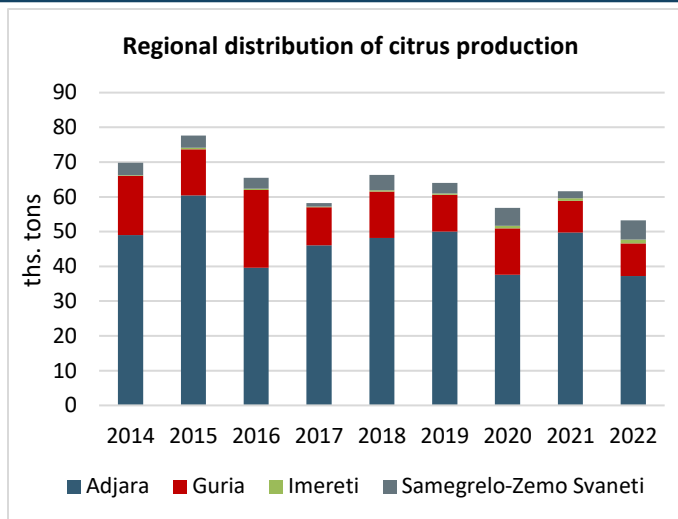
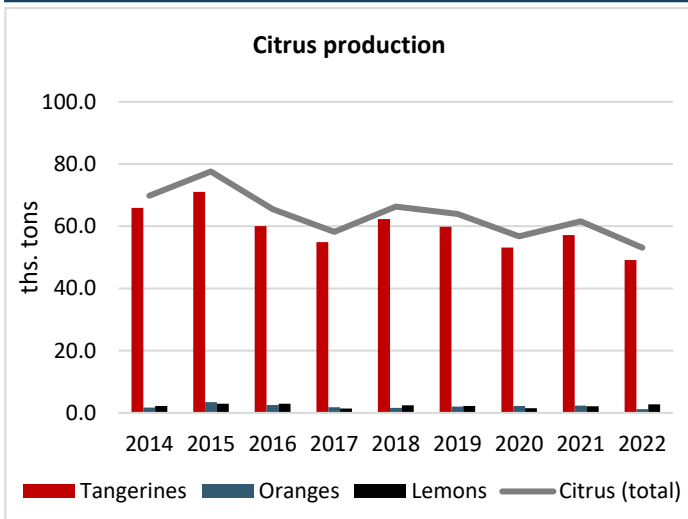


**THE SECTOR AT A GLANCE**

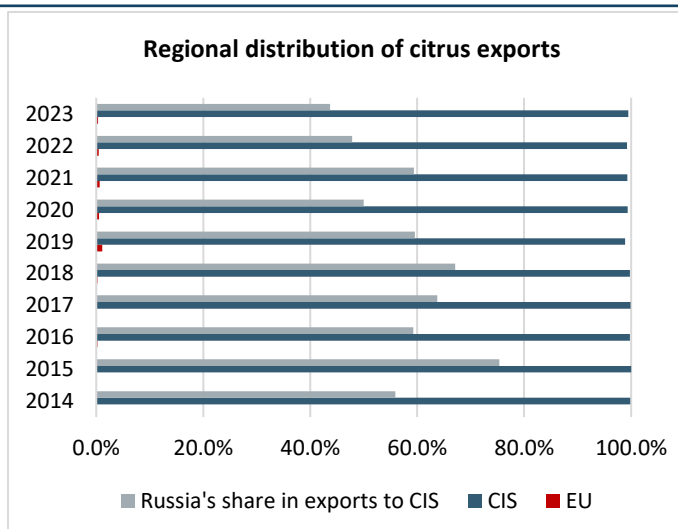
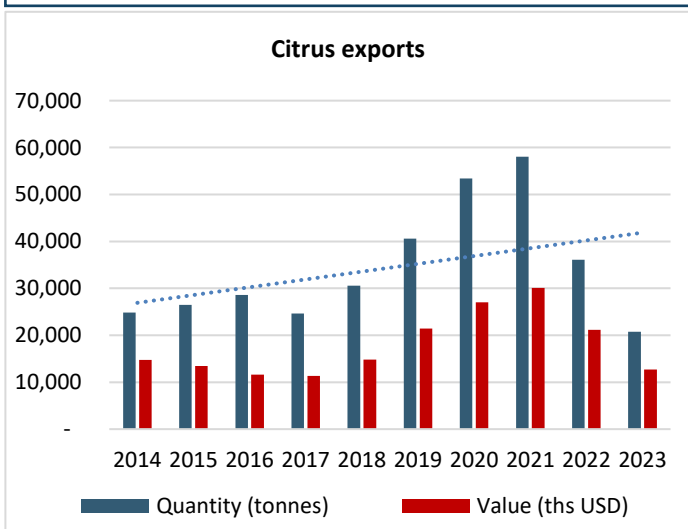
**TANGERINE MARKET**

The tangerine harvest is currently in full swing. The Ministry of Environmental Protection and Agriculture (MEPA) expect this year's citrus harvest to reach 55,000 tons. Notably, tangerines make up over 90% of all the citrus grown in Georgia, with the production of oranges and lemons being relatively limited. Specifically, the majority of tangerines are cultivated in the region of Adjara (70%), followed by Guria (18%), Samegrelo-Zemo Svaneti (10%), and Imereti (2%).



Source: GeoStat, 2023.

Citrus production in Georgia is currently experiencing a declining trend, despite the implementation of a tangerine state subsidy program. Under the program, farmers receive 30 instead of 15 tetri for 1 kg of non-standard (low-quality) tangerines. While production is decreasing, exports have exhibited a generally increasing but volatile trend. CIS countries import over 99% of Georgian tangerines, with the EU accounting for less than 1%. It is noteworthy that the Russian share in exports to CIS countries averages 58%, indicating a high dependence of the sector on CIS countries, particularly the Russian market.



Source: GeoStat, 2023. Note: \* 2023 includes data for January-November

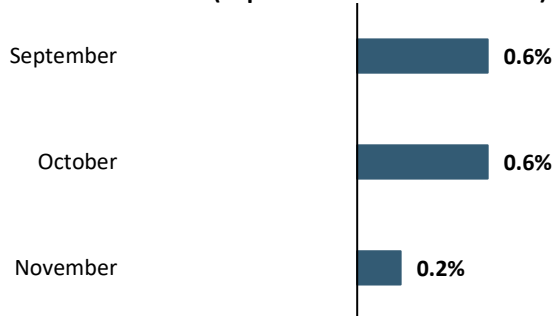
## PRICE HIGHLIGHTS

### DOMESTIC PRICES

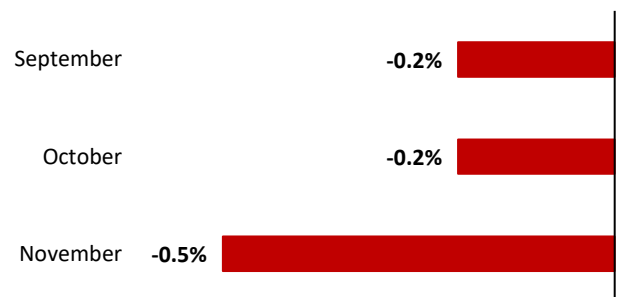
On a monthly basis, the country's price levels fluctuated between September-November 2023. This November, the Consumer Price Index (CPI) stood marginally (0.2%) below its corresponding value in October, whereas the corresponding month-over-month price changes in September and October 2023 were positive at 0.6% and 0.6%, respectively.

Between September-November 2023, monthly prices for food and non-alcoholic beverages, measured by the Food Price Index (FPI), exhibited a downward trend. In November, food prices decreased by 0.5%, compared to October 2023; while the corresponding month-over-month price changes in September and October were -0.2% and -0.2%, respectively.

**MoM % Change in CPI  
(September - November 2023)**



**MoM % Change in FPI  
(September - November 2023)**

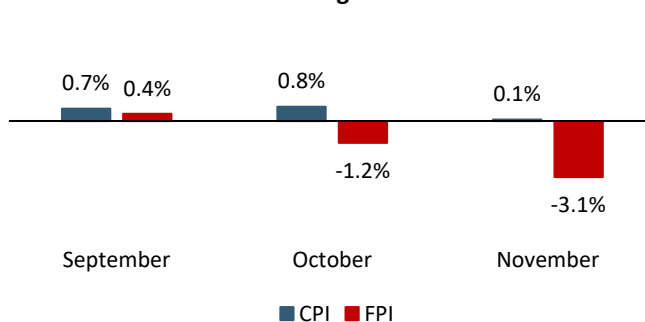


Source: GeoStat, 2023. Note: The index value in the previous month is 100.

From an annual perspective, the CPI continued to increase between September and November 2023. In November, the CPI rose by 0.1%, compared to November 2022, while the corresponding figures for September and October were 0.7% and 0.8%, respectively.

In November 2023, the year-over-year prices of food and non-alcoholic beverages decreased slightly, by 3.1%; contributing -1.08 percentage points to the change in total CPI. The main drivers were price decreases in the following sub-groups:

**Annual % changes in CPI and FPI**



Oils and fats (-19.4%↓)

Vegetables (-11.7%↓)



Bread and cereals (-9.2%↓)

Source: GeoStat, 2023.

## SPOTLIGHT

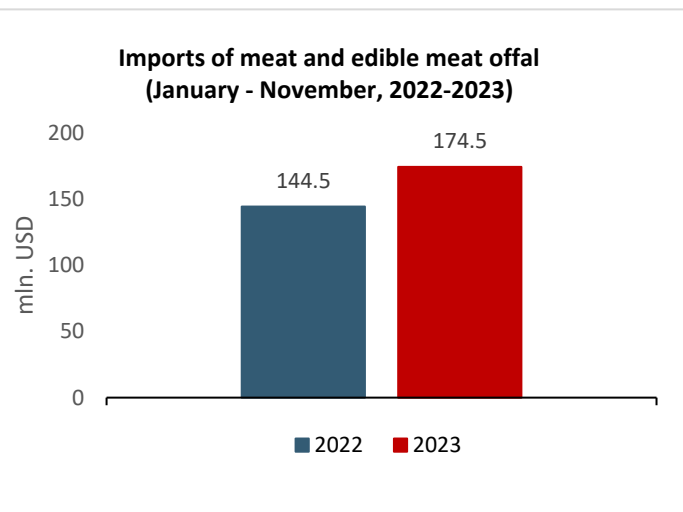
Overall, the year-over-year prices for food and non-alcoholic beverages decreased, but the following sub-groups prices increased: fruit and grapes (12.2%), meat (6.3%), fish (5%), and mineral waters, soft drinks, fruit and vegetable juices (2.7%). Within the fruit and grapes sub-group, the highest price growth was experienced by grapes (61.7%), followed by peaches (37%), plums (28.5%), and pears (26.3%).

Such a drastic increase in the price of grapes may be explained by rising demand due to increases in wine export. There was a significant surge in wine export in the first six months of 2023 – reaching 26.3% compared to the same period of the previous year. In total, between January-November, the increase in the export of wine of fresh grapes amounted to 3.3%, which is noteworthy considering the record amount of export in 2022. This implies that there was greater demand for grapes originating from wine producers. Higher demand on the grape market thus placed upward pressure on prices, contributing to the notable spike.

The rise in peach prices in 2023 can be attributed to increased peach exports and frequent rainfall. Both of which contributed to shortages on the domestic market. As to meat prices, despite the growing trend of meat production in Georgia, a significant dependence on

imports remain. Therefore, the 2023 rise in global meat prices contributed to the increase in meat prices within Georgia.

From January to November 2023, meat imports increased by 20.8% compared to the same period of 2022. For November 2023, the year-over-year prices of beef and mincemeat on the Georgian market rose by 13.8% and 9%, respectively, compared to November 2022. In addition, the demand side of the meat market is strong in Georgia, predominantly due to the food culture of the population.

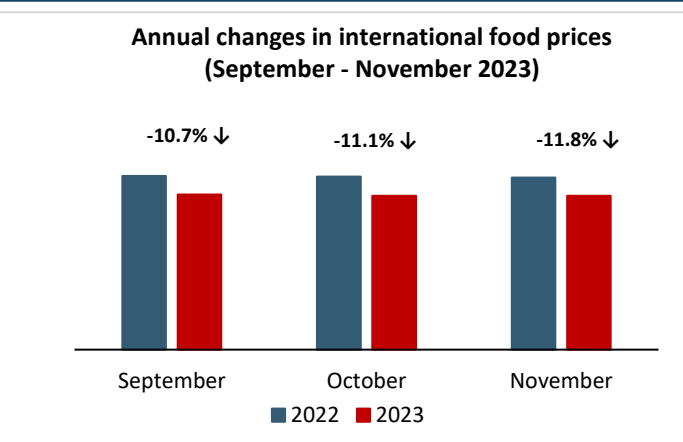


## INTERNATIONAL PRICES

Between September and November 2023, international prices continued their declining trend. In November 2023, the Food Price Index, as measured by the Food and Agriculture Organization (FAO), declined significantly – by 11.8% compared to November 2022. Year-over-year prices fell for the vegetable oils (-19.8%), cereals (-19.4%), and dairy (-16.9%) sub-indices. Meanwhile, prices increased within the sugar category (41.1%).

This price hike in sugar was primarily due to growing concerns about global export availability this season. This was triggered by poor production forecasts in two major exporting countries, Thailand and India, and this was caused by severe drought conditions linked to the El Niño event. Additionally, shipping delays from Brazil and

the strengthening of the Brazilian real against the U.S. dollar played a part in the global rise in sugar prices.



Source: FAO, 2023

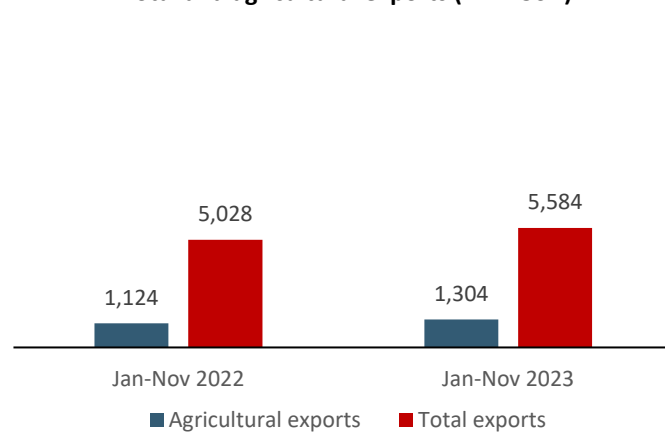
## TRADE HIGHLIGHTS

Total Georgian exports continued their increasing trend over the year. Total exports from January to November 2023 amounted to 5,584 mln. USD, 11% higher than the corresponding figure from last year (5,028 mln. USD in 2022). Agricultural exports have grown as well – from 1,124 mln. USD in Jan-Nov 2022 to 1,304 mln. in 2023 (a 16% increase). The growth rate of agricultural export surpasses that of overall exports, while the total share of agricultural products in all exports has grown from 22.4% to 23.4%.

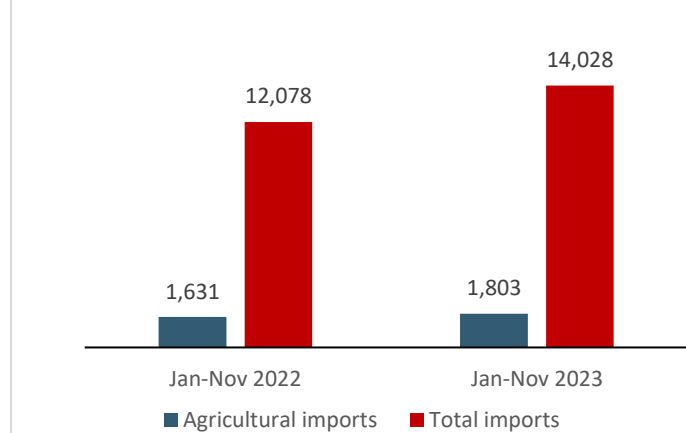
Imports are also continuing along an increasing trend. Total imports from January to November of 2023 amounted to 14,028 mln. USD, compared to the 12,078 mln. observed in 2022 (a 16% increase). While agricultural exports witnessed a 16% surge, agricultural imports exhibited the more modest growth of 11% - from 1,631 mln. USD in Jan-Nov 2022 to 1,803 mln. USD between Jan-Nov 2023. The share of agricultural import in total imports has also fallen slightly, from 13.5% in 2022 to 12.9% 2023.

Although the national currency experienced fluctuations during the year, total exports have still continued the robust increasing trend, alongside total imports.

**Total and agricultural exports (mln. USD)**



**Total and agricultural imports (mln. USD)**



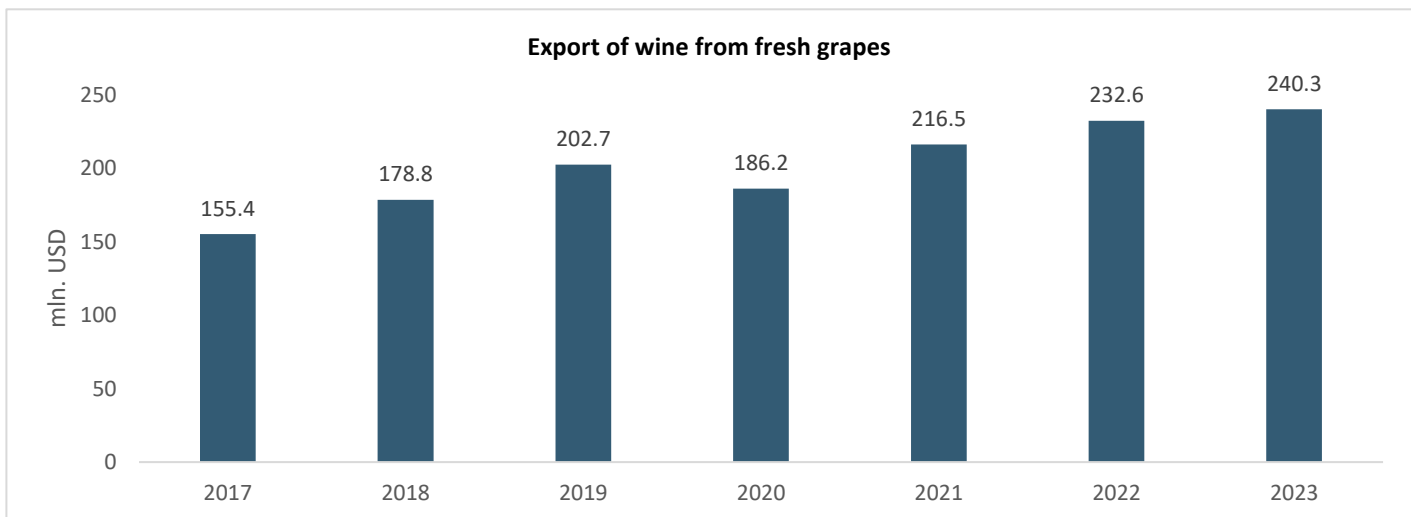
Source: Geostat, 2023.

Note: Agricultural exports and imports include food.

The export of wine of fresh grapes holds a significant share in Georgian export. The international demand for Georgian wine has been increasing and, consequently, the volume of exports has been constantly rising over the last seven years. Thus in 2018 (January - November), the export of wine of fresh grapes increased by 15.1% compared to the same period in 2017 (from 155.4 mln. USD to 178.8 mln. USD). This upward trend continued throughout the next year, with a 13.4% rise in wine exports in 2019 (by 23.9 mln. USD). However, there was a notable exception in 2020 as wine exports declined, attributable to the impact of the Covid-19 pandemic. This drop amounted to 16.5 mln. USD, an 8.1% fall from the previous year.

Despite the prolonged Covid-19 pandemic, the rising export of wine quickly returned, and in 2021 exports appeared higher than in the pre-pandemic year (6.8%).

In 2022, the value of exports hit a record amount and reached 232.6 mln. USD, showing a 7.5% increase from 2021. While in 2023, the export of wine of fresh grapes increased even more and amounted to 240.3 mln. USD, marking a new record amount.



Source: Geostat, 2023

Note: Agricultural exports and imports include food

## POLICY WATCH

### *A new project will be implemented to improve the management of ecosystems in the Dedoplistskaro Biosphere Reserve*

The goal of the new project is to promote sustainable land management and the restoration of degraded ecosystems, while also preserving biodiversity in the Dedoplistskaro Biosphere Reserve. This project was initiated by MEPA and implemented under the support of the Global Environment Facility (GEF), in cooperation with the United Nations Environment Program (UNEP) and the Regional Environmental Centre for the Caucasus (REC Caucasus).

For more information follow the link: <https://mepa.gov.ge/En/News/Details/21502>

### *A Program for Supporting Hazelnut Production will be implemented in 2024*

This program was launched for the first time in 2023, and more than 44,000 hectares of hazelnut orchards were registered in the hazelnut cadastre across the country, where up to 90 thousand farmers received state support. MEPA representatives believe that this support program will help small-scale farmers raise the productivity and quality of their hazelnut orchards.

For more information follow the link: <https://mepa.gov.ge/En/News/Details/21501>

### *Georgia will prepare the National Roadmap for Georgia's Transition to a Circular Economy*

The national roadmap for Georgia's transition to a circular economy will be developed by an expert team from the Union of Nature Researchers of Georgia "Orchis", in coordination with MEPA, in close cooperation with the Inter-agency Coordination Council, created to promote the transition of Georgia to the circular economy system, and with the active involvement of key agencies.

For more information follow the link: <https://mepa.gov.ge/En/News/Details/21442>