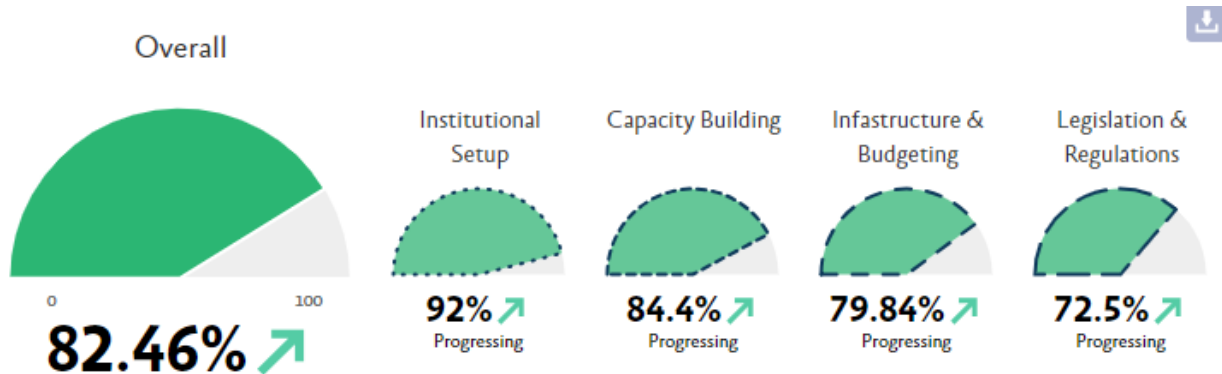


Agriculture Development

III phase report

On November 26, 2018, Phase III of the ReforMeter began with the assessment of the implementation of the **Agricultural Development Strategy**.

Government Survey has shown that, at this stage, 82.46% of the reform have been implemented. Because of the merger of the Ministries, a new organizational structure has been created and its refinement is underway. However, little progress can be observed in the process of creating a national agricultural registry and a countrywide cadastre of vineyards. While, the land Geoinformation System has not yet been created, and Cooperative Members / Management Quality Enhancement Programs are no longer planned for this year.

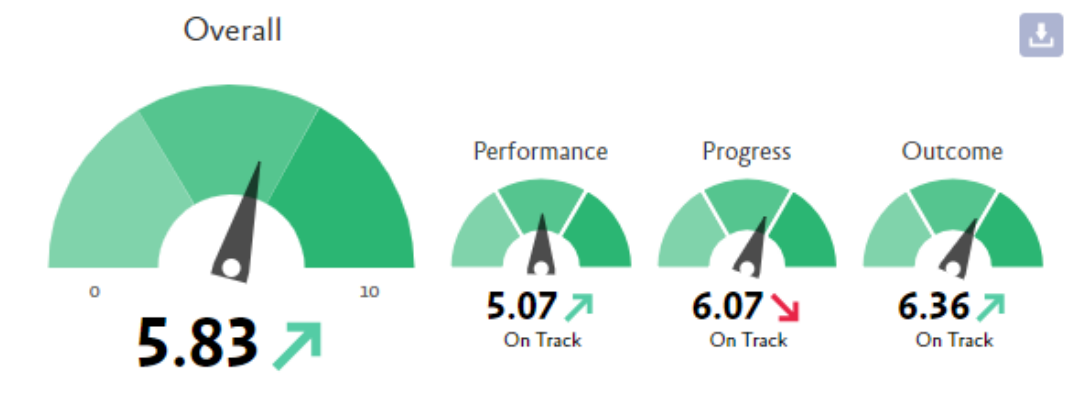


In 2018, 27 infrastructure rehabilitation projects were implemented. The area provided with water is currently 127,000 ha, an increase of 7,000 ha. The goal of the Ministry is to increase this to 135,000 ha by 2020. At this stage, the area of drenched lands is 35,900 ha, and there is further no increase.

The following areas are still under creation: the certification of seeds and planting material; the identification and registration of cattle; the identification and registration of livestock; and market information systems. The latter will be connected to the registry of farmers.

In order to bring Georgian legislation closer to relevant EU legislation, three legislative amendments have also been adopted in 2018, and by the end of the year, Georgia is expected to adopt 24 additional acts.

The group of stakeholders granted the reform with 5.83 out of a maximum 10 points, which is 0.2 greater than the previous phase. A slight decrease in prevailing attitudes towards the progress of the reforms can be observed, and it has reached 6.07 points.



The discussion was attended by the interested stakeholders, the Deputy Minister, Giorgi Khanishvili, and other officials from the Ministry of Agriculture, as well as invited guests from international and non-governmental organizations. A number of important opinions were expressed:

- According to the representatives of the Ministry of Agriculture, the government has been implementing the development strategy adopted in 2015; this is also reflected in the “Reformeter” study. Nevertheless, unsustainability remains one of the key challenges. The strategy focuses largely on the development of long-term agribusiness, as its share is an extremely small part of total production, and progress in this manner does not reveal significant change to the overall picture. In addition, the creation of a new agency has been planned, which will unite the Project Management and Cooperative Development Agencies, along with the extension centers. The agency will try to attract funds from EU authorities and use them for state programs.
- The NGO, "Farmer of the Future", suggests the initially increased production should be accompanied by an increase in the capacity of processing enterprises, in order for farmers not to retain unsold harvests.
- The representative of the Association of Shepherds has stressed the deficit of professional and young veterinarians. Most of these services are offered by the Food Safety Agency, which is not their direct responsibility. One solution is the strengthening of the Association of Private Veterinary Institute, where funds should be allocated. He also noted that breeding statistics are often absurd, and the methodology of statistical analysis should be verified.
- During the meeting, the necessity of assessing the work of the extension centers was posited as a major opportunity to bring knowledge to farmers.
- Lastly, representatives of the Ministry noted that a UN expert will prepare an interim assessment of the Strategy Action Plan. The action plan will also be updated and new indicators, together with their target indicators, will be further expanded.

ReformVerdict - the overall assessment of the government has improved and it has reached 5.33 points, however the estimation regarding expected future results has slightly decreased.

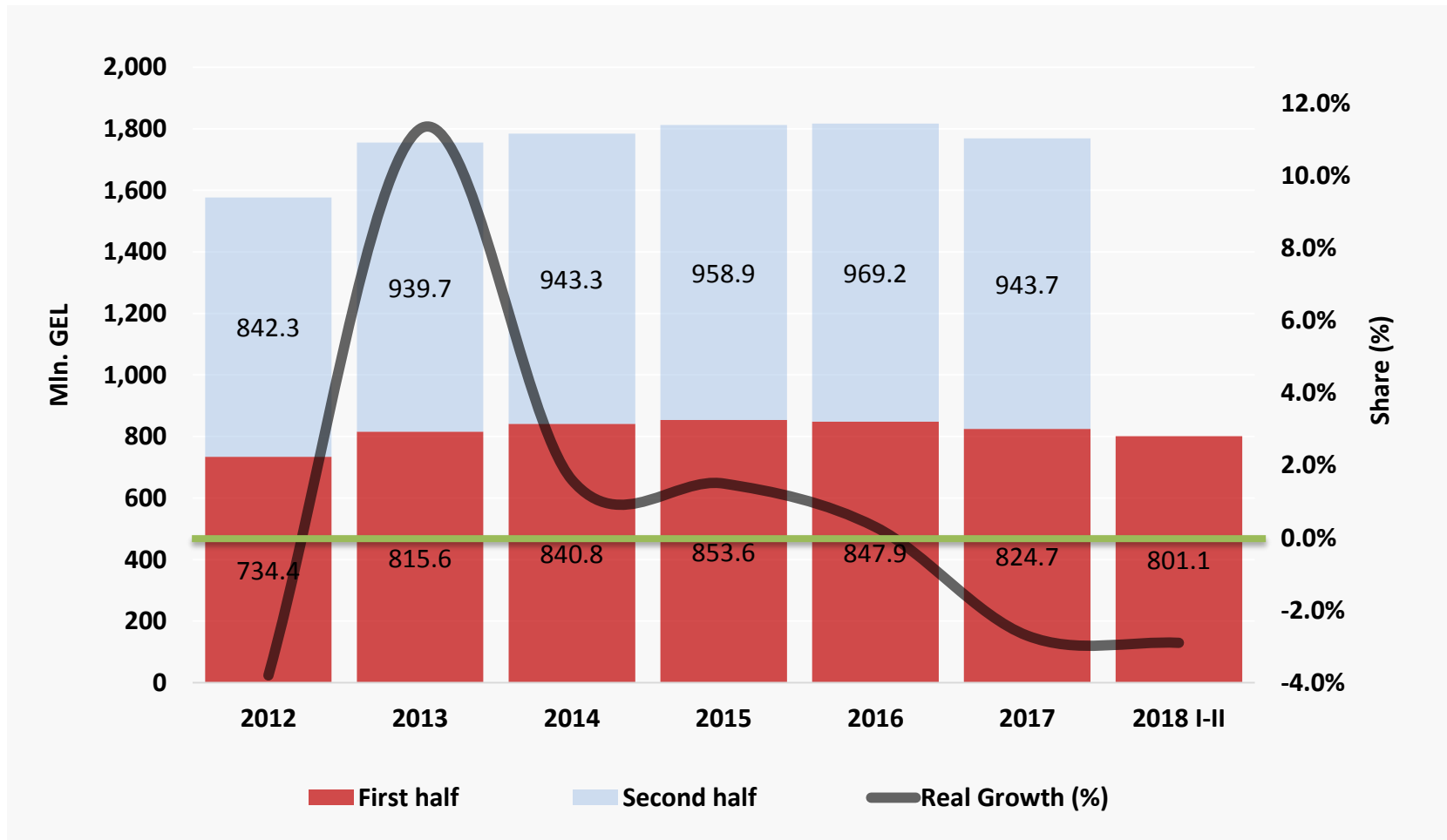
ReforMeter

Tracking Progress - One Reform at a Time

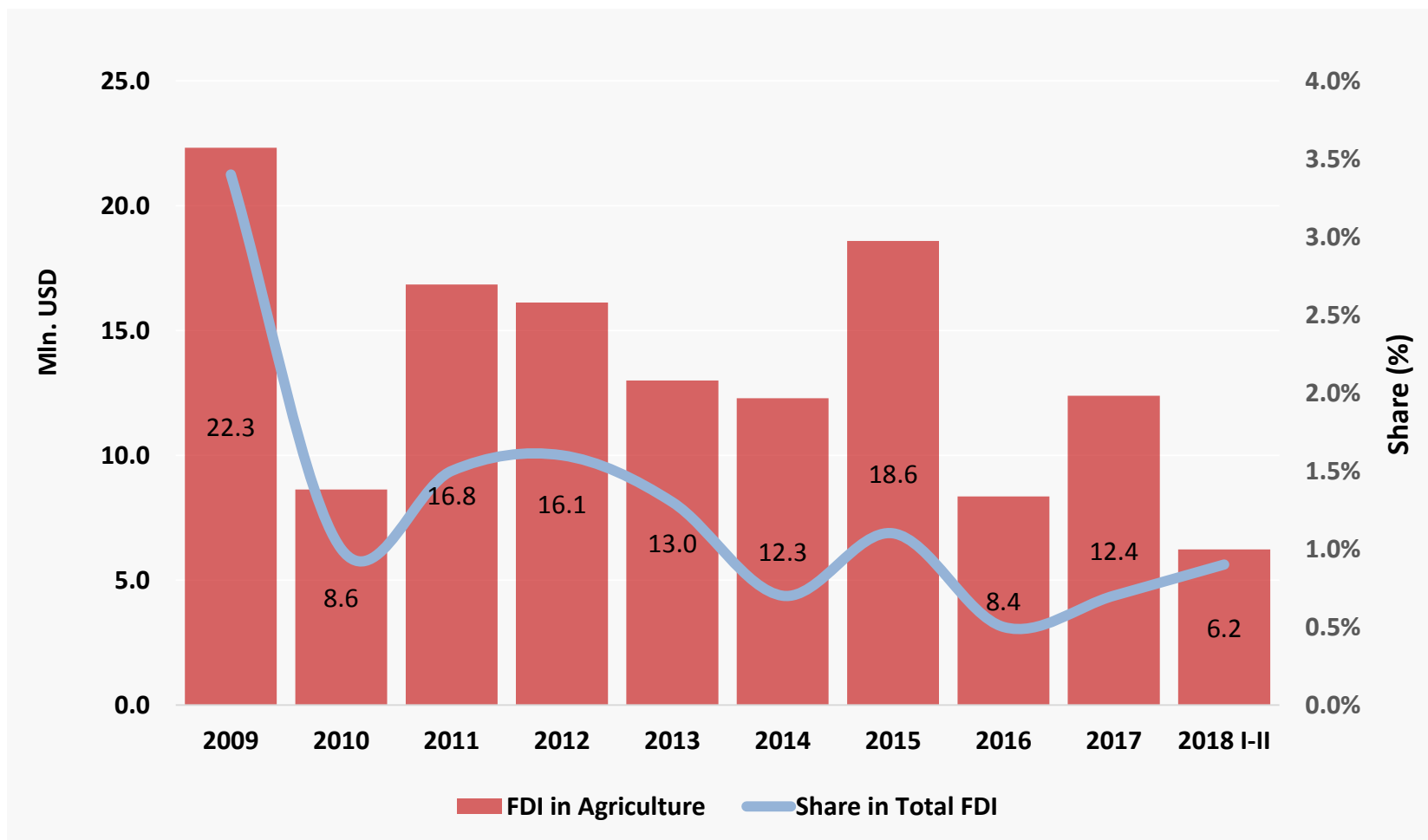
Indicators

1. Real GDP in Agriculture, primary production
2. Foreign Direct Investment in Agriculture
3. International Trade: Export, Import and Trade Balance of Agricultural Products
4. International Trade: Export Diversification Index of Agricultural Products
5. International Trade: Export of Top Agricultural Products
6. International Trade: Export of Agricultural Products in EU and CIS
7. Budget: The share of Agriculture Development in the Total Budget of Ministry
8. Irrigation: Irrigated and Drained Areas
9. APMA Budget
10. Loans Issued by Commercial Banks Under the AGROCREDIT Program
11. APMA New Projects for 2019

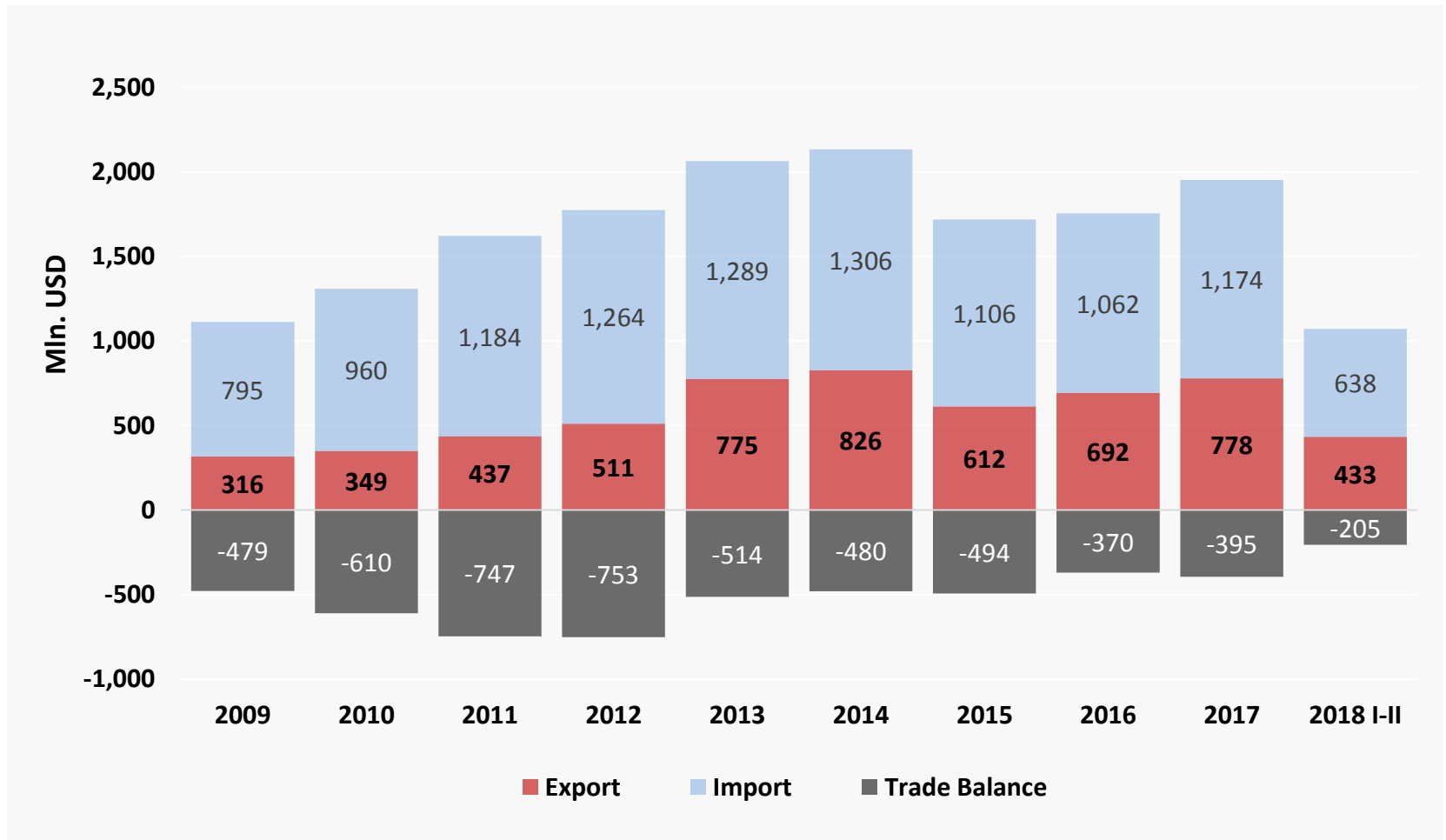
Real GDP in Primary Production of Agriculture
 (2012-2018 I-II)
 (adjusted with 2010 prices)



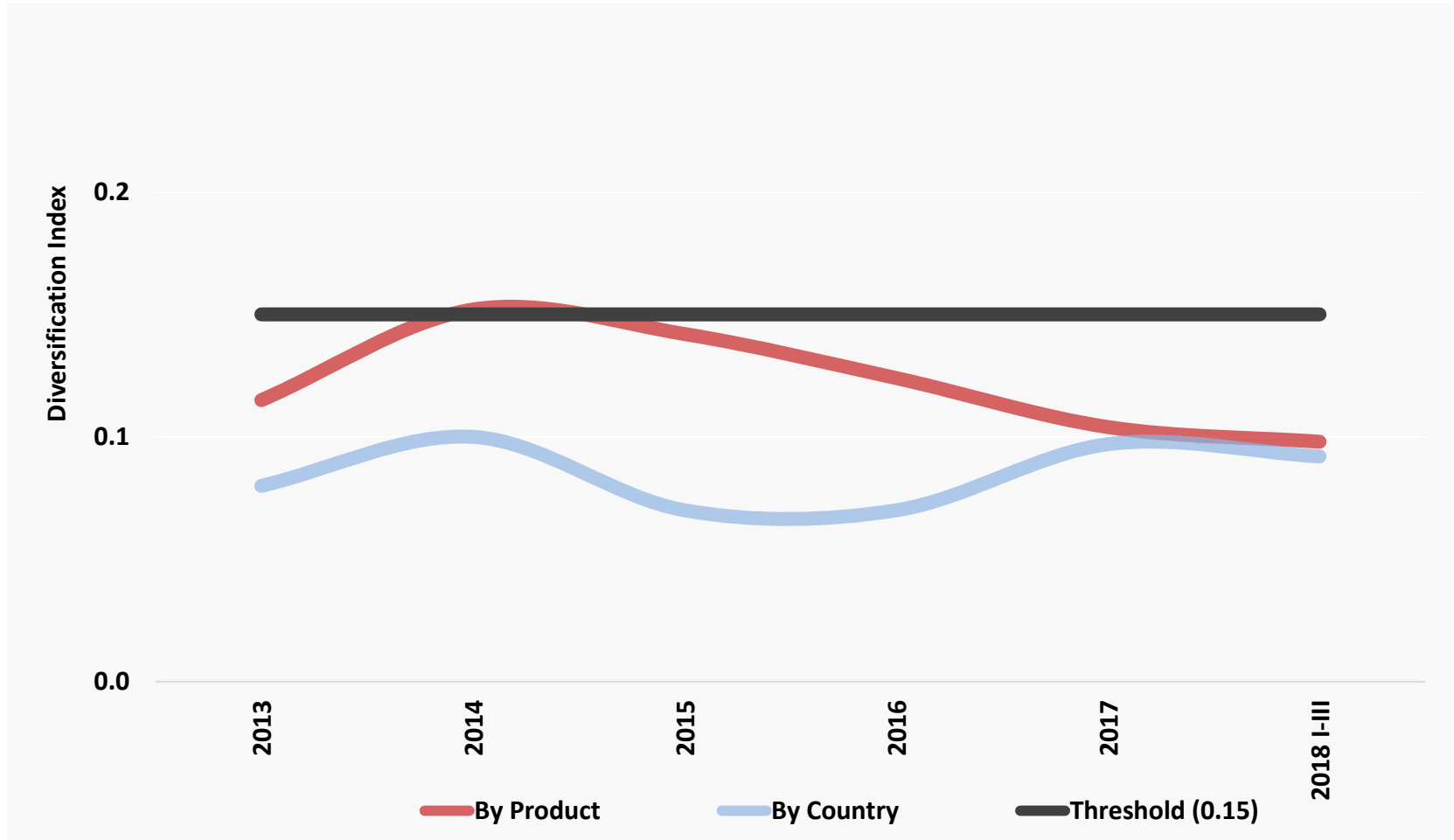
Foreign Direct Investments (FDIs) in Agriculture (2009-2018 I-II)



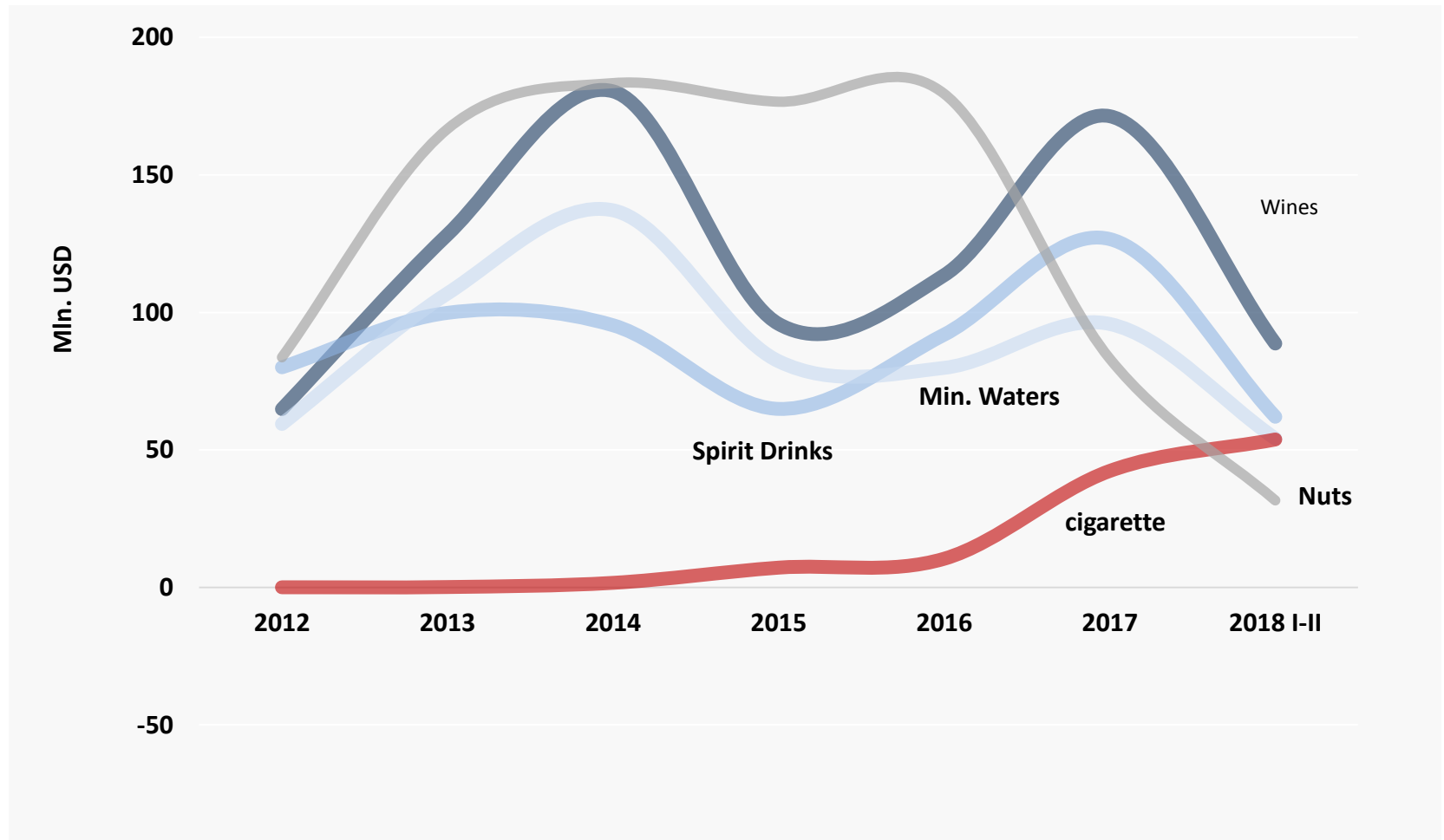
Export – Import and Trade Balance of Agricultural Products (2009-2018 I-II)



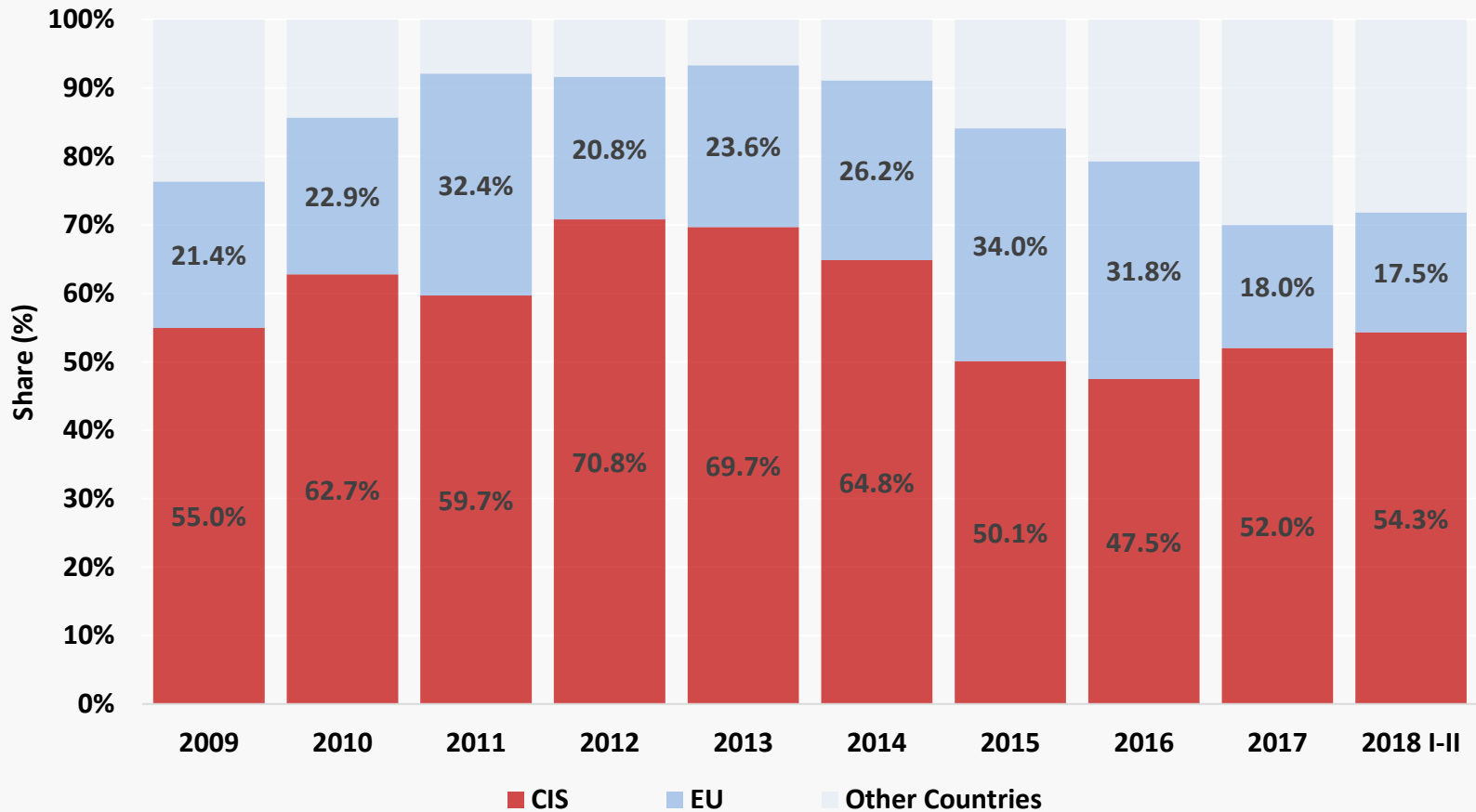
Export Diversification Index of Agro-Food Products (2013-2018 I-II)



Top Agro-Food Products Export (2012-2018 II)

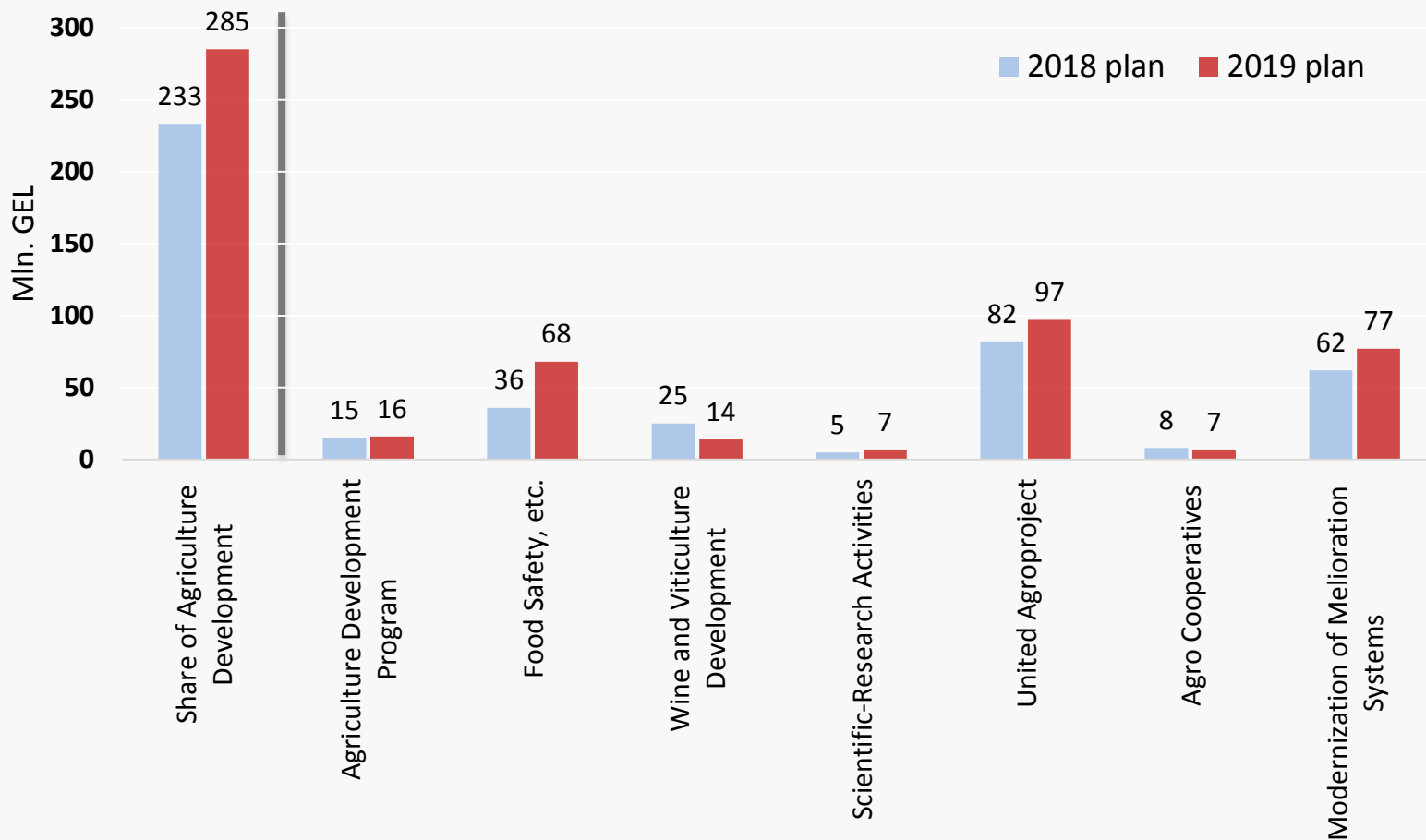


Export of Agro-Food Products in CIS and EU countries (2009-2018 I-II)



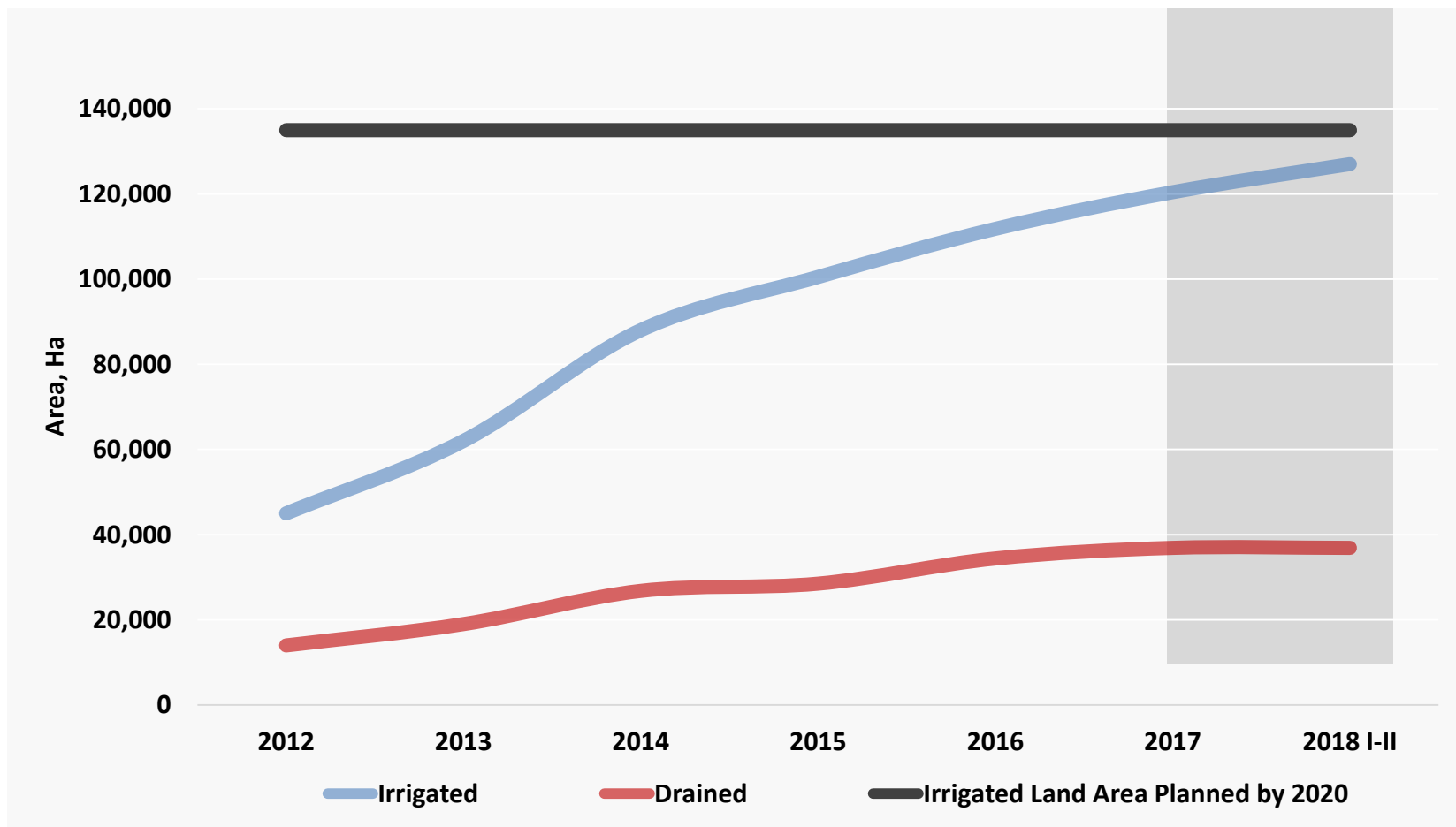
Share of Agriculture Development in Total Budget of Ministry

(by activity, 2018-2019)



Irrigated and Drained Lands

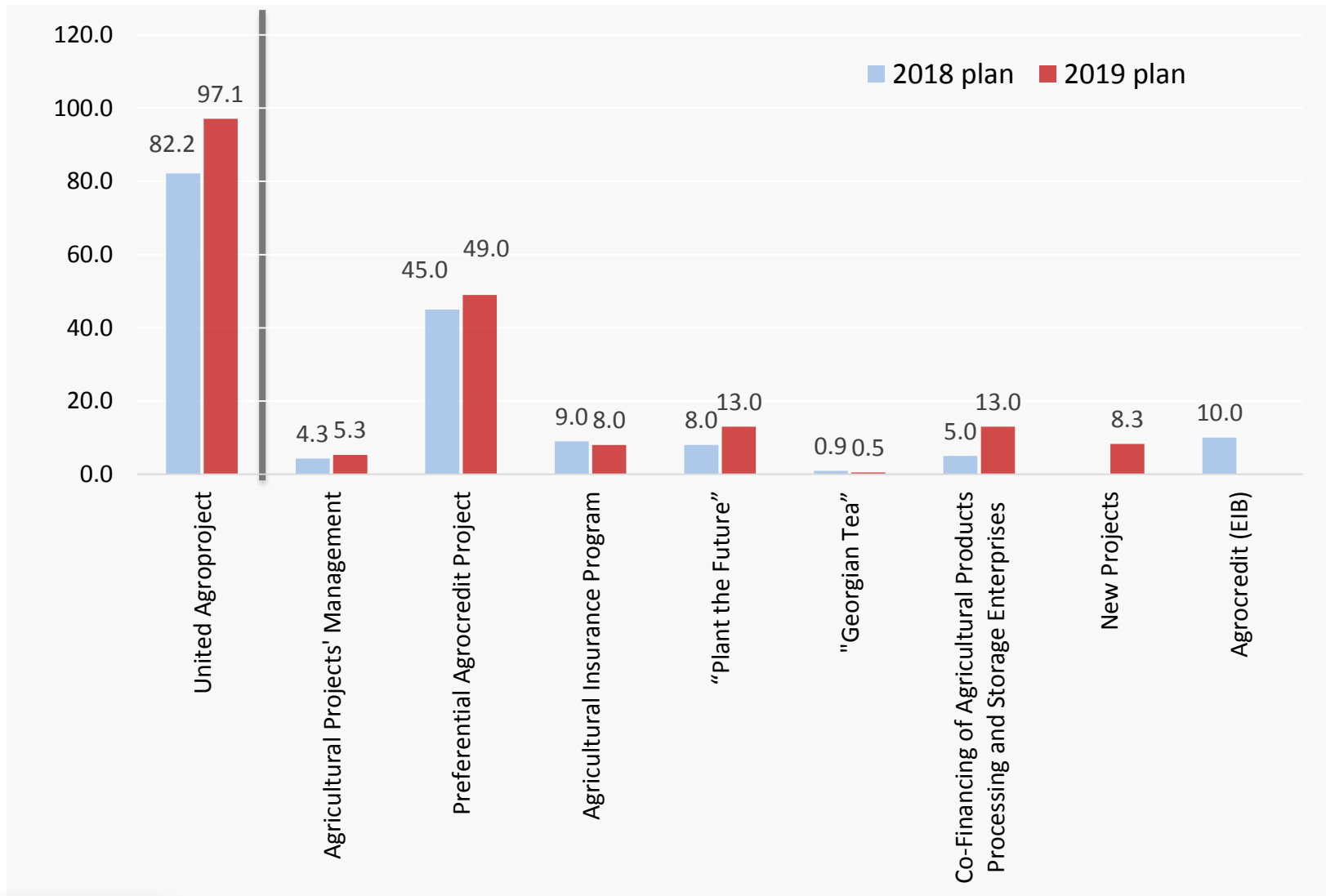
(2012-2018 I-II)



Budget

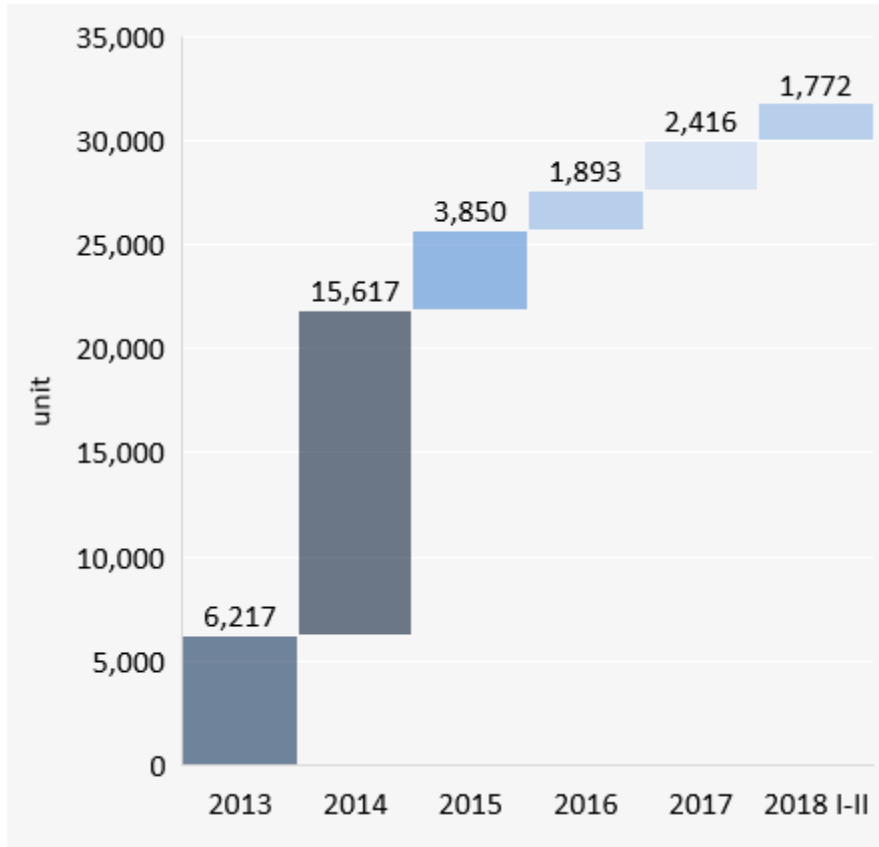
United Agroproject (APMA)

(by project, 2018-2019)

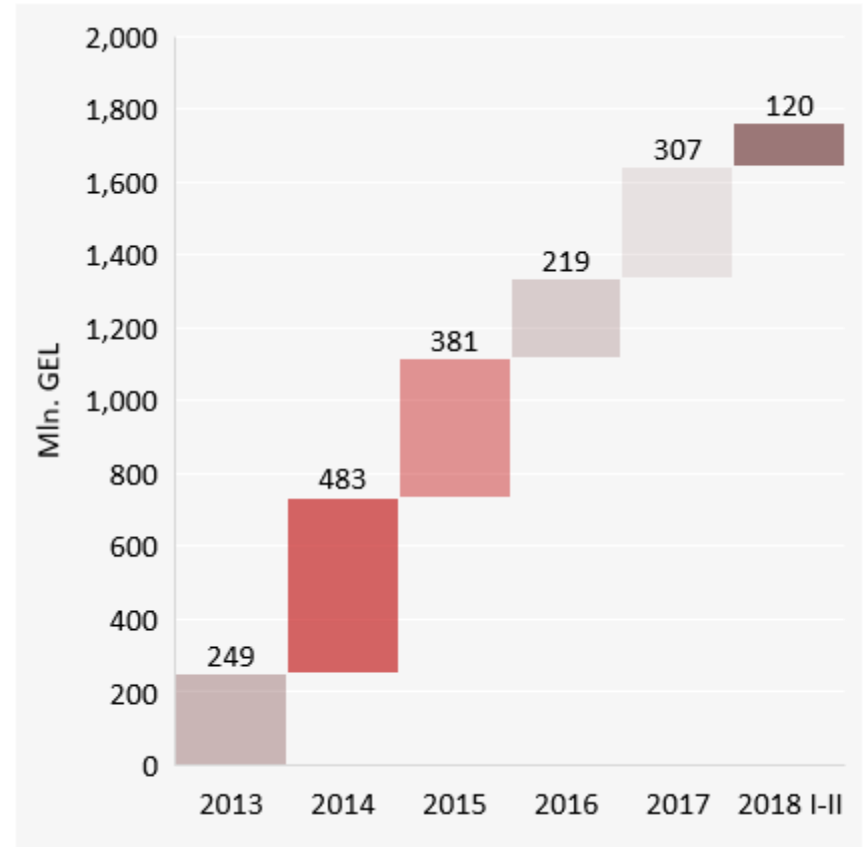


Loans issued by commercial banks under the AGROCREDIT program (2013-2018 I-II)

Number of projects



The volume of loans



ReforMeter

Tracking Progress - One Reform at a Time

Thank you!

The presentation is done by **ISET** Policy Institute
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