ALCP | Alliances Caucasus Programme

REGIONAL MARKET ALLIANCES IN THE SOUTH CAUCASUS

MARKET RESEARCH

Georgian Honey Sector Development (2017-2020)

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Contents

Introduction

Since 2017, the Georgian honey sector has significantly changed. New honey companies and brands have appeared in the internal market and Georgian honey companies have started to export.

According to this research, there are four main factors, which have influenced the *internal market*: Expansive development of supermarket chains in Georgia, increase of tourism and HoReCa sector, new regulations concerning labeling and the COVID-19 pandemic. These changes have created new opportunities for growth but also constraints and challenges. Detailed information is given in the report.

The Georgian honey *export market* was dysfunctional for years. Back in 2017, when our programme conducted comprehensive market research the *Prospects for The Export of Georgian Honey*, we found out that export of Georgian honey was at its minimum[1] compared to its potential with no 'official' export companies on the market. Most of the export was 'unofficial' done to Turkey via smuggling, a few very small amounts by foreigners in Georgia buying Georgian honey and take it with them upon leaving and some one-time shipments overseas by Georgian companies.

For years innate distrust and lack of belief in the quality of Georgian honey, fractured, fractious and ineffectual representation in a large number of honey associations with individual agendas, government assistance to the sector mainly directed at small cooperative development[2], poor quality information, rampant antibiotic use and the seemingly insurmountable red button issue of 'testing' and the lack of it as a barrier to any development within the sector, stymied any development beyond a steady but unremarkable domestic market and 'unofficial' smuggling of honey largely to Turkey.

Since then successive interventions[3] (See the infographic ALCP Honey Interventions Timeline in Annex 1) have been implemented in the domestic and export sector targeted at improving the image of Georgian honey[4], the confidence of Georgian consumers and producing entities in Georgian honey[5],

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[1] 2.2 Tonnes in 2017

[2] The government also invested considerable money in the state laboratory for honey testing however the process of implementing testing standards took years (2014-2019) and laboratory honey testing services (on prohibited antibiotics) remained unused until 2020 when as a result of increased promotion of the laboratory at honey advisory meetings and advocacy of the GBU to subsidize honey lab tests for honey aggregators (companies buying honey from beekeepers for further sale as in Georgia as well as for export), honey testing of 100 honey samples (collected by the NFA under the Residue Monitoring Plan) and export batches were successfully conducted.

[3] Including facilitation of the private (honey producing/export companies, beekeeping input supplier company), government (Ajara Chamber of Commerce and Industry (ACCI), National Food Agency (NFA), Ministry of Environment Protection and Agriculture of Georgia (MEPA), Ministry of Agriculture of Ajara (MoAA), Agro-service Center) and non-government sector stakeholders (Ajara Beekeepers Business Association (ABBA), Jara Beekeepers Association (JBA), Georgian Beekeepers Union (GBU)).

[4] The first wide international exposure of Georgia and Georgian honey at Apimondia 2017, Georgian honey promotion video and brochures, promotion portals www.honeyofgeorgia.com & www.jarahoney.com, Georgian honey at Gulfood and World Bee Day (London), Jara documentary international screenings and awards, articles by healthywithhoney.com, Deutsches Bienenjournal, Thehoneyroad, Al Jazeera English, Apimondia Official Twitter

[5] Ajara Beekeepers Business Association (under the ACCI) was facilitated to represent the sector in the region and organize honey festival (2015) in Batumi targeted at increasing awareness of Georgian and foreign consumers on quality and safety of Georgian honey resulting in improved image and increase of labeled honey available on the market. The success of the first honey festival convinced the Ministry of Agriculture of Ajara together with the ACCI to finance the festival in the next years (2016-2019). The creation of JARA the Movie, which is a fairy tale of a one year journey through the mountains of Ajara and of the shifting boundary between human habitat and wild nature, helped the formation of image of Georgia as a producer of high value wild Jara honey.

developing improved coordination and sector representation[6], improved service provision[7] to eliminate barriers to export and creating high value branded products for export[8]. All of this in conjunction with Georgia's admission to the third country list for honey and annual Residue Monitoring Plan[9] and investment in state laboratory services and willingness to engage with constructive sector dialogue, has resulted in a more dynamic domestic sector and an increasing trend of Georgian honey export from 2019. See Infographic *Georgian Honey Sector Moving Forward* in Annex 2.

In order to analyze these positive trends and to understand the changing dynamics of the domestic and export market, the remaining constraints hindering the growth of export volumes and to further support the programme goal; of larger companies as they expand sourcing more honey from smaller beekeepers, further research of the Georgian honey companies was conducted.

Methodology:

The following study combines two research methods: desk research and semi-structured in-depth interviews with 17 Georgian companies including 6 honey exporters. Please see the full list of the companies in Annex 3.

The desk research was conducted to identify new honey companies, analyze Georgian honey export data for 2019-2020[10] and the profiles of export companies. The following sources were selected for the desk analysis:

1. Georgian honey export related articles, websites and Facebook pages of Georgian companies.
2. Honey Export data for each month of 2019-2020 according to partner countries[11] published on the MoF website.

Key export companies, export figures and topics for further discussions were identified through comprehensive analysis of these sources.

In the second stage, in-depth telephone interviews were conducted with Georgian companies who sell honey in the domestic market or export it. Georgian honey export data was discussed with them for triangulation and reliability purposes. In addition, further qualitative information and producers/exporters perspectives were captured through the interviews with honey producing

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[6] An umbrella association the Georgian Beekeepers Union (GBU) www.geobeekeepers.ge was created uniting 13 sector organizations. The association provides services to 5,314 beekeepers (548 women), the activities cover three advisory committees, national campaign on antibiotic use resulting in legislation (Regulation #525) put in force and decreased antibiotic residues in honey (8% in 2020 compared to 56% in 2017) and improved in-country lab services, export guidelines was developed and disseminated.

[7] The programme facilitated Bio certification of Jara honey (started in 2018), as a result of which Georgia has BIO honey to offer to internal and external markets. Twenty three Jara beekeepers, Goderdzi Alpine Garden Jara apiary and KTW Agro-Keda factory are bio-certified, which made it possible to export BIO Jara honey to Canada and USA. A Certification Company Caucascert Ltd accrued significant experience and has now more capacity to provide honey certification service.

[8] Nena honey brand was developed and new international standard packaging was introduced; Jara Honey Mark was registered as an Intellectual Property and Jara production has been granted the status of Intangible Cultural Heritage; Jara apiary showcase at the Goderdzi Alpine Garden, Jara honey is officially BIO-certified, entering the Georgian and soon export markets (Canada, USA, and Japan).

[9] The National Residue Monitoring Plan is an annual monitoring activity implemented by national authorities to detect the level of contamination of foods of animal origin with other undesirable substances from the environment, so-called contaminants. It is a mandatory for all EU countries as far for non-EU countries exporting to EU. Georgia has annually implemented RMP for honey since 2015.

[10] Before 2019, most of the export was 'unofficial' done to Turkey via smuggling, a small amount done mainly by foreigners, who bought some Georgian honey and took it with them upon leaving and a few cases of Georgian companies exporting one-time shipments.

[11] https://www.mof.ge/en/4685

companies selling honey on the domestic market or/and exporting honey overseas. The main research questions focused on export data, export countries, honey aggregation, packaging and export procedures, challenges related to export and future perspectives.

Domestic Market

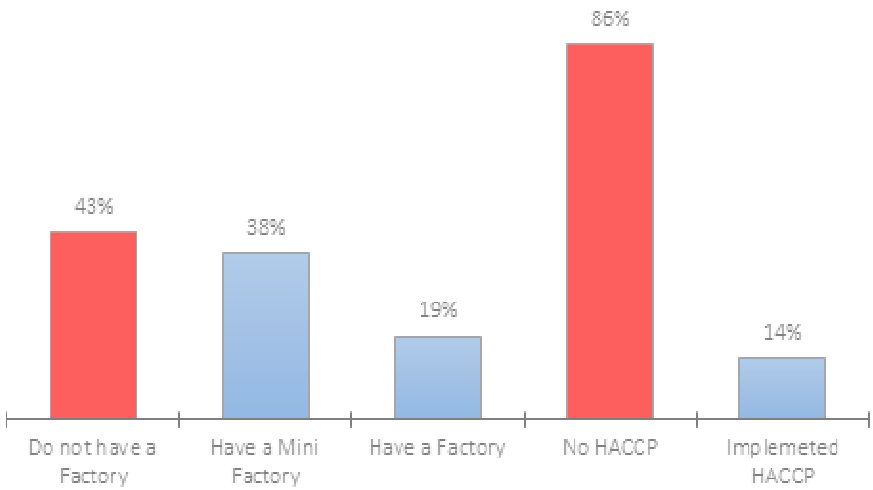
Key findings

Business development leads to changes of sourcing approach:

The companies have a similar business model. The majority of the companies have their own apiary and began by selling and promoting their own honey. As sales increased (exceeds 2-3 Tonnes annually), 65% of the interviewed companies have also begun to aggregate honey from other beekeepers (from 5 to 15 beekeepers) to meet increased demand.

Lack of production facilities:

43% of honey companies do not have a factory and do not own processing equipment, therefore bottling, packaging or other processing is done mostly by hand. Some of them use others' factories. 19% of the companies have a processing unit, usually: one or two rooms with some types of processing equipment limited to a filling machine (can be automatic or semi-automatic), a de-crystalizer and some inventory. They mostly do not have recognition from the NFA. 38% of the companies have a processing unit, but with limited honey processing equipment. E.g., not all of them have a homogenizer, heating tank, de-crystalizer room and filter, which are necessary for a full production line. Only 14% of the companies have implemented HACCP standard, as it was not mandatory for honey producers until January 2021 according to the Georgian legislation[12].



Ensuring honey quality:

Companies select supplier beekeepers through private contacts, and have also begun using , since 2019 the list of beekeepers who have antibiotic free honey according to the Residue Monitoring Plan conducted annually by the NFA, the basis on which the country is admitted to the third country list.

[12] Regulation #173

The companies tend to prefer beekeepers with any kind of laboratory testing results of their honey, even on basic parameters, but companies usually re-check honey[13] but only on quality parameters (sugar, water content)[14]. According to the companies, there is growing awareness of honey quality maintenance among beekeepers.

Product diversification: the companies offer at least two types of honey (See Annex 4). The most widespread is chestnut honey, followed by acacia, linden and light mixed blossom honey. Besides that, the companies increase product lines through adding honeycomb, nuts (tourists like it) or other bee products such as royal jelly in their honey. Several (40%) of them also increased packaging line (consumer demand). It could be divided in four scale: Jars with 130-250 gr (minimal), 250-450 gr (medium), 450-700 gr. (large) and <700 (extra-large).

Improved branding: the supermarket chains require proper labeling of honey, thus every company selling in the supermarket chains have proper labeling to make their honey eligible for selling there. All honey producers brand their product. There are three main reasons: tourism, attitude changes of local consumers (see below) and label requirements (Resolution 301 of 08/07/2016).

Older honey producers have not changed label design: Since the last year, honey companies have been obliged to change their label content due to new requirements regarding labeling. Considering this some producers re-designed a label to make it compliant and attractive for consumer. However, older honey producer companies purposefully did not make changes in label design as they believe the changes could confuse their clients.

Increased sales in the supermarket chains: along with rapid increase of supermarket chains and number of shops[15] which has increased volume of trade of commodities (including honey) and changing consumer behavior, who now prefer to buy products there, the honey companies target supermarkets to sell their honey. Large supermarket chains usually cover all of the regions, which gives an opportunity for being represented across Georgia, which supports sales and awareness raising. Interviewed honey companies are represented in *Goodwill, Carrefour, AgroHub, Nikora, Magnit, Spar, Ori Nabiji, Willmart, Europroduct, Fresco, Liderfood, and Smart* (See Annex 4). The main concern of the companies is **delay of payments by the supermarkets[16].**

Market diversification: Honey companies aim to enter *HoReCa* sector as they have better paying conditions than supermarkets. 30% of honey companies are already supplying HoReCa sector. New companies (est. after 2017) such as Agriapi, Europack and Hoby created special packaging (in portions) which is in higher demand from the HoReCa.

First-mover advantage: At this time, the largest (in terms of sales) honey companies are Tapli Sakhlshi, Meputkre and Royal honey. Their annual sales exceed 30 Tonnes (each) and it had growing tendency (+5T annually) before COVID outbreak (see below COVID effect). Meputkre was one of the first companies who began selling honey in supermarket chains (since 2012). Royal honey was the first company, which initially marketed for the premium segment and were more attentive on branding and packaging. Tapli Sakhlshi was the first, which successfully developed a delivery service. Today these

[13] In the *State Laboratory of Agriculture (SLA)*.
[14] All companies had checked honey on quality at least once, but the topic of affordability of lab services was not highlighted by them during the interviews.
[15] Before 2017, supermarket chains were mainly operating in Tbilisi. Since then the number of their shops significantly increased via expanding in other cities and regions of Georgia. Besides the number of branded supermarket chains has increased.
[16] For example, Matchakhela Ltd left Goodwill, as the company has not received money yet.

companies have been selling their products in all leading supermarket chains for a while and continue strengthening their positions on the market.

Local consumers changed attitudes towards branded honey:

Branded honey is no more believed to be low quality or adulterated as it was several years ago. It was believed that genuine honey was sold directly by beekeepers[17]. The expansion of supermarket chains all over Georgia and consequent behavior change of consumers has increased trust in branded honey. The consumer attitude also impacted on the producers. For example, consumers prefer glass jars and thus some companies switched from plastic package. Also, consumers prefer differentiation of honey via types, e.g. Royal Honey enlarged production line through adding different types of honey. Before the company was selling honey, which was a blend of several types of honey.

Companies do not worry about competition:

Companies noted that the number of honey companies has increased but they do not see them as competitors. It worth mentioning that the companies whose sales were growing claimed that they have their niche with their own clients and it has been growing. Those companies, who have not increased sales, are blaming supermarkets but not the other honey producers. Some of the honey producers know each other, however the linkages between the market stakeholders seems weak.

Foreign tourists are one of the largest consumers: according to the 70% of the interviewed companies sales have decreased by 40-50% since the COVID-19 outbreak. Most of the companies named two reasons decreased tourism and purchasing power of local citizens. However, tourism is believed to be the main factor as the foreign tourists are considered as the largest consumer of their products. The companies (55%) justify this consideration with their own observation.

Supermarkets tend to gain from an unequal power dynamic with suppliers:

Late and partial payment is an ongoing issue in supermarkets in Georgia and is a big constraint for Georgian producers. Unfortunately, the practice is more disadvantageous for small suppliers. Often supermarkets do not pay within 45 days as agreed (current payment standard used by supermarkets in Georgia) citing various reasons not linked with the supplier. For example, their debt to bigger companies (Coca-Cola, Borjomi, etc.), bad sales, an expansion of a chain among others. In the chain expansion case, the supplier is obliged to increase supply without receiving payments for already supplied volumes, which increases turnover volumes (more than 100,000 GEL) and hampers the company development. Besides these, supermarket chains are often changing conditions of a contract and pushing suppliers to sign it. They can increase cash-back rate[18] (10%-30%), oblige them to decrease prices (using offers of its competitors) or to make sales (for example, 20-30 % during New Year sales) and pay for commercials. In cases where a supplier refuses or argues the conditions, supermarkets threaten to stop cooperation which will result in outstanding money not being paid to the supplier. Recently, several supermarkets began packaging of products (including honey) under their brand. In this case, the supermarket artificially increases the price of its competitors. However, despite these facts, many honey companies prefer to sell honey in supermarkets, as small shops are paying even

[17] In 2016, ABBA made small survey in Batumi, which revealed that 70% of consumers were buying honey directly from beekeepers, as they did not trust branded honey.

[18] In a fact, it is a difference between nominal and real receivables for supplier. E.g. a company Wildhoney sells its 500gr jar honey in Supermarket GeoMart for 10.00 GEL (including VAT). GeoMart sets 20% for cash back rate and 20% for margin rate. A consumer will buy honey for 12.50 GEL but Wildhoney will receive 8.00 GEL.

worse. Suppliers tend to solve issues regarding payments via personal contacts and relationship with managers of the local supermarkets.

Recommendation: **Honey Team/GBU becomes involved in BIG/GMF intervention with Georgian Distributors Association regarding legislative and actual changes to supermarket sourcing and payment practices.**

COVID-19 effect:

Sales dropped by 40-50%. The companies have tried to overcome the gap by decreasing prices with special promotions, some of them have tried to improve delivery services via online sales, enter in new supermarket chains or switch to production of other beekeeping products[19]. Honey companies do see positive changes in the sector. Especially in terms of awareness for both beekeepers (improved knowledge of treatment and improved quality) and consumers (about honey types and quality). Companies observed these growing tendencies in the sector before the COVID outbreak are hopeful that after successful overcoming COVID crisis, everything will return to normal and these trends will continue.

Programme attribution:

The attribution in the domestic market can be diffuse where players are not clients but contribution is certain: It may be difficult to directly attribute the effect of ALCP work to the interviewed honey companies excluding ALCP clients. However, indirect effects are present. For example, Tapli Sakhlshi is aggregating honey from beekeepers who have been the suppliers of KTW as well. The company knows that their honey is pure and safe as KTW checks their honey on quality and safety parameters in laboratory. In 2019, Meputkre had a financial loss for withdrawing a whole batch of honey as it was contaminated with antibiotics according to the results RMP[20]. Some of the producers are members of the GBU. However, many of them did not know about the GBU at the time of interview. ALCP facilitation of MEPA and the State Laboratory including the *Do and Don't* of antibiotic campaign resulting in at least a significant contribution to reduction in antibiotic contamination. The ALCP facilitated the GBU as well as Honey of Georgia website and portal, Discover Georgia film and other media promotion of honey as well as the Ajara Beekeepers Business Association and Honey Festival in Batumi running since 2014, substantially increasing coverage and improving image of Georgian honey.

Export Markets

Key findings

The number of Georgian companies exporting repeat orders is increasing:

As a result of this research, six Georgian companies*: Taplikatsi Ltd, Geo Natural Ltd, Matchakhela Ltd, KTW Agro Keda Ltd, Rukhi Queen LLC and Agro Factory Ltd* have been identified as exporters of Georgian honey (See Annex 5). Even though five of them (83%) had been functioning in the honey market before 2019, the 'real' export with repeat orders started in late 2019 by three companies (50%) and three more companies (50%) joining in 2020. Five of them (83%) have received and shipped repeated orders,

[19] e.g. The honey company PEPA (own apiary) began production of royal jelly, as it believes there is a market niche and demand

[20] According to results of RMP 2018, more than half of monitored samples (54%) were contaminated by antibiotics. Massive media campaign against usage of antibiotics in beekeeping provided by GBU significantly decreased the level of contamination (up to 8%).

only Agro Factory Ltd shipped once in 2020 and is currently preparing the next order for Italy. Even though Geo Natural Ltd was the first company to export to the EU, they have not received a repeat order[21].

Georgian honey export figures and markets are increasing:

Honey export has increased ten times since 2017 (from 2.2 Tonnes in 2017 to 21.7 Tonnes in 2020) and three times since 2019 (from 6.7 Tonnes in 2019 to 21.7 Tonnes in 2020). See Figure 1. In January 2021, a repeat order, the largest shipment ever (19.4 Tonnes) was exported to Bulgaria by ALCP client Matchakhela Ltd. Key export markets are USA, Canada, Japan, Germany, Italy, Bulgaria, UAE, and Qatar. According to the research, there is increasing demand coming from Canada, USA and Bulgaria, however, the demand from other export countries (Japan, Italy, Germany, UAE, Qatar) is expected to increase in 2021.

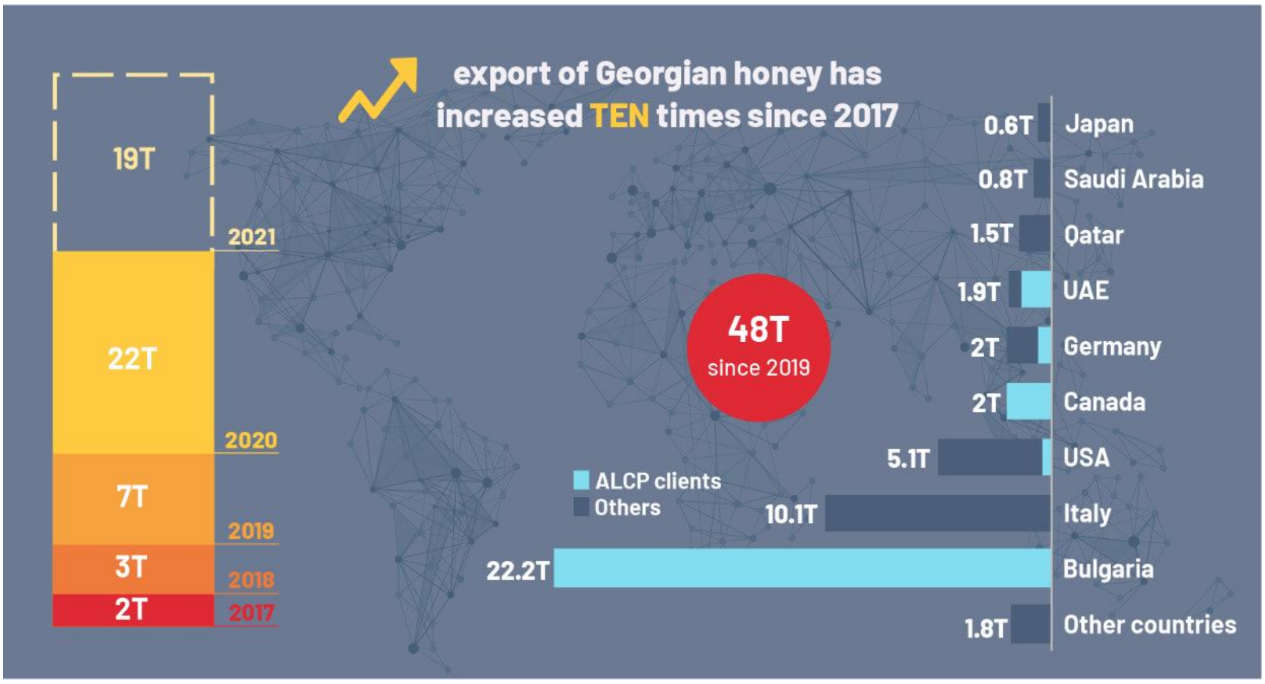


Figure 1: Georgian honey export figures according to countries.

Export companies started to export honey in bulk volumes:

In 2019, 100% of companies exported branded honey (NENA by KTW Agro Keda Ltd, TAPLIKATSI COLLECTION[22] by Taplikatsi Ltd and TAPLI by Geo Natural Ltd). However, in 2020 this figure went down to 50% as export companies started to export honey in bulk (Rukhi Queen LLC, Agro Factory Ltd and Matchakhela Ltd). To date, three bulk shipments have been sent to the EU (Italy, Bulgaria). Types of honey exported are Chestnut, Acacia, Blossom, Alpine, Linden, Jara and honey with nuts. The main demand is for Acacia (especially in bulk) and Chestnut honey, with no significant differences according to the export countries. KTW Agro Keda Ltd exported the widest variety of honey's including Jara honey, however with lower export volumes for each honey variety. The largest repeated order (19.4 Tonnes of Acacia honey) was exported by Matchakhela Ltd in Jan, 2021, while Agro Factory Ltd is currently working on the second order (20 Tonnes of Acacia honey) received from the same business partner in

[21] In 2020, the company supplied 40 Tonnes of honey to government institutions as the winner of the State Procurement Agency. The company again won the tender in 2021 and will be supplying up to 110 Tonnes of honey during the year.
[22] also available on Amazon

Italy. Land, air and sea transport are used by these companies for export depending the export country and the shipment volume. Large shipments are made via sea and land transport.

Honey laboratory testing is no longer a barrier to export:

Referring to Annex 5, 83% of the export companies conducted the requisite lab testing in Georgian laboratories. Honey testing in foreign laboratories was mainly conducted by the import companies of 66% of these companies before placing the order. The exceptions are the case of KTW Agro Keda Ltd and Geo Natural Ltd, which conducted lab testing in German and Ukrainian laboratories with the help of donor programmes[23]. Lab testing of exported honey in Georgian laboratories was conducted mainly on qualitative parameters[24], only 50% of companies conducted testing on safety parameters[25]. In 2019, Lab testing on safety parameters was conducted in German laboratories by two exporters (KTW and Geo Natural) due to unavailability of a full lab service in Georgia, whereas in 2020 it was conducted in the State Laboratory of Georgia (SLA) by Agro Factory Ltd proving its improved availability. However, most of the companies did not have information about this achievement during our interviews.

The number of compliant honey processing factories is increasing:

According to the research, we have observed an increase in the number of compliant honey processing factories with NFA recognition compared to 2017[26]. 50% of the export companies now have their own processing factories, whereas the rest (50%) used the processing and packaging service of other companies, mainly cooperatives (See Annex 5). These companies know about ApiGeo Ltd.'s new factory and homogenization capacity[27] in Imereti that is now completed[28] and they are going to use this factory on a service basis if they receive large orders in 2021. 67% of export batches were homogenized (See Annex 6). Five out of six (83%) of these export companies would like to either increase factory capacity[29] or have their own factory[30] if they had the help of government or donor programmes.

Honey export stakeholders increase awareness:

Honey export stakeholders are slowly becoming more knowledgeable about export procedures and required documentation. 4 out of the 6 companies (67%) have experienced problems during the export process, which was mainly related to export documentation (See Annex 5) derived from the lack of knowledge of export documentation required by export countries and the NFA's and Georgian State Laboratory's lack of experience in administering this documentation. As a result of these problems, four companies have experienced increased transaction costs (order delivery time + extra money paid in fines) and two out of these companies have lost business partners. According to exporters, export to Canada and USA is much easier than to EU, Japan and Gulf countries, where Veterinary or Hygiene Certificates are required. However, it can be observed that export companies and other key stakeholders administering the paperwork (NFA, SLA, and private laboratories) are increasing their

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[23] KTW with the co-financing of ALCP and Geo Natural with the support of SME Development and DCFTA in Georgia project of GIZ.

[24] Such as Moisture content, Acidity, Diastase activity, HMF, PH-value, Electrical conductivity, Sugar spectrum (fructose, glucose and sucrose) and Sensory analysis: Odour, flavour, colour, consistency according to the Regulation #714.

[25] Mainly antibiotics: Tetracycline, Streptomycin, Nitroimidazole, Chloramphenicol, Nitrofuran and Sulfanomide according to the Regulation #639

[26] This trend will be verified with NFA for the ALCP Annual Report 2020-2021

[27] Facilitated by the ALCP

[28] The company received factory recognition from the NFA in December 2020, which means it is eligible for sending export orders

[29] Taplikatsi Ltd, Matchakhela Ltd, Geo Natural Ltd (in partnership with Ratcha Natural Products Cooperative)

[30] Rukhi Queen LLC, Agro Factory Ltd

knowledge and capacity as they begin to accrue experience and are expecting next export orders to go through a smoother export process.

Recommendation: Advisory committee with export stakeholders and NFA and State Laboratory to iron out simple errors in export procedure and documentation. Increased membership of private companies in GBU.

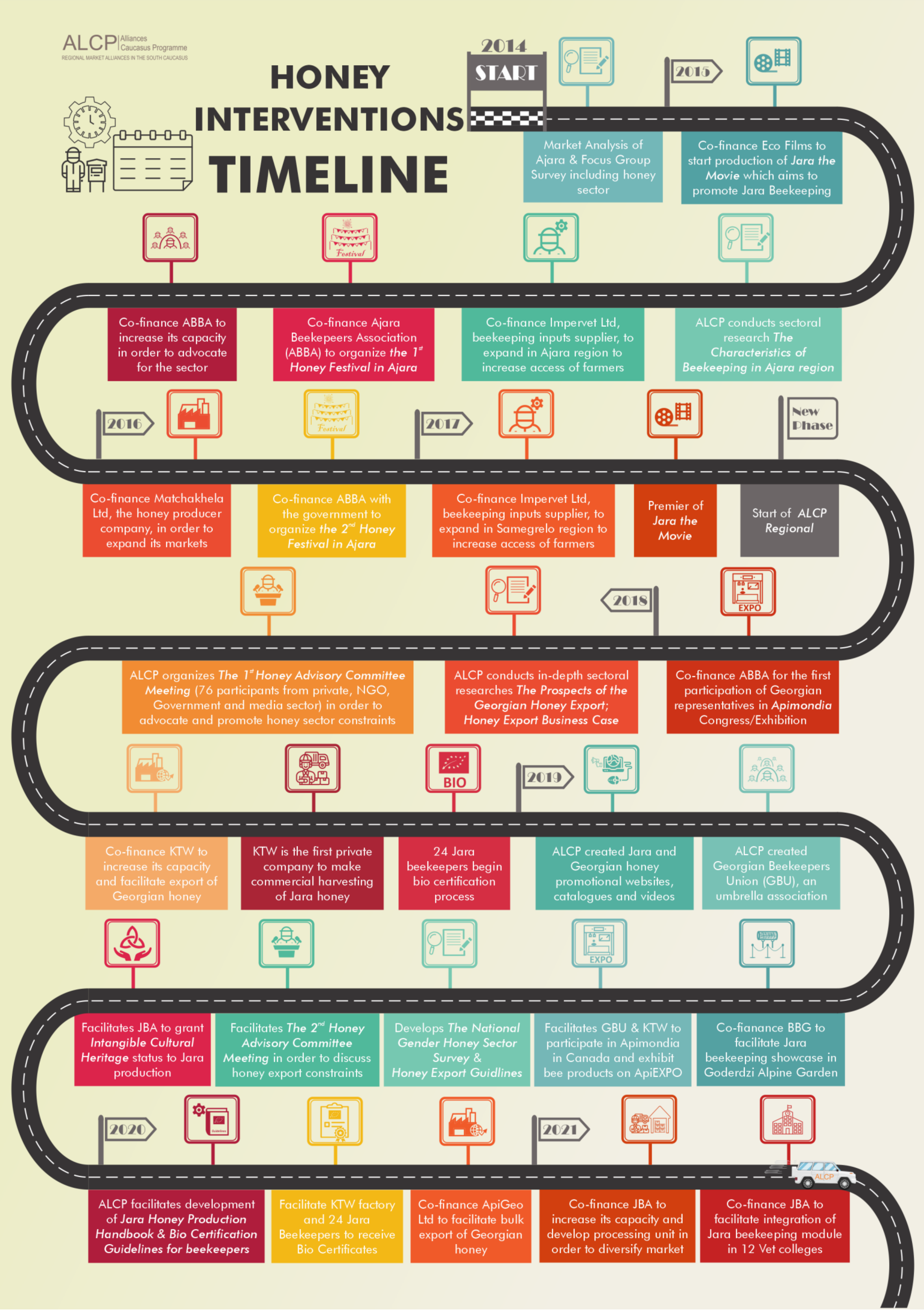
Export companies have positive attitudes and increased confidence to invest in export:

Compared to 2017 when none of these companies were exporting honey and export was believed to be almost impossible, we now observe positive change in attitudes of all export company representatives about the export markets and increase in volumes. After shipping repeated orders, companies have increased confidence to invest more in export. All of them are willing to increase factory capacity or have their own factory, invest in lab tests whenever required by an importer and aggregate honey from more beekeepers. To date, 94 beekeepers have supplied honey to these six companies, out of which 67 % are ALCP client KTW suppliers, 13% are another ALCP client Matchakhela Ltd suppliers and 13% are Geo Natural Ltd suppliers.

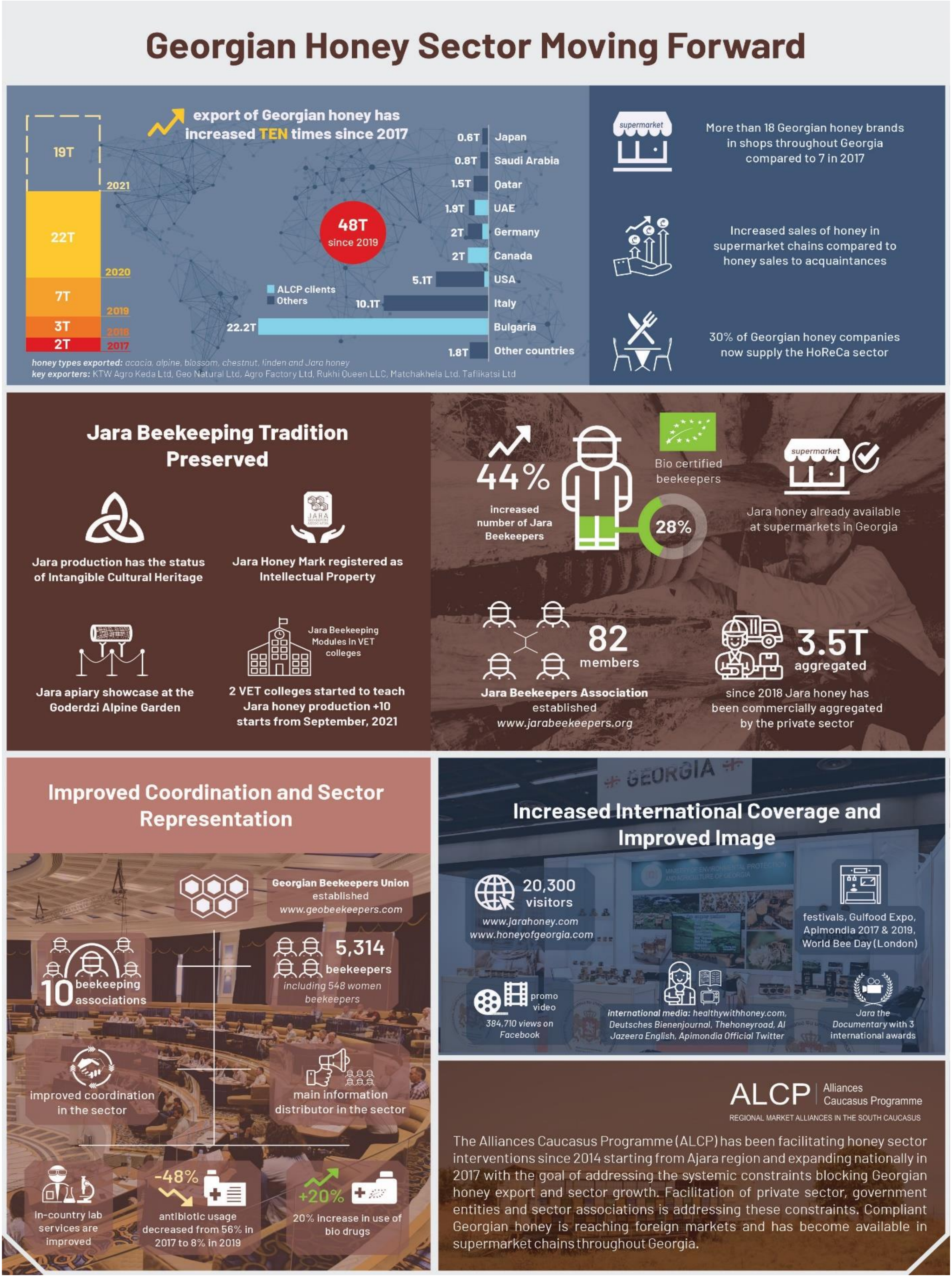
Programme attribution/contribution to export cases:

Matchakhela Ltd	Taplikatsi Ltd	Rukhi Queen	Agro Factory
The programme facilitated linkages with an importer from Bulgaria back in 2019, which resulted in honey export in 2020. Direct attribution	The company has improved honey quality and branding after the ALCP opened discussion about antibiotics use and importance of good quality of honey at the first and second honey advisory committee meeting in June 2018/19. They are now becoming a member of the GBU. Partial attribution	The company gets support from the GBU in terms of consultation, linkages with beekeepers and honey export related information. Partial attribution	10 Tonnes of honey was collected from three beekeepers. Including one large beekeeper from Guria, who supplied to KTW, and started improving honey quality through consultations with our programme after the KTW analysis. In addition, the company representative visited ApiGeo factory, saw equipment and got information about homogenization. Partial attribution

ANNEX 1. ALCP honey interventions timeline



ANNEX 2. Georgian honey sector moving forward



ANNEX 3. List of honey producing companies

	Company	Established	Interviewed	Export	Factory	HACCP
1	Pepe	2004	+	No	Mini	No
2	Metaplia	2006	+	No	Yes	No
3	Putkara	2007	-	No	No	No
4	Taplikatsi	2007	+	Yes	Mini	No
5	Geo Natural	2008	+	Yes	Yes	Yes
6	Matchakhela	2010	+	Yes	Yes	No
7	GSK Kula Ltd	2010	-	No	Yes	Yes*
8	Honey at home	2011	+	No	No	No
9	Meputkre	2012	+	No	Yes	No
10	Okrotapli	2014	+	No	No	No
11	Racha 2014	2014	+	No	Yes	No
12	Honey of Bakhmaro	2017	+	No	No	No
13	Nena[31]	2017	+	Yes	Yes	Yes
14	Royal Honey	2017	+	No	Mini	No
15	Rukhi Queen	2018	+	Yes	No	No
16	Ghlontebis Tapli	2018	+	No	No	No
17	Api production AGRIAPI	2018	+	No	Yes	No
18	Samco Ltd	2018	+	No	No	No
19	Hoby LLC	2018	-	No	Mini*	No
20	Eco Pack	2020	-	No	No*	No
21	Agri Factory	2020	+	Yes	No	No

- did not answer or refused to participate in the survey

* Assumption according to other source of information

* Sources honey packing service (10g portion packaging) from Turkey

[31] Currently the only company offering Bio certified honey

ANNEX 4. Price comparison of honey in Batumi supermarket chains

(average prices GEL/ kg)

Shops/Brands	Acacia	Chestnut	Linden	Alpine	Blossom	Other	Average
Carrefour	*25.4*	*32.7*	*27.3*	*31.5*	*29.7*	*36.5*	***30.5***
Tapli Sakhlshi	23.3	27.5	23.3		23.3	28.5	25.2
Okrotapli	27.1	35.7	26.9				29.9
Meputkre	20.8	26.9	22.3	31.5	18.0	31.0	25.1
Royal	30.6	40.5	36.7		47.9	49.9	41.1
Goodwill	***32.9***	***40.6***	***34.4***	***41.6***	***42.7***	***45.2***	***39.6***
Nena	32.9	44.9		43.1	39.6		40.1
Meputkre		32.2	28.1	41.3		45.2	36.7
Agriapi		40.4	40.6	40.4			40.5
NaturGift (local)		34.0					34.0
Colchian Forest		38.1					38.1
Imported		54.0			45.8		49.9
AgroHub	*49.3*	*37.9*	*35.0*	*40.4*	*34.0*	*64.3*	***43.5***
Own branded	23.0	25.6	25.6		21.2	25.6	24.2
Nena		42.9		40.4	31.3	68.6	45.8
Royal		45.3	44.4		43.4	57.1	47.6
Imported (Germany)	75.6				39.9	105.7	73.7
Nikora	*22.1*		*26.1*		*20.4*		***22.9***
Meputkre	23.8		26.1				24.9
Putkara	20.4				20.4		20.4
Magniti	*19.5*		*20.2*				***19.8***
Tapli Sakhlshi	19.5		20.2				19.8
Ori Nabiji	*24.9*	*29.9*	*20.2*		*18.8*		***23.4***
Tapli Sakhlshi			20.2				20.2
Hobi	24.9	29.9			18.8		24.5
Spar					*21.21*		***21.2***
Imko					21.21		21.2
Willmart (local chain)	*26.3*	*34.3*	*22.0*	*31.5*	*25.5*		***27.9***
Nena	32.5	44.6					38.6
Meputkre	26.8	25.2		30			27.3
Kula		33		33	31.2		32.4
Matchakhela	19.7		22.0		19.9		20.5

ANNEX 5. Overview of the Georgian honey export cases according to companies

<table>
<tr><th colspan="2">Exporter Company</th><th>Taflikatsi Ltd</th><th>Geo Natural Ltd</th><th>Matchakhela Ltd</th><th>KTW Agro Keda Ltd</th><th>Rukhi Queen LLC</th><th>Agro Factory Ltd</th></tr>
<tr><td colspan="2">Year of Entering Honey Market</td><td>2007</td><td>2008</td><td>2010</td><td>2017</td><td>2018</td><td>2020</td></tr>
<tr><td colspan="2"># of Supplier Beekeepers</td><td>3</td><td>12</td><td>12</td><td>63</td><td>1</td><td>3</td></tr>
<tr><td rowspan="4">Amount of Honey Exported & Export Countries (Tonnes)</td><td>2019</td><td>0.7
USA
Japan</td><td>1 Germany</td><td>-</td><td>2.2
Japan -0.04
UAE - 1.4
Germany - 0.59
Canada - 0.134</td><td>-</td><td>-</td></tr>
<tr><td>2020</td><td>4.3 USA</td><td>-</td><td>2.8 Bulgaria</td><td>2.4 Japan Canada USA</td><td>1 Qatar</td><td>10 Italy</td></tr>
<tr><td>2021</td><td>-</td><td>-</td><td>19.4 Bulgaria</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Total</td><td>5</td><td>1</td><td>22.2</td><td>5</td><td>1</td><td>10</td></tr>
<tr><td colspan="2">Honey Types Exported</td><td>Acacia Chestnut Alpine</td><td>Chestnut Linden</td><td>Acacia Blossom</td><td>Chestnut Acacia Blossom Alpine Jara Honey with nuts, Bio Jara honey</td><td>Chestnut, Acacia</td><td>Acacia</td></tr>
<tr><td colspan="2">Brand name</td><td>Taflikatsi Collection By Mira Nova</td><td>TAPLI</td><td>Without Brand</td><td>Nena</td><td>Without Brand</td><td>Without Brand</td></tr>
<tr><td colspan="2">Laboratory Report</td><td>Yes
Qualitative parameters only</td><td>Yes
Qualitative + safety parameters</td><td>Yes
Qualitative parameters only</td><td>Yes
Qualitative + safety parameters</td><td>Yes
Qualitative parameters only</td><td>Yes
Qualitative + safety parameters</td></tr>
<tr><td colspan="2">Laboratory Origin</td><td>Georgian Lab +
US Lab</td><td>German Lab</td><td>Georgian Lab
Bulgarian Lab</td><td>German Lab +
Ukrainian Lab +
Georgian Lab</td><td>Georgian Lab
Qatar Lab</td><td>Georgian Lab
Italian Lab</td></tr>
</table>

Exporter Company	Taflikatsi Ltd	Geo Natural Ltd	Matchakhela Ltd	KTW Agro Keda Ltd	Rukhi Queen LLC	Agro Factory Ltd
Veterinary Certificate	USA – No Japan - No	Germany - Yes	Bulgaria - Yes	Japan - Yes UAE – No Germany - Yes Canada - No	Qatar – No Hygiene Certificate is required in Gulf countries	Italy - Yes
Other required documents	Certificate of Origin, Commercial Documents, Customs Declaration, Transport Document, Import Permit –for importer	Certificate of Origin EUR 1, Commercial Documents, Customs Declaration, Transport Document, Import Permit for importer – Registration in TRACES	Certificate of Origin EUR 1, Commercial Documents, Customs Declaration, Transport Document, Import Permit for importer – Registration in TRACES	Hygiene Certificate for UAE, Certificate of Origin, Commercial Documents, Customs Declaration, Transport Document, Import Permit	Hygiene Certificate, Certificate of Origin, Commercial Documents, Customs Declaration, Transport Document, Import Permit	Certificate of Origin EUR 1, Commercial Documents, Customs Declaration, Transport Document, Import Permit for importer – Registration in TRACES
Problems faced with documentation	Yes Mistake in lab test results (the batch was stopped at Japanese customs and importer paid fines for entering in Japan)	No (Experience of business partner in Germany helped the company with the GIZ facilitation)	No (Experience of Bulgarian partner helped the company)	Yes Germany - Mistake in Vet Certificate (the batch was stopped at EU customs and could not enter the EU) UAE – Hygiene certificate was required by the customs office, which was prepared by the NFA with the ALCP facilitation	Yes (did not have necessary documentation at the Qatar customs, Embassy helped and solved the problem after paying fines)	Yes Mistake in Vet Certificate (the NFA made changes in the certificate and the export batch was allowed to enter EU with the World Bank Group Facilitation)

Exporter Company	Taflikatsi Ltd	Geo Natural Ltd	Matchakhela Ltd	KTW Agro Keda Ltd	Rukhi Queen LLC	Agro Factory Ltd
Own Processing Factory	YES mini factory (homogenizer with 1T of capacity)	NO Uses the factory of the Ratcha Natural Products Cooperative (2 homogenizers, each with 3T of capacity)	YES (No homogenizer)	YES (homogenizer with 5T of capacity)	NO Used ChiriFruit Factory in Tbilisi 2 times, Cooperative Arto factory in Zugdidi (homogenizer with 1T of capacity)	NO Used the factory of the Ratcha Natural Products Cooperative (2 homogenizers, each with 3T of capacity)
Homogenization	Yes	Yes	No	Yes	No	Yes
Package (Tare) of consignment	USA - Glass Jars	Glass Jars	Barrels	Glass Jars + barrels (UAE)	Glass Jars + buckets	Barrels
Means of transport used	Air -019, Sea	Air, Land transport	Land Transport	Sea, Land	Air	Land
Market Visibility	Facebook page	No	No	Website Facebook and Instagram Pages	Facebook Page and Instagram Pages	No
Linkages with importers	USA: Business Partner (Uzbek living in USA) contacted the company via Facebook Japan: contacted via private contacts	Made initial contact with German importer at the 2019 International Green Week in Berlin.	ALCP facilitated the linkages between Bulgarian importer and Matchakhela Ltd	USA, Canada, Japan and Germany: Existing partners UAE: Georgian representative contacted the factory manager	Made initial contact with Qatar importer at the Souf Waqif Festival in Qatar	After seeing an info about Georgian honey in internet, existing business partner in Italy contacted the company and made an order

ANNEX 6. Business Model of Export Companies (according to export figures for 2019 – January21)