

11/11/2021

Weekly Highlights

Inflation rate in Georgia October 2021- In October 2021 the Consumer Price Index increased by 1.3 percent compared to the previous month, while the annual inflation rate amounted to 12.8 percent. With regard to the annual core inflation¹, the prices increased by 6.3 percent, while the annual core inflation without tobacco² amounted to 6.2 percent. The following table shows percentage changes in prices for the commodity groups of the consumer basket as well as the relevant contributions to the overall monthly inflation rate.>>>

Exchange rate- As a result of October 1, the value of one dollar became 3.1492 GEL and the value of one euro became 3.6099 GEL.

Covid 19- Confirmed coronavirus cases 771 381, within the past 24 hours 4563; Recovered- 705 312 ; within the past 24 hours- 4774; Fatal outcome- 10 739, within the past 24 hours- 77.

Articles of the Week

Exports of Georgian potatoes were record high in October and the prices are still high in November

After unusually high level of fresh potato exports from Georgia in September 2021, they increased even more in October. Exports activities in this sector was also reported in the first week of November. Concerns about the impending shortage of potatoes in the Georgian market, according to EastFruit, still persist.

According to the official trade data of the Ministry of Finance of Georgia, Georgia exported 9.7 thousand tonnes of potatoes in October 2021, which is 90% more than October exports over the last 7 years combined. Russia remained the key destination with an 81% share in export volumes. The export price on FOB terms for the Russian market was \$420 per tonne, which is the highest price among the countries importing potatoes from Georgia in October.

Due to the unprecedented demand on the Russian market in September and October 2021, the export of Georgian fresh potatoes amounted to 16 thousand tonnes. This is 3 times more than the total exports for these months of 2014-2020.

With such exports, potato prices in Georgia remained high. The average potato price for local farmers was \$0.35 per kg on November 5, 2021. This is 133% more than the average price on the same day in 2020, 46% more than in 2019, and 84% more than in 2018.

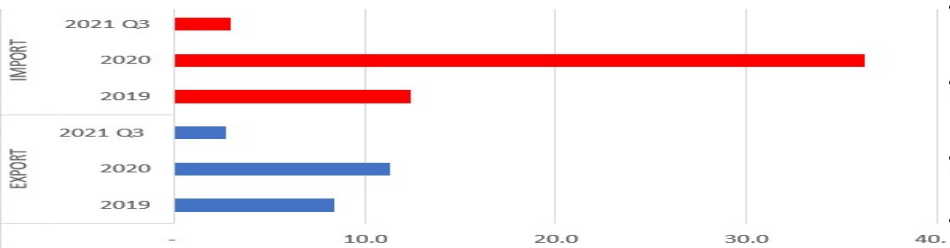
Since Russian trucks are still at Georgian potato farms, there will be exports in November. Local prices are likely to remain higher than in previous years.

Source: <https://east-fruit.com/en/news/exports-of-georgian-potatoes-were-record-high-in-october-and-the-prices-are-still-high-in-november/>

Detailed consumer price indices of canned vegetables in Georgia (Previous month = 100)



Trade balance of canned vegetables of Georgia according to the positions of the SITC (2020) *thousands of \$

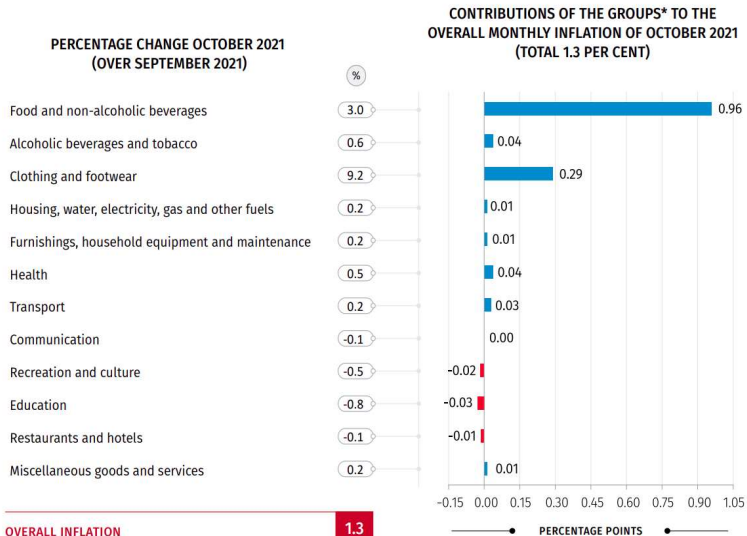


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Agricultural Report on Georgia #21

Inflation rate in Georgia October 2021



OVERALL INFLATION 1.3

* Individual contributions may not sum up to the total due to rounding.

The monthly inflation rate was mainly influenced by price changes for the following groups:
Food and non-alcoholic beverages: the prices for the group increased by 3.0 percent, contributing 0.96 percentage points to the overall monthly index change. The prices were higher for the following subgroups: vegetables (9.0 percent), bread and cereals (5.5 percent), fish (4.2 percent), milk, cheese and eggs (3.6 percent), sugar, jam, honey, chocolate and confectionery (1.2 percent). Along with this, the prices decreased for fruit and grapes (-1.1 percent);

Governmental, Non-overnmental grants and subsidies of Agriculture

Green Grant program
The grant program supports the development of energy efficiency and renewable energy (including markets) in the country. The program includes co-financing of the following energy-efficient / renewable energy technologies: thermal insulation, factory-made vacuum-type solar water heater, simple solar-powered water heater, and air heater. The program is implemented in the following municipalities of Georgia: Akhalkalaki, Borjomi, Dedoplistskaro, Kazbegi, Keda, Khulo, Lagodekhi or Tetrtskaro.
A simple type of solar water heater and air heater. The amount of co-financing is up to 90% of the cost, not more than 1,000 GEL. Factory-made vacuum-type water heater: Co-financing amount up to 80% of the cost, not more than 3,000 GEL. Thermal insulation of the first floor of the building - the amount of co-financing is up to 70% of the cost, not more than 8,000 GEL. Complete thermal insulation of the building: The amount of co-financing is up to 60% of the value, not more than 12,000 GEL.
Applications under the Green Grant Program will be accepted from October 8, 2021 to December 31, 2021. No more than 50 applications will be funded in each municipality under the program.

For more information visit: <http://gmg.undp.rda.gov.ge/>

TRADE BALANCE

2019	2020	2021 Q3
(4.0)	(24.9)	(0.3)

Agricultural commodities

Grains						
INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME (EST)
C1:COM Corn (CBOT)	USD/bu.	580.25	+150	+0.26%	Mar 2022	9:41 AM
W1:COM Wheat (CBOT)	USD/bu.	823.00	+8.00	+0.98%	Mar 2022	9:41 AM
O1:COM Oats (CBOT)	USD/bu.	751.00	+11.00	+1.49%	Dec 2021	9:40 AM
RR1:COM Rough Rice (CBOT)	USD/cwt	13.96	+0.07	+0.50%	Jan 2022	9:39 AM
S1:COM Soybean (CBOT)	USD/bu.	1,222.75	+6.00	+0.49%	Jan 2022	9:41 AM
SM1:COM Soybean Meal (CBOT)	USD/T.	342.80	+0.40	+0.12%	Dec 2021	9:41 AM
BO1:COM Soybean Oil (CBOT)	USD/lb.	59.32	+0.34	+0.58%	Jan 2022	9:41 AM
RS1:COM Canola (ICE)	CAD/MT	1,004.40	+15.00	+1.52%	Jan 2022	11/10/2021
Softs						
INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME (EST)
CC1:COM Cocoa (ICE)	USD/MT	2,509.00	-5.00	-0.20%	Mar 2022	9:40 AM
KC1:COM Coffee 'C' (ICE)	USD/lb.	211.40	+4.70	+2.27%	Mar 2022	9:40 AM
SB1:COM Sugar #11 (ICE)	USD/lb.	20.06	+0.46	+2.35%	Mar 2022	9:40 AM
JO1:COM Orange Juice (ICE)	USD/lb.	125.65	+310	+2.53%	Jan 2022	9:40 AM
CT1:COM Cotton #2 (ICE)	USD/lb.	114.64	-0.41	-0.36%	Mar 2022	9:40 AM
OL1:COM Wool (ASX)	--	--	--	--	N/A	--
LB1:COM Lumber (CME)	USD/1000 board feet	637.80	-2.30	-0.36%	Jan 2022	11/10/2021
OR1:COM Rubber (Singapore)	USD/kg	17120	+110	+0.65%	Jan 2022	4:58 AM
DL1:COM Ethanol (CBOT)	USD/gal.	2.21	0.00	0.00%	Dec 2021	11/10/2021
Livestock						
INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME (EST)
LC1:COM Live Cattle (CME)	USD/lb.	136.82	0.00	0.00%	Feb 2022	9:39 AM
FC1:COM Feeder Cattle (CME)	USD/lb.	158.40	+0.35	+0.22%	Jan 2022	9:39 AM
LI1:COM Lean Hogs (CME)	USD/lb.	79.05	-0.28	-0.35%	Feb 2022	9:39 AM

Economic Data on Georgia

GDP							
	2018	2019	I 20*	II 20*	III 20*	IV 20*	2020*
GDP at Current Prices, Bn ₾	44.6	49.3	11.1	11.1	13.3	13.9	49.4
GDP at Constant 2015 prices, Bn ₾	38.4	40.3	9.1	8.8	9.8	10.2	37.8
GDP Real Growth, Percentage	4.8	5	2.3	-13.2	-5.6	-6.8	-4.3
GDP Deflator Change, Percentage	4.4	5.2	7.1	7.2	5.9	7.4	6.9
GDP Per Capita (At Current Prices), ₾	11 968.0	13 239.4	2 974.3	2 990.2	3586.7	3741.6	13292.7
GDP Per Capita (At Current Prices), \$	4 722.0	4 696.2	1 016.3	952.9	1156.2	1344.1	4274.6
GDP at Current Prices, Bn US Dollars	17.6	17.7	3.8	3.6	4.3	4.3	15.9
Share of Agriculture in GDP, Percentage	7.8	7.4		TBA			8.4

Population & Unemployment							
	2017	2018	2019	I 20	II 20	III 20	IV 20
Economically Active Population (Workforce), Thousand People	1641.2	1605.2	1572.8	1545.2	1515	1526.9	1505.7
Employed, Thousand People	1286.9	1295.9	1295.9	1262.7	1237.6	1269.11	1197.9
Unemployed, Thousand People	354.5	309	276.9	282.6	277.4	259.8	307.8
Unemployment Rate, Percentage	21.6	19.2	17.6	18.3	18.3	17	20.4

Consumer Price Index (Inflation)						
	2015	2016	2017	2018	2019	2020
Annual Average to the Annual Average	104	102.1	106	102.6	104.9	105.2
December over Previous Year's December	104.9	101.8	106.7	101.5	107	102.4

Review of Agricultural product- Broccoli

broccoli, Brassica oleracea, variety italica, form of cabbage, of the mustard family (Brassicaceae), grown for its edible flower buds and stalk. Native to the eastern Mediterranean and Asia Minor, sprouting broccoli was cultivated in Italy in ancient Roman times and was introduced to England and America in the 1700s. High in dietary fibre and a number of vitamins and minerals, including potassium, folic acid, and vitamins A, C, and K, broccoli is a nutritious vegetable and can be eaten fresh or cooked. Fresh broccoli should be dark green in colour, with firm stalks and compact bud clusters. Broccoli is a fast-growing annual plant that grows 60–90 cm (24–35 inches) tall. Upright and branching with leathery leaves, broccoli bears dense green clusters of flower buds at the ends of the central axis and the branches. If left unharvested, those buds bear yellow flowers with four petals and produce silique fruits (a dry capsule). Broccoli thrives in moderate to cool climates and is propagated by seeds, either sown directly in the field or in plant beds to produce transplants. The heads, or florets, reach harvest in 60 to 150 days, depending upon the variety and the weather.



Overview of Global Broccoli Market (www.tridge.com)

Rank	Country	Share in Export Value 2020	Export Value 2020, USD	1-Year Growth in Export Value 2019-2020	3-Year Growth in Export Value 2017-2020	Weekly Domestic Price Change 2021-11-08	Monthly Domestic Price Change 2021-11	Harvesting Seasonality
1	Spain	34.08%	\$546.39M	+13.69%	+23.04%	-6.05%		High Season
2	Mexico	22.09%	\$354.23M	+1.36%	+30.02%	≈ -0.18%		High Season
3	United States	10.19%	\$163.36M	-3.13%	-1.57%	+3.09%		High Season
4	Italy	6.47%	\$103.75M	+21.83%	+17.33%	+8.97%		-
5	China	6%	\$96.20M	+19.18%	+25.25%	-7.7%		-
6	France	5.53%	\$88.69M	-15.17%	-22.87%	≈ -0.59%		High Season
7	Netherlands	3.97%	\$63.57M	+4.38%	+42.81%			High Season
8	Guatemala	1.86%	\$29.87M	+32.73%	+63.8%			-
9	Kenya	1.65%	\$26.49M	+384.22%	+1371.95%			-
10	Poland	1.41%	\$22.66M	+33.64%	+54.3%	+3.2%		-

Company review - Magali

Broccoli grown by the company "Magali" is sold in the supermarket chain of the United States. The founder of the company is Rafael Magalashvili, an Israeli citizen. It is an ecologically clean, healthy product, the demand for which is growing day by day in the world. These vegetables are sold on the market in the United States as a cash product, which further increases the volume of exports of fresh goods from Georgia. Magal also cultivates tomatoes on 3.5 hectares, which are sold only in Italy. According to the Ministry, in 2021, the modern standard greenhouse of the company "Magali" expects to harvest 500 tons of broccoli and cauliflower in 80 greenhouses. It should be noted that the company "Magali" is a beneficiary of preferential agro-credit, the loan amount is 1.5 million GEL. The processing of the products is carried out in the enterprise of "Glenber" Ltd., created with the support of the state. The final product is exported to the United States. The



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