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REGIONAL CONSULTATION WORKSHOP

Smallholders and Family Farms



Regional Initiative: Empowering Smallholders and Family Farms for Improved Rural Livelihoods and Poverty Reduction - country report of Georgia

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Budapest, Hungary, 13-14 March 2018

13-14 March 2018, Budapest, Hungary



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Key agriculture development trends

- Share of agriculture in GDP in 2016 – 9%;
- 43% of total workforce engaged in agriculture, of which 97% are self-employed;
- Share of FDI in agriculture in total FDI in 2016 - 0,5%;
- Average size of agricultural land - 1.4 ha (1.2 ha for family holdings and 49.2 ha for legal entities) (Source: Census 2014);
- 77.1% of holdings operates agricultural land of size less than 1 ha.

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Weight and role of smallholders and family farms Georgia

- No definition of smallholder, different projects, entities, documents use different approaches;
- Land tax exemption for all land owners owning less than 5 hectares;
- Targets of 2013 Small Farmer Assistance Program

S u b s i d i e s		
up to 0.25 ha	0.25–1.25 ha	1.25–5 ha

- Beneficiaries of Agricultural Extension Strategy of Georgia 2018–2019

Small	Medium	Large
up to 1.25 ha	1.25–5 ha	5 ha and more

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Weight and role of smallholders and family farms Georgia

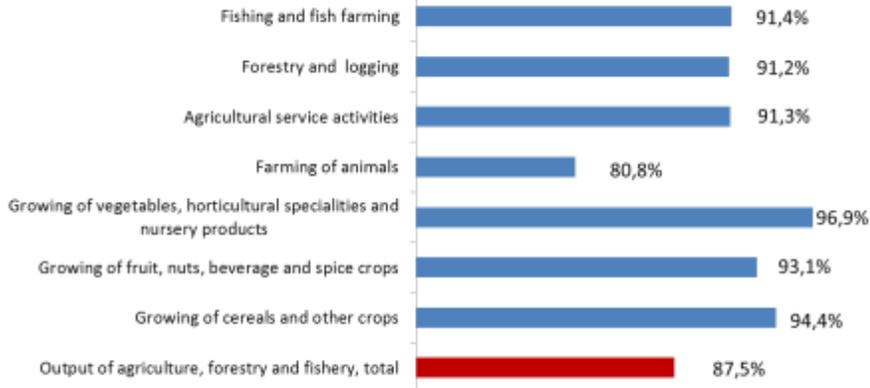
- 642,209 agricultural holdings in Georgia, of which 640 thousand are family holdings. 574 thousand have agricultural land:

Categories	Number of holdings (thousand)	Share
Less than 0.5 ha	288	50%
From 0.5 ha to 1 ha	154	27%
From 1 ha to 2 ha	95	17%
From 2 ha to 3 ha	18	3%
From 3 ha to 5 ha	10	2%
More than 5 ha	9	1%
Total	574	100%

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Share of family holdings in output of agriculture, forestry and fishery



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Conclusions: Needs, challenges and constraints for economic, social and environmental development of smallholders and family farms

Needs

- Agricultural information;
- Low level of mechanization;
- Involvement in agenda-setting.

Challenges

- DCFTA and new rules for the actors in agricultural sector;
- Agricultural insurance;
- Agricultural information;
- Access to reliable agricultural statistics;
- Access to finances;
- Pests and diseases.

Constraints

- Fragmentation of land parcels;
- Land market issues;
- Cash-flow issues;
- Geographic constraints;
- Gender-related constraints.

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Rural areas

- 43% of population is living in rural areas (census, 2014), down from 48% (census, 2002). The high mountain territories experience the highest rates of depopulation. Education level is significantly lower in rural areas.
- Official rural unemployment is significantly lower (5%) than urban unemployment (21%). Agriculture accounts 43% of total work-force and 97% are self-employed.
- Rural poverty in absolute terms is 26%, while urban poverty is 17%. Total cash income in rural areas is USD144 (wages 32%, pensions and TSA 27%, sales of agricultural products 22%).
- The limited social and health infrastructure is one of the key reason for people to move to bigger settlements.
- Georgia is a male-dominated society, especially in rural areas. 70% of land parcels are operated by men.

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Current political priorities and policies affecting smallholders and family farms

- **National policies:**
 - Strategy for Agricultural Development;
 - Rural Development Strategy;
 - State budget allocations.
- **Donor-funded projects:**
 - Evolution of USAID-funded projects;
 - EU and ENPARD;
 - Other projects.
- **FAO Country Programming Framework**

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Recommendations: structural and institutional gaps

- Clarify the status of agricultural lands: finalization of land registration, developing a land consolidation instrument, clarify issues with foreign ownership, address gender issues
- Promote agricultural insurance system;
- Strengthen the delivery of advisory services via extension centers;
- Improve agricultural statistics;
- Integrate new technologies.

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Recommendations: empowerment of smallholders and family farms

- Diversify skill-sets of smallholders;
- Provide capacity building activities tailored to the needs of small farmers;
- Communicate direct DCFTA impacts to smallholders and family farms;
- Ensure social inclusion, especially for ethnic minority regions and women;
- Adapt to climate change by exploring the potential effects on wide range of agricultural activities and widely disseminating the results among smallholders;
- Mix the support and local initiative;
- Integrated local rural development.

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Recommendations: economic promotion activities

- Support investment to increase productivity;
- Facilitate service and marketing cooperatives;
- Help the small farmers to access new domestic and foreign markets;
- Generate more formal employment;
- Promote agro-tourism and rural tourism.

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