the SSLP's in the existing programme area.

The following tables contain the summary market analysis i.e. the summary outputs based on the analysis of the information contained within this report and which provides the diagnostic on which the strategic framework is based. The programme is committed to Women's Economic Empowerment and one of the main processes to ensure this in the programming is a gendered market analysis. The Roles and Responsibilities and Access and Control Matrixes Table summarize these findings.

Table 1 **Summary Market Analysis**

	Relevance	Pro-Poor Potential	Intervention Potential
Meat			
Beef	**High:** the majority of SSLPs have cattle & may sell an animal into the beef market once per year	**High:** the beef sector is formalizing and demand is growing and serviced mostly by SSLPs who sell calves into the supply chain for abattoirs and butchers.	**High:** focused on market-driven breed and nutrition improvements and improving efficiency of supply
Sheep	**Medium:** mainly relevant to the Azeri population.	**Medium:** small sheep producers can step up production fairly quickly in response to market driven demand.	**Low:** interventions mainly focused on developing exports of live sheep and, potentially, chilled cuts driving demand and potentially raising farm-gate prices and increasing sales: main limitations due to disease issues, export constraints and market access.
Dairy			
Cows	**High:** the majority of SSLPs own cattle and consume, sell or exchange dairy projects; highly relevant to women.	**High:** Constant high demand. The market is differentiating and consumers are increasingly aware of 'quality' which includes food, safety and hygiene and will pay for it. More supermarkets with outreach to smaller towns.	**High:** Interventions focused on micro existing cheese enterprises (Gardibani) and medium sized (Bolnisi, Marneuli) for the scale up and improvement of compliance, efficiency and of existing cheese enterprises for improved market access for S&MSLP's,
Buffalo	**Medium:** mainly relevant to the Azeri population & Azeri women.	**High:** demand for buffalo products is high but supply is scarce, buffalo are suited to and farmed by S&MSLP's in the lower land areas in the new programme area	**Medium:** interventions focused on market access for SSLP's, developing branded compliant products, improving the efficiency of supply and business management, compliance and capacity of processors.
Sheep	**Medium:** mainly relevant to the Azeri population	**Low:** demand for sheep's cheese is fairly constant but much lower than for cow's cheese with less regular consumption, S&MSLP's can produce and sell to market but FS&H issues problematic at HH level.	**Low:** a market mainly focused in Kakheti and is on smaller scale in KK, potential for including sheep cheese in the product line of larger factories
Wool			
	High: mainly relevant to the Azeri population and Azeri women.	**High:** Women are responsible for and in control of processing wool for sale, S&MSLP's store greasy wool for sale to intermediaries. Demand from Turkey and Azerbaijan for greasy and washed wool high.	**High:** interventions focused on improving linkages and collection of wool and improved market access and export value and potential through development of in country processing infrastructure.

Table 2 Systemic Constraints, Drivers and Pro-Poor Opportunities

Systemic Constraints	Drivers & Pro-Poor Opportunities
Dairy Core Market	
- Cheese and dairy producers including HH's, MCCs and smaller factories are not linked to sources of information and advice on dairy hygiene, and there is a reluctance to pay for such services as they are relatively expensive and they have yet to be made aware of the significant changes in the law governing their practices. Hence farmers also lack awareness of good practice and are potentially vulnerable to changes in market conditions - Patchy outreach and information delivery and enforcement, to businesses and cheese producers in the implementation of the Food Safety and Hygiene Codex, Environmental laws. - Inaccessibility of investment capital (lack of collateral, start up venture, lack of credit history expensive or unavailable credit) means that MCCs & small cheese factories are unable to expand, upgrade to higher standards, or diversify or invest in equipment and staff capacity building e.g. invest in appropriate transport	- Growing consumer awareness of 'quality' & the demand for safer and cleaner production, allied with growing outreach of supermarket chains in the smaller regional towns from which customers expect to receive 'quality' produce. Potential for growth in the supply of this sector. - Better outreach of consultancy services to cheese businesses means increased market access opportunities for businesses and to S&MSLP's for the supply of better quality milk. - High potential for compliant, branded buffalo dairy products.
Beef Core Market	
- Lack of enforcement over back yard slaughtering and sale of uncompliant meat by roadside vendors and small scale-scale meat shop owners with very small overheads thereby undercutting compliant enterprises. - Farmers have disadvantaged transactions due to lack of transparency and choice on pricing from intermediaries collecting from villagers, irregular and constrained market, with famer in a poor bargaining position. Farmers using Marneuli livestock market means high transaction costs and poor welfare due to lack of appropriate transport, weighing and handling facilities means that livestock suffer poor welfare, decreasing their quality at slaughter which is also influenced by - Larger slaughterhouses have a tendency to attempt to monopolize the market leading to unfair business practices for SME's and a restriction in choice for farmers. - The quality of the Caucuses Mountain cattle for beef does not lend itself to the demands of the growing and formalizing slaughterhouses and wholesale markets as the margins are too small to cover the costs of more sophisticated operations which require economies of scale for profit.	- With rising demand for higher quality animals there is potential for the poor to upgrade their production through cross breeding with beef or dual purpose breeds e.g. Swiss Browns, leading to higher growth rates and animals with better finishing and better confirmation more valuable for the market. - Whilst at present the poorer farmers lack housing for fattening animals, higher value animals and a strong demand might provide the incentive to invest in this and better feeding. - Expansion of small regional abattoirs for slaughter to order and reduced transport costs and cost slaughter/kg/live weight could potentially give the poor access to a higher quality market.
Sheep Core Market	
- Uncertainty over export, quarantine and general government support to the sector means a high risk climate for potential investors. - Lack of regulation over Animal Movement Route and disease control add to high risk climate. - Fragmented supply, opaque interests, Azeri remit with strong developing Turkish business interests & lack of transparency. Barriers to mainstream Georgian business investment and lack of information and linkages to market for farmers. - Lack of processing i.e. washing facilities.	- Export demand for sheep is high and Georgia is well placed to engage in this market. There is potential to diversify into exporting chilled halal cuts. - Wool quality and type suited to carpet making, high demand from Azerbaijan and Turkey. - Potential for exporting washed wool rather than greasy wool with added value remaining in Georgia.

Table 3 Systemic Market Constraints in the Supporting Functions and Rules

Systemic Constraints Supporting Functions
- Weak media & information services with appropriate rural content or tailored for ethnic groups, means that farmers have little or no formal access to appropriate local information to aid decision making such as market prices, vendors of services and inputs, buyers and sellers of products and on new production techniques etc. - Lack of enforcement of FS&H codex to prevent uncompliant products reaching market mean businesses lack the driver to invest in business development and consultancy services. - Lack of access to and unawareness of type of information required in the form of technical consultancy to businesses.

- Inaccessibility of financial services tailored to rural businesses constrains growth and efficient functioning of SME's sourcing from farmers. - An overall lack of awareness of incoming food-safety laws and their implications for dairy and beef value-chain actors stems from the lack of structured outreach of the NFA, and partly of private sector consulting firms. - Poor village road connections to some areas leave farmers cut off from some agricultural services and inputs (vets, seeds, machinery etc). - Inadequate and expensive livestock transport gives rise to relatively high transaction costs for farmers and traders. High cost is partly related to poor infrastructure (long journey times; wear and tear). Inadequate quality of transport (trucks are not converted for livestock and do not have loading, or divisions to prevent injury). - Lack of trained vets constraining outreach of national input suppliers. Improving but still weak vet services with low trust in unimproved services lead to lack of demand for anything but drugs for farmers to administer themselves. - Inadequate availability of machinery services for hay making arising from high replacement and investment costs of new machinery for new entrants. - Pasture access is restricted to a degree by uncertainty over legislation and procedures including registration and cadastre. Weakness in the mechanisms that would make information on ownership and sales available. Brokerage services non-existent or scarce, lack of clarity over municipal remit and control of pastures. - Weak trade associations with weak outreach leading to a lack of higher level support for business seeking to expand in areas such as export.
Systemic Weaknesses Rules
- A lack of transparency and outreach and enforcement by the National Food Agency on changes in the law and its impact on the dairy and meat sectors is damaging to the industry in that it is forming a barrier to the entry of SME's as they are forced to compete with uncompliant traders with low overheads whilst they invest in equipment, infrastructure and systems in accordance with the law. SME's who need to be made aware and plan and implement changes to their businesses currently only have rumours to go on and are not preparing adequately. - National tagging of cattle has not resulted in a credible livestock registration system which places limitations on traceability of meat products. In addition the NFA has little capacity to conduct veterinary inspections of cattle prior to sale (although this is in place for sheep export). - There is uncertainty about pasture land tenure and access among rural residents and SSLPs which is not helped by a lack of outreach of relevant government bodies that are responsible - Monopolies, oligopolies and rent-seeking is a feature of the livestock and dairy sectors, but has recently emerged more strongly with developments in the rules around slaughter. - A lack of women's access to community and municipal decision making restricts the input of women into key livelihoods related decision making.

Table 4 ALCP Kvemo Kartli Sustainability Matrix

Market Function	Who Performs?	Who Pays?
Core Market		
Milk, Meat & Sheep Production	Private Sector (Small, medium & large farmers)	Private Sector
Milk Collection	PS (integrated & private MCCs)	PS & **NGOs** (establishment costs)
Dairy Processing	PS (Households, Small-Med-Large Processors)	PS & **NGO's**
Animal Slaughter	PS (small butchers & large abattoirs)	PS, Govt (cheap loans) & **NGO's**
Meat Butchering and Wholesale	PS	PS
Retail	PS	PS
Livestock export (Cattle, Sheep)	PS	PS
Supporting Functions		
Agricultural Credit	PS (Banks and MFI's)	PS& **Donors & NGO's**
Food Safety Consulting	PS (6 companies)	PS & **Donors/NGOs**
Development of Food Safety Consulting Capacity	IFC & EC	IFC & EC & **NGO's**
Artificial Insemination Services	PS (Caucasus Genetics)	PS & **NGOs** (Alliances) & Govt (NSA in planning)
Machinery Services	PS, Gov	PS & **NGOs** (establishment costs)
Media	PS and Gov (online regional news)	PS, Gov (subsidies to newspapers) & **NGOs**
Veterinary services e.g. vaccination	PS and Gov	PS & Gov & NGO's (for outreach)
Financial Services	PS	PS
Road Upgrading	PS	Gov't & **Donors**
Business Services	**NGOs** & PS	PS & **Donors** & **NGO's**

Rules		
Food Safety and Hygiene Inspections	NFA	Gov
Livestock Registration	NFA (Gov) for the system PS for the tagging	Gov PS (possibly some **NGO**s)
Disease Notification and Controls	Ministry of Ag, NFA some Private vets	Gov
Animal Quarantine & Inspection (export)	PS & NFA (Gov)	PS
Access to Land & Mediation Services	Gov & **NGOs**	Gov & **NGOs**
Monopolies, Oligarchies & Cartels	PS	Gov & PS

Table 5 Gender Division of Roles and Responsibilities

Activities	Women	Men
Veterinary		
Cleaning and feeding the animals	X	
Milking	X	
Processing dairy products	X	
Note the incidence of disease, detail the symptoms and request drugs for treatment	X	
Vaccine and medical treatment.		X
Go to town to buy vet drugs		X
Breeding		
Heat detection	X	
Take cow for insemination		X
Control reproduction cycle of cow	X	
Communication with vet		X
Nutrition		
Control over whether to buy or not, and whether to feed their cattle with BGs or combined food.	X	
Feeding cattle with hay	X	X
Purchasing and producing hay by machinery service		X
Collect hay by hand	X	X
Information		
Reading about milking procedures and hygiene rules.	X	
Gathering in public on the street to chat		X
Pass on information to their friends and neighbors.	X	X
Dairy Sector		
Timely milking and processing the dairy product.	X	
Selling milk less than 10 liters	X	
Selling milk up to 10 liters		X
Ensure clean milk	X	
Meat sector		
Visit to agricultural markets to sell livestock		X
Wool		
Shearing		X
Processing and sale	X	

Table 6 Gender Division of Access and Control Over Resources

	Access		Control	
Resources	**Women**	**Men**	**Women**	**Men**
Vet pharmacy	X	X		X
Vet	X	X		X
Bulls	X	X		X
Pastures	X	X		X
Hay	X	X		X
Combined feed	X	X		X
Newspaper	X	X	X	
TV channel	X	X		X
Online news agency	X	X	X	
Milk (food & informal economy)	X	X	X	
Cheese (as above)	X	X	X	
Income from selling milk and cheese	X	X	X	
Milk collection center	X	X		X
Cheese producing company	X	X		X
Income from selling livestock	X	X		X
Sale of wool(mattresses)	X		X	
Sale of wool to intermediary		X		X

THE KEY CHARACTERISTICS OF THE EXPANDED PROGRAMME AREA

Agriculture plays a significant role in the economics of Kvemo Kartli (KK) its share in the GDP of the region is 19%. In 2011[3] the GDP of agriculture in the region was 338. 3 million GEL and has been growing since 2008, with the 2011 GDP, 24. 4% more than 2010 (271.6 million GEL) and 47. 4% more than 2009 (229.5 million GEL). 47. 8% (148, 000) of village populations of this region is engaged in agricultural activities. Climate conditions of the lower regions are favourable for crop production with some crops such as alfalfa being harvested three times per year. The structure of agricultural sector of the region has not changed much during over the last 5-7 years however the number of farmers involved in livestock has increased[4] and the number of those in horticulture and grain farming, has decreased, which may reflect the consolidation of horticultural and grain operations into larger more commercial holdings. Lack of rural machinery and broken down irrigation systems hinder crop and hay production. Despite this only 5% of land is uncultivated.

THE PROGRAMME AREA

EXISTING PROGRAMME AREA: The existing programme area comprises the highland areas of Kvemo Kartli and is characterized by dairy farming with potatoes as a main crop and hay and maize cultivation for human and animal consumption:

Tetritskaro municipality: is located at an altitude of between 450 m above sea level in the eastern part and up to 1,400 m above sea level in the western part. In the low lying areas of Tetritskaro there is good access to fertile land some of which is irrigated for the growth of cereals, vegetables and cut hay. Some of the main livestock transit movements from winter pastures in Kakheti to high summer pasture in Dmanisi and Tetritskaro come through the municipality. The proximity of the municipality

[3] The most up to date figures on GDP available on Geostat.
[4] Taken from Rural Development Agency Kvemo Kartli Rural development Plan 2013

to Marneuli and Tbilisi markets mean that milk and dairy products are often sold direct from door to door in Tbilisi.

Dmanisi municipality: is located at about 1,000-1,300 meters above sea level. In the low lying areas of Dmanisi there is good access to fertile land some of which is irrigated for the growth of cereals, vegetables and cut hay. Dmanisi is, along with Tetritskaro the location of the summer pastures for Kakheti livestock. Located relatively far from main markets milk, dairy and livestock are mostly sold from the home.

Tsalka municipality[5]*:* is located at about 1,400-1,700 meters above sea level, it is a largely pastoral area with potatoes as the main cash crop. Tetritskaro along with Dmanisi is the location of the summer pastures for Kakheti livestock. Located relatively far from main markets milk, dairy and livestock are mostly sold from the home. Tetritskaro along with Dmanisi have a higher percentage of Milk Collection Centres (MCC's) and cheese factories than Tetritskaro due to the availability of pasture and sought after quality of milk.

EXPANDED PROGRAMME AREA: Marneuli, Gardabani and Bolnisi are in lower lying areas of KK and are characterized by fertile land and horticulture much of which is irrigated including the commercial growth of onions, tomatoes and potatoes. Alfalfa is cultivated for animal feed as well as maize. A milder climate means that crops such as alfalfa can be harvested three times a year. Cattle farming for dairy is still the main livelihood in this area with a significant number of buffalo owned by the Azeri population; buffalo's being suited to the warmer climate. The Azeri population also owns sheep. The lowland areas: Marneuli, Bolnisi, Tetritskaro and Gardabani are characterized by fertile land with access to irrigation and the commercial cultivation of onions potatoes tomatoes, carrots and main crops of maize, wheat and barley and alfalfa.

Bolnisi municipality: is located at an altitude of between 500 m above sea level in the eastern part and up to 850m above sea level in the western part. In the low lying areas of Bolnisi there is a good access to fertile land some of which is irrigated for the growth of cereals: wheat, vegetables: potatoes, tomatoes, onions, and maize. Some of the main livestock transit routes from the winter pastures in Kakheti to the high summer pasture in Dmanisi come through the municipality. The proximity of the municipality to Marneuli and Tbilisi markets mean that milk and dairy products are often sold direct in agricultural markets located there.

Marneuli municipality: is located at about 270 – 1400 meters above sea level but is mainly low lying where there is good access to fertile land some of which is irrigated for the growth of cereals: wheat, barley, vegetables, tomatoes, potatoes, carrots, beet, onions, and alfalfa. Marneuli agricultural lands are considered to be most fertile lands in Georgia along with the Kakheti region. Marneuli is the location of the winter pastures for some Kakheti livestock. Marneuli municipality has a high demand for agricultural produce with a large agricultural market and has the largest livestock market in Georgia every Sunday with 1300 animals on average.

Gardabani municipality: is located at about 300 - 1800 meters above sea level. In the low lying areas there is a good access to fertile lands and watermelon, tomatoes, carrots, cucumber, aubergine and potatoes are grown. Gardabani along with Marneuli is the location of the winter pastures for Kakheti livestock and is also a transit route of livestock from Kakheti to Dmanisi and Tsalka summer pastures. The municipality has the largest number of livestock of all the municipalities in KK. The municipality

[5] During Soviet times the majority of the Tsalka municipality population were Greeks, however a greater part of them (about 30,000 people) went for permanent residency to Greece. Though officially Georgians in Tsalka are 2,510 people, there is significant (8,000-10,000) of unregistered Georgian population living in the municipality. These mainly are migrants from West Georgia (Adjara and Svaneti), and they occupy the houses of the Greeks, who left in 90s, but do not own them officially.

is close to Tbilisi and Rustavi markets, which gives opportunities for farmers to sell their products directly there.

SUMMARY MAIN LIVELIHOODS OF S&MSLP'S IN KK

Table 7 Summary Main Livelihoods

Main Livelihood	Relevant Municipalities
Livestock Related Income	
Dairy (and beef) inc Buffalo in Marneuli	All municipalities
Sheep (wool and meat)	Dmanisi, Gardabani,
Hay	Tetritskaro, Dmanisi, Tsalka
Alfalfa	Marneuli, Bolnisi
Maize	Tetritskaro, Marneuli, Bolnisi
Crops	
Potatoes	Tsalka, Bolnisi, Marneuli
Horticulture (inc onions and tomatoes)	Bolnisi, Marneuli, Gardabani
Wheat & Barley	Bolnisi, Marneuli, Gardabani

Livestock numbers as shown in the table below for the expanded programme area are fairly consistent with the existing municipalities and support the fact that dairy remains the mainstay of the majority of livelihoods. The figures for Marneuli reflect its urban nature whilst those of Gardabani are noticeably high, lending support to the high relevance of dairy.

Table 8 Livestock Number Per Municipality 2013

Municipalities (new in orange)	Cattle (head)	Sheep (head)
Dmanisi	22254	28529
Tetritskaro	22664	13579
Tsalka	32121	18941
Marneuli	10365	20817
Bolnisi	18833	17960
Gardabani	44000	64550
Total	**150237**	**164376**

Note: what it apparent in this table is the large number of livestock in Gardabani.

SUMMARY OF THE POULATION

The table below shows the population of Kvemo Kartli with a breakdown according to ethnicity. The new programme area has a high Azeri population which increases the importance of both sheep for primarily wool and buffalo for dairy as value chains as sheep and buffalo are predominantly owned by Azeri's.

Table 9 Population by Ethnicity Per Municipality 2013

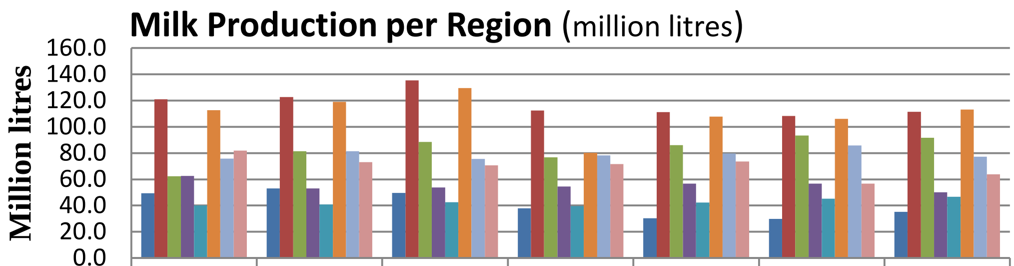
Municipality	Number of Households	Total Population	No Community	Ethnicity %				
				Georgians	Armenians	Azeris	Greeks	Other
Kvemo Kartli								
Dmanisi	9956	29868	16	36	0.01	63		0.99
Tsalka	8166	24500	30	40	0.08	44	15.92	
Tetritskaro	8451	25354	20	74	11	0.07		14.93
Marneuli	45771	137314	18	12.1	0.8	87		0.1
Gardabani	36936	110810	19	40	0.7	58.4		0.9

Bolnisi	24767	74301	15	30.5	0.5	68.7		0.3
Total KK	**134047**	**402147**	**118**	**38.77**	**2.18**	**53.53**	**2.65**	**2.87**

CORE MARKET SYSTEMS

All players mentioned in the following section can be found in **The Directory of Players Annex 1.**

DAIRY: COWS, BUFFALO, SHEEP



	2006	2007	2008	2009	2010	2011	2012
Adjara	49.3	53.1	49.7	37.9	30.4	29.8	35.2
Imereti	121.1	122.7	135.4	112.4	111.2	108.3	111.5
Samegrelo & Svaneti	62.3	81.5	88.5	76.8	86.1	93.4	91.6
Shida Kartli	62.7	53.0	53.7	54.6	56.7	56.8	50.1
Kakheti	40.0	40.9	42.6	39.5	42.2	45.2	46.6
Kvemo Kartli	112.8	119.0	129.6	80.3	107.9	106.2	113.3
Samtskhe - javakheti	75.9	81.5	75.6	78.2	79.6	85.7	77.2
othe region	82.0	73.1	70.7	71.7	73.6	56.7	63.9

Figure 1 Milk Production per Region (2011 Geostat)

SUMMARY

In 2012, Kvemo Kartli had the highest milk production in Georgia and in other years was consistently second only to Imereti. In comparison with Tsalka, Dmanisi and Tetritskaro municipalities the dairy market system in new programme area has many of the same characteristics, i.e. milk and cheese provision overwhelmingly supplied and produced by S&MSLP's. However there seem to be more cheese intermediaries with more informal linkages and a higher number of smaller cheese producers manufacturing a variety of dairy products dictated by the proximity to Tbilisi, Rustavi and Marneuli which enables HH's and intermediaries to supply direct to markets i.e. farmers selling dairy products direct to consumers in the city or agricultural markets or intermediaries supplying markets and shops. The result is that a greater number of farmers producing at the HH level are afforded the choice of either producing cheese for sale or selling liquid milk, sometimes to a variety of customers. In the new programme area there is a market for Ayran[1] and Buffalo milk products. Sheep milk is used and processed to a lesser extent with a less regular market. There are essentially four destinations for milk produced in Bolnisi, Marneuli and Gardabani municipalities:

[1] Dairy Product, cold yoghurt beverage mixed with salt http://en.wikipedia.org/wiki/Ayran

- Home consumption and sale of surplus cheese, yoghurt, butter, Matsoni[2] in small amounts directly to consumers in Tbilisi, Marneuli or Rustavi
- Sale to intermediaries supplying agricultural markets in Marneuli, Rustavi and Tbilisi
- Sale of liquid milk to small cheese factories
- Sale of liquid milk to Milk Collection Centres

WOMENS ROLES IN THE DAIRY SECTOR

When a family has less than 10 cows women are responsible for timely milking, processing and selling of dairy products. Women are the main milk suppliers for village based cheese factories and milk collection centers. Cheese is processed by women in the home for home consumption and for sale, they control money received from selling cheese. Clean and safe milk and use proper equipment for milk processing is ensured by women. The owners of cheese and milk collected factories are mostly men. Women are employed to process milk; men are employed to collect milk among milk suppliers living in neighboring villages and to take cheese to Batumi or Tbilisi market.

Buffalo

In the buffalo milk sector roles and responsibilities of men and women seems to be the same as they are in cow milk sector. The processors of buffalo milk are women; they make matsoni, butter and cheese in small quantities. In milking women where the buffalo are hard to control men hold the animal. Sending buffalo to pasture or river, breeding is the remit of mainly men Selling of buffalo milk is mainly is done by women from house or in agricultural market. Income from the sale of men is controlled by women. Buffalos are owned only by Azeri population lived in villages, which are situated near rivers.

PRODUCT DIFFERENTIATION

Two examples found in the programme area are:

- There is one Ayran[6] maker in Marneuli who makes Ayran from milk collected from nearby villages. He currently collects 60 l/day and makes 200 bottles of Ayran. In summer time he collects 100-120 liters of milk/day. He sells product in Rustavi based Automarket territory and small restaurants and small shops based in Marneuli and Tbilisi.
- There is one Buffalo milk collector/processor (Almaz) in Marneuli, Baidari village. He collects on average 100 litres of milk/day in high milking period and 60 litres of milk in low milking period from the local farmers, and makes Matsoni in home conditions. He sells raw milk as well as Matsoni to Tbilisi based small shops. (Potential for expansion: collection of milk from farmers lived in nearby Azeri villages: Lejbadini, Kurtlari)

CHEESE INTERMEDIARIES

Intermediaries buy cheese from farmers in the villages of Marneuli and Gardabani municipalities generally buying from the same farmers. There is little competition with other intermediaries who maintain their own clients. Example intermediaries identified to date:

- 1 woman cheese trader/intermediary in Gardabani municipality collects cheese in Sartichala village and sells in Carrefour Hypermarket (1000kg/week)
- 4 -5 cheese intermediaries are coming weekly to Marneuli municipality in Georgian and some Azeri villages and buy cheese (200-300kg/week in low milking season, 500kg/week in high milking season), they sell cheese in Tbilisi markets and agricultural market.

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[2] Dairy product http://en.wikipedia.org/wiki/Matzoon
[6] Dairy Product, cold yoghurt beverage mixed with salt http://en.wikipedia.org/wiki/Ayran

Milk Collection Centres (MCCs)

There are only 3 MCCs in the expanded programme area belonging to Soplis Nobati (Gardabani) & Sante (Marneuli) as the proximity of the villages to big cities, such as Tbilisi, Rustavi and Gardabani enables local farmers to sell homemade Cheese, Matsoni and Milk door to door, in agricultural markets or in small markets. Prices are highly seasonal for raw milk, from lows of 50/60 tetri/l litter in the summer to up to 1.20 GEL/liter in winter. Prices also vary according to the buyer and location.

Table 10 MCC's in Expanded Programme Area

	Bolnisi	Gardabani	Marneuli
Number of MCCs	0	1	2
Max Capacity l/d	0	3000	6000
Current Utilization l/d	0	1200	800
% utilization	0	40	13
Number of Suppliers	0	100	60

SMALL-MEDIUM CHEESE FACTORIES

There are 3 small-medium cheese processors[7] (more than 1t/day) in the region, a further 14 producing less than 1t/day and a further one factory (Sante), that sources milk directly from the area. They range from a small group of large farmers processing their own milk, to medium-size factories with several employees processing milk collected either directly from farmers. The main products manufactured are Sulguni (of which some is smoked) and Imeruli cheeses. Sulguni commands a higher price as it has higher production costs (boiling of the milk). Almost all CPCs are not compliant to Food safety and Hygiene requirements. They need renovation/transport/equipment + capacity building on FS and H issues.

Table 11 Number of Cheese Producing Centres

	Bolnisi	Gardabani	Marneuli
Number of CPCs	7	4	7
Max Capacity l/d	19700	2400	7300
Current Utilization l/d	8100	1130	1820
% utilization	41	47	25
Number of suppliers	605	129	330

Table 12 Price per kg of Cheese

	Bought Direct from Producer	Bought from Wholesaler in Local Market
Imeruli	5/5.5 GEL/kg	6/6.5 GEL/kg
Sulguni	7/7.5 GEL/kg	8.5/9 GEL/kg[8]

LARGE DAIRY PROCESSORS

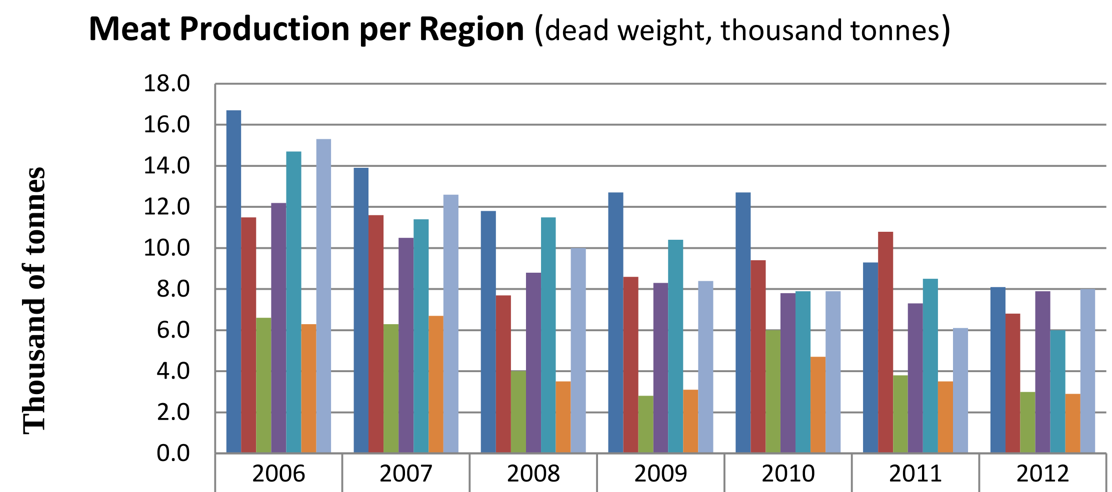
The three big dairy producers: Sante the largest, EcoFood, and Wimm-Bill-Dann (Soflis Nobati) make a range of branded fresh milk, yoghurt, sour cream and cottage cheese and Sulguni, but not Imeruli at present. Their products are made from either fresh liquid milk or imported powdered milk which is reconstituted. Their liquid milk products are either fresh pasteurized milk or Ultra Heat Treated (UHT). 2011 saw the emergence of the pasteurized variety onto the Georgian market, led initially by WBD with the others quickly following. This was driven by the emergence of new legislation that obliges manufacturers to disclose the ingredients of a food: powdered milk or natural milk. Also in 2011 EcoFood and Sante expanded their production of branded cheese products through the construction of new modern factories in Tbilisi which have required raw and not powdered milk to make. This expansion has not impacted the target group substantially as expected as the market has perhaps not been able to compete with consumer demand and preference for homemade cheese and the existing MCC's to a large extent seem to have absorbed the capacity. There is also some indication that powdered milk is once again being utilized for milk production with raw milk used for making cheese. The large players do not usually collect the entirety of milk available

[7] BMB Bolnisi 3t (peak) (current programme client), Bolnsi Davit Shekalshvili 1.3t, Bolnisi Davit Bejansihvili 1.8t

[8] Prices for October, 2013

except for a period in spring and early summer after which excesses are sold to other milk collectors. This S &MSLP's are not able to rely solely on supply to these entities for their livelihoods.

MEAT



	2006	2007	2008	2009	2010	2011	2012
Imereti	16.7	13.9	11.8	12.7	12.7	9.3	8.1
Samegrelo & SvaneTi	11.5	11.6	7.7	8.6	9.4	10.8	6.8
Sida KarTli	6.6	6.3	4.0	2.8	6.0	3.8	3.0
KakheTi	12.2	10.5	8.8	8.3	7.8	7.3	7.9
Kvemo KarTli	14.7	11.4	11.5	10.4	7.9	8.5	6.0
Samcxe-Javakheti	6.3	6.7	3.5	3.1	4.7	3.5	2.9
other region	15.3	12.6	10.0	8.4	7.9	6.1	8.0

Figure 2 Meat Production per Region

SUMMARY

Kvemo-Kartli is the fifth largest producer of meat in Georgia at around 6,000 tonnes (dead weight) per year (down from 14,700 in 2006)[9], and fifth largest producer of beef at 1, 800 tonnes (down from 7,400 in 2006). In comparison with the existing KK programme area, the new area opens better opportunities for selling meat. Because of larger population, large number of livestock and proximity to urban centres, such as Tbilisi, Rustavi and Marneuli. There are at present around 41 licensed abattoirs operational in Georgia. 7 or 8 more slaughterhouses were developed since 2010, driven by regulation that will ensure that livestock will increasingly go through official channels, which should provide a relatively safe platform for the large investment required to open and operate these facilities and also a demand on beef in region. However the patchy outreach of the NFA which has allowed the continued unregulated operation of small scale butchers and meat shop owners to continue back yard slaughter on one hand and the sometimes unfair and monopolistic business practices of the larger and well connected slaughterhouses means that risk in the sector is high. In the new programme area, the sector is still highly dominated by a large number of small-medium traders/intermediaries buying through regional markets especially Marneuli Livestock market and selling to small-medium butchers or to other traders, who are sending on export. The price for beef is 12-14 Gel/kg depending on the cut of meat.

[9] Data for 2012, provided by Statistics Department of Georgia http://www.geostat.ge/index.php?action=page&p_id=428&lang=eng

THE MEAT MARKET SYSTEM IN THE PROGRAMME AREA

There are 4 licensed slaughterhouses in Gardabani municipality and 2 in Marneuli. Slaughterhouses are basically providing slaughtering services 30-50GEL/cow. In all slaughterhouses, the main clients are meat shop owners/sellers, each slaughters 1cow/day. Only one slaughterhouse (Shula`s Meat Products based Marneuli an existing programme client) is buying cattle from KK programme area SSLPs and sells meat in its own shop. There is one sheep abattoir, slaughtering 600 heads of sheep/month. Sheep are coming from Tsalka summer pastures from other regions such as Kakheti. Sheep are also being exported from the summer pastures where they are held in quarantine zones to Azerbaijan, Jordan, Iran.

GENDER ROLES IN THE MEAT SECTOR

The Meat sector is in the male sphere: men visit Marneuli livestock market in order to sell livestock more frequently than women. Income from selling livestock is controlled by men. Men sell livestock from houses, but if they are not at home, women are responsible to sell it. The selling price of livestock is determined by both, women and men. All meat shops and slaughterhouses are owned under men. Men are employed in the slaughterhouses, the only role women have is to clean meat shops and slaughterhouses.

SMALL MEAT SHOPS

There are about 22 small meat shops in Marneuli,10 in Bolnisi and 15 in Gardabani, each slaughters and sells 1cow/day.

SLAUGHTERHOUSES

Table 13 Slaughterhouses in the Expanded Programme Area

	Bolnisi	Gardabani	Marneuli
Number of slaughterhouses	0	4	2
Max Capacity cows/day	0	95	125
Current Utilization cows/day	0	40	31
% utilization	0	42	24
Number of suppliers[10]	0	1200	930

Gardabani

- There are 4 slaughterhouses in Gardabani municipality, in total slaughtering from min 5 to max 25 heads of cattle/day
- All slaughterhouses provide only slaughtering service, 30-50 GEL/1 service
- Customers of these slaughterhouses are mainly about 15 meat shop owners based in Gardabani city and around it, each slaughters 1 cow/day,
- 1 sheep abattoir, 600 sheep/day. Slaughtered sheep in chilled form is going on export to United Arab Emirates, Qatar, Jordan, Iran
- Teleti slaughterhouse has ceased operations

Bolnisi

- About 10 meat shops are based in Bolnisi municipality.
- All meat shops slaughter cattle in Marneuli based slaughterhouse "Lasharela"[11]
- 1 meat shop slaughters and sells 1 cow/day.
- There are no slaughterhouses in Bolnisi municipality.

[10] Assumption

[11] Evidence suggests that the building is used by the meat shop owners who slaughter individually inside it and receive the official slaughterhouse stamp.

Marneuli

- There are 2 slaughterhouses in Marneuli (Shula`s Meat Products and Lasharela)
- About 22 meat shops are based in Marneuli municipality.
- Shula`s Meat Products provides slaughtering service 50GEL/cow and also sources cattle from small scale livestock producers lived in Tsalka, Dmanisi and Tetritskaro. It sells meat in its own meat shop in Sadakhlo, two more shops are going to be opened (Marneuli and Red Bridge)
- Lasharela provides only a slaughtering service - 50GEL/cow and also slaughters a sheep in Halal rule. Had a contract with distribution company and already distributed 160 slaughtered in Halal rule sheep to Qatar as a sample. Waiting for the new contract to renew distribution.

MARNEULI LIVESTOCK MARKET

Marneuli Livestock Market is the biggest livestock market in Georgia[12] with on average 1270 (best estimate of animals sold inside and not outside the premises) heads of livestock passing through each weekend although at times of years e.g. In spring and autumn the numbers can rise sharply for bulls or lambs. It works on a Sunday and is very busy. Milking cows, bulls, calves, swine, sheep, horses, goats are selling there, from the region and further afield. There are no official figures for the market but the programme partner local livestock specialist who monitors the market provided the following:

Table 14 Number of Livestock in Marneuli Livestock Market

Number of Livestock bringing by farmers/intermediaries for sale/weekend (on average)					
Buffalos	**Cows**	**Bulls**	**Sheep**	**Goats**	**Pigs**
20	250	350	600	20	30
Total: **1270**					

Sellers:

- Local farmers sell their own cattle outside the territory of market, and sometime inside the market.
- Intermediaries sell cattle inside and outside the market.
- Intermediaries come from other regions of Georgia and sell Bulls, Calves, Milking cows.
- During the time when the sheep is come from the Tsalka and Dmanisi summer pastures back to Kakheti winter pastures (transhumance road) the shepherds are stopping sheep flocks near the livestock market territory to sell sheep.

Buyers:

- Intermediaries involved in export of bulls, and male calves to Azerbaijan, Iran, and sometimes other Arabian countries. These intermediaries come to Marneuli Livestock Market on weekends with buyers and select cattle for export.
- Intermediaries come from other regions of Georgia for buying cattle: bulls (for fattening/slaughtering), calves (for fattening), milking cows.
- Local farmers buy milking cows and bulls (fattening, also for wedding, funeral)
- Local meat shop owners: buy cows, bulls for slaughtering and selling in their own meat shops based in Marneuli and Bolnisi.
- Local intermediaries: buy cows, bulls, fattening them and selling them from houses or at livestock market.

SHEEP

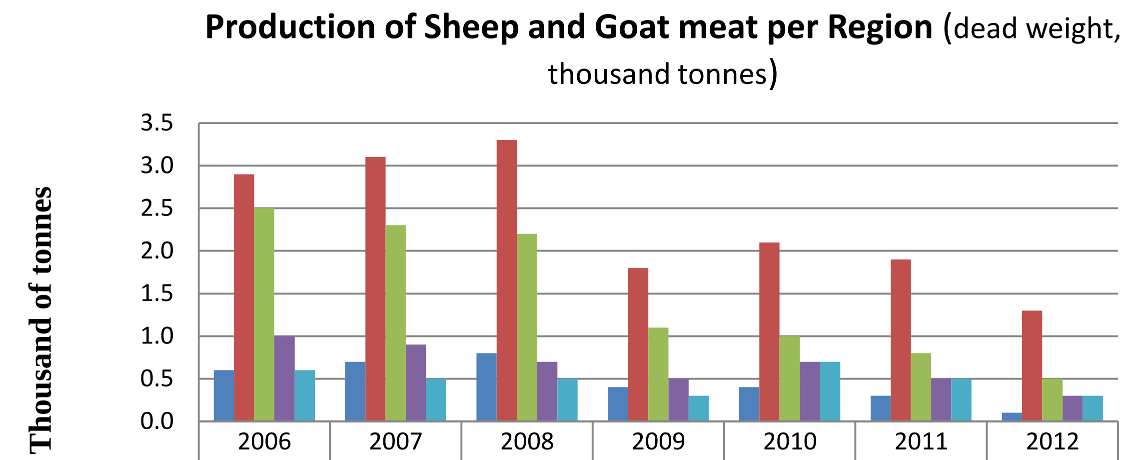
Based on the interview with the Head of Shepherds Association, Beka Gonashvili, export demand for sheep decreased in 2013 compared to previous years in relation to systemic constraints surrounding lack of government support to the industry and control of quarantine and disease.In 2012 according government statistics the total number Georgian sheep and goat population increased compared to

[12] Akhaltsikhe Livestock Market also considered one of the biggest in Georgia has 600-700 head.

2010 and now it's around 742,600 a trend mirrored in Kvemo Kartli. As Figure 3 shows below Kvemo Kartli is second to Kakheti.

Table 15 Number of Sheep and Goats in Georgia and Kvemo Kartli 2012

2012	Countrywide	Kvemo Kartli
Sheep and Goat Population by Geostat	742,600	148,600
Sheep & Goat Population by Administration of KK Governor		139,164



	2006	2007	2008	2009	2010	2011	2012
Mtskheta - Mtianeti	0.6	0.7	0.8	0.4	0.4	0.3	0.1
Kakheti	2.9	3.1	3.3	1.8	2.1	1.9	1.3
Kvemo kartli	2.5	2.3	2.2	1.1	1.0	0.8	0.5
Samcxe-Javaxeti	1.0	0.9	0.7	0.5	0.7	0.5	0.3
other region	0.6	0.5	0.5	0.3	0.7	0.5	0.3

Figure 3 Production of Sheep and Goats per Region

WOOL

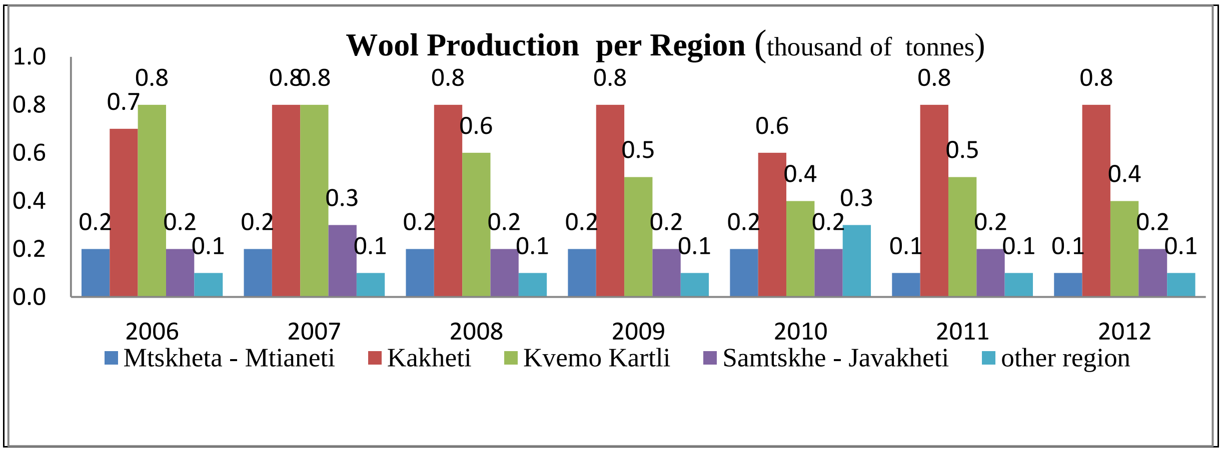


Figure 4 Wool Production per Region

SUMMARY OF SHEEP HUSBANDRY

Sheep Flock size S&MSLP's: In Kvemo Kartli less than 40 very small, small to medium 40-100. Three or four flocks usually united under one shepherd. Dmanisi, Tsalka, Akhalkalaki and Ninotsminda summer pastures used and 16gel /ha/month paid.

Market: Wool and cheese, mutton (old sheep) and lamb (from 10months to a year) are the main markets. Cheese and lamb are the most profitable. Cheese is bought by intermediaries who come to the farm. Lamb is bought mainly by individuals coming to the farm at times when lamb is wanted for sacrifice. Wool is stored and sold to Azeri intermediaries. Sheep are sold for meat to intermediaries who come to the farms (for use in sausages). In KK the market is described in more detail below.

Wool: Sheep are sheared in September either before or after they come from the summer pasture. If sheared before the quality is better as they don't have plant burs in the wool. The sheep are also sheared after winter before going to the summer pasture but the quality of this wool is inferior presumably from feed and referred to as matted from close winter growth, lice and being house indoors. 10 sheep can produce 15 kg of wool. Summer wool sells for 1.5 gel/kg and winter wool for 60/70 tetri /kg. Wool is stored on the farm and hand sheared.

Wool Processing (Wool Factory Kakheti): This year Azeri traders didn't come to buy wool from the villagers due to the increased price of customs clearance. 2013 sales of wool (for knitting) decreased he bought 30 t from farmers, he could buy 70t from villages nearby but hasn't got the market. He buys at 1lari/kg. Apparently in KK some Turkish businessmen want to set up a wool washing facility facilitated by the Ministry of Economics.

Cheese: The sheep are milked by men and produce 0.2l/sheep being milked from March to August. Another product called *Kalti* a form of butter is also made. Cheese sells from 10-15 gel/kg dependent on quality which is determined by the look of the inside, feel, colour and taste.

Breeding: The breed is the Tushuri which throws one lamb. The wool is of a quality suitable to carpet making. Lambing takes place from December to February, rams are put to the sheep once they become dry from August. Lambs are left on ewes for two to 3 months then separated. Nearly all lambs are sold male and female and replacement of old sheep done only on a case by case basis i.e. when ewes and rams are old and sick. Good male lambs are selected to keep as breeding rams when they are seen to have sturdy haunches a bigger size and a short tail. Stocking is approximately one ram for twenty ewes.

Nutrition: The quality of the summer pasture is considered the most important factor for production. Sheep once brought down in September are grazed in a 10km radius from the farm. The are fed barley and wheat grain in winter and hay.

Disease: Internal parasites (worms) are the main health problem, the sheep are wormed in the summer pastures.

SUMMARY OF WOOL MARKET

EXTERNAL MARKET FOR WOOL (EXPORT)

Azeri Traders: Azeri traders have a seasonal demand for wool. They purchase wool from summer pastures, from the local population and local intermediaries have linkages with them as well. Proper statistics of exported wool to Azerbaijan do not exist. Azeri traders buy only washed wool and pay 3-5 Gel/Kg. In Azerbaijan it is used for thread, for sewing blankets and for weaving carpets. This year traders have taken wool illegally with the help of buses drivers. Legally traders didn't come to buy wool this year due to the increased price of customs clearance.

Exports to Turkey: Wool is exported to Turkey. There is a demand for greasy wool as the price is low. One of the biggest exporters is Ravil and Partners Ltd (programme client), who collects wool from

Tsalka and Dmanisi municipalities through wool collectors and from Kakheti region as well, he pays 0.70-1 Gel/kg and collects 20 tons/month. He has a wool collecting point in Gardabani.

The Georgian Shepherds Association established in 2010 tries to promote the wool market in various countries for the export of Georgian wool. In 2011 on one of the website www.woolnews.net published an article concerning Georgian Sheep Wool. In 2012 in the Chinese and English magazines of the same website published an article concerning Georgian Wool. 20, 000 copies of this magazine were distributed to wool processing factories in China, India, Turkey and other countries. As a result of in 2011 the first export was sent to Turkey's AKEL WOOL factory that was followed by interest of other factories and as a result price of wool 0. 60GEL in Georgia has increased and now it costs 1. 5GEL. At wholesale level the quality for Georgian wool is low: due to coarse fiber diameter (for clothes, however it is suitable for carpets), extremely high levels of dirt and vegetation in the fleece, due to sheep being hogtied and shorn in the mud, fleeces not classed and fleece components not sorted. Shearers do not work with mechanical clippers on clean shearing platforms, with a wool classer classing and do not sort properly.

INTERNAL MARKET FOR WOOL

Women's participation in a wool value chain is high. Men shear sheep and help women to transport wool to the agricultural market to sell it. All other activities concerning wool processing are controlled by women: sorting, washing, storage related issues and sale and they maintain control of the income derived from it.

WASHED WOOL

Azeri families have a tradition to give wool mattresses as a gift to their daughters when they are getting married. The internal market has a higher demand for washed wool rather than greasy wool. From a gender perspective the washed wool value chain is highly relevant as the control of the income remains with women as well as the responsibility for processing it. The sale of washed wool is also more profitable for farmers as the price is higher. The peak season of selling wool is from May to September and wedding period in autumn.

Washing and processing wool: A key constraint however is the difficulty of washing the wool itself. Most villages do not have running water and rural people have to buy it. The only option for rural female sheep farmers to wash wool is the river nearest their village. Transporting the wool to the river is a constraint donkeys are mainly used but women also have to take washing vessels and wood to heat water by the river side. Wool is dried and carded in their yard. Washing and drying wool depends on weather, they can do from May until September. One Azeri village example is a woman who buys wool from her female neighbours 200 kg/season (300kg/year 200 +100); takes the wool, washing vessels and wood to the nearest river 4 km far from the village by donkey for washing, than they make threads, dying and weaving carpets. Most of women stuff mattresses in the home in Kvemo Kartli region; especially among Azeri families it is very popular, as they have a tradition to give mattresses as a gift to their daughters when they get married, and to their relatives.

Market and Sale: Marneuli agricultural market is very important places for women to sell washed and carded wool. On Sundays, about 10 small scale female sheep farmer sell their own washed and carded wool 100 kg/week. There are also wool markets for women in Gardabani, Tsalka and Dmanisi, where on Sundays about 3-4 women sell wool of up to 50kg/week each. Summer wool sells for 1.5 gel/kg and winter wool for 60/70 tetri /kg. Washed and carded wool have higher price 4-7 Gel/Kg. Women have an opportunity to sell their wool on places, some medium scale intermediaries know female sheep farmers in Azeri villages and collect and buy about 500 kg greasy wool per week all year round from them. They also sell to several small Tbilisi based enterprises, which process 200-300 kg wool/day and make blankets and mattresses and supply Lilo market, small shops and state institutions.

Carpets: 10 women from Dmanisi and Tetritskaro Azeri villages are employed as a weaver of carpets in carpet shop located in Tbilisi. Villages where are women carpets weavers are generally known under the names of "Borchali". The women have been studied the patterns and carpet-weaving traditions by the shop owner. Women buy wool from their neighbors 200 kg/season, wash it, make thread and weave carpets ordered by the shop owner in their houses. They are paid 200 Gel/sq.m of carpet.

Carpets shop: There is an antique carpets shop in Tbilisi. They use natural dyes for carpets that are hand-woven and use patterns specific to Azerbaijan. The shop has women carpets weavers in the villages of Kvemo Kartli which are generally known under the names of "Borchali" Region. The women have been studied the patterns and carpet-weaving traditions.

Wool processing factory: The only wool processing factory is in Kakheti region. He buys 30 tonnes greasy wool/season from farmers and pays 1 Gel/kg. The wool is washed in the special hand-made washing machine, then is dyed and makes soft and tender wool. For selling the wool there are 5-6 threads shops, school/academies and knitted product workshops. It also has the orders to produce the thick thread, which is used for knitting the rugs.

FOOD SAFETY AND HYGIENE IN THE CORE MARKETS

Food Safety and Hygiene remains the most important driver and area of the most fundamental constraints to the core market.

These *constraints* include:

- Weak and patchy outreach in the meat and dairy value chains meaning that a large proportion of meat and dairy products sold are uncompliant and potentially unsafe.
- Weak outreach results in a weak driver for enterprises to invest in business related consultancy and a weakness in provision as consultancy firms see that there is no market
- Information provision is therefore weak and insufficient from government and the private sector and enterprises are not aware of what type of information they need or where to get it
- Small producers and unregulated producers who do not have to invest in Food Safety and Hygiene equipment or upgrade to comply undermine enterprises seeking to invest and grow such as compliant slaughterhouses or dairy factories
- Small producers in the event of FS&H enforcement and awareness improving driven by government as well as consumer drivers risk being suddenly excluded from the market.
- Animal disease means that the environment surrounding livestock production is highly risky with zoonoses such as anthrax and brucellosis endemic.
- Weak quarantine and government control over animal disease means difficulty for those seeking to invest in livestock particularly noticeable in sectors such as sheep export.

In terms of a driver:

- On the consumer side the expansion in supermarkets has led to an awareness of and change in demand for 'quality' i.e. clean and safe products
- Media attention has grown with TV programmes highlighting 'bad' food which they test , taken from supermarket shelves
- A new EU programme with the Eurasia Foundation is seeing the role and strength of consumer lobby groups growing, recent reaction of these groups to the attempts of a minister to rescind the law banning backyard slaughtering showed the growth of capacity in this sector

CONSUMERS/ KEY TRENDS IN DEMAND

SUPERMARKETS

There are several big supermarkets in the expanded programme area and smaller branches of mainstream supermarkets such as Smart and Fourchet are opening smaller branches in the regional towns. It is a key driver for producers to upgrade their production and become food safety and hygiene and compliant as people buying from these markets expect 'quality' which primarily means clean, safe products. In comparison to the market analysis conducted in 2011 a much higher proportion of people are buying more from supermarkets now.

Table 16 Overview of the Supermarkets in the Expanded Area and their FS&H Practices and Standards in General and in Relation to Programme Clients

	Official information			*Feedback from clients*	
Names of Supermarkets	**Attitude towards suppliers** (main requirements on FS+H)	**Inspection and checks**	**Attitude towards suppliers** (main requirements on FS+H)	**Terms of Payment**	**Inspection and checks**
Goodwill & "Marshe" 6 supermarkets	"Goodwill" and "Marshe" examine the unpackaged products in the internal laboratory (fat, safety, etc.). Visual inspection of the cheese is held time to time. Officially company prefers to receive the cheese produced in good conditions. However n some cases the quality of such cheese may not be high.	Inspection of the slaughterhouses and cheese producing companies on site	Product's microbiological analysis in laboratory (only once) *(client: BMB)*	Once a month	Inspection of the cheese producing company on site
Smart (10 - 1 in Marneuli)	"Smart" has internal document according to which the delivered products are checked in terms of Food Safety. Visual inspection of the cheese is held from time to time	Inspection of the slaughterhouses and cheese producing companies on site	Product's microbiological analysis from laboratory (only once) *(client: BMB)*	Once a month	Inspection of the cheese producing company on site
Carrefour (2 in Tbilisi)	Product's microbiological analysis from laboratory every 6 months . Examination of cheese and other products randomly time to time Cheese should be vacuum packed.	Prefer Inspection of the slaughterhouses on site	No microbiological analysis from laboratory no site visit(*Tsezari)* One Sulguni was tasted by Supermarket, Partnership agreement signed. *(client: BMB)*	Twice a month	Not yet
Fourchet (3 - 2 in Tbilisi, 1 in Marneuli)	Product's microbiological analysis from laboratory. Certificate of compliance on food safety and hygiene issued by NFA	N/A	At the present our client doesn't have relationship with them.		
Vejini (7 - 3 in Tbilisi, 4 in Rustavi)	Product's microbiological analysis from laboratory. Certificate of compliance on food safety and hygiene issued by NFA	only "Sante" company was inspected on site	certificate of compliance on food safety and hygiene issued by NFA *(potential client: Iveri from Rustavi)*	"Vejini" chain has 4 markets in Rustavi, one of them pays rapidly and other payment depends on the amount of sold cheese.	Not yet
"Machakhela 13 Restaurant	Mainly cheese is used for making "Khachapuri" and it shouldn't be too salty, and fat must be between 2.5-4%.	N/A	Cheese must be soft, not too salty, and clean (visual site) *(Client: Temuri)*	Payment is satisfying. Every day, except Thursday. Mostly it depends on personal negotiation	Not yet
JIBE Cash & Carry 5 (2 in Marneuli)	It works mostly with imported products. Also co-operates with big producers (Eco food, Natakhtari and etc.)	N/A	Certificate of compliance on food safety and hygiene issued by NFA *(potential client: Iveri from Rustavi)*	Twice a month	Not yet
Fresco (2 super markets in Georgia)	Prefers HACCP. But "Fresco" can make exception and still co-operate with producers who meet GMP and GHP requirements and keep records on products (raw and finished products).	Inspection of the slaughterhouses and cheese producing companies on site	No microbiological analysis in laboratory. One Sulguni was examined. Agreement of partnership was signed. *(client: BMB)*	Twice a month	Not yet

FOOD SAFETY AND HYGIENE CODEX

The Food Safety and Hygiene Codex is still in draft form. The government is currently revising the code and has taken into account recommendations provided by the Eurasia Partnership Foundation and other interested NGO's. It is unclear when the codex will proceed to parliament. The cohesion of the EPF and its interest groups was clear when they mounted a response thus year in May to an attempt by a member of the Georgian Parliament on a populist ticket to introduce backyard slaughtering which would have undermined all work in the sector and endangered the move to closer trade conditions under the European Neighborhood Partnership Instrument. EPF offer clear recommendations which often notes the lack of transparency, outreach and quality of government information provision in the sector.

NATIONAL FOOD AGENCY (NFA)

PROGRESS ON THE ENFORCEMENT OF THE FOOD SAFETY AND HYGIENE LAW

Slaughterhouses

From the beginning of 2012 the National Food Agency started to enforce the food safety and hygiene regulations and did inspections of slaughterhouses and meat shops that led to regulate the meat sector and slaughtering of cattle in the slaughterhouses. However, after elections in October 2012 enforcement waned allowing the restarting backyard slaughtering and decreasing of the profitability of compliant slaughterhouses who lost their trade.

Food Retail Outlets

In 2013 the NFA started scheduled and unscheduled inspections of food outlets in Georgia including food/products markets, enterprises and agricultural markets have been inspected. Expired products were found and destroyed. Fines have been levied on market business operator of 1000 GEL (15 markets) and 3 enterprises (Meat and Fish products)[13] closed. The Agency has called for consumers to be more attentive with regard to sell by dates and storage conditions when buying food at market. The Regional Service of NFA does not currently have the right to carry out inspections, however where violations of food safety and hygiene rules are reported, the NFA issues a decree and a representative of the Regional Service carries out an inspection.

NEW REQUIREMENTS UNDER THE PRESENT CODE

HACCP and Traceability: The NFA is starting to control food shops and catering facilities as part of its new plans to control milk processors, milk collection centers and slaughterhouses according to HACCP requirements and traceability. Food Safety is currently undermined by a lack of enforcement throughout the value chain. A key constraint is the weak relationship between food producing enterprises and supermarkets. Often suppliers of supermarkets do not meet basic food safety and hygiene requirements and most of the supermarkets, agrarian markets and retailers do not have in place procedures which result in compliant and checked products being stocked in their shops. What procedures are currently in place can be seen in Table 16. Supermarkets, mini markets and agrarian markets could play a much greater role in ensuring food safety in the market system.

Bio Production: On 8th of August, 2013 the government of Georgia adopted a resolution concerning "Bio Production" developed by the Ministry of Agriculture of Georgia. The resolution will enter into force on 1st of January, 2014. Use of "Organic", "Eco", "Bio" and similar terms in advertisements or including them in texts that describe a non certified product will become limited. Bio Production certificates are issued by "Caucas Cert" LTD and gives more opportunities to export their products in EU countries.

[13] http://nfa.gov.ge/index.php?lang_id=GEO&sec_id=35

Public Awareness and the Media

The Agricultural TV Programme 'Chveni Ferma' (Our Farm) has been broadcasting weekly since May, 2010 on the Georgian Public Broadcaster and covers whole Georgia. From August 2013 'Chveni Ferma' (programme client) has included a 5 minute FS&H slot providing information and a lesson showing smart/simple, approximately 3 minutes lessons to get clean milk and safety dairy production from the food processing enterprises. The programme will help enterprises and farmers to comply with FS& H rules to avoid fines and potential closure by the NFA, as well as to increase farmer's awareness on hygiene rules to get cleaner milk.

In 2013 TV channel "TV3" was launched broadcasting in Tbilisi and its surroundings. In its programme "Test Purchases" the TV3 channel asks consumers to select and buy products/food from the market and then tests them showing when they are unsafe. Each episode is dedicated to a new product.

SUPPORTING FUNCTIONS

VETERINARY SERVICES

There are several village-based and less formal providers of veterinary services and drugs in the program area see Table 17. A limited range of drugs is stocked and the pharmacies lack appropriate storage facilities, that are essential for the safe storage of vet drugs. Vet pharmacies and their customers have lack of the knowledge in new technologies, treatment methods and drugs. As ''Roki'' representatives state the use Russian/ obsolete medicines are one of the problems in the field. There is limited or no practice of diseased livestock diagnosis, or treatment. Instead, traditional remedies for the healing of livestock are popular. There is presently no system of communication for informing/ reaching farmers about vaccination requirements and potential hazards. Farmers purchase drugs according to their own consideration, in some cases based on the sellers' advice and in rare cases according to the veterinarian prescription. Data management systems or follow up is absent. Vet pharmacies located in the centers of municipalities have annual turnover about 30 000 GEL, village based vet pharmacies have 15000 Gel. Turnover and types of medicines sold are seasonal and more is sold on a Sunday when farmers come to the agricultural market.

There are three main input suppliers whose products are stoked by the local vet-pharmacies:

L.T.D Roki: Most of vet pharmacies have been supplying with vet drugs by once a week since the company entered Kvemo Kartli.
Invet Ltd: They have distribution service only in Marneuli municipality. Vet pharmacies from Bolnisi and Gardabani are going to Tbilisi office to buy vet drugs.
Megavet Ltd: They have distribution services only in Marneuli municipality. Vet pharmacies from Bolnisi and Gardabani are going to Tbilisi office to buy vet drugs.

Table 17 Veterinary Pharmacies in the Expanded Programme Area

Muncipality	Number of Vet Points
Marneuli:	7 in Marneuli town are ten vet pharmacy shops, 3 village based
Gardabani:	1 is in municipal center 3 village-based.
Bolnisi:	3 in the municipal center

THE NFA AND VETERINARY OUTREACH

The National Food Agency is responsible for veterinary controls over disease and export and has municipal representatives in all three municipalities. In general their outreach is low and limited to conducting a limited number of vaccinations. Vaccinations for Anthrax in 2012/13 numbered 68, 524 (Gardabani), 8,287 (Bolnisi) and 26,804 (Marneuli). Foot and mouth disease in 2012/13 numbered 80, 479 (Gardabani), 28,946 (Bolnisi) and 25, 712 (Marneuli). The NFA is under resourced to deliver more vaccinations or planned vaccination. In case of the export of meat and wool abroad the representatives issue special certificate on inspection however there is a considerable black market cross border trade which is unregulated. Disease control is confounded by the presence of transit routes for tens of thousands of sheep and cattle coming through to summer pasture from Kakheti, with an estimated 500,000 head of sheep and cattle passing through the region on their way to summer pasture each year. The NFA representatives have very low salaries 150 Gel/month and mostly they provide private consultation, in general for local slaughterhouses, they are also paid extra in when conducting vaccination.

LABORATORIES

In whole Georgia there are 3 laboratories run by the MOA : Tbilisi, Kutaisi and Akhaltsikhe and 8 field stations based in Gurjaani, Dusheti, Marneuli, Gori, Zugdidi, Ozurgeti, Ambrolauri and Batumi. General functions of these laboratories are: getting samples for tests, registration, laboratory tests, and in emergency cases to send them to zone-diagnostic laboratory. The field station based in Marneuli serves the whole Kvemo Kartli region. Brucellosis (milk or blood samples), or Anthrax (Cattle/sheep skin) are carried out. Samples received in Laboratory for other diseases are sent to the Tbilisi laboratory for tests. Sometimes local farmers take milk and blood samples to the laboratory to test for diseases. Skins are tested for export.. Sheep which is going abroad on export is keeping for 21 days in quarantine zone (this zone is fenced), also blood of sheep is tested on Brucellosis. Prices are one test of blood – 5 GEL, one test of milk – 3 GEL, test of skin – 50 tetri/1 piece.If the results are negative, the answer is given in 2 hours, in case of positive results – 2 days.In case of positive answer, which means identification of disease, laboratory is responsible to inform corresponding services in this case NFA representatives in the region.

WOMENS ROLE RELATED TO VETERINARY TREATMENT AND SERVICES

Women are often the first to note the incidence of disease can detail the symptoms and request drugs for treatment. Men make decision on further veterinary service: vaccine and medical treatment. Women often have very limited freedom of movement either due to cultural and social reasons or pure lack of transport; traditionally it is men who go to a town to buy vet drugs, however women have an access to vet pharmacies located in the center of municipalities on Sundays when it is a market day. Women have ore access to vet points in the rural villages. Every morning and evening during taking their cattle to the village herd they observe their cows and if they identify anything strange they are come to the vet points on the way to receive some consultations and to take vet medication with them. The owners of vet pharmacies are vets who mostly are male, thus often pharmacists are women, who sell vet drugs, give information, recommendations and advices to farmers.

BREEDING

Farmers in Kvemo-Kartli mostly own Caucus Mountain cattle which is a fairly amorphous breed and may incorporate other regional breeds such as Khevshuruli, Osuri and Svanuri. These are general purpose breeds and bred for survival, hardiness, and ability to walk long distances in search of forage. It is estimated that 10-15% are Caucus Brown (Caucus Mountain X Brown Swiss) and around 1% are black and white Holstein-Friesian crosses. The majority of sheep are the Tushuri breed from Tusheti in North-Eastern Georgia which is a fat-rump variety producing lambing at around 100% (1 lamb annually). Some of the smaller Imeruli breed may also be present which are much more prolific, lambing 2-3 times annually with twins or triplets. However the Imeruli breed it not favorable in the harsher mountain environment as lamb survival is poor, hence the Tushuri is favored Ewes run with rams in the flock and at present there is no sheep AI in Georgia, although there is an

Australian entrepreneur who is qualified and considering improving the Tushuri breed with Merino for better wool quality and carcass composition.

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Breeding Services in the Expanded Programme Area

The vast majority of farmers use natural service, running their cattle with bulls owned by their neighbors or occasionally taking them to other villages if there is a particularly good bull. Artificial insemination is rare.

Artificial Insemination

There is only one AI practitioner in Marneuli municipality who has done 100 services this year. He does not have data recorded and he does not check results. He charges 30 Gel/insemination. There are 3 AI practitioners in Gardabani, one from Kumisi Village who served 50 customers last year; currently he does not work as he is a slaughterhouse's vet. As he states demand is low. One practitioner is in Kajreti Village and one in Gardabani town but they are not currently working. In Bolnisi there is one practitioner, who carried out 20 services in 2013. The price is 30 Gel/insemination.

WOMENS ROLE RELATED TO BREEDING

Both, women and men have access to bull rental and AI services, thus breeding services is at the moment seen predominantly as an activity in the male sphere as men take cow for insemination and they have communication with AI practitioners, vets and bull service providers, as almost all of them are male. Although women are closely involved in breeding on the level of usually being the first to know if the cow is on heat, in addition women farmers are clear in prioritizing female new borns to increase milk yield as their priority is selling milk and cheese. The reproduction cycle of cows is controlled by women.

Nutrition

Most farmers in the program area practice vertical transhumance, moving their livestock to high pasture from April –October ascending as the snow melts. Over-wintering is in purpose-built cowsheds with some grazing in nearby fields and common land. Winter feed in mostly comprised of hay which is either cut on summer pastures or on reserved hay-land. In general hay produced on summer pasture is superior in quality to that produced on hay land. According to the Soviet system of feed comparison hay from mountain pasture has a feed value of 0.50-0.55 feed units and that from hay land 0.3-0.35 feed units. The 0.20 feed unit loss in quality may be attributed mostly to late cutting of the hay in the year (August) when the grass has set seed and become fibrous. This in turn may be attributed to tradition, lack of awareness or the prioritization of bulk over quality (concentration of nutrients and digestibility) and lack of availability of machinery.

Hay itself signifies a huge expense for farmers particularly in a bad year where untimely rain means a soaring hay price. In addition where access to market for dairy products is limited or risky the farmers cannot justify the allocation of precious cash to nutritional inputs where the end point of the investment is unclear. Farmers commonly give salt to livestock as a mineral supplement. All other trace elements come from their feed and forage. It is not known whether trace-element deficiencies are common in the area. Inorganic and organic fertilizers are not commonly used on hay or pasture land which pay be partly due to a lack of awareness of economic benefits, the perception that the returns are not worth the investment or due to accessibility. Irrigated hay or pasture land is a rarity and farmers prioritize horticulture or the production of alfalfa. Bran is also one of the main source of additional feed for farmers alongside maize stover. Compound feeds are available in the programme area however they are generally too expensive for farmers to consider feeding their cattle when returns are uncertain.

WOMENS ROLES RELATED TO NUTRITION

Women are traditionally responsible for feeding the animals. both, women and men have access to pasture, hey, combined feed or any food for cattle, but pastures and hay are under men control, they are the owner, also all food processing factory or distribution channels are owned by men. As the brewers grains distribution is door to door it allows women a high degree of access to information and control whether to buy or not, and weather to feed their cattle with BGs or combined food. Men have information concerning purchasing and producing hay by machinery service providers but in case they collect it by hand women provide them help.

NUTRITIONAL INPUT SUPPLIERS IN THE PROGRAMME AREA:

Brewers grains and an affordable combined feed is now being supplied in the programme area by Ednar Antadze, (programme client) which contains 40% bran, 40% maize, 15% barley and 5% cottonseed cake.

Marneuli: One brewers Grain distributor in Marneuli municipality. 20tonnes/month serves 18 customers. There are 5 big mills in Marneuli municipality who process a minimum 10 tonnes cereals/day. Out of them the biggest is Ltd ‘Karmen’ wheat and bran importer, making flour and bran and who cover all Georgia. The other 4 mills buy wheat from Kvemo Kartli region and make flour and bran, they cover Kvemo Kartli region. These 4 mills also serve local farmers they grind maize, wheat and barley.

Gardabani: One big farmer producing silage and hay, machinery service provider, Gamarjveba Village. Capacity 200 tonnes/season. Potential to sell silage for nearby villages. He provides machinery services for local farmers and produces 15 000 bales/year, from which 10 000 bales are sold out to the local population. One Combined Feed Producer in Gardabani municipality, Tazakendi Village. The factory is under construction. In the next few months it will produce 40 varieties of products for Cattle, Swine, Sheep, Fish and Poultry. Maximum capacity will be 10 tonnes/day

There is one big mill in Gardabani municipality. It serves local farmers they grind maize, wheat and barley.

Bolnisi: There is one big mill in Bolnisi municipality. It serves local farmers they grind maize, wheat and barley.

MACHINERY & HAY

The programme carried out substantive research on the hay market in 2012 and a large section focused on machinery for hay production which had been named in the 2011 survey as one of the key constraints to hay making. Hay is predominantly made by hand and is costly in time and money with a significant proportion of draught animal power being used. Some of this is related to hay land being located on difficult terrain inaccessible to machinery, but in general the main drawback for fully exploiting the land potential was very clearly revealed to be the lack of access to machinery, machinery services or the finances to purchase or rent them. In addition, it is worth mentioning that, all respondents give absolute priority to the need for small and medium sized machinery/implements for hay making[5] rather than large tractors or larger implements. Machinery service providers struggle with old machinery with high running costs and low efficiency and in a cash poor environment accept non cash payments and barter exchange in order to keep their business operational. As the main feed resource for livestock in the programme area, the production, transport and purchase of hay has the major impact on farmer’s outgoing income. Of course where a farmer can produce a surplus for sale it can have a major impact on incoming income. Good management practices related to hay production, the availability of good quality and appropriate machinery services that allow for cost effective and timely hay operations will help to defray the impact of bad years and maximize the positive impact of good years. A sufficient amount and upgraded quality of hay over winter can play a determining role in the development of the small scale livestock producer in the expansion of the number of milking cows or in improved feeding for better productivity.

Machinery Centres

Bolnisi Agro imports from Eastern Europe. They have a variety of machinery available and mowers (available in 3 sizes) are one of their best sellers.
Teleti Machinery Center having tractors and all kinds of equipment; it imports from Turkey and Belorussia. It is INGO-supported agricultural center.

There are about 7 machinery shops in Tbilisi who sell tractors and equipment. They import from Europe, China, Turkey and Japan. In Batumi there is a shop which distributes parts of tractors and equipment from Belorussia and constructs them in Georgia. They have their own shop in Tbilisi.

Machinery operators

Machinery services are available from numerous operators ranging from small individual operators having a tractor and a few implements, limited by the age of their machinery and its state of repair. The high capital replacement costs and limited or expensive credit mean that accessing replacements is difficult, thus service is cheaper than service offered by INGO-supported agricultural service centers and by governmental agricultural service centers in Marneuli, Bolnisi and Gardabani. For rural areas small individual operators are more accessible because of location, also, they work on credit or make barter exchanges. They do not pay tax.

Access to Information

Media is present but weak with patchy coverage and the agricultural community is poorly served in terms of dedicated agricultural topics and information. There are no newspapers or local TV channels with regional coverage, but a number of them cover smaller areas. Marneuli and Bolnisi local TV stations have bi-lingual programmes, they cover all the villages of their municipalities. They do not have their own frequency. Bolnisi TV uses KK TV frequency and according to an agreement it can broadcast their own TV shows for few hours, Marneuli TV uses 'Stereo +' (a national TV channel) frequency for few hours/day with its own programmes. There is only one newspaper 'Ozan' in Azeri which operates in Marneuli municipality, and covers a few villages. Bolnisi municipality has one bi-lingual governmental newspaper. Gardabani municipality is covered by a Rustavi based Kvemo Kartli TV which is operating only in Georgian language. There is only one online news agency 'KK Press' in Georgian languages, it covers the whole Kvemo Kartli region. TV budgets are insufficient for technical re-equipment and programme development. Consumers' research and marketing activities have been never carried out. Journalist lack capacity and relevant experience to serve a rural audience.

WOMENS ROLES RELATED TO INFORMATION

Both women and men have an access to information channels but ownership differs: mostly TV channels are controlled by men, newspapers and online agencies by women. Women like to read about milking procedures and hygiene rules. They like stories profiling women as they can copy them. Men gather in public on the street to chat and use 'Birja' to spread information. Women do not have the same level of access to informal information networks. When newspapers and other information are sold or become available in rural villages rather than just in towns the access of women to them increases considerably as men generally have greater freedom of movement.

Table 18 Media Sources in the Expanded Programme Area.

Media Source	Language/s	Villages Covered	Readership/Users	Source of Revenue	Agricultural Content
"Marneuli TV" LTD	Geoprgian & Azeri	All villages of Marneuli municipality	Unknown	Sales, funding from Donors & Government Subsidies	No
Bolnisi TV 'Bolneli'	Georgian & Azeri	All villages of Bolnisi municipality	Unknown	Sales, funding from Donors & Government Subsidies	No
Rustavi based Kvemo Kartli TV covered Gardabani municipality	Georgian	Rustavi and all villages of Gardabani municipality	Unknown	Sales & Government Subsidies	No
Online News Agency	Georgian	All Kvemo Kartli	1000-1300 viewer/day	Volunteer & Donors (IREX G-Media, CIPDD)	yes
"Ozan" Newspaper (8 pages; 0.50 GEL)	Azeri	All villages of Marneuli municipality	2000/month	Sales	No
"Bolnisi" Governmental newspaper (8 pages)	Georgian & Azeri	All villages of Bolnisi municipality	1000/2 week	Government Subsidies	No

ACCESS TO FINANCE

At present, the agro-industrial sector is experiencing a lack of funds which directly affects the potential of production and economic indicators. The banks are focused on short-term results and as a result customers' interests are neglected. Accessing formal capital for expansion such as bank loans is difficult as banks still generally perceive agribusiness to be risky. Different types of loans and programs offered by financial institutions in agriculture sector of Tsalka, Tetritskaro and Dmanisi municipalities, are available, but difficult to access.

Table 19 A Summary of Credit Institutions in Georgia

Georgian Credit Institutions	Type of institution	Agricultural Loan Products	Average Amount (USD)	Loan Term (month)	Annual Interest Rate (%)
Credo	MFI	Agricultural & Business loans	50 - 30 000	2-60	16-30
Pro-Credit Bank	Bank	Agricultural & Business loans	50 - 100 000	2-60	24-36
Bank of Georgia	Bank	Agricultural & Business loans	350 - 500 000	1-60	14-24
Republic	Bank	Agricultural & Business loans	2 000 - 100 000	3-120	16-18
Alliance Holding	MFI	Agricultural & Business Loans	200- 30 000	1-3	30-40

Preferential Agro credit Project

This project aims to revive the rural economy, return the population back to the village and aid their revenue growth. It also aims to increase the output of competitive and high quality production. The scheme The preferential agro credit products that are accessible in 11 banks and 2 MFIs have already financed 37 existing businesses and 14 start ups in KK . However these loans have primarily gone to large business people with existing assets and businesses. Out of five Alliances clients who applied only one was granted a loan. The governments` scheme "Preferential Agro credit Project" has began operations in March, 2013 and currently is offering three lower interest components:

1. Commodity interest-free credit/loan for a small scale livestock producers - up to GEL 5 000 interest-free loans with no collateral back-up.
2. Agro credit for medium and large scale livestock producers – no more than 7 - 8% annual interest rate, Credit ranging from GEL 5 000 to 100 000.
3. Agro credit for agricultural production no more than 3% annual interest rate - Long-term funding for technology with GEL 1 000 000 limit.

CONSTRAINTS TO ACCESSING AGRICULTURAL CREDIT FOR SMALL FARMERS AND SMES'S

Financial institutions use collateral as a strategy to screen a client's credit worthiness and reduce risk. Depending on the volume of loans and type of the farm, banks may require provision of property in addition as a collateral and because assets and real estates owned by farmers are mostly impaired and poor, it's often hard to get credit. Another hindrance is that banks do not provide credit to start-up businesses, because it is associated with high risks. The new business idea will be considered only if the client already has other established businesses, sources of income, good collateral and has work experience in the agricultural sector. Standard products offered by banks still need to be improved, because financial institutions have reduced their loan portfolios due to unavailability of cash (due to falling deposits and unavailability of credit from other banks) and are reducing their risk by only lending to reliable clients.

Vocational Educational Training

The SDC UNDP Modernization of the Vocational Education and Training System Reated to Agriculture in Georgia is a 6 million CHF programme running over 5 years until 2018, aiming to impact over 4'000 farmers who will benefit from participating in improved (re)training courses and approximately 10'000 farmers who will get access to the extension services tailored to their needs. This will hopefully lead to an increase of the productivity of their farms and of their incomes by approx. 10% per year. Employability of the trainees will be improved by closing the gap between their vocational skills and market requirements. Special attention will be paid to developing flexible systems for enabling access to the training and extension services for women and ethnic minorities (e.g. ethnic Azeri and Armenian minorities in Kvemo Kartli with limited Georgian language skills). Direct beneficiaries of the project will be 8 public vocational colleges and 7 municipal information consultancy (ex-tension) centers, as well as other service providers, who will be acting as multipliers of advanced skills for farmers. Qualifications of 300 VET teachers, 400 extension workers and 250 service providers will be enhanced through training, advising and coaching. The residual vocational colleges and extension centers will benefit indirectly through accessing updated vocational standards, training materials and information for agricultural ex-tension.

FOOD SAFETY AND HYGIENE CONSULTANCY SERVICES

There are three main food-safety consulting firms based in Tbilisi: Star Consulting Company (service provider in Alliances-KK programme area and in whole Georgia), GDCI, PMCG and some other smaller individual enterprises. Star Consulting is a programme client selected by a tender designed to capture a company ready to offer regionally appropriate services. It is providing Food safety and Hygiene and good milking practices trainings, assessments and consultations to the Cheese producers and Milk collectors based in Tsalka, Dmanisi and Tetritskaro, focusing on training of women milk suppliers with appropriate material. Star consulting is providing above mentioned services in whole Georgia and works with different food production companies. As hitherto mentioned the patchy outreach of the NFA means that for smaller firms in rural regions the driver to ensure their use of consultancy services for FS&H is absent.

BUSINESS DEVELOPMENT SERVICES

The main BDS consulting company operating in the new programme area is "First Consulting" provides in depth business and marketing plans and solutions to businesses. The importance of a business/marketing plan is high. It helps to reveal and estimate strengths and weaknesses of a business; focus on those requirements of a business, which could be miss otherwise; reveal business development abilities and existing problems. These observations will help to estimate existing business objectively, critically and free of emotions before and after it is started. Also it helps to achieve business goals faster and effectively. First Consulting works on a contractual basis with Alliances following a tender. Most rural businesses still being unwilling to pay for BDS services or being unaware of their advantages.

ENVIRONMENTAL SERVICES

Business Environmental Audit Tool (BEAT): A simple environmental audit tool, provides analysis of their impact on the environment and potential impacts of natural hazards on their businesses. The aim of the BEAT is the checking and verification of business compliance against government regulations with regards to the environment and identification of businesses for whom a full Environmental Impact Assessment is necessary. The status of and any problems regarding environmental issues will emerge through use of a comprehensive checklist and criteria. Support to Gergili the company providing BEAT consultations is as above for the same reasons.

RULES

FOOD SAFETY AND HYGIENE

Please see the update to the Food Safety and Hygiene Analysis in the core market systems section.

DRR AND EMERGENCY MANAGEMENT IN KK

The territory of Kvemo Kartli Region belongs to the low and middle category of hazard risks, the damage coefficient is 0.25 – 0.4. Almost all dangerous geological processes are common for this region: landslide, flood, soil erosion, rock avalanches, bog up etc. Kvemo Kartli is located on a zone of seismic activity. Time after time repeated earthquakes bring destroying results, sacrificing populations' lives, causing social-material and economic damages. There is an Emergency Department in the Administration of State Representative-Governor of Kvemo Kartli Region. The Department owns only 3 special, rescue pick-up trucks, with old equipment, that permanently needs renovation. In all municipalities operates the Fire-Rescue Service. Only Bolnisi municipality owns 1 new fire truck. 6 fire trucks are on the balance of Tetritskaro and 4 Fire Trucks of Gardabani municipality. 3 fire trucks per municipality are owned by Rustavi Tsalka, Bolnisi, Dmanisi and Marneuli municipalities. The appliances for emergency situations and fleets existing in the municipalities are old and amortized; they do not meet standards and need to be renovated urgently. The training of the personal employed in Emergency Services is also necessary for improving their professional skills.[14] In the Alliances Programme DRR relates to animal disease notification and control.

DISEASE NOTIFICATION AND CONTROL

The main actor in charge of Animal Disease Control is the National Food Agency[15]. However, part of the duties and responsibilities are delegated to the Local Governmental bodies as well. Quarantine is imposed and cancelled by the local governmental bodies, following a request by the NFA. The responsibilities of municipal government during outbreaks of FMD, Anthrax, Brucellosis, Tuberculosis or Rabies are transferred by a special regulation. However municipalities are unsure and unaware of their remit and responsibilities or how to effectually respond. On August 1st, 2012 the State Free Vaccination Programme against FMD and Anthrax commenced. The programme was carried out in 3000 villages in 53 municipalities of Georgia. Anthrax vaccination was concentrated only in sites of historical outbreaks. All local independent vets (about 672 vets) and the NFA representatives in Georgia were provided with equipment to carry out the vaccination and the tagging. The registration of cattle also commenced with cattle receiving ear tags at the time of vaccination. The second phase of the State Free Vaccination Programme was carried out in spring (Anthrax) and summer (FMD), 2013 and is planned to be continued in 2014.

Disease Outbreaks

According to the information officially provided by the NFA, during 2012 twenty two Anthrax cases took place in Kvemo Kartli Region. Nine of these cases occurred in Alliances KK Programme area - Tetritskaro, Dmanisi and Tsalka municipalities. Since January 2013 fifteen cases of Anthrax were identified and officially reported in the Kvemo Kartli Region. Nine of those cases took place in Tsalka, Dmanisi or Tetritskaro Municipalities . The slight decrease in the number of outbreaks could be the result of the State Free Vaccination Programme. This assumption is supported by the information obtained from private vets and vet pharmacies. The sales rate of vet pharmacies decreased which is the clear sign of animal health improvement. The state vaccination program increased farmers awareness for carrying out timely vaccination of their cattle and buying vaccines for another diseases which are not covered by the State programme. Human health is not safeguarded by public health information or notification when dangerous outbreaks occurs.

A New Strategy Document on National Animal Health

In July 2013 The Georgian Government’s National Animal Health Program (NAHP) approved Georgia National Animal Health Program 2013-18 and Animal Health Action Plans 2013 and 14, funded by donors including SIDA, EU, IFAD. The goal of this strategic document includes building the National Food Agency as a competent veterinary authority and establishing a cohesive network of modern laboratories so Laboratories of the Ministry of Agriculture and National Centre for Disease Control are able to function as an integrated surveillance system. Progress is needed on University reform in the veterinary syllabus, education and science. Lack of trained vets constitutes one of the main constraints to progress in the livestock market system. Sector-specific surveillance plans, arrangements to increase human resources through a private veterinary workforce contracted to NFA and effective arrangements for fully operational private vets will be prepared in 2013-2014. Other important goals include effective traceability and prevention of new disease incursions and sustainable response capability.

[14] Regional Development Strategy of Kvemo Kartli Region, 2013

[15] The mandates in Animal Disease Control are defined by the law of Georgia on Food/Animal Feed Safety, Veterinary and Plant Protection adopted in 2012 and by the Ministerial order about Prophylactic/Quarantine Arrangements against Dangerous Communicable Diseases, issued in 2005.

ANIMAL MOVEMENT ROUTE

In September 2013 the Ministry of Agriculture of Georgia received and approved the final report of the AMR Feasibility Study prepared by Golden Fleece Capital[16]. This document will hopefully lead to a new infrastructure rehabilitation project of AMR. According to the Feasibility Study the animal movement route, which goes through the four regions of Georgia (Kakheti, Kvemo Kartli, Mtskheta-Mtianeti & Samtskhe-Javakheti), infrastructure elements development total costs are 6 437 150 USD (almost 70 % of the total budget is the cost of mobile clinics and incinerators). The Feasibility Study for the effectiveness of planned infrastructure and cattle routes recommends the following measures for implementation: repair of the current routes, development of a pasture management system, Georgian sheep breeding, wool standardization, formation of chemical waste management system, isolate spontaneously and/or purposefully formed burials of dead infected animals and etc.The Ministry of Agriculture haven't announced yet when they will start the Animal Movement Route infrastructure rehabilitation programme.

WOMEN'S ACCESS TO DECISION MAKING

In Kvemo Kartli the representation of women in local council (Sakrebulo) is critically low. See Table 20. From 164 members of Sakrebulo only 17 are women. Gender representation is more or less balanced only in Tetritskaro Municipality, where 8 are women from 30 members in total (one of the women is a deputy head of Sakrebulo).The number of men occupied in business sector exceeds the number of women two times. According to the data for the year 2009, 10 823 women and 21 445 men were employed in this sector. There is significant difference between the amounts of men's and women's average monthly salary. In 2009 the average monthly salary for women was 298 GEL and 679 GEL - for men. In terms of gender the figures on education are miserable as well: 14% of females have only primary education. Compared with other regions of Georgia this percentage is the highest presumably because of the majority Azeri population and their cultural and linguistic isolation from state structures. [17]

Table 20 Showing Gender Balance in Local Municipal Councils

Municipalty	# of Sakrebulo Members	# of Women Sakrebulo Members	% of Women Sakrebulo Members
Gardabani	25	0	0 %
Marneuli	28	2	7 %
Bolnisi	22	3	13 %
Dmanisi	22	2	9 %
Tetritskaro	30	8	26 %
Tsalka	37	2	5 %
Total	**164**	**17**	10 %

[16] The Ministry of Agriculture announced a tender on the feasibility study after Alliances KK Advisory Committee initiated this issue in spring, 2012. Alliances KK facilitated information exchange between municipalities and GF-Capital. An outcome of this work was that a final separate chapter about Tsintskaro village, Tetritskaro Municipality, was added as were the roles of local self-governments were defined more clearly in to the infrastructure management system of AMR.

[17] Regional Development Strategy of Kvemo Kartli Region, 2013

Consultation Centers of MOA
The Information-Consultation Service Centers are territorial units of the Ministry of Agriculture in the municipalities of Georgia and were established in February 2013, based on Georgian government's resolution #485. Their offices are placed in the municipal buildings and have four staff members in each.

The Information-Consultation Service Centers responsibilities are:

- Collect information on agricultural lands located within the administrative-territorial area of the municipality
- Create and update database on annually planted and seeded areas
- Forecast approximate volume of the harvest
- Be involved actively in choosing target projects for the municipality, that are planned to be implemented by the MOA, provide consultations and conducting monitoring
- Collect and analyze information on the local market prices of agricultural products
- Study the potential of a local storage and processing enterprises
- Provide information to interested individuals on legal and tax obligations regarding agriculture sector of Georgia
- Timely provide information to the population about politics and projects of the ministry
- Promote modern agro-technical facilities and support its implementation
- Collect and proceed information on seeds and saplings existing on the local market
- Provide information on availability and on rational usage of mechanization facilities in the municipality
- Collect information on the Plant Protection Facilities existing in the market and providing consultations on how these facilities should be used
- Promote modern approaches and technologies of animal care and breeding
- Provide consultations for ensuring the target usage of the lands
- For animal healthcare provide consultations about necessary annual veterinary and sanitary arrangements
- Cooperate with local governmental, International Donor Organizations and be actively involved in the meetings with them
- Organize various training, learning and informational meetings
- Provide recommendations on feeding rations in order to increase and retain productivity in dairy and beef
- Work with the Committees and with Working Groups of the municipality created on liquidation of damages caused from Natural Hazards, to analysis and to asses emergency situation created in agriculture sector
- In statistics sphere, take part and work coordinately in creation information databases

According to the data provided by the centers approximately 15-20 farmers are served (consulted) monthly.[18] They also organize meetings in the villages but do not record participants data. The main questions asked to the centers by the farmers are linked to the land usage problems and government agricultural programmes. At this time the efficiency of the Consultation Centers is very low and capacity building of the centers' staff members will be essential.

[18] For example, the total number of visitors of Tsalka, Dmansi and Tetritskaro centers during last eight months is 395.

The Law changes made in 2010 have resulted in stasis and a lack of management in the field of agricultural land and, more specifically, the use of pastures. Pastures currently lack sufficient and realistic management mechanisms. Even though such management is legally delegated to the Ministry of Economy and Sustainable Development of Georgia, the Ministry is unable to adequately handle this issue. No procedures for electronic auctions are currently in place and the lease rent amount for the use of pastures is very high from 8-16 Gel. The market demand for leasing pastures is real. There are dozens of farmers in Marneuli and Tsalka, for example, who go to different authorities on a daily basis to request the leasing of pastures. The regulation of the use of pastures would support the development of specific socio-economic fields and create a mobilization of money within the state budget as well as the budgets of local authorities (lease rent and tax payment for land assets). The purchase and sales of agricultural land have developed however these have not been achieved through broker services which remain undeveloped with only a small number of individuals in the country dealing with these issues and without the existence of qualified brokers (companies) working with agricultural land. Developing broker activities in the regions and especially in Kvemo Kartli is highly desirable. Municipal lands and clarifying legislation around their use would also unlock a presently underutilized resource.

The Association for Protection of Rights of Land Owners and LTD Mamuli 2 are two land brokers based in Tbilisi. Improving relevant broker services during the land privatization process would simplify communication between the Ministry and the buyer of the land and would make the privatization process more transparent. The growing tempo of privatization would support the development of the land market as well as the agricultural sector in general.[19]In 2013 the Government announced that changes are planning to improve the situation regarding land. On 28th of June 2013 the Parliament of Georgia made an amendment in law concerning “Agricultural Lands Ownership” which entered into force on 19th of July 2013. According to the amendments agricultural lands cannot be purchased by any foreigner or a legal body registered in other country or foreign person registered in Georgia before 31st of December 2014. According to the amendments government of Georgia has to work out a Common State Policy concerning Agricultural Lands Ownership, also arranging common system of Land Arrangement.

[19] Land Ownership and the Development of the Land Market in Georgia, Alliances KK, 2013

DIRECTORY OF MARKET PLAYERS

A key part of the market analysis process is the compilation of a Directory of Players which comprehensively lists and categorizes with contact details all potential market actors operating within the programme area that the programme has been able to identify during the Market Analysis process. This is compiled and used by the programme but is too lengthy to include in this document. Below please find the stakeholder analysis table offering an overview of the key players in the region in all spheres and key informant table which offers a view of key core market and supporting functions players below:

Table 21 Stakeholder Analysis

Stakeholder	Interests & How Affected by Market Weaknesses	Capacity & Motivation to Bring About Change	Proposed Actions to Address Stakeholder Interests
Small-Scale & Medium Scale Livestock Producers	Produce of domestic meat and dairy products. Disadvantaged though small transaction sizes and unfavorable business environment.	Good motivation where means to change are provided very low or low capacity limited access to finances and credit & information low capacity	Target group
Private Vets	Some access to affordable drugs and information	Low business acumen and market focus. High motivation where opps present	Start upstream with pharmacists to improve information. Identify main vet change agents to start with.
Vet Pharmacies	Supply S&MSLPs directly & vets; sales restricted by poor linkages and low use of bundled information	Interested in growing sales and improving service	Work to identify weaknesses in supply to vets & links to information
National Veterinary Input Supply and Training Companies	Manufacture, sale, distribution, embedded advice and training unawareness of markets, high investment required in potentially risky markets and lack of trained high quality vets	Good, held back by lack of knowledge and scale of investment required	Carry on engagement with key entry points
AI Practitioners (some also vets)	Deliver AI. Lack of coordination of supply & links to input supply & training. Lack of marketing.	Very low due to overwhelming constraints	Build linkages where appropriate e.g. in Ajara with EUENPARD AI cooperatives
Caucasus Genetics	Georgia's only commercial AI Supplier. Now working with MOLI programme in Kakheti on overall management	Motivated by funding, as inputs supplier, still no formal linkage or mentoring to individual AI techs	Coordination where appropriate
Machinery Centres	Limited outreach, lack of knowledge of customer base potential	High motivation and medium to expand business	On improving marketing, service provision and products for S&MSLP's
Financial Institutions	Laws surrounding payment, taxes, VAT (leasing) & interest rates, perceived high risks lack of understanding of rural customer base	Good capacity for some (e.g. Credo) problematic attitude to rural lending	Finding appropriate entry points where the programme can add value in terms of targeting and serving rural customer base.
Information Sources/Information/TV	Low readership and high dependency on donors/government	Some desire to diversify and respond to farmer	Work to identify market potential for agricultural content & link to

		demand for information	sources.
Star Consulting Company	Main service provider in food-safety consultancy/recommendations/ trainings in Kvemo Kartli region. Constraints of clients: Lack of awareness of benefit and willingness to pay for advice	High motivation and capacity but need to be able to push discount price initially to push the business and increase demand on product	Work with them on marketing through awareness raising on new law & food safety and hygiene requirements
Gergili	BEAT Tool unable to develop it into a commercial product due to patchy environmental enforcement	As above	Continue to embed the BEAT tool in programme interventions
First Consulting Company	Delivery of Business/Marketing services, on the way of business development	High motivation and capacity, needs good promotion among the potential clients	Facilitation on promotional activities in the region, cooperation towards the clients
EPF	Donor in agricultural projects, runs new project on the protection of consumer rights	High motivation and capacity, but not focused on rural areas, mmall Enterprises & the private sector	Coordination especially through new project on promotion of small enterprises at the market
IFC	Donor & advisor in food-safety and rural finance	High motivation and capacity but not focussed on SMEs	Coordination, especially over food-safety advice price point
Livestock Intermediaries & Exporters	Source, buy, transport & sometimes fatten, export cattle & sheep. High search & transaction costs.	High motivation but low capacity. Reluctance to invest in infrastructure they may not directly control (such as fixed corals & scales)	Work to identify options & other potential stakeholders.
Slaughterhouses	Provide entry point for SSLPs. Currently restricted by volume and quality of supply of beef animals.	High motivation, but low capacity (current focus on growing sales & integrating supply)	Incorporate into interventions with intermediaries.
Livestock transporters	Transport livestock; mostly informal & with un-converted trucks for generic goods.	Some are motivated to improve level of service & have greater intermediary role	Investigate options for upgrading & expanding outreach & improving coordination
Large Dairy Firms	Three lead firms control majority of formal dairy product supply.	High motivation & high capacity	Coordinate & bring in to activities around hygiene
Small-Medium Dairy Enterprises	Collect & process milk into various dairy products. Lack awareness of new laws and lack capacity to upgrade & expand. E.g. transport, equipment	High motivation but low capacity, and knowledge	Work to address capacity issues & link in with hygiene interventions
Milk Collection Centres (MCCs)	Act as bulking intermediaries for milk. Have little knowledge of or access to hygiene standards, & suffer from lack of coordination with buyers	High motivation but lack capacity (capital)	Investigate co-investment options to address capacity issues and improve hygiene

Cheese intermediaries	Collect cheese in different villages and sell in Tbilisi, lack of proper transport	High motivation, low capacity	Research of their market and supply side, link with FS and H intervention, work on capacity issues
Sheep Association LLC	Exports sheep to Lebanon, Iran, Qatar and other Arabic countries, its own sheep and also ones which they purchase from farmers, by ship and by plane. Assist other companies with sheep export	High motivation and high capacity, but lack of proper finances and credit	Coordination and facilitation on managing of sheep movement route (disinfection barriers, signs, water points, injections on diseases)
National Food Agency (NFA)	Responsible for enforcing vet, phyto -sanitary and traceability measures	Motivated since being re-organized. Lack capacity and links to market	Coordination on Food Safety and Hygiene issues and link to Star Consulting Company & work on standards & outreach.
Regional & Municipal Government	Responsible for implementing government policy in localities. Weak coordination with central government; do not see themselves as service providers.	High motivation & good collaboration but lack capacity	Coordinate & reinforce legitimate roles
Advisory Committee	Regional fora for diverse public and private stakeholders	High results achieved	Continue to engage
DRR WG's	Embedded in local municipality working on quarantine and land use	High where local politics allows	Continue to engage and develop
Business and Economic Centre	Provides a forum for promoting policy dialogue with Parliament and the Prime Minister's Office regarding the changes in the legislation, which positively affects the agricultural sector	High motivation and good linkages with Parliament and government	Collaborate to promote changes to the benefit of SSPL's in upcoming legislation concerning agriculture (relating to Food Safety and Hygiene, veterinary controls, traceability and animal registration and livestock breeding).
Association for the Protection of Landowners Rights (APLR)	Advocate for rights to land access.	High motivation but lack of capital	Investigate co-investment options to collaborate with national and local govt on outreach of information on land ownership
EBRD/ Crédit Agricole	Starts EU-funded programme to promote agricultural lending	High motivation, sufficient funding	Collaborate to promote agricultural credits for the farmers in the programme area
EC, BP, USAID, WORLD VISION.	Have various development programs ongoing in area	n/a	Coordinate on policy issues and/or where activities overlap
CARE, Heks Eper&IC/Helvetas	Implementing SDC-funded rural development programmes in Racha-Lechkhumi and Kakheti regions	n/a	Coordinate activities on the policy dialogue level
RED Programme	Implementing SDC funded programme in Kvemo Kartli and Samtskhe-Javakheti regions	n/a	Coordination on where activities overlap

Outcome 3				
Name	Location	Contacts	Roles	Potential Entry Points
Administration of the State Representative-Governor	Rustavi	Governor of Kvemo Kartli	Regulates Regional issues	Regional Advisory Committee

Local Self-Governments of the Region Dmanisi	Kvemo Kartli	Heads of municipality Sakrebulo's;	Regulates and manages local issues	Municipal DRR WG; Women's Room
Shepherds Association	Tbilisi	Beka Gonashvili		Enhance capacity of the Association
Ministry of Agriculture of Georgia	Tbilisi	Ilia Kvitaishvili, Deputy Minister	National policy and regulations	AMR Feasibility Study

Table 22 Key Informants

#	Key Informant	Date	Organization/Specialization	Location and Link to Project
Dairy: Core Market and Supporting Functions				
KI 1	Giorgi Gurchiani	27.10.2013	Specialist in Soflis Nobati (Wimm-Bill-Dann)	Tbilisi: Provided information on MCCs in Kvemo Kartli and current capacity of Soflis Nobati dairy plant based in Tbilisi, Krtsanisi district
KI 2	Mamuka Kharshiladze	06.06.2013	Cheese Producer. Makes Sulguni cheese	Marneuli: Makes sulguni cheese and collects milk from Marneuli villages, 1000l/day
KI 3	Gia (Cheese Trader from Tbilisi)	01.06.2013	Cheese Trader/intermediary	Tbilisi: Collects cheese in Marneuli villages from Georgian population, sells cheese in Tbilisi markets
KI 4	Givi Asanidze	20.06.2013	Nugbari Ltd, Ice-cream/Cheese producer	Marneuli: Collected milk from local farmers, made ice-cream and cheese. Enterprise is suspended for a while
KI 5	Almaz	04.08.2013	Buffalo milk collector/processor	Marneuli: Collects and processes buffalo milk seasonally
KI 6	Nugzari	11.08.2013	Cheese producer, makes Sulguni cheese	Marneuli: Collects milk from local farmers and makes Sulguni, which is sold in Marneuli based markets and restaurants
KI 7	Unknown	10.09.2013	Sante Milk Collection Center Operator	Marneuli: collects milk from Marneuli villages for Sante Dairy company based in Tbilisi, 500l/day, max capacity 4t/day
KI 8	Malkhaz Tevzadze	10.09.2013	Cheese and Matsoni Producer	Marneuli: Makes cheese and Matsoni. Collects milk from local farmers
KI 9	Suren Gevorqian	10.09.2013	Ayran and cheese maker	Marneuli: Makes Ayran and cheese. Ayran is bottled and labeled, Product is sold in Automarket territory in Rustavi and Tbilisi and Marneuli based small shops
KI 10	Nikoloz Gogebashvili, Davit Sheklashvili, Badri Menteshashvili, Davit Grdzelishvili, Davit Bejanishvili, Badri Gogoladze	June,2013	Cheese producers	Bolnisi: These cheese producers are based in Ratevani village, they make Sulguni and Imeruli cheese and collect milk from Marneuli and Dmanisi municipality villages.
KI 11	Gogi Kaldani	October	Cheese producer	Gardabani: Makes Sulguni cheese, Nadugi (Local Cottage Cheese) and sells in Rustavi markets
KI 12	Shorena	October	Cheese intermediary	Gardabani: Collects/buys cheese in Sartichala village, 1t/week and sells in Carrefour Supermarket based in Tbilisi.
KI 13	Iveri Gabarauli	October	Milken Ltd, Smoked and braided sulguni producer	Rustavi: Sources milk from Gardabani villages, sell in supermarkets

Beef and Sheep: Core Market and Supporting Functions				
KI 14	Fakhradin Iusubovi	25.10.2013	Wool collector/processor/exporter	Gardabani: Collects/processes wool from Dmanisi villages and exports to Turkey. Also buys cattle from Project Area villages and at Marneuli livestock market and exports to Azerbaijan.
KI 15	Ramazi Chumburidze	October	Silage, Hay producer, Machinery service provider	Gardabani: provides nutrition (Hay, Silage) and machinery services to farmers lived in Gardabani villages
KI 16	Unknown	October	Farid Ltd (phone call), Combined Feed Producer	Gardabani: Enterprise is under construction, to be completed by the end of October. Should source cereals for combined feed from Kvemo Kartli villages and be one of the biggest combined feed producers in Geogia and in whole Caucasus.
KI 17	Zauri Kuliev	10.10.2013	Ravil and Partners Ltd, Wool collector/exporter	Gardabani: He collects wool from Dmanisi villages through wool collectors, processes at Wool collection center in Gardabani and exports to Turkey, 20t/month
KI 18	Soso	September	Bolnisi Agro, Machinery service provider	Bolnisi: provides machinery services (equipment, tractors) to Tsalka, Dmanisi, Tetritskaro, Bolnisi and Marneuli municipalities
KI 19	Tariel Gadjievi	10.07.2013	Marneuli Livestock Market	Marneuli: Marneuli Livestock Market one of the biggest livestock markets in whole Georgia. It provides space for sale a cattle, which is bring in by farmers/intermediaries for sale from whole region.
KI 20	Elbrus Alievi	22.10.2013	Wool collector/processor/trader	Marneuli: Collects wool (600kg/week) from Dmanisi villages and processes/washes. Washed wool is sold to Matrasses shop in Tbilisi, unwashed wool is sold to Gardabani based wool collection center and in Marneuli agri market
KI 21	Zaza Lashkhi	July	Lasharela Ltd, Slaughterhouse	Marneuli: Provides slaughtering services, 50GEL/cow. Main clients are meat shop owners based in Marneuli. Current capacity 30cow/day, max 100cow/day
KI 22	Unknown	09.09.2013	Cheese intermediaries in Marneuli agricultural market	Marneuli: buy cheese from local farmers coming to Marneuli agri market
KI 23	Zaza Chokhonelidze	September	Shulas Meat Products, Slaughterhouse	Marneuli: collects cattle in the Project area, slaughters and sells in its own meat shop in Sadakhlo village
KI 24	Beka Gonashvili	10.10.2013	Shepherds Association	Dedoplistskaro: Assists farmers with sheep and wool export, has influence and contacts with foreign exporters and government representatives, works with the Government. It also exports its own sheep to Lebanon, Iran, Qatar and other Arabic countries. 226 000 sheep in 2009 and 176 000 sheep in 2010 were exported from Georgia.
KI 25	Jambuli Sakeverashvili	20.10.2013	Combined Feed producer	Gardabani: Provides mill service for local farmers and produces combined feed.
KI 26	Nana	20.09.2013	Representative of NFA representation in Gardabani municipality	Gardabani: Responsible for collecting/processing all information related to agricultural sectors, ability to check in case of emergency markets on food safety

				requirements
KI 27	Nukri Memarnishvili	21.09.2013	Head of the Consultation Centre of Ministry of Agriculture based in Marneuli	Marneuli: Collects and provides agricultural information to farmers, promotes modern approaches and technologies, organizes various of trainings and informational meetings
KI 28	Givi Gujejiani	20.09.2013	Vet pharmacy shop	Marneuli: Provides selling of vet drugs for local farmers
KI 29	Igor Sholari	20.09.2013	Vet Pharmacy shop	Marneuli: Provides selling of vet drugs to Marneuli based farmers
KI 30	Marina Gongadze	20.09.2013	Vet pharmacy shop	Marneuli: Provides selling of vet drugs and consultations to local farmers
KI 31	Agrolider Ltd	20.09.2013	Vet pharmacy shop	Marneuli: provides vet drugs to local farmers
KI 32	Elman Ismailovi	05.08.2013	Meat shop in Marneuli	Marneuli: Elman buys cattle in Marneuli livestock market and in villages, he slaughters cattle in Marneuli based slaughterhouse Lasharela and sells meat in his own meat shop located in Marneuli city. Current utilization: 1cow/day
KI 33	Dursun Orujovi	05.08.2013	Meat shop in Marneuli agricultural market	Marneuli: Dursun buys cattle in Marneuli livestock market and in villages, he slaughters cattle in Marneuli based slaughterhouse Lasharela and sells meat in his own meat shop located in Marneuli agricultural market. Current utilization: 1cow/day
KI 34	Vasif Kurbanovi	05.08.2013	Meat shop in Marneuli agricultural market	Marneuli: Vasif buys cattle in Marneuli livestock market and in villages, he slaughters cattle in Marneuli based slaughterhouse Lasharela and sells meat in his own meat shop located in Marneuli agricultural market. Current utilization: 1cow/day
Rules				
KI 35	Ekaterine Burkadze	August	Star Consulting Company, Food Safety and Hygiene Consultations, assessments, trainings	Provides Food Safety and Hygiene consultations, trainings, assessments SME in whole Georgia. In 2013 provided number of trainings and assessments for Cheese producers and their staff in Tsalka, Dmanisi and Tetritskaro municipalities. Potential to make the business profitable, to make farmers to pay for the service. Expansiion in Kvemo Kartli region.
KI 36	MIrangula	August	Head of NFA representation in Gardabani municipality	Gardabani: Responsible for collecting/processing all information related to agricultural sectors, ability to check in case of emergency markets on food safety requirements.
Information				
KI 37	Shalva Shubladze	02.09.2013	Head of Marneuli TV	Marneuli: Operating through KK TV/Radio frequency. 18 hours broadcasting/day Since 2013 broadcasting through “Stereo +” National Channel for few hours/day Daily Georgian and Azerbaijani language news, Various political and public shows. Main income – advertisements; local self-governance, Donor organizations

KI 38	Unknown	10.10.2013	Ozan newspaper	Marneuli: 8 pages newspaper in Azeri language, cost - 0.50 GEL, 2000 users/month
KI 39	Oleg Ugrekhelidze	10.10.2013	Bolneli TV	Bolnisi: Bolnisi TV station “Bolneli” broadcasts in a few villages of Dmanisi and Tetritskaro municipalities and covers all Bolnisi villages. Launched in 1997. Broadcasting in Georgian and Azeri languages. Sales, funding from Donors & Government Subsidies
Governance				
KI 40	Paata Abramishvili	June	Former Gamgebeli of Marneuli municipality	Gamgebeli expressed his willingness to cooperate with the Project. Suggested to introduce to him work plan of the Project, also suggested his assistance in any kind of issues
KI 41	Unknown	May, 2013	Gamgebeli of Tsalka	Gamgebeli was very delighted with the meeting and suggested cooperation and assistance from his side.