

IMPACT IN THE LIVESTOCK SECTOR IN KHULO 2014-2018

1. OVERVIEW

The geography and remoteness of Khulo municipality, Ajara region, the predominance of livestock husbandry as a main livelihood and the proximity of significant grazing resources made it the ideal location for clustering interventions which began to be operational from 2015 and which taken together have had a measurable impact on the livestock sector in Khulo Municipality.

The conditions listed above were very similar to those found in Tsalka municipality, Kvemo Kartli region. Indeed there, they had the advantage of excellent access to pasture and relative proximity to Tbilisi, which meant that the area could become a nexus for the development of small and medium dairy factories collecting milk from small-scale livestock producers. Interventions began in 2012¹, and the synergy of the effect between different interventions are measurable and attributable to the programme² as is the contribution of the ALCP's wider impact on the growth of the local economy. See Figure 1 below.

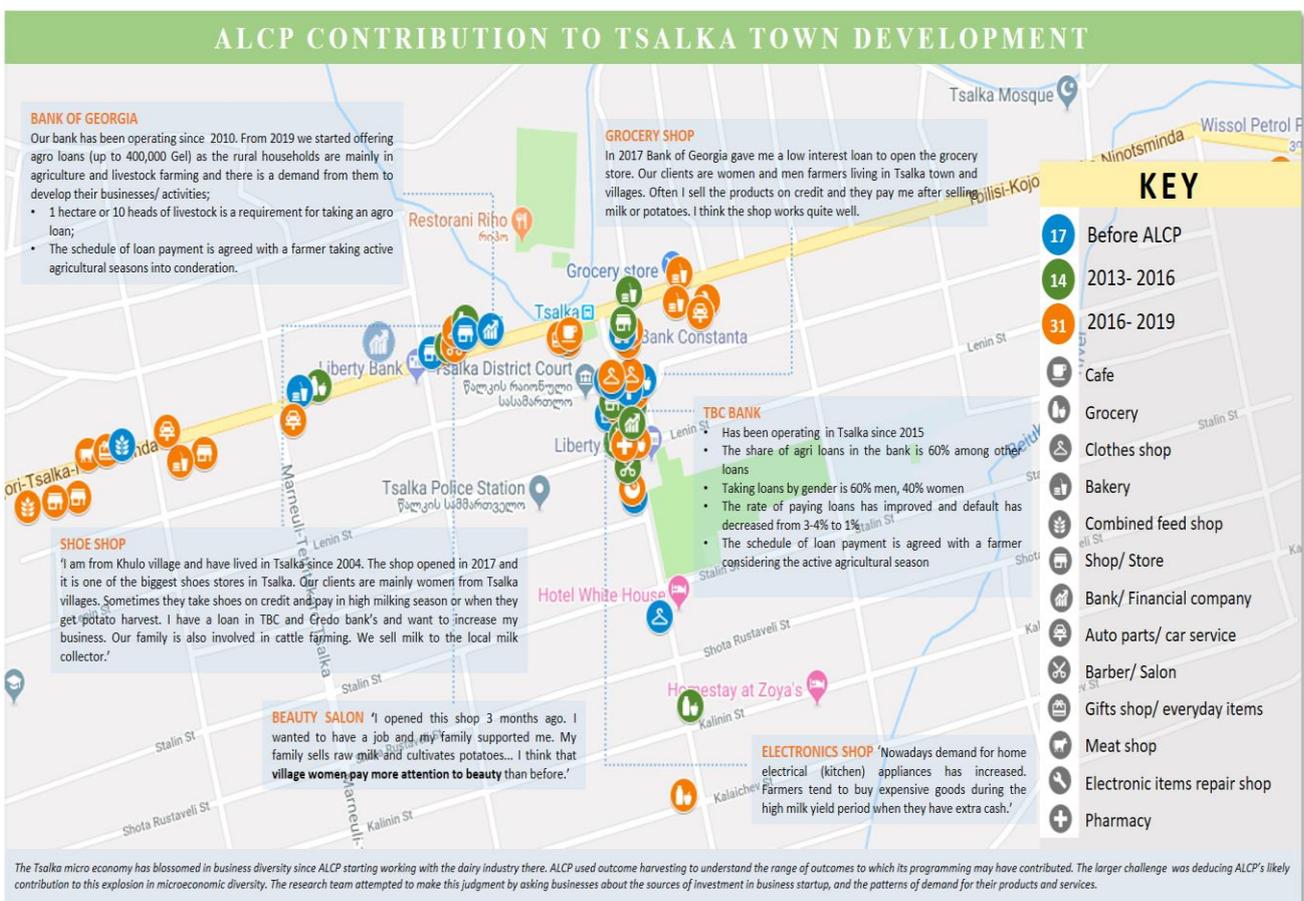


Figure 1 ALCP Contribution to Tsalka Local Economic Development

¹ In Tsalka these were: Veterinary pharmacies, improved breed bulls, animal nutrition, agri information, machinery inputs, women's access to public goods, animal disease control notification and control measures and numerous dairy factories.

² Interventions are clustered in order to allow for general development. This creates the synergy effect, when the effect of using more than one intervention is greater than or creates benefits beyond the sum of its parts. In the Kvemo Kartli External Impact Assessment Non Beneficiaries had 535 gel, those using one intervention had 858, two interventions 1610, three interventions 4016 and four interventions 4991 gel.

INTERVENTIONS IMPLEMENTED IN KHULO

*the dates below indicate when interventions started or were carried out

In Khulo the programme facilitated *Roki Ltd* a national manufacturer and veterinary inputs supplier to upgrade two municipal pharmacies (2014) and seven satellite/high pasture vets³ (2016), so that female farmers, in particular, could access veterinary inputs and services easily. They continue to provide trainings and manuals for vets and local farmers on good livestock husbandry practices. Twenty-two machinery service providers improved their services (2015, 2016) and sixty-two improved breed bulls were distributed (2015, 2016). Improved feed became available (2014). *Ori Gio Ltd* slaughterhouse (2016) and the dairy factory *Natural Produktsia Ltd* (2016) were opened in compliance with improved production and food safety and hygiene standards, and local milk suppliers were trained in FS&H to ensure clean milk supply. Tailored agricultural information became available on TV (2015) and newspaper (2016). The *Women's Room* municipal service (2015), the *Goderdzi Alpine Garden (GAG)*(officially opening 2019), *Khulo Municipal DRR Working Group* (2015), the *Human Wildlife Interface in Ajara* survey (2015) and a subsequent teaching module for 15-17 year old students on *Biodiversity and Wild Animals in Ajara* (2016) all aimed to create a more efficient and resilient operating environment for small farmers.

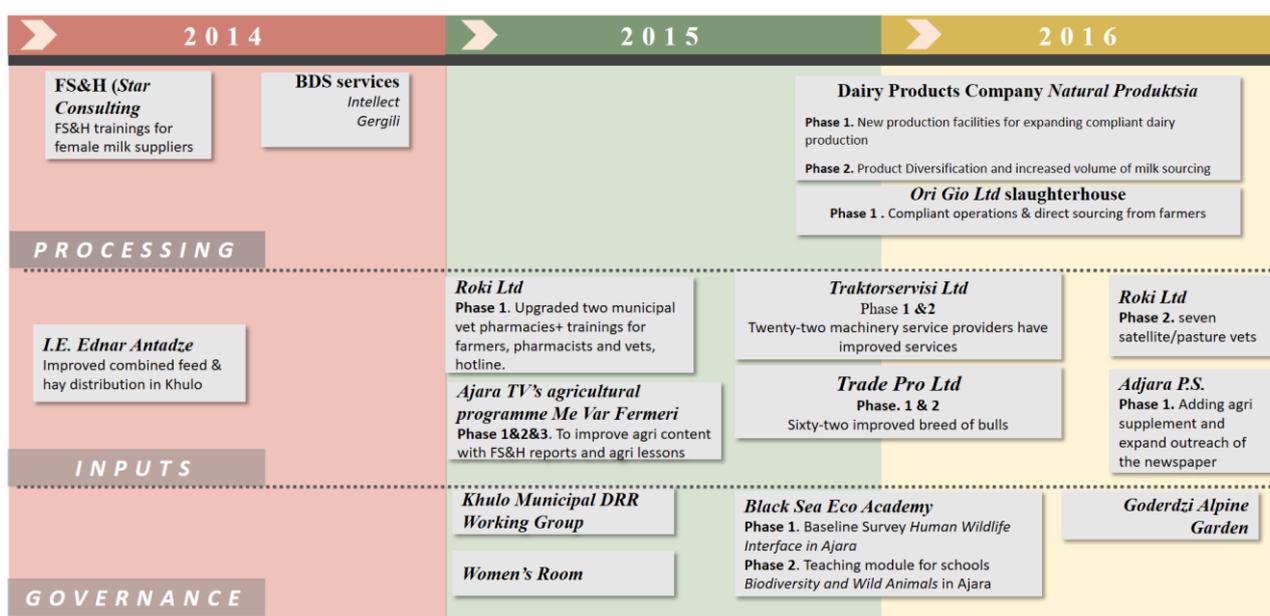


Figure 2 Khulo Intervention Timeline

³ Up to 70% of the population of Khulo villages, particularly women and children move to the traditional high pasture village grazing each summer.

2. CAPTURING LIVESTOCK SECTOR DEVELOPMENT IN KHULO

This survey attempts to capture qualitative and systemic development generated by the programme in the livestock sector in Khulo. Small scale farmers and local businesses was interviewed⁴ to ascertain whether they access and use target services and markets and whether this access has grown, whether they are investing in their livelihoods and whether other farmers are copying and entities crowding in. Section 2 details the changes recorded.

IMPACT TO DATE

Since 2014, the ALCP has reached 58% of households in Khulo⁵ out of whom 40% are women. In total, 1,327,736 USD has been invested in programme facilitated interventions in Khulo. The ALCP invested 507,117 USD, businesses 682,119 USD and central and local government 138,500 USD. The opening of nine businesses and access to more public goods, indicate that the local economy is developing in Khulo see Figure 3 below.



New Roads In 2018 the *Roads Department of* spent 130,000 Gel for paving of the *Goderdzi Alpine Garden* parking area and 4,486,000 Gel for renovating of six kilometers of the *Goderdzi-Beshumi* road and Khulo municipality renovated *Goderdzi-Green Lake* road and spent 3,870,000 Gel in 2018.



Supported Tourism The *Tourism Product Development Agency* created a new tourist route *Chirukhi-Khikhani-Goderdzi* and distributed the GAG promotion flyers through tourism agencies in 2018.



Subsidized slaughtering Over the last three years Khulo municipality has allocated 240,000 Gel from the municipality budget for subsidizing the slaughtering service. Farmers pay only 20% of the slaughtering fee.



Tax Exemptions 1,623 farmers have already got a status of the resident of the high settlements to take some social benefits according to the law of Tax Exemptions in Mountainous Regions with the help of the *Women's Room*.



WR budget This year Khulo municipality has allocated 8,000 Gel for the *Women's Room* to conduct trainings, meetings, information campaigns on gender issues for rural women.



Nine New Businesses One beauty salon was opened based on increased demand from rural women, two combined feed outlets (cattle feed). Six business were opened partly due to funds from *Produce in Georgia* (government programme) with the applications made in the *Women's Room*, two women owned; one fishery, two guesthouses, one internet shop, one woodworking shop, and one café.



Guesthouses The *Department of Tourism and Resorts of Ajara* marked ten guesthouses in 2018 with sign posts.

Figure 3 Signs of Local Economic Development in Khulo

⁴ Thirty-two farmers, fourteen women and eighteen men, milk and meat suppliers, four banks, four cloth and items shops, one vet clinic, one vet pharmacy, two beauty salons, one electronics shop and three animal feed sellers were interviewed using the snowball method in eight villages of four communities: Dioknisi, Riketi, Didajara and Ghordjomi, and Khulo centre.

⁵ These figures do not include the information intervention's beneficiaries, 87% of rural population in Khulo have access to agri information through the ALCP facilitated information interventions according to the *Ajara Impact Assessment 2017*.

The Goderdzi Alpine Garden (GAG) see Figure 3 below is impacting positively on local people's perceptions of local economic opportunity and they regard the project as potentially economically beneficial for them and their villages, mainly in terms of rural tourism opportunities. For more details, please see [Goderdzi Alpine Garden: A Local Economic Development Initiative, Mid Term Evaluation](#).⁶ The honey sector is also developing in Ajara and in Khulo and is beginning to impact local people, twenty local Jara producers sold their entire crop of honey for the first time this year and the GAG will feature a honey and Jara showcase and training centre. A further survey to mirror that undertaken in Tsalka will be conducted in 2021.



Figure 4 Map of the Goderdzi Alpine Garden, Khulo Municipality, Ajara.

2. FARMER AND BUSINESS BEHAVIOUR CHANGE

This section details the behaviour changes recorded at farmer and business levels, which show qualitative and systemic change in key intervention areas.

FARMERS AS MILK SUPPLIERS: FROM INSECURE CHEESE MAKING TO REGULAR MILK SUPPLIERS



⁶ The report can be found at www.alcp.ge on the library page under 'Ongoing Surveys'.

FARMER

- The Dairy products company Natural Produktsia Ltd is collecting milk from forty-six villages, 55% of Khulo municipality.
- Since September 2015, 60% of farmers out of whom 90% are female have shifted from making cheese to selling milk. Before 2014, farmers had to take their dairy products to the Batumi Agricultural market, which would take four hours/visit/week and the products were not often sold or were sold cheaply rather than taken back.
- All the interviewed female and male farmers noted that their income has increased by 26% since starting to sell milk instead of making cheese. As part of this HHs save about 500-600 Gel/year on not buying wood⁷.
- Female milk suppliers have been saving 3 h/day due to selling milk instead of making cheese and butter.
- Natural Produktsia used the same model of barter exchange as in their factory in Kvemo Kartli, where milk collectors exchange flour, sugar, rice, oil, washing detergents in return for milk. This has allowed the female milk suppliers to save up to 8 h/week by not needing to go to Khulo centre for shopping. They have more free time and their own money to spend on gifts and purchase of electric appliances for home.
- Female milk suppliers have been trained in good milking practices and are now trying to enhance their husbandry skills in cattle health and nutrition. They have modified cattle-sheds with lighting, bigger windows, ventilation and are cleaning them twice a day. Now they know that milk from a diseased cow in particular mastitis, cannot be used in the milk production. This information is shared between female milk suppliers.
- Farm Commercialization Plans: One entrepreneur is now planning to build a cheese enterprise in Ghordjomi Village. He has already registered his land and is going to buy ten tonnes of milk per day in Ghordjomi municipality. Farmers are ready to supply milk because they see it as an important source of income.

BUSINESS

- Before *Natural Produktsia Ltd* opened, potential milk suppliers had already been informed of the benefits of selling milk by relatives in Tsalka who were selling to the families other factory based there and were eager for the opportunity to supply milk.
- *Natural Produktsia* distributes cheese to forty-two selling points in Ajara: This includes, ten shops and supermarkets chains, fourteen large hotels, fourteen cafes and restaurants and four ritual halls. The main reason why their cheese is preferred is the taste, the lack of unpleasant/strong smells, the labelling and the fact that they follow FS&H requirements. There is high demand for compliant cheese from the HoReCa⁸ sector. Before 2016, Batumi Agricultural market was the main supplier of cheese, to which was brought mainly homemade and incompliant cheese from other regions of Georgia and was bought by HoReCa sector distributors.

FARMERS BENEFIT FROM SLAUGHTERING SERVICE

FARMER/BUSINESS

- Ori Gio Ltd slaughterhouse has switched to direct sourcing, offering 0.5 Gel more/per kg to farmers compared to the price offered by intermediaries. Farmers are now selling their cattle direct to slaughterhouse intermediaries as it is much easier in terms of price and time. Before they had to transport cattle themselves to the slaughterhouse. As a result, transaction costs and time is saved and backyard slaughtering has decreased by 60%.
- After winning tenders, the slaughterhouse is supplying about one t/month of beef to forty-six kindergartens. Fifteen in Keda, eleven in Shuakhevi and twenty in Khulo. Prior to 2014, the majority of farmers used backyard slaughtering and would sell beef in the Batumi Agricultural market without Form #2 and received 2 Gel less/kg than the wholesale price. Ori Gio Ltd was the only slaughterhouse in Khulo and was under

⁷ Wood is used to heat the milk to make cheese.

⁸ Hotels, Restaurants, Catering.

threat of closure due FS&H incompliance, lack of equipment and transportation. Farmers who wanted to use their service had to spend three hours travelling to the slaughterhouse.

- 240,000 Gel has been allocated from the local municipality budget under the social service line over the last three years to subsidize the slaughtering service, where farmers now pay only 20% of the fee. In local government reports, the subsidy programme has been reported as being the most successful and important in the municipality for the improvement of farmers' livelihoods.

ACCESS AND USE OF VETERINARY TREATMENT

FARMER

- 40% more female and male farmers in Khulo are using local vet pharmacies and are positive about the quality and the price of veterinary medicines they use.
- These farmers are investing in livestock health, for instance buying vitamins to increase the live weight of their cattle.
- The majority of Khulo farmers who migrate with their cattle to the Ajara high summer pastures have used the services provided by seven satellite vets. These services included castrations, surgeries after wild animal attacks, help in giving birth and hoof cutting. Before local vets lacked veterinary inputs and equipment to provide quality services and farmers had to go to Batumi to purchase veterinary medicine and get advice. Before the majority of farmers did not take preventive measures against animal disease and they only called a vet when their cow was dying.

INVESTING AND UPTAKE IN BREED IMPROVEMENT

FARMER

- 40% more HHs are keeping calves for milking and 30% more HHs are keeping improved breed calves for breeding. Intermediaries pay on average 300-400 Gel more for 18-month-old improved breed cattle. Before 2014 the majority of farmers noted that the poor breed of cattle was one of the main constraints in the livestock sector in Khulo.
- The improved breed bull service combated the previous scepticism of farmers toward AI, that was caused by cases of failed inseminations. The farmers now see the results of the improved breed with a one year-old female cow weighing on average 95kg more and the males weighing 125kg more than the local breed. Due to the programme intervention 28% more farmers have used the artificial insemination service⁹(AI) of the MOA of Ajara *Agroservice Centre*.
- Demand for the artificial insemination service subsidized by the *Ministry of Agriculture of Ajara* and implemented by *Agroservice Centre* has increased by 15% in Didajara community and 12% in Riketi community where thirty-four improved breed bulls were distributed by the ALCP and where *Natural Produktsia Ltd* is also collecting milk.
- Eight local vets improved their capacity in providing AI services.
- 25% of *Produce in Georgia's* grants disbursed in Khulo are for purchasing improved breeds of cow from the villages where *Natural Produktsia Ltd* or *Ori Gio Ltd* slaughterhouses operate.

⁹ The MOA Ajara AI service offers two breeds: one is Jersey and another is Swiss Brown, which is much more like Caucasian Brown, the breed facilitated by the programme. Those breeds have a higher milk and meat yield, and are more resistant to diseases and various infections.

SEEING THE BENEFITS OF IMPROVED FEEDING



FARMER AS CUSTOMERS

- 53% of the interviewed female and male farmers have bought 30-40% more bran after starting to supply milk. Before 2014 they did not feed their cattle with combined feed or bran at all, as they thought that paying for combined feed or bran was an unnecessary expense as they could not sell milk and meat.
- 60% of them¹⁰ are saving 80 Gel/cow because of a subsidized slaughtering service of Khulo municipality¹¹ and are investing these savings in purchasing bran, maize and hay.

BUSINESS

- In Ghordjomi village, there are now three selling points for combined feed, while before there was only one. After seeing the demand for combined feed a farmer from Didajara Village opened a combined feed selling point and is distributing 1t of CF/week, 1t of maize/week and 1t of wheat/week from *Agro Trading Ltd* (a large ALCP facilitated combined feed company) to up to 400 HH and several shops in 30 villages of Khulo municipality. Another farmer, who is the owner of a grocery shop, has started distributing 80 sacks of bran twice a month to Didajara community.

INCREASED PARTICIPATION OF RURAL WOMEN IN DECISION MAKING

FARMERS

- The Women's Room has brought positive impact on the involvement of the women in the decision-making process; female farmers have increased their knowledge, feel empowered and want to be present in meetings and to voice their concerns and ideas. Participation of rural women in community meetings is now 30% compared to the baseline of 15% in 2014.
- The Women's Room has provided 2421 consultations to 826 men¹² and 488 women in Khulo.
- The Women's Room has helped farmers access the benefits of the new law on Tax Exemptions in Mountainous Regions. 1,623 farmers in Khulo have already received the status of residents of the high settlements to gain some social benefits.
- In November 2018, Khulo municipality allocated for the first time a specific budget of 8,000 Gel to the Women's Room for conducting trainings and meetings about gender issues for rural women.
- Ten NGOs and governmental offices have signed memorandums with the Women's Room for future cooperation.

¹⁰10% is according to the Impact Assessment Survey in Khulo, May, 2017.

¹¹ The subsidized slaughtering service was initiated in 2016 in a meeting between local farmers and the Chairman of Ajara Government and the Minister of Agriculture.

¹² The number of male consultations is particularly high as men were using the Womens Room to ask about the Mountainous Regions exemptions.

IMPROVED RISK MANAGEMENT FOR KHULO CITIZENS

- The programme facilitated Khulo DRR Working Group is now recording cases of cattle diseases and wild animal attacks and implementing reactive as well preventive activities such as vaccinations on the pastures, imposing quarantine, informing central authorities, organizing informative meetings with farmers in villages, as well as in summer pastures.
- A Hotline service is available and promotional flyers have been distributed to almost every single household.
- Khulo DRR WG members are involved not only in animal disease related issues but also in mainstream DRR emergencies like fire, heavy rain, flood & landslides. During heavy rain, the hotline number is publicized by Government and Municipal representatives as the emergency number to call.

ILLUMINATING THE VALUE OF THE ENVIRONMENT

- The negative attitudes of the pupils towards wild animals and low awareness on their benefits has changed following the use of the *Teaching Module for Conservation Education for Schools in Ajara* in Khulo schools. It consists of twenty lessons for 9th, 10th, 11th and 12th grade pupils. Ten teachers of Biology and Geography have included the module in their lessons. They also show a video on conservation and discuss protection of wild animals.
- The module has contributed to a positive understanding of pupils that they should be proud of the environment, biodiversity and wildlife where they live. Their students have more knowledge about animal behaviour and know how to use methods such as making noise, fusing fireworks to scare animals to help avoid conflict. Overcoming the fear of wild animals lets them understand their value to the environment and economic opportunities through rural tourism.

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