



ევროკავშირი
საქართველოსთვის
Project funded by the European Union

SITUATION AND PROSPECTS OF THE
APPLE VALUE-CHAIN IN GEORGIA
THINK AND ACT TOGETHER

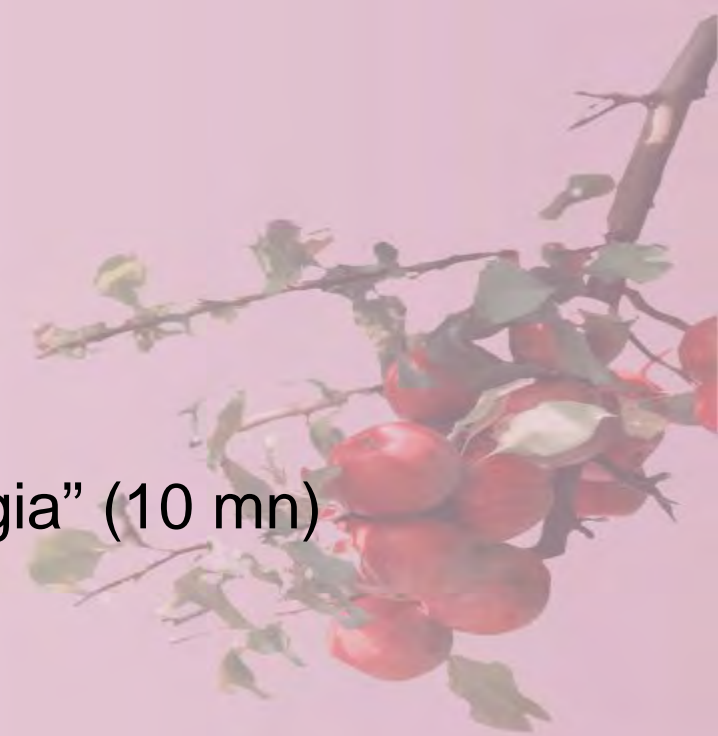


Raphaël Jozan

Head of the South Caucasus Regional Office

AFD

“AFD: A strategic commitment towards agriculture in Georgia” (10 mn)





AFD/EU FinExCoop: Synergies with European and international partners

Better access to agricultural finance (Fin) :

- Proparco (via Credo and Crystal)
- Land Degradation Neutrality Fund Mirova;
- Remote sensing for agricultural insurance.

Better access to advanced technologies and practices - extension services and leading farmers all along value-chains (Ex)

- Strategic partnership with leading European companies providing equipment and inputs, tested in pilot development platforms.
- Train: Mobilization of practical experts from Europe.
- Learning-by-Working Initiative and is sending to France 13 trainees for up to 3 months. Three French trainees from Montpellier Sup'Agro and Ecole d'Agriculture de Beauvais will also work in Georgia
- Transfer: Work all along the value-chains with a strong focus on the final consumer. Strategic partnership with distributors

Better capacity to extract collective economies of scale and higher bargaining power through business-minded cooperatives (Coop)

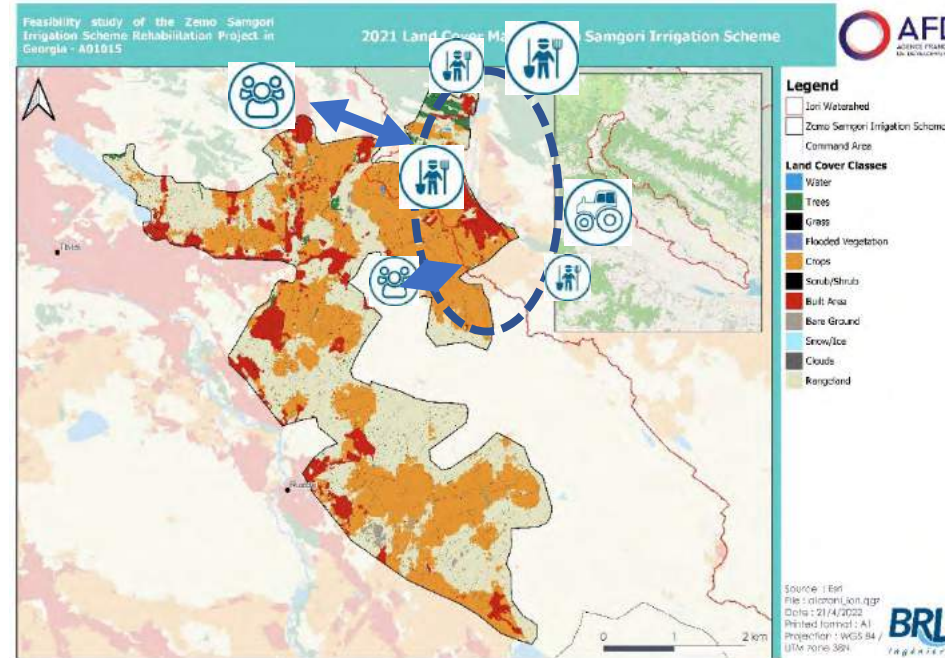
- Europe is a key for cooperatives and FinExCoop is largely using the French experience in horizontal organization of farmers
- FinExCoop has launched with MEPA a working group on coops
- Trainees hosted by coops and will learn from their day-to-day management

Building strong ties with DevPartners, such as EU, FAO, WB, ADB, EIB and others



Scaling-up in Iori-Zemo Samgori : building an agriculture competitiveness cluster for Georgia

- **Build on synergies** with other projects in the Iori River Basin: rehabilitation of Kvemo Samgori Right Main Canal system (WB), modernization of Kvemo Samgori Left Main Canal system (ADB), PBL on water resources management (ADB-AFD-EU)
- **Build on proximity to Tbilisi and agricultural markets** resulting from the expansion of urban areas
- **Build on characteristics of existing farming systems and local agricultural sector**
- **Build on climate smart technologies** (remote sensing, metering, data management)





Main Principles of the agro-industrial cluster

- **Promoting Integrated Water and Land Resources Management** : based on a better knowledge of water resources, develop reliable irrigation services and service delivery systems through the rehabilitation of irrigation scheme, implement a sound irrigation management and planning approach
- **Developing a Climate smart Agricultural Development Plan for ZS** in line with the objectives of the farmers and their current and future needs and constraints as well as the comparative advantages of the area
- **Building sustainable Value Chains** (environmentally, socially and economically sustainable) resilient to climate change
- **Connecting farmers to each other and to consumers**
- **Strengthening technical and human capacities** for a sound governance of irrigation and land and an increased performance of the ZS-lori area



Building synergies with Strengthened Institutions and the Policies (MEPA, NEA, Land Management, GA)

- **Pillar 1: Enhanced legal and institutional framework to achieve irrigation policy outcomes and ensure a sustainable management of water resources**
- **Pillar 2: Pricing and contracting change to ensure improved efficiency of water use and financial sustainability of system**
- **Pillar 3: Enhancing governance and management controls to increase GA accountability, transparency and efficiency; and sustainability of irrigation system, in face of climate change**
- **Pillar 4: Strengthening the policies and institutional framework to ensure climate-smart practices in agriculture and water management.**



Apples: a concrete case for better value for water

The development aim of AFD in the Zemo Samgori programme is to:

1. Increase the irrigated acreage, the water efficiency and the yields for current cropping pattern in the perimeter
2. Switching from water stress resistant low value crops to water sensitive high value crops. Today for instance in the perimeter (Sartichala) a best farm using most modern technology manages to produce 13 t per ha of maize with 590 mm of water. At current prices for maize, it translates into USD 0.5 output per cbm of water. For apples, the same farm can produce 70 t per ha with 700 mm of water. At current prices, it translates into USD USD 4.3 per cbm of water. More than 8 times more!
3. Improving the value of all products produced in the area by organizing much stronger value chain linkages between offtakers (agroprocessors, modern retailers, exporters) and farmers
4. Ensuring that the increased value-added generated in the field is socially-inclusive and largely kept by farmers through promotion of EU style cooperatives for consolidation and marketing of products



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Thank you for your attention!

