

2/4/2021

## Agricultural Report on Georgia #1

### Weekly Highlights

**Inflation rate** - The annual inflation rate in Georgia increased to 2.8 percent in January of 2021 from 2.4 percent in the previous month. Main upward pressure came from: food and non-alcoholic beverages (6.4 percent vs 6.8 percent in December 2020), health (9.7 percent vs 9.6 percent), restaurants & hotels (2.0 percent vs 3.5 percent) and recreation & culture (1.4 percent vs -2.8 percent). Downward pressure came from housing & utilities (-20.5 percent vs -21.7 percent) and transport (-0.9 percent vs -2.3 percent). On a monthly basis, consumer prices rose by 1.1 percent, after declining 1.0 percent in the previous month

**Unemployment** - "Geostat" - according to the new standard, the unemployment rate in Georgia in the third quarter increased by 0.2 percentage points compared to the previous year and amounted to 17%. In 2019, the unemployment rate was 11.6%, while according to the new methodology, the figure is 17.6%.

**Exchange rate**- As a result of February 4th, the value of one dollar became 3.3140 GEL and the value of one euro became 3.9834 GEL.

**COVID 19** - CONFIRMED CORONAVIRUS CASES - 260480 , WITHIN THE PAST 24 HOURS - 583; RECOVERED - 251748 , WITHIN THE PAST 24 HOURS - 671; FATAL OUTCOME - 3240 , WITHIN THE PAST 24 HOURS - 19;

### Articles of the Week

#### With the help of USAID, farmers' incomes are increasing

The National Food Agency is launching a new project with the support of USAID.

USAID Mission Director Peter Wibler and National Food Agency Director Zurab Chekurashvili have signed an agreement on a new project. Project - "Plant Protection System Initiative" will help local farmers to protect crops from pests and get a good harvest.

The USAID office in Georgia told report.ge that the COVID-19 pandemic has shown the importance of a strong agricultural sector that will increase the amount of produce produced in Georgia and the incomes of local farmers.

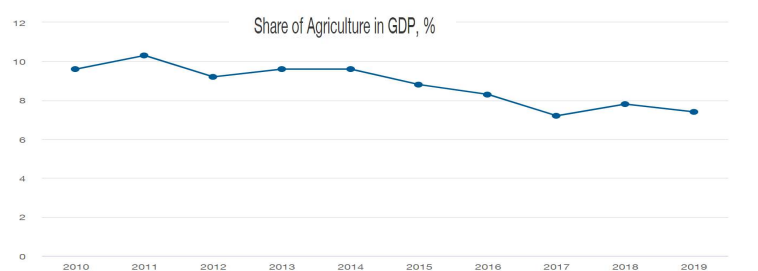
"This partnership with the National Food Agency is another good example of USAID Georgia's support in reforming the agricultural sector. "Georgia's agriculture produces high-quality products and increases the incomes of rural farmers, which strengthens the economy and promotes inclusive economic growth, which has a positive impact on all citizens of the country," - said Peter Webler.

<https://report.ge/economics/usa-id-dakhmarebit-fermerebis-shemosavlebi->

### Environmental indicators

Use of fertilizers					
	Units	2016	2017	2018	2019
Agricultural land	Million hectares	3.03	3.03	3.03	3.03
Use of nitrogen fertilizers	1000 tons	51.0	39.7	41.4	35.0
use of nitrogen fertilizers per hectare of agricultural land	Kg / hectare	16.9	13.1	13.7	11.6
Use of mineral fertilizers, total	1000 tons	57.7	46.6	48.2	42.5
Use of mineral fertilizers per hectare of agricultural land	Kg / hectare	19.1	15.4	15.9	14.0
Area fertilized with mineral fertilizers	Million hectares	0.16	0.14	0.14	0.12
Percentage of area fertilized with mineral fertilizers in the total area of agricultural land	%	5.3	4.5	4.6	4.1

### Agricultural statistics



Distribution of employees by types of economic activity (Nace rev. 2), 2017-2019 *			
	2017	2018	2019
Total	1,286.9	1,296.2	1,295.9
Agriculture, forestry and fish farming	289.5	253.9	247.4
%	22.5	19.6	19.1

### Inflation statistics of Agricultural products

Detailed Consumer Price Indices (CPI) in Georgia 2020 *Previous month=100											
Product	I	II	III	IV	V	VI	VII	VIII	IX	X	XI
Herbs	112.38	129.08	94.22	90.42	76.00	100.01	136.26	91.99	99.49	111.13	83.68
Cucumber	122.89	114.10	111.33	71.25	74.39	42.48	82.10	113.92	108.28	156.44	141.96
Tomato	126.18	112.64	102.74	88.84	89.24	64.97	77.47	84.01	87.80	102.01	195.96
Aubergine	146.17	112.55	100.41	77.38	86.34	103.61	49.08	68.88	103.00	144.12	143.53
Pepper	131.34	120.11	106.38	120.57	62.01	61.93	81.17	94.03	121.75	100.85	117.20

### Import/Export of Agri products

Export/Import of Georgia according to the positions of the Standard Classification of International Trade (SITC) 2020 *thousands of \$															
EXPORT						IMPORT					Trade balance				
Products	Q1	Q2	Q3	Q4	Jan-Dec	Q1	Q2	Q3	Q4	Jan-Dec	Q1	Q2	Q3	Q4	Jan-Dec
Tomato, fresh or frozen	654.8	817.7	260.5	396.9	2,129.9	1,721.1	2329	56.3	932.3	5,038.5	(1,066.3)	(1,511.1)	204.2	(535.4)	(2,908.6)
Cucumber and cornichon, fresh or frozen	183.9	4.7	5.1	591.9	785.7	1400.6	412.2	577	2,389.8		(1,216.7)	(407.5)	5.1	14.9	(1,604.1)
Fruits of the genus Capsicum or Pimenta, dried or processed	0.9	1.2	3.8	6.5	12.4	118.7	267.6	72.7	261	720.0	(117.8)	(266.4)	(68.9)	(254.5)	(707.6)
Lettuce, Chicory, fresh or frozen	0.3	9.3	0.4	7.6	17.6	35.5	7.6	31.7	15.6	90.4	(35.2)	1.7	(31.3)	(8.0)	(72.8)

### Governmental, Non-overnmental grants and subsidies of Agriculture

#### Preferential Agrocredit Project

Preferential Agrocredit Project has been initiated by the Ministry of Environment Protection and Agriculture of Georgia and has been implemented by the Rural Development Agency since 27 March of 2013.

The purpose of the project is to improve the processes of primary agricultural production, processing, storage and sale by providing the legal and natural entities with cheap, affordable long-term and preferential funds.

Within the frame of the project, the enterprises engaged in the processes of primary agricultural production, processing and storage will receive the preferential agrocredit/agroleasing from the financial institutions for fixed and current assets.

The loan shall be granted only to the individuals meeting the terms and conditions of the project. Within the frame of Preferential Agrocredit Project, agrocredits shall be granted by the commercial banks and financial institutions involved in the project, in compliance with the terms and conditions set by the Rural Development Agency; Rural Development Agency shall not participate in credit application processing and credit granting activities.

The 'Preferential Agrocredit' project consists of the following financial products:

- The 'Preferential Agrocredit' project - For current assets;
- The 'Preferential Agrocredit' project - For fixed assets;
- Preferential Agro Leasing;
- The state programme 'Produce in Georgia'.

Source: [http://rda.gov.ge/projects/read/agro\\_credit/5:parent](http://rda.gov.ge/projects/read/agro_credit/5:parent)

### Agricultural commodities

Grains						
INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME (EDT)
C 1:COM	USD/bu.	556.75	4.75	0.86%	Mar-21	7:14 AM
Corn (CBOT)						
W 1:COM	USD/bu.	647	-1.25	-0.19%	Mar-21	7:13 AM
Wheat (CBOT)						
O 1:COM	USD/bu.	349.5	0.5	0.12%	Mar-21	6:54 AM
Oats (CBOT)						
RR1:COM	USD/cwt	12.97	-0.12	-0.95%	Mar-21	2/3/2021
Rough Rice (CBOT)						
S 1:COM	USD/bu.	1,371.50	0.5	0.04%	Mar-21	7:14 AM
Soybean (CBOT)						
SM1:COM	USD/T.	434.3	-1.2	-0.28%	Mar-21	7:15 AM
Soybean Meal (CBOT)						
BO1:COM	USD/lb.	44.61	0.13	0.29%	Mar-21	7:15 AM
Soybean Oil (CBOT)						
RS1:COM	CAD/MT	553.9	2.7	0.49%	Mar-21	4:55 AM
Canola (ICE)						

Softs						
INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME (EDT)
CC1:COM	USD/MT	2,464.00	10	0.41%	May-21	7:14 AM
Cocoa (ICE)						
KC1:COM	USD/lb.	123.3	-0.65	-0.52%	Mar-21	7:15 AM
Coffee 'C' (ICE)						
SB1:COM	USD/lb.	15.95	-0.09	-0.56%	Mar-21	7:15 AM
Sugar #11 (ICE)						
JO1:COM	USD/lb.	108.3	1.45	1.36%	Mar-21	2/3/2021
Orange Juice (ICE)						
CT1:COM	USD/lb.	81.82	0.83	1.02%	Mar-21	7:13 AM
Cotton #2 (ICE)						
OL1:COM	--	--	--	--	N/A	--
Wool (ASX)						
LB1:COM	USD/1000 board feet	884	26.6	3.10%	Mar-21	2/3/2021
Lumber (CME)						
OR1:COM	USD/kg	161.3	1.8	1.13%	Mar-21	4:59 AM
Rubber (Singapore)						
DL1:COM	USD/gal.	1.75	0	0.00%	Apr-21	2/3/2021
Ethanol (CBOT)						

Livestock						
INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME (EDT)
LC1:COM	USD/lb.	122.45	-0.07	-0.06%	Apr-21	2/3/2021
Live Cattle (CME)						
FC1:COM	USD/lb.	138.53	-0.6	-0.43%	Mar-21	2/3/2021
Feeder Cattle (CME)						
LH1:COM	USD/lb.	79.2	1.13	1.44%	Apr-21	2/3/2021
Lean Hogs (CME)						

### Economic Data on Georgia

GDP									
	2015	2016	2017	2018	2019	1 20*	III 20*	II 20*	III 20*
GDP at Current Prices, Bn ₾	33.9	35.8	40.8	44.6	49.3	11.1	11.1	13.8	13.8
GDP at Constant 2015 prices, Bn ₾	33.9	34.9	36.6	38.4	40.3	9.1	8.8	9.8	9.8
GDP Real Growth, Percentage	3	2.9	4.8	4.8	5	2.3	-13.2	-5.6	-5.6
GDP Deflator Change, Percentage	5.8	2.6	8.5	4.4	5.2	7.1	7.2	5.9	5.9
GDP Per Capita (At Current Prices), €	9 109.4	9 613.9	10 933.9	11 968.0	13 239.4	2 974.3	2 990.2	3586.7	3586.7
GDP Per Capita (At Current Prices), \$	4 012.6	4 062.1	4 358.5	4 722.0	4 696.2	1 016.3	952.9	1156.2	1156.2
GDP at Current Prices, Bn US Dollars	14.9	15.1	16.2	17.6	17.7	3.8	3.6	4.3	4.3
Share of Agriculture in GDP, Percentage	8.8	8.3	7.2	7.8	7.4				
Population & Unemployment									
	2015	2016	2017	2018	2019	1 20	II 20	III 20	III 20
Economically Active Population (Workforce), Thousand People	1675.6	1653.8	1641.2	1605.2	1572.8	1545.2	1515	1526.9	1526.9
Employed, Thousand People	1308.5	1294.5	1286.9	1295.9	1295.9	1262.7	1237.6	1269.11	1269.11
Unemployed, Thousand People	367.2	359.2	354.5	309	276.9	282.6	277.4	259.8	259.8
Unemployment Rate, Percentage	21.9	21.7	21.6	19.2	17.6	18.3	18.3	17	17
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- Tomato

#### Tomato - Solanum lycopersicum

Origin: Mexico, American rainforest Tomatoes are red, pink, yellow, white

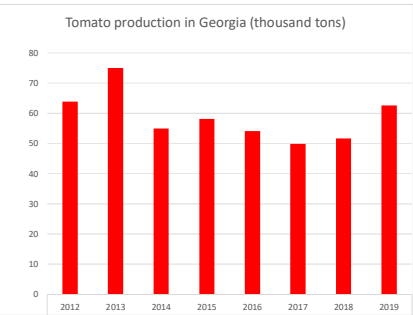
- Life cycle One-year and multi-year vegetation period 100-140 days
- productivity 50-100 MT per ha in open field conditions. In greenhouses up to 800 - 1000 MT per ha have been recorded.

Tomato plants are vines, initially decumbent. typically growing 180 cm (6 ft) or more above the ground if supported, although erect bush varieties have been bred, generally 100 cm (3 ft 3 in) tall or shorter. Indeterminate types are "tender" perennials, dying annually in temperate climates (they are originally native to tropical highlands), although they can live up to three years in a greenhouse in some cases. Determinate types are annual in all climates.

Source: [https://en.wikipedia.org/wiki/Tomato#Cultivat\\_ion](https://en.wikipedia.org/wiki/Tomato#Cultivat_ion)

Tomatoes have been grown in Georgia since the second half of the 18th century and are currently the largest vegetable crop. The main advantages of tomatoes produced in Georgia are their taste due to the favorable climate (lots of sunshine) during seasonal production.

The main tomato growing regions are: Kvemo Kartli, Shida Kartli, Kakheti and Imereti. Local, open-field tomatoes are available on the market from June to early October. Locally produced tomatoes in greenhouses and other protected cultivation are also on the market during the off-season, however, the quantity supply of tomatoes in the market during this period is not so high and Georgia is a net importer during this period.



### Overview of Global Tomato Market

INTELLIGENCE

Tomato

🌐 Countries: Global

DATA REFERENCE:

Export & Import Data

Production Data

UN Comtrade

(HS Code: 0702 - Tomatoes; fresh or chilled)

FAO (FAO Code: 0388 - Tomatoes)

Scientific Name

Solanum lycopersicum

Top Producer

🇨🇳 China

Top Exporter

🇲🇽 Mexico

Top Importer

🇺🇸 United States

Production

180.64M mt +0.5% Yearly

Export

9.22B mt -3.4% Yearly

Import

9.09B mt -4.1% Yearly

Rank	Country	Country Share	Export Value USD	1-Year Growth in Val. %	3-Year Growth in Val. %	Weekly Domestic Pri %	Monthly Domestic Pr %	Harvesting Seasonali
1	Mexico	23.5%	2.16B	-2.9%	+2.8%	-4.0%	-9.3%	🟢 High Season
2	Netherlands	20.9%	1.93B	+0.3%	+12.1%			-
3	Spain	11.2%	1.03B	-5.9%	-3.6%	+7.5%	+11.0%	🟢 Low Season
4	Morocco	8.7%	805.50M	+10.9%	+41.3%			-
5	France	4.2%	385.40M	+4.3%	+8.4%	+6.6%	+3.0%	-
6	Canada	4.1%	379.28M	-8.3%	+1.7%	-8.2%	-10.9%	-
7	Belgium	3.4%	310.63M	+5.2%	+8.9%	+47.0%	-12.2%	-
8	Turkey	3.3%	304.56M	+4.6%	+26.4%	+13.2%	+24.4%	-
9	United States	3.2%	292.01M	-10.2%	-17.1%	+3.6%	-7.5%	-
10	China	2.2%	200.51M	-3.4%	+16.9%	+4.0%	+17.7%	-

### Company description

**Herbia** is a Global Gap certified company that grows vegetables in greenhouses without using chemical fertilizers. The company also does packaging and distribution as well. Herbia's greenhouses are located in Tskaltubo on a 3ha field. In 2014 Herbia with support of USAID built a modern refrigerated warehouse and 2 packing lines in Tskaltubo. The company exports its goods to Germany and sells them domestically as well.

Herbia is a grower, packer, and shipper of Global Gap -certified culinary herbs and vegetables with no chemical fertilizers or insecticides. Since commencing production in early 2006, Herbia has quickly become one of Georgia's leading producers of premium-quality, greenhouse-grown culinary herbs and vegetables and a pioneer in the field of packaged herbs offered to local consumers. It operates some 3 ha of greenhouse and a modern refrigerated warehouse with 2 packing lines in Tskaltubo, Georgia. Herbia provides its customers with reliable, year-round, local supply of produce grown under the highest standards of food safety and environmental sustainability.

**Assets: 4,968,211 GEL (2019)** **Revenues: 5,748,178 GEL (2019)** **P/L: 1,228,406 (2019)**

#### JV "GeoHolding & KSH" Consortium

**Website:** <https://www.gkhsh.de/>  
**Facebook:** <https://www.facebook.com/JV-GeoHolding-KSH-Consortium-109650230653196/>

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