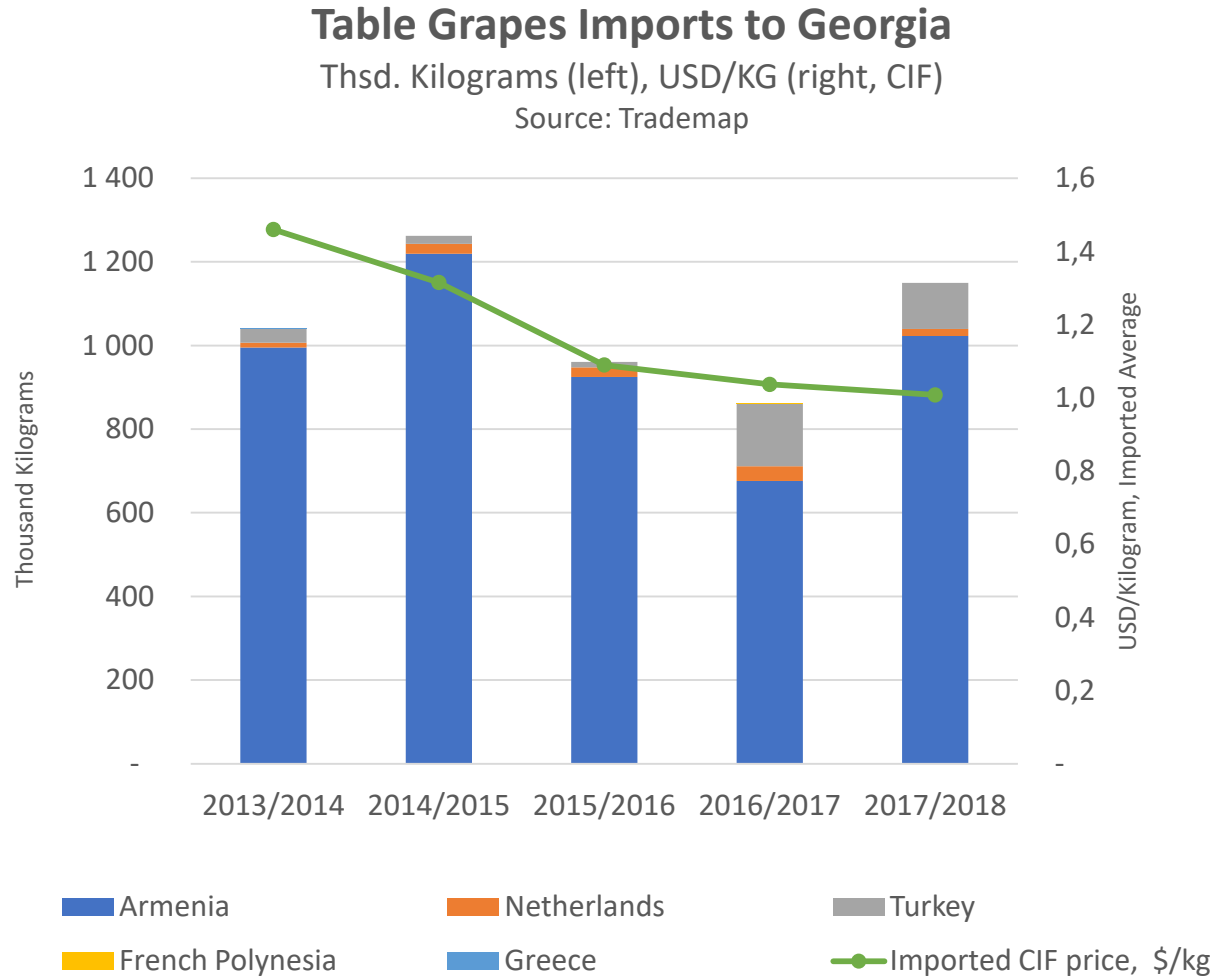
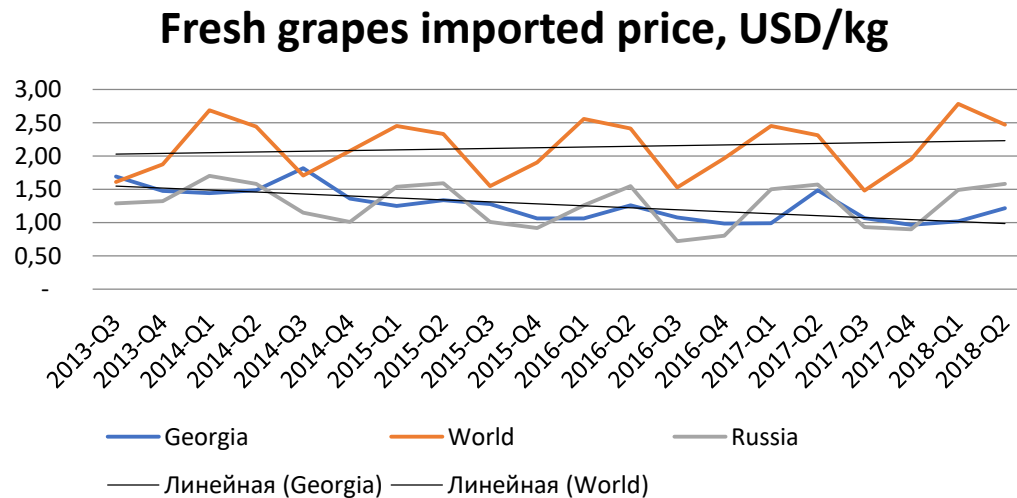


# Table grapes value chain in Georgia: challenges and opportunities

Kateryna Poberezhna

# Georgia is a net importer of table grapes

- Georgia imports about 1 000 – 1200 t of table grapes annually
- Main suppliers – **Armenia and Turkey**
- **Focus:** import substitution



# Table Grapes production is underdeveloped

Estimated table grapes production in Georgia is **4 000 tons**

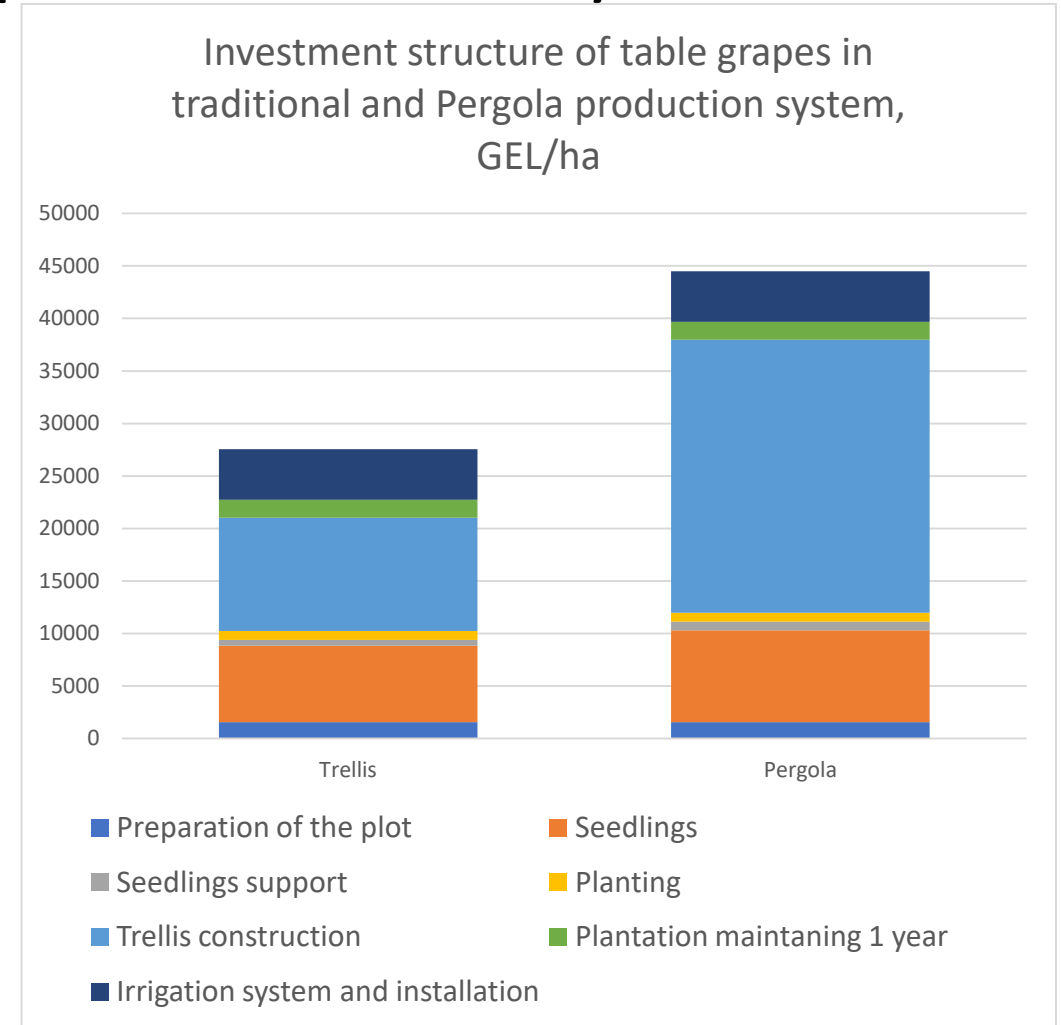
Bottlenecks:

- Production system for wine grapes
- No drip irrigation
- Pest management
- Lack of skilled workers



# Investments in different production systems

	Investments in traditional system 27 538,25 GEL/ha	Investments in Pergulate system 44 490,73 GEL/ha
Preparation of the plot	6%	3%
Seedlings	26%	20%
Seedlings support	2%	2%
Planting	3%	2%
System construction	39 %	58%
Plantation maintaining	6%	4%
Irrigation system	17%	11%
<b>YIELD</b>	<b>10t/ha</b>	<b>30t/ha</b>



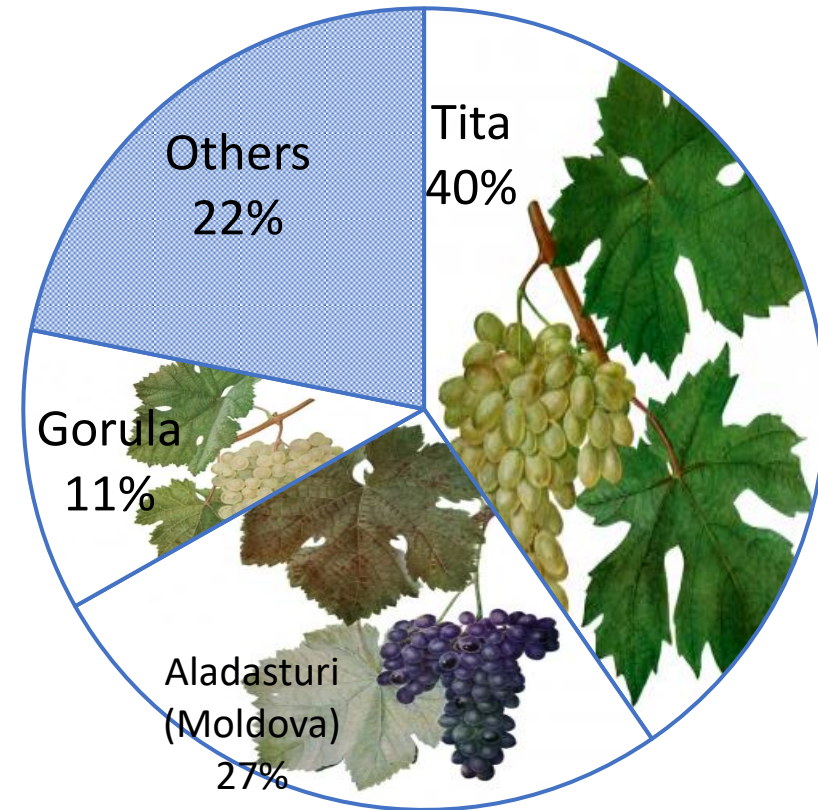
## Most popular table grapes varieties by regions, ha

- 79 % of **Georgian Tita** is grown in **Kakheti region**
- 24% of **Aladasturi (Moldova)** – in **Shida Kartli**, 15% - in Kakheti
- 69% of **Gorula** is grown in **Shida Kartli**

## Most popular table grapes varieties globally

Alphonse Lavallée, Crimson Seedless, Thomson Seedless, Flame Seedless, Muscat Hamburg, Italia, Red Globe, Sugraone, Sultanina (dried), Victoria

Structure of table grapes production in Georgia by varieties, t



# Timing

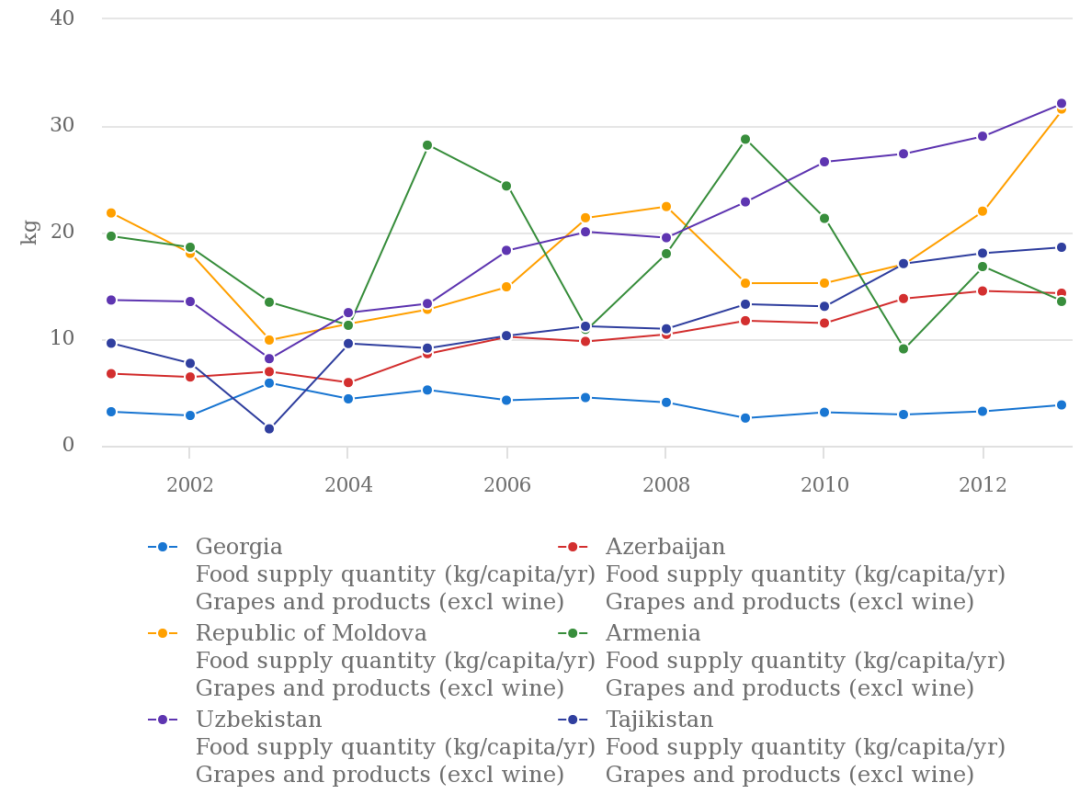
- Georgia is limited by traditional varieties to August-October production period
- From October comes Armenian and some Turkish import until April
- March-May – import from Peru, India and Chile (average declared price-5 GEL/kg)
- June-July – Egypt and Italy

[illegible]

# Consumption of Table Grapes in Georgia

- Estimated consumption of table grapes in Georgia is lowest in the region
- Raising incomes (GDP annual growth rate at 4,8%) and urbanization (60% of the whole population) will trigger consumption
- Another important factor - raising tourists inflow

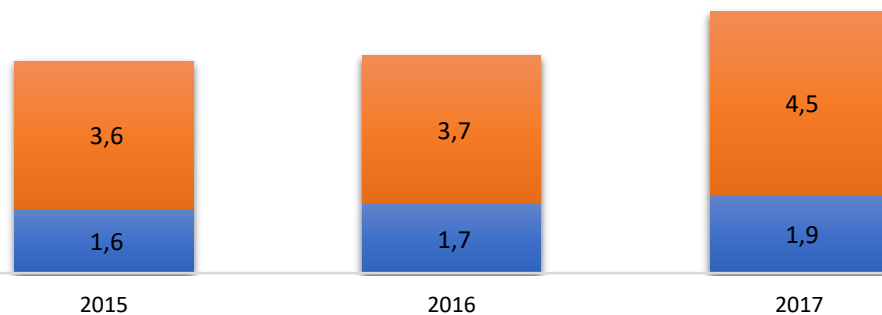
## Consumption of grapes (excl wine) per capita per year



Source: FAOSTAT (Nov 13, 2018)

## International visits to Georgia by destinations Batumi VS the rest, mln people

■ Batumi ■ Rest

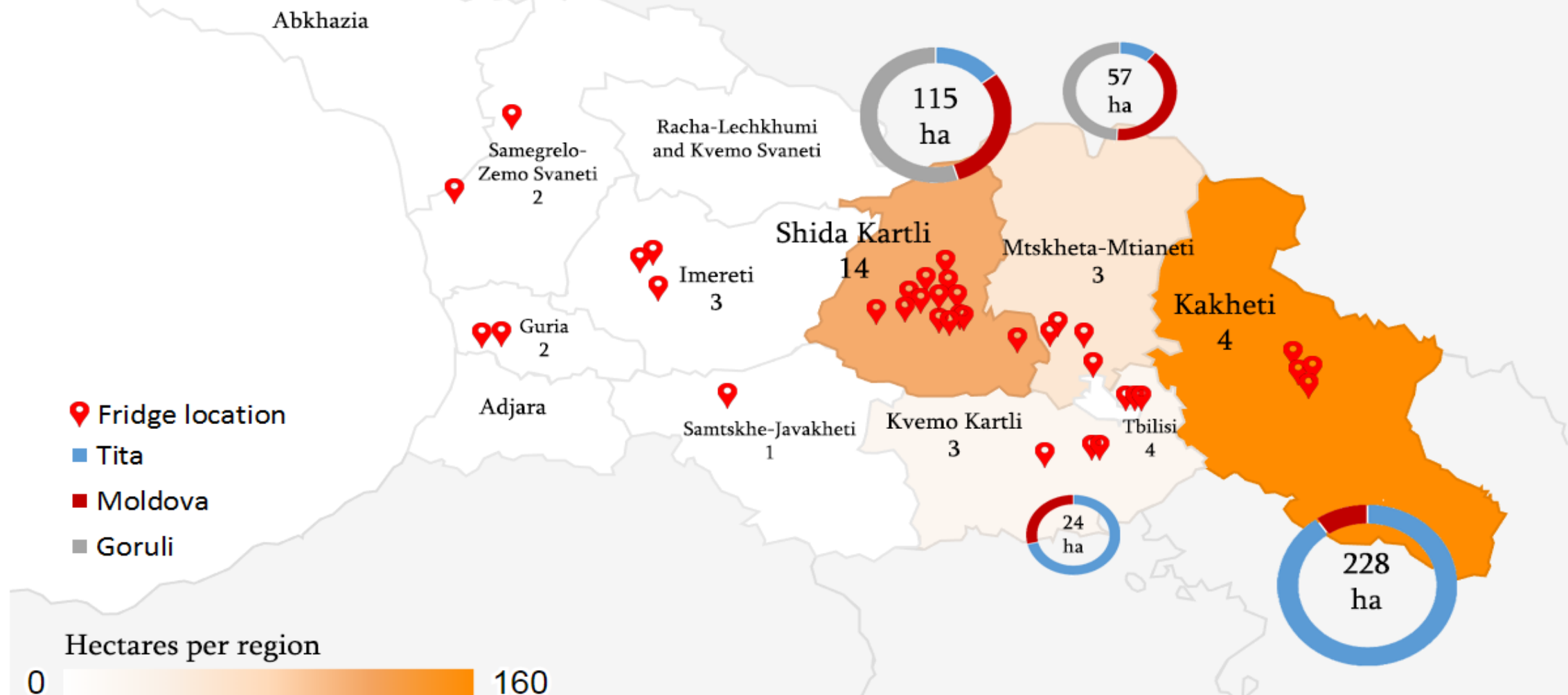


Data source: GNTA



# Table Grapes Vineyards and Cold storage facilities in Georgia

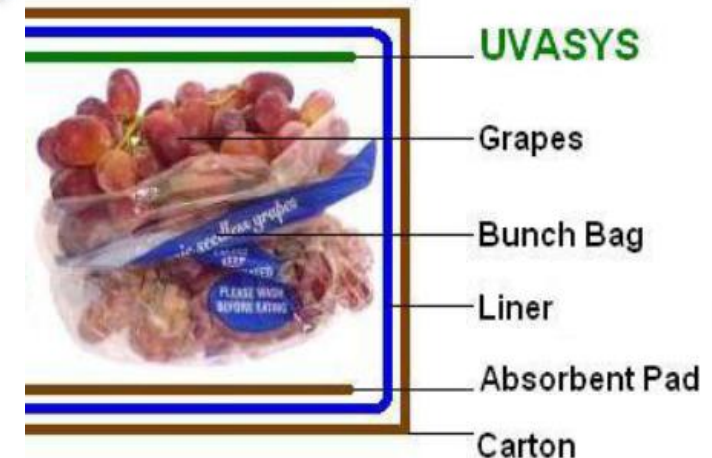
Fill by vineyard hectares and numbers by fridge count





# Storage practices need to be improved

- There are 76 cold storages in Georgia
- Fruit storing capacity in Georgia is 10 000-12 000t, but not suitable for table grapes
- Storage technology needs to be improved
- Investment in Bunch bag+SO<sub>2</sub> pad price = 0,13-0,31 GEL/kg



# Where to sell?

- Locally farmer will receive EXW price – 0,33 USD/kg
- Low-value markets (Russia) – 0,22 USD/kg (traditional varieties)
- High-value markets (EU, Poland) – 0,54 USD/kg: seedless varieties, higher quality and safety requirements, packaging and marketing

 EXPORT TO RUSSIA	 EXPORT TO EU (Poland)	 LOCAL SALES GEORGIA
 Retail price for table grapes 1,70 USD/kg	 Retail price for table grapes 2.60 USD/kg	 Retail price for table grapes 1.1 USD/kg
 Retail entry price 1,06 USD/kg	 Retail entry price 1.37 USD/kg	 Retail entry price 0.82USD/kg
 VAT, 18% (0.19 USD/kg)	 VAT, 8% (0.11USD/kg)	 VAT, 8% (0.11USD/kg)
 Transportation costs, 0.12 USD/kg	 Transportation costs, 0.22USD/kg	 Transportation costs, 0.01 USD/kg
 Customs, 0.10 USD/kg	 Customs, 0.10 USD/kg	 Customs, 0.10 USD/kg
 Packaging, 0.06 USD/kg	 Packaging 0.14 USD/kg	 Packaging, 0.07 USD/kg
 Sorting 0.12 USD/kg	 Sorting 0.20 USD/kg	 Sorting 0.20 USD/kg
 Storage 0.06 USD/kg	 Storage 0.06 USD/kg	 Storage 0.06 USD/kg
 Production costs, 0.20 USD/kg	 Production costs, 0.20 USD/kg	 Production costs, 0.20 USD/kg
 VAT credit/refund, 0.01 USD/kg	 VAT credit/refund, 0.01 USD/kg	 VAT credit/refund, 0.01 USD/kg
 EXW price, 0.22 USD/kg	 EXW price, 0.54 USD/kg	 <b>EXW price, 0.33USD/kg</b>

# Opportunities

- ***Substitution of import and optimization of supply timing***
- ***Introduction of new varieties (early, seedless, sweet)***
- ***Diversification of production areas***
- ***Introduction of modern growing technologies (Pergola)***
- ***Improved storage practices will allow shift supply to off-season in local and export markets***
- ***Improvement of packaging and marketing for better shelf life***

# Thank you

