

Agricultural Report on Georgia #9

Weekly highlights

Real GDP growth accelerated in Aug-22

The economic growth in Georgia accelerated in Aug-22, up by 10.5% y/y, after growing by 9.7% y/y in previous month, based on Geostat's rapid estimates. Cumulatively, in 8M22, the real growth came in at 10.3% y/y. Growth in August was recorded in transport, construction, IT services, hospitality and trade, while it reduced in manufacturing, and real estate sectors. We maintain the 2022 baseline growth forecast at 9.2% and in optimistic scenario, we expect 2022 growth at 10.6% (if external inflows remain strong through the end-22)

Producer price index reduced to 11.0% y/y in Aug-22

Annual PPI for industrial goods reduced to 11.0% in Aug-22, after a 12.4% growth in previous month, according to Geostat. Price changes in manufacturing (+15.2% y/y) and mining (-14.6% y/y) contributed most to the overall index change in August

Exchange rate- As a result of October 10th, the value of one dollar became 2.8228 GEL and the value of one euro became 2.7590 GEL.

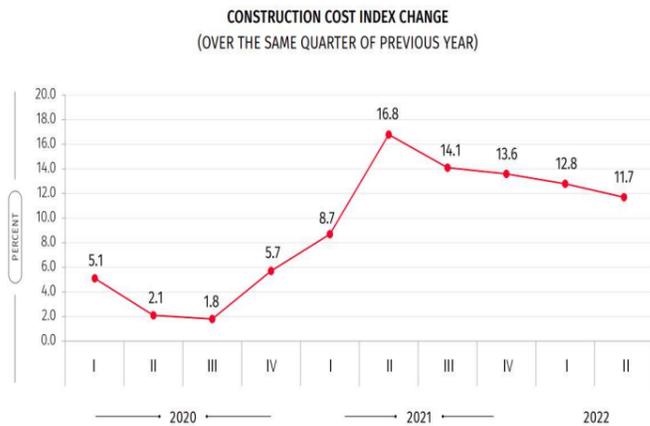
"Maiši" plans to export - "we focus on the USA, Britain, China and Dubai"

The natural juice production company "Maiši" is planning to export at the end of this year. As Mariam Koyava, the co-founder of "Maiši", tells bm.ge, they have a pre-selected strategy for export, according to which they focus on the markets of America, Great Britain, China and Dubai. According to him, the company can currently produce up to 2 million bottles of natural juice, and they plan to increase the capacity of the enterprise from next year.

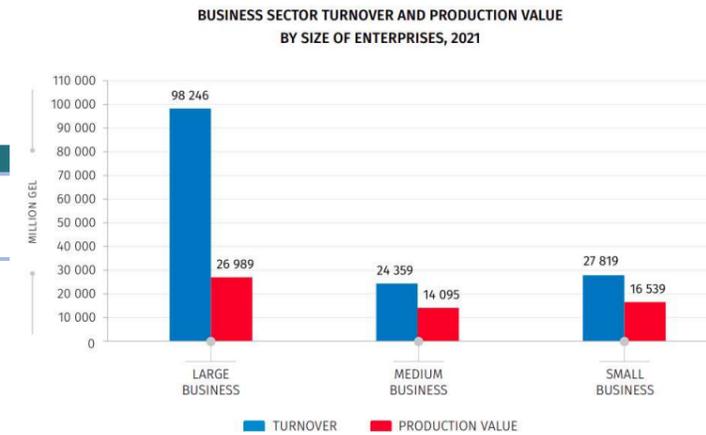
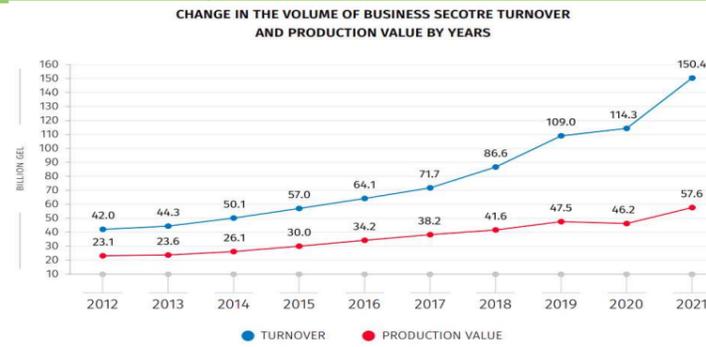
For information: "Maiši" appeared on the market for several months, it was founded in Natakhtar with an investment of 3 million 200 thousand GEL. The company produces 5 types of natural juices. The company cooperates with 15 farmers in order to purchase raw materials.



Construction Cost Index in Georgia II Quarter of 2022



Activities of Enterprises 2021



Governmental, Non-governmental grants and subsidies of Agriculture

GRETA | GREEN ECONOMY: SUSTAINABLE MOUNTAIN TOURISM & ORGANIC AGRICULTURE (co-financed by the EU as well as EU member states Sweden and Austria, and implemented by the Austrian Development Agency)

Targeted area and municipalities: Upper Svaneti, Racha-Lechkhumi and Lower Svaneti, Upper Imereti (Mestia, Lentekhi, Tsaeri, Oni, Ambrolauri, Sachkhere, Tchiatura and Tkibuli municipalities)

Beneficiaries:

- 400 small-scale business enterprises and producers in mountain tourism;
- 300 accommodation service providers;
- 300 other tourism service suppliers;
- 230 farmers in organic agriculture;
- 2 certification bodies;
- 76 local villagers and inspectors.

Project Objective: The objective of the action is to facilitate an improvement of the business environment and the creation of new income opportunities in sustainable mountain tourism and organic agriculture in order to reduce poverty and exclusion in the selected mountain areas of Georgia.

Project Duration: 12.12.2018 - 31.03.2023

Budget: 6,8 mill. Euro (EU - 3 mill. Euro; Sweden - 2,8 mill. Euro; Austria - 1 mill. Euro)

For more: <https://gretaproject.ge/en>

COST CATEGORIES	OVER I QUARTER OF 2022	CONTRIBUTIONS* TO QUARTERLY CHANGES	OVER II QUARTER OF 2021	CONTRIBUTIONS* TO ANNUAL CHANGES
TOTAL	107.2	7.22	111.7	11.75
Construction materials	102.8	1.63	111.8	6.74
Wages	116.4	4.36	108.5	2.35
Machinery	115.2	0.77	131.6	1.47
Transportation, fuel and electricity	105.9	0.07	111.7	0.14
Other costs	104.6	0.39	113.0	1.05

Agricultural commodities

Grains

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME (EDT)
C11COM Corn (CBOT)	USD/bu	677.00	-0.50	-0.07%	Dec 2022	9:48 AM
W11COM Wheat (CBOT)	USD/bu	922.50	+1.00	+0.11%	Dec 2022	9:48 AM
O11COM Oats (CBOT)	USD/bu	995.75	-5.75	-0.57%	Dec 2022	9:41 AM
R11COM Rough Rice (CBOT)	USD/bwt	1717	0.00	0.00%	Nov 2022	9:43 AM
S11COM Soybean (CBOT)	USD/bu	1388.00	-1.25	-0.09%	Nov 2022	9:48 AM
S11COM Soybean Meal (CBOT)	USD/T	40210	-0.90	-0.22%	Dec 2022	9:48 AM
B11COM Soybean Oil (CBOT)	USD/bb	62.68	+1.12	+1.82%	Dec 2022	9:48 AM
R11COM Canola (ICE)	CAD/MT	851.40	-0.80	-0.07%	Nov 2022	9:48 AM

Softs

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME (EDT)
C11COM Cocoa (ICE)	USD/MT	2345.00	-9.00	-0.38%	Dec 2022	9:44 AM
K11COM Coffee 'C' (ICE)	USD/lb	217.45	-410	-1.85%	Dec 2022	9:44 AM
S11COM Sugar #11 (ICE)	USD/lb	17.63	-0.05	-0.28%	Mar 2023	9:44 AM
J11COM Orange Juice (ICE)	USD/lb	200.00	+8.80	+4.49%	Nov 2022	9:44 AM
C11COM Cotton #2 (ICE)	USD/lb	84.90	-0.44	-0.52%	Dec 2022	9:44 AM
O11COM Wool (ASX)					N/A	
L11COM Lumber (CME)	USD/1000 board feet	422.50	+11.80	+2.82%	Nov 2022	9/30/2022
O11COM Rubber (Singapore)	USD/kg	134.00	-0.80	-0.45%	Nov 2022	8:59 AM
D11COM Ethanol (CBOT)	USD/gal	216	0.00	0.00%	Oct 2022	9/30/2022

Livestock

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME (EDT)
L11COM Live Cattle (CME)	USD/lb	148.45	-1.40	-0.95%	Dec 2022	9:45 AM
F11COM Feeder Cattle (CME)	USD/lb	176.50	-1.88	-1.07%	Nov 2022	9:48 AM
L11COM Lean Hogs (CME)	USD/lb	76.70	+0.48	+0.62%	Dec 2022	9:48 AM

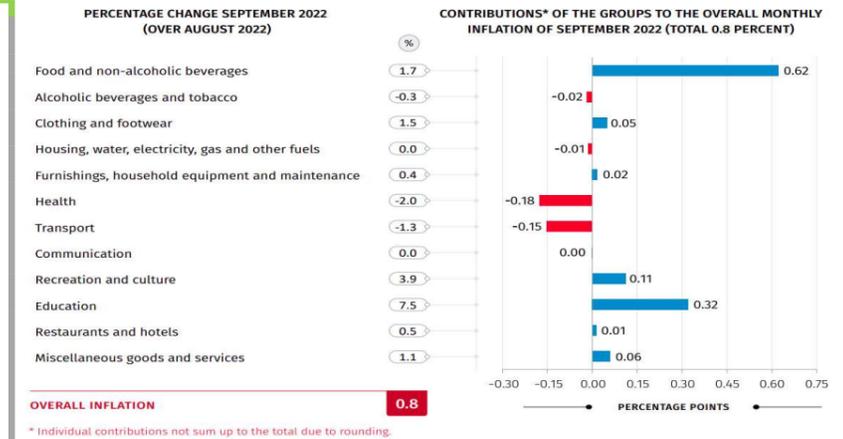
Economic Data on Georgia

	GDP							
	III 20*	IV 20*	2020*	I 21*	II 21*	III 21*	IV 21*	2021*
GDP at Current Prices, Bn €	13.4	14	49.3	11.5	15.5	16	17.2	60.2
GDP at Constant 2015 prices, Bn €	9.7	10.1	37.6	8.8	11.2	10.5	11	41.5
GDP Real Growth, Percentage	-6.8	-7.4	-6.8	-4.1	28.9	9.1	8.8	10.4
GDP Deflator Change, Percentage	7.9	8.6	7.3	7.9	11.6	9.4	13.4	10.8
GDP Per Capita (At Current Prices), €	3 600.1	3 753.0	13 234.1	3 081.3	4 161.4	4 290.4	4 621	16 154.1
GDP Per Capita (At Current Prices), \$	1 160.6	1 147.5	4 255.7	929.7	1 250.7	1 375	1 478.6	5 015.3
GDP at Current Prices, Bn US Dollars	7.5	3.8	3.4	3.5	4.7	5.1	5.5	18.7
Share of Agriculture in GDP, Percentage	8.3							

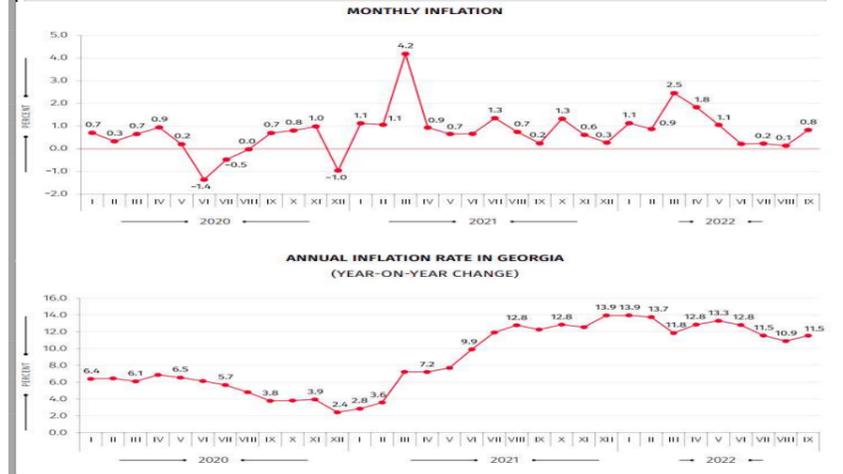
Population & Unemployment	
Economically Active Population (Workforce), Thousand People	1545.2 1515 1526.9 1505.7 1447.2 1559.1 1592 1536.1
Employed, Thousand People	1262.7 1237.6 1269.11 1197.9 1129.7 1214.6 1281.3 1244.3
Unemployed, Thousand People	282.6 277.4 258.8 307.8 317.5 344.6 310.8 291.9
Unemployment Rate, Percentage	18.3 18.3 17 20.4 21.9 22.1 19.5 19

Consumer Price Index (Inflation)	
Annual Average to the Annual Average	104 102.1 106 102.6 104.9 105.2 109.6
December over Previous Year's December	104.9 101.8 106.7 101.5 107 102.4 113.9

Inflation rate in Georgia



Food and non-alcoholic beverages: the prices for the group increased by 1.7 percent, contributing 0.62 percentage points to the overall monthly inflation rate. The prices increased for the following subgroups: vegetables (7.6 percent), milk, cheese and eggs (4.6 percent), mineral waters, soft drinks, fruit and vegetable juices (2.3 percent), fruit and grapes (2.0 percent), fish (1.4 percent). At the same time, prices decreased for the following subgroups: sugar, jam, honey, chocolate and confectionery (-1.4 percent), oils and fats (-1.1 percent);



IWSC will hold an international wine competition in Georgia

The International Wine & Spirit Competition (IWSC) will be held in Georgia - this is stated in the official announcement of the competition. After successful competitions held in South Africa and Conelliano-Valdobiadene in the summer, IWSC invites Georgian manufacturers to win awards. The competition will be held on Thursday, October 13. The names of the winners will be announced on October 15 at the partner event "Gurjaani Wine Festival". International and local jury will evaluate the wine samples presented in the competition. Full information on how to participate can be found on the IWSC website. The last date for registration and applications is October 7.

For the record, IWSC is an international wine and spirits society focused on people and experiences. Their mission is to highlight the world's best wines and spirits. IWSC offers comprehensive business support through a network of world-class experts. "We not only reward the best, but also look for undiscovered talents and help partners, large and small, to achieve ambitious goals and plans. The competition was founded in 1969 by the Austrian wine chemist, Anton Massel. We are proud to have over 50 years of experience in evaluating and recognizing the finest wines and spirits. Our standards, attention to detail and world-class experience set us apart in the eyes of partners, manufacturers, distributors, influencers and experts," the IWSC said.

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