

Weekly Highlights by Galt&Taggart

Annual inflation was 2.0% in May-24

In May-24, annual inflation rose to 2.0%, up from the 1.5% print in previous month. This increase was primarily driven by a 3.8% y/y rise in imported inflation (+3.5% in Apr-24), followed by a 2.5% y/y increase in domestic inflation (flat m/m). Notably, core inflation, excluding volatile food, energy and tobacco prices, reduced to 1.7% y/y in May-24 from 2.3% y/y recorded in previous month.

International reserves at US\$ 4.6bn

In May-24 Gross international reserves decreased by 8.0% y/y to US\$ 4.6bn in May-24, according to NBG. On a monthly basis, the reserves were down by 4.5% (-US\$ 214.3mn). Notably, there were 2 FX auctions in May, where NBG sold US\$ 108.7mn. Other changes in reserves were attributed to the government and/or banking sector FX operations, and likely also to NBG's FX trading via BMatch platform (information will be available on 27 May).

Georgian agricultural cooperatives purchase equipment with state support

Eleven agricultural cooperatives in the western Georgian region of Samegrelo have recently purchased agricultural equipment worth €1.2 million (\$448,637) with a 50 percent co-financing from the state, the Ministry of Agriculture said on Wednesday.

Minister Otar Shamugia inspected the equipment and implements purchased within the state programme for co-financing agricultural machinery for cooperatives.

Source: www.Agenda.ge



Co-financing program for harvesting agricultural machinery

In case you wish to purchase the harvesting agricultural machinery, within the framework of the program you are afforded the opportunity to obtain the co-financing.

The purpose of the program is to increase the availability to harvesting agricultural machinery (any type of harvesting machinery, both self-propelled and trailed, tea hand-picking machine).

Only the co-financing of harvesting agricultural machinery, both self-propelled and trailed is envisaged by the program.

The amount of co-financing of the agency for one beneficiary in the case of agricultural machinery intended for harvesting is not more than 30%, but not more than 150,000 GEL.

In the case of tea hand-pickup machine - not more than 50%, not more than 1000 GEL.

Beneficiary of the program can be a natural person or individual entrepreneur, the citizen of Georgia, or commercial legal entity (including agricultural cooperative) registered under the legislation of Georgia, in which the state doesn't own the share/equity interest/capital share.

<https://www.rda.gov.ge/en/programs/harvesting-agricultural-machinery>

Agrioli - Georgian innovative AI platform for farmers in 42 languages

"Agrioli," an AI-based system, assists farmers worldwide in growing and marketing their crops. The platform is available in 42 languages and supports 77 types of agriculture. It significantly contributes to the digital transformation of the agricultural sector.

"Agrioli" is a unified platform that helps farmers effectively manage plant diseases and pests, improve agricultural production, and increase efficiency. Additionally, it connects farmers with large companies, facilitating product sales for farmers and bulk agricultural purchases for companies.

Established in 2021, "Agrioli" helps farmers streamline their operations and increase efficiency. The platform addresses farmers' needs, particularly in crop production and marketing, offering a solution where access to agricultural specialists is limited. The AI-based system allows farmers to upload photos of diseased or damaged plants and pests, receiving instant diagnoses. This system operates independently of human resources, providing consistent service quality regardless of the number of users.

Currently, "Agrioli" is available for 77 types of agriculture and in 42 languages globally. Over 2,000 farmers have already utilized its services, with pilot agreements in place with an additional 1,500 farmers. Thus, the Georgian company has served over 3,500 users overall.

Through "Agrioli," farmers can grow and market their products, partnering with some of the world's largest production networks and nurseries, allowing direct purchases without intermediaries.

Source: www.bm.ge



Agricultural commodities monthly outlook bt G&T

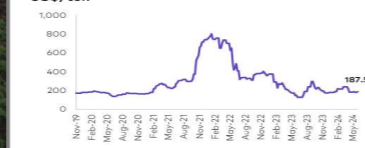
Ammonium nitrate

In May 2024, ammonium nitrate price was up 2.7% m/m. Fertilizer prices were on a downward trend following a surge in prices caused by onset of Russia-Ukraine war, that increased natural gas prices – key component of ammonium nitrate production. However, as discussed earlier, market may witness another significant rise of natural gas price that is likely to impact the prices of nitrate fertilizers as well. Demand side looks promising with Nutrien, one of top fertilizer makers forecasting increased sales due to demand coming from US and Brazil.

Wheat

In May 2024, wheat price was up 15.8% m/m. It marked a largest monthly gain since February 2022, when Russia launched full-scale war in Ukraine. This time around, both key global wheat exporters face severe weather challenges. Russia's production estimates have already been cut by over 10%, while Ukraine is set to harvest lowest volume in a decade. Meanwhile, global wheat inventories are projected to hit a nine-year low due to issues in other major producers too like Australia and India

Figure 7: Black Sea ammonium nitrate spot price, US\$/ton



Source: Bloomberg

Figure 9: Nitrogenous fertilizers export from Georgia, US\$ mn

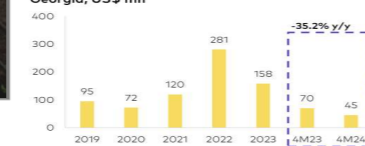
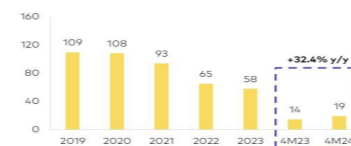


Figure 8: Black Sea Wheat Financially Settled (Platts) Futures, US\$/ton



Source: Bloomberg

Figure 10: Wheat import to Georgia, US\$ mn



Agricultural commodities - Price Dynamics (Bloomberg)

Grains

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME (EDT)
C1COM Corn (CBOT)	US\$/bu	470.25	-8.75	-1.21%	Dec 2024	6/14/2024
W1COM Wheat (CBOT)	US\$/bu	828.50	-9.25	-1.45%	Sep 2024	6/14/2024
O1COM Oats (CBOT)	US\$/bu	344.25	-1.75	-0.51%	Dec 2024	6/14/2024
R1COM Rough Rice (CBOT)	US\$/cwt	15.70	+0.15	+0.96%	Sep 2024	6/14/2024
S1COM Soybean (CBOT)	US\$/bu	1349.75	-10.50	-0.90%	Nov 2024	6/14/2024
SMCOM Soybean Meal (CBOT)	US\$/T	353.40	-3.90	-1.08%	Dec 2024	6/14/2024
B01COM Soybean Oil (CBOT)	US\$/lb	43.98	-0.18	-0.41%	Dec 2024	6/14/2024
RS1COM Canola (ICE)	CAD/MT	824.40	-15.50	-2.42%	Nov 2024	6/14/2024

Softs

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME (EDT)
C01COM Cocoa (ICE)	USD/MT	9701.00	-409.00	-4.05%	Sep 2024	6/14/2024
K01COM Coffee C (ICE)	US\$/lb	224.40	-1.85	-0.82%	Sep 2024	6/14/2024
S01COM Sugar #11 (ICE)	US\$/lb	19.49	-0.15	-0.78%	Oct 2024	6/14/2024
J01COM Orange Juice (ICE)	US\$/lb	422.40	+11.0	+2.70%	Jul 2024	6/14/2024
C11COM Cotton #2 (ICE)	US\$/lb	72.14	-0.35	-0.48%	Dec 2024	6/14/2024
W01COM Wool (ASX)	---	---	---	---	N/A	---
L01COM Lumber (CME)	USD/1000 board feet	---	---	---	N/A	---
R01COM Rubber (Singapore)	US\$/kg	174.20	-5.00	-2.79%	Sep 2024	6/14/2024
E01COM Ethanol (CBOT)	US\$/gal	2.18	0.00	0.00%	Jul 2024	6/14/2024

Livestock

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME (EDT)
L01COM Live Cattle (CME)	US\$/lb	183.18	+3.68	+2.05%	Aug 2024	6/14/2024
F01COM Feeder Cattle (CME)	US\$/lb	281.98	-4.50	-1.75%	Aug 2024	6/14/2024
L01COM Lean Hogs (CME)	US\$/lb	90.45	+1.85	+2.09%	Aug 2024	6/14/2024

Gov't meeting approves 2024-2027 action plan for agriculture, rural development

The Ministry of Agriculture and Environmental Protection of Georgia on Monday said the 2024-2027 action plan for the 2021-2027 strategy of agriculture and rural development in the country had been approved during a weekly Government meeting.

The plan, which consists of 88 activities, focuses on three main tasks:

1. Promoting competitive agricultural and non-agricultural sectors
2. Sustainable use of natural resources and adaptation to climate change
3. Establishing effective systems for food and animal nutrition safety, veterinary and plant protection

Company Overview - Kula

About Kula:

Kula is one of the prominent producers of Tkemali sauce in Georgia. Established in 2009, the company, known formally as Gori Feeding Cannery "KULA," produces a wide variety of canned products, including natural juices, compotes, jams, preserves, and sauces. Their Tkemali sauces come in several varieties, such as green, yellow, red, and hot sauce versions.

Kula's products are exported to over 20 countries, including the USA, Canada, China, Russia, and several European countries. The company is well-regarded for its high standards and has received certifications like ISO 9001:2018. Kula's Tkemali sauces are well-appreciated for their traditional flavors and versatility in Georgian cuisine

Production Process:

The plums are harvested, sorted, and cleaned. They are then boiled and processed to create the base for the sauce. Spices and herbs are added according to traditional Georgian recipes. The sauces are then bottled, sealed, and pasteurized to ensure a long shelf life without the need for preservatives..

For more detailed information on Kula and their product offerings, you can visit their official website or explore their products on platforms like Trade with Georgia and Georgian Land Catalog

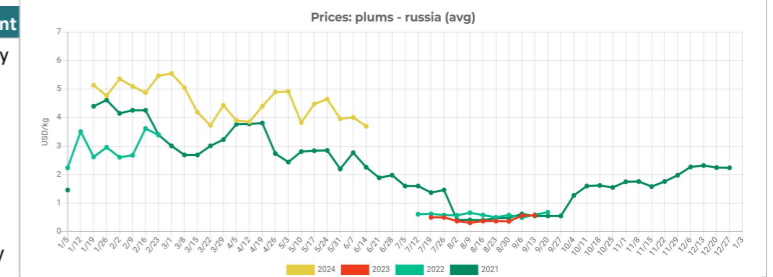


Plum Prices - Eastern Europe

In Eastern Europe, particularly in Moldova and Ukraine, plum prices have experienced significant drops. Ukrainian plum prices hit record lows, recently stabilizing at around \$0.26 per kg, which is the lowest in four years. Moldovan plum growers have also faced challenges, though they remain competitive in the global market by diversifying their export destinations.

In 2024, Russia's plum market is experiencing stability despite challenges. Domestic production has been affected by adverse weather and logistical issues, but demand remains strong. Prices have stabilized, supported by imports from Moldova and Serbia. The market shows a preference for premium varieties, with economic sanctions influencing trade dynamics. For detailed market insights, resources like EastFruit and Tridge offer comprehensive updates. Stats is taken from: www.eastfruit.com

Prices



LLCGH Agri

Website: <https://www.ghagri.net/>
 Email: irakli.dadiani@lcegeholding.org; irakli.gogiberidze@lcegeholding.org
 Facebook: <https://www.facebook.com/ghagrilc/>

This presentation is for information purposes only and does not constitute or form part of any offer to acquire, sell or otherwise dispose of, or issue, or any solicitation of any offer to sell or otherwise dispose of, purchase or subscribe for, any securities, nor does it constitute investment advice, nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision. Certain statements in this presentation are forward looking statements. These forward looking statements are based on expectations and beliefs current as of the date of this presentation, and, by their nature, are subject to a number of known and unknown risks and uncertainties that could cause the actual results, performance and achievement to differ materially from any expected future results, performance or achievement expressed or implied by such forward looking statements. No representation, warranty or assurance (expressed or implied) is given or made by the forward looking statements contained in this presentation are accurate, complete, reliable or adequate or that they will be achieved or prove to be correct. The presentation disclaims any obligation or undertaking to disseminate any updates or revisions to any information contained in this presentation reflect any change in expectations, events, conditions or circumstances on which that information is based.

