

## Weekly Highlights by Galt&Taggart

### Annual inflation was 2.2% in Jun-24

In Jun-24, annual inflation reached 2.2%, up from the 2.0% print in previous month. This increase was primarily driven by a 2.8% y/y rise in domestic inflation (+2.5% y/y in May-24), followed by a 3.3% y/y increase in imported inflation (+3.8% y/y in May-24). Notably, core inflation, excluding volatile food, energy and tobacco prices, slowed to 1.4% y/y in Jun-24 from 1.7% y/y recorded in previous month.

### International visitors at 1.5mn in 2Q24

In 2Q24, international visitors to Georgia increased by 4.6% y/y to 1.5mn persons. This growth was driven by a 9.2% y/y increase in tourist arrivals, which accounted for 77.4% of total arrivals. Meanwhile, same-day arrivals declined by 8.8% y/y in the same period. Accordingly, we estimate tourism revenues at US\$ 1.1bn (+9.8% y/y) in 2Q24.

### Georgia to export 500 tonnes of blueberries to EU, UK

The Ministry of Economy of Georgia on Tuesday said 500 tonnes of blueberries would be exported to the European Union and the United Kingdom as part of the Lead Generation Programme aimed at connecting domestic producers with foreign buyers and expanding international market opportunities. Photo: Ministry of Agriculture

Source: www.Agenda.ge



### The Co-financing of Processing and Storage Enterprises program

The Co-financing of Processing and Storage Enterprises program, initiated by the Ministry of Environmental Protection and Agriculture of Georgia and implemented by the Rural Development Agency, aims to support the establishment of processing and storage enterprises. The program includes two components: co-financing for processing enterprises and co-financing for storage enterprises. Applicants can receive state co-financing to establish these enterprises. Applications for the processing enterprises component will be accepted from July 9 to July 19, 2024. The storage enterprises component's application period for 2023 has closed.

For more details, visit [RDA.gov.ge](http://RDA.gov.ge).

## 12 Georgian wine companies showcased at China-Eurasia Expo in Xinjiang

Twelve Georgian wine companies have been showcased at the eighth China-Eurasia Expo in Urumqi, the capital of northwest China's Xinjiang region, with the support of the Georgian Wine agency and the country's Embassy in China.

The Agency said on Sunday the annual trade fair, held under the patronage of the Chinese Foreign and Commerce ministries, hosted 12,000 guests from 70 countries and two million visitors.

It represents an "important platform for deepening economic, trade, scientific and technical cooperation", the body added. The Agency said the fair also provided an "incredible opportunity" to Georgian wine producers to establish business connections with potential partners on the Asian wine market.

China is considered "one of the most distinguished strategic markets" for Georgian winemakers, the national institution said, adding it had organised promotional campaigns in the country since 2013 to boost exports from Georgia.



## Agricultural commodities monthly outlook bt G&T

### Ammonium nitrate

In June 2024, ammonium nitrate price was up 17.3% m/m. As natural gas is a primary component of nitrogenous fertilizers' production, their prices are highly correlated. Following a 20.4% m/m surge of natural gas price in May 2024, ammonium nitrate price growth in June was largely anticipated. Despite the notable gain, market is finally stabilizing after years of disruptions, according to Nutrien – top fertilizer maker. As the firm claims, destructed demand during the record-high prices is finally returning. However, shipping still remains an important challenge amid ongoing Red Sea crisis.

### Wheat

In June 2024, wheat price was down 6.4% m/m. Despite the decline, supply outlook for the global wheat remains gloomy. Per our previous outlook, Ukraine and Russia are set to harvest lower volumes of wheat due to weather conditions. Additionally, record rainfall in June endangered crop yields in UK and France, two major producers in Europe. Notably, drought is threatening the grain output in China too. Beijing stayed away from the large purchases on global market in recent months due to domestic oversupply. However, falling yields may force the country to re-enter the global trade

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

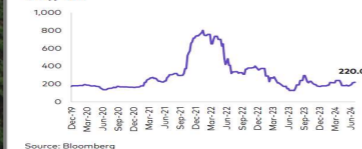


Figure 9: Nitrogenous fertilizers export from Georgia, US\$ mn

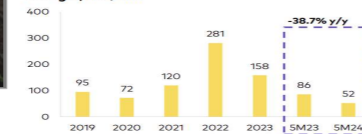


Figure 8: Black Sea Wheat Financially Settled (Platts) Futures, US\$/ton

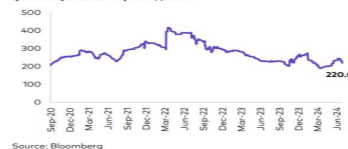
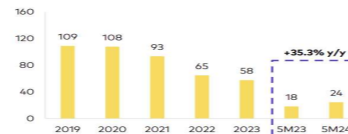


Figure 10: Wheat import to Georgia, US\$ mn



## Agricultural commodities - Price Dynamics (Bloomberg)

### Grains

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME (EDT)
C1:COM Corn (CBOT)	USD/bu	406.50	-2.25	-0.56%	Dec 2024	11:07 AM
W1:COM Wheat (CBOT)	USD/bu	526.75	-5.75	-1.09%	Sep 2024	11:07 AM
O1:COM Oats (CBOT)	USD/bu	315.00	-1.25	-0.40%	Dec 2024	11:04 AM
RR1:COM Rough Rice (CBOT)	USD/cwt	14.65	-0.05	-0.34%	Sep 2024	11:06 AM
S1:COM Soybean (CBOT)	USD/bu	1,044.75	-4.75	-0.46%	Nov 2024	11:07 AM
SM1:COM Soybean Meal (CBOT)	USD/T	309.80	-0.50	-0.16%	Dec 2024	11:07 AM
SO1:COM Soybean Oil (CBOT)	USD/lb	45.24	-0.23	-0.72%	Dec 2024	11:07 AM
RS1:COM Canola (ICE)	CAD/MT	624.10	-8.80	-1.40%	Nov 2024	11:07 AM

### Softs

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME (EDT)
CC1:COM Cocoa (ICE)	USD/MT	7,968.00	-927.00	-7.29%	Sep 2024	11:07 AM
KC1:COM Coffee 'C' (ICE)	USD/lb	245.10	-2.95	-1.22%	Sep 2024	11:06 AM
SB1:COM Sugar #11 (ICE)	USD/lb	19.68	-0.10	-0.51%	Oct 2024	11:07 AM
JO1:COM Orange Juice (ICE)	USD/lb	452.40	+0.80	+0.18%	Sep 2024	11:07 AM
CT1:COM Cotton #2 (ICE)	USD/lb	71.82	-0.82	-0.88%	Dec 2024	11:07 AM
QL1:COM Wool (ASX)	--	--	--	--	N/A	--
LB1:COM Lumber (CME)	USD/1000 board feet	--	--	--	N/A	--
OR1:COM Rubber (Singapore)	USD/kg	182.90	-0.90	-0.19%	Sep 2024	6:00 AM
DL1:COM Ethanol (CBOT)	USD/gal	2.18	0.00	0.00%	Aug 2024	7/15/2024

### Livestock

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME (EDT)
LC1:COM Live Cattle (CME)	USD/lb	184.15	-0.35	-0.19%	Oct 2024	11:06 AM
FC1:COM Feeder Cattle (CME)	USD/lb	259.00	-0.23	-0.09%	Aug 2024	11:06 AM
LH1:COM Lean Hogs (CME)	USD/lb	71.45	-1.88	-2.42%	Oct 2024	11:06 AM

## Georgian Agriculture Minister, UN Resident Coordinator discuss cooperation

Strengthening of strategic cooperation in rural and agricultural development, biodiversity conservation and climate change mitigation was discussed on Monday between Otar Shamugia, the Georgian Minister of Agriculture and Environmental Protection and Didier Trebucq, the newly appointed United Nations Resident Coordinator in the country.

Trebucq noted the UN would continue to support Georgia and highlighted the necessity of working with local communities and promoting development of the agricultural sector to achieve sustainable development and reduce poverty.

## Company Overview - Marneuli Food Factory

Marneuli Food Factory stands as a cornerstone in the Georgian food industry, renowned for its traditional Tkemali sauces. Crafted from locally sourced sour plums, Marneuli offers both red and green Tkemali, each delivering a unique tangy flavor. The green Tkemali is made from unripe plums, while the red variety uses ripe plums, maintaining an authentic and beloved Georgian taste.

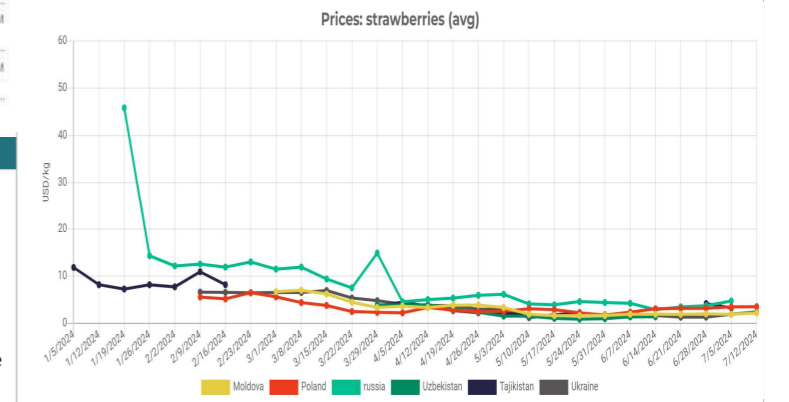
Marneuli's production process combines age-old recipes with modern techniques, ensuring consistency and quality. The factory follows strict quality control measures and holds several food safety certifications, meeting both local and international standards. Their commitment to sustainability and the use of local ingredients further enhances the appeal of their products.

Widely available in Georgian supermarkets, Marneuli's Tkemali has also made its mark internationally, reaching the Georgian diaspora and food enthusiasts through specialty stores and online platforms. These sauces are perfect for adding a burst of flavor to various dishes, from grilled meats to roasted vegetables.



## Strawberry Prices - Eastern Europe

The chart displays the average wholesale prices of strawberries (in USD/kg) across several countries from January to July 2024. Notably, prices in Uzbekistan started high at around \$50/kg but dropped sharply to stabilize around \$5-10/kg. Other countries, including Moldova, Poland, Russia, Tajikistan, and Ukraine, showed relatively stable prices throughout the period, generally ranging from \$1 to \$10/kg. The overall trend indicates a significant price drop in Uzbekistan early in the year, with other regions maintaining consistent pricing.



LLCGH Agri  
Website: <https://www.ghagri.net/>  
Facebook: <https://www.facebook.com/ghagric/>  
Email: [irakli.dadiani@llcgeholding.org](mailto:irakli.dadiani@llcgeholding.org); [irakli.gogberidze@llcgeholding.org](mailto:irakli.gogberidze@llcgeholding.org)



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