UPDATE TO THE MARKET ANALYSIS

SAMTSKHE JAVAKHETI

ALLIANCES LESSER CAUCASUS PROGRAMME

Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
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Swiss Agency for Development
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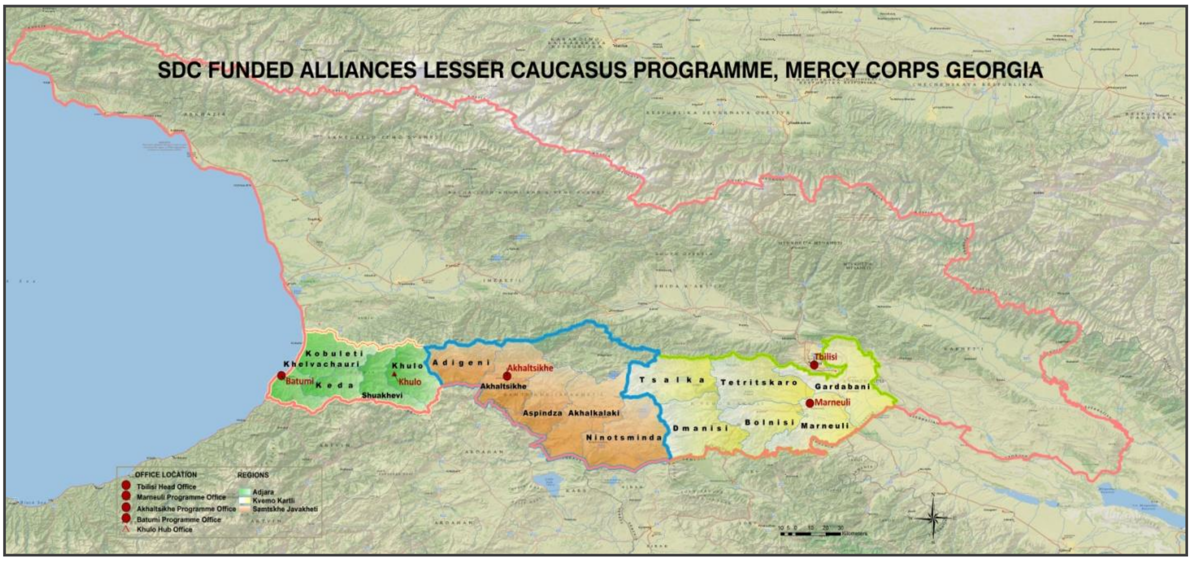
INTRODUCTION

Alliances SJ will become in January 2015 the Alliances Lesser Caucuses Programme, Samtskhe Javakheti Region, ALCPSJ, one of the three regions of the Alliances Lesser Caucuses Programme which includes Kvemo Kartli, Samstkhe Javakheti and Ajara. See Figure 1 below. From January 2012 the SJ region expanded to include two new municipalities: Ninotsminda and Akhalkalaki. Alliances had been operating in Akhaltsikhe, Adigeni and Aspindza for 3 years by December 2011 and will operate in the expanded area until December 2014, with a two year standby phase for monitoring and support for sustainability, until December 31, 2016. The following report contains the market analysis of the Alliances SJ programme area carried out in late spring 2014.



SUMMARY MARKET ANALYSIS

The Poor and Their Context

The poor in Samtskhe Javakheti (Alliances-SJ program area) are defined as small scale livestock producers (SSLPs) owning up to 5 breeding female cows in Samtstkhe (Akhaltsikhe, Adigeni, Aspindza) and up to 10 in Javakheti (Akhalkalaki, Ninotsminda) and/or up to 10 breeding female sheep. They have access to up to 1,5ha of agricultural land and about 50% of them have opportunity to send their livestock to summer pastures in amalgamated flocks in Samtskhe and in Javakheti they have access all year round.. They are primarily livestock producers, but also cultivate crops including potatoes, maize, wheat, barley, and horticultural crops such as tomatoes, carrots, beets, cabbages, onions and beans. They do not own tractors or implements but many do possess their own transport (car or minivan). They have limited access to more significant amounts of agricultural credit due to collateral restrictions and can access only micro loans. They produce dairy products for home consumption, sale[1] or exchange and increasingly the sale of liquid milk to cheese processing entities and Milk Collection Centres. Household income is 562 GEL per month[2]. According to the key informants of this survey 70% of their suppliers or customers fall into this category (see key informant interview table).

The following tables contain the summary market analysis i.e. the summary outputs based on the analysis of the information contained within this report, which will feed into the strategic framework on which ALCP interventions are based. The programme is committed to Women's Economic Empowerment and one of the main processes to ensure this in the programming is a gendered market

[1] Either direct in agricultural markets or to intermediaries.
[2] Geostat 2012 (latest data).

analysis. The Roles and Responsibilities and Access and Control Matrixes Tables summarize these findings.

Table 1 Summary Market Analysis[3]

	Relevance	Pro-Poor Potential	Intervention Potential
Meat			
Beef	**High:** the majority of SSLPs have cattle & may sell an animal into the beef market once per year	**High:** the beef sector is formalizing and demand is growing and serviced mostly by SSLPs who sell calves into the supply chain for abattoirs and butchers.	**High:** focused on market-driven breed and nutrition improvements and improving efficiency of supply
Sheep	**Medium:** mainly relevant to the Ninotsminda, Akhalkalaki and Aspindza population due to the better access to pasture lands.	**Medium:** small sheep producers can step up production fairly quickly in response to market driven demand.	**Medium:** interventions mainly focused on developing exports of live sheep and, potentially, chilled cuts driving demand and potentially raising farm-gate prices and increasing sales: main limitations due to disease issues, export constraints and market access.
Dairy			
Cows	**High:** the majority of SSLPs own cattle and consume, sell or exchange dairy products; highly relevant to women.	**High:** Constant high demand. The market is differentiating and consumers are increasingly aware of 'quality' which includes food, safety and hygiene and will pay for it. More supermarkets with outreach to smaller towns.	**High:** Focused on existing micro cheese enterprises (Akhaltsikhe, Adigeni, Aspindza) and medium sized (Akhalakalaki, Ninotsminda) for the scale up and improvement of compliance, efficiency and of existing cheese enterprises for improved market access for S&SLP's
Sheep	**High:** mainly relevant to the population of Ninotsminda, Akhalkalaki and Aspindza	**Medium:** demand for sheep's milk and cheese is fairly constant but much lower than for cow's milk and cheese with less regular consumption, SSLPs can produce sheep's milk and sell some of the local milk processing factories or produce cheese and sell to the local market but FS&H issues problematic at HH level. While majority of the large scale sheep farmers don't produce sheep's milk as access to milk market is considered as a key constraint at HH level.	**Medium:** a market mainly focused in Kakheti and is on a smaller scale in SJ, potential for including sheep cheese in the product line of larger factories

[3] **Note:** The intervention potential in the case of dairy and beef is now about increased productivity, efficiency, compliance and specialization of a more sophisticated level of production than in 2008 or in 2011 (years of Phase 1 and 2 od Alliances SJ) due to the existing impact on the market system in the region of the programme. In nearly six year of operation the programme has since inception facilitated market driven interventions with:

- 389 clients
- 37,607 farmers accessed target services & markets (Out of which 20,763 farmers with additional cash income)
- 29% average increase in income of farmers
- 242 villages covered

The rest of the beneficiaries (16,844) who cannot be shown generating cash income received the following non-monetary benefits:

- Time and labor saved
- Increased awareness about agricultural practices and food safety regulations,
- Increased access to information, market prices and agricultural services
- Received benefits from governance and DRR related activities.

NB: The sheep sector was not however included in the scope of the programme thus the potential interventions there would start at a lower and more basic level

Wool			
	High: Mainly relevant to the population of Akhalkalaki, Ninotsminda and Aspindza	**High:** Men are responsible for shearing sheep; women are responsible for and in control of processing wool and sales, SSLPs store greasy wool for sale but they rarely sell it. The demand on greasy wool is very low; there are no wool traders/intermediaries in the region. A few small scale wool processing plants located in the region process max 2,5tons/year.	**High:** interventions focused on improving linkages and collection of wool and improved market access and export value and potential through development of in country processing infrastructure.

Table 2 Systemic Constraints, Drivers and Pro-Poor Opportunities

Systemic Constraints	Drivers & Pro-Poor Opportunities
Dairy Core Market	
- Cheese and dairy producers including HH's, MCCs and smaller factories are not linked to sources of information and advice on dairy hygiene, and there is a reluctance to pay for such services as they are relatively expensive and they have yet to be made aware of the significant changes in the law governing their practices. Hence farmers also lack awareness of good practice and are potentially vulnerable to changes in market conditions - Patchy outreach and information delivery and enforcement, to businesses and cheese producers in the implementation of the Food Safety and Hygiene Codex, Environmental laws. - Inaccessibility of investment capital (lack of collateral, start up venture, lack of credit history expensive or unavailable credit) means that MCCs & small cheese factories are unable to expand, upgrade to higher standards, or diversify or invest in equipment and staff capacity building e.g. invest in appropriate transport - SSSLP's have low access to the agricultural markets due to the inaccessibility of the appropriate transport and related high transaction cost - SSLPs in remote areas and in the mountains have disadvantaged transactions due to the lack of transparency and choice on pricing from intermediaries collecting dairy products from remote villages and the mountains	- Growing consumer awareness of 'quality' & the demand for safer and cleaner production, allied with growing outreach of supermarket chains in the smaller regional towns from which customers expect to receive 'quality' produce. Potential for growth in the supply of this sector. - Better outreach of consultancy services to cheese businesses means increased market access opportunities for businesses and to S&SLP's for the supply of better quality milk. - High potential for compliant, branded sheep cheese - Better outreach of the Milk collection Centers (MCCs) and milk processors (MP's) in the remote areas of the region resulting in increased sales volume of the raw milk
Beef Core Market	
- Lack of enforcement over back yard slaughtering and sale of incompliant meat by small scale-scale meat shop owners with very small overheads thereby undercutting compliant enterprises. - Farmers have disadvantaged transactions due to lack of transparency and choice on pricing from intermediaries collecting from villagers and an irregular and few sales channel leaving famer in a poor bargaining position. Majority of farmers using Akhaltsikhe livestock market means high transaction costs and poor welfare due to lack of appropriate transport, weighing and handling facilities - Limited access to operational slaughterhouses and high transaction costs leads local meat shop owners and butchers to the back yard slaughtering - Larger slaughterhouses have a tendency to attempt to monopolize the market leading to unfair business practices for SME's and a restriction in choice for farmers. - The quality of the Caucuses Mountain cattle for beef does not lend itself to the demands of the growing and formalizing slaughterhouses and wholesale markets as the margins are too small to cover the costs of more sophisticated operations which require economies of scale for profit.	- With rising demand for higher quality animals there is potential for the poor to upgrade their production through cross breeding with beef or dual purpose breeds e.g. Swiss Browns, leading to higher growth rates and animals with better finishing and better confirmation more valuable for the market. - Whilst at present the poorer farmers lack housing for fattening animals, higher value animals and a strong demand might provide the incentive to invest in this and better feeding. - Expansion of small regional abattoirs for slaughter to order and reduced transport costs and cost slaughter/kg/live weight could potentially give the poor access to a higher quality market.

Sheep Core Market	
- Uncertainty over export, quarantine and general government support to the sector means a high risk climate for potential investors. - Lack of regulation over Animal Movement Route and disease control add to high risk climate. - Fragmented supply, opaque interests, Azeri remit with strong developing Turkish business interests & lack of transparency. Barriers to mainstream Georgian business investment and lack of information and linkages to market for farmers. - Lack of wool processing i.e. washing, drying facilities. - Inaccessibility to the raw milk markets means that HH's have no incentives to produce milk as they are unable to sell it during the summer time when they are in the mountains and when there is a peak of the milk production	- Export demand for sheep is high and Georgia is well placed to engage in this market. There is potential to diversify into exporting chilled halal cuts. - Wool quality and type suited to mattresses and carpet making, high demand from Azerbaijan and Turkey. - Potential for exporting washed wool rather than greasy wool with added value remaining in Georgia. - Potential for expanding the outreach of micro existing cheese enterprises for improved market access for SSLP's in the remote areas and mountains

Table 3 Systemic Market Constraints in the Supporting Functions and Rules

Systemic Constraints Supporting Functions
- Lack of outreach in villages of media & information services with appropriate rural content or tailored for ethnic groups (low coverage in the rural areas), means that farmers have little or no formal access to appropriate local information to aid decision making such as market prices, vendors of services and inputs, buyers and sellers of products and on new production techniques etc.
- Patchy enforcement of FS&H codex to prevent incompliant products reaching market mean businesses lack the driver to invest in business development and consultancy services.
- Lack of access to and unawareness of type of information required in the form of technical consultancy to businesses.
- Inaccessibility of financial services (e.g. high interest rates on agricultural loans with short term grace period, collateral requirements by the MFIs and banks) tailored to rural businesses constrains growth and efficient functioning of SME's sourcing from farmers.
- An overall lack of awareness of incoming food-safety laws and their implications for dairy and beef value-chain actors stems from the lack of structured outreach of the NFA, and partly of private sector consulting firms.
- Poor village road connections to some areas leave farmers cut off from some agricultural services and inputs (vets, seeds, machinery etc).
- Improving but still inadequate and expensive livestock transport gives rise to relatively high transaction costs for farmers and traders. High cost is partly related to poor infrastructure (long journey times; wear and tear). Inadequate quality of transport (trucks are not converted for livestock and do not have loading, or divisions to prevent injury).
- Lack of trained vets constraining outreach of national input suppliers. Improving but still weak vet services with low trust in unimproved services lead to lack of demand for anything but drugs for farmers to administer themselves.
- Inadequate availability of machinery services for hay making arising from high replacement and investment costs of new machinery for new entrants.
- Pasture access is restricted to a degree by uncertainty over legislation and procedures including registration and cadastre. Weakness in the mechanisms that would make information on ownership and sales available. Brokerage services non-existent or scarce, lack of clarity over municipal remit and control of pastures.
- Weak trade associations with weak outreach leading to a lack of higher level support for business seeking to expand in areas such as export.
Systemic Weaknesses Rules
- A lack of transparency, outreach and enforcement by the National Food Agency on changes in the law and its impact on the dairy and meat sectors is damaging to the industry in that it is forming a barrier to the entry of SME's as they are forced to compete with incompliant traders with low overheads whilst they invest in equipment, infrastructure and systems in accordance with the law. SME's who need to be made aware and plan and implement changes to their businesses currently only have patchy information to go on and are not preparing adequately.
- Taxation policy by the state government (e.g. high income taxes) and uncertainty in the legal business registration process leads small and medium scale businesses to hide their incomes or to operate illegally. National tagging of cattle has not resulted in a credible livestock registration system which places limitations on traceability of meat products. In addition the NFA has little capacity to conduct veterinary inspections of cattle prior to sale (although this is in place for sheep export).
- There is uncertainty about pasture land tenure and access among rural residents and SSLPs which is not helped by a lack of outreach of relevant government bodies that are responsible
- Monopolies, oligopolies and rent-seeking is a feature of the livestock and particularly meat sectors,
- A lack of women's access to community and municipal decision making restricts the input of women into key livelihoods related decision making.

Table 4 ALCP Samtskhe Javakheti Sustainability Matrix

Market Function	Who Performs?	Who Pays?
Core Market		
Milk, Meat & Sheep Production	Private Sector (Small, medium & large farmers)	Private Sector
Milk Collection	PS (integrated & private MCCs)	PS & **NGOs**[4] (establishment costs)
Dairy Processing	PS (Households, Small-Med-Large Processors)	PS & **NGO's**
Animal Slaughter	PS (small butchers & large abattoirs)	PS, Govt (cheap loans) & **NGO's**
Meat Butchering and Wholesale	PS	PS
Retail	PS	PS
Livestock export (Cattle, Sheep)	PS	PS
Supporting Functions		
Agricultural Credit	PS (Banks and MFI's)	PS& **Donors & NGO's**
Food Safety Consulting	PS (6 companies)	PS & **Donors/NGOs**
Development of Food Safety Consulting Capacity	IFC & EC	IFC & EC & **NGO's**
Artificial Insemination Services	PS (Caucasus Genetics)	PS & **NGOs** (Alliances) & Govt (NSA in planning)
Machinery Services	PS, Gov	PS & **NGOs** (establishment costs)
Media	PS and Gov (online regional news)	PS, Gov (subsidies to newspapers) & **NGOs**
Veterinary services e.g. vaccination	PS and Gov	PS & Gov & NGO's (for outreach)
Financial Services	PS	PS
Road Upgrading	PS	Gov't & **Donors**
Business Services	**NGOs** & PS	PS & **Donors** & **NGO's**
Rules		
Food Safety and Hygiene Inspections	NFA	Gov
Livestock Registration	NFA (Gov) for the system PS for the tagging	Gov PS (possibly some **NGO**s)
Disease Notification and Controls	Ministry of Ag, NFA some Private vets	Gov
Animal Quarantine & Inspection (export)	PS & NFA (Gov)	PS
Access to Land & Mediation Services	Gov & **NGOs**	Gov & **NGOs**
Monopolies, Oligarchies & Cartels	PS	Gov & PS

Table 5 Gender Division of Roles and Responsibilities

Activities	Women	Men
Veterinary		
Cleaning and feeding the animals	X	X
Milking	X	
Processing dairy products	X	
Note the incidence of disease, detail the symptoms and request drugs for treatment	X	
Vaccine and medical treatment.		X
Go to town to buy vet drugs		X
Breeding		
Heat detection	X	
Take cow for insemination		X
Control reproduction cycle of cow	X	
Communication with vet		X

[4] This includes Alliances operating with low visibility principles.

Nutrition		
Control over whether to buy or not, and whether to feed their cattle with combined food.	X	X
Feeding cattle with hay	X	X
Purchasing and producing hay by machinery service		X
Collect hay by hand	X	X
Selling hay		X
Information		
Reading about milking procedures and hygiene rules.	X	
Gathering in public on the street to chat		X
Pass on information to their friends and neighbors.	X	X
Dairy Sector		
Timely milking and processing the dairy product.	X	
Selling milk less than 10 liters	X	
Selling milk up to 10 liters		X
Ensure clean milk	X	
Meat sector		
Visit to agricultural markets to sell livestock		X
Selling livestock locally to the livestock traders		X
Wool		
Shearing		X
Processing and sale	X	

Table 6 Gender Division of Access and Control Over Resources

	Access		Control	
Resources	**Women**	**Men**	**Women**	**Men**
Vet pharmacy	X	X		X
Vet	X	X		X
Bulls	X	X		X
Pastures	X	X		X
Hay	X	X		X
Combined feed	X	X		X
Newspaper	X	X	X	
TV channel	X	X		X
Online news agency	X	X	X	
Milk (food & informal economy)	X	X	X	
Cheese (as above)	X	X	X	
Income from selling milk and cheese	X	X	X	
Milk collection center	X	X	X	X
Cheese producing company	X	X		X
Income from selling livestock	X	X		X
Sale of wool(mattresses)	X		X	
Sale of wool to intermediary		X		X

THE KEY CHARACTERISTICS OF THE ALLIANCES-SJ PROGRAMME AREA

Agriculture plays a significant role in the economics of Samtskhe Javakheti (SJ) its share in the GDP of the region is 29%. In 2011[5] the GDP of agriculture in the region was 213.7 million GEL and has been growing since 2008 (with the exception of 2009) with the 2011 GDP 23% more than 2010 (172.9 million GEL) and 9% less than 2009 (188.8 million GEL). 69% of the population of Samtskhe Javakheti Region (147.500 people) are rural residents and about 80 % (118, 000 people) of the rural population of this region are engaged in agricultural activities. Their predominant form of livelihood is livestock production with potatoes as a main crop and hay and maize cultivation for human and animal consumption. A significant share of potato production is concentrated in Samtskhe Javakheti, where 52% of the country's potato plantations are located (GeoStat 2011). The climate of the lower regions are favourable for crop production for crops such as maize, wheat and barley. The structure of the agricultural sector of the region has not changed much over the last 5 years however the number of farmers involved in livestock has increased[6] and growth in the number of livestock is observed mainly in Ninotsminda, Akhalkalaki and Adigeni while the number of those in horticulture and grain farming, has decreased, which may reflect the consolidation of horticultural and grain operations into larger more commercial holdings. Broken down irrigation systems hinder crop and hay production. Approximately 30% of the land is uncultivated in the region.

THE PROGRAMME AREA

EXISTING PROGRAMME AREA: The existing programme area comprises the highland areas of Samtskhe-Javakheti (all the five municipalities of the region excluding Borjomi). Please see below for a description of the municipalities of SJ Region:

Akhaltsikhe Municipality: is located at an altitude of 1000 m above sea level. It borders Aspindza in the east and Adigeni in the west and the south border coincide with the Georgian-Turkish official border. Akhaltsikhe town is the regional centre. There are two cross border roads in the municipality which link the municipality to Turkey and Armenia. The Municipality covers totally 1010 km² land, out of which 410 km² is agricultural land. The main livelihoods are livestock production, fruit growing and market gardening. Milk processing factories located in Akhaltsikhe municipality are the smallest and least productive in terms of using their utilization capacity due to lower milk production and poor management practices. Livestock, sheep and dairy products are mainly sold in agricultural markets located in Akhaltsikhe. The majority of the population are ethnic Georgians (57%) and the rest 43% of the population is represented by ethnic Armenians.

Adigeni Municipality: is located at an altitude of 1200 m above sea level. It borders on Ajara in the west, with the strategic road to Ajara climbing through the municipality to the Goderdzi Pass which is closed from November to the end of February in a mild year it has a precipitation of 600ml/yr. 97.9% of the population is ethnic Georgian, 1, 7% Armenian and the rest of the population is represented by Russians, Abkhazians and Ossetia's. It covers 799km² land, out of which 340km² is agricultural land. Livestock production, potato-growing and fruit growing are the main livelihoods. Livestock is mainly sold to the livestock traders/intermediaries from the village and/or in the Akhaltsikhe Livestock Market, while sheep and dairy products are sold direct in agricultural markets located in Akhaltsikhe.

Aspindza Municipality: is located at an altitude of 1200-1800 m above sea level. 78% of the population is ethnic Georgian and another 22% is ethnic Armenian. It covers 825 km² land, out of which 540 km² is agricultural land. Livestock production including sheep, potato-growing and fruit growing are the main livelihoods. Livestock is mainly sold to "Meskheti Products Slaughterhouse" while sheep and dairy products are often sold direct in agricultural markets located in Akhaltsikhe.

[5] The most up to date figures on GDP available on Geostat.
[6] Taken from Rural Development Agency Samtskhe Javakheti Rural development Strategy 2014

Akhalkalaki Municipality: is located at an altitude of between 1500-2000 m above sea level. Much of the municipality is composed of highland plateau however in some of the lower areas of Akhalkalaki there is good access to fertile land which is usually used for the area's primarily cash crop, potatoes. 92% of the population are ethnic Armenians, 7% ethnic Georgians and 1% is represented by other nationalities. Akhalkalaki along with Ninotsminda have a higher percentage of Milk Collection Centers (MCC's) and cheese factories compared to Akhaltsikhe, Adigeni and Aspindza due to the availability of pasture and sought after quality of milk. Cheese as well as other milk products produced in Akhalkalaki is often sold directly to intermediaries from Tbilisi and from other regions and/or to agricultural markets located in the municipal centre. The municipality borders on Kvemo-Kartli and is very similar to Tsalka municipality in KK in terms of eco-zone and population (Armenian majority)

Ninotsminda Municipality: is located at about 1950-2200 m above sea level. Much of the municipality is composed of highland plateau that is ideal for pasture but less suitable for cultivation as the elevation results in unfavourable climates for horticultural production. 97% of the population are ethnic Armenians, 2% ethnic Georgians and 1% ethnic Russians. Located relatively far from main livestock markets (Akhaltsikhe at 90 km and Marneuli at 155 km) livestock is mostly sold from the villages to the Turkish traders. Ninotsminda, along with Akhalakalki is the location of the summer pastures for Kakheti livestock. The municipality has the largest number of livestock of all the municipalities in SJ. The municipality, like Akhalkalaki, borders on Kvemo-Kartli Region.

Table 7 Summary Main Livelihoods

Main Livelihood	Relevant Municipalities
Livestock Related Income	
Dairy (and beef)	All municipalities
Sheep (wool and meat)	Mainly Ninotsminda, Akhalkalaki, Aspindza less relevant Akhaltsikhe and Adigeni
Hay	All Municipalities
Barley	Akhaltsikhe, Aspindza, Akhalkalaki
Wheat	Aspindza, Akhalkalaki
Maize	Akhaltsikhe, Adigeni, Aspindza
Crops	
Potatoes	All municipalities
Horticulture (inc onions and tomatoes, cucumbers)	Akhaltsikhe, Adigeni Aspindza
Horticulture (cabbages, carrots, beets, garlic)	All municipalities
Beans	Akhaltsikhe, Adigeni, Aspindza

Livestock numbers as shown in the table below for the Alliances-SJ programme area are fairly consistent with the existing municipalities and support the fact that dairy remains the mainstay of the majority of livelihoods. The figures for Akhaltsikhe reflect its urban nature, whilst those of Ninotsminda and Akhalkalaki are noticeably high, lending support to the high relevance of dairy.

Table 8 Livestock Number Per Municipality 2013

Municipalities (new in orange)	Cattle (head)	Sheep (head)
Akhaltsikhe	18132	4698
Adigeni	24540	4700
Aspindza	18104	10034
Akhalkalaki	32067	21613
Ninotsminda	40668	23765
Total	**133511**	**64810**

Note: what it apparent in this table is the large number of livestock and sheep in Ninotsminda and Akhalkalaki.

SUMMARY OF THE POULATION

The table below shows the population of Samtskhe Javakheti with a breakdown according to ethnicity. The expanded programme area has a high Armenian population which increases the importance of both sheep for meat as sheep are predominantly owned by Armenians.

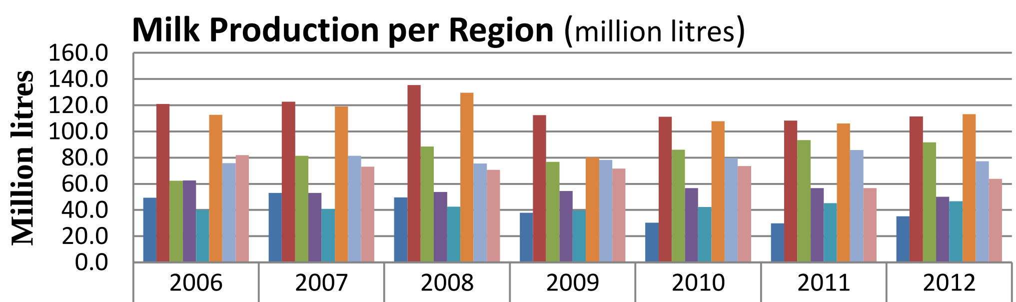
Table 9 Population by Ethnicity Per Municipality 2013

Municipality	Number of Households	Total Population	No Community	Ethnicity %			
				Georgians	Armenians	Russian	Other
Samtskhe Javakheti							
Akhaltsikhe	15178	53531	16	57	41	0	3
Adigeni	7180	22275	15	97.9	0	0	1.7
Aspindza	4212	13966	14	78	22	0	0
Akhalkalaki	17931	61009	22	7	92	0	1
Ninotsminda	8748	33632	10	2	97	1	0
Total SJ	**53249**	**184413**	**77**	**48.38**	**50.4**	**0.2**	**1.14**

CORE MARKET SYSTEMS

All players mentioned in the following section can be found in **The Directory of Players Annex 1.**

DAIRY: COWS, BUFFALO, SHEEP



	2006	2007	2008	2009	2010	2011	2012
Adjara	49.3	53.1	49.7	37.9	30.4	29.8	35.2
Imereti	121.1	122.7	135.4	112.4	111.2	108.3	111.5
Samegrelo & Svaneti	62.3	81.5	88.5	76.8	86.1	93.4	91.6
Shida Kartli	62.7	53.0	53.7	54.6	56.7	56.8	50.1
Kakheti	40.0	40.9	42.6	39.5	42.2	45.2	46.6
Kvemo Kartli	112.8	119.0	129.6	80.3	107.9	106.2	113.3
Samtskhe - javakheti	75.9	81.5	75.6	78.2	79.6	85.7	77.2
othe region	82.0	73.1	70.7	71.7	73.6	56.7	63.9

Figure 1 Milk Production per Region (2011 Geostat)

SUMMARY

In 2011 and in 2012, the Samtskhe Javakheti Region was fourth in milk production in Georgia and in other years third after Imereti and Kvemo Kartli and milk and cheese provision overwhelmingly supplied and produced by SSLPs. However, in Ninotsminda and Akhalkalaki there are a higher number of smaller and medium scale cheese producers manufacturing a variety of dairy products, more non local intermediaries who buy from factories or HH's and more informal linkages to means of direct sales from the HH dictated by the proximity to Tbilisi, Rustavi and Marneuli. In Samtskhe (Akhaltsikhe, Adigeni and Aspindza municipalities) cheese is mainly sold to local cheese intermediaries who sell cheese mainly in Batumi dictated by the proximity to Ajara and the demands of the tourist market. More than 50% of the rural population of the region move their livestock and sheep to the mountains for summer grazing for 3-5 months, though bad road conditions, poor infrastructure(no appropriate processing and storage facilities) and low access and high costs of transportation hinders milk transportation, processing and timely sales. They sell milk products to local cheese intermediaries who go up in the mountains with 4X4 vehicles or they sell it in Akhaltsikhe Agricultural market when the farmers come back from the mountains mainly late autumn. However, selling milk products to intermediaries is easier and more convenient but less profitable for farmers as they have disadvantaged transactions due to the lack of transparency and no choice on pricing. Sheep milk is used and processed by small and medium scale sheep farmers to a lesser extent with a less regular market. Large scale sheep farmers who move sheep to the mountains rarely produce sheep milk due to the difficulties in milk processing and limited access to the milk markets. There are essentially four destinations for milk produced in the municipalities of the Alliances SJ program area:

- Home consumption and sale of surplus cheese, butter, Matsoni (yoghurt) in small amounts which is sold locally in the agricultural markets of the region
- Sale to cheese intermediaries supplying agricultural markets in Batumi, Tbilisi and Rustavi
- Sale of liquid milk to local cheese enterprises.
- Sale of liquid milk to Milk Collection Centers

WOMENS ROLES IN THE DAIRY SECTOR

Women are responsible for milking and the processing and selling of dairy products. Women are the main milk suppliers for village based cheese factories and milk collection centers. Cheese is processed by women in the home for home consumption and for sale, they control money received from selling cheese. The cleanliness and safety of milk as well as what equipment is used for milk processing is the responsibility of women. The owners of the cheese and milk collecting factories are mostly men. Women and men are employed to process milk; men are employed to collect milk among milk suppliers living in neighboring villages and to take cheese to Batumi or Tbilisi markets.

CHEESE INTERMEDIARS

Given the relatively large number of the cheese producers in the region outside the HH and the importance of cheese sold in other areas of Georgia, intermediaries are the means by which cheese mostly produced within the HH is bulked up and sold in other regions through more formalized distributors, market traders and shops. Cheese intermediaries in SJ region operate in different ways. Local Intermediaries without transport and cheese storage buy cheese from farmers in the agricultural markets located in the municipal centers. They sell cheese locally to the other intermediaries who have transport and storage facilities of about 2-5 tons and who take cheese in other regions where they sell/store as needed. Intermediaries with their own transport buy cheese direct from farmers in the villages and in the mountainous areas of the region where about 50% of the rural population of Akhaltsikhe, Adigeni and Aspindza municipalities move their cattle for grazing during summer time. They sell cheese mainly in Batumi and in Tbilisi agricultural markets, to restaurants and to Khachapuri bakeries. There are also intermediaries who come from other regions and buy cheese direct from the small and medium scale milk processing factories located in Ninotsminda and Akhalkalaki. Most of the afore-mentioned cheese intermediaries have limited access to supermarkets in Batumi and Tbilisi as they aren't registered and can't issue certificate for supplied goods which supermarkets require. Example intermediaries identified to date:

- 6-7 women cheese intermediaries in Akhaltsikhe municipality regularly collect cheese (Imeruli, Georgian factory cheese and Chechili) in Akhaltsikhe Agricultural Market (300-350 kg per week each) and sell to male cheese trader/ intermediaries who take cheese to Tbilisi (on average 1,5-2 tons per week each) and sell to shops, agricultural markets and Khachapuri bakeries (50% shops, 50% agricultural markets and Khachapuri bakeries)
- Up to 10 male cheese intermediaries visit different milk processing factories located in Akhalkalaki and Ninotsminda municipalities two times a week during summer and autumn and once per month during winter and spring. They own cheese transportation vehicles and deal with the same clients every year (each buys Georgian, Sulguni and Lori cheese about 500-600 kg/week in low milking season and 1-1,5 tons/week in high milking season). They sell cheese in agricultural markets and shops located in Tbilisi. Their main markets for cheese are branches of the"Vejini" and "GL supermarkets", Navtlukhi, Didube, Varketili and Rustavi agricultural markets. Some of them own cheese storage facilities (with 2-5 tons max capacity) in Tbilisi where they store cheese for a couple of days before it is delivered/sold to different markets.
- Up to 15 local male cheese trader/intermediaries in SJ region collect Imeruli, Sulguni and Chechili cheese on average 1, 5-2, 5 tons/week and sell in Batumi and Tbilisi Markets (June-September in Batumi when the tourist season in Ajara starts and when the shortest road to Batumi"Gederdzi Pass" is opened and October-January in Tbilisi). Cheese is mainly purchased direct from farmers in the villages of Akhaltsikhe, Adigeni and Aspindza municipalities and in the mountainous summer pastures of the region. Some of them have small storage facilities in Batumi (max capacity 5 tons) where the cheese is stored before it's sold, while others sell cheese direct to Batumi Agricultural markets.

MILK COLLECTION CENTRES (MCCS)

There are only 2 medium scale MCCs in the Javakheti Soplis Nobati & Sante each buys milk on average 3,5-4tons/day during season (spring-early summer). Milk quality doesn't fully satisfy food safety and hygiene requirements of the companies and the companies have to go through various technological procedures before it's processed. One of these companies "Soplis Nobati" is currently looking for options (to pilot) which will help the company to improve the quality of the milk at HH level.

Other small scale MCCs collect milk from farmers and supply it to the local cheese factories (each factory has 2-3 different milk collection centers as milk suppliers). In addition, the local farmers sell small amounts of milk door to door and/or in the local agricultural markets. Prices are highly seasonal for raw milk, from lows of 60-65 tetri/l litter in the summer to up to 1.00 GEL/liter in winter. Prices also vary according to the buyer and the location (e.g. majority of the Javakheti based cheese factories pay fixed price for milk 0.70 GEL/liter during the whole year).

Table 10 MCC's in the SJ Programme Area

	Akhaltsikhe	Adigeni	Aspindza	Akhalkalaki	Ninotsminda
Number of MCCs	4	2	3	5	13
Max Capacity l/d	6000	3000	4000	8500	12700
Current Utilization l/d	3000	1500	1700	5000	10200
% utilization	50	50	42	58	80
Number of Suppliers	150	80	100	250	435

SMALL-MEDIUM CHEESE FACTORIES

There about 54 cheese factories in SJ, 37 small-medium scale cheese processors [7] (more than 1t/day), and a further 17 processing less than 1t/day. They range from a small group of large farmers processing the milk from their own farms to medium-size factories with several employees processing milk collected either directly from farmers or supplied by MCCs. The main products manufactured are Georgian Factory Cheese, Sulguni (of which some is smoked) and Imeruli cheeses. Sulguni commands a higher price as it has higher production costs (boiling of the milk). The majority of these factories are not compliant to Food safety and Hygiene requirements. Only one of the cheese processors in the region “GBZ” has got a HASSAP Certification. 17 of these processors have upgraded their facilities in terms of food safety and hygiene at some point with the help of INGOs[8] (capacity building, renovation, transport, equipment) but do not fully comply with the standard requirements at this stage and the rest still need renovation/transport/equipment + capacity building on FS and H issues.

Table 11 Number of Cheese Producing Centres

	Akhaltsikhe	Adigeni	Aspindza	Akhalakalaki	Ninotsminda
Number of CPCs	5	2	6	17	24
Max Capacity l/d	26000	3500	20600	38000	55000
Current Utilization l/d	5000	1600	5500	25200	40000
% utilization	19	45	27	66	72
Number of suppliers	325	130	390	1105	1320

Table 12 Price per kg of Cheese

	Bought Direct from Producer	Bought from Wholesaler in Local Market
Imeruli	3.5/4 GEL/kg	4.5/5.5 GEL/kg
Sulguni	7/7.5 GEL/kg	8.5/9 GEL/kg[9]
Georgin Factory Cheese	7/9 GEL/kg	10/12 GEL/kg

LARGE DAIRY PROCESSORS

The three big dairy producers: Sante the largest, EcoFood, and Wimm-Bill-Dann (Soplis Nobati) make a range of branded fresh milk, yoghurt, sour cream and cottage cheese and Sulguni, but not Imeruli at present. Their products are made from either fresh liquid milk or imported powdered milk which is reconstituted. Their liquid milk products are either fresh pasteurized milk or Ultra Heat Treated (UHT). 2011 saw the emergence of the pasteurized variety onto the Georgian market, led initially by WBD with the others quickly following. This was driven by the emergence of new legislation that obliges manufacturers to disclose the ingredients of a food: powdered milk or natural milk. In 2011 EcoFood and Sante expanded their production of branded cheese products through the construction of new modern factories in Tbilisi which have required raw and not powdered milk. This expansion has not impacted the target group substantially as expected, as the products have not been able to compete with consumer demand and preference for homemade cheese. There is also some indication that powdered milk is once again being utilized for milk production with raw milk used for making cheese. The large players do not usually collect the entirety of milk available except for a period in spring and early summer after which excesses are sold to other milk collectors based on costs versus sales. Thus SSLP’s are not able to rely solely on supply to these entities for their livelihoods.

PRODUCT DIFFERENTIATION

Production differentiation is limited to one of the longest term producers of the sheep cheese.

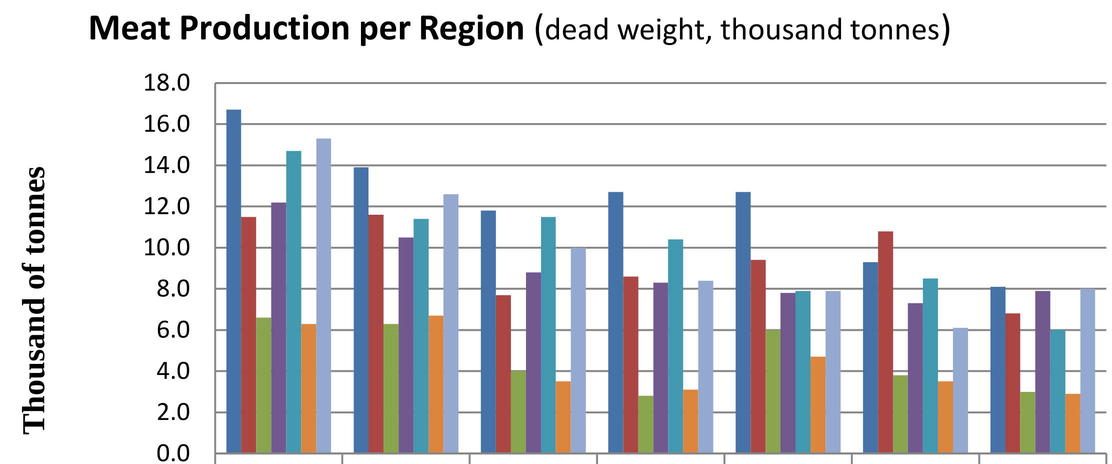
[7] I.E Rafael Karoyan 2,5t (peak) (current programme client), Akhalkalaki I.E Tsolak Grigoryan 3t, Ninotsminda Ltd Tsipora Samtskhe 2t, Akhaltsikhe

[8] The majority by Alliances but also by CARE and others.

[9] Prices for April, 2014

- One of the milk processing factories collects sheep's milk as well as cow's milk from farmers in the villages of Akhalkalaki for cheese. Currently he collects 150-200l sheep's milk/day and makes 15-20kgs of cheese/day (approximately 1,5tons of cheese/year). He sells cheese to aTbilisi based cheese intermediary who comes to Akhalkalaki every week and buys cheese from various milk processing factories located in Akhalkalaki and Ninotsminda municipalities for sale in shops, kiosks and agricultural markets in Tbilisi and Rustavi.

MEAT



	2006	2007	2008	2009	2010	2011	2012
Imereti	16.7	13.9	11.8	12.7	12.7	9.3	8.1
Samegrelo & SvaneTi	11.5	11.6	7.7	8.6	9.4	10.8	6.8
Sida KarTli	6.6	6.3	4.0	2.8	6.0	3.8	3.0
KakheTi	12.2	10.5	8.8	8.3	7.8	7.3	7.9
Kvemo KarTli	14.7	11.4	11.5	10.4	7.9	8.5	6.0
Samcxe-Javakheti	6.3	6.7	3.5	3.1	4.7	3.5	2.9
other region	15.3	12.6	10.0	8.4	7.9	6.1	8.0

Figure 2 Meat Production per Region

SUMMARY

Samtskhe-Javakheti is the sixth largest producer of meat in Georgia at around 2,900 tons (dead weight) per year (down from 6,300 in 2006)[10], and sixth largest producer of beef at 1, 400 tonnes (down from 3,024 in 2006). There is a considerable difference in Samtskhe (Akhaltsikhe, Adigeni and Aspindza municipalities) and Javakheti (Akhalkalaki and Ninotsminda municipalities) parts of the SJ region. Javakheti area better meat production potential with high access to the quality pastures and larger numbers of livestock. There are at present around 41 licensed abattoirs operational in Georgia. 7 or 8 more slaughterhouses were developed since 2010, driven by regulation that will ensure that livestock will increasingly go through official channels, which should provide a relatively safe platform for the large investment required to open and operate these facilities and also a demand on beef in region. However the patchy outreach of the NFA which has allowed the continued unregulated operation of small scale butchers and meat shop owners to continue back yard slaughter on one hand and sometimes unfair and monopolistic business practices of the larger and well-connected slaughterhouses means that risk in the sector is high. In the expanded programme area, the sector is still highly dominated by a large number of livestock traders/intermediaries buying from the villages and/or in the regional market ("Akhaltsikhe Livestock market") and selling to other regional markets and to other traders. Turkish livestock traders also buy breeding cattle direct from farmers especially

[10] Data for 2012, provided by Statistics Department of Georgia http://www.geostat.ge/index.php?action=page&p_id=428&lang=eng

in the villages of Ninotsminda and Akhalkalaki (where larger number of better quality livestock is allocated dues to the better access to the pastures and the Soviet era breeding undertaken in the region) and send for export. The price for beef is 10-13 Gel/kg depending on the cut of meat. 10-15% more to whatever the market price of the live weight is.

The only animal by product which is collected and processed by the rendering industry in the whole of Georgia is the leather. The prices vary from 0, 50-1, 50 GEL/kg depending on the quality of the leather. Two of the leading rendering companies located in Tbilisi and Rustavi buy leather in different regions of Georgia and import it from Armenia as well because the domestic production does not fully satisfy demand. They process on average 3 tons/day. 80% of the product is exported to Turkey and 20% to Italy. There are local leather traders/intermediaries in SJ region who collect and sell leather to the leather processing factories. The factories buy leather from regional slaughterhouses as well. However many farmers in SJ region still throw the leather away after slaughtering the cattle or use leather for feeding dogs.

THE MEAT MARKET SYSTEM IN THE PROGRAMME AREA

There are four licensed slaughterhouses in SJ. Only one is currently operational *Meskheti Products Ltd* (Alliances SJ program client) which utilizes only 10-36% of its capacity,[11] local farmers sell their livestock to the slaughterhouse and meat sellers to access the slaughtering services. The other three have never been functional. There is one licensed slaughterhouse in Akhaltsikhe municipality (not operational at present), one in Aspindza and 2 (neither operational) in Akhalkalaki. Slaughterhouses basically provide slaughtering services at 30-50GEL/cow. Farmers as well as local butchers can theoretically access to slaughtering services in the *Meskheti products Slaughterhouse* which is the only operational slaughterhouse in the region, but due to the long distance and high transaction costs local farmers and meat shop owners do not use the service. A slaughtering service is also available in Akhaltsikhe Agricultural Market, though the slaughtering facility is in a very poor condition and has almost never been used by the local butchers and meat shop owners. Most of the meat sellers do back yard slaughtering in their villages and by using small vans they transport meat to the meat shops located in the municipal centers. Each meat shop slaughters 1cow/day. There is no sheep abattoir in the region. Sheep come to Tetritskaro and Tsalka summer pastures from other regions such as Kakheti. Sheep are exported from the summer pastures where they are held in quarantine zones to Azerbaijan, Jordan, and Iran.

GENDER ROLES IN THE MEAT SECTOR

The Meat sector is in the male sphere: men visit Akhaltsikhe livestock market or contact buyer intermediaries in order to sell livestock more frequently than women. Traditionally, livestock selling has been a male dominated occupation in Georgia. Currently, very few women are involved in livestock sales. One of the key reasons why the women rarely access the market in its current form is infrastructure (e.g. no water, lavatories, etc.). Cattle transportation is another constraint for women to access the market as SSLPs mostly bring cattle on foot to the market. Last, the cultural norms of the rural population also restrict women's participation in these kind of activities. Income from the sale of livestock is controlled by men. Men sell livestock from their houses, however if they are not at home, women are responsible for arranging a sale. The sales price of livestock is determined by both, women and men. All meat shops and slaughterhouses are owned by men. Men are employed in the slaughterhouses, the only role women have is to clean meat shops and slaughterhouses.

SMALL MEAT SHOPS

There are about 18 small meat shops in Akhaltsikhe, 2 in Adigeni (working temporarily), 2 in Aspindza, 8 in Akhalkalaki and 5 in Ninotsminda. Each slaughters and sells 1cow/day at about 10-13 GEL/kg depending on the cut of the meat. Javakheti based meat shops buy cattle direct from SSLPs in the villages (as there is no livestock Market in Ninotsminda and Akhalkalaki municipalities), while Samtskhe based ones buy cattle from SSLPs as well as in the Akhaltsikhe livestock market. All of

[11] They only work with contracts and so slaughter to order and the slaughter service is barely used.

them do the back yard slaughtering in their villages except for the 2 Aspindza based meat shops which slaughter cattle at *Meskheti Products* Slaughterhouse located which located locally does not significantly increase transport costs.

SLAUGHTERHOUSES

Table 13 Slaughterhouses in the Programme Area

	Akhaltsikhe	Adigeni	Aspindza	Akhalkalaki	Ninotsminda
Number of slaughterhouses	1	0	1	2	0
Max Capacity cows/day	200	0	75	100	0
Current Utilization cows/day	0	0	8	0	0
% utilization	0	0	10	0	0
Number of suppliers[1]	0	0	400	0	0

AKHALTSIKHE LIVESTOCK MARKET

Akhaltsikhe Livestock Market is the second biggest livestock market in Georgia[12] with on average 650 (best estimate of animals sold inside and not outside the premises) heads of livestock passing through each weekend although at certain times of the year e.g. in spring and autumn the numbers can rise sharply for bulls or lambs. It works on a Saturday and is very busy. Milking cows, bulls, calves, swine, sheep, horses, goats are sold, from the region and further afield. There are official figures from the market but a lot more animals are sold on each market day than are registered as the farmers pay registration fee after selling their animals and some of them leave the market territory without registering at all.

Table 14 Number of Livestock in Akhaltsikhe Livestock Market

Number of Livestock bringing by farmers/intermediaries for sale/weekend (on average)					
Buffalos	**Cows**	**Bulls**	**Sheep**	**Goats**	**Pigs**
10	250	120	100	10	160
Total: **650**					

Sellers:

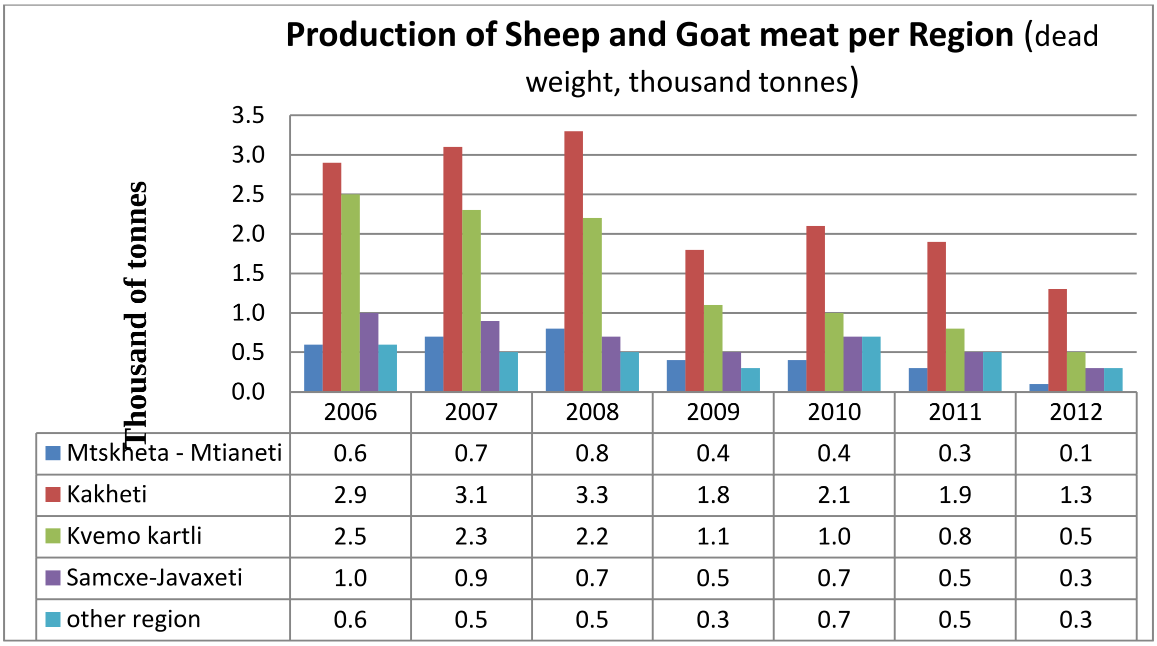
- Local farmer's sell their own cattle inside the territory of market, and sometimes outside the market. Mostly livestock is sold in autumn as farmers lack financial resources to feed cattle during the strict and long winter.
- The majority of producers (farmers) sell only a few animals very infrequently and they are sometimes unaware of the market prices and have disadvantaged transactions. They may be forced to sell livestock when animals are young and of lower value, or having made a day trek to the market sell for a lower price as they do not want to make the return journey.
- Intermediaries sell cattle inside and outside the market.
- Intermediaries come from other regions of Georgia and sell Bulls, Calves, Milking cows.
- During the time when the sheep come from the summer pastures back to villages the shepherds sell sheep in the livestock market territory or outside the market.

[12] Marneuli Livestock Market is the biggest in Georgia has more than 1270 head.

Buyers:

- There are approximately 40 livestock buyers in the Akhaltsikhe Livestock Market. Some of them are locals, others come from different regions of Georgia and the others are Turkish, Armenian and Azerbaijanian livestock buyers.
- A typical market day for a livestock buyer starts early on the Friday evening 4-5 PM so that they have time to assess the quality of the stock before the trade begins.
- Livestock buyers work to get the best quality stock at the most competitive price. Some Georgian buyers buy cattle in Akhaltsikhe Livestock Market at lower price; take the cattle to the Marneuli, Mtskheta, Mukhrani and Bodbe markets where they sell them at higher price. Others buy calves, and grow them then sell to get more profit.
- There is a high demand for cattle from foreign buyers (mainly from Turkey and Azerbaijan) who buy and sell cattle across the border. Intermediaries involved in export of bulls and male calves to Azerbaijan and Turkey come direct to the village**s** of Akhalkalaki and Ninotsminda municipalities and visit Akhaltsikhe Livestock Market as well with buyers and select cattle for export.
- Intermediaries come from other regions of Georgia for bulls (for fattening/slaughtering), calves (for fattening), and milking cows.
- Local farmers buy milking cows and bulls (fattening, also for wedding, funeral)
- Local meat shop owners: buy cows, bulls for slaughtering and selling in their own meat shops based in all the municipalities of SJ region.
- Local intermediaries: buy cows, bulls, and sheep fattening them and selling them from houses or at livestock market.

SHEEP



	2006	2007	2008	2009	2010	2011	2012
Mtskheta - Mtianeti	0.6	0.7	0.8	0.4	0.4	0.3	0.1
Kakheti	2.9	3.1	3.3	1.8	2.1	1.9	1.3
Kvemo kartli	2.5	2.3	2.2	1.1	1.0	0.8	0.5
Samcxe-Javaxeti	1.0	0.9	0.7	0.5	0.7	0.5	0.3
other region	0.6	0.5	0.5	0.3	0.7	0.5	0.3

Figure 3 Production of Sheep and Goats per Region

Based on an interview with the Head of Shepherds Association, Beka Gonashvili, export demand for sheep decreased in 2013 compared to previous years in relation to systemic constraints surrounding lack of government support to the industry and control of quarantine and disease.In 2012 according government statistics the total number Georgian sheep and goat population increased compared to 2010 and now it’s around 742,600 a trend mirrored in Samtskhe Javakheti. As Figure 3 shows below Samtskhe Javakheti is third to Kakheti and Kvemo Kartli.

Table 15 Number of Sheep and Goats in Georgia and Samtskhe-Javakheti 2012

2012	Countrywide	Samtskhe Javakheti
Sheep and Goat Population by Geostat	742,600	81,000
Sheep & Goat Population SJ MOA Info Centres		74,139

SUMMARY OF SHEEP HUSBANDRY

Sheep Flock SSLPs: In Samtskhe Javakheti SSLP's own from 0-50 sheep. Three or four flocks are usually united under one shepherd. Aspindza, Akhalkalaki and Ninotsminda summer pastures are used for pasture and 16gel /ha/month paid.

Market: Mutton (sheep) and lamb (from 10months to a year) are the main markets for meat and the most profitable. Sold in the Akhaltsikhe Livestock market as well as direct from the villages to sheep/livestock intermediaries/traders who come to the farm. Lamb is bought mainly by individuals coming to the farm at times when lamb is wanted to sacrifice for religious public holidays. Only a small amount of sheep milk is produced and used for making cheese or for sale by a small number of small & medium scale sheep farmers who don't move sheep flocks for grazing to remote areas during summer time. They produce and sell milk to local cheese factories which make sheep cheese. Cheese factories buy milk from farmers only in the lower areas and in the villages as remote areas and mountains are inaccessible for them due to the bad road conditions and inappropriate transport. However, during interviews the cheese factory owners mentioned the poor quality of the sheep milk due to the unhygienic hand milking. Large scale sheep farmers move the flock to the remote areas and to the mountains for summer grazing (for 3-5 months) when is a peak of the milk production. However, they don't produce sheep milk as milking the big size flock manually is labor intensive and costly (they have to hire milkmaids) and what is more important they don't have access to the market. Wool is stored but rarely sold due to the poor quality and low demand. Wool buyers are mainly local people from the village or from neighboring villages who buy wool for making mattresses and a few wool processing plants which also buy wool for making mattresses and blankets for sale. In SJ the market is described in more detail below:

Wool: Sheep are sheared in September and in May either before or after they come from the summer pasture. If sheared before the quality is better as they don't have plant burs in the wool. The sheep are also sheared after winter before going to the summer pasture but the quality of this wool is inferior presumably from feed and referred to as matted from close winter growth, lice and being housed indoors. 10 sheep can produce 15 kg of wool. Summer wool sells for 1.5 gel/kg and winter wool for 60/70 tetri /kg. Wool is stored on the farm and hand sheared.

Cheese: Sheep are milked by men and produce 0.2-0.3l/milk. Sheep are milked from May to September three months after feeding lambs. The only product made of sheep milk in SJ is cheese which sells from 10-15 gel/kg dependent on quality which is determined by the look , feel, color and taste.

Breeding: The breed is the *Tushur*i which throws one lamb and a local breed which throws two lambs. The local bred sheep are less productive in terms of weight gain compared to the Tushuri but more productive compared to the Imeruli. The wool is of a quality suitable to mattress making. Lambing takes place from January to March, rams are put to the sheep once they become dry from August. Lambs are left on ewes for two to 3 months then separated. Nearly all lambs are sold male and female and replacement of old sheep done only on a case by case basis i.e. when ewes and rams are old and sick. Good male lambs are selected to keep as breeding rams when they are seen to have sturdy haunches a bigger size and a short tail. Stocking is approximately one ram for twenty ewes.

Nutrition: The quality of the summer pasture is considered the most important factor for production. Sheep once brought down in September are grazed in a 5-10km radius from the farm. They are fed with barley and hay in winter.

Disease: Internal parasites (worms) are the main health problem, the sheep are wormed in the summer pastures.

WOOL

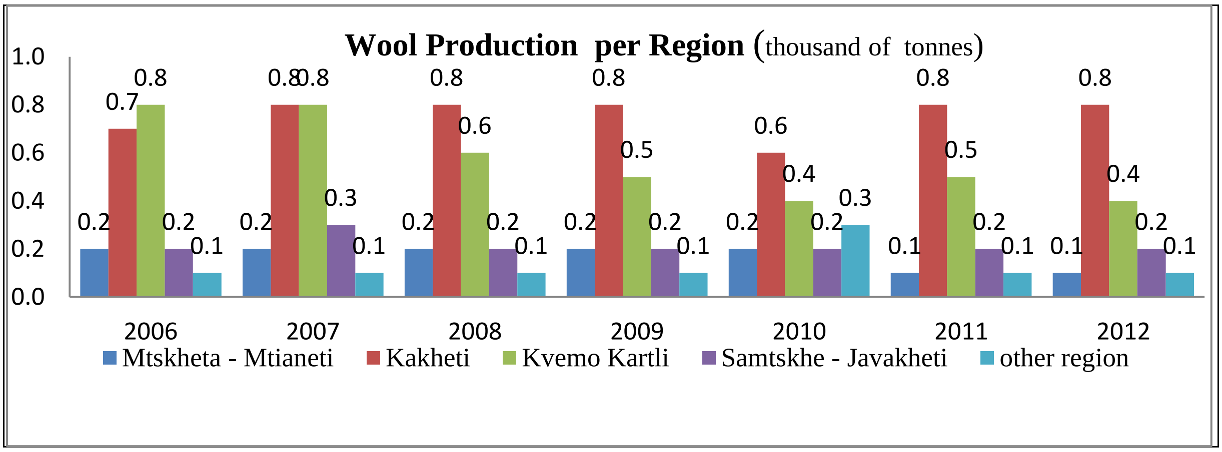


Figure4: Wool Production per Region

SUMMARY OF THE WOOL MARKET SYSTEM IN SJ REGION

EXTERNAL MARKET FOR WOOL (EXPORT)

Azeri Traders: Azeri traders have a seasonal demand for wool. They purchase wool in different regions of Georgia mainly in Kakheti and Kvemo Kartli and mainly through local intermediaries who collect wool for them. They don't have linkages or collect wool in Samtskhe Javakheti Region yet. Official statistics of the amount of exported wool to Azerbaijan do not exist. Azeri traders buy only washed wool and pay 3-5 Gel/Kg. In Azerbaijan it is used for thread, for sewing blankets and for weaving carpets. This year traders have taken wool illegally with the help of bus drivers. Legal traders did not buy wool this year due to the increased price of customs clearance.

Zauri Ltd: An Alliances KK supported client developed a network of intermediaries for the collection of greasy wool in Kvemo Kartli and Kakheti which he then baled and exported to Turkey. Finances have temporarily halted operations.

Exports: The Georgian Shepherds Association established in 2010 tries to promote the wool market in various countries for the export of Georgian wool. In 2011 on one of the website www.woolnews.net published an article concerning Georgian Sheep Wool. In 2012 in the Chinese and English magazines of the same website published an article concerning Georgian Wool and requests for samples and sample were received from China, India, Turkey and other countries. These countries are interested in the export of greasy wool for mass production and offer low prices for bulked product which presently given the inefficiencies, thin market and subsequent high transaction costs means that present there is no coherent means of furnishing this supply. At wholesale level the quality for Georgian wool is low: due to coarse fiber diameter (for clothes, however it is suitable for carpets), extremely high levels of dirt and vegetation in the fleece, due to sheep being hogtied and shorn in the mud, fleeces not classed and fleece components not sorted. Shearers do not work with mechanical clippers on clean shearing platforms and do not class and sort the wool.

WASHED WOOL

Georgian and Armenian families have a tradition of giving wool mattresses as a gift to their daughters when they are getting married. The internal market has a higher demand for washed wool rather than greasy wool. From a gender perspective the washed wool value chain is highly relevant as the control of the income remains with women as well as the responsibility for processing it. The sale of washed wool is also more profitable for farmers as the price is higher. The peak season of selling wool is from May to September and wedding period in autumn.

Washing and processing wool: A key constraint however is the difficulty of washing the wool itself. Municipal centers and some villages are supplied with running water via the central water distribution system while other villages do not have running water and rural people have to bring water from the running water taps in the village districts. Wool is washed, dried and carded in their yard. Washing and drying wool depends on weather, they can do it from May until September.

Wool Processing Plant (Akhaltsikhe): 1 wool processing factory which is run by a woman (operating since 2010) is located in Akhaltsikhe municipality. The factory buys greasy wool (1, 5 GEL/kg) and processes it for making mattresses and blankets. It buys about 2 tons/year unwashed greasy wool mainly directly from medium and large scale sheep farmers in Akhaltsikhe and Adigeni municipalities and only small quantity 200-400kg/year from small farmers in Akhaltsikhe Agricultural Market where the wool sales are ad hoc. The factory washes, turns and dries wool to make mattresses and blankets and sells them locally. The factory also receives orders from farmers to wash the used/second hand wool to renew mattresses and blankets. The capacity of the factory is limited to max 2-2, 5 tons/season (May-October) due to the small size of the processing facility and the lack of processing (washing, turning and drying) equipment. The factory has 4 women employees who wash/shake up/dry wool and make matrasses by hand. The factory doesn't operate in late autumn and winter due to the cold and strict weather conditions and the lack of the wool processing equipment.

Market and Sale: Akhaltsikhe agricultural market is an important place for women to sell unwashed greasy wool, though only small quantities of wool is sold on the market and the wool sales are ad hoc in nature. Wool is mainly sold in May after the sheep are sheared or in September when the sheep are sheared again and taken back from the summer pastures. On Sundays, about 2-3 small scale female sheep farmers sell their own unwashed greasy wool 30-50kg/week in Akhaltsikhe agricultural market. Summer wool sells for 1.5 gel/kg and winter wool for 60/70 tetri /kg. Nobody sells washed and carded wool in the market. Buyers are mainly local people who buy wool for making mattresses and blankets and a small scale wool processing plant located in Akhaltsikhe. Sometimes women sell wool to their neighbors and to other villagers nearby. Wool intermediaries from other regions don't come to SJ to buy wool.

Wool processing factory: The biggest wool processing factory is in Kakheti region. He buys 30 tonnes greasy wool/season from farmers and pays 1 Gel/kg. The wool is washed and dyed and sold in 5-6 shops, school/academies and knitted product workshops. It also has the orders to produce the thick thread, which is used for knitting rugs.

WOMEN'S ROLE IN THE WOOL SECTOR

Women's participation in a wool value chain at the current HH level is high. Men shear sheep. All other activities concerning wool processing are controlled by women: sorting, washing, storage related issues and sale and they maintain control of the income derived from it.

FOOD SAFETY AND HYGIENE IN THE CORE MARKETS

Food Safety and Hygiene remains the most important driver and area of the most fundamental constraints to the core market.

These *constraints* include:

- Weak and patchy outreach in the meat and dairy value chains mean that a large proportion of meat and dairy products sold are incompliant and potentially unsafe.
- Un-systemic outreach results in a weak driver for enterprises to invest in business related consultancy and a weakness in provision as consultancy firms see that there is no market
- Information provision is weak and insufficient from government and the private sector and enterprises are not aware of what type of information they need or where to get it
- Small producers and unregulated producers who do not have to invest in Food Safety and Hygiene equipment or upgrade to comply undermine enterprises seeking to invest and grow such as compliant slaughterhouses or dairy factories
- Small producers in the event of FS&H enforcement and improving awareness driven by government as well as consumer drivers risk being suddenly excluded from the market.
- Animal disease means that the environment surrounding livestock production is highly risky with zoonoses such as anthrax and brucellosis endemic.
- Weak quarantine and government control over animal disease means difficulty for those seeking to invest in livestock particularly noticeable in sectors such as export.
- Lack of transparent rules or structured information provision surrounding certification and the means to certify means that in country sales and export are restricted.

In terms of a driver:

- On the consumer side the expansion in supermarkets has led to an awareness of and change in demand for ‘quality’ i.e. clean and safe products. Media attention has grown with TV programmes highlighting ‘bad’ food which they test, taken from supermarket shelves
- In SJ increased NFA scheduled and unscheduled inspections incite businesses to pay more attention to Food Safety and Hygiene standards.
- A new EU programme with the Eurasia Foundation is seeing the role and strength of consumer lobby groups growing, recent reaction of these groups to the attempts of a minister to rescind the law banning backyard slaughtering showed the growth of capacity in this sector
- Fear of negative consequences due to increasing awareness of the Food Safety and Hygiene issue should lead to greater uptake of consultation services and investment where those services are made available

CONSUMERS/ KEY TRENDS IN DEMAND

SUPERMARKETS

There are several small/medium scale supermarkets in the Alliances SJ programme area and a smaller branch of mainstream supermarket such as Smart is opening smaller branches in the regional towns. They potentially provide a key driver for producers to upgrade their production and become food safety and hygiene and compliant as people buying from these markets expect ‘quality’ which primarily means clean, safe products. The table below illustrates the level to which more formalized retail outlets attempt to control their FS&H standards.

Table 16 Overview of the Supermarkets Supplied by Alliances SJ Program Area Clients

	Official information			*Feedback from clients*	
Names of Supermarkets	**Attitude towards suppliers** (main requirements on FS+H)	**Inspection and checks**	**Attitude towards suppliers** (main requirements on FS+H)	**Terms of Payment**	**Inspection and checks**
Goodwill & “Marshe” 6 supermarkets	“Goodwill” and “Marshe” examine the unpackaged products in the internal laboratory (fat, safety, etc.). Visual inspection of the cheese is held time to time. Officially company prefers to receive the cheese produced in good conditions. However n some cases the quality of such cheese may not be high.	Inspection of the slaughterhouses and cheese producing companies on site	Product's microbiological analysis in laboratory (only once) *(client: "Meskheti Products"- Slaughterhouse)*	Once a month	Inspection of the "Meskheti Products" slaughterhouse on site
Smart (10 - 1 in Marneuli)	“Smart” has internal document according to which the delivered products are checked in terms of Food Safety. Visual inspection of the cheese is held from time to time	Inspection of the slaughterhouses and cheese producing companies on site	Product's microbiological analysis from laboratory (only once) *(client: I.E Jaba Macharashvili-Vardzia"; "Meskheti Products"-Slaughterhouse)*	Once a month	Inspection of the cheese producing company and slaughterhouse on site
Carrefour (2 in Tbilisi)	Product's microbiological analysis from laboratory every 6 months . Examination of cheese and other products randomly time to time Cheese should be vacuum packed.	Prefer Inspection of the slaughterhouses on site	No microbiological analysis from laboratory no site visit(*clients: Association "Mzianeti", "Meskheti Products"-Slaughterhouse)*	Twice a month	Not yet
Vejini (7 - 3 in Tbilisi, 4 in Rustavi)	Product's microbiological analysis from laboratory. Certificate of compliance on food safety and hygiene issued by NFA	only "Sante" company was inspected on site	certificate of compliance on food safety and hygiene issued by NFA not required as the cheese is supplied through the the cheese trader/intermediary to "Vejini" supermarket*(clients: I.E Rafael karoyan, I.E Misak Muradyan, I.E Hakob Hambaryan, Cooperative "Mziuri Javakheti, "I.E Vanik Khazaryan, I.E Tsolak Grigoryan; Potential client: I.E Simion Darbinyan)*	"Vejini" chain has 4 markets in Rustavi, one of them pays rapidly and other payment depends on the amount of sold cheese.	Not yet

"Machakhela 13 Restaurant	Mainly cheese is used for making "Khachapuri" and it shouldn't be too salty, and fat must be between 2.5-4%.	N/A	Cheese must be soft, not too salty, and clean (visual site) *(Client: ltd "Akhaltsikhe Agro")*	Payment is satisfying. Every day, except Thursday. Mostly it depends on personal negotiation	Not yet

FOOD SAFETY AND HYGIENE RELATED TO RULES

FOOD SAFETY AND HYGIENE CODEX

The Food Safety and Hygiene Codex is presently considered to be in its final form although future changes are not ruled out.

EUROPEAN ASSOCIATION AGREEMENT

On 27th of June, 2014 in Brussels the EU Association Agreement[13] was signed which allows compliant enterprises meting stringent EU Food Safety and Hygiene standards (HACCP as a minimum) to export to the EU according to the special conditions of the agreement. It also allows EU enterprises easier access to the Georgian market. Georgian companies who already export to the European Union will benefit right from the start. Companies will also benefit immediately from simpler conditions for establishing their businesses in the European Union and in Georgia. But in order to penetrate foreign markets Georgian companies must gradually approximate their economic, financial regulations and food safety standards to those of the EU. In April important amendments were made in the Food Safety Code however about 90 normative acts have to be adopted in the Codex to facilitate the harmonization of Georgian legislation to that of the EU. A seven-year plan for this harmonization was drawn out by the Ministry of Agriculture of Georgia.

NATIONAL FOOD AGENCY (NFA)

PROGRESS ON THE ENFORCEMENT OF THE FOOD SAFETY AND HYGIENE LAW

Slaughterhouses

From the beginning of 2012 the National Food Agency started to enforce the food safety and hygiene regulations and did inspections of slaughterhouses and meat shops that led to regulate the meat sector and slaughtering of cattle in the slaughterhouses. However, after elections in October 2012 enforcement waned allowing the restarting backyard slaughtering and decreasing of the profitability of compliant slaughterhouses who lost their trade. Based on the Government Decree adopted on June, 05, 2014 the veterinarians of the National Food Agency attached to slaughterhouses will be equipped with special video cameras. With the purpose to tighten control and surveillance over meat and meat products each case of animal slaughter starting from June, 15 has to be recorded/filmed which on the one hand will make vets' work more transparent and on the other hand will minimize the risk of suspicious and untested meat access to the market.

Food Retail Outlets

In 2013 the NFA started scheduled and unscheduled inspections of food outlets in Georgia including food/products markets, enterprises and agricultural markets have been inspected, totally 673 scheduled inspections (10 meat processing factories, 68 meat and meat product shops, 24 milk processing factories, 23 agricultural markets, etc.) and 232 unscheduled inspections during 2013 (9 slaughterhouses, 4 milk processing factories, 16 meat and meat product shops, 11 agricultural markets, 6 meat semi-product processing factories, etc.) and 1120 re-inspections (39 meat processing factories, 67 meat and meat product shops, slaughterhouses 104, 46 milk processing factories, etc.) Expired products were found and destroyed. Fines have been levied on business operator of 400-1000 GEL. 57 different business operators in Samtskhe Javakheti were inspected in 2013, out of which fines have been levied on to 6 business operators, (three for not being registered and the other three

[13] Association Agreements are international agreements that the European Community / European Union has concluded with third countries with the aim of setting up an all-embracing framework to conduct bilateral relations. These agreements normally provide for the progressive liberalisation of trade.

selling meat without having vet Form#2) The Agency has called for consumers to be more attentive with regard to sell by dates and storage conditions when buying food at market. The Regional Service of NFA does not currently have the right to carry out inspections, however where violations of food safety and hygiene rules are reported, the NFA issues a decree and a representative of the Regional Service carries out an inspection.

NEW REQUIREMENTS UNDER THE PRESENT CODE

HACCP and Traceability: The NFA is starting to control food shops and catering facilities as part of its new plans to control milk processors, milk collection centers and slaughterhouses according to HACCP requirements and traceability. Food Safety is currently undermined by a lack of enforcement throughout the value chain. A key constraint is the weak relationship between food producing enterprises and supermarkets. Often suppliers of supermarkets do not meet basic food safety and hygiene requirements and most of the supermarkets, agrarian markets and retailers do not have in place procedures which result in compliant and checked products being stocked in their shops. What procedures are currently in place can be seen in Table 16. Supermarkets, mini markets and agrarian markets could play a much greater role in ensuring food safety in the market system.

Bio Production: On 8th of August, 2013 the government of Georgia adopted a resolution concerning “Bio Production” developed by the Ministry of Agriculture of Georgia. The resolution will enter into force on 1st of August of January, 2014 instead of 1st of January 2014 Use of “Organic”, “Eco”, “Bio” and similar terms in advertisements or including them in texts that describe a non-certified product will become limited. Bio Production certificates are issued by “Caucas Cert” LTD and gives more opportunities to export their products in EU countries.

PUBLIC AWARENESS AND THE MEDIA

The Agricultural TV Programme ‘Chveni Ferma’ (Our Farm) has been broadcasting weekly since May, 2010 on the Georgian Public Broadcaster and covers whole Georgia. From August 2013 ‘Chveni Ferma’) has included a 5 minute FS&H slot providing information and a lesson showing smart/simple, approximately 3 minutes lessons to get clean milk and safety dairy production from the food processing enterprises. The programme will help enterprises and farmers to comply with FS& H rules to avoid fines and potential closure by the NFA, as well as to increase farmer’s awareness on hygiene rules to get cleaner milk.

In 2013 TV channel “TV3” was launched broadcasting in Tbilisi and its surroundings. In its programme “Test Purchases” the TV3 channel asks consumers to select and buy products/food from the market and then tests them showing when they are unsafe. Each episode is dedicated to a new product.

In 2012 local TV channel “Imperia” developed and launched weekly broadcasting of an agricultural program “Farmer’s Hour” since September, 2011 in Akhaltsikhe, Adigeni and Aspinda municipalities of the Samtskhe Javakheti region. Agricultural specialists and experts are invited to participate in the program. They answer the questions of farmers on various agricultural matters which include matters related to FS&H. Two other local TV stations “Evrika Plus, ATV 12” in Akhalkalaki and “Parvana TV” in Ninotsminda municipalities replicated the programme in Armenian.

SUPPORTING FUNCTIONS

VETERINARY SERVICES

The veterinary pharmacy situation in SJ has markedly improved since 2011 with the entry of *Roki Ltd* a national veterinary input supplier into the market. [14]There are approximately 16 (possibly more informal) veterinary pharmacies operating in SJ. There are thirteen mainly situated in municipal centres supported by *Roki*. Most of these offer embedded advice, a full range of properly stored drugs, data management, training hotline and SMS's to farmers and vets etc. In non-supported pharmacies or less active ones a limited range of drugs is stocked and the pharmacies lack appropriate storage facilities that are essential for the safe storage of vet drugs and their staff lack of the knowledge in new technologies, treatment methods and drugs. There is limited ability to diagnose illness or disease or subsequently to accurately prescribe appropriate treatment. Traditional remedies (home made treatment methods) for the healing of livestock are popular. Farmers purchase drugs according to their own consideration, in some cases based on the sellers' advice and in rare cases according to the veterinarian prescription. Data management systems or follow up is absent. Vet pharmacies located in the centers of municipalities have annual turnover about 16,750 GEL, village based vet pharmacies have 6,000 Gel. Turnover and types of medicines sold are seasonal and more is sold on weekends when farmers come to the agricultural market.

There are three main input suppliers whose products are stoked by the local vet-pharmacies:

Roki Ltd: Most of vet pharmacies noted below have been supplied with vet drugs once a week since the company entered Samtskhe Javakheti.
Invet Ltd: They have distribution service in Akhaltsikhe, Adigeni, Akhalkalaki and Ninotsminda municipalities. They are supplying vet drugs to the pharmacies once a month.
Super vet Ltd: They have distribution service in Akhaltsikhe, Adigeni and Aspindza municipalities.The supply drugs once a week.

Table 17 Veterinary Pharmacies in the Alliances-SJ Programme Area

Muncipality	Number of Vet Points
Akhaltsikhe:	6 in municipal center , none village based
Adigeni:	1 in municipal center 1 village-based.
Aspindza:	2 in the municipal center
Akhalkalaki:	3 in the municipal center 1 village based
Ninotsminda:	2 in the municipal center

THE NFA AND VETERINARY OUTREACH

The National Food Agency is responsible for veterinary controls over disease and export and has municipal representatives in all three municipalities. In general their outreach is low and limited to conducting a limited number of vaccinations. Vaccinations for Anthrax in 2012/13 numbered 3,365 (Akhaltsikhe), 3,248(Aspindza), 16,779 (Akhalkalaki), 5,353 (Ninotsminda). Vaccinations for foot and mouth disease in 2012/13 numbered 77,548. In the case of the export of meat and wool abroad the municipal NFA representatives issue special certificates on inspection however there is a considerable black market cross border trade which is unregulated. Disease control is confounded by the presence of transit routes for tens of thousands of sheep and cattle coming to summer pasture from Kakheti, with an estimated 500,000 head of sheep and cattle coming to the

[14] Facilited by Alliances

summer pasture in the region each year. The NFA representatives have salaries of 800-1000 Gel/month and mostly they provide private consultation, in general for local slaughterhouses, they are also paid extra in when conducting vaccination.

LABORATORIES

In whole Georgia there are 3 laboratories run by the MOA : Tbilisi, Kutaisi and Akhaltsikhe and 8 field stations based in Gurjaani, Dusheti, Marneuli, Gori, Zugdidi, Ozurgeti, Ambrolauri and Batumi. The general functions of these laboratories are: getting samples for tests, registration, laboratory tests, and sending emergency cases to the zone-diagnostic laboratory. The field station based in Akhaltsikhe serves the whole Samtskhe Javakheti region. Brucellosis (milk or blood samples), or Anthrax (Cattle/sheep skin) are carried out. Samples received in Laboratory for other diseases are sent to the Tbilisi laboratory for tests. Sometimes local farmers take milk and blood samples to the laboratory to test for diseases. Skins are tested for export. Sheep for export are kept for 21 days in quarantine zone (this zone is fenced) and blood tested for Brucellosis. Prices are one test of blood – 5 GEL, one test of milk – 3 GEL, test of skin – 50 tetri/1 piece. If the results are negative, the answer is given in 2 hours, in case of positive results – 2 days. Where the test is positive the laboratory is responsible to inform corresponding services which in this case means NFA representatives in the region.

WOMENS ROLE RELATED TO VETERINARY TREATMENT AND SERVICES

Women are often the first to note the incidence of disease and can detail the symptoms and request drugs for treatment. Men make decision on further veterinary service: vaccine and medical treatment. Both men and women visit vet points when the services are easily accessible to the village. However, men are more mobile that women. Traditional methods for treatment of livestock are also used more by women. The owners of vet pharmacies are vets who mostly are male, thus often pharmacists are women, who sell vet drugs, give information, recommendations and advices to farmers.

BREEDING

Farmers in Samtskhe Javakheti mostly own Caucus Mountain cattle which is a fairly amorphous breed and may incorporate other regional breeds such as the Ajaran Mountain. These are general purpose breeds and bred for survival, hardiness, and ability to walk long distances in search of forage. It is estimated that 50% are Caucus Brown (Caucus Mountain X Brown Swiss). The majority of sheep are the local breed which is much more prolific, lambing 2 times annually with twins and Tushuri breed from Tusheti in North-Eastern Georgia which is a fat-rump variety producing lambing at around 100% (1 lamb annually). Ewes run with rams in the flock and at present there is no sheep AI in Georgia, although there is an Australian entrepreneur who is qualified and considering improving the Tushuri breed with Merino for better wool quality and carcass composition.

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BREEDING SERVICES IN THE PROGRAMME AREA

The vast majority of farmers use natural service, running their cattle with the herd and local bulls in summer or taking their cattle to bulls owned by their neighbors or occasionally taking them to other villages if there is a particularly good bull. Artificial insemination is rare.

Artificial Insemination

There is only one acting AI practitioner in Adigeni municipality who did 30 services last year. He does not have data recorded and he does not check results. He charges 25 Gel/insemination. There are 19 other AI practitioners in the program area: 11 in Samtskhe (Akhaltsikhe, Adigeni and Aspindza municipalities) and 8 in Javakheti (Akhalkalaki and Ninotsminda) but currently none are operational. They lack capacity and have low incentives to offer AI services to farmers due to the various constraints which they face. More specifically, limited access and high price of AI materials and equipment locally, high transportation costs to regularly buy materials in Tbilisi and poor nitrogen supply locally resulting in the spoilage of the semen add to the AI practitioners' low success rates which further damage the credibility of AI with local farmers. All of the practitioners noted that if the price of semen were cheaper they would have more financial incentives to do AI as they would be able to repeat failed inseminations gaining farmers trust and improving demand.

WOMENS ROLE RELATED TO BREEDING

Both, women and men have access to bull rental and AI services, however breeding services area the moment seen predominantly as an activity in the male sphere as men take cow for insemination and communicate with AI practitioners, vets and bull service providers, as almost all of them are male and are mostly located outside of the village. However, women are closely involved in breeding on the level of usually being the first to know if the cow is on heat and in addition women farmers are clear in prioritizing female new borns to increase milk yield as their priority is selling milk and cheese. The reproduction cycle of cows is controlled by women.

NUTRITION

As elsewhere in Georgia the main nutrition for livestock is grass, hay and bran. Ninotsminda and Akhalkalaki municipalities have closer access to wide ranging summer pastures with a relative effect on the number of cattle present in the municipalities whilst most farmers in Akhaltsikhe, Adigeni and Aspindza municipalities practice vertical transhumance, moving their livestock to high pasture from May –October ascending as the snow melts. Pasture lands are owned by the state; however there is no pasture lands management system in place by the ministry of Economy and sustainable development of Georgia. Over-wintering is in purpose-built cowsheds with some grazing in nearby fields and common land. Winter feed in mostly comprised of hay which is either cut on summer pastures or on reserved hay-land. In general hay produced on summer pasture is superior in quality to that produced on hay land. According to the Soviet system of feed comparison hay from mountain pasture has a feed value of 0.50-0.55 feed units and that from hay land 0.3-0.35 feed units. The 0.20 feed unit loss in quality may be attributed mostly to late cutting of the hay in the year (August) when the grass has set seed and become fibrous. This in turn may be attributed to tradition, lack of awareness or the prioritization of bulk over quality (concentration of nutrients and digestibility) and lack of availability of machinery.

Hay itself signifies a huge expense for farmers particularly in a bad year where untimely rain means a soaring hay price. In addition where access to market for dairy products is limited or risky the farmers cannot justify the allocation of precious cash to nutritional inputs where the end point of the investment is unclear. Farmers commonly give salt to livestock as a mineral supplement. All other trace elements come from their feed and forage. It is not known whether trace-element deficiencies are common in the area. Inorganic and organic fertilizers are not commonly used on hay or pasture land which pay be partly due to a lack of awareness of economic benefits, the perception that the returns are not worth the investment or due to accessibility. Irrigated hay or pasture land is a rarity and farmers prioritize horticulture or the production of barley. Bran is also one of the main sources of additional feed for farmers alongside maize stover. Compound feeds are available in the programme area however they are generally too expensive for farmers to consider feeding their cattle when returns are uncertain.

Despite the large number of the feed mills available in the region in the towns as well as in the villages, majority of them aren’t operational and the ones which are operational rarely produce combined feed for cattle. Some of them lack of capacity to produce combined feed, others lack of the cattle feed production equipment like grinders, mixers etc. and the others lack of good management and organizational practices. Farmers are extremely price sensitive when buying nutritional imputs however some appropriately priced combined feed coming into the programme area see below.

WOMENS ROLES RELATED TO NUTRITION

Women are traditionally responsible for feeding the animals. Also women feed cattle with byproducts of the food which farmers consume. In summer men often go abroad (mainly to Turkey) to work and during that period of time women responsibilities in the household increase and cover the fields which are usually under a man's control. Both, women and men have access to pasture, hay, combined feed or any other available nutrition for cattle, but pastures and hay are under male control, they are the owners, also all food processing factory or distribution channels are owned by men. Men are linked to the machinery service providers for hay production, but where they collect it by hand women provide them help.

NUTRITIONAL INPUT SUPPLIERS IN THE PROGRAMME AREA:

There are two combined feed distributors and one combined feed producer in the area:

- BG (Brewers Grains) and an affordable combined feed are now being supplied in the program area by a slow expansion of the activities of Ednari Antadze (Alliances KK program client). Ednari Antadze started sale of the combined feed in the villages of Akhalkalaki (e.g. Azmana village) and Aspindza (Iveria, Rustavi, Oshora villages) municipalities of SJ region last year and sold about 10 tons of the combined feed and 30 tons of the Brewers grain/season. He doesn't have a feed distributor in Samtkhe Javakehti region yet and sells feed to small and medium scale farmers through direct sales. The amount of the distributed combined feed is low reflecting difficulties due to lack of access to appropriate transport and the slow uptake by extremely price sensitive local farmers who will slowly copy early adopters on seeing clear results.
- "Corngold" and "BergaFat 100" feed and brewer's grains have been supplied in the program area by G-Geo-Tech Ltd since March 2012. The company sells combined feed (1,5tons/month) and brewer's grains (1 ton/month during season) in the 15 villages of SJ region through local representation in Akhalkalaki municipality and the network of the local vet pharmacies located in Akhalalaki and Akhaltsikhe municipalities. Farmers mainly feed milking cows and heifers with "Corngold" and "BergaFat feed that effects on milk productivity and weight gain increase of cattle.
- There is a NGO established feed mill located in the village Tsnisi, Akhaltsikhe municipality which produces combined feed for cattle and pigs. Max utilization capacity of the feed mill is 10 tons/day, while current utilization is 800-850kg/s day on a peak season (March-April) and 400-450kgs/day during low season (November-February). They produce concentrated feed for cattle and pigs containing: wheat, maize, barley, cottonseed cake, grass flour, bran and salt with 14-16% proteins. It costs 17 Gel 1 sack (20kgs) and the feed is sold to the farmers of Akhaltiskhe, Adigeni, and Borjomi municipalities with the RDA (BP) program discounted price (6 GEL discount per a sack of feed).

MILLS IN SAMTSKHE JAVAKHETI

Akhaltsikhe: 4 mills in Akhaltsikhe town and about 15 village based feed mills in Akhaltsikhe municipality.
Adigeni: 10 small and medium scale mills in Adigeni municipality. They serve local farmers; they grind oats, maize, wheat and barley
Aspindza: 8 village based small mills in Aspindza municipality. They serve farmers. They grind maize, wheat and barley.
Akhalkalaki: 45 small mills in Akhalkalki municipality. They grind mainly oats, wheat and Barley.
Ninotsminda: 18 mills in Ninotsminda municipality. They serve farmers. They grind mainly oats, wheat and barley.

MACHINERY & HAY

Machinery services are mostly offered by village based machinery operators who own worn out/outdated Russian equipment with high operating costs and on the other hand by government established machinery service centers located in the municipal centres with low organizational service delivery and new but inappropriate machinery for small and mountainous hay lands of the region. However, farmers still make hay by hand with a significant proportion of draught animal power being used. Some of this is related to hay land being located on difficult terrain inaccessible to machinery, but in general the main drawback for fully exploiting the land potential is the lack of access to machinery, machinery services or the finances to purchase or rent them. All respondents give absolute priority to the need for small and medium sized machinery/implements for hay making[5] rather than large tractors or larger implements.

MACHINERY SERVICE PROVIDERS struggle with old machinery with high running costs and low efficiency and in a cash poor environment accept non cash payments and barter exchange in order to keep their business operational. As the main feed resource for livestock in the programme area, the production, transport and purchase of hay has the major impact on farmer's outgoing income. The surplus hay produced in the region is mainly exported and sold in other regions of Georgia and in Turkey. However, Ajara is a main market for hay produced in SJ due to the proximity to the region. Hay is transported to Ajara through the "Goderdzi Pass" by local as well as Ajarian hay intermediaries/traders and is sold in Batumi at about 37-46% higher price depending on the season (the price is the highest in winter). Turkey is a wider but unregulated market for hay monopolized by the Turkish hay intermediaries/traders and has limited export potential for locals. Good management practices related to hay production, the availability of good quality and appropriate machinery services that allow for cost effective, timely and less labor intensive hay operations will help to defray the impact of bad years and maximize the positive impact of good years. A sufficient amount and upgraded quality of hay over winter can play a determining role in the development of the small scale livestock producer in the expansion of the number of milking cows or in improved feeding for better productivity.

Alliances SJ has worked extensively in the facilitated provision of hay making machinery which has had a significant impact in parts of the region. See *Davit Lomidze Ltd* below.

HAY INTERMEDIARIES

Examples of hay traders/intermediaries found in SJ:

Local traders/intermediaries: There are about 40-45 local hay traders/intermediaries in SJ Region who produce hay on a 4-8ha land approximately 3,000-3,500 bales/season and buy 4,000-6,000 bales/season from the other farmers in the villages of SJ region during October-March. They sell hay immediately when the desired amount is collected as they lack of enough storage facility (max capacity 1,000-2,000 bales) to store hay until the prices go up. They sell hay mainly in Ajara region to the Ajarian hay traders (each sells on average 4,000-10,000 bales of hay from October to March). They pay 3.5-5 GEL/bale in SJ depending on season (prices are higher in winter) and sell 6.5-8GEL/bale in Ajara. Some of them sell hay locally to the other hay traders/intermediaries who come to the village from Ajara region, while others who own hay transportation vehicles (Ford Transit, Mercedes, GAZ 53) and trailers with about 300-600 bales loading capacity transport hay (1,500 bales/month on average) to Batumi through the Goderdzi Pass and sell it to the Ajarian hay traders. From this deal each covers transportation costs (350-500GEL each time) and makes a profit of 1-1,5 Gel/bale.

Turkish traders/intermediaries: There is a high demand for hay from Turkish traders/intermediaries. During January-April last year they purchased 470 tons (33,000 bales) of hay 0.25-0.28 GEL/kg from farmers and local hay traders/intermediaries in the villages of Akhaltsikhe and Aspindza municipalities and exported it to Turkey.

MACHINERY CENTRES

- LTD “Tractor Service” imports variety of agricultural machinery and machinery spare parts mainly from Italy and Turkey and sells in different regions of Georgia. The company owns a machinery outlet and factory in Kutaisi which constructs various agricultural machinery.LTD “Tractor Service established a representation office in Akhaltsikhe town and expanded its outreach and sales in SJ region since 2012. They have a variety of machinery available and hand tractors and mowers are one of their best sellers.
- I.E “Davit Lomidze” has tractors, all kinds of equipment and spare parts in his shop located in Akhaltsikhe; he imports machinery mainly from Turkey, Bulgaria and China. He sells machinery in Akhaltsikhe, Adigeni and Aspindza municipalities.
- I.E “Grigori Badasyan” has a small shop (a van) in Akhalkalaki town where he sells spare parts for tractors and for other agricultural machinery (combines, mowers, bailers, etc.) and some agricultural machinery implements. His main clients are machinery operators from Akhalkalaki and Ninotsminda municipalities.
- Ltd “Javakheti Agro Technics” has a machinery shop in Akhalkalaki town. The company imports tractors, other agricultural machinery, tractor drawn implements and machinery spare parts mainly from china and sells them locally in Akhalakalki municipality.

There are about 7 machinery shops in Tbilisi who sell tractors and equipment. They import from Europe, China, Turkey and Japan. In Batumi there is a shop which distributes parts of tractors and equipment from Belorussia and constructs them in Georgia. They have their own shop in Tbilisi.

ACCESS TO INFORMATION

The newspaper Southern Gates has an agricultural section and Local TV programmes have the programme *Farmers Hour.* However coverage is still centered on the municipal centres and for the majority of rural residents is still weak in terms of outreach and dedicated agricultural topics and information. There are no newspapers or local TV channels with regional coverage, but a number of them cover smaller areas. There is only one newspaper *Southern Gates* which has an agricultural section in Georgian and Armenian Languages which operates in Akhaltsikhe municipality and covers a few villages in all the five municipalities. Akhaltsikhe local newspaper has bi-lingual articles; it covers all the five municipalities of the program area. Local TV stations have their own frequency. *Imperia TV* uses frequency 9, *Evrika Plus* TV uses frequency 9 and *Parvana* TV uses frequency 8. TV budgets are insufficient for technical re-equipment and programme development. Consumers’ research has been carried out in 2012 only by “Imperia” TV station but marketing activities have been never carried out. Journalists lack capacity and relevant experience to serve a rural audience. However one programme Farmers Hour has been broadcast on local TV through an Alliances intervention.

WOMENS ROLES RELATED TO INFORMATION

Both women and men have an access to information channels but ownership differs: TV channels are mostly controlled by men, newspapers and online agencies by women. Women like to read about milking procedures and hygiene rules, market prices and animal disease care. They like stories profiling women as they can copy them. Men gather in public on the street to chat and use ‘Birja’ to spread information. Women do not have the same level of access to informal information networks. When newspapers and other information are sold or become available in rural villages rather than just in towns the access of women to them increases considerably as men generally have greater freedom of movement.

Table 18 Media Sources in the Alliances SJ Programme Area.

Media Source	Language/s	Villages Covered	Readership/Users	Source of Revenue	Agricultural Content
Ltd "Imperia"	Georgian	Villages of Akhaltsikhe Municipality (80%), Adigeni Municipality (60%) and Aspindza Municipality (80%)	90,000	Funding from Donors & Government Subsidies	Yes
NGO Evrika Plus, ATV 12	Armenian	Villages of Akhalkalaki Municipality (80%), Ninotsminda municipality (30 %) and Aspindza Municipality (10%)	100,000	Sales, funding from Donors & Government Subsidies	Yes
Non-commercial (nonprofit) Legal Entity Parvana TV	Armenian	Villages of Akhalkalaki Municipality (40 %) and Ninotsminda Municipality (80 %)	80,000	Sales, funding from Donors & Government Subsidies	Yes
Union "Southern Gates" – social/political newspaper	Georgian/Armenian	Villages of Akhaltsikhe, Adigeni, Aspindza, Akhaltsikhe, Ninotsminda municipalities	Unknown	Sales, funding from Donors	Yes

ACCESS TO FINANCE

At present, the agro-industrial sector particularly SME's attempting to formalize and invest in this development for sustainable growth in a risky environment is experiencing a lack of funds which directly affects the potential of production and economic indicators. The banks are focused on short-term results and as a result customers' interests are neglected. Accessing formal capital for expansion such as bank loans is difficult as banks still generally perceive agribusiness to be risky. Different types of loans and programs offered by financial institutions in Akhaltsikhe, Adigeni, Aspindza, Akhalkalaki and Ninotsminda municipalities, are available, but are difficult to access.

Table 19 A Summary of Credit Institutions in Georgia

Georgian Credit Institutions	Type of institution	Agricultural Loan Products	Average Amount (USD)	Loan Term (month)	Annual Interest Rate (%)
Credo	MFI	Agricultural & Business loans	50 - 30 000	2-60	16-30
Pro-Credit Bank	Bank	Agricultural & Business loans	50 - 100 000	2-60	24-36
Bank of Georgia	Bank	Agricultural & Business loans	350 - 500 000	1-60	14-24
Republic	Bank	Agricultural & Business loans	2 000 - 100 000	3-120	16-18
Alliance Holding	MFI	Agricultural & Business Loans	200- 30 000	1-3	30-40

PREFERENTIAL AGRO CREDIT PROJECT

This project began in March 2013 aims to revive the rural economy, return the population back to the village and aid their economic growth.[15] It also aims to increase the output of competitive and high quality production. The scheme the preferential agro credit products that are accessible in 11 banks and 2 MFIs have already financed 613 existing businesses under component 2 and 20 existing businesses under component 3 (including 2 startups) in SJ. However these loans have primarily gone to large business people with existing assets and businesses and a significant number of functional SME's facilitated by the SDC MOLI and Alliances SJ and KK programmes have been refused credit. Out of 10 Alliances-SJ program clients who applied only five were granted a loan. To date the program had by April 4, 2014 disbursed Agro loans to the amount of GEL 317 098 739 given to 14 097 lenders[16]

CONSTRAINTS TO ACCESSING AGRICULTURAL CREDIT FOR SMALL FARMERS AND SMES'S

Financial institutions use collateral as a strategy to screen a client's credit worthiness and reduce risk. Depending on the volume of loans and type of the farm, banks may require provision of property in addition as collateral and because assets and real estates owned by farmers are mostly impaired and poor, it's often hard to get credit. Another hindrance is that banks do not provide credit to start-up businesses, because it is associated with high risks. The new business idea will be considered only if the client already has other established businesses, sources of income, good collateral and has work experience in the agricultural sector. Standard products offered by banks still need to be improved, because financial institutions have reduced their loan portfolios due to unavailability of cash (due to falling deposits and unavailability of credit from other banks) and are reducing their risk by only lending to reliable clients.

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1. [15] Commodity interest-free credit/loan for a small scale livestock producers - up to GEL 5 000 interest-free loans with no collateral back-up.
2. Agro credit for medium and large scale livestock producers – no more than 7 - 8% annual interest rate, Credit ranging from GEL 5 000 to 100 000.
3. Agro credit for agricultural production no more than 3% annual interest rate - Long-term funding for technology with GEL 1 000 000 limit.

After a year of the program implementation, four other components were added to the portfolio of the low interest loans:

4. Agro leasing for agricultural production – no more than 3% annual interest rate - Long term funding (84months) for technology with GEL 1 000 000 limit.
5. Agro Credit for grape's processing companies – no more than 6% interest rate, 15 months funding only for purchasing grapes with GEL 10 000 000 limit.
6. Agro Credit for citrus exporter and processing companies - no more than 6% interest rate – short term funding (max 4 months) with GEL 10 000 000 limit and GEL 30 000 000 total budget of the component. with no more than 2% interest rate - long term funding (120 months) with USD 500 000.

[16] Under the 2nd and 3rd components Kakheti is the first biggest in terms of the size of the loan portfolios with GEL 91 571 470 (totally 4243 loans) under 2nd component and GEL 40 743 800 (215 loans) under 3rd component. Kvemo Kartli is the second biggest with GEL 31 661 894 (2111 loans) under 2nd component and with GEL 16 774 477 (96 loans) under 3rd component. Samtskhe-Javakheti is the fifth largest with GEL 7 065 400 (613 loans) under 2nd component and the seventh with GEL 2 479 354 (20 loans) under 3rd component. Ajara is ninth largest with GEL 560 050 (34 loans) under 2nd component and the tenth with GEL 936 946 (6 loans) under 3rd component.

VOCATIONAL EDUCATIONAL TRAINING

The SDC UNDP Modernization of the Vocational Education and Training System related to Agriculture in Georgia is a 6 million CHF programme running over 5 years until 2018, aiming to impact over 4’000 farmers who will benefit from participating in improved training courses and approximately 10’000 farmers who will get access to the extension services tailored to their needs. This will hopefully lead to an increase of the productivity of their farms and of their incomes by approx. 10% per year. Employability of the trainees will be improved by closing the gap between their vocational skills and market requirements. Special attention will be paid to developing flexible systems for enabling access to the training and extension services for women and ethnic minorities (e.g. ethnic Armenian minorities in Samtskhe-Javakheti with limited Georgian language skills). Direct beneficiaries of the project will be 8 public vocational colleges and 7 municipal information consultancy (ex-tension) centers, as well as other service providers, who will be acting as multipliers of advanced skills for farmers. Qualifications of 300 VET teachers, 400 extension workers and 250 service providers will be enhanced through training, advising and coaching. The residual vocational colleges and extension centers will benefit indirectly through accessing updated vocational standards, training materials and information for agricultural ex-tension.

FOOD SAFETY AND HYGIENE CONSULTANCY SERVICES

There are three main food-safety consulting firms based in Tbilisi: GDCI, Star Consulting Company, PMCG and some other smaller individual enterprises. GDCI is a programme client selected by a tender designed to capture a company ready to offer services in the SJ region to Alliances clients. It has provided GMP assessments and consultations to cheese producers, milk collectors and slaughterhouses based in Akhaltsikhe, Adigeni, Aspindza, Akhalkalaki and Ninotsminda municipalities, besides the Food safety and Hygiene trainings GDCI provides meat and dairy entrepreneurs with appropriate materials and recommendations on a contractual basis to the programme. GDCI is providing the above mentioned services in the whole of Georgia with different food production companies. Sustainability in the sector has been hard to achieve. As hitherto mentioned the patchy outreach of the NFA means that for smaller firms in rural regions the driver to ensure their use of consultancy services for FS&H is absent.

BUSINESS DEVELOPMENT SERVICES

The main BDS consulting company operating in the Alliances SJ programme area is Tbilisi based I.E “Mariam Nanitashvili” who provides in depth business plans to different meat and dairy entities operating in the region. I.E Mariam Nanitashvili works on a contractual basis for specified Alliances-SJ clients. As above sustainability is elusive most of the rural businesses still being unwilling to pay for BDS services, being unaware of their advantages.

ENVIRONMENTAL SERVICES

The Business Environmental Audit Tool (BEAT): is a simple environmental audit tool, conducted by only one company in Georgia Gergili. It provides analysis of their impact on the environment and potential impacts of natural hazards on their businesses. The aim of the BEAT is the checking and verification of business compliance against government regulations with regards to the environment and identification of businesses for whom a full Environmental Impact Assessment is necessary. The status of and any problems regarding environmental issues will emerge through use of a comprehensive checklist and criteria. Support to Gergili the company providing BEAT consultations is as above for the same reasons.

RULES

FOOD SAFETY AND HYGIENE

Please see the update to the Food Safety and Hygiene Analysis in the core market systems section.

DRR AND EMERGENCY MANAGEMENT IN SJ

In the Alliances Program DRR relates to animal disease notification and control and in SJ maintaining access to pasture for cattle who often use narrow bridges bridging ravines. However in a wider definition, landslides, mudflows, soil erosion, avalanches, floods, rock avalanches are common as well as a level of seismic activity. The whole region is in the 8-9 magnitude seismic risk zone. River banks of the region are periodically eroded, activating landslides. In the Akhaltsikhe municipality, severe and extremely severe droughts from one to three months have become more frequent, affecting the rural areas and accelerating soil degradation process. Strong hail storms have also become common wrecking extreme damage on crops where the storms are localized.

There is an Emergency Department in the Administration of State Representative-Governor of Samtskhe Javakheti Region. The Department owns 5 special, rescue pick-up trucks, with old equipment, that permanently needs renovation. The the Fire-Rescue Service operates in all municipalities.. Aspindza municipality owns 2 fire trucks (only one is operational), Adigeni owns 3 trucks, Akhalkalaki owns 2 trucks (one is comparatively new) and Ninotsminda owns 2 trucks (one is comparatively new) Equipment is generally old and in poor condition. The training of the personal employed in Emergency Services is mainly provided by Tbilisi based Emergency Service Department but additional trainings and are also necessary for improving their professional skills

The main actor in charge of Animal Disease Control is the National Food Agency[17]. However, part of the duties and responsibilities are delegated to the Local Governmental bodies as well. Quarantine is imposed and cancelled by the local governmental bodies, following a request by the NFA. The responsibilities of municipal government during outbreaks of FMD, Anthrax, Brucellosis, Tuberculosis or Rabies are transferred by a special regulation. However, municipalities are unsure and unaware of their remit and responsibilities or how to effectually respond. On August 1st, 2012 the State Free Vaccination Programme against FMD and Anthrax commenced. The programme was carried out in 3000 villages in 53 municipalities of Georgia. Anthrax vaccination was concentrated only in sites of historical outbreaks. All local independent vets (about 672 vets) and the NFA representatives in Georgia were provided with equipment to carry out the vaccination and the tagging. The registration of cattle also commenced with cattle receiving ear tags at the time of vaccination. The second phase of the State Free Vaccination Programme was carried out in spring (Anthrax) and summer (FMD), 2013 and is planned to be continued in 2014.

Disease Outbreaks

According to the information officially provided by the NFA regional office in SJ, during 2013 three Anthrax cases, two rabies cases and eighty five Brucellosis cases were identified in Samtskhe Javakheti Region. All of the disease outbreak cases occurred in different municipalities. The Anthrax and Rabies cases were identified and officially reported in Ninotsminda and Akhalkalaki municipalities of SJ Region. The Brucellosis cases were identified and officially reported in all the five municipalities of Alliances SJ program area: Aspindza (18), Akhalkalaki (8), Akhaltsikhe (55), Adigeni (3), Ninotsminda (1). Under the State free vaccination program 15233 cattle, 103 horses and 9003 sheep have been vaccinated during 2013 in the villages where the anthrax cases were identified and reported while only 4406 cattle have been vaccinated during 2012. There is was slight decrease in 2013 compared to 2012 in the number of outbreaks which could be the result of the State Free Vaccination Programme. This assumption is supported by the information obtained from private vets and vet pharmacies. The sales rate of vet pharmacies decreased which is the clear sign of animal health improvement. The state vaccination program increased farmers awareness for carrying out timely vaccination of their cattle and buying vaccines for another diseases which are not covered by the State programme. Human health however is not safeguarded by public health information or notification when dangerous outbreaks occur.

A New Strategy Document on National Animal Health

In July 2013 The Georgian Government's National Animal Health Program (NAHP) approved Georgia National Animal Health Program 2013-18 and Animal Health Action Plans 2013 and 14, funded by donors including SIDA, EU and IFAD. The goal of this strategic document includes building the National Food Agency as a competent veterinary authority and establishing a cohesive network of modern laboratories so Laboratories of the Ministry of Agriculture and National Centre for Disease Control are able to function as an integrated surveillance system. Progress is needed on University reform in the veterinary syllabus, education and science. A lack of trained vets constitutes one of the main constraints to progress in the livestock market system. Sector-specific surveillance plans, arrangements to increase human resources through a private veterinary workforce contracted to NFA and effective arrangements for fully operational private vets will be prepared in 2013-2014. Other important goals include effective traceability and prevention of new disease incursions and sustainable response capability.

[17] The mandates in Animal Disease Control are defined by the law of Georgia on Food/Animal Feed Safety, Veterinary and Plant Protection adopted in 2012 and by the Ministerial order about Prophylactic/Quarantine Arrangements against Dangerous Communicable Diseases, issued in 2005.

ANIMAL MOVEMENT ROUTE

In September 2013 the Ministry of Agriculture of Georgia received and approved the final report of the AMR Feasibility Study prepared by Golden Fleece Capital[18]. Awareness of the importance of the route and a galvanization of actors around it, has since been growing aided by the screening (March 2014) of the Georgian Documentary film 'The Road', which documented the full spectrum of activity and obstacles on the route. This has been followed by the development of a Working Group consisting of the Ministry of Agriculture and Ministry of Economics to finalize the ownership of the route where it has been encroached upon and it is planned that the NFA take on the role of the initial management of the route. An initiative by Tetritskaro Municipality in Kvemo Kartli in tandem with Regional Government and in consultation with The Shepherds Association and the MOA and MOE is now building a detour to tackle the notorious problem of the route and the animals passing through the heart of Tsinskaro village.[19]

WOMEN'S ACCESS TO DECISION MAKING

In Samtskhe-Javakheti the representation of women in local councils *(Sakrebulo)* is critically low. See Table 20. From 124 members of the *Sakrebulo* only 13 are women. Gender representation is slightly higher in Akhaltsikhe Municipality, where 6 are women from 26 members in total (though, none of the women occupy high management positions).The number of men occupied in the business sector exceeds the number of women by two times. According to the data for the year 2011, 3 200 women and 5 000 men were employed in this sector. There is significant difference between the amounts of men's and women's average monthly salary. In 2011 the average monthly salary for women was 234 GEL and 468 GEL - for men.

Table 20 Showing the Gender Balance in Local Municipal Councils

Municipalty	# of Sakrebulo Members	# of Women Sakrebulo Members	% of Women Sakrebulo Members
Akhaltsikhe	26	6	23 %
Adigeni	25	5	20%
Aspindza	22	1	0.045 %
Akhalkalaki	31	0	0 %
Ninotsminda	20	1	0.05 %
Total	**124**	**13**	10 %

[18] The Ministry of Agriculture announced a tender on the feasibility study after Alliances KK Advisory Committee initiated this issue in spring, 2012. Alliances KK facilitated information exchange between municipalities and GF-Capital. An outcome of this work was that a final separate chapter about Tsintskaro village, Tetritskaro Municipality, was added as were the roles of local self-governments were defined more clearly in to the infrastructure management system of AMR.

[19] Work started in August 2014 facilitated by ALCP KK.

MOA Consultation Centers
The Information-Consultation Service Centers are territorial units of the Ministry of Agriculture in the municipalities of Georgia and were established in February 2013, based on Georgian government's resolution #485. Their offices are placed in the municipal buildings and have four staff members in each.

The Information-Consultation Service Centers responsibilities are to:
- Collect information on agricultural lands located within the administrative-territorial area of the municipality
- Create and update database on annually planted and seeded areas
- Forecast approximate volume of the harvest
- Be involved actively in choosing target projects for the municipality, that are planned to be implemented by the MOA, provide consultations and conducting monitoring
- Collect and analyze information on the local market prices of agricultural products
- Study the potential of a local storage and processing enterprises
- Provide information to interested individuals on legal and tax obligations regarding agriculture sector of Georgia
- Timely provide information to the population about politics and projects of the ministry
- Promote modern agro-technical facilities and support its implementation
- Collect and proceed information on seeds and saplings existing on the local market
- Provide information on availability and on rational usage of mechanization facilities in the municipality
- Collect information on the Plant Protection Facilities existing in the market and providing consultations on how these facilities should be used
- Promote modern approaches and technologies of animal care and breeding
- Provide consultations for ensuring the target usage of the lands
- For animal healthcare provide consultations about necessary annual veterinary and sanitary arrangements
- Cooperate with local governmental, International Donor Organizations and be actively involved in the meetings with them
- Organize various training, learning and informational meetings
- Provide recommendations on feeding rations in order to increase and retain productivity in dairy and beef
- Work with the Committees and with Working Groups of the municipality created on liquidation of damages caused from Natural Hazards, to analysis and to asses emergency situation created in agriculture sector
- In statistics sphere, take part and work coordinately in creation information databases

According to the data provided by the centers approximately 25-30 farmers are served (consulted) monthly.[20] They also organize meetings in the villages but do not record participants' data. The main questions asked to the centers by the farmers are linked to land usage problems and government agricultural programmes, cooperatives, vaccination campaigns and plant protection. At this time the efficiency of the Consultation Centers is very low and capacity building of the centers' staff members will be essential.

[20] For example, the total number of visitors of the Akhaltsikhe center over the last year is 800.

LAND MARKET & ACCESS TO PASTURE

The Law changes made in 2010 have resulted in stasis and a lack of management in the field of agricultural land and, more specifically, the use of pastures. Pastures currently lack sufficient and realistic management mechanisms. Even though such management is legally delegated to the Ministry of Economy and Sustainable Development of Georgia, the Ministry is unable to adequately handle this issue. No procedures for electronic auctions are currently in place and the lease rent amount for the use of pastures is very high from 8-16 Gel. The market demand for leasing pastures is real. There are dozens of farmers in Akhalkalaki and Ninotsminda, for example, who go to different authorities on a daily basis to request the leasing of pastures. The regulation of the use of pastures would support the development of specific socio-economic fields and create a mobilization of money within the state budget as well as the budgets of local authorities (lease rent and tax payment for land assets). The purchase and sales of agricultural land have developed however these have not been achieved through broker services which remain undeveloped with only a small number of individuals in the country dealing with these issues and without the existence of qualified brokers (companies) working with agricultural land. Developing broker activities in the regions and especially in Samtskhe-Javakheti is highly desirable. Municipal lands and clarifying legislation around their use would also unlock a presently underutilized resource.

The Association for Protection of Rights of Land Owners and LTD Mamuli 2 are two land brokers based in Tbilisi. Improving relevant broker services during the land privatization process would simplify communication between the Ministry and the buyer of the land and would make the privatization process more transparent. The growing tempo of privatization would support the development of the land market as well as the agricultural sector in general.[21]In 2013 the Government announced that changes are planning to improve the situation regarding land. On 28th of June 2013 the Parliament of Georgia made an amendment in law concerning “Agricultural Lands Ownership” which entered into force on 19th of July 2013. According to the amendments agricultural lands could not be purchased by any foreigner or a legal body registered in other country or foreign person registered in Georgia before 31st of December 2014. According to the amendments government of Georgia has to work out a Common State Policy concerning Agricultural Lands Ownership, also arranging common system of Land Arrangement. On the 24th of June 2014 the Georgian Constitutional Court annulled the above mentioned amendment which restricted foreigners to purchase agricultural lands in Georgia. A deadline for creating a common system of Land Arrangement and the State Policy regarding land ownership was set with the Georgian Government obliged to present their strategy by 30th of November 2014.

[21] Land Ownership and the Development of the Land Market in Georgia, Alliances KK, 2013

DIRECTORY OF MARKET PLAYERS

A key part of the market analysis process is the compilation of a Directory of Players which comprehensively lists and categorizes with contact details all potential market actors operating within the programme area that the programme has been able to identify during the Market Analysis process. This is compiled and used by the programme but is too lengthy to include in this document. Below please find the stakeholder analysis table offering an overview of the key players in the region in all spheres and key informant table which offers a view of key core market and supporting functions players below:

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Table 21 Stakeholder Analysis

Stakeholder	Interests & How Affected by Market Weaknesses	Capacity & Motivation to Bring About Change	Proposed Actions to Address Stakeholder Interests
Small-Scale & Medium Scale Livestock Producers	Produce of domestic meat and dairy products. Disadvantaged though small transaction sizes and unfavorable business environment.	Good motivation where means to change are provided very low or low capacity limited access to finances and credit & information low capacity	Target group
Private Vets	Some access to affordable drugs and information	Low business acumen and market focus. High motivation where opps present	Start upstream with pharmacists to improve information. Work in the direction to improve the qualification level of veterinarians in new technologies, new treatment methods, marketing and promotion and business planning. Identify main vet change agents to start with.
Vet Pharmacies	Supply S&MSLPs directly & vets; sales restricted by poor linkages and low use of bundled information	Interested in growing sales and improving service	Work to identify weaknesses in supply to vets & links to information work to support existing pharmacies in expanding their businesses and operations.
National Veterinary Input Supply and Training Companies	Manufacture, sale, distribution, embedded advice and training unawareness of markets, high investment required in potentially risky markets and lack of trained high quality vets	Good, held back by lack of knowledge and scale of investment required	Carry on engagement with key entry points
AI Practitioners (some also vets)	Deliver AI. Lack of coordination of supply & links to input supply & training. Lack of marketing.	Very low due to overwhelming constraints	Build linkages where appropriate e.g. in Ajara with EUENPARD AI cooperatives
Caucasus Genetics	Georgia's only commercial AI Supplier. Now working with MOLI programme in Kakheti on overall management	Motivated by funding, as inputs supplier, still no formal linkage or mentoring to individual AI techs	Coordination where appropriate

Machinery Centres	Limited outreach, lack of knowledge of customer base potential	High motivation and medium to expand business	On improving marketing, service provision and products for S&MSLP's
Agricultural machinery dealers	Are primary sources of agricultural machinery trades in the region	High motivation but lack capacity (capital)	Investigate options for upgrading & expanding outreach & improving coordination; Collaborate to promote rural leasing in the programme area
Financial Institutions	Laws surrounding payment, taxes, VAT (leasing) & interest rates, perceived high risks lack of understanding of rural customer base	Good capacity for some (e.g. Credo) problematic attitude to rural lending	Finding appropriate entry points where the programme can add value in terms of targeting and serving rural customer base.
Information Sources/Information/TV	Low readership and high dependency on donors/government	Some desire to diversify and respond to farmer demand for information	Work to identify market potential for agricultural content & link to sources.
Star Consulting Company	One of the main service provider in food-safetyconsultancy/recommendations/ trainings in Samtskhe Javakheti region. Constraints of clients: Lack of awareness of benefit and willingness to pay for advice	High motivation and capacity but need to be able to push discount price initially to push the business and increase demand on product	Work with them on marketing through awareness raising on new law & food safety and hygiene requirements
GDCI	Market leaders in food-safety consulting. Constrained by processor's lack of awareness of benefit and willingness to pay for advice	High motivation and capacity but need to be able to discount price initially to drive demand	Work with them on marketing through awareness raising on new law & food safety and hygiene requirements
Gergili	BEAT Tool unable to develop it into a commercial product due to patchy environmental enforcement	As above	Continue to embed the BEAT tool in programme interventions
First Consulting Company	Delivery of Business/Marketing services, on the way of business development	High motivation and capacity, needs good promotion among the potential clients	Facilitation on promotional activities in the region, cooperation towards the clients
Association of Business Consulting Organisations of Georgia (ABCO)	Delivery of Business Services (BS) but weakened by high donor dependency and lack of willingness to pay for services.	Lack capacity & commercial drive	Strengthen commercial delivery of BS to program clients (investment plans marketing, etc.).
EPF	Donor in agricultural projects, runs new project on the protection of consumer rights	High motivation and capacity, but not focused on rural areas, mmall Enterprises & the private sector	Coordination especially through new project on promotion of small enterprises at the market
IFC	Donor & advisor in food-safety and rural finance	High motivation and capacity but not focussed on SMEs	Coordination, especially over food-safety advice price point
National Milk Producers' Association (NMPA)	NMPA is an NGO; basically depends on independent membership and provides consultancy and advocacy	High Motivation, lack of capital	Support NMPA to develop its Regional Representation in SJ region and design interventions to

	services in milk sector; It has 23 three member firms from Kakheti, Kvemo Kartli and Shida Kartli. NMPA recently announced that it plans to establish representation office in Samtskhe Javakhati as well		provide benefits to small dairy farmers those are willing to develop
Livestock Intermediaries & Exporters	Source, buy, transport & sometimes fatten, export cattle & sheep. High search & transaction costs.	High motivation but low capacity. Reluctance to invest in infrastructure they may not directly control (such as fixed corals & scales)	Work to identify options & other potential stakeholders.
Slaughterhouses	Provide entry point for SSLPs. Currently restricted by volume and quality of supply of beef animals.	High motivation, but low capacity (current focus on growing sales & integrating supply)	Incorporate into interventions with intermediaries.
Livestock transporters	Transport livestock; mostly informal & with un-converted trucks for generic goods.	Some are motivated to improve level of service & have greater intermediary role	Investigate options for upgrading & expanding outreach & improving coordination
Large Dairy Firms	Three lead firms control majority of formal dairy product supply.	High motivation & high capacity	Coordinate & bring in to activities around hygiene
Small-Medium Dairy Enterprises	Collect & process milk into various dairy products. Lack awareness of new laws and lack capacity to upgrade & expand. E.g. transport, equipment	High motivation but low capacity, and knowledge	Work to address capacity issues & link in with hygiene interventions
Milk Collection Centres (MCCs)	Act as bulking intermediaries for milk. Have little knowledge of or access to hygiene standards, & suffer from lack of coordination with buyers	High motivation but lack capacity (capital)	Investigate co-investment options to address capacity issues and improve hygiene
Cheese intermediaries	Collect cheese in different villages and sell in Tbilisi, lack of proper transport	High motivation, low capacity	Research of their market and supply side, link with FS and H intervention, work on capacity issues and support to improve trade linkages between SJ and Ajara regions
Leather intermediaries	Collect leather in different villages and sell to leather processing factories located in Tbilisi and Rustavi, lack of proper transport and storage facilities	High motivation, low capacity, lack capacity (capital)	Research of their market and supply side. Investigate co-investment options to address capacity issues
Hay Intermediaries	Acting as an intermediaries for hay, provide hay transportation service to farmers	High motivation, low capacity	Work to investigate options for upgrading & expanding outreach & improving sales coordination in Ajara region

Sheep Association LLC	Exports sheep to Lebanon, Iran, Qatar and other Arabic countries, its own sheep and also ones which they purchase from farmers, by ship and by plane. Assist other companies with sheep export	High motivation and high capacity, but lack of proper finances and credit	Coordination and facilitation on managing of sheep movement route (disinfection barriers, signs, water points, injections on diseases)
National Food Agency (NFA)	Responsible for enforcing vet, phyto -sanitary and traceability measures	Motivated since being re-organized. Lack capacity and links to market	Coordination on Food Safety and Hygiene issues and link to Star Consulting Company & work on standards & outreach.
Regional & Municipal Government	Responsible for implementing government policy in localities. Weak coordination with central government; do not see themselves as service providers.	High motivation & good collaboration but lack capacity	Coordinate & reinforce legitimate roles
Advisory Committee	Regional fora for diverse public and private stakeholders	High results achieved	Continue to engage
DRR WG's	Embedded in local municipality working on quarantine and land use	High where local politics allows	Continue to engage and develop
Business and Economic Centre	Provides a forum for promoting policy dialogue with Parliament and the Prime Minister's Office regarding the changes in the legislation, which positively affects the agricultural sector	High motivation and good linkages with Parliament and government	Collaborate to promote changes to the benefit of SSPL's in upcoming legislation concerning agriculture (relating to Food Safety and Hygiene, veterinary controls, traceability and animal registration and livestock breeding).
Association for the Protection of Landowners Rights (APLR)	Advocate for rights to land access.	High motivation but lack of capital	Investigate co-investment options to collaborate with national and local govt on outreach of information on land ownership
EBRD/ Crédit Agricole	Starts EU-funded programme to promote agricultural lending	High motivation, sufficient funding	Collaborate to promote agricultural credits for the farmers in the programme area
EC, BP, USAID, WORLD VISION.	Have various development programs ongoing in area	n/a	Coordinate on policy issues and/or where activities overlap
CARE, Heks Eper&IC/Helvetas	Implementing SDC-funded rural development programmes in Racha-Lechkhumi and Kakheti regions	n/a	Coordinate activities on the policy dialogue level
RED Programme	Implementing SDC funded programme in Kvemo Kartli and Samtskhe-Javakheti regions	n/a	Coordination on where activities overlap
International Orthodox Christian Charities (IOCC)	IOCC Georgia foundation founded by International Orthodox Christian Charities and the Georgian Orthodox Patriarchate are implementing a project for development of a dairy demonstration Farm in SJ region of Georgia	Low business acumen and market focus	Support to have more focus on and assist local farmers by introducing them to modern practices and technologies in dairy production and to establish links with the educational institutions for technical support training and extension

Outcome 3				
Name	Location	Contacts	Roles	Potential Entry Points
Administration of the State Representative Governor	Akhaltsikhe	Governor of Samtskhe Javakheti	Regulates regional issues; coordinates & reinforce legitimate roles	Regional Advisory commitee
Local Self-Governments of the Region Akhaltsikhe	Samtskhe Javakheti	Heads of municipality Sakrebulo's;	Regulates and manages local issues	Municipal DRR WG
Emergency Management Department (EMD)	Are tacitly responsible for DRR but do not have access to resources & training.	High motivation on response, but lack of motivation on preparedness measures	Educate in DRR & build capacity	Emergency Management Department (EMD)
Shepherds Association	Tbilisi	Beka Gonashvili		Enhance capacity of the Association
Ministry of Agriculture of Georgia	Tbilisi	Ilia Kvitaishvili, Deputy Minister	National policy and regulations	AMR Feasibility Study

Table 22 Key Informants

#	Key Informant	Date	Organization/Specialization	Location and Link to Project
Dairy: Core Market and Supporting Functions				
KI 1	Zura	19.04.2014	Specialist in Soflis Nobati (Wimm-Bill-Dann)	Tbilisi: Provided information on MCC in Samtskhe Javakheti and its current utilization capacity
KI 2	Rafael Karoyan	23.04.2014	Cheese Producer. Makes Georgian factory cheese and lori cheese	Akhalkalakii: Makes Georgian factory cheese and lori; collects milk from the villages of Akhalkalaki municipality 2,5-3tons/day; Sells cheese to the cheese traders/intermediaries
KI 3	Amiran Kachkachishvili	28.04.2014	Smoked and braided sulguni and Georgian factory cheese factory (Tsipora Samtskhe Ltd)	Akhaltsikhe: Makes sulguni, smoked sulguni and Georgian factory cheese; collects milk from the villages of Akhaltsikhe municipality 2tons/say; sells 80% of the cheese in Batumi and 20% locally to the cheese traders/intermediaries
KI 4	Zaza Neparidze	28.04.2014	Cheese producer (GBZ Ltd)	Akhaltsikhe: Makes Imeruli cheese, cottage cheese, butter and sour cream; collects milk from the villages of Akhaltsikhe municipality 3 tons/day; sells products to "Goodwill" and other supermarkets in Tbilisi
KI 5	Stepan Saparyan	19.04.2014	Milk collection center	Akhaltsikhe: Collects milk form the local farmers in the village Tskhruti 200-300l/day and sells milk to the "GBZ" milk processing factory located in Tsnisi village, Akhaltsikhe municipality

KI 6	Giorgi Tukhashvili	02.05.2014	Cheese trader/intermediary	Tbilisi: Collects Georgian factory cheese from the small and medium scales milk processing factories located in Akhalkalaki and Ninotsminda municipalities; collects 7tons/month; sells cheese to "Vejini", "Good Mark", "GL", "Big Daviti" and other supermarkets and agrarian markets of Didube, Varketili, Navtlukhi and others located in Tbilisi
KI 7	Emzar Martiashvili	16.04.2014	Cheese trader/intermediary	Adigeni: Collects Georgian factory cheese, Imeruli, Sulguni and Chechili cheese from 6-7 local cheese traders in Akhaltsikhe Market 1,5tons/week; sells cheese in different supermarkets, agricultural markets and Khachapuri bakeries located in Tbilisi
KI 8	Anton Kakpshvili	17.04.2014	Cheese trader/intermediary	Adigeni: collects Georgian cheese from local farmers in Akhalkalaki and Ninotsminda villages 400kg/week; sells cheese in Gldani district, Tbilisi
KI 9	Merab Khmaladze	17.04.2014	Cheese trader/intermediary	Akhaltsikhe: Collects Sulguni and Chechili cheese from farmers in the mountainous summer pastures of Adigeni and Aspindza municipalities 2 tons/week, sells cheese to the local cheese traders/intermediaries in Batumi
KI 10	Giorgi Shavadze	18.04.2014	Cheese trader/intermediary	Adigeni: Collects Imeruli cheese from farmers in the villages and mountainous summer pastures of Adigeni municipality 700kg/week; sells cheese to the "Boni" agricultural market located in Batumi
KI 11	Mzia Kobakhidze	17.04.2014	Cheese trader/intermediary	Akhaltsikhe: Collects Imeruli cheese from farmers in the villages of Akhaltsikhe, Adigeni and Aspindza municipalities 9 tons/week; sells cheese in the agricultural markets and in Khachapuri bakeries located in Tbilisi
KI 12	Nunu Merabishvili	17.04.2014	Cheese trader/intermediary	Akhaltsikhe: Collects Imeruli cheese from the local farmers in Akhaltsikhe and Aspindza villages 2 tons/week, sells cheese in the 'Dezertirebi' agricultural market in Tbilisi
KI 13	Tsitso Apriamashvili	21.04.2014	Cheese intermediary	Adigenii: Collects cheese in the Akhaltsikhe agricultural market, 350kg/week and sells locally to the other cheese trader who sell it mainly in Tbilisi and in Batumi
KI 14	tengiz Iakobadze	22.04.2014	Cheese trader/intermediary	Adigeni: Collects cheese from local farmers in the villages and in the mountainous summer pastures of Adigeni and Aspindza municipalities 1,4tons/week; sells cheese in the "Boni" agricultural market located in Batumi and in the "Dezertirebi' agricultural market located in Tbilisi
KI 15	Gulnazi Shergelashvili	21.04.2014	Cheese trader/intermediary	Collects/buys cheese from farmers in the Akhaltsikhe agricultural market 300kg/week and sells to the other cheese traders (with transport) who sell it mainly in Tbilisi and in Batumi

KI 16	Jambul Kakhadze	22.04.2014	Cheese trader/intermediary	Collects cheese from the local farmers in the villages of Adigeni municipality 600kgs/week and sells it in Batumi
Beef and Sheep: Core Market and Supporting Functions				
KI 17	Aleko Aliguliolili	25.04.2014.	Livestock trader/intermediary	Tbilisi: Collects/buys cattle from farmers in Akhaltsikhe Livestock Market 10heads/week and sells them to the restaurants and meat shops located in Tbilisi
KI 18	Irodion Ivanidze	25.04.2014	Livestock trader/intermediary	Aspindza: Collects/buys cattle and sheep from the local farmers in Akhaltsikhe livestock market; 10 cattle/week and 15sheep/week; he sells them in the Marneuli and Gardabani livestock markets
KI 19	Davit kamaladze	25.04.2014	Livestock intermediary/trader	Batumi: Collects/buys cattle in the villages of Khulo municipality 8-10 heads/week and sells them to Azeri livestock traders in the Akhaltsikhe livestock market; He collects/buys sheep 15-20heads/week in Akhaltsikhe livestock market and sells them in Batumi
KI 20	Nugzar Shonia	25.04.2014	Livestock trader/intermediary	Abkhazia: He collects/buys sheep 20 heads/week from farmers in Akhaltsikhe Livestock Market and exports/sells them in Gali (Abkhazia)
	Zura Otanadze	27.04.2014	Livestock trader/intermediary	Akhaltsikhe: Collects/buys cattle 25 heads/week and sheep 35-40heads/week from the local farmers in the Akhaltsikhe livestock market and in the villages of Akhalkalaki municipality. He sells cattle to in Tbilisi and Zestaponi and he sells sheep in Batumi. Last year he sold 2000 heads of sheep to the traders from Iran but they didn't come this year
KI 21	Goderdzi Khatidze	26.04.2014	Hay trader/intermediary	Akhaltsikhe: Produce 3,000 bales of hay/season in the Erkota mountain in Aspinda and collects/buys other 6,000 bales/season from local farmers in the villages of Aspindza municipality; he sells hay to the hay trader in Batumi
KI 22	Imeda Chilingarashvili	26.04.2014	Hay trader/intermediary	Adigeni: Collects/buys hay from the local farmers in the villages of Aspindza and Akhaltsikhe municipalities 3,500-4,000 beles/season and sells to the other hay traders in Kutaisi

KI 23	Gela Demetradze	26.04.2014	Hay trader/intermediary	Akhaltsikhe: Collects/buys hay from the local farmers in the villages of Akhalkalaki, Ninotsminda and Aspindza municipalities and 3,500-4,000 bales/season and sells locally to the farmers in Adigeni and Akhaltsikhe municipalities
KI 24	Nodar	27.04.2014	Hay trader/intermediary	Aspindza: collects/buys hay from the local farmers in the villages of Aspindza municipality 4,000-6,000bales/season and sells locally to the hay traders who come from Ajara region
KI 25	Iuri Gelashvili	23.04.2014	Akhaltsikhe Livestock Market	Akhaltsikhe: Akhaltsikhe Livestock Market is the second biggest livestock markets in Georgia. It provides space for sales of cattle, sheep, pigs and other animals which are brought by local farmers, by livestock buyers from other regions of the country as well as by the livestock buyers from Turkey and Azerbaijan
KI 26	Tristan Tsikhelashvili	April	Slaughterhouse/meat processor	Aspindza: Collects cattle from farmers in the villages of Samtskhe-Javakheti and Ajara regions 8 heads/day; the slaughterhouse sells meat to different supermarkets: “Smart”, “Goodwill”, “Carefour” and to the local meat shops and produce various meat products which is sold locally
KI 27	Ramazi Gogoladze	April	Turkish Georgian Trasnlator/dealer	Akhaltsikhe: Helped Turkish hay traders/intermediaries to collect 33,000 bales of hay from farmers in the villages of SJ region which was exported to Turkey last year
KI 28	Unknown	April	Hay trader/intermediary	Batumi: Collects apples in Batumi and sells them to the “Hipp” collection center in Khashuri during the season and each time he sells apples, he comes and collects/buys hay from the local farmers in Aspindza municipality about 300 bales 1 trek which he sells in Batumi
KI 29	Tamuna	30.04.2014	Wool processor	Akhaltsikhe: collects unwashed greasy wool 2 tons/year from the farmers in Akhaltsikhe and Adigeni municipalities and process wool for making mattresses and blankets which is sold locally

KI 30	Vepkhvia Khitarishvili	29.04.2014	Leather collection Center	Akhaltsikhe: Collects leather of cattle 10t/month during winter and 4t/month during other seasons from the local farmers and the meat shop owners in Akhaltsikhe and Adigeni municipalities, he sells leather to the Rustavi and Otrachala leather processing factories
KI 31	Sergei	05.05.2014	Leather collection Center	Adigeni: He moves to the mountainous summer pastures from late spring to autumn he takes his own as well as other farmers cattle to the mountainous pastures 20-25 animals and is paid 15-20GEL/month for 1 each
KI 32	Givi Kachkachishvili	May	Local Herdsman in Adigeni Municipality	Adigeni: He moves to the mountainous summer pastures from late spring to autumn he takes his own as well as other farmers cattle to the mountainous pastures 20-25 animals and is paid 15-20GEL/month for 1 each
Ki 33	Zurab Abuladze	May	Local Herdsman in Aspindza Municipality	Aspindza: He moves to the mountainous summer pastures in Aspindza municipality from late spring to autumn he takes his own as well as other farmers cattle to the mountainous pastures 45 animals and is paid 10-15GEL/month for 1each
KI 34	Tamaz Kveladze	16.04.2014	Head of the Consultation Centre of Ministry of Agriculture based in Adigeni	Adigeni: Collects and provides agricultural information to farmers, promotes modern approaches and technologies, organizes various trainings and informational meetings
KI 35	Ilia Tedoradze	16.04.2014	Head of the Consultation Centre of Ministry of Agriculture based in Aspindza	Aspindza: Collects and provides agricultural information to farmers, organizes various of trainings and informational meetings
KI 36	Ramazi Gogaladze	17.04.2014	Head of the Consultation Centre of Ministry of Agriculture based in Akhalkalaki	Akhalkalaki: Collects and provides agricultural information to farmers, organizes various of trainings and informational meetings
KI 37	Armen Amirkhanyan	17.04.2014	Head of the Consultation Centre of Ministry of Agriculture based in Ninotsminda	Ninotsminda: Collects and provides agricultural information to farmers, organizes various of trainings and informational meetings; Provides consultations and advise to the farmers of Ninotsminda municipality, is very much interested in cattle breed improvement
KI 38	Guram Jinchveladze	30.04.2014	Vet pharmacy shop	Akhaltsikhe, Adigeni, Aspindza: Provides vet drugs, consultations and trainings to the local farmers
KI 39	Marina Chakhnashvili	30.04.2014	Vet Pharmacy shop	Aspindza: Provides selling of vet drugs to Aspindza based farmers

KI 40	Davit Tatoshvili	30.04.2014	Vet pharmacy shop	Akhaltsikhe: Provides selling of vet drugs to local farmers
KI 41	Iuri Gelashvili	30.04.2014	Vet pharmacy shop at Akhaltsikhe Livestock Market	Akhaltsikhe: provides vet drugs to local farmers
KI 42	Ararat Avetisyan	1.05.2014	Vet pharmacy shop	Akhalkalaki: provides vet drugs to Akhalakalaki based farmers
KI 43	Sosiko Amirkhanyan	1.05.2014	Vet pharmacy shop	Ninotsminda: provides vet drugs to Ninotsminda based farmers
KI 44	Artur	1.05.2014	Vet pharmacy shop	Ninotsminda: provides vet drugs to Ninotsminda based farmers
KI 45	Mirian Tumanishvili	April	Meat shop in Akhaltsikhe	Akhaltsikhe: Mirian buys cattle in Akhaltsikhe livestock market and in the villages of Adigeni and Akhaltsikhe municipalities, he slaughters cattle in his village and sells meat in the shop located in Akhaltsikhe agricultural market Current utilization: 1cow/day
KI 46	Paata Tatalashvili	April	Meat shop in Akhaltsikhe	Akhaltsikhe: He buys cattle in Akhaltsikhe livestock market and in the villages of Adigeni and Akhaltsikhe municipalities, he slaughters cattle in his village and sells meat in the shop located in Akhaltsikhe market Current utilization: 2-3cow/week
KI 47	Shalva	April	Meat shop in Akhaltsikhe	Akhaltsikhe: He buys cattle in Akhaltsikhe livestock market and in the villages of Akhaltsikhe municipality, he slaughters cattle in his village and sells meat in the meat shop located in the Akhaltsikhe agricultural market. Current utilization: 1cow/day
KI 48	Dato Chankvetadze	April	Meat shop in Akhaltsikhe	Akhaltsikhe: He buys cattle in Akhaltsikhe livestock market and in the villages of Akhaltsikhe and Adigeni municipalities; he slaughters cattle in his village and sells meat in the meat shop located in the Akhaltsikhe agricultural market. Current utilization: 1cow/day
KI 49	Dato Natriashvili		Meat shop in Akhaltsikhe	Akhaltsikhe: He buys cattle in Akhaltsikhe livestock market and in the villages of Akhaltsikhe and Adigeni municipalities, he slaughters cattle in his village and sells meat in the shop located in Akhaltsikhe market Current utilization: 1cow/day
KI 50	Gocha	April	Meat shop in Akhaltsikhe	Akhaltsikhe: He buys cattle in Akhaltsikhe livestock market and in the villages of Akhaltsikhe and Adigeni municipalities, he slaughters cattle in his village and sells meat in the shop

				located in Akhaltsikhe market Current utilization: 3-4cows/week
KI 51	I.E Iuri Beridze	April	Meat shop in Aspindza	Aspindza: He buys cattle in the villages of Aspindza municipality and slaughters at “Meskheti Products” Slaughterhouse 2 cows/week on average
KI 52	Ltd “Lavkardani”	April	Meat shop in Aspindza	Aspindza: Buys cattle in the villages of Aspindza municipality and slaughters at “Meskheti Products” Slaughterhouse 2-3 cows/week
KI 53	Unknown	29.04.2014	Meat shop in Akhalkalaki	Akhalkalaki: Buys cattle in the villages of Akhalkalaki and Ninotsminda municipalities and slaughters them in his village. Meat is sold in the Akhalkalaki agricultural market. Current utilizations capacity 1cow/day
KI 54	Unknown	29.04.2014	Meat shop in Ninotsminda	Ninotsminda: buys cattle in the villages of Ninotsminda municipality and slaughters them in his villages. Meat is sold in the Ninotsminda agricultural market
Rules				
KI 55	Ekaterine Kimeridze	May	GDCI company, Food Safety and Hygiene Consultations, assessments, trainings	Provides Food Safety and Hygiene consultations, trainings, assessments SME in whole Georgia. In 2013 provided number of trainings for Cheese producers Ninotsminda and Akhalkalaki municipalities. Potential to make the business profitable, to make farmers to pay for the service. Expansiion in Samtskhe Javakheti region.
KI 56	Lia Beqauri	May	Head of NFA representation in Akhaltsikhe municipality	Gardabani: Responsible for collecting/processing all information related to agricultural sectors, ability to check in case of emergency markets on food safety requirements.
Information				
KI 57	Maia Ivelashvili	April	Head of Akhaltsikhe TV “Imperia”	Akhaltsikhe: Operating through its own frequency (frequency 9) since 1998. Broadcasts various programs: political, news, entertaining programs, etc. in Georgian language only. Covers: Akhaltsikhe, Adigeni, Aspindza and Borjomi municipalities of SJ region. Broadcasts Agricultural program “Farmers Hour” since 2011. Main income from advertisements, grants and financed programs.
KI 58	Vayrad Ktoyan	April	NGO “Evrika Plus” ATV 12	Akhalkalaki: Operates since 2001. Broadcasts various news programs: entertaining, political, etc/ in Armenian language only. Covers 80% Akhalkalaki, 30% Ninotsminda and 10% Aspindza Municipalities, Main income – grants, advertisements. Broadcasts Agricultural program “Farmer’s Hour” since 2013

KI 59	Konstantin Vardanyan	April	Parvana TV	Ninotsminda: Operates every day since 1990. Broadcasts various news programs, documentary film, etc. in Armenian Language only. Covers: 40% Akhalkalaki and 80% of Ninotsminda Municipalities. Main income – grants, financed programs, advertisement
KI 60	Lela Inasaridze	April	Newspaper "Souther Gates"	Akhaltsikhe: Newspaper is published every week in Georgian and Armenian languages. Covers: Akhaltsikhe, Adigeni, Aspindza, Akhaltsikhe, Ninotsminda municipalities of SJ region. Started to publish farmers supplement since 2010. Main income: sales and funding from donors
Governance				
KI 61	Levan Tsabadze	June	Former Gamgebeli of Aspindza municipality	Gamgebeli expressed his willingness to cooperate with the Project.
KI 62	Eduard Aghasaryan		Gamgebeli of Akhalkalaki	Gamgebeli expressed willingness to cooperate