

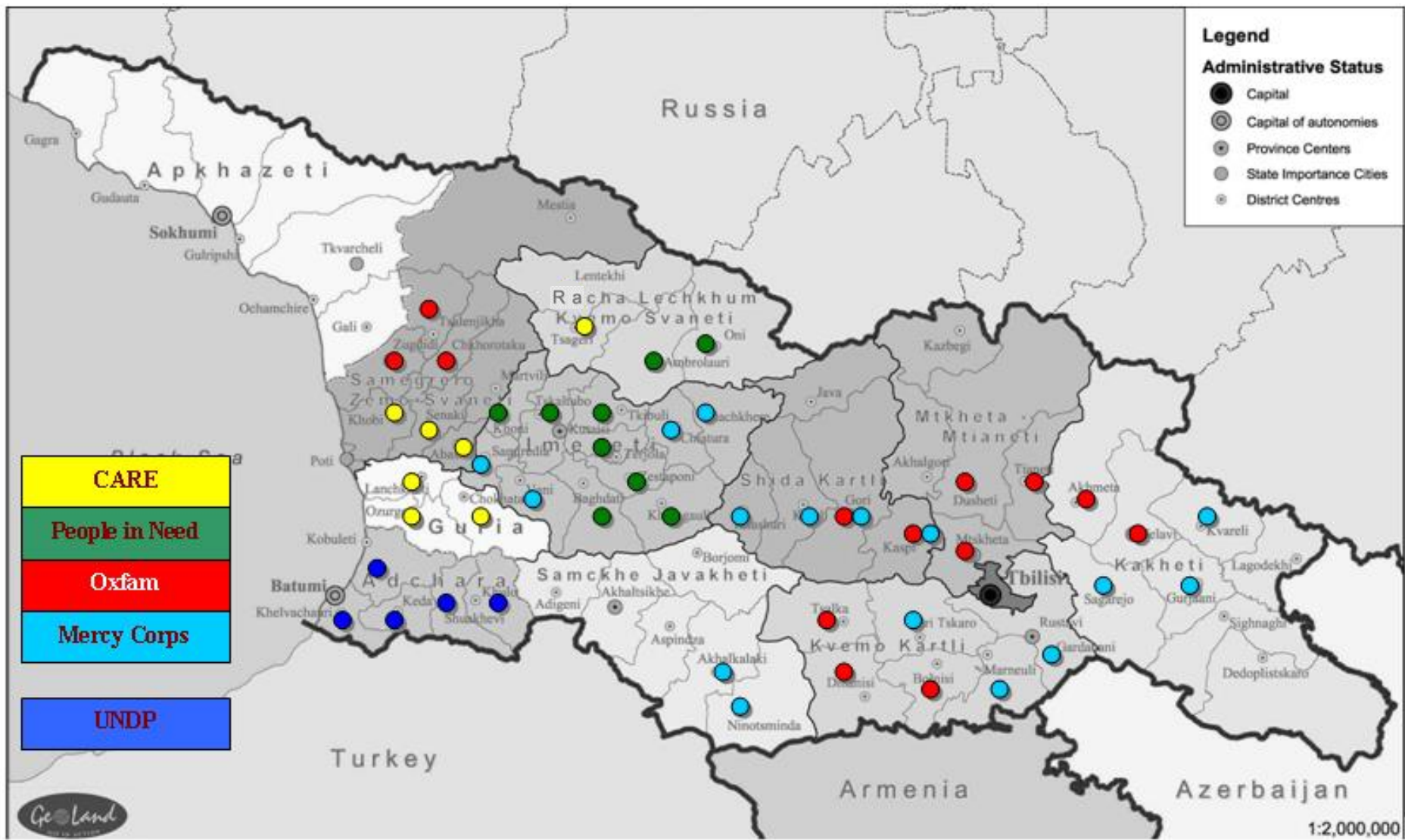


# Agriculture and Rural Development in Georgia: Insights from Four Baseline Studies

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Policy Institute

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Map source: EU Delegation to Georgia





**Abasha**  
(Samegrelo)  
**Khobi**  
(Samegrelo)  
**Senaki**  
(Samegrelo)  
**Ozurgeti**  
(Guria)  
**Lanchkhuti**  
(Guria)  
**Chokhatauri**  
(Guria)  
**Tsageri**  
(Racha)

**Samtredia**  
(Imereti)  
**Vani**  
(Imereti)  
**Sachkhere**  
(Imereti)  
**Chiatura**  
(Imereti)  
**Kaspi**  
(Shida Kartli)  
**Gori**  
(Shida Kartli)  
**Kareli**  
(Shida Kartli)  
**Khasuri**  
(Shida Kartli)  
**Gardabani**  
(Kvemo Kartli)

**Marneuli**  
(Kvemo Kartli)  
**Tetriskaro**  
(Kvemo Kartli)  
**Akhalkalaki**  
(Samtskhe-  
Javakheti)  
**Ninotsminda**  
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Javakheti)  
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(Kakheti)  
**Gurdjani**  
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**Kvareli**  
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**Chkhorotsku**  
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**Dusheti**  
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**Tsalka**  
(Kvemo Kartli)  
**Dmanisi**  
(Kvemo Kartli)  
**Bolnisi**  
(Kvemo Kartli)  
**Telavi**  
(Kakheti)  
**Akhmeta**  
(Kakheti)

**Khoni**  
(Imereti)  
**Tkibuli**  
(Imereti)  
**Terjola**  
(Imereti)  
**Bagdati**  
(Imereti)  
**Zestafoni**  
(Imereti)  
**Kharagauli**  
(Imereti)  
**Tsalkubo**  
(Imereti)  
**Oni**  
(Racha)  
**Ambrolauri**  
(Racha)

# Objectives of the Baseline Studies

- To better understand economic behavior, conditions, and organization in the agricultural sector and rural economy in Georgia
  - For programming and for general knowledge generation
- To track changes in key outcomes (e.g., reduction in rural poverty, increase in food production, etc.) over the project areas (from 2014-2018)

# Quantitative Survey Methodologies



2,800 respondents  
from rural and  
urban households

Data collected from  
June-August 2014



1,000 respondents  
from rural  
households

Data collected in  
Spring 2014



500 respondents  
from rural  
households

Data collected from  
April-May 2014



384 respondents  
from households  
directly engaged in  
agricultural  
activities

Data collected from  
February-April 2014

# **Main Findings**

**Agriculture, Poverty, Gender, Cooperatives**

# Agriculture

Land, Production, Marketing

# Land

- The vast majority of households owned or used land in 2013
- Almost all land plots in use were owned by the household; few rental transactions were under way in 2013
- The average total land area owned by households was typically less than 1-1.25 hectares, though there is some variation in total land ownership/use across municipalities
  - The average (individual) land plot size is typically between half a hectare and one hectare (0.5 – 1 ha)
  - Multiple, geographically dispersed land plots in ownership and use



# Land

- In some cases, land plots were not cultivated
  - Issues related to limited mechanization and generally poor land conditions (Mercy Corps)
    - Large distances between the household and land plot were said to be the main reason for not using the land by 19% of rural, agrarian households surveyed by PIN
  - Further need for soil-appropriate chemicals, better irrigation systems, and plot-appropriate equipment; mechanization centers which are closer by; also access to improved seed varieties (Mercy Corps)
  - Poor security infrastructure and water access (Oxfam)

# Land

In western Georgia:

- The majority of households have certificates or other papers that prove that someone in the household owns said land plots, and the majority of households perceive that their land plots are registered with the government (CARE)
- Seemingly few challenges related to the definition and enforcement of property rights (CARE), though some households mentioned challenges related to poor security infrastructure (Oxfam)

# Agricultural Production

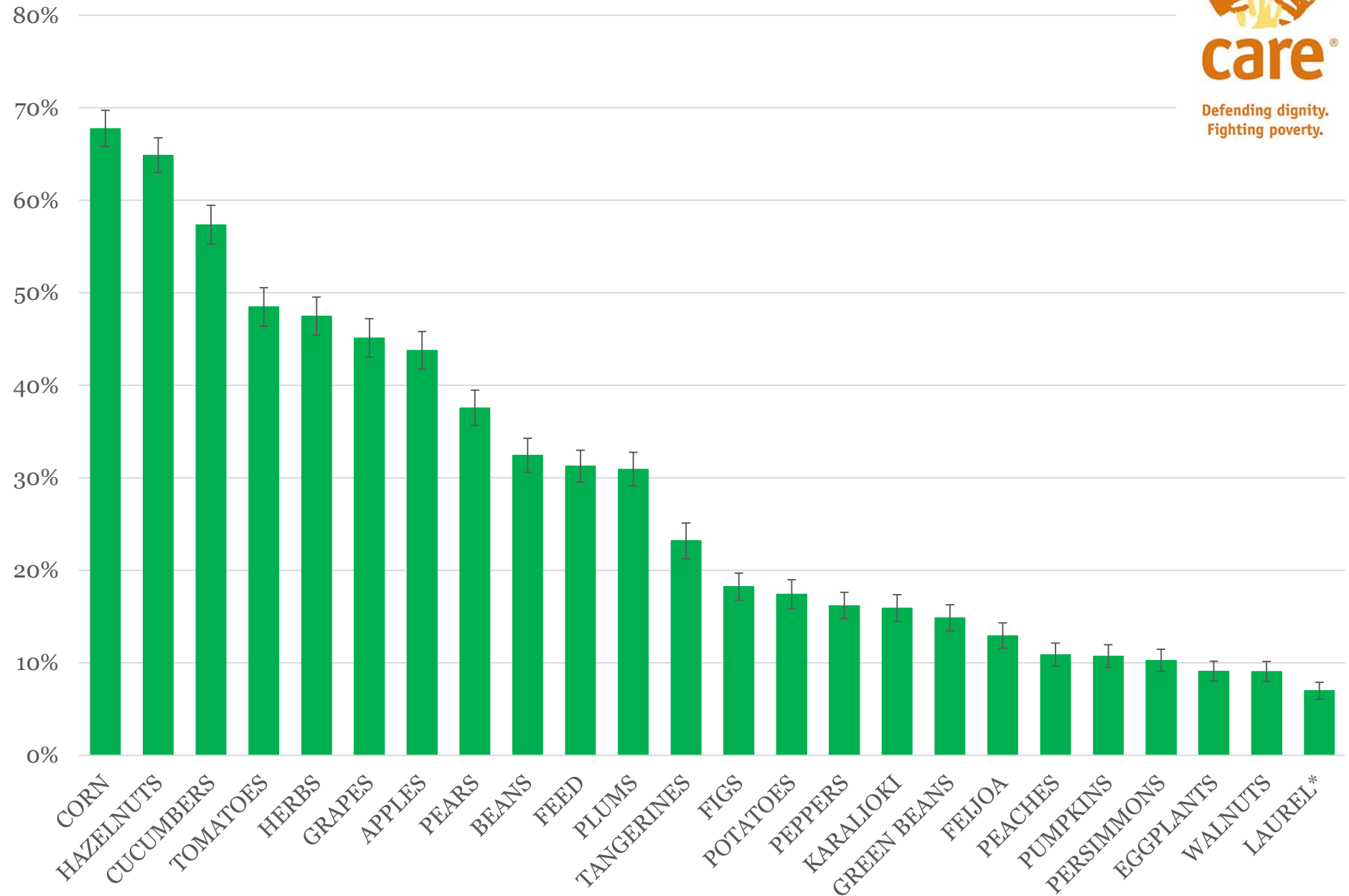
- Almost all households surveyed were engaged in agricultural production to some degree
- Even for the baseline assessment by CARE, where both urban and rural households were surveyed, the vast majority of households were producing agricultural products in 2013

# Agricultural Production

- The most commonly produced commodity was corn/maize
  - 89% of rural, agrarian households (PIN); 69% of rural households (Oxfam); 68% of all households (CARE)
  - Corn was typically used for own consumption or for feed
- Many households also have livestock, fish, poultry, and bee hives, though often few in number
  - 71% of households keep animals, poultry, or bees (Mercy Corps), though most respondents only have a couple of cows at most
  - Though rather low milking rates, likely due to limited pasture land, lack of feed, and limited improvements in breeds (Mercy Corps)
- While rather limited, a number of households were involved in activities like product consolidation, processing, input supply, veterinary services, etc. (about 4% of rural, agrarian households – PIN).

# Major Commodities

(Percent of Households Producing Each Commodity)



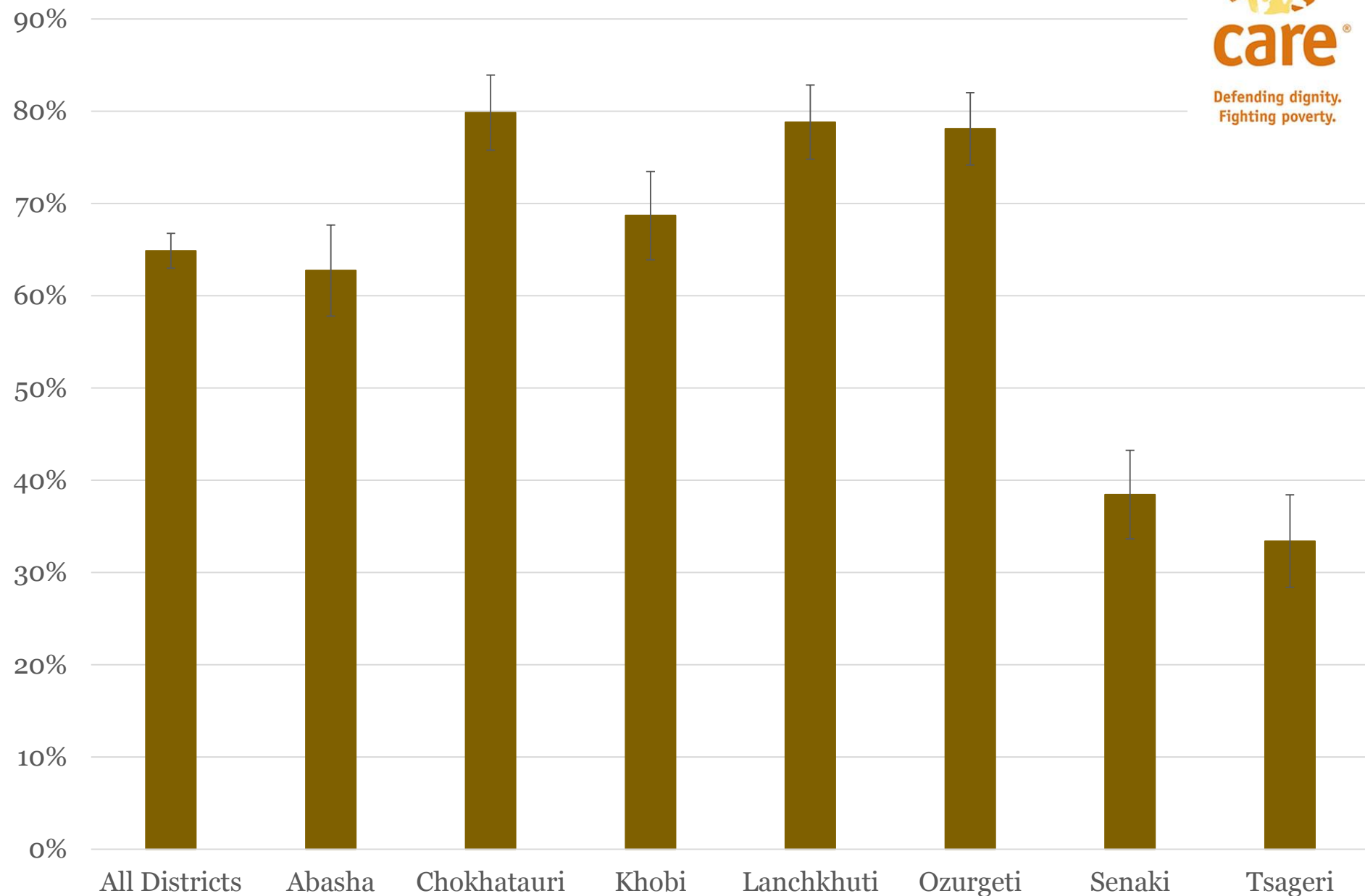
# Hazelnut Producers

(Percent of Households)



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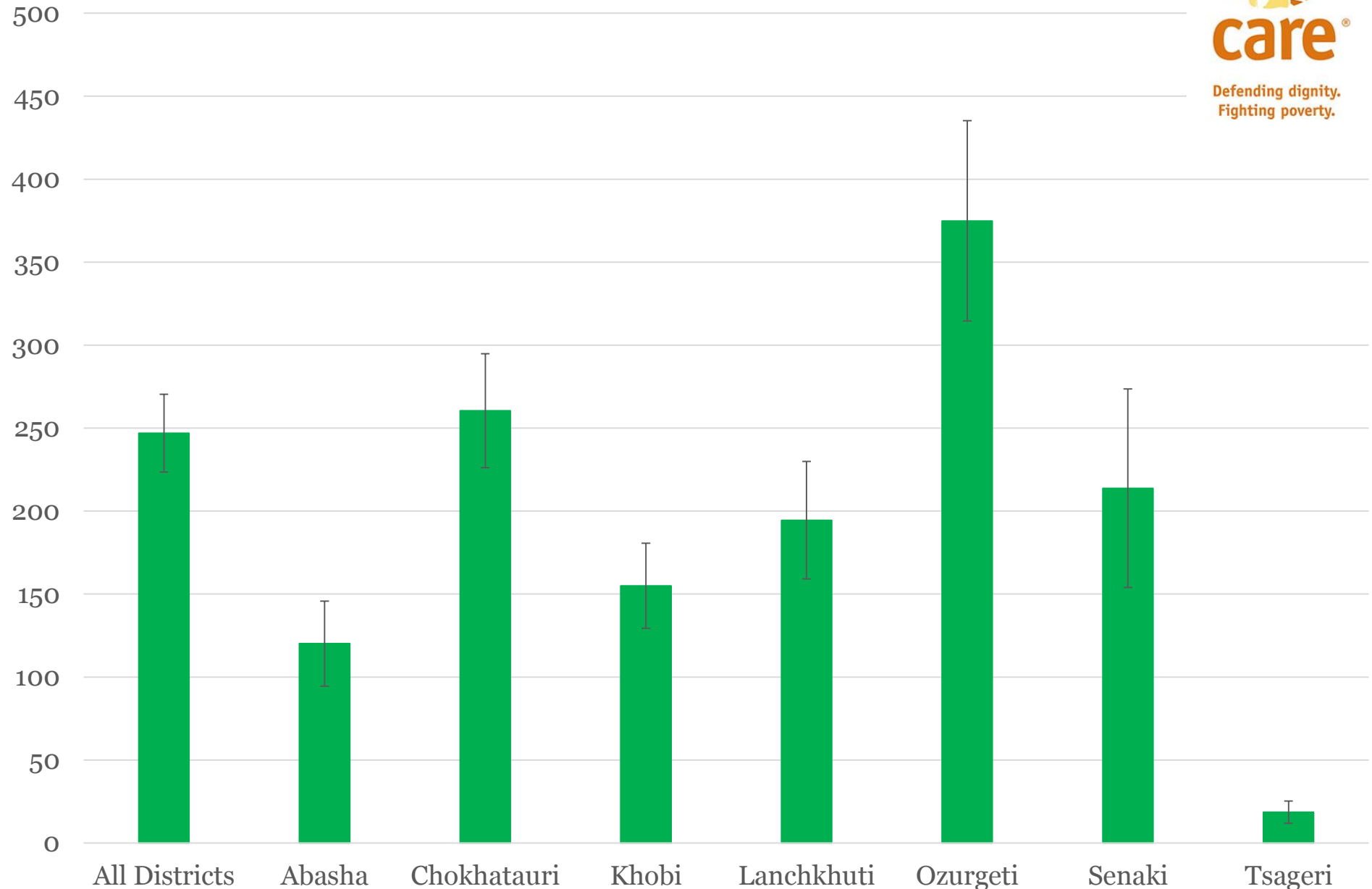
Defending dignity.  
Fighting poverty.





# Average Hazelnut Production Volume (Kg)

(Among Hazelnut-Producing Households)



# Agricultural Production

- In most cases, households relied upon their own members for labor for agricultural activities, though 12% of rural, agrarian households hired external labor to work at farms for at least one day in 2013 (PIN)

# Production Constraints

- Uncertain weather (CARE; Oxfam)
- Irrigation/drainage issues (Oxfam)
- Insufficient rain (CARE; Oxfam)
- Small land plots (Oxfam)
- High priced inputs (Oxfam)
- Crop diseases and pests (CARE; Oxfam)

# What Will Help Most in Increasing Crop Production?



- Among those respondents who own agricultural land:

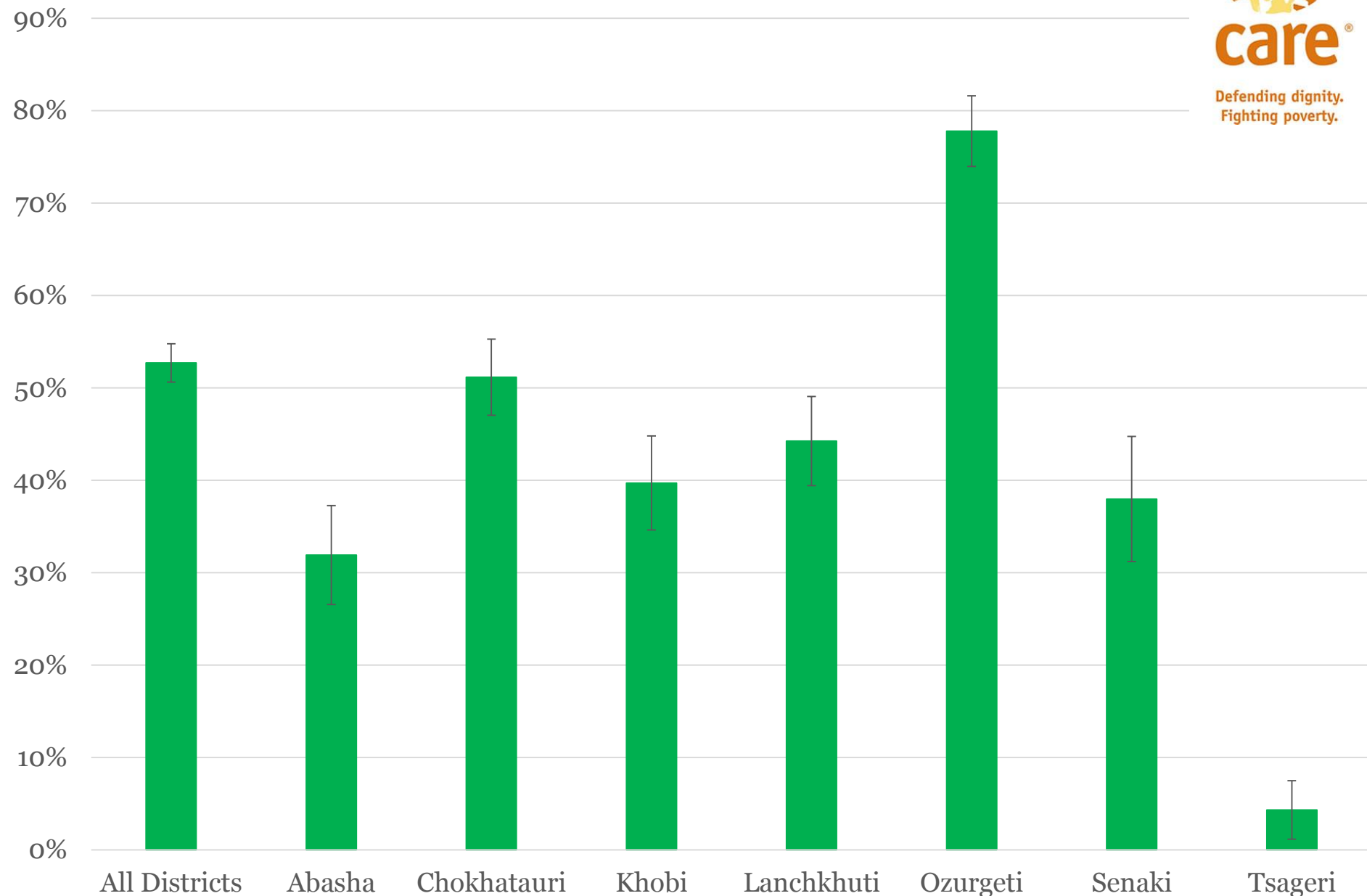
	1st place	2nd place	3rd place
Agricultural tools (e.g., motor block, seeding machine)	14.3%	10.5%	11.6%
Pesticides	32.0%	23.0%	13.9%
New technologies	2.9%	7.8%	6.1%
Seeds	12.2%	20.8%	9.6%
Improvements in irrigation	2.09%	14.0%	11.0%
Provision of mini tractor	1.8%	0.1%	1.0%
Support in developing marketing links	0.5%	1.4%	
Don't know	6.8%	21.4%	47.0%

# Marketing

- Those households which do market their agricultural products do so primarily through local traders, by selling their products to consumers at the farm gate, or by directly transporting their products to local wholesale markets, though there is also substantial variation in marketing practices across commodities and districts (CARE, Oxfam)
- Few households currently market their agricultural products through cooperatives or directly to retail markets or processors (CARE)

# Average Proportion of Hazelnuts Sold to the Market

(Among Hazelnut-Producing Households)





# Marketing Behavior

- 48% of respondents sold some agricultural products, though the production and sales volumes were quite low (Mercy Corps)
- 61% of rural, agrarian households were mainly primary producers with no or only occasional sales to the market, while 35% of rural, agrarian households sold their agricultural products to the market on a regular basis (PIN)
- 70% of households sell at least part of their products; this was more common in Samegrelo and Kvemo Karti municipalities (Oxfam).

# Marketing Constraints

- Transportation of commodities
  - Access to transportation
    - Families selling their products often relied on public transit to get to the market, used their own vehicle, or engaged in joint marketing (Oxfam)
- Spoiled products
- Low product prices and seasonal price fluctuations
- Challenges with market intermediation
  - High reliance on local traders/collectors (CARE, Oxfam)

# Poverty

Perceptions, Incomes, Living Conditions, Food  
Security

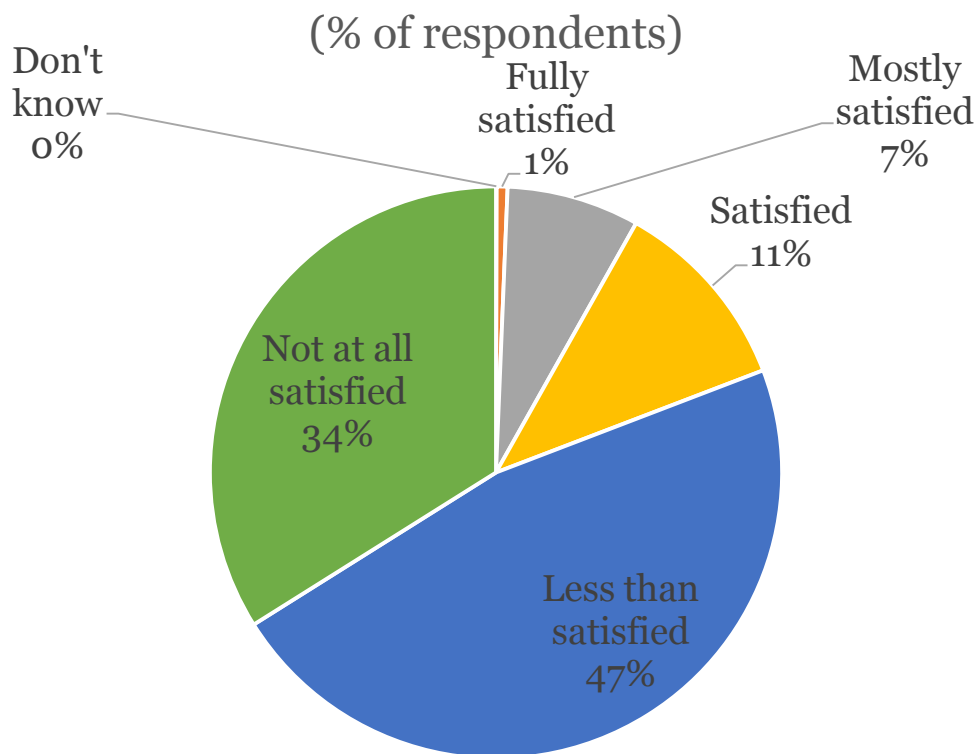
# Subjective Poverty Assessment

- Most respondents were either less than satisfied or not at all satisfied with their household's current financial situation (CARE, Oxfam).
- Many households are in debt (about 55% in the case of Oxfam's baseline assessment)
  - The average debt owned by a household was almost 3,000 GEL
- The most common source of credit was banks or microfinance institutions (CARE, Oxfam), rather than friends, relatives, or neighbors
- Of all loans considered, few were for agricultural purposes (CARE, Oxfam)

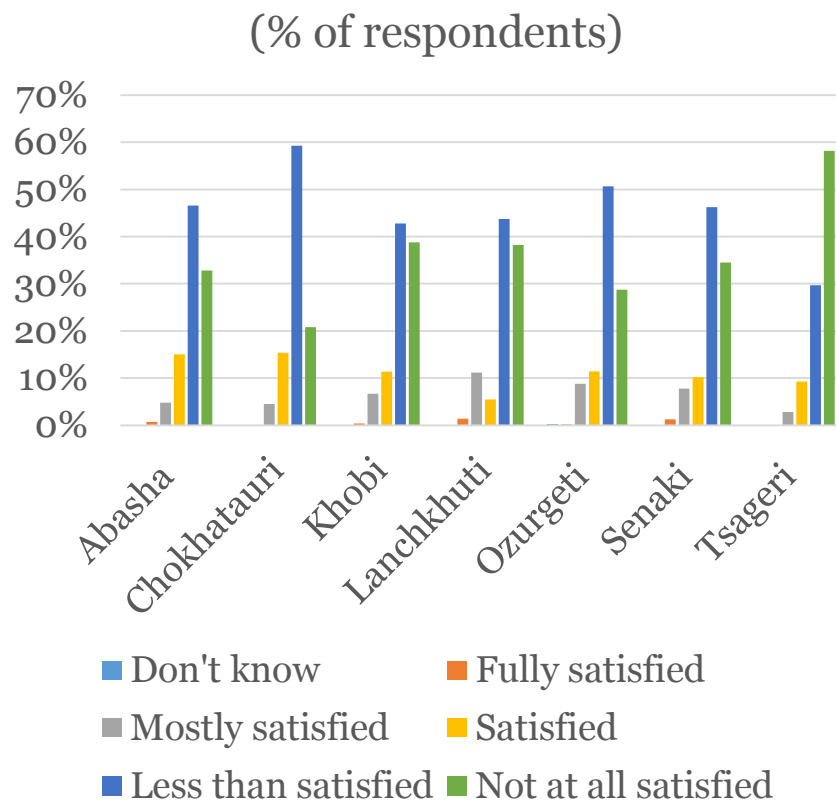
# Subjective Poverty Assessment



How satisfied are you with your household's current overall financial situation?



How satisfied are you with your household's current overall financial situation?



# Incomes and Expenditures

- Many households rely on incomes from pensions, from selling agricultural products, from social insurance, from remittances, and from positions in the services sector (public and private)
  - The average household income ranges from 380 GEL (Mercy Corps) to 425 GEL (Oxfam)
- One of the major expenditures at the household level is food
  - Nearly half of household income is spent on food (Mercy Corps); Almost 70% of consumption expenditures were for food (Oxfam)
  - Limited resources for purchasing needed medicines (54% of respondents surveyed by Mercy Corps); in addition to food, expenses on medical care and utilities were common (Oxfam)



Source of Income	# of HHs receiving this income source	Average income (GEL) per HH (last 12 months)
Crop farming	217	2,561
Animal farming	203	2,835
Self-employment or own business	68	5,535
External employment (other business, govt. or non-govt. employer)	162	5,216
Pensions (any kind), disability allowance, etc.	251	2,639
Grants, vouchers, gifts from institutions	40	1,203
Shares, dividends, stocks etc.	3	230
Property rents	3	1,257
Inheritance/alimony	0	0
Remittances/gifts from relatives	14	1,166
<b>Total Income</b>		<b>8,052</b>



# Living Conditions

- Limited access to hot water and indoor bathrooms/toilets
- Relatively poor housing conditions
- Though there is seemingly a safety net for many (though, importantly, not for all): 71% of respondents indicated that if their household had to go through a difficult time, their neighbors, friends, and relatives would be there for support (Oxfam).

# Food Security

- Many households experienced challenges with food security
  - For instance, at the time of survey administration, up to 75% of households experienced a food shortage lasting for at least one month within the past year (PIN)
  - February to June seemed to be the most food-insecure months (PIN)
- 64% of households did not have enough food to meet their family's needs from February to April (Oxfam)
  - It was calculated that nearly 51% of households lived at the borderline of having an adequate provision of food (Oxfam)
  - It appears that from March to May, when households need extra funds for farming activities, this is when the household has the least resources available (Oxfam)

# Food Security

- Proportion of monthly expenditures on food:

Proportion of Food Expenditure	% of Households	Number of HH
From 1 to 30%	2.8%	14
From 30 to 50%	25.2%	126
From 50 to 80%	49.8%	249
From 80 to 100%	22.2%	111
Total	100%	500



**OXFAM**

- Similar results were found by PIN

# Gender

Decision making, Involvement in agriculture,  
Cooperative membership

# Decision Making

- Rather strong gender stereotypes exhibited among respondents (Mercy Corps)
  - Different occupations along gender lines (Mercy Corps, Oxfam)
  - Different roles along gender lines: perception that the family should be the top priority for women, while a job should be the top priority for men (Mercy Corps)
- Yet there is a trend toward greater inclusivity in household decision making, albeit less so when it comes to agricultural production and land management (Mercy Corps)

# Decision Making

- In Kvemo Kartli (which has a sizable Azeri population), respondents were less likely to agree with the statement that women and men should have equal roles in decision making about the household as well as about spending money (Oxfam).
- Moreover, most respondents from Kvemo Kartli disagreed with the statement that if only one person is employed, this person should be a man (Oxfam).

# Insights from Focus Groups

- Barriers faced by women (Oxfam):
  - Limited access to agricultural technologies
  - Property rights
    - Owners of land/houses were typically men
    - Similarly, PIN found that men were more likely to have credit or family businesses titled in their names
  - Access to resources/capital
  - Access to information (especially for public meetings and dialogues)
  - Issues related to freedom of movement in some areas
- Women more likely to be classified as primarily employed in agriculture (68%) than men (61%) (CARE)



# Land Ownership by Gender

Legal Owner of Land	% of Households	Number of HH
Male	63.9%	310
Female	15.1%	73
Both	3.1%	15
None	17.9%	87
Total	100.0%	485



**OXFAM**

Household Responsibility	Men		Women		Both		Don't Know		Total	
	N	%	N	%	N	%	N	%	N	%
Care for animals	43	9.8	158	35.8	238	54.0	2	0.5	441	100
Home gardening	52	10.6	153	31.2	284	58.0	1	0.2	490	100
Collecting wild herbs, medicinal plants, fruits and berries	21	21.9	48	50.0	14	14.6	13	13.5	96	100
Selling products in the market	67	39.4	57	33.5	34	20.0	12	7.1	170	100
Working outside home	156	58.4	67	25.1	38	14.2	6	2.2	267	100
Cooking for the household	29	5.8	458	92.3	9	1.8	0	0.0	496	100
Housecleaning	39	7.8	453	91.0	6	1.2	0	0.0	498	100
House maintenance/repairs	367	82.8	45	10.2	30	6.8	1	0.2	443	100
Taking care of children	12	4.3	231	82.8	32	11.5	4	1.4	279	100



Note: Non-response and not applicable were counted as missing. The table presents actual valid answers only.

# Cooperatives

Awareness, Membership, Interest/Motivation

# Cooperation

- Currently limited membership (1% of households: CARE; 0.8% of surveyed households: Oxfam), though much interest (31% of households: CARE; 17% of households: Mercy Corps)
- Some informal forms of cooperation which could be formalized/commercialized

# Awareness

- Decent level of awareness across the country (more or less consistent with the findings from the FAO-administered baseline assessment of awareness, though the results vary based on the timing of survey administration)
  - 29% of respondents have heard about farmers' cooperatives (Mercy Corps)
  - Though about 5% of respondents had heard about cooperatives operating in their districts (Oxfam)
- A number of households demonstrated some knowledge of modern principles of agricultural cooperatives (16%: PIN; 13%: Oxfam)
- Sources of awareness: television, local government, NGOs, community members

# Awareness



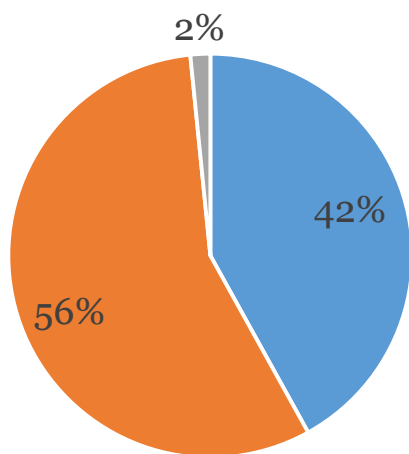
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Defending dignity.  
Fighting poverty.

**Have You Heard About the Recent Initiative by the Ministry of Agriculture to support the establishment of agricultural cooperatives across the country?**

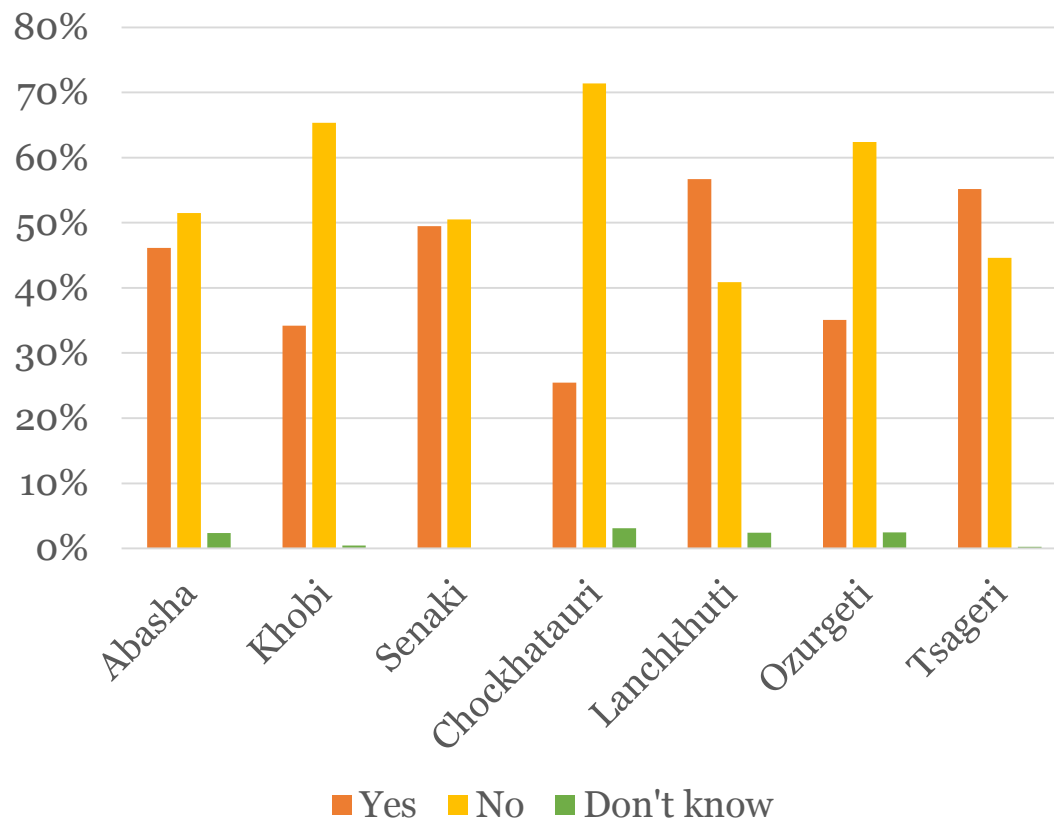
(% of key respondents)

■ Yes ■ No ■ Don't Know



**Awareness of the Agricultural Cooperatives Initiative**

(% of key respondents by district)



*Note: The results are not representative of individuals across the project areas and are based on interviews with key respondents for each household.*

# Awareness

- Though there is very limited awareness about the Law of Georgia on Agricultural Cooperatives and its legal provisions (CARE, Oxfam)
  - One policy recommendation may be to keep any amendments as simple (and accessible) as possible;
  - Other policy recommendations may be improve communications to non-Georgian communities (in Kvemo Kartli, for instance), in order to increase awareness as well as to improve trust in local authorities.

# Why Join?

- Higher incomes (CARE, Mercy Corps, Oxfam)
- Higher productivity levels (CARE, Mercy Corps, Oxfam)
- Employment (CARE, Oxfam)
- Improve product/service quality (Mercy Corps)
- Access to inputs and infrastructure (CARE, Oxfam)
- Improved organization of sales channels/access to markets (Mercy Corps, Oxfam)



# Why Not Join?

- “Prefer to be independent” (CARE) or “prefer to work independently” (Mercy Corps),  
“Restricted individualism” (Oxfam)
- No plans to expand farming activities (Mercy Corps)
- Limited trust (CARE)
- Disability due to old age/illness (CARE)
- Conflict among members (Oxfam)

# Limitations and Lessons Learned

- Four consortia, four baseline studies
  - Different sampling designs, sample sizes, survey questions, dates for field work, etc.
  - Each survey questionnaire tailored to the needs of each consortium, though at the expense of broader generalizations or nationally-representative statistics
  - A thousand flowers in bloom (along with some weeds!)

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Cover photo: Nino Kakulia



*A mural in Khobi*

## Thank you!

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