The European Union for Georgia

ENPARD: Support to Agriculture and Rural Development

2015 Annual Assessment of Agricultural Cooperatives

Main Findings

April 2016

Technical Information

- The survey aimed at studying the cooperatives before providing the grant support and/or track the development of the cooperatives;
- Face to face interview method with semi structured questionnaire used for the survey;
- Interviews conducted with the representatives of the cooperatives during the site visits;
- Interviews conducted and the results analyzed by MC ENPARD M&E officer;
- Totally, 37 MC ENPARD supported cooperatives interviewed;
- The data collated from the various survey periods and the cooperatives from three cycles for comparison (see the table below).

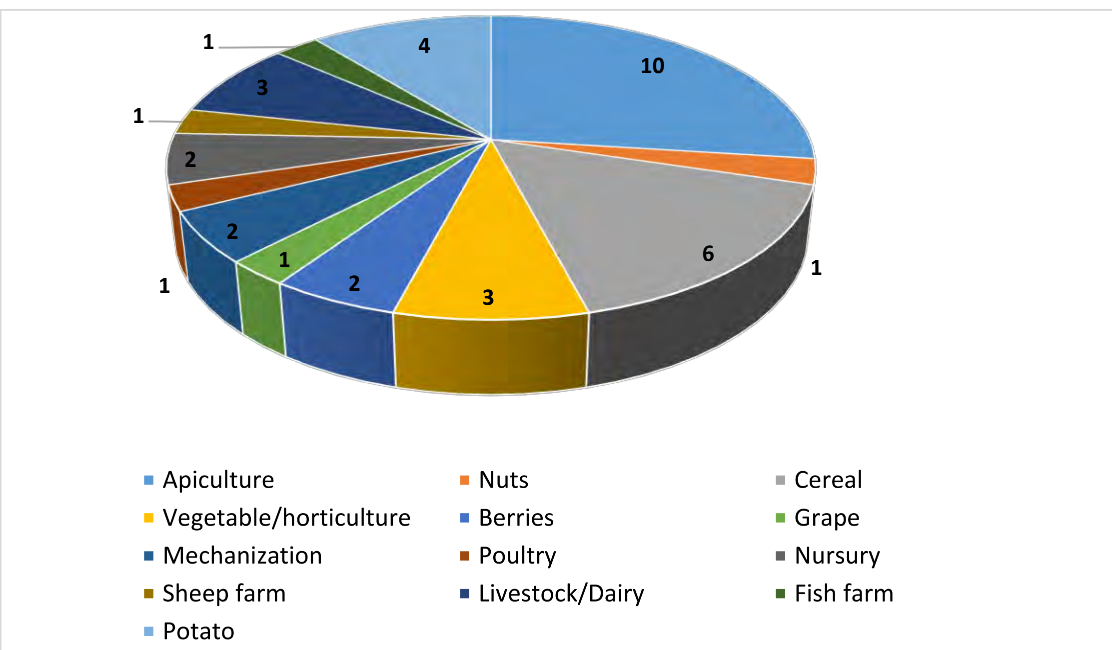
Survey Period

Survey *No*	**I**	**I I**	**I I I**	**IV**
Survey Period	Sept. 2015	April 2016	Feb. 2017	Nov. 2017
Cycles by Coop selection	I, II	I, II, III	I, II, III, IV, V	I, II, III, IV, V

Sectors Covered by the Cooperatives (all three cycles)

The supported sectors are diverse with the top one of beekeeping followed by the cereal with the sub sector of maize in Imereti and wheat and barley in Shida Kartli and Samtskhe-Javakheti. No surprise that Samtskhe-Javakheti is represented by the cooperatives in the field of potato. Among the beneficiaries there are not only the cooperatives of the value chain in primary production but those as well providing the service provision that supports the primary production (i.e. mechanization) or post-harvest treatment (i.e. nut processing).

Chart 1: Sectors covered by the cooperatives



Production

In general, as shown in the tables below, the year of 2015 is characterized by the growth of the products in most of the sectors. Significant growth is observed in the nursery field as well as in potato production and horticulture followed by the growth in vegetable and cereal. The additional post harvest treatment service supported by ENPARD increased the volume of the nut production. However, the figures (tables 1 and 2) show the decrease in certain production mainly resulted of the mismatching of agricultural season with the period of receiving grant/grant submission period/its utilization and/or natural disaster. For example, though, in 2015, the beekeeping was characterized by the growth, generally, the beekeepers noted about the natural disaster (drought and rain) and lack of productivity which, in case of some cooperatives in beekeeping sector (''Gika'', ''Neqtari'') was reflected in the decrease of the production. The berry production did not increase due to the droughts. However, the irrigation system considered by the grant was activated by the end of the year 2015, which on its part will be the response to the possible natural disasters in future. Cooperative ''Mani'' also reported zero productivity due to the rainfalls. 3 cooperatives, out of 24 cooperatives, stated that they did not cooperate, though, the group members were separately engaged in the agricultural activitiescooperative''Ertoba'' and ''Sabarako'' in cereal growing, ''Chkvishi'' in vegetable and horticulture. Due to mismatching of the tractor delivery time under the MC ENPARD grant to the cooperatives mentiond below, the Cooperative ''Samtredia+'' had a poor harvest and a mechanization cooperative ''Tsikara'' could not utilize its aggregates to the full operational level.

Table 1. Production by sector according to the cycles:

1st and 2nd Cycle_24 cooperatives			
Production 2015		**Production 2014**	
Sector	**Volume**	**Sector**	**Volume**
Nursery	583000 unit	Nursery	190000 unit
Potato	550000 kg	Potato	354000 kg
Cereal	701150 kg	Cereal	512000 kg
Berry	40500 kg	Berry	45500 kg
Fruit	3000 kg	Fruit	5000 kg
Vegetable	38000 kg	Vegetable	22000 kg
Apiculture	7500 kg	Apiculture	6100 kg
Nuts	6000 kg	Nuts	400 kg
Horticulture	90000 kg	Horticulture	67000 kg
Grape	0 [1]kg	Grape	1200 kg
Sheep Farm	450 unit	Sheep	100 unit
Poultry	0[2]	Poultry	0
Mechanization	120 ha	Mechanization	25 ha

[1] The grape was totally damaged by natural disaster (heavy rainfalls)

[2] The production did not start as the grant is not yet utilized

Table 2. Production by cooperatives (1st and 2nd cycles)

Coop.	Production 2015		Production 2014
	Product	**Volume**	**Volume**
Vashlara	Honey	3000 kg	1000 kg
Ore et Labora	Honey	2000 kg	2000 kg
Agro Api	Honey	2000 kg	1400 kg
Gulkartli	Honey	800 kg	400 kg
Gika	Honey	500 kg	1500 kg
Neqtari	Honey	0 kg	200 kg
Ertoba	Maize	2000 kg	Did not work together
	Barley	20 000	
	Wheat	8000 kg	
	Beans	600 kg	
	Garlic	500 kg	
Sabarako	Maize	20 000 kg	Did not work together
	Wheat	20 000 kg	
	Oat	5000 kg	
	Barely	12 000 kg	
	Beans	1000 kg	
Meurne	Maize	14 000 kg	30 000 kg
	Beans	5000 kg	
	Fruit	3 000 kg	4 000 kg
	Tomato	16 000 kg	16 000 kg
	Cabbage	100 000 kg	
Chkvishi	Cucumber	6 000 kg	Did not work together
	Tomato	6 000 kg	
	Watermelon	55 000 kg	
	Melon	18 000 kg	
	Pumpkin	17 000 kg	
Mamuli	Maize	350 000 kg	350 000 kg
Samtredi +	Maize	176 000 kg	0
AgroDevelopment	Maize	67500 kg	63 000 kg
	Garlic	4 000 kg	4 000 kg
Gea	Berry	500 kg	500 kg
Isa	Berry	40 000 kg	45000
Five Star	Potato	180 000 kg	150 000 kg
	Wheat		30 000 kg
Rajdeni	Potato	30 000 kg	4 000 kg
	Wheat		4 000 kg
	Maize		2 000 kg
	Oat	20 000 kg	
Dzulukhi	Nuts	6 000 kg	400 kg
Khulgumo	Mechanization	35 ha	
	Potato	300 000 kg	200 000 kg
	Wheat	30 000 kg	25 000 kg
Tsikara	Mechanization	80 ha	0 ha
Akhali Dzevera	Sapling	40 000 unit	15 000
Mani	Grape	0 kg	1200 kg
Tskhvari	Sheep	450 unit	100 unit
Gezruli	Checken	0 unit	0 unit

Financial Information

Income

Out of 24, 7 farmer cooperatives couldnot tell what was the total income in 2014 as that time, mostly, the farmer groups worked in an informal, spontaneous initiative which does not extend over farm working and does not includ product sales together (coops.''Rajdeni'', ''Meurne'',''Khulgumo''). However, we can still evaluate the development of these cooperatives by tracking the change in the volume of their production (please see the table 2) which is all characterized by the growth. Some cooperatives cannot provide the sales in figures, as they did not cooperate (Coop. ''Chkvishi'', ''Ertoba'', ''Sabarako''). Coop. ''Samtredia +'' and ''Tskvari'' did not produce any significant volume of the agricultural product in 2014. Coop. ''Akhali Dzevera'' was engaged by investing for the business development over 2014 and coop. ''Dzulukhi and ''Tsikara'' could only develop new services once supported by the respective inventories through the MC ENPARD program.

4 cooperatives stated they did not receive any income in 2015 -coop.: ''Mani'' and ''Neqtari'' due to natural disasters. Another two are awaiting the production in spring 2016 (coop. ''Tskvari'') as the result of grant received in late 2015 and the purchase/ construction (as deemed by the grant) to start operation (coop. ''Gezruli'').

Chart 2. Total Gross Income (1st and 2nd cycles)

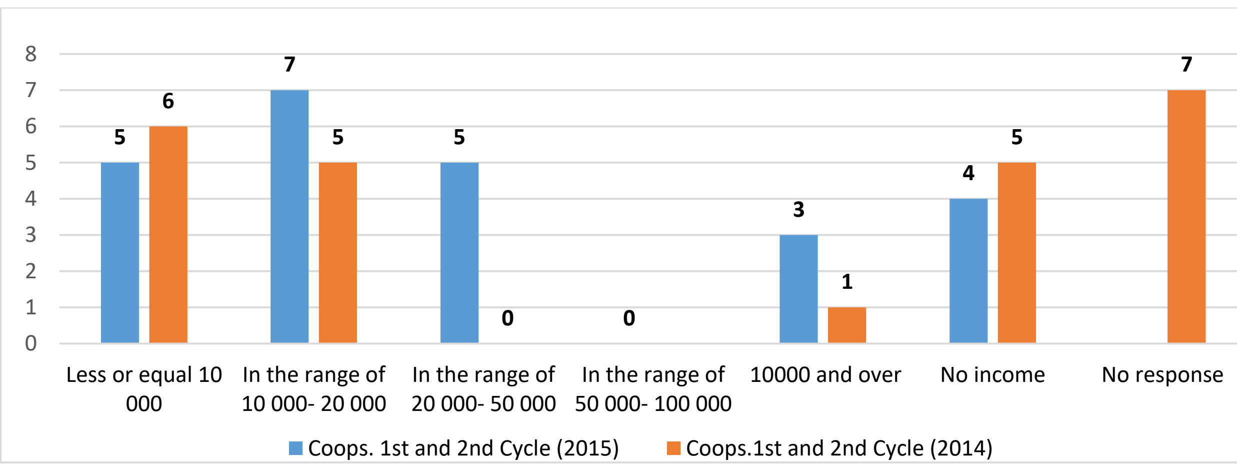


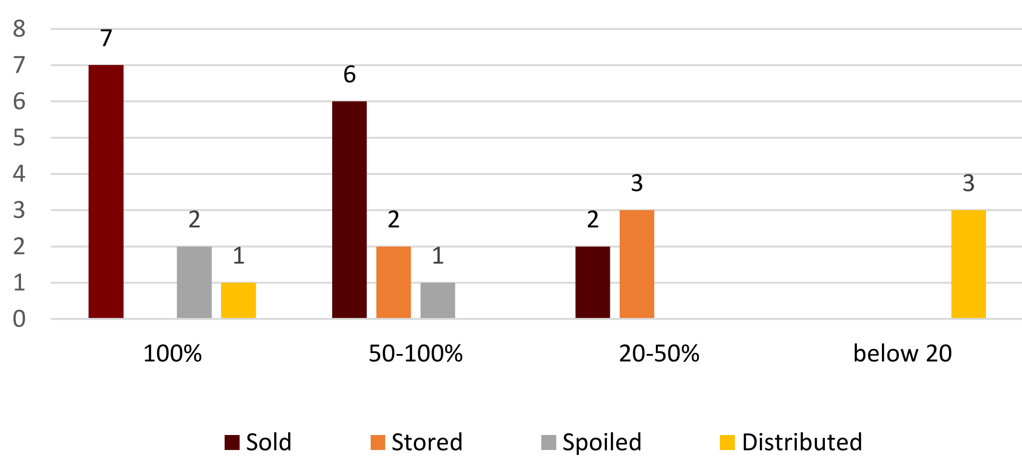
Table 3: Total Gross Income (1st and 2nd cycles)

Name of the Cooperative	**Gross Income (GEL) 2015**	**Gross Income (GEL) 2014**
1. Gea	3000	3600
2. Rajdeni	18000	Did not sell together
3. Samtredia +	16000	0
4. Akhali Dzevera	247300	0
5. Mamuli	193 000	4200
6. Vashlara	35 000	10 000
7. Meurne	49600	Did not sell together
Name of the Cooperative	**Gross Income 2015**	**Gross Income 2014**

8. Gika	5000	15000
9. Agro Development	28400	17040
10. Ore Et Labora	20000	18000
11. Gulkartli	10 000	4000
12. Tsikara	14000	0
13. Sabarako	18000	Did not work together
14. Khulgumo	10513	Did not sell together
15. Ertoba	15030	Did not work together
16. Five Star	157240	19500
17. Dzulukhi	41000	Did not sell together
18. Isa	10 000	135000
19. Gezruli	0	0
20. Tskhvari	0	0
21. Mani	0	7000
22. Chkvishi	25000	Did not work together
23. Neqtari	0	2000
24. AgroApi	30 000	20000

The majority of the product produced by the cooperatives were sold. The cooperatives made the most of the sales from the field which is a way far from convenient and acceptable for some cooperatives (at least at this stage of development) while others manage (cooperative ''Samtredia+'') or in near future, plan to store the product and sell for higher price (cooperative ''Agro Development within the MC ENPARD program). According to the majority of the representatives of the cooperatives, the major part of the income was reinvested to cover the additional cost incurred for the grant co-financing.

Chart 3. The share of the product Sold, Stored, Spoiled or Distributed to Members (1st and 2nd cycle)

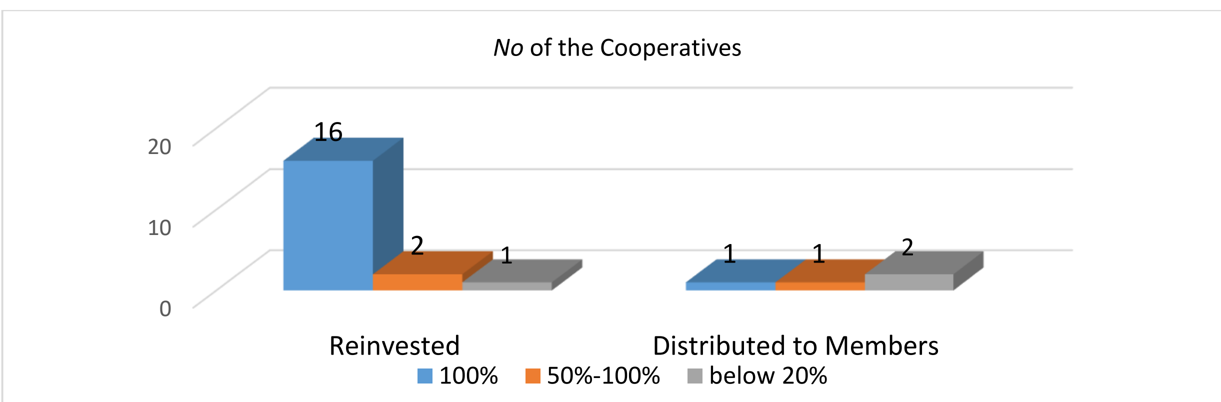


The response was indicated by 20 Cooperatives. 1 cooperative did not produce (Gezruli), another one (Tskvari) did not sell the product yet and 2 cooperatives (''Mani'' and ''Neqtari'' experienced a total loss of the harvest due to the natural disaster). The question was not applicable for three cooperatives who deliver the service- ''Tsikara'', ''Khulgumo'' and ''Zulukhi''

Table 4: The share of the product Sold, Stored, Spoiled or Distributed to Members by cooperatives (1st and 2nd cycle) (%)

Name of the Cooperative	Sold (%)	Stored (%)	Spoiled (%)	Distributed (%)
1. Gea	100			
2. Rajdeni	90			10
3. Samtredia +	30	70		
4. Akhali Dzevera				
5. Mamuli	70	30		
6. Vashlara	70	30		
7. Meurne	100			
8. Gika	100			
9. Agro Development	100			
10. Ore Et Labora	100			
11. Gulkartli	80			20
12. Tsikara	Not applicable			
13. Sabarako	50	50		
14. Khulgumo	Not applicable			
15. Ertoba	50	25		25
16. Five Star				
17. Dzulukhi	Not applicable			
18. Isa	30		70	
19. Gezruli	No income			
20. Tskhvari	No income			
21. Mani			100	
22. Chkvishi	100			
23. Neqtari			100	
24. AgroApi	100			

Chart 4. Share of the Income Reinvested/ Distributed (1st and 2nd Cycle_24 cooperatives)



Note. Response from 20 cooperatives. 4 cooperatives stated they failed to get any harvest

Table 5: Share of Incomes Reinvested/ Distributed (1st and 2nd Cycle_24 cooperatives)

Name of the Cooperative	Incomes Reinvested	Distributed
1. Gea	100	
2. Rajdeni	100	
3. Samtredia +	100	
4. Akhali Dzevera	100	
5. Mamuli	100	
6. Vashlara	100	
7. Meurne	100	
8. Gika	100	
9. Agro Development	100	
10. Ore Et Labora	100	
11. Gulkartli	80	20
12. Tsikara	100	
13. Sabarako	100	
14. Khulgumo	100	
15. Ertoba	80	20
16. Five Star	100	
17. Dzulukhi	10	90
18. Isa	100	
19. Gezruli	No income	
20. Tskhvari	No income	
21. Mani	No income	
22. Chkvishi		100
23. Neqtari	No income	
24. AgroApi	100	

Membership (all three cycles)

There are in total 367 members in cooperatives out of which 136 are female and 231 are male members. On average, there are 9.9 members in each cooperative. In 2014, total number of the cooperative members (1st and 2nd cycles) were 260, while in 2015 we can see a decrease by five numbers (255 members in total). In some of the cooperatives the number of the members decreased due to various reasons such as migration, death, leaving the cooperative (''Gea'', ''Khulgumo'' ''Gulkartli'') while some cooperatives increased the number of the members (''Vashlara'', ''Samtredia+'', ''AgroApi''). To illustrate the size of cooperatives by number of their members, the cooperatives (all three cycles) were grouped in categories of 3-5 members, 5-10 members, 10-20 members and the cooperatives with the members over 20:

Chart 5. Member of the Cooperatives by Gender

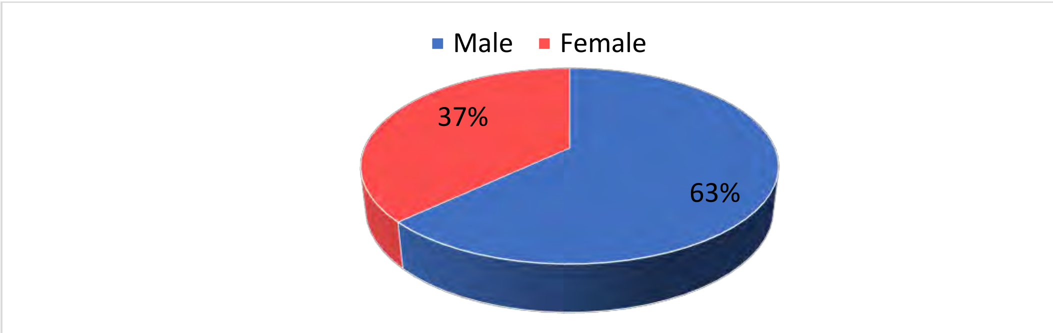


Chart 6. Age of the Members

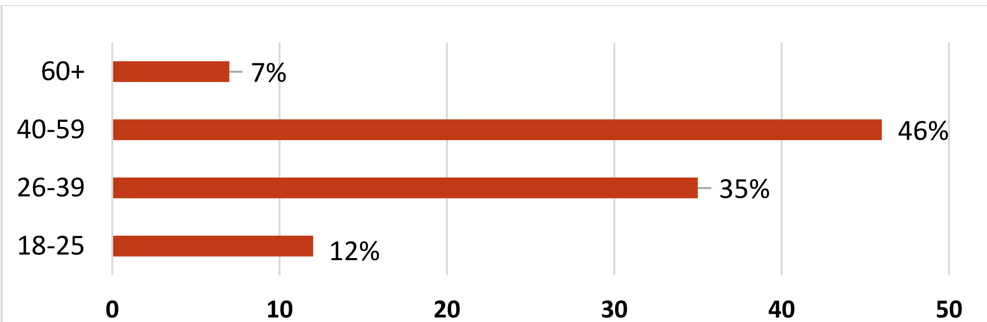


Chart 7. The size of the cooperatives by number of the members:

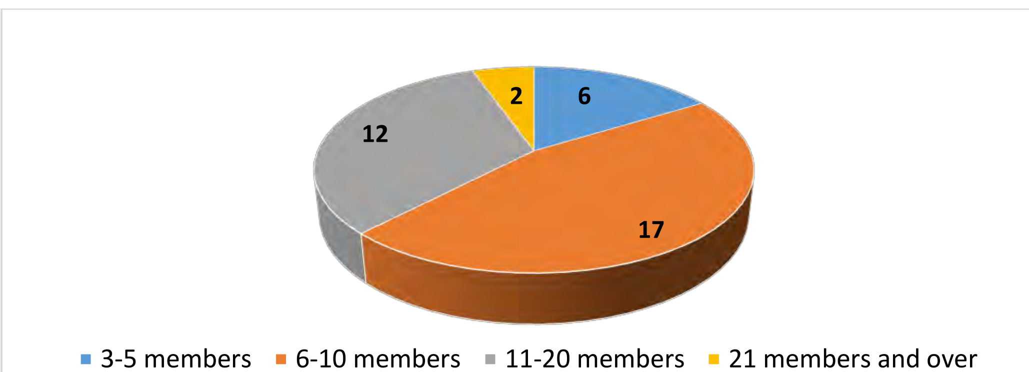


Chart 8. The size of the cooperatives by the number of the members:

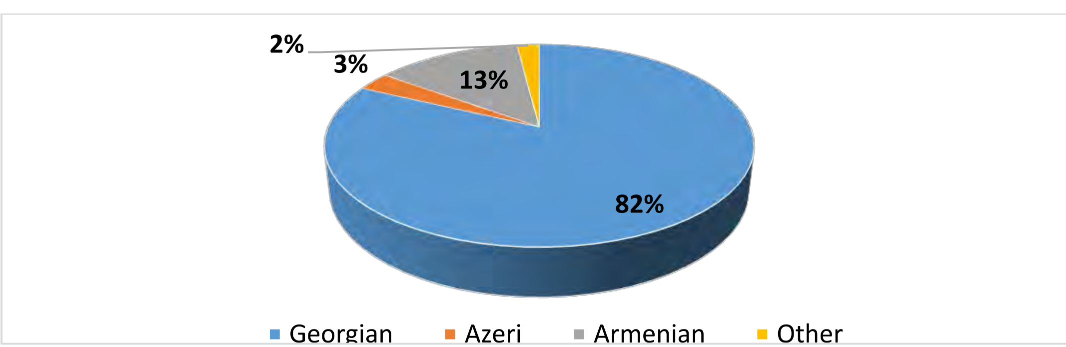


Chart 9. IDP Status and Eco migrants

Cooperative	*No of members*	*Eco migrants*	*No of IDPs*	*Origin of IDPs*
’’Rajdeni’’	6		1	South Ossetia
’’Ore Et Labora’’	10		1	Abkhazia
’’Tskvari’’	5		4	South Ossetia
’’Sabarako’’	9		1	South Ossetia
“Dzala ertobashia’’	11		1	Abkhazia
’’Liakhvi’’	6		6	South Ossetia
“Young Beekeepers Union’’	7		1	South Ossetia
’’Nektari’’	5	3	2	Abkhazia

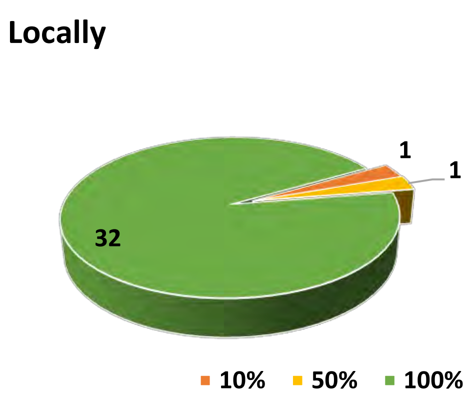
Distribution of Shares

Most of the cooperatives (all three cycles) show more or less equal distribution of share except three cooperatives (“Mani”, Agro development’’, ‘’ Gea’’) in which one of the members possess 40% of share.Share distribution among all members is equal and a gender balance is met.

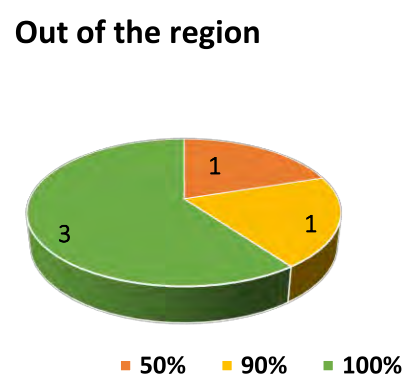
Sales/Purchases

At this stage, none of the supported cooperatives export their produce. Cooperatives basically make their sales at the local market (within the municipality or its neighboring areas) or out of the region in which they operate, but still within the country.

Chart 9. The location of the Sales:



Within the municipality or in the region



Out of the region but within the country