

## Georgia

### AgVANTAGE



Although almost 20 years have passed since Georgia achieved independence from the former Soviet Union, it continues to suffer political and economic turbulence. Starting in 2002, ACDI/VOCA worked to rejuvenate the Georgian economy through the \$23 million, USAID-funded Support Added Value Enterprise Activity, later called AgVANTAGE. The project strengthened the capacity of Georgia's agricultural sector to capitalize on export opportunities and compete in global markets. AgVANTAGE helped build fully functioning market value chains, improved access to long-term credit and promoted a policy, legal and regulatory environment conducive to growth and development in Georgia.

To increase export sales of Georgian products, AgVANTAGE identified new markets for specific products and then worked with stakeholders to strengthen their capacity to compete in them. Since the beginning of the project, new export markets for Georgian agricultural products were developed in Ukraine, Russia, the U.K., Poland, Germany, Italy and the Baltic states. Through the development of competitive market value

chains, the project facilitated over \$34 million in increased export sales of Georgian mandarins, greens, apples, hazelnuts and other products, which is \$16 million higher than the project's anticipated target sales.

In addition, AgVANTAGE helped to develop a "Taste of Georgia" brand providing information about the country's history and culture to better publicize Georgian food and wines for export opportunities. "Taste of Georgia" was launched at the Fancy Foods Show in New York City in 2007 and featured Georgian wine, water, hazelnuts, bay laurel oil, jams, sauces, spices and other products. Since then, two Georgian wineries have signed contracts to export wine for sale in the United States at Whole Foods Market, the world's largest retailer of natural and organic foods. The first order of 10,500 bottles, worth \$48,000, was shipped to Seattle, Washington.

In 2007 ACDI/VOCA also helped organize a media tour for a group of food, wine and travel writers in conjunction with the country's first wine festival. The festival, which was held in Signaghi in the Kakheti wine region, was organized by the Department of Tourism under the Georgian Ministry of Economic Development. The writers



# Project Profile

on the tour have had their work appear in such publications as *Gourmet*, *Food and Wine*, and the *Washington Post*. The tour was cofinanced by ACDI/VOCA through AgVANTAGE and by CHF International through an employment and infrastructure development project.

Covering 10 out of 11 regions of Georgia, AgVANTAGE helped about 6,100 direct beneficiaries and over 17,000 indirect beneficiaries. Farmers and processors attended demonstration sites and gained knowledge about new varieties and improved growing practices in the production of crops such as table grapes, onions, greens, berries and apples. In main production areas, ACDI/VOCA established consolidation centers for greens, bay leaf and mandarins. They range from simple consolidation centers for collecting, grading and sorting of products to complex packhouses with cold storage capabilities.

AgVANTAGE also provided Georgian producers and exporters with access to market information and linked Georgian suppliers with potential domestic and international buyers through information and communication technology (ICT). One of its innovations was a market information system with five new marketing efforts including weekly electronic bulletins in Russian and Georgian, the monthly publication of *Agroinfo Magazine* and a web portal.

These ICT initiatives offer information on best practices in production and processing, daily updates on prices in key markets, access to online catalogues of companies, and information on products

from domestic and international markets.

To address the problem of poor access to long-term financing in Georgia, AgVANTAGE introduced leasing as a means to promote access to agricultural equipment. This initiative enabled processors and producers to gain access to affordable credit to purchase modern equipment and processing lines to better run their agribusinesses and make them more productive.

The project also provided technical assistance to Georgian leasing companies to implement limited lease portfolio and credit enhancement programs.

AgVANTAGE provided policy support to the Georgian Ministry of Agriculture on the development of a long-term national strategy for the food and agricultural sectors and advisory support for the implementation of policies and regulations. For example, Georgia adopted the Law on Food Safety and Quality, which established a legal framework in compliance with European Union and World Trade Organization requirements. It also established the National Food Safety, Veterinary and Plant Protection Service for the enforcement of food regulations and food safety and quality control.

AgVANTAGE was also instrumental in combating the threat of the highly pathogenic avian influenza (AI) virus spreading to Georgia from surrounding countries. AgVANTAGE conducted public outreach activities and educational trainings for veterinarians, farmers and the general population. Along with the Georgian government, ACDI/VOCA developed the National HPAI Preparedness and Response Plan, ensuring that it addressed the logistical issues involved with preventing, detecting and responding to an outbreak of HPAI in poultry in Georgia. AgVANTAGE also facilitated the procurement and distribution of safety equipment for animal surveillance and animal response activities related to AI.

**AgVANTAGE's work helped 6,100 direct and over 17,000 indirect beneficiaries.**