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Stakeholder Mapping of the Dairy Sector

Prepared by the Export Development Association (EDA)

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The Export Development Association has collected, compiled and validated data from dairy sector stakeholders for the following target regions: Imereti, Kakheti, Guria and Racha-Lechkhumi and Kvemo Svaneti. As a result of the data validation, data were clarified from primary producers of milk and cheese, as well as collectors, processors and other actors in the sector. The data includes the following actors involved in the value chain:

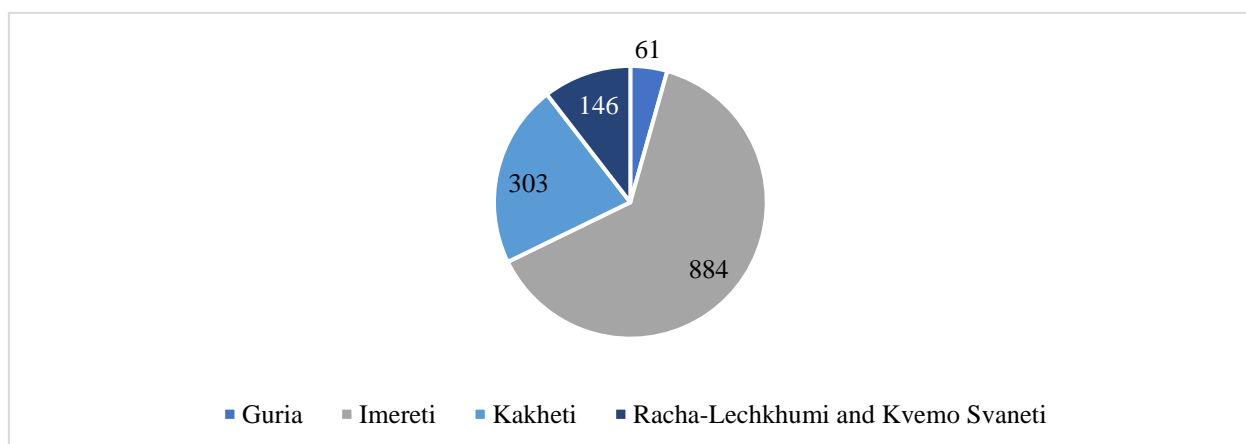
1. Production of milk and cheese
2. Milk collectors and processors
3. Animal health
4. Animal feed
5. Veterinary pharmacies and clinics
6. Associations
7. Supermarket chains
8. Financial institutions

The personal data of the farmers, the number of dairy cows, the main and by-products produced, the annual production quantities, the annual quantities of milk processed and, in certain cases, the type of husbandry (intensive, extensive) and the feed ration of the animals were clarified. The analysis of the above data makes it possible to get a picture of the situation of the dairy sector in the target regions.

Milk and cheese production

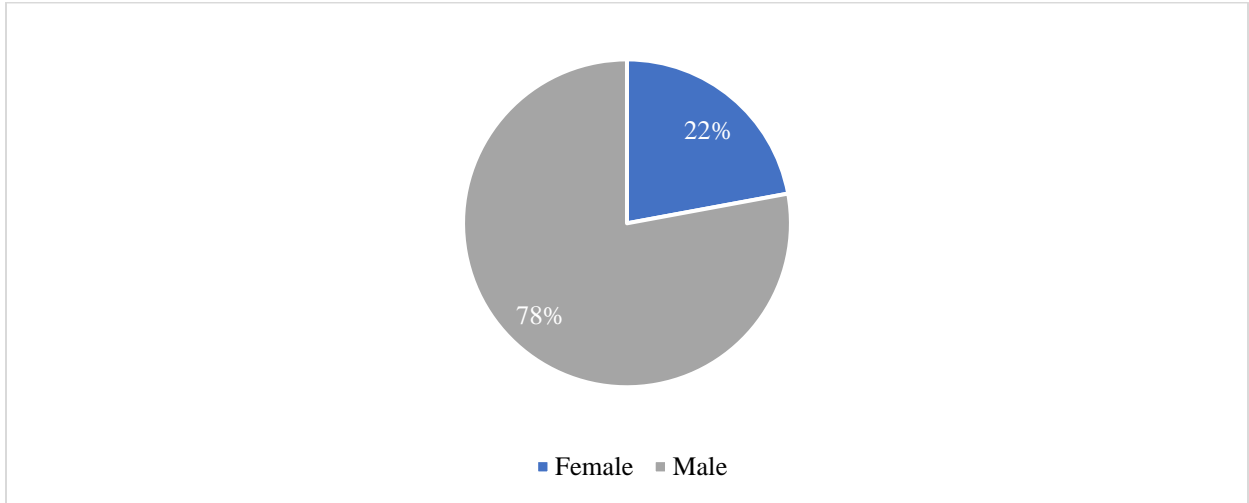
In the regions of Imereti, Guria, Kakheti and Racha-Lechkhumi and Kvemo Svaneti, a total of 1,394 active farmers engaged in primary production of milk and cheese were identified. The regional distribution of identified farmers is shown in the first graph. The graph shows that most farmers (884) were identified in the Imereti region and only a few in Guria (61).

Figure 1. Number of producers of milk and cheese by region



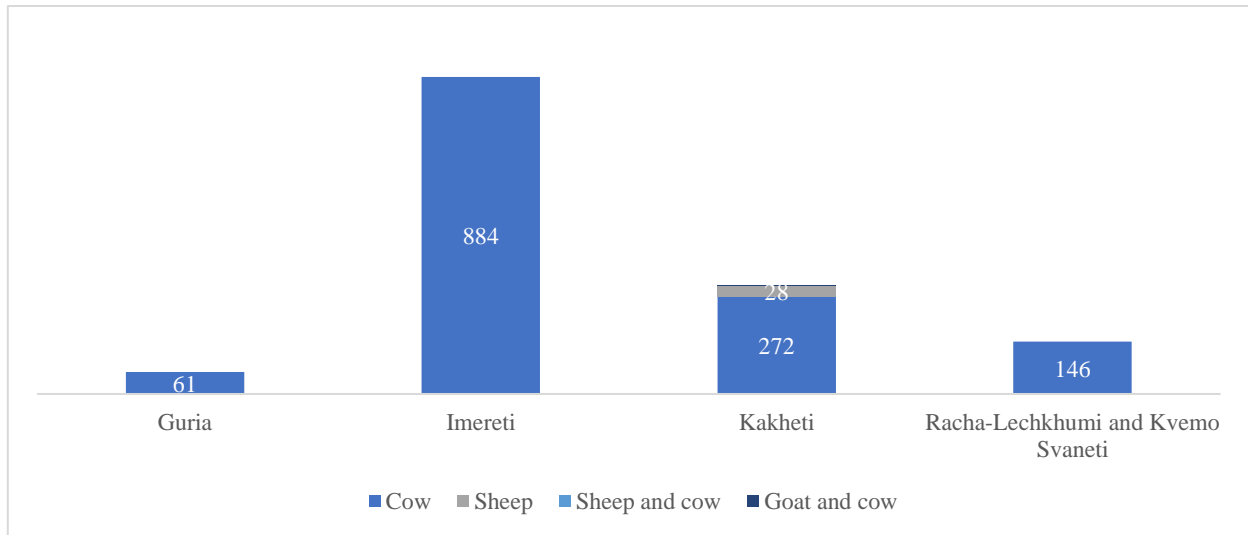
The gender distribution is shown in Figure 2. Figure 2 shows that the share of women in the primary production of milk and cheese is only 22%.

Figure 2. Distribution of milk and cheese producers by gender



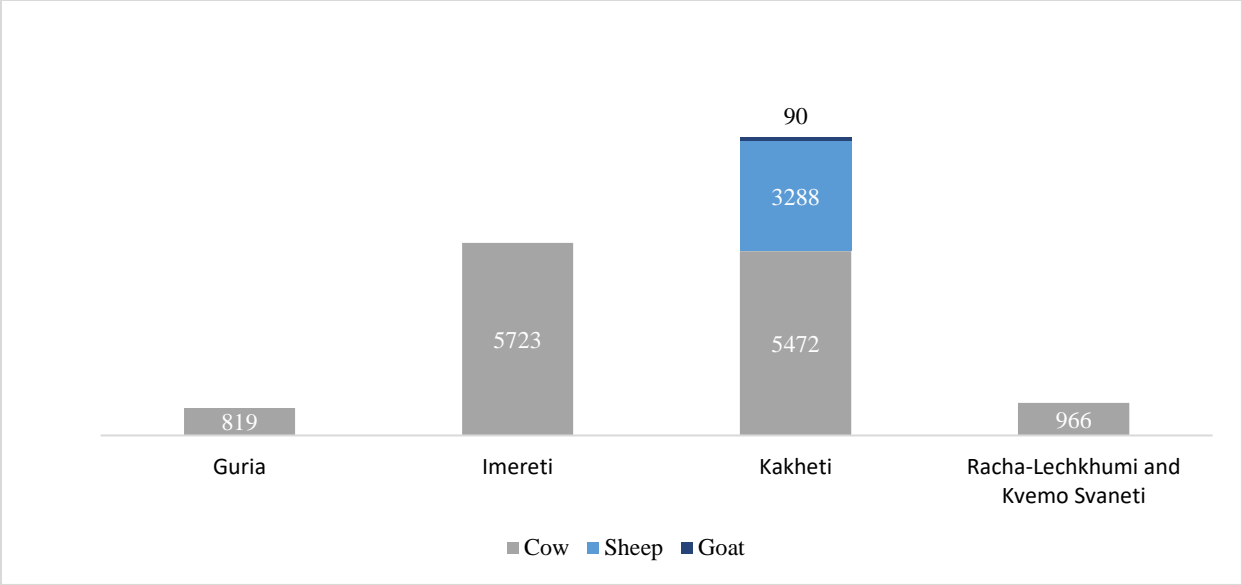
Farmers identified in the Guria, Imereti, and Racha-Lechkhumi Kvemo Svaneti regions are exclusively engaged in cow's milk production, while several individuals with sheep or goats were also identified in the Kakheti region. Figure 3 shows the distribution of farmers according to their activity.

Figure 3. Distribution of farmers by type of dairy cattle they own and region



Since most farmers are from the Imereti region, the number of cows is highest in this region. However, Kakheti leads among these regions in all types of dairy cattle, including sheep and goats. Figure 4 shows the total number of dairy cattle (cows, sheep, and goats) by region.

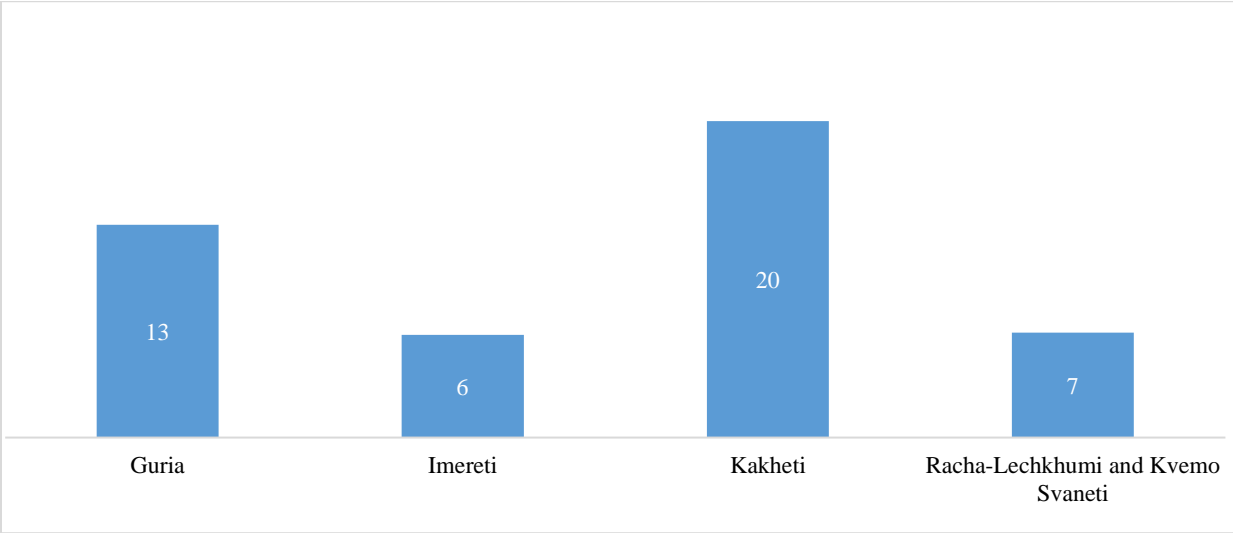
Figure 4. Number of lactation livestock by region



As the graph shows, Kakheti has the largest dairy herd with 5,472 cows, 3,288 sheep and 90 goats. The smallest livestock is in Guria region with total 819 dairy cows.

Figure 5 shows the average number of cows per farmer by region, calculated as the total number of cows divided by the total number of identified farmers per region with at least 1 cow.

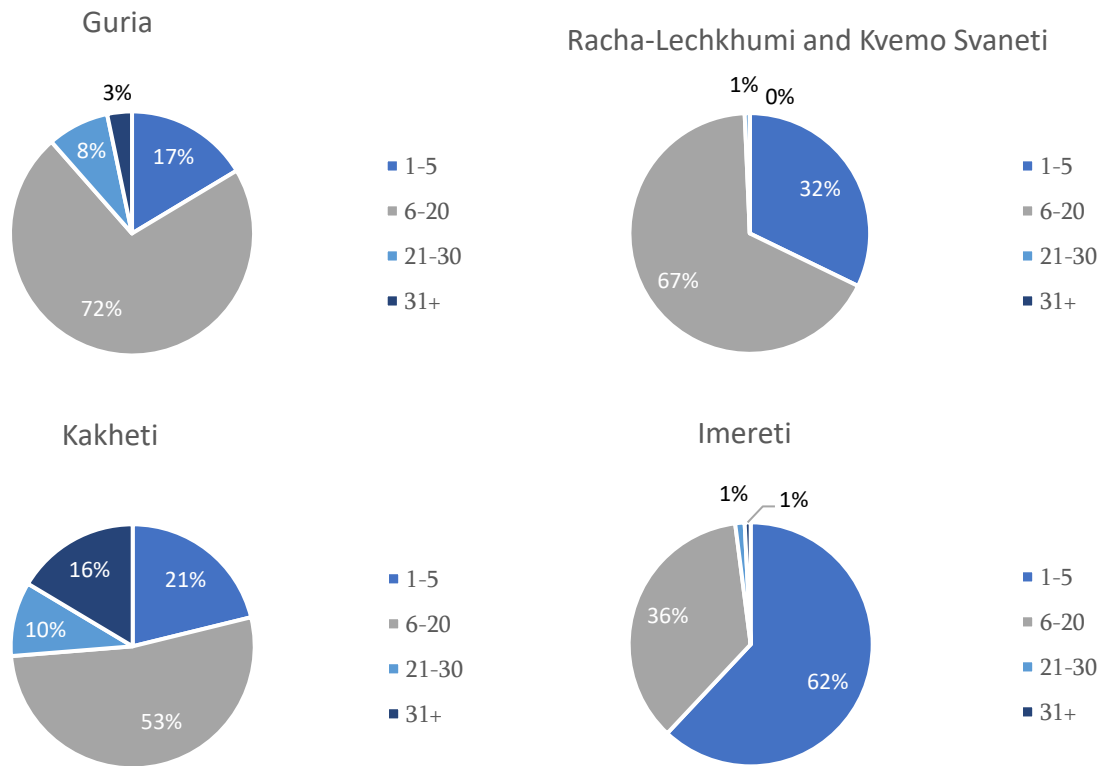
Figure 5. Average number of dairy cows per farmer by region



As can be seen from the figure, the average farm size in terms of the number of dairy cows is the largest in the Kakheti region. The average farmer from this region keeps 20 cows. In contrast, in Imereti and Racha-Lechkhumi and Kvemo Svaneti regions there are mainly small farmers with 6-7 cows on average. In Guria region, the average farmer owns 13 cows. Figure 6 shows the percentage distribution of farmers among the following ranges: 1-5 cows, 5-20 cows, 21-30 cows, and more than 31 cows.

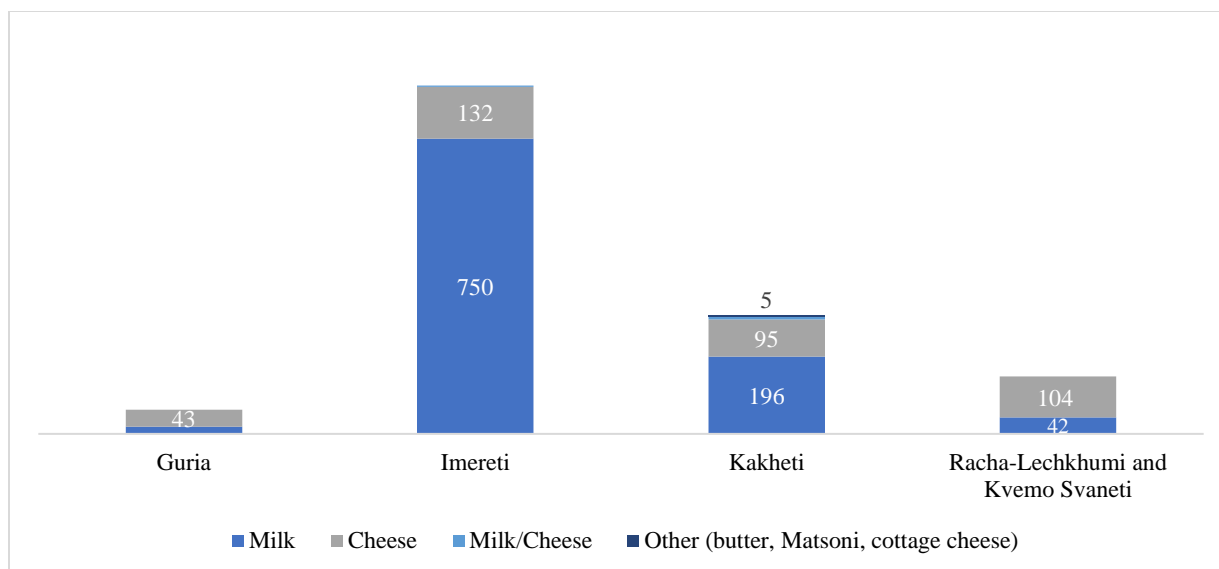
As shown in the diagram below, most farmers in Guria, Racha-Lechkhumi and Kvemo Svaneti and Kakheti keep 6 to 20 dairy cows. And the majority of farmers in Imereti region (62%) keep 1 to 5 dairy cows. Only 3% of identified farmers in Guria and 1% of identified farmers in Imereti region keep more than 30 cows, while in Kakheti region, 16% of identified farmers keep more than 30 cows.

Figure 6. Distribution of identified farmers by number of cows they keep and region



Farmers were also divided according to the main products they produce, as shown in Figure 7. The figure shows that farmers from Guria and Racha-Lechkhumi and Kvemo Svaneti produce mainly cheese, while the main product of farmers from Imereti and Kakheti is milk. Relatively few farmers produce other dairy products such as butter, Matsoni and cottage cheese.

Figure 7. Distribution of farmers by primary products produced and region



284 Farmers produce other by-products: butter, curd, sour cream, cottage cheese, wool and meat.

Milk production

As for the amount of product produced, the data collected indicated partly daily production and partly annual production. In order to put the amount of milk produced in one dimension, the annual production was calculated based on the daily production, assuming that the lactation period of a dairy cow is about 305 days per year, which marks the beginning of the dry season, which lasts 45-60 days on average. Accordingly, under this assumption, daily milk production was multiplied by 305 days, and the total and average quantities shown in Table 1 were calculated.

Table 1. Annual milk production quantities, total, per farmer and per cow

Region	Total annual milk production (liters)	Average annual milk production per farmer (liters)	Average annual milk yield per cow (liters)
Guria	368,000	20,444	1,549
Imereti	8,069,080	10,801	2,032
Racha-Lechkhumi and Kvemo Svaneti	416,020	10,147	1,910
Kakheti	10,792,945	56,507	2,409
Total	19,646,045	19,745	2,092

According to the data, the total milk production of the identified farms is more than 19 thousand tons, most of which is provided by the regions of Kakheti (55%), followed by Imereti (41%). Kakheti region is the leader in terms of average milk production per farmer, and milk yield per cow. The less productive cows are concentrated in Guria and Racha-Lechkhumi and Kvemo Svaneti regions.

Cheese production

There are two types of processors. Most are small farmers who use their milk to make cheese, which is their main product. Some larger processors were also identified that collect and buy milk from small farmers and produce cheese or other dairy products such as matsoni, cottage cheese, curd, etc. The cheese production of small farmers in each target region is shown in Figure 8.

Figure 8. Total yearly cheese production by primary producers and the average production per farmer

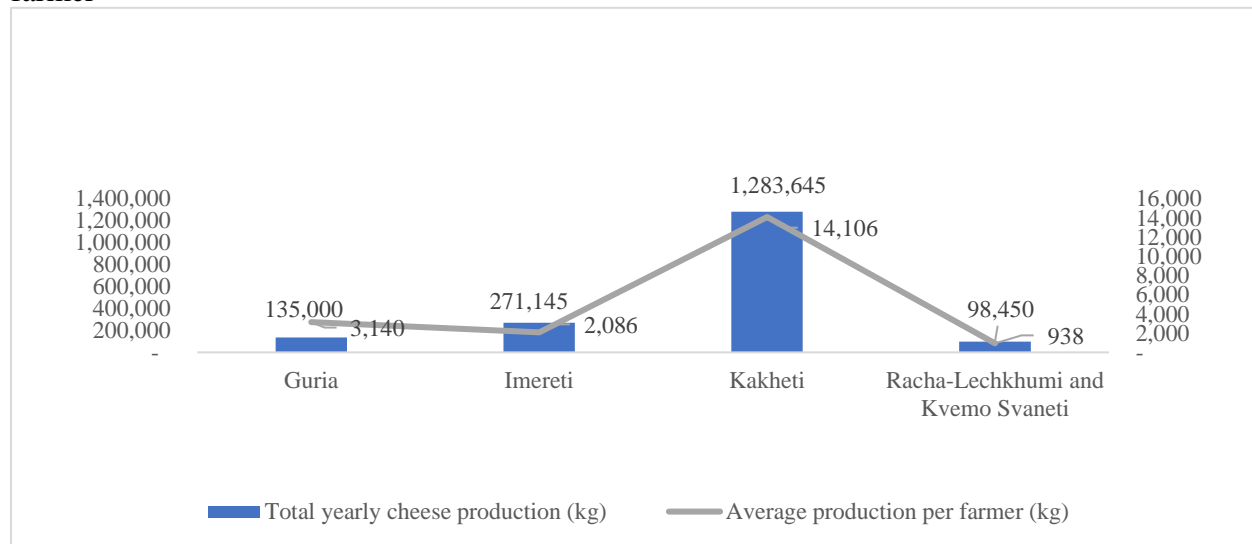


Figure 8 shows that the largest cheese producer is Kakheti region which produces a total of about 1,282,645 kg of cheese. This figure is an approximate value. Similar to the calculation of annual milk production, daily cheese production was multiplied by 305 days to obtain the annual production level. The smallest amount of cheese is produced in the Racha-Lechkhumi and Kvemo Svaneti region. Kakheti region also leads in cheese production per farmer. It should also be mentioned that by cheese we mean mainly Imeruli and Sulguni cheese.

In addition, 688 of the total 1394 farmers were asked¹ whether they make their own livestock feed or buy it from feed manufacturers. 337 (49%) farmers make their own feed, 180 (26%) farmers buy it from feed manufacturers, and 171 (25%) farmers do both, depending on their needs. However, some farmers who make feed exclusively for their cows must buy bran and hay in the winter due to the lack of their own feed. The main feeds for dairy cows are hay, corn, barley, wheat, wheat bran, alfalfa, soybean meal, silage, and concentrates.

Of the 1394 farms, 703 were classified as extensive or intensive. Of the 703 farms, most, 663 (94%), are extensive, 40 (6%) are intensive. The vast majority of intensive farms are located in the Kakheti region.

¹ This question was asked only to farmers from Imereti, Kakheti and Racha-Lechkhumi and Kvemo Svaneti regions. In addition, only farmers from these regions were classified as extensive or intensive.

Milk collectors and processors

In the Imereti region, a total of 15 milk processors were identified, one of which is also classified as a milk collector. In the Kakheti region, one milk collector/processor was identified. The main product they produce is cheese. The average annual production of these processors is 8,819 kg of cheese. As by-products they produce matsoni, cottage cheese, curd cheese and sour cream.

Animal health

A total of 27 individuals were identified as providing veterinary services. The veterinary services provided by them are: Infusions, injections, surgical procedures, vaccinations under government programs, control and response to particularly dangerous diseases, and artificial insemination.

Animal feed

A total of 44 feed producers were identified in the regions of Kakheti (39) and Imereti (5). They produce the following products: corn, hay, alfalfa, straw, barley, wheat, and other compound feeds. In total, these 44 producers produce about 15,905.2 tons of feed annually, and the average production per producer is 361.48 tons.

Veterinary pharmacies and clinics

A total of two veterinary clinics were identified in the Imereti region.

Associations

There are a total of 10 dairy associations in Georgia:

1. Dairy Georgia Association
2. Guild of Cheese Producers
3. Georgian Dairy Association
4. Guda Cheese Producers Association
5. Georgian Farmers Association
6. Shepherds Association of Georgia
7. Association Tushetian Shepherd
8. Goat Association
9. Adjarian Milk Suppliers Business Association
10. Farmer of the Future

Supermarket chains

Table 2 lists the supermarket chains operating in Georgia and the number of their stores throughout the country.

Table 2. Supermarket chains and number of stores throughout Georgia

Supermarket	Branches around Georgia
Carrefour	8
Fresco	8
Foodmart	51
Goodwill & Marche	8
Universam	2
Nikora holding	242
Ori Nabiji	95
Smart	12
Vejini	5
Zgapari & Baia	19
Magniti	150
Agrohub	2
Europroduct	12

Financial institutions

In Georgia, 15 commercial banks, 59 microfinance organizations (MFOs), two credit unions, and four leasing providers were identified. The database contains contact information for these organizations and the date they were licensed.